

Mining Development, the Public Sector and The AusIMM—Issues and Future Directions

By ANGUS M. ROBINSON¹

ABSTRACT

The mining of Australia's rich and diverse mineral resources has been central to the development of the continent by "Europeans" over the past two hundred years. Mining has historically been encouraged (to varying degrees) by development-orientated state governments (the managers of largely Crown-owned resources) and since Federation, by successive Commonwealth governments (which have seen mineral development as a means of generating export revenue to fund predominantly social-welfare orientated budgets).

This marriage of convenience between governments and the mining industry has to date served all parties well. However, Australia's entry to a new world economic environment at a time that community perceptions are changing (owing to an education-inspired challenge to "old" values) is challenging the hitherto held assumption that mining development is always aligned with the well-being of the State and community. Issues such as the type and extent of State/Commonwealth government taxation, resource ownership and control, the environment, land use conflict, the extent and desirability of secondary processing and infrastructure funding are being debated in the public arena. Opponents of mining in the community are well-organised and are well funded, articulate and more importantly, they have effective communication channels with most governments, irrespective of political complexion. Apart from some television-orientated corporate image building and recent efforts by AMIC, the industry's response to this challenge has been unco-ordinated, poorly directed and arguably ineffective. Professionals working in the industry are concerned about the community's perception of themselves and their industry.

Recognizing that the Australian democratic system ensures that, in the large, government at its various levels, is reflective of and responsive to the views and aspirations of people, the industry's response must be wide-ranging, equally articulate and couched in a form which is politically acceptable. New objectives in providing information to the public and its educators must be formulated. Moreover, professionals are looking for new directions from industry leaders. The Institute is well placed to facilitate this process.

INTRODUCTION

Of increasing concern to the mining industry is the need to establish improved dialogue with the community and through its representatives in government. Professionals, particularly, are desirous of establishing a better public perception of the worth of their work and of the industry they serve. In recent years, there has been increasing discussion about industry—government and industry—public relations. Television advertising campaigns have been conducted by some companies, and industry lobby groups have been active in endeavouring to forge better links with the public through exhibitions and the dissemination of mining-related information. Despite these efforts, there is little consensus in the industry as to the root cause of the industry's apparent public relations difficulties nor has there been any agreement reached as to the most effective strategies for addressing this situation.

In contributing to the debate, this paper briefly reviews this historical development of the industry, in particular the areas in which various government policies and actions have had some considerable impact. Whilst advancing the proposition that governments (and the Australian community) are essentially pro-development, there are a number of important current issues which affect community perceptions of the industry.

¹ Councillor (representing New South Wales) of The AusIMM.

As a professional society concerned about issues affecting the professional development of its members, The Australasian Institute of Mining and Metallurgy (The Institute) should encourage its members to entertain discussion about these public issues with the objective of pursuing strategies which will serve for the betterment of professional status and industry morale.

HISTORICAL DEVELOPMENT OF THE AUSTRALIAN MINING INDUSTRY

The history of Australian mining has been well documented (Natural History of Australia, 1986). Koenig (1988) has discussed Australia's mining history by identifying various stages.

1. Aboriginal mining of quartz, serpentine, basalt, diorite, sandstone and ochres.
2. Extractive mining of shales and building stones for the first European settlers.
3. Early coal mining commencing in Newcastle in 1801 following the discovery of coal near the Grose River in 1789.
4. The early copper mining years at Burra Burra in South Australia in the 1840's.
5. The discovery of gold near Bathurst in 1851 and the subsequent opening up of new fields in other parts of New South Wales and Victoria followed by "rushes" in Queensland (1867), Tasmania and the Northern Territory (1870's) and in Western Australia (1885).
6. The discovery of major base metal deposits in the various goldfields eg Broken Hill (1883), Cobar (1870), Mt Morgan (1882), Mt Lyell (1886), Mt Bischoff (1871). The development of Broken Hill and the subsidiary smelter at Port Pirie as the major mining centre had the most significant impact on the development of the Australian mining industry.

- During this period, Australia was probably the world's most prosperous country in terms of industrial output per head, mainly reflecting the high productivity of mining and pastoralism (Maddison, 1979). However, despite these important discoveries, mining's share of GDP slipped from around 15 per cent in the early 1860's to 5 per cent in the late 1880's because of the declining importance of gold (Rich, 1986).²
7. The development of the Australia steel industry, firstly in Mittagong and then ultimately at Port Kembla and Newcastle (1915).
 8. The discovery in 1923 and subsequent development of the massive copper deposits at Mt Isa.
 9. The post-war development of Australia's extensive energy resources, firstly with uranium at Rum Jungle in the early 1950's and later at Mary Kathleen (1960's) and with the Northern Territory deposits (1970's); secondly with the development of oil and gas in Western Australia, Queensland and Bass Strait in the 1960's; and thirdly by the rapid

² By comparison, mining currently contributes about 7 per cent of Australia's GDP (ABS, 1986).

development in the 1950's and late 1970's of black coal resources in New South Wales and Queensland. (The large scale development of Victoria's brown coal resources has continued steadily during this period.)

10. The large scale development of iron-ore, bauxite (and nickel) in the 1960's and the 1970's and the growth of the mineral sands industry during this period.
11. The growth of Australia's gemstone industry.

Since the colonisation of Australia in 1788, government policies and actions have been linked with the course and direction of Australian mining. Notable examples include the following.

1. The impact of firstly government policy ("miner's right") on gold mining and the eventual reaction of miners (Eureka Revolt of 1854) which lead to the universal franchise, the secret vote and ultimately self-government for the colonies.
2. The implementation of a "White Australia" policy as a result of political reaction to the large number of Chinese immigrants on the gold fields after the late 1850's.
3. The close involvement of various Governments (State and Commonwealth) in the "stop-start" approach to uranium mining (Grey, 1981; Reynolds, 1984).
4. The post-war control of coal mining by government through establishment of the Joint Coal Board and the Coal Industry Tribunal in New South Wales and a Coal Board in Queensland.
5. The effect of the implementation of a Commonwealth bounty on gold in 1930 and a Western Australian Government scheme introduced in 1933 to promote prospecting. Output doubled in the 1930's with capital inflows from Britain, the United States and South Africa with important new discoveries in various states and the retreatment of large volumes of tailings to extract gold (Rich, 1986).
6. The adverse impact of the Commonwealth's export embargo on iron ore between 1935 and 1959 and the subsequent rapid development of the iron-ore industry following its removal.
7. The impact of a Commonwealth ban in 1950 on the export of mineral sands and the subsequent development of a substantial mineral processing industry.
8. The nickel boom/bust of the late 1960's and the closer surveillance by government through regulation of publically listed companies.
9. The effect on investment caused by the establishment (and later dismantling) by a Commonwealth government of a Petroleum and Minerals Authority (Phillips, 1975).
10. Following Commonwealth legislation in 1974 on environmental impact assessment procedures, successive Commonwealth governments have used export licence controls to prevent the development of various sand mining projects (eg Fraser Island and Shelburne Bay projects). This intervention has occurred despite approval by the relevant state government of environmental approvals and the grant of mining title. These controls have also been used to prevent development of uranium mining in Western Australia and Queensland by guaranteeing export licences only for two existing mines in the Northern Territory and for the proposed Roxby Downs mine in South Australia.
11. The 1986 decision of the Commonwealth to desist from applying a tax on gold producers and the subsequent rapid growth of the gold mining industry (West, 1986).
12. Regular changes by Commonwealth Governments to taxation regulations and the resultant effects on mineral exploration (Gillies, 1978).
13. The recent realisation of the Commonwealth Government's resource rental tax on petroleum production and the resultant uncertainty and downturn in exploration activities.

In reviewing the overall impact of government action in a historical sense, it would be easy to criticise individual decisions.

However, it is worth considering the views of G P Phillips, the then Executive Director of the Australian Mining Industry Council (AMIC), in comments on government involvement in the mining industry (with particular reference to the Petroleum and Minerals Authority). "In the modern liberal democracies such as ours, governments are elected to exercise majority will. The minority must accept that, otherwise the system breaks down. It is also part of our system that governments take decisions for and on behalf of the community as a whole. If, in their wisdom, governments take decisions which mean greater involvement in our industry, then that is their right. It is our duty to accept those decisions even though we might not like them or judge them to be against the national interest. In accepting their right to take these decisions, governments are also accepting responsibility for them. That gives the electorate the right to change governments if it considers government actions to be unwise, against the national interest or unnecessary."

The role of government in the resource industry has also been discussed by Court, 1978; Duncan, 1978; Scully, 1978; Webb, 1986.

MINING DEVELOPMENT AND PUBLIC SECTOR POLITICS

From a review of the history of mining in Australia, one could be forgiven for believing that governments generally act to frustrate mining development. This attitude is certainly reflected by the views of many people interested in and supportive of the mining industry. In the context of discussing petroleum, politics and private enterprise, Jamieson (1976) has pointed to a "communications gap between those in private enterprise who aspire to create and expand profits" and "those in government who have the responsibility of ensuring that the nation develops economically in such a way to benefit all Australians to the maximum extent possible".

In reality, most governments, at State and Commonwealth level, actually support resource development. The electorate, it would appear, is also in favour of development, especially when people are reassured that quality of life considerations are given some voice in the planning of particular projects (Head, 1986). The experience of the coal mining industry in New South Wales in recent years might support this view.

The politics of development interacts at every level of government and administration. Both the Commonwealth and the various state governments are engaged sometimes in close co-operation and sometimes in conflict, with various major issues which include

1. provision of infrastructure,
2. taxation and royalties,
3. public finance,
4. environmental and conservation,
5. industry assistance,
6. foreign investment,
7. access to markets,
8. urban and regional planning,
9. aboriginal rights,
10. regional distribution of benefits, and
11. intergovernment relations.

State governments are in active competition for investment. In launching a review of the Victorian Mining Act early this year, the Victorian Minister for Industry, Technology and Resources, the Hon Robert Fordham MP, was quoted as saying "that Victoria needs to become more competitive with other States for investment in exploration and mining". This view is not atypical of development-gearred departments even though other arms of the same government might appear less disposed towards mining.

The support for "responsible mining development" would also seem to be a common objective of all state mines departments

throughout Australia. This objective is also given wide support by the more powerful "Premiers" departments, often the treasuries and other development-orientated bureaucracies. In the Commonwealth sector, various major departments actively support mining and at the local government level, the industry receives a lot of assistance and support from professional staff.

The pro-development ethos of state governments is reflected in legislation where more often than not, ministers of the Crown have discretionary powers or often the "final say" where development approval is concerned. In New South Wales, provisions of the Environmental and Planning Assessment Act, 1979 allows the responsible minister to determine development consent and his decision is not subject to appeal. On occasions, where governments do not wish to use existing legislation, special legislative processes can be adopted to fast-track major projects, (eg Darling Harbour, monorail projects). Unfortunately the mining industry has not been able to gain support, to date, for the use of these "special arrangements".

Despite these positive factors, the mining industry does suffer in one important area. The industry is a relatively small employer when compared to other industries (refer Table 1). The mining industry employs about one quarter of the people employed in agriculture and one tenth of people employed in manufacturing. Of the total spectrum, the industry employs only 1.4 per cent of the work force. Translated into representation in the electorate, this does help to explain why politicians (of all political persuasions) are often loathe to support the industry on key sensitive issues. The exception to this situation occurs when the industry can identify the impact of a government decision on a number of marginal seats and lobby accordingly (eg the recent decision by the Commonwealth government not to impose a "gold tax").

To overcome this electoral liability, the industry needs to become more skilled and selective in lobbying as well as to educate the electorate about the socio-economic benefits of mining to the community.

TABLE 1
Employment in Australian Industries

Industry	Males	Females	Total%	
Agric, Forestry, Fishing & Hunting	251,839	112,543	364,382	5.6
Mining	82,649	9,091	91,740	1.4
Manufacturing	714,351	261,910	976,261	15.0
Electricity, Gas, Water	112,820	13,190	126,010	1.0
Construction	371,480	55,198	426,678	6.6
Wholesale and Retail Trade	689,874	535,187	1,225,061	18.8
Transport and Storage	284,851	62,059	346,910	5.3
Communication	100,256	35,234	135,490	2.1
Finance, Prop & Bus Services	345,440	316,802	662,242	10.2
Public Admin, Defence	265,178	126,881	392,059	6.0
Community Services	404,653	725,654	1,130,307	17.4
Rec, Personal, Other Services	179,936	214,302	394,238	6.1
Non-classifiable	44,985	20,625	65,610	1.0
Total (including not stated)	3,951,904	2,561,611	6,513,515	

Source: ABS 1986 Census

SOME CURRENT MINING ISSUES OF INTEREST TO THE PUBLIC SECTOR

The Environment

The recent rapid expansion in mining activity in Australia has come at a time during which Australians have become more concerned about their environment. This concern has been expressed by the development, particularly in New South Wales and Vic-

toria, of comprehensive environmental legislation and regional environment-based planning policies. Political pressures on politicians have resulted in the setting aside of large areas for national parks, nature reserves, environmental recreation areas and other conservation-based zones such as wetlands (eg NSW State Planning Environmental Policy No 14—Coastal Wetlands). In these areas, which comprise more than 23 per cent of the land surface of Australia (AMIC, 1988), mining and exploration is virtually prohibited. In the less populated states such as Queensland and Northern Territory, where state environmental controls are limited in extent, considerable conflict has developed over the use of various "natural" areas (eg Kakadu, Rudall River, Cape York, Fraser Island) for mining. Again the politics of conservation have been successful in severely limiting the activities of mining companies. But yet mining as a land use only occupies less than 0.01 per cent of the Australian land mass, far less than used by, for example, roads and railways.

The advocates for the conservation lobby are articulate, well funded and enjoy a high public profile and considerable patronage across a broad political spectrum. Whilst their publications (eg "Habitat" of the Australian Conservation Foundation) have limited audited circulation, they are professionally produced, highly readable and achieve a high exposure to the community through municipal, college and school libraries.

It is appreciated that the battle for the environment has not always been fought in the mining areas. Forestry (the Lemon-thyme area of Tasmania, the Eden region of New South Wales and the Daintree rain forests of North Queensland) has taken its fair share of confrontation. However, ironically and quite amazingly, the conservation issues have not been argued in the paddocks of Australia, where over the past two hundred years, the greatest impact on the environment has occurred. With the wholesale destruction of forest-lands, degradation and erosion of soils, and siltation and saltation of Australia's major water-courses, there has been very limited attempts by government³ to effectively regulate agriculture.

The cumulative depredation of land in Australia is disturbingly high by world standards. Australians have almost three times the area of degraded land per head of population than that found in other comparable agricultural nations such as North America (Graetz, 1988). Even in New South Wales where it is viewed that the disturbance of land/soil by mining companies invariably constitutes "designated development" and hence warrants the production of an environmental impact study, the same type and often scale of operations by farmers requires almost no controls. (On steep slopes, and along watercourses, however, the Soil Conservation Service is empowered to prevent the unrestricted removal of trees). The value to the community of the rural industries is unquestioned. Australians must eat and as is the case with mining, the country heavily relies on the value of our rural export products.⁴ The differing responses of Australians to the two forms of primary industries (rural and mining) could perhaps be explained by the following reasons.

1. Food is perceived to be a higher priority material need.
2. The culture of farming is more acceptable than mining to most Australians.
3. Mining is perceived to be a "concentrated" activity, whereas the cultivation of food is carried out throughout the rural environment.
4. Mining is perceived to be "rape" of non-renewable resources for the benefit of the "mine-owners", whereas "everyone" benefits from food production.
5. The farm lobby throughout Australia is so powerful that

³ However, the recent release of the Total Catchment Management, State Soils and State Tree Policies in New South Wales endeavours to address these problems.

⁴ In 1987, for the first time for some years, the total value of wool exports has now exceeded the value of coal exports.

no major political party, despite its persuasion, is likely to entertain the environmental regulation of farming.

The widespread community support for the Roxby Downs project in South Australia does suggest, however, that where it is patently obvious that a community (at large) does depend on mining, attitudes do change.

Whilst this paper is not setting out to argue that in the interests of equity, environmental legislative controls be extended across the board to provide for all land users, including farmers, there is an element of inconsistency in Australian attitudes, but more importantly, lessons can be learnt from the farmers in changing perceptions about mining. Like farmers, "miners" must direct more efforts towards

1. increasing the effectiveness of lobbying, and
2. selling the downstream benefits of mining (cf the "short-cuts" advertising of beef farmers), and demanding from government, a commensurate level of assistance (cf extension services assistance to farmers through state agriculture agencies).

Farming aside, the mining industry has learnt that whilst the short term benefits are not always readily discernable, local communities particularly are responsive to mining developments which maximise environment management practices.

Despite some recent gains on the environmental front, the mining industry still needs to address problems associated with the following situations.

1. Past poor mining practices eg abandoned mine sites (which includes unsealed mine entries, unrehabilitated reject emplacement areas, active fire areas in underground coal mines, unstable underground sites, etc).
2. Unsatisfactory mining practice of some small scale miners in "sensitive" areas.
3. Pollution in watercourses from cyanide treatment plants.
4. Dredging for gold in rivers.
5. Long-term rehabilitation issues for open-cut mines such as the extent and use of final voids.

Ironically, because of the regulatory involvement of government, the mining industry has become a leader in accepting and advocating a conservation land ethic (ie that land is the basic ingredient in determining our quality of life). Indeed, the industry has had a major input into the development of the Commonwealth Government's National Conservation Strategy for Australia. The industry has argued justifiably that the government must make this strategy work (Burton, 1985).

Land use conflict

Of concern to state and local government authorities is the development of policies and practices which provide for the most efficient use of land in areas where competition is intense. Whilst state governments are able (through the use of regional planning policies) to encourage local planning authorities to adopt planning schemes which encourage this objective, often local political pressures make these policies effectively unworkable. Recent community pressure in the Lake Macquarie and Wyong areas of New South Wales is placing proposals for longwall mining beneath residential areas under close scrutiny, to the extent that the New South Wales Government has commissioned a special judicial Inquiry.

These sorts of pressures are less evident in "green field" or out-back areas of Australia. However, interfaces do occur where areas of national or world conservation significance are identified, eg Kakadu area in the Northern Territory. Where questions of aboriginal land rights are also involved, a considerable amount of skill and patience will be required before conflicts are ultimately resolved. The Minister for Resources, Senator Peter Cook, has recently announced that the resolution of land access conflict in the mining/forestry industries is one of his personal policy objectives. However, in response to frustration over land use/ac-

cess issues, the New South Wales Chamber of Mines and Extractive Industries has joined forces with the forestry industry and the Farmers' Federation of New South Wales to form the Land Conservation Council.

State/Commonwealth Government Taxation

The mining industry in Australia is subject to a wide range of indirect and direct taxation by government. Two issues are of particular concern to the industry.

1. Resource Rent Tax/Royalties

As a general guide, the mining of minerals throughout Australia is subject to various rates of ad valorem royalty taxation, and for some types of coal and oil production, Commonwealth excises are applied. The oil industry will soon be subject to a resource rent tax to replace existing State/Commonwealth arrangements and whilst it can be assumed that most state governments will resist any move to extend this method of taxation to non-petroleum minerals, it is likely that with time, a resource rental taxation regime may be progressively introduced.

Rich (1986) has noted that governments may still be influenced by the results of the 1974 Fitzgerald and 1976 IAC studies which found that the Commonwealth spent more on mining than it received from it. He has pointed out that over the last decade, most governments have been much more concerned about maximising their immediate revenues from mining encouraged by the increasing difficulty of balancing their budgets, the apparent prosperity of the industry and, perhaps, growing doubts about the magnitude of public benefit likely to eventuate in other ways. The replacement of fixed royalty rates by a "profit based" system is another approach, but both profit-based and resource rental systems deny a state government treasury the guarantees of fixed and predictable incomes. To ensure that the mining industry is not unduly affected by any future changes in taxation arrangements, the industry will need to devote considerable skilled resources to articulate industry views to both the Commonwealth and to the state governments. The interests, also of local governments, in endeavouring to secure particular "spin-off" funding formulas to provide for "community infrastructure" should also not be overlooked.

2. Gold Taxation

Currently income earned from gold production is not subject to company tax, a situation which has been in existence since the Commonwealth Government, in 1986, "set aside" the contra views of an Inquiry commissioned to investigate and report about this issue. There seems little doubt that the ultimate decision not to tax gold taxation was based on political considerations rather than on just the economic considerations alone. Despite the fact that the present favourable taxation regime has helped result in a spectacular upsurge in investment and real export benefits generated from gold mining, history has shown time and time again that governments will select the appropriate occasion to change taxation regimes. The mining industry cannot afford to ignore this issue, not only from the point of view of continuing articulating views to government, but also by building in contingencies into existing investments for the possibility⁵ of providing for future taxation imposts.

⁵ Early this year, British metal and mining research group, Shearson Lehman Brothers, suggested that a tax on gold may be introduced in "four to five years time, probably when the production profile is going downhill". More recently, the Commonwealth Government has been examining a proposal to restructure assistance for mining and this could involve phasing out the tax exemption on gold mining.

Resource Ownership and Control

Commonwealth government guidelines on foreign direct investment were framed in the 1960's, the first comprehensive regulatory policy introduced in 1972 and significantly tightened in 1973, especially for minerals and energy projects. The basis of the current system of review and control was created with the Foreign Takeovers Act of 1975 and the subsequent creation of the Foreign Investment Review Board to regulate foreign investment and to ensure maximum benefits to Australia without unnecessarily impeding investment.

In broad terms, the present Commonwealth Government's Foreign Investment policy now provides for 50 per cent Australian ownership for major mineral resource developments. Charlton (1987) has recently reviewed the practical implications of this policy.

These policies have developed as a result of community concern emanating in the late 1960's and early 1970's about the dire consequences of foreign ownership (multi-national corporations etc) and control of Australian natural resources. During the 1980's, it would be fair to argue that community concerns have ameliorated for the following reasons.

1. People have seen that overseas ownership (part or full) is not necessarily undesirable.
2. Actual overseas ownership has decreased. Australian companies, eg The BHP Co Ltd have been active in "buying back the farm".

With the deregulation of foreign exchange requirements in December 1983, the financial environment is now quite different. Moreover, alternative methods of financing projects (other than by direct equity funding) have been adopted.

Government policy does appear to be slowly changing to match these changing circumstances. However, the industry does need to monitor community concerns because like the issue of uranium⁶ mining, the issue of foreign ownership can easily arouse adverse emotions. The issues of "ownership" and "control" (as well as the utilisation of mineral resources) are all quite different and must be explained carefully to a largely uninformed public.

Secondary Processing

For some years, there has been discussion about the need to encourage secondary mineral processing. In 1973, the Commonwealth Government tried unsuccessfully to attract interest in this area with a noticeable lack of support from major companies. In the late 1980's, there has been a greater realisation, particularly as a result of quite effective devaluation of the Australian dollar, that Australia needs to maximise the value of her mineral resources. The demand for high technology resources (ceramics, rare earths etc) has helped convince governments that incentives for secondary processing must be provided. Recently, a report from the Economic Planning Advisory Council (an economic advisory body to the Commonwealth Government) has suggested that raw materials processing projects planned in Australia and worth \$3.5 billion should lead to an improvement of \$1.5 billion in the country's external deficit. The New South Wales Government has already made a start in this area with the development of a new strategy. Fortunately this is an issue where it could be expected that community support could be ensured. However, local opposition in the township of Lismore to the establishment of a rare earths plant underlines the fact that the concept must still be sold.

Legislative Controls

Mining and exploration is reasonably well regulated at vari-

⁶ This paper does not attempt to address this issue because the politics of uranium raise quite separate questions which do not apply to the industry as a whole.

ous levels throughout Australia. In some states such as New South Wales and Victoria, the regulatory system is complex, involving a large number of government instrumentalities. Much of the principal legislation has been in force for well over a decade in most states, and in Tasmania since 1929! (Refer Table 2.)

In New South Wales, mining legislation was last introduced in 1973. In 1985, the Government directed that a review of all legislation be undertaken. Recently the New South Wales Department of Mineral Resources has prepared a "green paper" which sets out directions for change to the existing legislation in a major attempt to simplify and streamline procedures as well as to introduce a number of new provisions which are commensurate with the current needs of the industry. The Victorian Government has recently launched a public issue document which argues the need for a new Mines Act. At the launch of the document, the Minister for Industry, Technology and Resources, the Hon Robert Fordham MP, stated, "the present legislation inherited from our forebears, although highly innovative in its day, no longer suits the requirements of a modern mining industry or contemporary community, which has strong concerns for social, conservation and environmental issues". The difficulty with introducing new legislation is the risk of achieving an end result which does not adequately represent the aims of the original bill. The influence of the farming and environmental lobbies should not be overlooked in this regard. To counteract these pressures, there is a real need for industry to provide substantial support to the legislators who are seeking to make reforms to improve the environment for responsible mining development and investment.

TABLE 2
Principal Mining Acts in Australia

State/Territory	Mining Act(s)
New South Wales	Mining Act, 1973 Coal Mining Act, 1973 Petroleum Act, 1955
Victoria	Mines Act, 1958 Petroleum Act, 1958
Queensland	Mining Act, 1968 Petroleum Act, 1923
South Australia	Mining Act, 1971 Petroleum Act, 1940-1972
Western Australia	Mining Act, 1978 Petroleum Act, 1967
Tasmania	Mining Act, 1929
Northern Territory	Mining Act, 1980 Petroleum Act, 1984
Australian Capital Territory	Mining Ordinance, 1930

Source: Forbes and Lang, 1987

Infrastructure Funding

To facilitate the coal resources "boom" of the late 1970's, the New South Wales and Queensland Governments invested heavily in infrastructure. To date, the New South Wales Government has spent some \$1 billion in railway upgrading, port facilities and other services. In 1982, the same government introduced a policy to provide for infrastructure contributions by major developers by way of grant and loan to local councils to assist in community programs. In recent years, this policy has not been enforced because the government had been increasingly conscious in minimising government imposts in the light of the current "cost-price squeeze" in that industry. However, local councils in the coalfield areas are becoming increasingly vocal and are agitating for funding to provide specifically for

1. upkeep of roads used by coal trucks,
2. provision of community services, and
3. assistance in financing housing sub-division investments.

Early this year, a West Australian State Member of Parliament, who represents the Kalgoorlie area, started agitating on a similar theme. In his case he argued that a levy be imposed on gold production to provide for community services. With three levels of government increasingly requiring funding for services, the mining industry is a ready and obvious target to provide additional hand-outs. The political reality is that voters will favour the mining companies paying as an alternative to increased rates, additional income taxes or the like.

PUBLIC PERCEPTIONS AND THE CONCERN OF INSTITUTE MEMBERS

It is axiomatic that mining issues involving government invariably are issues of concern to people. Members of The Australasian Institute of Mining and Metallurgy are becoming increasingly concerned at the public perception of the mining industry.

At the 1986 Branch Representatives Conference of The Institute held in Leura, New South Wales, many delegates expressed concern at the lack of progress being made by the mining industry (and The Institute) in "winning over" public support for their industry. Whilst it is generally agreed that The Institute is a "non-party" political organisation, there would appear to be an increasing expectation that The Institute become more active in articulating views which support the worth of the industry.

In reviewing the 1988 Bicentennial Conference of The Institution of Engineers, Australia, the Sydney Morning Herald reported, "no account of Australia's first 200 years as a modern nation would be complete without due credit being given to the roles of engineers in development", and "the discovery of gold saw engineers being called in to provide a different kind of aid—to help local industries and to give miners access to deeply buried mineral riches". And again, "public attitudes to engineers and their projects have fluctuated markedly in the post-war period. During World War II and the decade or so after it, the profession could count on a sympathetic public and praise for great public works". After such accolades, then a reflection, "in 1988 the profession finds itself under a tight rein in an age of social, economic and environmental ability. The community is less inclined to accept infrastructure that is merely functional, and demands that aesthetics be given a high priority". Then the challenge", . . . a chance to win back public support by showing flexibility and sensitivity to community concerns . . . a chance to reaffirm the spirit of public service that has been the hallmark of the best engineers."

On the other hand, some months earlier, the same newspaper highlighted Cabinet changes in New South Wales by referring to the mines portfolio as being "the pits getting sent down the mines". The mines portfolio, until the recent change in government, has ranked nineteenth in seniority in New South Wales (and the situation in Victoria appears little better). These sorts of public perceptions do not auger well for industry morale.

Industry professionals (whether they be engineers, geologists, metallurgists or the like) need reassurance of the worth of their energies and of the industry they serve.

STRATEGIES TO INCREASE PUBLIC AWARENESS AND GOVERNMENT RESPONSIVENESS TO THE MINING INDUSTRY

Thus far, this paper has endeavoured to trace the history of mining development in Australia to establish the credibility of the development ethos in the Australian community and to briefly discuss a number of issues to be faced by government. It is suggested that industry professionals are starting to express concern about public perceptions of their industry. Perhaps, as well as implementation of some new measures, a "fresh look" at some old strategies is required to address this problem.

Education/Public Awareness

Whilst many people in the industry may disagree, it is suggested that Australians probably understand more about mining as an activity than what they are given credit for. Certainly their perception of mining may be restricted to open cut coal/iron ore mines worked by large machines, however, it is thought that Australians probably even appreciate the value of mining from the viewpoint of export dollars. After all, politicians some years ago provoked a push for increased wages in the expectation of a new mining boom. What is absent is an affinity for the industry. Therefore, education or public awareness programs must be designed not just to inform but to encourage a genuine interest and to establish for individuals a personal association with the industry and its products.

It is suggested that this form of "bonding" can best be achieved by relating people to people who work in the industry, either directly or indirectly. Public awareness programs should feature people not machines nor "pits". People always seem to relate best to other people. The "Quiet Achiever" campaign of BP epitomises this approach. For professionals, this interaction can be best achieved by a deliberate effort of seeking a higher profile.

Our articulate professionals should become more active in community groups and in the media and be prepared to be available as speakers.⁷ In rural areas of Australia, "miners" have managed without any deliberate intent, to adopt this approach. Yet in the big cities, where the fate of governments is invariably decided, the industry has made little impact on the community.

In the United States of America, the mining industry has responded to this challenge by inviting secondary school teachers to participate in industry awareness programs. The new Mining Museum in Sydney hopes to reach a wide audience. In addition, AMIC has been successful in recent years with arranging a special exhibit at the Sydney Royal Agricultural Show.

It is encouraging to note that a consortium of geoscientists (formed at the ANZAAS Conference in Townsville in 1987) has established a Geosciences Awareness Program which aims to

1. ensure a balanced science education for all children in Australia, including an adequate level of geoscience in the school curricula,
2. increase public awareness of geoscience,
3. encourage equal opportunity in geoscience learning, and
4. improve the level of funding for geoscience teaching and research.

With reference to increasing public awareness of geoscience, the program hopes to achieve this aim by

1. encouraging active promotion of geoscience by professional geologists in both industry and education,
2. encouraging the development of more adult education courses in geoscience, and,
3. integration and co-ordination of the resources of the many different geoscience public relations groups already active in Australia (eg AMIC, APEA, State Chambers of Mines).

The New South Wales coal industry has been very successful in participating in public awareness programs through the auspices of the annual Singleton Coal Discussion Day. Since 1977, in association with Singleton Shire Council, the New South Wales Coal Association has hosted a one-day public forum. In recent years, public participation in this activity has waned somewhat, largely because the local people have accepted open cut coal mining and regard it as very much an accepted activity. Nevertheless the very fact that the Coal Discussion Day is available does serve to reinforce the public perception that the coal industry does care.

⁷ The Institute now provides speaker kits to assist interested members.

Communication with Government

The art of communicating with government (or as it is more commonly known, of lobbying) is well developed in many industries and is, of course, well practiced in Canberra. Lobbying can be carried out by three basic methods.

1. By individual companies.
2. By lobbyists employed as consultants.
3. By industry "lobby groups" eg AMIC.

Lobbying can only be effective if governments sense that proposals being lobbied are vote winners or "savers" or at least are "low risk". However, there are a number of basic strategies which can be employed to increase the chances of being successful.

Dialogue with the "right" government departments

Most mining companies accept that the various state mining administrations serve to represent resource development strategies to the government of the day. At the Commonwealth level, the Department of Primary Industries and Resources is similarly disposed.

However, what is often forgotten is that other influential government departments need to be consulted to gain their support to industry proposals. At the State level these include the relevant "Premier's Department" and Treasury, at the Commonwealth level the same is true (ie Prime Minister's Department, Treasury). Moreover, consultation with other departments (which might be expected to argue against any industry proposal) might also be prudent.

Without the support in Cabinet of key ministers (advised by their departments), the "mines" minister can be a "voice in the wilderness".

Dialogue with the "right" government people

Communication with government can be legitimately directed at three levels.

1. Ministerial.
2. Secretarial (departmental head).
3. Middle managerial.

Whilst chief executives of companies are able to establish communication with government ministers and departmental heads, it is essential that appropriate liaison is simultaneously achieved at officer level. Professional lobbyists often seek to operate at all three levels, but generally speaking, these "operators" appear to be effective if they continue their activities at the political interface (ie minister and/or ministerial "political" staff). Seeking representation through supportive local members of parliament (of the same political party as the government of the day) can also represent a useful strategy.

Making use of government-sponsored "communications" forums

In recent years, the New South Wales Department⁸ of Mineral Resources has encouraged companies to utilise the "Planning Focus" scheme as a planning mechanism to facilitate major resource development approvals (Robinson and Hughes, 1983).

This approach (which is based on a number of structured meetings involving a range of government agencies) does provide for the interchange of information between government and the developer. Moreover, it allows for the formulation of a project concept which best meets the requirements of government and the objectives of the developer. Under these circumstances, a "formulated" project, when presented to the public, has a better chance of gaining public acceptance and approval.

In communicating with government, professionals in the mining industry should keep in mind the need to work towards achiev-

ing the best possible standard of presentation and documentation. This approach does gain the respect of government officers and does contribute towards a positive working relationship.

NEW DIRECTIONS AT THE CROSS ROADS?

In winning the "hearts and minds" of the community (and therefore of government), the mining industry might adopt strategies (as discussed above) which seek to improve communication with government and to raise the level of public awareness. However, this approach alone may be inadequate to address the concerns of industry professionals.

If industry people are seeking new directions, are they in fact asking for leadership? To date, generally industry views have been articulated by a few outstanding, but somewhat controversial advocates at the executive level. These men have received the support of most people in the industry not necessarily because their views are universally applauded, but because of their convictions and their technical and professional competence. For example, Copeman (1988) as a keynote speaker at the 1987 Resources and Reserves Symposium has argued in support of returning to universal freehold ownership of minerals in Australia. In "valuing our precious resources", the 1988 Institute President has argued that "unless you can freely trade in goods, you can never claim to know their true value".

Regretably there are not enough people in the industry who are prepared to write and speak publicly about their perceptions of industry issues that affect the community. Therefore, it is difficult to assess the extent of diversity of views. From the public perspective, the views of our more outspoken representatives are probably seen to be the view of the industry as a whole.

Without perhaps one or two exceptions (eg Past President Zimmerman's involvement in the "Hypotheticals" program of the Australian Broadcasting Corporation in 1987), the reality is that industry professionals are not speaking publicly to express views which do fall within a broad spectrum of current political acceptability.

If leadership is the issue in defining directions, The Institute (being the pre-eminent professional society in Australia) can make a significant contribution. The Institute should continue to give priority to the following measures.

1. Ensuring that senior industry leaders can always be invited to participate in the affairs of The Institute as members and as Councillors.
2. Implementation of effective public relations programs (the track record of The Institution of Engineers, Australia is worthy of comparison).
3. Promotion of public speaker programs.
4. Encouragement of member participation through symposia and seminars, thereby providing the opportunity for members to speak and to publish. Involvement of the media at these functions.
5. Public promotion of Institute awards.

In addition, The Institute, through Council, could establish a "public affairs" committee which could liaise with AMIC to maximise the effectiveness of all public issue related initiatives.

CONCLUSIONS

1. Australians and their governments (of various political persuasions) are generally supportive of mineral resource development.
2. However, various issues of concern involving governments (which more often than not reflect the community perspective) mask this basic (historical) affinity to mining.
3. It is quite obvious that on some issues (eg of an environmental nature), some well organised community groups are very effective in influencing public opinion about mining.

⁸ A brochure describing this mechanism is now available.

4. On the other hand, those people who work in the mining industry represent a small percentage of the Australian population and, therefore, are less effective in influencing public opinion.
5. With some exception, very few people in the industry participate in public debate about issues affecting their industry, with the result that the public has little means of understanding that the industry is a microcosm of the community at large, a fact which is of considerable frustration and concern to many industry professionals.
6. Apart from calling for an increase in the level and extent of public awareness programs and for further improved dialogue with government, industry professionals are looking for new directions from their leaders. The Institute (which represents many of these people) can help in this regard and priority should be given to a number of constructive measures.

ACKNOWLEDGEMENTS

It is accepted by the author's employer (the NSW Department of Mineral Resources) that the views and observations expressed in this paper are presented in the context of his role as a Councillor of The Institute. Whilst permission has been obtained by the Department for publication of this paper, the opinions and observations expressed therein are those only of the author.

SELECTED BIBLIOGRAPHY

- Australia: National Library of Australia, 1986. The History of Australian Mining, A Select Bibliography.
- Australian Mining Industry Council, 1988. *The problem of access to land*.
- Burton, J R, 1985. Land use management and mining, *The Mining Review*, October, 1985: 13-20.
- Charlton, P, 1987. Foreign investment—the chasm between the policy and the Act, *The Mining Review*, November, 1987: 12-15.

- Copeman, A C, 1988. Valuing our precious resources, *Bull Proc Australas Inst Min Metall*, 293 (1): 8-12.
- Court, C, 1978. Defining the right roles for government in mineral development, *Bull Proc Australas Inst Min Metall*, 425/426: 11-16.
- Duncan, J C, 1978. The future of democratic socialism, *International Resource Management, AusIMM-AIME Joint Conference*, Canberra, pp 11-16.
- Forbes, J R S and Lang, A G, 1987. *Australian Mining and Petroleum Laws* (Butterworths Pty Ltd).
- Gillies, A D S, 1978. The impact of resource rent taxation on the mining industry, *North Queensland Conference, Australas Inst Min Metall*, pp 19-30.
- Graetz, D, 1988. The twenty-ninth day, *Habitat*, 16 (i): 3-6.
- Grey, A J, 1981. The current position of Australian uranium, *Bull Australas Inst Min Metall*, 449: 23-26.
- Head, B, 1986. *The Politics of Development* (Allen & Unwin).
- Jamieson, P N, 1976. Petroleum, politics and private enterprise, *APEA Journal*, pp 145-148.
- Koenig, K, 1988. Mining in Australia, New South Wales Department of Mineral Resources (in print).
- Maddison, A, 1979. Per capita output in the long run, *Kyklos*, 32: 412-429.
- Phillips, G P, 1975. Government involvement in the mining industry, *Broken Hill Branch Student Conference, Austral Inst Min Metall*, pp 13-19.
- Reynolds, E, 1984. Koongarra—the rolled by years and costs. *Darwin Conference, Austral Inst Min Metall*, pp 73-83.
- Rich, David C, 1986. *The Industrial Geography of Australia* (Methuen).
- Robinson, A M and Hughes, D C, 1983. Network analysis of pre-development regulatory procedures, *Project Development Symposium, Australas Inst Min Metall*, pp 169-179.
- Scully, J, 1978. The role of the Commonwealth government in relation to the mining industry, *International Resource Management, AusIMM-AIME Joint Conference*, Canberra, pp 201-205.
- Webb, B P, 1986. Government and the resources industry, *Bull Proc Australas Inst Min Metall*, 291 (7): 21-23.
- West, K, 1986. The case against a gold tax, *Bull Proc Australas Inst Min Metall*, 291 (8): 10-11.