South Australian
Multiple Land Use Framework

MINDARIE
MINERAL SANDS MINE
CASE STUDY 5

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Synopsis

What is the issue? – The tenement holder of a mineral sands mine in the Murray Mallee entered into voluntary administration with uncompleted mining and rehabilitation activities causing environmental, social and economic impacts to the community and the state.

What is the conflict? – The relationship between the operator, the surrounding landholders and the community was poor and was damaged further as a result of the uncompleted mining and rehabilitation activities.

What was the resolution? – A new operator acquired the mine and set about rebuilding relationships with surrounding landholders and the community, completing rehabilitation activities, re-generating income for the community affected by the cessation of mining by the previous operator and ensuring rehabilitation commitments were met.

Multiple uses

Murray Zircon Pty Ltd is a heavy mineral sand exploration and mining company based in Adelaide. Murray Zircon’s major asset is the Mindarie Mineral Sands Mine located 150 kilometres east of Adelaide and approximately five kilometres from Mindarie (population 1049) in South Australia’s Murray Mallee region. The processing plant for the mine was directly adjacent the township.

Agriculture in the form of broad acre farming (cropping) is the key industry within the Mallee region and employs around 48% of residents within the catchment (2011 ABS). The region also supports a small tourism sector, with the annual Karoonda Farm Fair and Mindarie Halidon Races among the main attractions for visitors.

The previously named Mindarie Zircon Mine was acquired in 2011 from previous operators Australian Zircon. Australian Zircon had entered into voluntary administration and at that time had uncompleted mining and rehabilitation activities.

Murray Zircon Pty Ltd acquired a project which had left a negative environmental legacy and damaged the relationship with surrounding landholders and the State Government. To be financially successful Murray Zircon acknowledged that the social and environmental issues needed to be understood and addressed prior to the commencement of any new operations.

Murray Zircon’s prime focus was to engage with the local and greater communities to identify those legacy issues of the greatest concern for landowners, businesses and the residents of the area. The diverse community scope included:

- landowners whose land had failed to be rehabilitated and who also had loss of earnings from this land
- local retail businesses in Karoonda and Loxton who had employed additional staff to cater for the mining community who were made redundant when the mine closed
Company’s commitment to supporting communities

Demonstration of recent projects that support South Australian communities

- individual local residents who had been employed at the mine who had been made redundant with little chance of re-employment
- suppliers such as Bowhill Engineering and Landmark who provided specialist mining and processing equipment, and general rural supplies respectively.

As part of the acquisition of the Mindarie project, Murray Zircon accepted responsibility for the completion of all outstanding rehabilitation including bulk earthworks and re-establishment of native vegetation.

To be successful Murray Zircon realised it needed to work closely with landowners, understand and define agreed outcomes with stakeholders at the beginning of the project and to restore full commercial cropping capabilities. As part of the rehabilitation and the planning for the new mining operations, Murray Zircon undertook a comprehensive community consultation and engagement process. The company formed a partnership with the community based on trust, honesty and respect and be open and honest in all aspects of the project.

The main aspects of the community consultation plan involved:
- the re-establishment of the Murray Mallee Community Consultative Committee (MMCCC) (http://www.murrayzircon.com.au/index.php/community/mmccc-meetings/)
- undertaking workshops, drop in sessions, and one on one discussions as required
- developing fact sheets, newsletters and media releases.

The stakeholders involved in this process included the local community, affected landowners, local businesses, the District Council of Karoonda East Murray, general members of the public and State Government authorities.

The objective of the community consultation strategy developed by Murray Zircon was to provide a framework for the establishment of positive working relationships with both the local community and the directly affected landowners. The aim was to identify potential community and landowner issues and concerns early, outline a process of gathering feedback from the community and address their concerns.

The key aim of this strategy was to provide regular and consistent information to stakeholders throughout the life of the project. In putting the strategy into effect, Murray Zircon undertook a variety of activities to engage with different areas of the community such as:
- MMCCC Meetings: facilitating meetings of the Murray Mallee Community Consultative Committee providing project updates to stakeholders on a quarterly basis.

1 The final meeting of the MMCCC was held in December 2015 following the completion of the rehabilitation at the main site at Mindarie
• **MMCCC Sub-Committee Meetings:** facilitating meetings with the affected landowners of the mining strands.

• **Local Council briefings and presentations:** providing regular project presentations to the District Council of Karoonda East Murray outlining the project with key elements such as roads and workers accommodation.

• **Contact Point:** establishing a point of contact including phone number and email address for the community to make enquiries about the project.

• **One on one stakeholder meetings:** meeting with community groups such as East Murray Area School and the Wanbi Hotel to discuss potential issues and concerns.

• **Mine tours:** undertaking tours of the mine with local interest groups, including 4WD enthusiasts, the local Women’s Institute and the Karoonda Senior Centre.

• **Council Newsletter:** providing a project status update included in the District Council of Karoonda East Murray Quarterly newsletter.

• **Website:** developing a website to provide project information, company announcements and key documents.

In addition to community engagement, Murray Zircon participated in a variety of community activities including:

• donating many thousands of drink containers within the 10 cent deposit scheme to the East Murray Area School as part of their general fundraising activities

• hiring East Murray Area School Community Hall and facilities for MMCCC meetings

• employees purchasing special lunches from East Murray Area School students as part of fundraising activities

• donating sets of ceramic knives to the East Murray Area School as part of their general fundraising activities at the Karoonda Farm Fair

• attending a stall at the Karoonda Farm Fair with giveaways including drink stubby holders, stress balls and ceramic knives.

One of the significant key benefits to both the project and the community was the direct involvement of landowners in the project, such that each landowner has the first option on all usual agricultural operations including fencing, contour shaping, weed spraying, cropping and fertilising etc. The direct involvement of landowners has shown to be one of the most effective ways in which to finalise mine closure.
The reopening of the Mindarie Mineral Sand Mine was a five step process: the development of a Mine Closure Plan for the previous operations; rehabilitation of the existing site; mine pre-feasibility study; development of a program for environment protection and rehabilitation (PEPR) (http://minerals.statedevelopment.sa.gov.au/mining/mines_and_quarries/mindare); and Department of State Development approval. At each stage of the process, landowner and community consultation was crucial, particularly as the acquisition of a ‘social licence to operate’ depended upon repairing the relationship with landholders.

Murray Zircon’s efforts to repair the relationship with the local landowners and build trust has facilitated a smooth operating environment whereby multiple land uses can occur within the region. Ongoing community and stakeholder engagement via mechanisms such as the MMCCC provides opportunities for landholders and other community members to stay informed about the operations of the mine and also to have their concerns heard and addressed.
In engaging with the community the environmental issues were identified and systematically incorporated into the way Murray Zircon operates both at a corporate level and every day at the grass roots level. By directly involving the community and specifically the affected landowners, Murray Zircon achieved a ‘win-win’ for the environment and the company, and more importantly achieved approval from the community and sealed the ‘social licence to operate’ that is so important for the triple bottom line success of the project.

Murray Zircon was awarded a commendation in the 2014 Premier’s Community Excellence in Mining and Energy Awards for its commitment to working with the local community in the Murray Mallee and for displaying strong corporate social responsibility.

**Summary**

How the *South Australian Multiple Land Use Framework’s* guiding principles apply to this case study

- **Accountability** – As part of the acquisition of the Mindarie project, Murray Zircon accepted responsibility for the completion of all outstanding rehabilitation including bulk earthworks and re-establishment of native vegetation. The company demonstrated accountability to the landowners and the local community and delivered on their promises and responsibilities.

- **Best use of assets** – The mining of mineral sands, subsequent compensation to the landowners and the rehabilitation of the land back to land suitable for cropping demonstrates how multiple land use, when managed well, encourages the best use of assets.

- **Co-existence** – Murray Zircon rebuilt relationships with landowners and the community through good engagement, delivering on promises and creating a dialogue based on trust, honesty and respect.

- **Environmental sustainability** – The successful rehabilitation of the areas mined for mineral sands back to cropping land is testament to the good relationship with the community and environmental practices.

- **Equity** – The re-establishment of the MMCCC allowed the general public and affected stakeholders the opportunity to be involved in decisions on how the rehabilitation and the start-up of the mine would occur.

- **Efficient processes** – The MMCCC, workshops, drop in sessions and one on one discussions allowed Murray Zircon to gather as much evidence as possible before making a decision, ensuring that decisions could be made at the beginning of the project that would be transparent and supported by the community. Although time consuming, this course of action was invaluable in determining the key issues and building a partnership with the community, ensuring efficient processes throughout the project (i.e. looking for collaboration rather than managing community ‘outrage’).
• **Evidence based** – Murray Zircon acknowledged that the social and environmental issues needed to be understood and addressed prior to the commencement of any new operations. It re-established the MMCCC and undertook workshops, drop in sessions and one on one discussions to gather as much evidence as possible before determining the best course of action for the project.

• **Participation of all stakeholders** – Stakeholders included local affected landowners, local businesses, the District Council of Karoonda East Murray, and State government authorities. Representatives from all key stakeholder groups were invited to be part of the MMCCC and Murray Zircon participated in community events to allow as many people to have their say as possible.


• **Shared commitment** – the work conducted by Murray Zircon to involve the community and to build partnerships and trust assisted in developing a shared commitment for the project. The 2014 Premiers Community Excellence in Mining and Energy Awards for its commitment to working with the local community in the Murray Mallee and for displaying strong corporate social responsibility is evidence of this shared commitment.
CONTACT

T: +61 8 8463 3317
E: DSD.MultipleLandUseFramework@sa.gov.au