

DEPARTMENT FOR ENERGY AND MINING

Submission on the Bird in Hand Gold Project mining proposal and management plan.



SOUTH AUSTRALIAN WINE INDUSTRY
ASSOCIATION INCORPORATED

SUBMISSION OF: SOUTH AUSTRALIAN WINE INDUSTRY
ASSOCIATION INCORPORATED

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DATE: 26 September 2019

Submissions due 20 September 2019 (extension granted to 27 September 2019) to:
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SUMMARY OF SUBMISSION

The South Australian Wine Industry Association Incorporated (SAWIA) has prepared this submission to the Department for Energy and Mining on the application for the Bird in Hand Gold Project.

- SAWIA does not support the establishment of the Bird in Hand Gold Project as has been set out by Terramin Australia's proposal and application.
- SAWIA considers that the Bird in Hand Gold Project as currently proposed poses significant risk to social, environmental and economic sustainability of the region and the broader South Australian wine sector.
- SAWIA is particularly concerned about the risks of potential impacts on groundwater availability and quality, which would harm the viability of the agricultural and related tourism sectors in the region.
- SAWIA is not convinced that the Bird in Hand Gold Project will provide a net outcome of benefits that will outweigh the costs when considering the broader long-term interests of the region and the State of South Australia.

THE SOUTH AUSTRALIAN WINE INDUSTRY ASSOCIATION INCORPORATED

SAWIA is an industry employer association representing the interests of wine grape growers and wine producers throughout the state of South Australia.

SAWIA is a not for profit incorporated association, funded by voluntary member subscriptions, grants and fee for service activities, whose mission is to provide leadership, advice and support to South Australian grape and wine industry businesses assisting them to prosper within a dynamic, diverse industry.

SAWIA membership represents approximately 96% of the grapes crushed in South Australia and about 40% of the land under viticulture. Each major wine region within South Australia is represented on the board governing our activities.

SAWIA has a strong track record as an industry leader and innovator in many areas. SAWIA pro-actively represents members and the greater wine industry with government and related agencies in a wide variety of aspects of business in the wine sector.

SUBMISSION

About the South Australian wine industry

The South Australian wine industry is worth about \$2.15 billion¹ to the state's economy.

South Australia has 18 distinctly named wine regions with at least three having international recognition.

South Australia has 75,488 hectares under wine grapes, representing around 55% of Australia's vineyards with 74% red wine grape varieties and 26% white varieties.

The total wine grape crush in 2019 in South Australia was 768,863 tonnes, 50% of Australia's crush. For South Australia, this was an increase of 3% when compared with the 2018 crush and was 5% above the 10-year average.

South Australian wine regions are responsible for producing about 550 million litres of wine – about 43% of Australia's wine production.

South Australia is a premium wine producer using viticultural practices leading to higher quality and lower than average yields.

In the twelve months to June 2019, South Australia exported 387 million litres for a value of \$1.796B (about 62% of Australia's total). South Australia's major export markets are China, USA, UK and Canada which also happen to be Australia's major markets.

South Australia exports about 52% in bottled format, comprising 87% of the value.

Wine is currently South Australia's largest single export sector.

South Australian wine businesses export to over 100 countries.

Domestically, Australians drink \$740m worth of South Australian wine per annum.

In South Australia there are approximately 695 wineries² (593 processing facilities, 342 cellar doors) and 3,296 lands title vineyard owners³ who directly employ 8,440 persons. Taking into account other occupations, the numbers employed in connection with the wine industry would add many thousands of job occupations.

The Adelaide Hills Wine region is premium wine growing region, where average values for varieties grown range between \$1,000 and \$2,000 per tonne, compared with that for the State overall of about \$820 per tonne.

The Adelaide Hills Wine region is internationally recognised for its premium wines. Whilst growing only about 2% of the State's total harvest, overseas exports account for about 3% of the State's total. The region has over 70 cellar doors and its close proximity to Adelaide creates significant tourism visitation with a high number of international tourists.

¹ PIRSA Primary Industries Scorecard 2017-18

² The Australian and New Zealand Wine Industry Directory 2019

³ Vinehealth Australia 2019 SA Winegrape Crush Survey, page 3

General comments

SAWIA is pleased to provide a submission to the Department for Energy and Mining (DEM) on the Bird in Hand Gold Project.

SAWIA believes that the risks of potential detrimental impacts arising from the proposed activity on the environment and broader community outweighs any potential benefits that might result.

SAWIA notes the very large amount of detailed technical material that has been prepared by the proponents (Terramin Australia) in support of their application, much of which is largely beyond our comprehension due to the sheer volume and the nature of the material.

However, through the efforts of some of our members who have invested considerably in understanding the issues by engaging expert advice, we have been able to interpret some of the issues that are important to our sector. Accordingly, we support the submission made by Accolade Wines Australia Limited and refer DEM to that submission for more detail on all matters relating to the mining application.

Groundwater

The proposed mine is to be situated in the catchment of Inverbrackie Creek, which is the heart of a thriving agricultural community that has a reputation for its 'clean and green' quality produce. The catchment provides these agricultural enterprises with the groundwater on which they rely.

The risks to groundwater availability and quality as a result of the proposed activities appear to us to be real and significant. We understand that, on the basis of independent expert opinion obtained by other opponents (e.g. Accolade Wines), serious doubts remain as to the likely effectiveness of the proposed plans for preventing contamination and managing the recharge of the groundwater aquifer.

Economics

SAWIA is concerned that the financial benefits of the proposed mining activity is of low magnitude and short term (i.e. \$222 million over 8 years⁴), in contrast to the agriculture sector in the Adelaide Hills region that contributes over \$160 million annually to State GSP, and provides over 800 jobs.

Dust

Increased dust in the vicinity of vineyards can directly impact the efficacy of some vineyard spraying operations, which in turn can lead to significant financial losses. We understand that this impact has not been considered in the application and urge that the risk be investigated and quantified.

Traffic

SAWIA understands that the mine will create additional traffic from 14 truck and heavy vehicles daily. In addition to the increased dust created by these movements, the traffic will impact on the amenity of the surrounding area where several key wine and associated tourism enterprises are situated. This has the potential to negatively impact the reputation of the region as a high-end destination both nationally and internationally.

End of submission

⁴ Accolade Wines Australia Ltd, Submission objecting to the Mining Lease Application (2019/1021) made by Terramin Exploration Pty Ltd in relation to the proposed Bird in Hand Gold Mine, 20 September 2019, page 3.