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Review of the Woomera Prohibited Area Coexistence Framework  
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## **2024 Review of the Woomera Prohibited Area Coexistence Framework**

The South Australian Chamber of Mines & Energy (SACOME) is the leading industry association representing resource and energy companies with interests in the South Australian resources sector, including minerals, energy, extractives and petroleum.

SACOME welcomes the opportunity to make this submission to the Department of Defence's review of the Woomera Prohibited Area (WPA) Coexistence Framework, recognising that a significant number of its member companies undertake activity in the WPA via the Coexistence Framework.

Consistent with its 2018 submission to the WPA Coexistence Framework Review, SACOME strongly supports the Coexistence Framework and welcomes Defence's commitment to continued coexistence with other stakeholders.

SACOME acknowledges that the 2024 Coexistence Framework Review follows major reforms to regulatory frameworks governing the operation of the Australian Defence Force prompted by signing of the tri-lateral AUKUS pact between Australia, the United States of America and Great Britain.

We recognise that these reforms reflect a changing geopolitical and military-strategic environment which will likely see an increase in use of the WPA for the foreseeable future, meaning greater use by Defence and its allies of the WPA for testing purposes and associated operational impacts for non-Defence users.

We further acknowledge this is likely to result in a higher level of scrutiny attached to access by non-Defence users and equipment being brought into the WPA.

As a general statement of policy, SACOME submits that balancing Defence's national security interests with South Australia's economic objectives should continue to be a central principle of the Coexistence Framework.

We further submit that these economic objectives are underpinned by the economic contribution made by the State's resources sector which amounted to \$10.7 billion in direct and indirect spending across the South Australian economy in 2021-22.

We note that the Scope of the Review (per the Terms of Reference):

*(W)ill assess the current WPA coexistence framework to determine whether it remains fit for purpose in the current strategic environment.*

*It will consider national security, economic and cultural perspectives, and make recommendations to balance competing views in the national interest, including to:*

- a. inform remaking of the WPA Rule before it sunsets on 1 October 2026; and*
- b. update coexistence governance arrangements.*

We further note the 'Key Tasks' for the Review process set out in section 5 of the Terms of Reference, with the following having particular relevance to the South Australian resources sector:

- c. current and future potential economic value of mineral deposits and other economic activities in the WPA, including potential impacts on employment and government revenues, and use of emerging technologies;*
- d. the extent to which mining and economic activity is compatible with Defence use of the WPA, and any inherent limits to future coexistence, including issues posed by foreign ownership or control; and*
- e. appropriate coexistence governance arrangements, including the ongoing role of the WPA Advisory Board, and the Memorandum of Understanding between the Commonwealth of Australia and South Australian Government.*

We acknowledge that Defence seeks feedback to inform the Review process across four broad themes, namely Access, Management, Communication, and Governance, and SACOME's submission makes comments against these themes accordingly.

SACOME member companies with mineral production tenements, mineral exploration licences or mineral/petroleum exploration licence applications in the WPA are:

- BHP
- Rio Tinto
- Fortescue
- Iluka
- Peak Iron Mines
- Magnetite Mines
- H2EX

Comment against key review themes is informed by consultation with these member companies and provided below.

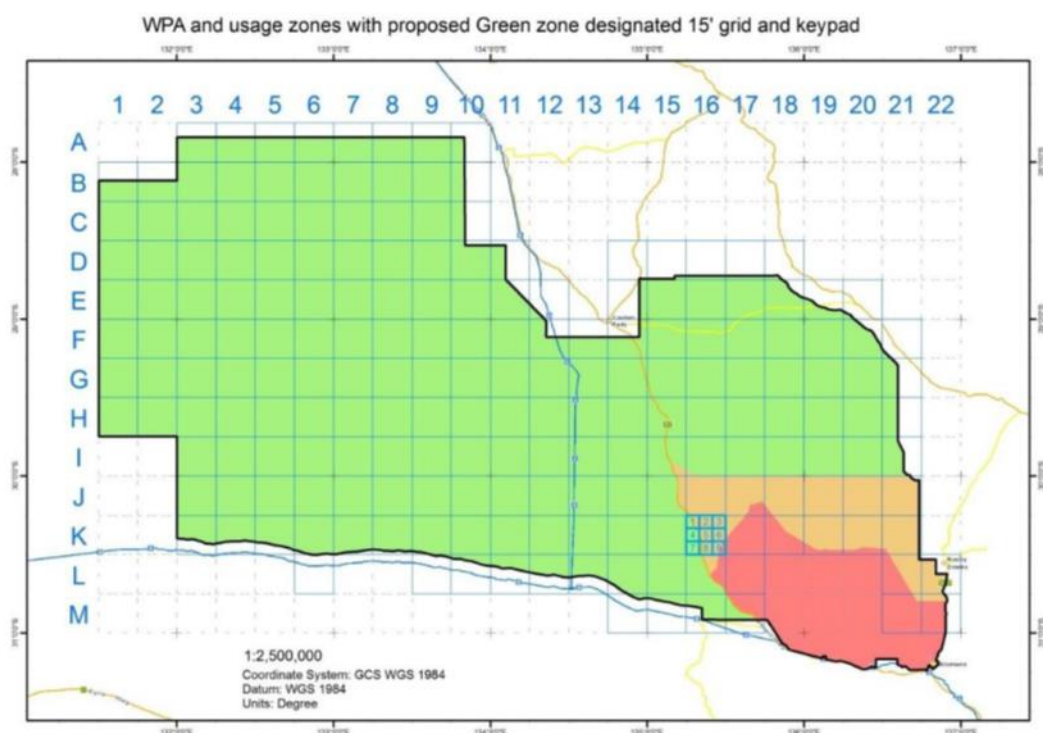
## 1. Access

### 1.1 WPA Flexible Green Zone Framework

The *WPA Flexible Green Zone Update* paper released in September 2022 proposed changes to the WPA Flexible Framework, noting the following changes to access zones:

- Absorb Amber Zone 2 into the Green Zone to reduce the impact on WPA stakeholders who have interests located within that zone by 14 days per fiscal year.
- Adopt individual grids across the WPA – set at 15 minutes (15') longitude x 15' latitude.
- Individual grid squares will be allocated 56 days for exclusive Defence use.
- Keypad mechanism to manage the activation of a single grid square to mitigate impacts to WPA stakeholders. It will be applied on a case-by-case basis depending on whether there is an impact to a stakeholder that could be mitigated and whether safety considerations allow for it.

- Addressing concerns about cumulative effect with those who have interests across the WPA, where resource production permit holders hold interests in multiple grid squares, a single day of exclusion in one square would automatically apply to other grid squares.
- Managing cumulative effect will be limited to resource production permit holders due to their ongoing and significant presence in the WPA.



Acknowledging that Defence has indicated it intends to increase its use of the Green Zone, SACOME members have expressed a strong interest in understanding what the future frequency of closure directions are expected to be compared to the existing Green/Amber 1/Amber 2/Red Zone framework.

SACOME respectfully submits that, in moving to the Flexible Green Zone Framework, effort should be made to consolidate areas not critical to Defence requirements so as to best ensure appropriate balance between the operational interests of resources sector stakeholders and those of Defence.

Recognising that a mine comprises both the mine and its enabling logistical infrastructure, operators have expressed a desire to understand the impact of closure

requirements in circumstances where a part of the mine is captured in part of the keypad.

As a general statement of principle, a greater frequency of closure directions is highly likely to impact project profitability given its impact on mine production and the association costs of shutting down and restarting critical equipment

Greater granularity in WPA Zone management is supported, however, SACOME and its member companies seek to better understand how the proposed grid and keypad mechanism is intended to operate with regard to a mine's overall operational footprint.

## **1.2 Interconnectivity between WPA and non-WPA Operations – Copper South Australia**

BHP's acquisition of OZ Minerals (A\$9.6bn), sees BHP Copper South Australia bringing together the globally significant Olympic Dam mine and Carrapateena and Prominent Hill Mines, and a potential fourth mine at Oak Dam, to create multi mine copper province with regionalised smelting and refining at its heart.

At its recent full year results BHP announced plans to increase production from its Copper SA assets, from 322 kilotonnes (kt) of refined copper cathode in FY24 to more than 500ktpa by the early 2030s and up to 650ktpa by the mid-2030s.

This significant increase in Australia's onshore production of refined copper would support the global energy transition and represents a significant opportunity for the national economy and the state of South Australia.

Delivered in two stages, the ambition for Copper SA is to upgrade of surface processing capacity by shifting from single stage to two-stage smelting to enable the first stage of growth to more than 500,000 tonnes of copper cathode (equivalent to 1.1mt – 1.4mt copper concentrate).

The construction of a two-stage smelting process would better suit the mineralogy of Olympic Dam and accommodate a potential expansion of the Olympic Dam Southern Mining Area, along with production growth from the Prominent Hill and Carrapateena mines.

The second stage of growth would involve further expansion of Olympic Dam's smelting and refining capacity to match potential production from a new mine at Oak Dam along

with further production increase at Olympic Dam, taking total output up to 650,000 tonnes of copper cathode (1.7mt concentrate).

Expanded domestic smelting and refinery capacity in South Australia demonstrates the ongoing opportunity for a globally significant ore-to-metal copper province in South Australia producing copper cathode for domestic and international market.

This ambition further reinforces the importance of South Australia's strategic metals capacity. SACOME notes that copper is not listed on the national Critical Minerals or Strategic Materials lists despite its importance to a range of national policy objectives.

SACOME submits that the Coexistence Framework should consider broader connectivity across the region, with the potential for mining operations within the WPA being interconnected to a regional smelting and refining hub outside it.

This interconnectivity highlights the need to consider impacts on mine operations and how they overlay and impact associated operations.

### **1.3 Deeds of Access**

Some member companies have expressed strong support for the continued operation of Deeds of Access which pre-date the *Woomera Prohibited Area Rule 2014*, now the standard framework governing access to the WPA for non-Defence users.

While we acknowledge Defence's preference for all non-Defence users of the WPA to operate under the WPA Rule 2014 given it would standardise the administration of access arrangements, member companies hold the view that Deeds of Access should continue to operate in the WPA alongside the Coexistence Framework.

## **2. Management & Communication**

Feedback from SACOME members has been generally positive with regard to management and communication arrangements under the Coexistence Framework.

### **2.1 Woomera Prohibited Area Coordination Office**

SACOME members have highlighted the importance of WPACO to coexistence arrangements. We submit that the likely increased use of the WPA as a result of recent

Defence reforms further reinforces the importance of WPACO as the key manager of access arrangements in the WPA; and as the 'day-to-day' point of communication between resources sector stakeholders and Defence.

Members have generally advised that Notice of Entry arrangements work well and that they have excellent relationships with the Woomera Prohibited Area Coordination Office (WPACO).

WPACO staff are consistently praised by operators for their excellent communications and the timely nature in which they provide advice to operators about closure periods.

SACOME notes comment made by some operators about the turnover of WPACO staff and its associated impact on understanding of the WPA and its complexities, along with relationship building. The resources sector similarly experiences staff turnover which also impacts continuity of relationships.

SACOME submits that this could be mitigated through structured communications when personnel change occurs, as well as through ongoing quarterly meetings between WPACO/Defence and the resources sector.

## **2.2 Approved Person Status**

Member companies have suggested changes to 'Approved Person' arrangements, noting that personnel accessing sites in the WPA people must have Approved Person status as a condition of access, with this status only applicable to a specific permit.

Operators advise that contractors who are delivering to multiple permit sites held by a company must have Approved Person status for each different permit, meaning that an application must be made to secure approval on a permit by permit basis.

Operators have suggested simplifying administrative arrangements so that once an individual has been granted Approved Person status (noting it is valid for up to two years), that it then applies to all other permits held by that company within the WPA.

This would allow 'Approved Persons' to then access all of an operators permit sites without having to go through the assessment process each time, reducing administration for both operators and Defence.

### 3. Governance

#### 3.1 Importance of the WPA Advisory Board

Given the increase in Defence activity prompted by the current geopolitical and military strategic environment; and in resources sector activity in and around the WPA, SACOME submits that there is a critical need for governance arrangements as provided via the WPA Advisory Board.

We note the key responsibilities of the WPA Advisory Board are to:

- monitor and report on the balance of national security and economic interests in the WPA
- oversee the implementation of the coexistence policy arrangements
- foster strategic relationships between Defence and non-defence users of the WPA

Both Defence and the resources sector have important roles to play in supporting delivery of national strategic priorities.

SACOME and its member companies submit that the Coexistence Framework must continue to be underpinned by collaborative engagement through this important governance body.

Yours sincerely



**Rebecca Knol**

Chief Executive Officer

South Australian Chamber of Mines and Energy