

# Media Release

Friday 6 June 2008



*Representing, promoting and protecting  
the resources industry of South Australia*

## **SA State Budget 08/09: Increases for resources not keeping pace!**

The South Australian Chamber of Mines and Energy believes that the 2008-09 SA Budget released yesterday by the State Government, represents a step in the right direction for the mining industry – but warns more investment will be needed if South Australia is to take full advantage of the current surge in activity in the sector.

The Budget has allowed for a modest increase of \$2.1m (up from \$15.8m to \$17.9m) to the State Government's Primary Industries & Resources SA, Minerals and Energy Resources division (PIRSA MER), which will allow for more personnel to be appointed.

"SACOME estimates the Budget provides for an extra 15 staff in PIRSA MER, whereas we know they need around 35 extra personnel in the next 12 months, just to keep pace with the acceleration of industry," said SACOME Chief Executive, Mr Jason Kuchel.

"The massive growth in the minerals sector has already generated steep increases in administration and regulatory operations for PIRSA MER, and that's only going to increase," Mr Kuchel said.

"The South Australian resources sector is at a critical point in its development and the Government department handling approvals and providing essential services to industry is stretched to breaking point.

"The last thing South Australia needs is for the 30 or so new mining projects, representing about \$25 billion in capital investment to our State, to be stalled in government departments through lack of resources.

"These projects will bring in millions of dollars onto the public coffers and have many flow on benefits to the community at large.

"Our State needs to be a leader in regulatory efficiency and speed of project approvals to maintain our national and international reputation as a desirable place to invest," Mr Kuchel said.

SACOME said it congratulated SA Treasury for providing some monies, but increasing investment must be made by government to reap the financial windfalls that the resources industry could deliver to all South Australians.

The State Government has already formed the Resources and Energy Sectors Infrastructure Council (RESIC) in response to the preliminary findings and recommendations of the SACOME Infrastructure Study, but Mr Kuchel said the Budget did not make clear what financial commitment the Government was making for RESIC to identify the common-user infrastructure required to ensure miners can get their product to market.

"This research must be urgently undertaken to ensure that SA gets its share of the \$20b Infrastructure Australia fund. This is a once in a lifetime opportunity to invest in nation-building infrastructure which will open up outback South Australia to economic prosperity for decades to come," he said.

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“Infrastructure investment is key to the State’s economic prosperity as we forecast that the resources sector will double its exports to 50% of the State’s total.”

**Payroll tax changes welcomed**

In other Budget measures, SACOME welcomed changes to payroll tax: The further cut in payroll tax from 5.25% to 5.00% effective 1 July 2008 and the payroll tax threshold increase from \$504,000 to \$552,000 effective 1 July 2008 (and a further raised on 1 July 2009 to \$600,000) will benefit, it says, many small to medium businesses, not just in the mining sector but across all industries.

**For more information:**

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