



South Australian Chamber of Mines and Energy

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**SACOME COMMISSIONS STUDY TO IDENTIFY FUTURE
INFRASTRUCTURE REQUIREMENTS**

The South Australian Chamber of Mines and Energy (SACOME) has commissioned a major study into the infrastructure necessary for the mining industry to flourish in South Australia.

Chamber Chief Executive, Mr Phil Sutherland, said that the study was commissioned as a result of SA Treasurer, Mr Kevin Foley, going on the public record admitting that infrastructure was an issue for the mining industry that will be addressed in future budgets.

“Treasurer Foley understands the importance of the resources industry to the growth and prosperity of South Australia,” Mr Sutherland said.

“Major defence projects are few and far between and not always on the scale of a major resources project like Olympic Dam. The manufacturing sector, including motor vehicle manufacturers are struggling, as is the pastoral and wine industry. Our infrastructure study will help the treasurer frame his next budget. We are keen to work closely with the government on this issue,” he said.

“Our call for government support on infrastructure is supported by prominent South Australian economist, Professor Richard Blandy, who says that Government, as a networks infrastructure developer, has an important role to play in mining infrastructure. Professor Blandy has articulated a number of economic models in this area that the government will very likely find attractive.

“The state’s geography and geology presents some fabulous opportunities and at the same time major challenges. Without support from the state and federal government on infrastructure much of the wealth of our state may remain locked in the ground,” Mr Sutherland said.

Most promising mining and oil and gas operations are in remote and desolate parts of South Australia with often no access to power, water, roads, rail or ports. The state is witnessing an explosion of exploration activity that is resulting in more discoveries. The problem faced by the industry is that in order to capitalize on a discovery, often substantial and costly infrastructure is required to bring a mine into production and transport the product to the market.

“SACOME sees government financial and in-kind support for the infrastructure necessary to secure a mining project as seed funding, not corporate welfare.

Supporting mining with infrastructure is no different to government building infrastructure in our cities and in relation to public utilities and road and rail networks. There is a public benefit in supporting the mining industry with infrastructure.

“What we all have to recognize is that the resources industry has a history of cycles and booms and busts and is influenced by global markets and commodity prices. We are witnessing what is probably a one in fifty year opportunity,” Mr Sutherland said.

FURTHER INFORMATION

Phil Sutherland, Chief Executive SA Chamber of Mines and Energy

Tel: (08) 8373 9601 or Mob: 0402440339