

press clip



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CUT STRAIGHT TO YOUR NEWS

Around the grounds

It has been a transformational period of late for Australia's resources and mining sector with a new Federal Cabinet sworn in and state budgets delivered. While Western Australia accounts for 60% of the country's exploration spend, plenty is happening elsewhere in the country to grow the various arms of the sector.

Fraser Palamara provides a snapshot of the key movements around the states.

South Australia

South Australian Treasurer Stephen Mullighan delivered his first State Budget in early June, following the election success of Labor Premier Peter Malinauskas.

Mullighan unveiled a \$233 million surplus in the 2022-23 Budget, an out-performance of February's forecast of \$94 million. As South Australia has looked to foster its resources sector, a number of associations in the industry have lauded the new budget.

Highlights of the budget include maintained and new spending on the Accelerated Discovery Initiative, the Mining Exploration Regulation System, Regional & Remote Road Maintenance, development of critical mineral datasets and Landowner Information Services.

"Exploration is critical to ensuring a future pipeline of resource projects in South Australia and key to increasing the resource sector's already-significant economic contribution to the State," South Australian Chamber of Mines & Energy (SACOME) chief executive Rebecca Knol said.

According to SACOME, the South Australian Government received \$311 million in mining royalties in FY2020.

SACOME expects the newest funding for the Accelerated Discovery Initiative, first established in 2004, to pay for itself with every \$1 million invested churning out an additional \$23 million in benefits.

Meanwhile, \$6.4 million over three years will be spent on a new and automated Mining Exploration Regulation System (MERS) to streamline approvals for exploration and mining projects.

"Over the past four years, SACOME's member companies have been subject to a blow-out in departmental approval

timeframes and an increase in application fees which have not resulted in increased commerciality or quicker turnarounds," Knol said. "A circuit breaker is desperately required to address this escalating issue."

Association of Mining and Exploration Companies (AMEC) chief executive Warren Pearce was particularly impressed by MERS.

"We anticipate MERS will, in the long run, improve the process and make it simpler, faster and cheaper for proponents while maintaining rigorous high standards," he said.

On the construction front, more than \$100 million will be spent on regional and remote road maintenance for South Australia's roads network that sprawls roughly 10,000km.

Like other Australian state governments and those abroad, South Australia's new budget has signalled an importance on future-facing critical minerals.

Up to \$2.5 million will be spent over two years to develop new geological datasets on critical minerals, an initiative SACOME described as "long overdue".

"The occurrence of critical minerals in South Australia is not uniformly understood," Knol said. "There is an urgent need to align opportunities in critical mineral project development, R&D activity, advanced manufacturing and related upstream processing activity."

South Australia also recently ranked as the 10th most attractive jurisdiction in the world for mining investments, according to a 2021 survey by the Fraser Institute.

"The new Budget includes a raft of measures to stimulate the investment in South Australian mining and mineral exploration to deliver long-term, wide-ranging benefits to the community," Pearce said.

Tasmania

"Resources, particularly the mining and mineral processing sector, provide the lion's share of our exports by value, accounting for more than 60% of our record \$4.6 billion export earnings for the 12 months to March 2022," Tasmanian Minister for Resources Guy Barnett said in June.

Tasmania's resources and minerals processing sector is currently estimated to support more than 10,000 direct and indirect jobs throughout the State.

Following Tasmania's 2022-23 Budget, \$1 million was pledged for the sector. Up to \$800,000 of that will be spent over the next four years on the Government's Mineral Resource Tasmania institute. This funding will largely go towards enhancing services and information.

The Tasmanian Government recently pledged \$2 million for a network power system surrounding Group 6 Metals Ltd's Dolphin tungsten mine. The newest budget contributes to the remaining \$1 million of that pledge.



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Victoria

Next door in Victoria, the State Budget revealed in early May a noticeably lesser focus on mineral exploration than its counterparts but the Minerals Council of Australia (MCA) commended \$7.5 million of spending planned for the critical minerals industry.

The money will support a minerals development grants programme and development of geoscience data.

"[This will] provide important support for Victoria's opportunity in critical minerals such as rare earths and lithium to embed Victoria in renewable energy supply chains,"

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an MCA statement read. "Victoria is ready to be a major supplier of mineral sands and rare earths with a number of projects in the pipeline across the State.

"The funding for critical mineral development is a great signal to the industry that Victoria is keen to support industry investment, but an expanded co-funded programme to keep pace with incentives in other states is required in coming years."

The MCA reported Victorian mining projects contributed \$510 million to the State economy in FY2021 while arguing that further investments would create more jobs and foster regional communities.

Victoria's latest budget also outlined incoming taxes on mining businesses as MCA estimated \$140 million in royalties were expected in the 2022-23 period. The State's tax regime was ranked last out of its counterparts in the recent Fraser Institute study.

MCA also criticised Victoria's royalty system on gold production, asking for change.

"Reform to Victoria's flawed gold royalty, imposed in 2020, is required to ensure that the uncompetitive royalty does not result in mines closing in times of lower gold prices," an MCA statement said.

New South Wales

New South Wales was one of several states facing potential blackouts in mid-June.

The Australian Energy Market Operator took the unprecedented move of suspending the entire country's wholesale electricity market, which stopped spot prices, to sidestep potential blackouts across the east coast. Up to 80% of New South Wales' electricity was estimated to be coal-powered in 2019.

Australia's reliance on fossil fuels was recently criticised by new Federal Energy Minister Chris Bowen, spruiking future investments in renewable energy that is largely powered by critical minerals such as lithium, copper, nickel and rare earths.

In the meantime, New South Wales Treasurer Matt Kean was anticipated to release the State's 2022-23 Budget on June 21.

In the lead up to the budget reveal, Kean emphasised an economic recovery from COVID-19 and flooding, with the latter to command \$2 billion in spending.

In February 2021, the New South Wales Minerals Council said mining contributed \$14.9 billion to the State Government's economy.

Following the Fraser Institute's Annual Mining Survey, the Council lauded improvements in the sector but called for more growth.

"New South Wales has improved its ranking as an attractive jurisdiction for mining investment, however, it's clear more needs to

be done as domestic and international competitors continue to outperform our State," a Council announcement read.

The State's resources sector has made some strides in recent years, climbing the Fraser Institute's ranks of investment attractiveness from a score of 61.84 in 2016 to 72.64 in 2020 – ultimately ranking 27th out of 77 destinations worldwide.

New South Wales Minerals Council chief executive Stephen Galilee more recently cited a poor regulatory framework as the State's major shortcomings in the resources sector.

"More progress is needed to achieve this ambition as problems within our jurisdiction remain, especially within complex state regulatory and assessment systems," he said. "Our mining industry competes with other states and international jurisdictions for investment. Global perceptions of a poor policy environment here in New South Wales will mean billions in investment and thousands of jobs will instead go interstate or overseas."

New South Wales is still predominantly a coal mining state but BHP Ltd did recently announce plans to close the State's largest coal mine, Mt Arthur, by 2030. BHP reportedly failed to find a suitable buyer for the project, which employs 2,000 people, after a two-year search. Rehabilitation of the site's land can take up to 15 years.

Queensland

At the time of print, The Queensland Government was also set to unveil its 2022-23 Budget on June 21.

Earlier in June, the Queensland Resources Council (QRC) criticised the Palaszczuk Government's plans to increase royalty taxes without industry consultation.

"At the last election, the Palaszczuk Government said there would be no new or increased taxes, but Treasurer Cameron Dick is now planning to impose higher royalty taxes on our sector without consulting the industry or the resources communities most affected by this broken election promise," QRC chief executive Ian Macfarlane said.

Macfarlane claimed Queensland's largest export industry was the resources sector and that regional jobs were potentially at risk from the royalty increase.

"Projects may not go ahead or won't be expanded now because of the instability and uncertainty created by the Queensland Government changing its royalty tax regime almost overnight," he said.

"The Treasurer's cavalier attitude to tax changes raises red flags for investors in all Queensland resource projects because it signals the Queensland Government is hap-

py to move the financial goalposts without consultation."

Northern Territory and Federal



The Northern Territory has found itself a unique bond in the new Albanese Government's cabinet with Minister for Northern Australia Madeleine King also serving as the new Minister for Resources.

West Australian-born King has quickly jitted her elbows out as Minister, defending the resources sector from its "demonising" detractors.

King has also had to fend off criticism for current reliance on fossil fuels while also pushing a view to harness critical minerals such as rare earths to power a low-emission Australia.

"I get there hasn't been enough action so far," she conceded. "But the way we're going to keep people warm and keep having a productive society as well as getting to that goal will involve every company and every worker in that energy mix to get there, not demonising some against the others or demonising the sector."

"We will make clear the critical minerals and the emerging resources sector of Australia is part of the global solution to get into net-zero emissions, and we should be really proud of that and singing it from the rooftops."

King's appointment seems to have passed the pub test so far, particularly for her warmth for future facing commodities.

"Minister King has held the resources portfolio in opposition and understands the importance of our industry in creating jobs and growth, but also the vital role in producing the minerals needed for decarbonisation and a clean energy transition," AMEC's Pearce said.

Critical minerals will be important following the Albanese's new pledge of reducing carbon emissions by 43% by 2030 as part as the Paris Agreement.