

2022-23 State Budget Provides Stability for the Resources Sector

2 June 2022

The South Australian Chamber of Mines & Energy (SACOME) welcomes a State Budget that provides ongoing funding for established bipartisan state growth initiatives and delivers funding for regulatory efficiencies.

Budget highlights include ongoing funding for the Accelerated Discovery Initiative, Mining Exploration Regulation System, Northern Water Supply, Regional & Remote Road Maintenance, development of Critical Mineral datasets and Landowner Information Services.

Accelerated Discovery Initiative

The State Budget provides certainty for the exploration sector by confirming previously announced funding for the Accelerated Discovery Initiative over the forward estimates.

Exploration incentives are a proven economic multiplier – for every \$1 million invested, an additional \$23 million in benefits is returned.

Established in 2004, exploration incentives have contributed to South Australia's global investment attractiveness for mineral exploration. South Australia is currently the 10th most attractive jurisdiction in the world for mining investment.

SACOME CEO, Rebecca Knol, says, "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."

Mining Exploration Regulation System

Funding of \$6.4 million over 3 years for a new Mining Exploration Regulation System to digitise and automate exploration and mining related approvals is welcomed.

SACOME CEO, Rebecca Knol, says, "Over the past four years, SACOMEs 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."

"A circuit breaker is desperately required to address this escalating issue."

Northern Water Supply

SACOME has previously welcomed bipartisan support for \$15 million of State and Commonwealth funding for this nationally significant project, which is reinforced in the 2022-23 State Budget.

This major state economic development initiative would facilitate the delivery of sustainable water to the Gawler Craton – a globally significant mineral province. The project also has the potential to align with Department of Defence requirements, meet domestic and industrial water needs in the Upper Spencer Gulf, and support the development of green steel and hydrogen.

SACOME CEO, Rebecca Knol, says, “SACOME now calls on the Malinauskas Government to maintain project momentum by provisioning \$100 million in next year’s State Budget to undertake early works such as geotechnical and environmental investigations.”

Regional & Remote Road Maintenance

SACOME welcomes \$50 million of additional State and Commonwealth funding for the Horrocks Highway Corridor and a further \$20 million for outback road flood resilience works.

Road maintenance funding is maintained, noting that Commonwealth stimulus funding is ending. Ongoing maintenance funding beyond stimulus is critical to the operation of the resources sector.

SACOME welcomes ongoing funding for the Augusta Highway duplication and the Sturt Highway, recognising the need for finalisation of the Port Pirie to Crystal Brook business case.

A further \$2 million has been allocated for the upgrade of the Eyre Highway, with a further \$20 million over 2 years for the Eyre Peninsula Road.

SACOME also supports the introduction of a ‘Rural Roads Safety Package’ of \$12.5 million, jointly funded by the Commonwealth and State Governments.

SACOME CEO, Rebecca Knol, says “South Australia has a road network comprising some 10,000km of road. It is vital that the momentum of funding is continued to ensure the safety of supply chain routes for the resources sector.”

Critical Minerals

Funding of \$2.5 million over 2 years to deliver new geological critical mineral datasets is long overdue, and an important first step in the development of a much-needed Critical Minerals Strategy for the State.

SACOME CEO, Rebecca Knol, says “Global demand for critical minerals is increasing and driven by significant growth in markets for complex technologies such as defence, space, and renewables. However, the occurrence of critical minerals in South Australia is not uniformly understood.”

“There is an urgent need to align opportunities in critical mineral project development, R&D activity, advanced manufacturing, and related upstream processing activity.”

Rural Business Support Landowner Information Services

SACOME supports continued funding of \$350k for Landowner Information Services which provides free, factual, and impartial service for landowners, farmers and community members who have queries on resources exploration, mining, and quarrying.

SACOME CEO, Rebecca Knol, says, "The establishment of this service was an outcome of the Mining Act review and is supported by industry."

Energy Transition

Following the State Governments formal acknowledgment of a Climate Change Emergency, SACOME reiterates its call to urgently fund an Energy Transition Roundtable and commit to the development of an Energy Transition Roadmap.

SACOME CEO, Rebecca Knol, says, "The cumulative impact of past policy decisions, across multiple electoral cycles, has resulted in a vastly more tenuous operating environment for industry, which now bears greater expense and greater uncertainty. This needs to be urgently addressed if we are to maintain a manufacturing capability in South Australia."

"The resources sector is the engine room of the South Australian economy and continued sector growth depends on funding for projects and initiatives that will remove impediments to growth, resolve structural hurdles and improve regulatory outcomes. The 2022-23 Budget provides much needed funding stability for the resources sector."

- **Ends** -

SACOME's 2022-23 Pre-State Budget Submission is available [here](#).

Further information on SACOME's Pre-Election Calls is available [here](#).

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About SACOME

The [South Australian Chamber of Mines and Energy](#) is the peak industry association representing companies with interests and connections to the South Australian resources and energy sector. The South Australian resources sector contributes \$5.9 billion to the state economy, the equivalent to 5.3% of South Australia's Gross State Product (GSP), or \$1 in every \$20 in the state economy; supports 24,895, or 1 in 33 jobs; provides \$435.8 million in State Government Payments and contributes \$5.7 billion in exports, approximately 50% of the States total exports.