

Date: 6 June 2024

## Investment in Key Resources Sector Initiatives Welcomed in 2024-25 State Budget

**Contributing more than \$10.7 billion annually, the resources sector is the powerhouse of the State's economy and has enabled the State Government to deliver funding for housing, health and skills in the 2024-25 State Budget.**

Budget highlights for the resources sector include:

- \$3.6m over two years for the development of a Green Iron and Steel Strategy;
- \$4.1m over four years for the implementation of the Hydrogen Renewable Energy Act;
- \$1.7m over two years for the Whyalla Steelworks Transformation;
- \$15.4m over three years for Brukunga acid mine drainage treatment plant;
- \$5.8m in additional funding for Whyalla accommodation to support the Hydrogen Jobs Plan workforce;
- \$20m in ongoing additional road maintenance funding from 2027-28;
- \$4.1m over four years to support large-scale hydrogen and renewable energy projects; and
- \$692.6m over five years for skills and training.

The South Australian Chamber of Mines and Energy (SACOME) has consistently called for budget measures that drive economic transformation and is pleased to see these calls being actioned through the South Australian Government's *State Prosperity Project*.

### **The Northern Water Project**

The Northern Water Project is key to expansion of mining activity in the Gawler Craton and reindustrialisation of the Upper Spencer Gulf. The resources sector has welcomed State and Federal Government investment in this important Project ahead of the State Budget.

Quote attributable to Rebecca Knol, CEO SACOME:

*"The [Northern Water Project](#) remains a flagship initiative for SACOME, and we are pleased to see ongoing funding support from the South Australian Government.*

*This project is critical to the growth of South Australian resources sector and South Australia's ambitions for the green industrialisation of our economy."*

## **Green Iron & Steel Strategy and Whyalla Steelworks Transformation**

Iron and steel account for approximately 95% of all metals used by modern industrial societies, and the need to decarbonise the production of these materials is critical to attaining Net Zero targets.

Funding for the implementation of a Green Iron & Steel Strategy and the Whyalla Steelworks Transformation will ensure the Department for Energy and Mining is adequately resourced to progress this important work, and that the production of iron and steel has a strong future in South Australia.

Over 90% of South Australia's iron is magnetite, a high-quality resource integral to the production of green steel.

*Quote attributable to Rebecca Knol, CEO SACOME:*

*"Understanding the importance of green manufacturing to a low carbon future is critical for South Australia's prosperity and SACOME is delighted that this issue is being afforded priority in this year's State Budget.*

*While hydrogen and renewables are viewed as central to green manufacturing, SACOME continues to advocate for nuclear to provide a proven, reliable and zero emissions source of industrial heat."*

## **Road Maintenance & Network Flood Resilience**

South Australia has a road network comprising some 10,000km of road. Inconsistent road maintenance funding has resulted in a \$1.9 million backlog, adversely impacting productivity. SACOME, in partnership with the RAA and The SA Freight Council, have consistently called for an increase in road maintenance funding to ensure safe transportation of people, products and equipment.

*Quote attributable to Rebecca Knol, CEO SACOME:*

*"Today, SACOME welcomes the State Government's announcement of \$17.5m over 3 years with an additional annual allocation of \$20m from 2027-28 to improve our road network.*

*We continue to advocate for the allocation of funding that prioritises the economic value of product transported rather than continuing to solely utilise the simple measure of vehicle movements."*

## Riverland Network Flood Resilience Upgrades

Quote attributable to Rebecca Knol, CEO SACOME:

*"Flood events across South Australia and the nation have highlighted the fragility of our unsealed road network and the resultant impact on productivity. The allocation of \$20m over four years to support network resilience in the Riverland, while welcomed, does not address resilience across the rest of the network. This need is particularly acute in the Outback, an area critical to the resources sector."*

## Skilled Workforce

A skilled workforce is required to achieve the ambitions outlined in the State's Prosperity Project and the 2024-25 Budget allocates more than \$250 million for school upgrades and new infrastructure, with an additional \$692.6m in skills funding over five years.

While these building blocks are important, so too is a school curriculum that adequately integrates Science, Technology, Engineering, and Maths (STEM) to support the future pipeline of skilled workers crucially needed for the resources sector and other essential industries.

SACOME, in collaboration with Catholic Education South Australia, has implemented a STEM Digital Technology Pilot and calls for the South Australian Government to fund the implementation of this program in all government schools in addition to its school infrastructure and upgrades program.

Quote attributable to Rebecca Knol, CEO SACOME:

*"The teaching of STEM in schools is vital to ensuring South Australia keeps pace with the technological change needed to advance social and economic prosperity."*

*"We must ensure that the pipeline of talent required for the industries of tomorrow are nurtured today."*

Understanding why the resources mined and produced in our State are integral to our every-day lives is fundamental to an educated workforce. SACOME is proud to partner with State Government on the ResourcefulSA campaign which is increasing public awareness of this important sector.

Quote attributable to Rebecca Knol, CEO SACOME:

*"From building homes to life-saving healthcare, the resources sector underpins life as we know it and is reliant on a skilled future workforce."*

SACOME's Pre Budget Submission called for investment in long-term economic initiatives to grow the South Australian resources sector and the State.

We are encouraged by the State Government's funding allocations in the 2024-25 Budget, along with its commitment to investigate and integrate SACOME's calls in future Budgets.

[Read more about SACOME's 2024-2025 Budget calls here.](#)

[Read SACOME's 2024-2025 Pre-Budget Priorities submission here.](#)

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**About SACOME**

The [South Australian Chamber of Mines and Energy](#) is the leading industry association representing companies with interests and connections to the South Australian resources and energy sector.