

**Date:** 20 May 2024

## **Resources Sector calls for Budget measures that drive Economic Transformation**

The South Australian Chamber of Mines and Energy (SACOME) calls for the State Government to prioritise funding measures in the upcoming Budget for projects that advance the development of economic and strategic infrastructure, drive growth in manufacturing and build South Australia's economic complexity.

SACOME's Budget calls include:

### **Development of a Local CO<sub>2</sub> Industry**

Disruptions to food and industrial-grade CO<sub>2</sub> supplies are impacting some of the State's most iconic family food and beverage businesses, including major wineries, breweries, and soft drink suppliers.

South Australia is now facing shortages of industrial CO<sub>2</sub> due to the progressive closure of Torrens Island Power Station, exposing manufacturers to high import prices.

With the potential to provide over 20 years of continuous supply, the [Nangwarry CO<sub>2</sub> project](#) would provide a long-term and stable source of CO<sub>2</sub> for the South Australian food, beverage, and building industries.

*SACOME calls on the Malinauskas Government to support this initiative.*

### **Support for Carbon Abatement Technologies**

The International Energy Agency has forecast that a hundredfold increase in [Carbon Capture and Storage \(CCS\)](#) is required between now and 2050 to achieve the world's climate goals.

Hard-to-abate sectors, such as cement and steel manufacturing, will be reliant on CCS to offset their emissions.

CCS offers a viable pathway to reducing emissions and further positions Australia as a leading energy exporter and manufacturer of energy intensive materials. Recent changes to the Energy Resources Act, 2023 enable the State Government to charge a levy on carbon importation, demonstrating the Government's intention to derive a revenue from this further import.

### **South Australian Chamber of Mines & Energy**

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*SACOME calls on the State Government to provide funding support for the construction of a dedicated CO<sub>2</sub> pipeline from Port Bonython to Moomba as a means of facilitating international carbon storage, creating new economic activity, and supporting the State's transition to net-zero.*

### **Creation of a Critical Minerals Development Fund**

A [Critical Minerals](#) Development Fund offers South Australia a jurisdictional advantage by leveraging our State's existing minerals processing capacity and catalysing projects necessary to support decarbonisation of the South Australian economy.

Just as the South Australian Government's Plan for Accelerating Exploration (PACE) successfully catalysed mineral and gas exploration, a Critical Minerals Development Fund can underpin the rapid expansion of critical minerals projects to meet accelerating global demand.

Today, Port Pirie, Whyalla, and Roxby Downs are key locations identified by the Malinauskas Government in the *State Prosperity Project* that would benefit from processing hubs.

*SACOME calls for the Budget measures that support development of a Critical Minerals Development Fund to assist in accelerating critical minerals projects and catalysing the development of processing hubs in South Australia.*

### **Retailer Energy Productivity Scheme (REPS) Exemption**

Introduced in 2021, [REPS](#) was designed to provide incentives for households and business to improve their energy productivity and reduce electricity costs and emissions.

A consequence of the REPS has seen large commercial and industrial customers shouldering the costs of its implementation, resulting in a major impost to operational costs for these businesses.

SACOME continues to advocate for large commercial and industrial operators to be exempt from the REPS, noting that the Scheme has become administratively complex, costly and does not operate as an effective measure for improving energy productivity as commercial and industrial customers undertake internal energy productivity and emissions reduction measures well in excess of the requirements imposed by REPS.

While SACOME supports the general principles underpinning REPS, the Scheme imposes additional costs and administrative obligations for major South Australian business for no discernible benefit.

*SACOME calls on the State Government to exempt large commercial and industrial users from the Retailer Energy Productivity Scheme.*

### **Northern Water Project**

SACOME welcomes the significant funding commitments provided by the Malinauskas Government in February this year to complete further assessments for the [Northern Water Project](#), prior to the Final Investment Decision (FID).

SACOME reiterates its strong support for the Northern Water Project and calls for continued effort by the South Australian Government to bring it to development.

SACOME has long advocated for the Northern Water Project which involves the construction of a new desalination plant at Cape Hardy and the delivery of sustainable water via a high-capacity pipeline to the Gawler Craton, South Australia's world-class mineral province.

This multi-billion-dollar project is a critical enabler to the growth of the South Australian resources sector and supports the State Government's ambition for the green industrialisation of the economy: the production of green iron, steel, and hydrogen, and as an enabler of copper production to Net Zero.

Given the importance of the Northern Water Project to a broad range of stakeholders, SACOME regards project certainty and momentum as crucial.

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### **Quotes attributable to SACOME CEO, Rebecca Knol:**

"Acknowledging that resources projects can often take decades to reach production, SACOME reiterates its calls for policy continuity in relation to transformative economic measures and continued support for major infrastructure initiatives like the Northern Water Project.

"Consistent, concerted effort is fundamental to realising the growth of the resources sector and transformation of the State's economy at the scale envisaged by both SACOME's member companies and the South Australian Government.

"Key to the transformation of the State's economy is the nurturing of ongoing collaboration between industry and government, recognising that continuing engagement on regulatory and policy matters is crucial to achieving our shared objectives."

**SACOME's 2024-25 Pre Budget Submission is available [here](#)**

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SACOME MEDIA

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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.

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