



South Australian Chamber of Mines & Energy

**Rebecca Knol**  
**Chief Executive Officer**

South Australian Freight Council Infrastructure Forum & AGM  
Wednesday 11 October 2017

**1**

### State Economic Development

Ensuring a pipeline of discoveries and projects to support a sustainable and profitable resources industry, contributing to the SA economy

**2**

### Energy

Energy reform requires a balanced approach to provide a secure, reliable and affordable energy for all, with greater access to oil and gas

**3**

### Infrastructure

Addressing bottlenecks to 'open up' the north and west of the State to boost productivity throughout the South Australian economy

**4**

### Legislation & Regulation

Influence the development of efficient, effective and transparent regulation of the resources industry to promote investment





# Resources sector infrastructure priorities

1. Port Augusta infrastructure bottleneck
  2. Eyre Peninsula electricity transmission line
  3. Gawler Craton rail access
  4. Gas pipeline infrastructure renewal
  5. Regional port infrastructure development
-



# Snapshot of the SA resources sector

## 10 operating mines

- Olympic Dam (BHP)
- Prominent Hill (OZ Minerals)
- Kanmantoo (Hillgrove Resources)
- Middleback Range (SIMEC Mining)
- Four Mile (Quasar Resources)
- Jacinth-Ambrosia (Iluka Resources)
- Cairn Hill (CU River)
- Challenger (WPG Resources)
- Portia (Havilah Resources)
- Tarcoola (WPG Resources)

## 9 in care & maintenance

- Peculiar Knob (SIMEC Mining)
- Beverley (Heathgate Resources)
- Beverley North (Heathgate Resources)
- Honeymoon (Boss Resources)
- Mindarie (Murray Zircon)
- White Dam (Exco Resources)
- Beltana (Perilya)
- Angas (Terramin)
- Uley (Valence Industries)



# Southern Mine Expansion, Olympic Dam (BHP)

- Olympic Dam is one of the largest ore bodies in the world
- Located 560 km north of Adelaide
- Copper, gold, uranium and silver mine
- 450 km of underground roads and tunnels
- Ore hauled by automated train to underground crushing, storage and ore hoisting facilities
- Southern Mine Area expansion will increase production to 450,000 tonnes
- \$120 million committed to expansion, including extra fleet, bores, power and telecommunications infrastructure
- \$350 million investment in smelter maintenance
- Investments will ensure ongoing integrity of critical infrastructure





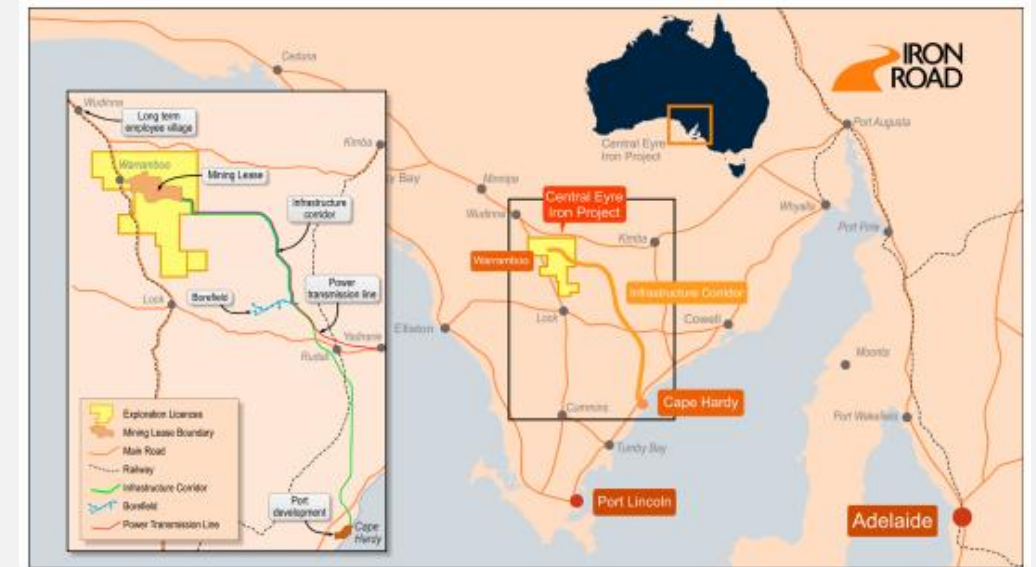
# Carrapateena (OZ Minerals)

- \$916M copper-gold project approved in August
- Ore reserve – 79 million tonnes
- Copper grade – 1.8 per cent
- 20 year mine life
- Producing 4.25 million tonnes p.a.
- Located 160km north of Port Augusta in Gawler Craton
- 1,000 jobs from construction through to production
- Power supplied via 132 kV overhead transmission line from SA electricity network
  - Agreement signed with ElectraNet for 55MW of power over 20 year period
- Western Access Road – 52.5km unsealed road from Stuart Highway to mine site



# Central Eyre Iron Project (Iron Road)

- Fully integrated, long-life magnetite iron project
- 21.5 million tonnes per annum of iron concentrate
- 25 year mine life
- Project includes 148 km heavy-haul railway
  - Will transport 11,000 tonnes per train of iron concentrate from mine to port
- Railway will contain power and water infrastructure
- Water sourced from bore field 60 km from mine
- 275kV power line will connect project to ElectraNet transmission line
- Deep port will be developed at Cape Hardy – operating capacity 70 mtpa
- CEIP will have 500 MW power demand





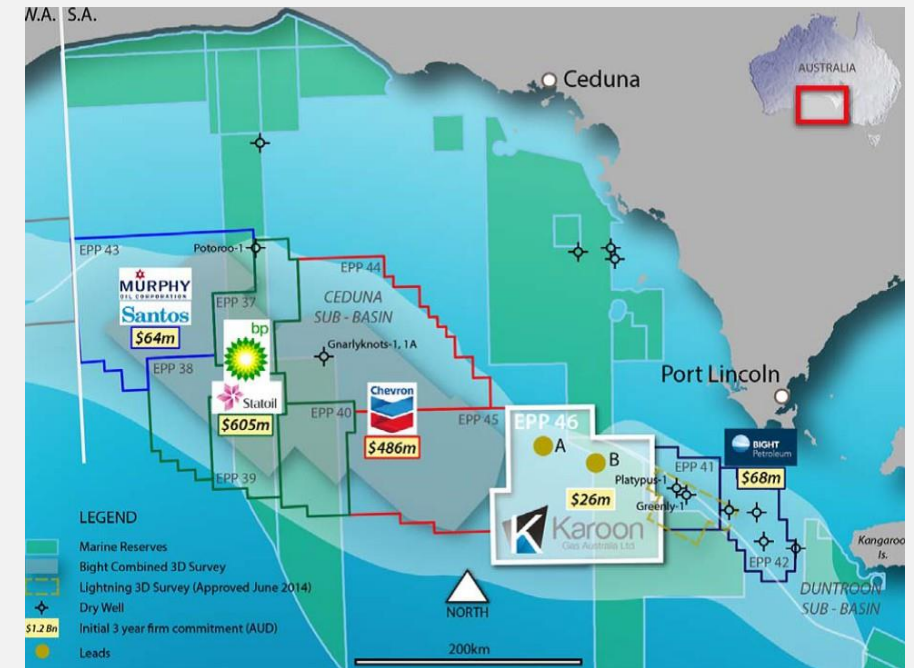
# Hillside Project (Rex Minerals)

- Situated 12 km south of Ardrossan on Yorke Peninsula
- Open pit mine with 13 year mine life
- Producing 35,000 tonne of copper & 24,000 ounces of gold p.a.
- Export concentrate through Port of Adelaide
  - Material will be hauled by road train via Yorke Highway
- Will require update of main mine site access road intersection and realignment of Yorke and St Vincent Highways
- Project will require 22MW p.a. – connected to main power grid
- Mine will be connected to SA's water network
- 500 person labour force will be drawn from regional towns





- In 2016, the petroleum sector paid \$62 million in royalties
- Combined production value of petroleum activities was over \$1 billion
- Otway Basin will continue to supply gas to the State; recommencement of drilling by Beach Energy has potential to supplement gas to SA
- Chevron, Statoil, Santos, Murphy Oil, Karoon Gas and Bight Petroleum are actively exploring offshore in the Great Australian Bight
  - \$1.2 billion and a new oil rig have been committed to Bight exploration projects





# Resources sector infrastructure priorities

1. Port Augusta infrastructure bottleneck
  2. Eyre Peninsula electricity transmission line
  3. Gawler Craton rail access
  4. Gas pipeline infrastructure renewal
  5. Regional port infrastructure development
-



# Regional Port Infrastructure Development

- Expansion of regional ports and development of new high-capacity ports can support increases in minerals resource exports
- Development of deep port is an infrastructure priority – essential for SA to be competitive in global iron ore market
- Cost of transportation is barrier to capital raising for new mining projects
- Existing Whyalla Port, Cape Hardy Port (Iron Road CEIP) and planned Myponie Point Bulk Commodity export facility are three sites that could meet potential mineral export demand
- Private funding, major development approval and priority listing of the Cape Hardy Port makes it the frontrunner for near-term development



# Port Augusta Infrastructure Bottleneck

- Road and rail bypass would reduce industry 'down time' associated with rain forced closures
  - Would attract more heavy and commercial vehicles due to reduced stops and higher speeds
- Bypass development has been long supported by SACOME, SAFC, PPSA and CCF
- Sealing of Yorkey's Crossing is a priority as all oversized vehicles must use it to pass through Port Augusta as main bridge cannot support them
- Not a strong cost benefit ratio – SACOME supports alternatives to help this infrastructure bottleneck
  - Complexities given both State and Council responsibilities
- Announcement of upgrade of Yorkey's Crossing and Stuart Highway intersection is supported by SACOME



# Call for further collaboration

- Shared port and road infrastructure priorities open gateway for cross-sectoral collaboration
- Resources, agricultural and freight & logistics sectors share the need for efficient port infrastructure and improved road infrastructure around the Port Augusta bottleneck
- Must capitalise on the opportunity to drive outcomes on infrastructure priorities
- Cross sector round table was a key action from SACOME's Infrastructure Committee
  - Encourage communication between sectors
  - Identify issues for collaboration
  - Identify shared funding priorities
  - Scope opportunities for joint lobbying of SA and Commonwealth Governments for targeted infrastructure projects.



# Contact

## **Rebecca Knol**

Chief Executive Officer

[rk nol@sacome.org.au](mailto:rk nol@sacome.org.au)

## **Claire Parkinson**

Director, External Affairs – Consultant

[cparkinson@sacome.org.au](mailto:cparkinson@sacome.org.au)

## **Yelena Koerner-Heinjus**

Communications & Digital Media Advisor

[ykoernerheinjus@sacome.org.au](mailto:ykoernerheinjus@sacome.org.au)