

SACOME Response to 2021/22 State Budget

The South Australian Chamber of Mines & Energy (SACOME) welcomes a range of positive funding announcements in a State Budget that provides modest support for the State's resources sector.

Budget highlights include funding for Northern South Australian Productive Water Security Project and for increased regional and remote road maintenance.

The \$900,000 Northern South Australian Productive Water Supply feasibility study will examine potential solutions to provide new sustainable water to the Gawler Craton and Upper Spencer Gulf. SACOME has advocated for this project as a key economic development initiative consistent with Growth State objectives. A water solution for the Far North will unlock economic potential while reducing reliance on the Great Artesian Basin and the Murray River.

SACOME similarly welcomes the increase to road maintenance funding of \$283 million in 2021-22 as a result of significant Commonwealth and State COVID-19 stimulus packages.

This is a much needed road maintenance 'sugar hit' which will help to address the State's existing road maintenance backlog. This timely boost must also be backed by ongoing funding commitments in future Budgets, recognising that regional and remote roads are a critical part of the State's supply chain.

\$8 million over three years has been provided to support the establishment of the Arkani Ngura National Test Mine and Innovation Centre at the existing OZ Minerals Prominent Hill mine to support the development and commercialisation of technology in the resources, space and defence sectors.

Further to previous investments to support conciliatory engagement between resources companies and landowners, an additional \$2.2 million over the next four years will support a continuation and expansion of this free, confidential and independent Landowner Information Service. The Landowner Information Service is supported by SACOME and this additional funding will continue to assist operators and landowners in their interactions.

SACOME is disappointed to see that the Accelerated Discovery Initiative (ADI) has not been funded beyond the 2021-22 Budget. SACOME fought hard for reintroduction of exploration incentives after the Plan for Accelerated Exploration (PACE) was defunded in 2018 and welcomed announcement of ADI funding by the Marshall Government in in the 2019-20 Budget.

This decision once again places South Australia at an investment attraction disadvantage compared to the rest of the nation and operates against the Government's own economic growth objectives under Growth State.

South Australian Chamber of Mines & Energy

Level 3, 115 King William Street, Adelaide, SA 5000 | +61 8 8202 9999 | sacome@sacome.org.au | www.sacome.org.au
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Rebecca Knol, CEO said:

“Despite being the powerhouse of the State’s economy, contributing increased royalties and supporting the State through the worst impacts of the COVID-19 pandemic, the resources sector will receive only modest funding in the 2021-22 State Budget”.

“Continued support for the Northern South Australian Productive Water Security Project is welcome given its potential to drive truly transformational economic and environmental outcomes for South Australia”.

“Increased road maintenance funding is welcomed, recognising the significant maintenance backlog across the State, and particularly for regional and remote roads which are South Australia’s most economically important transport routes”.

“The funding of the Arkani Ngura National Test Mine & Innovation Centre located at Prominent Hill will help to drive technological innovation across a range of industry sectors, reinforcing that the resources sector continues to be the forefront of change and an industry of the future”.

“It is disappointing that the Accelerated Discovery Initiative has been defunded, once again leaving South Australia at an investment attraction disadvantage compared to the rest of the nation. Exploration incentives are a proven economic multiplier – for every \$1million invested, an additional \$23m in benefits is returned. This is a baffling decision by a State Government who has made economic growth one of its key policy objectives.”

“It is also disappointing to see no support for the State’s oil and gas sector – either through measures to promote additional discoveries, or additional support for carbon capture and storage initiatives which will assist the process of decarbonisation”.

“The South Australian Government identified the resources sector as a key sector to assist in meeting its Growth State targets. While the modest funding measures announced in the 2021-22 State Budget are welcomed, they fall short of driving the radical economic change the Government has tasked the South Australian resources sector with helping to achieve”.

Media contacts:

Rebecca Knol, CEO SACOME, 0409 012 007

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.

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