

SACOME Welcomes Resources Sector Announcements in Commonwealth Budget

The South Australian Chamber of Mines and Energy (SACOME) welcomes the resources sector funding announcements in the Commonwealth Government's 2021-22 Budget.

These announcements prioritise critical road infrastructure; incentivise exploration; support mineral and petroleum development; tackle policy reform, and support investment in clean, affordable and reliable energy.

Augusta Highway Duplication

SACOME has consistently advocated for the duplication of the Augusta Highway to enable the use of triple-road trains south of Port Augusta.

The \$148 million funding commitment will duplicate the section from Port Wakefield to Lochiel and represents an important next step in improving a critical transport route for the South Australian resources sector.

Rebecca Knol, Chief Executive Officer (CEO) said "Efficient transportation is critical to industry productivity and growth aspirations. Commonwealth recognition and funding of economically strategic corridors such as the Augusta Highway are welcomed."

Strzelecki Track

The Strzelecki Track is a vital supply link for South Australia's major oil and gas producers operating in the Cooper Basin.

This \$64 million funding commitment represents the unfunded component of the Strzelecki Track upgrade.

Rebecca Knol, CEO said "SACOME has long advocated for re-sealing of the Strzelecki Track, and this funding announcement covers the current funding shortfall, ensuring this project is now fully funded. This is fantastic news for South Australia."

Junior Minerals Exploration Incentive (JMEI)

SACOME was instrumental in the design of the 2014 Exploration Development Incentive and the introduction of the *Treasury Laws Amendment* (Junior Minerals Exploration Incentive) Bill 2017. SACOME have continued to advocate for incentives that promote greenfields exploration in Australia.

SACOME welcomes the Commonwealth Government's announcement that the JMEI will continue for another four years from 1 July 2021.

Continuation of this program will encourage exploration and development of new deposits and ensure a strong investment pipeline for development across regional Australia.

Rebecca Knol, CEO said "The wealth generated from our sector which contributes to the funding of the state's schools, hospitals and roads; is reliant on a pipeline of exploration discoveries. The JMEI is an important tool to stimulate investment."

Australia's Global Resources Strategy

SACOME welcomes the Commonwealth Government's \$20.1 million investment, over two years, to deliver a comprehensive Global Resources Strategy that supports the diversification of export markets for Australia's resources commodities.

The Strategy aims to establish new initiatives to support Australian resources industries and build relationships across governments and businesses to identify new investment opportunities in existing and new export markets.

Rebecca Knol, CEO said: "SACOME welcomes efforts to open up opportunities for the South Australian resources sector through targeted government to government engagement in key markets as geopolitical, pandemic and other factors reshape global supply chains."

Advancing Australia's Gas Fired Recovery

SACOME welcomes the Commonwealth Government's \$58.6 million investment to support key gas infrastructure projects and unlock new gas supply.

Gas is an integral component of the South Australian energy mix providing approximately half of all electricity generation. The supply of gas is critical to meeting South Australia's energy demands and the development of new gas reserves should continue to be a policy priority for all governments.

Rebecca Knol, CEO said "Incentivising the responsible development of South Australian gas projects will be critical to meeting the State's future energy demands and the development of new gas reserves should continue to be a policy priority."

Improving Energy Affordability and Reliability

SACOME welcomes the Commonwealth Government's \$215.4 million investment to support investment in new dispatchable generation and affordable and reliable power for consumers in the nation's electricity markets. This announcement includes \$24.9 million to support the development of hydrogen ready gas generation infrastructure.

Energy affordability and reliability are of paramount importance to resources sector operators and have a direct impact on business viability, new project development and investment decisions.

Rebecca Knol, CEO said: "South Australian wholesale electricity prices have decreased in recent times, however on-going energy price reductions remains a key policy objective as high energy prices operate as a disincentive to investment attraction and economic development."

"SACOME is supportive of measures that will improve energy affordability and reliability for member companies."

Energy and Zero Emissions Technology

SACOME welcomes the Commonwealth Government's \$1.6 billion investment to incentivise private investment in technologies identified in the Government's Technology Investment Roadmap and Low Emissions Technology Statements.

SACOME is particularly supportive of Carbon Capture Use and Storage (CCUS) Hubs and Hydrogen Export Hubs being based in South Australia.

The potential economic growth and employment opportunities through the development of a CCUS and hydrogen export industry are significant, with South Australia being well positioned to fast-track both initiatives.

Rebecca Knol, CEO said "The development of CCUS and hydrogen hubs has significant potential to lower business costs and emissions, create new industries for the State, as well as positioning South Australia front and centre for the jobs of tomorrow."

Environment Protection and Biodiversity Conservation Act (EPBC Act)

SACOME welcomes the Commonwealth Government's \$29.3 million in funding to support reform in response to the Independent Review of the *Environment Protection and Biodiversity Conservation Act 1999*, including \$9 million over four years to establish the Environment Assurance Commissioner to monitor and audit Commonwealth, state and territory environmental approval systems.

Rebecca Knol, CEO said "The streamlining of the EPBC Act presents a significant opportunity to reduce operating costs and red-tape for industry; while still protecting the environment and supporting industry investment and expediting projects."

Commonwealth Budget Overview

SACOME welcomes Commonwealth investment in infrastructure, exploration, energy, resource development, red-tape reduction and new technologies, recognising that this investment closely aligns with SACOME's Budget calls across current and previous years.

SACOME anticipates similar support for the resources sector in the upcoming South Australian State Budget and has delivered a Pre-Budget submission to the State Government with 11 initiatives to increase employment, stimulate economic activity and to leverage longer-term economic development goals for the resources sector and the State.

Rebecca Knol, CEO said "The South Australian resources sector is the powerhouse of the South Australian economy, contributing \$5.9 billion to the state – equivalent to 5.3% of Gross State Product."

"One dollar in every twenty is generated by the resources sector, supporting the employment of 24,895 people, equivalent to one in every thirty-three South Australian jobs or 3% of total State employment."

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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.

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