



Mid West miners tout wares

Mark Beyer

THE Geraldton Iron Ore Alliance has sought to win support from the state government by releasing a study that predicts mining projects in the Mid West region will provide a massive boost to economic growth and employment.

The study estimated that seven possible mining projects would require up-front capital investment of \$5.5 billion and create 1,360 jobs a year during construction and 4,254 jobs during operation.

Applecross firm Economic Consulting Services estimated the projects would indirectly create another 12,000 jobs across the state and boost the region's population by 40 per cent.

The study coincides with a state government review of the environmental, social and economic impact of the Mid West region's fledgling iron ore industry.

The government commenced its review after the Environmental Protection Authority recommended that Mt Gibson Iron's Extension Hill iron ore project should not proceed because of likely environmental damage.

Alliance chairman and former state development minister, Clive Brown, said the study was commissioned before the EPA controversy but he hoped it would influence government

thinking.

"We hope this study will be given a lot of weight in government," Mr Brown said.

As well as environmental concerns, the development of the mining industry in the Mid West has been constrained by its limited infrastructure.

Mr Brown said there was an urgent need for more upgrades at Geraldton Port, but one of the highest priorities was the development of a second port at Oakajee.

The region also needs additional rail and power infrastructure to meet the needs of project proponents.

Mr Brown said the private sector would fund a lot of the infrastructure, but added that "the state government will have some responsibilities, particularly in the south".

The study assumes that seven major mining projects will proceed, though this may be optimistic.

Some projects, such as Precious Metals Australia's \$200 million Windimurra vanadium project, are already under way, and others like Gindalbie Metals' Karara project are highly likely to proceed.

At the other end of the spectrum, the study assumes that Golden West Resources and Royal Resources develop iron ore mines, even though both companies are at a very early

stage of assessment.

The study does not disclose the plans of each company but states that, collectively, about 82 per cent of their spending during the construction phase will be in Australia.

The economic benefits flowing from the mining projects would be substantially higher if they achieved the same level of local content as the iron ore projects in the Pilbara.

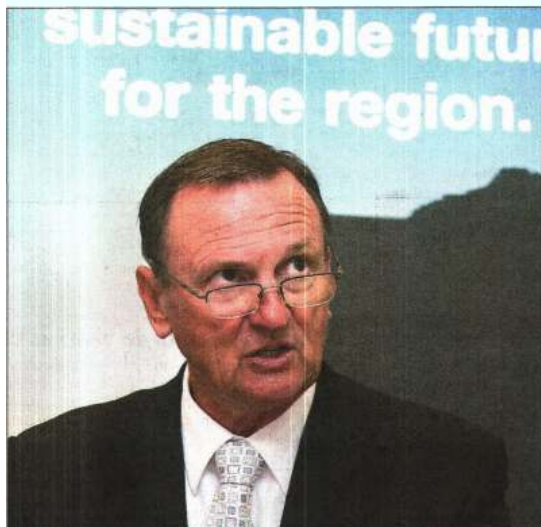
BHP Billiton, for instance, has achieved 90 per cent-plus Australian content on its recent expansion projects.

The Australian content on the Mid West projects is lower because the project proponents have chosen to work with offshore suppliers.

PMA, for instance, said recently that specialty vanadium processing equipment worth about \$20 million would be manufactured in South Africa to avoid construction and fabrication bottlenecks in Australia.

Gindalbie has decided that several key elements of the engineering and detailed design process for its Karara project would be undertaken in China, by its partner AnSteel.

There is also a trend to purchase railcars from Chinese manufacturers, which is a break from the traditional pattern whereby BHP and Rio Tinto bought from local manufacturers.



INFLUENTIAL: Clive Brown hopes the Geraldton Iron Ore Alliance study will influence government thinking. *Photo: Jemma Howard*