



Letters/Opinion

Only good to come

Mid West mining - benefits for region

ROSEMARIE Asmussen (Letters, Monday, May 28) requested advice on the jobs and money that will stay in the region with the development of the Mid West iron ore industry.

I am pleased to be given this opportunity to respond on behalf of the Geraldton Iron Ore Alliance and the companies mining or proposing to mine iron ore. I do not however have a role that gives me the authority to speak on behalf of the entire Mid West mining industry — an industry that generates 50 per cent of our region's revenue.

Economic Consulting Services estimated that an average expenditure of around \$2 billion a year will occur every year in the Mid West for the next 25 years, on the assumption the currently planned iron ore projects get under way. The same study recognised the capital-infrastructure spend would be in the order of \$5.5 billion which, with the resulting expenditure from associated business activity, amounts to almost \$11 billion that will be spent in the Mid West.

In terms of jobs, the independent consultants estimated an average of more than 4000 additional direct jobs over the 25 year study period. In some ways this figure is very conservative, as exploration work on some tenements indicates mine lives in the order of 40 years, and it does not include the additional jobs created from construction, and the flow effects to other sectors within the economy.

The question of what broader benefits will be received by the community from the development of the industry will, to some extent, depend on others. For example, the industry will generate substantial revenues for federal and state governments — but cannot guarantee that governments will re-invest some or all of that revenue in the region.

What is clear however, is the degree to which the expansion of the industry will contribute to the services available in the city and hinterland. A thriving and growing community will attract a variety of services that may not be available at present and would provide greater choice for local consumers.

We are fortunate to live in a city and region with so many opportunities at the present time. But that has not always been the case. It was not all that long ago we experienced unacceptable levels of unemployment and associated social challenges. In parts of the region those challenges remain, such as the areas of this region that have been devastated by successive drought and face the prospect of long-term negative impact on their local economy as a result of this and the potential effects of ongoing climate change.

It would be a pity if we passed up the opportunity we now have to create the jobs and opportunities the region needs. While I don't believe the development of the iron ore industry will solve or prevent all the social challenges of the region — it sure as hell will help and I don't see a lot else being done to address these issues. In addition to the above projections I can also advise that right now three of the Alliance member companies are currently operating their Stage 1 projects, the first one started in February 2004 and the most recent started in February this year. At this earliest stage of development they are already delivering:

- 527 jobs in the region
- 337 of these jobs are occupied by people residing in the Mid West
- In excess of \$370,000 over the past year paid to community groups, or local governments for community initiatives

■ Over \$600,000 pa to local indigenous groups and initiatives

■ Over \$1 million pa to conservation and environment initiatives in the region

■ Estimated \$3.7 million pa towards maintenance of local and state roads, (in addition to substantial local road upgrading works).

The community funds have gone into educational, medical, and community events, rural 'community chests', youth and general sports sponsorship, festivals and expos, as a few examples.

You may also be pleased to know that these iron ore companies are investing over \$4 million per annum on environmental research, rehabilitation, monitoring, protective and conservation works, and this amount is estimated to double over the next year. This is primarily directed at rare flora species, some of which they discovered and brought to the attention of the scientific and environmental community.

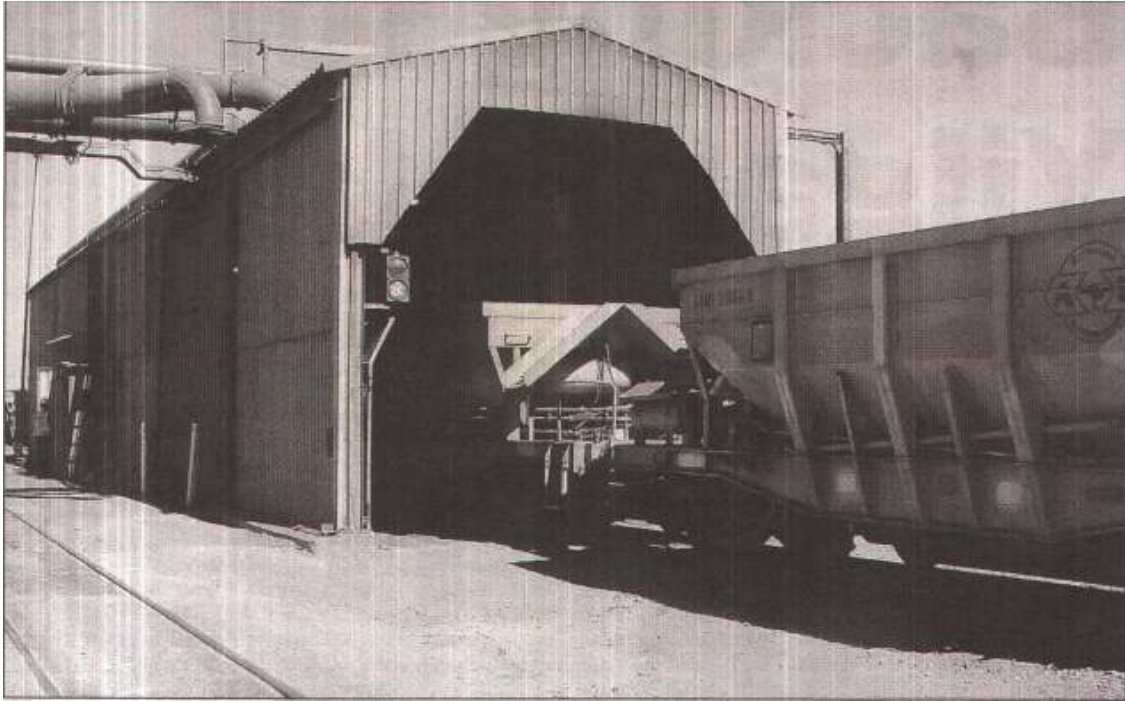
The above already puts these companies among our largest regional employers and is clear testament of the significant contribution of this developing industry to the social and economic prosperity of the region.

The member companies of the Geraldton Iron Ore Alliance have made a commitment to the social and environmental sustainability of the region, as well as its economic prosperity and their record to date deserves recognition. The Alliance will endeavour to provide the community with sound information and respond to any genuine environmental concern that is attributable to the industry's operations.

Rob Jefferles
Geraldton Iron Ore Alliance



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More employment: A benefit of mining in the Mid West will be more jobs. Picture for illustration purposes only