



Media Monitoring

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Mid-West's time is now

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GERALDTON Iron Ore Alliance chairman Clive Brown has called on the Western Australian Government to recognise its role in the development of the mining industry following the release of a study outlining the social and economic benefits of mining expansion in the Mid-West region.

Brown said the region has the ability to rank on par with the Pilbara and Goldfields regions.

The study was prepared by Economics Consulting Services, commissioned by the Alliance and officially released in Geraldton this morning. It analyses the benefits that could flow from the development of projects by the seven exploration and mining companies that are members of the alliance.

The alliance members were broken into two groups for the study: Project North comprised Murchison Metals' Jack Hills iron ore project, Midwest's Weld Range hematite project and Golden West Resources' iron ore play Wiluna West.

Project South consisted of Mount Gibson's Extension Hill, Royal Resources' exploration prospects, Gindalbie Metals' iron ore projects and Precious Metals' Windimurra vanadium project.

Brown, a former WA minister for state development, said the study's figures – which are forecast over a 25-year period – are "extraordinarily impressive".

Key benefits and impacts to come out of the study included an upfront capital investment of \$5.5 billion, which includes the development of Oakajee port, rail links and slurry pipelines. Operating costs over the 25-year period are estimated at \$36 billion and gross sales revenue is forecast at \$62 billion.

More than 1300 jobs a year during the construction period will be created and over 4000 direct jobs a year over the 25-year period.

The Federal Government will benefit by receiving around \$7 billion in taxes and duties and the WA Government could receive about \$3.5 billion in royalties and other payments.

Brown said the upfront capital cost of \$5.5 billion is anticipated to be footed by the private sector, however he said the state government needed to recognise that it also had a role to play.

"We're not saying the government has to come along and stump up say \$4.5 billion of the \$5.5 billion that's necessary," he said.

"To say the government doesn't have a role to play would be wrong, the government does have a role to play and that's this: the companies that are seeking to develop these deposits are not ... the BHPs or the Rio Tintos."

Brown added that the development and establishment of Stage 1 projects – considered to be 1-3 million tonnes – by resource companies in the region was crucial in enabling the benefits to flow to the Mid-West, which would ultimately be derived from the larger Stage 2 projects.

"The Stage 1 projects are very important for this region," he said.

"If it becomes too onerous to establish a Stage 1 project ... then there's a risk that you miss the main game.

"There's a risk that you don't then get the rewards that will come from the Stage 2 or the larger, sophisticated projects and that's what we're talking about.

"The main game is the Stage 2 projects."

However, in order to reap the benefits that could flow from the development of the Stage 2 projects, Brown said the opportunity needed to be seized now while the economies of developing countries are up and there is current high demand for iron ore.

"This is an opportunity that we now need to seize because with the increasing demand for iron ore and the increase in prices, we are not the only area in Australia or indeed the only area in the world, that is looking to take advantage of our strong economy and the circumstances here," he said.

"[The project developments] will effectively double the size of the mining industry in the Mid-West and it will provide very significant social benefits in terms of scale and new opportunities to bring new services into the town, into the city and into the region.

"[There will be] new opportunities for education and training, new opportunities for young people to get jobs and good jobs in the region."

Brown said the next step is to disseminate the study through all tiers of government and the community and engage in debate.

"This is an opportunity that will not last forever ... there is an urgency in getting these projects up," he said.