



Media Statement

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Iron Ore projects 'can transform Geraldton and the Mid West'

The Mid West stands to be transformed both economically and socially by development of iron ore projects planned for the region.

A detailed report commissioned by the Geraldton Iron Ore Alliance (GIOA), the coordinating body formed by the seven major iron ore companies operating in the region, paints a picture of population growth, rising prosperity, improved community facilities, and a better future for young people.

GIOA Chairman Clive Brown, who was Minister for State Development in the Gallop Government, said that if negotiations currently under way were able to reach speedy success, the future for the Mid West was exciting to think about.

"Economics Consulting Services (ECS) has drawn together the economic and social impacts of our separate projects into a single overview," he said.

"The picture that emerges is a revelation.

"We are looking at billions of dollars of investment over a short period to develop the mines, processing facilities and infrastructure, tens of billions of dollars in operating expenditure over at least 25 years, increased population and, above all, opportunities for young people to acquire skills and secure long-term careers."

The report foresees potential for population growth of almost 40 per cent in the region, about 90 per cent of it in the coastal area centered on Geraldton.

ECS believes the attractiveness of Geraldton and nearby population centres would attract thousands of people to settle there, with many minesite workers using Geraldton, rather than Perth, as a transport hub to commute by air to projects up to 400km away.

According to the report, mining already contributes 50% of the gross value of production in the Mid West, with gold the biggest single earner.

Over the next few years iron ore could become dominant, with production reaching 74 million tonnes a year by 2015.

Mr Brown said that along with this would come hundreds of millions of dollars a year in wages, much of which would be spent locally. Existing local business would grow and many new business opportunities would open up in an array of fields.

Local government in the Mid West would have greatly increased income from rates and would be able to expand services and improve community infrastructure. There would also be significant advances in essential areas such as health and education.

“Another important consideration is that the increased prosperity and expertise will enable greater care for the environment, which is something to which all the GIOA members are committed. It is noteworthy that the parts of the world most able to care for the environment are those with the highest standard of living,” he said.

Mr Brown also said the report indicated that that in the construction phase of the planned projects, a healthy proportion of the capital investment would be spent in the Mid West.

“The study calculates that more than 80 per cent of the capital investment will be spent with Australian suppliers, with 60 per cent being spent in WA. Inevitably an attractive slice of this will go to local suppliers of goods and services – which means the impact will not only be big, but fast as well,” he said.

“Down the track, when the projects are operating, the local economic benefits will be truly massive.

“They will also be year-round, rather than seasonal like agriculture, fisheries and tourism, so they will reinforce the region’s economic and social base in the most fundamental and valuable way. For example, local people will be able to think in terms of careers, not just jobs – a subtle but immensely important difference.”

The report summarises the regional benefits as:

- Substantial population growth in Geraldton and its immediate area;
- Almost certainly a major second port, at Oakajee;
- New road and rail infrastructure;
- Increased air services to and from Geraldton;
- An expanded revenue base for local government;
- Additional job opportunities (especially important in curtailing the drift of young people to the Perth metropolitan area); and
- Growth prospects for existing local industries, both directly in servicing the mining industry and indirectly from an expanding regional economy.

The report identifies transport services, property services, financial services, civil construction and earthmoving as specific examples where significant business opportunities would be created.

“We still have a lot of work to do to bring all these opportunities to fruition,” Mr Brown said.

“We are working hard with the State Government and other key stakeholders to get things moving, but there are some complicated and sensitive issues to be addressed.”

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Contact:

Clive Brown – Chairman
Geraldton Iron Ore Alliance
Telephone: 9377 5016 or 0427 240 005

Warrick Hazeldine
Purple Communications
Tel: 9485 1254 or 0417 944 616

Amanda Reid
Purple Communications
Tel: 9485 1254 or 0424 839 062

ABOUT THE GERALDTON IRON ORE ALLIANCE

Formed in December 2005 by a group of companies, the Geraldton Iron Ore Alliance represents seven companies with iron ore deposits in the Mid West region of Western Australia. The primary role of the Alliance is to promote the development of a viable and successful iron ore industry in the region.

Collectively, the members have the capacity to develop a substantial new iron ore export industry, delivering significant economic benefits to both large and small regional communities.

The members include:

- Mount Gibson Iron Limited
- Midwest Corporation Limited
- Murchison Metals Ltd
- Gindalbie Metals Ltd
- Golden West Resources Limited
- Royal Resources Limited
- Asia Iron Holdings Limited

Iron ore is one of the most exciting new growth sectors to emerge in the diverse Mid West economy, which already includes a substantial mining sector. Spanning an area of more than 470,000 square kilometres, the Mid West region is richly endowed with iron ore and well serviced by road, rail and port infrastructure. Geraldton is the region's commercial, administrative and service centre and is located just 400 kilometres north of Perth.