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Iron ore industry balancing on company gambles

WA is labelled riskiest state for investment

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GERALDTON'S booming iron ore industry is balancing on huge gambles made by mining companies, according to survey results that label WA as the riskiest state in Australia for mining investment.

Three thousand senior mining, oil and gas industry executives across the world completed the Resource-Stocks 2008 World Risk survey, and while WA caused the most trepidation in Australia, Australia was the fourth least risky in the entire world — which means the other states



Rob Jefferies

must be doing something right. The survey results were no surprise to Rob Jefferies of Geraldton Iron Ore alliance, who has been aware of the copious amounts of red tape associated with mining investment in the west for a long time.

"I think the survey speaks for itself. The time and the various government acts that need to be complied with contribute to the amount

of risk involved with investment," Mr Jefferies said.

Japan's Inpex company decided to move its planned \$25 billion LNG plant from WA's Kimberley region to the Northern Territory in September, saying the region was more 'certain'.

Mr Jefferies pointed to the current world economy as a good reason for the decision.

"Look at the world economic climate now and compare it with six months ago when it was very strong. The need for resources around the world is cyclic. If these projects take years to get through the approvals process that adds uncertainty. Those factors affect the iron ore industry here too," he said.

Minister for mining, Norman Moore, committed to cutting much of the red and green tape that he says is a result of the former government's complacency, and working with other agencies such as the departments of Environment and Indigenous Affairs in order to better 'streamline' the approvals process.

"It is an absolute disgrace WA has slipped down the list of countries and states in which to do business. Putting this State back at the top of the list will be a priority for me," he said.

The Association of Mining and Exploration Companies said on Tuesday it supported minister Moore's push to develop a lead agency to act as a single point of contact for government departments and companies.

The WA Auditor General confirmed in the Resources Project Approvals report, also released on Tuesday, that previous efforts to streamline the approvals process had not worked.