Infrastructure needs of the Kimberley region

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About CME

Vision: To champion the Western Australian resource sector and assist it in achieving its vision to lead the world in sustainable practice, through innovation, and continuing to underpin Australia's position in the global economy.

- In operation for over 110 years
- Over 200 members representing over 95% of resources production by value in WA
- Represents both large and small companies – significant membership growth in gold, uranium and iron ore.

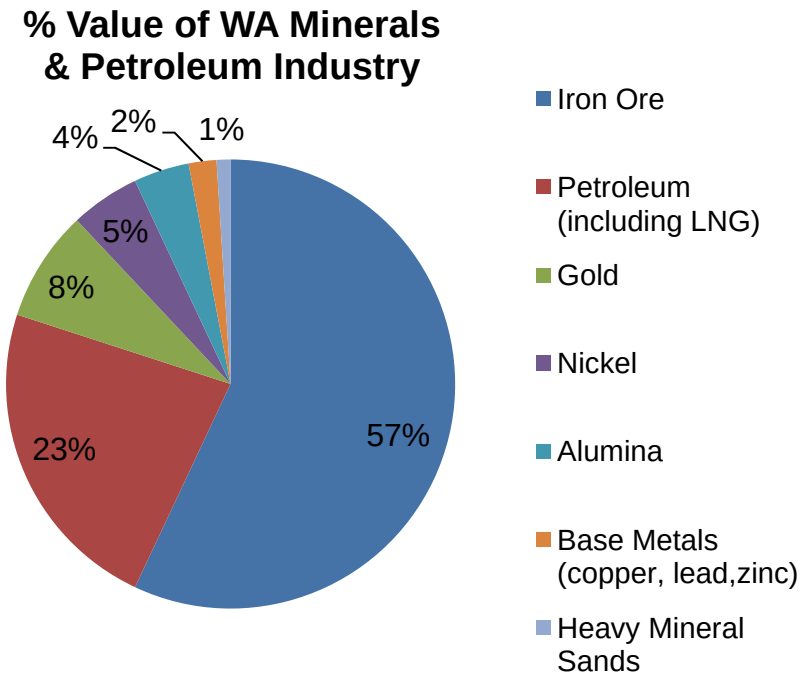
CME portfolio interests cover

- Infrastructure
- Environment and Land Access
- People Strategies
- Occupational Safety and Health
- Economics & Tax
- Regional portfolios

The Western Australian resources sector

In 2010/11, the Western Australian resources sector accounted for:

- $101.2 billion in sales value (39% increase over prior year)
- 95% of the State's merchandise export income
- 46% of National merchandise export income
- State royalties of ~$4.8 billion
- More than 85,000 people directly employed in mining + petroleum



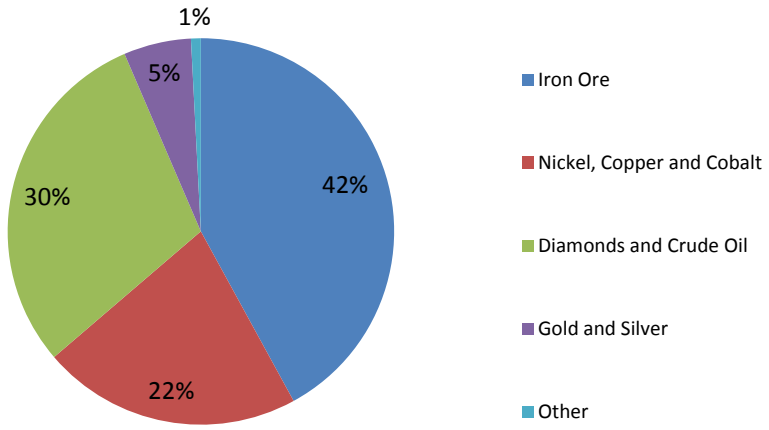
Source: Department of Mines and Petroleum (DMP) Resource Statistics Release September 2011

The resources sector in the Kimberley region

In 2010/11, the resources sector in the Kimberley region accounted for:

- $1.02 billion in sales value (1% of WA's resources industry)
- 58% of the Regional Gross Product
- State royalties of ~ $4.8 million
- Providing almost 1700 full time jobs

Commodity	2010/2011 sales figures
Iron Ore	$429,555,353
Nickel, Copper and Cobalt	$221,738,890
Diamonds and Crude Oil	$304,624,066
Gold and Silver	$57,637,311
Other	$8,445,455
Total	**$1,022,001,075**



Planning for sustainable development

- CME recommends:
  - Whole of government and comprehensive approach to regional planning across environmental, economic and social domains.
  - Partnerships between the resources industry, other sectors, communities and governments to ensure sustainable development in the Kimberley.
  - Government and industry members develop strategic linkages between the two largest industries in the region – mining and tourism – to create synergies for the region.
  - Land development should be considered a matter of urgency for the state government – the current situation isn't adequately supporting all industries and residents of the region.

Opportunities and Challenges in the Kimberley region

Opportunities	Challenges
•High mineral and energy prospectivity throughout the region.	•Incomplete pre-competitive documentation of resources. •High cost of developing resource projects. •Securing timely land and water access.
•Maximised regional benefits from servicing the resources industry.	•Developing competitive small and medium business capacity. •Maximising local and regional employment opportunities.
•Eco-, cultural- and adventure-tourism opportunities.	•Inadequate infrastructure, services, transport arrangements. •Ensuring compatibility between tourism and other industries.
•Access to markets in Asia.	•Limited deep water port locations.

Opportunities	Challenges
•Rapidly growing Aboriginal population, looking for economic development opportunities.	•Delivering training and education plans to ensure work-readiness across the population. •Developing opportunities and capacity for Aboriginal land management in partnership with other industries. •Addressing the high level of social disadvantage in the aboriginal community.
•Economic development outcomes for Aboriginal people as a result of negotiated land access agreements	•Ensuring agreements contain commitments to employment and business development •Partnerships in managing country for conservation outcomes.
•Development of irrigated agriculture.	•Resolving competition with other industries and the environment for water.

Proposed resources projects in the Kimberley region

Company	Project	Update	Location
Rey Resources	Duchess-Paradise	DFS June 2011	Canning Basin
Pluton Resources	•Irvine Island •Cockatoo Island	•2-3 years •Funding approved	•Irvine Island •Cockatoo Island
Paladin Energy	Oombagoomba	Target commence 2017	75km NE from Derby
Kimberley Rare Earths	Cummins Range	Target commence 2017	130km S from Halls Creek
Kimberley Metals	Sorby Hills	Target commence 2013	50km N of Kununurra

Company	Project	Update	Location
Anglo Australian Resources	Koongie Park	Target construction - 2013	25km SW of Halls Creek
Buru Energy	Yulleroo/Ungani 1	In progress	Canning Basin
North-West Mining	Lennard Shelf	Care and maintenance	80km SE of Fitzroy Crossing
Platinum Resources	Panton	Updating a 2003 BFS	60km N of Halls Creek
Woodside	James Price Point	MIMI recently acquired 14.7% of the JV	60km N of Broome

Kimberley infrastructure requirements to 2020

- Three main factors are shaping the infrastructure requirements of the Kimberley region. These three factors are:
  - a regional economy that is resource-based, and which will expand largely through the further development of mineral and petroleum resources.
  - a small but growing population, located largely in five main regional towns and in some 200 Aboriginal communities, spread over some 421,000 square kilometres.
  - communities and resourced-based activities that are isolated from each other, and which are remote from the main centres of population and economic activity in the south of the State.

Recommendations

- If investment in necessary infrastructure is not coordinated with the requirements of users of services, further development of the Kimberley region will be constrained.

- The examinations of the proposed projects in the Kimberley region indicate four types of infrastructure investment will be required to promote development. These four types of investment are:

  – investment in the region's roads and, in particular, in the Great Northern Highway.

  – investment in the region's ports and, in particular, in the Port of Wyndham.

  – investment in housing.

  – investment in water supply and wastewater treatment.

The region's social and economic dividend

- Developing Aboriginal involvement in the Kimberley economy.
- Increasing the social and economic dividend for the region.
- CME encourages the contributions that resources companies can make to economic and community development. There is no other region in WA where the needs in these areas are more pressing than in the Kimberley, especially amongst the Aboriginal proportion of the population.
- There is opportunity, and precedent for a coordinated approach between companies, Aboriginal leaders and organisations in delivering sustainable social benefits to Aboriginal people, and in building regional leadership and capacity in the Aboriginal and non-Aboriginal sectors of the community.

Thank You

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