

South Australian Regional Mining and Infrastructure Plans (RMIP)

PROJECT FACTSHEET #1

Background

The three regions of Yorke and Mid North/Braemar, Far North, and Eyre and Western, are the focus of the vast majority of mining exploration and extraction activities in South Australia.

Since 2002, the number of mines in these regions has increased significantly, resulting in a rise in total annual mineral production to \$4.3 billion (mineral exports year end to August 2011).

Importantly, from an infrastructure perspective, the number of tonnes of ore transported and exported from these regions has increased significantly with additional increases probable and imminent.

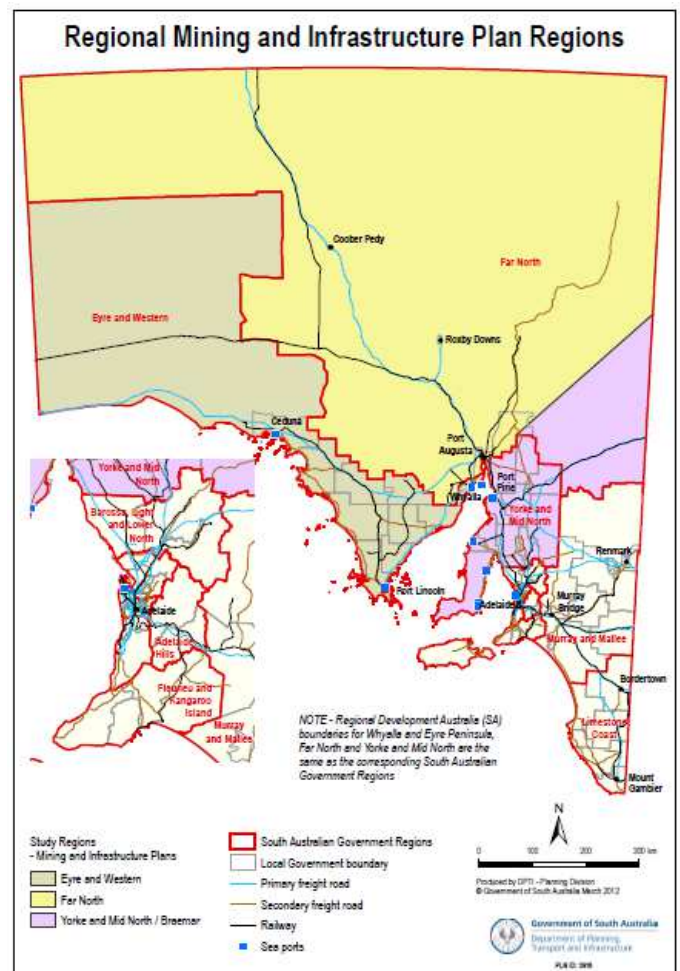
Mineral exports from (and imports of essential inputs to mining such as plant, machinery, fuels and chemicals to) South Australia have largely been achieved utilising pre-existing infrastructure networks and systems, except for infrastructure at mine sites or from the mine to existing ports.

The anticipated growth in mineral exports will require development of additional infrastructure if South Australian producers are to remain time and cost competitive.

The Project

The Department of Planning, Transport and Infrastructure as lead agency for the delivery of the Regional Mining and Infrastructure Plans (RMIP) has appointed Deloitte to develop the plans. Deloitte will be supported by industry specialists including SMEC, Deloitte Access Economics, GMC Global, AMEC, Thompson Clarke Shipping, Gould Thorpe Planning, ebs ecology, Australian Groundwater Technologies and aQuenta consulting.

The project is funded through the Regional Infrastructure Fund, an Australian Government vehicle to invest the proceeds of a resurgent resource boom to address urgent infrastructure needs, while supporting the mining industry, boosting export capacity and developing and growing regional economies.



The RMIP will draw upon the objectives of the Regional Infrastructure Fund, Infrastructure Australia's Principles of Regional Infrastructure Planning and the objectives of the Strategic Infrastructure Plan for South Australia in order to:

- Consolidate understanding of the nature and capability of existing regional infrastructure
- Assess the scale, timing and likelihood of mining developments in the three regions
- Identify potential gaps and shortfalls of existing and future infrastructure in the three regions

- Develop a framework for the assessment of infrastructure priorities to support growth of the resources sector in South Australia
- Identify and assess potential infrastructure solutions to meet the current and future needs of the resources and other industries in the regions
- Identify community, economic, environmental and social opportunities that can be leveraged from potential investment
- Provide recommendations on commercial models for the delivery of infrastructure projects incorporating an understanding of the potential roles of governments and the private sector.

The RMIP will build upon the extensive recent work undertaken in relation to South Australian regional infrastructure needs including the recently completed RESIC study into Resources and Energy Infrastructure Demand.

The Regional Infrastructure Fund

The Australian Government established the Regional Infrastructure Fund to invest the proceeds of a resurgent resource boom to address urgent infrastructure needs, while supporting the mining industry, boosting export capacity, developing and growing regional economies.

The objectives of the Regional Infrastructure Fund are to:

- Promote development and job creation in mining communities, and in communities which support the mining sector;
- Provide a clear benefit to Australia's economic development, and to investment in Australia's resource or export capacity; and
- Address potential capacity constraints arising from export production and resource projects.

Project Objectives

The specific outcomes to be delivered through this project include:

- Co-ordinated and inter-regional planning
- Identification of priority projects to progress toward funding submissions
- Development of criteria for prioritisation to clearly articulate and reflect "value for money" outcomes in terms of economic, social and environmental objectives and implications

- Facilitation of investment in infrastructure
- Identify opportunities for collaborative infrastructure investment models and common-user facilities
- Investigate solutions that reflect staging of demand while also recognising anticipatory demand (i.e. longer term requirements)
- Identify productivity improvement opportunities (e.g. address gaps; realise economies of scale).

Timelines

Phase	Description	Estimated timing
1	Project commencement	November 2012
2	Research and analysis	November to December 2012
3	Assessment of future infrastructure supply and demand	November to December 2012
4	Assessment of future infrastructure priorities	January to February 2013
5	Draft reports	March 2013
6	Community consultation for draft reports	April to May 2013
7	Final reports and infrastructure business cases	Mid 2013

Contact us:

Deloitte

Jonathon Durdin – Project Director
 T: 08 8407 7103
 E: jdurdin@deloitte.com.au

SMEC

David Probert – Manager, Mining Infrastructure & Environment
 T: 08 8225 9832
 E: david.probert@smec.com