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Media Release

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Mining State named one of the least favourable mining jurisdictions in Australia for the second year in a row– World Risk Survey 2009

Highlights

- **WA one of the worst performing Australian mining states for the second year running;**
- **NSW named most attractive state in Australia for mining and exploration;**
- **Inefficient exploration and mining approvals blamed for WA's poor performance;**
- **WA government has done little to change landscape following recommendations made last year;**
- **Economic downturn effected the results; and**
- **Financial risk category difference between success and failure.**

Western Australia, whilst being dubbed the 'Mining State' of Australia in recent years following the success experienced in the mining boom, has once again been named one of the least desirable mining jurisdictions out of the Australian States in the 2009 World Risk Survey.

The final results were heavily weighted towards North America and Australia. When taking the countries as a whole into account, in top spot was the United States (last year 6th) with 10.6 points followed by Chile (last year 10th) with 11.4 and in third spot was Australia (last year 4th) with 12 points. The rest of the top ten countries were Botswana (last year 3rd), New Zealand (last year 19th), Sweden (last year 5th), Brazil (last year 20th), Ghana (last year 22nd), Greenland (last year 13) and Finland (last year 1st).

Inefficient exploration and mining approvals processes are again blamed for WA's poor performance with the new government doing little to assist Companies in these areas, although a report was released last August announcing plans for change.

The report released by the WA government offered 15 key recommendations to improve the state's petroleum and mineral exploration and approvals process implementing changes with and without the need for legislative changes.

Some of the recommendations listed in the report which do not require changes to legislation included; establishing a natural resources agency, an independent approvals reform office, a stand-alone role for the Environmental Protection Authority, reforming native title and Aboriginal heritage process and the Environmental Protection Act, whilst a second phase of recommendations requiring legislative change investigated the benefits of establishing a single decision-making authority.

The report was received with scepticism from industry groups such as The Association of Mining and Exploration Companies who was disappointed by the Government's decision to table a report into the state's approvals process without any clear plan or timeframe to implement its recommendations.

AMEC chief executive Simon Bennison believes that the report failed to outline a plan to implement the required changes.

"The industry has cooperated with the minister's expert working group since November last year, hoping for a decisive plan to streamline the cumbersome approvals process," he said.

"While we recognise significant improvements have been made in the Department of Mines and Petroleum, many other departments and processes integral to the state's approvals process need immediate and systemic action.

"It is very disappointing that the WA government would table a document which details so many examples of expensive red tape without a comprehensive plan to implement the required changes," he said.

The Chamber of Minerals and Energy chief executive Reg Howard-Smith urged the reforms to be implemented as a matter of urgency.

"Approvals reform is a priority for the resources industry and we believe that a more streamlined system is possible without compromising standards of environmental protection.

"Over many years our members have experienced frustrations with the overly complicated, expensive and time-consuming approvals system which threatens to inhibit the growth of our state," he said.

Howard-Smith said recommendations encouraging better use of resources, cross-agency access to information and transparent reporting of performance against timelines were pragmatic and long overdue.

Other results for Australia included New South Wales who improved this year coming in at 4th (last year 6th) and South Australia who continue to perform well in 5th (last year 2nd).

AMEC Manager Advocacy and Public Affairs, Darren Brown said that South Australia remained consistent and that the industry encouraged other states to follow South Australia's lead.

"We encourage the other states of Australia to implement strategies South Australia have been using for the last 5-6 years in order to improve their resource industries," he said.

The Northern Territory was worse off going from 5th spot last year to 11th spot, ahead of Western Australia and Victoria in 14th and 16th positions.

ENDS

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TOP 10 COUNTRIES FOR 2009													
	Financial Risk	Sovereign Risk	Land Access	Green Tape	Land Claims	Red Tape	Social Risk	Infrastructure	Civil Unrest	Natural Disasters	Labour Relations	Total	
Investment Risk Weighting (0 unimportant to 5 most important)	4	4	4	3	3	3	3	3	3	2	3		
REGION	Country	Risk levels: 0 – No risk to 5 – Maximum risk											
AMERICAS	United States	1.5	1	2	3	2	3	1	0	0	1	2	10.6
AMERICAS	Chile	1	2	2	2	2	2	1	1	1	2	2	11.4
AUSTRALASIA	Australia	1	1	2	3	3	3	1	2	0	1	2	12
AFRICA	Botswana	1	1	2	2	2	2	2.5	3	1	0.5	2	12.1
AUSTRALASIA	New Zealand	1	1.5	2	4	2	3	1.5	2	0	1	2	12.7
EUROPE	Sweden	2	1	2	3.5	2.5	3	1	2	0.5	0.5	2	12.9
AMERICAS	Brazil	2	2	2	2	2	2.5	2	2	2	1	2	13.9
AFRICA	Ghana	2	2	2	2	2	2.5	2.5	3	1	1.5	2	14.4
EUROPE	Greenland	2	1	2	3	2	3	2	4	0	1	3	14.6
EUROPE	Finland	2.5	1	2.5	3	2	3	1	3	1	1	3	14.8

TOP 10 JURISDICTIONS FOR 2009													
	Financial Risk	Sovereign Risk	Land Access	Green Tape	Land Claims	Red Tape	Social Risk	Infrastructure	Civil Unrest	Natural Disasters	Labour Relations	Total	
Investment Risk Weighting (0 unimportant to 5 most important)	4	4	4	3	3	3	3	3	3	2	3		
REGION	Country	Risk levels: 0 – No risk to 5 – Maximum risk											
CANADA	Quebec	1	1	2	3	2	2	1	1	0	1	1	9.6
AMERICAS	United States	1.5	1	2	3	2	3	1	0	0	1	2	10.6
CANADA	Alberta	1.5	1	2.5	3	2.5	2	1.5	1	0	0.5	1	10.8
AUSTRALIA	New South Wales	1	1	2	3	2	3	1	1	0	1	2	10.8
AUSTRALIA	South Australia	1	1	2	2.25	3	2	1	2	0	1	2	11
AMERICAS	Chile	1	2	2	2	2	2	1	1	1	2	2	11.4
AUSTRALIA	Queensland	1	1	2	3	3	3	1	2	0	1	1	11.4
AUSTRALIA	Tasmania	1	1	2	4	2	2.5	1	2	0.5	0	2	11.6
CANADA	Yukon	2	0	2	3	3	2	2	3	0	1	1	12
AFRICA	Botswana	1	1	2	2	2	2	2.5	3	1	0.5	2	12.1