

19 May 2020



Minister Stephan Knoll

Minister for Transport, Infrastructure and Local Government; Minister for Planning, South Australia

By email: ministerknoll@sa.gov.au

Dear Minister,

Support of the Cape Hardy proposed multi-commodity port project in South Australia

The Association of Mining and Exploration Companies (AMEC) is a national industry body representing over 275 mining and mineral exploration companies across Australia, with 19 member companies actively exploring, mining and developing projects in South Australia. The mining and exploration industry make a critical contribution to the Australian economy, employing over 255,000 people. In 2017/18, these companies collectively paid over \$31 billion in royalties and taxation, invested \$36.1 billion in new capital and generated more than \$250 billion in mineral exports.

AMEC supports the development of the Cape Hardy port and urges the South Australian Government to name Cape Hardy as the location of a preferred new port facility in South Australia, in line with the election commitment to prioritise the development of a minerals capable export port on the Eyre Peninsula.

The South Australian Regional Mining and Infrastructure Plan (2014)¹ identified the need to develop port infrastructure to catalyse mining investment in South Australia. The Australian Infrastructure Audit 2015 reinforced that the development of a high-capacity port will encourage significant increases in the export of minerals and resources from South Australia, who need a prosperous mining and mineral exploration sector to support the growth and development of the state's economy.

Cape Hardy port was identified as one of the nation's priority projects by Infrastructure Australia in 2016. It is the only South Australian project classified as an Opportunity for Growth, one of only four across the nation. The Cape Hardy proposal received EPBC approval (EPBC 2014/7285) on 9 March 2018. Ongoing support from the Commonwealth, along with formal engagement processes, validates Cape Hardy as the most optimal port location for the Eyre Peninsula.

Iron Road Limited is currently undertaking a Development Application variation to allow for the staged construction of the port. During Stage II of this development, Cape Hardy would become South Australia's only deep-sea water port capable of loading Capesize vessels. The port will have the capacity to facilitate the import of low-volume, high-value cargoes. Infrastructure SA's 20-Year

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https://dpti.sa.gov.au/data/assets/pdf_file/0011/132797/Regional_Mining_and_Infrastructure_Plan.pdf

Strategy² outlines Cape Hardy's ongoing benefits through grain supply chain savings, a competitive edge, and an increased freight handling capacity.

South Australia's identified prospective green hydrogen export industry referenced the need for a port, with specialist hydrogen infrastructure developer H2U executing an agreement with Iron Road Limited to collectively develop the multi-user, multi-commodity Cape Hardy³.

With an additional 50million tonnes per annum of export capacity available to third party service providers, AMEC acknowledges the need for a robust and acceptable access and pricing regime to ensure the port remains a viable point of passage for junior miners and the ongoing attraction of development and investment in South Australia. Like other large bulk commodity ports in Australia, Cape Hardy will encourage the development of complementary industries and be a catalyst for transformational change on the Eyre Peninsula.

Iron Road's project in 2019 received a \$25M support grant from the Federal Government. Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development the Hon Michael McCormack MP supported the multi-commodity deep-water port at Cape Hardy, recognising investments across the nation were being made to develop critical infrastructure needed to connect Australia's world class commodities to export infrastructure. The Deputy Prime Minister commended the proposal for bringing together agriculture, mining, green manufacturing and indigenous business into a multi-user, multi-commodity manufacturing and export hub. In addition, Federal and State funding earmarked for road improvements on the Eyre Peninsula should be complementary to a port development at Cape Hardy and include the sealing of Dog Fence Road (Ungarra) and Brayfield Road, with upgrades to the Lincoln Highway.

Cape Hardy has strong local community support from the Eyre Peninsula Local Government Association (EPLGA) member councils, and an Indigenous Land Use Agreement registered with the Native Title Tribunal. The financial support from the Commonwealth reinforces Infrastructure Australia's 2016 classification of Cape Hardy as a priority project for the nation. The proponent has already received over 50 formal expressions of interest from various parties to support the proposed port. State Government endorsement is paramount in realising the unrivalled long-term benefits Cape Hardy will provide for the State and Eyre Peninsula communities.

I would appreciate the opportunity for you to meet with AMEC and some of our South Australian member companies via videoconference to discuss how we can proceed with this important issue for our industry. In order to arrange a suitable time to meet please contact me directly or email Anne Marie Doig (amdoig@amec.org.au).

² <https://www.infrastructure.sa.gov.au/our-work/20-year-strategy>

³ <http://www.renewablessa.sa.gov.au/content/uploads/2019/09/south-australias-hydrogen-action-plan-online.pdf>



Yours sincerely



Warren Pearce
Chief Executive Officer

