

## OLYMPIC DAM – 12 May 2009

**Mr PEDERICK (Hammond) (14:47):** My question is to the Premier. How does the government intend to ensure that the full benefits of the Olympic Dam expansion flow to South Australia now that it has stepped back from its position that BHP Billiton will process its concentrate in South Australia?

BHP Billiton advised in its draft EIS in respect of copper rich concentrates that the likely location for further processing is China. On 12 July 2007 the Premier gave a public commitment that the processing of ore from a planned expansion of the Olympic Dam mine will be done in South Australia. He said that he met with representatives from BHP Billiton and he had told BHP Billiton that all value adding must be done in South Australia.

**The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:48):** Those opposite do not like good news about our future. Let me go through a few things because this must be put into context. Five years ago—

*Members interjecting:*

**The SPEAKER:** Order! The house will come to order!

*Mr Goldsworthy interjecting:*

**The SPEAKER:** The member for Kavel! The Premier.

**The Hon. M.D. RANN:** About five years ago there were four operating mines in South Australia. There are now 11. We anticipate that there will be 16 by the end of next year. There are about another 20 in the pipeline. How did this come about? It came about because of a very strong recommendation from the Economic Development Board and Robert De Crespigny. They said that what we needed to do in order to help the regions was to try to get exploration going in South Australia. Of course, that has meant that we have seen a tenfold increase in mining exploration in the past five years. We have gone from about \$35 million or \$40 million a year to about \$365 million—around that figure—last year. So we have seen a tenfold increase in mining exploration. The great news is that they have found stuff everywhere.

*Members interjecting:*

**The Hon. M.D. RANN:** I am happy to get into the detail. People are saying that mines are being deferred. Well, I met recently with the proprietor and CEO of Iluka, which is based in Western Australia. Their deposits in South Australia of zircon, rutile and also ilmenite are absolutely world class.

**Ms Chapman:** When are they going to dig it up?

**The Hon. M.D. RANN:** Thank you for the question. Because you are so addicted to bad news because of what goes on in your own ranks, I can tell you when it is going to happen: it is happening ahead of time. It is due to open in the middle of next year, but I can announce today that it will be opening at the beginning of next year, which is a wonderful time for it to begin. So, I am looking forward to that. It is not a mine—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** What Iluka has found is not a mine: it is a province. It is a province which is in the vicinity of Ceduna but going up to Ooldea, on the railway line, which is also very fortunate. For members opposite, zircon is the shine and the sheen that is found in crockery, china and tiles. This is a massive mine—what the company itself calls a province—and it is coming on stream ahead of time.

This government has got mining going in this state and we have been negotiating with Olympic Dam for some time. The EIS I did not regard as bad news. The expansion is valued at \$20 billion to create the world's biggest mine and the world's biggest uranium mine, with 35

per cent of the world's uranium. To put that into perspective, currently the uranium mines of Canada are the biggest producers and exporters of uranium in the world. Olympic Dam will produce and export more uranium than all the Canadian mines put together—35 per cent.

Do you know that, to get to the ore body, they will be shifting 1.1 million tonnes of overburden a day for about five years—every day, not every week or every year. That is bigger, I am told, than the amount shifted on the Panama Canal when it was being built. We are talking about a resource that is valued at \$US1 trillion, I am told. We have been negotiating. We have scores of different groups and committees negotiating about water, royalties and everything else, but what I have said to Olympic Dam is that I want to see a doubling of the processing capacity on site at Roxby Downs.