



Photo: Rio Tinto Cape Lambert – conveyor equipment recycling line one from lump ore



# Invest in the West

Mining Equipment, Technology & Services (METS) in Western Australia



By 2017 the value of Australia's mineral exports is expected to reach AU\$152 billion.

Western Australia accounts for over 25 per cent of the AU\$90 billion Australian METS industry.

Western Australia is one of the world's greatest mineral provinces with over 523 commercial projects across 50 different minerals and 975 operating mine sites.

For five commodities, including iron ore, the State produces more than 10 per cent of the world's total. The State is a significant operating base for the world's largest diversified mining companies and a global leader for specific commodities.

Over 100 international mining and related supply chain companies are active in the State.

## WESTERN AUSTRALIA FAST FACTS

- Western Australia has a population of 2.5 million and is a regional centre for servicing mining projects
- Production of 50 different minerals from 975 operating mines
- Annual resource exports valued at AU\$113 billion
- 48 per cent of Australia's total merchandise exports
- AU\$24.1 billion mineral projects under construction or committed and AU\$46.3 billion under consideration

## Western Australia's Commercial Environment

Western Australia hosts:

- The shortest travel times from an Australian State capital to most Asian and Indian Ocean markets
- A shared time zone with much of Asia
- Longstanding business links with China, Japan, India, Korea and South East Asia
- A transparent regulatory framework and simplified investment procedures
- Historic success as a reliable supplier of mineral and energy products.

More than a third (755) of all Australian Stock Exchange listed companies are based in Perth, with 79 per cent of Western Australian based listings in the materials and energy sectors.

Western Australian resource companies account for about 75 per cent of all Australian companies active in Africa, Latin America, Central Asia and South East Asia.



Photo: Rio Tinto – Rio Tinto Mine of the future – Iron Ore operational Control Centre Perth

## Western Australia's Economic Credentials

Western Australia has averaged annual economic growth of 4.9 per cent over the past decade due to its capacity to attract, develop and operate some of the world's largest mineral and energy projects. AU\$1.5 billion was spent on minerals exploration in 2013, accounting for 60 per cent of Australia's total.

In 2013, minerals and petroleum contributed 91 per cent of the State's merchandise exports. Iron ore was the State's largest export (AU\$68.1 billion) followed by LNG (AU\$13.3 billion), crude oil and condensate (AU\$9.3 billion) and gold (AU\$8.7 billion).

Iron Ore is Western Australia's largest commodity, with the State accounting for:

- 91 per cent of Australia's economic demonstrated resource
- 46 per cent of global exports, or 561 million tonnes
- 30 per cent of world production, or 593 million tonnes
- At least 127 million tonnes of additional annual production capacity under construction or committed.

The value of Western Australia's resource sales increased by more than threefold from 2002-2013 (AU\$27.3 billion to AU\$114 billion).

Figure 1: Western Australia's Key Mineral Production vs World

World Minerals Production (2013)				
Commodity	WA	Australia	World	WA % of world
Iron ore (Mt)	593	609	1,981	29.9
Garnet (000ct)	260	260	1,700	15.3
Zircon (000t)	211	600	1,440	14.7
Nickel (000t)	234	234	1,941	12.1
Alumina (Mt)	14	22	96	14.2
Rutile (000t)	51	450	770	6.7
Diamonds (000ct)	11,482	11,482	171,800	6.7
Ilmenite (000t)	823	1,344	11,776	7.0
LNG (Mt)	19	23	300	6.4
Gold (t)	183	263	2,989	6.1

## Perth's Role as a Global Resource Centre

Western Australia is a regional base for over 100 international mining and related supply chain companies.

The State's resource developments are supported by a strong and innovative local METS sector, comprising:

- Headquarters for nine of Australia's top 20 METS companies
- More than 350 METS companies (one-third of Australia's total), 89 per cent of which are Australian owned and 58 per cent active internationally
- The greatest diversity and concentration of service providers for metal ore mining and non-metallic mineral mining in Australia
- Engineering companies responsible for AU\$44 billion of construction work

Global mining companies access the State's METS expertise in numerous fields, including; remote control technologies and automated system solutions; airborne and ground geophysics and GPS positioning; exploration and 3D mine design software including mine production management and control and data management solutions; metallurgical, mineral and chemical process design, development and engineering.

## Innovation

Perth is a centre of scientific and technological innovation, driven by the needs of the resources sector.

Western Australia hosts technology divisions of world mining and METS-focused companies, and numerous research institutes have R&D centres in the State:

- One of three Rio Tinto Technology & Innovation (T&I) Groups, and its Remote Operations Centre
- One of three BHP Global Technology Centres and its Integrated Remote Operations Centre
- Alcoa's Technical Delivery Group (TDG) which develops innovation for the global company
- IBM's first Natural Resources Solution Centre for Mining
- BASF Global R&D Centre for Mining Solutions
- Outotec's Global Competence Centre for Grinding Technologies, after acquiring Scanalyse
- Government/industry/university partnerships (e.g. Australian Resources Research Centre – ARRC – comprises CSIRO, Western Australian Government, Curtin University and University of Western Australia).

Perth is also a global oil and gas hub which offers capabilities at the intersection of mining and METS research.



## A Dynamic Lifestyle and Location

With liveability rankings consistently in the EIU's top 10 – the highest for all major resource cities in the world – Perth offers a relaxed, friendly and outdoor lifestyle with modern infrastructure, health and education facilities and leisure and cultural activities. Perth also has a big multicultural population, like other major Australian cities.

Western Australia covers an area of 2.5 million square kilometres, and has a pristine coastline stretching 12,400 km. Perth's Mediterranean-style climate averages 8 hours of sunshine a day.

Western Australia offers investors other distinct advantages. It has Australia's highest rate of skilled migration and one of the lowest unemployment rates in the world.

Perth is an increasingly desired location for regional headquarters to take advantage of local projects, a large resource base, one of the world's largest and most distinctive resource hubs and a broad services sector.



Information current as at June 2014.

## KEY CONTACTS

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