

1 AUGUST 2019

Ref: Response to Infrastructure SA Strategy Discussion Paper

Introduction

OZ Minerals appreciates the opportunity to respond to the Infrastructure SA (ISA) 20-Year State Infrastructure Strategy Discussion Paper and is excited to participate in the creation of a long-term, cohesive plan for the construction and maintenance of value-adding infrastructure in South Australia.

As a member of the South Australian Chamber of Mines and Energy (SACOME), OZ Minerals has also provided input into the SACOME response and this document attempts not to duplicate details.

As we strive to embody a modern mining company, we place value creation at the centre of our strategy. In doing so, OZ Minerals assesses value equally across five pillars – community, employees, shareholder, suppliers and governments. We use this value assessment to make decisions, assess risk and opportunities and believe that value for an initiative is at its highest when each of these are maximized. Our response to this discussion paper has been compiled with our approach to value creation in mind.

Ways of Working

Partnering

Over the past few years, OZ Minerals has been expanding the way we engage with other businesses and organisations. We currently have relationships with multiple businesses that transcend a traditional client/contractor dealings and have also recently entered into a multi-party agreement, the Energy and Mining Collaboration with seven private and public organisations.

OZ Minerals notes that these types of partnering agreements are currently not common in the resource industry, but we believe they will become essential to the way we work in the future. Going forwards, we will continue to seek out partnerships with others in the industry, research institutions, universities, government, start-ups, business incubators and non-government entities to test, trial and pilot new opportunities.

In line with the approach and principles set out in the discussion paper, OZ Minerals envisages ISA can play a key foundational role in bringing together partnerships and providing the opportunities and work environments to enable these new opportunities to be pursued.

Funding

As with partnering, OZ Minerals is open to exploring funding arrangements that can be of mutual benefit and focused on the long-term value of multiple stakeholders. OZ Minerals is generally not in the business of owning offsite infrastructure, however we are prepared to commit to long term projects that will add value to our stakeholders. We also see great value in shared infrastructure and we remain open to looking for ways to share in both the design, use and maintenance of these assets.

Sectors

OZ Minerals has focused our response on five of the seven sectors outlined in the Discussion Paper and has aimed convey the principles we believe will add value to our stakeholders and the broader State.

Culture, Sport and Tourism

Our two operations in South Australia, Prominent Hill and Carrapateena, both source a significant proportion of their workforce from the Far North and Upper Spencer Gulf (USG) regions. OZ Minerals is interested in exploring opportunities to improve the liveability of these regional centres.

OZ Minerals has recognised that our current approach to a fly-in, fly-out work force will not be a sustainable source of high quality employees in the future. We believe there is an opportunity to provide alternate working environments to our employees in the Far North and USG regions and are interested in exploring the enabling infrastructure – social, environmental and economic – that will be required to facilitate this.

Digital

The continued focus on South Australia’s digital capability will be a critical enabler of the other six outlined sectors. The focus on developing modern mines will require both infrastructure and the skills to support it. The development of high speed, high bandwidth connections between remote, regional and urban areas will serve to break down the large distances throughout our State and enable new ways of working such as remote operating centres as well as the potential for regional innovation precincts.

Education

Secondary and tertiary education need to be focused on both the identifying and planning for the skills required in future, whilst at the same time ensuring the cyclical nature of our industries do not result in the feast and famine of skilled labour.

OZ Minerals is committed to working with educational organisations to develop strategies to ensure reliable skills pipelines. We believe that a continued focus on STEM education combined with practical experience will continue to develop and attract the best talent available.

Transport

OZ Minerals understands that a mix of clean, efficient and affordable transport options must continue to be developed throughout the State. We are interested in transport as a key enabler of our business operations, and as an issue for our workforce within South Australia.

Linking the remote resource areas of the State with regional communities and port facilities will provide a huge strategic lever in current and future remote projects. We are willing to discuss development of shared air and rail transport assets that would benefit communities, government and businesses.

Utilities

OZ Minerals, along with many other businesses and communities in regional South Australia, are both challenged and excited at the opportunity to play a part in South Australia’s net carbon-free energy future. We believe that the resources sector can play a critical role in the State’s energy transition, however this must be led by a clear and committed strategy.

Water security in the country’s driest state must be brought to the front of the conversation. With climate change driving longer and more severe droughts and our desire to move away from the dependence on ground water, a unified solution to long term water supply is required. OZ Minerals has commenced discussions with other parties and there is opportunity to expand this to a larger group of stakeholders.

Expansion of these utilities require corridors to be able to extend further to remote regions. The creation of shared corridors would greatly reduce complexity and time when expanding utilities.

Conclusion

OZ Minerals is committed to working with Infrastructure SA and other interested parties in improving the value for each of our stakeholders. We are excited to partner with government and other organisations to be part of early conversations to be part of the co-design and involved in the funding of initiatives. We look forward to ongoing conversations around the approach to infrastructure across South Australia.