



05 AUG, 2019

State shines with gold gains

Kalgoorlie Miner, Kalgoorlie

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Dealers



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Chamber of Minerals and Energy chief executive Paul Everingham.

Picture: Iain Gillespie



| Paul Everingham

Gold has been a hot topic of late, with record gains in recent months putting WA's most revered commodity firmly in the spotlight.

Gold in Australian dollar terms soared past the \$2000 an ounce mark for the first time in June, and broke past \$US1400 an ounce, its highest level since August 2013.

This is good news for WA, but particularly for the Goldfields region, creating a buoyant atmosphere in the lead-up to Diggers and Dealers.

The increased returns for our gold miners mean higher royalty payments to the State, and gives the WA budget a substantial boost.

In fact, in 2018 alone, the gold sector provided \$280 million to the State Government through royal-

ties.

The increased revenue for gold producers also generates more cash to be available to support future production and growth projects, which creates significant job opportunities for the State's workforce, now and for decades to come.

Future production, however, is heavily reliant on exploration — an extremely costly and high-risk exercise for our miners, which requires numerous lengthy approval processes before companies even get a drill rig out on the ground.

When you consider that there have been no major gold deposit discoveries in Australia for several years and there is little new supply in the pipeline to replace diminish-

ing reserves, you realise just how vital exploration is for the sector.

Keep in mind, the delay between discovery and development for a new gold mine is 13 years, illustrating the urgent need to support the WA gold sector's continued investment in exploration, which in the past three years, has totalled more than \$1.6 billion.

Without the funds to invest in exploration, there would be no new mines, and no new jobs created.

WA's gold sector employed almost 25,000 people last year, a 20 per cent increase in the past decade.

That is more than 9300 people who 10 years ago were not working in gold mining and not enjoying the financial benefits the sector brings



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to them, their family and their community.

In terms of community contribution, WA's gold companies make a significant contribution to the Goldfields through job creation, business purchases, community contributions and local government payments.

In fact, a sample survey of just 10 of CME's gold members revealed that in 2017-18, they contributed more than \$6.25 million to community organisations in health, sport and education, as well as more than \$8.5 million to the City of Kalgoorlie-Boulder and surrounding shires in council rates.

The gold industry is a cornerstone of the Goldfields region — it has been since the 1890s and we look forward to it being a thriving part of the community well into the future.

■ Paul Everingham is the chief executive of the Chamber of Minerals and Energy of WA.