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Minister for Agriculture
Minister for Regional Development
Minister for Resources

RESOURCES PORTFOLIO

Public Accounts and Estimates Committee

18 December 2020



Importance of the Resources Sector

- Our state's minerals and extractives are a major source of jobs, wealth and opportunity for all Victorians.
- 9,400 Victorians are employed in the earth resources sector as at the May quarter of 2020.
- Around 48% of jobs are in rural and regional areas.
- Mining operations are central to regional towns and provide high quality local jobs.

Highlights

- **Victorian Gas Program** – Concluding a 3-year comprehensive scientific review of the safety and viability of a restart to our onshore conventional gas industry.
- **North Central Victorian Goldfields Tender** – Tendering some of our most promising land for exploration. We've included additional assessment criteria to consider sustainability, community engagement and raising the bar for engagement with Traditional Owners.
- **Hazelwood Mine Fire Inquiry Actions** – Delivering on the inquiry's recommendations and establishing the Mine Land Rehabilitation Authority.
- **METS Export Hub** – Connecting our \$13.6b Mining Equipment Technology & Services sector with customers from around the world, supporting 120,000+ jobs
- **CarbonNet – offshore appraisal well** – progressing the \$150 million project with scientific studies confirming the suitability of CO2 storage.

Securing Victoria's infrastructure pipeline

- 20% more sand and stone compared to 5 years ago
- Priority Project List: 10 expedited quarry expansions will bring more than 90 million tonnes of resources to market
- Strategic Extractive Resource Areas (SERA) pilot project trial protecting key resources:
 - *South Gippsland* to be Melbourne's largest supplier of sand by 2050
 - *Wyndham* to supply 160 million tonnes of hard rock by 2050

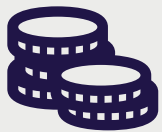
\$70 billion
road and rail
infrastructure

\$19.8 billion
further from
2020/21 State
Budget

Resources
needed for this
historic
infrastructure
investment will
come from
Victoria's
quarries

Victorian mineral exploration expenditure growth is outpacing the rest of the nation

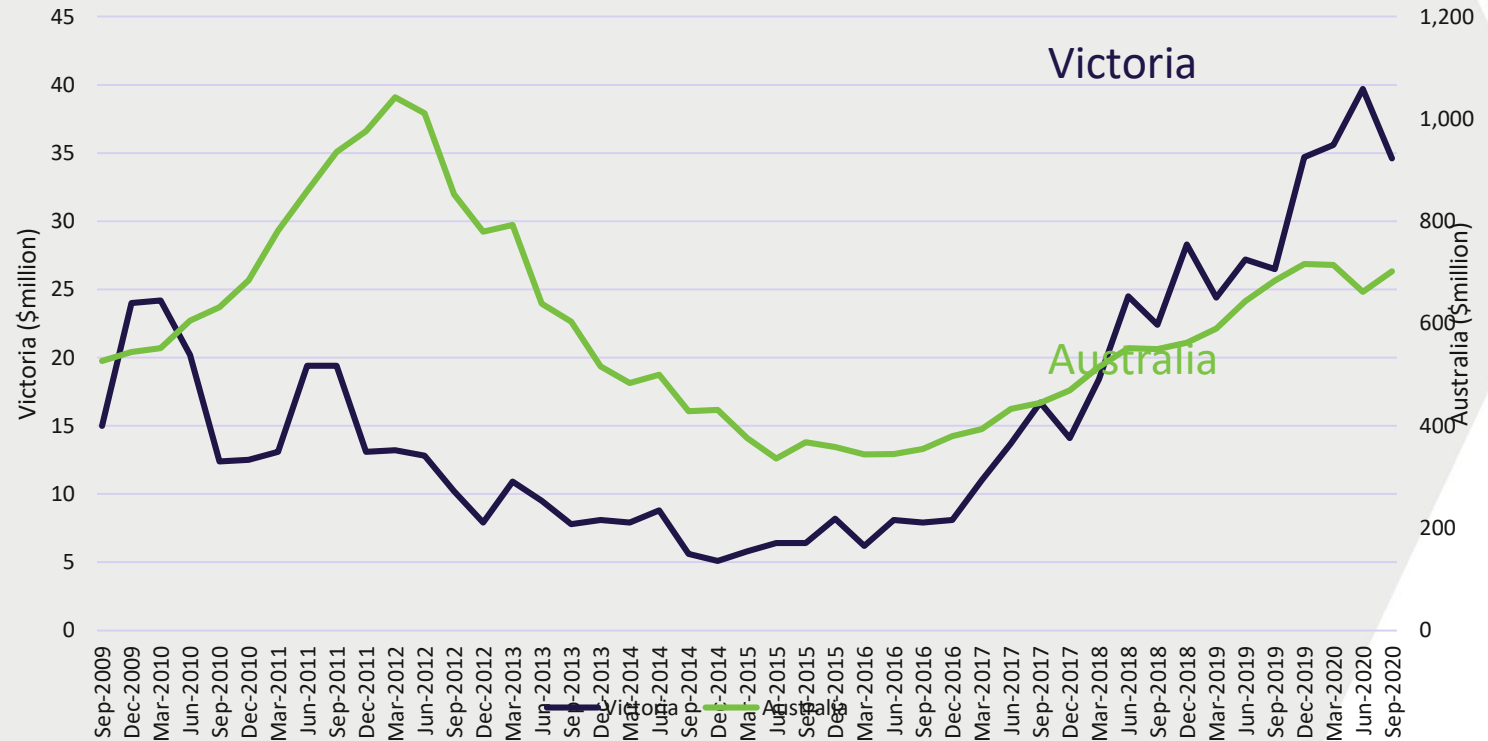
✓ 38 mineral licence applications granted in 2020-21



\$136.5m

total mineral exploration in 2019-2020

Mineral exploration expenditure



Source: ABS, 8412.0, Mineral and Petroleum Exploration, released 30/11/2020

COVID-19 pandemic

IMPACT

- All mining operations across regional Victoria and metropolitan Melbourne were able to continue operating under COVIDSafe Plans.
- Challenges to mining operations included logistical disruptions, restrictions on equipment and labour availability due to border closures, and challenges to sourcing new capital.

RESPONSE

- Deferred collection of rent and annual fees to aid immediate collection – around \$3.5 million deferred by 6 months.
- Proactively engaged with industry to enable them to continue to operate in a COVID safe manner.

The continued supply of extractive materials is vital to support the Victorian Government's construction-led economic recovery.

2020/21 Budget: *Supporting growth, core service delivery & regulation*

- **Restart of the onshore conventional gas industry - \$5 million**
 - Develop, implement and enforce a new regulatory regime to facilitate the orderly restart of the onshore conventional gas industry
 - The Government will work with industry and communities to develop rigorous engagement and transparency obligations, and improve the regulatory framework to guarantee a world's best practice approach
- **Building on earth resources - \$16.5 million**
 - To ensure Victoria's resources sector can continue to grow and support jobs across the state through efficient regulation and industry development
- **Rehabilitating Mines - \$21.1 million**
 - Mine Land Rehabilitation Authority operations
 - Delivery of the Latrobe Valley Regional Rehabilitation Strategy
 - Strengthening capability to assess rehabilitation plans and bonds

**2020-21 total
expenditure
in Resources
portfolio**

\$73.2M