

RE: Inquiry into greenfields mineral exploration and project development in Victoria

Mitchell Shire Council has been asked to contribute to this enquiry which has Terms of Reference as follows:

- a) Victoria's mineral endowment (often referred to as 'prospectivity') across a portfolio of commodities (including energy earth resources and extractives products);
- b) the regulatory environment;
- c) fees, charges and royalties;
- d) national and international perceptions of Victoria's prospectivity and regulatory environment;
- e) the success and failure of projects in Victoria's mining development pipeline;
- f) different approaches and programs applied in other Australian and international jurisdictions to foster increased investment in greenfields exploration for, and development of, minerals and energy earth resources;
- g) the different roles of government (this may include, but is not limited to, targeted industry engagement, facilitation and generation of geological survey information);
- h) opportunities to increase the net benefits from Victoria's minerals and energy earth resources, and to potentially provide for self sufficiency in low cost energy and extractive materials, consistent with the principle of economic efficiency; and
- i) consideration of the costs and benefits of greenfields mineral exploration (economic, social and environmental), and whether there are opportunities to improve the management of potential conflicts between exploration and other land uses.

1. Introduction: Mitchell Shire - An overview

Mitchell Shire is located immediately adjoining Melbourne's northern metropolitan fringe and is positioned in the Hume Highway Corridor, which is a nationally significant transport route linking Melbourne with northern Victoria and beyond to Sydney and Brisbane. Mangalore Airport is located just outside the Shire and provides airport services for private operators and emergency services, as well as flight training facilities.

The Shire has a population of approximately 34,390 persons (estimate for 2009), and covers an area of 2,860 km².

A mix of urban and rural environments is evident in Mitchell Shire, with the main population centres being:

- ▣ Wallan (5,920 residents)
- ▣ Kilmore (5,530 residents)
- ▣ Seymour (5,510 residents)
- ▣ Broadford (3,040 residents)
- ▣ Wandong - Heathcote Junction (1,570 residents)
- ▣ Puckapunyal (1,180 residents)
- ▣ Beveridge (400 residents)
- ▣ Pyalong (300 residents)

Other smaller townships, including Tooborac (280 residents) and Tallarook (260 residents) are located throughout the Shire.

In a locational sense, Mitchell Shire is strongly connected to Melbourne’s economic sphere, and this is particularly evident for townships in the southern part of the Shire (Beveridge, Wallan, and to a lesser extent Kilmore). The northern part of the Shire also has linkages with rural economies centred on major centres such as Bendigo and Shepparton, as well as having a more localised role serving the surrounding rural region.

These economic linkages are generally defined by the major road routes through the Shire, and which include the Hume Freeway (Melbourne to Wodonga and beyond into NSW), the Northern Highway (Wallan through to Bendigo and beyond), and the Goulburn Valley Highway (Seymour through to Shepparton and beyond).

By virtue of its position on the junction of the Hume Highway and other major freight-carrying routes (the Northern Highway and the Goulburn Valley Highway), Mitchell Shire has a strategic importance that can be the basis for an expanded role in freight distribution and other economic activities.

2. Mining activity and exploration in Mitchell

The Mitchell Shire is not known or renowned for its mineral based activity and ABS Industry based data tells us why this is the case:

Industry	Mitchell (N)	Mitchell (S)	Mitchell (Tot)	Share GDP
Mining	\$7.5m	\$20.2m	\$27.7m	1.8%

Contribution to regional GDP is quite small. Most of this activity would be involved in extraction of gravel and construction materials from pits around Kilmore and Seymour.

However there is at least one organisation known to Council that is actively interested in searching for mineral type deposits and has a current exploration licence over 489 square kilometres within the Shire.

3. Issues identified

3.1 Exploration

The Company outlined above has been involved in exploration in the area for around 4 – 5 years.

It claims that exploration activity can be “challenging and access to exploratory sites and landowners can be difficult”

Further; *“public perceptions of mining is poor”*. There are concerns that landholders will lose their land to miners if they are let on the land. And: *“DPI don’t really help either”*

It seems there is a need for education and awareness that exploration is not as obtrusive as many think. Government in Victoria doesn’t promote the industry well enough hence misconceptions are prevalent.

And this major exploration representative articulated to Council: *“.....public perceptions of “Exploration” is what is very poor and that the public doesn’t understand very well the difference between the exploration industry and the mining industry, what exploration actually involves or how exploration activities impact on landowners and the general community.*

Also Victoria is a difficult state to explore because of the population density and relatively small freehold properties compared to other states such as SA and WA.

Getting access to properties to conduct our exploration work and gaining the trust of the community is the most important factor for exploration as without this there is no industry and no investment in the industry. Many exploration companies (large and small) avoid exploring in Victoria because of the access difficulties and heavy government regulation, not because of any lack of Greenfields prospectivity or potential. This is where better promotion and education of the Exploration Industry by State Gov is desperately needed.”

3.2 Gravel Mining

In relation to gravel mining or quarrying activity, there has been a lack of long term planning for growth in the industry and land use clashes have been evident as a

result. Owners are prevented from expanding or have onerous conditions placed on them to do so in planning permits in order to manage these issues.

Truck movements through towns such as Kilmore also create clashes of use.

Traders and Council want to develop the main shopping precinct here, however quarry trucks contribute noise and disturbance on a regular basis, as the thoroughfare remains as the main Northern Highway right through the centre of town. There are no other options for these trucks at this time until a by-pass or link road is constructed outside of Kilmore.

Future strategic planning needs to be cognisant of these issues in order to support this industry and others affected by its operations.

4. Conclusion

Whilst the Shire of Mitchell is not a major player in mining and exploration activity, the industry could be better supported by good quality long term planning and enhanced promotion and better education of the community regarding mining activity.

State government through its various Departments has a role to play in leading these initiatives along with Council.