

TIM PALLAS MP

Minister for Resources

15 May 2018



Economic Development,
Jobs, Transport
and Resources

OVERVIEW OF BUDGET 2018-19 RESOURCES PORTFOLIO

2018-19: New Resources initiatives

Earth Resources Regulation	\$12.7m
Extractive Resources Strategy	\$3.0m
Latrobe Valley Mine Rehabilitation Commissioner	\$5.0m
Coal Protection Overlays and Land Use pilot	\$0.5m

2018-19 total expenditure in
Resources portfolio

\$169.4m

A GROWING STATE NEEDS STRONG FOUNDATIONS

Victoria is the fastest growing state in Australia

Our growth is driving a major infrastructure program

Increased construction activity requires a ready supply of raw materials

10m

Forecast for Victoria's population by 2050

\$10.1b

Average annual government investment in infrastructure, 2018-19 – 2021-22

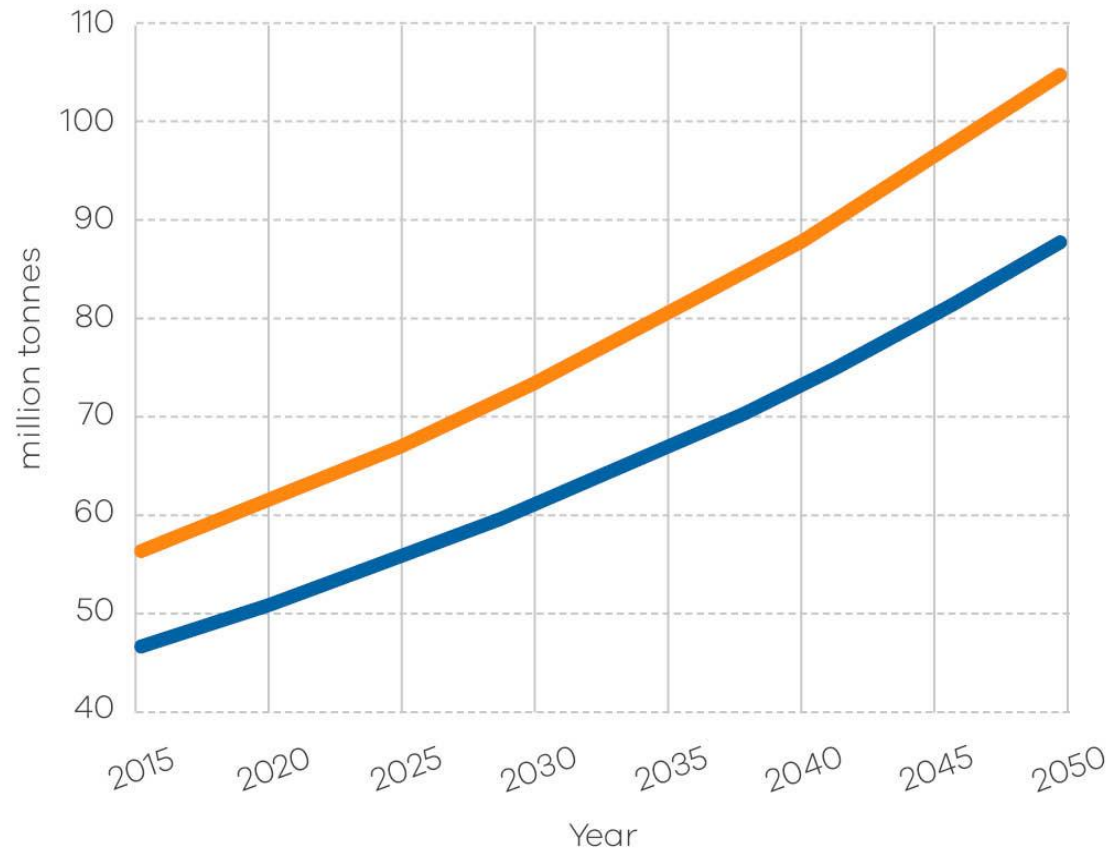
100m

Tonnes of raw materials required to meet projected annual demand in 2050

Victoria needs a reliable long-term pipeline of supplies to meet demand for raw materials

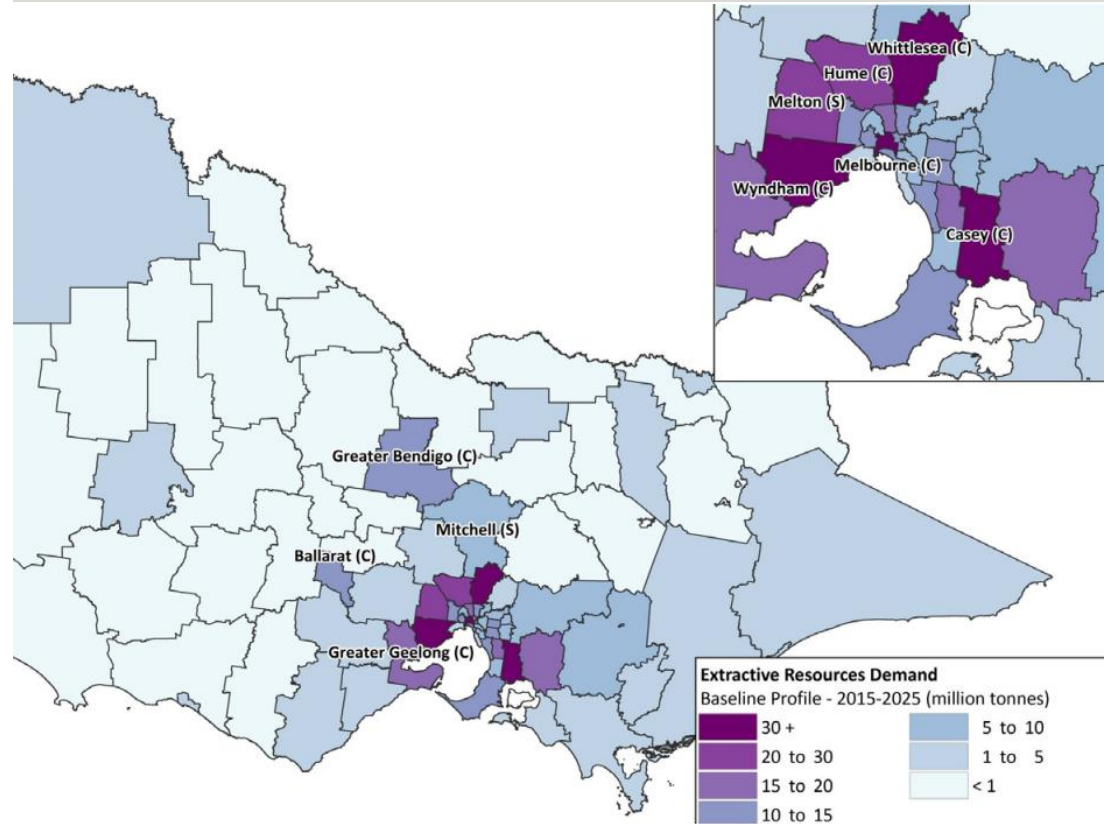
FORECASTS SHOW INCREASING DEMAND FOR RAW MATERIALS THROUGH TO 2050

Baseline and High Demand Scenarios (PwC, 2016)



— EY base case — EY high scenario

Total demand for extractives by local government area (2015 – 2026) (EY, 2016)



BUILDING A BETTER REGULATOR FOR A GROWING VICTORIA

\$12.7m
over 2 years

- Delivering a modern, proportionate, robust regulatory system
- Critical to unlocking supply of raw materials needed for infrastructure and housing

Continuous improvement

Faster processing of applications – continuing to deliver improved regulatory performance

Greater certainty, consistency and coordination

Greater capacity

Additional staff to service the growing number of new applications

Increased technical capacity: engineering, risk management, community engagement

Better processes

Simplified regulatory procedures and an upgraded online application system

Underpinned by strong commitment to safety, environment and community amenity

SECURING THE EARTH RESOURCES THAT VICTORIA NEEDS

\$3m
over 2 years

- A long-term focus on our resource needs
- Geoscience, land-use planning & community engagement
- Close partnership with local government

Local partnerships

Pilot projects already started with South Gippsland Shire and Wyndham City

A coordinated approach to resource, land-use and transport planning

Industry certainty

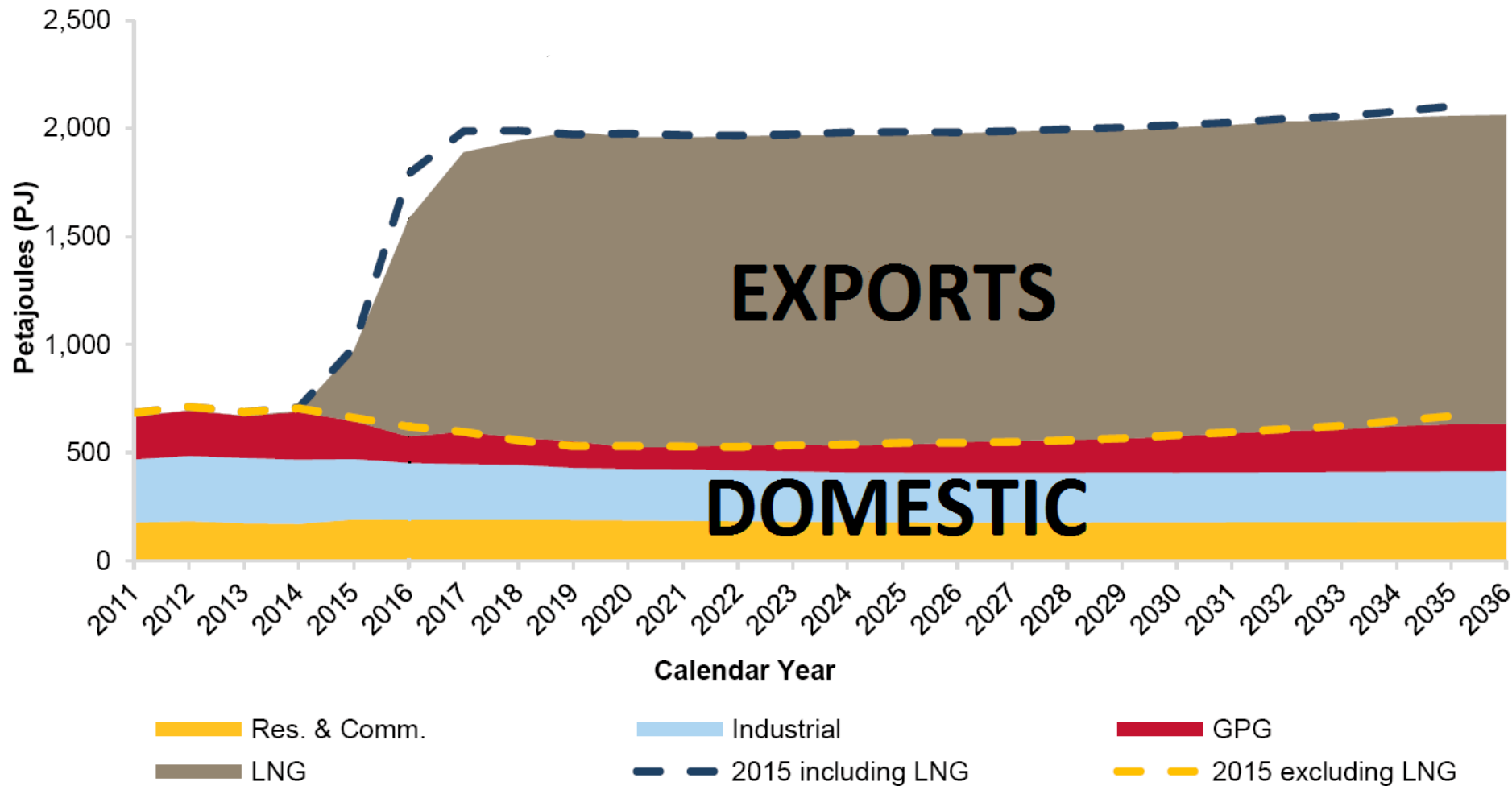
Secure strategically important extractive resources from urban encroachment

Foster innovative approaches to end-land uses for quarries

Community confidence

Enable greater community participation in decision-making and maximise liveability in local neighbourhoods

EXPORTS HAVE CHANGED HOW EAST COAST GAS IS CONSUMED



Adapted from AEMO, National Gas Forecasting Report for Eastern and South-Eastern Australia, December 2016

DELIVERING THE VICTORIAN GAS PROGRAM

Offshore gas development

Supporting commercial exploration and development of offshore gas

Pre-competitive geoscience and offshore acreage release to accelerate development of new supply

Underground storage

Investigating underground gas storage, to provide a buffer for peak periods

Delivering more reliable gas supply, and opportunities to mitigate short-term price peaks

Conventional onshore gas

A world-class scientific program to assess the risks, benefits and impacts of onshore conventional gas



- Science-led initiative
- Strong community engagement focus – building social licence
- Overseen by Victoria’s Lead Scientist, Dr Amanda Caples

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