

Joint Ministerial Statement Extractive Resources

Rock Solid Foundations
for Victoria's Growth

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Joint mininsterial statement on extractive resources

Victoria's population is set to reach 10 million before 2050, requiring 1.6 million new homes to be built.

An average of eight tonnes of stone, gravel and sand per Victorian is required every year to build the infrastructure Victorians need.

As our population rises, so will our demand for quarry materials.

The Victorian Government is investing an unprecedented amount into new infrastructure such as schools, hospitals and our transport network to cater for this growth.

Investment in infrastructure is expected to average over \$10 billion per annum over the next four years.

We need a ready supply of raw materials as Victoria grows. That's why we are supporting the industry by putting in place the right protections for our quarries.

The challenge facing Victoria is a significant one. This statement is part of our proactive plan to drive affordability of extractive resources.



Tim Pallas MP
Treasurer
Minister for Resources



Victoria is growing fast and we need access to good quality and competitively priced extractive resources to ensure we have the sand, rock and gravel to make affordable housing, roads and infrastructure.

This statement paves the way to ensure the right balance for our quarry industries and local communities.

Where appropriate, we are streamlining planning to enable our quarries to grow and new sites to be developed before our growing communities reduce options to extract sand, stone and gravel locally.

With a better process and clear timelines we can establish the issues and find solutions without taking years to reach decisions.

Some great recreation spaces across the state were once quarries. We are protecting quarry sites needed to supply vital building materials, but setting conditions to ensure the land is returned as an asset to the community.



Richard Wynne MP
Minister for Planning



Working together to help Victoria grow

The purpose of this Joint Ministerial Statement is to deliver a better approach for land use planning and regulation that will secure the quarries we need to meet our growing needs.

To assist quarries to keep operating and new sites to develop alongside growing suburbs and communities we commit to:

1. Streamline approval processes to expand production
2. Protect the continuity of supply from existing quarries
3. Apply the 'agent of change' principle to quarries
4. Provide better guidance to industry and local government
5. Identify and protect extractive resources of strategic importance
6. Reduce the environmental impact of quarrying and deliver landscapes for the community

The Victorian Government's Resources and Planning portfolios will work together to action these commitments, which are detailed in this Statement. These actions are expected to increase the availability and affordability of extractive resources in Victoria, and we will closely monitor competition to ensure the market is operating efficiently.

This Joint Statement implements priority actions in the Victorian Government's *Extractive Resources Strategy, Helping Victoria Grow*. It also gives effect to the recommendations of the Commissioner for Better Regulation, in her report *Getting the Groundwork Right: Better regulation of mines and quarries*.



1. STREAMLINE APPROVAL PROCESSES TO EXPAND PRODUCTION

An immediate priority is to address pressing supply constraints by streamlining planning and works approvals for existing quarries. Many existing quarries have capacity to expand but need variations to their planning permits or works permits. Too often these have taken many months or years to process.

A new Extractive Industry Project *Hot List* has been developed to identify quarries that will be given priority planning consideration with the goal of halving typical approval times from 18 months to 9 months for good quality applications (Attachment 1).

Streamlining the approvals process will pave the way for new supply in the near term, while also meeting community expectations for rigorous assessment.

For example, around 160 million tonnes of additional sand, basalt and gravel resources could be supplied by the eleven projects on the initial *Hot List*.

The Metro Tunnel alone needs over 1.4 million tonnes of concrete, with 50,000 concrete segments to line the project's twin 9 kilometre tunnels.

The criteria for determining whether a site is considered a strategic site for the *Hot List* includes:

- the site contains significant accessible resources and is well located to markets
- the application needs timely consideration and coordination of separate approval processes
- issues do not justify an Environmental Effects Statement (EES) process
- consideration of the application by the Minister under another Act would be facilitated by referral of the application to the Minister.

The Minister for Planning will call in permit applications or amend planning schemes where a decision by a responsible authority on a permit application for a quarry on the *Hot List* has been unreasonably delayed.

Where appropriate, the Minister for Planning will refer projects to a standing expert Panel to resolve the assessment of eligible planning applications.

The 2018/19 budget funded a new Senior Strategic Planning position in the Department of Environment, Land, Water and Planning (DELWP) to support high priority extractive resources planning initiatives, such as the *Hot List*, over the next two years.

The Earth Resources Regulation branch of the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) is also working with industry and local government to improve the timing and quality of its guidance and approval processes.

A *Statement of Operating Change* will be released alongside this Statement to explain how the Regulator identifies and assesses variations to existing work plans. This will be followed by a six-month pilot commencing in August 2018 to inform streamlined approval pathways for variations and new work plans. The pilot will be supported by the release of guidance and training material to industry.

2. PROTECT THE CONTINUITY OF SUPPLY FROM EXISTING QUARRIES

Amendment to the planning rules will provide greater flexibility on commencement of quarry activity or periods of inactivity of greater than two years (including under care and maintenance).

This will enable quarrying sites to respond to market conditions to quickly increase or decrease production.

This amendment will be updated quickly to apply to existing project proposals on the *Hot List*.

Currently, where the use of a permitted quarry is discontinued for a period of two years, the permit may lapse. This poses risks for the sector where a quarry may be in care and maintenance and lose the security of their permit.

3. APPLY THE 'AGENT OF CHANGE' PRINCIPLE TO QUARRIES

Greater scrutiny is needed to prevent the incursion of new development into quarry buffer zones, which result in pressure for premature closure of a quarry.

The 'agent of change' principle will be applied to existing quarries. This principle puts the onus on the applicant proposing a new use or development that encroaches within buffers of an existing quarry to take measures to mitigate any impacts from those existing or planned activities.

This includes an approved area where future quarrying activity may occur. The principle will protect the existing use rights, while also ensuring complementary land uses for adjacent sites.

For greenfield quarries, particularly those in Strategic Extractive Resource Areas, we will better delineate areas of strategic importance and recognise these within the planning system. Ultimately, this will result in the codification of buffers that prioritise extraction and prevent encroachment on strategic resources.

4. PROVIDE BETTER GUIDANCE TO INDUSTRY AND LOCAL GOVERNMENT

A Planning Practice Note will be published by 31 December 2018 to clarify the respective roles and responsibilities of Earth Resources Regulation and local government, as the responsible authority for administering the planning scheme. This will provide guidance to local governments about Earth Resources Regulation's responsibilities under the *Mineral Resources (Sustainable Development) Act 1990* and how these relate to decisions under the planning system, including the adoption of standard conditions for planning permits.

Greater clarity of processes and improved advice will generate efficiencies and increased certainty for operators, local government, communities and other co-regulators. The Commissioner for Better Regulation's report, *Getting the Groundwork Right*, identified problems with the current planning permit system leading to delays:

- In some cases, proposals that satisfy all regulatory requirements under Earth Resources Regulation's approvals process are rejected at the planning stage. This means that operators incur significant upfront costs, without any formal avenue to obtain early advice from local councils on the likelihood of problems obtaining planning approval.
- Industry has expressed concern that local councils on occasion 're-prosecute' matters already addressed through Earth Resources Regulation statutory endorsement process.

5. IDENTIFY AND PROTECT EXTRACTIVE RESOURCES OF STRATEGIC IMPORTANCE

Victoria's strategic earth resources will be better identified to inform land use planning and enable planning conditions to be used to secure existing and future strategic earth resources.

The Victorian planning system recognises some important extractive resource areas, known as Extractive Industry Interest Areas (EIIA). However, it has not always been possible to effectively prevent encroachment on these resources.

To develop new approaches, we are partnering with Wyndham City Council and South Gippsland Shire to pilot the identification of Strategic Extractive Resource Areas (SERA) which will replace EIAs, to protect key extractive resource locations in local government areas.

These resultant SERAs will be mapped and incorporated into our planning system and include compatible uses and buffer requirements to support the potential for complementary land uses and to avoid future land use conflicts.

In partnership with industry, we will improve the way we collect, report and account for the resources available or planned for future use. Up to date, independently audited data will enable better and more timely decisions on extractive resources priorities and approvals.

Industry and market conditions will be monitored through access to better quality data. This will help ensure there is strong competition in the sector and customers therefore benefit through lower prices for extractive resources.



6. REDUCE THE ENVIRONMENTAL IMPACT OF QUARRYING AND DELIVER LANDSCAPES FOR THE COMMUNITY

We will work with industry to reduce the environmental impact of quarrying by:

- Supporting industry operators to be recognised as leaders in the sustainable development of extractive resources.
- Reducing demand on virgin extractive resources by facilitating substitution with recycled products to increase competition and lower prices for extractive resources customers.
- Reducing emissions from the extractive resource sector to help achieve zero net greenhouse gas emissions by 2050.

We will also work with industry and community to promote innovative ways to return former quarries to communities as lasting assets – examples include Royal Botanic Gardens in Cranbourne, Newport Lakes Reserve in Newport and Valley Lake in Niddrie. Post-quarrying land uses can enhance amenity and lifestyle for local communities, and also help to provide habitat for threatened species.

FURTHER INFORMATION

Department of Economic Development, Jobs, Transport and Resources, 2018, *Helping Victoria Grow; Extractive Resources Strategy*

Commissioner for Better Regulation, 2017, *Getting the Groundwork Right – Better regulation of mines and quarries*

Department of Economic Development, Jobs, Transport and Resources, 2018, *Getting the Groundwork Right: Implementation Plan*



ATTACHMENT 1: HOT LIST FOR PRIORITY ASSESSMENT

A new Extractive Industry Project *Hot List* has been developed to identify quarries that will be given priority planning with the goal of halving current approval times from 18 months to 9 months for good quality applications.

Criteria for inclusion on the *Hot List* include:

- the site contains significant accessible resources and is well located to markets (Designated Extractive Supply Areas, Figure 1)
- the application needs timely consideration and coordination of separate approval processes
- the issues do not justify an Environmental Effects Statement (EES) process
- consideration of the application by the Minister under another Act would be facilitated by referral of the application to the Minister.

Table 1 shows projects currently in the work plan variation pipeline that meet the criteria. In total, these projects are expected to supply around 160 million tonnes of additional sand, basalt and gravel resources.

The Minister for Planning has the sole discretion to list projects on the *Hot List* (with or without reference from the Minister for Resources). The Minister will then notify all relevant parties, by letter, that he has made such a listing.

A round table discussion will be held with the proponent, the responsible Council or planning authority and DELWP planning to resolve the steps and timelines to achieve an outcome in each case on the *Hot List*.

DELWP will then monitor the timely completion of the remaining steps. If these timelines are not met, or there is unreasonable delay the Minister for Planning may appoint himself a Responsible Authority and/or call in permits and refer them to the standing expert panel.

For example this might occur if the Council fails to determine a permit outcome within 60 days. There is an obligation on the proponents to provide timely responses to requests for information.

The Extractive Industry Project *Hot List* will be dynamic, with new projects added and resolved ones removed, as appropriate. The current list will be kept online at earthresources.vic.gov.au

Table 1: *Hot List* quarries as at August 2018

| LOCATION | PERMIT | APPLICANT | MATERIALS |
|-------------------------|--------|----------------------|----------------|
| Kilmore East, Mitchell | WA384 | Hanson | Basalt |
| Kilmore East, Mitchell | WA400 | Galli | Basalt |
| Plumpton, Melton | WA440 | Central Pre-Mix | Basalt, Scoria |
| Coimadai, Bacchus Marsh | WA342 | Hanson | Sand/Gravel |
| Donnybrook, Whittlesea | WA492 | Barro | Mudstone |
| Nyora, Sth Gippsland | WA157 | Metro Quarry Group | Sand |
| Traralgon, Latrobe | WA171 | Latrobe Valley Sands | Sand |
| Maude, Golden Plains | WA38 | Barro | Sand/Gravel |
| Sago Hill, Ballarat | WA1327 | CAB Investments | Sand/Gravel |
| Halston, Sth Gippsland | WA284 | Burdett Sands | Sand |
| Homewood, Murrindindi | WA1443 | Yea Sand and Gravel | Sand/Gravel |

Figure 1: Designated extractive supply area map

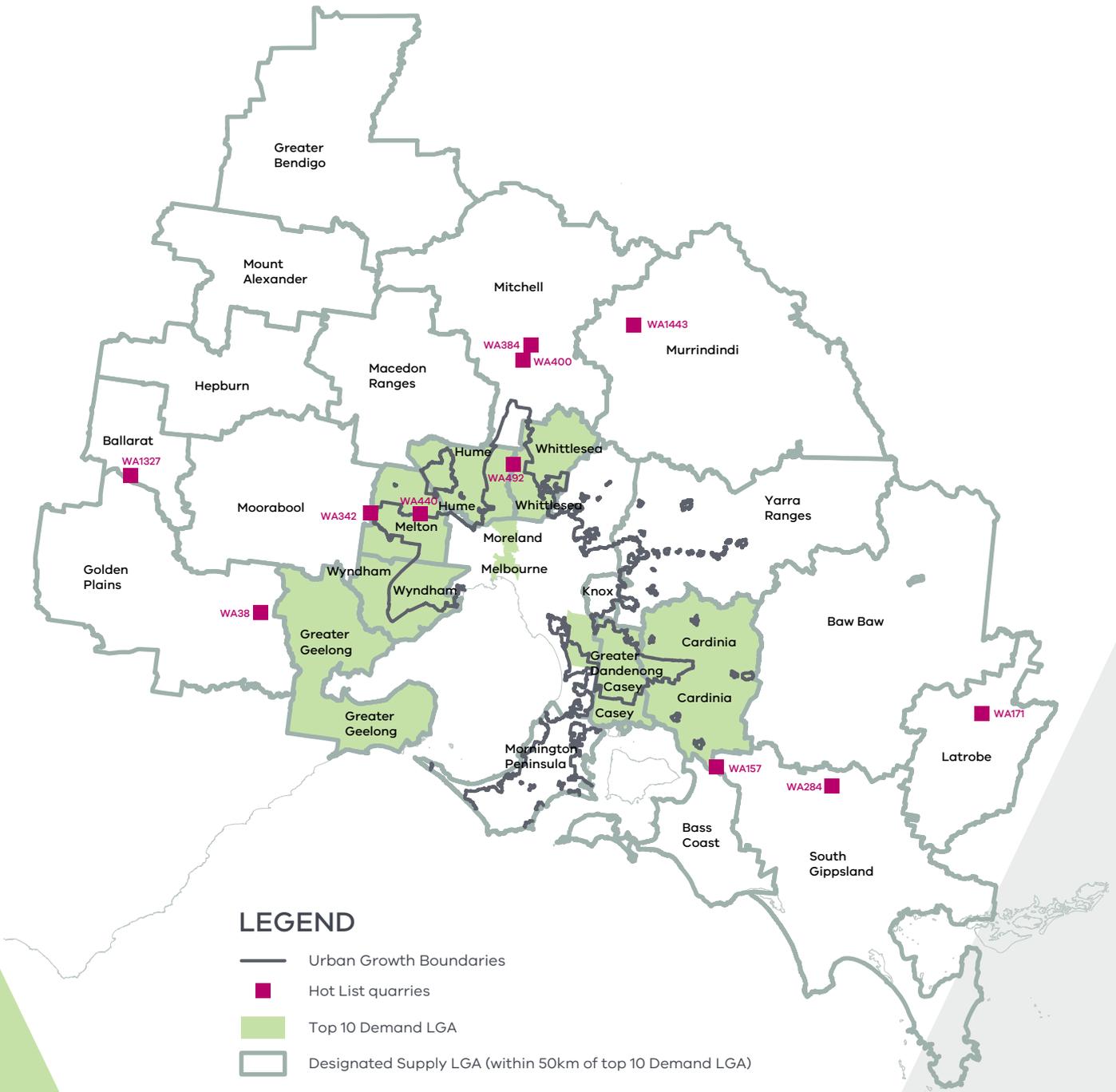


Figure 2: Work Plan Approval Process for applications that meet the *Hot List* criteria

