



MINERALS COUNCIL OF AUSTRALIA VICTORIAN DIVISION

The MCA and the Victorian Minerals & Energy Council (VMEC) merged on 15 June 2004, with VMEC becoming a regional division of the MCA.

VMEC members became Full or Associate Members of the MCA, and in the second half of the year, the Victorian Division consolidated its role as the leading advocate in representing the interests of Victoria's corporate explorers, miners, mineral processors and service providers.

The merger has been a resounding success, principally as the benefits have been mutual.

Even on local issues, the Victorian Division has benefited from the ability to draw on the advice and counsel of the national Secretariat.

One example was the injection of national perspectives on greenhouse issues into planning approval processes for coal mining projects. Another example was the insights offered by the national Secretariat into the Victorian Division's submission to a critically important review of regulation, and its impact on the regional Victorian economy.

In other instances, the Victorian team has offered critical input and advice on matters of national significance. For example, the valuable work done by the Victorian Division in developing Regional Indigenous Land Use Agreements (ILUAs) with Native Title Claimant groups has practical application across the nation. Similarly, the Victorian Division has played an influential role in the MCA's contribution to the National Skills Shortages Strategy.

Through the merger, the MCA is now directly involved in the regulatory and sovereign risk issues associated with exploration and mining licences controlled at the Victorian State level.

Members operating in Victoria do so with the confidence that issues raised regionally are consistent with the industry's broader strategic objectives and the national approach to economic, environmental and social stewardship. Areas of focus in 2004 included safety and health, employment and skills, water, energy, climate change, environmental management and Native Title.

This inaugural Victorian Division Annual Report outlines the key initiatives undertaken throughout the year. Significant achievements include:

- > successfully advocating the industry's policy position to all major political parties on relevant legislation before the Victorian parliament
- > working cooperatively with the Victorian Department of Primary Industries to achieve improved licence application and work plan approval processes
- > securing some concessions for mining operations in the reform of the Victorian native vegetation operational guidelines
- > completing negotiations on Regional Indigenous Land Use Agreements for Exploration with the Dja Dja Wurrung people and the Wadi Wadi Burapa Burapa Wamba Wamba people. Both Agreements await final signing and registration whilst the Native Title claimant groups resolve internal matters



- > progressing policy and promoting leading operational practice through external relations initiatives including the:
 - annual Victorian Mines Rescue Competition
 - annual Exploration Workshop
 - Sustainable Development Seminar
 - Women and Mining Forum
 - Advances in Mining Technology Conference
 - annual Victorian Minerals Industry Dinner
- > building the calibre of, and participation in, the very successful Melbourne Mining Club, which brings together industry leaders, bankers, brokers and the media to show case the minerals industry
- > delivering science-based minerals education programs to 33,448 students, 1600 teachers and 950 trainee teachers.

The new arrangements have enhanced the capability of both the national and Victorian Secretariats. The whole has become more than the sum of its parts.

Going forward, a Victorian Balanced Business Plan and Budget have been developed for 2005 that are consistent with the MCA strategic planning and operational framework.

GLOBALLY COMPETITIVE

GOAL: RESOLVE THE SOVEREIGN RISKS ASSOCIATED WITH THE MRD ACT 100 METRE RULE

In August 2004, the uncertainties associated with the Mineral Resources Development Act, Section 45 (100m Rule) were intensified by a Victorian Civil and Administrative Tribunal (VCAT) ruling – Techsol Resources vs Minister for Energy Industries and Resources.

The Tribunal determined that consents once granted by a landowner for mining work within 100m of a residence did not remain upon sale of the land and that consents once given could be revoked.

The MCA engaged legal advice to determine the most appropriate solution and worked closely with the Department of Primary Industries to agree a solution that provides the certainty required by mining companies, whilst at the same time preserving the rights of landowners. The long-term solution involves legislative amendment to the MRD Act.



GOAL: ENSURE LICENCE AND WORK PLAN APPROVALS FOR EXPLORATION AND MINING ARE CLEAR, TRANSPARENT AND TIMELY

During the year the Victorian Government passed the National Parks (Additions & Other Amendments) Bill, which clarified the status of Crown land recommended for reservation but never enacted by the Government. This completed the commitments of the Government to the minerals industry regarding the proclamation of the box-Ironbark parks and reserves legislation in 2002.

The MCA worked cooperatively with the Victorian Department of Primary Industries to achieve improved licence application and work plan approval processes undertaken within the Department. As a result the processes of the Department are much improved.

Consents for access to Crown land reserves for exploration and mining continue to be a concern to the industry in spite of the MCA continuing to press the Victorian Government, and in particular the Department of Sustainability and Environment, on improving the consent procedures.

GOAL: PROMOTE GREENHOUSE POLICIES THAT ARE NATIONALLY CONSISTENT AND DO NOT DISADVANTAGE VICTORIAN INDUSTRY

The MCA advocated strongly against a State-based greenhouse gas abatement measure as originally promoted by the Victorian Government. In December 2004, the Government released a Greenhouse Challenge for Energy discussion paper that argued against a state-based system in preference for a national abatement and trading scheme.

GOAL: ENSURE THE MINERALS INDUSTRY IS INCLUDED IN THE DEVELOPMENT OF WATER POLICY

The MCA has actively participated in the Victorian Government's water reform agenda. In June 2004, the Government released its White Paper on water, which incorporated to some degree, almost all of the MCA's recommendations.

The Victorian Division continues to seek active involvement in the implementation of the White Paper reforms to ensure industries other than agriculture have access to water through trading mechanisms, and that caps on groundwater do not impede mine developments.

GOAL: REFORM THE EXTRACTIVE AND MINING INDUSTRY ADVISORY BOARD (EMIAB) TO BE A RESOURCES DEVELOPMENT COUNCIL

The MCA proposed to the Minister for Energy Industries and Resources that the Extractive and Mining Industry Advisory Board be restructured. The restructure recommended a high-level economic development council to advise on the development of the State's resources and a more operational forum for departmental and administrative issues. The Minister accepted the recommendation and has commenced implementation. The Council has nominated several members for the new body.



GOAL: COORDINATED EARTH RESOURCES RESEARCH, DEVELOPMENT AND DEMONSTRATION

The MCA facilitated a forum of industry, government and research representatives in May 2004 to progress the establishment of a coordinating Research, Development & Demonstration (RD&D) Committee, with the aim of fostering technologies relevant to the Victorian resources sector. The MCA sponsored the establishment of an interim RD&D Management Committee; a Victorian Government grant to part-fund the development of a business case and draft business plan; and called for proposals from consultants to undertake the business plan study.

GOAL: MAINTAIN A POLICE LIAISON OFFICER IN THE VICTORIAN GOLDFIELDS

Agreement was reached with gold production members in Victoria for funding of the Victoria Police Mining Liaison Officer in the goldfields. A local area agreement between the Police and the Council ensures a police Detective liaises closely with gold mining companies.

GOAL: IMPLEMENTATION OF A REVIEW OF DEVELOPMENT ISSUES IN THE LATROBE VALLEY COALFIELDS

The MCA facilitated member participation in a tripartite (Commonwealth, State and industry) study into the infrastructure and planning issues associated with the development of the Latrobe Valley coalfield to the year 2100. MCA Victorian Division Executive Director, Mr Chris Fraser is Chair of both the Principals and the Project Management Committees. The project is being undertaken as part of the Commonwealth's Regional Minerals Program.

GOAL: COMPLETE THE MINERAL SANDS ACTION AGENDA PROJECT

The MCA and Victorian Government have agreed the content of the Summary Action Agenda for the development of Victoria's part of the Murray Basin Mineral Sands Province. The joint Action Agenda awaits release by the Minister for State and Regional Development, the Hon. John Brumby.

The Mineral Sands Action Agenda project is a joint MCA and Victorian Government initiative aimed at achieving the full mineral potential of the Wimmera-Mallee regions of the State.

SOCIALLY RESPONSIBLE

GOAL: MODERNISE THE OHS ACT

The Victorian Division actively represented the interests of members in the Victorian Government's review of the Occupational Health and Safety Act. This included submissions to the Maxwell Review and briefing of Ministerial representatives.

The new OHS Act was passed in late 2004, and has effectively handled many of the issues advocated by the Victorian Division. The MCA is now actively involved in effective implementation outcomes for a start-up of the new Act in July 2005.



GOAL: IMPROVE MINE SAFETY

The Victorian Division continued to work cooperatively with the Department of Primary Industries, and in particular the Mine Safety Inspectorate, on initiatives to improve safety in Victorian mines. This includes participation of the Inspectorate in working group meetings, member safety fora, and the Annual Mines Rescue Competition.

A detailed review of guidelines for drug and alcohol management at mine sites was completed during the year.

GOAL: AGREEMENT MAKING WITH INDIGENOUS COMMUNITIES

During 2004, the Victorian Division successfully completed a collaborative project with Native Title Services Victoria (NTSV) and the Victorian Government to develop regional templates on Agreement Making, covering Right to Negotiate Deeds, Indigenous Land Use Agreements (ILUAs) and cultural heritage.

The jointly developed proforma Project Consent Deed, Section 31 Deed, and Indigenous Land Use Agreement (ILUA) for exploration and for mining were launched at Parliament House.

The MCA successfully completed negotiations on a Regional Indigenous Land Use Agreement for exploration with the Dja Dja Wurrung people and also with the Wadi Wadi Burapa Burapa Wamba Wamba people. Both Agreements await final signing and registration whilst the native title claimant groups resolve internal matters.

The Victorian Division has also actively participated in the initial reviews of the Aboriginal Cultural Heritage Laws in Victoria.

GOAL: FORMALISE THE OSCAR 1 MINES RESCUE TEAM ARRANGEMENTS WITH THE COUNTRY FIRE AUTHORITY

The State Council of the MCA Victorian Division met with the CEO of the Country Fire Authority (CFA) in October 2004 to discuss issues regarding the long-term management of the Oscar 1 Mines Rescue Team in the Bendigo region.

The CFA continues to assess its legal obligations, resources and capabilities regarding mines rescue and attendance at fires underground. In the meantime, the MCA continues to sponsor the mines rescue team.

The Oscar 1 mines rescue team is a joint squad - industry, CFA and State Emergency Services (SES) - that operates as a Brigade of the CFA. The team provides mines rescue services for the mines in the Bendigo region. It is proposed to transfer the assets and responsibility for the operational management of the team to the CFA.

HIGHLY SKILLED HUMAN RESOURCES

GOAL: PROVIDE MINERALS INDUSTRY RELATED PROGRAMS TO STUDENTS, TEACHERS, AND STUDENT TEACHERS

During 2004, the staff of Minerals Education Victoria (the MCA's national education program in Victoria) presented factual, science-based minerals education programs to 33,448 students, 1600 teachers and 950 trainee teachers.



A formal Partnership with the Victorian Department of Education and Training was successfully implemented during the year. This Partnership includes obligations for the Victorian Division to present minerals industry programs in regional Victoria.

ENVIRONMENTALLY RESPONSIBLE

GOAL: INTEGRATION OF INDUSTRY AND GOVERNMENT SUSTAINABLE DEVELOPMENT PROGRAMS

The Victorian Department of Sustainability and Environment continues to focus its policy direction on environmental sustainability. Other Departments are effectively implementing a triple bottom line approach to policy development that is generally consistent with the Australian Minerals Industry Framework for Sustainable Development – *Enduring Value*.

In late 2004, the MCA was invited to join the Consultative Forum of the Department of Sustainability and Environment's Public Land Stewardship Project, which was established to develop a consistent policy framework for the management of the State's Crown land estate. The principles of *Enduring Value* are being promoted through the Forum.

In another initiative, the MCA has actively sought reform of the Victorian Native Vegetation Operational Guidelines as they apply to mining developments. Whilst some concessions have been achieved, the operational guidelines remain a major concern to the industry as they are far too prescriptive and limit the scope for 'environmental offsets' – ie. ensuring net environmental gains.

GOAL: IMPLEMENT EFFECTIVE, EFFICIENT AND TRANSPARENT EES PROCEDURES

Throughout 2004, the Victorian Division continued to participate in Government initiatives to release the revised procedures for Environmental Effects Statements relating to major development projects, including mining projects.

GOAL: PREPARE AN EFFECTIVE AIR QUALITY MANAGEMENT PROTOCOL FOR MINES

The MCA is working closely with the Environment Protection Authority and the Extractive Industries Association of Victoria on the drafting of a protocol for environmental management under the State Environment Protection Policy for Air Quality Management. A working draft of the protocol was prepared by December 2004. The protocol will establish the air quality criteria for all new mines and quarries in the State.