



MEDIA RELEASE

MINERALS COUNCIL OF AUSTRALIA VICTORIAN DIVISION

6 September 2006

VICTORIAN
DIVISION

ECONOMIC IMPORTANCE OF MINING TO VICTORIA GROWS

The minerals sector contributes significantly to the economy of Melbourne, the Central Victoria region and the Latrobe Valley region, and is growing in importance to the Western District economy, a Latrobe University study has found. The study, released today by the Minerals Council of Australia (MCA), shows the minerals industry generates hundreds of millions of dollars and thousands of jobs for all of Victoria.

Speaking at the MCA's Annual Victorian Environment and Communities Seminar in Hamilton, Mr Chris Fraser, Executive Director of the MCA Victorian Division, said: "The MCA engaged the economic research unit of Latrobe University to prepare a series of economic impact assessments of the minerals sector on four key mining industry regions of Victoria. The most significant region is the Melbourne region which remains a global centre for mining. This is followed by the Latrobe Valley Coalfields and the Central Victorian Goldfields regions."

In the Goldfields Region of Central Victoria, the minerals sector's contribution to regional exports is second only to manufacturing at an estimated value of \$280 million per year. For each dollar of mining output, it is estimated that a further \$0.83 is generated across industry sectors in the Goldfields Region, and for each new mining job, approximately another three are created. The study shows that growth in the minerals sector is considered ideal in terms of increasing the diversity of the region's economy.

Combined, coal mining and electricity supply activities contribute more to the Latrobe Valley Coalfields Region's total economic output, regional exports, and value-added to Gross Regional Product than any other industry sector. Total expenditure by coal mining and electricity supply activities on intermediate goods and services from within the region is estimated at \$420 million per year. In direct terms the coal sector is estimated to generate 6.9 per cent of total output. Once flow-on impacts are taken into consideration, it is estimated that the sector stimulates up to 10.4 per cent of regional output. For the 'electricity supply' sector this is estimated to be as high as 38.4 per cent.

The Mineral Sands Province of the Wimmera-Mallee is dominated by the agriculture, manufacturing, retail, and health and community services sectors. The relative contribution of the minerals sector is expected to increase markedly once Iluka's Douglas mineral sands mine and Hamilton minerals separation plant are in full operation. The longer-term socio-economic benefits of these two projects include the creation of 150 jobs plus an additional 423 jobs across other industry sectors.

In the Melbourne District alone, the demand by the minerals sector for intermediate goods and services is estimated at \$940 million per year. The flow-on impacts take this to approximately \$2.4 billion and a corresponding 10,000 jobs.

Mr Fraser said: "The Latrobe University study shows that the minerals sector contributes far more to the economy and social fabric of Victoria than previously appreciated from grossed up economic indicators. Further, the study indicates that the minerals industry has much more potential to contribute in diversifying the regional economies of the State. Future governments would do well to recognise this significance and prepare policies to advance that potential."

Copies of the Latrobe University reports:

- > Regional Resources: Mining – Economic Impacts for the Goldfields Region, August 2006
- > Regional Resources: Mining – Economic Impacts for the Latrobe valley Coalfields, August 2006
- > Regional Resources: Mining – Economic Impacts for the Mineral Sands Province, August 2006
- > Urban Resources: Mining Sector – Economic Impacts for Melbourne, August 2006

are available on the MCA's website www.minerals.org.au

Media Contact:

Public Affairs Manager Geraldine Capp
T: 02 6233 0600 M: 0412 173 277

E: media@minerals.org.au

W: www.minerals.org.au

D: 6 September 2006