



31st January 2017

The Hon Wade Noonan MP
Minister for Resources
Minister for Industry and Employment
Level 16, 121 Exhibition Street
MELBOURNE VIC 3000

Dear Minister Noonan

SUBJECT: EXTRACTIVE MATERIALS SUPPLY SHORTAGES

The Victorian Civil Construction Industry Alliance (VCCIA) is designed to drive innovation for the civil construction industry and work with all levels of government to deliver efficient civil infrastructure for the state. The Alliance is currently made up of over 20 peak industry groups who collectively employ tens of thousands of professional, skilled and unskilled workers responsible for delivering billions of dollars' worth of civil infrastructure for Victoria.

The VCCIA were delighted to see the release of the government's *Extractive Resources in Victoria Demand and Supply Study to 2050* in July 2016 highlighting the critical role the supply of extractive materials play in the economic development of the state. A key finding in the report is the insufficient supply within current, or planned, quarry resources to satisfy demand with an estimated 34 percent of Victoria's requirements for quarry products by 2050 needing to be sourced from new quarries.

VCCIA are given to understand that there exists an Extractive Industry Taskforce within the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) charged with implementing the recommendations of the report to develop Strategic Extractive Resource Areas (SERA) to better protect strategic resources and streamline the approval of new resources to satisfy growing demand.

Several VCCIA members have highlighted the critical urgency emerging with regard to access to affordable extractive materials in the face of projected population growth and large government infrastructure projects identified in Infrastructure Victoria's 30-year plan. We are acutely aware of the need for this approval process to be robust and to work with the community and all relevant stakeholders. However, this must also be expedient with VCCIA members facing excessive delays and regulatory burden while trying to secure approval to bring new supply online.

In the face of burgeoning demand and dwindling supply of extractive materials as evidenced by the government's report, VCCIA members are gravely concerned that access to these critical extractive materials will negatively impact on the affordability of Victoria's housing and infrastructure.

VCCIA would urge you to challenge DEDJTR to urgently implement the findings of the study with respect to SERAs and the streamlining of the approvals process for new extractive operations and expansion of existing ones. I would like to invite you to address our membership over a private business lunch in April with regard to this issue and any others you believe appropriate given your portfolios.

Please contact our Secretary Mr Brian Hauser on 0407 924 320 to confirm a convenient date.

Yours Sincerely

Bob Seiffert
VCCIA Chairman