

DRAFT SECOND READING

SPEECH HON FELIX ELLIS MP

Grange Resources (Tasmania) Pty Ltd (Alternative Application Period) Bill 2026

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Honourable Speaker, I move that the Bill now be read a second time.

The mining and mineral processing industries are one of the economic cornerstones of Tasmania. They provide significant levels of employment, over 5,600 direct jobs and inject millions into our economy every year. This Government is a strong supporter of the industry, not just for the socio-economic benefits it provides for all Tasmanians, but also the innovation and development we have witnessed that has been driven by the mining industry and has benefitted all Tasmanians.

Honourable Speaker, mining has been a part of the lifeblood of Tasmania since the first minerals were discovered and utilised in pre-European times, to those in post-European times from gold in the 1850s, tin in the 1870s, to the world class deposits of Renison, Rosebery and Mt Lyell. Tasmania is and always has been a proud mining state.

Another of the significant mineral deposits in this state is the Savage River iron ore deposit. This deposit was one of the first to be identified by Europeans. Abel Tasman noted its existence in 1642 when his ship's compass indicated the existence of a significant quantity of magnetite in the North West of Tasmania. The deposit was then 'rediscovered' by a government surveyor in the 1880s and was not developed until the 1960s. Today the mine is owned and operated by Grange Resources, producing a low impurity magnetite with high iron content that is sought after in the steel making market.

Honourable Speaker, Grange is said to be Australia's most experienced integrated iron ore mining and pellet production company and is headquartered in Burnie. The Savage River Mine has been important to Tasmania's economy since 1967 through to today. Grange currently produces approximately 2.5 million tonnes of pellets annually. As global demand shifts toward green steel and low-carbon technologies, Tasmania's premium iron ore exports position our State, and our nation, as leaders in sustainable resource supply.

For Grange to continue producing and exporting a world class product from the shores of Tasmania, they need to keep moving, keep innovating and keep developing. And Grange has plans in place to do just that. In order for them to move forward they need the Government to assist them in providing the certainty that their key investors require.

Grange's operations currently support around 700 jobs, sustaining local families, businesses, and essential services in North West Tasmania. The Savage River Mine remains a major contributor to the state's economy, providing on average approximately \$19.5 million in royalties per year over the past five years.

The Savage River operation has a current projected mine life to at least 2040. Grange intends to invest to secure a stable, long-life operation. Those investment plans include transitioning the Savage River North Pit from an open cut to an underground block cave mining operation. The aim of the transition is to reduce operating costs, lower its carbon footprint, and extend the life of the mine. For Grange to access the ore below and at the base of the current North Pit, significant cutbacks would be required, which would increase the surface footprint of the open cut mine. To achieve their goals, Honourable Speaker, a significant investment will be required in the short to medium-term, and Grange requires some external funding to fully finance the developments.

This Bill is designed to help provide the certainty that lenders to a project of this scale require. It has been drafted to enable Grange to apply for an early renewal of its mining leases, which will provide the certainty of their mining lease tenure that its investors require to lock in funding. This certainty will allow the Board of Grange to come to a final investment decision on their development plans. The investment of up to \$1.2 billion will help to further extend the long-term viability of the mine and lower its carbon footprint. In turn, this will ensure long-term regional stability and secure Tasmania's role in the global steel supply chain.

Honourable Speaker, the company is actively pursuing decarbonisation goals, including the electrification of some of the mining fleet and underground material handling equipment. Further work is being undertaken by Grange at Port Latta pelletising plant investing in initiatives to reduce the need to burn coal in the plant's furnaces. These changes will significantly reduce annual CO₂ emissions. Grange Resources has indicated the developments present an opportunity to halve carbon emissions by 2030 and achieve net zero by 2035, aligning with Tasmania's climate goals.

These investments by Grange, should they come to fruition, will secure the long term future of the mine. Grange has advised that the current job numbers at the site of approximately 700, will increase during the development of the underground operation, before a gradual decline in total FTEs starting from about 2030 as the company winds down its open-cut operations. Grange has further advised that it would look to re-allocate existing employees to different positions within the company.

Honourable Speaker, this Bill will enable Grange a one-off opportunity to apply for a renewal of its leases now, for a maximum of up to 20 years from the passage of this Bill, contingent on the usual application requirements under the *Mineral Resources Development Act 1995* (the Act). The Bill is required as under the Act, lessees are only able to apply to renew a mining lease up to three months before expiry, and up to one month after expiry. Grange's aligned leases are not due to expire until November 2031. Under the Act there are no other mechanisms that would allow Grange to renew its leases before 2031.

Honourable Speaker, potential investors perceive a loan term extending beyond that of the current mining lease term to be an unacceptable financial risk. Despite efforts of the Department of State Growth and my office, it has proven impossible to allay the concerns of the financial lenders in relation to this perceived risk. Based on a significant amount of work undertaken by Grange, providing a very high level of understanding of the ore body, the projected mine life now extends beyond 2040. Grange has undertaken significant amounts of exploration and has more data to suggest that the proposed developments will extend the mining life even further than that. This Government is supportive of Grange extending the term of its lease to reduce any perceived risks to investors.

Honourable Speaker, without this Bill being passed and Grange applying for renewed mining leases, it is conceivable that the operation could become unviable and all jobs and economic benefits from this operation would cease. That is not a future I want to see for the North West of this great State, and is not an outcome the state of Tasmania can afford. This Bill will help to provide continued long-term sustainability of Grange and in turn provide significant long-term economic benefits to the state, including to the West and North West of Tasmania.

Honourable Speaker, I commend the Bill to the House.