ORIZONTAS

Victoria's *Golden* Opportunity

Assessing the economic benefits of increasing Victorian gold production to one million ounces per year

COMMISSIONED BY

Minerals Council of Australia - Victoria Division

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Executive Summary

Key Findings

- Increasing Victorian gold production to one million ounces per year would generate significant economic benefits for Victoria.
- The expanded gold mining industry would generate $6.2 billion in Gross State Product and support 10,635 jobs paying $1.2 billion in wages per year.
- At current prices, this gold production would also generate approximately $188 million in mining royalties for the Victorian Government.

A Golden Opportunity

Favourable global market conditions present an opportunity for Victoria to significantly expand gold production over the coming decade. Victoria has a long history as one of Australia's major gold-producing regions and possesses substantial mineral resources capable of supporting new mine development.

This report assesses the economic contribution associated with increasing Victorian gold production to one million ounces per year from its current annual production of 320,000 ounces. Achieving this major expansion would require sustained mineral exploration, significant investment in new mining capacity and a substantial increase in ongoing mining operations.

Economic contribution estimates were produced using the REMPLAN Input-Output model, which traces how mining activity flows through supplier industries and household spending across the Victorian economy.

Once the additional production capacity is established, the expanded gold mining industry would support a total of $6.2 billion in Gross State Product, 10,635 jobs and $1.2 billion in wages across the Victorian economy each year, including the combined economic contributions of mining operations, their local supply chains and household spending in Victoria.

The analysis also shows that developing the mining capacity required to support this production increase would generate significant economic activity during earlier phases of industry development.

In addition to the ongoing annual economic contributions from operating new mines, the development cycle would support further economic benefits for Victoria. A construction phase would generate an additional $2.2 billion in economic output,

support 4,538 jobs, pay $462 million in wages, and contribute $884 million in Gross State Product over the development period.

Gold exploration output of at least $150 million per year is required to unlock the next wave of mining investment in Victoria. Each year this would support $377 million in economic output, 792 jobs, $98 million in wages and $181 million in Gross State Product.

In addition to supporting new jobs, the mining industry is notable for the quality of employment it provides. Mining remains one of the highest-paying industries in Australia, reflecting the technical expertise and specialised capabilities required to sustain modern mining operations.

Expanded gold production would also support extensive Victorian supply chains across engineering, energy, maintenance and professional services. Wages generated across mining operations and supplier industries would also support additional economic activity by boosting household spending across the Victorian economy.

This report confirms the benefits of increasing gold production in Victoria extend well beyond the mining industry itself.

Realising this opportunity will depend on a policy and regulatory environment that supports exploration access, investment and mine development.

Table of Contents

Introduction

Gold's increasing global importance

In recent years, global macroeconomic conditions have strengthened the outlook for gold. Rising geopolitical uncertainty, inflation risks and changes in global monetary policy have reinforced gold's role as a store of value, contributing to sustained growth in demand and significantly higher prices.

Today, gold mining is a significant contributor to the Victorian economy, although the sector operates well below the productive potential suggested by the State's underlying geological endowment.

Increasing Victorian gold production to one million ounces per year would represent the largest expansion of gold output in Victoria for more than a century - generating significant economic opportunities for the State with benefits extending beyond the mining sector.

However, realising this opportunity will depend on a policy and regulatory environment that supports exploration, investment and mine development. Understanding the potential economic benefits associated with increased gold production is therefore important for informing policy discussions about the future development of Victoria's gold industry.

Purpose of this report

This report, prepared by Orizontas, assesses the economic contribution to Victoria associated with growing gold mining output to one million ounces per year within 10 years. The analysis was commissioned by the Minerals Council of Australia – Victoria Division to provide an independent and rigorous quantification of the economic benefits that could flow to Victoria under this scenario, across three distinct but interrelated impact streams:

- **Mineral exploration expenditure** - the annual investment required to initially identify and measure gold reserves sufficient to support expanded production, assessed at $150 million per year for this report.
- **Construction** - the capital investment required to develop mines, processing facilities and supporting infrastructure necessary to achieve the target production level.
- **An operating phase** - the sustained annual economic contribution associated with producing one million ounces of gold once full production is achieved.

Production Expansion Scenario

Victoria currently produces approximately 320,000 ounces of gold per year, primarily from operations in the Bendigo, Ballarat and Stawell goldfields.[1] Increasing Victorian gold production to one million ounces per year would require a significant expansion in mining activity over the coming decade.

This report does not model the development of specific mines. Instead, it assesses the economic contribution associated with a scenario in which Victoria's gold industry expands to an additional one million ounces of gold production per year.

For context, a modern gold mine typically produces between 60,000 and 300,000 ounces of gold per year, depending on ore grade, processing capacity and mine design. Achieving annual production of one million ounces would therefore likely involve a portfolio of new mines operating across Victoria's established goldfields.

The modelling undertaken in this report does not attempt to forecast the specific mine developments that may occur. Instead, it estimates the economic contribution associated with the level of exploration investment, mine development activity and ongoing mining operations required to sustain production at this scale.

Analytical Framework

The economic contribution assessment in this report was conducted using the REMPLAN Input-Output model, a widely used analytical framework for estimating the economic effects of industry activity in Australia. The model draws on Australian Bureau of Statistics supply-use tables and regional economic data to estimate how expenditure flows through supply chains and household spending in the economy.

The analysis reports four key economic indicators:

- **Output** – the total value of goods and services produced.
- **Employment** – the number of full-time equivalent jobs supported.
- **Wages and salaries** – total labour income generated.
- **Gross Value Added (GVA)** – the contribution to Gross State Product.

Results are presented at three levels of economic impact consistent with standard Input-Output analysis:

- **Direct effects** – economic activity generated by mining and exploration operations themselves.
- **Indirect effects (Type I)** – supply chain activity generated among industries that supply goods and services to the mining sector.

[1] Resources Victoria, website, viewed 12 March 2026.

- **Induced effects (Type II)** – broader economic activity generated when wages earned by employees and business owners are spent in the Victorian economy.

Further detail on the modelling approach and key assumptions is provided in the Methodology and Key Assumptions chapter.

Structure of this Report

The remainder of this report is structured as follows. The Methodology and Key Assumptions chapter describes the REMPLAN Input-Output model, defines the economic indicators and multiplier types applied throughout the analysis, and sets out the key assumptions underpinning each impact stream.

Findings are then presented across three chapters analysing the economic contribution of:

- Mineral exploration.
- Gold mine development.
- Gold mining operations.

The report closes with Concluding Remarks, which synthesise the findings and reflect on the broader economic significance of the expansion scenario for Victoria.

Overview of Victoria's Gold Industry

Background

Victoria has a long history as one of Australia's most significant gold-producing regions. The discovery of gold in the 1850s transformed Victoria's economy, attracting large inflows of population and investment and establishing Melbourne as one of the wealthiest cities in the world during the late nineteenth century.

Modern gold mining in Victoria operates on a much smaller scale than during the peak of the nineteenth-century gold rushes, but it remains an important part of the State's resources sector. Advances in geological understanding, exploration technology and mining methods have enabled the development of new gold mines and the reopening of historical goldfields that were previously uneconomic to exploit.

Today, gold mining activity in Victoria is concentrated primarily in several established mineral provinces including the Bendigo, Ballarat and Stawell goldfields. These regions host a combination of operating mines, advanced exploration projects and prospective geological formations that continue to attract exploration investment.

Gold mining supports employment across a range of occupations including geoscience, engineering, mining operations, environmental management and specialised technical services. The industry also supports a network of supplier industries providing drilling services, equipment maintenance, engineering services, transport and other operational inputs.

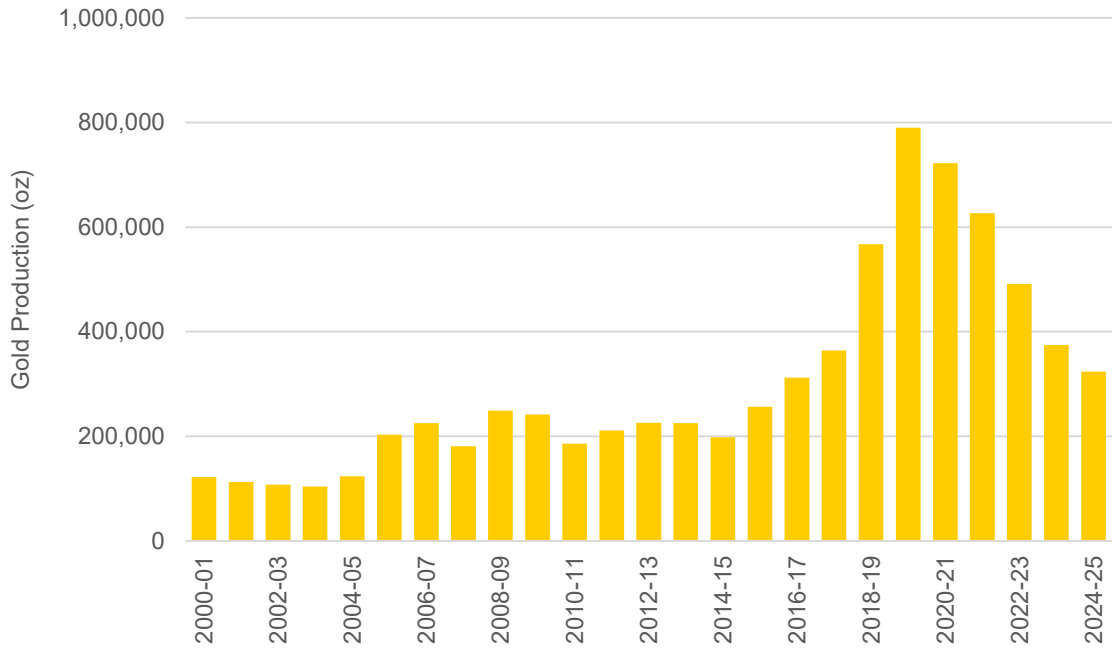
Current Gold Production

Victoria currently produces approximately 320,000 ounces of gold per year, primarily from several operating mines located in the State's historic goldfields.[2]

Although the value of gold production has increased significantly in recent years due to rising global gold prices, total production in Victoria has not expanded at the same pace and has declined from earlier peaks. This reflects the natural life cycle of mining operations, where production declines as existing ore bodies are depleted unless exploration discoveries are developed into new mines or used to extend the operating life of existing mines.

[2] Resources Victoria, website, viewed 12 March 2026.

Figure 1: Victorian gold production



Source: Resources Victoria, *Annual Statistical Report*.

While Victoria has benefited from the surge in global gold prices, it has not led to sustained increases in exploration and production. Achieving sustained growth in output will depend on the discovery and development of new mineral resources capable of supporting additional mining operations.

Gold mining nevertheless continues to contribute to the Victorian economy through direct employment in mining operations, demand for specialised mining services and broader supply-chain activity, wages and salaries paid to workers across the sector, and royalty payments generated for government.

Exploration Activity and Development Pipeline

Exploration activity plays a critical role in sustaining and expanding gold mining production. Ongoing exploration programs are required to identify new mineral resources, extend existing deposits and support the development of future mining operations.

Exploration across Victoria involves geological mapping, geophysical surveys, drilling programs and resource estimation. These programs are undertaken by both established mining companies and specialised exploration firms seeking to identify new economic gold deposits.

Exploration expenditure in Victoria has fluctuated over time, reflecting both commodity price cycles and the inherent uncertainty associated with mineral discovery. While exploration activity increased during periods of stronger gold prices, it has also

experienced periods of decline, which can affect the pipeline of future mine developments.

Despite this variability, several companies have delivered successful exploration campaigns across Victoria's gold provinces and continue to advance projects with the potential to support future mine development. These include:

- Southern Cross Gold's Sunday Creek project just 60 km north of Melbourne.
- Catalyst Metals' Four Eagles project near Bendigo.

These projects demonstrate that while production has not yet expanded materially, the exploration pipeline continues to identify opportunities that could support the development of additional gold mining operations over time.

Geological Potential

Victoria remains one of Australia's most prospective regions for gold exploration. The State's geological formations, particularly within the Bendigo Zone of the Lachlan Fold Belt, contain extensive gold-bearing structures that have historically produced large quantities of gold and continue to attract exploration investment.

According to Resources Victoria, simulations undertaken by the Geological Survey of Victoria suggest that up to 75 million ounces of gold may still be discovered in the northern parts of the Stawell, Bendigo and Melbourne zones, including the potential for multiple million-ounce deposits.[3]

This geological potential highlights the scale of the remaining opportunity within Victoria's gold provinces. Realising this potential will depend on sustained exploration investment and the successful development of new discoveries into operating mines.

Potential for Increased Production

A combination of favourable global market conditions, technological advances in mining and exploration, and ongoing exploration activity has strengthened the outlook for gold mining in Victoria. If exploration activity continues to expand and deliver new discoveries that are successfully developed into operating mines, Victoria has the potential to support a significantly higher level of gold production in the future. Such an expansion would also generate increased activity across Victoria's mining supply chains.

The analysis presented in this report examines the economic contribution associated with a scenario in which Victorian gold production expands to one million ounces per year within the next decade.

[3] Resources Victoria, website, viewed 12 March 2026.

Methodology and Key Assumptions

Input-Output Analysis

The economic contribution estimates presented in this report have been produced using Input-Output analysis, a well-established methodology for quantifying the effects of industry activity. It is routinely applied by government agencies, industry bodies, and economic consultancies to assess the economic significance of sectors, projects, and policy scenarios.

Input-Output tables are typically constructed using national accounts and supply–use tables published by statistical agencies, ensuring that relationships between industries reflect the observed structure of the economy.

The REMPLAN Model

This analysis has been conducted using the REMPLAN Input-Output model. REMPLAN is a leading Australian economic modelling platform used extensively by consultants, local governments, and state agencies to assess regional and sectoral economic impacts. The model is underpinned by Australian Bureau of Statistics (ABS) national accounts and supply-use tables, combined with regional economic data, to generate location-specific multipliers that reflect the structure of the Victorian economy.

REMPLAN enables the estimation of economic contribution across four key indicators - output, employment, wages, and Gross Value Added - as defined in the introduction to this report.

Multiplier Effects

A defining feature of Input-Output analysis is its ability to capture multiplier effects – the successive rounds of economic activity generated as initial expenditure flows through the economy. This report presents results at three levels of economic impact, consistent with standard Input-Output convention:

- Direct effects represent the economic activity generated by the industry or investment itself - in this context, the output, GVA, employment and wages associated directly with exploration, construction, or gold mining operations.
- Indirect effects capture the supply chain response to direct activity. As mining and exploration operations procure goods and services - from equipment suppliers, engineering firms, transport providers and other industries - those suppliers in turn generate their own economic activity. The combination of direct and indirect effects is referred to as the Type I impact.

- Induced effects reflect the additional economic activity generated as employees and business owners across the direct and indirect supply chain spend their incomes on goods and services in the Victorian economy. The combination of direct, indirect, and induced effects is referred to as the Type II impact.

Type II multipliers are larger than Type I multipliers by definition, as they incorporate the additional stimulus of household spending. Both are reported throughout this analysis to provide a comprehensive picture of economic contribution.

Interpretation of Results

The results presented in this report represent estimates of the gross economic contribution associated with increased gold mining activity in Victoria. Input-Output modelling measures the flow of economic activity generated through supply chains and household consumption as expenditure circulates through the economy.

As a result, the modelling captures the total economic activity supported by the mining industry and its suppliers, rather than the net economic impact on the Victorian economy.

Input-Output models assume that industries can expand production in response to increased demand without displacing activity elsewhere in the economy. In practice, some resources such as labour, capital or specialised equipment may be reallocated from other industries. Estimating these broader economy-wide adjustments would require analysis using a computable general equilibrium (CGE) modelling framework.

Input-Output models also assume that production relationships between industries remain constant over time. While this is appropriate for analysing the short-to-medium-term economic contribution of industry activity, structural changes in technology, supply chains or trade patterns may alter these relationships over longer time horizons.

For these reasons, the results in this report should be interpreted as estimates of the economic activity supported by gold mining, rather than forecasts of the net change in economic activity across the Victorian economy.

In modelling the economic contribution of gold mining operations, particular care is required when applying Input-Output analysis to commodity sectors where commodity prices can vary significantly over time. To maintain consistency with the production structure embedded in the Input-Output model, the modelling of mining operations is initially conducted using the production relationships reflected in the model's base-year Input-Output data.

Direct output and Gross Value Added are subsequently adjusted to reflect the current producer-price value of gold production. Further detail on this treatment is provided in the Economic Contribution of Gold Mining Operations chapter.

Key Assumptions

The Input-Output modelling in this report is based on the following assumptions:

- Annual mineral exploration output of $150 million is assumed to be required to identify and define sufficient gold resources to support the expansion scenario. In practice, this output value also corresponds to $150 million of annual exploration expenditure by mining and exploration companies.

  This assumption is based on Victoria's current gold exploration investment levels and discovery rates as well as studies on long-term trends in gold exploration costs and discovery rates.[4]

- A capital intensity of $2,500 per ounce of annual gold production capacity is assumed for mine development, implying total capital investment of approximately $1.75 billion.

  This central estimate is drawn from a benchmarking of Australian gold mining projects developed over the past decade and current feasibility studies, which indicate a range of $1,500 to $5,000 per ounce depending on mining method, scale and location.

  The $2,500 per ounce figure reflects the predominantly underground nature of Victorian gold mining and the availability of existing regional infrastructure and was agreed with the Minerals Council of Australia – Victoria Division.

- Policy barriers limiting exploration access and mine planning, construction and operations are resolved.

- All exploration and mining activity occur within Victoria, with supply chain impacts distributed according to the structure of the Victorian economy represented in the REMPLAN model.

- Multipliers reflect the current economic structure of Victoria represented in the REMPLAN model unless otherwise stated.

The following chapters apply this framework and these assumptions to estimate the economic contribution associated with exploration activity, mine development and ongoing gold mining operations required to support production delivering an additional one million ounces of gold per year.

[4] Schodde, R., *Long term trends in gold exploration*, 2019.

Economic Contribution of Mineral Exploration

Role of Exploration in the Gold Industry

Mineral exploration is the essential foundation to all modern mining activity. It encompasses the full range of field-based and analytical activities undertaken to identify, locate, and delineate mineral resources - including geological mapping, geophysical and geochemical surveys, drilling programs, core sample analysis, and resource estimation.

Exploration expenditure is therefore not simply a cost of doing business; it is a productive economic activity in its own right, generating direct employment, engaging a broad range of specialist service providers, and stimulating expenditure through regional and state economies.

Victorian Gold Exploration Scenario

For the purposes of this analysis, annual mineral exploration output of $150 million is assumed to represent the minimum sustained level of activity required to identify and define sufficient gold resources to support an expansion of Victorian production to one million ounces per year within the next decade. This level of exploration activity reflects the scale of geological investigation typically required to discover, delineate and evaluate multiple new deposits capable of supporting additional mining operations across Victoria's goldfields.

This assumption reflects a scenario in which exploration activity increases materially over the coming decade in order to identify and measure new gold resources capable of supporting additional mining operations. The assumed level of activity represents a sustained exploration effort across multiple projects and geological targets, recognising that only a portion of exploration programs ultimately result in economically viable mine developments.

The annual economic contribution associated with this level of exploration activity was estimated using the REMPLAN Input-Output model. This level of exploration activity generates economic effects within the exploration sector itself and across the wider Victorian economy through supply chain linkages and household consumption. Input-Output modelling captures these successive rounds of activity, enabling the total economic contribution associated with sustained exploration output to be quantified.

The estimated economic contribution associated with this exploration scenario is summarised in Table 1a, with the corresponding economic multipliers presented in Table 1b.

Table 1a: Economic contribution of annual mineral exploration output - Victoria.

	Unit	Direct Effect	Indirect Effect	Induced Effect	Total Effect
Output	$ million	$150.0	$109.1	$117.8	$376.9
Employment	Jobs (FTE)	244	259	289	792
Wages	$ million	$44.7	$29.6	$24.0	$98.2
Gross Value Added	$ million	$75.7	$47.5	$58.1	$181.3

Source: REMPLAN Input-Output Model, Orizontas analysis.

Table 1b: Economic multipliers of annual mineral exploration output - Victoria.

	Type I Multiplier	Type II Multiplier
Output	1.727	2.512
Employment	2.061	3.246
Wages	1.662	2.198
Gross Value Added	1.628	2.395

Source: REMPLAN Input-Output Model, Orizontas analysis.

Direct Economic Contribution

Direct effects represent the economic activity generated within the mineral exploration sector itself.

The analysis indicates that mineral exploration is a highly localised sector in Victoria, meaning that a large proportion of activity supports jobs, wages and Gross State Product. Furthermore, a large share of the inputs required to generate the $150 million in exploration output is sourced from local suppliers, driving strong indirect effects across the Victorian supply chain.

In Victoria, the annual $150 million of mineral exploration output would directly:

- Support 244 jobs (on a full-time equivalent basis), particularly in regional Victoria.
- Pay $44.7 million in total wages.
- Contribute $75.7 million to Gross State Product.

Indirect Economic Effects

Mineral exploration activity generates significant demand across the Victorian supply chain, particularly among drilling contractors, geological consultants, engineering firms and other specialised technical services. This ripple effect throughout Victoria's supply chains would:

- Generate an additional $109.1 million in economic output across the state.
- Support a further 259 jobs (on a full-time equivalent basis).
- Pay $29.6 million in wages.
- Boost Gross State Product by $47.5 million.

The Type I multipliers across all four economic indicators reflect the strongly localised nature of Victoria's mineral exploration supply chain. The Type I output multiplier of 1.727 indicates that for every dollar of direct exploration output, a further 73 cents of economic activity is generated across industries supplying goods and services to exploration operations.

These strong supply chain effects reflect the structure of the exploration sector, which relies heavily on specialised geological, drilling, engineering and technical services. Many of these services are provided by firms located within Victoria, meaning a large share of exploration spending circulates through the local economy rather than leaking to interstate or international suppliers.

Similar patterns are observed across employment, wages and Gross Value Added. The Type I employment multiplier of 2.061 indicates that each job directly supported in exploration activity generates a further 1.06 jobs across the Victorian economy through supply chain activity. The corresponding multipliers for wages, 1.662, and Gross Value Added, 1.628, confirm that exploration activity supports substantial labour income and value-added across a wide range of industries linked to the exploration supply chain.

Induced Economic Effects

In addition to supply chain activity, wages earned across exploration operations and supplier industries support additional economic activity through household spending in the Victorian economy. This household spending supports additional activity across a wide range of industries beyond the exploration supply chain.

The modelling indicates that these induced effects:

- Generate a further $117.8 million in economic output.
- Support 289 additional jobs (on a full-time equivalent basis).
- Deliver $24.0 million in wages.
- Create $58.1 million in Gross State Product across the Victorian economy.

These impacts are reflected in the Type II multipliers, which capture the combined effects of direct activity, supply chain impacts and household consumption. The Type II output multiplier of 2.512 indicates that each dollar of mineral exploration output generates approximately $2.51 in total economic activity across the Victorian economy once supply chain and household consumption effects are taken into account.

Similarly, the Type II employment multiplier of 3.246 indicates that each direct job supported in mineral exploration supports an additional 2.246 jobs elsewhere in the Victorian economy once both supply chain and household consumption effects are considered. The Type II multipliers for wages, 2.198, and Gross Value Added, 2.395, are also significant results indicating the benefits of exploration extend far beyond the businesses undertaking the drilling and geological activities typically associated with exploration programs.

Total Economic Contribution

When these consumption-driven effects are combined with the direct and supply-chain impacts, the total economic contribution associated with $150 million in exploration output rises to $376.9 million in economic output, supporting 792 jobs, generating $98.2 million in wages and contributing $181.3 million to Gross State Product.

While exploration activity generates meaningful economic contribution in its own right, its broader economic significance lies in the mining investment it enables. By identifying and defining new gold resources, sustained exploration activity underpins future mine development and the expansion of gold production across Victoria.

Economic Contribution of Gold Mine Development

Building New Gold Mining Capacity

Mine construction represents the phase in which mineral discoveries are developed into productive mining operations. Developing a modern gold mine requires substantial capital investment in mine development, processing facilities, site infrastructure, power and water systems, and associated transport infrastructure.

This investment supports a wide range of industries including civil engineering, construction services, equipment supply and specialist professional services. As a result, major mining developments typically generate significant economic activity during the construction phase across regional and state economies.

For the purposes of this analysis, a capital intensity of $2,500 per ounce of annual gold production capacity has been assumed. This figure is based on a benchmarking of gold mining projects developed in Australia over the past decade (adjusted for inflation) and feasibility studies for projects currently under development, drawn from the Department of Industry, Science and Resources' Resources and Energy Major Projects report and company disclosures.[5]

This analysis indicates a capital intensity range of $1,500 to $5,000 per ounce for gold mine construction in Australia based on a number of factors. Given that Victorian gold mines are predominantly underground and benefit from existing regional infrastructure, a capital intensity of $2,500 per ounce was selected as the central estimate for the modelling, in consultation with the Minerals Council of Australia – Victoria Division.

Increasing annual Victorian gold production to one million ounces would therefore require total capital investment of approximately $1.75 billion in new mining capacity.[6] This investment represents the aggregate capital required to develop the mining and processing capacity necessary to support production at this scale, which may occur across multiple mines and stages of development.

Not all of this investment occurs within the Victorian economy. Large mining developments require specialised equipment, machinery and components that are sourced from interstate or overseas manufacturers. Based on the same benchmarking of Australian gold mining projects and feasibility studies used to derive the capital intensity assumption, approximately 50 per cent of the total capital investment is

[5] Department of Industry, Science and Resources, *Resources and Energy Major Projects: 2025*, released 19 December 2025.
[6] New gold mine capacity of 700,000 ounces is modelled for this economic contribution study.

assumed to be captured as economic output within Victoria, reflecting civil engineering works, construction services, professional services and other locally sourced inputs. These imported components are excluded from the direct economic output used in the Input-Output modelling in order to avoid overstating local supply-chain impacts.

The remaining expenditure relates primarily to imported machinery, equipment and specialised mining components, some of which may still involve local assembly, installation and commissioning.

On this basis, the construction phase associated with the expansion scenario generates $875 million in direct economic output within Victoria, which forms the basis for the Input-Output modelling results presented below.

Construction activity would occur over several years, but in the absence of a confirmed development schedule the analysis estimates the aggregate economic activity supported over the full construction period rather than allocating impacts to individual years.

Victorian Gold Mine Construction Scenario

The total economic contribution from the $1.75 billion boost in Victorian construction output was estimated using the REMPLAN Input-Output model. The economic contribution associated with the construction phase is summarised in Table 2a, with the corresponding economic multipliers presented in Table 2b.

Table 2a: Total economic contribution of mine construction activity - Victoria.

	Unit	Direct Effect	Indirect Effect	Induced Effect	Total Effect
Output	$ million	$875.0	$808.9	$554.4	$2,238.3
Employment	Jobs (FTE)	1,472	1,707	1,359	4,538
Wages	$ million	$181.6	$168.0	$112.8	$462.4
Gross Value Added	$ million	$315.3	$295.6	$273.4	$884.3

Source: REMPLAN Input-Output Model, Orizontas analysis.

Table 2b: Economic multipliers of mine construction activity - Victoria.

	Type I Multiplier	Type II Multiplier
Output	1.924	2.558
Employment	2.160	3.083
Wages	1.925	2.546
Gross Value Added	1.938	2.805

Source: REMPLAN Input-Output Model, Orizontas analysis.

Direct Economic Contribution

Construction activity associated with new gold mines generates substantial economic activity across engineering, construction and project development services. This includes the output, employment, wages and Gross State Product associated with civil engineering works, construction activity, mine development services and professional services required to build the mines and associated infrastructure. The modelling indicates that $1.75 billion in direct construction output (modelled as a local content spend of $875 million) during the mine development phase would generate the following direct impacts over the construction period:

- 1,472 jobs (on a full-time equivalent basis), many of which would occur in regional construction and engineering industries.
- $181.6 million in wages and salaries for Victorian workers.
- $315.3 million of Gross State Product.

These impacts reflect the labour-intensive nature of construction activity and the significant role played by engineering and specialist mining service providers.

Indirect Economic Effects

Mine construction generates substantial demand across the Victorian supply chain, particularly among engineering services, fabricated metals, construction materials, transport services and professional services. The modelling indicates that supply chain activity associated with the construction phase would generate the following total impacts across the development period:

- $808.9 million in additional economic output across the Victorian economy.
- 1,707 additional jobs in supplier industries.
- $168.0 million in wages and salaries.
- $295.6 million in Gross State Product.

The strength of these impacts reflects the extensive supply chains supporting large-scale construction activity. Engineering services, fabricated metals, construction materials, transport services and professional services all experience increased demand during major mining developments.

These supply chain effects are reflected in the Type I multipliers. The Type I output multiplier of 1.924 indicates that for every dollar of direct construction output, a further 92 cents of economic activity is generated across the Victorian supply chain.

Similarly, the Type I employment multiplier of 2.160 indicates that each direct job created in mine construction supports an additional 1.160 jobs elsewhere in the Victorian economy through supply chain activity.

The Type I wages multiplier of 1.925 and Gross Value Added multiplier of 1.938 further demonstrate the strong economic linkages between major construction projects and the wider Victorian economy.

Induced Economic Effects

Wages earned by workers across construction activity and supplier industries also support additional economic activity through household spending across the Victorian economy. This spending supports additional economic activity across a wide range of industries beyond those directly involved in construction or mining development.

The modelling indicates that these induced effects would generate the following additional economic impacts across the Victorian economy during the construction phase:

- $554.4 million in additional economic output.
- 1,359 additional jobs across the Victorian economy.
- $112.8 million in wages and salaries.
- $273.4 million in Gross State Product.

These consumption-driven impacts are captured in the Type II multipliers, which combine direct, supply chain and household consumption effects.

The Type II output multiplier of 2.558 indicates that each dollar of construction output generates approximately $2.56 in total economic activity across the Victorian economy.

Similarly, the Type II employment multiplier of 3.083 indicates that each direct job supported during the construction phase supports an additional 2.083 jobs elsewhere in the economy once supply chain and household consumption effects are taken into account. The Type II multipliers for wages (2.546) and Gross Value Added (2.805) are also high – confirming that mine construction in Victoria delivers significant economic benefits across a broad range of businesses and households.

Total Economic Contribution

When direct construction activity is combined with supply chain and household consumption effects, the $875 million in local construction output associated with developing new gold mines would generate approximately $2.238 billion in total economic output across Victoria over the construction period.

This activity would support 4,538 jobs, generate $462.4 million in wages and salaries, and contribute $884.3 million to Gross State Product over the construction period.

These results highlight the scale of economic activity generated during the construction phase of major mining projects. While the exploration phase identifies the resources necessary for expanded production, the construction phase translates these discoveries into large-scale capital investment that supports substantial employment and economic activity across Victoria.

Together with the exploration activity required to identify and define new gold resources, this capital investment positions Victoria for a sustained period of higher gold production and associated economic activity.

Economic Contribution of Gold Mining Operations

Sustaining Long-Term Gold Production

Once exploration activity has identified viable mineral resources and the construction phase has developed the necessary mining infrastructure, the operating phase represents the stage at which gold is produced on an ongoing basis. While exploration and mine development generate important short-term economic stimulus, the operating phase delivers the largest sustained economic contribution through ongoing production, employment and supply-chain activity over the life of the mines.

Mining operations involve the extraction, processing and sale of gold, supported by a wide range of operational and support activities including mine management, engineering services, equipment maintenance, transport and logistics, and environmental management.

Operating mines typically support a substantial workforce directly within mining operations as well as across a network of supplier industries providing equipment, maintenance services, engineering expertise and specialised technical support. As a result, gold mining operations generate significant economic activity across regional and state economies over the life of the mine.

For the purposes of this analysis, the operating phase assumes Victorian gold production increases to one million ounces per year once the exploration and construction phases have been successfully completed. This level of production represents a substantial expansion in the scale of the Victorian gold industry from its current output level of approximately 320,000 ounces. This would establish a sustained stream of economic activity associated with ongoing gold mining operations.

Victorian Gold Mining Scenario

The economic contribution associated with new gold mining operations delivering an additional one million ounces of annual production was estimated using the REMPLAN Input-Output model, which reflects the structure and cost profile of the Victorian mining industry in 2023-24.

To ensure that employment and supply-chain impacts were estimated accurately, the Input-Output model was initially shocked using an output value of $3.171 billion to accurately apply the underlying cost-output structures of the REMPLAN model for 2023-24. This modelling valued the target output level of one million ounces of gold

production valued at an annual average price of US$2,079 per ounce – equal to $3,171 per ounce in Australian dollars.

After estimating employment, wage and supply-chain impacts using this cost structure, direct output and Gross Value Added were adjusted to reflect the market value of gold production at the average price over the last three months (December 2025 to February 2026). Based on World Gold Council data, the average price in this period has been US$4,684 – or $6,854 in Australian dollars.[7]

If the full market value of gold production were used directly as the modelling shock, supply-chain activity would be overstated because the additional revenue associated with higher gold prices mostly accrues as operating surplus rather than increased purchases from supplier industries.

Output and value-added multipliers were subsequently recalculated to ensure they accurately reflect the relationship between direct, indirect and induced estimates at the adjusted prices.

The modelling indicates that expanded gold mining operations would generate substantial ongoing economic activity across the Victorian economy. Direct mining activity supports a wide network of supplier industries providing engineering services, equipment maintenance, transport, technical services and other specialised inputs required to sustain mining production.

These supply-chain linkages, combined with household consumption supported by wages earned in mining and supplier industries, generate significant additional economic activity across the state economy. The estimated annual economic contribution associated with gold mining operations is presented in Table 3a, with the corresponding multipliers shown in Table 3b.

Table 3a: Annual economic contribution of gold mining operations - Victoria.

	Unit	Direct Effect	Indirect Effect	Induced Effect	Total Effect
Output	$ million	$6,854.2	$2,670.1	$1,453.3	$10,977.6
Employment	Jobs (FTE)	1,700	5,372	3,563	10,635
Wages	$ million	$348.1	$568.4	$295.6	$1,212.1
Gross Value Added	$ million	$4,499.5	$1,017.6	$716.6	$6,233.8

Source: REMPLAN Input-Output Model, Orizontas analysis.

[7] World Gold Council, website, viewed 15 March 2026.

Table 3b: Economic multipliers of gold mining operations – Victoria.

	Type I Multiplier	Type II Multiplier
Output	1.390	1.602
Employment	4.160	6.256
Wages	2.633	3.482
Gross Value Added	1.226	1.385

Source: REMPLAN Input-Output Model, Orizontas analysis.

The results demonstrate that gold mining operations generate significant supply chain and consumption-driven economic activity across the Victorian economy, with indirect and induced effects together accounting for approximately 38 per cent of total economic output supported by the sector.

Direct Economic Contribution

Gold mining operations generate significant direct economic activity within the mining sector. This includes the output, employment, wages and Gross State Product associated with mining operations, mineral processing, engineering services, equipment maintenance and operational management.

After adjusting direct output and value added to reflect recent gold prices, new gold mining operations delivering an additional one million ounces of gold production per year are estimated to generate the following annual direct economic impacts in Victoria:

- $6.854 billion in economic output.
- 1,700 jobs supported within mining operations.
- $348.1 million in wages and salaries paid to Victorian workers.
- $4.499 billion in Gross State Product.

In addition to these economic impacts, mining operations would also generate significant revenue for the Victorian Government through royalties and payroll taxation. Based on current royalty rates and payroll tax settings, the additional annual production of one million ounces of gold would generate approximately:

- $188 million in state mining royalties, calculated at Victoria's 2.75% royalty rate.
- $4.2 million in state payroll tax revenue reflecting the regional employer rate of 1.2125 per cent applicable to mining operations in regional Victoria, applied to the taxable wage base calculated in this modelling exercise.

These payments represent an important fiscal benefit to the Victorian Government arising from expanded mining activity. Should gold prices continue to increase over the next 10 years, higher mining royalties would also be paid to the state government.

Indirect Economic Effects

Gold mining operations also generate substantial economic activity across the Victorian supply chain.

Gold mining operations rely on a wide network of specialised supplier industries that provide engineering services, drilling services, equipment maintenance, transport, technical consulting, environmental services and processing inputs. Many of these supplier industries are labour-intensive compared with mining operations themselves.

While modern gold mines are highly capital intensive and employ relatively small direct workforces, they rely extensively on contractors and technical service providers across the mining supply chain. As a result, gold mining activity supports a substantially larger number of jobs across supplier industries than within mining operations themselves.

The modelling indicates that supply chain activity associated with gold mining operations would generate the following annual indirect impacts:

- $2.670 billion in additional economic output across the Victorian economy.
- 5,372 jobs supported in supplier industries.
- $568.4 million in wages and salaries.
- $1.018 billion in Gross State Product.

The strength of these impacts reflects the extensive supply chains supporting modern mining operations. Engineering services, equipment maintenance providers, transport companies, energy suppliers and specialist technical service providers all experience increased demand as a result of ongoing mining activity.

These supply chain effects are reflected in the Type I multipliers. The Type I output multiplier of 1.390 indicates that for every dollar of direct mining output, a further 39 cents of economic activity is generated across the Victorian supply chain. The modest output multiplier reflects the current high value of gold production relative to the operating expenditure required to produce it, with a significant proportion of direct mining output represented by operating surplus rather than intermediate inputs.

The Type I employment multiplier (4.160) is high for mining operations but demonstrates the deeper supply chain associated with gold mining. The lower grade of gold mines compared to other types of mining activity means significantly more machinery is required to excavate, crush, sort and process ore. This results in higher indirect employment in maintenance services, energy supply, and professional services for gold mining activity.

This high employment multiplier also reflects industry classification within the Input-Output framework, where some contractor and specialist mining service roles supporting mine operations are captured within supplier industries rather than direct mining employment.

The Type I wages multiplier of 2.633 confirms the benefits of increased activity extend beyond mining companies. This figure indicates that supply chain industries generate more labour income than the mining industry itself – for every dollar of wages paid by a mining company $1.633 in wages is paid to a non-mining industry worker.

The impact of the previously discussed price and output value adjustment has reduced the Type I Gross Value Added multiplier to 1.226. Nevertheless, this is still a positive result for Victoria's economy.

Induced Economic Effects

Wages generated across mining operations and supplier industries also support additional economic activity through household spending across the Victorian economy.

This spending supports additional economic activity across a wide range of industries beyond those directly connected to mining production. Induced impacts are also influenced by the relatively high wages earned across both mining operations and the specialised industries that supply them.

Many occupations across mining and its supplier industries are skilled and highly paid. As a result, wages generated by mining activity support significant household consumption across the Victorian economy.

The modelling indicates that these induced effects would generate the following annual economic impacts:

- $1.453 billion in additional economic output.
- 3,563 additional jobs supported across the Victorian economy.
- $295.6 million in wages and salaries.
- $716.6 million in Gross State Product.

These consumption-driven impacts are reflected in the Type II multipliers, which capture the combined effects of direct mining activity, supply chain impacts and household spending.

The Type II employment multiplier of 6.256 is significant and indicates gold mining operations support an additional 2.096 jobs via the income they generate within Victoria.[8]

[8] Calculated as the difference between the Type II and Type I multipliers.

The Type II wages multiplier of 3.482 reflects the substantial labour income generated across supplier industries and consumption-driven sectors such as retail, hospitality and services.

The Type II output and Gross Value Added multiplier has been adjusted to account for the higher value of gold output and are lower than they otherwise would have been.

Total Economic Contribution

When direct mining activity is combined with supply chain and household consumption effects, new gold mining operations producing one million ounces of gold per year would generate substantial ongoing economic activity across the Victorian economy.

The modelling indicates that this level of production would annually support:

- $10.978 billion in total economic output.
- 10,635 jobs across the Victorian economy.
- $1.212 billion in wages and salaries.
- $6.234 billion in Gross State Product.

Taken together, the exploration, mine development and operating phases analysed in this report illustrate the full economic lifecycle of expanded gold production in Victoria. Exploration activity enables the discovery and delineation of new mineral resources, mine construction translates those discoveries into productive capacity through major capital investment, and ongoing mining operations generate sustained economic activity over the life of the mines.

The modelling indicates that once this production capacity is established, ongoing mining operations would support substantial and sustained economic activity across the Victorian economy. The pattern of results observed in the modelling - modest output multipliers but comparatively larger employment multipliers - reflects the capital-intensive nature of gold mining combined with the labour-intensive industries that supply goods and services to the sector.

Conclusions

This report has assessed the economic contribution associated with increasing Victorian gold production to one million ounces per year within the next decade. The analysis examined the economic impacts associated with three key stages of industry development: mineral exploration, mine construction and ongoing mining operations.

The modelling demonstrates that each phase of industry development generates substantial economic activity across the Victorian economy.

Importantly, these benefits extend well beyond the mining industry itself. Mining operations support extensive statewide supply chains, generating demand for engineering services, equipment maintenance, transport, professional services and other specialist industries that enable mining production.

Higher levels of mining and supply-chain activity also stimulate increased household consumption as wages earned within these industries are spent across the Victorian economy. This spending supports additional employment in sectors such as retail, hospitality, transport and other service industries.

Expanded gold production would also generate significant fiscal benefits for the Victorian Government through mining royalties and payroll taxation, contributing to state revenue that supports public services and infrastructure.

In addition to the scale of employment supported, the mining industry is notable for the quality of employment it provides. Mining remains one of the highest paying industries in Australia, reflecting the technical expertise and specialised capabilities required to sustain modern mining operations.

The scale of the economic benefits modelled in this report underscores the importance of a policy and investment environment that actively supports exploration access, streamlined approvals and mine development. Victoria has the geological endowment and the industrial capability to support a significant expansion in gold production over the next decade. Translating that potential into sustained economic activity - in jobs, wages, regional investment and government revenue - will require policy settings that remove barriers to exploration and development rather than add to them.

While a full cost-benefit analysis is beyond the scope of this report, the substantial economic benefits modelled indicate that government policy reforms, programs and investments that encourage gold exploration and mine development would deliver significant economic returns for Victoria.