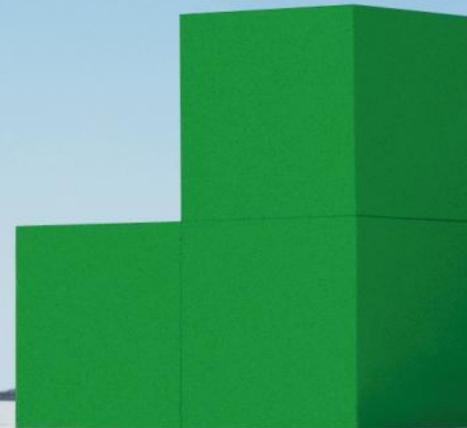


Boral Presentation for the Economic Development and Infrastructure Committee



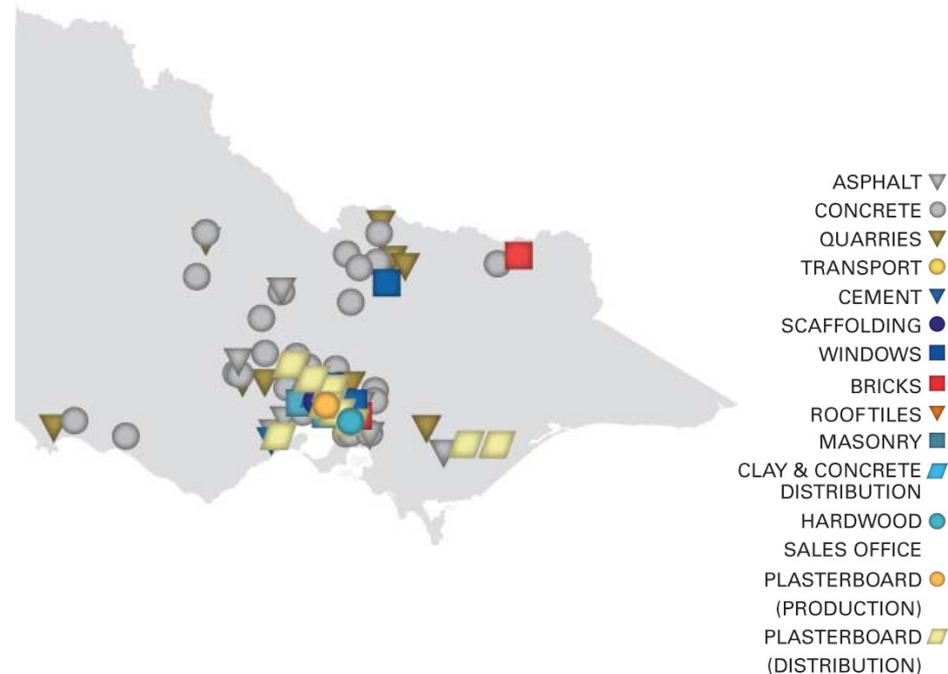
30 January, 2012



Boral in Victoria



- **Boral is Australia's leading producer and supplier of building and construction materials. We have interests across Australia, North America and South East Asia.**
 - Business lines include **Construction Materials** (Quarries, Concrete, Asphalt, Waste Solutions, Logistics); **Building Products** (Bricks, Roof Tile, Masonry, Timber, Plasterboard) **Construction Related Business** (Dowell Windows); and **Cement**.
- **Victoria supplies around 20 percent of Boral's overall revenue.**
 - Head Office in Port Melbourne
 - Around 1800 employees
 - More than 100 business sites, with almost 90 of these operations.
 - 16 operating quarries in Vic supplying over 8M tonne pa to >1500 customers
- **Recent track record of investment for future growth**
 - Dunnstown Quarry (\$30M +)
 - Ballarat Asphalt (\$6M)
 - Port Melbourne Plasterboard (\$80M)



Investment in Victoria may be Impacted by Regulatory Burden



- **Applications for new Quarry operations or extensions of existing sites are subject to increasing regulation and cost.**
- **EES process is costly, time consuming, and provides no guarantee of an outcome.**
- **Repetition of process and tasks is increasing cost of applications.**
 - Limited coordination between government agencies in application process.
- **Increasing costs will decrease competition, increase product prices, and discourage investment in Victoria.**



Competing Land Uses Have the Potential to Increase Costs and Reduce Competition



- **Urban encroachment has been allowed without consideration of impact on State Significant resources.**
- **Many metropolitan operations are under threat from aggrieved neighbours.**
- **State and local planning provisions need to protect resource positions and allow compatible development.**
- **Planning decisions need to take a long term focus (>20 years).**

Environmental Issues Should be Balanced Against the Need for Resources and Development



- **Focus on environmental protection over the value (and need) for the resource.**
- **Requirement for vegetation offsets is resulting in small parcels of land with high maintenance costs (Deer Park example).**
- **Little consideration given to the post quarrying land uses under the Native Vegetation Framework**



Victoria's Competitive Advantage of Having Resources Close to Market is Under Threat



- **Average delivery lead to jobs will increase significantly as operations are forced away from markets (Sydney experience).**
- **Transport costs are typically 30-40% of total cost.**
- **Increasing the distance to market has economic and environmental disadvantages:**

Eastlink Project

- Aggregate supplied predominantly from Montrose Quarry
- Supply from alternative sources would have incurred
 - Additional \$30M in transport costs
 - Social cost circa \$3.5M
 - Increased carbon emissions of 6,000 tonnes