



22 August 2011

The Executive Officer  
Economic Development and Infrastructure Committee  
Parliament House  
Spring Street  
EAST MELBOURNE VIC 3002

[edic@parliament.vic.gov.au](mailto:edic@parliament.vic.gov.au)

**Boral Construction Materials**

251 Salmon Street  
Port Melbourne VIC 3207  
Locked Bag 3  
Port Melbourne VIC 3207  
T: +61 (03) 9214 2138  
F: +61 (03) 9214 2192

[www.boral.com.au](http://www.boral.com.au)

Dear Mr Burgess

**Re: Inquiry into Greenfields Mineral Exploration and Project Development in Victoria**

Thank you for inviting Boral to offer comment to the Economic Development and Infrastructure Committee (EDIC) of the Parliament of Victoria with respect to greenfields mineral exploration and project development in the state.

Boral is the largest building products and construction materials supplier in Australia. We have substantial land holdings in Victoria, with more than 100 operational sites across the state. Some 20 percent of the company's revenue is derived locally.

The location of extractive resources is determined by geological conditions and resources are by nature finite. Our land asset portfolio has accordingly been carefully acquired to secure our ongoing ability to produce building and construction materials for the Victorian market.

We need to be able to access resources as close as possible to markets. Being able to do so provides not only important environmental and community benefits through reducing transportation of materials - it also has cost benefits which ultimately flow on to the consumer and the cost of housing and infrastructure.

Maintaining our current extractive portfolio and exploring opportunities for new sites is increasingly a challenge as a result of factors such as residential encroachment. These issues are being experienced on an industry wide basis which has cost implications to the state market. Protecting extractive industries is therefore a priority.

In response to the terms of reference, we provide the following comments:

- Increasing Cost of Regulation

The impact of regulation is increasing costs for all extractive industry operators including Boral. Our experience is that the significant outlay on achieving approvals and compliance has limited benefits.





For example, Boral spent in excess of \$5 million pursuing approvals at its Montrose Quarry and to date have not been successful in securing approval to extract the additional resource, which would provide around 20 years extra stone resource for Melbourne's south east. There are also the cost penalties through time delays. At Deer Park, it took over two years to secure approval because of the Western Plains Basalt grasslands identified under the Environment Protection Biodiversity Conservation Act. Then there is the ongoing cost of maintaining a 90 hectare conservation area which has been set aside under the approval. This parcel remains in private ownership and is maintained by Boral. It is questionable whether conserving small isolated parcels of conservation land is in the public interest and the most sustainable outcome.

If the regulation process was streamlined, reducing the costs and time to secure approvals this ultimately would benefit the wider community.

- Competing Land Use Interests

Melbourne has experienced many years of rapid development as a result of population growth. Accordingly, there is more pressure to develop land for residential uses. As residential areas expand towards areas occupied by quarries and future quarry resources, the competing land use interests can significantly impact and constrain our operations.

Boral works extremely hard to ensure appropriate buffers exist between its quarrying and industrial operations, and other sensitive land uses including residential. The protection and preservation of these industrial sites, their ongoing operations and buffers should be viewed as an investment in the state's development. In this context, any encroachment on significantly important state resources should be critically examined.

Boral's Montrose Quarry provides a key example. The Montrose Quarry provides hard rock material to the south eastern building and development industries and to some of the state's most significant infrastructure projects. Continued operation of the quarry and its future expansion are important to support Melbourne's continued growth.

Boral recognised this around 15 years ago and has pursued approvals to extend the resource life of the Montrose Quarry. Despite extensive environmental studies and engagement with the local community, Boral has been unable to secure approval for the valuable resources that remain due to local opposition as a result of encroaching residential development.

Another example where competing land uses threaten resource supply is the significant resource Boral owns at Donnybrook in northern Melbourne. Boral purchased this land in the mid 1980s as a future hard rock quarry to replace its Wollert Quarry, which is nearing the end of its economic life. Despite submissions and discussions with Government, this land has now been included in the Urban Growth Boundary and zoned Urban Growth Zone. Given the planning regime that now applies to this site, it is unlikely that Boral will be able to secure approval to develop a quarry in a future urban area. This decision has now placed Boral in a situation where it needs to secure an alternative resource so that it can continue to supply the northern Melbourne market.

The above examples demonstrate how valuable regional and state significant resources can be sterilised if land use conflicts are not appropriately managed.





- Inconsistency between Department of Primary Industry objectives and regulation and planning objectives and legislation.

Victoria has abundant resources. However, there seems to be a divergence between the objectives of the Department of Primary Industries and the objectives of the planning and regulatory process, as illustrated by the example of Donnybrook. If these vital state resources are not protected, the competitive advantage Victoria enjoys over other states may be lost.

It is submitted the planning and approval processes should be reviewed to ensure state significant resources are appropriately protected, and the approval process to secure the operations should be streamlined to eliminate duplication and reduce the costs and time taken.

We look forward to further information on the EDIC's enquiry and welcome the opportunity for continued dialogue with Government.

Should you have any queries, please contact Paul Hillyer, Regional Manager (Victoria) Boral Quarries on 03 9981 2890 or via [paul.hillyer@boral.com.au](mailto:paul.hillyer@boral.com.au).

Yours faithfully

**Paul Dalton**  
**Regional General Manager (Victoria)**  
**Boral Construction Materials**

