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South Australian Productivity Commission

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Attention: SAPC Extractives Supply Chain Commission

In response to the SA Productivity Commission's invitation for feedback on Extractives Supply Chain paper, PGH Bricks and Pavers would like to provide an example of difficulties experienced in furthering extraction within an EML. In this instance, a Program for Environment Protection and Rehabilitation (PEPR) was requested by the Department of State Development (DSD) for a clay pit site, with 3 months given to prepare and submit this report. The site has had two EMLs since the mid-1970s, one of which has not been disturbed to date.

PGH rarely mine this site, once or twice a year maximum with small volumes in the range of 500 tonnes per annum extracted. Although a small reserve, it is of importance to the brick making industry due to its white burning properties and short supply.

Following the first submission of the PEPR we received correspondence that PGH had not addressed the information required by the Ministerial Determination 002 (MD 002). That is, mining operations proposed to clear vegetation, therefore a more detailed plan of clearance is required, plus significant environmental benefit calculations must be undertaken.

The current pit footprint covers a very small area of one of the EMLs. The proposed clearance was assessed by qualified ecologists as 'not seriously at variance with any Native Vegetation Act "Principles of Clearance" and no impacts were expected to any populations of any flora and fauna species listed at Regional, State or National level. Notwithstanding the above, it was calculated by a flora consultant under the Significant Environmental Benefit scheme that to remove any vegetation outside the previously disturbed area would incur an offset cost of approximately $50,000 per hectare for one vegetation association or approximately $20,000 per hectare for another adjacent vegetation association. This is a considerable sum for a site that only requires approximately 500 tonnes of material per annum. The prohibitive cost could mean the withdrawal of certain product lines by PGH as it is uneconomic to mine small quantities whilst paying such a large offset.

It was resolved that because of this impost, the PEPR would be written to cover only the previously disturbed area being mined further, although this result is unsatisfactory to PGH.

It is of course noted that the protection of the surrounding environment is of great importance to PGH but such a sum is now a roadblock for extraction of the area granted for the EML. Consent documents granted within the era of this mine establishment are often vague or even unavailable which leaves a grey area over the approval footprint. It is unlikely that the intent of the development would be limited to the current footprint, but rather extend as far as practicable to the EML boundary. Retrospective legislation has now virtually sterilised an otherwise economical resource through no fault of PGH.

Where vegetation to be cleared is not assessed as rare, vulnerable or endangered, and can be replaced on the site through progressive rehabilitation at the exhaustion of the resource, it seems an offset is unnecessary.

These issues highlight how competing land uses i.e. mining vs native vegetation have caused financial impacts by constraining development.

PGH welcomes the opportunity to provide a submission and looks forward to the results of the enquiries.

Regards, Joe Gauci

National Raw Materials Manager

PGH Bricks & Pavers