

Objection submission COM/2019/81-

'Economic Need'

Please accept this Objection as I believe it highlights that there is no 'Economic Need' within the Gold Coast for the Nucrush Quarry planned extension and expansion.

Summary of Gold Coast Quarries

There appears to be eleven quarries within the Gold Coast Region these are summarised as follows:

KRA 67 (four quarries)

KRA 66 Nerang

KRA 69 Stapylton North

KRA 69 Stapylton South

KRA62 Blue Rock

KRA 65 Jacobs Well

KRA 68 Oxenford

KRA 70 West Burleigh

Out of these, long term there are six key hard rock quarries on the Gold Coast (allowing for KRA 69 Stapylton South and the Boral Yatala quarry, within KRA 67, both closing due to exhaustion of supplies, KRA 65 being sand only, KRA68 Oxenford due to close 2022 and KRA 70 West Burleigh only having approximately ten years supply left)

The six key hard rock quarries are as follows:

KRA 67 Northern Darlington Range (3 quarries) (100yrs),

KA 66 Nerang (30yrs),

KRA 69 Stapylton North (30-40yrs supply),

KRA 62 Blue Rock (50 yrs)

Current Supply and Demand

(Data extracted taken from the transcript of the 'Boral Resources (Qld) Pty Ltd' v 'Gold Coast City Council' in the Planning and Environment Court of Queensland on the 4<sup>th</sup> May 2017)

Existing GCC quarries produced and sold between 5.6M and 10.4M (Average 7.75M) tonnes pa of processed hard rock between 2000 -2016 (this is without the Boral upgrade to Ormeau quarry to produce 2Mt pa as per 2013 development application)

Of this, approximately 50% (averaging 3.86M tonnes pa) made and delivered to GCC markets. The remaining 50% was exported to NSW and mainly other areas of SSEQ (outside of GCC).

Therefore, Gold Coast are only using half what they produce (produced an average of 7.75M t pa, used 3.86Mtpa). Therefore a 100% oversupply. Plus the Boral Ormeau quarry has increased output significantly.

SSEQ (excl GCC) has 8 quarries with 330Mt of resource, producing and selling 3.8M - 8.3Mt pa (plus recent approval to increase production by 5 to 6 M t pa).

NNSW has 4 (or 6) established quarries with 30Mt of approved resources supplying regional markets which consume 1.2M to 1.3M t pa. (24 years supply)

## **Summary**

The Gold Coast are only using half what they produce (Produced an average of 7.75M t pa, used 3.86Mtpa). Therefore a 100% oversupply.

NNSW have their own supply for at least a quarter of a century.

SSEQ (excl GC) produces between 3.8M and 8.3 M tpa (however approved to produce further 5 - 6Mtpa. Therefore, sufficient supply for the next fifty years at least.

Nucrush's market is GC and SSEQ and NNSW (see Attachment A1).

But Gold Coast is 100% oversupplied.

SSEQ are producing more than they require

NNSW has ample supplied from its own quarries

Therefore there is clearly no 'Need' for the Oxenford Quarry for the Gold Coast having an abundant over supply within the Gold Coast. And, our neighbours (SSEQ and NNSW) clearly have their own supplies for the foreseeable future.

## Inferior Product and transport Costs

In the Appeals Court case of Nerang Pastoral Co Pty Ltd v Chief Executive, Department of Natural Resources in Brisbane Land Court on 3<sup>rd</sup> July 1997, re land valuation of the Oxenford quarry, the following was discussed with regard to the quality of the Nucrush Oxenford quarry compared to its neighbours and the relative transport costs:

(Please note Mr Gray is the quarry General Manager at this time and Mr Kelaher a registered valuer on behalf of the appellant).

The Judge said the following: "Before coming to the detail of this evidence, there are some general points to consider, the first with regard to the question of rock quality. Mr Gray said that there were some inherent weaknesses in rock on the subject "combined site" with some slate-like material intimately mixed with the better quality rock. The weaker material has to be removed and this is done by blasting the rock into finer particles using explosives and sieving out the weaker particles as the first part of the processing operation. Sometimes, he said, the product needs to be downgraded and a price reduction results. Production costs would be higher and the utilisation of raw material would be lower in the case of the subject quarry than an acceptable standard. The bulk of the relativity properties referred to by Mr Kelaher are in the Darlington Range area where, according to

Mr Gray, it is known that meta-greywacke is of good quality, though there is some variation in quality. Mr Gray has a good knowledge of each of the relativity properties referred to by Mr Kelaher though he could not, of course, carry out the same level of investigation as on the subject lands. Overall, it was his view that the subject was inferior in rock quality. He also commented that those quarries closer to Brisbane (and that includes all of the relativities apart from Hymix [Nerang]) had the advantage of access to a larger market and on this account would be superior to the subject which is confined to the Gold Coast market. In respect of the Gold Coast market, the subject land was generally said to be disadvantaged in terms of transport costs, according to Mr Kelaher who said that all of his relativities had fewer hills which loaded trucks would have to climb on their way to service the Gold Coast market, even though they were, excepting for the Hymix [Nerang] property, all further from the Gold Coast market than the subject lands”

In summary the judge said the Quarries general manager was saying: “Production costs would be higher and the utilisation of raw material would be lower in the case of the subject quarry than an acceptable standard”.

Also: “the relativity properties referred to by Mr Kelaher are in the Darlington Range area where, according to Mr Gray, it is known that meta-greywacke is of good quality”.

Further: “Overall, it was his view that the subject was inferior in rock quality”

And: “He also commented that those quarries closer to Brisbane (and that includes all of the relativities apart from Hymix [Nerang]) had the advantage of access to a larger market and on this account would be superior to the subject which is confined to the Gold Coast market”.

And finally: “In respect of the Gold Coast market, the subject land was generally said to be disadvantaged in terms of transport costs, according to Mr Kelaher who said that all of his relativities had fewer hills which loaded trucks would have to climb on their way to service the Gold Coast market”.

Therefore, it has been established, in a court of law, that:

1. Nucrush quarry produces an inferior product
2. Has low utilisation of raw material
3. Costs more to produce
4. Is disadvantaged by its location
5. Confined to the Gold Coast
6. Disadvantaged in terms of transport costs

#### Nucrush Quarry employment

In its ‘Economic Need Assessment’ the development application claims 138 full-time equivalent (Attachment B1). However, it fails to provide a sufficient breakdown to establish the number of workers actually employed at the quarry and therefore the amount of employment dependant actually on the quarry.

However, its website suggests there are only 100 staff and contractors (Attachment B2) throughout Logan (SSEQ) to Ballina (NNSW). This total is throughout its business, Nucrush and Nucon, including its concrete batching plants from Logan to Ballina.

Thus, it is not 138 Gold Coast staff, as stated, but less than 100 who work throughout the following eleven locations:

- Nucon Concrete Logan SSEQ
- Nucon Concrete Yatala
- Nucon Concrete Oxenford
- Nucon Quarry Oxenford
- Nucrush Group Head Office Upper Coomera
- Nucon Concrete Southport
- Nucon Concrete Carrara
- Nucon Concrete Burleigh
- Nucon Concrete Currumbin
- Nucon Concrete Chinderah NSW
- Nucon Concrete Ballina NSW.

Therefore it would appear the fulltime staff employed within the Gold Coast is far less than the 138 claimed with an average of nine staff at each location throughout SSEQ and NNSW.

Unfortunately, as part of its 'Economic Need' assessment it fails to disclose how many permanent staff are actually employed at the Quarry and thus maybe dependent on this development application for employment. However, a letter sent to Councillor Peter Young says there are about 20 workers (Attachment B3). The Queensland generated tally of quarry and mine workers suggests it will be far less than 20 even (Attachment B4).

We can only guess at the actual number of fulltime Nucrush workers working at the quarry but it is obvious it is far, far less than the 138 the development application suggests in its Economic Need Section 4.7 (Attachment B1).

It should also be remembered that the few employees who actually work at the Oxenford Quarry knew the plant was due to close in 2017. They were given a five year reprieve until 15<sup>th</sup> February 2022. Now it is time for them to be redeployed to a more suitable environment within the Nucon group. As can be seen above this is a widespread company that we can only assume can redisperse the few employees working fulltime at the quarry relatively easily throughout their operation ranging from Logan (SSEQ) through to Ballina in NSW.

### Market

This is not just a local supplier as claimed. They are delivering to Ripley Valley, Ipswich and Caloundra in the Sunshine Coast and Ballina in New South Wales. These markets can be easily sourced from closer locations without the need for the high transport costs and the additional haulage vehicles traversing through our local suburban areas.

Delivering over these long distances has clear increased transport costs, increased air pollution affecting global warming due to increased transport distances and reduced pedestrian and driver

amenity due to the increased presence of trucks unnecessarily within the local residential suburban Gold Coast Roads with their fine road dust contamination and carcinogenic diesel emissions.

### Conclusion

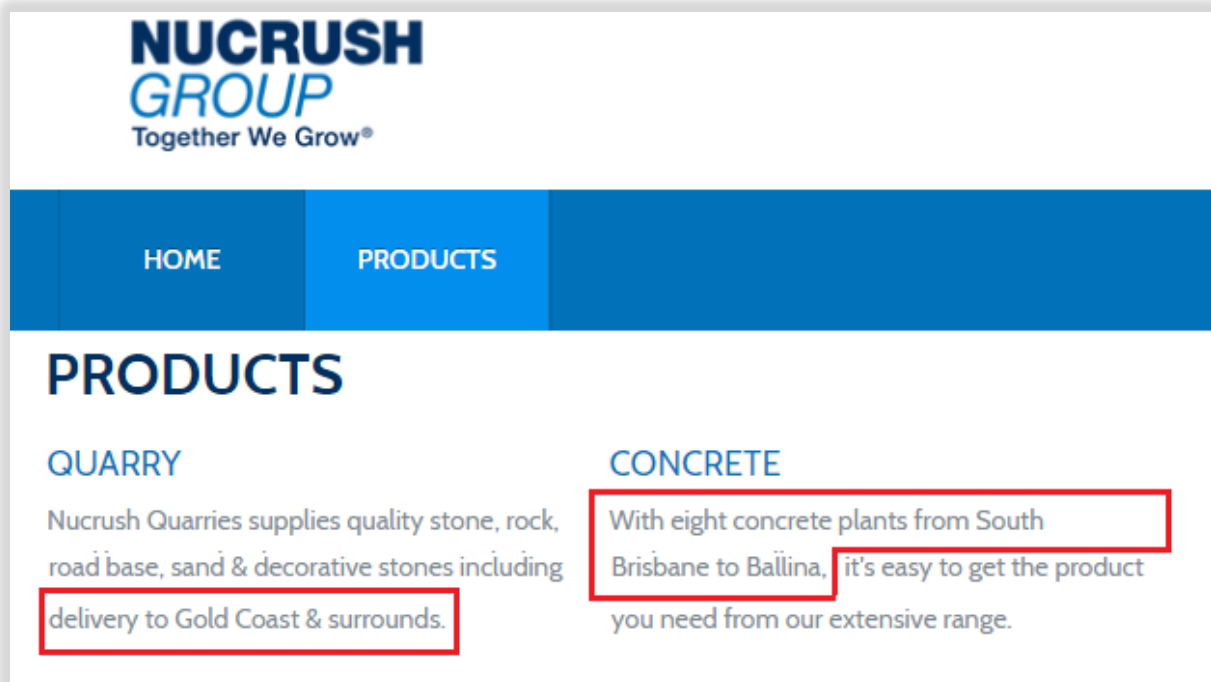
The Gold Coast do not 'Need' Nucrush as the Gold Coast is already saturated with a 100% oversupply of product.

Nucrush is also clearly not the major quarry employer the development application infers but instead employs a few fulltime workers at the quarry (the number has unfortunately not been disclosed). And it would be assumed, given the nature of the business and the number of locations it works from, that the few workers effected could be redispersed relatively easily within the organisation.

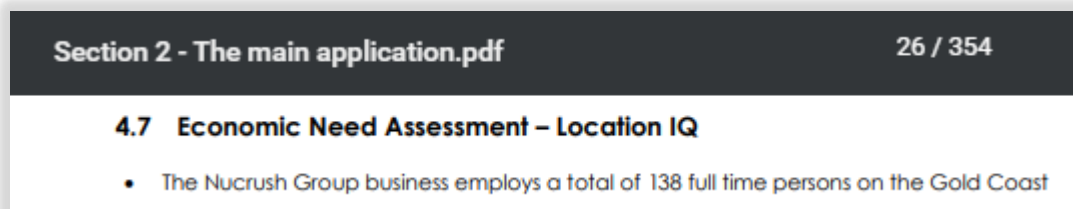
There is no proven 'Economical Need' for the Nucrush Oxenford Quarry.

Thank you for considering my objection

Attachment A1 - Nucrush markets are Gold Coast and also SSEQ and NNSW



Attachment B1 - 138 Workers



Attachment B2 - 100 workers



## Attachment B3 - Approx 20 workers

Monday, 1 July 2002

Councillor Peter Young  
Division 5 Representative  
Gold Coast City Council  
PO Box 5042  
Gold Coast MC QLD 9729

**Re: NuCrush Quarries - Upper Coomera**

Dear Cr Young,

Further to your letter to my office, a response has been given in regards to my representations on your behalf from the Minister for Natural Resources and Mines, the Honourable Stephen Robertson. The Minister has advised me, NuCrush has operated a quarry in the Upper Coomera area for many years. It is a valuable resource of aggregate and other hard rock products of benefit to the community. It employs about 20 persons.



## Attachment B4 - Most Quarries/Mines employ 1 to 3 people

<https://www.parliament.qld.gov.au/documents/committees/CWPSC/2017/CWPSC-OccRespDust/CWP-tp-DNRM-4Sept2017.pdf?fbclid=IwAR2hFqJUA3REZxc5nvjZGWwXiQQeXW2cUCK5TFUK2GBzADiOgI8McorWiE>

