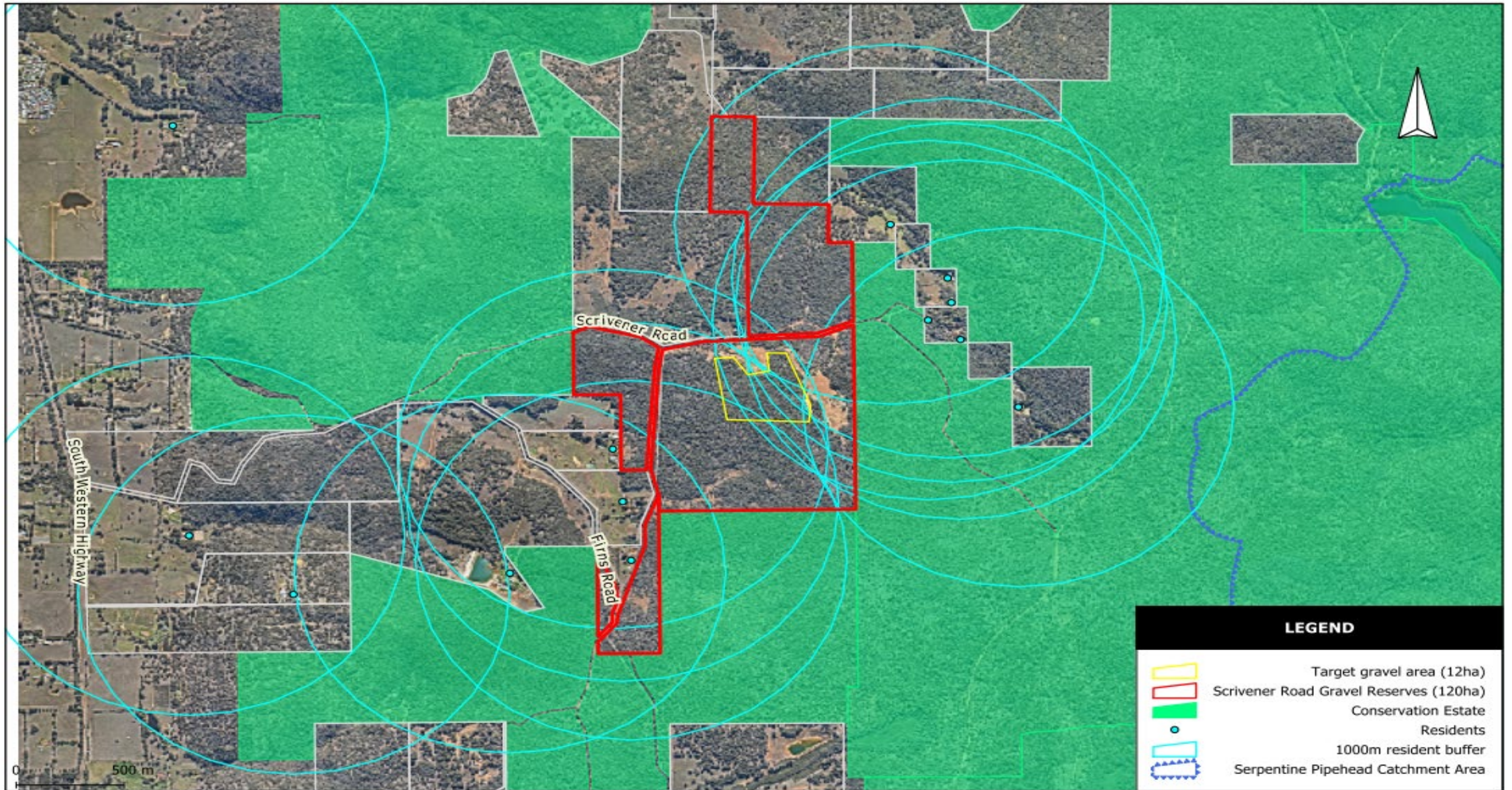





Shire of
Serpentine
Jarrahdale

SCRIVENER ROAD - GRAVEL PIT INVESTIGATIONS

**PCF presentation
- 25 March 2024**



LEGEND

-  Target gravel area (12ha)
-  Scrivener Road Gravel Reserves (120ha)
-  Conservation Estate
-  Residents
-  1000m resident buffer
-  Serpentine Pipehead Catchment Area

SCRIVENER RD GRAVEL PIT INVESTIGATIONS

- Initial environmental and project cost investigations in 2016-2018 – required referral to EPA and a PER.
- Project aims to clear 12ha of Black Cockatoo habitat to extract 900,000t of road-based gravel over 12 years at 75,000t/pa - 10,000t/pa for Shire and a surplus of 65,000t/pa for sale.
- Project was put on hold in 2019 as not all EPA queries were adequately addressed and re-opening the gravel pit was still not viewed as a viable option.
- In February 2022, EPA advised the PER cannot be on hold indefinitely and required it to be progressed or shelved.
- Project is in CBP – should be either progressed or cancelled.
- Shire revisited the project in 2023 for viability.
- Revised costings prepared by Lundstrom Environmental with assistance from the Shire.

SCRIVENER RD – Gravel Extraction

2019 & 2024 cost comparison over 12 operational years:

Scrivener Rd Gravel	2019 costs	2024 costs
Extraction by Shire – 75,000 t/pa	7,245,000	17,030,435
Capital	140,000	3,958,500
Operating	1,200,000	3,675,457
Environmental Approvals	102,000	780,000
Environmental Offsets	1,000,000	3,932,966
<i>Sub total</i>	<i>9,687,000</i>	<i>29,377,359</i>
<i>Buy gravel (10,000 t/pa. over 12 yrs)</i>	<i>5,066,555</i>	<i>5,960,652</i>
TOTAL DIFFERENCE	4,620,445	23,416,706
	disbenefit	disbenefit

SCRIVENER RD – Gravel Extraction

Cost for 12 operational years:

Scrivener Rd Gravel	2024 costs
Production Costs including capital (75,000 t/pa)	29,377,359
Less Sales to Customers (65,000 t/pa)	-16,604,675
<i>Total Production Costs</i>	12,772,684
Verses	
Buy Gravel (10,000 t/pa)	5,960,652
Financial Disbenefit	6,812,032

ENVIRONMENTAL INVESTIGATIONS AND APPROVALS

- Fauna and vegetation surveys are required as existing investigations are over 5 years old.
- Both state and federal approval will be required
- An updated Aboriginal heritage survey is required and needs to include Scrivener Road. Consultation would be required with the South-West Aboriginal Land and Sea Council and the Gnaala Karla Booja group.
- A detailed social impact assessment is required for mine operational impacts such as noise, vibration, dust, traffic and changes in visual amenity.
- An Environmental Scoping Document (ESD) will need to be prepared.
- An Operational and Environmental Management Plan would be required to manage water use and surface runoff, dieback, weeds and dust etc. this requires significant and regular monitoring, evidence collecting and reporting to the EPA.

ENVIRONMENTAL CONSTRAINTS AND RISKS

- Site contains 12ha of Black Cockatoo habitat and will trigger both state and federal legislation requiring significant offsets.
- Period of assessment by the EPA is unknown - additional reports likely to be required
- All surface water runoff will require on site containment and management to prevent dieback, pH and sediment impacts to the vegetation and Serpentine River catchment.
- Approval of management plans will be required with both tiers of governments regarding offsets. This process can be lengthy, costly and is highly variable.
- Shire is already aware of public opposition and the position of the Department of Biodiversity Conservation and Attractions (DBCA) which does not support the project.



ENVIRONMENTAL CONSTRAINTS AND RISKS

- Ongoing management of operational impacts such as noise, vibration, dust will be significant.
- The net incurred cost (loss) could be used to upgrade and seal 8 km of existing gravel roads.
- There is a level of commercial and reputational risk to the Shire as this kind of operation is not its core business, no neighbouring Councils mine their own reserves for gravel extraction.
- Significant amount of capital investment required up-front.
- This year's budget is \$170,050, initial environmental surveys alone will cost approximately \$600,000.

Scrivener Road Risk Assessment

REF	POTENTIAL RISKS	Estimate Cost Impact	Likelihood	Impact	RISK RATING EXTRACTION OWN	BENEFITS OF BUYING GRAVEL
1	Dieback Spread and Treatment required	1,464,402	Almost Certain	High	Very High 15	Nil dieback introduction and spread with is major threat to vegetation diversity and fauna habitat
2	Illegal dumping and unauthorised access will increase due to improved access and will also result in impact to rehabilitation areas	501,339	Likely	Minor	Medium 8	Reduction in likelihood due to nil improved access
3	Local residents V's truck haulage route and road safety issues - potential accidents	Unknown	Moderate	Major	High 12	Nil implications related to road pressure / local safety
4	Appeals to approval process (from residents, DBCA)	100,000	Likely	Minor	Medium 8	Nil appeals
5	Capital Investment, State and Federal environmental conditions for rehabilitation and offset management requirements. Costs are high and are an estimate only and will depend on final approval conditions.	7 million plus	Almost Certain	High	Very High	No rehabilitation or offsets required, site could be used an offset for a state agency or other gravel mining operators. Small rehabilitation only required to existing gravel pit.
6	If approvals are not progressed, will require re-work (new surveys, modelling) and cost to do approvals again at 5 year point (2024)	240,000	Certain	High	Very High	No new surveys and consultation required.
7	Using the site eliminates Offset options for the Shire	1 million plus	Certain	High	Very High	Shire retains the site to potentially be used as a future offset
8	Project timeline is unknown due to long assessment timeframes (state, federal) and potential for future increase in operating costs (inflation)	Unknown	Certain	High	Very High	NA
9	Inhouse resources to manage capital, approval costs and operations (Approximate only based on 30% overheads)	1,885,523	Almost Certain	High	Very High	Nil in house resoruces required or environmental consultancy required

Summary

- **Economically not feasible**
- **Not a Shire core business**
- **Does not align with standard industry practice**
- **Clearing permit – Complex and costly, almost certain will not be approved**
- **Environmental risks**
 - **Dieback spread to other parts of Shire**
 - **Surface water run off containment**
 - **Loss of fauna habitat**
 - **Loss of future offset potential**
 - **Will require significant offsets**
- **Operational risks**
 - **Safety – dust – noise - water**
 - **Resourcing - management**
 - **Contamination**
 - **Cost control**
- **Strong community opposition**
- **Additional \$430k will be required in the next 2-3 years (current budget \$170k)**





Thank you

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