

THE GOOD EARTH

STORY 50



In 1993 as Australia was coming out of a recession, a recently retrenched Ian Harrison made a discovery that was to be his El Dorado. He came across a piece of land in Ningi, Queensland that proved to be a potential source of silica sand. He took out an option for three blocks. The following year, drilling started and he reaped a bonanza. He was expecting a small yield of about A\$2 million but it turned out to be five times more. "I was elated. It was bigger than I thought and the quality better than expected," he says. On top of that, it was on freehold land that had no heritage issues or aboriginal claims on it.

It was not until 1996 before he got approval to mine the sand. "Identifying the resource was just the first step in the many steps along the way," says Harrison. He then put together a plan for extracting and selling the sand. "By 1997, I had exhausted all my family resources and was considering floating the project on the stock market," says Harrison, 55, who is married with three children. "But I was introduced to Soh Yew Hock, who suggested going down the route with Wearnes."

By late 1997, Pacific Silica was part of Wearnes. He became Executive Director, owning a little more than 25 percent and Wearnes, the rest. With the capital, a modern, state-of-the-art plant with lots of R&D was built. Marketing started in 1999 and from 1999 to 2000 the company sold 100,000 tons of sand.

The original 450 acres has grown to 2,417 acres, and in 2005, Pacific Silica sold 500,000 tons of sand. In the last quarter of 2005 alone, it sold more than 200,000 tons. Its current yearly turnover is A\$9 million, with a pre-tax profit of A\$2 million.

The sand has many uses. Its fine grain bunker sand is used in premium golf courses in Australia and Hawaii, where thousands of tons have been sent. It is also used in rugby, soccer and cricket venues where turf is grown on 30 centimetres depth of sand. It goes into cement, concrete and asphalt mixes in the construction industry and is also used in landscaping, horticulture and water filtration systems.

It will last another 10 years or less, if demand escalates, says Harrison. After that, the land may be used for residential real estate, as it sits 45 minutes from Brisbane's central business district, with beachfront and lakes bordering it. "I believe it is a prime place to have a masterplan community, as it can sustain a lot of people," he says.

Describing his relationship with Wearnes as excellent and fantastic, Harrison says: "When we first entered the relationship, they talked about how things would all work out. And it's worked out exactly as they said it would. They have been honourable. We are very blessed to be in partnership with Wearnes."