

Appendix B

Consultation Letters and Project Briefing Notes

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AECOM
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20 May 2009

Dear Resident \ Occupant,

Re: National Ceramic Industries Australia - Proposed Facility Expansion Environmental Assessment (EA) – Request for Community Comment

National Ceramic Industries Australia Pty Ltd (NCIA) proposes to undertake an expansion of their existing ceramic tile manufacturing facility (the Facility) at Rutherford, NSW. The proposal includes the construction and operation of a second factory building with four additional production lines on land adjacent to the existing Facility. The proposal also includes the construction and operation of four co-generation plants and other associated infrastructure.

NCIA intends to seek Project Approval for the proposed project under Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

Background

The Facility, currently operated by NCIA, was granted development consent under Part 4 of the EP&A Act on 2 July 2003.

Consent was granted subject to a number of conditions, such as those relating to the staging of the development. In accordance with the development described in the Environmental Impact Statement (EIS) prepared for the Facility and related conditions of development consent, the Facility was to be constructed in two phases, with building fit-out to occur in four stages.

Stage One of the Facility is operational. Stage Two of the Facility is in the commissioning phase and once operational the Facility would produce approximately 6.4 million square metres of ceramic tiles per annum (tpa), which is a proportion of the previously approved production rate of 12.8 million square metres of tpa

Proposed Expansion

NCIA are seeking approval to expand the Facility. The proposed expansion, known as Stages Five to Eight, would involve the doubling of the current approved production capacity to 25.6 million square metres of tpa.

NCIA are also seeking approval to integrate new co-generation plants to the existing facility and to the proposed production lines. New co-generation plants would be retrofitted to the existing approved tile manufacturing plant. Of the four proposed co-generation plants, one would be fitted to each pair of production lines for Stages One to Two, Three to Four, Five to Six, and Seven to Eight.

Co-generation is the simultaneous production of electricity and heat using a single fuel source (i.e. natural gas). The heat which is produced from the electricity generating process is captured and utilised to produce steam. The steam can then be used as a heat source for numerous industrial applications (in this instance the spray dryer). The advantages of co-generation are that it harnesses heat that would otherwise be wasted and carbon dioxide emissions can be substantially reduced.

See the attached figure for the location of the existing facility and the proposed location for the expansion.

Important Aspects of the Project

The NSW Department of Planning (DoP) have issued the Director-General Requirements (DGRs) for the project which will guide the EA preparation to ensure key environmental, social and cultural issues are addressed. A summary of the likely issues associated with the proposed remediation works are as follows:

Environment

- Noise and vibration – including construction, operation and traffic noise and particularly the impact of the proposed project on sensitive receptors (current and proposed);
- Air quality – air quality impacts for construction and operation of the proposed development, particularly in relation to particulates and impacts on sensitive receptors (current and proposed);
- Traffic and parking – including access to site, traffic volumes during construction and operation and the impacts of this traffic on the safety and efficiency on the surrounding road network;
- Visual – including the visual impact of the design and siting of facilities, buildings, lighting and any signage, and proposed landscaping;
- Soils and water – including the proposed erosion and sediment controls during construction, water quality management, storm water management, water supply investigations (harvesting and/or recycling) and waste water disposal;
- Greenhouse gas and energy efficiency – including energy use on site and energy efficiency measures; and
- Hazard and risk – including the potential hazards and risk implications to the existing operations from the proposed development.

National Ceramic Industries Australia would welcome any comments on the proposed development by 19 June 2009, which can be submitted to:

Peter Horn
 Project Manager
 ENSR Australia Pty Ltd (trading as AECOM)
 PO Box 73
 Hunter Region Mail Centre NSW 2310

Further, if you have any questions, or require further information on the project, please don't hesitate to contact Peter Horn on (02) 4911 4900 or email at peter.horn@aecom.com.

Yours sincerely,

ENSR Australia Pty Ltd (trading as AECOM)

Peter Horn
 Principal Environmental Scientist

Enclosures: Location Figure
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20 May 2009

Environment

AECOM

Dear Agency \ key stakeholder,

Re: National Ceramic Industries Australia - Proposed Facility Expansion Environmental Assessment (EA) – Request for Agency Comment

National Ceramic Industries Australia Pty Ltd (NCIA) proposes to undertake an expansion of their existing ceramic tile manufacturing facility (the Facility) at Rutherford, NSW. The proposal includes the construction and operation of a second factory building with four additional production lines on a parcel of land adjacent to the existing Facility. The proposal also includes the construction and operation of four co-generation plants and other associated infrastructure.

NCIA intends to seek Project Approval for the proposed project under Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

The Facility currently operated by NCIA was granted development consent under Part 4 of the EP&A Act on 2 July 2003. Consent was granted subject to a number of conditions, including conditions related to the staging of the development. In accordance with the development described in the Environmental Impact Statement (EIS) prepared for the Facility and related conditions of development consent, the Facility was to be constructed in two phases, with building fit-out to occur in four stages.

Stage One of the Facility is operational. Stage Two of the Facility is in the commissioning phase and once operational the Facility would produce approximately 6.4 million square metres of ceramic tiles per annum (tpa), which is a proportion of the previously approved production rate of 12.8 million square metres of tpa.

The proposed expansion, known as Stages Five to Eight, would involve the doubling of the current approved production capacity to 25.6 million square metres of tpa.

See the attached figure for the location of the existing facility and the proposed location for the expansion.

Also attached is a briefing note that contains further details of the proposed development.

Important Aspects of the Project

The NSW Department of Planning (DoP) have issued the Director-General Requirements (DGRs) for the project which will guide the EA preparation to ensure key environmental, social and cultural issues are addressed. A summary of the likely issues associated with the proposed remediation works are as follows:

- Noise and vibration – including construction, operation and traffic noise and particularly the impact of the proposed development on sensitive receptors (current and proposed);
- Air quality – air quality impacts for construction and operation of the proposed development, particularly in relation to particulates and impacts on sensitive receptors (current and proposed);
- Traffic and parking – including access to site, traffic volumes during construction and operation and the impacts of this traffic on the safety and efficiency on the surrounding road network;
- Visual – including the visual impact of the design and siting of facilities, buildings, lighting and any signage, and proposed landscaping;
- Soils and water – Including the proposed erosion and sediment controls during construction, water quality management, storm water management, water supply investigations (harvesting and/or recycling) and waste water disposal;
- Greenhouse gas and energy efficiency – Including energy use on site and energy efficiency measures; and

- Hazard and risk – including the potential hazards and risk implications to the existing operations from the proposed development.

National Ceramic Industries Australia would welcome any comments on the proposed development by 19 June 2009, which can be submitted to:

Peter Horn
Project Manager
ENSR Australia Pty Ltd (trading as AECOM)
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Further, if you have any questions, or require further information on the project, please don't hesitate to contact Peter Horn on (02) 4911 4900 or email at peter.horn@aecom.com.

Yours sincerely,

ENSR Australia Pty Ltd (trading as AECOM)

Peter Horn
Principal Environmental Scientist

Enclosures: Briefing Note, Location Figure.

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Briefing Note

National Ceramic Industries Australia Pty Ltd (NCIA) Facility Expansion

Rutherford NSW

Introduction

National Ceramic Industries Australia Pty Ltd (NCIA) proposes to undertake an expansion of their existing ceramic tile manufacturing facility (the Facility) at Rutherford, NSW. The proposal includes the construction and operation of a second factory building with four additional production lines on a parcel of land adjacent to the existing Facility. The proposal also includes the construction and operation of four co-generation plants and other associated infrastructure.

NCIA intends to seek Project Approval for the proposed development under Part 3A of the Environmental Planning and Assessment Act 1979 (EP&A Act).

Background

The Facility currently operated by NCIA was granted development consent under Part 4 of the EP&A Act on 2 July 2003.

Consent was granted subject to a number of conditions, including conditions related to the staging of the development, as described in the Environmental Impact Statement (EIS) prepared by Parsons Brinckerhoff, dated 10 December 2002. In accordance with the development described in the EIS and related conditions of development consent, the Facility was to be constructed in two phases, with building fit-out to occur in four stages.

The consent stipulated a staged development, which was a result of concerns relating to air emissions from the proposal. As such, a stringent feed-forward/feed-back mechanism was incorporated into the development consent requiring monitoring and reporting of emissions to confirm environmental performance at each stage, and use of this data to predict air emissions performance for the subsequent stage of the operation prior to its commencement.

Stage One of the Facility is operational. Stage Two of the Facility is in the commissioning phase and once operational production of the Facility would be approximately 6.4 million square metres of ceramic tiles per annum, of the previously approved production rate of 12.8 million square metres of tiles per annum. The proposed expansion, known as Stages Five to Eight, would involve the doubling of the current approved capacity to 25.6 million square metres of tiles produced per annum.

NCIA are seeking approval to expand the Facility, including construction and operation of a second factory building with four additional production lines on an adjacent parcel of land to the east of the existing Facility. NCIA are also seeking approval to integrate two co-generation plants to the existing and two to the proposed production lines. The co-generation plants would be retrofitted to the existing approved plant. Of the four proposed co-generation plants, one would be fitted to each pair of production lines for Stages One to Two, Three to Four, Five to Six, and Seven to Eight.

Project Context

Prior to the development of the Facility at Rutherford NSW, the majority of domestic ceramic tile consumption was of tiles imported from Italy, Spain, South East Asia and Brazil.

Since 2005, NCIA has been successful in meeting the current domestic and international tile demands. It is anticipated that this demand will continue to increase in the foreseeable future, therefore NCIA are proposing an expansion of their current Facility. The proposal would also introduce improved technologies into the tile making process, providing efficiencies in both production costs and production rates.

Location

The proposed expansion is to be located adjacent to the existing operation, located on Lot 101 DP 1062820 Racecourse Rd, Rutherford, within the local government area of Maitland. The existing Facility is located within the Rutherford Industrial Estate where land use is predominantly industrial. An existing golf course is located on the southern and eastern boundaries of the Facility, known as Westside Golf Course. The northern and western boundaries are bordered by industrial developments. The location of the existing facility and the location of the proposed expansion is provided in the enclosed figure.

Approval Process

NCIA is seeking Project Approval under Part 3A of the EP&A Act for the construction and operation of Stages Five to Eight, including the installation of four co-generation plants.

State Environmental Planning Policy (Major Projects) 2005 (SEPP 2005) defines development to which Part 3A of the EP&A Act applies. Specifically, Schedule 1 of SEPP 2005 sets out development classifications for developments to which Part 3A applies. The proposed expansion is of a kind described in Schedule 1, being:

9 Metal, mineral or extractive material processing, being:

Development that has a capital investment value of more than \$30 million or employs 100 or more people for any of the following purposes:

b) brickworks, ceramic works, silicon or glassworks or tile manufacture

Project Objective

The objective of the proposed expansion is to increase the tile manufacturing capacity of NCIA's current Facility. The proposal would involve the addition of Stages Five to Eight to the Facility, which includes the construction of an additional factory building that would house the four additional production lines and the installation of two co-generation plants and associated infrastructure. Additionally, two co-generation plants would be installed in the existing plant, one for each pair of production lines, Stages One to Two and Three to Four.

The proposed increased production capacity is to meet predicted future demand in ceramic tile products both domestically and internationally. The additional production lines (Stages Five to Eight) would be operated using a modernised production process compared the existing operation (Stages One to Four).

Project Description

NCIA propose to extend their current facility located at Rutherford, NSW. The Facility produces high quality ceramic wall and floor tiles utilising a number of raw products including clay, feldspar and glazes. The process involves grinding and mixing of predominantly clay and feldspar, followed by a process of drying the mixture, adding dry glaze, roller pressing, additional dry glazing and decorating, additional pressing, cutting to size and firing prior to packaging and dispatch.

When Stage Two is operational, NCIA will produce approximately 6.4 million square meters of tiles per annum. Existing approvals allow production of up to 12.8 million square meters of tiles per annum when Stages One to Four are fully operational. The proposed expansion of Stages Five to Eight would increase production to approximately 25.6 million square meters of tiles per annum.

The proposal would involve:

- Construction of a second factory building adjacent to the current building to accommodate four additional production lines (Stages Five to Eight)
- Commissioning of four co-generation plants, one fitted to each pair of production lines for Stages One to Two, Three to Four, Five to Six, and Seven to Eight. The co-generation plants would feed approximately 30% of electricity produced back in to the electricity grid and utilise excess heat from the gas turbines to provide supplementary energy for the spray driers (approximately 80% of their energy requirement), and

- Development of associated infrastructure and services.

Co-Generation Plants

Co-generation is the simultaneous production of electricity and heat using a single fuel source. The heat which is produced from the electricity generating process is captured and utilised to produce high and low level steam. The steam can then be used as a heat source for numerous industrial applications. This process is most common in European countries, but has been increasingly adopted in industrial applications in Australia. The advantages of co-generation are that it harnesses heat that would otherwise be wasted. Carbon dioxide emissions can be substantially reduced whilst achieving greater thermal efficiencies.

NCIA propose to install four co-generation plants across their production lines, one fitted to each pair of production lines for Stages One to Two, Three to Four, Five to Six, and Seven to Eight. Each of the four co-generation plants would be located at the clay preparation spray drier area.

The co-generation plants would capture waste exhaust and heat from the boiler that runs the turbine and would be used to operate the spray driers. Each co-generation plant would generate enough electricity to operate the two stages / production lines it is integrated with and deliver excess electricity back into the grid. Excess electricity from each co-generation plant is estimated to be approximately 30% of that produced. It is anticipated that the excess heat from the gas turbines would provide approximately 80% of the energy requirement for the spray driers. It is envisaged that the co-generation plants would be operational for approximately 90% of the time allowing for plant shutdown and time for maintenance.

This application of co-generation is used extensively in European ceramic tile manufacturing facilities where spray dryers are operated.

Key Components

The proposed plant expansion would require the construction of:

- A new factory building to incorporate Stages Five to Eight
- Additional storage bunkers for raw materials
- Additional storage silos for dry glazes
- Installation of four production lines and associated components
- Emission stacks
- Four co-generation plants
- Internal roadways and additional car parking
- New stormwater retention ponds and integration works, and
- Additional landscaping.

The general location for the proposed factory building for Stages Five to Eight and the location of existing infrastructure are provided in the enclosed figure. The building that would be constructed to accommodate Stages Five to Eight would be similar in scale and size of the existing building. Raw materials would be stored on the northern end of the facility, with the manufacturing process progressing south along the production line prior to dispatch.

The area separating the two buildings would be used for internal traffic movements. Trucks would travel between the two buildings to the existing site access on Racecourse Road.

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