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Attention: Department of Planning and Environment
23-33 Bridge Street,
Sydney NSW 2000

18 May 2016

Dear Secretary Department of Planning and Environment,

Holcim Australia Pty Ltd (Holcim) make the following submission in relation to the Gunlake Quarry Extension Project (Gunlake Project), application number SSD 15_7090. The submission is made for consideration by the Department of Planning and Environment (DP&E), relevant government departments and agencies, the Secretary DP&E and the Minister for Planning when determining appropriate Development Consent conditions for the Gunlake Project.

Holcim's submission is based on compliance with existing Development Consent conditions and on maintaining fair and equitable treatment of applicants for the development or expansion of quarries, extractive industries and mining projects. Holcim believe this submission is in line with the DP&E's position on shared infrastructure and desire to improve safety and minimise the impact of heavy vehicles traveling on the State's road networks. Holcim believe it is critical for the DP&E to provide consistency between project applications and establish clear standards and expectations which industry can incorporate into their planning and project costing.

**Background**

- Lynwood Quarry (DA 128-5-2005) was approved as a State Significant Development in 2005. The hard rock quarry owned by Holcim is located west of Marulan in the Southern Tablelands region of NSW, approximately 160 kilometres south west of Sydney and approximately 27 kilometres north east of Goulburn NSW. The quarry is approved to operate until 1 January 2038.

- Gunlake Quarry is located approximately 3km directly north of the Lynwood Quarry.

- Lynwood Quarry has approval to extract and transport up to 5 Million tonnes per annum (Mtpa) of saleable product by rail and up to 1.5 Mtpa of the total 5 Mtpa approved to be delivered to markets by truck via the Hume Highway.

- Holcim commenced construction of Lynwood Quarry in 2010, the quarry was then commissioned and thereafter began full operations in October 2015.

- The Lynwood Quarry Development Consent conditions required Holcim to construct the Hume Highway Interchange at Marulan South Road/Jerrara Road (Marulan South Interchange) to facilitate the transportation of up to 1.5 Mtpa of product from the Lynwood Quarry by road. Establishment of the Marulan South Interchange was imposed as a Development Consent condition to provide safe access to Lynwood Quarry vehicles entering or exiting the Hume Highway in either a north or south direction. Completion of the Marulan South Interchange occurred in April 2014 at a cost of $20.6 Million.
- Provisions in the Lynwood Development Consent conditions set down by the Minister for Planning and the Director General allow for Holcim to apply to recoup proportional costs of the construction of the Marulan South Interchange on a pro-rata basis for the applied for maximum usage rates from other quarries or developments who intend to use the Marulan South Interchange.

## The Gunlake Project

The Gunlake Project proposes to increase extraction from the quarry from 750,000 tonnes to 2 Mtpa of saleable product. Gunlake propose to transport all saleable products by road. The application proposes to increase truck movements from an average of 164 movements per day to an average of 440 movements per day and increase the maximum number of truck movements from 320 to 690 per day.

Gunlake Quarry's transportation strategy is dependent on using the Marulan South Interchange for all products being supplied to markets located north of the Quarry including the Sydney market. Gunlake Project's April 2016 *Gunlake Quarry Extension Project - Environmental Impact Statement* (Gunlake EIS) proposes to use the Marulan South Interchange as an integral component to their transport strategy.

The Gunlake EIS Appendix J Transportation Assessment Section 2.2.1 *Hume Highway* and in Section 2.25 *South Marulan Road* states the following:

*2.2.1 South Marulan Road*

…. "*To the south of Marulan, a grade separated access intersection has recently been constructed at South Marulan Road. This provides grade separated access to the Hume Highway for the regionally based quarry truck movements from the Boral and Holcim quarries south of Marulan. The existing development conditions of approval, as modified, specify that all the trucks travelling to the quarry must travel via Red Hills Road (the Bypass Road route). Therefore, trucks returning from north must continue south to the South Marulan Road interchange, turn around there and to travel north to Red Hills Road. "*

*2.2.5 South Marulan Road*

*"At South Marulan Road, which is approximately 3 km south of Brayton Road at Marulan, there is a grade separated interchange which provides access to South Marulan Road and Jerrara Road, as well as to a Boral Quarry (Limestone Mine) and the Holcim Lynwood Quarry which will soon be commencing its operations.*

*The interchange overpass and the intersections on both the western and eastern sides of the Hume Highway at South Marulan Road are used by all the inbound truck traffic returning from the north to the Gunlake Quarry. This traffic makes a U turn at the South Marulan Road interchange on the Hume Highway and uses the Redhills Road/Bypass Road route"*

The Gunlake EIS Appendix J Transportation Assessment Section 3.3 states:
"*Gunlake seeks a new development consent that allows:*

- *2 million tonnes per annum (Mtpa) of saleable products to be produced;*
- *an increase in truck movements to an average of 440 movements per day (ie 220 laden trucks) and a maximum rate of 690 movements per day;*
- *all of the additional quarry truck movements would travel via the Bypass Road route;*
- *extension of the quarry pit footprint to approximately 54 ha (Figure 2);*
- *24 hour per day primary crushing;*
- *additional overburden emplacement to accommodate the increase in production; and*
- *blasting twice weekly*. "

The Gunlake EIS Appendix J Transportation Assessment section 3.4 states the following:
*"The quarry is located on Brayton Road, north west of Marulan. Brayton Road is part of the transport route linking the quarry to the Hume Highway. Products for markets north of the quarry are transported using Brayton Road and a purpose built Bypass Road which connects Brayton Road to Red Hills Road and then to the Hume Highway.*

*For the transport of quarry materials to customers south of the quarry, trucks travel along Brayton Road, through the northern edge of Marulan and access the Hume Highway via the Marulan southbound access ramp. All truck traffic returning to the quarry uses the Red Hills Road, Bypass Road and Brayton Road route"*

Based on the statements presented in the Gunlake EIS Appendix J Transportation Assessment Sections 3.3 and 3.4 it can be determined that all of the proposed additional Gunlake Quarry truck movements would travel via the Bypass Road route and therefore all additional Gunlake Quarry truck movements would be traveling north and requiring usage of the Marulan South Interchange on the return journeys. In turn all of the proposed expansion from 750,000 tonnes per annum (tpa) up to 2,000,000 tpa (eg 1,250,000 tpa) is for products traveling north which would require usage of the Marulan South Interchange on the return journeys.

The Gunlake EIS Appendix D Transport Options Review Section 2 under *Product transport requirements* states that 70% of the current total quarry production is supplied to Gunlake concrete batching plants based in the Sydney region.

*“The quarry’s primary customer is Gunlake Concrete. Gunlake Concrete has three existing concrete batching plants (CBPs) at Smeaton Grange, Glendenning and Silverwater. An additional two CBPs are proposed at Banksmeadow and Prestons. Gunlake Concrete’s operations in Sydney are approximately 160 km from the quarry. The locations of the five (existing and proposed) Gunlake CBPs are shown in Figure 2.1.*

*Each Gunlake CBP can produce up to 150,000 cubic metres per annum of concrete which primarily comprises crushed rock aggregate (between 80 to 90% by weight) and other raw materials sourced from the Gunlake Quarry. The total annual tonnage of aggregate and sand which is supplied currently by the quarry to the three Gunlake CBPs and other Sydney customers is between 500,000 to 550,000 tonnes per annum, which represents approximately 70% of the total quarry production.”*

Section 2 also states that 30% of Gunlake Quarry’s production is supplied to local customers in the Southern Highlands and adjoining regions and future sales are estimated to be similar in proportions.

“*The Gunlake quarry also supplies a range of local customers in the Southern Highlands and adjoining regions. These customers account for approximately 30% of the quarry production currently.*

*The local customer market for the quarry in the Southern Highlands is also expected to grow in the future along with the establishment of additional Gunlake CBP sites at Banksmeadow and Prestons in Sydney.*

*Therefore the proportion of the future Gunlake quarry products which are transported to Gunlake CBP sites and other customers in Sydney is anticipated to remain at approximately 70%. “*

Both Sydney and the Southern Highlands regions are located north of the Gunlake Quarry. It can be concluded based on the Gunlake EIS that close to or equal to 100% of the Gunlake Quarry’s production is proposed to be transported in a northerly direction. Based on the proposed expansion this would equate to 2 Mtpa of product transported by Gunlake trucks which will use the Marulan South Interchange on the return journey.

**Holcim’s Position**

Holcim have honoured the Lynwood Quarry Development Consent obligations set by the Minister for Planning and DP&E and constructed the Marulan South Interchange. Completion of the Marulan South Interchange occurred in April 2014 at a cost of $20.6 Million.

In accordance with the Lynwood Development Consent Schedule 3 Condition 29, set down by the Director General, Holcim applies to the Secretary and Director General to recoup proportional costs of the construction of the interchange on a pro-rata basis for the applied for maximum usage rates from the Gunlake Quarry who intend to uses the Interchange.

The volume of material proposed to be transported in the Gunlake Project which would utilise the Marulan South Interchange is approximately 2 Mtpa. Holcim was required to construct and pay for the Marulan South Interchange to transport up to 1.5 Mtpa products. If the Gunlake Project is approved by DP&E to use the Marulan South Interchange as part of their development is appropriate for DP&E to assign proportional costs of the construction of the interchange to Gunlake Quarry based on maximum applied for usage rates (2 Mtpa) and allow Holcim to recoup all relevant costs.

Holcim has kept detailed records of construction costs of the Marulan South Interchange which will allow the Director General or Secretary to assess proportional costs on a pro-rata basis and assign recovery costs to Holcim through Development Consent conditions set for the Gunlake Project.

The recovery of costs for the construction of the interchange is applicable to other quarries or developments which are approved that use this intersection. If approved the Gunlake Quarry's Extension Project meets the requirements and intent of the Lynwood Quarry's Development Consent Schedule 3 Condition 29.

Holcim submit that Condition 29 of the Lynwood Development Consent is consistent with DP&E's position on shared infrastructure and DP&E control the mechanisms to implement the recovery of costs for Holcim.

The provisions to apply for the recovery of cost of constructing the intersection are contained in the notes of Development Consent Schedule 3 condition 29. Holcim acknowledge that the Development Consent condition in its entirety is binding and enforceable by DP&E.

Holcim propose that if the Gunlake Project is approved then DP&E should enforce Holcim's Lynwood Quarry (DA 128-5-2005) Development Consent Schedule 3 condition 29 when assessing the Gunlake Quarry Extension Project (Application Number SSD 15_7090) and set Development Consent conditions for Gunlake Quarry which would allow Holcim to recover proportional costs for the construction of the Marulan South Interchange.

If DP&E do not set cost recovery provisions to Holcim as part of Gunlake's Development Consent conditions; then to maintain fair and equitable treatment of applicants for the development or expansion of quarries, Holcim request that DP&E maintain the same Development Consent requirement imposed on Holcim and require the Gunlake Project to construct its own interchange at Red Hills Road which would connect to the Bypass Road. It would be fair and reasonable for Gunlake to undertake the construction and associated costs of a north and south bound interchange (similar to the Marulan South Interchange) to transport 2 million tonnes of product per annum when Holcim were required by DP&E to construct an interchange to transport up to 1.5 million tonnes or product per annum.
The relevant Lynwood Quarry Traffic and Transport Development Consent conditions are provided for reference.

## SCHEDULE 3

### TRAFFIC AND TRANSPORT

*Note: Incorporates RTA, Council and Department of Lands GTAs*

**Construction Traffic**

26. The Applicant shall ensure that:

(a) construction traffic on the temporary construction access is kept to a minimum;

(b) no construction traffic uses the temporary construction access once the proposed bridge over the Main Southern Railway Line has been commissioned;

(c) all other traffic uses the construction site access prior to the commissioning of the proposed Hume Highway Interchange;

(d) where practicable, no heavy vehicle construction traffic movements occur on George Street during school zone times (ie between 8:00am to 9:30am and 2:30pm to 4:00pm on school days);

(e) heavy vehicle construction traffic using George St does not exceed 40 kph; and

(f) no traffic uses the construction site access routes once the proposed Hume Highway Interchange has been commissioned.

Note: The temporary construction access routes are shown in Appendix 5. The requirements of this condition are to be reflected in the Construction Traffic Management Plan required under condition 28 below.

27. Prior to the commissioning of the proposed Hume Highway Interchange, the Applicant shall maintain the public roads on the construction access routes, or pay all reasonable cost associated with maintaining these roads during the period these roads are used for construction access, to the satisfaction of Council and/or the Department of Lands.

28. Prior to carrying out any development, the Applicant shall prepare (and following approval implement) a Construction Traffic Management Plan for the development, in consultation with the RTA, Council and the Department of Lands, and to the satisfaction of the Director-General. This plan must:

(a) include a Road Dilapidation Report of the public roads on the construction access routes; and

(b) describe what measures would be implemented to:

- maintain the public roads;
- minimise the potential noise and safety impacts associated with the construction traffic; and
- keep the community informed of any traffic disruptions that would be caused by the development.

**Hume Highway Interchange**

**29.** The Applicant shall:

(a) design and construct the proposed grade separated intersection at the existing junction of the Hume Highway (SH2) and Marulan South Road/Jerrara Road; and following the satisfactory completion of this development,

(b) close the existing median and proclaimed access point on the Hume Highway,

to the satisfaction of the RTA.

*Notes:*

*· The design of these works shall be in accordance with relevant RTA standards and specifications:*

*- geometric road design in accordance with RTA Road Design Guide;*

*- pavement design in accordance with the AUSTROADS Pavement Design Guide;*

*- bridge design in accordance with Australian Standard AS5100; and*

*- grade separated interchange in accordance with NAASRA (AUSTROADS) Grade Separated Interchanges – A Design Guide.*

*· The Applicant will be required to meet all the costs associated with this development, including design, land acquisitions, gazettal of new boundaries and access point, construction and project management.*

***· If other quarries or developments are approved that use this intersection, the applicants for such developments may be required to contribute to the cost of constructing the intersection, pro-rata on maximum usage rates.***

***The Applicant must keep detailed records of the intersection design and construction costs and provide this information to the Director-General if requested to assist in levying costs on any such developments.***

30. Prior to carrying out any development in the Hume Highway road reserve, the Applicant shall prepare a Traffic Management Plan for the proposed development in the road reserve to the satisfaction of the RTA.

**Interchange Cost Incurred by Holcim (Australia) Pty Ltd.**

Holcim has kept detailed records of costs incurred for constructing the Interchange a summary breakdown is provided below. Detailed records can be provided to the Director General when requested.

| Hume Interchange Cost paid by Holcim | AUD |
|---|---|
| Construction Costs | $17,312,647 |
| Project Team Costs | $661,000 |
| Environmental & Approvals Costs | $383,400 |
| RMS Fees | $900,000 |
| Design Fees | $1,298,448 |
| Total Costs | $20,555,495 |