

SECTION 10 JUSTIFICATION FOR THE PROPOSED DEVELOPMENT

This section provides a justification for the proposed RDC in terms of the need for construction materials, the suitability of the site and economic and environmental considerations.

10.1 THE SUPPLY OF CONSTRUCTION MATERIALS

Construction materials are essential to the building and construction industry and are used in large quantities by modern society (DMR, 2004). Hard rock construction materials are required for concrete, asphalt, gravel, structural rock, rail ballast and manufactured sand among other products, with these materials required on almost all construction sites. The demand for construction materials is particularly high in the Sydney metropolitan area, which is continuing to rapidly expand to satisfy population demands. During 2001- 2002, NSW consumed approximately 34 Mt of construction material, worth approximately \$394 million. Approximately half of the States production was consumed in the Sydney-Wollongong-Newcastle region (DMR, 2004).

Since the early 1980s, the Sydney region has been forced to rely on an increasing importation of resources to meet construction and building demands. The region currently imports approximately 13% of its construction sand requirements and 23% of coarse aggregate requirements (DMR, 2004). The DPI (DMR, 2004) considers that there will be an increasing reliance on imports into the future as the largest current sources in the region, Penrith Lakes and Kurnell, are exhausted.

Based on construction material production statistics available from DPI (DMR, 2004) for the 2001-02 period, the top three producing quarries in NSW are the three participants in the PLDC (Readymix, Boral and Hanson). As discussed previously, this scheme is currently predicted to be exhausted in around 2010. Production from Kurnell, currently ranked 4th, is expected to cease in the short to medium term due to exhaustion of resources, whilst the 5th ranked quarry by production, Prospect Quarry, also has only limited resources of high quality material remaining. Based on the DPI figures, the approximate combined production from these five operations during 2001-02 totaled 7.7 Mt. Once these operations cease, and if they are not replaced, it will leave a significant shortfall in the supply of construction materials into the Sydney region.

The NSW construction industry is of vital economic importance both to the State and Australia as a whole. In 2002-03 the construction industry contributed 6.2% to the Gross State Product, making it the fourth largest industry, with a value of \$22,098M (ABS, 2004). The construction industry is also one of the largest employing industries in NSW employing approximately 243,000 people in 2002-03, approximately 7.8% of the State's workforce (ABS, 2004). The ongoing economic supply of construction materials to the construction industry is vital to ensure that this significant contribution to the State and Australian economies continues.

10.2 NEED FOR THE PROPOSED RDC

To meet the need for ongoing supply of construction materials into the Sydney market when operations at the PLDC cease, Readymix proposes to source materials from outside the Sydney Basin and transport that material into the Sydney market place. The materials would then have to be distributed from the RDC to customers including Readymix facilities. Section 2.6 describes the supply and alternatives examined by Readymix. Based on the assessment undertaken the preferred alternatives were to establish quarries outside the Sydney Basin with access to rail and to use rail transportation to deliver the bulk materials to a distribution centre which could service the Sydney market. The alternative sites examined which could meet the requirements for a distribution centre and the assessment process undertaken to determine the preferred site are outlined in Section 2.7.

The preferred RDC site at Rooty Hill has immediate connection to the rail network for receipt of materials and to the Sydney road network via the M7 Motorway for the delivery of materials to the Sydney market. The potential life of the RDC is long term with the potential to supply the Sydney market with up to 4 Mtpa of material. It also enables the construction of a Concrete Batching Plant on site to serve the growing market in the Blacktown LGA and adjoining LGAs.

Construction materials distributed from the RDC would be transported by road to customers throughout the Sydney market utilising the Sydney Motorway network. Planned future extensions to this network and those under construction would provide an efficient means of product distribution to most of Sydney with minimal impact on the local road networks.

In addition utilisation of the existing rail network for deliveries into Sydney is in accordance with NSW State Government policies and makes best use of the existing rail infrastructure.

10.3 SUITABILITY OF THE SITE

The suitability of the proposed development site for the construction and operation of the RDC is described in Section 2.9. The environmental assessment undertaken and described in Section 7 and the Technical Reports demonstrates that the proposed RDC has been designed so as to be compatible with current and proposed adjoining land uses. The proposed development site is situated within an expanding industrial area and is in most part appropriately zoned for industrial development. It is in accordance with the Blacktown City Council strategic planning policy to encourage the location of regional distribution centres within the LGA. Access to the Main Western Railway Line and the Sydney Motorway Network can be obtained without impacting on residential areas or areas with sensitive environmental characteristics.

The proposed RDC has been designed to avoid conflict with land uses on adjoining and nearby areas. The use of the site for the proposed RDC does not limit future land use on adjacent areas and does not impose restrictions on current land uses.

10.4 ECONOMIC JUSTIFICATION

Section 7 and Technical Report No 9 set out the economic outputs of the proposed RDC. The proposed development would employ between 230 and 270 personnel at maximum operating level including transfers from other Readymix locations and approximately 60 new positions. Based on the employment multiplier derived for the proposed development this would result in a total of 220 new jobs in the Greater Western Sydney Region. Readymix employees would spend approximately \$1.3 million in the region per annum.

The construction phase would employ approximately 220 people over the construction period with an onsite peak of 150. Expenditures by the workforce would result in income generated of approximately \$9 million in the Blacktown LGA and an additional \$10.5 million in the Greater Western Region.

The benefit cost analysis undertaken demonstrated that there would be economic and environmental benefits at the regional and State levels resulting from the use of rail to transport the bulk construction materials from their source to the proposed RDC rather than use of road transportation. The analysis also found that the local environmental costs of the project would be adequately ameliorated by the mitigation measures proposed.

10.5 CONCLUSION

The establishment of the proposed RDC is considered to be justified based on the strategic need for construction materials within the Sydney Metropolitan Area and its location with respect to the rail and Sydney Metropolitan road interface. In addition the location of the proposed development site is consistent with State, regional and local planning objectives.

The development of the proposed RDC would result in substantial local and regional economic benefits. The environmental assessment of the proposed development is presented in this EAR. The analysis undertaken has been purposefully conservative in its approach to ensure consistency with the ESD Precautionary Principle. The assessment has demonstrated that the local environmental effects of the proposed development would be adequately ameliorated by the mitigation measures proposed in the EAR.

Overall it is concluded that the proposed RDC would not result in unacceptable environmental impacts on the local area and would create social and economic benefits for the local, regional and State communities while ensuring the long term efficient and sustainable supply of construction materials to the Sydney Metropolitan Area.