

#20

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Friday, August 13, 2021 2:26:12 PM
Last Modified: Friday, August 13, 2021 2:46:12 PM
Time Spent: 00:20:00
IP Address: 13.54.161.192

Page 1

Q1

Contact information

Full Name	Peter Klose
Organisation	Cement Australia
Post Code	4076
Email Address	legal@cemaust.com.au

Q2

Submissions may be made public (including full name, organisation name and postcode only). You can choose to publish your submission anonymously (using your postcode only). Please select from the options below:

My submission can be made public (with my full name, organisation name and postcode published)

Q3

What has been your experience with the retain and manage industrial lands policy?

Please see attached submission on the Bays West precinct.

Q4

What has been your experience with the review and manage industrial lands policy?

Please see attached submission on the Bays West precinct.

Q5

What suggestions would you make for industrial lands policy in the Greater Sydney Region Plan?

Please see attached submission on the Bays West precinct.

Q6

Are there any barriers to industrial lands fulfilling their functions?

Please see attached submission on the Bays West precinct.

Q7

From your perspective, what would be the most productive way to manage industrial lands? What are the opportunities to make industrial areas more productive?

Please see attached submission on the Bays West precinct.

Q8

Are there particular locations in Greater Sydney that are most appropriate to transition to alternative uses for industrial lands? Why?

Please see attached submission on the Bays West precinct.

Q9

Are you aware of any new types of industrial or urban services uses occurring in industrial areas?

Please see attached submission on the Bays West precinct.

Q10

Please provide any further comments below

Cement Australia is a member of the Cement Concrete and Aggregates Australia (CCAA) and support the CCAA submissions on other precincts in Greater Sydney.

Q11

Would you like to attach a document?

Bays West CA Submission final v1 0.pdf (939.1KB)

6 May 2021

NSW Department of Planning, Industry and Environment
Attn: Mr Grant Knoetze
Executive Director Portfolio Co-ordination and Strategic Projects
Locked Bag 5022
Parramatta NSW 2124

bayswest@dpie.nsw.gov.au

Dear Mr Knoetze

DRAFT BAYS WEST PLACE STRATEGY – CEMENT AUSTRALIA SUBMISSION

Executive Summary

Cement Australia welcomes the NSW Government releasing the draft Bays West Place Strategy (the Strategy) for public consultation. We believe the Strategy provides a great step forward regarding the vision, planning and next steps for this critically important precinct for both Sydney and New South Wales.

Bays West is comprised of 77 hectares of land and 76 hectares of adjacent harbour waterways, which highlights the scale of not only the green (landside) opportunity but also the blue (waterside) opportunity and the key importance of supporting the NSW economy via the “blue highway”. It also brings into focus the critical importance of retaining, or not unnecessarily constraining, the last deep water shipping berths in Sydney Harbour.

As Australia’s largest manufacturer and supplier of cement, Cement Australia have been successfully operating at the Glebe Island silos since 1991. We supply 45% of the cement used in New South Wales, of which 40% of the total Sydney Metropolitan market is supplied through shipping to the Glebe Island silos.

Based on long term demand projections, Cement Australia will continue to provide up to one ship per week to Glebe Island to keep up with demand for cement in the heart of Sydney. It is worth noting that shipping provides the lowest cost and most efficient supply of cement to Sydney’s infrastructure pipeline. Further, each shipment of cement to Glebe Island takes in excess of 1,000 trucks off greater Sydney’s road network and saves in the order of 4 million kilograms of CO₂ emissions per year.

The NSW Government has reaffirmed that for Sydney to remain globally competitive, a cost efficient network for the construction materials supply chain via the port must be preserved. The Strategy highlights the critical importance of the port and its contribution to the NSW economy, as well as celebrating the unique character of the place through retention of port assets such as the heritage listed Glebe Island silos.

Cement Australia therefore intend to continue to safely and sustainably operate from the Glebe Island Silos with shipping access via Berth 8 for the long-term future.

As such, Cement Australia's endorsement of the Strategy is on the understanding that the Precinct's urban renewal ambitions can be achieved in a way that also retains the current industrial use for the Glebe Island silos and adjacent berth, unless a rationale has been developed and presented for closing or relocating these activities.

We provide the following three key points for consideration and response prior to finalisation of the Strategy:

Key Points:

1. Cement Australia supports master planning of the Glebe Island Silos sub-precinct (Action 9)

Cement Australia remains committed to working closely with the NSW Government as to best inform ambitious urban design outcomes in the Silos sub-precinct.

However, the draft Structure Plan and draft Urban Design Framework imply that the current industrial port-related activity will be removed from the Glebe Island Silos, which is inconsistent with the vision and driving principles of the Strategy. We believe this proposed change of use is premature, as the benefits of retaining the port related activities in the Glebe Island silos have not been taken into account and the ways in which the industrial port-related activity could be integrated into the urban renewal fabric has not been properly explored.

Proposed Action: Cement Australia requests amendment of the draft Structure Plan and draft Urban Design Framework prior to finalisation of the Strategy, as to not prematurely constrain the opportunity for the retention of current port activities within the Glebe Island silos and adjacent wharf.

2. Cement Australia supports the planning for a future pedestrian and cyclist friendly precinct (Action 2)

In planning for the future of the precinct to be pedestrian and cyclist friendly, the NSW Government is urged to, as a priority, work with Cement Australia and other port stakeholders to develop a long-term heavy vehicle traffic management and access plan for the precinct.

This precinct-wide plan must be completed as a priority in order to inform the sub-precinct master planning process. A failure to develop a heavy vehicle management plan upfront will compromise the long term outcomes of achieving a pedestrian and cyclist friendly precinct, and may inadvertently affect the feasibility of continuing to operate port related industrial activities.

Proposed Action: Cement Australia requests a long-term precinct wide heavy vehicle traffic management and access plan be completed within 6 months.

3. Cement Australia supports the finalisation of the Sydney Working Harbour Strategy (Action 5)

Cement Australia does not believe that the long term reduced footprint for port activities and number of operational berths will be capable of meeting demand requirements, even in an intensified port operating model.

In planning for the future of the precinct and prior to a reduction in capacity for port and working harbour uses, the NSW Government is urged to, as a priority, work with Cement Australia and other port stakeholders to develop a Sydney Working Harbour Strategy. This must be completed prior to sub-precinct master planning and potential re-zoning which effects any existing port operations.

Proposed Action: Cement Australia requests that the Sydney Working Harbour Study be completed within 6 months.

Cement Australia believe Bays West is a unique opportunity to unlock the potential for a distinctively “blue” innovation cluster. The integration of port activities with urban renewal presenting a once in a lifetime opportunity for ambitious innovation and great outcomes for the people of Sydney.

Background

The Construction Industry in New South Wales and Australia

The Construction industry is a crucial sector of the Australian and NSW economy. Nationally, the industry generates over \$360 billion in revenue, representing around 9% of Australia’s Gross Domestic Product.

The Cement industry is an important sub sector, as cement provides the critical ‘glue’ or binding ingredient in concrete that underpins much of Australia’s infrastructure from roads and bridges to family homes, commercial and community buildings and structures.

For New South Wales, a healthy construction sector is an essential component of its strong economy. The NSW construction industry employs over 370,000 workers and contributes approximately 45% of the New South Wales taxation revenue base.

The Cement & Construction Materials Supply Chain

An efficient supply chain for cement, gravel, sand and concrete is critical to ensure reliable supplies of construction materials for use in the construction industry. These materials are heavy, high volume and low cost and therefore supply chain efficiencies are gained by:

- Minimising distance from source to use
- Utilising hierarchically based transport modes i.e. the preferred mode is via use of ship, rail is 2nd priority and road is 3rd priority. Road transport is a vital part of the logistics chain, but is less desirable in terms of both cost and environmental impact

In addition, the very short shelf life of concrete and limited raw materials storage capacity of concrete plants requires that they must be located close to final use and have an efficient means of short cycle replenishment for raw materials. Consequently it is essential that the entire supply chain for concrete be optimised to ensure reliable and low cost supply.

Supply of cement by ship as close as possible to the point of use is the globally accepted best practise in delivering supply chain efficiency. As both the population of NSW and construction industry demand increases the use of the ‘blue highway’ will become an increasingly important component in optimising the outcomes of growth and a need to deliver lower embodied carbon outcomes.

The ‘blue highway’ supply chain benefits include:

- Economic movement of large volumes of cement over long distances
- Removal of substantial volume of trucks from roads (number of trucks and time on the road)
- Reduced pressure and congestion on road infrastructure
- Reduced greenhouse emissions
- Centralisation of capital intensive cement production facilities to leverage economies of scale
- Increased reliability of supply to customers through close proximity to end users
- Reduced costs of transport

To realise the significant advantages of shipping, ongoing access to port infrastructure close to large metropolitan centres, where construction materials are in greatest use, is necessary. The benefit of utilising such infrastructure can be seen clearly as one typical cement shipment of 25,000 tonne represents approximately 1000 truck movements that are removed from the road with the associated reduced impacts on the environment and infrastructure.

Without ongoing access to efficient shipping and port infrastructure, significant additional costs would also be incurred throughout the supply chain. These inefficiencies lead to increased direct costs of construction, as well as indirect costs for the provision of additional infrastructure required to support increased road deliveries. Ultimately this leads to increased costs for the end user and the community as a whole.

Who is Cement Australia?

Cement Australia was formed in 2003 through a merger of Australian Cement Holdings (ACH) and Queensland Cement Limited (QCL). Both companies started in the 1920's and had a rich history of investment and support for infrastructure development up and down Australia's East Coast. For example, cement produced by ACH at Kandos in New South Wales was used in the construction of the iconic Sydney Harbour Bridge.

Cement Australia is a Joint Venture company owned by the two largest global cement companies Heidelberg Cement (trading locally as Hanson) and Lafarge Holcim (trading locally as Holcim Australia).

Cement Australia is the largest domestic manufacturer of cement in Australia employing about 1000 people with manufacturing plants located in Queensland, Tasmania and New South Wales.

Cement, and cement like products (e.g. Fly Ash and Ground Slag) are distributed nationally through a supply chain network comprising of shipping, rail, road and storage terminals.

More than 90% of the products sold by Cement Australia are made in Australia from natural resources or from the by-products of the electricity and steel industries.

Cement Australia supplies about 45% of the cement used in New South Wales of which about 40% of the Sydney Metropolitan market is supplied through the Glebe Island Cement terminal.

Glebe Island – A Vital Element of the Supply Chain

Today, close to half of all of the cement, fly ash and ground slag used in New South Wales is supplied by Cement Australia from three nodes:

- Glebe Island Terminal - currently up to 600,000 tonnes per year is shipped from either Gladstone, Queensland or Devonport, Tasmania
- Port Kembla - up to 1.1 million tonnes of cement is manufactured from clinker at the Port Kembla grinding station where ground slag, from a by-product of the Bluescope Steel plant, is also produced
- Newcastle - up to 200,000 tonnes per year is shipped from either Gladstone or Devonport and Fly Ash sourced from the NSW Eraring power station is stored.

Product and raw materials are received by ship and subsequently railed or trucked from these nodes in parcels of up to 38 tonnes, with deliveries scheduled day and night to minimise supply disruption to customers and avoid traffic congestion as much as possible.

These nodes are strategically positioned to underpin reliable supply into both the Sydney and regional markets. Supply reliability is the critical component for all customers as their cement stocks are generally

limited to 1 or 2 days requirement. For many customers including those supplying infrastructure projects multiple deliveries each day are essential to maintain the continuity of concrete supply.

About 20% of the cement and fly ash (~600ktpa) supplied to the NSW market is distributed from Glebe Island.

Continued operation of the Glebe Island silos as a maritime cement and fly ash terminal is critical to ensure reliable and efficient supply to the Sydney metropolitan construction industry. In particular, a cost efficient distribution network is critical to maintaining the lowest possible construction costs. Any unnecessary increase in construction costs would affect every development or infrastructure project in New South Wales.

Should the outcome of the Strategy for Bays West involve closure of the Glebe Island silos, significant disruption to the supply chain for construction materials in Sydney will occur. This disruption includes:

- An additional ~21,000 truck movements (at current volume levels) in the greater metropolitan area arterial road network and Illawarra regional roads including Mount Ousley road at the Illawarra escarpment
- An additional ~65,000 of 'truck on road' hours
- An additional ~4 million kg of CO₂ emissions per year
- Increased risk of supply disruption and cost from ten-fold increase in distance and delivery time to customers

Requirements of the Cement Australia Glebe Island Silos Cement Shipping Terminal

Cement Australia's terminal requirements are shown schematically in **Figure 1** and summarised below.

The physical footprint of the operation includes:

Silo occupation

- Cement Australia currently leases and operates 10 of the 16 silos that form the Glebe Island silo complex. The current silo footprint is adequate for future operations based on current silo usage (~70kt of cement powder storage)

Heavy vehicle loading and access infrastructure

- current loading infrastructure is adequate for future use, and involves trucks circulating the silos in a one-way system.
- Minor adjustments to the facility could be made to enable trucks to load and turn around to the south of the silos, shielding them from urban renewal areas to the north/north-west of the silos

Ship unloading infrastructure

- a pipe bridge within a ~300m² area is located on the wharf adjacent to Glebe Island Berth No. 8

Underground pipes

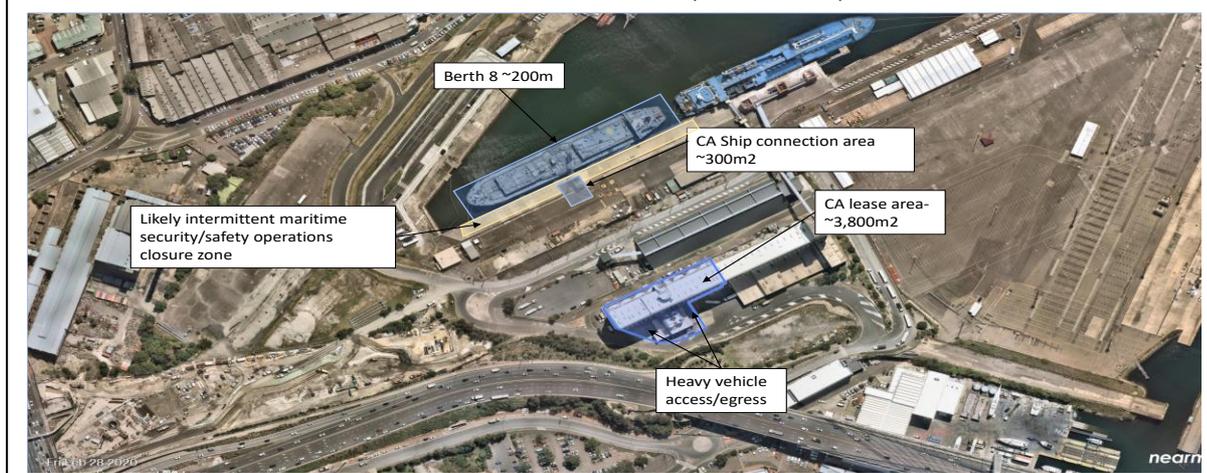
- pipes between the wharf and silos are used to transfer cement and fly ash from a ship to the silos

Ship berthing provisions

- a safe and secure berth is required for ships and their crews to tie up and discharge cement product
- compliance with Commonwealth Governments requirements for safety, customs and quarantine

Figure 1

Cement Australia Glebe Island Operational Footprint



The operational scale is described as follows:

- Ship Logistics:
 - Number of ships per year - approximately 45-50
 - Typical length of stay - ships would be expected to remain at berth for up to 36hrs
 - Total ship days – approximately 75 days per year
- The current 7 day, 24hr/day operational requirement is expected to remain in the long term. Day and night operations are required for reliability and cost efficiency, but also to reduce local impacts and minimise ship and truck congestion
- Berthing close to the Glebe Island silos is required to maximise pneumatic cement transfer efficiency reducing the length of stay for each ship. Technical limitations exist for the maximum possible distance able to be pumped.

Sustainability and Embodied Carbon

The retention of Cement Australia’s use of the Glebe Island terminal provides a significant contribution to one of the Strategy’s key ambitions for the precinct to be carbon neutral.

The use of the blue highway to supply cement to Sydney through the Glebe Island Terminal provides substantial sustainability and environmental benefits, including:

- Reduction of 4 million kg of CO₂ emissions compared to the use of road transport
- Reduction in regional road network congestion by avoiding ~24,000 truck movements and 65,000 additional on-road hours

In addition to these current benefits, further reductions in emissions and noise are possible over time including:

- Shore to ship power during ship discharges (known as cold ironing) and
- Electric truck use, once economically available, in the Glebe Island precinct.

Comments on the draft Bays West Place Strategy (the Strategy)

This submission has been prepared by Cement Australia, in conjunction with the team at Ethos Urban consulting.

Cement Australia endorses the retention and evolution of existing ports, maritime, and industry uses within Bays West as being strategically important and welcomes that the NSW Government support for retention of port operations within the Precinct as a 'non-negotiable' place outcome.

Cement Australia is supportive of many of the key principles noted in the draft Place Strategy and associated documents, including concepts such as:

- Ensuring Sydney, and greater NSW, remain globally competitive
- Preserving the heritage of assets such as the Glebe Island silos
- Ambition for the precinct to be carbon neutral
- Retention and integration of port and working harbour functions
- Maintaining the maritime character of the precinct and the opportunity for innovative urban design for co-location of Ports & maritime with mixed use development
- Incorporate distinct innovation sector possibilities across maritime and harbour maintenance, design and construction with ESD focus, and the creative industries

To best achieve these principles, and given the critical nature of the supply of cement to the heart of Sydney via the "blue highway", Cement Australia intend to continue to safely and sustainably operate from the Glebe Island Silos with shipping access via Berth 8 for the long-term future.

In particular, we note and support Direction 3 and Action 9 of the Strategy:

- *Direction 3: Retain, manage and allow the essential strategic port and maritime industry uses to grow and evolve, to ensure they continue to support the NSW economy*
- *Action 9: Continue to work with Port Authority of NSW and other NSW Government stakeholders to explore how the strategically important ports and maritime activities are integrated into the future Bays West, including exploring options for innovative combinations of a wide variety of land uses to strengthen the blue economy*

We also note support for the 'non-negotiables' set out in relation to Big Moves 3 and 6:

- *Existing and future working harbour and strategic and operational port needs must be accommodated*
- *The design must allow ports and maritime uses to evolve and grow into the future*

However, whilst the Strategy sets out precinct-wide principles that align with Cement Australia's requirements, the future of port-related activities within the Glebe Island Silos sub-precinct is less clear. In this regard, the Urban Design Framework sets out that the sub-precinct would:

- *Have a widened foreshore promenade.*
- *Be focussed around a vibrant, 24/7 community and cultural hub, activating the waterfront with cafes, bars, and restaurants below mixed-use developments that offer housing and employment space, along with other social and community infrastructure.*
- *Continue to transition the former grain silos, which will be repurposed as cultural and community*

As such, Cement Australia's endorsement of the Strategy is on the understanding that the Precinct's urban renewal ambitions will be achieved in a way that also retains the current industrial use for the Glebe Island silos and adjacent berth.

With consideration of this, Cement Australia notes that the future of port related industrial activity within the Strategy is unclear. Cement Australia's concern in relation to this lack of clarity is exacerbated by the Urban Design Framework, which indicates that the Glebe Island Silos sub-precinct will be focussed around

cultural, and community uses, with a widened and activated foreshore promenade, which counter intuitively implies the Glebe Island Silos will no longer be used for port related activities.

In particular, the outcomes that appear to be inferred for the Glebe Island Silo's sub-precinct include:

- That the silos would be used for cultural and community uses, rather than for as a cement terminal
- That Cement Australia operations would move
- That a permanent water-side promenade would be built along Glebe Island Wharf 8, and that berthing of ships at Berth 8 would be discontinued
- That there would be extensive residential development immediately adjacent Wharf 8
- That there would be no use of industrial trucks

This presumption around the removal of industrial port-related activity from the Glebe Island Silos is both fundamentally inconsistent with the vision and key principles of the Strategy, and premature in that:

- The costs associated with losing the deep water berthing capabilities at Berth 8 have not been properly investigated or documented in the Draft Place Strategy
- The critical importance and economic benefits of retaining the port related activities have not been fully taken into account
- The ways in which the industrial port-related activities can be integrated into the future urban renewal fabric within the Glebe Island Silos sub-precinct have not been explored

A related concern is how the traffic and access to the port will be maintained long-term. In planning for the future of the precinct to be pedestrian and cyclist friendly, the NSW Government is urged to, as a priority, work with Cement Australia and other port stakeholders to develop a heavy vehicle traffic management and access plan for the precinct.

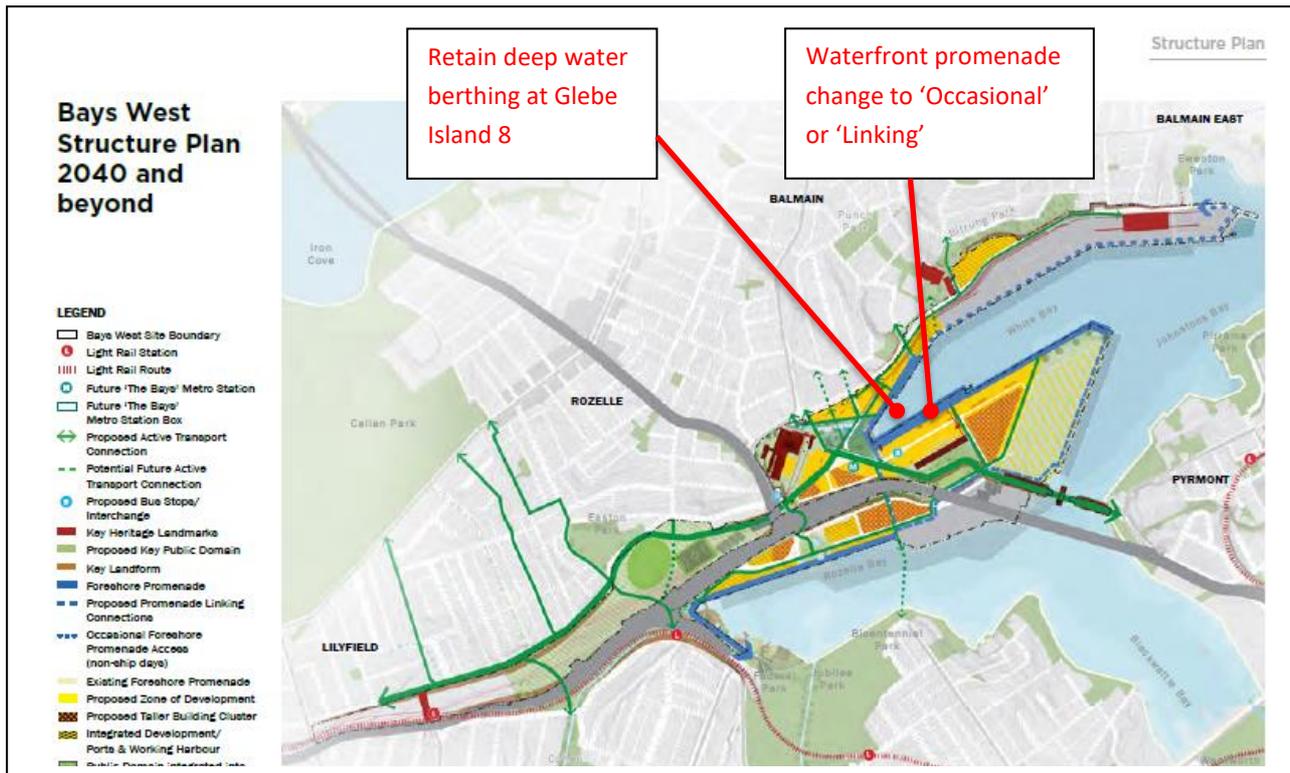
Also, Cement Australia does not believe that the long term reduced footprint for port activities and number of operational berths will be capable of meeting demand requirements, even in an intensified port operating model.

As such, in planning for the future of the precinct and to reduce capacity for port and working harbour uses, the NSW Government must, as a priority, work with Cement Australia and other port stakeholders to develop a Sydney Working Harbour Strategy.

Suggested Amendments on the draft Bays West Place Strategy

Cement Australia requests amendment of the draft Structure Plan and draft Urban Design Framework prior to finalisation of the Strategy, as to not prematurely constrain the opportunity for the retention of current port activities within the Glebe Island silos and adjacent wharf.

For example, Cement Australia request that the following diagram be amended to not preclude the potential integrated port activities at Berth 8, Glebe Island:



In planning for the future of the precinct to be pedestrian and cyclist friendly, the NSW Government must, as a priority, work with Cement Australia and other port stakeholders to develop a heavy vehicle traffic management and access plan for the precinct.

A failure to develop a heavy vehicle management plan upfront will compromise the long term outcomes of achieving a pedestrian and cyclist friendly precinct, and may inadvertently affect the feasibility of continuing to operate port related industrial activities.

Cement Australia proposes that this be completed prior to completion of sub-precinct master planning (to be completed in 6 months rather than the currently proposed 2 years).

In addition, if there is a potential reduction to the capacity for port and working harbour uses, the NSW Government must, as a priority, work with Cement Australia and other port stakeholders to develop a Sydney Working Harbour Strategy.

This Sydney Working Harbour Strategy should be completed prior to completion of the sub-precinct master planning, and re-zoning, which effects any port operations. It is critical to ensure that the long term future requirements for deep water berthing capability in Sydney Harbour comprehensively explored and understood before any strategic land use plan is finalised that might lead the closure of these berths, or which might otherwise result in unacceptable constraints on the operations of those berths.

We believe that this Strategy will demonstrate the critical nature of Cement Australia's operation and require the retention of deep water berthing capacity at berth 8 and the port related industrial activities at the Glebe Island Silos.

Cement Australia proposes that this be completed prior to completion of sub-precinct master planning (to be completed in 6 months rather than the currently proposed 2 years).

Cement Australia vision for the future “Glebe Island Silos Sub-Precinct”:

Sydney can learn from cities such as London, who had previously removed deep water berths and changed the use of waterfront properties on the Thames and are now undoing these decisions. This process is inefficient and expensive. There are now many examples around the world of integrated mixed-use precincts that combine waterfront access for local residents and open space, with port-related industrial activities.

During the master planning phase, Cement Australia requests that the focus should be on design of a best practice integrated port facility at Glebe Island berth 8, and mixed-use development that acknowledges the economic and social importance of the port and working harbour uses whilst mitigating land use conflicts and maximising public foreshore access, where possible.

Key factors that must be investigated and considered as part of the master planning phase include:

- The importance of the silos remaining operational, ensuring that they can continue to support port-related activities, in support of the key principles set out in the Strategy
- Effective integration of public domain outcomes, whilst ensuring the ongoing port operations remain operational
- The location of any residential units should take into account the existing and ongoing port activities. It is recommended that residential apartments be sited and designed in a way that minimises impacts

Cement Australia operations already mitigate many of the issues raised in the Strategy as potential land use conflicts between future urban renewal and existing ports and maritime uses including traffic, emissions, noise, water quality, foreshore access and connection point impediments.

In particular, the Cement Australia facility operates via enclosed conveyors to offload cement product from ships and directly into the silos, which minimises any noise impacts. Further, the current ships have noise levels well below those required in the Port Authority Noise Policy and use low-sulfur fuel to minimise emissions currently. The shipping industry continues to develop further sustainable shipping options such as battery or solar ships which could be used once commercialised at an industry level.

Trucks currently service the silos on the southern side which is on the opposite side of the silos to Balmain and the new Bays West Town Centre to be located around the Metro Station. There would also be opportunities to investigate undergrounding or enclosure of truck access and loading activities, in order to facilitate the envisaged headland style park proposed to be located on top of the sandstone cutting. The Barangaroo headland park is the most recent example where this has been successfully achieved.

This is a unique opportunity to unlock the potential for a distinctively “blue” innovation cluster, with the integration of port activities with urban renewal presenting a once in a lifetime opportunity for ambitious innovation for Sydney.

Cement Australia would welcome the opportunity to continue to work collaboratively with the Department of Planning, Industry and Environment in order to achieve the vision for Bays West. Should you have any queries about this matter, please do not hesitate to contact me.

Your sincerely



Rob Davies
Chief Executive Officer