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TRANSCRIPT OF PROCEEDINGS

TRANSCRIPT IN CONFIDENCE

O/N H-1207469

INDEPENDENT PLANNING COMMISSION

MEETING WITH APPLICANT

RE: BRANDY HILL QUARRY

PANEL:

**PETER DUNCAN
ANNELISE TUOR
STEPHEN O'CONNOR**

ASSISTING PANEL:

**HELEN MULCAHY
CALLUM FIRTH**

APPLICANT:

**ANDREW DRIVER
NICK WARREN
GRANT FARQUHAR**

LOCATION:

VIDEO CONFERENCE

DATE:

10.09 AM, FRIDAY, 29 MAY 2020

MR P. DUNCAN: And we've used this many times and never had a problem. But it might be – Andrew, as you said, it might be the Zoom technology.

5 MR A. DRIVER: Peter, the presentation is fairly lengthy, and we've got a lot of ground to cover, and it's going to be difficult for me to remember to mention all the things that we want to present to the IPC. So it's a bit of a collaborative approach and we're taking on board what you said about people introducing themselves before they speak. But there are other members of our group that will then – will probably chime in from time to time on points that I may have missed.

10 MR DUNCAN: That's okay. That's okay. Whatever you can do when each person speaks. But - - -

15 MR S. O'CONNOR: We've got a message from Auscript saying they're fine now, Peter.

MR DUNCAN: Okay. All right. Well, we'll get started, Andrew. So to start with, perhaps, over to you to give us a general overview – a project overview. And you can answer the questions along the way for – and noting that already provided a letter to us this morning as well. And we'll leave some time at the end for questions and may ask some questions along the way. If we need to go over a little, we have time to do that, if that suits you. So over to you, Andrew.

25 MR A. DRIVER: Okay. Thank you. I was going to do this in a slide – well, it's a PowerPoint slide presentation, but I think when I click on the actual slide presentation, I lose a fair bit of control. So I'm just going to run through it in, you know, the bare format that you design the slides, because I think I've got more control that way. If you can just bear with me on that.

30 MR DUNCAN: That's fine.

MR DRIVER: I'll just share the screen. Host, is participant share screening? Can somebody let me share the screen?

35 MR DUNCAN: Callum, can you do that?

UNIDENTIFIED MALE: Yes, I'm looking into that now. There we go.

40 MR DUNCAN: Andrew, it's showing all the slides down one side. I don't know whether you can hit full screen?

MR DRIVER: Yes. Hang on a second.

45 MR DUNCAN: Down the bottom, I think, isn't it? Right down the bottom. Full screen; that one with the little screen. That's it.

MR DRIVER: Okay. So everybody right with that? I don't know what you can or can't see.

MR DUNCAN: We've got the full slide.

5

MR DRIVER: Okay. All right. Thank you. So this presentation is in relation to the Brandy Hill Quarry and the proposed quarry expansion, which has been in an SSD with the Department of Planning for some time now, and now we're doing this presentation to yourselves, the IPC. Just an overview of the Brandy Hill Quarry. It's located on Clarence Town Road at the intersection of Brandy Hill Drive, which I'm pretty sure you're familiar with now, in Seaham, New South Wales. The quarry is about three and a-half kilometres east of Seaham and about 15 kilometres northeast of Maitland and around 30 kilometres north of Newcastle. On this map we've laid out here, we've got the Brandy Hill Quarry shown in that location. We've also pinpointed Sydney, Gosford, Newcastle and Port Macquarie just for reference. We've also pinpointed three of our other major quarries that supply up and down the New South Wales eastern seaboard.

We have a major hard rock quarry down at Bass Point, near Shellharbour. That quarry predominantly supplies into our Sydney market, as well as the Illawarra and southern islands market. We also have another major quarry up at Kulnura who supplies into the Sydney market and the Central Coast and pushes up into the Newcastle and Hunter area as well. The Brandy Hill Quarry has historically supplied Newcastle and the Hunter region and down into the but is increasingly pushing down into the as you can see by where it has been highlighted in red. We also have – further north we have a quarry up at Port Macquarie, and that supplies the mid-north coast and, as you can see, pushes down south towards the Brandy Hill Quarry. So that's how we – as Hanson, as a business, we cover our markets along New South Wales – you know, the east coast.

30

The – one of the main concerns we have with our supply and distribution is our Kulnura Quarry has less than 10 years left in its life. So we're left in a position where – well, how do we supplement or how do we cover on an ongoing basis the, you know, more than two million tonnes that comes out of this quarry that supplies most of Sydney, the Central Coast and into the Hunter region. There are no other hard rock sources for Hanson in this area, and we're looking more towards Brandy Hill to cover that supply in, you know, in approximately 10 years time. So that's why we've highlighted this red area that's pushing down into Sydney. And it will probably push even further south into Sydney.

40

Our competitors are in the similar situation, that there are no more hard rock sources within the Sydney basin. As you're probably well aware, they're out here at Marulan and they've got, you know, similar lead times and travel times into the Sydney market, and they're also looking for flexibility to be able to operate those quarries and do dispatches to be able to meet the needs of the Sydney construction markets in terms of peaks and start times and into concrete plants that can receive materials at night.

45

As I've said, over here, we've provided you with some text to describe that. The Brandy Hill Quarry will play apart in our supply chain distribution, so it's important for us to be able to have the flexibility, not only in being able to produce the required aggregates with the hours that are turning towards 24/7, but also to be able to put
5 them on trucks and send them into the Sydney Moore Markets on a more flexible timeline. And we're talking about 24 – ideally, 24/7, or something that can meet the flexibility of the lead time. I will throw it open to Grant Farquhar. You want to say something at this point?

10 MR G. FARQUHAR: Thanks, Andrew. Yes. Sorry, I'm just making sure that you don't get any reverberation out of my communication. Look, Andrew touches on a very significant point where, into the future, we have a significant shift in the demand of downstream aggregate supply into, particularly, asphalt and concrete
15 produce or – sorry – not necessarily produce, but supply out of the Kulnura facility, purely on the basis that we need to conserve the style of material that that is and where that that can go. And as a result of that, that's actually putting significant pressure, both on the Brandy Hill operation and the Bass Point operation, just (1) from a volume perspective, and (2) for continuity of supply.

20 So as time goes on, that is actually going to increase significantly, which, if you take the proposed one and a half million tonne at Brandy Hill and the consent conditions at Bass Point, we will hit those limits very quickly. And, importantly, with the shift of the timing of when demand is requested – and I'm pointing towards a 24/7
25 operation that is supported by, I guess, the government's pipeline of work and their need to actually go beyond the normal trading hours of construction. And this is supported in a couple of ways. Obviously, with the significant pipeline of work in the infrastructure sector and, also, in recent times, the city of Sydney has done trials successfully in actually seeking to increase construction hours beyond those
30 traditional hours to nightworks and, furthermore, even in recent times, with the government ensuring that production now is extended right through to Sunday.

So that has two things: significant demand, in terms of volume. But, more
35 importantly, the ability to supply outside of the tradition hours, which has an impact more on the ability to supply through the logistics supply chain to those downstream businesses. But, also, again, on a volume perspective from a production point of view. So they're pretty key points that go to the heart of some of the consent conditions.

40 MR DRIVER: So we originally framed up the proposal around 24/7s and we carried assessment based on 24/7. And since that, in consultation with community, the Department of Planning, and council, there's been a number of concessions we've stepped through. And we thought we were in a situation where we were in agreeance with everybody. And then, what's spilled out of the final assessment with the
45 recommended conditions from the department was, to us, a little bit of a surprise. So we're going to be talking about those contentious issues in this presentation, and

we'll sort of need to address some of the things that I think were raised in the tour by, you know, yourselves on Monday. So continuing on.

5 MR N. WARREN: Sorry, Andrew. I'm just going to add to that that these problems that Grant and Andrew are referring to are not problems that Hanson are dealing with on their own. It's something that's being experienced across the quarrying industry. And it's sort of a – it is a trend in the industry that is being met by sort of being at least taken up in applications and these processes which is what we're here to talk about today.

10 MR DUNCAN: Thanks. Yes. I think we understand that.

MR DRIVER: So just a bit of background you're probably already aware of. The development was run by – the existing development was run by Port Stephens Council back in 1983. The current operation extracts around 700,000 tonnes per annum and employs 20 people. That 700,000 tonnes per annum has been a constraint on the quarry for at least the last five years. We were constantly having to, you know, keep an eye on production limits as we head into the final months and weeks of the reporting period for the tonnages.

20 The current operation involves extraction within a 19.5-hectare area, which is the pit. And that's limited to an elevation of 30 metres above sea level. Obviously, we've got processing and stockpiling and administrative functions that happen on a further in the area. So the total area of disturbance is 36.5 hectares. The current operations is near exhaustion and, as you could see by your visit on Monday, the guys on site are actually scratching around looking for suitable rock. And that explains why we haven't got to, you know, rehabilitating some of those other benches yet, because we're trying to trim off as much as we can.

30 So in terms of the expansion and the proposal, we're seeking an annual production limit at 1.5, and we're going to do the expansion over five operating stages. The existing fixed-plan processing equipment will be relocated – will continue as it is stages and be relocated in stage 4. And the relocation area will be in approximately 19.2 hectares, and we identified that on Monday as the area out the front, adjacent to
35 the empty road.

To mitigate against some of the visual noise and air issues with the relocation of the operation, we're proposing to construct an amenity bun, and that will commence during stage 1 of operations and be of approximately 20 metres. Vegetation
40 clearing for the expansion is approximately 53.8 hectares, and we'll look at that and the offsets a little bit further on in the presentation.

So just to cover the five broad stages, stage 1 involves deepening the existing bottom floor down to RL22. That's needed to get ourselves ahead of the required resource.
45 As you can see, we're almost exhausted. Stage 2 involves increasing around the southwestern corner down through here and down to an RL of minus 8. Stage 3 comes back towards the east along the southern most boundary, taking out the

western damn. That will be replaced by an in-pit sediment and water storage damn at the and that's down to RL38. When we get to stage 4, the existing processing plant and associated stockpile sales area will need to be relocated to this area identified at the front here and that's protected by an amenity bun. Stage 4 is down
5 to – I think that's minus 58. And, again, the sediment treatment based on the supply water source will be relocated in the bottom of the pit.

The final stage, stage 5, is down to minus 78. And the reason why we're going to minus 78 is, you can see, it's quite confined. The – as I explained on Monday, the
10 rock dips from north to south we're chasing the As we go deeper, we're getting quite confined. So to get the same volume of rock out of that footprint, we've got to go deeper, because we don't have the ability to laterally expand. This figure over here shows the final ultimate landform once it's backfilled with water. And questions or can I continue?

15 MR DUNCAN: Keep going, Andrew.

MR DRIVER: Thank you. As I explained, this is a geological section. I think that was requested on Monday so that's part of this presentation. As you can see, the
20 which is the – in the rock, dips from north to south and, essentially, this is existing terrain, and we're just chasing that rock down. This green line through here shows the existing pit as it was when this geological report was developed some years ago. The benches have probably come back somewhat. As you can see, in through here, this is the ultimate pit design. As you can see, yes, there are a number
25 of benches, but to get this out, we've got to go deeper and, then, once we get down here, it's quite a confined area to get that resource out.

MR DUNCAN: Andrew, could you just point out – it's not too clear the scale on the outside; so the RL scale. Just the bottom, maybe, existing height.
30

MR DRIVER: Yes, so this one here, this is minus 78. That – I think that's minus 60, minus 40, minus 20. That would be zero there.

MR DUNCAN: Okay. Yes.
35

MR DRIVER: And then, we've got 20, 40.

MR DUNCAN: Okay.

MR O'CONNOR: Andrew, it's Steve O'Connor here. Just a question: it looks as if there's a lot of overburden that has to be removed in the latter stages. Where is that proposed to be located?
40

MR DRIVER: Yes, so we'll use the overburden for rehabilitating these upper
45 benches and we'll use them around other parts of the site. The conglomerate will be used for B-grade materials, including road bases, and the sandstone provides us with an opportunity to include that resource in manufactured sands.

MR O'CONNOR: Okay. Thank you.

MR DRIVER: So the final landfill, yes, it will backfill with water. That's what's proposed at this stage. And this is the staging of that backfilling. It will take 163
5 years to finally backfill, if it doesn't serve another purpose in that time. Just to give you some RLs on here: year 10, it will be 18 metres below sea level; year 20, it will be 2 metres above sea level; year 50, it will be 12 metres above sea level; year 90, it will be 22 metres; and, then, around 163 years from when we commence, it will then start to topple out and discharge through its current discharging points. I know on
10 Monday there was some discussion about size and scale and the depth, and I just wanted to point out some other comparable quarry pits. Hanson used to have one out at a location that we call Wallgrove, which is at Eastern Creek. It's on the – just behind the intersection of the M7 and the M4. You know where the old Wonderland park used to be.

15

MR DUNCAN: Andrew, that's the current landfill site?

MR DRIVER: Correct. So that's – that was 100 metres deep. And we sold that to – well, we ceased operating that, I think, in 2009, and then it began operations as a
20 landfill. You can see the facilities being built there in May 2011. And that's what it looked like at October last year. So the depth in size and scale of what we're proposing isn't unprecedented, and what the – you know, the alternative uses after life, well, this is an example of something that's actually occurring.

25 MR DUNCAN: Thank you.

MR DRIVER: The Kulnura quarry that we mentioned previously, which Brandy Hill will be the replacement for, this quarry has a pit depth of a hundred – more than
30 150 metres.

30

MR FARQUHAR: Andrew, Grant Farquhar. I just guess as an addition to the comments, look, Hanson operates and have operated under landfill facilities. A very good example of current operation is a landfill in the centre of Melbourne. And we wouldn't be opposed to that being a long-term option for the site. But look, that's
35 another application, but it's another opportunity to make good use of the site as a second use.

MR DRIVER: That's right. Another example is the Hornsby Quarry; that was 100 metres deep. And if you know the history of the Hornsby Quarry, it was a bit of a
40 problem for that council until the recent infrastructure works in all the tunnel spoils became available. And as you can see, the difference over a period of about 18 months, they've backfilled that and they're going to turn it into parklands, and I think that's of value to the community. So, yes, by the looks of – the size of what we're proposing isn't unprecedented and in terms of what it would be after, it might be a
45 water source or it might be something else entirely different, but there are three examples of comparable quarry pits.

Vegetation clearing: we've addressed that. We're required to remove 53.8 hectares. We've done the credit requirements for those. We've broken up the credit requirements in three stages as opposed to five stages. We believe that we will have sufficient vegetation on our residual land ownings. And we'll do assessment on what
5 they can generate. Notwithstanding that, we've been in touch with our neighbour immediately to the north who has all the credits that we require and is willing to offer to sell them to us if we require. So on the biodiversity offsets front, I think we've got that at hand.

10 I'll just talk about the transport routes. On this figure here, it shows the two LGAs that we predominantly cross is separated by this pink line. You've got Port Stephens up to the north and Maitland down to the south. Macquarie sits in here. As you can see that red line is Hanson's current entire land ownings. I know at the time we framed up the project, it didn't include this block in through here, but we've since
15 acquired it. So our predominant route, which takes about 75 per cent of our heavy vehicle transport is down through Brandy Hill onto Seaham Road into Raymond Terrace.

Traditionally, we turned right at the McDonald's and went along Adelaide Street to
20 the main roundabout at Hexham. But in discussions with council they've demonstrated a – or they've indicated a preference for us not to go down that route any more and for us to turn left at Adelaide Street and head down to Richardson Road and access the Pacific Highway via the underpass and onramp at that location. So we've agreed to do that. The other 25 per cent of our deliveries head west along
25 Clarence Town Road, over Dunmore Bridge, along Paterson Road and into Newcastle Street, and then from there they can head up to Maitland. It's just not another run of the local deliveries.

So the – some of the numbers that were conditioned in the recommendation – I just
30 want to explain how they came about. So the 30 loads per hours between 7 am and 10 pm, that was driven by the question, well, historically, how many load have you done in an hour. And our answer to that was, in 2013, we did 32 loads in an hour. So that's how that came about. The other loads between 5 am and 6 am, and 6 am and 7 am, which is the shoulder period for sensitive hours, and the 10 pm to 5 am,
35 they were driven by not exceeding or not generating any more noise than two decibels, and that's what drove the nine loads per hour between five to six and the 12 loads per hour between six and seven.

We also managed to achieve – we can demonstrate that it wouldn't increase the
40 background road noise by two decibels between 10 pm and 5 am if we restricted the number of loads to only five per hour. That has seemed to be lost along the way and isn't part of the current recommended conditions of consent and we want to talk about that. The question was asked by yourselves on Monday about the peak day dispatch, and I think this is in relation to the recommendation was no more than 600
45 movements per day. So we went and had a look at our daily volumes, and you can see in this table, that's what it looks like over the last five years, up until 2019. The key one to look at is in 2016, the peak day dispatch was 260 trucks and that

correlates to a peak truck movement per day of 520. So that's definitely within the realms of the 600 that's currently recommended as a condition. Now, you've got to bear in mind that this is on the basis of us staying within the current limit of 700,000. We don't know what that's going to do to the operations once we head up towards a
5 million, a million plus. How we're going to stay within that 600 per day is going to be something that the quarry operations needs to consider, and it's probably going to impact how they go about dispatching trucks.

MR FARQUHAR: Andrew, Grant again. I might just give some background on the variation across the years, particularly over the last couple of years. So that's
10 actually related to us actually having to shift demand into the Sydney market across to our Bass Point Quarry, which is assisted in that. But as that demand has been taken up at Bass Point Quarry and the exhaustion of the reserve of Kulnura starts to be depleted, that demand back to Brandy Hill is driven up dramatically. So just,
15 again, going back to our requirement for Brandy Hill to supply into the Sydney market, both from a volume perspective and a transport perspective, is significant.

MR DRIVER: Are there any questions at this point?

MR O'CONNOR: Yes, Andrew. It's Steve O'Connor, again. While you've got that figure there showing the transport routes and the volumes, I know that this proposal not only includes the product from quarrying but also the concrete batch plan which will generate traffic as well. Can you give us an idea of how much traffic is going to be generated from trucks bringing recycled concrete to the quarry and
25 then trucks taking the premix concrete from the quarry in a 12-month period?

MR DRIVER: Steve, I would prefer to take that on notice, but just rough numbers, I think we're asking for concrete waste of 20,000 tonnes per annum. And that will come in on semitrailer tipper trucks, so if you just take a rough number of 30 tonnes
30 per load and divide the 20,000 by that, that will probably give you an indication. And in my thinking, it's probably going to be two to three trucks per week. Scott, you might want to provide some information on that.

MR O'CONNOR: By all means, take that on notice. You don't have to answer it
35 on the spot.

MR DRIVER: Sure.

MS TUOR: It's Annelise Tuor, I've got a question. Just in relation to the road noise, if you look at page 18 of the department's assessment report, it has table 3,
40 Project Road Noise Predictions. So, say for the 5 am to 6 am, it says "existing noise levels would be 59.7 dBA, but is that an actually measurement of the existing road levels or is that what you say the existing road levels would be if trucks were going along them at that point in time. Because as I understand it, there aren't any truck
45 movements at the moment.

MR DRIVER: Sorry, I just need to bring that up first.

MS TUOR: Sure.

MR DUNCAN: Page 18 of the report.

5 MR DRIVER: Okay. Just bear with me.

MR WARREN: Ms, I can probably help to answer that question. It's Nick from Corecrease here. We did noise monitoring along Brandy Hill Drive as part of the assessment

10

MS TUOR: Yes.

MR WARREN: And so that – those measurements were taken from the background noise measuring – monitoring that Viapac engineers and scientists did along the route.

15

MS TUOR: So without any trucks, that's the noise level that's already experienced along that - - -

20 MR WARREN: Well, Hanson aren't the only ones putting heavy vehicles on that road. So it is quite a well trafficked route. Previously, the Martins Creek operation was using that for their product dispatch. But I think one of the key things about the location is that it connects a lot of regional areas into Maitland and to Newcastle, and so if you spend some time up there, you'll see there's quite a lot of freight that comes

25 in that way and there's quite a lot of other heavy vehicles that use the route. So - - -

MS TUOR: And just – sorry to interrupt, but clarifying, when you talk about the road, you're referring to Brandy Hill Road?

30 MR WARREN: Brandy Hill Drive. Yes.

MS TUOR: Brandy Hill Drive. So it's that route that has that noise level on it.

MR WARREN: Yes.

35

MS TUOR: Okay. Thank you.

MR DRIVER: I actually talk to that table a bit further in the presentation.

40 MS TUOR: Okay. Thank you.

MR DRIVER: So I take it – is my presentation still onscreen.

MR DUNCAN: Yes.

45

MR DRIVER: There you go. Yes. So to your question, Annelise, yes, those numbers are driven by trying to keep within the applicable criteria in the two

decibels. So the 7 am and 10 pm, by having 301 dispatches which then correlates the 602 movements, there's an increase in noise of 1.1 decibels. The 7 pm and the 10 am, there's 58 dispatches allowable within that two decibel increase and, again, this seems to have not been taken up by the department in its recommendations and, you
5 know, we're greatly concerned about that for the reasons that the Brandy Hill Quarry needs to supply not only the local markets, but into Sydney; we need to have flexibility around the transportation Ms Grant has eluded to. The 5 am to 6 am, again, the nine dispatches which has been taken on by the department adopting this criteria or keeping it below two decibels. And, again, between 6 am and 7 am, the
10 department's taken up to 12 dispatches against adopting the criteria of sticking within two decibels. So, I mean, in terms of, I suppose, an equitable approach, we don't know why this has been ignored if it meets the same criteria that's applied to the other periods.

15 The existing consent. The quarry has been – and we talked about this on your site visit. Up until the recent restrictions due to COVID-19, we'd been crushing through the secondary and tertiary until 10 pm, and this has been based on legal advice that Hanson has obtained that supports the view that the existing 1983 consent does not restrict operating hours. Now, we haven't questioned as – prior to the operating
20 hours, as to what the actual limit was on the consent. We sought legal advice and we took that to council, and we had a meeting and it was all minuted and we received advice – training advice from the council afterwards. And the recommendation from our legal advice was that there was not a limit on annual production. And council's planning advice, on the review of that legal advice that Hanson provided, they agreed
25 that there wasn't a limit. So there isn't a limit on annual production imposed on the quarry. The limit is imposed on the EPL. So we're a bit confused why council have followed that logic in agreeing that the consent is silent on annual volumes and it's also silent on operating hours. Yet, they believe that there are hours that can be imposed between 6 am and 6 pm. That's one of the issues we had with the
30 existing consent.

And my final point there is, reducing the conceded hours, not the ones that were assessed in the EIS which was 24/7 – reducing the conceded hours from 10 pm to 8
35 pm will severely reduce the quarry's ability to meet customer's requirements at the current production levels, let alone any increased above one million tonnes, and this is well under the 1.5 which was assessed and has been proposed.

And now we're just having a look at some of the things from the department's assessment report. As you can see, this table came out of their report. So the
40 existing consent There's a footnote there, and, again, the department has acknowledged Hanson's EIS contends that existing council consent allows for a 24 hour operation seven days a week, however, council has advised that it considers the approved hours to be 6 am to 6 pm. We don't know what council has based this one. We acknowledge that spoken to in the existing consent's EIS, but our legal
45 advice confirms that the condition of consent is silent on it. And there was a case study that, therefore, this doesn't limit the operation if it hasn't been prescribed in the actual consent.

The department talks about hours in its report as well. The department indicates – assessment indicates the crushing a key source of potential amenity impacts. We believe we will address that. They also say that Hanson should address this by upgrading and replacing secondary and tertiary equipment, rather than being allowed to cause additional noise impacts. We believe the additional noise impacts are within the criteria limits, and we've engineered parts of the plan to make sure – parts of the site to ensure that happens. They further say that Hanson has advised that it does not consider upgrading the secondary and tertiary processing equipment to be a reasonable or feasible approach, however, we have not provided further detail to support this conclusion.

We've had a look at this and we're familiar with quarry and processing plants, and to something that will meet the throughput to produce 1.5 million tonnes, you're looking at an upgrade cost of 70 million-plus. So it is significant and we believe it's unreasonable, neither is it feasible, when we're seeking – and we've assessed crushing hours of 24/7, and we've conceded on those hours. And, you know, the seven million to do an upgrade, it's not just a few parts here and there, it's a complete overhaul of crushers, screens, conveyers, transport points, chutes, bins, etcetera. I don't know whether anyone wants to make a comment or contribute at this point.

MR DUNCAN: Just to clarify your comment, Andrew – sorry – just to clarify your comment, you believe that the hours that are – the draft in the conditions, you will meet the noise requirements at the boundary of your product or at the receivers?

MR DRIVER: We assessed at the receiver.

MR DUNCAN: Okay. Okay.

MR DRIVER: Further on in their assessment report, they talk about hours in relation to noise the policy for industry. I suppose there – I've highlighted in red the comment that we would tend to disagree with. It's saying that as the result of intensification of rural residents around the quarry – we understand that – the is that the quarry should continue to remain predominantly a day-based operation, with some activity allowed in the early morning shoulder periods and applied to seven. And in the evening from six to ten. They said that this approach is consistent with the noise policy for industry which affords higher daytime noise limits to encourage applicants to consider reasonable feasible options for intensifying daytime operations over the more sensitive evening and night-time periods. In our opinion, it's – and, Nick, you might want to talk to this, but we don't think that was the intention of the noise policy for industry. In fact, it was to provide more flexibility for industry to by giving higher levels of noise limits.

MR WARREN: Yes, mate – sorry – just – there are two points, I think, that are relevant in this discussion, I guess, is that in the recommended conditions, they directly refer to the industrial noise policy, but are then saying that they've referred to the noise policy for industry in terms of directing activities to the daytime. So

basically, what they're saying is they're sort of – saying we have this flexibility, but the conditions of consent don't provide that. And then, further to this, there was a draft industrial noise guideline. It's a technical background paper when they – for the – I guess, when the noise policy for industry was being prepared. It refers to, you
5 know, the – I guess, the minimum background levels being sort of selected to 90 per cent of exposed population but without being onerous on development. So allowing for, I guess, a balance. There's no strategic position or discussion around encouraging intensification of development during point. So the sort of
10 conclusion there is it's just not a relevant justification for imposing the hours they've suggested.

MR DRIVER: Thanks, Nick. Okay. In the noise report – and we talked about on this on Monday – yes, there were 45 complaints between 2018. 21 of these were appearing in 2018 alone. Our response was – it should be noted that the 21
15 complaints that were received in 2018, the majority of these were made anonymously to the EPA. And the majority of the complaints related to noise or vibration matters, however, were not all substantiated and may be a result of opposition to the proposed project. Regardless of the nature of each complaint, we investigated it and the outcomes of the investigation were either presented to the complainant where known or whenever the complainant was anonymous.
20

Hanson, we undertake regular noise monitoring. And we've done this since 2018. I'm getting some feedback. Thank you. To demonstrate compliance in accordance with the side safety Further to this, in response to Giles Road residents' complaints of 2018, we've done additional noise monitoring, and the results of
25 additional noise monitoring, as well as the EPL compliance monitoring, has continually demonstrated compliance.

Okay. I'll just talk about some of the key conditions of consent, where they started off in the initial EIS, where we conceded, and what's eventuated in the recommended conditions. So as far as the primary crusher goes, yes, we were looking for 24/7. We conceded, should the process of the RTS in consultation with the triple-C, the community, council and the Department of Planning to restrict it to Monday to Saturday, 5 am to 10 pm, and the recommendation is now 6 am to 6 pm, Monday to
30 Saturday. And at this point in time, I haven't flagged it in red, because the company can live with that.
35

The secondary and tertiary; we assessed that Monday to Sunday 24/7, we didn't concede on that during the RTS, because we believed that that wasn't a significant impact. It's barely audible to any one of our neighbours. The recommended
40 conditions of consent that have eventuated are 6 am to 8 pm, Monday to Friday, and that's flagged in red, because that's obviously severely problematic for us for all the reasons we explained about our supply chain distribution. The load and haul, we assessed Monday to Saturday, 5 am to midnight. We then moved from midnight
45 back to 10 pm. And what's been recommended is 6 am to 6 pm, and we're willing to accept that.

Hourly limits to product dispatch; we're looking again for 24/7. We assessed on 24/7 and demonstrated that we could achieve that. Where we conceded during the consultation process RTS is no more than 30 loads between 7 am to 10 pm, and that's important, and we were looking for five loads per hour between 10 pm and 5
5 am, with no more than 58 between that period of 10 to 7. Where we've eventuated with the recommended conditions is 10 movements per hour between 6 pm and 10 pm, and that's only on 20 evenings per calendar year. The night-time dispatch, which is from 10 pm to 7 am; we then conceded on that. We said we would only do that for and, currently in the recommended conditions, this has not been taken
10 into consideration at all.

So that's on the delivery side of things and the processing side of things. But in particular, with the processing – and there's a reason why we need the extended hours on the tertiary and secondary. The plant has got to be configured in such a
15 way that it needs to achieve a shape and size for the Australian standard. It's not a matter of just pushing aggregate through one end and forcing it out the other. It's got to be sized and it's got to be shaped and it needs to meet a standard. So it's a far more refined process. And normally the balance between secondary and tertiary, in the relation to the primary throughput is about 60 per cent of the primary jaw
20 crusher. The jaw crusher is all about producing big rock to a little rock and then moving it on to the refinement process.

It's fundamental to operate the secondary and tertiary plant for extended hours to meet our current demands. Reducing these hours from 10 pm to 8 pm will
25 severely reduce the ability to meet our customers' requirements at the current production levels, let alone heading towards one million and up to 1.5. Transportation hours – and we touched on this before. The Sydney market; in recent years, the demand and downstream markets for concrete and asphalt has shifted dramatically, both in volume and operating hours. Peter, I think I'm getting
30 feedback through you.

MR DUNCAN: Yes. Just while we're talking, we've got – we started about 15 minutes late, so we've another 15 minutes. How are you going from a timeframe
35 view?

MR DRIVER: Well, I'm on slide 24 of 28.

MR DUNCAN: Okay. That's good.

40 MR DRIVER: I'll move to the last little bit quite quickly.

MR DUNCAN: Okay. I'll turn off. But I just wanted to check if we could have some questions at the end. Okay. Thank you.

45 MR DRIVER: Okay. All right. So, you know, local and state regulation is currently moving towards proactively supporting the trend to move these sort of operations to more of 24/7 to accommodate, you know, obviously, in Sydney

markets and markets like Newcastle and the Central Coast. And as a point there, the entire building and materials supply chain needs to be committed to support the demand. Because the demand moves quicker than ability for us to get permission to change our operating conditions. I mean, this process has been nearly six years in
5 the pipeline and the Sydney construction market has completely changed since then.

MR FARQUHAR: Andrew, it's Grant. I might just touch on that, because I think this is the critical piece from – particularly from a logistics supply chain point of view is that demand to a 24/7 operation in the space of probably the last three or four
10 years has shifted significantly. So, in essence, 20 per cent of our production is now outside of traditional hours. And to meet that demand, we have to have a supply and chain that could actually supply the downstream operations. And restricting that through bringing back transport hours and, ultimately, production hours has a significant impact on the ability to meet those demands. And that's not from a
15 Hanson perspective, that's from an industry perspective.

MR DRIVER: I just want to touch on the community consultation. So when this project was first mooted back in 2014, we had a town hall meeting and, obviously, Hanson copped a lot from the locals. I think 200 locals turned up, along with the
20 Department of Planning and the EPA representatives. We took it upon ourselves to start our own triple-C at that point in time and it was going to be an informal one. And oddly enough, the department are now recommending it as a part of the SEARS.

So prior to any approval, you need to have the triple-C set up as early consultation. Though, I think this project was the first project to initiate that. We've had that
25 triple-C going for, you know, five or six years now. We have regular have-a-chat and drop-in sessions with the community where we try to actually let the broader community know what we're doing and what we're proposing; it's not just limited to the triple-C and getting the information through that process. So – and we'll
30 continue to do that post-approval as well.

In terms of giving back to the community, we've contributed 1.5 million dollars to the construction of the five-kilometre pathway on Brandy Hill Drive that's going to service 50 properties. We're also going to contribute 120,000 to the construction of
35 bus bays. And just on the bus bays, we want the condition of consent to reflect that, yes, we can – we're happy to donate the money, and we can do that quite expeditiously, but it's then incumbent on council to actually deliver those bus bays to the community and we don't want our conditions of consent frustrated in any way by council taking longer than necessary to actually deliver those bus bays. So if you
40 could just, please, bear that in mind when you take everything into consideration.

We're going to pay ongoing contributions to road maintenance, as we have been since 1983. And one of the things that we're proud of and we managed to achieve successfully is, on behalf of the community we lobbied RMS at the time – now
45 Transport for New South Wales – to have the speed limit along Clarence Town Road in the vicinity of the quarry reduced from 80 – from 100 kilometres to 80 kilometres per hour. We have a current – we've implemented a current drivers code of conduct,

and we'll continue to refine that. And we use that to manage some – not only our Hanson drivers, which we rarely have any issues with, but we also manage our subcontractors with that. And there is a history of us doing that, working with the triple-C to make sure that any road drivers are held to account. We have an existing
5 complaints procedure. We document everything that we – that is raised by the community, and we then respond to that, we close them out, and we publish the details of the complaints on our website. And we'll continue to do that for the life of the project.

10 We'll move onto the needs of the justification. The material from the quarry would support key infrastructure for all the key markets. I think that's a given. And it's a good strategic location. And obviously, it's on an important resource, not in terms of concrete aggs, but, more importantly, with the asphalt aggs. As we explain the demand for seven mil to go into asphaltic materials is high. It's not going to go away
15 any time soon. It's only going to increase. And that's why we're chasing those – that flexibility with the processing hours. It's to meet that demand for road-making materials.

Given the size and resource of the quarry, we understand it's necessary to balance –
20 strike a balance between the need for the hard rock as well as the local community. We understand that, and we're trying to do the best we can to make sure that we strike that balance. But at the moment, we think the way that the recommended conditions are drafted, we're definitely at a disadvantage to achieving that balance. And, finally – and, you know, Hanson – this is the project with changes as requested
25 to the recommended consent that we would satisfy, you know, meeting the needs of that balance.

So, in summary, existing operations have been occurring up until 10 pm and, therefore, an existing feature of the project. Technical assessment has considered
30 evening and night-time operations with the outcomes acceptable. Community feedback has been varied, both supported, you know, and objection to the proposed hours. The upgrade of the secondary and tertiary plant to the extent required to meet the preproduction limit is not considered reasonable or feasible. And the market dynamics are constantly changing and moving towards a 24/7 demand, particularly
35 with the supply chains pushing down into Sydney to cover the exhaustion of the Kulnura Quarry. And that concludes the presentation. Thank you.

MR DUNCAN: Thank you, Andrew. I'd like to offer Annelise and Steve an opportunity to make comments. Now, Annelise, have you got any questions at this
40 stage.

MS TUOR: Just in relation to the – at the moment, there's a condition which limits the truck movements to 600 per day and you raised in – early on in your presentation that that may be a concern, so if the hours of operation that you're seeking were to be
45 granted, what do you envisage the truck movements per day would need to be? Even when you're only dealing with 700,000 tonnes, you've had, on occasion, 520 maximum truck movements.

MR DRIVER: So between the 10 pm and 5 am, we're looking for – I think it was 58 dispatches.

MS TUOR: Yes.

5

MR DRIVER: Which isn't a great number. And as you can see, we just have to manage that. Look, if 600 is the limit, then, we'll have to shift work from, you know, that day to the following day or the day after.

10 MS TUOR: Yes.

MR DRIVER: The night-time deliveries are something that – once that work is locked in, it's very hard to shift that work. Daytime - - -

15 MS TUOR: Okay. I suppose what I'm trying hard to understand is that you're more than doubling your output and, with the 700 tonnes, you've already needed, you know, on occasion, up to 520 truck movements. So just logically, if you double your output, you think you'd be looking at double the number of truck movements to just get that output off the site. Is that too simplistic or - - -

20

MR FARQUHAR: Annelise, it's Grant - - -

MR DRIVER: Look, it's simplistic in, yes, we would agree to it. So if you're asking Hanson whether they would prefer a daily number greater than 600, the answer would be "yes".

25

MS TUOR: No, I'm not asking whether you want it. I'm just saying, realistically, if you are producing double the amount, how are you going to get it off site with that limit? Which then goes back to your asking for increased hours for production as well, because what's the point of producing extra amounts if you can't actually get it off site. So the two things go together in some way.

30

MR DRIVER: Yes, well, Annelise, if we - - -

35 MS TUOR: I'll just ask, is it realistic?

MR DRIVER: Yes, it is. Because if you take 300 dispatches per day and you multiply that by the six days, you multiply that by the 52 weeks, you're going to end up with an annual production limit of far in excess of 1.5 So there's – in comparing averages with peaks – and that's problem we have with these sort of proposals. If you take the – if you take a peak number and you multiply it by the number of days and weeks you end up with a completely different number to an annual production limit based on averages. So you need to have the flexibility to sprint, walk and jog.

45

MS TUOR: Okay. So again, simplistically, if you take 600 per day you multiply it by 365 days, that gives – and then there's some sort of relationship between how

much – how many tonnes go into a truck so then you can divide that amount by the 1.5 million. Is that what you're saying is - - -

5 MR FARQUHAR: Annelise, it's Grant. If I could answer the question really simply.

MS TUOR: Yes.

10 MR FARQUHAR: But the 600 truck movements – sorry, let's say 300 laden loads per day - - -

MS TUOR: Yes.

15 MR FARQUHAR: - - - we would be satisfied with that to meet the demands of the 1.5 million tonne.

20 MS TUOR: All right. But I suppose I'm asking more – I know you'll be satisfied but I want to know how. I think it's more just getting a bit of understanding of the calculations as to how you're satisfied with that.

25 MR WARREN: Annelise, I'd like to jump in here. And one of the things I think is missing here is sort of an overview how Hanson supply their clients. So there are peaks and troughs and the peaks are those periods when you would get – they have in the past got to 260 trucks laden and loads dispatched in a day so that would be, you know, an upgrade to an airport that requires a lot of material in a short amount of time. But then that would be met with slower periods but then there's also a consistent supply for concrete production. So there's a variety of clients and a variety of needs.

30 But what we've said, throughout the assessment, it that the peak would be – sorry, the 600 and that gives us – so we're not asking for 600 every day. We're asking for that to be the peak. So the idea would be that there would be periods where, you know, we wouldn't need as much which would retain, I guess – would maintain that limit of 1.5 million. So the 1.5 million has been estimated to project demand. The 35 600 is projected to predict demand for key projects plus existing contracts so that, as Andrew said, there is an opportunity to sprint when they need it but they won't need it every single day of the year.

40 MR DRIVER: Annelise, this figure here that I've got – where's my mouse, 260 in 2016, I mean, if we were to do that every day that would correlate to an annual production of 2.8 million. So that's a peak day. You know, the following day it might have been 135 dispatches. But they're both within that daily limit.

45 MS TUOR: Okay. Thanks.

MR DUNCAN: Peter here. It's – what you're saying is that there'll be more days closer to 600 than – so you're sort of evening out your flow. That's what you're saying, isn't it, to get your capacity or demand capacity?

5 MR DRIVER: Correct. So if we have a look at the distribution in 10 years' time, as you can see there we've got three years that the peak day was 140-ish, 130s. It's, you know, about half-half. But you'd expect to see maybe one year where the peak was in the 200s and most of them would be, you know

10 MR DUNCAN: Yes.

MR DRIVER: Yes.

15 MS TUOR: Okay. And again, this may be very simplistic but if you then have the capacity during each day to have more trucks during the day time, why do you need it to be the extra 58 at night?

MR DRIVER: No. Well, when I say day that's 24 hour, around the clock.

20 MR FARQUHAR: Perhaps I can answer that for you, Annelise. So if you think of concrete and having it demand where this is traditionally going to go after hours, um, that is required on an ongoing basis. So you can't actually deliver all of it during the day and then use it at night. So you've got a finite capacity to take those materials at any one time so it has to be almost drip fed to meet the output at the other end. It's
25 not something that you can store and then use and, therefore, you need ongoing supply.

MS TUOR: So, potentially, you'd have a truck that's leaving at midnight, your site, going to a site that's, what, three hours away?

30 MR FARQUHAR: Potentially, yes.

MS TUOR: Arriving at 3.00 am that would be able to deliver the aggregate. Is that

35 MR FARQUHAR: That's correct.

MR WARREN: And, Annalise, I might add to that, that's also, as Grant mentioned, directly tied to the how much storage, say a concrete batching plant in Sydney might
40 have. And these plants, if you're familiar, are in industrial areas designed to be close to where the concrete's going to be needed and so they don't have a lot of space for stockpiling which is why there's stockpiling space allowed for at the quarry.

MR FARQUHAR: So just to put some perspective around that, Annelise, you may
45 require 20 loads of material for one plant for a night's work but can only store two to three.

MS TUOR: Okay. Thanks.

MR DUNCAN: Okay. Nothing more, Annelise?

5 MS TUOR: No. Not at the moment.

MR DUNCAN: Steve, you have any more questions?

10 MR O'CONNOR: Yes, I do. Just, again, with that figure that's on the screen, that's useful, the blue line is the route that I think you said 75 per cent of the traffic is likely to take and that's all within Port Stephen's local government area. The orange line is 50 per cent in Port Stephens and 50 per cent in Maitland. So I take it from that, the vast majority of the road contributions are going to be going to Port Stephens because the vast majority of the roads you travel on is Port Stephens LGA. You've
15 estimated in your – I think it was in your EIS that about \$12 million would be recovered – sorry, would be paid in levies over the life of the quarry, over the 30 years. Did you base that on the most recent contributions plan because I think Council's contribution plan was only released this year and I just want to make sure you've got an accurate assessment of what the contributions are likely to be.

20

MR DRIVER: Nick, do you want to - - -

MR WARREN: Yes. We are aware of what the new contributions plan has come
25 up from Port Stephens' council;. You're right, we did estimate the – when we were preparing the EIS and the RTS document that it was 4 cents per tonne per kilometre. There was discussion with council about their proposing to increase that. We've – I think the road contribution's plan does allow for an assessment of actual impacts, which we have done and presented to Council so we looked – we had a traffic engineer look at the route, look at the – I guess the life of the roads and the
30 required over the 30 years of the proposed consent.

So we – I think we – at that time, the plan had the 4 cents per tonne, our assessment came out at round 2 cents per tonne and we were sort of talking to Council about compromises on that. But I think, basically, that will be something we are discussing
35 with council on an ongoing basis to work out a reasonable rate for that. I think the recommended conditions do allow for, you know, us to reach to an agreement with Council on that basis and I think their plan does allow for assessment of the route.

MR DUNCAN: Yes. You're right on both those counts. It does allow a fair bit of
40 flexibility as it's currently worded.

MR WARREN: So, yes, we realise that it – I think it's – I haven't looked at the new plan. To be honest, I haven't seen it but I think that they're looking at 8 cents per tonne per kilometre. I don't know if you can confirm that for me but the – yes, we
45 were aware of that rate.

MR DUNCAN: All right. We probably need to wrap up. Is there anything, Steve or Annalise, that you need to ask at this stage?

5 MR O'CONNOR: Nothing from me.

MS TUOR: No. Nothing from me. Thanks.

10 MR DUNCAN: Andrew, thank you and your team for that presentation. It's been very helpful. Will you provide a copy of that presentation to us?

MR DRIVER: Yes. I'll do that today.

15 MR DUNCAN: Okay. Thank you very much. And apologies for the late start but I hope that hasn't disadvantaged you in any way and we will reserve the right to come back if we need to. Okay.

MR WARREN: Peter, I just want to quickly flag the letter that was sent this morning.

20 MR DUNCAN: Yes.

MR WARREN: Was there any questions on that at this stage or is that something you'll come back to us on if needed?

25 MR DUNCAN: If needed to, yes. No questions at the moment. Okay.

MR WARREN: thank you.

30 MR DUNCAN: Thanks very much, everybody. I appreciate your time. Thank you very much.

MR DRIVER: Thank you very much.

35 MR DUNCAN: All right. Bye.

MS TUOR: Thank you.

MR DUNCAN: Bye.

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[11.19 am]