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16 July 2014

Mr Paul Hickey
General Manager
Ballina Shire Council
PO Box 450
BALLINA NSW 2478

Boral Asphalt NSW/ACT
Greystanes House
Clunies Ross Street
Prospect NSW 2148

T: +61 2 9033 5000
F: +61 2 9033 5142

www.boral.com.au

Re: Renewal of lease for Boral Asphalt at Alstonville Quarry

Dear Mr Hickey

I am writing in support of the proposed renewal of the lease held by Boral Asphalt (NSW/ACT) for land within Council's Alstonville Quarry. The site is occupied by our Alstonville Asphalt facility, with the proposal due to be considered at Council's Ordinary Meeting of 24 July 2014.

Boral Asphalt is part of Boral Group Limited, Australia's leading producer and supplier of materials to the building and construction sector. Our company has several significant assets in the Ballina-Byron-Lismore region including asphalt and concrete plants, and a major quarry.

Our Alstonville Asphalt site, operated by Boral on leased land from Council since 1977, is an essential component of our regional interests. Accordingly, the plant has made a substantial contribution to the community during this time.

Over the past five years, the site has produced more than 180 000 tonnes of the asphalt distributed across the wider region for use in a range of public and private infrastructure.

Almost \$7 million of this volume has been supplied to Council for use on its local roads network. The site's proximity to local projects and reputation for product quality has assisted with achieving this outcome, one which makes Council the operations' largest customer.

The site has also become a key part of projects managed by the NSW Roads and Maritime Services across the region. Nearly 21,000 tonnes of Alstonville product has been included in completed works since 2009, all of which have improved access around Ballina and surrounds.

Many of the completed Pacific Highway upgrade and duplication projects, including the much vaunted Ballina Bypass, benefited from the availability of RMS-specification asphalt produced at our Alstonville operations.

Projects at Ewingsdale, Ulmarra, Chinderah, and the current Devil's Pulpit works have also been supported by the plant. Proximity and ability to produce quality products to specification have generated returns to taxpayers, with each project completed to deadline and within budget.

The plant also supports critical projects beyond local roads. Boral Asphalt's recent provision of material to essential civil works has included upgrades and maintenance at the Ballina-Byron Gateway Airport, a vital centerpiece of the local tourism and business economy.

Our Alstonville operations currently provide work for 17 staff, half of whom are resident within the Ballina Local Government area. Apart from the direct input of employee wage spend as a result of maintaining these jobs, the site's local economic impact is augmented by use of local contractors and services for day-to-day operations.

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While Boral believes the Alstonville plant's contribution to Ballina and surrounds is therefore evident, in supporting a renewal of the lease, it is also important to note the investment our company has made in the operations to improve environmental and community outcomes.

Alstonville Asphalt is operated to an Environmental Management Plan (EMP) which has been developed to generate maximum efficiency in terms of resource and energy use, but also to minimise the potential for site activities to unduly affect surrounding properties.

The EMP, which is subjected to regular internal and external auditing, has accordingly guided the implementation of a number of improvement measures. These have secured benefits including reduced carbon output, lowered energy use and increased site safety.

As examples, a recent overhaul of the plant's burner and re-configuration of the dryer has realised an 18 percent reduction in fuel consumption. Activated carbon filters have been fitted to all tanks and hatches sealed to mitigate odour releases, a common issue with asphalt sites.

Plant screen upgrades and the emplacement of roofing and barriers over cold feed bins, a source of nuisance dust, have also been completed as part of the \$800,000 spent on maintenance and enhancements at the operations since 2009.

Boral is fully committed to continuing this program of review and addressing of environmental obligations in the event Council endorses a renewal of the lease. We will also continue to work with the community when issues do arise to achieve mutually agreeable outcomes.

In considering any recommendation to renew the lease, Boral would like to finally highlight the economic value to Council of retaining the existing asphalt facility at the Alstonville site.

Boral's facility gives Council the advantage of having a ready and reliable supply source of asphalt within 15 kilometres of the main business and population centre of the Ballina area.

It is the only asphalt site licensed to operate during night hours in the region, a vital attribute for those planning works implementation. The operation offers Council almost double the production capacity of the next nearest non-Boral plant, as well as seven times the storage capacity.

Revenue is also generated via the site's use of aggregates from Council's Tuckombil and Stokers Lane Quarries, sources from which the plant's consumption is likely to increase going forward. In addition, the various leases already in place earn Council up to \$20,000 annually.

Boral suggests supporting the renewal of the asphalt plant's lease for the next 5 years with a 5 year option to renew, represents the interests of ratepayers and Council's provision of services to same.

It is our intent that should the lease be renewed, Boral will continue to seek to make a positive contribution to Ballina through the provision of value-for-money and quality materials, in turn helping Council generate the public infrastructure and facilities with which it is tasked.

Yours sincerely

A handwritten signature in blue ink, appearing to read "AB", is positioned above the typed name of the signatory.

Andy Boyd
General Manager
Boral Asphalt (NSW/ACT)