Information Sheet
Number 9
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Frequently Asked Questions

CEMENT SUPPLY OPTIONS PROJECT

The purpose of this Information Sheet is to provide answers to frequently asked questions.

Additional Information Sheets are available for:

- The consultation process
- An overview of the Weston Option
- Construction
- Noise
- Transport
- Air
- Ecology
- Weston Option quarries

Background

Holcim New Zealand is investigating a series of options to meet the long-term growth in demand for cement in New Zealand.

The company is investigating several options:

- A range of upgrade alternatives for the Westport plant
- Importing cement, either to supplement the Westport operation, or total imports
- A new plant at Weston (near Oamaru)
- The possibility of a new plant on one of several possible sites in the South Waikato/King Country

When will Holcim make a decision on whether to build the plant?

A final decision on any of the cement supply options is not expected to be made until 2008 and will be made by Holcim (New Zealand) Ltd's parent company, Holcim Ltd. Any decision will take into account a variety of issues including resource consenting outcomes, land ownership, commercial contracts, community input, as well as the policies and plans adopted by local and central government.

How long would the plant operate?

A plant of the scale proposed is realistically expected to have a minimum life of approximately 50 years.

Where would the plant be sited?

The cement plant would be sited on the flat paddock beneath the Whitstone escarpment, west of the existing lime quarry, and set back as far as possible from the Weston-Ngapara Road.

How big and high would the plant be?

The cement plant would occupy an area of between 30 and 40 hectares. The site would be around 1000 metres long and up to 360 metres wide. The main stack, at approximately 100 metres high, would be the tallest feature with the pre-heater tower around 80 metres high. Silos would be up to 50 metres tall, and the main mill 30-40 metres high. The kiln system would be four metres in diameter and around 50 metres long.

How close to the road would it be?

The tallest features of the cement plant - the main stack and pre-heater tower - would be sited away from the road. Access roads, carparks, and service buildings would probably be sited closest to the Weston-Ngapara road.

Would there be any landscaping or screening around the plant?

Yes - there would be earth bunding to reduce noise as well as general landscaping. Much of the machinery and equipment would be located inside buildings.

How many people would work at the plant?

The plant would directly employ around 100 people.

Would there be other jobs created outside the plant, quarries and pits?

Yes - local firms and contractors would be used, wherever possible, for the servicing of trucks and machinery, engineering and electrical maintenance as well as supplying other equipment, services, and supplies.

Would there be jobs for local people?

Yes - working in and operating a newly constructed cement plant would require significant specialist training. Local people with suitable skills and background would be able to apply for jobs.

How many people would it take to build the plant and quarries?

Up to 450 people could be employed during the construction project.

Where would construction workers live?

A social impact study currently being carried out will include an assessment of accommodation options.

How long would it take to build the plant and quarries?

The process would probably take three to four years from initial planning to commissioning the plant. It would take around two years to build the cement plant, about 18 months for the Weston quarries, and approximately nine months for the pits at Windsor and Ngapara, which would happen concurrently with construction of the plant.

Would this cause a lot of disruption to local communities and traffic?

Disruption would be kept to a minimum. Construction effects would remain within all required levels for noise, dust and other effects. The transportation of heavy and large plant components would be carefully planned to minimise any disruption on roads.

Would construction cause a lot of noise or dust?

Construction effects are subject to the levels set under the council's district plan, and other national regulations, and would remain within all required levels for noise, dust and other effects. Various dust suppression and management methods would be used.

Would there be dust from the plant or quarries?

Dust from the cement plant would be kept to a minimum by the use of bag filters that capture particulates. Dust from quarrying would be kept to a minimum by careful management of materials and practices designed to minimise dust. Cement would be fully enclosed in silos, trucks, and rail pods. Cement transfers would use fully enclosed piping systems.

Would there be air pollution from the plant?

The plant would meet all local and national air emission standards. The main stack would be 100 metres high to ensure adequate dispersal of the very low concentrations of particulates and chemical compounds.

Would there be a smell from the plant?

No.

Would I be able to see or hear the quarry?

The limestone and siltstone quarry would not be visible from the cement plant or the Weston-Ngapara Road in front of the plant, as it would be behind the Whitstone escarpment. The quarries and cement plant would meet the noise levels set under the Waitaki District Plan.

How would you protect the environment during construction? During operation?

There is no significant native flora or fauna that would be affected by either the cement plant or quarries. Assessment of any potential air effects on plants are still being investigated, but any effects are expected to be limited and localised.

Would the local waterways be polluted from your activities?

The effects on local waterways would be controlled by water management systems on site, which would store and treat water and stormwater before it was released. Water would be reused or recycled wherever possible. Scientific investigation has shown that the water quality of Waiareka Creek and its catchment is already degraded, but Holcim would only release treated water.

Are there any significant plants and animals endangered by your operation?

No. The proposed plant and quarry sites are on farmland - there would be little effect on native vegetation. There have been no significant animal species found at any of the sites.

Would there be any impact on Maori rock art?

Significant Maori rock art exists in the Weston escarpment area - Te Ana Raki. These rock art sites, however, lie outside the active areas of the quarries and cement plant. A specific assessment of the effects of the project in relation to these sites is being prepared in conjunction with Te Rūnanga o Moeraki.

What hours would the plant operate?

The plant would operate 24 hours a day, seven days a week. It would have an annual maintenance shut-down of up to three weeks.

What hours would the quarries operate?

The limestone/siltstone and tuff quarries would operate eight to twelve hours a day (between the hours of 7am and 10pm, normally in daylight), six days a week.

How much cement would the plant produce?

The plant would have a design capacity of 2400 tonnes of clinker per day. Clinker is the material that comes out of the kiln and is mixed and ground together with gypsum to form cement. Initial production would be below this design capacity but would increase to meet market demand over time.

Where would the cement go? What markets?

To meet local demand, Holcim New Zealand is currently having to import cement to supplement domestic production. A plant at Weston would mean that the company would be able to meet local demand from local production.

What materials are needed to make cement?

Limestone and siltstone, volcanic tuff, and silica sand (all available locally), are the main materials that would be used to make cement. Coal (also available locally) would be required as a fuel.

What quarries would be needed?

The main quarry would be a limestone and siltstone quarry, situated close to the plant behind the Whitstone escarpment, with a nearby tuff quarry. A sand pit near Windsor would supply silica sand, with a coal pit near Ngapara.

How big are the reserves of limestone?

There are around 200 million tonnes of limestone in the quarry area. The plant would use in excess of one million tonnes of limestone each year.

What is the coal like at Ngapara?

The Ngapara coal is a low-quality lignite which is adequate as a fuel for a cement kiln.

Why coal? Can the plant burn natural gas?

As no natural gas is available, the plant design will incorporate coal as a fuel.

Would you have to import any of the raw materials for making cement?

Yes. Gypsum, which makes up 4-5 percent of cement, would be imported and added to complete the cement-making process.

Where would you get water for the plant?

This is still being investigated. There are several options including an on-site bore, irrigation supply, or reticulated supply.

How much electrical power would be needed? Where would it come from?

The cement plant would require about 15MW of power, about half of Oamaru's existing usage. This would probably be supplied from the existing substation at the corner of Airedale and Parsons Roads, which has a 110kV line from Transpower.

How many trucks would there be?

Information Sheet No.5 - Transport - has details of proposed truck movements. Truck movements would be required for Windsor sand, Ngapara coal, used oil (supplementary fuel), gypsum (imported via a port), cement for lower South Island distribution, as well as general supplies. The numbers in the Transport Information Sheet are based on the plant working at full capacity in the future.

What roads would the trucks use?

Information Sheet No.5 - Transport - has details of proposed truck routes.

What are your safety procedures for truck drivers?

Holcim has rigorous standards for truck drivers, whether they are employees or contractors. These standards include comprehensive training. Holcim has a zero-tolerance drug and alcohol policy. People can phone our 0800 number and let us know if there are any problems with drivers.

Would there be any special speed restrictions on the trucks?

The truck drivers would operate at a speed that is safe for the conditions. Holcim has implemented a zero-harm policy with the target of zero lost-time incidents by 2009. In consultation with a local community, Holcim may agree that a posted speed limit in a particular area is too high and that its trucks should operate to an agreed speed limit.

What would the trucks be like, what size, and would they have trailers?

The sand and coal trucks would be large truck and trailer units (in order to have as few trucks as possible). All trucks would be well maintained, emissions tested, and in good condition.

Would the trucks be covered?

Yes all trucks and trailers would be covered.

What hours and days would the trucks operate?

Trucks would operate between the hours of 7am and 10pm six days a week (Monday to Saturday). Although the trucks servicing the sand and coal pits would mostly be operating on a single shift finishing around 4 or 5pm. It is necessary to consent the above hours in case any catch-up work is required.

Would the truck drivers be Holcim employees?

This has yet to be decided - they could be employees or contractors. There is no difference in terms of the training and safety requirements.

How many trains would there be?

Rail is the preferred method of transporting cement from the site. Use of rail would involve two train trips each day (four movements).

What hours would the trains operate?

A train would arrive in Weston (from the port) around 7am each morning, load cement and depart later in the morning. A repeat trip would be made later in the day with the train leaving Weston by 10pm each night.

What route would the train take?

The rail option would mean reopening the Waiareka branch line through Weston.

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Is there an option to extend the railway line through to Windsor or Ngapara?

No. There are land ownership and access issues, the cost would be prohibitive (perhaps $30-40 million), and the total quantity of materials is too small to make this a viable option.

Would a reinstated railway line have bells and lights at road crossings?

There are five crossings and the required warning equipment is still being assessed.

What port would be used?

Either Timaru or Port Chalmers would be used for distribution of cement, and for bringing in gypsum.

Is Oamaru harbour still an option?

No. Significant dredging would be required to reopen and keep open Oamaru Port, at a high cost. There are also challenges with road/rail connections and the close location of heritage buildings and wildlife.

How are you consulting and working with local communities?

Holcim is currently consulting with various groups and individuals in relation to the project. It welcomes any interest, query or engagement regarding the project. The company has a policy of setting up community liaison groups wherever it has a major operational presence. If the Weston option went ahead, Holcim would set up a community liaison group. This would include key community representatives and Holcim staff.

What benefits might result from having a cement plant at Weston?

Construction would provide a significant economic boost to the local district, with around half of the plant cost spent in New Zealand, including the Waitaki district. The project would bring more people into the district, helping to reverse a trend of decreasing population in the Waitaki district. Construction force salaries alone would total more than $20 million over the two year construction period with locals given every opportunity to gain employment. Local accommodation providers would benefit from a significant lift in occupancy for workers who move to the area for the duration of the project. Follow-on economic activity would benefit personal and community service providers, business services, wholesalers, retailers, restaurants, hotels, as well as road and rail transport providers. The local economy would become more diverse (less dependent on the agricultural sector). A cement plant would provide apprenticeship and scholarship opportunities for local young people. Holcim would also provide support to local organisations.

Who grants the resource consents?

The consents would be granted by the Waitaki District Council and by the Otago Regional Council.

Are consents reviewed?

Consents are regularly reviewed with review periods and conditions written into each consent.

Who owns Holcim?

Holcim (New Zealand) Ltd is a subsidiary of Holcim Ltd, a Swiss-based company that has operations in more than 70 countries. The company's New Zealand origins date back to 1888 when the Milburn Lime and Cement Company was originally incorporated in Otago.

What other New Zealand cement plants does Holcim have?

Holcim operates a cement plant at Cape Foulwind, near Westport, which was built and commissioned in the 1950s. It is currently running at capacity.

Do you want more information?

Here are some ways you can get more information or register to go on the mailing list:

- Check out our website: www.holcim.com/nz
- Or email us: info-nz@holcim.com
- Or call us: 0800 43 20 20 to have someone from Holcim call you

We want to hear from you

Here are some ways you can have your say:

- Phone 0800 43 20 20
- Send an email to info-nz@holcim.com
- Write to us - response forms are available. You can phone the number above and ask for one to be sent out
- In person by contacting Holcim via email or phone and asking for someone to meet with you.

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About Holcim

Holcim (New Zealand) Ltd is a leading manufacturer of cement, concrete, aggregates and industrial lime products. It has more than 35 operating sites and employs in excess of 500 staff in New Zealand. The company's involvement in the New Zealand building and construction industry dates back to its Otago origins in 1888. It was formerly named Milburn New Zealand Limited, and is a wholly owned subsidiary of the Holcim Ltd Group, which has operations in 70 countries on all continents.