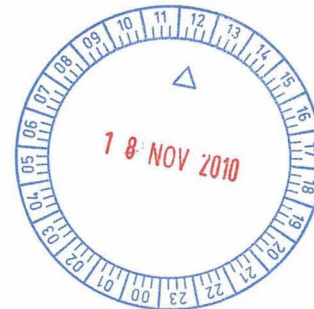


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16 November 2010

Committee Clerk
Environment & Public Affairs Committee
Legislative Council
Parliament House
PERTH WA 6000

Dear Sir/Madam

Inquiry into Cockburn Cement Ltd, Munster

I am aware that a Parliamentary Inquiry into the situation with Cockburn Cement Limited and the nearby residents' complaints of dust nuisance etc has been initiated.

By way of background, Kwinana Industries Council (KIC) is an incorporated business association with membership drawn from the Kwinana Industrial Area (KIA). The current KIC membership is 11 full members, who include all the major industries found within the KIA, and 25 associate members covering the support and service sectors. KIC members employ approximately 5,000 workers directly and another 21,000 indirectly, and its economic activity contributes \$1.6 bn annually to the State economy.

The KIC was established in 1991 with its primary goals being:

- To promote a positive image of Kwinana industries;
- To work towards the long-term viability of Kwinana industry;
- To coordinate a range of intra-industry activities including water quality, air quality, monitoring and emergency management;
- To highlight the contribution Kwinana industry makes to community; and
- To liaise effectively with local communities, Government and Government agencies.

The KIC is well recognised as being almost unique in Australia for what it represents, how it operates and for what it has achieved. It pursues its goals through a range of formal committees set up to provide input on a range of issues of common interest to the KIC member companies. Committee members are delegates with appropriate experience and authority drawn from the member companies. The output from the various committee activities is then used as the basis for communication to the KIC's stakeholders such that Kwinana industry is seen as speaking with one voice.

INDUSTRY + COMMUNITY + ENVIRONMENT

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The KIC seeks to achieve its goals by focusing on developing and employing leading edge technology; giving workplace health and safety top priority; taking a committed, responsible and pro-active approach to environmental protection; and forging partnerships with the local community and with government.

The KIC has identified the preservation of the Kwinana Industrial Buffer Zone as its most important strategic issue. Where adequate buffers exist, industry and the residential community can co-exist without conflict. Clearly this is not the situation in proximity to Cockburn Cement, and one must ask how the zoning of residential land could be allowed to occur so close to industry. Buffer conflict in this particular area is not seen by KIC as an industry-specific issue, it is a matter that goes to the heart of the security of all companies that operate in the Kwinana Industrial Area (KIA).

Local governments have a high degree of say through their town planning schemes as to what land will be zoned for residential development. The KIA interfaces with three local governments, and all three have areas of land within their boundaries that are proposed for rezoning to allow for residential development either within or adjacent to the buffer zone. In the case of the City of Rockingham, it actually seeks to rezone industrial land to City Centre zoned land within the buffer to allow for the construction of high rise residential apartment living. This is symptomatic of a lack of understanding of the ramifications of facilitating residential development too close to industry.

Industry has a right to be allowed to operate without planning constraint (but within regulatory licences) within appropriately zoned industrial areas under these same town planning schemes as do residents living in suitably zoned land. This fact seems at times to be overlooked by local government town planners with their focus perhaps being weighted too heavily upon promotion of residential development in marginal areas. When this occurs, conflict is inevitably created. Industry is then placed under additional pressures, the new residents who move in feel they have been let down and trapped, and the developers move on to new projects. In this situation the only winner is the developers, while the losers include the regulators, the local governments, industry and the new residents.

This is not to say that industry does not strive to maintain and improve its environmental performance over time, and clearly this has been occurring for many years now. Industry has invested hundreds of millions of dollars into technology that enables the ever increasing regulatory environmental standards to be met. However, many industries are operating in mature internationally competitive environments and the additional burden of massive new capital requirements placed on a company to improve environmental outcomes in the short term can have a devastating effect on its ability to financially continue to compete, and thus off-shore relocations can become attractive. Ultimately the integrity of the industrial area is weakened, local jobs are lost, and the State's economic powerhouse begins to fail. It is doubtful the planners comprehend this risk in their drive to maximise residential densities as close as possible to industry.

The buffers give certainty to all parties, and they must be respected in order for them to be effective.

The KIC has for many years striven to have the buffer preserved by having it enshrined in planning law, so that developers and those who believe they can justify erosion of the buffers for financial gain or some other purpose are thwarted before they even begin. Most of the buffer does not enjoy a high level of protection, and thus we see pressure from local governments and developers to 'squeeze' a development in.

The answer in the broader context is to designate the entire buffer as an EPP. This designation affords all parties – industry and community, the protection needed to co-exist in the long term. The current level of protection (SEP in most areas) is inadequate to achieve this level of protection. It is hoped that it is within the power of the Inquiry to recommend that the EPP designation should be promulgated over the entire industrial buffer zone, and it is sincerely hoped that this will occur.

KIC is keen to accept an invitation to make a presentation to the Inquiry should this is required.

Yours sincerely

A handwritten signature in dark ink, consisting of several fluid, overlapping strokes that form a stylized representation of the name Chris Oughton.

Chris Oughton
Director