

ASSESSMENT REPORT

Orora Paper Mill Increase in Maximum Production Limit (05_0120 MOD 7) Section 75W Modification

1. BACKGROUND

1.1 Introduction

This report assesses a proposal to increase the maximum production limit at the Orora paper mill from 383,763 tonnes per annum (tpa) to 425,000 tpa, an increase of approximately 10%.

Orora Limited (the Proponent) operates the Orora paper mill (the mill), located in Matraville in the Randwick local government area (see **Figure 1**). The proposal will enable the Proponent to increase production by using excess capacity within the existing mill.



Figure 1: Site Location

Site Location

The site is 15.5 hectares in area and is located within the Matraville industrial area. The site is bounded to the south by Botany Road, to the north by Australia Avenue, to the west by McCauley Street, and extends east to the end of Partanna Avenue. The site is surrounded by a mix of industrial, commercial and residential land uses. The closest residences are located approximately 30 m south-east from the mill boundary off Partanna and Australia Avenues. Commercial offices are located to the north-west of the site on McCauley Street and

industrial uses associated with Port Botany are to the south and south-west of the site. Port of Botany is located south of the site, on the opposite side of Botany Road.

1.2 Site History – Project Approvals

Project Approval 05_0122

On 20 July 2007, the then Minister for Planning approved Project Application 05_0120 for the construction and operation of the new B9 paper mill at Orora's Matraville mill site (see **Figure 1**).

Under the Minister's approval, the Proponent is permitted to:

- install and operate a new paper machine (B9) housed in a new industrial building;
- produce a maximum 380,763 t of paper a year;
- decommission two existing paper machines (Buildings B7 and B8);
- build a new finished product store building;
- develop covered loading areas, a new engineering store and workshop;
- expand the waste paper storage area; and
- demolish some redundant buildings and infrastructure.

The B9 paper mill commenced full production in early 2013.

Historic Operations

A paper mill has operated at the Botany Road, Matraville site since 1901. In the 1960s, two paper machines housed in buildings B7 and B8, were built on the eastern boundary of the site. These paper machines used wastepaper as source material to produce brown paper for boxes, cardboard and packaging.

The site contained a large central waste paper storage area, numerous tanks for fibre and water storage, a wastewater treatment plant, a substation and boiler house, chemical and engineering stores, and an administration office and car parking.

In the early 2000s, Amcor (the former site owner) identified that the operational lives of the B7 and B8 machines were coming to an end and planned for a new paper machine. This was the catalyst for project application 05_0120 and the approval of the B9 mill and building.

05_0120 MOD 1

The original approval permitted the Proponent to undertake the demolition of a number of redundant buildings and infrastructure. On 25 July 2008, the Department approved MOD 1 to permit additional demolition works at the site.

05_0120 MOD 2

On 12 July 2010, the Department approved MOD 2 to:

- facilitate the subdivision of the site;
- permit changes to the site layout and access arrangements on McCauley Street; and
- increase the permitted operational noise limits and allow further noise mitigation works, including construction of a noise wall along the northern boundary and around the waste paper storage yard.

MOD 2 provided for the exit of all heavy vehicles from the mill via a new exit point on McCauley Street. The traffic impact assessment which accompanied the modification request assessed the cumulative impacts of existing background traffic, original project approval traffic, traffic generated by the materials recycling facility (MRF) traffic, and additional subdivision traffic, in the context of the potential impact of additional traffic on the nearby intersections of Botany Road / Bumborah Point Road and Botany Road / McCauley Street.

05_0120 MOD 3 and MOD 4

In December 2012 and February 2013, the approval was modified to address delays in completing the road work upgrades to McCauley Street and the intersection of McCauley Street and Botany Road, required by the approval.

05_0120 MOD 5

On 12 July 2010, the Department approved MOD 5 to include the demolition of the fire damaged B7 building to ensure the safety of the site, a minor amendment to the approved subdivision layout to better align with the final internal road alignments, approval to construct a future noise wall, and a minor relocation of the existing McCauley Street site access (30m to the south of the existing access) to improve traffic, safety and noise outcomes for roads users and nearby residential areas.

05_0120 MOD 6

On 30 September 2016, the Department approved MOD 6 to upgrade the existing primary wastewater treatment plant (WTP) to include a two stage secondary treatment process involving both aerobic and anaerobic treatment.

Environment Protection Licence (EPL) 1594

Under EPL 1594, the mill is licenced to undertake "paper or pulp production" and "paper or pulp waste generation" as scheduled activities under the *Protection of the Environment Operations Act 1997* (POEO Act).

2. PROPOSED MODIFICATION

On 2 September 2016, the Proponent submitted a modification request (MOD 7) under section 75W of the *Environmental Planning and Assessment Act 1979* (EP&A Act) to increase the maximum annual paper production limit from 383,763 t of paper to 425,000 t, an increase of approximately 10%.

Construction and Operation

The proposed increase in the maximum production limit would not require the construction of additional infrastructure as the increase in production would be achieved by operating the mill at maximum output for more days than is currently the case. The existing B9 paper mill and its auxiliary components such as the wastewater treatment plant, boiler house, waste paper yard, roads, utilities and other infrastructure do not require any augmentation to allow for the increased maximum production limit. There is spare capacity in the B9 mill, and the existing mill infrastructure would simply be used more intensively.

The mill has approval to operate 24 hours a day, 365 days a year, and there would be no change to its approved operating hours.

The increased maximum production limit would require the following changes to the operation of the mill:

- an increase in traffic movements associated with increased deliveries of waste paper and dispatch of finished paper products, deliveries of process chemicals and removal of paper making waste;
- an increased use of process chemicals, fuel, water, power and gas for paper making; and
- an increased generation of process waste and wastewater.

2.1 Modification Need and Proponent's Justification

The EA indicates there is a need for an increase in output as the mill is increasingly exporting more paper via Port Botany and is close to the existing maximum 383,763 tpa production limit. The mill produced 381,700 t of paper between July 2015 and June 2016 and will exceed its current maximum production limit sometime in 2017.

In justifying the project and as a measure of its environmental acceptability, the Proponent believes the proposed increase in maximum production can be achieved without augmenting the existing infrastructure of the mill and without any unreasonable additional environmental impacts. The amount of paper produced daily varies depending on demand and the type of paper product being manufactured. Currently the mill is operating close to its maximum capacity on some days, whereas on other days it is operating well below maximum capacity.

For example, there were 46 days over the last year of operation when the daily output exceeded 1,400 t (the average production rate is much lower and includes planned and unplanned downtime and days where the paper products are being manufactured at a much lower rate). At this rate annualised over the year, the actual production would be greater than 510,000 t. The Proponent indicates that no complaints were received from nearby sensitive receivers in relation to excessive noise, odour or otherwise during this 46 day period of maximum production. Further, during this 46 day period, the operation of the mill met all of its relevant noise criteria and pollution load limits. The Proponent considers this is indicative of the general environmental acceptability of the proposal.

The Proponent provides the following additional justification for the increase in maximum production:

- more efficient use of existing resources and capital;
- improved quality and quantity of paper products the mill can produce and market;
- ensuring the economic sustainability of an Australian manufacturing industry;
- maintaining and increasing the local, State and Australian economic benefits from manufacturing; and
- increasing non-resource, manufactured exports from Australia.

3. STATUTORY CONSIDERATION

3.1. Section 75W Modification

Project Approval 05_0120 was granted under Part 3A of the EP&A Act. Under Schedule 6A of the EP&A Act, the project remains a 'transitional Part 3A project'. Consequently, the modification request is to be determined under Section 75W of the EP&A Act.

The Department is satisfied the proposed modification request is within the scope allowed under Section 75W of the EP&A Act and does not represent a new development in its own right. The Department notes that:

- the approved development would not change as a result of the proposed modification; and
- any potential environmental impacts would be minimal and appropriately managed through the existing or modified conditions.

3.2 Delegated Authority

The Minister was the approval authority 05_0120 and is the approval authority for the modification request.

In accordance with the Minister's Instrument of Delegation dated 16 February 2015, the Minister for Planning delegated responsibility for the determination of Section 75W requests to the managers and directors who report to the Executive Director, Key Sites and Industry Assessments where:

- the relevant local council has not made an objection; and
- a political disclosure statement has not been made; and
- there are no public submissions in the nature of objections.

The proposal complies with the terms of the delegation as Council did not object to the request, a political disclosure statement has not been made in relation to the request, and no public submissions were received in the nature of objections. Accordingly, the Director, Industry Assessments may determine the request in accordance with the Minister's delegation.

4. CONSULTATION AND SUBMISSIONS

4.1 Consultation

Under Section 75W of the EP&A Act, the Department is not required to notify or exhibit the request. Upon receipt, the request was placed on the Department's website. The Department sought comments from the Environment Protection Authority (EPA), Department of Primary Industries (DPI), the Office of Environment and Heritage (OEH), the Roads and Maritime Service (RMS), Sydney Water and Randwick City Council (Council).

4.2 Submissions

The issues raised by the agencies and Council are summarised below.

The **EPA** has no objection and provided the following comments:

- no changes to the mills EPL would be required;
- the increase in solid waste and bio solids will be mostly reused (or proposed to be reused);
- noise generated at night is currently modelled on the mill operating at full capacity;
- the predicted increase in air emissions are well below the existing load limits on the EPL;
- wastewater production will increase by approximately 5%, and will continue to be discharged to trade waste under an agreement with Sydney Water; and
- no additional chemical storage areas appear to be required.

Council has no objection and provided the following comments:

- concern expressed in relation to potential noise and odour impacts on nearby residences;
- the conditions of consent in the original application with regards to odour management have been reviewed and are considered appropriate for the current modification;
- notes no changes to the existing operational noise criteria are proposed and the noise compliance of the mill is undertaken by the EPA in accordance with the EPL;
- conditions are recommended to address the potential noise impacts to nearby residences as follows;
 - all forklifts and vehicles operating on site during the evening and night time to be fitted with broadband type (squawker) reversing alarm devices or similar that do not include "siren/beeper" type reversing alarms;
 - no queueing or parking of vehicles within McCauley Street or Botany Road.

All other agencies that made a submission on the modification request, including the **DPI**, the **OEH**, the **RMS** and **Sydney Water**, raised no objection.

The proponent did not provide a Response to Submissions.

5. ASSESSMENT

In assessing the merits of the modification the Department reviewed:

- the EAs for the original project approval 05_0120 and subsequent modifications;
- the EA for the current modification;
- relevant environmental planning instruments, policies and guidelines;
- relevant provisions of the EP&A Act, including the objects of the Act; and
- issues raised in submissions.

The Department's assessment found the key issues associated with the modifications relate to:

- Noise;
- Odour and Air Quality: and
- Waste and Wastewater.

The Department's assessment of these issues is provided in Table 1 below.

Table 1: Assessment of Key Issues

Issue	Consideration	Recommendation
Noise	<ul style="list-style-type: none"> • The proposal has the potential to impact on the acoustic amenity of nearby sensitive receivers, from noise generated from the mill and from the increase in operational traffic. • The existing noise environment is dominated by emissions from traffic, Port Botany operations, nearby industrial premises, and aircraft movements from Sydney Airport. Regular noise monitoring indicates noise levels are not dominated by a specific site or activity but are the combination of the surrounding noise influences. • Traffic in the Matraville industrial area makes a significant contribution to the relatively high background noise levels. Existing background noise level often exceeds the operational noise limit set for the mill, particularly at night. <p><u>Construction Noise</u></p> <ul style="list-style-type: none"> • No construction is required to facilitate the proposal and there will be no construction noise impacts. <p><u>Operational Noise, including Noise from Operational Traffic</u></p> <ul style="list-style-type: none"> • No changes to the approved operating hours (365 days/year, 24 hours/day) or operational noise criteria are required to facilitate the proposal. • The controlling period¹ for noise compliance has been identified from previous noise monitoring as the night time between 10:00 pm and 6:00 am and operational night time modelling assumes the mill is at full capacity, with all noise generating sources operating simultaneously. The Proponent considers the controlling period presents a worst case scenario and is indicative of compliance with operational criteria at other times. • The Proponent's noise impact assessment predicts the mill will still comply with its operational noise criteria following the increased production. • The proposal will increase the mill's operational traffic by 19 vehicular movements/day (vm/d), including an increase of approximately five heavy vehicle movements between 10:00 pm and 6:00 am. • The increase in heavy vehicle movements, including the five night time heavy vehicle movements, would not be noticeable in practice given the existing traffic/ noise environment in the Matraville industrial area. <p><u>Council's Concerns over Operational Traffic Noise</u></p> <ul style="list-style-type: none"> • Council raised concerns over the potential for additional noise impacts to 	No additional conditions or amendments necessary.

¹ Refers to the time period when the noise from the mill would be more likely to exceed operational criteria, as the criteria for the night time is lower than for daytime operations. Compliance monitoring indicates that if the night-time criteria is met, criteria for other periods of the day will also be met.

Issue	Consideration	Recommendation
	<p>nearby residences and vehicle queuing on residential streets. However, the mill's existing Operational Environmental Management Plan (OEMP) incorporates the requirement for all forklifts and vehicles that operate on-site during the evening and night time period to be fitted with squawker type reversing alarms. Further, existing Condition 20(b), Schedule 3, in relation to transport operating conditions, requires that site related vehicles do not queue on any public roads.</p> <ul style="list-style-type: none"> • Accordingly, Council's concerns are addressed by existing project approval conditions and the Proponent's OEMP. • The EPA have indicated that noise generated at night (the most sensitive period in terms of potential impact to nearby residences) is currently modelled on the plant operating at full capacity, and that it is satisfied that noise emissions from the mill operating at maximum capacity would remain within established operational noise criteria. • The Department is satisfied the increase in noise arising from the increase in production and heavy vehicle movements would comply with the mill's operational noise criteria and the existing project approval conditions and noise compliance requirements of the mill's EPL are sufficient to safeguard the acoustic amenity of sensitive receivers in the locality. • The Department's assessment concludes noise from the proposal is acceptable and will not detract unreasonably from the acoustic amenity of nearby residences. 	
<i>Odour and Air Quality</i>	<ul style="list-style-type: none"> • The proposal has the potential to increase odour levels from the paper making process and also to increase airborne pollutants generated from the burning of gas in the boiler house. • However, there will be no increase in odour and only a small increase in airborne pollutants. • The EA predicts the mill will not generate any additional odours with the increase in production. This is based on the mill's recent operational performance, especially on those days in the past two years when daily production output has exceeded 1,400 t with negligible odour impact. • Odour performance at the mill is managed through the requirement to comply with Section 129 of the POEO Act, which requires the Proponent not to cause or permit the emission of any offensive odour, and this is reflected by Condition 1, Schedule 3 of the project approval. The Council considers this condition appropriate to manage concerns relating to potential odour impacts to nearby sensitive receivers. • Under the EPL, the mill has load limits on a number of key pollutants from the burning of gas in the boiler house and only emits 25% of its allowable annual maximum nitrous oxides (NOx) limit and about 1% of its allowable annual maximum coarse and fine particulate limits. Following implementation of the new biogas generator (refer to MOD 6 Assessment Report) NOx emissions would increase by about 75% from current levels, but would still be below the EPL load limit. • The Department's is satisfied that the increase in odour and airborne pollutants will be below the threshold limits permitted by the mill's EPL. The Department's assessment concludes the increase in odour and airborne pollutants will not have any unreasonable impact on the surrounding air quality and the amenity of surrounding residential development. 	<p>No additional conditions or amendments necessary.</p>
<i>Waste and Wastewater</i>	<ul style="list-style-type: none"> • The mill generates two types of solid waste, biosolids (cellulose fines and inorganic fillers) and general solid waste (non-putrescible (GSW)), together with significant volumes of wastewater. The volumes of biosolids, GSW and wastewater will increase proportionally with the proposed increase in production. • Biosolids are generated by the wastewater treatment plant (WTP) and are trucked off-site for beneficial land re-use. The increase in production will generate an additional 3,200 tpa of biosolids (from 20,403 tpa to 23,603 tpa). • GSW will also increase from 37,953 tpa to 42,773 tpa. GSW removed in the papermaking process is transported to Newcastle for conversion into biofuel which is exported and used as coal replacement in cement kilns. Material with 	<p>No additional conditions or amendments necessary.</p>

Issue	Consideration	Recommendation
	<p>no energy value (approximately 10%) is disposed of at licensed landfills.</p> <ul style="list-style-type: none">• The mill is currently producing more biosolids and GSW per unit of paper than originally predicted. However, 100% of the biosolids will be available for beneficial reuse and greater than 90% of GSW will be processed into coal replacement material.• The Department accepts that while there has been increased in waste over that originally assessed, this waste is being suitably recycled and reused.• The mill also generates approximately 10,000 litres/year of waste oil used in lubricating which is sent to a waste oil recycler. The quantities of waste oil generated will not increase with increased production and all waste oil will continue to be recycled.• The wastewater discharge to the sewer from the mill's WTP would increase on average by 5% from 5.5 mega litres per day (ML/day) to 5.8 ML/day. Sydney Water has indicated that the mill has approval under its trade waste agreement to discharge 8.95 ML/day. Accordingly, the mill's existing trade waste agreement can accommodate the increased discharge of wastewater resulting from the proposal.• The Department's assessment concludes that the type, volume and disposal method of additional waste and wastewater is acceptable.	

6. CONCLUSION

The Department has assessed the merits of the modification request and has determined it is in accordance with the requirements of the EP&A Act.

The Department is satisfied that the proposed increase in production can occur without any unreasonable impact on the environment or the amenity of surrounding sensitive receivers. As outlined in the EA, the broad environmental acceptability of the proposed increase in maximum yearly paper production has already been demonstrated on those days when the mill has previously operated at maximum production levels for extended periods of time.

The increase in noise would be below the existing operational noise criteria. There would be no increase in odour, and the predicted increase in airborne pollutants would still be significantly below the operational limits of the EPL. The small increase in heavy vehicle movements, including night time vehicle movements would not be noticeable in practice given the existing traffic environment in the Matraville industrial area, in close proximity to Port Botany.

The Department's assessment has concluded that any additional noise and odour generated by the proposal will be minimal and unlikely to impact on the amenity of nearby residential receivers. The Department is satisfied the proposed modification is minor, relative to the scope of the approved works, in the public interest and should be approved, as set out in the recommended modifying instrument at **Appendix A**.

7. RECOMMENDATION

It is RECOMMENDED the Director, Industry Assessments:

- consider the findings and recommendations of this report;
- approve the proposed modification (05_0120 MOD 7) under Section 75W of the EP&A Act; and
- sign the attached instrument of modification (in **Appendix A**).

Robert Byrne
Senior Planner, Industry Assessments

Endorsed:

Joanna Bakopanos
Team Leader
Industry Assessments


Chris Ritchie
Director
Industry Assessments
25/11/16

APPENDIX A
MODIFYING INSTRUMENT
05_0120 MOD 7

Modification of Minister's Approval

Section 75W of the *Environmental Planning and Assessment Act 1979*

As delegate for the Minister for Planning under delegation executed on 16 February 2015, I approve the modification of the project approval referred to in Schedule 1, subject to the conditions in Schedule 2.



Chris Ritchie
Director, Industry Assessments

Sydney *25 NOVEMBER* 2016

SCHEDULE 1

Approval: 05_0120 granted by the then Minister for Planning on 20 July 2007

For the following: Construction of a new paper mill at Orora's Matraville Plant (Project) B9

On land comprising: 1891 Botany Road, Matraville

Modification: 05_0120 Mod 7:

- increase annual paper production from 383,763 tonnes to 425,000 tonnes.

Proponent: Orora Ltd

SCHEDULE 2

The project approval is modified by:

1. Inserting the following definition in the Definitions table in Schedule 1, in alphabetical order:

05_0120 MOD 7	Modification request 05_0120 Mod 7 with supporting documents titled <i>Environmental Assessment Report - Modification #7 - Increase in B9 Papermill Maximum Production Limit</i> , dated August 2016, prepared by ConsultInfra.
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2. Inserting the following new Condition 1(j) in Schedule 2, after Condition 1(i):
 - j) Modification request 05_0120 MOD 7 and accompanying Environmental Assessment Report, dated August 2016 and prepared by ConsultInfra.
3. Replacing Condition 5 in Schedule 2 as follows:
Limits on Production
 5. The Proponent shall ensure that the project does not produce more than 425,000 tonnes of paper per annum.

End of 05_0120 MOD 7