



Our Ref: 4008/TC/07042017

Joanna Bakopanos
Team Leader Industry Assessments
Department of Planning and Environment
Level 29, 320 Pitt St
SYDNEY NSW 2000

Dear Joanna

Re: Proposed Modification to PA07_0066 - Park Fuels Kooragang Island Throughput Increase

Further to our meeting on 4 April 2017 please find the following briefing information on the proposed throughput increase project for the Park Fuels Kooragang Island Facility.

The Park Fuels Kooragang Island Facility (the facility) was originally approved (PA07_0066) in 2008 under Part 3A of the *Environmental Planning and Assessment Act, 1979* (EP&A Act) with three (3) modifications approved to date. The approved facility is shown on **Figure 1**. PA07_0066 currently limits throughput at the facility to up to 577 Million litres per annum (Mlpa).

Park Fuels proposes to increase the approved throughput of the facility. As detailed further below this can be achieved through using the latent capacity in the existing and approved facility and will not require any additional infrastructure to that currently approved. Moreover the static storage capacity of the facility will remain unchanged from the current approval.

It is intended that a modification of the project approval (PA07_0066) will be sought under section 75W of the EP&A Act to obtain approval for the proposed increased throughput.

The purpose of this letter is to outline the planned environmental assessment approach for the proposed modification and seek confirmation of this approval approach from the Department of Planning and Environment (DP&E).

Background

The current limits on throughput were based on demand forecasting completed as part of the project design and the development of the Environmental Assessment (EA) to support the original approval in 2007. The throughput demand at that time, over 10 years ago, was based on a projected demand over the initial 5 years of operation. Since commencement of operations at the facility in 2014, Park Fuels has experienced an ongoing increase in demand, driven by a number of factors, including:

- ongoing growth in demand for Park Fuels distribution based on established and upcoming commercial agreements
- ongoing economic growth of the Newcastle region with continued growth in port and marine related sectors, mining and infrastructure/construction
- increased demand for fuel storage and distribution facilities at Newcastle Port, as an alternative to existing capacity in Sydney and road based transport to the Newcastle region

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- increased demand for modern, purpose built facilities such as Park Fuels to efficiently and effectively store and distribute fuel based products to market.

The design and development of the facility has been undertaken with the view of being able to respond to ongoing growth in demand for products, which specifically includes:

- The current approved throughput of 577Mlpa is approximately half of the design throughput of the facility which is over 1000 Mlpa to enable ongoing flexibility in meeting demand.
- Stage 1 of the approved facility (refer to **Figure 1**) has been constructed and operational with a current throughput rate of approximately 280Mlpa which on the basis of current and expected demand will increase to 350-400 Mlpa by mid-2017.
- Construction of Stage 2 of the approved facility (refer to **Figure 1**) is planned for commencement in late 2017 and is expected to be commissioned from mid-2018.

This enables Park Fuels to increase throughput of the facility without the need for additional infrastructure to that approved under PA07_0066.

Proposed Modification

The proposed modification relates to the proposed increase in approved throughput from 577Mlpa to up to between 880 and 980Mlpa. The specific throughput limit will be established through further detailed design and will be detailed in the EA to support the proposed modification.

Relationship to Previous Environmental Assessments

The approved facility was subject to a comprehensive EA that supported the original approval which included detailed studies relating to hazard and risk, noise, air quality, and traffic, in addition to other studies to assess the physical construction of the facility. In addition, the subsequent modifications of PA07_0066 have been supported by targeted impact assessments.

The facility is operated in accordance the Part 3A approval (PA07_0066), as modified including:

- the required management plans and strategies, approved by the Department
- conditions of the approval, including audit processes
- Park Fuels Environmental Management System
- requirements of subsequent approvals including EPL, fire safety and dangerous good handling requirements.

Proposed Approval Path

Approval for the proposed modifications will be sought under Section 75W of the EP&A Act, with the Minister for Planning, the consent authority for the modification application.

Key Environmental and Community Issues

Based on the nature of the proposed modification, and the extensive studies completed to support the original approval, the key environmental and community issues for the proposed modification are considered to be:

- hazard and risk
- road traffic related to increased distribution from the facility
- air quality
- noise.

Table 1 summarises the matters that will be assessed for the proposed modification with comments on the key environmental and community issues. The assessments will be completed and documented in an EA to be submitted to DP&E to support the proposed modification.

Table 1 – Summary of Proposed Assessment Approach

Issue	Assessment Approach	Comments
Hazard and Risk	Review of previous Preliminary Hazard Assessment and SEPP 33 screening.	Previous modification removed the biodiesel plant from the facility. Facility includes receipt, storage and distribution of combustible materials. PHA will also examine management of additives.
Traffic	Review and update of previous traffic impact assessment	Assessment will include updated background traffic and transport assessment and review of additional traffic impacts associated with proposed throughput increase
Noise	Potential noise impacts associated with the increase in throughput will be assessed in the context to the existing approved facility and in accordance with the <i>NSW Industrial Noise Policy</i> (INP).	
Air Quality (odour)	Potential air quality impacts associated with the increase in throughput will be assessed in the context to the existing approved facility and in accordance with relevant guidelines.	
Water Management	No assessment. All controls established in accordance with existing approval and Environmental Protection Licence (EPL)	The construction of facility to date has included the establishment of required water management structures and processes. These processes will be detailed in the EA.
Greenhouse Gases	Quantitative assessment focussing on increased throughput and associated changes to GHG profile	
Waste	No assessment. No change to waste management proposed	
Visual	No assessment. No changes to approved facility proposed	
Ecology	No assessment. No change in approved footprint proposed	
Heritage	No assessment. No change in approved footprint proposed	
Public Safety	Qualitative assessment only	No changes in impacts predicted.
Maritime Safety and Port Operation	Qualitative assessment only	The management of vessels for the delivery of products to the facility is managed in accordance with Port of Newcastle requirements.
Social	Qualitative assessment proposed.	The proposed modification is unlikely to have any observable changes in impact for the local community. There have been low levels of community complaints, with only one received and managed since commencement of operations
Economic	Qualitative assessment only	

Consultation

During the preparation of the EA to accompany the modification application, Park Fuels will consult with relevant Government, non-government and community stakeholders, as necessary.

Timing

Park Fuels anticipates submitting a modification application and accompanying EA to the Department in Quarter 3 2017.

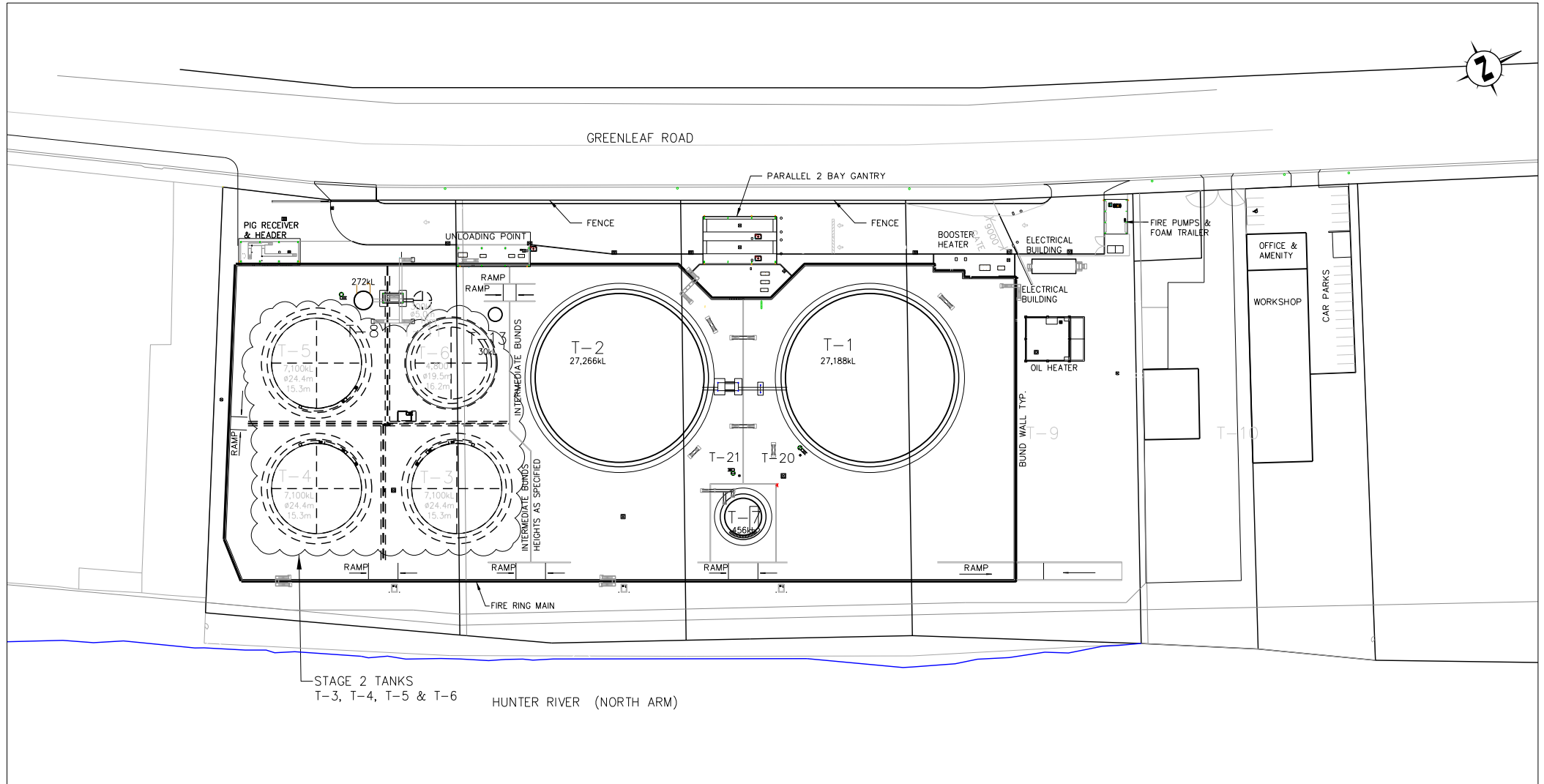
We request DP&E provide a response to this correspondence to confirm the proposed approval pathway and provide feedback on the key issues to be assessed as part of the EA to support the proposed modification.

If you require any further information or wish to discuss this matter, please contact me on 02 4950 3522.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'TC', is positioned above the printed name and title.

Tim Crosdale
Group Manager



Data Source: Park Fuels (2017)

Note: Not to scale

FIGURE 1

Approved Park Fuels Facility
Kooragang Island