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Contact Jenny Smithson



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Dear Fiona

**SECTION 75W MODIFICATION (PROPOSED MOD4)
– JOE WHITE MALTINGS (JWM), MINTO (APPLICATION 08_0157)**

Further to our recent discussions please find attached a completed s75W Modification Application form for the above approved project. Also attached is the required political disclosure form.

Joe White Maltings (now owned by Cargill) are seeking a modification to their Part 3A approval for a malting plant operating at Lot 201 Stonny Batter Road in Minto.

The modification relates only to operational aspects of the plant by seeking to amend the approval to allow all delivery of grain by truck to the site if required. This will require a modification to condition 7 of the approval which allows only 20% of delivery to the site to be by truck with the balance to be by train. The reason for seeking the modification is outlined in more detail later in this letter but in essence it is a contingency modification only. It is to ensure security of supply of product should delivery by train not be possible, viable or available given JWM do not control either the rail network or the intermodal facility which currently provides the rail delivery service.

Background

In May 2009, approval was granted to Joe White Maltings Pty Ltd (JWM) to construct a malt manufacturing and grain packing plant in Minto (Departmental Reference 08_0157). The plant was subsequently constructed and is now operating at capacity.

The original development consent for the JWM facility was granted under Part 3A of the Environmental Planning and Assessment Act 1979 (EP & A Act).

In April 2012, approval was granted to a Section 75W Modification Application for the transport of some goods by truck rather than train (MOD1). In June 2014, approval was granted to a second S75W application for the construction of up to an additional 12 storage silos on the site as MOD2 to the original consent. In June 2015 approval was granted for an office expansion (MOD3).



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Site Location

The site is located at 11 Stonny Batter Road in Minto, approximately 5km north of Campbelltown in Sydney's south western suburbs (refer Figure 1).



Figure 1: Aerial View of the JWM Minto Site Source: NearMap

This location is approximately 50km from the port of Port Botany and has access to the main Sydney to Melbourne railway line via an approved rail siding connecting through the adjoining Macarthur Intermodal Shipping Terminal (MIST) site. The site has access to the Hume Motorway, which is located approximately 7km away. The links to the motorway are predominately via industrial areas and along arterial status roads.

The Proposed Modification (MOD4)

The JWM approval allows up to 130,000 tonnes of barley to be delivered to the Minto site per annum for malt production and up to 140,000 tonnes of other grains to be transported to the site per annum for packaging (270,000 tonnes of grain in total). In reality however, only about a total of 210,000 tonnes of inbound barley and grain come to the site annually.

The original application proposed that all delivery of grain (predominantly barley) to the site and all dispatch of product be by rail as JWM had entered into an agreement with the operators of MIST for this to occur. The plant was therefore approved with a condition requiring all delivery of grain to and all dispatch of product from the site to be by rail (condition 7).

Following establishment of the plant in 2011, JWM became more aware of the logistics of grain movements into Sydney. The grain comes from rural areas across NSW (i.e. southern, northern and central NSW). Not all of these areas have convenient rail access. The exact amount required to be delivered by road was not fully determined. Furthermore the need to dispatch malt to the Tooheys Brewery also not serviced by rail meant a modification was required to enable some dispatch of product from the site by truck. Based on estimated delivery and dispatch requirements at the time, JWM sought



a modification to the approval in 2012 to allow up to 20% of the grain to be delivered to the site by road rather than by rail and up to 20% of the dispatch from the site to also be by road.

Approval to this modification was granted and condition 7 amended to now read as follows:

The proponent shall ensure that the Project:

- a) *does not import more than 54,000 tonnes per annum of grain and barley by road;*
- b) *does not export more than 25,000 tonnes per annum of malt and grain by road; and*
- c) *imports/exports all remaining grain and malting barley via the rail siding to the Main Southern Railway.*

However, in exceptional circumstances, the Proponent may be exempt from these restrictions for short periods with the written approval of the Director-General.

In seeking the 2012 modification to the consent, JWM estimated that, to accommodate the 80%/20% modal split between rail and road then sought for deliveries and dispatch, between 12 to 18 additional truck movements per day in and out of the plant may be required.

On the basis that the original approval assumed limited truck access to the JWM facility, the 2012 modification application was accompanied by a Traffic Impact Assessment (TIA) prepared by Cardno in December, 2011 to assess up to 20% of the dispatch/delivery being by road rather than rail. The findings indicated that, although the existing Pembroke Road/Stonny Batter Road is already operating beyond acceptable levels, the traffic volumes arising from this modification would be only a very minor percentage of existing truck volumes using the surrounding road system (less than 1% of the existing) and the proposal would therefore be insignificant in terms of the impact on the network. The TIA indicated that impacts of less than 5% to volume generally do not require any traffic impact assessment or remediation measures.

Whilst the consent was modified in 2012 to allow a portion of road delivery and dispatch, in the last four years the plant has continued to largely utilise rail rather than road. JWM/Cargill has an operational partnership with their next door neighbour at Minto, Qube who operates the MIST facility which is already a major intermodal hub and there are trucks moving in and out of the area all day to service Qube.

Whilst it JWM's intent that this relationship continue and that rail continue to be the primary mode of transport for deliveries and dispatch, a prudent risk review by JWM has determined that their continued operations are dependent on the continued operation of a third party (Qube) and an ongoing acceptable commercial arrangement between Cargill and Qube. Furthermore, they assume continued access to the rail network, no disruption to ongoing rail operations, and that barley farmers will continue to transport their grain to sites with rail discharge capability. Whilst this is a desirable future scenario, there is no guarantee that it will eventuate. Whilst timely dispatch of finished product is not so critical as there are adequate onsite storage facilities for malt and 20% can be dispatched by road, the ongoing continuous supply of barley and other grain is essential for the plant to continue to operate.

JWM have therefore requested that Cardno seek a modification to their approval to remove any restriction on the volumes of grain that can be delivered to the site by road rather than rail. This will enable JWM to be an independent operation if desired or required if farmers or Qube change their operating conditions or rail access arrangements. Should this not occur, it remains JWM's preferred position to continue to have all delivery and dispatch by rail.

Impacts of the modification

The only perceivable impacts are in terms of the additional traffic and noise impacts associated with the additional truck movements that would be required if all grain was delivered by road.

The site has good access to the regional road network and the Hume Motorway via predominantly arterial roads. It is noted that the following roads, immediately adjacent to the plant, are expected to accommodate the greatest proposed traffic demands generated by the proposed modification:

- Stonny Batter Road.
- Pembroke Road.

The location of these roads relative to the site is shown on Figure 2.

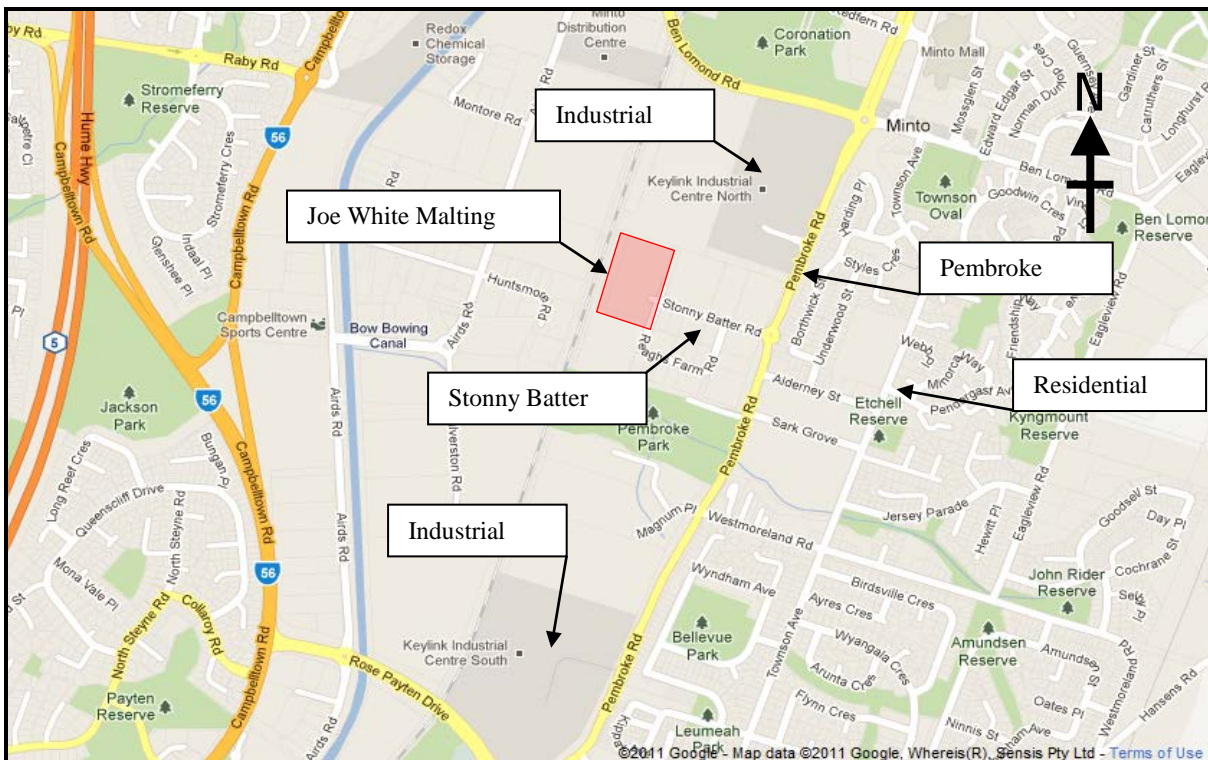


Figure 2: The site in context of local roads

Currently, the Pembroke Road/Stonny Batter Road intersection operates as a three-way roundabout with the major road travelling north-south.

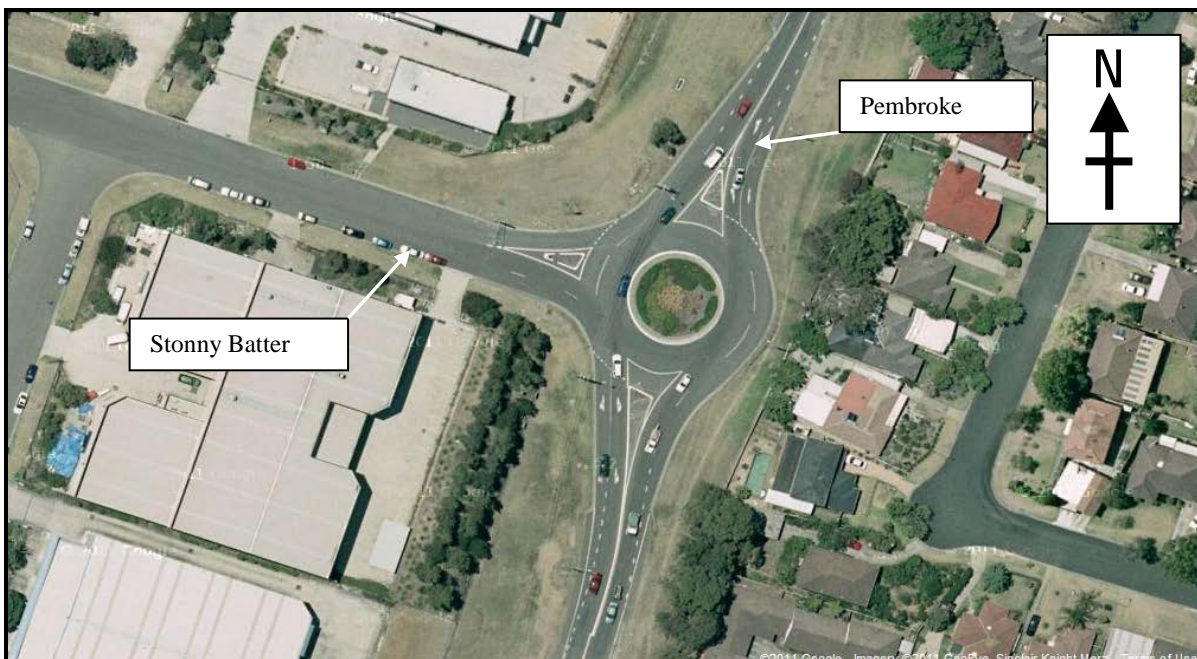


Figure 3: Pembroke Road/Stonny Batter Road Intersection Layout

Cardno's previous TIA indicated that, irrespective of the JWM development, the existing operation of Pembroke Road/Stonny Batter Road intersection exhibited performance levels beyond the acceptable roundabout capacity limit with delays and queuing during existing peak hour conditions likely to occur.

Suggested upgrades for the Council to consider were to upgrade the existing roundabout configuration to a three-way signalised arrangement. This arrangement would assist in improving intersection performance by providing a priority to each movement through the signal phasing.

As the additional truck demand to transport grain into and export malt from the plant proposed in 2012 was less than 2% of the existing traffic demands, no assessment of the development impact was undertaken. Additionally, due to the truck movements being less than 2% of the existing demand, no operational infrastructure upgrades associated with this increase were required by the development.

In supporting the 2012 modification to allow 20% delivery and dispatch by road, the Department noted that the estimated increase in truck traffic was not significant and would not result in any queuing on public roads. Nevertheless to ensure there were no adverse impacts on any residential areas in the vicinity or residents along access roads outside the industrial area, particularly in terms of additional noise, a condition was imposed on the 2012 modified approval requiring JWM to implement an Operational Traffic Management Plan to ensure:

- Any traffic impacts on the surrounding network are minimised
- There is no queuing on public roads
- The delivery/dispatch did not occur at night except due to circumstances beyond JWM's control.

With these conditions, the Department was satisfied that any increase in background noise levels would be negligible. The Department also concluded at that time that allowing some delivery and dispatch by road would be unlikely to have any environmental impacts beyond the approved facility and would allow flexibility in the transport of grains and products for regional customers/clients and support regional businesses.

JWM accepted the additional 2012 conditions and requirements which would equally apply to the modifications now sought to allow up to 100% of delivery and 20% of dispatch to be by road. The balance dispatch will continue to be by rail.

The modification proposes to generally retain the existing access arrangements on site with the Stonny Batter Access designated for cars and delivery vehicles. It is proposed that all Articulated Vehicles will access the plant via the holding area located at the northern end of Regents Farm Road.

In the event that operations do switch to all delivery of barley and grain by road rather than rail, up to 270,000 tonnes of barley/grain could be delivered by road per annum under the current approval. Of this, approval already exists for 54,000 tonnes to be delivered by road meaning a further 216,000 tonnes being potentially delivered by road. In reality however, current operations, which are at capacity, require only 210,000 tonnes of grain per annum meaning a further 156,000 tonnes potentially coming by road in the future.

Cardno's TIA assumed that Articulated Vehicles (AV) will be utilised to transport all malt and grain material. According to AV specifications each grain delivery vehicle has a load capacity of 42-44 tonnes. Based on this, if all of the grain was delivered by truck under a worst case scenario of the approved maximum amount of grain being delivered per annum (rather than the reduced amount actually being delivered), the required amount of trucks to transport grain to the site is estimated as follows:

$$\text{Annual Grain Truck Requirement} = 270,000 \text{ tonnes of grain (by road)} / 42 \text{ tonnes AV capacity} = 6,429 \text{ Articulated Vehicles annually for Grain import}$$

Therefore the total amount of trucks required for grain delivery per year under the approved grain limit is 6,429 trucks. Approval has already been granted for 1,350 grain trucks per annum (20% of deliveries)



resulting in an additional 5,079 vehicles above those already assessed and approved if the maximum approved amount of grain was delivered each year to the site.

In reality however, only 5,000 trucks would be required based on the actual (reduced) amount of grain received per annum equating to an additional 3,650 trucks in addition to those already approved. Approval has also been given to allow a further 1,250 truck movements associated with dispatch of finished product (malt).

For a conservative assessment, to determine the required number of trucks each day, the annual truck requirement is distributed over the number of working days for a seasonal year (ie following harvests). It is assumed for the purposes of this assessment that a seasonal year equates to 260 working days.

The daily additional truck requirement based on the worse case approved grain tonnage for the balance 80% delivery by truck is calculated as follows:

Daily Grain Truck Requirement = 5,079 Articulated Vehicles / 260 working days = 19.6 Articulated Vehicles daily for additional 80% Grain import + 4.9 Articulated Vehicles daily for 20% Grain import already approved + 4.8 Articulated Vehicles daily for 20% malt dispatch already approved

Total Truck Requirement based on approved operations = 29.3 Articulated Vehicles/day

The 2012 approval permitted 9.7 Articulated Vehicles/day meaning an additional 19.6 Articulated Vehicles per day would be using the road network if all grain deliveries were by truck and 20% of malt dispatch was by truck. This calculation is conservative as operations may occur during weekend times. Additionally, should trucks distribute over a full year (12 months) the daily truck requirement would reduce by up to a half.

As calculated, around 30 Articulated Vehicles are required to transport grain and malt material to/from the site if JWM operated in accordance with the maximum approved inbound grain volume and all grain deliveries and 20% of malt dispatch was by truck (equates to 60 total trips) per working day which represents a 'worst case scenario'. The current approval already allows 10 Articulated Vehicles meaning there will be an increase of up to 20 additional trucks. Assuming an even distribution of trucks enter and exit the site per day (60 trips), it is estimated that 3-4 trucks will be evident during each AM and PM peak hours (30 trucks / 8 hours per day for both an in and out movement). This would be an increase of 2-3 trucks over what has already been approved (1-2 trucks for each peak period).

However, as indicated, the actual amount of inbound grain per annum required to operate at capacity is some 60,000 tonnes less grain than the approval allows, meaning the number of trucks required to deliver the actual, rather than approved, amount of grain per annum is even less than the worst case scenario assessed. Based on the actual volume of grain delivered, the number of trucks would be as follows:

Daily Grain Truck Requirement = 3,650 Articulated Vehicles / 260 working days = 14.1 Articulated Vehicles daily for additional 80% Grain import + 4.9 Articulated Vehicles daily for 20% Grain import already approved + 4.8 Articulated Vehicles daily for 20% malt dispatch already approved

Total Truck Requirement based on actual operations = 23.8 Articulated Vehicles/day

The current approval already allows 10 Articulated Vehicles meaning there will be an actual increase of up to 14 additional trucks. Assuming an even distribution of trucks enter and exit the site per day (48 trips), it is estimated that a maximum of 3 trucks will be evident during each AM and PM peak hours (24 trucks / 8 hours per day for both an in and out movement). This would be an increase of 2 trucks over what has already been approved (and a maximum of 1 truck for each peak period).



It is considered that, in a heavy industrial estate with access to the site primarily by arterial road other than within the industrial estate itself, the expected amount of additional traffic generated from the site over what has already been approved is minor (1 truck each peak hour based on actual operational traffic estimates and up to 4 trucks if the maximum under the approval occurred). It results in a demand of less than 5% of existing background traffic volumes, therefore no road network assessment to determine the development impact has been undertaken.

Given the traffic assessment findings show an insignificant level of impact on traffic volumes associated with the modal shift for delivery/dispatch now proposed by JWM, we believe the modification sought will not have any discernible adverse environmental impacts, and approval to the amended condition is sought accordingly. JWM will continue to comply with the condition requiring ongoing implementation of an Operational Traffic Management Plan which requires no queuing and no night deliveries.

The modification is only sought to provide JWM/Cargill a degree of security that their continued and ongoing operation is not subject to reliance on a sole third party transport provider or the uninterrupted access to and operation of rail only. The plant is operating at full capacity and is a significant customer for NSW barley farmers and a major malt supplier to Australian breweries. The nature of its operation is such that any disruption in production can have dire consequences for the ability to recommence operations and access to alternative secure forms of transport for product delivery and dispatch is therefore a critical and justifiable risk strategy measure for JWM to take. Accordingly deletion of condition 7 is sought to enable supply of barley by road rather than rail should that be required for the ongoing viable operation of the plant.

Thank you for your attention to this matter. If you have any queries or require additional information, please do not hesitate to contact me.

Yours faithfully

A handwritten signature in black ink, appearing to read "J. Smithson", written over a light grey circular stamp.

Jenny Smithson
Senior Principal – Planning
for Cardno
Enc.
Cc Mr Peter Youil – JWM