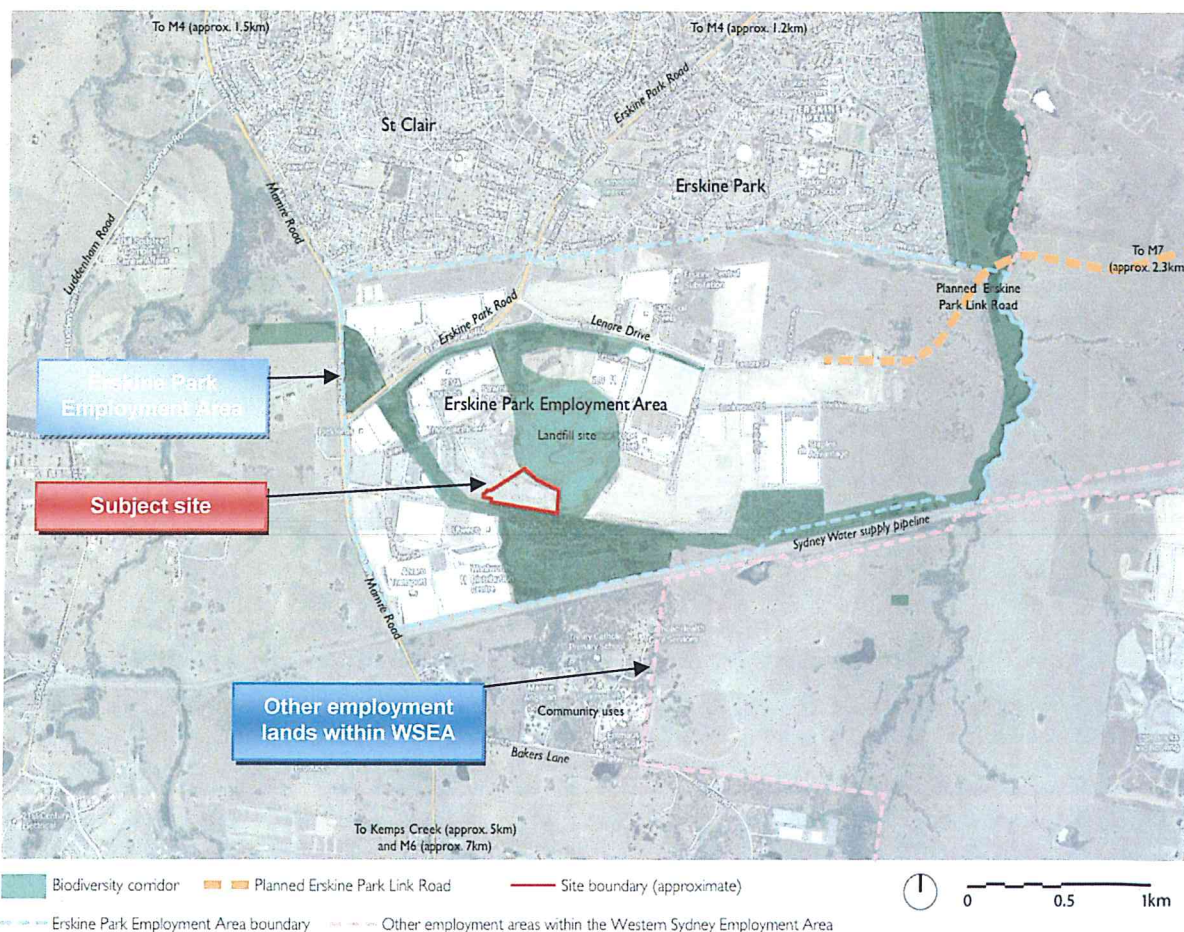


ASSESSMENT REPORT

Section 96(1A) Modification Milk Processing Facility (SSD 6026 MOD 1)

1. BACKGROUND

On 17 December 2013, Murray Goulburn Cooperative Co. Limited (**MGC**) received Ministerial consent to construct and operate a \$64.88 million milk processing facility on an industrial site at Erskine Park. The site is located within the Erskine Park Employment Area, which forms part of the Western Sydney Employment Area (WSEA) and it is close to the M4 and M7 motorways and the Coles distribution centre at Eastern Creek. The nearest residences are about 800 metres (m) to the south and west of the site (see **Figure 1**).



THE SITE AND WIDER CONTEXT (adapted from Google Earth)

Figure 1: Locality Map

MGC recently entered into a 10 year partnership with Coles Supermarkets for the supply of daily pasteurised milk for both the Coles and Devondale brands. The milk processing facility is presently under construction with a view to commence supply from July 2014.

Under the Ministerial consent, the milk processing facility involves:

- annual processing of up to 150 million litres of raw milk;
- 24 hour, 7 day operation; and
- installation of refrigerated milk silos; a pasteurising system with a 'clean in place' hygiene system; a wastewater treatment system; and a gas fired energy centre.

Relevantly, the pasteurisation process requires steam, which is to be generated in gas boilers. The approved project includes a natural gas supply from the gas pipeline network, which is to be extended by Jemena (an energy company), along Quarry Road to the site.

The approved project briefly referred to the possibility of installing temporary bottled Liquid Natural Gas (**LNG**) supply should the natural gas pipeline not be extended in time to commence production in July 2014. Jemena has recently confirmed to MGC that it is unable to complete the pipeline extension until the last quarter of 2014.

2. PROPOSED MODIFICATION

The proposed modification is described in detail in the MGC's Environmental Impact Statement (**EIS**), which is attached at **Appendix B**. The modification involves installing a temporary (6-month) bottled gas supply on the site. The supply of gas is essential to enable the facility to be commissioned and for the initial 6 months of production. The gas supply includes:

- installation of an 80,000 litre, 19m high, steel LNG tank on a 16m by 16m concrete slab in the south west corner of the site, 8.2m from the Quarry Road frontage (see **Figure 2**);
- twice weekly filling by road tanker;
- a new location for the approved fire water tanks and fire pumps;
- decommission and removing the tank after a period of approximately 6 months; and
- landscaping the area from where the tank has been removed.

3. STATUTORY CONSIDERATION

3.1 Authority to determine

The consent for the milk processing facility was granted under Part 4, Division 4.1 of the *Environmental Planning and Assessment Act 1979* (**the Act**). Therefore, the Minister for Planning is the approval authority for the modification. Under the Minister's delegation of 14 September 2011, the Director, Industry, Key Sites & Social Projects may determine the application as the applicant has not disclosed any political donations, and there were no objections.

3.2 Modification

The department considers that the application can be characterised as a modification to the original development consent and that it satisfies the matters for consideration in section 96(1A) of the Act for a modification involving minimal environmental impact. In this regard, the department notes that there is no material change to the general layout of the development, or the nature and capacity of processes to be carried on within the site.

3.2 Consultation

The modification application was made publically available on the department's website. The department also invited submissions from the Environment Protection Authority (**EPA**) and Penrith City Council (**Council**). Consultation with other agencies and adjoining landowners was considered to be unnecessary due to the relatively minor nature of the proposal. Submissions from the EPA and Council are attached at **Appendix C** and the issues raised are summarised below.

EPA advised that it had no comments in regards to the proposed modification.

Council provided the following comments:

- consent for the temporary LNG tank should be limited to a maximum of 12 months and once the structure is removed the land should be landscaped; and
- the LNG tank should be constructed out of non-reflective materials and the external colour of the LNG should complement the buildings on site.

No public submissions were received in relation to the modification.

5. ASSESSMENT

In its assessment of the modification, the department has considered the following:

- the documents accompanying the modification application (see **Appendix B**);
- submissions made in respect of the modification (see **Appendix C**); and
- the (then) Director-General's assessment report for the original development application.

In the department's view, the main issues for assessment of the proposed modification are hazards and risks, traffic, noise and visual impacts.

5.1 Hazards and risks

The hazard and risk conditions in the existing development consent were based on the Preliminary Hazard Analysis (PHA) included with the original development application. The existing conditions require MGC to submit a number of detailed plans and studies, which elaborate on the PHA and ensure the ongoing management of risks associated with the storage and use of hazardous materials throughout the life of the facility.

LNG is liquefied flammable gas kept in cryogenic conditions. Therefore the proposed LNG facility requires a hazard and risk analysis. While a PHA has not specifically been carried out for the proposed LNG facility, the applicant has submitted to the department drafts of a number of the detailed plans and studies required to satisfy the existing hazard and risk conditions. In particular, in addition to the dealing with the requirements for the original development, the draft Final Hazard Analysis (FHA) demonstrates that the incremental off site risk from the development due to the LNG facility satisfies the relevant risk criterion for the surrounding land uses.

While these documents remain in draft form for the time being, and may require minor amendments to be fully complete, the department believes that there is sufficient information relating to the proposed LNG tank in the draft FHA to address the risks associated with the proposed LNG facility and conclude that its installation will not pose unacceptable risks for the surrounding land uses. Consequently, the department recommends conditions that require final versions of these documents to be approved before the LNG facility is commissioned.

5.2 Other

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

Table 1: Assessment of Other Issues

| Issue | Consideration | Recommendation |
|-----------------|---|-------------------------------------|
| Traffic impacts | <ul style="list-style-type: none">• The approved milk processing facility has a relatively low level of heavy vehicle traffic generation.• The department's original assessment report found the facility's traffic would be easily accommodated on the surrounding road network because of the higher design traffic rate used in the strategic planning for the area.• The LNG tank will be required to be re-filled twice a week by a road | No additional conditions necessary. |

| Issue | Consideration | Recommendation |
|----------------|--|--|
| | tanker and the department is satisfied that this would have a negligible impact on the road network and traffic safety. <ul style="list-style-type: none"> Council did not raise any traffic impact issues. | |
| Noise impacts | <ul style="list-style-type: none"> The existing consent includes noise limits and other related conditions for the original development. The conditions were based on an assessment of the proposal under the <i>Industrial Noise Policy (INP)</i>. Residential receivers are quite remote from the site. The noise impact assessment for the original development application found the development could easily comply with INP criteria. Noise impacts from filling and operation of the LNG tank are not expected to be significant and should be well accommodated within noise limits in the existing consent. Any ongoing compliance issues could be adequately resolved with the implementation of audit and review conditions in the existing consent. | No additional conditions necessary. |
| Visual impacts | <ul style="list-style-type: none"> While quite prominently located adjacent to the street frontage of the proposed development, the visual impacts associated with the tank are expected to be minimal. In the wider public domain, the LNG would appear as an industrial feature in an industrial landscaped, and in any case would be removed once a permanent gas supply has been provided. The nearest residences are 800m away to the south and west and are unlikely to sustain significant visual impacts. Council requested that consent for the temporary LNG tank should be limited to a maximum of 12 months, after which time the tank should be removed and the area landscaped. The Department agrees that a 12 month limit of approval is appropriate. Council requested that the LNG tank be non-reflective and coloured to compliment the buildings on site. However, the LNG tank is required to be white to comply with safety standards. The cylinder colour is a secondary means of identifying its contents and hazard profile. In any case, the tank is only temporary, and for these reasons the Department does not believe that the tank should be painted to complement the adjacent buildings. | Conditions require the applicant to: <ul style="list-style-type: none"> remove the tank by the end of July 2015; and landscape the area. |

6. CONCLUSION

The department has assessed the modification in accordance with the requirements of the Act. The assessment has found that the proposed LNG tank and other components of the proposed modification can be carried out with minimal additional environmental impact, and without materially changing the nature of the approved development.

In addition, approval of the modification would allow MGC to commission the approved facility in time to satisfy its contractual obligations to commence the supply of milk in July 2014. The employment and productivity resulting from avoiding delays associated with the installation of a permanent gas line are considered to be in the public interest. Consequently, the department believes the proposed modification should be approved subject to the conditions set out in the recommended notice of modification at **Appendix A**.

7. RECOMMENDATION

Under delegation of the Minister, it is **RECOMMENDED** that the Director – Industry, Key Sites & Social Projects:

- approve the modification application under section 96(1A) of the Act; and
- sign the attached instrument (**Appendix A**).


 Chris Ritchie
Manager
Industry, Key Sites and Social Projects

13/6/14.


 Daniel Keary
Director
Industry, Key Sites & Social Projects

13/6/14

Kate Masters
Senior Planner

APPENDIX A – NOTICE OF MODIFICATION

Notice of Modification

Section 96(1A) of the *Environmental Planning and Assessment Act 1979*

As delegate of the Minister for Planning, I modify the development consent referred to in Schedule 1, as set out in Schedule 2.


Daniel Keary
Director
Industry, Key Sites & Social Projects

Sydney

13th JUNE

2014

SCHEDULE 1

The development consent (SSD 6026) granted by the Minister for Planning and Infrastructure for the construction and operation of a milk processing facility on 17 December 2013.

SCHEDULE 2

1. In the definitions delete the definitions for Department, Director-General and Minister, and insert the following definitions in alphabetical order:

| | |
|--------------|--|
| Department | Department of Planning and Environment, or its successor |
| LNG Facility | Liquid Natural Gas Facility described by modification application SSD 6026 MOD 1 |
| Minister | Minister for Planning, or delegate |
| Secretary | Secretary of the Department, or nominee |

2. Delete all references to Director-General and insert instead Secretary.
3. In condition 2 of Schedule 2, delete conditions (d) and (e) and insert the following:
 - (d) SSD 6026 MOD 1 and the report titled "*Section 96(1a) Modification Application Milk Processing Facility 111-113 Quarry Road, Erskine Park*", dated March 2014 and prepared by Urban Concepts;
 - (e) the plans and elevations in Appendix B except as modified by the plans in Appendix B1; and
 - (f) the conditions of this consent.
4. Insert the following after condition 6 of Schedule 2:
 - 6A. By the end of August 2015 the Applicant shall to the satisfaction of the Secretary decommission and remove the LNG facility and landscape the area.
5. Insert the following after condition 28 of Schedule 3:

LNG Facility

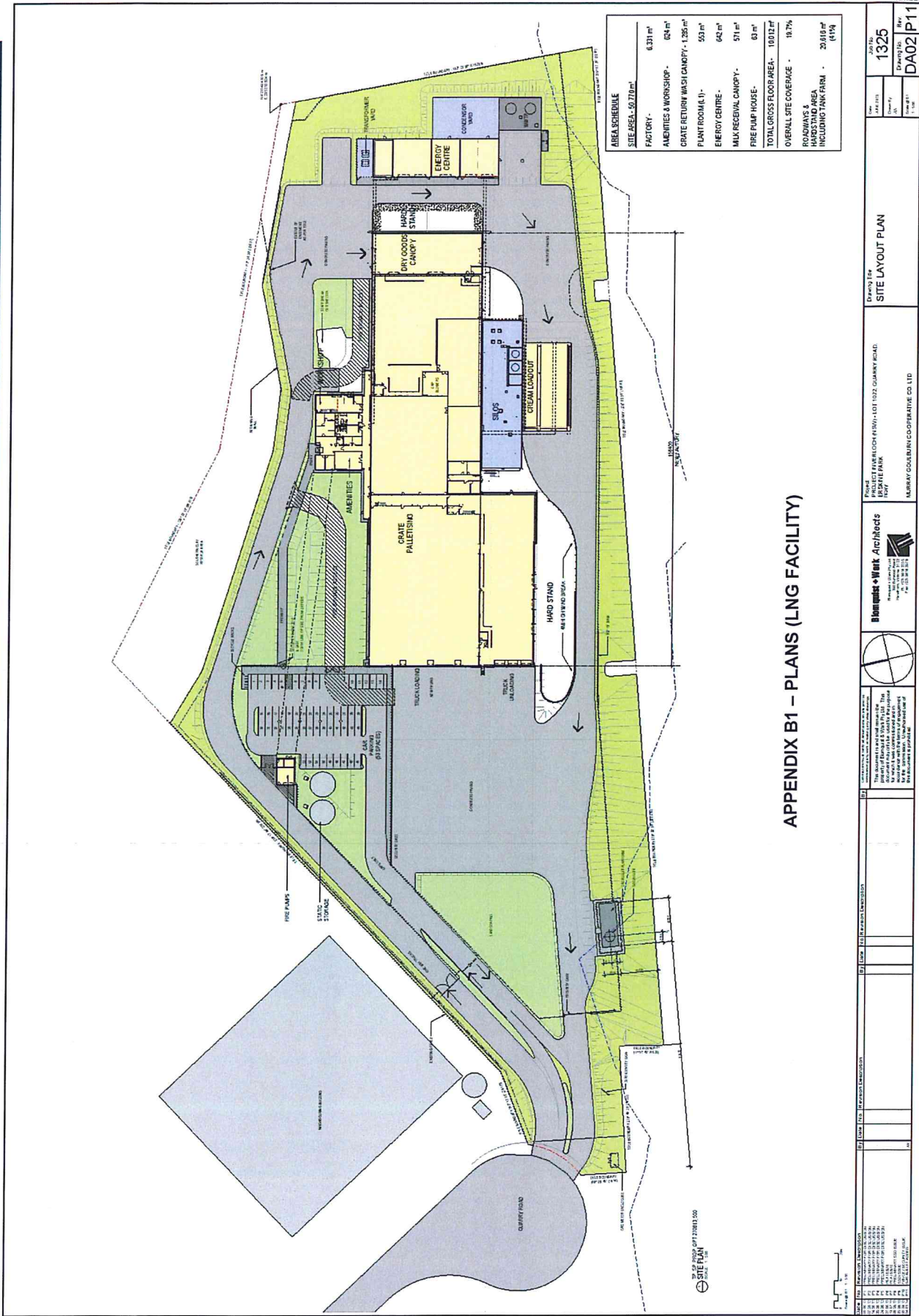
- 28A. Prior to commissioning the LNG facility, the Applicant must obtain the Secretary's approval of the following plans and studies:
 - (a) a revised Fire Safety Study incorporating the LNG facility;
 - (b) a Hazard and Operability Study for the LNG facility
 - (c) a revised Final Hazard Analysis incorporating the LNG facility
 - (d) a revised Emergency Plan incorporating the LNG facility; and
 - (e) A revised Safety Management System incorporating the LNG facility.

Note: At the time of determination of MOD 1 the Applicant had submitted a number of documents purporting to satisfy the requirements of this condition. These documents are under review by the Department and may require amendments before they are finally endorsed by the Secretary under this condition.

6. Insert the following condition after condition 31 of Schedule 3:

31A. The LNG facility must be audited as part of the required Hazard Audits set out in condition 31 above if it remains in use at the time that the Hazard Audits fall due.

7. Insert the following after Appendix B:



| | |
|--------------|---|
| Project Name | PROJECT PERIOD (PMU) - LOT 1022, QUARRY ROAD, PORTER PARK |
| Client | MURRAY GOULBURN CO-OPERATIVE CO. LTD |
| Architect | Bloomfield + Watt Architects |
| Scale | 1:100 |
| Sheet No. | DA02/P11 |
| Drawing No. | 1325 |
| Project No. | |
| Revision | |
| Author | |
| Checker | |
| Approver | |

