

28 January 2016

Planning Services
Department of Planning and Environment
GPO Box 39
SYDNEY NSW 2001

Your ref: SSD 7264

Attention: Chris Ritchie, Director – Industry Assessments

Dear Mr Ritchie

**TQ Holdings Australia Pty Ltd Port Kembla Bulk Liquids Terminal (SSD7264)
State Significant Development Application Submission**

Thank you for the opportunity to express our views on the proposed State Significant DA (Application Number: SSD 7264) (**the DA**). GrainCorp Operations Limited (**GrainCorp**) would like to take this opportunity to outline its concerns with the DA and the limited extent of documentation submitted in support of the proposed works. Relevantly, GrainCorp is of the opinion that the supporting documentation contains a number of critical omissions. The Department of Planning and Environment (**the Department**) is requested to require the Applicant to address and respond to the matters raised in this submission before progressing the assessment of the DA. Furthermore, the Department is requested to provide GrainCorp with the opportunity to review and comment on additional information submitted by TQ Holdings Australia Pty Ltd (**TQ Holdings**) in response to the matters raised herein before progressing the assessment of the DA.

As required by the Department, we take this opportunity to disclose that GrainCorp has not made any reportable political donations in the last two years.

Staging Approval

Clause 2.5 refers to staged development and suggests that approval has already been granted for Stage 1a. GrainCorp disputes this claim given the vastly different proposals. The original Project Approval (Application Number: 08_0083) (**Original DA**) included a ship unloader on Berth 104 with the addition of a discharge point in a later amendment. Consultation at the time (appendix 3.2 Approval No. 08_0083) was as follows:

M. Jelbart (GrainCorp) asked what the impact of the of the liquid bulk unload facilities would be with regards to the utilisation of Berth 104. E. Dutton (NBL) advised that the liquid bulk unload facilities will be used to bring in biodiesel for distribution during construction of the main

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production facilities. The associated number of vessel movements at this time would be a fraction of the agreed and approved amount when the main production facilities are in operation. Once the main production facilities are operational, NBL will be producing biodiesel on site and there will no longer be any need to bring in biodiesel for distribution, so there will be no change in the agreed and approved amount of vessel movements when the main production facilities are in operation

This clearly indicates that any impact on GrainCorp's utilisation of Berth 104 would be minimal and temporary; ending on completion of the facility. GrainCorp relied on this when deciding not to pursue NBL's use of an alternate berth for the discharge point. However the DA indicates that 230 million litres per annum of biodiesel will be discharged from Berth 104.

The Original DA also cited that discharge would be a combustible C1 biodiesel. The DA includes the discharge of significant quantities of class 3 dangerous goods.

Given that the above assurances from the Original DA are vastly different from the DA, GrainCorp respectfully requests that the Department advise TQ Holdings that approval to commence Stage 1a is not provided by the Original DA and that the commencement of work on the project is to be held in abeyance pending determination of the DA.

GrainCorp wishes to understand the full impact on their business of this significant change to the development from the Original DA to the DA. Engagement with GrainCorp under the Original DA has not addressed the significant and ongoing berth and wider business impacts sufficiently and has not addressed the class, proximity and quantity of fuel storage. The Original DA was for a single ship unloader rather than 4 unloading arms. As noted above, consultation was explicit around this being a short term arrangement and this was the basis of our verbal agreement. The proposed loading arm is vastly different from what was suggested under the Original DA and thus exposes GrainCorp and other operators to different risks, both safety risks and operational risks. Examples of these are provided below.

Business Impact

The potential impact to the GrainCorp business is unclear in the proposed DA. Clause 2.1 suggests compatibility with nearby businesses however given the flammable nature of the products and potential isolations required when discharging at berth, the extent of the impact is unclear. There has been minimal consultation to date with regard to isolation requirements and again, An AS3846 (The Handling and Transport of Dangerous Cargoes in Port Areas) compliance review should be provided and should identify potential impacts and modifications required to GrainCorp's assets and operational activities near the berth location due to the presence of large fuel ships and associated infrastructure. GrainCorp respectfully requests that approval for the DA is withheld until TQ Holdings has fully articulated these issues and demonstrated that there will be no impact on GrainCorp's pre-existing use of the site. Development documentation states that TQ Holdings will rely on the Port Authority of NSW – Port Kembla PIRMP for berth operations. Given the significant change in operation at the berth that will result from the proposal, we believe that this is inadequate and requires review or a separate PIRMP.

Proximity of flammable tanks and bunds to other GrainCorp assets

Class 3 tank and/or bund locations may necessitate GrainCorp plant isolations and /or asset modification (e.g. intrinsically safe electrics conversion and constraint on vehicles on road to berth). A professional peer review of the development PHA recommends that more information is required to make a better informed assessment of potential impacts, namely:

- 1) Provide plot plan overlays of thermal radiation impact zones at 12.6kW/m² and 23kW/m² for fire incidents from tank top and bund fires related to loss of containment events for flammable and combustible liquids. Show the location of assumed fire centres and the associated pool diameters of the major fires.
- 2) Provide plot plan overlays of isopleths for major flammable liquid evaporation and dispersion events for F2 conditions. Show both LFL and ½ LFL isopleths.
- 3) Provide justification for the use of TNO failure frequency data (5×10^{-6} per year) for “major” losses from large storage tanks, compared with the UK HSE value of 100×10^{-6} per year as seen in reference 17 of the PHA.

This will help understand the possible implications of key incidents and some assumptions on nearby GrainCorp plant and operations.

Lease

Site 3 includes a sediment pit currently used by GrainCorp as an exit point for licenced stormwater discharges. The impact of the proposal to this area and alternative discharge areas is not explained within the DA submission and as such GrainCorp is unable to adequately assess the potential impact to our operations.

GrainCorp’s lease boundary extends north of the Berth 104 Access Bridge, overlapping with one of the TQ lots.

Both of these issues will require consultation and approval from GrainCorp before proceeding.

Traffic

It appears that the baseline traffic count does not take into account variation with grain harvest seasons. By averaging the fuel throughput rather than more accurately reflecting variability in both fuel and grain traffic, we believe the traffic modelling is not representative of and potentially underestimates the true potential impact to our operation. Similarly, offsite truck queuing is not addressed within the documentation provided nor does it include the intersection at Tom Thumb Road and Morton Way which the DA suggests is a major truck access point (refer to page 33). Consequently, we consider that further traffic modelling is required in order to determine the potential impact of the proposed DA on traffic flows throughout the local and regional road network.

Construction

In the event, the project is ultimately approved, the construction hours should not impact GrainCorp’s operations and quiet enjoyment of leasehold land and berth during shipping activities. We request that construction activities be required to cease while GrainCorp is loading and unloading.

Concluding Remarks

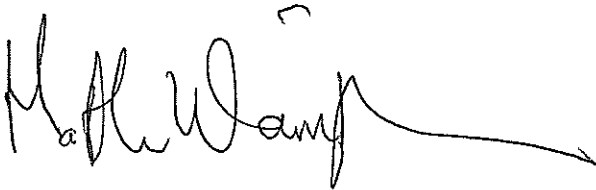
While the above safety and operational issues are of upmost importance, we also note that no consultation has been made on the commercial impacts of using shared infrastructure such as the fire system on Berth 104 and power source for Morton Way; both of which are currently maintained and operated by GrainCorp. We would seek cost recovery for any shared use.

As emphasised throughout this submission, the Department is respectfully requested not to progress the assessment of the DA until the matters raised are addressed and resolved to GrainCorp's satisfaction.

GrainCorp reserves the right to make further comment on any additional information submitted by TQ Holdings.

I look forward to your response to the above issues and working together to achieve a mutually satisfactory outcome.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Matthew Warrington', with a long horizontal flourish extending to the right.

Matthew Warrington

General Manager – Supply Chain
GrainCorp Operations Limited