



Port Kembla Gas Terminal Modification 5

Offshore dumping of dredged material
State Significant Infrastructure Modification Assessment
(SSI 9471 MOD 5)

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Cover image: *FRSU and LNG Carrier at berth, image provided by Australian Industrial Energy*

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1 Introduction

1.1 Background

In April 2019 Australian Industrial Energy (AIE) received approval from the then Minister for Planning and Public Spaces to develop the Port Kembla Gas Terminal (the project), a liquefied natural gas (LNG) import terminal to be located in Port Kembla, south of Wollongong (see **Figure 1**).



Figure 1 | Regional Context Map (Source: AIE)

The project involves the:

- demolition of an existing wharf in Port Kembla;
- construction of a new wharf, wharf facilities and a 6.3 kilometre (km) underground gas pipeline connecting the berth to the existing east coast gas network operated by Jemena; and
- operation of a permanently moored vessel known as a floating storage and regassification unit (FSRU) that would receive and store shipments of LNG and convert the LNG to gas for direct distribution into the gas pipeline.

Demolition of the existing wharf involves excavating the wharf and dredging the adjacent harbour bed to accommodate the FSRU and LNG carriers, and the project approval currently allows AIE to transport and dump the excavated material by barge to an emplacement cell in the Port Kembla outer harbour.

However, there is some uncertainty about the bulking factors of the excavated and dredged materials and the capacity of the emplacement cell to accommodate all the material. Consequently, AIE is seeking to modify the infrastructure approval to allow some of the material to be transported to an offshore sea dumping site.

1.2 Approval history

The infrastructure approval has been modified on three occasions. The first modification increased the annual gas supply rate from the FSRU from 100 petajoules (PJ) per year to 115 PJ per year. The second modification updated the compliance reporting requirements to reference contemporary reporting guidelines. The third modification was administrative, involving an addition to the schedule of land.

AIE has also lodged a scoping report for a proposed modification to change the pipeline operating pressure, odorant volumes and cold venting (modification 4). Preparation of the modification report for that modification is underway, however AIE is seeking approval for the current modification (modification 5) in the meantime.

2 Proposed modification

The modification proposes to allow transport of up to around 50,000 cubic metres of spoil material by barge to an offshore dumping site located approximately 8 km to the south-east of the harbour. The site is already used as a sea dumping site. **Figure 2** shows the location of the dumping site, identified in the figure as spoil ground C1.

Dumping at sea is only proposed as a contingency option in the event that the emplacement cell in the outer harbour cannot accommodate all the material. The emplacement cell in the outer harbour has been designed to allow for the safe disposal of contaminated soils and acid sulphate soils and would continue to be used as the preferred dumping site.

The modification only involves the *transport* of the material to the sea dumping site. As the dumping site is located within Commonwealth waters, the dumping of the materials must be approved by the Commonwealth Department of Climate Change, Energy, the Environment and Water (DCCEEW). AIE has sought separate approval from DCCEEW to undertake the dumping and this aspect is not considered in the Department's assessment. The modification is described in detail in the accompanying modification report (see **Appendix A**).



Figure 2 | Location of sea dumping site

3 Statutory context

3.1 Scope of modifications

On 19 June 2018, the former Minister for Planning determined that the Port Kembla Gas Terminal was essential to the State for economic reasons because it would potentially supply over 70% of the State's total gas demand and increase the security, reliability and affordability of gas in NSW. Accordingly, the Minister made an order declaring the project to be State significant infrastructure and Critical State significant infrastructure under sections 5.12(4) and 5.13 of the EP&A Act.

On 24 April 2019, the then Minister for Planning and Public Spaces approved the project under section 5.19 of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

AIE lodged this request to modify the approval pursuant to section 5.25 of the *Environmental Planning and Assessment Act 1979* (EP&A Act) on 2nd September 2022.

3.2 Delegated authority

The Minister for Planning is the approval authority for the modification under Section 5.25 of the EP&A Act. However, under the Minister's delegation dated 9 March 2022, the Director, Resource Assessments may determine the modification application as AIE did not make a political disclosure, Wollongong City Council did not object to the project, and there were no objections to the modification from the public.

3.3 Biodiversity Development Assessment Report

Section 7.17 of the *Biodiversity Conservation Act 2016* specifies that if the approval authority is satisfied a modification would not increase the impact on biodiversity values, a Biodiversity Development Assessment Report (BDAR) is not required.

The Department's assessment concluded that there would be no increase on impacts to biodiversity values and therefore a BDAR is not required.

3.4 Commonwealth Sea Dumping Permit

Dumping at sea would require a Sea Disposal Permit issued under the Commonwealth *Environment Protection (Sea Dumping) Act 1981*. DCCEEW is currently assessing an application for a Sea Disposal Permit for the project.

4 Engagement

4.1 Department's engagement

Under section 5.28(1)(g) of the EP&A Act, the Planning Secretary is required to make requests for modification of approvals determined by the Minister publicly available. Accordingly, the Department made the modification request publicly available on its website between 14th September to 29th September 2022. The Department did not receive any public submissions.

The Department also notified Wollongong City Council, NSW Department of Primary Industries (DPI Fisheries), the Environment Protection Authority (EPA), the Harbour Master, the Port Authority of NSW (PANSW) and the Commonwealth Department of Climate Change, Energy, the Environment and Water (DCCEE) of the modification.

The EPA noted that it had previously provided comments directly to AIE, which were addressed in the modification report. DPI Fisheries and Wollongong City Council noted the need for a Commonwealth sea dumping permit.

No other agencies commented on the modification request, and the Department did not receive any public representations.

5 Assessment

The modification involves a change to the barge transport routes, which would travel from the dredging site to the offshore sea dumping site instead of from the dredging site to the emplacement cell in the outer harbour.

This is a longer distance (8-10 km) and would result in a small increase in air emissions associated with additional fuel use. It would also marginally increase the risks of accidental fuel/oil leaks or spills or impacts on marine life (such as by collision with megafauna or noise impacts).

However, the amount of material likely to be needing to be transported the extra distance is a relatively small proportion of the total material being handled (50,000 cubic metres out of around 720,000 cubic meters).

No changes are proposed to the overall number or size of the barges that would be used for transporting the material (around 4 to 6 vessel movements per day). Around 50 barge trips would be required to travel the extra distance to the offshore dump site and it is expected that this would take around two weeks (spread between October 2022 and the end of March 2023).

All barges would continue to be operated under a Port Operations Management Plan prepared in consultation with the Port Authority of NSW Harbour Master, and navigation into and out of the harbour would be regulated by Port Authority of NSW Harbour Master.

Dumping at sea is only proposed as a contingency option in the event that the emplacement cell in the outer harbour cannot accommodate all the material, and the sea dumping site would only be used to dump naturally occurring geological materials that have not been previously disturbed by harbour activities.

Based on the above, the Department considers that any increase in impacts would be very minor compared to the project as a whole and can be managed under the existing conditions of approval.

The Department also considers that the modification would ensure the construction of this critical state significant infrastructure can proceed without delay.

Accordingly, the Department recommends the modification be approved, and has drafted a modifying instrument (Notice of Modification) and a consolidated approval (**Appendix A**) for consideration.

6 Determination

It is recommended that the Director, Resource Assessments as delegate of the Minister for Planning:

- **considers** the findings and recommendations of this report;
- **determines** that the application SSI-9471-MOD 5 falls within the scope of Section 5.25 of the EP&A Act;
- **forms the opinion** under section 7.17(2)(c) of the *Biodiversity Conservation Act 2016* that a biodiversity development assessment report is not required to be submitted with this application as the modification would not increase the impact on biodiversity values on the site.
- **accepts and adopts** all of the findings and recommendations in this report as the reasons for making the decision to approve the modification
- **modify** the approval SSI 9471; and
- **signs** the attached Notice of Modification.

Recommended by:



24/10/22

Rachelle Abou Saleh
Environmental Assessment Officer
Resource Assessments

Recommended by:



24/10/2022

Rose-Anne Hawkeswood
Team Leader
Resource Assessments

The recommendation is **Adopted** by:



27/10/2022

Stephen O'Donoghue
Director
Resource Assessments
as delegate of the Minister for Planning

Appendix A

List of Documents

Modification Report

Available at: <https://www.planningportal.nsw.gov.au/major-projects/projects/mod-5-shore-dumping-dredged-material>

Consolidated Approval

Available at: <https://www.planningportal.nsw.gov.au/major-projects/projects/mod-5-shore-dumping-dredged-material>

Notice of Modification

Available at: <https://www.planningportal.nsw.gov.au/major-projects/projects/mod-5-shore-dumping-dredged-material>