

## ASSESSMENT REPORT

### Section 75W DA 27/95 (MOD 5) – Warehouse extensions Borg MDF Plant Upgrade

#### 1. BACKGROUND

The Oberon Timber Complex is located at the northern edge of the township of Oberon in the Oberon Local Government Area (see Figure 1). While the site has been in use for timber production since 1941, it currently operates under two Ministerial consents;

1. one granted in 1995 for the medium density fibre board (MDF) and associated facilities on the eastern side of Lowes Mountain Road; and
2. the other granted in 2001 for two sawmills and a particle board plant on the west side of Lowes Mountain Road.

Until recently the complex comprised five businesses operating under the two consents as an integrated plantation softwood processing facility.

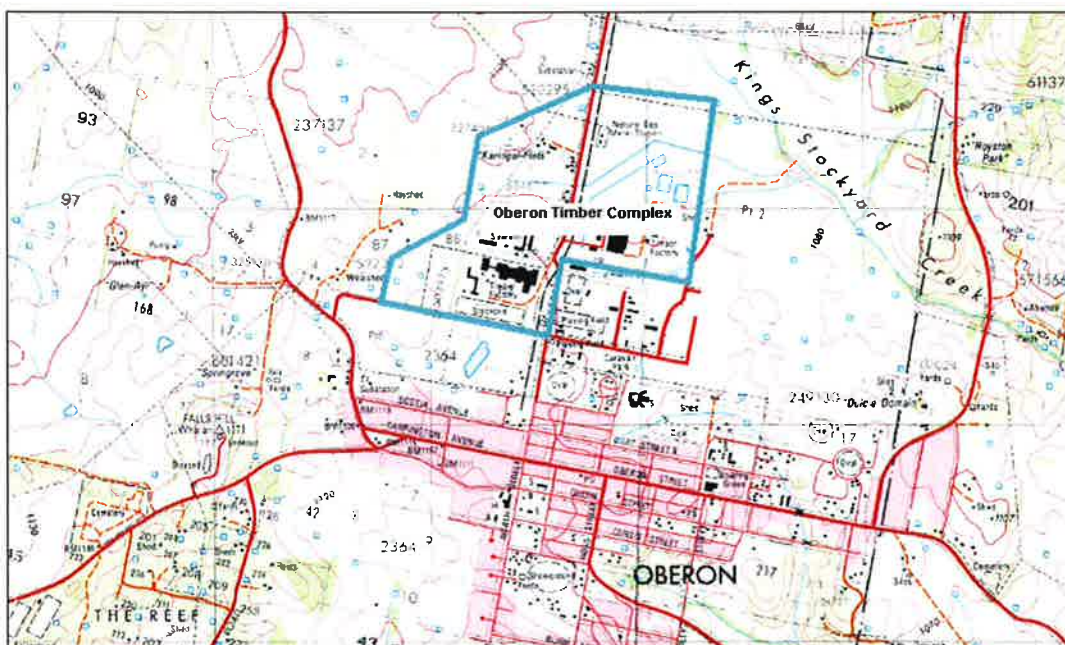
Under the 1995 consent, there was:

- Carter Holt Harvey, operating the MDF plant and the Oberon moulding operation;
- JELD-WEN Fibre of Australia, operating a doorskins plant; and
- WoodCHEM Aust, operating a resin production plant.

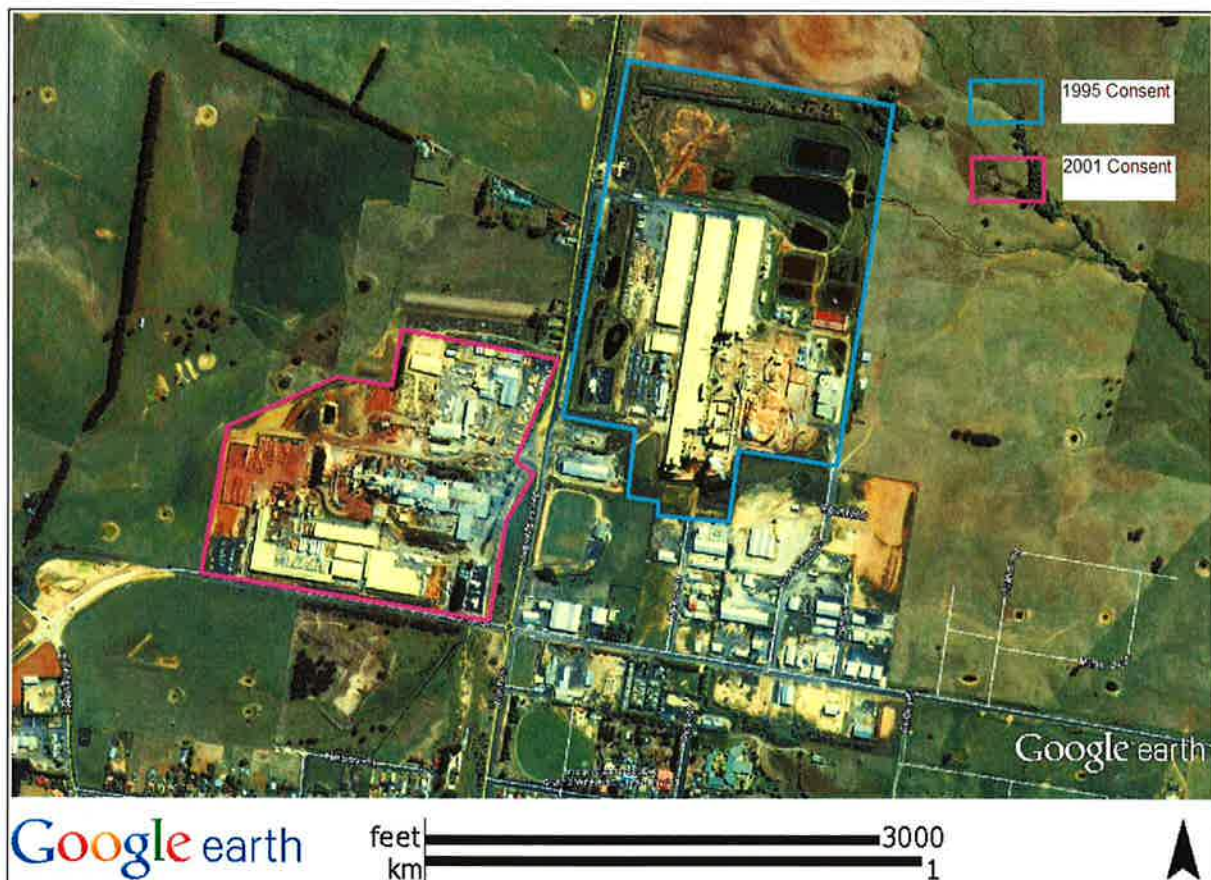
While under the 2001 consent there is:

- Highland Pine Products, operating two sawmills; and
- Structaflor, operating a particle board plant.

In March 2010, the Borg Group (Borg) acquired Carter Holt Harvey's MDF Plant. More recently, Borg has also acquired JELD-WEN and WoodCHEM, all of which operate under the 1995 consent (See Figure 2).



**Figure 1 – Location map**



**Figure 2 - Site Plan showing complex and consent boundaries**

The MDF plant manufactures up to 200,000 cubic metres of Medium Density Fibreboard (MDF) every year and employs 163 full time staff. MDF sheets are often used in joinery.

The MDF plant processes woodchip from logs usually sourced from plantation forests near Oberon. The woodchips arrive by truck and are stockpiled on site. They are washed, softened with steam, de-watered, ground into a fibre and mixed with resin. The resin/fibre mix is then heated and dried with hot air before it is fed by conveyor to a continuous press where more heat and pressure cure the resin and produce MDF sheets. The sheets are then cut and warehoused for shipment or used to make joinery products at the complex.

## 2. PROPOSED MODIFICATION

On 4 July 2011, Borg requested a modification (MOD 5) to the approved development. The proposed modifications are intended to consolidate the three premises of the 1995 consent to improve operational efficiency and to protect the products from the weather during transport between the facilities. The proposed modification includes several components and would be implemented in two stages (see Figure 3):

### **Stage one**

1. Three connecting roofs to provide weather protection for ancillary and MDF related processes that occur in separate buildings. The first is 3080m<sup>2</sup> between two MDF plant buildings. The second is 3090m<sup>2</sup> between the JeldWen door-skin plant and the sawing/laminating plant. The third is 1140m<sup>2</sup> and provides additional cover for the existing mechanical workshop.
2. Landscaping and various awnings, hard-stand and driveway areas that:
  - separate truck, forklift and visitor traffic;
  - provide turning and standing areas for loading/unloading;
  - provide cover for vehicles and machinery; and
  - prevent dust nuisance from vehicular movements.
3. Substantial redesign of drainage works (including a new swale) to make room for the building work described above.
4. Consolidation of 2 lots (the MDF site and the JeldWen site).



### Stage two

5. A new 23,260m<sup>2</sup> final product warehouse with internal loading facilities. Final products are currently stored outside before shipment.



Figure 3 - Proposed modifications

### 3. STATUTORY CONTEXT

Under clause 8J(8) of the *Environmental Planning and Assessment Act 1979*, the Minister's consent is taken to be an approval under Part 3A of the Act and can be modified by the Minister under section 75W of the Act.

The Executive Director, Major Projects Assessment, may determine this application on behalf of the Minister in accordance with the Minister's delegation of 14 September 2011, subject to the following:

- where the relevant local Council has not made an objection;

- where a political donations disclosure statement has not been made; and
- there are less than 25 public submissions in the nature of objections.

The Department is satisfied that the application meets the terms of the delegation and that the Executive Director may determine the application under delegated authority.

#### 4. CONSULTATION

The Department made the Environmental Assessment available to the public on its website and received submissions from three agencies and the Council. There were no public submissions. Full copies of all submissions are included at APPENDIX B. A summary of the issues raised is provided below:

The **NSW Office of Water (NOW)** does not object to the proposal and recommend approval conditions for soil, erosion, stormwater and vegetation management plans. An appropriate condition is included in the draft approval instrument. The stormwater work will also require a separate Controlled Activity Approval under the Water Management Act from the Office of Water.

**Oberon Council** does not object to the proposal and recommend approval conditions for landscaping, floor levels and exterior lighting. Appropriate conditions are included in the draft approval instrument.

The **Roads and Traffic Authority** (now Roads and Maritime Services) does not object to the proposal and does not require any approval conditions.

The **Office of Environment and Heritage** does not object to the proposal and advise that the proposal does not require any variation to the current Environment Protection Licence (No. 3035).

#### 5. ASSESSMENT

The Department has assessed the merits of the proposed modifications. During this assessment, the Department has considered the:

- Environmental Assessment (See APPENDIX C)
- Director-General's assessment report of the original project application;
- Existing conditions of approval;
- Documentation supporting the proposed modification;
- All agency submissions;
- Relevant environmental planning instruments, policies and guidelines; and
- Requirements of the EP&A Act, including the objectives of the Act.

The conclusions of this assessment are summarised in Table 1.

*Table 1 – Assessment of key issues*

<b>Issue</b>	<b>Assessment</b>	<b>Recommendation</b>
<i>Stormwater and drainage</i>	<ul style="list-style-type: none"> <li>• A new drainage swale replaces an existing stormwater channel in the western part of the site to allow room for the proposed warehouse. The NOW do not object to the proposed swale design.</li> <li>• The proposal includes other stormwater infrastructure and maintenance work that will require approval from the NOW.</li> <li>• The proposal involves excavations that could intercept the groundwater table, which is 2.5m below the surface. The applicant must obtain a licence from the NOW for any such work.</li> <li>• The proposal does not involve amendments to the discharge requirements in the EPL.</li> <li>• The Council has specified a minimum floor level for any new slab to ensure protection from overland stormwater flow.</li> </ul>	<ul style="list-style-type: none"> <li>• The existing Stormwater Management Plan must be updated.</li> <li>• The applicant must obtain relevant licences and approvals from the NOW.</li> <li>• The EPL for stormwater discharge does not require amendment.</li> <li>• The floor level of new slabs must be constructed above overland stormwater flow paths, as recommended by Council.</li> </ul>
<i>Stormwater easement</i>	<ul style="list-style-type: none"> <li>• The site has a stormwater easement benefiting upstream lots.</li> <li>• The Council has recommended conditions concerning the applicant's obligations to the easement (to obtain permission from the benefiting party, etc).</li> <li>• The Department considers that the legal obligations on the applicant required by the easement are sufficient and that the proposed modification does not require additional conditions in this respect.</li> </ul>	<ul style="list-style-type: none"> <li>• No conditions required to add to or clarify the legal requirements of the existing stormwater easement.</li> </ul>

<b>Issue</b>	<b>Assessment</b>	<b>Recommendation</b>
<i>Air Quality: Noise and Dust</i>	<ul style="list-style-type: none"> <li>The proposal does not increase production capacity and must abide by the existing noise and dust control conditions.</li> <li>The additional enclosures that are proposed are likely to reduce noise and dust emissions from the plant.</li> </ul>	<ul style="list-style-type: none"> <li>No additional approval conditions required.</li> </ul>
<i>Traffic and transport</i>	<ul style="list-style-type: none"> <li>The proposal will improve access and circulation for parking on the site, but does not increase traffic generation.</li> <li>The RTA does not object to the modification.</li> <li>The complex must continue to abide by the traffic and transport restrictions specified in the original approval.</li> </ul>	<ul style="list-style-type: none"> <li>No additional approval conditions required.</li> </ul>
<i>Visual</i>	<ul style="list-style-type: none"> <li>The proposal will not significantly change the external appearance of the plant.</li> <li>The outdoor storage area is to be enclosed in a large shed that is similar in form to the existing buildings, giving the site a tidier appearance.</li> <li>Landscaping and exterior lighting require approval conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Landscaping and exterior lighting conditions included in the recommended instrument.</li> </ul>
<i>Economic</i>	<ul style="list-style-type: none"> <li>The plant will continue to provide full-time employment for approximately 150 people, many of whom reside in Oberon.</li> <li>The proposed plant modifications will improve site efficiencies and in particular reduce the incidence of weather damage to stock by enclosing stock storage areas.</li> </ul>	<ul style="list-style-type: none"> <li>No approval conditions required.</li> </ul>
<i>Hazards</i>	<ul style="list-style-type: none"> <li>The existing Fire Safety Study must be updated to reflect the additional enclosed spaces in the proposed modification.</li> <li>The proposal does not fundamentally change the operating procedures in the plant and does not require an updated HAZOP study.</li> <li>Chemical storage areas must be bunded according to the existing approval conditions</li> </ul>	<ul style="list-style-type: none"> <li>Conditions required for updated fire safety study.</li> </ul>
<i>Subdivision</i>	<ul style="list-style-type: none"> <li>The proposal involves consolidation of 2 lots, which requires a Subdivision Certificate.</li> </ul>	<ul style="list-style-type: none"> <li>Condition for Subdivision Certificate.</li> </ul>

## 6. CONCLUSION

The Department has assessed the modification application, EA, submissions on the proposal in accordance with the relevant requirements of the EP&A Act, including the objects of the EP&A Act and the principles of ecologically sustainable development.

Consequently, the Department is satisfied that the proposed modification is in the public interest and should be approved, subject to conditions.

## 7. RECOMMENDATION

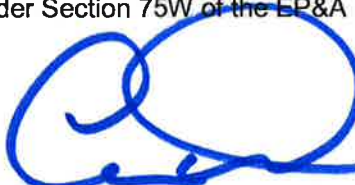
It is RECOMMENDED that the Executive Director:

- approve of the proposed modification under Section 75W of the EP&A Act; and
- sign the attached instrument (tagged A).



Chris Ritchie  
Manager - Industry  
Industry Projects

17.2.12.



Chris Wilson  
Executive Director  
Major Projects Assessment

17.2.12