

ASSESSMENT REPORT

Section 75W Modification (DA 27/95 MOD 6) Additions to the existing Resin Production Facility

1. BACKGROUND

The Oberon Timber Complex is located at the northern edge of Oberon in the Oberon Local Government Area. The site has been in use for timber production since 1941 and the complex now employs nearly 500 people, which is close to ten percent of the Shire's population. It operates under two Ministerial consents, which were granted in 1995 and 2001 (see **Figure 1**). The two consents approved the following works:

- (1995) a medium density fibre board (MDF) and moulding plant, door-skin plant and resin production facility on the eastern side of Lowes Mountain Road; and
- (2001) two sawmills and a particle board plant on the western side of Lowes Mountain Road.

Until ownership arrangements for the complex changed in early 2010, it was operated by five separate businesses as an integrated plantation softwood facility, collectively producing a range of timber products for internal joinery such as kitchens. The business entities operating under the 1995 consent were:

- Carter Holt Harvey, operating the MDF and moulding plant;
- JELD-WEN Fibre Australia, operating the door-skin plant; and
- Woodchem Aust, operating the resin production facility.

While under the 2001 consent, there was:

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

In early 2010, Borg Group Pty Ltd (Borgs) acquired and now operates all of the assets under the 1995 consent. Relevantly, the modification MOD 6 relates to the resin production facility (see **Figure 2**).

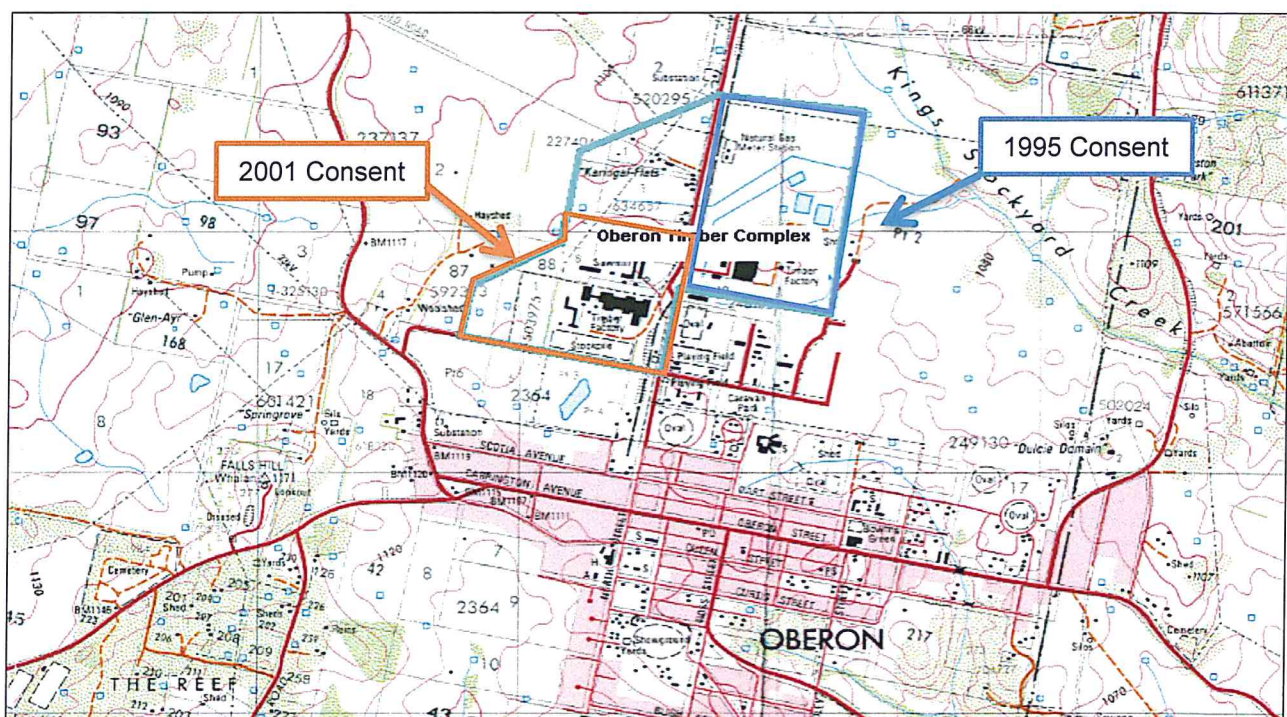


Figure 1 – Location map showing the two consents that apply to the Oberon Timber Complex

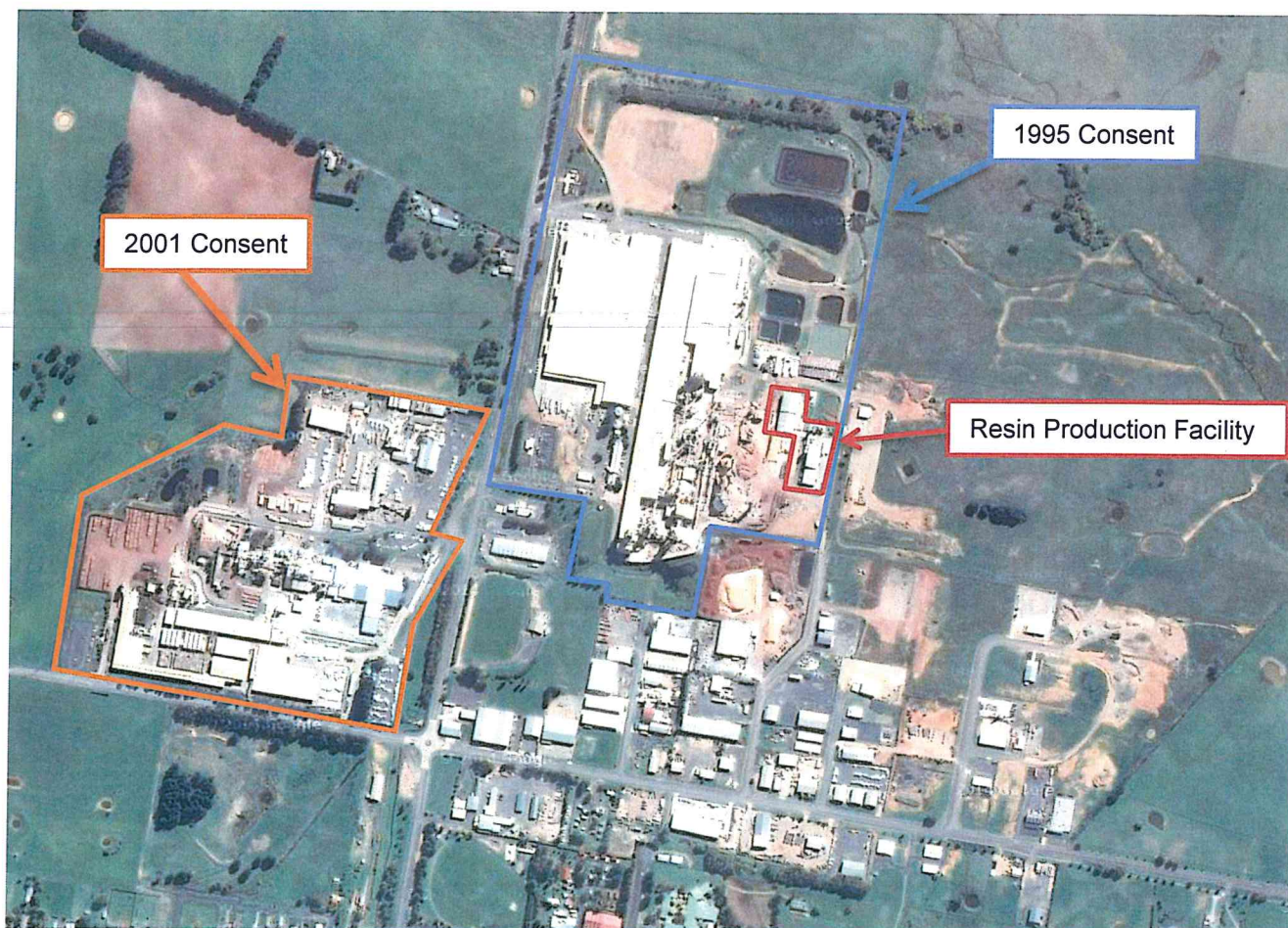


Figure 2 – Aerial photo showing the location of the resin production facility within the 1995 consent

The resin production facility was built in 2000 to produce resin both for wholesale sale, and for use in the MDF plant to produce MDF products. The facility employs about 20 staff and operates 24 hours, 7 days a week. It occupies a site of about 1 hectare (within the larger site covered by the 1995 consent) and at least 70% of this area is occupied by buildings.

Borgs is presently undertaking work to consolidate the operation of the three assets under a recent modification to the 1995 consent. In 2012, it obtained modification approval for a connecting building between the MDF plant and the door-skin plant to improve weather protection and organisation between the two plants. Borgs now wishes to carry out minor additions to the resin production facility for similar reasons.

The nearest homes to the resin production facility are about 520 metres (m) to the west-north-west and about 860m to the south within the township of Oberon.

2. PROPOSED MODIFICATION

The modification (MOD 6) involves alterations and additions to the resin production facility. It is described in Borgs' Environmental Assessment (EA) and shown in **Figure 3**. It includes demolition of an existing demountable office and construction of:

- a 1,251m² warehouse addition to stockpile melamine bulker bags;
- a 480m² awning to provide weather protection to unloading trucks;
- a new amenities and lunch room;
- an enclosed hopper to avoid the need for pressurised delivery tankers; and
- 15 new car parking spaces, including 1 disabled parking space.

Construction of all the additions is expected to take 18 months to complete. The modification would not result in an increase in production capacity or a significant change to the processes that occur on the site. No staging of construction works is proposed.

2.1 Application History

Borgs lodged MOD 6 on 20 June 2014 and the Department consulted Council and the relevant agencies about MOD 6 during July 2014. However, the Department's assessment at the end of July was held up by a number of minor compliance issues at the site relating to a new construction laydown. These compliance issues led Borgs to request on 10 September 2014 that MOD 6 be held in abeyance pending a resolution. On 12 October 2014, Borgs lodged an additional modification (MOD 7) to address the compliance issues, which is now under the Department's assessment. Following the lodgement of MOD 7 to resolve the compliance issues, the Department proceeded with the assessment of MOD 6.

3. STATUTORY CONTEXT

3.1 Approval Authority

The 1995 development consent (DA 27/95) was granted under Part 4 of the *Environmental Planning and Assessment Act 1979* (the Act). Clause 8J(8) of the *Environmental Planning and Assessment Regulation 2000* requires modifications of such development consents to be carried out under Section 75W of the Act. The effect of Section 75W is continued for such consents by the operation of clause 12 of Schedule 6A of the Act.

The Minister for Planning delegated responsibility for the determination of section 75W modification applications to Directors and Managers who report to the Executive Director, Infrastructure and Industry Assessments where:

- the relevant local council has not made an objection; and
- a political disclosure statement has not been made; and
- there are no public submissions in the nature of objections.

The proposal complies with the terms of the delegation as Oberon Shire Council (Council) does not object to the proposal, a political disclosure statement has not been made in relation to the application, and no public submissions were received in the nature of objections. Accordingly, the Manager – Industry Assessments may determine the application in accordance with the Minister's delegation.

3.2 Modification

The Department is satisfied that the application can properly be characterised as a modification to the original development consent, and can therefore be assessed and determined under Section 75W of the Act.

In this respect, the alterations relate only to an enclosed replacement hopper, extending the warehouse to provide weather protection and additional organisation space, parking spaces and demolition of a demountable office. The Department notes that there is no increase in production or amendments to the processes that occur on the site.

3.3 Consultation

The EA for the modification was made publicly available on the Department's website. Consultation with adjoining landowners was considered to be un-necessary owing to the limited reach of predicted impacts associated with the modification. The Department received four submissions from agencies and one from Council. Full copies of all submissions are included at **APPENDIX C**. Neither the Roads and Maritime Services or Office of Environment and Heritage objected to the modification nor specified any approval conditions. A summary of the issues raised in the other submissions is below.

No public submissions were received.

Council did not object to the proposal and recommended an approval condition for additional landscaping. Borgs agrees to the condition and it is included in the recommended instrument.

The **Environmental Protection Authority (EPA)** did not object to the proposal and advised that further modifications to the Environmental Protection Licence for the facility would be unnecessary.

The **NSW Office of Water** requested further clarification in relation to a section in the EA highlighting new wetland/detention areas. The Department is satisfied that Borgs' reference to a wetland/detention area was erroneously included in the EA from the previous modification and is not part of this proposed modification. The modification does not propose any alteration or addition to the existing stormwater/wetland infrastructure on the site.

4. ASSESSMENT

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

- Environmental Assessment (EA) for the modification (see **APPENDIX B**);
- Secretary's assessment reports for the original development consent and previous modifications;
- existing consent conditions;
- all submissions (see **APPENDIX C**);
- relevant environmental planning instruments, policies and guidelines; and
- requirements of the Act, including the objects of the Act.

The Department considers that there would be minimal change to the impacts arising from the approved development. **Table 1** shows the Department's assessment of the relevant issues.

Table 1 – Assessment of modification

Issue	Assessment	Recommendation
<i>Soil and Water</i>	<ul style="list-style-type: none"> • The existing approval has conditions relating to soil and water management, which include requirements for construction erosion and sediment controls and the management of stormwater from the site under a stormwater management plan. • The proposed additions occur within the existing operational parts of the site, and will need to connect with its existing stormwater infrastructure. • Ongoing stormwater management on the site would continue to be governed by the Stormwater Management Plan, which should be updated to reflect the additions. 	<p>Recommended conditions require the proponent to:</p> <ul style="list-style-type: none"> • update the Stormwater Management Plan for the proposed modification prior to construction.
<i>Visual</i>	<ul style="list-style-type: none"> • Council recommends additional landscaping on the eastern boundary of the site adjacent to the resin facility additions. • The proponent has agreed to Council's recommended approval condition and the Department has included it in the recommendation. 	<p>Recommended conditions require the proponent to:</p> <ul style="list-style-type: none"> • carry out additional landscaping to the satisfaction of Council along the eastern boundary of the site adjacent to the resin facility.
<i>Air quality and Noise</i>	<ul style="list-style-type: none"> • The Department is unaware of any problems or complaints with noise, dust or odour emissions from the existing site. • Enclosure of operational processes that have been previously carried out partly external to a building is expected to improve noise and air quality impacts associated with the site. • The EPA has raised no noise, dust or odour issues with the existing facility or the proposed modification. 	No additional approval conditions required.
<i>Traffic and transport</i>	<ul style="list-style-type: none"> • The modification does not increase production capacity at the site, and therefore there are no expected increases in traffic generation. • The proposed parking spaces appear to formalise the informal staff parking around the existing resin production facility. • Neither the RMS nor Council has raised any traffic 	No additional approval conditions required.

Issue	Assessment	Recommendation
	<ul style="list-style-type: none"> or parking issues. The existing approval includes a condition that requires construction of suitable hardstand for trafficable areas, and this condition would apply to the new parking. 	
Hazards	<ul style="list-style-type: none"> The existing Fire Safety Study must be updated to reflect the additional enclosed spaces in the proposed modification. The requirement to update this study is captured by an existing approval condition, which requires an update following any modification approval. Chemical storage areas must be bunded according to the existing approval conditions. 	No additional approval conditions required.

5. CONCLUSION

The Department's assessment has found that the building work described in the proposed modification can be carried out with minimal additional environmental impact. The building work is primarily intended to improve the operational organisation of the resin facility, within Borgs' broader aim of 'cleaning-up' the site. The capital investment would modernise the facility and allow it to continue its contribution to the employment of people in Oberon.

The existing suite of consent conditions include requirements for ongoing impact mitigation relating to traffic, air quality, noise, hazards, chemical storage, and stormwater, and these requirements would apply to the proposed modification. The EPA advised that the modification would not require any changes to the Borgs' Environmental Protection Licence and there were no objections from Council, the public or any relevant agency.

The Department has identified the need for additional conditions for landscaping (as recommended by Council) and updates to the Stormwater Management Plan to reflect the additional buildings in the modification. Consequently, the Department is satisfied that the proposed modification should be approved subject to these conditions.

6. RECOMMENDATION

It is RECOMMENDED that the Manager – Industry Assessments:

- **consider** the findings of this report;
- **approve** of the proposed modification under Section 75W of the Act; and
- **sign** the attached instrument (Tag A).



18.11.14

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18/11/14

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