



**MODIFICATION REQUEST:
Kooragang Coal Terminal
(MP 06_0189 MOD 3)**

Description of Modification Request

Minor relocation of works and amendment to the schedule of lands under Schedule 1 of the approval



Director-General's
Environmental Assessment Report
Section 75W of the
Environmental Planning and Assessment Act 1979

November 2012

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EXECUTIVE SUMMARY

In 2007 the then Minister for Planning granted project approval to Port Waratah Coal Services (PWCS) to alter its existing approval for the Kooragang Coal Terminal (KCT) (MP 06_0189) under Part 3A of the *Environmental Planning and Assessment Act 1979*. The approval allows the operational throughput capacity of the terminal to be increased from 77 Million tonnes per annum (Mtpa) to 120 Mtpa through enhancements of the existing and approved operations.

Since 2007 there have been two (2) modifications (Modification 1 and 2) to this approval which allowed PWCS (the Proponent) to undertake additional operational improvements to the KCT. The Proponent is now seeking to further modify the approval by amending the schedule of lands under Schedule 1 of the approval to include details of three (3) additional land parcels in the project area. Landowner's consent has now been obtained from Pacific National, who is the land owner of the relevant land parcels. The Proponent has also submitted a revised environmental assessment of the three land parcels in relation to the proposed works.

The additional lands will allow further operational benefits to the KCT and optimal construction benefits in terms of vehicle access and the ongoing maintenance of relocated service infrastructure provided to both PWCS and PN.

The Department has undertaken an assessment of the modification request (Modification 3) and considers that the inclusion of the subject land parcels does not pose any additional environmental or amenity risks to the surrounding area or additional impacts on sensitive receivers. The modification would not alter the approved throughput capacity at KCT or affect the intent of the existing conditions of approval.

Consequently, the Department recommends approval of the modification request.

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1. BACKGROUND

1.1 Background

Port Waratah Coal Services (PWCS) currently owns and operates two coal terminals in the Port of Newcastle area: one at Kooragang Island and the other at Carrington (refer to **Figure 1**). The coal terminals receive, stockpile, blend and load Hunter Valley coal onto ships for export. The combined approved throughput capacity of the terminals is 145 million tonnes per annum (Mtpa), consisting of 120 Mtpa from Kooragang Coal Terminal (KCT) and 25 Mtpa from the Carrington Coal Terminal.

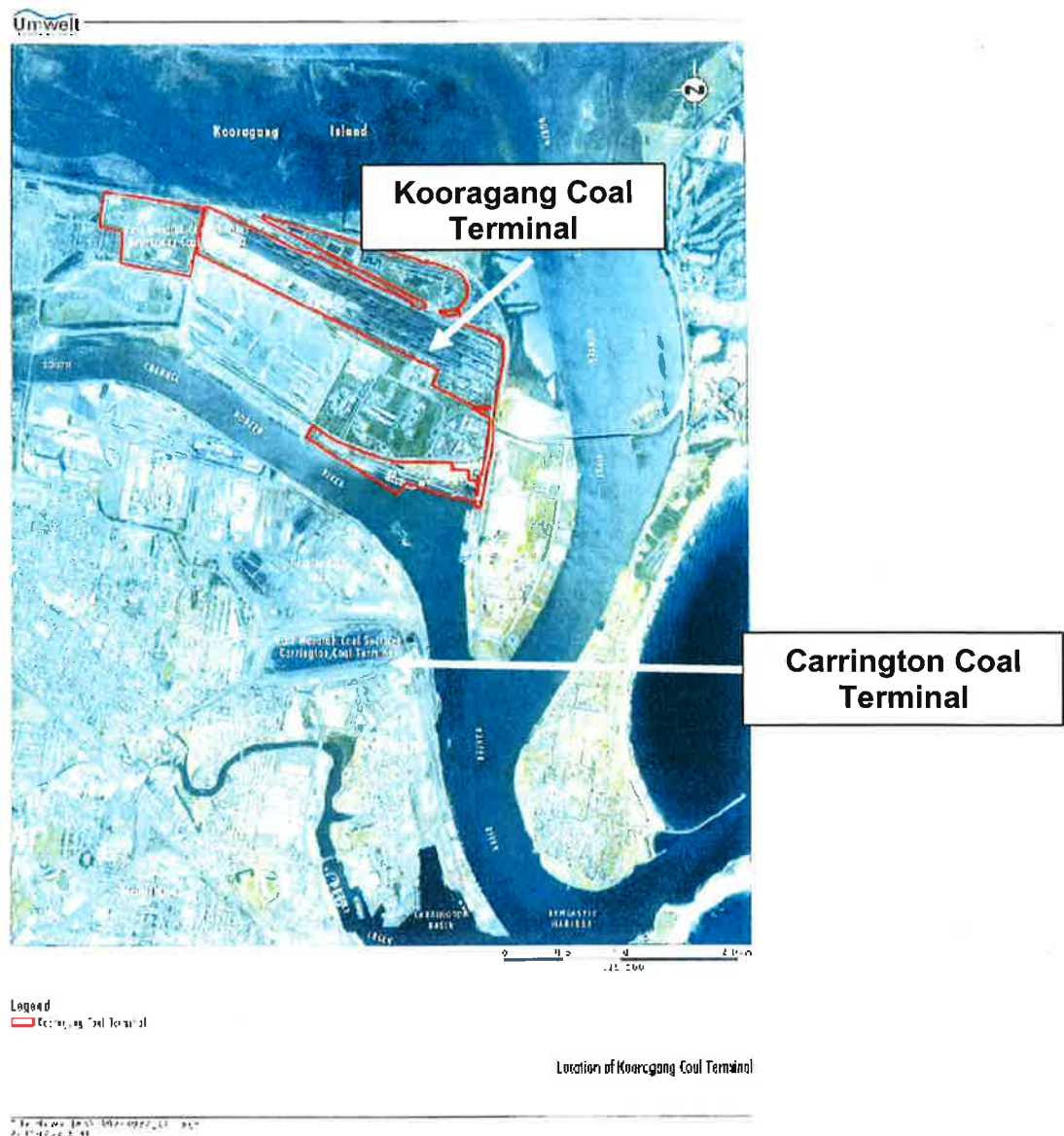


Figure 1: Location of the Kooragang Coal Terminal (outlined in red) and surrounding development.

PWCS has operated at the KCT site since 1990; some sections of the land occupied by the coal terminal are owned by the Newcastle Port Corporation and NSW Roads and Maritime Services, whilst the rail line and loop are operated and maintained by the Australian Rail Track Corporation (ARTC).

1.1. Previous Planning Approvals

The KCT received approval for its current operations in 1982 (Stages 1 and 2), 1996 (Stage 3) and 2007 (Stage 4). Stages 1 and 2 involved the construction and operation of road and receival facilities; coal stockpiles Pads A and B, shipping berths K4 and K5 and associated conveyors, stackers and reclaimers. The 1982 consent limited the capacity throughput of the coal terminal to 44 Mtpa.

Stage 3 expansion (DA No. 35/96) was approved under Part 4 of the *Environmental Planning and Assessment Act 1979* (the Act). The approval provided for two additional stockpiles Pads C and D; a third shipping berth and shiploader (K6 wharf); a third coal receiver station and fourth shipping berth (K7 wharf). The 1996 consent limited the capacity throughput of the terminal to 77 Mtpa.

The 120 Mtpa Project, approved in 2007 under Part 3A of the Act, allowed the throughput capacity to be increased from 77 to 120 Mtpa through upgrades and improvements to existing and approved operations at the terminal. This project has since been modified on two occasions as summarised below:

- **Modification 1** – MP 06_0189 MOD 1 – approved on 31 May 2010 – modification to increase 'sprint capacity' at the KCT through additional coal handling infrastructure. Known as Stage 4, the modification included construction of a fourth dump station and a fourth rail loop.
- **Modification 2** – MP 06_0189 MOD 2 – approved on 5 April 2012 – modifications to the fourth rail loop alignment and associated inbound and outbound tracks to the third and fourth dump stations at the KCT, realignment of PWCS North Road, and a level crossing at Windmill Road to provide ongoing access to users of the rail loop servicing KCT.

2. PROPOSED MODIFICATION

As part of the assessment of Modification 2, PWCS (the Proponent) identified an option to realign the PWCS North Road which currently provides road access to a three (3) properties currently occupied by Pacific National (PN), PN Downer EDI and ARTC

The preferred PWCS North Road option requires the use of these properties (Lots 1 & 5 in DP 1097327 and Lot 16 in DP 1097330I) which are owned by Pacific National (refer to **Figure 2**).

Prior to the determination of Modification 2, owners consent had not been obtained from PN, which prevented their inclusion in Schedule 1 of the approval. This also meant that PWCS had to redesign the North Road alignment to exclude the three (3) land parcels. However the impacts of the works associated with Modification 2, including the additional works, had been previously assessed by PWCS in the Modification 2 Environmental Assessment (EA), dated June 2011.

PWCS is now seeking to further modify the existing approval by amending the schedule of lands under Schedule 1 of the approval to include the three (3) additional land parcels, where landowner's consent from PN has now been obtained. PWCS has also submitted a revised environmental assessment (Kooragang Coal Terminal – PA 06_0189 MOD 3) for the three land parcels (refer to **Appendix C**) in support of the proposed works.

The realigned PWCS North Road (including the three (3) additional land parcels) will provide enhanced operational benefits to the KCT and optimal construction benefits in terms of vehicle access and the ongoing maintenance of relocated service infrastructure (water, power and fibre optics) provided to both PWCS and PN. The proposed works will also provide an enhanced at-level rail crossing at the western end of the realigned PWCS North Road.

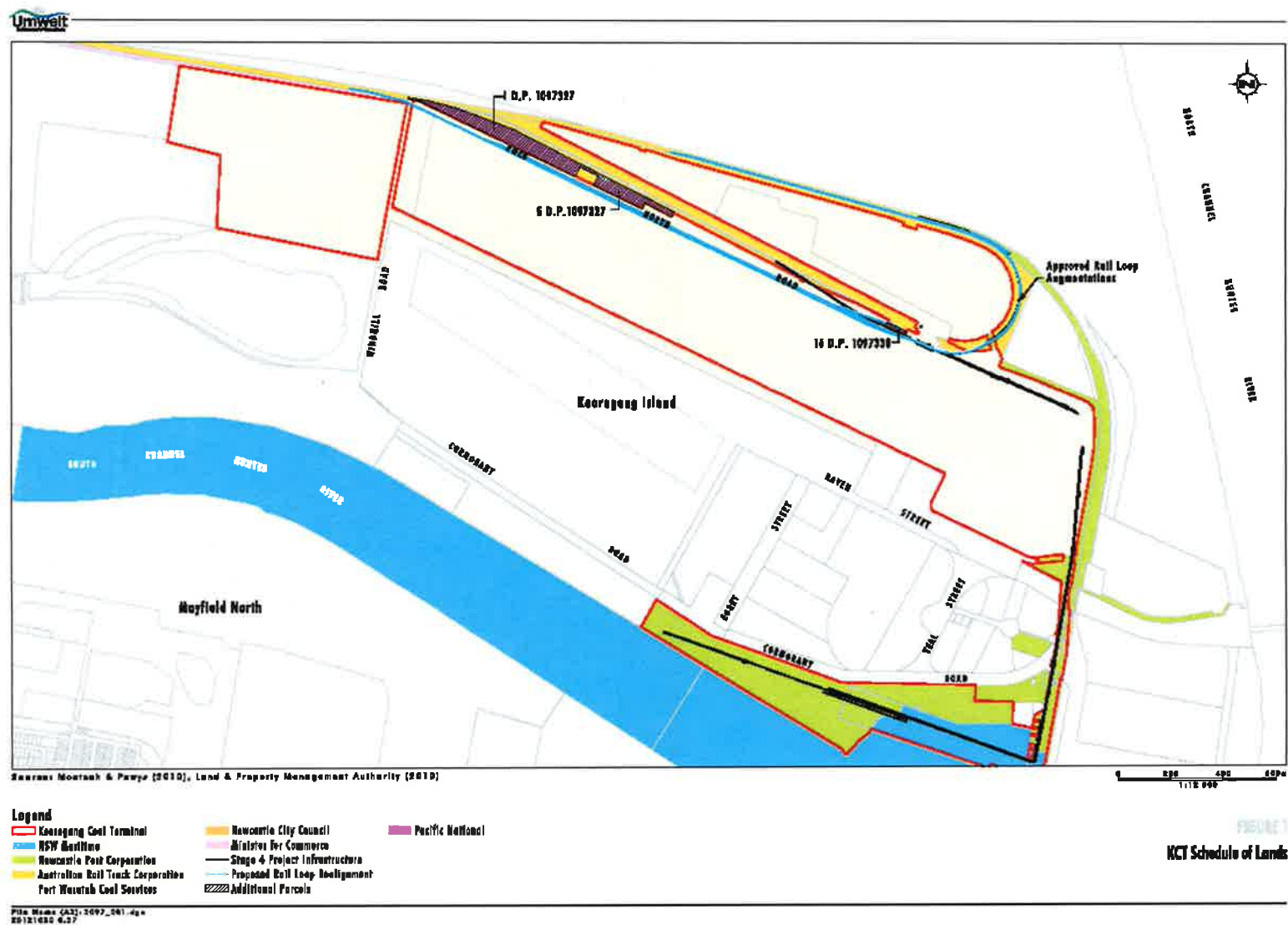


Figure 2: Additional land parcels (Shown hatched)

Accordingly, PWCS now proposes to progress with the works on the land parcels identified under Modification 2, and requests an amendment to the schedule of lands under Schedule 1 of the approval to include details of the subject land parcels.

3. STATUTORY CONTEXT

3.1. Modification of the Minister's Approval

The approved project is a transitional Part 3A project by virtue of schedule 6A of the Act and therefore Part 3A of the Act continues to apply in respect of this project. Section 75W of the Act provides that a Proponent can request the Minister to modify the approval of a project. The Minister's approval is not required if the project, as modified, is consistent with the original approval. The subject modification is not consistent with the approval, but would not result in a radical transformation and therefore an assessment in accordance with section 75W of the Act is considered appropriate.

3.2. Delegated Authority

On 14 September 2011, the Minister for Planning and Infrastructure delegated his powers and functions under section 75W of the Act to the Director of Infrastructure Projects where the relevant Council has not made an objection, a political donation statement has not been made and there are less than 10 public submissions in the nature of objections received in respect of the modification request.

The modification request was made publicly available on the Department's website, however, no public submissions were received, and therefore the A/Director of Infrastructure Projects may determine the modification request under delegated authority.

4. CONSULTATION AND SUBMISSIONS

In accordance with section 75X of the Act and clause 8G of the *Environmental Planning and Assessment Regulation 2000*, the modification request was made available on the Department's website.

Due to the minor nature of the proposed modification, the modification request was not publicly exhibited by any other means or referred to public authorities.

5. ASSESSMENT

Impacts associated with works on the subject land parcels were previously assessed as part of the EA submitted in support of Modification 2. Notwithstanding, a revised environmental assessment has been prepared which further assesses key issues including noise, traffic and access and ecological impacts (Refer to Appendix C).

The works are located within a highly modified area, which comprises the existing rail loop servicing KCT, an existing sealed access road and operational areas within the

vicinity of KCT. All construction activities associated with this modification request are located within previously disturbed areas.

5.1 Noise

Noise emissions associated with Modification 3 are expected to be in accordance with current approvals and levels predicted in previous noise assessments. Noise emissions will be managed in accordance with the approved Construction Environmental Management Plan for KCT and the associated conditions of the project approval related to operational noise (condition 2.13).

Consideration

The Department is satisfied that the noise levels associated with the works are unlikely to generate significant noise impacts that would be discernible to noise sensitive receivers above other existing noise sources from activities on Kooragang Island. Existing Environmental Management Plans (EMPs) and current noise mitigation measures will be implemented to further reduce any potential noise impacts.

5.2 Traffic

The additional information provided in support of the proposed modification identifies that there is a low volume of traffic in the vicinity of the three (3) land parcels with the closest intersection (PWCS North Road / Windmill Road) operating at Level of Service A with significant spare capacity. The proposed works will modify the access driveways to the three properties without generating additional traffic movements

The redesign of the level crossing at the western end of the PWCS North Road provides for safe and efficient access at this point. The PWCS North Road will be designed in accordance with Australian Standards to maintain the current level access for PN facilities subject to its requirements.

Due to the minor nature of the works and relatively short construction period, there is unlikely to be significant construction traffic impacts. The Construction Traffic Management Protocol, as required in condition 7.3 of the project approval, will be implemented to ensure that construction traffic issues are managed in an appropriate manner.

Consideration

The Department considers that the inclusion of these lands as part of the project approval and the resulting works is unlikely to generate significant construction and operational traffic impacts. The application of the approved Construction Traffic Management Protocol for the KCT project will ensure that suitable mitigation measures are implemented to minimise potential traffic access and safety impacts. Relevant conditions of the project approval that relate to operational traffic access and safety (refer to conditions 2.21 – 2.37) will also be applied to the proposed road design works.

5.3 Ecology

The project site has been heavily modified by previous port and industrial related activities. In October 2012, Umwelt provided additional information to the Department regarding ecological issues at the site which identified:

“ a number of existing planted areas within the highly modified areas associated with the rail loop, which includes some native vegetation and minimal ground cover. This vegetation consists of areas of bitou bush, golden wreath wattle, willow bottlebrush and coast banksia, and has been assessed as not comprising a remnant of the pre-development mangrove and salt marsh vegetation of Kooragang Island. As part of the construction for the proposed works, minor clearance will be required in these planted areas.”

Given the nature of the ecological feature of this area of Kooragang Island, the ecological impacts associated with these minor areas of disturbance are not considered to be significant. There will be negligible ecological impacts associated with the construction and operation for the proposed works, consistent with current approvals for KCT.

The Modification 2 assessment report also identified that the proposed rail loop realignment works were within existing disturbed areas and required the removal of small areas of vegetation, including some native vegetation which was assessed as not comprising a remnant of pre-development mangrove and salt marsh vegetation of Kooragang Island.

Consideration

The Department considers that due to past port and industrial related uses and the minor clearing of planted areas, the proposed works are unlikely to generate significant ecological impact. The area's flora and fauna can be managed by utilising existing management measures and fulfilling the requirements of the relevant ecological conditions (Condition 2.16 – 2.20) of the project approval.

5.4 Other Environmental Issues

The assessment of other environmental issues is provided in Table 1.

TABLE 1- ASSESSMENT OF OTHER ENVIRONMENTAL ISSUES

Issue	Proponents Assessment of Potential Impacts (Umwelt October 2012)	Department's Response
Groundwater	The earthworks associated with the proposed works on the PN allotments will require minor areas of cut and the development of shallow trenches for the provision of services. Accordingly there is a minimal risk of intersection of groundwater and exposure of Acid Sulphate Soils (ASS). This will be readily managed throughout construction in accordance with the approved Construction Environmental Management Plan (CEMP) and ASS Management Plan and procedures for KCT. Additionally any relevant dewatering	There is unlikely to be a significant environmental impact associated with groundwater penetration and existing mitigation measures are satisfactory.

Issue	Proponents Assessment of Potential Impacts (Umwelt October 2012)	Department's Response
	activities will be communicated to the NSW Office of Water and any required permits obtained.	
Surface Water	The proposed modifications will be readily accommodated in the KCT existing water management system, and there is no material modification required to the water management described in the CEMP.	There is unlikely to be a significant environmental impact associated with surface water and existing mitigation measures are satisfactory.
Air Quality	Air quality emissions associated with the construction works on the PN allotments will be in accordance with current approvals and levels predicted in the Stage 4 Project EA (Umwelt 2009) and managed in accordance with the approved CEMP for KCT. Accordingly all air quality emissions from the operation of the rail loop will be in accordance with existing approvals.	There is unlikely to be a significant environmental impact associated with air quality emissions and existing mitigation measures are satisfactory.
Aboriginal Archaeology	There is no risk of in situ Aboriginal archaeology being located in this area as this area of Kooragang Island has been extensively filled to provide for developable industrial land.	There is unlikely to be a significant environmental impact associated with Aboriginal archaeology.
Historical Heritage	The existing ancillary works and rail line features in this area have no historic value.	There is unlikely to be a significant environmental impact associated with historical heritage.
Visual Amenity	The proposed works on PN allotments will not be visible from surrounding residential areas and is consistent with the visual impacts associated with the approved KCT operations and the existing industrial nature of this area of Kooragang Island.	There is unlikely to be a significant environmental impact associated with visual amenity.
Greenhouse gas and energy	Construction works will be undertaken in accordance with the approved program of construction activities outlined in Stage 4 Project EA. The proposed works will not result in additional greenhouse gas emissions.	There is unlikely to be a significant environmental impact associated with greenhouse gas and energy.
Maritime safety	The proposed rail loop realignment works will not alter the approved throughput capacity of KCT. All other aspects of KCT operations will continue in accordance with approved processes.	There is unlikely to be a significant environmental impact associated with maritime safety.
Socio-economic Assessment	The social economic impacts of KCT will remain substantially unchanged by the proposed works.	There is unlikely to be a significant environmental impact associated with socio-economic factors.

Summary

The assessment undertaken of key engineering, environmental and planning issues has identified that there is unlikely to be significant adverse impacts associated with undertaking works on the three PN allotments.


The Department considers that the environmental assessment undertaken of part of Modification 3 and previous assessment undertaken in Modification 2 is satisfactory and the existing approvals regime and associated conditions are appropriate to manage potential environmental impacts with the construction and operation of the proposed road design works, incorporating the three (3) additional land parcels.

6. CONCLUSION AND RECOMMENDATIONS

The Department has assessed the modification request and considers the request to be justified. The Department acknowledges that the proposed alternate road works would provide operational efficiency at the KCT, which now has the support of the principal landowner.

The associated impacts resulting from the works have been adequately assessed and no further conditions are recommended as the current environmental management regime is sufficient to ensure that the proposed works are undertaken with minimal environmental impact. Consequently, the Department recommends approval of the modification request.


Glenn Snow 26/11/12
**Manager - Ports and Rail
Infrastructure Projects**


Felicity Greenway 26/11/12
**Director
Infrastructure Projects**