

ASSESSMENT REPORT

BlueScope Steel Ore Preparation Upgrade Project (MP 06_0229 MOD 1) Section 75W Modification

1. BACKGROUND

BlueScope Steel Pty Ltd (the Proponent) owns and operates the BlueScope Steelworks at Port Kembla in the Wollongong Local Government Area (see **Figure 1**).

This report assesses a modification request by the Proponent to amend a number of conditions of approval relating to the upgrade of the Ore Preparation Area within the steelworks. The Ore Preparation Area supplies raw feed material to the two operating blast furnaces on site which is used in the production of iron.

The Proponent is Australia's largest steel manufacturer, and at its peak, the Port Kembla steelworks employed around 30,000 people. The site now employs a significantly smaller workforce of around 3,500 employees and production has also dropped by around 50%.



Figure 1: Bluescope steelworks – local context



Figure 2: Extensive steel making infrastructure at the Port Kembla Steelworks

1.2. Site Context

The steelworks are located on around 742 hectares of land adjacent to Port Kembla Harbour. The harbour has been highly modified to support a range of industrial uses including as an export location for coal mined in the southern and western regions of New South Wales. The closest residential suburbs to the steelworks are Mount St Thomas, which is approximately 2.3 km north-west of the site and Cringila, which is approximately 1.4km west of the steelworks site.

1.2. Project Approval

A number of consents and approvals exist for the steelworks site. On 3 July 2007, the Minister for Planning granted project approval for upgrades to the Ore Preparation Area, known as the Ore Preparation Upgrade Project (OPUP). The OPUP included upgrades to the Sinter Plant and Raw Materials Handling Area (See **Figure 2**). The Sinter Plant produces 'sinter' which is composed of fine iron ore particles and is central to the production of iron, while the Raw Materials Handling Area supplies the raw materials which are used within the Sinter Plant.

As part of the 2007 approval, additional infrastructure within the Ore Preparation Area was constructed to improve efficiencies within the Sinter Plant which in turn enabled an increase in production of Sinter, with flow on decreases in fuel use in the blast furnace.

2. PROPOSED MODIFICATION

On June 27 2014, the Proponent submitted a modification request (MP 06_0229 MOD 1) under Section 75W of the *Environmental Planning and Assessment Act 1979* (the EP&A Act) to modify the 2007 approval, including:

- removal of conditions that it considers are no longer relevant to its operations, especially those that are related to construction, commissioning or verification activities;
- removal of any air, noise and water monitoring and reporting requirements from the consent which are duplicated in the Environment Protection Licence (EPL 6092), which is regulated by the Environment Protection Authority (EPA); and
- rationalise and streamline its annual reporting requirement from annually to triennially (every three years).

The modification request is described in full in the letter from the Proponent included in **Appendix B**.

The modification request was placed on hold by the Proponent due to a fire at the steelworks site in October 2014. The Department recommenced its assessment of the modification request in February 2016.

2.1 Modification Need and Justification

The Proponent considers it has invested significant time, resources and capital into improving the environmental performance of the Ore Preparation Area particularly the Sinter Plant, since approval was granted in 2007. This includes entering into a number of pollution reduction programs (PRPs) with the EPA which are now completed.

The project approval included the EPA's general terms of approval (GTAs) which formed the basis for the EPL for the site. The EPL has since been amended a number of times and is no longer consistent with the project approval. The Proponent is now seeking to remove a number of conditions in the approval that have either been satisfied or are inconsistent with the requirements in the EPL.

The Proponent also considers its reporting obligations to the Department are onerous given the number of consents and approvals that currently exist for the site. The Proponent considers reducing its reporting frequency and removing redundant conditions would assist in reducing the complexity, time and cost involved in reporting against the approval requirements.

3. STATUTORY CONTEXT

3.1 Modification request

The project approval for the OPUP was granted under Part 3A of the EP&A Act. Although Part 3A was repealed on 1 October 2011, the project remains a 'transitional Part 3A project' under Schedule 6A of the EP&A Act. Consequently, the proposed modification is to be determined under section 75W of the EP&A Act.

Pursuant to section 75W(2) of the EP&A Act, the proponent may request the Minister to modify the project approval. Any request is to be lodged with the Secretary and a copy of this modification request can be found at **Appendix B**.

Under section 75W(4) of the EP&A Act, the Minister may modify the approval (with or without conditions) or disapprove the modification. The following report outlines the Department's assessment of the modification request and recommendation.

3.2 Approval Authority

The Minister was the approval authority for the original project application, and is consequently the approval authority for this modification request.

However, as reportable political donations were made by the Proponent, the request will be determined by the Planning Assessment Commission (the Commission) in accordance with the Minister's Instrument of Delegation, dated 14 September 2011.

4. CONSULTATION AND SUBMISSIONS

4.1 Consultation

Under Section 75W of the EP&A Act, the Department is not required to notify or exhibit the request. Upon receipt, the request was placed on the Department's website and following a review of the request, the Department did not consider further consultation was necessary. Notwithstanding, the Department sought comments from the EPA and Wollongong City Council (Council).

4.2 Submissions

The EPA raised no concerns with the proposed modification, as the majority of the approval conditions have been addressed via a PRP or form part of the EPL conditions.

Council raised no concerns with the modification request.

5. ASSESSMENT

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

- letter prepared in support of the modification request (see **Appendix B**);
- Director-General's assessment report for the original project application;
- existing approval conditions;
- submissions (see **Appendix C**);
- relevant environmental planning instruments, policies and guidelines; and
- requirements of the Act, including the objects of the Act.

The Department's assessment found the key issues associated with the modification relate to the Proponent's request to amend its reporting and auditing requirements. These issues are considered below.

The Department's assessment of all other issues is detailed in **Table 1**.

5.1 Auditing and Reporting Requirements

Independent Environmental Audit

Condition 4.1 of the approval requires the Proponent to commission an independent environmental audit (IEA) on an annual basis. The Proponent has requested to amend condition 4.1 so that the frequency of its independent environmental auditing is reduced to once every three years (triennially).

The Proponent considers an annual IEA is excessive and inconsistent with other Ministerial consents and approvals. Presently, the Department is assessing a concurrent modification request for the Waste Gas Cleaning Plant (WGCP) consent on the same site (DA 26-02-01 MOD 2). The Department understands the two modification requests are the start of a process by the Proponent to streamline its reporting, auditing and regulatory requirements for a number of approvals and consents that cover the site.

The Department notes there are no compliance issues with either the Sinter Plant or the Raw Materials Handling Area and that the Proponent has worked closely with the EPA over the years to appropriately manage its site. The EPA did not object to the Proponent's proposal to reduce its auditing requirements.

The Department considers that modifying the frequency of the IEA to every three years is consistent with current best practice conditions and guidelines. As such, the Department has recommended the next IEA be submitted in June 2016 and then every three years thereafter, consistent with other consents and approvals for the site.

Environmental Management Report

Condition 4.1 of the approval requires the Proponent to undertake a 'periodic review' of compliance with the approval. The timing for this review is not stated in the condition.

Subsequent to the submission of the 2011 IEA, correspondence from the Department agreed the submission of an annual IEA report to the Department was an acceptable means of tracking compliance with the project approval. A separate periodic review of compliance with the approval was therefore never undertaken by the Proponent.

As discussed above, the Department has recommended the frequency of the IEA is modified from annually to every three years. The Department is therefore of the view that a new reporting condition is required in the form of an Environmental Management Report

(EMR), consistent with current best practice conditions and guidelines. The EMR would require the Proponent to identify and review all of the standards, performance measures, and statutory requirements the project is required to comply with. It would also identify trends in performance over time.

As discussed, no recent issues of environmental performance have been raised by the EPA. As such, the Department considers that a new condition requiring the submission of an EMR every three years would be consistent with the reporting frequency for the WGCP and other consents and approvals for the site.

The Department recommends the next EMR is submitted in October of 2017, which is approximately one year following the submission of an Independent Environmental Audit report for the OPUP. This would enable the Proponent to report on any actions taken as a result of the independent audit. The Proponent has accepted the updated reporting requirements.

Overall, the Department is satisfied the recommended change in auditing and reporting requirements is appropriate and in updating condition 4.1, the Proponent is able to streamline its auditing and reporting requirements with other consents and approvals for the site.

5.2 Other Conditions

The Proponent has requested to delete a number of other conditions which it states are either satisfied, duplicated or superseded by the EPL. These conditions are considered in **Table 1** below. Not all conditions which were requested for deletion by the Proponent have been agreed to by the Department as they are considered to be relevant to the operation of the project.

Table 1: Other conditions which the Proponent has requested to delete from its approval

Issue	Conditions	Consideration
Discharge Limits	2.6	<ul style="list-style-type: none"> Condition 2.6 relates to the discharge limits for the Sinter Plant Waste Gas Cleaning Plant Exhaust Stack. The Proponent has requested this condition be deleted from the approval as this requirement was transferred to the EPL as a license condition. The EPA did not object to the deletion and confirmed the limits and monitoring requirements in this condition is consistent with the EPL. As such, the Department agrees to delete this condition. It is recommended a new condition 2.6 is inserted to require the Proponent to ensure that licenced discharges from the site comply with the discharge limits in the EPL.
Sinter Cooler Waste Gases	2.7	<ul style="list-style-type: none"> Condition 2.7 requires the Proponent to undertake an investigation into the use of spare capacity in the de-dusting system for treating additional dust loads from the Sinter Cooler. The Proponent has requested this condition be deleted from the approval as this condition was transferred to the EPL as a PRP and completed in 2010. The EPA did not object to the deletion and confirmed the investigation was undertaken and completed. As such, the Department has recommended condition 2.7 be deleted.
Construction	2.8, 6.1 and 6.2	<ul style="list-style-type: none"> The upgrade to the Sinter Plant and Raw Materials Area was completed in 2009. The Proponent considers the condition outlining the construction hours (2.8) is no longer required as the conditions has been satisfied and is no longer relevant to the operational phase of the project. The Proponent also considers the condition requiring a Construction Management Plan (6.1, 6.2) is no longer required as they have been fulfilled. The Department agrees that construction is completed and has recommended these conditions be deleted. Should the Proponent seek to undertake further construction works in the future, any approval would consider the need to manage construction related impacts through new conditions.
Waste classification	2.15	<ul style="list-style-type: none"> The Proponent is requesting to delete condition 2.15 which relates to the classification and management of liquids and non-liquid wastes. The Department considers this condition is standard across all project approvals and is still relevant to ongoing operations at the site.

		<ul style="list-style-type: none"> The Department therefore recommends condition 2.15 be deleted and replaced by a standard condition which requires the Proponent to classify and dispose of waste in accordance with the EPA's current waste guidelines.
Air Quality monitoring	3.1, 3.2	<ul style="list-style-type: none"> The Proponent is requesting the deletion of air quality monitoring conditions relating to the recommissioning of plant and equipment at the Sinter Plant. The Proponent has stated the air quality monitoring was completed in 2009 in consultation with the EPA. The EPA did not object to the deletion of these conditions and notes routine monitoring (quarterly) is being undertaken by the Proponent under the EPL. The Department is satisfied conditions 3.1 and 3.2 have been completed and recommends these conditions be deleted from the project approval.
Noise Monitoring	3.3, 3.4	<ul style="list-style-type: none"> Conditions 3.3 and 3.4 require the Proponent to undertake noise monitoring of the project. The Proponent has requested these conditions be deleted from the approval because it has completed the noise monitoring verification and the requirement was duplicated in the EPL. The Proponent submitted a Noise Compliance Report to the Department in 2010. The Department was satisfied the upgrade complied with the noise limits specified in the approval and indicated there was no need to develop the remedial measures outlined in condition 3.4. The Department concluded no further action was required under conditions 3.3 and 3.4. The EPA did not object to the request and noted verification monitoring has been completed and the noise limits are specified under the EPL. In addition, no recent noise complaints have been made from the general public. The Department is satisfied these conditions have been completed and agrees conditions 3.3 and 3.4 should be deleted.

6. CONCLUSION

The proposed modification would not result in an increase in environmental impacts from the approved project. The recommended modifications do not alter the operation of the site but simplify the approval by either removing conditions that have been completed or aligning reporting requirements with other approvals and consents across the site.

Consequently the Department is satisfied the proposed modification is minor, is in the public interest and should be approved subject to some minor amendments to the existing conditions of approval as set out in the recommended modifying instrument at **Appendix A**.


7. RECOMMENDATION

Under delegation of the Minister, it is **RECOMMENDED** the Planning Assessment Commission:

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

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Endorsed:

 26/4/16
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