

19 January 2012

## **Proposed Tile Manufacturing Facility Expansion at Racecourse Road, Rutherford**

### **The proposal**

The existing ceramic tile manufacturing facility on Racecourse Road Rutherford has approval to install 4 production lines with a maximum production rate of 12.8 million square metres of tiles per year. Two production lines have been developed and are in operation producing about 6.4 million square metres of tiles. There is no definite plan when the other two production lines will be developed.

The application seeks approval for the expansion of the existing tile manufacturing facility through the construction and operation of a second factory building. In summary, the application seeks approval to:

- Construct and operate a second factory building to accommodate 4 new production lines and four new kilns;
- Increase production capacity from 12.8 million square metres to 25.6 million square metres of tiles per annum; and
- Construct associated infrastructures and services.

The new factory building will be located on the eastern side of the existing factory. The new production lines would introduce a new product range using the latest tile manufacturing technology (Continua).

### **Delegation to the Commission**

The Planning Assessment Commission (Commission) is required to determine the application under the Minister's delegation dated 14 September 2011.

The Commission consisted of Ms Gabrielle Kibble AO (chair) and Mr John Court. The Commission visited the site on 16 November 2011.

### **Director-General's Assessment Report**

The proposal was placed on public exhibition from 15 July 2010 to 18 August 2010. The Department received a total of 316 public submissions during the exhibition period and six Government Agency submissions from:

- Maitland City Council;
- Roads and Traffic Authority;
- NSW Office of Water;
- Hunter Water Corporation;
- Department of Trade and Investment, Regional Infrastructure and Services; and
- Office of Environment and Heritage.

The Director General's Assessment Report (DG's report) identified the following key issues:

- Noise impacts;
- Potential adverse air quality impacts;
- Section 94 contributions; and
- Visual amenity.

Other issues assessed by the Department included landscaping and vegetation planting, water supply and consumption, surface water and stormwater, traffic, heritage, parking, hazards and greenhouse gas and energy efficiency.

The Department is satisfied that the proposed expansion is consistent with surrounding industrial development and would not pose unreasonable impacts on existing or future developments in the area. The proposal will have a positive contribution to the local, regional and State economies.

The Department has recommended conditions to:

- Prevent, minimise, and/or offset adverse impacts of the project;
- Set standards and performance measures for acceptable environmental performance;
- Ensure regular monitoring and reporting; and
- Provide for the ongoing environmental management of the project.

### **Meeting with Key Stakeholders**

On 8 November 2011, the Commission met with the Department of Planning and Infrastructure, Office of Environment and Heritage, Maitland City Council and the proponent for a briefing.

#### Department of Planning and Infrastructure and Office of Environment and Heritage

The Department of Planning and Infrastructure (DP&I) was represented by Ms Felicity Greenway, Ms Christine Chapman, Mr Jeff Parnell and Ms Kerry Hamann. The Office of Environment and Heritage (OEH) was represented by Ms Rebecca Scrivener and Mr Andrew Mattes. Ms Greenway, Mr Mattes and Ms Scrivener participated in a further meeting with the Commission on 25 November 2011 at which further information was sought on the air quality predictions.

The meeting was for the DP&I to brief the Commission on the proposal. The key issues discussed at the meeting included:

- The reason for the expansion;
- The proposed residential developments adjacent to the site;
- Odour;
- Air quality including fluoride and PM10;
- Noise; and
- Monitoring and compliance.

On 28 November 2011, the Commission requested the Department explore and consider additional measures such as increasing the stack heights with a view to further reducing near field air quality impacts. On 11 January 2012, the Department advised that the additional modelling results do not demonstrate a clear environmental benefit from increasing stack heights (see further discussion in later section of this report).

## Maitland City Council

The Commission was briefed by Mr Stephen Punch of Maitland City Council. The brief was focused on the followings:

- Council supports the factory;
- The location of the factory is in a major employment centre;
- Council believes the factory and adjacent residential developments can co-exist;
- The recommended conditions of approval are considered satisfactory;
- Most odour related issues relate to other industries in the area;
- Cumulative impacts on noise and air quality including fluoride and particulate matter; and
- Monitoring.

## Proponent

The proponent was represented by Mr Len Pereira, Managing Director of NCIA, Mr Chris Schneider and Mr James McIntyre. The meeting discussed the following issues:

- The court appeal in relation to Council's approval of the Heritage Green development;
- Reasons for the proposed expansion;
- Fluoride emission;
- Monitoring and compliance of licence requirements;
- Measures that could be implemented to improve performance.

## Public Meeting

The Commission held a public meeting on 16 November 2011 at Rutherford to hear public views on the Department's assessment report and recommendation. Seven persons registered to speak to the Commission (see Appendix 1). The key issues raised at the meeting included:

- Air quality including:
  - exceedence of licence limits,
  - monitoring station location,
  - compliance with Environment Protection Licence and conditions of development consent,
  - poor air quality in the region, and
  - monitoring results not available for public review;
- Health impact;
- Visual amenity;
- Cumulative impacts;
- Land use conflict;
- Social and health cost versus employment benefit;
- environmental performance of the existing factory;
- odour;
- noise issues including:
  - rail noise not taken into consideration in assessment,
  - deficiencies and incorrect application of noise criteria, and
  - exceedence of noise limits;
- Adequacy and location of buffer zone;
- Non compliance to the landscaping requirement;
- External storage of materials and general state of the grounds;
- Inadequate justification to reduce on-site parking provision;
- Failure to assess impact on the Farley Investigation Area; and
- Insufficient opportunity cost analysis.

## Commission's comments

### Air Quality

The submissions raised two key issues concerning air quality impacts from the proposed development.

#### 1. *Regional Air Quality and Cumulative Impact*

Cumulative impacts are particularly relevant for two air pollutants, ie fine particles (PM10) and fluorides. Fine particles impacts are caused by extensive open-cut mining, coal-fired power generation and other industries in the Hunter Valley region. Fluoride impacts are caused by large-scale aluminium smelting and power generation in the Hunter Valley.

The Department's assessment report concluded that the proposed expansion would contribute to a minor increase in emissions. However the increase is not expected to result in a quantifiable impact on surrounding receivers.

The Commission accepts the Department's conclusion and notes that if fluoride emissions reach the levels predicted in the Environmental Assessment report, some fluoride-sensitive ornamental species of plants that may be grown closest to the factory could be affected. A condition of consent has been recommended to ensure close monitoring of impacts of fluoride on vegetation and the Commission supports the condition.

The Department acknowledges that the regional airshed in the Rutherford/Maitland area is approaching the national and NSW ambient goals for fine particles (PM10). It directs attention to the effort being made to address the issue. In that "the Department and the OEH are currently implementing a range of measures to monitor and improve regional air quality in Maitland and the wider Hunter Valley, including tightly regulating industry through development consents and EPLs, establishing the Upper Hunter air quality monitoring network, and establishing a Rutherford Air Quality Liaison Committee. The Department is confident that these measures will drive continual improvement in air quality in the region."

The Commission strongly supports the initiatives and believe Maitland City Council should also be involved to actively pursue measures that would assist in reducing air pollutants emissions so as to minimise the increase in background levels and risk of environmental quality deterioration that would severely limit otherwise desirable growth and development in the region.

#### 2. *Air quality issues specific to the NICA proposal*

The Commission considers that the predicted impacts have been adequately assessed based on present information available. However, there may be variations from these predictions as the future manufacturing facilities progressively come on line. The adaptive management approach incorporated into the Department's recommended approval conditions are strongly endorsed by the Commission. Notwithstanding such view, on 28 November 2011, the Commission requested the Department to consider whether alternative measures, such as increasing stack heights, could further minimise the near field impact. In response to the request, the proponent undertook additional modelling of different scenarios (different stack heights and velocity increase). On 11 January 2012, the Department advised the Commission that:

The Department does not consider that the results (from additional modelling) demonstrate a clear environmental benefit resulting from increased stack height. This is even more pertinent given that the Project is predicted to result in GLCs well below current EPA guideline criteria, with only a zero to one additional exceedence

of the more stringent criteria currently imposed on the facility through the sites current approval and environmental protection licence (EPL).

The Commission also notes that the Office of Environment and Heritage raised no major concerns with the proposed expansion and that current pollution limits set within the existing Environmental Protection Licence should be maintained. The NCIA would be required to report on emissions from the facility annually and this will ensure compliance with emission limits set by the Environmental Protection Licence and project approval.

The Commission accepts the Department's assessment and considers air quality impacts associated with the proposal can be adequately managed by recommended conditions of approval. In this regard the Commission notes that other ameliorative options are available to reduce emissions if impacts from the proposed expansion prove to be more severe than predicted including:

- Increased dosing rate of lime to scrub gaseous fluoride emissions;
- Improved design efficiency for fluoride scrubbing, including a modified lime-injection system and/or incorporation of fluidized beds into the scrubbing train;
- Continuous monitoring of particle emissions from fabric filters; and
- Retrofitting additional particulate collection equipment to reduce fugitive emissions.

These measures have been applied successfully to control emissions in both the ceramic and aluminium-smelting industries and the Commission is confident that they could be adapted for use in this project if subsequently found to be warranted.

### Noise

The Department has provided an extensive assessment of noise impacts. The Department advised that it is satisfied with the NCIA's assessment of potential noise impacts and adopted noise mitigation measures.

The Commission notes that the noise criteria has not been exceeded at existing residential locations. However, when residential development occurs in the Heritage Green site, feasible measures to minimise noise impact on future residents should be employed by both NCIA, as planned, and Heritage Green. The Commission is satisfied that the operation noise would be within the noise criteria in the Farley site.

The Commission notes NCIA's existing noise limits and hours of operation form recommended conditions of approval for this project.

Overall, the Commission considers noise impacts are acceptable, particularly in the context of site's location within a well established industrial area. The Commission accepts the Department's assessment and considers noise impacts associated with the proposal will be adequately managed by the recommended conditions of approval.

### Other issues

#### *1. Land Use conflict*

The NCIA facility is located within an existing well planned industrial estate that provides employment opportunities for the local and sub-regional population. The Commission considers the proposal is compatible with the well established industrial area. The approval of residential development adjacent to an established industrial estate should have regard to the potential noise, dust and other impacts arising from industries, notwithstanding these industries are required to operate within certain environmental criteria.

#### *2. Odour*

The Commission found the existing factory or the proposed expansion would not cause offensive odour. It is an issue arising principally from other industrial developments within

the estate. The Commission also notes that a condition is recommended to ensure that the project does not result in the emission of any offensive odour from the site.

3. *Visual amenity and landscaping*

The Commission found the Department's assessment and recommendations are reasonable and satisfactory.

4. *Compliance*

The Commission noted the issue of non-compliance with previous approval conditions. The Commission considers it is important that the Department monitors compliance closely to ensure required works are implemented and meet the conditional requirements.

**Commission's determination**

The Commission has carefully considered the Department's assessment report and associated documents and submissions made to the Department of Planning and Infrastructure and at the public meeting. The Commission is satisfied that other issues raised in the public submissions and PAC meeting relevant to the expansion of the proposed facility have been adequately addressed by the Department's assessment report. Where applicable, conditions of approval have been recommended to mitigate the potential impacts to meet regulatory environmental criteria.

The application is approved subject to conditions in Appendix 2 of this report.



Gabrielle Kibble AO  
Chair



John Court  
Commission Member

## **Appendix 1 List of Speakers**

### **Planning Assessment Commission Meeting for the Proposed Expansion of Tile Manufacturing Facility at Racecourse Road, Rutherford**

**Time & Date:** 10am, Wednesday, 16 November 2011

**Venue:** Function Room, Old Maitland Inn, 279 New England Highway, Rutherford

1. Ms Wendy White
2. Maitland Anti Stink Campaign  
Mr Steve Jordan  
Ms Ramona Cocco
3. McCloy Group  
Mr Peter Tomasetti
4. Farley Investigation Area Landowners Group  
Mr Lucas Simpson
5. Mr Robert Kerrigan
6. Mr David Dunston

## **Appendix 2**

### **Instrument of Approval**