

10 May 2012

Newcastle Gas Storage Facility (MP 10_0209)

PROPOSAL

This application seeks project approval for the construction of a gas storage facility a receiving station and associated infrastructure. The gas storage facility is located at Tomago in the Port Stephens local government area (LGA). The receiving station is located in Hexham within the Newcastle LGA. The two sites will be linked by a gas pipe line.

The main components associated with the project include construction and operation of:

- A gas storage plant;
- Access roads and utility corridors;
- Gas pipelines; and
- A receiving station and network connection.

The Proponent for this application is AGL Energy Limited.

DELEGATION TO THE COMMISSION

The project was referred to the Commission for determination under the terms of the Ministerial delegation dated 14 September 2011.

Emeritus Professor Kevin Sproats and Mr Brian Gillian were nominated as the Commission members for the project. Emeritus Professor Kevin Sproats chaired the Commission.

DEPARTMENT'S ASSESSMENT REPORT

On 17 April 2012, the Commission received the Director-General's Environmental Assessment Report. The report provided a detailed assessment of key issues including:

- Impacts on flora and fauna;
- Water quality;
- Hazards and risks;
- Aboriginal heritage; and
- Noise.

The Department also considered air quality, visual amenity, acid sulphate soils and Section 94 contributions as a part of its assessment.

The Department considers the project is in the public interest and recommends the project be approved subject to conditions.

CONSULTATION AND SUBMISSIONS

The Department received a total of 25 submissions on the project comprising:

- 11 from public authorities; and
- 14 from the general public and special interest groups.

All 14 submissions received from the general public and special interest groups, objected to the proposal. In summary the key areas of concern included:

- Impact on Aboriginal heritage;
- Impact on flora and fauna;
- Cumulative impacts (locating further industry within the Tomago aluminum smelter buffer zone);
- Greenhouse gas / climate change;
- Air quality;
- Impacts of coal seam gas extraction; and
- Hazards and risks

COMMISSION MEETINGS

The Commission relied on the Director-General's Environmental Assessment Report and submissions received from agencies, objectors and Council in determining the proposal. The Commission did not meet with the proponent, Port Stephens Council, Newcastle City Council or the Department in its consideration.

COMMISSION'S COMMENTS

The Commission notes that the proposed gas storage facility would provide a significant piece of infrastructure for the supply of gas in NSW. The facility would provide a buffer against potential supply disruptions safeguarding the critical supply of gas for residential, commercial and industrial customers within the State. The Commission further notes that the proposal is permissible under the existing Port Stephens LEP 2000 and Newcastle LEP 2003.

The Commission carefully considered the Director-General's Environmental Assessment Report and gave particular consideration to the following issues:

- Flora and fauna impacts
- Construction noise
- Development within the Tomago Aluminium Smelter buffer area.

Flora and Fauna Impacts

The Commission notes key ecological issues associated with the proposal include the need for an appropriate biodiversity offset, the removal of Earp's Gum individuals and potential impacts on the New Holland Mouse and Koala.

The Commission notes conditions have been imposed which require 15 Earp's Gum individuals to be replaced at a 3:1 ratio and translocation of any individual Koala and New Holland Mouse species from the construction area. Conditions have also been recommended requiring the proponent to formalise a biodiversity offset package. The Commission notes the proponent has acquired two offset sites with an area of 113ha and is in the process of developing Conservation Agreements with the Office of Environment and Heritage.

The Commission accepts the Department's assessment that the proposal is unlikely to have an unacceptable impact on the ecology of the site or locality. The Commission is satisfied that the recommended conditions, which require the implementation of an appropriate offset package and management measures, will appropriately mitigate flora and fauna impacts associated with the development.

Noise

The Commission notes two sensitive receivers (Tomago Village Caravan Park and 217 Old Maitland Road) will experience construction noise from Horizontal directional drilling which will be conducted 24 hours a day 7 days a week for a 3 week period.

In response to this issue, the Department recommended a Condition requiring a Construction Noise Management Plan to be prepared and implemented to the satisfaction of the Director-General to manage and mitigate construction noise impacts.

The Commission is satisfied that the temporary construction noise impacts can be appropriately managed through the recommended Construction Noise Management Plan. The plan requires the proponent to consult with the owners/occupiers of the sensitive receivers, with the aim of implementing reasonable noise mitigation measures including consideration of respite periods and alternative accommodation arrangements.

Buffer Zone

The Commission notes concern was raised regarding the location of the gas storage facility within the Tomago Aluminium smelter buffer zone. The Commission accepts the Department's

assessment that the location is suitable for the proposed facility and will not lead to any unacceptable cumulative air quality impacts.

COMMISSION'S DETERMINATION

The Commission has carefully considered the Director-General's Environmental Assessment Report and Council, agency and public submissions.

The Commission is satisfied that the recommended conditions will adequately protect and manage impacts associated with the proposal.

On balance, the Commission agrees with the Department's recommendation that the proposal should be approved subject to Conditions.



Emeritus Professor Kevin Sproats
Commission Member



Brian Gilligan
Commission Member