



Borg Panels Timber Processing Facility

*State Significant
Development
Modification Assessment
(SSD-7016-Mod-2)*



November 2019

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Cover photo

Borg Panels Timber Processing Centre – Log yards (Department of Planning, Industry and Environment, 2016)

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Glossary

Abbreviation	Definition
Consent	Development Consent
Council	Oberon Council
Department	Department of Planning, Industry and Environment
EPA	Environment Protection Authority
EP&A Act	<i>Environmental Planning and Assessment Act 1979</i>
EP&A Regulation	Environmental Planning and Assessment Regulation 2000
EPL	Environment Protection Licence
Minister	Minister for Planning and Public Spaces
Planning Secretary	Planning Secretary of the Department of Planning, Industry and Environment
SSD	State Significant Development



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1. Introduction

This report provides an assessment of an application to modify the State significant development (SSD) consent for the Borg Panels Timber Processing Facility, Oberon.

The modification application seeks approval for:

- the installation of an electricity generating gas turbine and high-pressure gas pipeline within the site boundary and
- changes to the particleboard facility layout, including the removal of an acoustic barrier that was approved under MOD 1 and rationalisation of particleboard facility equipment.

The application was lodged by Borg Panels Construction Pty Ltd (the Applicant) on 29 August 2019 pursuant to section 4.55(1A) of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

1.1 Background

The Applicant operates a timber processing facility comprising a medium density fibreboard (MDF) facility at 124 Lowes Mount Road, Oberon in the Oberon local government area (LGA) (see **Figure 1**). The MDF facility has been in use for timber manufacturing since the mid-1980s and produces MDF and joinery products for kitchen, shelving and joinery applications. The MDF facility was formerly part of a larger timber operation known as the Oberon Timber Complex (OTC), comprising an existing sawmill and particleboard facility operating on either side of Lowes Mount Road. The operation of the OTC was approved under a separate Ministerial consent (DA 27/95) on 5 October 1995.



Figure1 | Site Location

On 27 May 2017, the Applicant was granted development consent (SSD 7016) for the expansion of its existing timber processing facility. The expansion includes the construction and operation of a new particleboard facility and the continuation of, and alterations and additions to, the existing MDF facility. The consent also enabled the Applicant to remove the MDF manufacturing operations from DA 27/95 and consolidate all its operations under a single development consent.

1.2 Subject Site

The site is located approximately 46 kilometres (km) south-east of Bathurst and 195 km west of Sydney in the NSW Central Tablelands (see **Figure 1**). The site is approximately 1.5 km north of the Oberon town centre and the closest residential receiver is around 600 metres (m) south of the site.

The topography of the site is mostly flat and is around 60.5 hectares (ha) in area. The site is situated within an existing industrial area and is surrounded by:

- parcels of vacant land to the north and west of the site
- the Boral sawmill, Structaflor particle board facility and Highland Pine Products to the south-west of the site
- the Oberon Rugby Leagues Club, Australian Native Landscapes facility and light industry to the south
- a vacant land parcel to the east (currently owned by the Applicant)
- the Woodchem resin manufacturing facility (Woodchem facility), located within the MDF facility's footprint, on the eastern boundary.

1.3 Approval History

On 27 May 2017, development consent was granted by the then Executive Director, Key Sites and Industry Assessments as delegate for the then Minister for Planning, for the expansion of the Borg Panels Timber Processing Facility (SSD 7016). The development consent permits the following works:

- construction and operation of a particleboard facility and associated infrastructure including debarkers, chipper facility, silos and high bay warehousing with a maximum height of 35 m.
- continuation of, and alterations and additions to, the existing MDF facility including new paper treatment lines, sanding and laminating press and upgrades to the site's existing stormwater system.

The development consent has been modified on one occasion. The modification allowed for changes to the design of the particle board facility and alterations and additions to the site's existing structures to improve operational efficiencies.

1.4 Applicant's Need for the Modification

The facility requires a large amount of energy including heat to produce particleboard. For example, the particle board dryer uses a combination of gas (which is supplied via pipeline) and dust (which is produced on-site) to remove moisture from wood as part of the particle board process. Consequently, this has resulted in a shortage of dust on-site and has increased the Applicant's gas consumption.

As such, the Applicant is seeking to install a gas fired turbine and high-pressure gas pipeline for the development. The gas turbine would generate electricity for the development as well as large quantities of hot air that can be directed to the particle board dryer. The Applicant considers installing a gas turbine would enable it to reduce its overall energy consumption from the grid while also allowing the site to operate effectively and safely during network power outages.

The Applicant is seeking to modify development consent SSD 7016 via a section 4.55(1A) modification application to allow for the installation of a gas turbine and associated infrastructure. In addition, the Applicant is also seeking to make alterations and additions to the development including removing an acoustic barrier approved under MOD 1.



2. Proposed Modification

The Applicant has lodged an application under section 4.55(1A) of the EP&A Act to modify SSD 7016 to install an electricity generating gas turbine and high-pressure gas pipeline for the development. The Applicant also proposes to make site layout changes, particularly within the particle board facility, including rationalising the particle board facility equipment and removing an acoustic barrier that was approved under MOD 1.

The modification is described in full in the Statement of Environmental Effects (SEE) included in **Appendix A** and is illustrated on **Figures 2** and **3** and summarised in **Table 1**.

Table 1 | Proposed Modification

Modification Aspects	Description
Gas Turbine	<ul style="list-style-type: none">• Installation and operation of a standalone electricity generating gas turbine with heat recovery.• The gas turbine would generate up to:<ul style="list-style-type: none">◦ 4 Mega Watts (MW) of electricity◦ 10 MW of heat loss, which would be directed to the particleboard dryer.
High-Pressure Gas Pipeline	<ul style="list-style-type: none">• Installation and operation of a new high-pressure natural gas pipeline within the site boundary to provide natural gas to the gas turbine.• The pipeline would run parallel to Lowes Mount Road underground within the site boundary to provide the Applicant with the gas supply it needs to operate the gas turbine at optimum efficiency (see Figure 3).• The pipeline would connect to the existing Sydney to Moomba high pressure gas pipeline, which is owned by the APA Group.• The Applicant is proposing to connect to the Sydney to Moomba pipeline via an existing APA custody transfer point located adjacent to the development at the north-western end of the site (see Figure 3).• The pipeline infrastructure would include a pressure reducing station, which would supply natural gas at various pressures to the gas turbine and other areas of the development.
Changes to particle board facility layout and rationalisation of equipment	<ul style="list-style-type: none">• Minor changes to the particleboard layout to improve efficiencies and reduce noise emissions, including removal of the acoustic barrier approved under MOD 1.• Rationalisation of particleboard facility equipment including a reduction in the number of mills, material blowers and dust filters and further noise attenuation on equipment.• Extension of service road north to provide alternative access to existing ponds and dams during construction and operation of the facility.

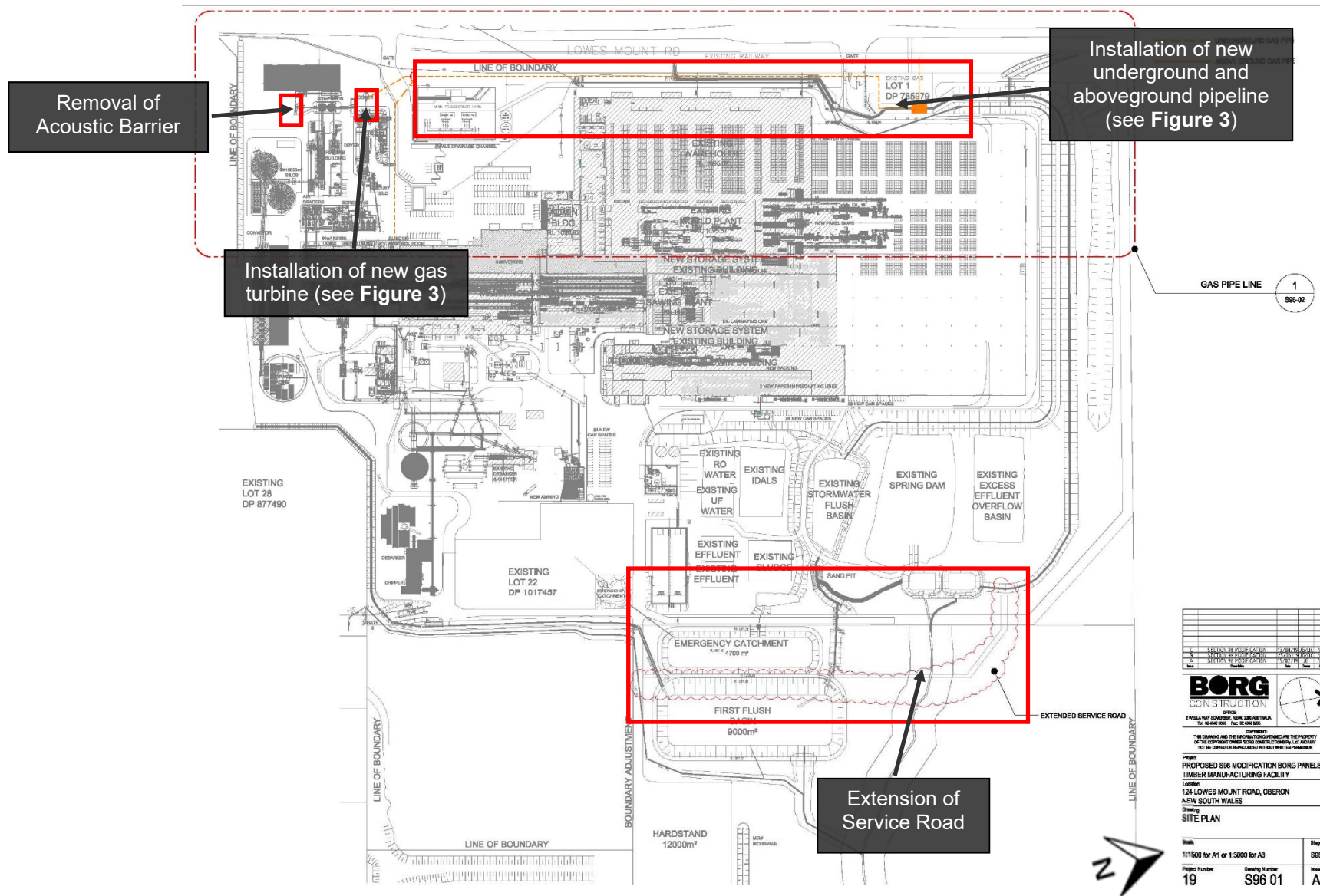


Figure 2 | Proposed Modification

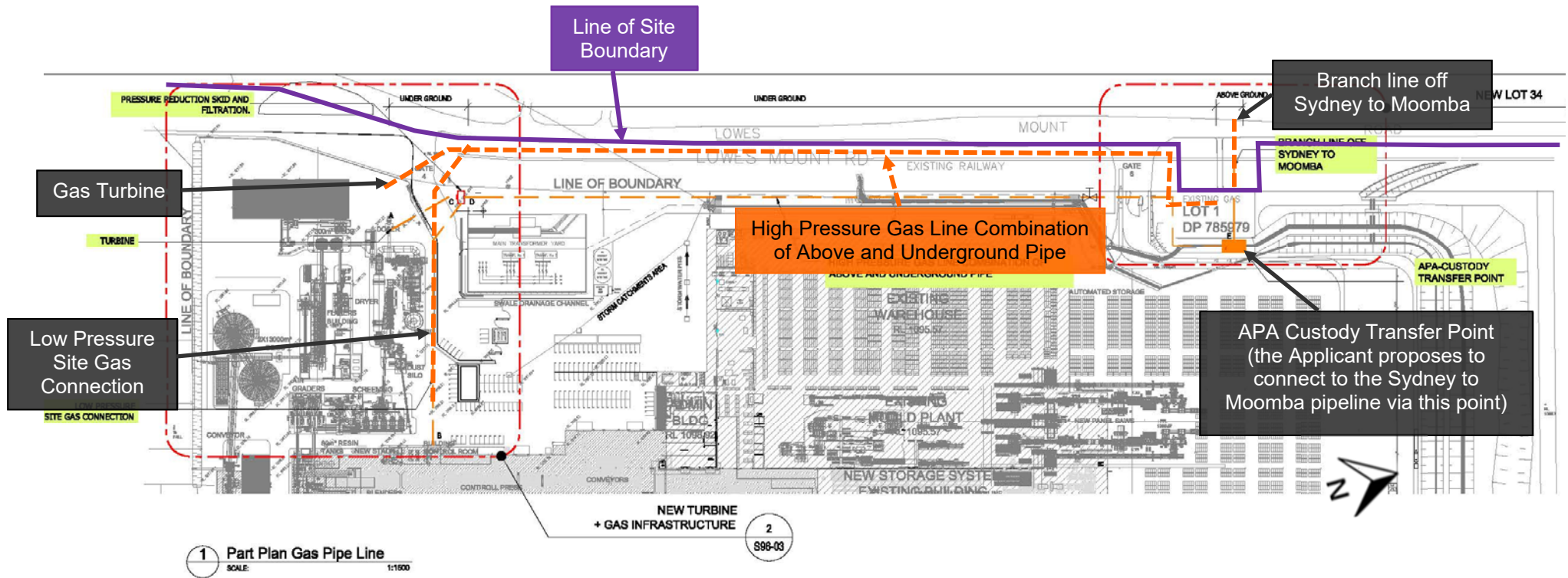


Figure 3 | Proposed Modification – New Turbine and Gas Infrastructure



3. Strategic Context

The Department has considered the strategic context of the site and is satisfied the proposed modification is consistent with relevant strategic planning documents including the *Central West and Orana Regional Plan*.

The proposed modification seeks to install a new gas turbine and high-pressure gas pipeline and make further layout changes to the site including the existing operations and the particleboard facility. The proposed modification would continue to provide construction and ongoing operational jobs in the Oberon LGA.

The proposed modification will continue to be consistent with the *Central West and Orana Regional Plan*, particularly Goal 1, Direction 3 (develop advanced manufacturing and food processing sectors). The proposed modification will continue to support the timber manufacturing sector in the region and contribute to a diverse regional economy.



4. Statutory Context

4.1 Scope of Modifications

The Department has reviewed the scope of the modification application and is satisfied the proposed modification would result in minimal environmental impacts, and relates to substantially the same development as the original development consent, on the basis that:

- the primary function and purpose of the approved development would not change as a result of the proposed modification
- the modification is of a scale that warrants the use of section 4.55(1A) of the EP&A Act
- the approved production rates would remain unchanged as a result of the proposed modification
- any potential environmental impacts would be minimal and appropriately managed through the existing or modified conditions of consent.

Therefore, the Department is satisfied the proposed modification is within the scope of section 4.55(1A) of the EP&A Act and does not constitute a new development application. Accordingly, the Department considers the application should be assessed and determined under section 4.55(1A) of the EP&A Act rather than requiring a new development application to be lodged.

4.2 Consent Authority

The Minister for Planning and Public Spaces is the consent authority for the application under section 4.5(a) of the Act. Under the Minister's delegation of 11 October 2017, the Director, Industry Assessments, may determine the application under delegation as:

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



5. Engagement

5.1 Department's Engagement

Clause 117(3B) of the *Environmental Planning and Assessment Regulation 2000* (EP&A Regulation) specifies that the notification requirements of the EP&A Regulation do not apply to SSD. Accordingly, the application was not notified or advertised. However, it was made publicly available on the Department's website and was referred to Oberon Council (Council), Environment Protection Authority (EPA), Department of Primary Industries (DPI), Natural Resource Access Regulator (NRAR), Essential Energy, SafeWork NSW, Fire and Rescue NSW (FRNSW), APA Group and Highland Pine Products (HPP).

5.2 Summary of Submissions

During the notification period, the Department received a total of nine submissions. All submissions except two, came from government authorities and Council. Of the nine submissions received, none objected to the modification. A summary of the submissions is provided below, and a full copy of the submissions is provided at **Appendix A**.

Council did not object to the modification and did not provide comments.

EPA did not object to the modification and noted the modification is unlikely to lead to any significant impacts on air, water and noise quality beyond the site boundary. The EPA recommended the Applicant update its existing noise management plan to incorporate the modification and to undertake a noise verification study once the proposed gas turbine and high-pressure pipeline are fully operational. These recommendations have been included in the recommended instrument of modification.

FRNSW did not raise any significant concerns regarding the proposal and recommended the site's fire safety study be updated.

Essential Energy did not object to the modification but noted part of the proposal would be constructed within Essential Energy's easement. Essential Energy confirmed it had given separate approval for the proposed pipeline to encroach its easement, provided it does not restrict Essential Energy from accessing its infrastructure for maintenance or in an emergency.

DPI did not provide any comments.

NRAR did not object to the proposal and recommended the Applicant's stormwater management plan be updated to include the service road extension works.

SafeWork NSW did not provide any comments on the modification.

APA Group, which owns the Sydney to Moomba pipeline, did not object to the modification and recommended a safety management study be undertaken for the modification.

HPP did not object to the modification and commented on the removal of the acoustic barrier and installation of a high-pressure gas pipeline. HPP also requested the Applicant update its emergency response documentation to include details of the notification procedure for adjacent landowners (HPP and others). The Applicant confirmed procedures for notifying adjoining neighbours and sensitive receivers is included in its existing Emergency Plan for the site.



6. Assessment

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

- SEE provided to support the modification application (see **Appendix A**)
- assessment report for the original development application
- submissions from the public, State government authorities and Council (**Appendix A**)
- relevant environmental planning instruments, policies and guidelines
- requirements of the EP&A Act, including the objects of the EP&A Act.

The Department considers the key assessment issue is hazards and risk. The Department's assessment of other issues is provided in **Table 2**.

6.1 Hazards and Risk

The proposed modification involves the installation and operation of a high-pressure natural gas pipeline, an electricity generating gas turbine and pressure reducing station which would introduce new hazards and risks from the development to the surrounding land uses.

The Applicant is proposing a pipeline connection to the existing Sydney to Moomba high pressure gas pipeline, which is owned by the APA Group. The Sydney to Moomba pipeline is a transmissions pipeline that runs across NSW. The Applicant is proposing to connect to the Sydney to Moomba pipeline via an existing APA custody transfer point located adjacent to the development at the north-western end of the site (see **Figure 3**). High-pressure gas from the Sydney to Moomba pipeline would be transmitted through an underground pipeline within the site boundary parallel to Lowes Mount Road. The pipeline infrastructure would include a pressure reducing station, which would supply natural gas at various pressures to the gas turbine and other areas of the development.

Initially, the Applicant did not provide a quantitative assessment of the hazards and risks associated with the modification. The Department requested the Applicant prepare a Preliminary Hazard Analysis (PHA) identifying the hazards associated with the existing site and modification, as well as external hazards to determine the potential for off-site impacts. The Department also required the PHA to estimate the cumulative risk from the development to surrounding land uses. The PHA was prepared in accordance with the requirements of the Department's *Hazardous Industry Planning Advisory Paper No. 6 – Guidelines for Hazard Analysis* (HIPAP No. 6).

The PHA identified the potential hazards and considered the risks imposed from the natural gas pipeline and turbine installation. The PHA identified the following hazards would include the loss of containment from the above and underground pipeline, and loss of containment from aboveground equipment such as the heat exchanger and pressure vessels, which are needed for treating the natural gas before it is directed to the gas turbine. By demonstrating the potential consequence and likelihood from the site boundary, the PHA established whether the modification would pose an unacceptable risk to surrounding land uses and whether it satisfies the relevant land use safety criteria defined in *HIPAP No 4 – Risk Criteria for Land Use Safety Planning* (HIPAP No. 4).

The PHA found the aboveground infrastructure such as the pressure vessels and heat exchanger would be the major risk contributor. This is because the aboveground elements could cause more direct impacts to surrounding receivers, if an incident were to occur. The PHA concluded the overall risk levels associated with the modification would be low and complies with all criteria under HIPAP No. 4.

The PHA also demonstrated the risk of propagation at the APA Group pipeline connection (Sydney to Moomba pipeline) would meet the relevant risk criteria of 5 chances per million per year (or chances of a fatality in a million years). The risk of propagation from the modification onto the adjacent Woodchem facility (which is a Major Hazard Facility) and the nearest chemical storage area on-site, was also found to be negligible. The Department considers the proposed modification would not significantly impact the overall risk in this area and the location of the gas pipeline and turbine is acceptable.

The Department notes there is a nearby high voltage power transmission and distribution line located in the vicinity of the proposed pipeline. The Applicant undertook an assessment of electrical hazards associated with the modification and concluded the risk would be low to negligible. Notwithstanding, the PHA made several recommendations including the preparation of a pipeline management plan to be implemented during construction, ongoing management and maintenance of the proposed pipeline. The Applicant has accepted this recommendation and the Department has included the recommendations of the PHA in the conditions of consent.

Safework did not provide any comments.

FRNSW did not raise any significant concerns but requested the Fire Safety Study for the site be updated to incorporate the modification. APA Group did not raise any significant concerns regarding impacts to the Sydney to Moomba pipeline and recommended the site's safety management system be updated. The Applicant agreed to implement these recommendations.

Essential Energy did not object to the modification but noted the modification would be constructed within Essential Energy's easements. Notwithstanding, the Applicant obtained Essential Energy's approval to encroach this easement and was advised the proposed modification must not restrict Essential Energy from accessing its infrastructure for maintenance or in emergency situations.

The Department did not raise any additional questions during the assessment, as the PHA was found to be satisfactory and addressed all the Department's requirements prior to lodgement of the modification.

The Department has carefully considered the findings and recommendations of the PHA and is satisfied the risks from the proposed modification would remain within the site boundary and is unlikely to result in off-site impacts. As such, it meets the relevant risk criteria, provided the Proponent implements all proposed risk reduction measures and recommendations in the PHA including the preparation of a pipeline management plan.

The Department recommends several conditions to ensure the development continues to operate in a safe manner, including the requirement for the Applicant to update the site's existing fire safety study, emergency plan and safety management system. The Department's assessment concludes the proposed modification would not increase the risk to surrounding land uses and can be managed, subject to the Applicant implementing all risk reduction measures and recommendations in the PHA and the recommended conditions in the modifying instrument.

6.2 Other Issues

The Department's assessment of other issues is provided in **Table 2**.

Table 2 | Assessment of other issues raised

Issue	Findings	Recommended Condition
Noise	<ul style="list-style-type: none"> The modification involves rationalising the particleboard facility equipment and making minor changes to the particleboard facility layout to improve site efficiencies and reduce noise emissions. This includes minor changes to the extent of the materials handling building and flaker building, reduction in the number of mills, material blowers and dust filters and enclosure of machinery such as dryer fans and blowers. The proposed gas turbine would also be housed within an acoustic enclosure. Noting these changes, the Applicant is seeking to remove the noise barrier approved under MOD 1 as it considers the barrier is no longer required given some noise sources within the particleboard facility can now be acoustically treated at the source. The Applicant updated its site noise model to include the changes proposed within the modification and predicted a 1 dB decrease for the night-time period during noise enhancing meteorological conditions at receiver R09 (Albion Street). The EPA did not raise any significant issues but requested the Applicant verify the results of the noise model following commissioning of the turbine and update its noise management plan to incorporate the modification. The Department has included these requirements in the recommended instrument. With the implementation of additional noise attenuation measures at the noise sources, the Department considers the removal of the noise barrier is not likely to increase overall noise emissions from the site. Notwithstanding, the consent already contains requirements for the Applicant to manage operational noise impacts including noise limits and restrictions on the use of noisy equipment such as mobile wood chippers. The Department's assessment concludes the potential noise impacts from the proposed modification can be adequately managed by the Applicant through existing and recommended conditions of consent. 	<p>Require the Applicant to:</p> <ul style="list-style-type: none"> undertake a noise verification study of the site following commissioning of gas turbine update the noise management plan to incorporate the modification.
Surface Water	<ul style="list-style-type: none"> The proposed modification would involve an extension of an internal service road in the north-eastern end of the site to provide an alternative access to the site's ponds and dams. The SEE concluded the modification works would not require any changes to the operation of the existing surface water management system but would involve constructing two permanent vehicle crossings over an existing channel/swale. DPI and NRAR did not object to the development and recommended the Applicant update its existing surface 	No additional conditions are required.

Issue	Findings	Recommended Condition
	<p>water management plan to incorporate the modification. The Applicant has committed to this requirement.</p> <ul style="list-style-type: none"> • The Department notes the Applicant's existing management plans such as the Construction Environmental Management Plan and Erosion and Sediment Control Plan would adequately manage any impacts associated with the modification works. • The Department's assessment concludes the potential surface water impacts would be minimal and can be managed by the Applicant through existing conditions. No additional conditions are required. 	



7. Evaluation

The Department has assessed the proposed modification in accordance with the relevant requirements of the EP&A Act. On balance, the Department considers the modification is appropriate on the basis that the:

- modification would result in minimal environmental impact beyond those generated by the approved development
- the potential hazards and risks from the installation of the gas turbine and high-pressure gas pipeline would meet the Department's hazard risk criteria and would not increase the risk to surrounding land uses
- the removal of the noise barrier is not likely to increase overall noise emissions from the site provided the Applicant implements additional noise attenuation measures at key noise sources
- extension to the service road would improve access to the ponds and dams but would not impact on the operation of the existing surface water management system
- modification is consistent with the strategic direction set out in the *Central West and Orana Regional Plan*.



8. Recommendation

It is recommended the Director, Industry Assessments, as delegate of the Minister for Planning and Public Spaces:

- **considers** the findings and recommendations of this report
- **determine** the application SSD-7016-Mod-2 falls within the scope of section 4.55(1A) of the EP&A Act
- **accepts and adopts** all of the findings and recommendations in this report as the reasons for making the decision to grant approval of the modification application
- **modify** the consent SSD-7016
- **signs** the attached modification instrument (see **Attachment B**).

Recommended by:

 26/11/19

Pamela Morales

A/Principal Planner

Industry Assessments



9. Determination

The recommendation is **Adopted by:**

C. Ritchie

Chris Ritchie

Director

Industry Assessments

29/11/19



Appendices

Appendix A – List of Documents

Statement of Environmental Effects – <https://www.planningportal.nsw.gov.au/major-projects/project/23156>

Submissions – <https://www.planningportal.nsw.gov.au/major-projects/project/23156>

Appendix B – Notice of Modification

See Major Projects Website – <https://www.planningportal.nsw.gov.au/major-projects/project/23156>