



Port Kembla Gas Terminal Modification 2

Compliance Reporting

State Significant Infrastructure Modification Assessment (SSI 9471 MOD 2)



1 Introduction

1.1 Background

In April 2019 Australian Industrial Energy (AIE) received approval from the Minister for Planning and Public Spaces to develop the Port Kembla Gas Terminal, a liquefied natural gas (LNG) import terminal to be located in Port Kembla south of Wollongong (see **Figure 1**).

The project involves the:

- demolition of an existing wharf in Port Kembla;
- construction of a new wharf, wharf facilities and a 6.3 kilometre (km) underground gas pipeline connecting the berth to the existing east coast gas network operated by Jemena; and
- operation of a moored vessel known as a floating storage and regassification unit (FSRU) that would receive and store shipments of LNG and convert the LNG to gas for direct distribution into the gas pipeline.

At the time of the approval, the project was allowed to import sufficient LNG to produce around 100 petajoules (PJs) of gas every year. Since then, the project approval has been modified to increase the number of LNG shipments to the FSRU and the annual gas supply rate from the FSRU to 115 PJs.

AIE is currently in the process of preparing a range of management plans that must be approved before construction of the project can commence.



2 Proposed modification

The conditions of project approval include a requirement for AIE to provide regular compliance reports to the Department in accordance with the Department's compliance reporting guideline. The condition specifically references the compliance reporting guideline dated 2018. However, that guideline was updated in June 2020, and AIE is seeking to modify the project approval to update the reference to the more recent reporting guideline (see **Attachment A**).

3 Statutory context

3.1 Scope of Modification

On 19 June 2018, the former Minister for Planning determined that the Port Kembla Gas Terminal was essential to the State for economic reasons because it would potentially supply over 70% of the State's total gas demand and increase the security, reliability and affordability of gas in NSW. Accordingly, the Minister made an order declaring the project to be State significant infrastructure and Critical State significant infrastructure under sections 5.12(4) and 5.13 of the EP&A Act.

The Minister for Planning and Public Spaces approved the project under section 5.19 of the *Environmental Planning and Assessment Act 1979* (EP&A Act) on 24 April 2019.

AIE has made a request to the Minister to modify the project under Section 5.25 of the EP&A Act.

3.2 Delegated Authority

The Minister for Planning and Public Spaces (Minister) is the approval authority for the modification under Section 5.25 of the EP&A Act. However, under the Minister's delegation dated 11 October 2017, the Director, Resource Assessments may determine the modification application as AIE did not make a political disclosure, Council did not object to the project, and due to the administrative nature of the modification it was not exhibited and there were therefore no objections to the modification request from the public.

3.3 Department's Engagement

The Department considers that the application can be characterised as a minor modification as it involves an administrative change to reference guidelines published by the Department. Accordingly, the Department did not publicly exhibit the application or seek advice from other Government agencies.

4 Assessment

The modification involves updating the project approval to reference the most recent compliance reporting guidelines. There are no other changes proposed to the project approval.

The Department is satisfied that there would be no negative environmental impacts associated with the modification, and the modification would ensure reporting on compliance is undertaken in accordance with contemporary guidelines.

The Department has drafted revised wording in the Notice of Modification referenced in **Appendix B** and prepared a consolidated approval (**Appendix C**).

5 Recommendation

The Department recommends that the Director, Resource Assessment, as delegate of the Minister for Planning and Public Spaces:

- **considers** the findings and recommendations of this report;
- **determines** that the application falls within the scope of Section 5.25 of the EP&A Act;
- **approves** the modification under Section 5.25 of the EP&A Act; and
- **signs** the attached Notice of Modification.

Recommended by:



31/08/2020

Rose-Anne Hawkeswood
Team Leader
Resource Assessments

6 Determination

The recommendation is **Adopted / Not adopted** by:



1/9/2020

Stephen O'Donoghue
Director
Resource Assessments
as delegate of the Minister for Planning and Public Spaces

Appendices

Appendix A – Modification Request

See Department's website at: <https://www.planningportal.nsw.gov.au/major-projects/project/39716>

Appendix B – Notice of Modification

See Department's website at: <https://www.planningportal.nsw.gov.au/major-projects/project/39716>

Appendix C – Consolidated Approval

See Department's website at: <https://www.planningportal.nsw.gov.au/major-projects/project/39716>