



# Port Kembla Gas Terminal Modification 3

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## Addition to Schedule of Land

State Significant Infrastructure Modification Assessment  
(SSI 9471 MOD 3)

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Cover image: *FSRU and LNG Carrier at berth, image provided by Australian Industrial Energy*

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# 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 (the project), a liquified natural gas (LNG) import terminal to be located in Port Kembla south of Wollongong (see **Figure 1**).



Figure 1 | Regional Context Map

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.

The infrastructure approval has been modified twice. The first modification increased the annual gas supply rate from the FSRU from 100 petajoules (PJ) per year to 115 PJ per year. The second modification updated the compliance reporting requirements to reference contemporary reporting guidelines.

AIE is now preparing to commence demolition and construction of the wharf.

As part of demolition/construction activities, AIE must move and reconnect a number of existing utilities that are used by neighbouring port tenants or required for the project itself. An indicative alignment for the relocated utilities was presented in the original Environmental Impact Statement (EIS) for the project.

Most of the utilities would be realigned generally in accordance with the EIS. However, the company is proposing to change the alignment of one of the utilities, a bunker oil pipeline. The proposed new alignment would mean that the bunker oil pipeline would be relocated onto land that is not included in the schedule of land in the infrastructure approval. Therefore, AIE is seeking to modify the infrastructure approval to reflect the proposed new alignment and include the new land in the schedule of land.

## 2 Proposed modification

The infrastructure approval for the project allows AIE to relocate a range of existing utilities, including a bunker oil pipeline, domestic water pipeline, electricity supply and communications equipment, prior to any major construction disturbance on the wharf. The approved alignment for the relocated utilities, including the bunker oil pipeline, is shown in green in **Figure 2**.

AIE is seeking to modify the infrastructure approval to allow a change to the realignment of the bunker oil pipeline. The proposed alignment would largely follow the approved route. However, a small section at the southern end of the pipeline would deviate from the approved alignment and the pipelines would traverse two parcels of land that are not included in the schedule of land in the infrastructure approval. The proposed new alignment is shown in **Figure 3**.

Other utilities would be realigned generally in accordance with the approved alignment.

The modification is described in the accompanying modification report (see **Appendix A**).





**Figure 2 |** Approved alignment of utilities



**Figure 3 |** Proposed alignment of bunker oil pipeline

## 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 26 April 2021, 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 there were no objections to the modification from the public.

### 3.3 Impacts on Biodiversity Values

Section 7.17 of the *Biodiversity Conservation Act 2016* specifies that if the approval authority is satisfied a modification would not increase the impact on biodiversity values, a Biodiversity Development Assessment Report (BDAR) is not required.

The realignment of the pipeline would require the removal of up to four shrub trees. However, the trees are part of an isolated patch of landscape planting rather than part of a functioning or self-sustaining ecosystem. The landscape planting does not contain understory, does not connect to other patches of native vegetation, and is unlikely to provide habitat for threatened species, including the Green and Golden Bell Frog. The Department's assessment concluded that there would be no increase on impacts to biodiversity values and therefore a BDAR is not required.

### 3.4 Department's Engagement

The Department considers that the application can be characterised as a minor modification as it involves a minor change to the alignment of an existing bunker oil pipeline and the inclusion of two additional parcels of land in the schedule of land for the project. The additional land is held under a long-term lease by NSW Ports, which provided a letter consenting to the modification.

Given the administrative nature of the modification, the Department did not publicly exhibit the application. The Department notified Wollongong City Council (Council) of the proposal. Council did not provide comment.

## 4 Assessment

The relocation of the bunker oil pipeline and other utilities is already approved. The infrastructure approval includes a range of conditions designed to ensure construction activities, including the realignment of the utilities, are appropriately managed to avoid and/or minimise impacts.

The modification involves a minor change to the alignment and an update to the schedule of land in the approval to include two additional land parcels.

The Department is satisfied that the proposed new alignment would not increase the environmental impacts of the project, and that the existing conditions are adequate to manage any impacts associated with the relocation of the pipeline.

The Department recommends the modification be approved and has drafted a modifying instrument (Notice of Modification) and a consolidated approval (**Appendix A**).

## 5 Determination

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;
- **forms the opinion** under section 7.17(2)(c) of the *Biodiversity Conservation Act 2016* that a BDAR is not required to be submitted as the application would not increase the impact on biodiversity values.
- **accepts and adopts** all of the findings and recommendations in this report as the reasons for making the decision to grant approval to the modification application
- **approves** the modification under Section 5.25 of the EP&A Act; and
- **signs** the attached Notice of Modification.

**Recommended by:**



13/10/2021

**Rose-Anne Hawkeswood**  
**Team Leader**  
**Resource Assessments**

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



13/10/2021

**Stephen O'Donoghue**

**Director**

**Resource Assessments**

as delegate of the Minister for Planning and Public Spaces



# Appendix A

## List of Documents

**Modification Report:** refer to “Modification Application” section under “Attachments & Resources” on the Department’s website at: <https://www.planningportal.nsw.gov.au/major-projects/project/42861>

**Notice of Modification:** refer to “Determination” section under “Attachments & Resources” on the Department’s website at: <https://www.planningportal.nsw.gov.au/major-projects/project/42861>

**Consolidated Approval:** refer to “Consolidated Approval” section under “Attachments & Resources” on the Department’s website at: <https://www.planningportal.nsw.gov.au/major-projects/project/42861>