terminals pty. ltd.

MELBOURNE SITE

ANNUAL COMMUNITY

REPORT FOR 2007

Geoff Millard - Terminals

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1. SUMMARY

This annual report covers the Terminals' Melbourne operation at West Melbourne for the 2007 calendar year.

It was a good year both on and off-site with no lost time injuries and no major incidents on-site and no community complaints about odour concerns off-site.

Work continued on upgrading the west side facilities now that the east side facility was handed back to Port of Melbourne Corporation in January 2006.

There were only one environmental incident and no waste discharge infringements.

As a result of continued efforts being made since 2002 to reduce volatile organic compound emissions, 2007 again saw no air emission non-compliances.

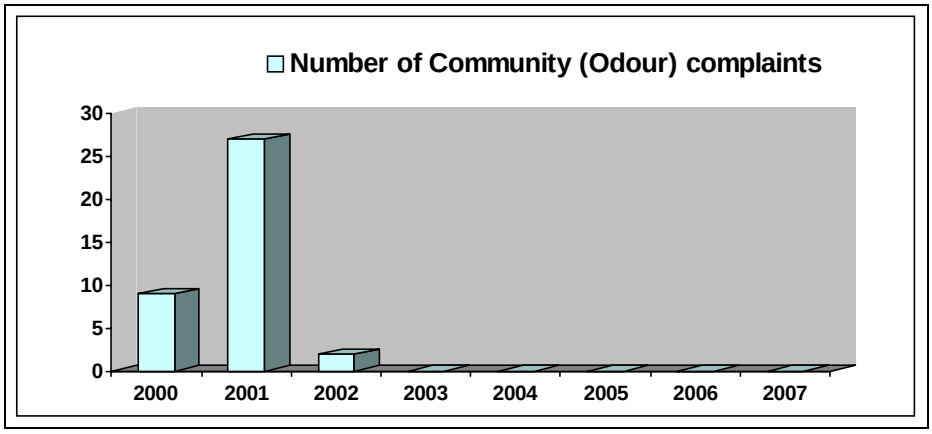
Greenhouse Gas emissions have increased 2% after 8% decreases in 2005 and 2006. This is mainly due to increased capacity and more utilisation of dilute stream to combustor which is heavy gas and electricity user.

The second Environmental Improvement Plan (EIP) is in its 3rd year of its 4 year life span with 39 of 62 improvements now completed.

With the major work now completed including closure and remediation of the East Side the emphasis this year has been on continuing the program of environmental, safety and technological improvements.

2. COMMUNITY COMPLAINTS

There were no community complaints during 2007. Historically community complaints have been associated with odours. A graph of community (odours) complaints is detailed below.



Note: These complaints represent those that could be verified as emanating from, or caused by, Terminals. For instance, in 2001 there were a further 49 complaints but no odour sources could be found at Terminals or found caused by external operation.

The major influences in reducing these odour complaints have been the improved methodologies in treating acrylate chemicals. The initial controls were purpose built caustic scrubber; two stage treatment of joining existing activated carbon VEC with existing caustic scrubbers; closing in odorous VEC building with extraction and general environmental awareness. The final solutions include completely enclosed bottom loading facilities using dry break couplings and, since December 2002, combustor treatment of vapour emissions at > 99.6 % effectiveness.

3. EPA WORKSAFE AND COMPANY AUDITS

EPA accredited licence audit in 2007 was carried out over two days in October 2007. This was the fourth audit of this type under our new accredited EPA licence. There were 27 audit recommendations from the 2007 report which ranged from updating procedures and record keeping to investigating opportunities to recycle and lower greenhouse emissions. The auditor reported an improved performance to completing recommendations from previous audits as per the following quote from the conclusion;

> *'The 2004, 2005, 2006 and 2007 environmental audits identified 44, 42, 15 and 27 action items respectively. The number of audit actions items in 2006 and 2007 is significantly less than 2004 and 2005, corresponding to a significant improvement in environmental management at the Melbourne Terminal. This was also reflected in the high closure rate for previous audit action items and, during the current audit, a significant improvement in site housekeeping.'*

The oversight program for Major Hazards Facility was conducted by Worksafe. The main focus was the second round MHF licensing process covering a twenty four month period, starting from January 2006, where the existing safety Case is being completely reviewed and revised. Worksafe visits included three day MHF verification audit involving up to four inspectors and MFB officer; attendance at internal workshops for this second round MHF licensing process and an annual carcinogenic licence audit for benzene (Pygas). The outcome was a new 5 year MHF licence from December 2007 with no conditions. There were no Worksafe Improvement Notices during 2007.

Lloyds Register audited the Melbourne site twice during 2007 to catch up for the missed second audit from 2006. These were both two day audits and resulted in no major and one minor non compliance issue raised for the Melbourne site. The item was overdue simulated emergency exercise and this has now been completed.

The internal audit program for 2007 totalled 17 audits of the Melbourne site including audit topics of operations, maintenance, training, incident reporting, management review, work permits and environmental management systems.

4. MAJOR CHANGES TO SITE PLANT, EQUIPMENT AND CONTROLS

The Melbourne site in 2007 continued with the upgrade program from the last few years. The pace is now at a slower pace compared to previous years as the majority of infrastructure is now in place. The plan now is to slowly upgrade the remaining tanks at Plant B and upgrade bunds when tanks complete.

Some of the major achievements include:

- installing two new tanks for storing potassium hydroxide and a combustible material;
- installing waste minimisation pipe work and under tank liners for two tanks at Plant B;
- new truck loading pipe work for bottom loading at Plant B;
- upgraded bund walls and concrete sealed at Plant C;
- new b-double capable weighbridge;
- improved security system;
- new nitrogen generator;
- completed installation of roofs over all operational areas;
- commenced burning flammable liquid wastes from site operations in combustor.

5. SAETY AND ENVIRONMENTAL PERFORMANCE

5.1 SAFETY INCIDENTS

At Melbourne in 2007 there were no lost time injuries and one work injury.

There were no WorkSafe Improvement Notices issued this year.

There were no Reportable Site Incidents involving safety and there were no Prohibition/Penalty Infringement Notice/Prosecutions for 2007.

There were no Major Hazard incidents for 2007.

There were 29 internal incident reports raised during 2007 which were broken up into the following categories:

Type:	Injury	= 2%
	Dangerous/Unusual/Near Misses	= 40%
	Environmental	= 34%
	Critical Control Measures	= 2%
	Customer/Complaints	= 9%
	Quality System	= 9%
	Other	= 4%

There was one severity 3 incident raised in 2007:

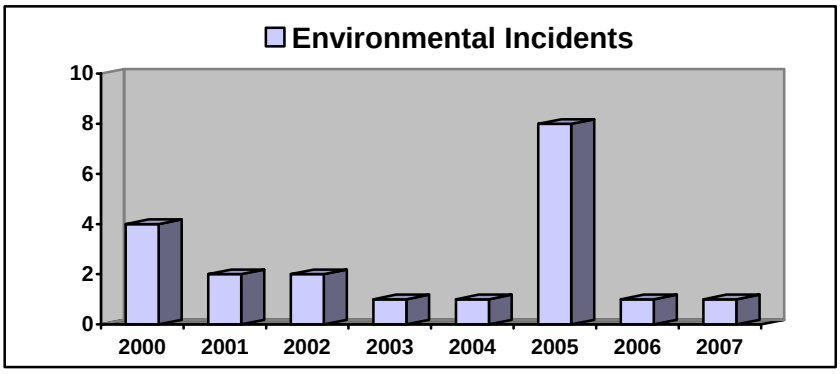
- Whilst unloading Cottonseed Oil from Ship Tiffany into Tank 321 tank overfilled and product ended up on ground in compound.

5.2 ENVIRONMENTAL INCIDENTS

Historical trend of environmental incidents is detailed below. These are defined as spills greater than 200 ltrs, EPA reportable incidents (ie cause or likely to cause an offsite discharge or odour), licence breaches and EPA infringement actions. But these incidents do not include odour complaints as reported previously.

In 2007; there was one environmental incident:-

- During the unloading of a ship, tank 321 was overflowed. This resulted in a spill of approximately 30 tonnes of cotton seed oil which was contained within the non hazardous compound. The latter has an impervious environmental liner to prevent any adverse soil or groundwater contamination. The primary cause was inadequate gauging of the tank during the ship discharge operations. Contributing factors included a complex discharge pattern involving large quantity; several tanks being filled, at times simultaneously, and a total of 53 road tankers being filled during the ship discharge as well as inadequate management input into the shipping plan. Actions to prevent a recurrence include increasing the ullaging frequency in the ship discharge procedure, improving management input into ship discharge plans; investigate high level alarm system and counselling of relevant personnel.



There were no non compliances to the waste water discharge criteria during 2006 and 2007. This is a significant improvement to the seven incidents in 2005 that related to waste water discharge criteria. The improvement is due to improved drainage infrastructure, clay liner at Plant C and testing of individual bunds before releasing water.

6. EPA WASTE DISCHARGES

6.1 AIR EMISSIONS

Tabulated below shows a comparison of the estimated air emissions from the various discharge points with the emission limits specified in revised 2004 EPA licence, Table 1. All emissions in 2007 are below the licence mass emission limits.

Waste	EPA Emission Limits (2004)		Estimated Emissions (Kgpa)							
	Total Mass Rate (g/min)	Total Annual Mass Rate (Kg/ annum)	2000 -2001	2001 -2002	2002 -2003	2003 -2004	2004	2005	2006	2007
Acrylonitrile	2	350	235	132	122	4	2	0	0	0
Benzene	36	1500	6970	4000	1478	151	138	16	4	10
Butyl Acrylate	11	65	225	24	13	23	21	3	4	4
Ethyl Acrylate	0.25	8	21	8	0	0	0	0	0	0
Methyl Methacrylate	11	200	736	94	41	64	65	11	10	11
Phenol	0.055	6	2	2	3	2.6	4.2	2.4	0.2	0.1
Propylene Oxide	150	420	295	275	283	277	297	113	0	0
Toluene Di-isocyanate	0.015	0.3	0.1	0.1	0.1	0.1	0.1#	0.1	0.1	0.1
Non-Speciated VOC	530	9300	6230	6400	4820	2790	2790 #	1211	1101	1510
Carbon monoxide	40	1100						510*	865*	803*
Total nitrogen oxides	240	9500						1150*	1960*	1816*
Total sulphur oxides	70	18000						3*	5.4*	5.0*

Notes:

* This data is based on the combustion products from the combustor VECs and the boilers based on NPI emission factors and the total natural gas fuel plus equivalent combustion value of the VOC emissions treated by the combustor. The VOC fuel is about 5% of the natural gas mass usage and 3% of the combustion value of natural gas usage. Thus NPI emission factors seem appropriate. In addition, in 2007 monitoring data covering 12 samples (36 tests) showed full compliance to and generally less than 10% of the licence emission limit.

\# The 2003/04 financial year estimated emission was used for 2004 calendar year.

These emission estimates are based on US Tanks 4.0 or API 42 software calculations as a function of storage tank dimensions, chemical physical properties, and tank container filling quantities, duration in the tank and emission treatment effectiveness.

From 2005 onwards; VOC is defined as per Victorian EPA definition of all hydrocarbons with a vapour pressure greater than 0.01kPa whereas previously the NPI definition of hydrocarbons with a vapour pressure greater than 0.272kPa has been used. In 2005; the result was an additional 153 kg total emissions to make the non speciated VOC total 1,211kg ie 13% increase.

6.2 STORMWATER DISCHARGES

There were no non compliances to the waste discharge criteria specified in the Environmental Management Manual and tabulated below. This compares favourably with the five non compliances during the 2005 year.

Performance Indicator Unit	Limit/s
Biochemical Oxygen Demand	**40** (mg/l) Maximum
Suspended Solids	**60** (mg/l) Maximum
Toxicity as determined by microtox	**100** Minimum
pH	**6-9**
Total Organic Carbon	**40** (mg/l) Maximum
Dissolved Oxygen	**5** (mg/l) Minimum
Flow rate	**200** kilo litres/day Maximum
Temperature	**Ambient**

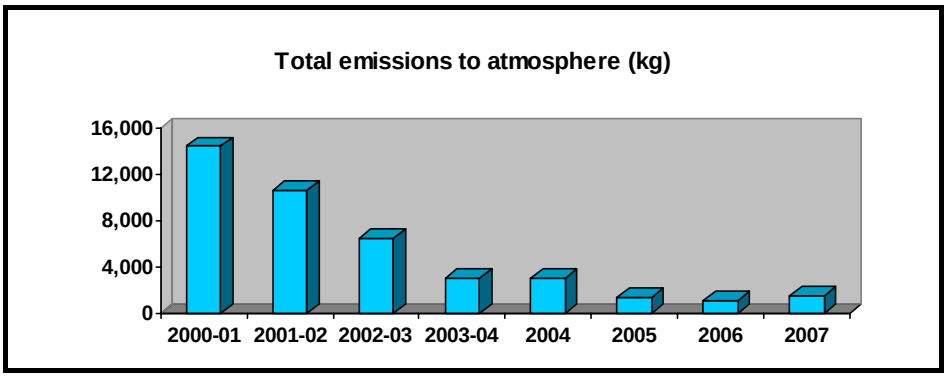
The results are detailed below:

DATE	B.O.D.	S.S	PH	DO	TOC	TOX	FLOW (L/MIN)	Temp
Plant C								
1-Jan-07		No sample taken						
1-Mar-07		No sample taken						
1-May-07		No sample taken						
26-Jun-07	<10	40	8.1	7.4	5.7	>100	60	16
1-Sep-07		No sample taken						
8-Nov-07	12	2	6.9	6.1	<5	NMT	12	21
Plant B								
1-Jan-07		No sample taken						
1-Mar-07		No sample taken						
1-May-07		No sample taken						
26-Jun-07	< 10	7	7.7	7.3	<5	NMT	40	17
1-Sep-07		No sample taken						
8-Nov-07	12	2	6.9	7.1	<5	NMT	20	21

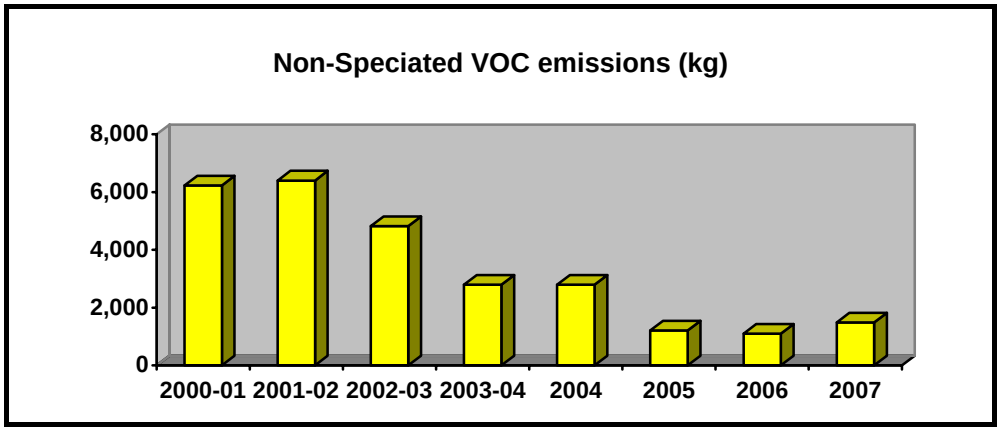
7 WASTE MANAGEMENT PERFORMANCE

The Environmental Management System reviews existing and develops new targets and objectives on an annual basis. This is also called the Waste Management Plan.
The analysing of air emission discharge points during 2007 found no non compliances over 23 samples (86 tests). In fact results were usually less than 1% of the licence emission limit.

Total emissions to the atmosphere are shown below.



Total non speciated VOC emissions to the atmosphere are shown below. These do not include the specific chemicals listed in EPA licence, Table 1, but do include all hydrocarbons with a vapour pressure greater than 0.0272 kPa (NPI definition) and in 2005, 2006 & 2007 include those with a vapour pressure above 0.01kPa as per Victorian EPA definition.



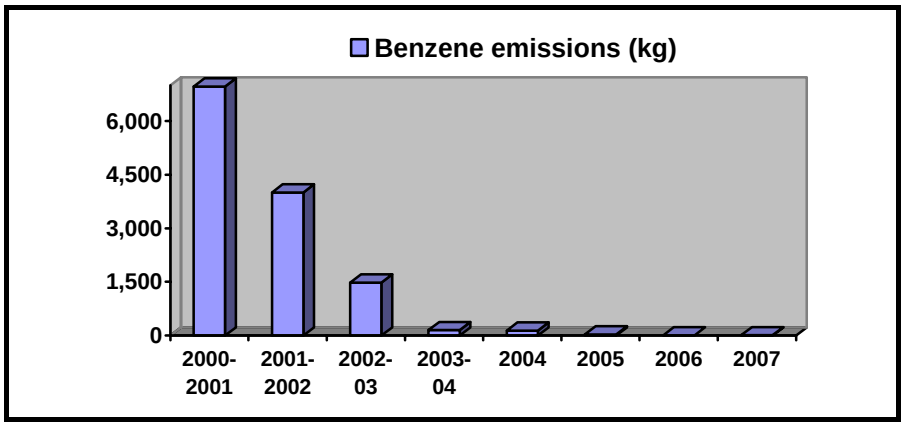
Treatment systems effectiveness are generally conservative and include:

- Vapour return at 100%
- Combustor at 99.6% but initially (2002-03) combustor efficiency factor of 99.96% was used on actual design performance effectiveness. The assumption of 99.6% has been verified by previous results and confirmed by results in 2005, 2006 & 2007. The effectiveness could be higher but the accuracy is limited by the measuring sensitivity of the outlet results.
- Activated carbon bed at 90% after July 2001 and 85% previously due to workload and performance. Testing has verified treatment efficiency of greater than 90% except for low load conditions when accuracy is limited by the measuring sensitivity of the outlet results.
- Caustic scrubbers for acrylates range from 85% to 90% while two in series or scrubber with activated carbon VEC scored 98.5% but since December 2002, acrylates generally treated by the combustor
- Phenol scrubber at 95% and at 99.6% from July 2005 when new phenol tank (44) was commissioned and emissions treated by combustor.
- TDI ammonia scrubber plus activated carbon treatment at 99%.

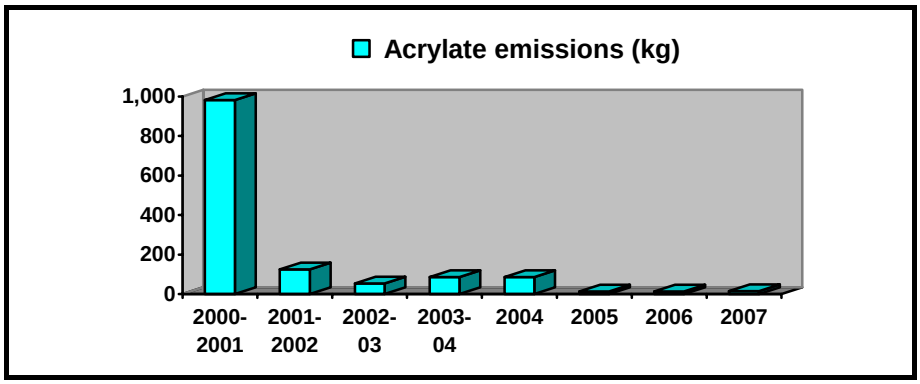
Efforts to reduce VOC emissions have been focused on reducing emissions of class 3 indicators, benzene and acrylonitrile, as well as odour generators, acrylates, as priority. This has been achieved as demonstrated in the graph above and the following specific graphs. The reasons are:

- Combustor started treating benzene and crude benzene emissions from November 2002.
- Combustor started treating acrylate storage tank emissions from December 2002 at Plant B.
- Combustor started treating acrylonitrile storage tank emissions from June 2003.
- Combustor started treating acrylate road tanker loading emissions from December 2004.
- Acrylonitrile storage tank was decommissioned in June 2004.
- Benzene and crude benzene were no longer stored nor handled from April 2005. However a new product of pygas (mainly benzene) has been stored from early 2006 in two semi pressurised tanks and one atmospheric tank. The semi pressurised tanks have further reduced the benzene emissions due to their higher pressure (less need to vent for Pygas vapour pressure) coupled with vapour balancing to road tanker unloading operations.
- Storage tanks at both Plants B and C have steadily been switched to the combustor with only seven tanks at Plant B west side remaining in 2005 an the activated carbon bed system. In 2006, remaining seven relevant tanks have been switched to the combustor. Only the Plant B road tanker loading operations remain to be switched from carbon bed system to the combustor vapour treatment system.
- During 2005, the east side storage tanks were decommissioned. This included all PO storage tanks being decommissioned by April 2005.

Benzene emissions to air are graphed below and further demonstrate the VOC emission findings.



Acrylate emissions are graphed below.



Because of the significant number of odour complaints in 2001 from acrylate operations, several strategies were implemented to reduce odour (acrylate) emissions and complaints from handling 10-20 acrylate storage tanks located at different parts of the site. These treatment improvements included:-

- Two stage treatment process using available caustic scrubbers with activated carbon VECs.
- Installing a new purpose built caustic scrubber for acrylate treatment.
- Consolidating acrylates into one area to make use of best available caustic scrubbers then later combustor treatment in stages starting from December 2002.
- Exiting the highly odorous ethyl acrylate business in late 2001.

7.1 LIQUID WASTE

Overall the total waste stream has remained at significantly decreased levels from 5,210 tonnes in 2005 to 938 and 924 tonnes in 2007 and 2006 respectively. This is further to the 35% decrease in waste in 2005 and a longer term trend reduction in waste levels over the last six years.

Total EPA prescribed liquid wastes transported from Melbourne site to an approved treatment facility are tabulated below. Breakdown components and previous results are tabulated as a means to identify waste sources and minimisation strategies. In general terms, the Melbourne site has been undergoing major upgrading of its facilities while decommissioning and demolishing or relocating tanks from the east side of Mackenzie road. This has involved cleaning storage tanks, major renovations to tanks, new foundations including environmental liners and moving storage tanks.

PRESCRIBED LIQUID WASTE							
	2001/02	**2002/03**	**2003/04**	**2005**	**2006**	**2007**	**Comments**
	Tonnes						
Corrosive Washings	240	1255	1256	905.9	0	0	Propylene oxide gone
Tank & line washings (non flammable)	746	1350	5080	2787.4	Flammable 194.4 Non Flammable 375.8	703	Settling to a minimal level
Ship first flush	58	2	0		0	0	Customers unable to handle pure waste separately
Phenol wastes	33	93	0	285.7	30	60.4	Back to usual
VECS waste (flammable)	3975	3342	1769	1230.3	324	169.8	Load on carbon VECS low now combustor taking all relevant tank venting and Plant C loading
Total	**6340**	**6051**	**8105**	**5209.3**	**924.2**	**938.0**	

This appears to have started to stabilise in 2005 with a substantial decrease of 2,293 tonnes (45%) in tank and pipeline cleaning waste. Furthermore 2006 has seen a further substantial decrease of 2,217 tonnes (80%) from the 2005 level while 2007 shows consistency with 2006 data. A contributing factor to this decrease appears to be the segregating storm water project which was commissioned in five areas in 2005 and completed in early 2007. The waste from the carbon bed VEC system has continued to decrease significantly with the combustor taking all relevant tank venting and Plant C tanker loading during 2006; leaving the carbon beds on Plant B tanker loading duty plus emergency back up.

7.2 SOLID WASTE

The total waste transported off site in 2007 was 4.4 tonnes. The breakdown of this waste into components with comparison to previous years is tabulated below.

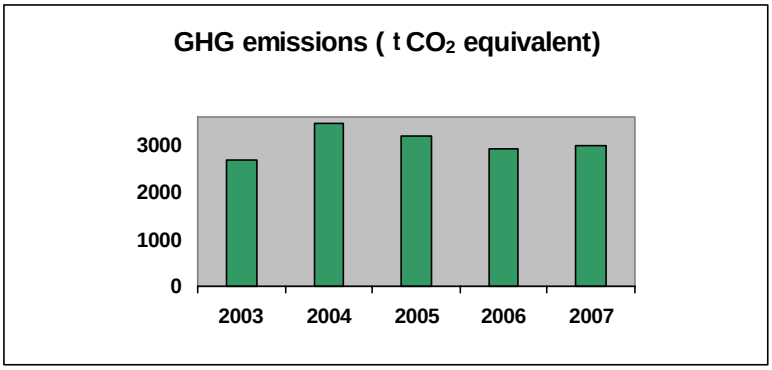
PRESCRIBED SOLID WASTE						
	YEARS					
	2001/02	2002/03	2003/04	2005	2006	2007
	(tonnes)					
Foam pigs (F100)	1.5	3.8	7.6	4	2.7	4.4
Contaminated Soils including sandblasting grit (N120)	22.9	2.3	17.5	17.4		
Activated carbon (N210)		16	2.3	0.4	0.4	
Drums (N100)		2.2				
Sludges & residues (N205)	36.5					
Organic cyanides (M210)	26.9					
Polymerised acrylate (N180)				0.2		
TOTAL	**87.8**	**24.3**	**27.4**	**22**	**3.1**	**4.4**

A dominating theme is the upgrading of tanks, foundations and pipework during previous years. This causes waste from cleaning tanks/pipework, grit blasting tanks and removal of contaminated soil hot spots in accordance with our Groundwater Management Plan. The level of waste seems to have reached a consistent minimum relating to the use of foam pigs in cleaning pipelines for new product operations eg cleaning docklines & tank associated pipework for ship unloading.

8 ENERGY EFFICIENCY AND GREEN HOUSE GASES

A level two energy audit was undertaken on 21st October 2003 by ERM. The energy assessment was undertaken as part of the Victorian EPA Protocol for Environmental Management (PEM) requirements, ie. a category C of the PEM requiring a level two energy and greenhouse gas assessment. With additional information, this report was accepted by the EPA in October 2005.

Greenhouse Gas (GHG) emissions are graphed below in equivalent tonnes of CO_2 emissions. These figures do not include the combustion products from treating the product vapour emissions.



These are derived from usage of natural gas for boilers (2) and combustor treatment units (2); electricity for pumps/fans/utilities and diesel for firewater pumps and forklifts/trucks. Fuel usages are converted to energy consumption (GJ) and, in turn, to GHG emissions (t CO_2 equivalent) using standard emission factors from the AGO (Australian Greenhouse Office) website. The last five years are tabulated below and cover the period of the combustor operating. The information is based on invoice meter readings. A minority of the records prior to 2005 cannot be found and these values have been estimated based on the available majority of data. In addition, the electricity meter reading for December 2007 is missing.

Fuel Type	2003		2004		2005		2006		2007	
	Fuel consumed	GHG emissions (t CO2. equivalent)	Fuel consumed	GHG emissions (t CO2. equivalent)	Fuel consumed	GHG emissions (t CO2. equivalent)	Fuel consumed	GHG emissions (t CO2. equivalent)	Fuel consumed	GHG emissions (t CO2. equivalent)
Natural Gas (GJ)	14,279	738	23,256	1,202	27,847	1,440	22,132	1,140	20,540	1,062
Electricity (KWH)	1,306,733	1,887	1,530,220	2,210	1,163,660	1,680	1,186,600	1,713	1,281,000	1,845
Diesel (kl)	25	68	25	68	25	68	25	68	25	68
Total		**2,693**		**3,480**		**3190**		**2,925**		**2975**

In 2007, the breakdown of emission contributors was electricity around 60%, natural gas at about 36% and diesel at 2%. Natural Gas emissions have decreased by 7% from 2006 on top of last years 21% decrease. The GHG component factor has decreased from about 45% in 2005 and 39% in 2006. While overall electricity usage has increased by 8% from 2006.

Overall, the GHG emissions are consistent with 2006 total after reductions of 8% in 2006 and a further 8% in 2005. The facility has undergone substantial changes over the last 5 years with most changes occurring in 2005 and in turn impacting on 2006 with consistency in 2007. They were:

- Commissioning air dilution stream for road tanker loading as an additional feed to the combustor in late 2004; combustor is located at Plant B. The air dilution stream is operated with sufficient additional air to conservatively maintain this feed stream in the fuel lean range for safety reasons. This adds a substantial air stream that is energy (gas) hungry in order to keep the combustor at 890 C. In addition this involves a large air dilution fan that increases power usage.
- In 2007; the air dilution stream for road tanker loading has been modified to operate only when required rather than continuously during business hours. This reduces natural gas usage and electricity usage.
- Shutting down the boiler and activated carbon VEC system at Plant C east side during first half of 2005. In turn, reducing gas (boiler) and power (VEC fans) usage.
- Benzene and crude benzene tanks were decommissioned in April 2005. The loss of this stream as a fuel to the combustor means higher fuel usage to maintain the combustor temperature control but about 5% factor only.
- Upgrading tanks and transfer systems at Plants B and C west side facilities including new tank foundations and resulting in more efficient pump motors plus online time. This means less power usage when operations cease during upgrades and after when more efficient pump motors are used for loading and connected to automatic loading system that stops motors when not required.
- Decommissioning tanks on the east side and then either relocating them to west side or demolishing them. In turn, power usage decreasing on the east side but increasing on the west side as many of these tanks and systems are returned to service.
- In 2007; there has been greater tank utilisation and increased throughput as tanks on the west side are recommissioned after major upgrading. At beginning of 2006; there has been a total of additional 4,500 cubic metres tank capacity commissioned to Plant C and a total of additional 2,300 cubic metres tank capacity commissioned at Plant B. This has contributed to increased road tanker loading at Plant C and, in turn, greater power usage by the air dilution system at Plant B's combustor. Also during the second half of 2007; a nitrogen generator was commissioned at Plant B. There has been a 38% increase in electricity usage over the last 4 months at Plant B. These have contributed towards an 11% increase in electricity usage at Plant B and a modest overall increase (8%) in electricity usage.
- Reducing combustor temperature set point from 890 to 750^0C during 2006 to reduce natural gas (energy) usage and GHG emissions.

These effects are reflected in the following tables.

Electricity Usage (KWH)

	Plant B	Plant C West	Plant C East	Overall
2004	661,092	439,428	429,700	1,530, 220
2005	869,039	159,391	135,230	1,163,660
2006	1,048,000	138,100	0	1,186,600
2007	1,167,366	113,665	0	1,281,000
Effect from previous years	11% increase after continual yearly increases	18%decrease after continual yearly decreases	East side shutdown in 2005.	8% increase

Natural Gas (GJ)

	Plant B	Plant C	Overall
2004	20,727	2,529	23,256
2005	26,375	1,472	27,847
2006	22,131	0	22,131
2007	20,540	0	20,540
Effect from previous years	7% decrease after 16% decrease from 2005.	East side gas usage shutdown in 2005.	7% decrease after 21% decrease from 2005.

In summary, overall the GHG emissions have steadied out with a slight increase of 2% after 8% reductions in both 2006 and 2005 due to significant improvements over the last five years. The largest factor in GHG emissions is the combustor located at Plant B in both natural gas and electricity as demonstrated by the Plant B figures. The combustor system is almost fully commissioned with all tanks now connected leaving only the Plant B road tanker loading via a new gas hungry plant B air dilute stream. Full commissioning will assist in having a steady reference point for comparing GHG emissions as there continues to be several conflicting influences eg tank renovations, greater tank utilisation/ greater throughput & in turn increased loading (pump & air dilution fan power), nitrogen generator, combustor gas usage improvements, old top loading at Plant B and new bottom loading at Plant C which includes more efficient pump motors & online times.

Plant B road tanker loading to the combustor is planned for first quarter of 2008. In addition waste liquid feed to the combustor is being commissioned in 2008. The waste burning in the combustor is considered fuel neutral.

The status of the GHG reduction action plan is tabulated below.

Action	Status
- Improve combustor efficiency & Greenhouse Gas Emissions by:- • Trialling 50^0C reduced temperature set points for combustion • Minimising night time duty for combustor while no transfers.	Reduced combustor temperature set point to 750 C after EPA approval based on successful trials showed treatment effectiveness maintained above 99.6% ie the stated design performance by manufacturer.
- Shut down east side operations including boiler, VEC & pumps / fans/ utilities. Monitor reduction of natural gas by 10% & electricity by 20 – 25%.	Completed by July 2005. Boiler and VEC systems were located at Plant C east. Plant C east side electricity decreased by 100% & 69% in 2006 & 2005 respectively ie 429,700 to 0 KWH. This equates to 36% saving of the company electricity usage in 2006 terms. Natural gas usages for Plant C decreased by 100% & 42% per year over the last two years ie from 2,500 to 0 GJ. This equates to 11% savings of the company gas usage in 2006 terms.
- Replace motors with high efficiency motors as opportunity arises.	All new pump/motors are designed at maximum efficiency pump loading point.
- Nominate Energy Manager for site.	Complete. Nominee is Engineering Manager, Paul Hayward.
- Regular reporting of energy and associated GHG emissions, as part of EIP.	Complete as per this annual report to the EPA.
- Minimise online duration for air dilution systems to combustor	Complete. Installed an interlock to stop air dilution stream to combustor when bottom loading of road tankers finished; minimising energy (gas) hungry usage.
- Minimise night time duty for combustor while no transfers	Under investigation. Held up due to safety concerns of restarting combustor upon a demand but out of hours and site is not manned.

9 GROUNDWATER MANAGEMENT PLAN

The eastern parts of the facility were demolished and remediated during 2005 as per the Remediation Action Plan of July 2002. Final assessment reports culminating in a Statement of Environmental Audit signing off the clean up of the site for industrial use was received on 28th August 2006. A groundwater monitoring plan to assess any offsite impact has been developed and is part of the Statement of Environmental Audit. Initially this requires groundwater monitoring of key boundary wells every quarter for the first 15 months and an assessment report on performance every 12 months. The first five quarterly sampling rounds have been carried out. The results have generally shown a decreasing trend. The latest results (August 2007) are either below the target criteria or, for one well, have two analytes above the target criteria. This compares favourably with exceedances above target criteria in December 2005 of 12 analytes at 8 wells while in December 2006 found 3 analytes at two wells. The monitoring program now changes to every 6 months with the next round scheduled for March 2008.

The annual Groundwater Monitoring Program of the west side for 2007 calendar year was completed by WSP Environmental Pty Ltd. This included two six monthly rounds of sampling and analysing; quarterly gauging and a final annual assessment report.

These results show:

- Separate Phase Hydrocarbons found in the Plant B northern area and Plant C southern plus south central areas. Automatic recovery trench system has been installed at Plant B northern and Plant C southern areas. These trenches appear to have limited the SPH to these areas and kept the quantity from increasing.
- Downgradient off site monitoring wells meet the adopted criteria; ANZECC Guidelines for Fresh Waters at 95% and 99% values.
- Consistent results with previous years with on site results having less exceedances to the adopted criteria than previous years. There were 6 exceedances in 2007 (ie four wells & five analytes) while 2006 had a total of 8 exceedances (ie four wells & six analytes).

Terminals proposes to continue the existing bi-annual sampling and quarterly gauging monitoring program and assessment. The environmental consultant has recommended a tuning of the monitoring program to remove the metals testing as Terminals operation has not impacted metals results and the readings have been stable for a number of years.
In addition, at Plant B north east area in 2008 there is a project to remove previous waste tanks. This presents an opportunity to install a further PSH skimming trench system and to undertake a 24 hour multi phase extraction event to further reduce levels of impact in this area. Also the environmental consultant has recommended the replacement of well W7.

The annual Groundwater Monitoring Report of the previous Plant A site for 2007 was completed by WSP environmental consultants. The results are consistent with previous year's results and there are no analytes above the ANZECC guidelines.

10 ENVIRONMENT IMPROVEMENT PLAN (EIP)

All items from the first EIP (2002 to 2004) are complete and the EIP concluded at end of 2004.

Some of the major achievements include:

- commissioning of majority of stages of combustor treatment unit, ie new vapour emission control system;
- upgrading of acrylate storage tanks and loading systems to sealed systems;
- fitting high density polyethylene impermeable liners under tank floor as tanks were renovated;
- implementing new exchanger area for Plant C and for acrylates;
- installing waste minimisation pipework for acrylate storage tanks; and
- installing backup emergency power supply for combustors and critical equipment.

A new EIP has been developed for the following four years to the end of 2008. This has been approved by the EPA and community consultative committee (CICCC). The new EIP and its status is summarised below. For the latest status refer the Improvement Action Report on the CICCC website. Steady and consistent progress is being shown as at end of 2007, a total of 39 actions have been completed compared to 35 and 14 being completed by end of 2006 & 2005 respectively.

Year	Total Number	Completed
2005 to 2008	62	39

Some of the major achievements include:

- installing five roofs and drainage systems over truck fills and exchanger areas to minimise waste by segregating rain water;
- refurbishing all tanks at Plant C expansion and upgrading their foundations;
- refurbishing all tanks at Plant B combustible area and upgrading their foundations;
- upgrading pumps, pipework, loading systems for above Plant B and C tank upgrades;
- installing waste minimisation pipework for above Plant B and C tank upgrades;
- installing emergency lighting for Plant B;
- decommissioning, demolishing and remediating east side facilities;
- shutting down boiler and carbon bed VECS on east side facilities;
- all flammable storage tanks are vented to the combustor;
- phenol tank is vented to the combustor;
- all flammable tanks have high pressure alarms as well as high level alarms;

- all tanks at Plant C are connected through hard piped exchanger areas;
- combustor temperature set point has been lowered to 750 C;
- domestic waste is connected to the sewer;
- install clay liner for Plant C tank compound floor
- received new accredited EPA licence with the leaving of the east side;
- installed & commissioned automatic PSH recovery systems at Plants B & C;
- installed above ground drainage system with pump filters instead of sediment & litter traps;
- maintenance manual updated;
- newsletter issued for October 2007 open day.

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