13 November 2015

Mr Nick Wimbush  
Advisory Committee Chair  
Major Hazards Advisory Committee  
C/- Planning Panels Victoria  
Level 6, 1 Spring Street  
MELBOURNE VIC 3000

By email: planning.panels@delwp.vic.gov.au

Dear Mr Wimbush,

As the operator of two of Victoria’s largest Major Hazard Facilities, Mobil Oil Australia Ltd (“Mobil”) welcomes the formation of the Major Hazards Review Committee, and we look forward to participating throughout the consultation period.

Mobil is a major supplier of petroleum fuels to resellers, other wholesalers and end users, including aviation customers, around Australia. Mobil’s wholly owned subsidiary, Mobil Refining Australia Pty Ltd (MRA), owns and operates the Altona refinery in Melbourne, which is a key part of Victoria’s energy supply chain, providing around 50 percent of the State’s petroleum fuel needs. In addition to the Altona refinery, Mobil operates a major bulk petroleum terminal at Yarraville in Melbourne (Yarraville).

Our initial comments to help inform the Discussion Paper follow.

Legislation to support appropriate planning close to MHFs

Victoria needs regulations that are embedded into the planning scheme to provide certainty for residents, businesses, local councils and property developers about how land close to MHF’s should be zoned and what are appropriate land uses within these zones.

State-significant industry, such as the Mobil Altona Refinery, is entitled to protection from encroachment of unplanned residential and other sensitive uses which would adversely affect industry viability. Appropriate zoning of land close to MHF’s is essential for protecting both residents and local businesses and is an important factor in ensuring Altona Refinery and Yarraville Terminal continue to successfully operate into the future without undue time and cost being diverted to manage planning issues around our facilities.

In relation to paragraph 6.b of the Terms of Reference, Mobil asks that the Committee considers the nature of existing MHF’s when making its recommendations: MHF’s are typically significant industrial facilities that cannot be readily relocated; they are heavily invested in their existing locations; provide both direct and indirect employment; and produce goods/services that significantly benefit the state and national economy. In this light, Mobil’s welcomes the Committee’s consideration of the function of land use buffers and we suggest that the Committee give consideration to amending the relevant planning scheme to incorporate reverse amenity buffers to protect existing MHF’s and by formally including the concept of the agent of change.

Managing existing developments in light of changes to the planning scheme

In Mobil’s experience, developers have no accountability for amenity issues that future residents experience after they are long gone. Past planning policy decisions have lead to homes being built too close to Altona Refinery, well within the areas defined by the Victorian Work Cover Authority as the site’s inner and outer
Advisory Areas, where residential development should be either excluded or constrained. These past poor planning decisions have not only placed a heavy burden on the refinery, but have also exposed residents to the dangers and inconveniences of living so close to a MHF. Mobil would also welcome an outcome that prevents incremental change (otherwise known as the "tyranny of small decision"), as these small changes ultimately add up over time to create a real threat to the viability of the business.

We hope the review will consider how these existing developments will be managed into the future in light of any changes to the planning scheme. Mobil respectfully requests that the Committee consider planning mechanisms to wind back current inappropriate land usage adjacent to MHFs in order to protect their ongoing operations. For instance, in the case of Altona Refinery previous poor planning decisions have allowed residential development as close as 80 metres from the boundary of the facility, meaning that refinery’s operations were made non-compliant against noise emission regulations simply by the encroachment of residences and that despite best efforts, the refinery is unable to reduce its noise emissions to meet these regulatory limits. Higher density also increases the number of people at risk in the unlikely event of a major incident.

While it is laudable to prevent further intensification of inappropriate land uses, Mobil would also like to see an outcome from the Committee that commits to reduce existing inappropriate land uses adjacent to MHFs.

Managing amenity issues in addition to safety

Although a large-scale operational incident that would impact the safety of nearby residents is unlikely, people living close to operating manufacturing facilities, such as Altona Refinery, are quite likely to be exposed to noise or odours or experience other amenity issues from time to time. These amenity issues, while perhaps not breaching any regulations or laws, may at times be unpleasant and can cause problems for both the residents and the business. Ultimately, more residents living close to the refinery is likely to result in more complaints about day-to-day operations and subsequently, increased mitigation requirements imposed on the refinery, which may impact on Mobil’s ability to successfully operate Altona Refinery into the future. We hope to see the review consider how the density of development close to MHFs should be managed, particularly in areas undergoing urban renewal (such as Altona, Newport and Altona North). Consideration of "agent of change" is critical to managing this interface between existing MHF's and any future development.

Existing guidelines

We currently depend on the Victorian Work Cover Authority and the Environment Protection Authority of Victoria’s guidelines which support safe and pleasant neighbourhoods in areas where residents live alongside major hazard facilities. As noted at paragraph 6.c of the Terms of Reference, these guidance documents are currently “non-planning tools” and do not have the necessary weight within with Planning Scheme and nor are these regulatory bodies a referral authorities under the current planning scheme. Neither WorkSafe nor the EPA have the legislative mandate to act as a referral authority under the Planning Scheme and as such, Mobil requests that the Committee considers adopting enforceable processes with the Planning Scheme to overcome this limitation.

Mobil would like to highlight to the Committee the successful planning outcomes outlined in Planning Advisory Note 56 – Planning for the Port and its Environments. These planning measures protect the port in Victoria and their surrounds from uses that are inconsistent with the ongoing operation of the port and related businesses. The Environmental Significance Overlay applies to the land that is in and around Mobil’s Yarraville Terminal, and in Mobil’s view these measures have been successful in protecting Mobil’s Yarraville Terminal from the establishment of incompatible land uses in the immediate surrounds since their adoption.

Further, WorkSafe’s 2010 guidance is incomplete as WorkSafe has yet to release formal Inner and Outer Advisory Area guidance maps for all Victorian MHF’s. We hope that an outcome of this committee will include the incorporation of these guidance documents and Advisory Area maps as enforceable instruments within the planning scheme.
Licenced Pipelines

Mobil would like the Committee to consider if the Terms of Reference for the MHF Review should be extended to consider and include Licenced Pipelines. Licenced Pipelines, especially those in metropolitan Melbourne, are subject to the same planning issues and challenges that face MHFs, namely increased urban growth and renewal coupled with a lack of enforceable planning scheme mechanisms. As you would be aware, Energy Safe Victoria is not a referral authority under any planning scheme. Furthermore, many MHFs including all of ExxonMobil’s Victorian facilities, are connected to other MHFs via Licenced Pipelines (i.e. Mobil’s Geillbrand Pier is connected to the Mobil’s Altona Refinery and it connects to Mobil’s Yarraville Terminal).

While Licenced Pipelines have different amenity issues to MHFs, their ongoing protection from inconsistent adjacent land use is important both to protect their safe operation, and the ongoing viability of the MHFs and other services that they connect. For instance, in recent years Mobil, including in its role as the operator of the unincorporated Somerton Joint Venture which supplies jet fuel to Tullamarine airport, has seen a rapid increase of proposed high-density residential development adjacent to our Licenced Pipelines.

We believe that clear, consistent and enforceable regulations that define what development is appropriate around Major Hazard Facilities are needed. These will not only help protect residents and businesses, but will also give certainty to operators of these facilities, such as Mobil.

We look forward to discussing these matters with you further, and participating in the Committee’s review process. Please contact Samantha Potts on (03) 9622 7012 if you require clarification or any more information about these comments.

Yours sincerely

Andrew Warrell
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Mobil Altona Refinery