

Mobil Refining Australia Pty Ltd

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9 February 2016

Mr Nick Wimbush
Advisory Committee Chair
Major Hazard Facilities Advisory Committee
C/- Planning Panels Victoria
Level 5, 1 Spring Street
MELBOURNE VIC 3000

Dear Mr Wimbush

Outline of submissions to Major Hazard Facilities Advisory Committee

1. Executive summary

- 1.1 This submission is made by Mobil Refining Australia Pty Ltd (**Mobil**). It is further to the letter of Mobil Oil Australia Pty Ltd¹ to the Advisory Committee, dated 13 November 2015.
- 1.2 Mobil welcomes the Advisory Committee's valuable Discussion Paper of 21 December 2015.
- 1.3 Mobil's perspective is as an operator of Major Hazard Facilities and as the operator of high-risk and medium-risk pipelines under the *Pipelines Act 2005*. Mobil holds three Major Hazard Facility licences, governing its operations on 6 sites, and operates more than 12 Pipeline Licences connecting or running from those facilities.
- 1.4 Mobil's facilities are of State significance and integral to Victoria's fuel supply chain. While geographically dispersed, they are operationally linked. The principal operating facilities are located within two planning schemes, are in close proximity to land in several other planning schemes; in addition, several of Mobil's pipelines traverse land in half a dozen planning schemes.
- 1.5 Mobil's experiences with the planning system provide several case studies which support the imposition of special purpose planning controls over land adjacent to and within areas affected by the operation of a Major Hazard Facility and other risk-posing infrastructure such as high-risk and medium-risk gas and petroleum pipelines.
- 1.6 In Mobil's experience, the issues which arise from Major Hazard Facilities have occurred with sufficient frequency to justify formal amendments of the Planning Schemes in which MHFs are situated to address gaps in the planning framework.
- 1.7 The purpose of the Planning System² is to recognise varied and sometimes competing interests in land use and to achieve a balance between those interests in a rational and

¹ In this submission the name "Mobil" may be used interchangeably to refer to Mobil Refining Australia Pty Ltd or to its parent company, Mobil Oil Australia Pty Ltd. Mobil Refining is the operator of the Altona refinery and associated licensed major hazard facilities.

principled manner, ensuring so far as possible consistency and predictability, for the net benefit of the community.

- 1.8 Major Hazard Facilities and medium and high risk pipelines raise issues under the Planning System of concern from a variety of perspectives:
- (a) Operators;
 - (b) Neighbouring communities;
 - (c) Regulators;
 - (d) Responsible authorities;
 - (e) The State and wider community.
- 1.9 Mobil acknowledges that the goals of good planning policy include ensuring protection of the community in the neighbourhood of MHF operations and in the public interest, in a way which assures the community of its safety and minimises and manages adverse effects on amenity without compromising the economic viability of existing and planned industrial operations.
- 1.10 Having said that, Mobil's particular concern is to protect the viability of its operations as valuable, pre-existing uses, consistently with recognising the interests of neighbours, responsible authorities and the public generally.
- 1.11 Mobil draws the conclusion from its experience and from the Advisory Committee's Discussion paper that the issues posed by existing Major Hazard Facilities and pipelines (in particular, those of State significance) are not addressed coherently and consistently enough in the existing Planning System. The greater portion of current references apply to new MHFs.³
- 1.12 In summary, Mobil submits that the Advisory Committee should recommend that the Planning System more comprehensively and expressly recognise and identify the land use issues posed by Major Hazard Facilities and by pipelines. Expression should be given to controls by which to regulate the risk and other amenity impacts of existing facilities on surrounding land, especially (but not solely) in the context of rezoning or repurposing of neighbouring land to introduce increased residential density and other sensitive uses.
- 1.13 The principal control should address separation distances between an MHF or high risk pipeline and residential or sensitive land uses, by a system of graduated buffer areas, responsive to the nature of the risk or amenity issue raised
- 1.14 These controls should apply to existing Major Hazard Facilities and pipelines by way of additional (or substituted) controls over surrounding land within the designated buffer area. That is, formal recognition should be given to the 'reverse buffer' concept.
- 1.15 Allied with the *reverse buffer concept*, it is appropriate to recognise and embed in Planning Schemes three further concepts:
- (a) where development is otherwise permitted, the *agent of change* should bear the responsibility to design or situate its development so as to ensure that the MHF operator can continue to operate in compliance with relevant law. This applies particularly to acoustic and light-spill issues;

² By the "Planning System", Mobil refers compendiously to the system discussed in part 2 of the Committee's Discussion Paper: the *Planning and Environment Act*, State Planning Policy Frameworks, Local Planning Policy Frameworks, reference documents and guidelines, and detailed controls (zones, overlays, particular and general provisions and their associated decision guidelines) and directives and notices, as well as *Plan Melbourne* and similar planning strategy documents issued by Government from time to time.

³ Eg through clause 52.10

- (b) *incremental intensification* of existing land use within a buffer area needs to be avoided: risk and amenity effects within the buffer area need to be considered on an aggregate basis when an application is lodged over an individual site within the buffer area. This is to acknowledge that an accumulation of ‘one-off’ exceptions or permissions will lead inexorably to undesirable outcomes, often referred to as the “*tyranny of small decisions*”;⁴ and
 - (c) *population density controls* and *concentration risk* - height limits often become de facto proxies for attempts to limit concentrations of sensitive populations in proximity to a Major Hazard Facility or pipeline. They are not well adapted to that purpose. It would be desirable, instead, to identify expressly that concentration of population and sensitive uses (such as aged care or child care facilities) raise additional factors that need to be taken into account in planning with the outer parts of a buffer area. UK planning practice around hazard facilities and Victorian regulation of pipelines each incorporate measures of this type.
- 1.16 Without proper planning controls, new development adjacent or close to Mobil’s facilities may occur which will have a number of adverse results.
- (a) First, residents, users and visitors to the development may be exposed to risk, noise, odour or other amenity impacts from a Major Hazard Facility.
 - (b) Secondly, the new development may create uses and interests which conflict with the present use and future development and evolution of Mobil’s facilities, whether for safety or amenity reasons.
 - (c) Thirdly, to constrain or prevent the continued development and improvement of Mobil’s facilities is to threaten their viability and deny their benefits to Victoria’s community and economy and potentially affect petroleum fuel supply security for the State. In the case of noise controls on industry (including MHFs), alterations in zoning surrounding the industry change the legal limit of noise which may be emitted; in the case of pipelines, changes in use in nearby areas, alter the obligations of the pipeline operator.
 - (d) Finally, in the case of high-risk and medium-risk pipelines, there is the potential for the development itself to impact adversely on the integrity and operation of the pipeline, through accident, vibration or limiting access for maintenance on the development site close to the pipeline.
- 1.17 It is in the interests of residents and developers, as much as MHF and pipeline operators, and Responsible Authorities to have clearly articulated state-wide policies that address risks, and clearly demarcated areas in which risk-related issues are to be addressed. This will provide certainty and predictability to all users of the planning system.

2. Mobil

- 2.1 Mobil is a major refiner and marketer of petroleum products in Australia. It is a wholly-owned subsidiary of Exxon Mobil Corporation.
- 2.2 Mobil and predecessor companies have marketed petroleum products in Australia for over 120 years, commencing operations in Melbourne in 1895. Altona Refinery’s operations are of State significance, supplying around half of Victoria’s refined fuel needs.
- 2.3 Mobil’s Victorian operations are linked to the upstream oil and gas production operations of Esso Australia Pty Ltd (an affiliate of ExxonMobil Australia), providing an integrated oil and gas production and refining supply chain for the State.

⁴ See *Southern Capital Corporation Pty Ltd v Port Phillip CC* [1999] VCAT 130, applied in the context of MHFs in *Shell Company of Australia v Hobsons Bay CC* [2012] VCAT 1184 at [28]; *VJA Consultants Pty Ltd v Hobsons Bay CC* [2012] VCAT 1846 at [33] – [40].

Mobil's Major Hazard Facilities

- 2.4 In Annexure 1 to this submission are further details about Mobil's key operations. These include the following Major Hazard Facilities:
- (a) Altona Refinery and related tank storage farms (on 4 sites in Hobsons Bay Planning Scheme);
 - (b) Point Gellibrand Marine facility and tank farm at Williamstown (in Port of Melbourne Planning Scheme, immediately adjoining land in Hobsons Bay Planning Scheme); and
 - (c) Yarraville bulk fuel terminal (tank farm and fuel distribution depot) (in Hobsons Bay, immediately adjoining land in both the Maribyrnong and Port of Melbourne Planning Schemes).
- 2.5 Each of these facilities is connected by significant, licensed pipelines, conveying either crude oil or refined product between them.
- 2.6 In this way, Mobil's facilities are geographically dispersed but are operationally linked. Each of these facilities is integral to Victoria's fuel supply chain.

Major Pipelines

- 2.7 Further, Mobil is the operator of a number of pipelines, both 'high risk' and medium risk. These pipelines are regulated under the *Pipelines Act 2005* and *Pipelines Regulations 2007*, administered by Energy Safe Victoria.⁵ Details of these licensed pipelines are included in Annexure 2.

Recurring planning issues pose challenges for residents, developers, Council and industry

- 2.8 Mobil's experience of residential development proposals within the neighbourhood of Mobil Yarraville, Point Gellibrand and Mobil Altona and PL 118 illustrate the planning tensions that arise from residential development or other sensitive uses in proximity to Major Hazard Facilities and licensed pipelines.
- 2.9 The current lack of clarity has resulted in uncertainty for MHF operators (in this case, Mobil), local governments, residents and developers. It has required Mobil to become involved in managing multiple planning issues, including participation in VCAT hearings, taking time and resources away from our core business focus. In addition, there is no certainty of a favourable, or consistent planning outcome, even given the operator's involvement in these matters.

3. Risk and amenity impacts and inappropriate development

- 3.1 Mobil's experience covers issues of pure risk management posed by Major Hazard Facilities; of other amenity impacts; and of impacts on and from pipelines.
- 3.2 These have arisen in the context of two changes in land use which are otherwise generally encouraged by State Government and Council policy -
- (a) the rezoning or re-purposing of former industrial land, for housing (often medium to high density) and accompanying sensitive uses; and
 - (b) the intensification of existing residential land, by construction of additional properties.

⁵ The Pipelines Act and Regulations incorporate the requirements of Australian Standards AS-2885.1 and 2885.3 (2012) *Pipelines – Gas and Liquid Petroleum Part 1: Design and Construction* and *Pipelines – Gas and Liquid Petroleum Part 3: Operations and Maintenance*.

3.3 Examples involving Mobil's operations include:

- City of Maribyrnong – 200 Stephen Street Yarraville proposal (*Sandbar Properties Pty Ltd v Maribyrnong CC* (No 2) [2010] VCAT 678). VCAT upheld the City of Maribyrnong's refusal of a planning permit for 66 dwellings on a site just within the WorkSafe 300 metre buffer area around storage tanks of the Mobil Yarraville Terminal.
- City of Hobsons Bay – Nelson Place / Nelson Village proposal – subject of the Former Port Phillip Woollen Mill Advisory Committee ([2011] PPV 53) and of VCAT decision (*NP Developments v Hobsons Bay CC* [2014] VCAT 861).
- Historic council planning decisions for land immediately north of the Altona Refinery have resulted in residential development within 200 metres of the refinery boundary. Changes in house ownership from longstanding residents familiar with the Mobil facility to new residents not used to its operations could result in an increase in complaints received by Mobil.

3.4 At the same time, there has been a marked increase in applications for medium density redevelopments of existing properties. Infill housing and other residential developments within 500 metres immediately to the north of the Altona Refinery – in Ross Road, Hatherley Grove and others. Following the adoption by Hobsons Bay City Council of its Guideline *Interim Management of Land Use Planning Around Major Hazard Facilities* (2013, revised October 2014), many of these applications have been refused by Council; several have been appealed to VCAT.

3.5 Pipeline issues are also raised by greenfield and in-fill development proposals. A recent VCAT hearing concerning a large scale residential redevelopment of a former industrial site in Blackshaws Rd, Altona North, is instructive.

3.6 Mobil understands Energy Safe Victoria classifies pipelines as “high risk” and as “other” (which Mobil would submit are appropriately regarded as “medium risk”).

3.7 Mobil will expand on lessons which these offer in its oral presentation.

Distinguishing hazard impacts and amenity impacts

3.8 Mobil considers that it is essential to distinguish between separation distances dictated by hazard risk management and buffer areas to manage impacts on amenity.⁶ It is not a question of one or the other, or of applying the lowest common denominator. These perform distinct functions and each must be considered in its own terms. While it may appear convenient to try to synthesise them into a single test or to seek to trade off one distance against another, this would be to confuse the necessary distinction between their purpose and methodology.

3.9 If a single test is desired, then it must necessarily be the greatest distance derived from the various tests.

3.10 Mobil generally supports the use of separation distances and methodologies and criteria developed by existing safety regulators, WorkSafe (Victorian WorkCover Authority) for Major Hazard Facilities and Energy Safe Victoria for high risk and medium risk pipelines.

3.11 Similarly for amenity impacts (odour and noise) reverse buffers based on existing EPA guidelines and policies would seem to provide a reasonable starting point for the consideration of appropriate buffer distances.

⁶ Mobil acknowledges that in a number of decisions, VCAT has discussed risk issues as part of “amenity” (eg *Shell Company of Australia v Hobsons Bay City Council*). This reflects the emphasis that Planning Schemes historically have placed on amenity, and the fact that risk management has not sufficiently been recognised as a factor for planning in its own right. However, in framing planning policy, such as in this Advisory Committee's deliberations, risk management merits distinct treatment.

- 3.12 Buffer distances should be measured from the property boundary to allow flexibility (and so as not to restrict Mobil's use and upgrade of its facilities) in terms of the future use of the Altona Refinery, Yarraville Terminal and of the Point Gellibrand Tank Farm site.
- 3.13 The basis for measuring the buffer distance from the property boundary, as distinct from existing process units or tanks, is that MHFs are capital-intensive, long-term investments that are not readily movable.
- 3.14 Measuring the buffer distance from the property boundary not only supports operational flexibility for the MHF but also provides ongoing certainty for community stakeholders close to or within the buffer areas.

Hazard distances and methodology

- 3.15 Victorian WorkCover Authority (WorkSafe's) guidance notes should form the basis of mapped buffer areas that are incorporated in the Planning Schemes.
- 3.16 WorkSafe's approach has been reviewed and endorsed by the Advisory Committees for the Ports and Environs ([2010] PPV 115) and Former Port Phillip Woollen Mills ([2011] PPV 53) and are now well-accepted by VCAT decisions and responsible authorities.

Amenity impacts of MHFs

- 3.17 By their nature as large scale industrial operations, which operate continuously, 24 hours per day, Mobil's facilities are also subject to regulation for amenity impacts, which engage the Planning System. In particular, these include:
 - (a) State Environmental Protection Policy (SEPP N-1) (noise); and
 - (b) EPA Air quality guidelines.
- 3.18 SEPP N-1 is particularly sensitive to changes in zoning surrounding an industrial emitter of noise: the rezoning of nearby formerly industrial land to residential triggers a lower noise threshold on the existing industrial emitter. In the face of objection by Mobil and other affected existing industries, a solution that has been negotiated and expressed in planning permit conditions is for the developer, as the agent of change, to undertake design and construction work-arounds so as to limit measurable noise indoors, but outdoor noise continues to be an issue. To date this has been case-by-case, and there is no formal requirement under the planning schemes for this to occur. Mobil's preference is that the agent of change bears the responsibility to make their incoming development compliant with SEPP N-1.
- 3.19 EPA guidelines on air quality⁷ dictate a buffer zone of 2kms from a petroleum refinery and variable separation distances from bulk petroleum storage facilities. The distances for storage vary according to the type of storage unit – whether fixed roof (where greater risk of vapour escape arises) (300 metres) – or floating roof (100 metres).

Planning and pipelines

- 3.20 Mobil is aware of at least two recent cases in which the presence of pipelines in close proximity to proposed developments have raised issues for the Planning System:
 - (a) Lara West Precinct Structure Plan, discussed in the Committee's Discussion Paper; and
 - (b) Masterplan for Former Caltex site, Blackshaws Rd, North Altona.

⁷ See now EPA Publication 1518 *Recommended Separation Distances for Industrial Residual Air Emissions – Guideline* (2013) which replaces EPA AQ 2/86, *Recommended Buffer Distances for Industrial Residual Air Emissions*.

- 3.21 These cases were characterised, variously, by problems which would be minimised and addressed by properly mapped and articulated buffer areas or express recognition in the planning schemes.
- (a) In the case of the Lara West PSP, the presence of the pipeline running through the middle of the plan area was not initially noted.
 - (b) In the North Altona site, the relevant Planning Scheme (Hobsons Bay PS) contained a Design and Development Overlay which contained an express object *“to ensure that development does not adversely impact the continued operation and maintenance of the Somerton to Altona Licensed Pipeline”*. This is a rare and important example of attention to the issues. However, two other pipelines in the vicinity of the site were not expressly mentioned in the DDO.
- 3.22 Just as for Major Hazard Facilities, the nature of the materials carried by pipelines raise the need for buffer areas around pipelines. In its presentation to the Advisory Committee, Mobil will describe the several steps by which Australian Standard 2885.1 deals with changes in land use in the vicinity of a high-pressure pipeline, and the implications that this has for the Planning System.

4. Conclusion

- 4.1 Mobil looks forward to amplifying these submissions by a presentation to the Advisory Committee. In such a presentation, Mobil will aim:
- (a) to provide insight into its experience with the costs and uncertainties of the present Planning System in addressing risk and amenity issues of changes in land use around existing Major Hazard Facilities and licensed high-pressure pipelines
 - (b) to provide insight into its experience with the costs and complexity of being drawn into the role of “referral authority” as an MHF operator, in matters where we do not have the relevant expertise, creating an additional regulatory burden for the MHF
 - (c) to develop in greater detail its suggestions for options for planning controls with respect to Major Hazard Facilities and pipelines, to establish buffer areas and other necessary Planning System tools; and
 - (d) to provide additional explanation of the regulation of pipelines, and illustration of the importance of pipelines to the efficient operation of Mobil’s MHF operations.

Yours sincerely



Andrew Jeffery Williamson
Manager, Safety, Security, Health and Environment
Mobil Refining Australia

ANNEXURE 1

MOBIL MAJOR HAZARD FACILITIES AND LICENSED PIPELINES

5. State significance of Mobil's operations

- 5.1 Mobil Oil Australia's wholly-owned subsidiary, Mobil Refining Australia Pty Ltd, owns and operates the Altona Refinery in Melbourne.
- 5.2 Located 13 kilometres west of Melbourne, the Altona Refinery supplies half of Victoria's refined fuel needs. It operates 24 hours a day, 365 days a year and processes crude oil into the full range of petroleum products.
- 5.3 The Refinery is categorised as a Major Hazard Facility and produces up to 13 million litres of refined products per day - enough to fill more than 300,000 cars. Petrol represents approximately 60 percent of production, with diesel representing a further 30 percent and jet fuel around 10 percent. The percentage of each product depends on the type of feedstock used.
- 5.4 Altona Refinery's operations are of State significance, supplying around half of Victoria's refined fuel needs. The Refinery provides employment for around 350 people and generates many thousand additional jobs through links with the wider community.
- 5.5 Mobil's Victorian operations are linked to the upstream oil and gas production operations of Esso Australia Pty Ltd (an affiliate of ExxonMobil Australia), providing an integrated oil and gas production and refining supply chain for the State.
- 5.6 The Refinery sources its crude oil and other feedstock from two sources: from Gippsland, via the Westernport – Altona – Geelong (WAG) pipeline under Port Phillip Bay, or via ships berthed at Gellibrand Pier in Williamstown, known as marine crudes. Marine crudes constitute approximately 60 – 70 % of the diet of the Altona Refinery and are sourced from all over the world. Vessels berthed at Gellibrand Wharf unload crude into onshore storage tanks where it is then pumped approximately 7kms through pipeline to the Altona Refinery. Gellibrand Wharf is an MHF in its own right, but is included in the Altona Refinery's Safety Case as it is a fully integrated facility.
- 5.7 After processing at the Refinery, refined products are pumped into storage tanks to await distribution. There are almost 100 storage tanks at the Altona Refinery and in the adjacent North and South Crude Tank Farms.
- 5.8 Around 90 percent of refined products are transported by pipelines from the Refinery to Mobil's Yarraville terminal and other industry terminals for distribution by road.
- 5.9 The Refinery delivers jet fuel to Tullamarine Airport via the Somerton Pipeline (PL118) that connects to the Refinery.
- 5.10 The Refinery also supplies LPG to the nearby Altona chemical complex (also a MHF) via pipeline and trucks, which in turn supplies feedstocks to a number of petrochemical manufacturing plants at Altona. These plants produce the raw material from which a multitude of consumer products are made, including adhesives, plastics, film, wire insulation, radio and TV cabinets, car batteries and tyres.
- 5.11 Over the last five years, Mobil has invested approximately \$350 million in maintenance and other improvements at the Altona Refinery Complex. Recent investments include upgrading the Refinery's IT systems, refurbishing employee facilities and administration buildings, increasing pipeline and tank integrity programs, improving the import facilities at Gellibrand Wharf and working to increase the reliability of the Refinery's electricity supply.

6. History

- 6.1 Mobil commenced refining operations in Australia at Altona in 1949 through Standard Vacuum Refining Company. Historically, this was one of two refineries in Victoria. Construction of the Altona Refinery commenced in October 1946 in the paddocks near the then small town of Altona.
- 6.2 The Altona Refinery was the first major industrial investment in this area and began modestly with the production of lubricating oils and bitumen. It is now the hub of a major petrochemical precinct.
- 6.3 Residential development was introduced directly north of the Refinery's processing units in the 1950s and 1960s, in areas between 200 and 500 metres from the Refinery boundary. These houses would not be accepted today.

7. Future uses of the Refinery

- 7.1 The operations at the Refinery may need to change as a result of technological, economic or other influences such as the availability of the most economic types of crude that can be used by the Refinery. The global supply of crude and the long term availability of crude from Bass Strait will play a key role in investment decisions moving forward with a heavy emphasis on building flexibility into Mobil's tank storage capability to allow the Refinery to react quickly and efficiently to changing market dynamics.
- 7.2 Flexibility with operations and use of the facilities will therefore be a vital part of the maintaining a viable Refinery into the future.

8. Yarraville Terminal

- 8.1 Located on the banks of the Yarra River, in the western suburbs of Melbourne, the Yarraville Terminal has operated since 1926.
- 8.2 The Yarraville Terminal is Mobil's fuels distribution terminal for petrol, diesel, and aviation fuel and heating oil in Victoria and operates 24 hours a day, seven days a week. Ethanol-blended petrol is also supplied from the terminal. Yarraville Terminal is also classified as an MHF due to the large quantity of finished products stored at the terminal.
- 8.3 Mobil operates the fuel storage and truck load-out facilities at the terminal in joint ownership with BP. The terminal houses large refined product storage tanks with a storage capacity of 120 million litres. These tanks are used for bulk storage of fuel products arriving via multiple licensed pipelines from Mobil's Altona Refinery and Shell's Geelong Refinery (via pipeline) and from overseas/interstate via ships berthed at the adjacent Holden Dock. At the tank truck fill stand, up to eight trucks can be loaded simultaneously with various fuels stored in the terminal.
- 8.4 The Yarraville Terminal handles just under 3 billion litres of refined fuel products each year, that are supplied to customers throughout Victoria and in some parts of South Australia and Southern New South Wales. This equates to approximately 8 million litres per day.
- 8.5 In 2015 Mobil was granted a new pipeline licence to construct a pipeline to connect Yarraville Terminal to the Somerton Pipeline (see section 10 below). This new licensed pipeline will allow Yarraville Terminal to supply jet fuel to Tullamarine airport directly via pipeline, rather than solely via truck as it now does.

9. Gellibrand Marine Facility

- 9.1 Mobil Altona Refinery operates its crude oil import facilities at Point Gellibrand, including five crude oil and fuel product storage tanks, various piping and pumping equipment, as well as crude/fuel loading and unloading facilities. All feedstock imports for the Altona Refinery come through Point Gellibrand and the wharf is presently occupied by ships discharging or loading for approximately 35 - 40 weeks per year.

- 9.2 Mobil has occupied the two sites associated with the Gellibrand Marine Facility since 1953, under lease from the Port of Melbourne Corporation.
- 9.3 Over the last few years, Mobil has invested over \$20 million in improving the capability of its Gellibrand Marine Facility. The successful operation of this facility is critical to Mobil's ability to continue manufacturing refined fuels in Altona.
- 9.4 Mobil has committed to the use of the Gellibrand Marine Facility for the long term. There is no alternative discharge point for refinery feedstock within the Port of Melbourne. As outlined in the Commonwealth Government's *National Ports Strategy* (December 2010), container business at Australia's major metropolitan ports is expected to double in size every 10 years. This increased demand for port services and land means that there is no likelihood that Mobil would be able to relocate its Gellibrand facility elsewhere within the Port of Melbourne.
- 9.5 At present, the nearest affected residential property is located at 36 Kanowna Street, approximately 350m from the south-west corner of the subject site. A major development is planned for the former Port Phillip Woollen Mills site, commencing approx. 280 metres from Mobil's facility.

10. Altona – Somerton Jet Fuel pipeline

- 10.1 Mobil is the licensed operator of PL118, an asset of an unincorporated joint venture called the 'Somerton Pipeline Joint Venture' (Joint Venture).
- 10.2 PL118 runs from Mobil's Altona Refinery through to Somerton Depot carrying jet fuel from the Refinery. This jet fuel is then supplied to Melbourne Airport through pipeline PL119, also operated by Mobil. A branch line connects the Viva Energy (formerly Shell) Terminal at Newport to PL118.
- 10.3 PL118 and PL119 are critical to Melbourne Airport's operation, providing a safe, secure and efficient method of jet fuel transportation to meet the airport's needs. There is no effective alternative infrastructure to supply jet fuel to Melbourne Airport to meet its current demand.
- 10.4 Around 74% of Melbourne Airport's daily jet fuel needs is supplied via these pipelines. The additional jet fuel required by Melbourne Airport each day is currently transported there by truck, however this is a significantly slower and more onerous process than utilising PL118 and PL119. For this reason, a new pipeline from Mobil Yarraville is planned.
- 10.5 PL118 and PL119 have been in operation since 1980. Both pipelines comply with all standards and requirements applicable at that time, and continue to be licensed.
- 10.6 The *Pipelines Act* provides for an easement of 6 metres wide (3 metres each side of the pipeline) in which the Act precludes building or other activity. This corridor provides the operator with unimpeded access for maintenance and safety checks, but is not designed for, nor sufficient for, protection of the neighbouring community from risk from the pipeline. Further, such a narrow corridor does not protect the pipeline from activity (such as digging and pouring foundations, earthing of electricity and other matters) that might threaten the integrity or operation of the pipeline.

ANNEXURE 2

MAJOR PIPELINES LICENCED TO MOBIL

Pipeline Name and Licence Number	Pipeline Description	Length (kms)	Product conveyed
Somerton Pipeline (Licence No. 118 & 119)	These convey jet fuel from Mobil's Altona refinery and from Viva Energy's Newport terminal to Tullamarine airport, via a terminal at Somerton.	Pipeline 118 – 34 Pipeline 119 – 11	Jet fuel
18" Pipeline (License No.73)	Pipeline from Gellibrand (Williamstown Dock) to the North and South Crude Tank Farm. The line is also used to transfer cracker feed, fuel oil, naphtha, heavy virgin gas oil (HVGO) and gasoline.	7.7	Crude oil
No. 1 Pipeline (License No.37)	Pipeline from the Blending Area to the Yarraville Terminal and Newport off-takers. This line is used to transfer gasoline and Avgas.	8.1	Gasoline
No. 2 Pipeline (License No. 38)	Pipeline from the Blending Area to the Yarraville and Spotswood Terminals and Newport off-takers.	8.1	Jet fuel & middle distillates
No. 3 Pipeline (License No. 74)	Pipeline from the Blending Area to the Yarraville and Spotswood Terminals and Newport off-takers with a branch also running to the Gellibrand Tank Farm.	11.2	Diesel
No. 4 Pipeline (Licence No. 55)	Pipeline from the Refinery to Yarraville Terminal.	11.0	Gasoline
Cabot pipeline (License No. 151)	Pipeline from northern boundary of the Refinery (onsite) to northern boundary of North Crude Tank Farm.	1.6	Out of service
Naphtha Make-up (License No. 69)	Pipeline from the first block valve at South Crude Tank Farm (SCTF) to first block valve at North Crude Tank Farm (NCTF)/Refinery.	1.0	Naphtha
300mm Crude Pipeline (License No. 70)	Pipeline from the first block valve at SCTF to first block valve at NCTF pump station.	0.7	Crude oil or feedstocks
Resid Pipeline (License No. 71)	Pipeline from the first block valve at SCTF to first block valve at NCTF.	0.7	Heavy Resid Oil
Naphtha Run-down (License No. 72)	Pipeline from the first block valve at SCTF to first block valve at NCTF.	1.0	Naphtha
Yarraville Jet fuel (License No. 283)	To be constructed. Pipeline from the Yarraville Terminal to the Somerton Pipeline.	2.7	Jet fuel
(License No. 92)	Pipeline from Holden Dock to F-Cage, then site of former Spotswood Terminal.		Out of Service, above ground sections to be removed.
(License No. 93)	Pipeline from Holden Dock to F-Cage, then site of former Spotswood Terminal.		Out of Service, above ground sections to be removed.
(License No. 94)	Pipeline from Holden Dock to F-Cage, then site of former Spotswood Terminal.		Out of Service, above ground sections to be removed.
(License No. 95)	Pipeline from Holden Dock to F-Cage, then site of former Spotswood Terminal.		Out of Service, above ground sections to be removed.

Submission Cover Sheet

MHF059

Do you wish to be heard? **Yes**

Full name	Tessa D'Abbs
Name of organisation:	Environment Protection Authority Victoria
Postal address	GPO Box 4395, Melbourne VIC 3001
Address Affected	N/A
Comments	Submission to follow by email due to technical difficulties.
Attachment Name	No file uploaded