

AMENDED CLEAN UP NOTICE

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AKZO NOBEL PTY LIMITED
51 Mcintyre RD
SUNSHINE NORTH VIC 3020

TO: AKZO NOBEL PTY LIMITED ACN: 000 119 424

ADDRESS: 51 Mcintyre RD, SUNSHINE NORTH VIC 3020

PREMISES: 51 MCINTYRE RD, SUNSHINE NORTH VIC 3020

LEGAL REFERENCE: EP Act 1970 s.62A(1) Clean up and ongoing management measures required

Who we are: Environment Protection Authority (EPA) Victoria is an independent statutory authority established under the *Environment Protection Act 1970* (the EP Act). Our purpose is to protect and improve our environment by preventing harm to the environment and human health.

Why we amend remedial notices: EPA may revoke or amend any requirement in a remedial notice if EPA is satisfied that the circumstances of the case justify such action.

What you are required to do: Section 62A(1) of the EP Act requires you to comply with the requirements in this notice with one or more actions to prevent or remedy an actual or likely non-compliance. You must comply with all other requirements in the original notice that have not been amended.

Under section 60A(1), you must notify any person proposing to take control of your premises of this notice and your progress towards compliance with this notice.

When you are required to act: You should already be acting to comply with the original notice identified above. *New or amended requirements take effect immediately.* When EPA is satisfied that all requirements in this notice have been complied with this notice will be revoked.

What happens if you do not comply: If found guilty of contravening a requirement of this notice, you may be ordered to pay a fine of up to 2400 penalty units (\$396,528).

Review rights: You may apply in writing to the Supreme Court of Victoria within 60 days of the date of this notice for a review. For further information on how to apply contact the Supreme Court of Victoria on (03) 9603 9300.

For the purpose of this notice 'You' means the recipient of this notice and 'Premises' means the site at the premises address, as identified above.



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DELEGATE OF THE ENVIRONMENT PROTECTION AUTHORITY

DATE OF ISSUE: 24/12/2020

NOTICE STRUCTURE

1 EPA OBSERVATIONS

This section details what was observed during the inspection. It also summarises the information relevant to the amendment.

2 REASONS FOR VIEW FORMED

This section interprets the observations and articulates why the authorised officer believes

- a clean up notice should be issued in accordance with section 62A of the EP Act, and
- justification exists to amend this notice.

3 REQUIREMENTS - WHAT OUTCOMES ARE REQUIRED TO COMPLY?

Considering the view that has been formed, this section lists the notice requirements to address the environmental risk(s) or impact(s), highlighting any changes made to original notice requirements.

4 AN EXAMPLE OF HOW YOU CAN COMPLY

This section provides an example or amended example of how you may achieve compliance with the requirements of this and the original notice.

1 EPA OBSERVATIONS

Observations relating to the original notice

1.1 On Monday 13 May 2019 at about 1347 hours, an EPA officer conducted odour monitoring in SUNSHINE NORTH, and detected a strong odour with sweet chemical characteristics in the area. Observed that the wind direction at the time of the monitoring was north-westerly, and that the strongest odour was detected at the entrance to 49 McIntyre Road, south-east of the premises of Akzo Nobel Pty Limited ('Akzo Nobel') at 51 McIntyre Road, SUNSHINE NORTH

1.2 On Wednesday 29 May 2019 at about 0805 hours, an EPA officer conducted odour monitoring in SUNSHINE NORTH, and detected strong odour with sweet chemical characteristics in the area. Observed that the wind direction at the time of the monitoring was north-westerly, and that the strongest odour was detected outside the entrance to 49 McIntyre Road, south-east of the premises of Akzo Nobel.

1.3 On Monday 17 June 2019 at about 0937 hours, EPA officers conducted an off-site odour assessment of the Akzo Nobel premises at 51 McIntyre Road, SUNSHINE NORTH. The officers:

1.3.1 Looked up the weather conditions from the Bureau of Meteorology website and noted that the wind direction was north northwesterly with a wind speed of 19km/hr.

1.3.2 Confirmed that the prevailing wind direction at this location was from the north.

1.3.3 Arrived at the western end of Anastasia Way near Stony Creek, and detected a strong odour with sweet, chemical characteristics adjacent to Stony Creek.

1.3.4 Observed a nearby stack with a steam plume emitting from it, and noted that the wind direction was from the north.

1.3.5 Arrived at the front carpark of the hotel located at 47 McIntyre Rd, SUNSHINE NORTH, and noted there was no odour present.

1.3.6 Walked west along the main driveway into the grounds a vehicle auctioning premises at 41-45 McIntyre Rd, SUNSHINE NORTH.

1.3.7 At a location in the vehicle auctioning premises' car park, to the south-west of the Akzo Nobel premises, an EPA officer:

1.3.7.1 Detected a strong odour with sweet chemical characteristics.

1.3.7.2 Noted that this was the same odour as that observed on Anastasia Way.

1.3.7.3 Measured a wind direction of 40 degrees (north northeasterly), blowing from the direction of the resin plant at the premises of Akzo Nobel Pty Ltd.

1.4 On Monday 17 June 2019 at about 1010 hours, EPA officers attended the premises of Akzo Nobel Pty Ltd located at 51 McIntyre Rd, SUNSHINE NORTH to investigate the source of a strong odour with sweet chemical characteristics detected offsite. The officers:

1.4.1 Noted that Akzo Nobel Pty Ltd hold EPA licence 9269 for the premises in relation to G01 - Chemical Works for the manufacture of paints, powder coatings and resins for the industrial and powder coating markets, which includes licence condition "LI_A1 You must ensure that odours offensive to the senses of human beings are not discharged, emitted or released beyond the boundaries of the premises", and a bubble limit under condition LI_DA1 for total volatile organic compounds released from all discharge points of 241 grams/minute.

1.4.2 Were informed by the site representative that processes at the premises included both reacting and blending base chemicals to manufacture products including resins, paints and coatings.

1.4.3 Were informed by the site representative that the premises have many stacks releasing air emissions, including stacks on equipment involved in paint and resin manufacturing.

1.4.4 Detected that a strong odour with sweet chemical characteristics was present at ground level on the southern boundary outside the resin production building and noted that this odour was consistent with the odour detected offsite.

1.4.5 Detected that a strong odour with sweet chemical characteristics was present but that it was weaker

inside the resin production building.

1.4.6 Were informed by the site representative that the tanks inside the resin production building were used in the resin manufacturing process and heated up during production due to the chemical reaction that creates the resin.

1.4.7 Detected a strong odour with sweet chemical characteristics, which was present most strongly when standing next to a pump fan attached to a 3m high stack to the south of the resin production building.

1.5 On 2 August 2019 at approximately 1008 hours, EPA officers conducted a licence compliance inspection at Akzo Nobel Pty Limited licensed premises located at 51 McIntyre Rd, SUNSHINE NORTH, VIC, 3020 "the premises". The objective of the inspection was to assess compliance against EPA Licence 9269. The officers:

1.5.1 Conducted odour monitoring in Hassett Street, SUNSHINE NORTH, located east of the premises boundary at approximately 1008 hours.

1.5.2 Observed a strong odour with sweet chemical like characteristics.

1.5.3 Looked up wind conditions on the Bureau of Meteorology website and noted that the wind direction was westerly with a wind speed of 15 km/h.

1.5.4 Confirmed the current wind direction at this location as westerly.

1.5.5 Traced the strong odour with sweet chemical characteristics for 100 m to the premises car park.

1.5.6 Observed a strong odour with sweet chemical characteristics in the premises car park

1.5.7 Observed 20 and 12 tonne reactors inside resin plant on second floor of building. Observed a strong odour with sweet chemical characteristics inside resin plant on second floor of building.

1.5.8 Observed a strong odour with sweet chemical characteristics outside, adjacent to drop tank number 5.

1.5.9 Observed no odour from the inspection point on scrubber.

1.5.10 Observed approximately 80 metres of pipework between the scrubber and the resin plant. Observed no physical leaks or gaps in the pipework connected to the scrubber.

1.5.11 Observed a strong odour with sweet chemical characteristics adjacent to pipework between the resin plant and scrubber.

1.5.12 Observed a strong odour with sweet chemical characteristics adjacent to the trade waste pit when the pit lid was lifted, at approximately 1220 hours.

1.5.13 Observed a strong odour with sweet chemical characteristics outside paint shed, on second level external stairs, downwind from the resin plant.

1.6 On 25 September 2019 EPA served Amended Pollution Abatement Notice 90010200 to Akzo Nobel Pty Limited. This included a requirement to supply to the authority specifications of how the resin plant building and pollution controls servicing the resin plant building systems will be modified or controlled so that odorous emissions are not discharged to atmosphere.

1.7 On 26 August 2020, an EPA officer conducted a desktop assessment and reviewed the report titled Odour Monitoring Assessment prepared by Golder Associated Pty Ltd, dated 13 March 2020, submitted to EPA in response to requirement 3.1 of remedial notice number 90010200. The officer:

1.7.1 Read a list of operational stacks in the resin production facility, which included their specifications such as height, diameter, and velocity (when not handling ambient air).

1.7.2 Noted many operational stacks were not attached to emission control equipment, including those used as "comfort vents," and those located in areas such as the resin control room and the resin oven room.

1.7.3 Read that the wet chemical (caustic) scrubber is the main waste gas treatment system attached to the resin production facility, with all reaction vessels directed to this emissions control equipment, with the exception of Tank 6 which is directed to the water scrubber.

1.7.4 Read a table of chemical inputs for a range of operational stacks.

1.7.5 Read that the treatment volume of the currently operating caustic scrubber is 20m³/min. Read that odour sampling included in Section 2.5 indicates that the flowrate is approximately equal to this value.

1.7.6 Read that water scrubber VOCs are below the LOR, however there is no capture efficiency for odour. Read a recommendation to implement odour treatment at this stack.

1.7.7 Read that the caustic scrubber is nearing the end of its operating life. Read a recommendation to replace the caustic scrubber with a more effective regenerative thermal oxidiser (RTO) system to collect and treat resin plant emissions.

1.7.8 Read that capture efficiency was assessed at stack 1000 (the caustic scrubber) and stack 1007 (the

water scrubber), and was measured through comparison of odour sampled at the inlet and the outlet of the emission control equipment.

1.7.9 Read that the odour removal efficiency of the water scrubber could not be calculated for the first sample event in November 2019 as there was no inlet sample installed.

1.7.10 Read that the odour removal efficiency for the water scrubber in the second sampling event in February was approximately 0%.

1.7.11 Noted that the odour level and odour rate for the water scrubber increased significantly between the November and February sampling events (odour level increased approximately 107.7% and rate increased approximately 150%).

1.7.12 Read that the water scrubber is not designed to remove odour, it is designed to knock-out combustible gas.

1.7.13 Read that the average odour removal efficiency of the caustic scrubber during the November 2019 sampling event was calculated to be 20%. Read that the average odour removal efficiency of the caustic scrubber during the February 2020 sampling event was 0%, with the odour concentration increasing from the inlet to the outlet.

1.7.14 Read that VOC sampling was undertaken during the odour sampling event on 5 February 2020, with inlet and outlet sampling undertaken at both the water and caustic scrubber.

1.7.15 Read a Table summarising the VOC sampling results and noted that VOC levels were consistently higher at Outlet 2.

1.8 On 21 September 2020 an EPA officer served s55 Notice to Produce #600321 to Akzo Nobel Pty Limited. This included a requirement for Akzo Nobel to produce to the Officer all documents relating to the monitoring programs required to monitor Licence conditions "LI_A1 You must ensure that odours offensive to the senses of human beings are not discharged, emitted or released beyond the boundaries of the premises," and "LI_DA1 Discharge of waste to air must be in accordance with the 'Discharge to Air' Table."

1.9 On 15 October 2020, an EPA officer conducted a desktop assessment and reviewed various documentation provided to EPA by a representative of Akzo Nobel Pty Ltd in response to Notice to Produce 600321. The officer:

1.9.1 Noted that a well-developed monitoring program for offsite odours was not provided. This includes the lack of a risk-based study design or rationale for sampling, and a lack of follow up actions to investigate EPA or community pollution reports.

1.9.2 Read that odour testing had been undertaken in February 2020 and April 2020. Read that this sampling via Eurofins Environment Testing was in accordance with Australian Standard AS4323.3, and analysed via Ektimo in accordance with Australian Standard AS4323.3 (NATA Reg 14601).

1.9.3 Noted that odour sampling points were inconsistent between the February and April sampling rounds.

1.9.4 Noted that a number of operational stacks with chemical inputs in the resin facility were not sampled in either odour sampling round. This included stack 19, stack 48, stack 60, and stack 65.

1.9.5 Noted that a number of operational stacks handling ambient air in the resin production facility were not sampled in either odour sampling round.

1.9.6 Read that EPA licence emission monitoring of stacks was scheduled for the months of February, May, August and November.

1.9.7 Noted that a well-developed monitoring program for discharges of waste to air was not provided. This includes the lack of a risk-based study design or rationale for sampling, and a lack of follow up actions to investigate thresholds being met.

1.9.8 Noted that emission stack reports were only provided to EPA for the months of February and April.

1.9.9 Noted that sampling locations for VOC's were largely inconsistent across sampling rounds. Noted this included the caustic and water scrubber outlets which are currently the main odour and air emissions control at the premises, with no sample results provided after February 2020.

1.10 On 8 December 2020, an EPA officer conducted a search of EPA internal systems for pollution reports. The officer:

1.10.1 Noted that EPA had received more than 80 pollution reports alleging Akzo Nobel Pty Limited's SUNSHINE NORTH premises at 51 McIntyre Rd as the source of offensive odour throughout 2020.

1.10.2 Noted that these pollution reports commonly detailed an odour with "sweet chemical" characteristics.

1.10.3 Noted that these pollution reports outlined that the offensive odour was identified at multiple locations

in the suburbs SUNSHINE NORTH, SUNSHINE, and ALBION, with a distance of up to approximately 3km from Akzo Nobel Pty Limited's SUNSHINE NORTH premises.

1.10.4 Noted that these pollution reports were received by at least 12 unique pollution reporters.

1.10.5 Noted that some of these pollution reports described impacts from the odour such as dizziness, nausea, burning eyes and nose, headaches, and being forced to stay indoors.

Observations relating to the amendment

1.11.1 On 22 December 2020 EPA received an application for an amendment for Clean Up Notice 90011933. This amendment sought an extension of compliance dates for requirements 3.1, 3.2, 3.3 and 3.4, and clarity around the scope of the notice requirements.

1.11.2 The application detailed that the Christmas shutdown period and a potential wide scope for sampling meant the requirements could not be adequately achieved in time.

1.11.3 On 24 December 2020 the application was approved by the Regional Manager of EPA's Western Metropolitan region.

2 REASONS FOR VIEW FORMED

Reasons for serving the remedial notice

2.1 Akzo Nobel Pty Limited is the occupier of the SUNSHINE NORTH premises, located at 51 McIntyre Road, and holds an EPA licence (9269) for chemical works. The licence allows Akzo Nobel Pty Limited to manufacture paints, powder coatings and resins for the industrial and powder coating markets at the premises.

2.2 EPA licence 9269 includes licence conditions "LI_DA1 Discharge of waste to air must be in accordance with the 'Discharge to Air' Table" and "LI_A1 You must ensure that odours offensive to the senses of human beings are not discharged, emitted or released beyond the boundaries of the premises."

2.3 An EPA officer has assessed Akzo Nobel Pty Limited's risk-based monitoring program to determine compliance with licence condition "LI_DA1 Discharge of waste to air must be in accordance with the 'Discharge to Air' Table" and determined it is non-compliant, and as such is insufficient for Akzo Nobel Pty Limited and EPA to determine compliance with this licence condition. As a result, Akzo Nobel Pty Limited and EPA are unable to sufficiently determine if Akzo Nobel Pty Limited is discharging less than 241g/min of volatile organic compounds at their SUNSHINE NORTH premises.

2.4 Many volatile organic compounds are odorous and can be offensive to the senses of human beings.

2.5 EPA has received more than 80 pollution reports from residential receptors alleging offensive odour emanating from the premises throughout 2020.

2.6 On numerous occasions an EPA officer conducted odour monitoring in SUNSHINE NORTH and detected a strong odour with sweet chemical characteristics. This odour was traced back by EPA officers from residential areas to the resin production building at the premises.

2.7 Investigative reports provided by Akzo Nobel Pty Limited, pursuant with a preceding Pollution Abatement Notice, identified that while a wet chemical (caustic) scrubber and a water scrubber are the main waste gas treatment systems for the resin production facility, the wet chemical (caustic) scrubber is nearing the end of its operating life and has limited efficiency, and the water scrubber is not designed to treat odour. Similarly, EPA officers have detected fugitive odour emissions with sweet chemical characteristics at the premises.

On this basis, and considering the observations previously stated, I have formed a view and I am satisfied that you are the occupier of the premises upon or from which pollution has occurred or been permitted to occur, as per section 62A(1)(a) of the EP Act.

In order to address this, you must take the clean up and ongoing management measures listed in this notice.

Reasons for amendment

EPA received an application for amendment which demonstrated that appropriate efforts were taken to comply with the notice, and that circumstances beyond your control prevented you from meeting the compliance deadline.

On the basis of the information previously stated, I have formed a view that the circumstances of your case have led me to

- extend the period if any for compliance with a requirement specified in the notice

- revoke or amend any requirement specified in the notice



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[REDACTED]
AUTHORISED OFFICER
EPA Metropolitan West
EPA Victoria

DATE OF ISSUE: 24/12/2020

3

REQUIREMENTS - WHAT OUTCOMES ARE REQUIRED TO COMPLY?

General Requirements

***** ORIGINAL REQUIREMENT *****

3.1 By 8 January 2021, you must supply to the Authorised Officer listed on page 7 of this notice, a plan for EPA approval, for air quality monitoring to assess the risk of harm to sensitive receptors from volatile organic compounds generated from activities at your premises.

***** AMENDED REQUIREMENT *****

3.1 By 22 January 2021, you must supply to the Authorised Officer listed on page 8 of this notice, a plan for EPA approval, for air quality monitoring to assess the risk of harm to sensitive receptors from volatile organic compounds generated from the resin plant building at your premises.

***** ORIGINAL REQUIREMENT *****

3.2 By 25 January 2021, you must carry on air quality monitoring in order to assess the risk of harm to sensitive receptors from volatile organic compounds generated from activities at your premises. This must be carried out in accordance with an EPA approved plan prepared in accordance with Requirement 3.1 of this Clean Up Notice.

***** AMENDED REQUIREMENT *****

3.2 By 8 February 2021, you must carry on air quality monitoring in order to assess the risk of harm to sensitive receptors from volatile organic compounds generated from the resin plant building at your premises. This must be carried out in accordance with an EPA approved plan prepared in accordance with Requirement 3.1 of this Clean Up Notice.

***** ORIGINAL REQUIREMENT *****

3.3 You must, as soon as reasonably practicable, carry on preparation, and presentation of written report(s) to members of the public that detail the results of air quality monitoring carried out pursuant with Requirement 3.2. This must include, where reasonably practicable, at least one instance of a hardcopy report provided by the 28 February 2021 to all residents affected by, or potentially affected by, offensive odour emissions from the premises.

***** AMENDED REQUIREMENT *****

3.3 You must, as soon as reasonably practicable, carry on preparation, and presentation of written report(s) to members of the public that detail the results of air quality monitoring carried out pursuant with Requirement 3.2. This must include, where reasonably practicable, at least one instance of a hardcopy report provided by the 14 March 2021 to all residents affected by, or potentially affected by, offensive odour emissions from the premises.

Reporting Requirements

***** ORIGINAL REQUIREMENT *****

3.4 By 28 February 2021 you must, in writing to the authorised officer listed on page 7 of this notice, provide a report that:

a) specifies how the clean up or on-going management of the premises has been or is likely to be

achieved, and

b) is signed by your managing director, most senior executive, or a person authorised to sign on behalf of the notice recipient.

***** AMENDED REQUIREMENT *****

3.4 By 14 March 2021 you must, in writing to the authorised officer listed on page 8 of this notice, provide a report that:

a) specifies how the clean up or on-going management of the premises has been or is likely to be achieved, and

b) is signed by your managing director, most senior executive, or a person authorised to sign on behalf of the notice recipient.

4

AN EXAMPLE OF HOW YOU CAN COMPLY

One way of achieving compliance with this notice would be to:

4.1 Engage a suitably qualified professional to devise a plan for air quality monitoring to assess the risk of harm to sensitive receptors from volatile organic compounds generated from the resin plant building at your premises. This plan could be in line with USA EPA To15 Compendium of Methods for the Determination of Toxic Organic Compounds in Ambient Air, and should outline the method of sampling, including the equipment to be deployed, frequency of sampling, location of sampling, and proposed method of assessment and analysis. This plan should then be forwarded to the Authorised Officer listed on page 8 of this notice by the requirement due date.

4.2 By the due date, carry on air quality monitoring to assess the risk of harm to sensitive receptors from volatile organic compounds generated from the resin plant building at your premises. This should be carried out in accordance with an EPA approved plan for air quality monitoring.

4.3 By the due date, submit a report to the local community summarising the outcome of the monitoring of volatile organic compounds as per notice requirement 3.2, once it is completed, by letter-box-drop. This should be supplied to all community members affected by, or potentially affected by, offensive odour emissions from the premises.

4.4 By the due date, provide a report to the authorised officer listed on page 8 of this notice, that includes but is not limited to:

- a) results of air quality monitoring as required by requirement 3.2 of this notice;
- b) a copy of the report provided to the community as required by requirement 3.3 of this notice;
- c) details regarding what premises have been provided a report as required by requirement 3.3 of this notice, and;
- d) that is signed by your managing director, most senior executive, or a person authorised to sign on behalf of the notice recipient.