



14 November 2019

Mr. Wes Ford
Deputy Secretary
EPA Tasmania
Department of Primary Industries, Parks, Water and Environment
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Dear Mr. Ford

Thank you for providing Leighton O'Brien the opportunity to review and provide feedback to the proposed revisions to the existing regulation for managing UPSS in Tasmania.

Leighton O'Brien are absolutely aligned with the purpose of the regulations governing the operation of UPSS in Australia – to provide guidance on best practice in operating UPSS in order to manage its risk to the environment. This premise forms the cornerstone of the services we currently provide and we are always looking for ways to provide the best services for our clients.

Whilst Leighton O'Brien almost wholly in support the new version of the regulation there are a number of areas that we have concerns with. These are summarised below:

1. Reporting Responsibilities for Loss Monitoring

Leighton O'Brien currently support all clients with comprehensive suites of reports that provide many functions. This is integral for managing risk to environment as well as in managing maintenance and business objectives. Leighton O'Brien is contracted to provide reporting and (for some clients) make recommendations around issues by way of a methodical investigation. These responsibilities are clearly defined in supply contracts, which are consistent in stating that the ultimate responsibility of any decisions around site operations and infrastructure falls squarely on the client. Leighton O'Brien also operates under clear contractual clauses that stipulate that all data and reporting captured on behalf of a client is owned by that client and is strictly confidential. It is due to these two factors that Leighton O'Brien strongly objects to a requirement under draft regulations that they be given the responsibility of 'policing' reporting requirement for the Tasmanian EPA.

All responsibilities associated with the operation of the sites should be consistent with current Australian Standards. These maintain that all responsibilities in operating and reporting on UPSS falls with the operator. This in itself is consistent with regulation's existing globally where mandatory reporting is a requirement. Responsibility of reporting and action falls with the owner/operator. We support our clients by providing compliance reporting according to the variations of this by country, state, county, however all reporting outside that client network is conducted by the client themselves.

2. Reporting responsibilities for Integrity testing

Leighton O'Brien perform Equipment Integrity Testing (EIT) for all system owners of underground petroleum storage systems. System owners will include the company owned sites for major brands, as well as the independent dealers who are operating their own sites. We also perform EIT on any UPSS that exists with commercial (non petroleum retail) customers.

Equipment Integrity Tests are performed on all new storage systems that include new to industry, and existing sites that are replacing and/or upgrading storage systems.

We put in place contractual agreements specific to a scope of works required by our customer. The customer may be the system owner or may be an independent party that has an interest in the site. The results of any testing performed are owned by the customer requesting the testing.

EIT can produce results that may indicate an integrity issue on a part of the storage system but may not result in any loss of product from the storage system. If the ullage portion of the system fails it may have an issue with parts of the system that are not connected with product losses. These parts may be rectified and, when retested, the system will show a pass.

We note that in Section 7 (3) that a person conducting the Integrity Test must notify the Director within 7 days. Our technicians are the person conducting the testing process at the relevant storage system. They then submit their results to our office where they are analysed by engineers. We do not issue pass or fail results from the person conducting the integrity testing at site.

Leighton O'Brien propose that, as the final result of the EIT at a site is owned by the person who has the contractual agreement with Leighton O'Brien: it is that person who should have the responsibility to report, to the Director, under any regulatory requirement.

3. Loss Monitoring reduced trigger

Leighton O'Brien can certainly report to new leak thresholds as specified in the draft however we feel that this is likely to create issues due to the following:

- Out of alignment with Australian Standards

By setting requirements out of alignment with Australian Standards, this will create less clarity for sites being legally compliant in this state. Thresholds currently set are to levels that technology at sites can achieve. The standards take into consideration thresholds allowable on other active components of the fuel system. The most significant of these is the allowable working thresholds on the dispensing of fuel as regulated by the NMI. As the throughput of an active tank system increases so does the amount of allowable loss on the fuel dispenser system.

- Increased false Fails



By setting thresholds lower (and out of alignment with AS4897) the number of false discrepant results will increase and create a significant cost burden to the operators in Tasmania – a burden we do not believe will be any more effective in identifying real loss to grounds than currently exists.

4. Reporting Protocol for Loss Monitoring

Leighton O'Brien can support a specific reporting format required under the new regulations however without having the proposed format included in this draft review it will be problematic for our clients to provide comment on this proposed change. As previously stated, our detailed customer reporting includes commercially sensitive information used outside the purposes of compliance. We feel it is intergyral as a part of this process to include within the draft review an example of the proposed reporting protocol for comment by retailers as well as service providers.

Again, we thank you for including Leighton O'Brien in this review process. Should you wish to discuss any of the above discussion points further we are happy to do so.

Sincerely,

Tanith Morrison

SIRA General Manager

Leighton O'Brien Pty Ltd