

Clean-Up Notice



THALES AUSTRALIA LIMITED,
Trading as THALES AUSTRALIA,
ABN 66 008 642 751,
PRIVATE BAG NO 1,
MULWALA NSW 2647

Attention: Mr. Doug Wilson

Notice Number 1083192
File Number LIC07/139-02
Date 19-May-2008

NOTICE OF CLEAN-UP ACTION

BACKGROUND

- A. The NSW Environment Protection Authority ("the EPA"), which is now part of the Department of Environment and Climate Change has responsibility for the administration and enforcement of various pieces of environment protection legislation in NSW, including the Protection of the Environment Operations Act 1997 ("the Act").
- B. The EPA is the appropriate regulatory authority under the Protection of the Environment Operations Act 1997 ("the Act") for the premises located at Bayly Street, Mulwala NSW ("the premises").
- C. THALES AUSTRALIA LIMITED ACN 008 642 751 (formerly ADI Limited) ("Thales") is the occupier of the premises and is the holder of an Environment Protection Licence number 4848 ("the licence"). The licence authorises the carrying out of a number of scheduled activities under the Act including:
 - Chemical industries or works – explosive;
 - Chemical storage facilities;
 - Waste facilities – HIGAB processing; and
 - Waste facilities – incineration.
- D. The EPA is the appropriate regulatory authority because the premises are used for the conduct of activities scheduled under the Act. Section 258(2) of the Act provides that the holder of a licence under the Act is taken to be the occupier.
- E. Condition L3 sets concentration limits for the emission of pollutants, including a maximum of 2,500 mg/m³ for nitrogen oxides (NOx).
- F. The EPA reasonably suspects that a pollution incident has occurred or is occurring at the premises (see details below) and that Thales caused that incident. In accordance with Part 4.2 of the *Protection of the Environment Operations Act 1997*, the EPA direct Thales to take such clean-up action specified in the attached notice and within the period specified in the notice.

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Pollution incident - emissions of nitrogen oxides

- G. The Annual Returns for licence number 4848 submitted to the EPA by Thales for the periods 17 August 2005 to 16 August 2006 and 17 August 2006 to 16 August 2007 (“the annual returns”) show the environment protection licence limit for Nitrogen Oxides (NOx) emitted to air has been exceeded. A summary of these exceedences, including the locations of the monitoring/discharge points and sample measurement of pollutant concentrations (as set out in the annual returns) is provided in the following table.

EPA Monitoring Point Number	Building Number	Annual Return 2005-2006 NOx	Annual Return 2006-2007 NOx	EPL Limit NOx
4	321	>5000	>6000	2500
27	817	3000	Did not monitor	2500
30	832	>5000	4800	2500

- H. As a result, the EPA reasonably suspects that, between 17 August 2005 and 16 August 2007, as a consequence of Thales’ operations, NOx escaped into the air as set out in the table above, and that as a result air pollution occurred at the premises.
- I. Correspondence of 4 October 2007 from Thales outlined that the plant emitting high concentrations of NOx has a life span of approximately 10 years and given that it was constructed in 1988 it is due for replacement. The EPA suspects that without additional emission control equipment installed this plant will continue to emit NOx at concentrations similar to those presented in the above table. As a result, the EPA reasonably suspects that air pollution is likely to continue to occur.

DIRECTION TO TAKE CLEAN-UP ACTION

The Environment Protection Authority (EPA) directs Thales Australia Limited ACN 008 642 751 to take the following clean-up action:

- By 30 June 2009 Thales trading as Thales Australia must have fully implemented works and activities to control Nitrogen Oxide (NOx) emissions from the following monitoring points identified in the licence to comply with the licence limit of 2500 mg/m³ at all times:
 - EPA Point 30 Building 832 RDX Fume Absorption Stack
 - EPA Point 4 Building 321 Acid Plant NAC/SAC
 - EPA Point 27 Building 817 Scrubber.
- The control works required by direction 1 above must have sufficient capacity to meet the NOx concentration limits (Schedule 2 Clause 27) and timeframes (Division 2, clause 21, 22, 23 and 24) outlined in the Protection of the Environment (Clean Air Regulations), 2002.

FEE TO BE PAID

- You are required by law to pay a fee of \$320 for the administrative costs of issuing this notice.
- It is an offence not to pay this fee. However you can apply for an extension of time to pay the fee or for the fee to be waived. At the end of this notice there is information about how and when to pay the fee and how to apply for an extension or a waiver of the fee.

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Mr Brian Wild
Head Regional Operations Unit
South - Albury
(By Delegation)

INFORMATION ABOUT THIS CLEAN-UP NOTICE

- This notice is issued under section 91 of the Protection of the Environment Operations Act 1997.
- It is an offence against the Act not to comply with a clean-up notice unless you have a reasonable excuse.

Penalty for not complying with this notice

- The maximum penalty for a corporation is \$1,000,000 and a further \$120,000 for each day the offence continues. The maximum penalty for an individual is \$250,000 and a further \$60,000 for each day the offence continues.

Cost recovery from the person who caused the incident

- If you comply with this clean-up notice but you are not the person who caused the pollution incident to which the notice relates, you have a right to go to court to recover your costs of complying with the notice from the person who caused the incident.

Deadline for paying the fee

- The fee must be paid by **no later than 30 days after the date of this notice**, unless the Environment Protection Authority (EPA) extends the time to pay the fee, or waives the fee.

How to pay the fee

- Possible methods of payment are listed on the last page of the attached invoice/statement.
- Please include the payment slip from the attached invoice/statement with your payment.

How to apply for an extension of time to pay/waive the fee

- Any application for and extension of time to pay the fee or for the fee to be waived should be made in writing to the Environment Protection Authority (EPA) and sent to PO Box 544, Albury 2640. The application should set out clearly why you think your application should be granted.

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Other costs

- The Protection of the Environment Operations Act allows the Environment Protection Authority (EPA) to recover from you reasonable costs and expenses it incurs in monitoring action taken under this notice, ensuring the notice is complied with and associated matters. (If you are going to be required to pay these costs and expenses you will later be sent a separate notice called a “Notice Requiring Payment of Reasonable Costs and Expenses”).

Continuing obligation

- Under section 319A of the Act, your obligation to comply with the requirements of this notice continues until the notice is complied with, even if the due date for compliance has passed.

Variation of this notice

- This notice may only be varied by subsequent notices issued by Environment Protection Authority (EPA).