



Manildra Group

100% Australian Owned

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SHOALHAVEN MILLING COMPANY - MANILDRA MILLS PTY. LTD - MANILDRA STARCHES PTY. LTD. - MANILDRA SUGARS
SHOALHAVEN STARCHES PTY. LTD. - TASMAN STARCHES PTY. LTD. MANILDRA STOCKFEEDS PTY. LIMITED
NAMOI FLOUR MILLS PTY. LIMITED - HOOKERS MILK PRODUCTS PTY. LTD. - MANILDRA MILLING
CORPORATION U.S.A.

COMMUNITY CONSULTATION COMMITTEE

MEETING 10.00AM

WEDNESDAY, 6 JULY 2005

MANILDRA ADMINISTRATIVE BUILDING CONFERENCE ROOM

BOLONG ROAD, BOMADERRY

AGENDA

1. Apologies.
2. Business Arising from Previous Minutes.
3. Progress Report on the Wastewater and Solids Removal from the Ponds.
4. Update on - Odour Scrubber.
- Reclaiming Washdown Waters.
5. Review of Community Complaints.
6. PRP7 Annual Environmental Audit Report.
7. Membership of Community Consultation Committee.
8. Comments and suggestions from the Community on the environmental performance.
9. General Business.



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MINUTES

COMMUNITY CONSULTATION COMMITTEE MEETING

HELD IN THE MANILDRA GROUP ADMINISTRATION MEETING ROOM

WEDNESDAY, 8 July 2005

Present

Peter Courtney	Chairperson	
Anthony Rizzuto	Community Representative	Bomaderry area
Warren Priest	Community Representative	Terara area
Alf Taylor	Community Representative	Meroo area
Brian Hanley	Manildra Group Manager	
Stephen Thompson	Manildra Group Farm Manager	
Scott Foggo	Manildra Group Environment and Technical Manager	
Glenys Lugg	Manildra Group Environmental Scientist	
Kane Livingston	Manildra Group Project Engineer	
Peter Tallent	Manildra Group Chief Chemist	

1. Apologies

Ian Chalmers	Community Representative	Terara area
Phil McKenzie	Community Representative	Backforest area
Sharon Barnes	Community Representative	Nowra area

The meeting was advised that George Plant had resigned from the Committee. A motion was moved that a letter of thanks be written to George Plant over Peter Courtney's signature.

MEETING

- The Chairperson requested that the previous minutes be accepted.
Moved – Brian Hanley
Seconded – Stephen Thompson

2. Business Arising from Previous Minutes.

Letter of thanks had been forwarded to Paul Eaton.

3. Progress Report on the Wastewater and Solids Removal from the Ponds.

Manildra distributed the Status of Ponds Report dated 30 June 2005 (copy attached) which showed on the graph that the pond levels had been climbing steadily since January due to the wet weather. The solids have not been removed but they have not been added to. All solids are kept under cover. Irrigation cannot commence until there is dry weather.

4. Update on - Odour Scrubber

Manildra advised that the odour scrubber had been operational and had reduced the odour units by 80%. Safety problems had been encountered with the system due to the design causing the scrubber to be closed down. It was expected to be back up and running by the end of winter with a new fan to be fitted.

Warren Priest advised that there was a constant odour with the prevailing wind in the Terara area. Sue and Ian Chalmers live right on the river, which seems to be worse in calmer weather. The odour is noticed frequently if there is a constant NW wind. The odour has been around since inception of the new plant. Warren presented notes which had been compiled by Sue Chalmers giving the days when odour was present and showing the type and intensity of the odour.

Manildra would check the dates the scrubber was running against Sue Chalmers notes to see if there was any improvement on the days the scrubber was operating.

Update on - Reclaiming Washdown Waters

Manildra advised that the Washdown Water system had been commissioned and now all starchy type waters were being directed to the fermenters and leaving the Plant as condensate water. Starch goes into the fermenters to make ethanol. Everything that goes into the fermenters goes through new Reclaimed Water Plant, which reduces the low strength washdown water going to the farm.

5. Review of Community Complaints

Manildra distributed a graph giving an overview of complaints (copy attached) which showed a drop in complaints for the same time last year.

During the weeks the odour scrubber was up and running only one complaint was received. Manildra spoke with Sue Chalmers during this period who advised that the odour was still present but had reduced significantly. .

A couple of complaints had been received from Bomaderry as a biscuity type odour, noise complaints and general complaints.

Peter Courtney asked about the brochure which had been distributed in Bomaderry regarding noise. Manildra advised that they were not sure who the person was who put out brochure. DEC tried to contact the complainant and after four days made contact and the complainant advised that they had not noticed any further noise. The description of the noise sounded like it could have been the train and the train people advised that all their locomotives operate within EPA requirements.

6. PRP7 Annual Environmental Audit Report

A copy of the PRP7 Annual Environmental Audit Report was given to the Chairperson and a copy of the Executive Summary was distributed to all members. A full copy of the report is available to any member if required.

Manildra advised that it is a requirement of our Development Approvals to audit PRP7, which is the new Wastewater Treatment Plant, DDG System, and to see how our management systems are running.

Manildra went through each point of the Audit Report explaining each section and recommendations.

Community Consultation Committee Members welcomed the recommendations proposed in the Audit Report and it was agreed that monitoring results/reports be presented at future meetings.

7. Membership of Community Consultation Committee

It was agreed that due to the resignation of members another representative from the Bomaderry area should be asked to join the Committee.

8. Comments and suggestions from the Community of the environmental performance of the development.

Members decided that with all reports coming in it would be appropriate to have meetings quarterly.

Manildra to work out when reports are due and organise meetings to coincide with the reports.

9. General Business

Manildra advised that a summons had been received from the EPA with regards to odour complaints on 14 and 15 April 2004 and was now involved in a court case with regards to that incident.

Community Members asked what the current level of ethanol production was. Manildra advised that percentage was about 40%. Manildra advised that the future of the ethanol industry is in the hands of the Government. The Prime Minister had set up a Task Force which had received submissions. The Government will make a decision on Ethanol depending on the outcome of the Task Force. If Ethanol is not mandated Manildra will still produce Industrial Grade Ethanol as the Plant is an integrated part of the business that cannot just be stopped.

Manildra advised that the pond cover is still working, surplus property had been sold and the Plant at Altona was up for sale.

The Meeting closed at 11.15

The next meeting to be aligned with reports which will be in late October unless something comes up.

Contact Phil McKenzie to determine whether meetings are held on a Wednesday or Thursday.



STATUS OF PONDS 30 JUNE 2005

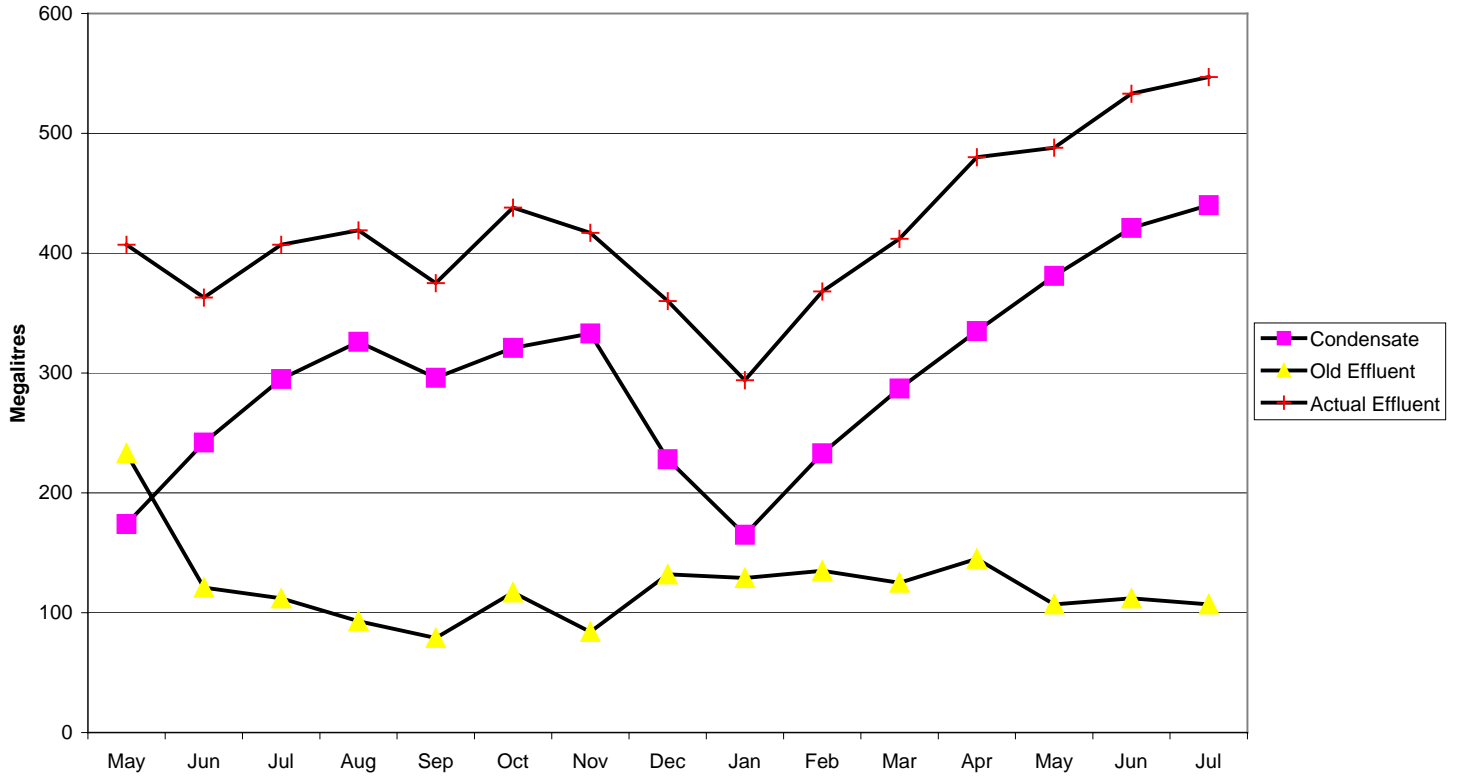
Pond/Capacity	Effluent (ML)	Solids (ML)	Condensate (ML)
1 (11ML)	0	0	0
2 (11 ML)	0	0	0
3 (33ML)	0	0	27
4 (125ML)	65	47	0
5 (250ML)	0	0	217
6 (500ML)	0	0	177
TOTAL	65	47	421

EFFLUENT AND CONDENSATE VOLUMES

	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan05	Feb	Mar	Apr	May	June	July
For 8ML															
Irrigation days at 8ML	17	21	14	15	18	7	18	23	24	6	11	11	15	11	14
Irrigated Effluent	140	214	120	122	161	-61	145	187	192	44	86	84	122	79	112
Effluent from Factory	120	169	158	140	117	124	124	130	130	118	130	113	130	124	126
Irrigated Effluent minus Factory Effluent	20	45	-38	-18	44	-63	21	57	66	-74	-44	-29	-8	-45	-14
Actual Total Effluent in Ponds	408	363	401	419	375	438	417	360	294	368	412	480	488	533	547
Wash Down Waters to Ponds	-	30	30	30	36	43	42	46	46	42	37	32	32	33	28
Condensate to Ponds	174	242	295	326	296	321	333	228	165	233	287	335	381	421	440
Old Effluent	234	121	116	93	79	117	84	132	129	135	125	145	107	112	107

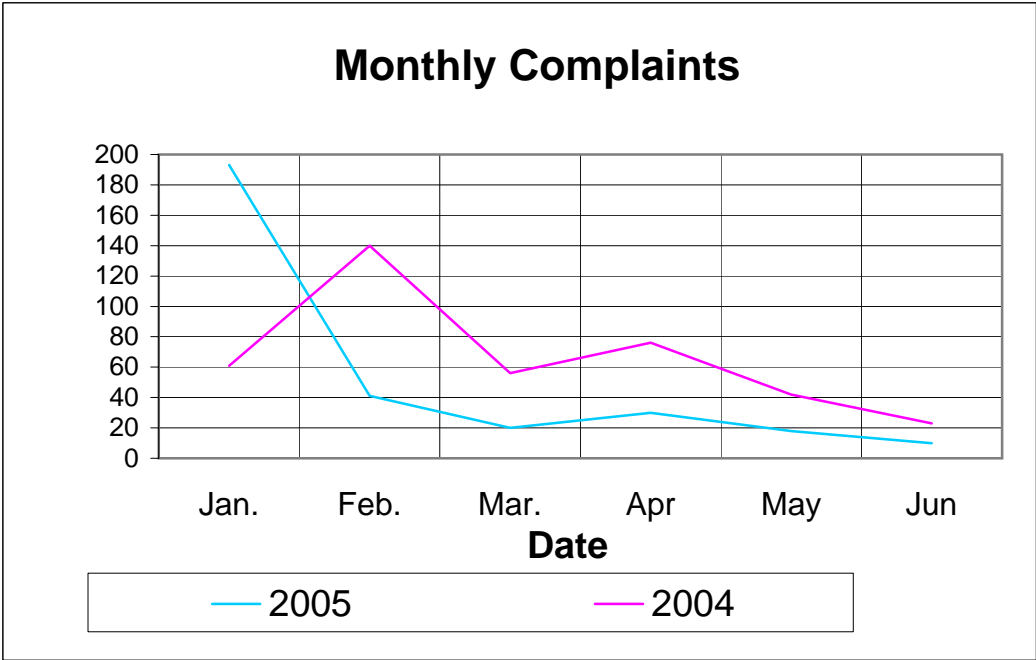


Pond Effluent at Different Irrigation Rates - 8 ML



COMPLAINTS 2004 vs 2005

	2005	2004
Jan.	193	61
Feb.	41	140
Mar.	20	56
Apr	30	76
May	18	42
Jun	10	23
Total	312	398





Stephenson

Environmental Management Australia

PRP7 ANNUAL ENVIRONMENTAL AUDIT REPORT

SHOALHAVEN STARCHES PTY LTD

BOMADERRY, NSW

PROJECT No.: 3318/S7843/05

DATE: JUNE 2005

P W STEPHENSON

S LONERGAN



Stephenson

Environmental Management Australia

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PROJECT No.: 3318/S7843/05

DATE: JUNE 2005

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EXECUTIVE SUMMARY

Stephenson Environmental Management Australia (SEMA) was engaged by Shoalhaven Starches Pty. Ltd. to complete an independent audit of the wastewater management system at their facility in Bomaderry, New South Wales (NSW).

The independent audit is required by Condition 4.29 of the Development Consent for Pollution Reduction Program No.7 (PRP7). The Development Consent was issued by the then planning NSW. PlanningNSW is now known as the Department of Infrastructure, Planning and Natural Resources (DIPNR). The Development Consent relates to Shoalhaven Starches factory and Environmental Farm at Bomaderry, New South Wales (NSW).

The first independent audit conducted on PRP7 development was completed in June 2004. At the time of the audit not all aspects of the development had been constructed and/or fully operational. The main component of the wastewater treatment plant was the installation of the Stillage Recovery Plant, this has been installed and is in the final stages of commissioning, running at 80% of its capacity.

This is the second independent audit conducted on the PRP7 development. The plant was fully operational from 12 June 2004.

FINDINGS

The first AEMR for PRP7 development was completed in June 2004. At the time of the first AEMR not all aspects of the development had been constructed and/or fully operational. This is the second AEMR on the PRP7 development. The plant was fully operational on 12 June 2004.

The main objective of the PRP was to produce a “new” and improved wastewater that could be irrigated onto the company’s Environmental Farm. This “new” wastewater would also improve the overall environmental performance of the operation by reducing the potential to generate offensive odours from the wastewater storage ponds and subsequent irrigation and to reduce the potential for contamination of the soil and surface and groundwater resources.

The “new” wastewater (condensate) quality produced from the PRP7 development is significantly better than the wastewater previously generated from the factory.

Hence the company has improved and will continue to see improvement in the environmental performance as a result of the condensate.

However, not all wastewater generated from the factory is processed through the evaporator plant, hence a proportion of lower quality wastewater is still generated and sent to farm untreated.

Even though the PRP7 development has resulted in an improvement in the company's environmental performance, odour complaints are still being recorded. The company should continue to implement further measures to reduce odour levels to acceptable levels.

It is noted however, that community representatives on the company's Community Consultation Committee have stated during their regular meetings that there has been a significant improvement in terms of odour being generated from "Shoalhaven Starches" since PRP7 has been implemented.

COMPLIANCE WITH CONDITIONS

The review of the Conditions of Consent found that:

- Of the total 195 conditions only 178 could be audited
- Of the 178 auditable conditions, 82% (146) compliance was achieved
- Of the 32 conditions that were not complied with 5 of those non-compliances were for not lodging documents on-time
- Hence, 27 (15%) conditions were not completed at all, or Shoalhaven Starches was not achieving the desired outcomes of PRP7, which has led to non-compliance with conditions. Note of the 27, 9 related to 3 issues, therefore total number of issues that need to be addressed is 21.

Section 6 of this report outlined the corrective action to be undertaken to address the non-compliances.

ENVIRONMENTAL MONITORING

All PRP7 related environmental monitoring has occurred in accordance with the relevant conditions.

The odour monitoring that has occurred in the 2003-2005 has showed significant reductions being achieved in terms of odour emissions from the wastewater storage

ponds. These lower odour emission concentrations are directly related to the improved wastewater quality generated as a result of PRP7.

The monitoring results showed compliance with all EPL and DIPNR Development Consent requirements in terms of frequency for:

- Wastewater volumes
- Wastewater quality
- Groundwater and surface water quality
- Groundwater levels
- Odour
- Noise

With regards to concentration, emission limits or guidelines the monitoring data showed compliance in terms of:

- Wastewater quality
- Wastewater volumes

Non-compliances with EPL limits were recorded for Noise (July 2004). Action was taken by Shoalhaven Starches to reduce noise levels to within the EPL limits and the January 2005 assessment showed compliance was being achieved.

With regards to surface and groundwater quality, the surface water quality has shown an improvement compared to previous years, while the groundwater has deteriorated. The irrigation of the "new" wastewater, which is of superior quality should result in further improvements in surface water quality over the coming years and this should also be reflect in the groundwater over time.

Two other non-compliances were recorded in relation to the Annual Environmental Monitoring Report prepared for the Environmental Farm. The report did not include groundwater levels or an assessment on the bare batches of vegetation on the Farm.

ENVIRONMENTAL COMPLAINTS

Table 8-1 showed an overall increase in the number of odour complaints from 2003-04 to 2004-05 reporting periods from 473 to 485.

40% of the complaints were received in January 2005, during January there was an issue with Pond 6 which resulted in odour emanating from the empty Pond 6. This problem had not been encountered previously and as a result Shoalhaven Starches

engaged technical specialists in a number of fields to provide expert advice on short and long term measures to mitigate the potential for odour emissions.

SEMA conducted a review of odour complaints received during the last EPA reporting period. The findings of the SEMA complaints review are summarised below:

- 400 out of the 451 complaints (88%) reviewed were verifiable
- 51 complaints (12%) were not verifiable or not legitimate
- Shoalhaven Starches could have been responsible for 289 out of the 400 (72%) of the verifiable complaints.
- Shoalhaven Starches is unlikely to have been responsible for 111 (28%) out of the 400 verifiable complaints.

Shoalhaven Starches is still having difficulty in verifying odour complaints against its operations, as immediate notification of complaints from the DEC does not occur. This negates the ability of the company to investigate at the time the odour complaint is recorded by the DEC. This issue needs to be addressed.

RECOMMENDATIONS

GENERAL

The following recommendations are made to the company:

- The Plant Manager ensures that all non-compliances identified are acted upon as outlined Section 6.
- The Environmental Manager shall ensure that follow up occurs on all outstanding Conditions of Consent both internally and with the relevant Departments and local authorities.
- Clarification is sought with DIPNR with regards to Condition 7.4 and the definition of a significant incident or potentially significant incident.
- The company to consult with DEC regarding obtaining immediate notification of all complaints.
- The Environmental Manager to complete analysis of the complaints in greater detail. For example, breakdown complaints into seasons and areas. The Environmental Manager to also obtain from the DEC their completed

complaint reports after Shoalhaven Starches has reported back. This would allow Shoalhaven Starches to record if the DEC finally attributed the complaint to Shoalhaven Starches or not.

- The Environmental Manager review and up-date the Environmental Induction training program for the site.
- The Environmental Manager to up-date the Operational Environmental Management Plan for the operations and incorporate revised management plans including odour, noise and acid sulphate soil management.
- Ensure that the Hazard Audit is completed in June 2005 and report submitted to DIPNR in July 2005 (Condition 7.5).
- Recommend meeting is held between Shoalhaven Starches and DEC to review the licence and Development Consent conditions regarding soil, water and vegetation. These conditions appear to have been included in the Development Consent conditions without due consideration and it would appear they are outdated. For example the conditions refer to certain parameters being reviewed by the EPA in 1999.

MONITORING

SEMA recommends the following:

Water Quality Monitoring

- Advise the DEC of any changes with the location/numbering in relation to surface and groundwater sampling locations. It appears that some sampling locations may have been replaced and the DEC should be advise the ensure their records are accurate.
- Investigate the groundwater quality issues raised in the 2004 Environmental Monitoring Report for the Environmental Farm.
- The Department of Primary Industries report is re-titled "Environmental Farm – (year) Environmental Monitoring Report.
- A table is included in the Department of Primary Industries report summarising what water sampling locations were monitored each month. Where a sample is not taken an explanation is given in the table to explain the reasons why not.

Annual Environmental Monitoring – Soil and Water

- Total Nitrogen and Phosphorus levels in the groundwater at the Soper Pivot profile monitoring site are a concern because levels are rising steeply. Annual monitoring of groundwater rather than the 3 yearly sampling interval associated with the soil monitoring is recommended for this site to confirm this trend and gain a better understanding of the reasons for it.
- The absence of nitrate in the subsoil of the levee bank profile and the low concentration at the other profile suggest that the other profile sites that the future monitoring may be necessary only in the top 50 centimetres of the soil.
- Engineering advice is recommended regarding the permeability of the sidewalls and floors of the effluent ponds. When ponds are emptied, there is an opportunity to re-compact the floors and lower sidewalls to reduce the risk of seepage. At this time these areas could be sampled, and their nutrient concentrations determined to check on the extent of effluent seepage. This information could be used to determine if the ponds require further compaction.
- The absence of dispersion in the aggregate stability tests at the 2 sites investigated in this report suggest that similar testing at these 2 sites could be reviewed if dispersion became apparent at any of the other four profile monitoring sites.

Miscellaneous

- Review and up-date the Operational Environmental Management Plan (OEMP) for the site to ensure that the environmental monitoring requirements are up-to-date with the latest version of the EPL.
- Arrange a meeting with the DEC to discuss the soil monitoring and vegetation monitoring requirements. The EPL states that certain parameters would be elevated in 1999 with regards to their continued necessity to be monitored. This assessment has not occurred and it would be worthwhile consolidating the soil and vegetation monitoring requirements, particularly in light of the NSW Department of Primary Industries questioning the relevancy of some of these requirements.

Complaint Handling

SEMA recommends the following occur in terms of complaints handling and response:

- Shoalhaven Starches continue to negotiate with DEC regarding immediate notification of complaints about the company. This is a priority as verification of the complaint is impossible when there is a delay in notification.
- Shoalhaven Starches undertake a detailed analysis of the odour complaints received. For example, graph the number of complaints from different locations on during each season. This data maybe of assistance in the future in terms of impact of PRP7.
- Shoalhaven Starches to obtain a copy of every complete Pollution Line Incident Report once the DEC has reviewed Shoalhaven Starches response and completed the bottom section of the report. This information would assist the company is verifying what complaints were actually registered against the company.
- Ensure the commitments made in the Odour Management Plan are met.
- Review and up-date the Odour Management Plan with additional measures now being undertaken by the company to reduce odours from the facility (PRP 18, 19 and 20).
- Develop and implement a daily or weekly Odour Monitoring Program using the Nasal Ranger Field Olfactometer. The data gathered from this program would be used to quantify odour levels in the community under certain conditions and will assist in verification of odour complaints.

Community Committee

The following recommendations are being put forward for Shoalhaven Starches to consider in terms of the CCC:

- Amend the agenda to include the following sections:
 - Monitoring Results
 - Up-date on Director General Conditions

- In the Monitoring Results part of the CCC, it is suggested that the company provide an overview of monitoring undertaken since the last CCC and the monitoring may include:
 - Quarterly odour monitoring results (report)
 - Quarterly air monitoring results (report)
 - Flow and wastewater quality data (and compliance with conditions)
 - Noise Compliance Report

- With regards to an up-date on the Director-General requirements the Environmental Manager could prepare a summary of the reports, programs audits, and plans that have been prepared and submitted since the last CCC.