

COMMUNITIES AND INDUSTRIES FORUM (CIF)

A forum for communication between industry and the community -all welcome

Minutes of the Annual General Meeting held Tuesday 2 August 2011
5.30pm – 7.30pm at the Kwinana Recquatic, Gilmore Avenue, Kwinana

PRESENT

| | | |
|-------------|-------------|--|
| Mayor Carol | Adams | Town of Kwinana |
| Cr Ruth | Alexander | Town of Kwinana |
| Don | Allanach | HRPA |
| Karen | Boyce | Tiwest |
| Richard | Cade | Wellard Resident |
| Peter | Christian | Verve Energy |
| Rick | Curtis | FESA |
| Erin | Davey | BP Refinery |
| John | Dobson | Weekend Courier |
| M | Donald | Mandogalup |
| R | Donald | Mandogalup |
| Gary | Frampton | BHPB Nickel West Kwinana |
| Allan | Gade | Conservation of Rockingham Environment |
| Brian | Gardner | Coogee Chemicals |
| Bob | Gregorovich | Wescef |
| Neil | Hartley | Town of Kwinana |
| Debbie | Hoey | Kwinana Industries Council |
| Sarah | Hughes | BP Refinery |
| Gabrielle | Jeffery | Sound Telegraph |
| Paula | Joyce | Cockburn Cement |
| Michael | Lee | BHBP Nickel West Kwinana |
| Philip | Lim | Mandogalup Resident |
| Peter | MacKenzie | Town of Kwinana |
| Genevieve | Mannin | Wescef |
| Renee | Morphett | BHPB Nickel West Kwinana |
| Barry | Nelson | Community |
| Chris | Oughton | Kwinana Industries Council |
| Ryan | Taaffe | Koorliny Arts Centre |
| Mark | Taylor | Verve Energy |
| Sam | Torrens | CSBP |
| Ivan | Unkovich | Water Corporation |
| Chris | Whittaker | James Point Pty Ltd |
| John | Wilks | Hismelt |
| Peter | Winner | Verve Energy |
| Lynn | Woolfenden | Nufarm |
| Tom | Rose | Cockburn Sound Management Council |

APOLOGIES

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|---------|-------------|--|
| Bob | Cooper | CIF Executive |
| Annette | Gade | Conservation of Rockingham Environment |
| Les | Vogiatzakis | Coogee Chemicals |

1. **OPENING AND WELCOME**

Ron Kemp opened the Annual General Meeting. He welcomed attendees and asked that everyone sign the attendance register. To be eligible to vote at each AGM attendees must have attended at least three meetings during the preceding twelve months. He advised attendees of the emergency evacuation procedure for the building and the location of exit doors and muster points.

2. **GENERAL ADMINISTRATION**

2.1 **Report from the CIF Executive**

Chris Oughton, CIF Executive, presented the report from the CIF Executive meeting held on 5 July 2011 which considered the requests to make presentations at tonight's meeting. The following presentations will be made:

- Town of Kwinana – overview of the Council's operations, strategic directions and local government structure reform – Neil Hartley, CEO Town of Kwinana
- Nickel West Kwinana the Hydrogen Plant Replacement Project
- Cockburn Sound Management Council – the environmental threats, eco system and health of the urban marine environment in Cockburn Sound – Dr Tom Rose.

If you have any suggestions for future presentations or guest speakers, please advise the CIF Coordinator (Debbie) or complete one of the forms at the back of the room.

2.2 **Confirmation of CIF Executive Representatives 2011/12**

At each Annual General Meeting community representatives have the opportunity to stand for election for the two community vacancies to the CIF Executive Committee. The outgoing executive group for 2010/11 is:

Bob Cooper & Allan Gade - Community Members

Cr. Ruth Alexander - Town of Kwinana, Cr. Leigh Liley, City of Rockingham

Peter Macrae - Dept of Mines & Petroleum,

Chris Oughton & Roy Zylstra – Industry Members

The process for nominating for the two community representatives is that community members must have attended at least three of the six meetings in the preceding year. Nomination forms are sent to those who are eligible to vote and nomination forms must be received by the CIF Coordinator one week prior to the annual general meeting, as stated in the CIF Charter. If more than two community representatives nominate a formal voting process is carried out.

The Facilitator announced that one nomination form had been received from Bob Cooper and in accordance with the CIF Charter, he is elected unopposed. There remains one vacancy for a community representative. That vacancy will remain until an eligible community member nominates for the vacancy. That will be an automatic appointment unless more than one person nominates for the position. If anyone is interested in nominating themselves or some one else, please contact CIF Coordinator Debbie Hoey.

The CIF Executive for 2011/12 is:

Bob Cooper - Community Member (one vacancy remains open)

Cr. Ruth Alexander - Town of Kwinana, Cr. Leigh Liley, City of Rockingham

Peter Macrae - Dept of Mines & Petroleum

Stefan DeHaan – Dept of Environment & Conservation

Chris Oughton & Roy Zylstra – Industry members

3. MATTERS ARISING FROM PREVIOUS MINUTES

Barry Nelson: referred to meeting of 5 April and said he made a comment regarding the asbestos pipe belonging to BHP asbestos and the Town of Kwinana. He suggested that for further proof, the Mines Department and DEC have samples of the pipe. He stated his comment was not recorded in the April minutes.

Allan Gade: Noted his understanding that the forum had agreed not to continue with this matter. That was my understanding of it.

Barry Nelson: stated the pipe is still there and made the point that the three government bodies seem unable to do anything about it.

Barry Nelson: asked Chris Oughton whether his comment “we might as well all pack up and go home”, made at the last meeting, was his personal opinion or the KIC’s opinion?

Chris Oughton: Clarified that Barry Nelson was referring to comments made regarding the buffer zone and pollution being kept within industry boundaries and confirmed that the comment was his personal opinion.

Barry Nelson: I asked a question about why a more serious approach isn’t taken by the government departments but there was no answer, and he stated that the minute was sanitised.

Chris Oughton: I object to Barry's last comment about the minutes being sanitised. The minutes are a true record of the meeting and they are not sanitised.

There were no further matters arising.

4. PRESENTATIONS

4.1 Overview of Town of Kwinana Operations – Neil Hartley, CEO Town of Kwinana

The TOK has a strategic plan which covers areas such as community, economy, natural environment and sustainability, similar to most local governments’ plans. The town’s growth, running at 6% currently, needs Council's consideration for land planning, infrastructure, organisational and financial planning. Kwinana's population is scheduled to grow to 100,000 in around 20 years. There will be more young families in Kwinana as part of this growth.

The new area known as the Western Trade Coast is 1400ha in total and this will bring increased employment for the region. The Council is working with

partners on this development to ensure adequate community protection through buffers and other controls. We have lobbied for changes to the Western Trade Coast industrial plan and the Town is working on a range of issues there to make the area better for Kwinana.

We are looking at the town centre growth, communication mediums such as Facebook and the web.

The town is providing new infrastructure such as libraries, youth centres, sporting grounds, community housing. Where these facilities go is determined by the rate of population growth.

In 2009 the Minister for Local Government announced a reform process for local governments. TOK is one of only 13 council in WA rated as a category 1. Amalgamation brings consistency with town planning schemes etc, but it also means less representation for people in local government areas. The TOK has not re-considered its 2009 position to remain a stand-alone council.

In the town centre a new library and youth centre is being built. The town's streets are being reconfigured to get better inter-activity within the centre of the town. Multi-story residential housing is being built behind the police station. The shopping centre will be refurbished in the near future. A new park in town is planned. A revitalisation of the Medina townsite is also being reviewed with new housing being considered with upgrading of parks etc .

New community centres are planned and are being finished progressively and there are many residential sub-divisions being established within the area.

Within the industrial area, new businesses are being established, street lighting, landscaping, verge upgrades and public art being placed along some of the roads is all taking place to improve the area.

The percentage breakdown for the rates paid by residential, industrial, rural and commercial properties was discussed. Only the state government does not pay rates to the TOK. The Council uses a lot of the rates paid by industry for residential areas.

The Council is lobbying to stop livestock exports and is working on improving communications between it and industry. The Council will continue to attempt to have deep sewerage in place within the industrial area. This is a major project but if implemented would bring huge benefits for the whole area.

Question and Answers

Lynne Woolfenden – community/Nufarm

Q: I was interested to see that the allocation for graffiti removal was only \$10k. Was that for the whole of Kwinana?

A: No, that's just for the industrial area. I think we spend about \$250K for graffiti and rubbish removal around the town over the year. It's a lot of money and a real waste.

Sarah Urban - community

Q: I was wondering whether you're planting lots of fabulous trees with the buildings that are planned?

A: Yes we are. We have a policy of net tree gain for sub-divisions and we have the goal of planting more trees than are knocked down.

Tom Rose – Cockburn Sound Management council

Q: In your view what's a good size for the Town of Kwinana?

A: Kwinana doesn't have any residential neighbours at the present time. We've got the buffer to the west and industry. There is always the question of where the community's interests are, facilities for people, economies of scale. I don't think there's any one single answer but I think that how the premier industrial area needs to be managed is important. Amalgamating local governments does produce economies of scale, but that doesn't often convert to rate reductions. I think for Kwinana's sake it should be left as it is but this is a question that will be contemplated over the next few years.

Allan Gade – CORE

Q: How can you keep your rates down so low and keep everything going smoothly when Rockingham can't?

A: I think there are plenty of people who would have an alternative view to that. I wouldn't say the rates in Kwinana are low but we have a goal of making the area appealing, we have enthusiastic councilors and staff who work well as a team. We fortunately collect a lot of rates from the industrial area, about \$7m annually that all of which is spent in the industrial area. I suppose we have different priorities to Rockingham.

Barry Nelson

Q: What rates do Alcoa pay? What happens to the tailings, pondings and rates when Alcoa moves out?

A: I can't tell you what the rates are because there is privacy legislation in place. They pay a fair rate. Someone has to own the items you mentioned so there will always been rates paid on them. The only thing that would stop that from happening would be if the government took ownership of the land. I doubt that's going to happen so while land is privately owned local government rates are paid.

Erin Davey – BP Refinery

Q: I read a socio-economic report put out by the Council a couple of years ago that mentioned a number of projects you would like to see go ahead in terms of education facilities etc. Did you have any luck in getting funding for them?

A: We have received a lot of funding from the federal government over the last few years - \$3.3m for the Knowledge Centre, \$2m for the youth centre and a new program is about to start in Kwinana. The Dept of Human Services is allocating funds to Kwinana to help improve employment and educational outcomes. We are one of ten local governments across Australia that has been chosen for this expenditure. It is a real boost to the process of getting better education outcomes with consequent higher employment levels. Our several trips to Canberra over the last few years have paid dividends with the funding

and we have attracted attention to some of the issues that need addressing.

Philip – Mandogalup Resident

Q: I have been a Mandogalup resident for many years. I understand the Alcoa air buffer has increased in September last year and I wonder, because you mentioned accountability and transparency, why wasn't there any public consultation for the increased buffer?

A: I think the change was made in May or June this year. We found out the same time as you. The Mandogalup buffer has been extended in two stages: one kilometre from the base of the Alcoa sediment ponds is a no residential development zone, and then 500m after that allows development for commercial, not residential use. The Department of Planning made the decisions. They consulted within the state government. We are still trying to get information as to what it means and we will forward that to the residents when it is available. I think the Department of Planning will also send out information. We didn't consult because we didn't know it was happening.

Donald - Mandogalup resident

Q: Why didn't you know it was happening?

A: We knew it was being reviewed it, and has been since 2002, but we weren't part of the decision making process. We have put commentary to them we didn't know when they were going to make the decision or what the decision would be.

Q: Well why has it changed so drastically? Two years ago I came to the Council. I had a park at the bottom of my property. There was going to be a primary school across from my property. Is this because Alcoa is going to cover us with pollution?

A: I think it's because the Department of Planning looked at the implications of incompatible contiguous land holdings, i.e. residential along side industrial, and have pushed the buffer right out. They have done that with the best intentions of providing a buffer that is responsible. Whilst we can't get information as to why they did it, I can see why they have done it.

Q: My point is, what has changed from the last Department of Planning's thinking? Alcoa has requested a new buffer zone because they're going to increase the height of the stacks.

A: I think it started in 2002 with a review. All I can suggest is you contact the Department of Planning and ask them for the reason because they made the decision. The Shire has had no say in the process thus far. If you contact us we can give you contact details.

Q: I have already rung and I am not happy with the answer I got from the Kwinana Shire. I spoke to the toxicologist yesterday from the Dept of Health and he says the reason the buffer is going in is because there's a health risk from Alcoa and he advises anybody who lives there with chest infections or asthma, to get out of there. I want to know why.

The facilitator acknowledged the points being made and suggested that people interested in the matter stay behind to speak to the guest speakers.

There are representatives from the TOK who can discuss the matter. There were no further questions and Neil was thanked for his presentation.

The Facilitator thanked Neil for his presentation.

4.2 Nickel West Kwinana Hydrogen Plant Replacement Project Michael Lee and Gary Frampton

Gary gave some background on himself and the roles he has held with the company. He is now general manager for the Kwinana Nickel Refinery. The new plant will replace the existing plant, built in 1976. The process will remain the same but will have state-of-the-art design by Technique which will enable the plant to be continuously improved. It will have an automatic safety system, there will be significant reductions in emissions and significantly improved reliability, which is one of the key reasons for the upgrade. The process will be simplified with removal of complex chemicals. There will be increased automation in controls. We expect significant reductions in energy consumption – both electrical engine and natural gas energy consumption which will lead to significant improvements in efficiency and improved energy recovery. There will also be significant reductions in greenhouse gases as well as benefits. A lot of effort has been put into noise reduction on our boundaries and this new plant will allow further noise reduction.

In the construction process we will support local businesses as far as possible with 60% of the project locally sourced. Some components of the plant have come from overseas because of the technology development requirements. We encourage our suppliers to use local labour and materials. Nickel West employs 3000 employees and contractors in WA with a significant number at the refinery and we will continue that focus through shut-downs, constructions etc.

Michael Lee confirmed the civil works have been completed. Safety is a high priority and there has not been a reportable injury on the project thus far. The footprint of the plant is significantly smaller than the existing plant because of the process design. A key issue has been to manage the soil removal. Tests have shown very small amounts of contaminated soil. We have put in place appropriate disposal permits for the contaminated soil that went off site. Construction will be relatively fast and the process was outlined. The process for energy reduction was explained. The modules will be installed by October, re-commissioning will occur in November/ December and production will start December/January. The new plant will give a positive outcome for everyone.

Questions and Answers

Barry Nelson

Q: You said it was designed in Switzerland. Is that right?

A: The plant is a copy of a plant that was built in Switzerland.

Q: About the soil, I read a report about contamination in that area.

A: We have done significant remediation underneath the area. The surface soil was found to have no significant quantities of arsenic. With the demolition of the old plant we will ensure we do all the monitoring,

checking and testing required and the appropriate management. The old plant demolition will happen post the new plant commissioning and it will be a full remediation.

Q: Also ground water monitoring. It surprised me you actually found arsenic contamination inside the fence.

A: We did have an arsenic issue that was dealt with in your time. The great news is that this new plant is actually arsenic free.

Q: Why did Rowena lie about contamination? You signed the report.

A: Difficult for me to comment. I can't comment on Rowena's actions.

Q: CO₂. Are you using that anywhere else in the plant?

A: The new plant does not have a dedicated CO₂ removal section. The CO₂ separation is done at the back end. All of the off gases from the PSA are then recycled as fuel into the new plant.

There were no further questions and the Facilitator thanked Michael and Gary for their presentation.

4.3 Heat Wave in Cockburn Sound – Late February to mid-March, 2011

Presentation by Dr Tom Rose, CEO Cockburn Sound Management Council

Cockburn Sound experienced a warm seawater plume that pulsed through its popular recreational and industrial waters between the end of February to mid March 2011. For approximately three weeks elevated water temperatures and generally lower dissolved oxygen conditions compared to usual summer and early autumn conditions were experienced in Cockburn Sound, Owen Anchorage and Warnbro Sound. Analysis of CSMC data revealed a general system wide trend of elevated water temperatures. During this warm water event, temperatures reached a maximum of 27.58°C in surface waters (0.5 m deep) and 26.62°C in the bottom waters at a 10m deep site. In Warnbro Sound maximums of 27.51 and 25.28°C in surface and bottom waters (18m deep) respectively were reached. Historical CSMC records indicate that ambient bottom water temperatures at these sites (2002-2010) usually range between 21-23.5°C with surface temperatures one to two degrees warmer.

Dissolved oxygen (DO) concentrations dipped to a minimum of 3.12 mg/L at one site in the deep southern basin of Cockburn Sound in the middle of the warm water event. The lowest DO concentrations in Warnbro Sound reached 6.39 mg/L during mid March or the last week of the warm water event. The previously lowest recorded bottom DO values for Cockburn Sound was 4.9 mg/L at deeper sites in late February or March in 2003 and 2007 while for Warnbro Sound at site WS4 it was 5.5 mg/L in 2009 during mid February.

The CSMC has little evidence of any detrimental environmental events or incidents that could be directly attributed to this elevated warm water temperature pulse or be ascribed to the impact of lower dissolved oxygen levels in Cockburn and Warnbro Sounds. Reports that were received were not unusual for this time of the year. However, a total of maybe four reports could possibly be related to the warm water conditions that occurred over the

three week period. They relate to an algal bloom in northern Cockburn Sound, starfish deaths in Owen Anchorage (x2) and rotten smells at a beach. When temperatures and dissolved oxygen concentrations during this three week warm water period are compared to median values recorded between 2002 and 2010 it is remarkably clear how extreme this event was compared to 'usual' summer and early autumn conditions. Temperatures were 2-3°C warmer than usual and at several sites DO concentrations were about 2-3 mg/L lower than the norm. More extreme conditions occurred at shallower eastern shelf Cockburn Sound sites although deep southern basin sites were also affected by low DO concentrations. After mid March water temperatures and to a certain extent bottom dissolved oxygen conditions quickly returned to median values associated with early autumn.

Interestingly, no extra-ordinary fish kill or biota mortality events occurred during this period. The CSMC does not regularly monitor the relatively numerous but small coral bommies/outcroppings located on the eastern Kwinana shelf or near northern Garden Island (approx 20-24 coral locations are reported to exist). These small colonies may have experienced adverse conditions causing localised bleaching. Certainly though, no fish kills or extra ordinary reports were made of other marine biota deaths, e.g. starfish.

Questions and Answers

Barry Nelson

Q: Are you familiar with the port's expansion plans?

A: I sure am.

Q: My concern is with the unsealed limestone

A: Are you talking about the outer harbour or the inner harbour?

Q: No, Fremantle Ports.

A: Oh I see, the bulk terminals. My apologies.

Q: Are you familiar with the Fremantle Kwinana bulk terminal expansions?

A: Not intimately but relatively aware of it. Our advice to the DEC has been that we essentially want to ensure dust is managed appropriately, the operations are restrained, impacts minimized and there are contingencies to deal with anything that might happen. This is standard enviro-management advice. We haven't discussed it in a formal sense in the Council so I can't speak for how the Council would answer or address that in depth. From my perspective, the upgrade to the terminal, if properly done and if properly managed, can fit in there without undue impact on the system. I stress best practice and managing potential risk to that area.

Q: My concerns are with the limestone pads that have been there since the 1950's with no sealing under them and the storm water that can run off into the water table which is only 100 metre from the beach.

A: Your points are taken. We have Fremantle Ports and one of their directors on the Council. I think it's an issue that will be directly answered but we can only advise. We will tell the relative parties what we think should happen, or any incorporations or deviations with changes to the construction plans.

There were no further questions and the Facilitator thanked Tom for his presentation.

5. GENERAL BUSINESS

5.1 Verve Energy Incident

Peter Christian briefed the forum on a flyash incident at the Kwinana Power Station flyash slurry spillage to Cockburn Sound on 22 July 2011 as follows:

Stages A and C at Kwinana burn coal and gas. Fly ash from the combustion of coal is caught in each stage's electrostatic precipitators. Fly ash is the non-combustible mineral matter from coal. Fly ash is disposed of by slurring it to Perron Quarry, a DEC licensed facility approximately five km north east of the power station.

The system is quite complicated, but essentially, fly ash is pulled out of each precipitator as a slurry and sent to the Stage A swirl pit from where the slurry is pumped to Perron Quarry. It is operated as a semi-automatic system.

On 22 July at about 12.30 pm, during routine fly ashing operation the Stage A swirl pit overflowed into the stormwater drain system and cascaded into the cooling water canal. After a sequence of pump trips and unsuccessful attempts at starting the pumps, by 1.10 pm the overflow was stopped. Drains to the cooling water canal were blocked off and cleaned without further ash going to the Sound. Gates normally used to stop hydrocarbon leaks were lowered into the canal. The DEC and DPI were notified (Dept of Planning and Infrastructure - responsible for navigation in the Sound). We believe that less than five tonnes of slurry discharged to the canal. This represents less than 1 tonne of fly ash. We do not believe that there was any environmental harm.

The preliminary investigation identified the causes as:

1. Failure of the level detector (defaulted to a low reading) on the Stage A swirl pit after it became engulfed by slurry.
 2. The north Stage A slurry pump tripping due to false low level.
 3. Stage C slurry pump, seeing a low level in Stage A, commenced pumping clean water in to Stage A swirl pit.
 4. Due to this fault, the north pump took some time to start as it had to be started manually to override the fault.
- A HAZOP review will commence this Friday and is expected to take several weeks to complete. It will focus on equipment, reliability, logic, control systems etc.
 - In the meantime there has been a change of instructions - certain criteria on the ashing system must be met otherwise the system must be shut down.
 - Kwinana is carrying out a review of all station drains and stormwater drains. Note that station drains go to a closed wastewater treatment facility and stormwater drains go to Cockburn Sound.

Questions

Allan Gade:

Q: Is there any way that you can prevent this from happening again?

A: We will completely rebuild the control system and make sure if there is any leakage that it goes into the station drains. We are sure that we didn't do any environmental damage to the sound from this last incident. The whole HAZOP process is one that will be carried out at the power station to make sure it does not happen again

Tom Rose – CSCM

Q: There was terrible weather last Friday and particularly where the events occurred, we had some fronts come in. Do you believe there could be any vulnerability in terms of the in situations like that?

A: No, I believe that what happened is that they started everything up and they let the tank get fairly full and they think the detector may have got some flyash slurry into it rather than rain so that is another thing that will be looked in the HAZOP process. We think it was flyash that caused the detectors to go off rather than rain or bad weather.

Neil Hartley- TOK

Q: How long will it take to do the research and produce the answers?

A: At this stage the power station has put things in place to ensure it does not happen again. The operational department has said it will take several weeks to complete the review.

Gary Frampton

Q: Is there any opportunity for any redundant probes.

A: That will be considered in the HAZOP process.

Allan Gade

Q: When you've got it all sorted out can you come back to us and let us know exactly what happened and how you've addressed it?

A: Yes we will.

- 5.2 Barry Nelson commented on a FOI issue he had experienced in 2006. After listening to Barry's comments, Ron Kemp confirmed with him that it was a private matter and should not be included in the meeting's minutes

6. DATE & TIME OF NEXT MEETING

The next meeting will be held on Tuesday 4 October, 5.30pm at the Kwinana Recquatic.

There being no further business the meeting closed at 7.30pm.