

Carly Blaik

From: Jon Grayson <Jon.Grayson@premiers.qld.gov.au>
Sent: Wednesday, 29 January 2014 9:15 PM
To: Campbell Newman; Lee Anderson
Subject: Fwd: Points on Qld Nickel for Premier's Visit to Townsville
Attachments: image001.jpg; ATT00001.htm; EHP Points Qld Nickel - 29 Jan 14.docx; ATT00002.htm

Premier

Attached is a note I requested from DG EHP regarding risks associated with the Qld Nickel tailings dams.

QN is subject to a Transitional Environmental Program to improve water quality and specifically to reduce spill risk by raising the dam wall level by 2/12/13. QN failed to meet this deadline (and sought an extension on 29/11/13). A penalty infringement notice was issued - the fine is minimal (just over \$2k).

Notwithstanding this, the dams have been assessed as having sufficient capacity to cope with more than the expected rains and storm surge (in fact it can hold more than TVL's annual rain of 750mm). The spill risk has therefore been assessed by EHP as low.

A site compliance inspection occurred recently (10/1/14).

Note that QH is also subject to strict water quality criteria for any water that is released.

I hope your trip is successful.

JDG

Sent from my iPhone

Begin forwarded message:

From: "Jon Black (Energy and Water Supply)" <jon.black@ehp.qld.gov.au>
Date: 29 January 2014 8:31:44 pm AEST
To: Jon Grayson <Jon.Grayson@premiers.qld.gov.au>
Cc: "Andrew.Powell@ministerial.qld.gov.au" <Andrew.Powell@ministerial.qld.gov.au>, "troy.collings@ministerial.qld.gov.au" <troy.collings@ministerial.qld.gov.au>
Subject: Points on Qld Nickel for Premier's Visit to Townsville

To: DG DPC

Cc:
Minister EHP
CofS Minister EHP
DDG ESR
EO

Dear Jon,

RE: Points on Qld Nickel for Premier's Visit to Townsville

As discussed this evening, attached is a brief to inform the Premier about the latest situation with QN refinery at Yabulu.

Please call if you require further clarification.

Regards, Jon

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Queensland Nickel

- The Queensland Nickel(QN) Yabulu Refinery has been operating since the mid-1970s.
- In January 2013 EHP approved a transitional environmental program (TEP) for QN to undertake actions at the Yabulu Nickel Refinery to improve water management.
- The TEP consisted of a number of milestones which included an assessment of the options to achieve the required spill risk before the **2013/2104 wet season**.
- The assessment was completed in April 2013 and recommended that a lift to the Tailings Storage Facility (TSF) in combination with improved stormwater control was necessary to achieve the required spill risk.
- It was also a requirement of the TEP to implement the preferred option to achieve the spill risk prior to the expiry date of the TEP, 2 December 2013.
- On the 18 June 2013, QN advised EHP that the TSF wall lift would take approximately 11 months and could not be completed prior to the 2013/2104 wet season.
- On 29 November 2013, QN submitted an application to extend the completion date for the TSF wall lift from 29 November 2013 to 5 December 2014.
- EHP refused this application on 18 December 2013.
- On 13 December 2013 QN submitted the final TEP report which showed that QN had completed all other milestones with the exception of the TSF wall lift.
- The report also outlined the planning, engineering and construction impediments to completion of the TSF within the timeframe requirements of the TEP. In addition it outlined the risks associated with type of construction activity in the wet season.
- EHP completed the review of the facts and circumstances in relation to the non-compliance with the TEP and has issued QN with a Penalty Infringement Notice.

Spill Risk

- While the TSF did not meet the required spill risk, there is substantial water storage available in the TSF and associated infrastructure.
- Current advice from QN is that they can contain on site in excess of an average Townsville wet season which is approximately 750 mm of rain.
- The last EHP compliance site inspection was 10 Jan 14.
- Officers have assessed the spill risk associated with the current TC Dylan forecast plus storm surge and concluded that the TSF has sufficient buffer storage. This risk will be re-assessed if there are likely heavy follow on rainfall combined with further storm surges.
- While the new Environmental Authority issued for the site allows one year to meet the design storage allowance for the TSF, QN must meet **all other conditions** of the environmental authority. This includes conditions that require any release from site to meet water quality criteria to ensure the risk of environmental harm is minimised.
- QN has committed to the TSF wall lift during the 2014 dry season to ensure compliance with the new Design Storage Allowance specified in the environmental authority for the site. EHP has and will continue to closely monitor the situation with the tailings storage facility throughout the course of the 2013/14 wet season and will continue to closely monitor compliance with the new Environmental Authority.
- EHP will take strong enforcement action if QN breaches any conditions of the Environmental Authority.

Environmental Authority Amendments (Background Information)

An amended EA which raises the bar considerably for this site was issued in November last year and represents a very significant improvement in terms of the required environmental performance of the refinery.

- In negotiating the amendments, EHP was very conscious of the communities concerns around the environmental performance of the refinery and has gone to considerable effort to make sure these community concerns were addressed. For example:
 - The community has expressed concerns about water management at the refinery. EHP has addressed these concerns by amending the conditions relating to stormwater management to significantly improve stormwater management practices and impose criteria about the quality of stormwater water that can be released from the refinery. EHP has also included conditions relating to the operation of the dams at the site to ensure that the dams are operated according to current standards.
 - The community has expressed concerns about the safety of the dams at the refinery. EHP has addressed these concerns by including a requirement for an annual dam safety inspection by a Registered Professional Engineer of Queensland. This will ensure that if there was a safety issue with the dams it can be quickly identified and fixed.
 - The community has expressed concerns about leakage from the dam impacting on the environment. EHP has addressed these concerns by including comprehensive monitoring requirements for surface waters and groundwater as well as a requirement for a receiving environment monitoring program to continually assess the environmental impacts of the refinery over the long term.
 - The community has expressed concerns about dust emissions from the refinery. EHP has addressed these concerns by including new requirements for ambient air quality monitoring and a range of new emission limits for dust.

These are examples of how EHP has raised the bar on environmental regulation for the Yabulu refinery and taken heed of the communities concerns.

- The amended Environmental Authority does include transitional provisions for the existing dams at the site in terms of how the available storage requirement is calculated. It could be perceived that these provisions are a concession as they provide a period of twelve months for the dams to transition to the new design storage requirements. However, it is important to note that all other conditions in the EA are in force and must be complied with during the dam transition period.

- The onus for managing the risk of a spill and complying with the EA conditions remains firmly with Queensland Nickel.
- EHP has and will continue to closely monitor the situation with the tailings storage facility throughout the course of the 2013/14 wet season.

Ocean Outfall

- QN do not currently have the required joint approval (Commonwealth & State Marine Park) to discharge into the marine park via the ocean outfall.
- Secondly, water is not permitted to be released from the Yabulu Refinery under its new EA unless it meets strict quality criteria which have been developed to prevent environmental harm from occurring.

Released under RTI - DPC