

16 May 2011

**Anna Bligh MP**  
Premier of Queensland  
PO Box 15185  
City East QUEENSLAND 4002

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### **Rejection the Federal Labor Government's Carbon Tax proposal**

I write to reject the Federal Labor government's Carbon Tax proposal.

I work at Queensland Nickel, an 100% export focused nickel manufacturing business in Townsville, North Queensland that directly employees in excess of 800 people.

The Carbon Tax is an unfair tax for QN's international nickel business. QN operates in a global market and has successfully competed with overseas nickel manufacturers for the past 37 years. Imposing a Carbon Tax in Australia on Australian business gives a **substantial cost advantage to our overseas competitors**. Our competitors are not required to pay this tax, nor are they required to control their emissions.

#### **This is a crucial issue for our business.**

The Federal Government has proposed assistance to Emissions Intensive Trade Exposed (EITE) organisations such as ours, but the method of determining this support provides limited or no support to my employer. To date there has been no recognition by the regulatory bodies that QN is a **unique** Australian business, making **unique** nickel products for **specialist** markets **that no other business in this country services.**

While the government has yet to announce what the tax scale will be, our estimate, based on the rates touted over the past two years **is that QN will be asked to pay an additional \$25+ million a year in tax.** This is a conservative estimate of the impact of the new Carbon Tax on the bottom line for the Yabulu Refinery.

The nickel business is cyclical and that we have been fortunate in the past two years with the nickel price remaining high. However, when the inevitable low nickel price returns, paying an extra \$25 million plus in tax will have a dramatic effect on us at the refinery, most likely forcing a major cost-cutting exercise at that time.

I am **deeply concerned about my job security** as a result of this additional tax burden on my employer.

### **What is the Labor Party going to do to support me and my family if Queensland Nickel is forced into a cost cutting exercise to survive?.**

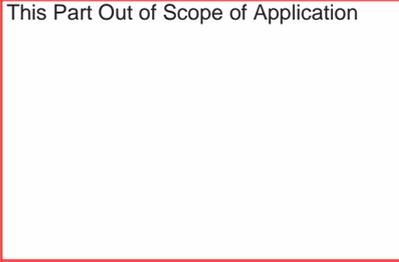
The Federal Government's own legislation provides for protection so Australian companies are not forced out of business by the Carbon Tax. **I urge you to reject**

**the idea of a carbon tax to ensure** our people and products are not replaced by our overseas competitors who do not have to pay this unfair tax.

**Your decision will directly affect my voting intention at the next State and Federal election.**

Yours sincerely,

This Part Out of Scope of Application



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To Anna Bligh MP,

RE: Carbon Tax Imposition on Queensland Industry, specifically Queensland Nickel

Without a doubt in my own personal view emissions of varying types created from current global industries does have a profound effect on our environment; what we reap from beneath a the ground to power our industries further magnify our damage; and further still what we tear up from the surface exponentially increases our pilfering of our planet. A fundamental change and effective action must be taken to limit the above effects.

I have no challenge to these facts. However what I see as actions taken are often reactive, hap hazard and ineffective. The ideas created are almost always progressive in concept but poorly implemented. The Government's proposed carbon tax scheme I believe falls head first into this box.

There are arguments both sides as to the 'real' effect carbon emissions have and there are so many other industries that clearly have definite harmful (and scientifically proven as such) effects such as the rate of deforestation and rate of consumption of world natural resources. Carbon Dioxide, as informed as I can be, accounts for a mere 0.1 to 0.2 of a percent of the atmosphere's makeup and Australia's contribution to this amount is well, really a joke to be even a discussion point.

To impose on Australian industries a carbon tax, which is no way is tabled in many of the world's great polluters, is a death sentence to our competitiveness globally.

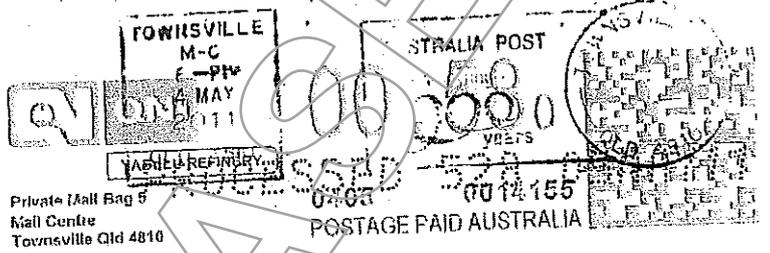
If I may (bringing it down to ground zero layman's terms) I would like to bring to light the direct effect it will have on the Business I am employed in. Queensland Nickel, just north of Townsville, have provided not just nickel for world needs but cobalt and other products for decades. Yes, we do have high emissions, and yes hell we work feverishly to reduce this to minimise effects on our immediate community as well as the surrounding environment. The company is the region's significantly major employer and Clive Palmer's requisition of the plant has seen it evolve into an even more robust business. But the one activity classification for the imposed carbon tax rate amounts to a significant risk to the plants viability given the natural ebb and flow of world commodity prices; bringing us full circle back the real risk of closure that we saw mid 2009.

Why impose what at this stage looks like a 25million dollar tax burden on this company? Why categorise us as a single activity industry? Why impose a tax that just puts tax dollars in a national operating budget to be spent on numerous unrelated needs? Why do something that's akin to saying "it's not sound practice to dump oil into our oceans but it's okay for you to do so if you pay us a whole heap of money to do it". WHY NOT ATTACK CARBON EMISSION AT THE ROOT CAUSE? Wouldn't it be better to impose as a suggestion a "Suspended Fine/Force to take action" approach. IE...if over a set period our industry does not source and implement technologies to contain, and perhaps even utilize, carbon emissions to the tune of "X" amount of millions then expect to have to cough up the amount in tax. Immediately you are implementing action to target what you are trying to achieve.

Which is better, the world just keeps churning out carbon to atmosphere; and if you're an Australian Company expect to pay to do so allowing other world emitters to out compete us; OR attack the problem at grass root level and make a real difference.

Please support us in remaining a world leader in quality nickel supply. Please support and encourage us to continue to reduce our carbon footprint on the world; but please do not railroad us with tax penalty scheme which does not have any real impact on a perceived global carbon emission crisis. As they so this is not a fair go.

This Part Out of Scope of Application



Private Mail Bag 5  
Mail Centre  
Townsville Qld 4810

Anna Bligh MP  
Premier of Queensland  
PO Box 15185  
CITY EAST QLD 4002



RTI RELEASE

Tuesday, 19 April 2011

Anna Bligh MP  
Premier of Queensland  
PO Box 15185  
City East QLD 4002

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27 APR 2011	Date Received in DRC	
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Dear Ms Bligh

I write to express my deep concern at the Federal Labour government's Carbon Tax proposal. I am an employee of Queensland Nickel, a business that you are well aware has over recent years been very close to shutting down which would have resulted in the direct loss of employment of close to 1000 personnel in the Townsville region and the flow on loss of employment of a significant number of individual's given the local business generated by Queensland Nickel.

It is my opinion that if the Carbon Tax is introduced and Queensland Nickel is subjected to an industry definition, rather than an activity definition the business will again be in jeopardy due to the cyclic nature of the world nickel market. I have worked with this business over a number of years and am well aware that the business has endured and will again be subjected to very low profit years when the price of nickel worldwide again drops. It is in these times that the proposal of an industry based definition for nickel will show the true impact and place the business in a vulnerable position in relation to viability. In simple term, when the nickel price again drops QN will not be a profit making business if the carbon tax with an industry based definition is introduced and whilst Professor Clive Palmer has demonstrated himself to be a very generous individual, he is still a business man and I do not believe any business man would continue to operate a business for extended periods if the business is making a loss. It is my opinion that when the nickel price was to cycles downwards the closure of Queensland Nickel would again become a real possibility.

Queensland Nickel is a unique Australian business, no other nickel manufacturer in Australia can refine the type of ore we use on site and produce the product we produce. The defining of an industry definition rather than an activity definition from my understanding of the legislation implies that other Australian companies could conduct the business we conduct if the Carbon Tax was to result in the company's closure, this is not the case. Whilst it seems simple to say Nickel is Nickel, in fact the type, grade and market for Nickel varies significantly based on the original ore type and the process for refining and it is incorrect to believe that other existing Nickel refineries in Australia could fill the market gap if Queensland Nickel was to close. My understanding is that the paper manufacturing industry has numerous activity definitions, as it has been recognised that paper in all forms does need various processing techniques to make. The nickel industry is the same, again I emphasise that no other Nickel refinery in Australia can produce the product we produce.

We are an income generating business for Australia, taking resources from another country to refine here, giving jobs to Australian that could well be done overseas at reduced costs of production. I believe that the imposition of an activity based carbon tax, could very well leave Professor Clive Palmer, questioning the viability of an Australian based operation and place a significant risk to the closure of Queensland Nickel having a direct and indirect impact on the employment of thousands of individual in the Townsville region.

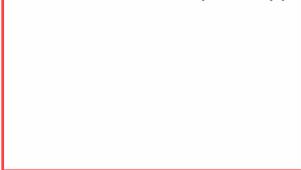
I ask you to please familiarise yourself with the situation proposed in defining Nickel for the purpose of Carbon tax and ensure that an activity definition is applied not an industry definition.

Regards

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- 3 MAY 2011	Date of original document	
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15<sup>th</sup> of April, 2011.

Dear Anna

This letter is to express our utmost dissatisfaction with your proposals for introducing a carbon tax and imposing a suggested \$25 million dollar carbon tax for Queensland Nickel Refinery, owned by Mr Clive Palmer, in Townsville, Qld.

In this world of great economic instability, we fail to understand the need for such a tax to be imposed upon carbon emissions for industry and at such a high rate and with very little research and foresight considering the effects the tax has had in other countries.

It is widely understood that a carbon tax is ultimately ineffective at reducing carbon emissions without greatly putting the working class and the poorer people of a country at significant disadvantage and adding a disproportionate increase in the costs of living for households.

If Australia were to introduce a carbon tax and at such a high rate, this is sure to happen. The present government has not researched the impacts thoroughly on what a carbon tax will mean for industry, households and ordinary Australians who are already battling to pay for extortionate prices for housing, health, food, education and transport. All this to look forward to when the global economy is critically fragile and more recently in light of the recent disaster in Japan and the unrest in the middle east.

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Townsville is a city which is very economically dependent on the Queensland Nickel Refinery. If it weren't for Mr Clive Palmer rescuing QNI, the city's economy would have surely suffered for a long time perhaps never to recover. And why should he have to pay an addition \$25 million in carbon tax for his efforts? All we can see happening is the costs of the tax will be passed on to the consumer. If there are losses in profits, this will impact on every employee of every business and industry and result in job losses and even greater pressure on the workers of this country. Even if the money from the carbon tax is given back to the lower socio economic group of our country and industries to subsidise our loss in some way, how can you guarantee this will be done in a fair and timely manner so as to offset the negative impact of the tax? You simply cannot. There will be many casualties be they job losses, bankruptcy, increases in crime rates, family break ups and little effect on consumerism and emissions.

P50

We implore you to reconsider your position on the carbon tax and it's suggested implementation when this government promised not to impose it. At ground level, I hear many disillusioned voters who are welcoming an early election over this issue alone. Please turn it around. You have the power. Listen to the voices of the people. We don't want this tax. It will decrease everyone's quality of life including yours and our impact will be insignificant on a global scale. Let's look at real change and incentive for investment and government backing for alternative fuels and less burning of fossil fuels that way. Nickel production in Townsville is part of this city's bright future and not a mean burner of fossil fuels who needs to be punished by taxes. Don't jeopardise our jobs and future because of a trendy tax. Fossil fuel tax is just that. A fossil and should be buried along with many other "great" economic concepts.

Kind Regards,

This Part Out of Scope of Application

RTI RELEASED

2011/07/11  
11:00 AM  
10/10/11

This Part Out of Scope of Application

18<sup>th</sup> April 2011

**Anna Bligh MP**  
Premier of Queensland  
PO Box 15185  
City East  
QUEENSLAND 4002

Received	YES	NO
Date	21 APR 2011	
By	[Signature]	
Tracking Number	[Number]	

Dear Premier,

I am an employee of Queensland Nickel Pty Ltd, a nickel refining company situated in Townsville. I wish to express my deep concerns regarding the impact of the Federal Governments proposed carbon tax on the future viability of Queensland Nickel and the resultant impacts of this tax on security of employment and income for my family and thousands of other families in Queensland.

Queensland Nickel has been operating for almost 40 years. I have personally worked there for This Part Out of Scope of Application and can honestly say it's a great place to work. The company currently provides direct employment for more than 900 people and indirectly supports the jobs of thousands more people in the Townsville region. The introduction of a carbon tax is expected to increase operating costs for Queensland Nickel by tens of millions of dollars each year, placing extreme financial pressure on the organisation.

If Queensland Nickel was shut down due to new cost penalties imposed by a carbon tax, this would;

- Destroy the livelihoods of thousands of Queenslanders.
- Severely impact the Townsville and North Queensland economies.
- Severely depress the Townsville real-estate market, adding more pain to those forced to sell their homes while relocating to other parts of the country to find employment.

I believe the application of a carbon tax on trade exposed industries is grossly unfair, at least while the rest of the world has no such financial impediment. In the event a carbon tax is introduced, I understand the Federal Government intends to provide assistance to emissions intensive trade exposed organisations such as Queensland Nickel, however my present understanding is that all nickel producers in Australia will be lumped into a single category, with the end result being minimal assistance to Queensland Nickel.

**I implore you to lobby the Federal Government to treat Queensland Nickel as a separate case such that the company's future can be secured. Queensland nickel is different to other nickel companies in that it makes many specialty products that no other Australian producer can provide.**

I also ask you to demand from the Federal Government details on how it intends to suitably support my family and the families of my fellow workmates in the event Queensland Nickel is forced to lay-off employees due to the imposition of a carbon tax. This Part Out of Scope of Application

This Part Out of Scope of Application

Yours sincerely

This Part Out of Scope of Application

**Queensland Nickel**

Greenvale Street  
 Yabulu Qld 4818  
 PMB 5  
 Townsville Qld 4810  
 P > + 61 7 4720 6200  
 F > + 61 7 4720 6201

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20/04/2011

Carbon Tax Concerns

Anna Bligh MP

I am writing to you today to express my concerns that many families in Townsville, mine included, will be affected significantly in the near future as a result of the proposed Federal Labour government Carbon Tax if our company, Queensland Nickel, is not placed within the appropriate industry grouping.

If this were to occur, the impact this tax will cause to my colleges at Queensland Nickel (QN), and myself, will be two-fold. Not only will we suffer an increase in the cost of living, especially electrical costs, there is a real threat that we will be out of a job.

I understand that the intention is to encourage a greener industry, but unless the government recognises the unique process and product employed and produced at QN and groups it appropriately, the refining of lateritic ore will just move overseas and Australian jobs will be lost.

If Queensland Nickel were grouped with Nickel producers, who refine a different type of ore, using very different techniques and produce a completely different product we would receive less rebates and be taxed at the highest end of the bracket. An outcome that could very quickly make Yabulu refinery non-profitable. Especially considering the pressure, we are already under from the high Australian dollar and high commodity prices.

My concerns are that, not only will Queensland Nickel be out of business after going through so much difficulty in recent times, but also, the refining of lateritic ore will be driven out of Australia to a country where the rigor around environmental emissions will be significantly less. Ultimately, the results will be a loss of Australian jobs and globally an increase in environmental emissions.

I do not believe this is what the Federal Government is trying to achieve.

Change is important, but let's do it sustainably. When deciding on the grouping into which Queensland Nickel will fall, please consider the impact on the economic health of a small town like Townsville, through the potential loss of so many jobs directly, and indirectly.

Regards,

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06 May 2011

Anna Bligh MP  
Premier of Queensland  
PO Box 15185  
City east  
QUEENSLAND 4002

Dear Premier,

### Carbon Tax

As one of Queensland Nickel's (QN) eight hundred employees, I am deeply concerned about the impact the proposed carbon tax is likely to have on the future viability of its Townsville based refinery.

QN produces high grade nickel and cobalt products primarily for export and is clearly unique in that there is no comparable business operating in Australia. As such, QN's competitors are all overseas-based, where the carbon tax is not applicable. Should the carbon tax be applied to QN as inequitably and unfairly as is currently being mooted, I fear that the refinery will become a marginal business and as such could well be forced into closure.

In recent times, much work has been done to improve QN's operational efficiency and accordingly, the company is growing and the future appears otherwise positive. QN is the Townsville region's largest employer and its continued success is pivotal to North Queensland's ongoing growth and prosperity. Should the refinery be forced into closure as a result of the carbon tax there would be severe and incalculable impact across the entire region, likely resulting in:

- Immediate and substantial loss to the Federal Reserve from a loss in income relating to QN's export receipts;
- Immediate loss to the Federal Reserve of PAYE tax receipts of at least \$2.5m annually;
- Immediate loss to the Federal Reserve via welfare funding to support those families whose income source is gone;
- Population centralisation (counter to the sensible desire of both State and Federal Governments for increased decentralisation); and
- Significant economic downturn across the region, particularly in the small business, real estate, motor vehicle, retail and tourism sectors.

QN is not a mere primary producer, as many mining related concerns are. It is a unique business, converting imported ore that the rest of the world is unable to economically utilise into very high purity nickel and cobalt products for which there is a healthy and on-going global appetite.

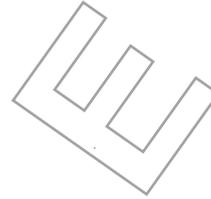
I respectfully request that you and your colleagues lobby the Federal Government in order that it reconsiders the support that can be provided to QN under its assistance to Emissions Intensive

Trade Exposed (EITE) organisations proposal such that the refinery and consequently North Queensland can continue to grow and prosper into the future.

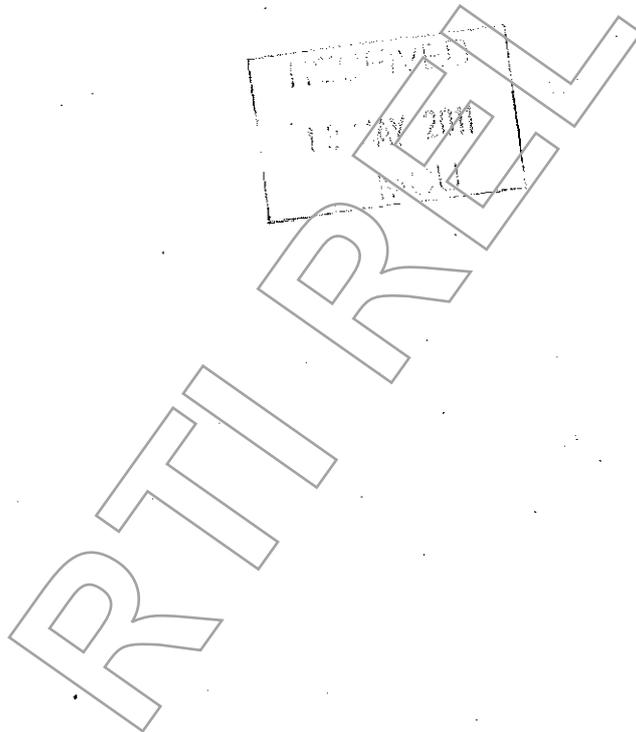
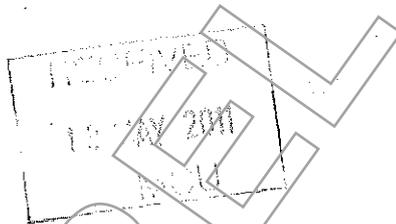
I wish you and well and look forward to your response in relation to this request.

Yours sincerely,

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17 May 2011  
 Anna Bligh MP  
 Premier of Queensland  
 PO Box 15185  
 CITY EAST QLD 4002

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**Rejection of the Federal Labour Government's Carbon Tax proposal**

I am writing to you as I am **deeply concerned** about my job security as a result of the Federal Labour Government's proposed Carbon Tax proposal.

I work as a This Part Out of Scope of Application at Queensland Nickel (QN), a 100% export focused nickel manufacturing business in Townsville, North Queensland that directly employs in excess of 800 people. I have worked at QN for over This Part Out of Scope of Application and worked for a number of different owners but none have been as good to work for as Clive Palmer. He has invigorated and empowered the work force and we have never achieved the production through the plant as we currently are achieving.

The Carbon Tax is an unfair tax for QN's international business. QN operates in a global market and has successfully competed with overseas nickel manufacturers for the past 37 years. Imposing a Carbon Tax in Australia on Australian business gives a substantial cost advantage to our overseas competitors. Our competitors are not required to pay this tax, nor are they required to control their emissions.

The Federal Government has proposed assistance to Emissions Intensive Trade Exposed (EITE) organisations such as ours, but the method of determining this support provides limited or no support to my employer. To date there has been no recognition by the regulatory bodies that QN is a unique Australian business, making unique nickel products for specialist markets that no other business in this country services. The support method for the nickel industry was approved when BHP Billiton owned the Yabulu Refinery and they weren't worried about the impost on the refinery as they would have owned the best and worst business in the industry group. Since they tried to shut the Yabulu Refinery over two years ago, they have shown no interest to participate in an industry wide change to the product definition as they stand to gain substantially from this not being changed. Since QN uses a unique process in Australia to make its products, it should have a separate industry product definition. This unique process is carbon intensive but significant steps have been taken to improve this in the 10 years I have been at the Refinery and there are current plans to improve this further.

While the government has yet to announce what the tax scale will be, our estimate based on the rates touted over the past two years is that QN will be asked to pay an additional \$25 million a year in tax. This is a conservative estimate of the impact of the new Carbon Tax on the bottom line for the Yabulu Refinery.

The nickel business is cyclical and we have been fortunate in the past two years with the nickel price remaining high. Whilst these prices have been high, our owner Clive Palmer has shared the profits through good bonus payments and gifts of cars and overseas holidays. However, when the inevitable low nickel price returns, paying an additional \$25 million in tax will have a dramatic effect on us at the Refinery, most likely forcing a major cost cutting exercise at the time. I will also dramatically affect the ability to reduce the carbon intensity of the business, which should be the goal of any carbon reduction scheme.

**I am deeply concerned about my job security as a result of this additional tax burden on my employer.**

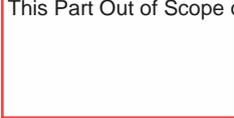
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I realise that this is a Federal Government decision and not a State matter. I would appreciate any support for the change to the industry definition for nickel that you could make to ensure Queensland Nickel stays competitive and the 800 jobs stay in Queensland.

Your decision whether to support this Federal Government scheme on this matter will directly affect my voting intentions at the next State election.

Your Sincerely

This Part Out of Scope of Application



RTI RELEASE

17 April 2011  
 Anna Bligh MP  
 Premier of Queensland  
 PO Box 15185  
 CITY EAST QLD 4002

QUESTION	YES	NO
Q1. Do you support the proposed Carbon Tax?		
Q2. Do you support the proposed Carbon Tax?		
Q3. Do you support the proposed Carbon Tax?		
Q4. Do you support the proposed Carbon Tax?		
Q5. Do you support the proposed Carbon Tax?		
Q6. Do you support the proposed Carbon Tax?		
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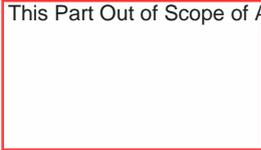
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 Anna Bligh MP  
 Premier of Queensland  
 PO Box 15185  
 CITY EAST QLD 4002

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Review of Public Information Document (Info. Act 2009) Release		
29 April 2011	Date Received at DRC	
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Your decision whether to support this Federal Government scheme on this matter will directly affect my voting intentions at the next State election.

Yours Sincerely

This Part Out of Scope of Application

17 April 2011  
 Anna Bligh MP  
 Premier of Queensland  
 PO Box 15185  
 CITY EAST QLD 4002

Topic: 107	YES	No	This Part Out of Scope of Application
If legislated, this is now an ELECTRONIC DOCUMENT Enter ALL DATA in ITEM			
27 APR 2011	Date Received	UPC	
Document No:			
File No:			
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**Rejection of the Federal Labour Government's Carbon Tax proposal**

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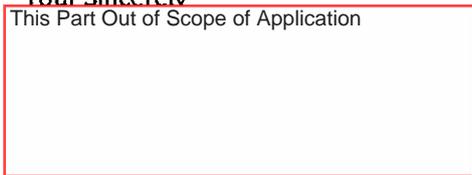
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17 April 2011  
 Anna Bligh MP  
 Premier of Queensland  
 PO Box 15185  
 CITY EAST QLD 4002

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27 APR 2011	Date Received DPO
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Doc. Title	
Accession No.	

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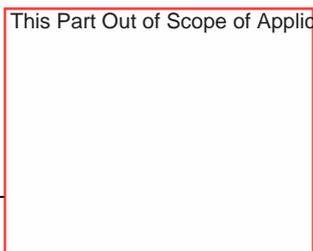
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17 April 2011  
 Anna Bligh MP  
 Premier of Queensland  
 PO Box 15185  
 CITY EAST QLD 4002

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This Part Out of Scope of Application

18 April 2011  
 Anna Bligh MP  
 Premier of Queensland  
 PO Box 15185  
 CITY EAST QLD 4002

Completed?	YES	NO
If not completed, please provide reasons for delay.		
21 APR 2011	Date received in DPO	
Occupation		
Address		
Working conditions		

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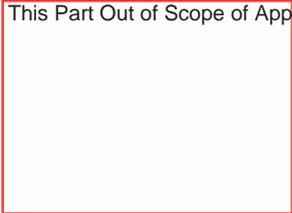
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This Part Out of Scope of Application



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21 APR 2011  
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RTI RELEASED

17 April 2011  
 Anna Bligh MP  
 Premier of Queensland  
 PO Box 15185  
 CITY EAST QLD 4002

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27 APR 2011	Date received in DPC	
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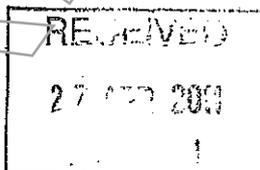
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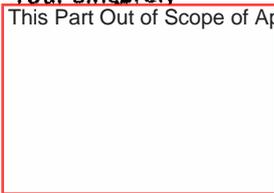
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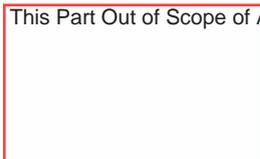
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RTI RELEASE

NO.	NAME	DATE

17 April 2011  
 Anna Bligh MP  
 Premier of Queensland  
 PO Box 15185  
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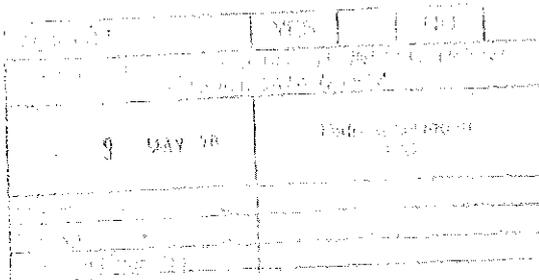
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17 April 2011  
 Anna Bligh MP  
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28 April 2011  
 Anna Bligh  
 Premier of Queensland  
 PO Box 15185  
 CITY EAST QLD 4002

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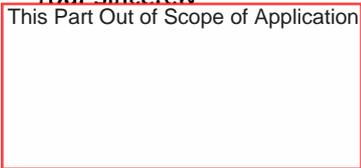
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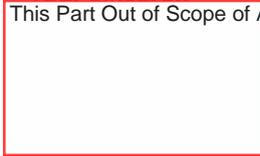
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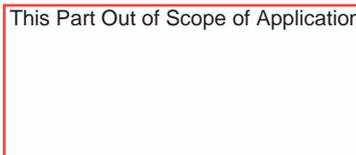
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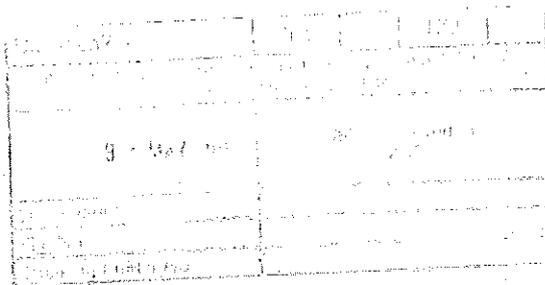
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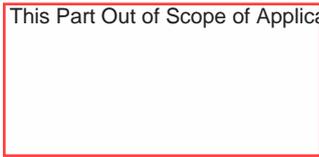
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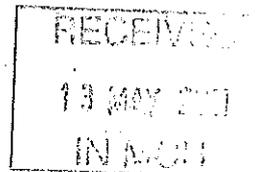
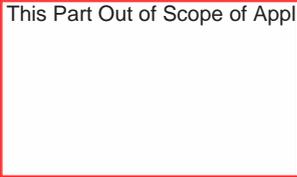
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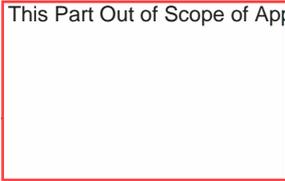
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I realise that this is a Federal Government decision and not a State matter. I would appreciate any support for the change to the industry definition for nickel that you could make to ensure Queensland Nickel stays competitive and the 800 jobs stay in Queensland.

Your decision whether to support this Federal Government scheme on this matter will directly affect my voting intentions at the next State election.

Your Sincerely

This Part Out of Scope of Application



17 April 2011  
 Anna Bligh MP  
 Premier of Queensland  
 PO Box 15185  
 CITY EAST QLD 4002

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27 APR 2011	Date received in LPO	
Document No		
Series		
Author, Date etc		

**Rejection of the Federal Labour Government's Carbon Tax proposal**

I am writing to you as I am **deeply concerned** about my job security as a result of the Federal Labour Government's proposed Carbon Tax proposal.

I work as a This Part Out of Scope of Application at Queensland Nickel (QN), a 100% export focused nickel manufacturing business in Townsville, North Queensland that directly employs in excess of 800 people. I have worked at QN for over This Part Out of Scope of Application and worked for a number of different owners but none have been as good to work for as Clive Palmer. He has invigorated and empowered the work force and we have never achieved the production through the plant as we currently are achieving.

The Carbon Tax is an unfair tax for QN's international business. QN operates in a global market and has successfully competed with overseas nickel manufacturers for the past 37 years. Imposing a Carbon Tax in Australia on Australian business gives a substantial cost advantage to our overseas competitors. Our competitors are not required to pay this tax, nor are they required to control their emissions.

The Federal Government has proposed assistance to Emissions Intensive Trade Exposed (EITE) organisations such as ours, but the method of determining this support provides limited or no support to my employer. To date there has been no recognition by the regulatory bodies that QN is a unique Australian business, making unique nickel products for specialist markets that no other business in this country services. The support method for the nickel industry was approved when BHP Billiton owned the Yabulu Refinery and they weren't worried about the impost on the refinery as they would have owned the best and worst business in the industry group. Since they tried to shut the Yabulu Refinery over two years ago, they have shown no interest to participate in an industry wide change to the product definition as they stand to gain substantially from this not being changed. Since QN uses a unique process in Australia to make its products, it should have a separate industry product definition. This unique process is carbon intensive but significant steps have been taken to improve this in the 10 years I have been at the Refinery and there are current plans to improve this further.

While the government has yet to announce what the tax scale will be, our estimate based on the rates touted over the past two years is that QN will be asked to pay an additional \$25 million a year in tax. This is a conservative estimate of the impact of the new Carbon Tax on the bottom line for the Yabulu Refinery.

The nickel business is cyclical and we have been fortunate in the past two years with the nickel price remaining high. Whilst these prices have been high, our owner Clive Palmer has shared the profits through good bonus payments and gifts of cars and overseas holidays. However, when the inevitable low nickel price returns, paying an additional \$25 million in tax will have a dramatic effect on us at the Refinery, most likely forcing a major cost cutting exercise at the time. I will also dramatically affect the ability to reduce the carbon intensity of the business, which should be the goal of any carbon reduction scheme.

**I am deeply concerned about my job security as a result of this additional tax burden on my employer.**

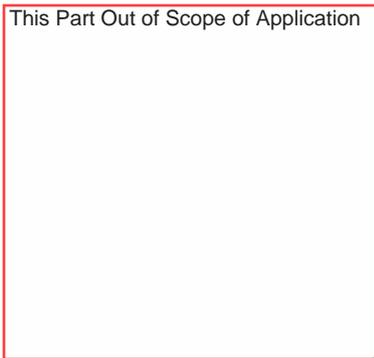
The Government's own legislation provides for protection so Australian companies not to be forced out of business by the Carbon Tax. I urge you to reject the idea of a carbon tax to ensure our people and products are not replaced by our overseas competitors who do not have to pay this unfair tax. If the overall goal is to reduce the carbon put into the environment world wide, the government needs to help industry to reduce their emission and not to just impose a tax, which causes the loss of Australian jobs and forces industry to other countries that don't control their emissions.

I realise that this is a Federal Government decision and not a State matter. I would appreciate any support for the change to the industry definition for nickel that you could make to ensure Queensland Nickel stays competitive and the 800 jobs stay in Queensland.

Your decision whether to support this Federal Government scheme on this matter will directly affect my voting intentions at the next State election.

Your Sincerely

This Part Out of Scope of Application



RTI RELEASE

For reply please quote: MC/NC -- TF/11/16124- DOC/11/87579

This Part Out of Scope of Application

C/- QNI Yabulu Refinery  
Private Mail Bag 5  
Mail Centre  
TOWNSVILLE QLD 4810

Dear Sir/Madam

Thank you for your correspondence of 28 April 2011 concerning the Australian Government's proposed carbon price. I have been requested to reply to you on the Premier's behalf. I apologise for the delay in replying.

Like most Australians, the Queensland Government is concerned about the likely impact of unrestrained climate change on our environment and economy. In any shift to a carbon price, the Queensland Government believes that proper protection for Queensland households and industries is critical.

Any national carbon price mechanism needs to be implemented in a way that supports Queensland's unique circumstances. The Queensland Government believes that any federal proposal for a carbon price should meet the following key principles:

- All Queensland households should be given financial assistance with special attention afforded to low-income families as promised by the Australian Government.
- Support for emissions-intensive trade-exposed industries and coal miners should be at least as good as the approach agreed to by the Australian Government under the previously proposed Carbon Pollution Reduction Scheme (CPRS).
- Queensland's expanding liquefied natural gas (LNG) industry must qualify for emissions-intensive trade-exposed industries assistance.
- Support for electricity generators should be based on any loss of asset value, on equity grounds. If the Australian Government is unwilling to accept this approach then the Queensland Government wants electricity sector assistance funds to be allocated directly to the benefit of Queensland households.
- Transport fuels should only be included if there is a proportional reduction in the fuel excise.
- The proposed 'recession-buffer' assistance to industries under the previously proposed CPRS should be retained for Queensland industries affected by recent floods and cyclones.

.../2

-2-

- All agriculture should be excluded from the carbon price mechanism and support must be given to carbon farming opportunities in rural Queensland.
- Significant funding should be directed towards new technology and development, such as large scale solar, geothermal, and renewable energy storage to take advantage of Queensland's renewable energy sources.

In addition, the Queensland Government has called for formal negotiations to take place between the Australian and the state and territory governments on the design of any carbon price mechanism.

Thank you again for bringing your concerns to the Premier's attention.

Yours sincerely

**Nick Williams**  
**Senior Policy Advisor**

RTI RELEASED

For reply please quote: MC/NC – TF/11/14365 – DOC/11/87063

This Part Out of Scope of Application

C/- QNI Yabulu Refinery  
Private Mail Bag 5  
Mail Centre  
TOWNSVILLE QLD 4810

Dear This Part Out of Scope of Application

Thank you for your letter of 17 April 2011 concerning the Australian Government's proposed carbon price. I have been requested to reply to you on the Premier's behalf. I apologise for the delay in replying.

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In addition, the Queensland Government has called for formal negotiations to take place between the Australian and the state and territory governments on the design of any carbon price mechanism.

Thank you again for bringing your concerns to the Premier's attention.

Yours sincerely

**Nick Williams**  
**Senior Policy Advisor**

RTI RELEASED

For reply please quote: MC/NC – TF/11/16125 - DOC/11/87040

This Part Out of Scope of Application

C/- QNI Yabulu Refinery  
Private Mail Bag 5  
Mail Centre  
TOWNSVILLE QLD 4810

Dear This Part Out of Scope of Application

Thank you for your letter of 28 April 2011 concerning the Australian Government's proposed carbon price. I have been requested to reply to you on the Premier's behalf. I apologise for the delay in replying.

Like most Australians, the Queensland Government is concerned about the likely impact of unrestrained climate change on our environment and economy. In any shift to a carbon price, the Queensland Government believes that proper protection for Queensland households and industries is critical.

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- Queensland's expanding liquefied natural gas (LNG) industry must qualify for emissions-intensive trade-exposed industries assistance.
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In addition, the Queensland Government has called for formal negotiations to take place between the Australian and the state and territory governments on the design of any carbon price mechanism.

Thank you again for bringing your concerns to the Premier's attention.

Yours sincerely

**Nick Williams**  
**Senior Policy Advisor**

RTI RELEASED

**Peter Downey**

---

**From:** Peter Downey  
**Sent:** Friday, 22 July 2011 4:59 PM  
**To:** 'Thompson, Judith'  
**Subject:** RE: meeting request-Queensland Nickel

Thanks for flicking that through Judith, it will be useful. And thanks for chasing up the those other dot points. Much appreciated.

Peter Downey

Policy Officer  
Economic Policy  
Department of the Premier and Cabinet  
Ph: 07-322-58014  
peter.downey@premiers.qld.gov.au  
Executive Building | Level 14 | 100 George Street | Brisbane  
PO Box 15185 | City East | Queensland 4002 |

---

**From:** Thompson, Judith [mailto:Judith.Thompson@deedi.qld.gov.au]  
**Sent:** Friday, 22 July 2011 4:06 PM  
**To:** Peter Downey  
**Cc:** Gnananathan, Gobikrishna  
**Subject:** RE: meeting request-Queensland Nickel

Dear Peter

We will get dots point through to you on Monday.

In the meantime - here is a fairly recent brief prepared for the Treasurer.

Regards

Judith

**Judith Thompson**  
Director | ~~Office of the Associate Director-General~~ | Mines and Energy  
Department of Employment, Economic Development and Innovation

---

Floor 17 | 61 Mary Street | Brisbane Qld 4000  
PO Box 15216 | City East Qld 4002  
P: +617 3898 0682 | E: 10682  
M: +61 439 792 381  
E: [judith.thompson@deedi.qld.gov.au](mailto:judith.thompson@deedi.qld.gov.au)  
W: [www.deedi.qld.gov.au](http://www.deedi.qld.gov.au)

**From:** Peter Downey [mailto:Peter.Downey@premiers.qld.gov.au]  
**Sent:** Friday, 22 July 2011 3:32 PM  
**To:** Thompson, Judith  
**Subject:** FW: meeting request-Queensland Nickel

Good afternoon Judith,

As discussed, could you please organise for DEEDI to provide input for a Premier's briefing Note for a meeting with Queensland Nickel. The meeting is intended to cover the issues raised in the below email. Specifically, could DEEDI please provide some analysis (dot points at this stage or any previously prepared briefs) regarding the Queensland nickel refining industry and how other industry participants (specifically those mentioned in the below email) are positioned to deal with the carbon price mechanism.

Could DEEDI please provide this advice by COB Monday, 25 July 2011.

Happy to discuss and apologies for the tight timeframes.

Peter Downey

Policy Officer  
Economic Policy  
Department of the Premier and Cabinet  
Ph: 07-322-58014  
peter.downey@premiers.qld.gov.au  
Executive Building | Level 14 | 100 George Street | Brisbane  
PO Box 15185 | City East | Queensland 4002 |

**From:** [Contrary to Public Interest] [mailto:[Contrary to Public Interest]@govnet.com.au]  
**Sent:** Monday, 18 July 2011 8:05 PM  
**To:** David Shankey  
**Cc:** Lachlan Smith  
**Subject:** RE: meeting request-Queensland Nickel

Hi David

The way the CPRS program in the Whitepaper was set out, the final compensation received by an EITE is based on an allocative baseline which is an average of the emissions for all the emitters effected by a particular activity definition.

As we have discussed previously, the effect of this is that, with three players (BHP Ni West, Minara Resources and QNPL), where BHP is the lowest emitter per tonne of finished nickel product, Minara is in the middle and QNPL is the highest, BHP will be compensated on the basis of an average generated by all producers included in a single activity definition, with the effect that BHP will be compensated by close to 100% or possibly even more than 100% of its actual emissions, while QNPL will be compensated for around 30% of its actual emissions, according to ANPL modelling.

It has previously been indicated to us by the Federal Government that the arrangements set out in the White Paper are most likely to be those that will apply at the time of the introduction of an ETS. ie an allocative baseline will be developed either on the basis of a single activity definition or a combined activity definition, with the effect of a single activity definition resulting in QNPL being compensated for around 30% of their actual liable emissions. A differentiated activity definition, better aligned to the products of QNPL, would see the company more comprehensively compensated.

In relation to the carbon price or carbon tax period, section 5.2.2 of the Australian Government's "Securing a clean energy future" document states at Appendix A, page 115:

"Allocative baselines: Allocative baselines for activities will be based on the historic industry average level of emissions per unit of production for all entities conducting an activity during the assessment period.

The electricity allocation factor will be set at one permit per megawatt hour. However, this may be adjusted in respect of existing large electricity supply contracts for entities consuming greater than

2,000 gigawatt hours per year, and where contractual arrangements entered into before 3 June 2007 are still in force. (without having been renegotiated or reviewed) within 60 days after Royal

Assent of the Act. In such a situation, these contracts will be considered by the Regulator with a view to determine an entity-specific electricity allocation factor. The natural gas feedstock allocation factor will be set state-by-state."

AND

"Initial rates of assistance: 94.5 per cent of the industry average baseline for activities with an emissions intensity of at least 2,000t CO2-e/\$m revenue or at least 6,000t CO2-e/\$m value added.

66 per cent of the industry average baseline for activities with an emissions intensity between 1,000t CO2-e/\$m and 1,999t CO2-e/\$m revenue or between 3,000t CO2-e/\$m and 5,999t CO2-e/\$m

value added."

The net effect of this is that the compensation paid during the carbon price period will be calculated using the same method as will be used during the ETS period, with 30% of QNPL's actual emissions being compensated (as set out in the first paragraph above).

However the CPRS White Paper establishes 5 principles, on the basis of which activity definitions are to be developed. Queensland Nickel's case has always been that the application of these 5 principles should see an individual activity definition developed for the products produced by the company, rather than a single activity definition for all Australian Nickel producers. Further, the under compensation of the company under a single industry based activity definition would cause great financial and economic vulnerability and further would substantially increase the risk of carbon leakage to overseas producers in South America and China, some of which release emissions around double those of QNPL, per tonne of finished nickel product.

I am very happy to discuss this further with you.

Best regards

Contrary to Public Interest  
Director, Government Relations Australia Advisory Pty Ltd  
Tel: Contrary to Public Interest Fax: Contrary to Public Interest Mobile: Contrary to Public Interest Email: [info@govrel.com.au](mailto:info@govrel.com.au) Website: [www.govrel.com.au](http://www.govrel.com.au)

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**From:** David Shankey [mailto:David.Shankey@ministerial.qld.gov.au]  
**Sent:** Monday, 18 July 2011 2:09 PM  
**To:** Contra to Public Interest  
**Subject:** RE: meeting request-Queensland Nickel

While the company is likely to be eligible for inclusion in the 94.5% EITE compensation bracket, the present view of the Department of Climate Change is for an application of the EITE principles which would see Queensland Nickel compensated for only around 30% of its emissions.

I am not sure I understand this sentence?

**From:** Contra to Public Interest [mailto:Contra@govrel.com.au]  
**Sent:** Monday, 18 July 2011 1:55 PM  
**To:** Lachlan Smith; David Shankey  
**Subject:** FW: meeting request-Queensland Nickel

Hello Lachlan and David.

I write to follow up on Queensland Nickel's previous request to meet with the Premier in order to discuss the impact of a carbon price on the company. In particular this relates to the impact on the company of under compensation measures set out in the Federal Government's White Paper for an ETS scheme. While the company is likely to be eligible for inclusion in the 94.5% EITE compensation bracket, the present view of the Department of Climate Change is for an application of the EITE principles which would see Queensland Nickel compensated for only around 30% of its emissions.

The General Manager of Queensland Nickel, Mr Trefor Flood, has asked me to bring to your attention again its desire to meet with the Premier in order to fully explain this issue and in particular how a decision by the Federal Government for a single activity definition for Nickel producers would negatively affect the company. (Our original request is set out below).

Best regards

Contra to Public Interest  
Director of Government Relations Australia Advisory Pty Ltd  
Tel: Contra to Public Interest Fax: Contra to Public Interest Website: Contra to Public Interest Email: Contra@govrel.com.au Website: [www.govrel.com.au](http://www.govrel.com.au)

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## Bligh rebuffs Palmer's carbon comments

TONY RAGGATT | July 16th, 2011

QUEENSLAND Premier Anna Bligh has brushed off comments by mining magnate Clive Palmer that a carbon tax will put 1000 jobs at the Yabulu nickel refinery at risk.

Meanwhile, refinery management is worried Mr Palmer's standing as one of the Coalition's largest single donors could be influencing the federal Labor Government into not responding to requests for the highest level of compensation, as has occurred with other refiners.

A spokesman for Climate Change Minister Greg Combet said that was definitely not the case.

"We are yet to make a decision on the final details of assistance to nickel refining as an emissions-intensive trade-exposed activity," the spokesman said.

"We are consulting with the companies involved."

Mr Palmer spoke out earlier this week warning that the carbon tax and the Greens posed a major threat to the viability of the refinery and that there was not much more the company could do to reduce its environmental impacts.

The refinery is a big emitter, mostly through the use of heavy fuel oil as a reductant of the nickel ore when it is reduced in the roasters.

Of Australia's 100 biggest emitters, Yabulu is understood to be number 48.

Ms Bligh said the compensation package provided as part of the carbon pricing arrangements more than compensated the big refiners.

"These high emitters are securing 94 per cent compensation so I'm very confident we are going to continue to see very strong refining and secondary processing activity in Queensland," she said.

When told the refinery was still waiting to hear its compensation arrangements, she said she would be happy to organise a full briefing for the affected parties and said she would leave it to others to make an assessment of Mr Palmer's comments.

Yabulu general manager Trefor Flood said they had provided a submission 18 months ago on why the refinery and its Caron process was unique in Australia and should attract the highest protection rather than the lowest, as was being considered by government.

He said the Government had told them three months ago they would be given an answer but nothing had eventuated.

Meanwhile, the refinery, which lost millions of dollars a day under its former owner BHP and is now reportedly making \$200 million profits under Mr Palmer, is facing a big tax, depending on the level of free permits to emit.

At 94.5 per cent compensation, the tax could be as low as \$1.5 million or at the low scale support of 30 per cent, it could be \$19.5 million.

Contrary to Public Interest  
Director, Government Relations Australia Advisory Pty Ltd  
Tel: Contrary to Public Interest Fax: Contrary to Public Interest Mobile: Contrary to Public Interest Email: [Contrary to Public Interest@govrel.com.au](mailto:Contrary to Public Interest@govrel.com.au) Website: [www.govrel.com.au](http://www.govrel.com.au)

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**From:** [Contrary to Public Interest@govrel.com.au](mailto:Contrary to Public Interest@govrel.com.au)  
**Sent:** Thursday, 14 April 2011 5:14 PM  
**To:** 'Lachlan Smith'; 'David Shankey'  
**Subject:** meeting request-Queensland Nickel

Dear Lachlan and David

GRA is registered on the Queensland Government's Lobbyists Register and is engaged by Queensland Nickel in relation to public policy and Government affairs. I write on behalf of Queensland Nickel to seek an opportunity to meet with the Premier in relation to the Federal Government's response to Climate Change and likely impacts on the company.

Queensland Nickel, as you know operate a Nickel processing facility at Yabulu, near Townsville. The company directly employs over 900 Queenslanders and around 200 contractors, and according to economic modelling, is responsible for around 2400 jobs in the Townsville region by way of economic multipliers.

As an Emission Intensive Trade Exposed (EITE) company, the firm is facing very significant liabilities from a carbon price in the short term and an Emissions Trading Scheme (CPRS) in the longer term.

The company has fully participated in the Federal Government's process in relation to the Carbon Pollution Reduction Scheme. At this stage the Department of Climate Change and Energy Efficiency has developed a single activity definition. The activity definition forms the basis of EITE compensation. The position of QNPL is that there should be a separate activity definition on the basis of the different products or outputs produced by Queensland Nickel. A single activity definition would see the company significantly under-compensated for its carbon cost exposure.

The company has also assessed the impact of the interim carbon price and would also like to provide a briefing on the importance of compensation for EITE industries. This is especially in view that compensation arrangements for the interim period have not yet been released and are yet to be decided by the Federal Government.

As a North Queensland employer, the company seeks an opportunity to meet with the Premier to discuss the impact of these issues. Attending would be Mr Neil Meadows, Chief Operating Officer of Queensland Nickel and myself.

I look forward to hearing from you in relation to this request. Alternatively I will follow up with your office over the next day or two.

Best regards

Director, Government Relations Australia Advisory Pty Ltd  
Tel: Contrary to Public Information Fax: Contrary to Public Information Mobile: Contrary to Public Information Email: Contrary to Public Information Website: www.govrel.com.au

GRA is registered under the Lobbying Codes of Conduct in all relevant Australian jurisdictions (Commonwealth, NSW, Queensland, Western Australian, Tasmanian, Victorian and South Australian governments).

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RTI RELEASED

## Peter Downey

---

**From:** Peter Downey  
**Sent:** Monday, 25 July 2011 11:13 AM  
**To:** 'Sue.Stoneman@treasury.qld.gov.au'  
**Subject:** Treasurer's meeting with Qld Nickel  
**Attachments:** TBN57 Attachment 1.doc; TBN57 Meeting Queensland Nickel with the Treasurer.doc

Good morning Sue,  
As discussed, could you please confirm when the meeting the attached brief was prepared for took place.

Thanks

Peter Downey

Policy Officer  
Economic Policy  
Department of the Premier and Cabinet  
Ph: 07-322-58014  
peter.downey@premiers.qld.gov.au  
Executive Building | Level 14 | 100 George Street | Brisbane  
PO Box 15185 | City East | Queensland 4002 |

**From:** Thompson, Judith [mailto:Judith.Thompson@deedi.qld.gov.au]  
**Sent:** Friday, 22 July 2011 4:06 PM  
**To:** Peter Downey  
**Cc:** Gnananathan, Gobikrishna  
**Subject:** RE: meeting request-Queensland Nickel

Dear Peter

We will get dots point through to you on Monday.

In the meantime - here is a fairly recent brief prepared for the Treasurer.

Regards

Judith

**Judith Thompson**  
Director | Office of the Associate Director-General | Mines and Energy  
Department of Employment, Economic Development and Innovation

---

Floor 17 | 61 Mary Street | Brisbane Qld 4000  
PO Box 15216 | City East Qld 4002  
P: +617 3898 0682 | E: 10682  
M: Contrary to Public Interest  
E: [judith.thompson@deedi.qld.gov.au](mailto:judith.thompson@deedi.qld.gov.au)  
W: [www.deedi.qld.gov.au](http://www.deedi.qld.gov.au)

---

**From:** Peter Downey [mailto:Peter.Downey@premiers.qld.gov.au]  
**Sent:** Friday, 22 July 2011 3:32 PM  
**To:** Thompson, Judith  
**Subject:** FW: meeting request-Queensland Nickel

Good afternoon Judith,

As discussed, could you please organise for DEEDI to provide input for a Premier's briefing Note for a meeting with Queensland Nickel. The meeting is intended to cover the issues raised in the below email. Specifically, could DEEDI please provide some analysis (dot points at this stage or any previously prepared briefs) regarding the Queensland nickel refining industry and how other industry participants (specifically those mentioned in the below email) are positioned to deal with the carbon price mechanism.

Could DEEDI please provide this advice by COB Monday, 25 July 2011.

Happy to discuss and apologies for the tight timeframes.

Peter Downey

Policy Officer  
Economic Policy  
Department of the Premier and Cabinet  
Ph: 07-322-58014  
peter.downey@premiers.qld.gov.au  
Executive Building | Level 14 | 100 George Street | Brisbane  
PO Box 15185 | City East | Queensland 4002 |

---

**From:** Contrary to Public Release [mailto:Contrary.to.Public.Release@qld.gov.au]  
**Sent:** Monday, 18 July 2011 8:05 PM  
**To:** David Shankey  
**Cc:** Lachlan Smith  
**Subject:** RE: meeting request-Queensland Nickel

Hi David

The way the CPRS program in the Whitepaper was set out, the final compensation received by an EITE is based on an allocative baseline which is an average of the emissions for all the emitters effected by a particular activity definition.

As we have discussed previously, the effect of this is that, with three players (BHP Ni West, Minara Resources and QNPL), where BHP is the lowest emitter per tonne of finished nickel product, Minara is in the middle and QNPL is the highest, BHP will be compensated on the basis of an average generated by all producers included in a single activity definition, with the effect that BHP will be compensated by close to 100% or possibly even more than 100% of its actual emissions, while QNPL will be compensated for around 30% of its actual emissions, according to ANPL modelling.

It has previously been indicated to us by the Federal Government that the arrangements set out in the White Paper are most likely to be those that will apply at the time of the introduction of an ETS, ie an allocative baseline will be developed either on the basis of a single activity definition or a combined activity definition, with the effect of a single activity definition resulting in QNPL being compensated for around 30% of their actual liable emissions. A differentiated activity definition, better aligned to the products of QNPL, would see the company more comprehensively compensated.

In relation to the carbon price or carbon tax period, section 5.2.2 of the Australian Government's "Securing a clean energy future" document states at Appendix A, page 115:

"Allocative baselines: Allocative baselines for activities will be based on the historic industry average level of emissions per unit of production for all entities conducting an activity during the assessment period.

The electricity allocation factor will be set at one permit per megawatt hour. However, this may be adjusted in respect of existing large electricity supply contracts for entities consuming greater than

2,000 gigawatt hours per year, and where contractual arrangements entered into before 3 June 2007 are still in force (without having been renegotiated or reviewed) within 60 days after Royal

Assent of the Act. In such a situation, these contracts will be considered by the Regulator with a view to determine an entity-specific electricity allocation factor. The natural gas feedstock allocation factor will be set state-by-state."

AND

"Initial rates of assistance: 94.5 per cent of the industry average baseline for activities with an emissions intensity of at least 2,000t CO<sub>2</sub>-e/\$m revenue or at least 6,000t CO<sub>2</sub>-e/\$m value added.

66 per cent of the industry average baseline for activities with an emissions intensity between 1,000t CO<sub>2</sub>-e/\$m and 1,999t CO<sub>2</sub>-e/\$m revenue or between 3,000t CO<sub>2</sub>-e/\$m and 5,999t CO<sub>2</sub>-e/\$m value added."

The net effect of this is that the compensation paid during the carbon price period will be calculated using the same method as will be used during the ETS period, with 30% of QNPL's actual emissions being compensated (as set out in the first paragraph above).

However the CPRS White Paper establishes 5 principles, on the basis of which activity definitions are to be developed. Queensland Nickel's case has always been that the application of these 5 principles should see an individual activity definition developed for the products produced by the company, rather than a single activity definition for all Australian Nickel producers. Further, the under compensation of the company under a single industry based activity definition would cause great financial and economic vulnerability and further would substantially increase the risk of carbon leakage to overseas producers in South America and China, some of which release emissions around double those of QNPL, per tonne of finished nickel product.

I am very happy to discuss this further with you.

Best regards

Director, Government Relations Australia Advisory Pty Ltd  
Tel: Contrary to Public Interest Fax: Contrary to Public Interest Mobile: Contrary to Public Interest Email: Contrary to Public Interest Website: [www.govrel.com.au](http://www.govrel.com.au)

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**Please consider the environment before printing**

**From:** David Shankey [mailto:David.Shankey@ministerial.qld.gov.au]

**Sent:** Monday, 18 July 2011 2:09 PM

**To:** [redacted] Contrary to Public Interest

**Subject:** RE: meeting request-Queensland Nickel

While the company is likely to be eligible for inclusion in the 94.5% EITE compensation bracket, the present view of the Department of Climate Change is for an application of the EITE principles which would see Queensland Nickel compensated for only around 30% of its emissions.

I am not sure I understand this sentence?

**From:** [redacted] Contrary to Public Interest [mailto:[redacted]@govrel.com.au]

**Sent:** Monday, 18 July 2011 1:55 PM

**To:** Lachlan Smith; David Shankey

**Subject:** FW: meeting request-Queensland Nickel

Hello Lachlan and David

I write to follow up on Queensland Nickel's previous request to meet with the Premier in order to discuss the impact of a carbon price on the company. In particular this relates to the impact on the company of under compensation measures set out in the Federal Government's White Paper for an ETS scheme. While the company is likely to be eligible for inclusion in the 94.5% EITE compensation bracket, the present view of the Department of Climate Change is for an application of the EITE principles which would see Queensland Nickel compensated for only around 30% of its emissions.

The General Manager of Queensland Nickel, Mr Trefor Flood, has asked me to bring to your attention again its desire to meet with the Premier in order to fully explain this issue and in particular how a decision by the Federal Government for a single activity definition for Nickel producers would negatively affect the company. (Our original request is set out below).

Best regards

Contrary to Public Interest Government Relations Australia Advisory Pty Ltd  
Tel: [redacted] Contrary to Public Interest [redacted] Website: [www.govrel.com.au](http://www.govrel.com.au)

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## Bligh rebuffs Palmer's carbon comments

TONY RAGGATT | July 16th, 2011

QUEENSLAND Premier Anna Bligh has brushed off comments by mining magnate Clive Palmer that a carbon tax will put 1000 jobs at the Yabulu nickel refinery at risk.

Meanwhile, refinery management is worried Mr Palmer's standing as one of the Coalition's largest single donors could be influencing the federal Labor Government into not responding to requests for the highest level of compensation, as has occurred with other refiners.

A spokesman for Climate Change Minister Greg Combet said that was definitely not the case.

"We are yet to make a decision on the final details of assistance to nickel refining as an emissions-intensive trade-exposed activity," the spokesman said.

"We are consulting with the companies involved."

Mr Palmer spoke out earlier this week warning that the carbon tax and the Greens posed a major threat to the viability of the refinery and that there was not much more the company could do to reduce its environmental impacts.

The refinery is a big emitter, mostly through the use of heavy fuel oil as a reductant of the nickel ore when it is reduced in the roasters.

Of Australia's 100 biggest emitters, Yabulu is understood to be number 48.

Ms Bligh said the compensation package provided as part of the carbon pricing arrangements more than compensated the big refiners.

"These high emitters are securing 94 per cent compensation so I'm very confident we are going to continue to see very strong refining and secondary processing activity in Queensland," she said.

When told the refinery was still waiting to hear its compensation arrangements, she said she would be happy to organise a full briefing for the affected parties and said she would leave it to others to make an assessment of Mr Palmer's comments.

Yabulu general manager Trefor Flood said they had provided a submission 18 months ago on why the refinery and its Caron process was unique in Australia and should attract the highest protection rather than the lowest, as was being considered by government.

He said the Government had told them three months ago they would be given an answer but nothing had eventuated.

Meanwhile, the refinery, which lost millions of dollars a day under its former owner BHP and is now reportedly making \$200 million profits under Mr Palmer, is facing a big tax, depending on the level of free permits to emit.

At 94.5 per cent compensation, the tax could be as low as \$1.5 million or at the low scale support of 30 per cent, it could be \$19.5 million.

Contrary to Public Interest, Director, Government Relations Australia Advisory Pty Ltd  
Tel: Contrary to Public Interest, Fax: Contrary to Public Interest, Mobile: Contrary to Public Interest, Email: Contrary to Public Interest, Website: [www.govrel.com.au](http://www.govrel.com.au)

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*Please consider the environment before printing*

**From:** Contrary to Public Interest, Director, Government Relations Australia Advisory Pty Ltd  
**Sent:** Thursday, 14 April 2011 5:14 PM  
**To:** 'Lachlan Smith'; 'David Shankey'  
**Subject:** meeting request-Queensland Nickel

Dear Lachlan and David

GRA is registered on the Queensland Government's Lobbyists Register and is engaged by Queensland Nickel in relation to public policy and Government affairs. I write on behalf of Queensland Nickel to seek an opportunity to meet with the Premier in relation to the Federal Government's response to Climate Change and likely impacts on the company.

Queensland Nickel, as you know operate a Nickel processing facility at Yabulu, near Townsville. The company directly employs over 900 Queenslanders and around 200 contractors, and according to economic modeling, is responsible for around 2400 jobs in the Townsville region by way of economic multipliers.

As an Emission Intensive Trade Exposed (EITE) company, the firm is facing very significant liabilities from a carbon price in the short term and an Emissions Trading Scheme (CPRS) in the longer term.

The company has fully participated in the Federal Government's process in relation to the Carbon Pollution Reduction Scheme. At this stage the Department of Climate Change and Energy Efficiency has developed a single activity definition. The activity definition forms the basis of EITE compensation. The position of QNPL is that there should be

a separate activity definition on the basis of the different products or outputs produced by Queensland Nickel. A single activity definition would see the company significantly under-compensated for its carbon cost exposure.

The company has also assessed the impact of the interim carbon price and would also like to provide a briefing on the importance of compensation for EITE industries. This is especially in view that compensation arrangements for the interim period have not yet been released and are yet to be decided by the Federal Government.

As a North Queensland employer, the company seeks an opportunity to meet with the Premier to discuss the impact of these issues. Attending would be Mr Neil Meadows, Chief Operating Officer of Queensland Nickel and myself.

I look forward to hearing from you in relation to this request. Alternatively I will follow up with your office over the next day or two.

Best regards

Director, Government Relations Australia Advisory Pty Ltd  
Tel: [Redacted] Fax: [Redacted] Mobile: [Redacted] Email: [Redacted] Website: www.govrel.com.au

GRA is registered under the Lobbying Codes of Conduct in all relevant Australian jurisdictions (Commonwealth, NSW, Queensland, Western Australian, Tasmanian, Victorian and South Australian governments).

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RTI RELEASE

## Attachment 1

**An extract from chapter 9 of the CPRS Green Paper on EITE assistance****9.3.1 Basis for assessing eligibility for EITE assistance**

Assessment of eligibility and provision of EITE assistance could be carried out at the level of:

- the industry
- the company
- the facility
- the production activity or process (referred to in this chapter as an 'activity-level assessment').

An assessment at the industry level would involve assessing each industry sector against the eligibility criteria for EITE assistance. All entities that are classified as operating within an eligible EITE industry sector would be eligible to receive assistance. A publicly available measure of industry delineation in the economy could be used, such as the Australian and New Zealand Standard Industrial Classification (ANZSIC) codes. Using a widely accepted definition of industry categories would make industry-level assessment more accountable, transparent and simpler.

There are a number of drawbacks to an industry-level approach. First, while classifications such as ANZSIC codes are designed for statistical purposes, they may not be as robust as would be required to delineate between entities for the purposes of a Government assistance policy. In particular, the industry to which a specific entity should be classified is not always clear. Second, a number of different production processes and sub-industries are grouped within a given industry code. Industry-level assessments could confer advantages and disadvantages on entities by virtue of their classification and the level of aggregation chosen. If EITE status were given to all entities within a given industry classification, it could confer an advantage on entities that are not particularly emissions-intensive or trade-exposed but are grouped with other entities that are. The converse could also be possible. Misdirected EITE assistance would reduce the economic efficiency and environmental integrity of the scheme.

Company-level assessment would involve assessing individual companies against the eligibility criteria for EITE assistance. Unlike industry classifications, there are no generally accepted 'classification codes' for companies. Companies will vary in their structures and production activities. Some undertake a single, clearly defined activity, while others operate numerous production activities across a range of different industries. Companies, like industries, may conduct both EITE and non-EITE activities. Assessment at the company level would therefore be inequitable between companies. It could also distort investment decisions, as eligibility would be determined by the particular circumstances and structure of the company.

Facility-level assessment would involve considering each individual facility against the eligibility criteria for EITE assistance. As there are proposed to be direct obligations with respect to facilities under the scheme, this would appear to be an administratively straightforward option. However, as with industry- and company-level assessments, some facilities will have emissions from EITE and non-EITE activities, and emissions will vary

considerably depending on the structure of individual facilities. Providing assistance on this basis could be inequitable both within and across existing industries and could distort decisions about the structure of the facilities and new investments.

Activity-level assessment would involve assessing the different production processes or activities across the economy against the EITE eligibility criteria. All entities that conduct EITE activities that meet the criteria would then be eligible for EITE assistance. (An illustrative example of some of the activities and emissions sources involved in producing aluminium semi-manufactures is provided in Figure 9.1). This would be a more equitable approach, as allocations would not differ because of the particular structure of a facility or company. It follows that it would also be more economically efficient if the allocation methodology did not distort decisions about how to structure different facilities or companies.

This approach would also enable EITE assistance to be accurately targeted, and would be more equitable for non-assisted entities because EITE-eligible entities would still have to absorb the carbon costs of their non-EITE activities. Linking allocations to the emissions from an EITE activity would enable the use of industry-wide allocation methodologies, either when the scheme begins or at a later time (methodologies for calculating assistance are discussed in Section 9.5).

The main challenge in this approach would be the delineation of boundaries around particular activities or production processes. This would require the Government to work closely with industry to determine how production activities can be defined in a way that is consistent with the intent of the EITE assistance policy, equitable across activities, and clear and practical for entities and Government from an implementation perspective.

On balance, the Government's preferred position is that EITE assistance be provided on the basis of production activities or processes, to ensure that assistance is well targeted and equitable within and between industries. Eligibility for EITE assistance would be based on the performance of all entities in Australia conducting an activity.

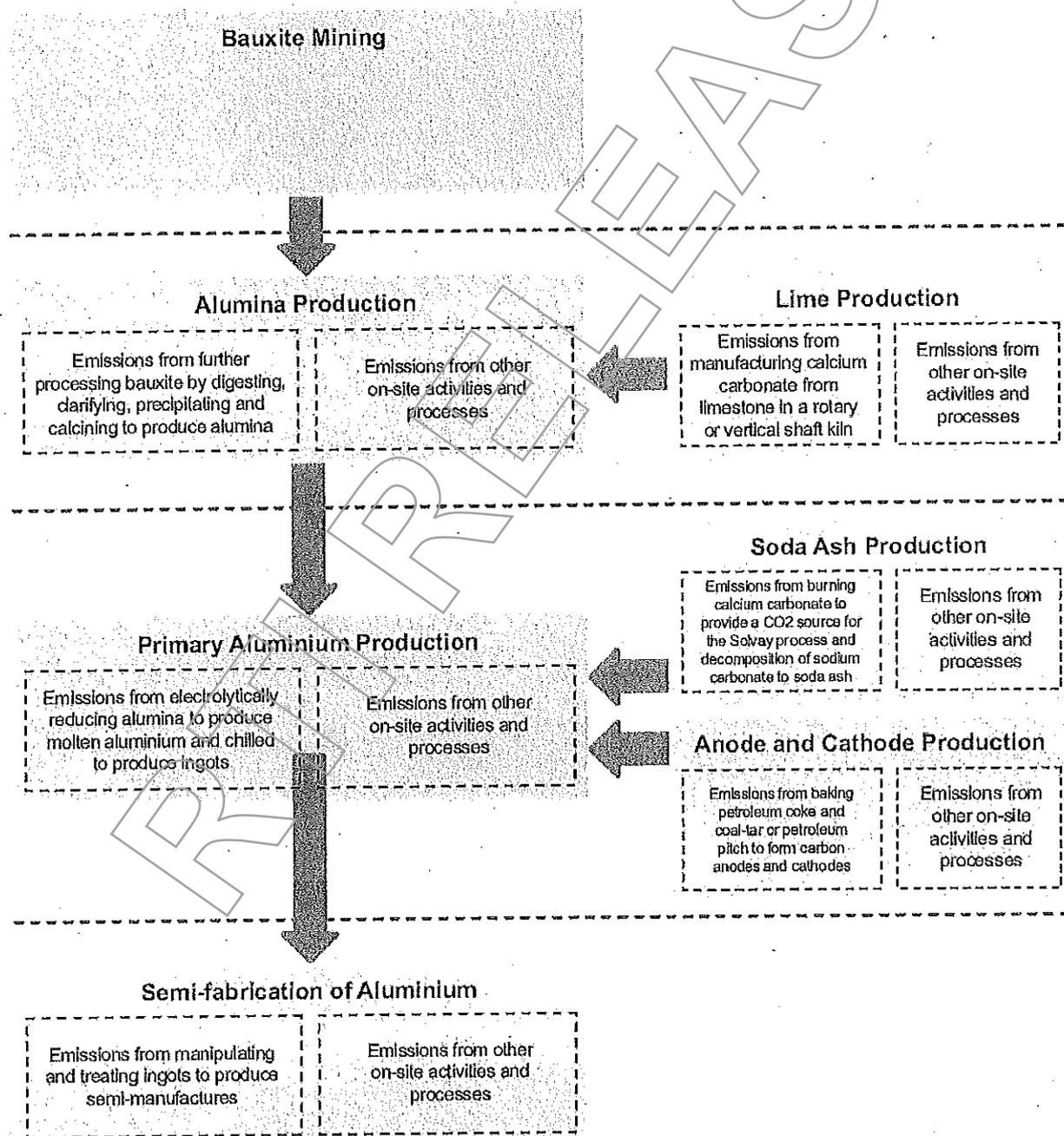
### 9.3 Preferred position

The proposed emissions-intensive trade-exposed assistance would be provided on the basis of the industry-wide emissions from a process or activity to ensure that assistance is well targeted and is equitable both within and between industries.

**Figure 9.1 Illustration of the different activities in the production of aluminium semi-manufactures**

The diagram below provides a simplistic illustration of the transformation of bauxite to aluminium semi-manufactures. There are four key stages in the production stream: bauxite mining, alumina production, primary aluminium production and semi-fabrication of aluminium. At each stage, a range of different production activities or processes take place. Some of these stages (and activities) may take place at a single facility, others may take place at multiple facilities. The facility structure can vary from one situation to another.

This diagram illustrates that along a given production stream, there can be a large number of different production processes or activities. The descriptions of the major activities within the aluminium production stream are intended to be illustrative and are by no means conclusive.



TBN57

To: Andrew Fraser  
Treasurer

Copy: DG – DEEDI

From: Dan Hunt  
Associate Director-General  
Mines and Energy

Endorsed: John Skinner,  
Deputy Director-General  
(Mining and Petroleum)

**4 April 2011**

**Meeting with Queensland Nickel representatives to discuss carbon pricing**

**Summary**

1. Queensland Nickel (QN) wants to talk to you about carbon pricing. Specifically, the definition of 'activity' in the Carbon Pollution Reduction Scheme (CPRS), which forms the basis for Emission Intensive Trade Exposed (EITE) assistance.
2. The Federal Government's position is to base EITE assistance on production activity/process.
3. The department needs further information to assess the merits of QN's proposal.

**Timing**

4. Urgent - Treasurer's office requested a brief by 6 April 2011.

**Background**

5. QN has requested a meeting with you to discuss the impacts of carbon pricing on its operation. Mr Neil Meadows (Chief Operating Officer of QN) and Mr Paul Bini (registered lobbyists engaged by QN) will attend the meeting.
6. Specifically they want to discuss the definition of 'activity' in the Carbon Pollution Reduction Scheme (CPRS), which forms the basis for Emission Intensive Trade Exposed (EITE) assistance.
7. QN operates the Yabulu Refinery (near Townsville), which produce high quality nickel and cobalt products using ore imported from mines in New Caledonia, Indonesia and the Philippines. QN employs over 750 people and indirectly responsible for the employment of 2300 people in the North Queensland. The Refinery is wholly owned by Mr Clive Palmer, who purchased it from BHP Billiton in 2009.
8. The CPRS proposed EITE assistance at rates of 94.5 per cent free permits for high carbon intensity activities and 66 per cent for other eligible activities, declining at 1.3 per cent per year.
9. Thresholds for EITE assistance are:
  - High carbon intensity - emissions intensity of at least 2000 tonnes (t) carbon dioxide equivalent (CO<sub>2</sub>-e) per \$1million (m) revenue or 6000t CO<sub>2</sub>-e/\$m value-added.

TBN57

- Other eligible activities - emissions intensity between 1000t CO<sub>2</sub>-e/\$m and 1999t CO<sub>2</sub>-e/\$m revenue or between 3000t and 5999t CO<sub>2</sub>-e/\$m value-added.

### Issue

10. According to QN, the Federal Government has developed a 'single activity' definition for EITE assistance. The position of QN is that there should be a separate activity definition on the basis of the different products or outputs produced by Queensland Nickel. A single activity definition would see the company significantly under-compensated.
11. The Department needs further information to assess the merits of QN's proposal. It is not clear how QN's proposal differs from the definition of 'activity' in the CPRS.
12. The Federal Government considered the assessment of eligibility and provision of EITE assistance at the level of: the industry, the company, the facility and the production activity/process. It decided to provide EITE assistance based on production activity/process on the grounds of competitive neutrality and to preserve the economic efficiency and environmental integrity of the scheme.
13. Attachment 1 is an extract from the CPRS Green Paper that explains the reasoning behind the Federal Government's decision and example of how the preferred approach would work.

### Attachments

14. Attachment 1: An extract from the CPRS Green Paper on EITE assistance.

### Next steps

15. QN should be asked to provide more information on its preferred definition of 'activity' in relation to EITE, assistance on further briefing can be provided by the Department.

**Dan Hunt**

**Associate Director-General (Mines and Energy)**

Enquiries: John Morris  
Telephone: +61 7 340 43674

**Peter Downey**

---

**From:** Sue.Stoneman@treasury.qld.gov.au  
**Sent:** Monday, 25 July 2011 12:07 PM  
**To:** Peter Downey  
**Cc:** Leigh Pickering  
**Subject:** Fw: Treasurer's meeting with Qld Nickel  
**Attachments:** 1-TY\_TO-790356-TRX-16734\_BN\_Fin\_Min\_-\_Meeting\_with\_Qld\_Nickel.doc;  
pic16211.gif; pic11754.gif; pic26880.gif

Peter - please see Lachlan's email below re meeting, and his comments about the brief.

I attach the brief for your information.

(See attached file:  
1-TY\_TO-790356-TRX-16734\_BN\_Fin\_Min\_-\_Meeting\_with\_Qld\_Nickel.doc)

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Sue Stoneman  
Ministerial Co-ordinator  
Office of the Under Treasurer  
Treasury Department

( (07) 3224 4868

(Embedded image moved to file: pic16211.gif)

----- Forwarded by Sue Stoneman/TO/QTreasury on 25/07/2011 11:55 AM -----

**From:** Lachlan Whitta/OGOC/QTreasury  
**To:** Sue Stoneman/TO/QTreasury@QTreasury  
**Date:** 25/07/2011 11:43 AM  
**Subject:** Re: Fw: Treasurer's meeting with Qld Nickel

Hi Sue

A suitable date is still being worked out for this meeting.

I am happy for you to share the meeting brief. However, our brief was prepared prior to the CPRS arrangements being announced.

Cheers

Lachlan

Lachlan Whitta  
Departmental Liaison Officer (Finance)  
Queensland Treasury  
Telephone : (07) 3405 6525

(Embedded image moved to file: pic11754.gif)

From: Sue Stoneman/TO/QTreasury  
 To: Lachlan Whitta/OGOC/QTreasury@QTreasury  
 Cc: Leigh Pickering/TO/QTreasury@QTreasury  
 Date: 25/07/2011 11:31 AM  
 Subject: Fw: Treasurer's meeting with Qld Nickel

Hi Lachlan

As discussed, Peter would like to know if either the Treasurer or Minister Nolan met recently with Qld Nickel. Attached is a link to Workflow with a brief that was prepared for Minister Nolan.

Can you advise whether or not Minister Nolan met with Qld Nickel and also if you would be happy for me to send through the brief to DPC.

Many thanks  
 Sue

Status	Ref. Number	Topic	Responsible Group
(Document Department - Completed link: Correspondence Workflow)	TRX-16734	Minister Nolan meeting with Paul Robert Scadden Bini from Queensland Nickel	AUT - Stuart Booker

Sue Stoneman  
 Ministerial Co-ordinator  
 Office of the Under Treasurer  
 Treasury Department

( 07) 3224 4868

(Embedded image moved to file: pic26880.gif)

----- Forwarded by Sue Stoneman/TO/QTreasury on 25/07/2011 11:28 AM -----

From: Peter Downey <Peter.Downey@premiers.qld.gov.au>  
To: "'Sue.Stoneman@treasury.qld.gov.au'"  
<Sue.Stoneman@treasury.qld.gov.au>  
Date: 25/07/2011 11:13 AM  
Subject: Treasurer's meeting with Qld Nickel

Good morning Sue,  
As discussed, could you please confirm when the meeting the attached brief was prepared for took place.

Thanks

Peter Downey  
Policy Officer  
Economic Policy  
Department of the Premier and Cabinet  
Ph: 07-322-58014  
peter.downey@premiers.qld.gov.au  
Executive Building | Level 14 | 100 George Street | Brisbane PO Box 15185 | City East | Queensland 4002 |

From: Thompson, Judith [mailto:Judith.Thompson@deedi.qld.gov.au]  
Sent: Friday, 22 July 2011 4:06 PM  
To: Peter Downey  
Cc: Gnananathan, Gobikrishna  
Subject: RE: meeting request-Queensland Nickel

Dear Peter

We will get dots point through to you on Monday.

In the meantime - here is a fairly recent brief prepared for the Treasurer.

Regards

Judith

Judith Thompson  
Director | Office of the Associate Director-General | Mines and Energy Department of  
Employment, Economic Development and Innovation

---

Floor 17 | 61 Mary Street | Brisbane Qld 4000 PO Box 15216 | City East Qld 4002.  
P: +617 3898 0682 | E: 10682  
M: Contrary to Public Interest  
E: judith.thompson@deedi.qld.gov.au  
W: www.deedi.qld.gov.au

From: Peter Downey [mailto:Peter.Downey@premiers.qld.gov.au]

Sent: Friday, 22 July 2011 3:32 PM  
To: Thompson, Judith  
Subject: FW: meeting request-Queensland Nickel Good afternoon Judith,

As discussed, could you please organise for DEEDI to provide input for a Premier's briefing Note for a meeting with Queensland Nickel. The meeting is intended to cover the issues raised in the below email. Specifically, could DEEDI please provide some analysis (dot points at this stage or any previously prepared briefs) regarding the Queensland nickel refining industry and how other industry participants (specifically those mentioned in the below email) are positioned to deal with the carbon price mechanism.

Could DEEDI please provide this advice by COB Monday, 25 July 2011.

Happy to discuss and apologies for the tight timeframes.

Peter Downey  
Policy Officer  
Economic Policy  
Department of the Premier and Cabinet  
Ph: 07-322-58014  
peter.downey@premiers.qld.gov.au  
Executive Building | Level 14 | 100 George Street | Brisbane PO Box 15185 | City East | Queensland 4002 |

From: [redacted] [mailto:[redacted]@downey.com.au]  
Sent: Monday, 18 July 2011 8:05 PM  
To: David Shankey  
Cc: Lachlan Smith  
Subject: RE: meeting request-Queensland Nickel

Hi David

The way the CPRS program in the Whitepaper was set out, the final compensation received by an EITE is based on an allocative baseline which is an average of the emissions for all the emitters effected by a particular activity definition.

As we have discussed previously, the effect of this is that, with three players (BHP Ni West, Minara Resources and QNPL), where BHP is the lowest emitter per tonne of finished nickel product, Minara is in the middle and QNPL is the highest, BHP will be compensated on the basis of an average generated by all producers included in a single activity definition, with the effect that BHP will be compensated by close to 100% or possibly even more than 100% of its actual emissions, while QNPL will be compensated for around 30% of its actual emissions, according to ANPL modelling.

It has previously been indicated to us by the Federal Government that the arrangements set out in the White Paper are most likely to be those that will apply at the time of the introduction of an ETS. ie an allocative baseline will be developed either on the basis of a single activity definition or a combined activity definition, with the effect of a single activity definition resulting in QNPL being compensated for around 30% of their actual liable emissions. A differentiated activity definition, better aligned to the products of QNPL, would see the company more comprehensively compensated.

In relation to the carbon price or carbon tax period, section 5.2.2 of the Australian Government's "Securing a clean energy future" document states at Appendix A, page 115:

"Allocative baselines: Allocative baselines for activities will be based on the historic industry average level of emissions per unit of production for all entities conducting an activity during the assessment period.

The electricity allocation factor will be set at one permit per megawatt hour. However, this may be adjusted in respect of existing large electricity supply contracts for entities consuming greater than

2,000 gigawatt hours per year, and where contractual arrangements entered into before 3 June 2007 are still in force (without having been renegotiated or reviewed) within 60 days after Royal

Assent of the Act. In such a situation, these contracts will be considered by the Regulator with a view to determine an entity-specific electricity allocation factor. The natural gas feedstock allocation factor will be set state-by-state."

AND

"Initial rates of assistance: 94.5 per cent of the industry average baseline for activities with an emissions intensity of at least 2,000t CO<sub>2</sub>-e/\$m revenue or at least 6,000t CO<sub>2</sub>-e/\$m value added.

66 per cent of the industry average baseline for activities with an emissions intensity between 1,000t CO<sub>2</sub>-e/\$m and 1,999t CO<sub>2</sub>-e/\$m revenue or between 3,000t CO<sub>2</sub>-e/\$m and 5,999t CO<sub>2</sub>-e/\$m

value added."

The net effect of this is that the compensation paid during the carbon price period will be calculated using the same method as will be used during the ETS period, with 30% of QNPL's actual emissions being compensated (as set out in the first paragraph above).

However the CPRS White Paper establishes 5 principles, on the basis of which activity definitions are to be developed. Queensland Nickel's case has always been that the application of these 5 principles should see an individual activity definition developed for the products produced by the company, rather than a single activity definition for all Australian Nickel producers. Further, the under compensation of the company under a single industry based activity definition would cause great financial and economic vulnerability and further would substantially increase the risk of carbon leakage to overseas producers in South America and China, some of which release emissions around double those of QNPL, per tonne of finished nickel product.

I am very happy to discuss this further with you.

Best regards

Director | Government Relations Australia Advisory Pty Ltd  
Tel: | Fax: | Mobile: | Email:

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From: David Shankey [mailto:David.Shankey@ministerial.qld.gov.au]  
Sent: Monday, 18 July 2011 2:09 PM  
To: Contrary to Public Interest

Subject: RE: meeting request-Queensland Nickel While the company is likely to be eligible for inclusion in the 94.5% EITE compensation bracket, the present view of the Department of Climate Change is for an application of the EITE principles which would see Queensland Nickel compensated for only around 30% of its emissions.

I am not sure I understand this sentence?

From: Contrary to Public Interest [mailto:Contrary to Public Interest@govrel.com.au]  
Sent: Monday, 18 July 2011 1:55 PM  
To: Lachlan Smith; David Shankey  
Subject: FW: meeting request-Queensland Nickel

Hello Lachlan and David

I write to follow up on Queensland Nickel's previous request to meet with the Premier in order to discuss the impact of a carbon price on the company. In particular this relates to the impact on the company of under compensation measures set out in the Federal Government's White Paper for an ETS scheme. While the company is likely to be eligible for inclusion in the 94.5% EITE compensation bracket, the present view of the Department of Climate Change is for an application of the EITE principles which would see Queensland Nickel compensated for only around 30% of its emissions.

The General Manager of Queensland Nickel, Mr Trefor Flood, has asked me to bring to your attention again its desire to meet with the Premier in order to fully explain this issue and in particular how a decision by the Federal Government for a single activity definition for Nickel producers would negatively affect the company. (Our original request is set out below).

Best regards

Contrary to Public Interest | Director | Government Relations Australia Advisory Pty Ltd  
Tel: Contrary to Public Interest | Fax: Contrary to Public Interest | Mobile: Contrary to Public Interest | Email: Contrary to Public Interest@govrel.com.au | Website: www.govrel.com.au  
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Bligh rebuffs Palmer's carbon comments

TONY RAGGATT | July 16th, 2011

QUEENSLAND Premier Anna Bligh has brushed off comments by mining magnate Clive Palmer that a carbon tax will put 1000 jobs at the Yabulu nickel refinery at risk.

Meanwhile, refinery management is worried Mr Palmer's standing as one of the Coalition's largest single donors could be influencing the federal Labor Government into not responding to requests for the highest level of compensation, as has occurred with other refiners.

A spokesman for Climate Change Minister Greg Combet said that was definitely not the case.

"We are yet to make a decision on the final details of assistance to nickel refining as an emissions-intensive trade-exposed activity," the spokesman said.

"We are consulting with the companies involved."

Mr Palmer spoke out earlier this week warning that the carbon tax and the Greens posed a major threat to the viability of the refinery and that there was not much more the company could do to reduce its environmental impacts.

The refinery is a big emitter, mostly through the use of heavy fuel oil as a reductant of the nickel ore when it is reduced in the roasters.

Of Australia's 100 biggest emitters, Yabulu is understood to be number 48.

Ms Bligh said the compensation package provided as part of the carbon pricing arrangements more than compensated the big refiners.

"These high emitters are securing 94 per cent compensation so I'm very confident we are going to continue to see very strong refining and secondary processing activity in Queensland," she said.

When told the refinery was still waiting to hear its compensation arrangements, she said she would be happy to organise a full briefing for the affected parties and said she would leave it to others to make an assessment of Mr Palmer's comments.

Yabulu general manager Trefor Flood said they had provided a submission 18 months ago on why the refinery and its Caron process was unique in Australia and should attract the highest protection rather than the lowest, as was being considered by government.

He said the Government had told them three months ago they would be given an answer but nothing had eventuated.

Meanwhile, the refinery, which lost millions of dollars a day under its former owner BHP and is now reportedly making \$200 million profits under Mr Palmer, is facing a big tax, depending on the level of free permits to emit.

At 94.5 per cent compensation, the tax could be as low as \$1.5 million or at the low scale support of 30 per cent, it could be \$19.5 million.

Director | Government Relations Australia Advisory Pty Ltd  
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From: Contrary to Public Interest [mailto:Contrary to Public Interest@govrel.com.au]  
Sent: Thursday, 14 April 2011 5:14 PM  
To: 'Lachlan Smith'; 'David Shankey'  
Subject: meeting request-Queensland Nickel

Dear Lachlan and David

GRA is registered on the Queensland Government's Lobbyists Register and is engaged by Queensland Nickel in relation to public policy and Government affairs. I write on behalf of Queensland Nickel to seek an opportunity to meet with the Premier in relation to the Federal Government's response to Climate Change and likely impacts on the company.

Queensland Nickel, as you know operate a Nickel processing facility at Yabulu, near Townsville. The company directly employs over 900 Queenslanders and around 200 contractors, and according to economic modeling, is responsible for around 2400 jobs in the Townsville region by way of economic multipliers.

As an Emission Intensive Trade Exposed (EITE) company, the firm is facing very significant liabilities from a carbon price in the short term and an Emissions Trading Scheme (CPRS) in the longer term.

The company has fully participated in the Federal Government's process in relation to the Carbon Pollution Reduction Scheme. At this stage the Department of Climate Change and Energy Efficiency has developed a single activity definition. The activity definition forms the basis of EITE compensation. The position of QNPL is that there should be a separate activity definition on the basis of the different products or outputs produced by Queensland Nickel. A single activity definition would see the company significantly under-compensated for its carbon cost exposure.

The company has also assessed the impact of the interim carbon price and would also like to provide a briefing on the importance of compensation for EITE industries. This is especially in view that compensation arrangements for the interim period have not yet been released and are yet to be decided by the Federal Government.

As a North Queensland employer, the company seeks an opportunity to meet with the Premier to discuss the impact of these issues. Attending would be Mr Neil Meadows, Chief Operating Officer of Queensland Nickel and myself.

I look forward to hearing from you in relation to this request.  
Alternatively I will follow up with your office over the next day or two.

Best regards

Director | Government Relations Australia Advisory Pty Ltd  
Tel: | Fax: | Mobile: | Email:  
@govrel.com.au | Website: www.govrel.com.au

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[attachment "TBN57 Attachment 1.doc" deleted by Lachlan Whitta/OGOC/QTreasury] [attachment "TBN57 Meeting Queensland Nickel with the Treasurer.doc" deleted by Lachlan Whitta/OGOC/QTreasury]

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**BRIEFING NOTE - FOR INFORMATION**

<b>FROM</b>	<b>Treasury</b>		
<b>FOR</b>	<b>Minister for Finance, Natural Resources and The Arts</b>		
<b>SUBJECT</b>	<b>Meeting with Queensland Nickel</b>		
Contact Officer:	Stuart Booker, Commercial, 3224 5437.	Record No: TRX-16734	Date: 22/6/11
Requested by:	N/A	Date Approval Required By: N/A	

**PURPOSE**

1. To provide you with information ahead of your meeting with Queensland Nickel on the Carbon Pollution Reduction Scheme (CPRS).

**BACKGROUND**

2. Queensland Nickel operates a nickel processing facility in Yabulu, near Townsville. The two key functions of this plant are processing and refining ore imported from New Caledonia, Indonesia and the Philippines. These functions are described as follows:
  - processing - the nickel and cobalt ore are dried, ground and roasted to reduce the ore to a metallic state. It is then dissolved in ammonia, aerated, washed in large tanks and allowed to settle, after which the product containing the metal (the product liquor) is removed for refining.
  - refining - the nickel and cobalt are recovered via solvent extraction technology.
3. All gases used in the production processes are produced on-site. Power is produced through Queensland Nickel's own coal-fired power plant. Coal seam methane is also used in the refining process.

**ISSUES**Operation of the CPRS

4. The CPRS is made up of two components, the short term component being the carbon price and the long term being the emission trading scheme. As part of the CPRS, the Federal Government has proposed to provide transitional assistance to the companies in carbon polluting industries that will be affected by the introduction of a carbon price.
5. It is intended that the introduction of a carbon price will prompt a structural shift away from emission-intensive to low emissions goods, technology and production processes.
6. Companies operating in highly emission-intensive industries that face international competition will potentially be most affected by the CPRS, particularly in the short term. These are referred to as Emission Intensive Trade Exposed (EITE) companies and will be eligible for compensation to address competitiveness impacts of the carbon price and provide transitional support during the introduction of the CPRS.
7. The CPRS has been through a number of changes as the related legislation was considered in Federal Parliament. Most recently, the *Carbon Pollution Reduction Scheme Bill 2010* was introduced into the Senate in February 2010 but lapsed in September 2010 due to the calling of the Australian general election.
8. While the Federal Government has not yet reached a final decision on carbon policy, it has made publicly available a number of discussion papers and draft policy framework documents.
9. Queensland Nickel is an EITE company and has expressed concerns regarding the level of compensation that it will receive as a result of a carbon price and emissions trading scheme.

Queensland Nickel has also expressed concern regarding the impact of the interim carbon price and the need for compensation for the EITE industries.

Provision and Level of Compensation

10. At this stage, the Federal Government expects to introduce a carbon price in July 2012. Under the proposed policy, companies will incur costs dependent on their level of carbon dioxide emissions. It is likely that these costs will be calculated based on carbon emissions per \$million of revenue or carbon emissions per \$million of value-added (where value-added is measured by a proxy consisting of revenue less the cost of the most significant non-labour, non-capital inputs).
11. To assist with the transition into this new regime, the Commonwealth will compensate EITE entities for a period of time post the introduction of the carbon price regime. This compensation will be in the form of emission permits issued to EITE entities with the number of permits to be issued to be determined by the average emissions performance of the industry in which the entity operates and the fixed rates of assistance as defined in the CPRS scheme.
12. Under the proposed policy, assistance will be provided to companies based on their undertaking of eligible EITE activities. An 'activity' consists of the chemical or physical transformation of inputs to produce a given set of outputs. Assistance is therefore awarded based on the conversion of specified inputs to outputs in a particular physical or chemical transformation, with the transformation process being the crucial consideration.
13. Defining an activity in this way ensures uniformity of treatment within and between entities conducting the same activity and thus avoids any company or project specific bias.
14. Compensation will be provided on two levels for EITE activities with the emissions intensity falling into one of two ranges – 'highly emissions-intensive' or 'moderately emissions-intensive'. Initially, the 'highly emission intensive' activities will receive 94.5 per cent compensation and 'moderately emission intensive' activities will receive 66 per cent compensation. These levels of compensation will be reduced annually, reaching 84 per cent and 58.7 per cent respectively in 2020-21.
15. The basis for allocation of compensation will be a common unit relating to the activity to be compensated, that is, a common output or input to the production process.
16. From the advisory information made available by the Commonwealth at this time, it is unclear how these activity definitions will be used to encompass and classify the various processes undertaken by a company as highly or moderately emissions-intensive.
17. One interpretation is that each individual process will be classified as a separate activity and would thus be eligible to receive a separate level of compensation, independent of the other processes undertaken by the company. In this case the company would likely receive the correct level of compensation as each activity receives compensation based on its own level of emissions.
18. Alternatively, it may be the case that all processes conducted by a company are classified as one activity and would thus be eligible for one level of compensation only. This may result in some companies being either under- or over-compensated depending on the emissions-intensive classification of the majority of the company's activities.
19. Queensland Nickel has taken the view that the carbon pricing policy will apply a single activity definition to all processes undertaken by the company. As such, Queensland Nickel has concerns regarding possible under-compensation for its carbon cost exposure.

Interim Carbon Price

- 20. The interim carbon price is likely to be set between \$20 and \$30 per tonne of carbon dioxide equivalent and increase by 4 per cent per annum, based on recommendations in the Garnaut Climate Change Review Update Paper Six. In 2015, it is currently envisaged that the price would be allowed to float with no caps or floors unless independent regulators deem that there are insufficient international trade opportunities to ensure liquidity and stability of price.
- 21. Professor Ross Garnaut recommended that the price begin at \$26 per tonne. It is estimated that this carbon price would raise \$11.5 billion in revenue in the first year of the tax. It has been proposed that 55 per cent of revenue go towards households and 35 per cent be used as compensation for the EITE industries. The remaining 10 per cent would go towards innovation and carbon farming.
- 22. It is proposed to provide assistance for EITE industries to the extent to which they are disadvantaged by other countries not having similar carbon constraints and are therefore unable to compete on sales price.

Suggested Position at Meeting

- 23. Queensland Nickel has engaged lobbyist firm Government Relations Australia Advisory P/L (GRAA) to contact the State Government to discuss Queensland Nickel's concerns regarding the impact of the carbon price (and the future emission trading scheme) on its operations. It is understood that you will be meeting with Mr Paul Bini from GRAA and Mr Neil Meadows, Chief Operating Officer of Queensland Nickel, to discuss these issues (refer to Attachment 1 for a copy of the initial correspondence from Mr Bini).
- 24. At this point in time, the exact administrative arrangements are unclear and no definite conclusion can be drawn regarding the compensation of EITE activities. However, these issues will become clearer as the Federal Government further refines its policy framework. The State Government does not have a role in the refinement of the policy and any concerns regarding compensation and assistance should be referred to the Federal Government.
- 25. Queensland Nickel is not represented by the industry association Queensland Resources Council (QRC). However, the lobbyist firm employed to act on behalf of Queensland Nickel is a member of the Queensland Resources Council. As such, we expect that QRC would be aware of issues raised by Queensland Nickel regarding carbon policy. Furthermore, the concerns raised by Queensland Nickel are unlikely to be unique to this company and would therefore be addressed through the QRC's broader discussions with the Federal Government.

Noted

**Comments (back to Department/further action - if applicable)**

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Name:	*Action Officer/Author:	Director:	(Initials)	ED/AUT:	(Initials)	OUT:	(Initials)
	Rob Scadden			Stuart Booker			
Branch/Division:	Commercial			Commercial			
Telephone:	3225 8230			3224 5437			
Date:	22/6/11						

\* This officer may be required to provide further detailed information regarding the issue

**Peter Downey**

---

**From:** Gnanananthan Gobikrishna [Gobikrishna.Gnanananthan@deedi.qld.gov.au]  
**Sent:** Friday, 29 July 2011 11:48 AM  
**To:** Peter Downey; Geoff Robson  
**Subject:** FW: Guidance paper for activity definitions under the Jobs and Competitiveness Program [SEC=UNCLASSIFIED]

**Importance:** High

Peter and Geoff,

Commonwealth has informed me that they cannot say what level of assistance nickel processing will get. This will be determined after Minister Combet signs off on the activity definition for nickel (which is expected to happen in the next few weeks).

In relation to the 30% quoted by QN – QN will get either 66% or 94.5% of industry average for their production. Given that QN process is more emission intensive than other two nickel producers in Australia its assistance will be lower than the relevant industry average. QN seems to have got in a consultant to model its expected level of assistance (30% of its actual emission level). I don't have the expertise or information to comment on the result of the modelling.

Regards,

**Gobikrishna Gnanananthan**  
Principal Policy Officer  
Department of Employment, Economic Development and Innovation  
07 324 74576 | gobikrishna.gnanananthan@deedi.qld.gov.au

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**From:** [Contrary to Public Interest]mailto:[Contrary to Public Interest]@climatechange.gov.au]  
**Sent:** Friday, 29 July 2011 11:32 AM  
**To:** Gnanananthan Gobikrishna  
**Cc:** [Contrary to Public Interest]  
**Subject:** RE: Guidance paper for activity definitions under the Jobs and Competitiveness Program [SEC=UNCLASSIFIED]

Gobi

As discussed and outlined in the document I sent you on Monday, the Minister is currently considering an activity definition for the production of Nickel. No final decision has been made.

Queensland Nickel is correct with how the assistance rates have been set and will be set under the Jobs and Competitiveness Program, noting that the emissions and effective assistance rates for each facility would be determined from a formal assessment following the Ministers approval of the activity definition.

See the link for activities that have been defined for assistance under the JCP -  
<http://www.climatechange.gov.au/en/government/initiatives/jobs-competitiveness-program/activity-definitions.aspx>

Many thanks  
[Contrary to Public Interest]

**From:** Gnananathan Gobikrishna [mailto:Gobikrishna.Gnananathan@deedi.qld.gov.au]  
**Sent:** Friday, 29 July 2011 8:43 AM  
**To:** [Contrary to Public Interest]  
**Subject:** RE: Guidance paper for activity definitions under the Jobs and Competitiveness Program [SEC=UNCLASSIFIED]

Hi [Contrary to Public Interest]

Thanks for all your help so far. Please be kind enough to answer some more.

What level of assistance does nickel processing get? Is it 66%?

Also, Qld Nickel told us:

The way the CPRS program in the Whitepaper was set out, the final compensation received by an EITE is based on an allocative baseline which is an average of the emissions for all the emitters effected by a particular activity definition.

the effect of this is that, with three players (BHP Ni West, Minara Resources and QNPL), where BHP is the lowest emitter per tonne of finished nickel product, Minara is in the middle and QNPL is the highest, BHP will be compensated on the basis of an average generated by all producers included in a single activity definition, with the effect that BHP will be compensated by close to 100% or possibly even more than 100% of its actual emissions, while QNPL will be compensated for around 30% of its actual emissions, according to ANPL modelling.

Who or what is ANPL modelling?

Regards,

**Gobikrishna Gnananathan**  
Principal Policy Officer  
Department of Employment, Economic Development and Innovation  
07 324 74576 | gobikrishna.gnananathan@deedi.qld.gov.au

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**From:** [Contrary to Public Interest] [mailto:[Contrary to Public Interest]@climatechange.gov.au]  
**Sent:** Monday, 25 July 2011 2:49 PM  
**To:** Gnananathan Gobikrishna  
**Subject:** RE: Guidance paper for activity definitions under the Jobs and Competitiveness Program [SEC=UNCLASSIFIED]

Hi Gobi

Please see attached our comments on your brief.

I have included some points relevant to the activity definition process and more background on nickel production. This is to help with information about the situation.

Please let me know if you have any further questions.

Many thanks

[Contrary to Public Interest]

---

**From:** Gnananathan Gobikrishna [mailto:Gobikrishna.Gnananathan@deedi.qld.gov.au]  
**Sent:** Monday, 25 July 2011 12:36 PM  
**To:** [Contrary to Public Interest]

**Subject:** RE: Guidance paper for activity definitions under the Jobs and Competitiveness Program  
[SEC=UNCLASSIFIED]

**Importance:** High

Hi Contrary to Public Interest

I would appreciate it if you can look at this and say whether the information contain in the attachment is consistent with your understanding. ta.

Regards,

**Gobikrishna Gnananathan**

Principal Policy Officer

Department of Employment, Economic Development and Innovation

07 324 74576 | gobikrishna.gnananathan@deedi.qld.gov.au

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**From:** Contrary to Public Interest [mailto:Contrary to Public Interest@climatechange.gov.au]  
**Sent:** Monday, 25 July 2011 12:22 PM  
**To:** Gnananathan Gobikrishna  
**Subject:** Guidance paper for activity definitions under the Jobs and Competitiveness Program  
[SEC=UNCLASSIFIED]

Hi Gobi

You can use the link below which covers the assistance program for emissions-intensive trade-exposed industries. The guidance paper with a link on the right of the page covers the principles in defining activities for assistance.

<http://www.climatechange.gov.au/government/initiatives/jobs-competitiveness-program.aspx>

If you have any other questions please let me know.

Thanks

Contrary to Public Interest

Contrary to Public Interest

Analysis and Projections Branch  
Climate Strategy and Markets Division  
Department of Climate Change and Energy Efficiency  
GPO Box 854  
Canberra, ACT 2601

Telephone number Contrary to Public Interest

Fax number Contrary to Public Interest

Contrary to Public Interest@climatechange.gov.au



**From:** Gnanananthan Gobikrishna [mailto:Gobikrishna.Gnanananthan@deedi.qld.gov.au]  
**Sent:** Monday, 25 July 2011 10:41 AM  
**To:** Contrary to Public Interest  
**Subject:** hi

Regards,

**Gobikrishna Gnanananthan**  
Principal Policy Officer  
Department of Employment, Economic Development and Innovation  
07 324 74576 |gobikrishna.gnanananthan@deedi.qld.gov.au

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RTI RELEASE

**Peter Downey**

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**From:** Gnanananthan Gobikrishna [Gobikrishna.Gnanananthan@deedi.qld.gov.au]  
**Sent:** Monday, 1 August 2011 3:08 PM  
**To:** Peter Downey  
**Subject:** RE: Guidance paper for activity definitions under the Jobs and Competitiveness Program [SEC=UNCLASSIFIED]

Sounds fine.

Regards,

**Gobikrishna Gnanananthan**  
Principal Policy Officer  
Department of Employment, Economic Development and Innovation  
07 324 74576 | gobikrishna.gnanananthan@deedi.qld.gov.au

---

**From:** Peter Downey [mailto:Peter.Downey@premiers.qld.gov.au]  
**Sent:** Monday, 1 August 2011 2:30 PM  
**To:** Gnanananthan Gobikrishna  
**Subject:** RE: Guidance paper for activity definitions under the Jobs and Competitiveness Program [SEC=UNCLASSIFIED]  
**Importance:** High

Gobi,

Thanks for that below advice and all the advice you've provided so far re: Qld Nickel. I've re-jigged the PNG slightly and just want to run this par past you and confirm that I've successfully explained EITEs assistance in-a-nutshell:

- *EITEs assistance will consist of free permits allocated against an industry average baseline at rates of either 94.5% for high carbon intensity activities 66% for other eligible activities. A firm's total post-EITEs assistance liability will depend on how much higher (or lower) its emissions are compared to the industry average.*

Thanks

Peter Downey

Policy Officer  
Economic Policy  
Department of the Premier and Cabinet  
Ph: 07-322-58014  
peter.downey@premiers.qld.gov.au  
Executive Building | Level 14 | 100 George Street | Brisbane  
PO Box 15185 | City East | Queensland 4002 |

**From:** Gnanananthan Gobikrishna [mailto:Gobikrishna.Gnanananthan@deedi.qld.gov.au]  
**Sent:** Friday, 29 July 2011 12:10 PM  
**To:** Peter Downey  
**Subject:** FW: Guidance paper for activity definitions under the Jobs and Competitiveness Program [SEC=UNCLASSIFIED]

FYI. It got the assistance rate for EITI activities that have so far been finalised.

Regards,

**Gobikrishna Gnananathan**

Principal Policy Officer

Department of Employment, Economic Development and Innovation

07 324 74576 | gobikrishna.gnananathan@deedi.qld.gov.au

---

**From:** [Contrary to Public Interest] [mailto:[Contrary to Public Interest]@climatechange.gov.au]  
**Sent:** Friday, 29 July 2011 11:58 AM  
**To:** Gnananathan Gobikrishna  
**Subject:** FW: Guidance paper for activity definitions under the Jobs and Competitiveness Program [SEC=UNCLASSIFIED]

Gobi, the actual document that contains assistance rates for all activities is at this link -  
<http://www.climatechange.gov.au/government/initiatives/jobs-competitiveness-program/~media/publications/eite/eligibility-emissions-intensive%20trade-exposed-activities.pdf>

We'll try and get it moved to a more obvious location, we're updating some of the website at the moment.

Thanks.

[Contrary to Public Interest]

**From:** [Contrary to Public Interest]  
**Sent:** Friday, 29 July 2011 11:32 AM  
**To:** 'Gnananathan Gobikrishna'  
**Cc:** [Contrary to Public Interest]  
**Subject:** RE: Guidance paper for activity definitions under the Jobs and Competitiveness Program [SEC=UNCLASSIFIED]

Gobi

As discussed and outlined in the document I sent you on Monday, the Minister is currently considering an activity definition for the production of Nickel. No final decision has been made.

Queensland Nickel is correct with how the assistance rates have been set and will be set under the Jobs and Competitiveness Program, noting that the emissions and effective assistance rates for each facility would be determined from a formal assessment following the Ministers approval of the activity definition.

See the link for activities that have been defined for assistance under the JCP -  
<http://www.climatechange.gov.au/en/government/initiatives/jobs-competitiveness-program/activity-definitions.aspx>

Many thanks  
[Contrary to Public Interest]

---

**From:** Gnananathan Gobikrishna [mailto:Gobikrishna.Gnananathan@deedi.qld.gov.au]  
**Sent:** Friday, 29 July 2011 8:43 AM  
**To:** [Contrary to Public Interest]  
**Subject:** RE: Guidance paper for activity definitions under the Jobs and Competitiveness Program [SEC=UNCLASSIFIED]

Hi Contrary to Public Interest

Thanks for all your help so far. Please be kind enough to answer some more.

What level of assistance does nickel processing get? Is it 66%?

Also, Qld Nickel told us:

The way the CPRS program in the Whitepaper was set out, the final compensation received by an EITE is based on an allocative baseline which is an average of the emissions for all the emitters effected by a particular activity definition.

the effect of this is that, with three players (BHP Ni West, Minara Resources and QNPL), where BHP is the lowest emitter per tonne of finished nickel product, Minara is in the middle and QNPL is the highest, BHP will be compensated on the basis of an average generated by all producers included in a single activity definition, with the effect that BHP will be compensated by close to 100% or possibly even more than 100% of its actual emissions, while QNPL will be compensated for around 30% of its actual emissions, according to ANPL modelling.

Who or what is ANPL modelling?

Regards,

**Gobikrishna Gnananathan**

Principal Policy Officer

Department of Employment, Economic Development and Innovation

07 324 74576 | gobikrishna.gnananathan@deedi.qld.gov.au

---

**From:** Contrary to Public Interest <mailto:Contrary to Public Interest@climatechange.gov.au>  
**Sent:** Monday, 25 July 2011 2:49 PM  
**To:** Gnananathan Gobikrishna  
**Subject:** RE: Guidance paper for activity definitions under the Jobs and Competitiveness Program [SEC=UNCLASSIFIED]

Hi Gobi

Please see attached our comments on your brief.

I have included some points relevant to the activity definition process and more background on nickel production. This is to help with information about the situation.

Please let me know if you have any further questions.

Many thanks

Andrew

---

**From:** Gnananathan Gobikrishna [mailto:Gobikrishna.Gnananathan@deedi.qld.gov.au]  
**Sent:** Monday, 25 July 2011 12:36 PM  
**To:** Contrary to Public Interest  
**Subject:** RE: Guidance paper for activity definitions under the Jobs and Competitiveness Program [SEC=UNCLASSIFIED]  
**Importance:** High

Hi Contrary to Public Interest

I would appreciate it if you can look at this and say whether the information contain in the attachment is consistent with your understanding. ta.

Regards,

**Gobikrishna Gnanananthan**

Principal Policy Officer

Department of Employment, Economic Development and Innovation

07 324 74576 |gobikrishna.gnanananthan@deedi.qld.gov.au

---

**From:** [redacted]mailto:[redacted]@climatechange.gov.au]  
**Sent:** Monday, 25 July 2011 12:22 PM  
**To:** Gnanananthan Gobikrishna  
**Subject:** Guidance paper for activity definitions under the Jobs and Competitiveness Program [SEC=UNCLASSIFIED]

Hi Gobi

You can use the link below which covers the assistance program for emissions-intensive trade-exposed industries. The guidance paper with a link on the right of the page covers the principles in defining activities for assistance.

<http://www.climatechange.gov.au/government/initiatives/jobs-competitiveness-program.aspx>

If you have any other questions please let me know.

Thanks

[redacted]

Analysis and Projections Branch  
Climate Strategy and Markets Division  
Department of Climate Change and Energy Efficiency  
GPO Box 854  
Canberra, ACT 2601

Telephone number [redacted]  
Fax number [redacted]

[redacted]@climatechange.gov.au



**From:** Gnanananthan Gobikrishna [mailto:Gobikrishna.Gnanananthan@deedi.qld.gov.au]  
**Sent:** Monday, 25 July 2011 10:41 AM  
**To:** [redacted]  
**Subject:** hi

Regards,

**Gobikrishna Gnananathan**

Principal Policy Officer

Department of Employment, Economic Development and Innovation

07 324 74576 | gobikrishna.gnananathan@deedi.qld.gov.au

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RTI RELEASED

## Peter Downey

---

**From:** Thompson, Judith [Judith.Thompson@deedi.qld.gov.au]  
**Sent:** Monday, 25 July 2011 4:36 PM  
**To:** Peter Downey  
**Cc:** Gnanananthan, Gobikrishna; McNevin, Bernadette; Tiernan, Dermot; Skinner, John; Hunt, Dan; Smith, Annette (DEEDI)  
**Subject:** RE: meeting request-Queensland Nickel  
**Attachments:** M&E's dot points.doc

Dear Peter

Please find attached dot point prepared for the Premier's meeting with Queensland Nickel.

These dot points have been approved by Dan Hunt, Associate DG (mines and Energy).

Regards

Judith

**Judith Thompson**  
Director | Office of the Associate Director-General | Mines and Energy  
Department of Employment, Economic Development and Innovation

---

Floor 17 | 61 Mary Street | Brisbane Qld 4000  
PO Box 15216 | City East Qld 4002  
P: +617 3898 0682 | E: 10682  
M: +61 Contrary to Public Interest  
E: [judith.thompson@deedi.qld.gov.au](mailto:judith.thompson@deedi.qld.gov.au)  
W: [www.deedi.qld.gov.au](http://www.deedi.qld.gov.au)

---

**From:** Peter Downey [mailto:Peter.Downey@premiers.qld.gov.au]  
**Sent:** Friday, 22 July 2011 3:32 PM  
**To:** Thompson, Judith  
**Subject:** FW: meeting request-Queensland Nickel

Good afternoon Judith,

As discussed, could you please organise for DEEDI to provide input for a Premier's briefing Note for a meeting with Queensland Nickel. The meeting is intended to cover the issues raised in the below email. Specifically, could DEEDI please provide some analysis (dot points at this stage or any previously prepared briefs) regarding the Queensland nickel refining industry and how other industry participants (specifically those mentioned in the below email) are positioned to deal with the carbon price mechanism.

Could DEEDI please provide this advice by COB Monday, 25 July 2011.

Happy to discuss and apologies for the tight timeframes.

Peter Downey



value added."

The net effect of this is that the compensation paid during the carbon price period will be calculated using the same method as will be used during the ETS period, with 30% of QNPL's actual emissions being compensated (as set out in the first paragraph above).

However the CPRS White Paper establishes 5 principles, on the basis of which activity definitions are to be developed. Queensland Nickel's case has always been that the application of these 5 principles should see an individual activity definition developed for the products produced by the company, rather than a single activity definition for all Australian Nickel producers. Further, the under compensation of the company under a single industry based activity definition would cause great financial and economic vulnerability and further would substantially increase the risk of carbon leakage to overseas producers in South America and China, some of which release emissions around double those of QNPL, per tonne of finished nickel product.

I am very happy to discuss this further with you.

Best regards

Director, Government Relations Australia Advisory Pty Ltd  
Tel: Contrary to Public Interest Fax: Contrary to Public Interest Mobsites: Contrary to Public Interest Email: Contrary to Public Interest @govrel.com.au Website: www.govrel.com.au

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From: David Shankey [mailto:David.Shankey@ministerial.qld.gov.au]  
Sent: Monday, 18 July 2011 2:09 PM  
To: Contrary to Public Interest  
Subject: RE: meeting request-Queensland Nickel

While the company is likely to be eligible for inclusion in the 94.5% EITE compensation bracket, the present view of the Department of Climate Change is for an application of the EITE principles which would see Queensland Nickel compensated for only around 30% of its emissions.

I am not sure I understand this sentence?

From: Contrary to Public Int. Contrary to Public Interest [mailto:Contrary to Public Interest@govrel.com.au]  
Sent: Monday, 18 July 2011 1:55 PM  
To: Lachlan Smith; David Shankey  
Subject: FW: meeting request-Queensland Nickel

Hello Lachlan and David

I write to follow up on Queensland Nickel's previous request to meet with the Premier in order to discuss the impact of a carbon price on the company. In particular this relates to the impact on the company of under compensation measures set out in the Federal Government's White Paper for an ETS scheme. While the company is likely to be eligible for inclusion in the 94.5% EITE compensation bracket, the present view of the Department of Climate Change

is for an application of the EITE principles which would see Queensland Nickel compensated for only around .30% of its emissions.

The General Manager of Queensland Nickel, Mr Trefor Flood, has asked me to bring to your attention again its desire to meet with the Premier in order to fully explain this issue and in particular how a decision by the Federal Government for a single activity definition for Nickel producers would negatively affect the company. (Our original request is set out below).

Best regards

Director of Government Relations Australia Advisory Pty Ltd  
Tel: ~~Contra to Publ Fax~~ ~~Contra to Publ Mails~~ ~~Contra to Publ Emails~~ ~~Contra to Publ Contact~~ Website: [www.govrel.com.au](http://www.govrel.com.au)

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## Bligh rebuffs Palmer's carbon comments

TONY RAGGATT | July 16th, 2011

QUEENSLAND Premier Anna Bligh has brushed off comments by mining magnate Clive Palmer that a carbon tax will put 1000 jobs at the Yabulu nickel refinery at risk.

Meanwhile, refinery management is worried Mr Palmer's standing as one of the Coalition's largest single donors could be influencing the federal Labor Government into not responding to requests for the highest level of compensation, as has occurred with other refiners.

A spokesman for Climate Change Minister Greg Combet said that was definitely not the case.

"We are yet to make a decision on the final details of assistance to nickel refining as an emissions-intensive trade-exposed activity," the spokesman said.

"We are consulting with the companies involved."

Mr Palmer spoke out earlier this week warning that the carbon tax and the Greens posed a major threat to the viability of the refinery and that there was not much more the company could do to reduce its environmental impacts.

The refinery is a big emitter, mostly through the use of heavy fuel oil as a reductant of the nickel ore when it is reduced in the roasters.

Of Australia's 100 biggest emitters, Yabulu is understood to be number 48.

Ms Bligh said the compensation package provided as part of the carbon pricing arrangements more than compensated the big refiners.

"These high emitters are securing 94 per cent compensation so I'm very confident we are going to continue to see very strong refining and secondary processing activity in Queensland," she said.

When told the refinery was still waiting to hear its compensation arrangements, she said she would be happy to organise a full briefing for the affected parties and said she would leave it to others to make an assessment of Mr Palmer's comments.

Yabulu general manager Trefor Flood said they had provided a submission 18 months ago on why the refinery and its Caron process was unique in Australia and should attract the highest protection rather than the lowest, as was being considered by government.

He said the Government had told them three months ago they would be given an answer but nothing had eventuated.

Meanwhile, the refinery, which lost millions of dollars a day under its former owner BHP and is now reportedly making \$200 million profits under Mr Palmer, is facing a big tax, depending on the level of free permits to emit.

At 94.5 per cent compensation, the tax could be as low as \$1.5 million or at the low scale support of 30 per cent, it could be \$19.5 million.

Director, Government Relations Australia Advisory Pty Ltd  
Tel: [redacted] Fax: [redacted] Mobile: [redacted] Email: [redacted] Website: [www.govrel.com.au](http://www.govrel.com.au)

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**From:** [redacted] [mailto:[redacted]@govrel.com.au]  
**Sent:** Thursday, 14 April 2011 5:14 PM  
**To:** 'Lachlan Smith'; 'David Shankey'  
**Subject:** meeting request-Queensland Nickel

Dear Lachlan and David

GRA is registered on the Queensland Government's Lobbyists Register and is engaged by Queensland Nickel in relation to public policy and Government affairs. I write on behalf of Queensland Nickel to seek an opportunity to meet with the Premier in relation to the Federal Government's response to Climate Change and likely impacts on the company.

Queensland Nickel, as you know operate a Nickel processing facility at Yabulu, near Townsville. The company directly employs over 900 Queenslanders and around 200 contractors, and according to economic modeling, is responsible for around 2400 jobs in the Townsville region by way of economic multipliers.

As an Emission Intensive Trade Exposed (EITE) company, the firm is facing very significant liabilities from a carbon price in the short term and an Emissions Trading Scheme (CPRS) in the longer term.

The company has fully participated in the Federal Government's process in relation to the Carbon Pollution Reduction Scheme. At this stage the Department of Climate Change and Energy Efficiency has developed a single activity definition. The activity definition forms the basis of EITE compensation. The position of QNPL is that there should be a separate activity definition on the basis of the different products or outputs produced by Queensland Nickel. A single activity definition would see the company significantly under-compensated for its carbon cost exposure.

The company has also assessed the impact of the interim carbon price and would also like to provide a briefing on the importance of compensation for EITE industries. This is especially in view that compensation arrangements for the interim period have not yet been released and are yet to be decided by the Federal Government.

As a North Queensland employer, the company seeks an opportunity to meet with the Premier to discuss the impact of these issues. Attending would be Mr Neil Meadows, Chief Operating Officer of Queensland Nickel and myself.

I look forward to hearing from you in relation to this request. Alternatively I will follow up with your office over the next day or two.

Best regards

Director, Government Relations Australia Advisory Pty Ltd  
Tel: [redacted] Fax: [redacted] Mobile: [redacted] Email: [redacted] Website: [www.govrel.com.au](http://www.govrel.com.au)

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Prepared by: Gobikrishna Gnanananthan Title: Principal Policy Officer Division/Region: Mining and Petroleum Industry Policy Telephone: 324 74576 Date Prepared: 25 July 2011	Endorsed by: Bernadette McNevin Title: A/Director, Mining and Petroleum Industry Policy Telephone: 3224 2847 Date Endorsed: 25 July 2011	Approved by: Dan Hunt Title: Associate DG (Mines and Energy) Telephone: 322 42684 Date Approved: 25 July 2011
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## PREMIER'S MEETING WITH QUEENSLAND NICKEL

**Requested By: Peter Downey, Policy Officer, Economic Policy, Department of the Premier and Cabinet**

**Due Date: 25 July 2011**

### PURPOSE

1. To provide information to the Department of the Premier and Cabinet (DPC) to include in briefing material for the Premier for her meeting Queensland Nickel.

### BACKGROUND

2. Queensland Nickel (QN) operates the Yabulu Refinery (near Townsville), which produce nickel and cobalt products using ore imported from mines in New Caledonia, Indonesia and the Philippines. QN directly employs over 750 people.
3. QN wants to discuss the definition of 'activity' in the carbon pricing scheme, which forms the basis for assistance under the Jobs and Competitiveness Program of the recently announced Clean Energy Future by the Commonwealth Government.
4. The Commonwealth's policy is that all of those EITE entities conducting a given activity will receive permits on the same basis, and that baselines will be set on an industry-wide basis (not based on individual facility). **Attachment 1** outlines the principles used by the Commonwealth to define 'activity'.
5. There are three major nickel producers in Australia. These are BHP Nickel West, Minara Resources and QN - listed in the order of lowest to highest emission intensity per unit of nickel production.
6. QN is seeking an activity definition for its operation that would be separate from a definition used for BHP Nickel West and Minara Resources. The Commonwealth Department of Climate Change and Energy Efficiency (DCCEE) has advised DEEDI that Minister Combet is considering the view's of all stakeholders including QN in coming to a decision on an activity definition for the production of nickel.
7. There is also an independent expert advisory committee that makes recommendations to the Commonwealth Minister for Climate Change and Energy Efficiency that the principles are applied fairly and equitably on defining activities. DCCEE has advised that QN has met with and expressed its views to the expert advisory committee.
8. The Commonwealth's policy on the definition of 'activity' is articulated in the White Paper on the Carbon Pollution Reduction Scheme, which was released

Prepared by: Gobikrishna Gnanananthan Title: Principal Policy Officer Division/Region: Mining and Petroleum Industry Policy Telephone: 324 74576 Date Prepared: 25 July 2011	Endorsed by: Bernadette McNevin Title: A/Director, Mining and Petroleum Industry Policy Telephone: 3224 2847 Date Endorsed: 25 July 2011	Approved by: Dan Hunt Title: Associate DG (Mines and Energy) Telephone: 322 42684 Date Approved: 25 July 2011
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in late 2008 and prior to QN acquiring the Yabulu Refinery from BHP Billion in July 2009.

## ISSUES

9. QN argues that if there is only one definition of 'activity' for nickel production then it will only receive compensation for 30 per cent of its actual greenhouse gas emission. In contrast, BHP Nickel West will receive close to 100 per cent of its actual emission, due to significantly lower emission intensity of its production.
10. DCCEE has advised DEEDI that the ore used by QN and Minara Resources is notably different from that used by BHP Nickel West, which partly contributes to the variation in the emission intensity between the three producers.
11. The variation in the emission intensity may also be explained by the difference in the production set up between the companies. DCCEE has noted that the purpose of principle 2 of **Attachment 1** is to not remove the incentive to change technological processes to achieve lower emissions.
12. QN's end nickel products are slightly different from that of BHP Nickel and Minara Resources. QN's primary nickel product is nickel compacts, which are 98.7 per cent pure nickel, whereas Minara and BHP Nickel West produce London Metals Exchange grade (99.8 per cent pure nickel) nickel briquettes. Both nickel products are primarily used for the production of stainless steel and they are both substitutable.

RTI RELEASED

Prepared by: Gobikrishna Gnananathan Title: Principal Policy Officer Division/Region: Mining and Petroleum Industry Policy Telephone: 324 74576 Date Prepared: 25 July 2011	Endorsed by: Bernadette McNevin Title: A/Director, Mining and Petroleum Industry Policy Telephone: 3224 2847 Date Endorsed: 25 July 2011	Approved by: Dan Hunt Title: Associate DG (Mines and Energy) Telephone: 322 42684 Date Approved: 25 July 2011
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## Attachment 1

The following principles will be used to determine activities and the boundaries around each activity:

1. an activity consists of the chemical or physical transformation of inputs to produce a given set of outputs
2. activities should not be differentiated by the technology employed, the fuel used, the age of the plant or the quality and types of feedstock used
3. boundaries around activities should be consistently and equitably applied across industries
4. the approach to establishing boundaries around activities should have minimal impact on business investment, location and structure decisions
5. in determining the boundaries around activities, consideration is given to the scope for intermediate inputs produced within the activity to be substituted for bought-in inputs
6. there should be no overlap between different activity definitions to ensure that it would not be possible to receive assistance more than once for a given quantum of emissions.

RTI RELEASED

## Peter Downey

---

**From:** Peter Downey  
**Sent:** Wednesday, 27 July 2011 9:31 AM  
**To:** 'Weinert Nick'  
**Subject:** RE: URGENT: Briefing for Premier's meeting request-Queensland Nickel

Nick,  
Thanks for the heads up on that. Much appreciated.

-Peter

Peter Downey

Policy Officer  
Economic Policy  
Department of the Premier and Cabinet  
Ph: 07-322-58014  
peter.downey@premiers.qld.gov.au  
Executive Building | Level 14 | 100 George Street | Brisbane  
PO Box 15185 | City East | Queensland 4002 |

**From:** Weinert Nick [mailto:Nick.Weinert@derm.qld.gov.au]  
**Sent:** Wednesday, 27 July 2011 9:29 AM  
**To:** Peter Downey  
**Cc:** Goodbun Rodney  
**Subject:** FW: URGENT: Briefing for Premier's meeting request-Queensland Nickel

Peter

There's not much of note in this interview re QNPL itself, but I forward it by way of background in case you missed it.

Cheers,  
Nick

<http://www.tonyabbott.com.au/LatestNews/InterviewTranscripts/tabid/85/articleType/ArticleView/articleId/8221/Doorstop-Interview-Yabulu-QLD.aspx>

Nick Weinert | Policy Coordination | Office of Climate Change  
Department of Environment and Resource Management  
(07) 3330 5818 | [nick.weinert@derm.qld.gov.au](mailto:nick.weinert@derm.qld.gov.au) | [www.derm.qld.gov.au](http://www.derm.qld.gov.au)  
[www.climatechange.qld.gov.au](http://www.climatechange.qld.gov.au)

---

**From:** Goodbun Rodney  
**Sent:** Monday, 25 July 2011 5:05 PM

**To:** Peter Downey  
**Cc:** Weinert Nick; Surawski Megan  
**Subject:** RE: URGENT: Briefing for Premier's meeting request-Queensland Nickel

Peter

#### Activity-based definitions

- The rationale for the activity definition by industry is found in Section 5.2.2 of the C'wealth's Clean Energy Future plan (see below).
- Essentially, it derives from the assumption that a given activity may be undertaken in a number of ways - an averaged assumption of emissions intensity for that activity (across a given industry) provides an incentive to identify and conduct the activity in a more efficient way and thus minimise emissions liability under a carbon price.
- More efficient undertaking of the activity is rewarded and conversely, less efficient undertaking is disincentivised / penalised.
- The rationale is more fully articulated in Section 3 of the attached doc:  
<http://www.climatechange.gov.au/~media/publications/eite/activity-eligibility-2011-pdf.pdf>
- QNPL has argued that the principles underpinning the above rationale, as articulated by the Commonwealth, make the case for a 'differentiated activity definition' – however, the basis for this claim is not spelled out by QNPL.

#### Carbon leakage

OCC is not in a position to comment on the QNPL claims about carbon leakage. However, I make the following points:

- Emissions from nickel production are a combination of the type and quality of ore being processed, the actual process (pyrometallurgical processes produce lower emissions and hydrometallurgical processes produce higher emissions) and the energy type used in the processes (renewable, gas, oil, coal-fired, nuclear)
- Given the above, a reasonable question to QNPL is its ability to improve its emissions profile and therefore optimise the compensation on offer – after all, the carbon price scheme is intended to drive transformation in key sectors of the economy – and its Australian competitors are more GHG efficient
- QNPL by its own admission is a high emitter compared to the other two Australian-based nickel producers, so arguably market share could be lost to those more GHG-efficient Australian producers
- Other nations, (Canada, Finland, Russia, Norway and Columbia), are amongst the world's lowest GHG emitters for nickel production – it would be useful to ask QNPL how it performs in relation to these countries and how it could reduce its emissions profile to their standards (<http://www.canadianminingreview.com/>)
- In addition, the countries named above must confront the competitors from China and South America - is there evidence of carbon leakage?

In meeting with QNPL, it would be useful to ascertain:

- The specific basis for its claim to 'differentiated activity definition' – ie what is it about its operations that warrant such treatment? (Mr Bini says it relates to the particular products produced)
- What is it about the emissions intensity of its operations that reduces its compensation from 94.5% to 30% - ie why is it so emissions intensive?
- Are there other economic means of reducing the emissions intensity of its operations?

Best practice options to improve energy efficiency and reduce GHGs:

- Increase metal recycling levels - recycling nickel requires about 10% of the energy input required to extract the metal from ore (CSIRO, 2001, [http://www.minerals.csiro.au/sd/CSIRO\\_Paper\\_LCA\\_CuNi.htm](http://www.minerals.csiro.au/sd/CSIRO_Paper_LCA_CuNi.htm))
- energy efficient grinding equipment or less ore grinding
- use renewable electricity
- use natural gas for ore reduction (rather than heavy fuel oil)
- advanced power cycles
- co-generation using natural gas
- pyrometallurgical processes have lower total energy consumptions

More technical information about the QNPL Yabilu operation is included in this document:

[http://www.ausimm.com.au/content/docs/mono19model\\_paper.pdf](http://www.ausimm.com.au/content/docs/mono19model_paper.pdf)

Cheers

Rod Goodbun  
Director - Policy Coordination

Office of Climate Change  
Department of Environment and Resource Management  
Level 9, 400 George Street, Brisbane  
07 3330 5865 | Contrary to Public Interest [rodney.goodbun@climatechange.qld.gov.au](mailto:rodney.goodbun@climatechange.qld.gov.au)  
[www.climatechange.qld.gov.au](http://www.climatechange.qld.gov.au)

---

**From:** Peter Downey [mailto:Peter.Downey@premiers.qld.gov.au]  
**Sent:** Friday, 22 July 2011 3:09 PM  
**To:** Goodbun Rodney  
**Subject:** URGENT: Briefing for Premier's meeting request-Queensland Nickel  
**Importance:** High

Good afternoon Rod,  
As discussed, could you please take a look at the below email from Paul Bini, who is acting on behalf of Qld Nickel.

I'm putting together a briefing note for the Premier's meeting with Qld Nickel on the issues contained in the email around EITEs assistance to Qld Nickel.

I think the briefing note requires some analysis of Qld Nickel's claims so could you please provide some words regarding Qld Nickel's claims:

- (i) regarding the need for activity-based definitions (e.g. what is the logic for industry rather than activity-based definitions being adopted by the CTH for the allocation of EITEs assistance); and
- (ii) that if it does not receive more EITEs assistance there is a risk of carbon leakage to overseas competitors. Is this a major consideration?

I'll also be seeking some advice regarding the Nickel sector from DEEDI.

Could you please provide this advice by COB Monday, 25 July 2011.

Happy to discuss.

Peter Downey

Policy Officer  
Economic Policy  
Department of the Premier and Cabinet  
Ph: 07-322-58014  
[peter.downey@premiers.qld.gov.au](mailto:peter.downey@premiers.qld.gov.au)  
Executive Building | Level 14 | 100 George Street | Brisbane  
PO Box 15185 | City East | Queensland 4002 |

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**From:** Contrary to Public Interest [mailto:Contrary to Public Interest@govnet.com.au]  
**Sent:** Monday, 18 July 2011 8:05 PM  
**To:** David Shankey  
**Cc:** Lachlan Smith  
**Subject:** RE: meeting request-Queensland Nickel

Hi David

The way the CPRS program in the Whitepaper was set out, the final compensation received by an EITE is based on an allocative baseline which is an average of the emissions for all the emitters effected by a particular activity definition.

As we have discussed previously, the effect of this is that, with three players (BHP Ni West, Minara Resources and QNPL), where BHP is the lowest emitter per tonne of finished nickel product, Minara is in the

middle and QNPL is the highest, BHP will be compensated on the basis of an average generated by all producers included in a single activity definition, with the effect that BHP will be compensated by close to 100% or possibly even more than 100% of its actual emissions, while QNPL will be compensated for around 30% of its actual emissions, according to ANPL modelling.

It has previously been indicated to us by the Federal Government that the arrangements set out in the White Paper are most likely to be those that will apply at the time of the introduction of an ETS. ie an allocative baseline will be developed either on the basis of a single activity definition or a combined activity definition, with the effect of a single activity definition resulting in QNPL being compensated for around 30% of their actual liable emissions. A differentiated activity definition, better aligned to the products of QNPL, would see the company more comprehensively compensated.

In relation to the carbon price or carbon tax period, section 5.2.2 of the Australian Government's "Securing a clean energy future" document states at Appendix A, page 115:

"Allocative baselines: Allocative baselines for activities will be based on the historic industry average level of emissions per unit of production for all entities conducting an activity during the assessment period.

The electricity allocation factor will be set at one permit per megawatt hour. However, this may be adjusted in respect of existing large electricity supply contracts for entities consuming greater than

2,000 gigawatt hours per year, and where contractual arrangements entered into before 3 June 2007 are still in force (without having been renegotiated or reviewed) within 60 days after Royal

Assent of the Act. In such a situation, these contracts will be considered by the Regulator with a view to determine an entity-specific electricity allocation factor. The natural gas feedstock allocation factor will be set state-by-state."

AND

"Initial rates of assistance: 04.5 per cent of the industry average baseline for activities with an emissions intensity of at least 2,000t CO<sub>2</sub>-e/\$m revenue or at least 6,000t CO<sub>2</sub>-e/\$m value added.

66 per cent of the industry average baseline for activities with an emissions intensity between 1,000t CO<sub>2</sub>-e/\$m and 1,999t CO<sub>2</sub>-e/\$m revenue or between 3,000t CO<sub>2</sub>-e/\$m and 5,999t CO<sub>2</sub>-e/\$m

value added."

The net effect of this is that the compensation paid during the carbon price period will be calculated using the same method as will be used during the ETS period, with 30% of QNPL's actual emissions being compensated (as set out in the first paragraph above).

However the CPRS White Paper establishes 5 principles, on the basis of which activity definitions are to be developed. Queensland Nickel's case has always been that the application of these 5 principles should see an individual activity definition developed for the products produced by the company, rather than a single activity definition for all Australian Nickel producers. Further, the under compensation of the company under a single industry based activity definition would cause great financial and economic vulnerability and further would substantially increase the risk of carbon leakage to overseas producers in South America and China, some of which release emissions around double those of QNPL, per tonne of finished nickel product.

I am very happy to discuss this further with you.

Best regards

Contrary to Public Interest  
Tel: Contrary to Public Interest Fax: Contrary to Public Interest Mobile: Contrary to Public Interest Email: Contrary to Public Interest Website: [www.govrel.com.au](http://www.govrel.com.au)

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**From:** David Shankey [mailto:David.Shankey@ministerial.qld.gov.au]  
**Sent:** Monday, 18 July 2011 2:09 PM  
**To:** Paul Bini  
**Subject:** RE: meeting request-Queensland Nickel

While the company is likely to be eligible for inclusion in the 94.5% EITE compensation bracket, the present view of the Department of Climate Change is for an application of the EITE principles which would see Queensland Nickel compensated for only around 30% of its emissions.

I am not sure I understand this sentence?

---

**From:** Contrary to Public Interest [mailto:Contrary to Public Interest@govrel.com.au]  
**Sent:** Monday, 18 July 2011 1:55 PM  
**To:** Lachlan Smith; David Shankey  
**Subject:** FW: meeting request-Queensland Nickel

Hello Lachlan and David

I write to follow up on Queensland Nickel's previous request to meet with the Premier in order to discuss the impact of a carbon price on the company. In particular this relates to the impact on the company of under compensation measures set out in the Federal Government's White Paper for an ETS scheme. While the company is likely to be eligible for inclusion in the 94.5% EITE compensation bracket, the present view of the Department of Climate Change is for an application of the EITE principles which would see Queensland Nickel compensated for only around 30% of its emissions.

The General Manager of Queensland Nickel, Mr Trefor Flood, has asked me to bring to your attention again its desire to meet with the Premier in order to fully explain this issue and in particular how a decision by the Federal Government for a single activity definition for Nickel producers would negatively affect the company. (Our original request is set out below).

Best regards

---

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## Bligh rebuffs Palmer's carbon comments

TONY RAGGATT | July 16th, 2011

QUEENSLAND Premier Anna Bligh has brushed off comments by mining magnate Clive Palmer that a carbon tax will put 1000 jobs at the Yabulu nickel refinery at risk.

Meanwhile, refinery management is worried Mr Palmer's standing as one of the Coalition's largest single donors could be influencing the federal Labor Government into not responding to requests for the highest level of compensation, as has occurred with other refiners.

A spokesman for Climate Change Minister Greg Combet said that was definitely not the case.

"We are yet to make a decision on the final details of assistance to nickel refining as an emissions-intensive trade-exposed activity," the spokesman said.

"We are consulting with the companies involved."

Mr Palmer spoke out earlier this week warning that the carbon tax and the Greens posed a major threat to the viability of the refinery and that there was not much more the company could do to reduce its environmental impacts.

The refinery is a big emitter, mostly through the use of heavy fuel oil as a reductant of the nickel ore when it is reduced in the roasters.

Of Australia's 100 biggest emitters, Yabulu is understood to be number 48.

Ms Bligh said the compensation package provided as part of the carbon pricing arrangements more than compensated the big refiners.

"These high emitters are securing 94 per cent compensation so I'm very confident we are going to continue to see very strong refining and secondary processing activity in Queensland," she said.

When told the refinery was still waiting to hear its compensation arrangements, she said she would be happy to organise a full briefing for the affected parties and said she would leave it to others to make an assessment of Mr Palmer's comments.

Yabulu general manager Trefor Flood said they had provided a submission 18 months ago on why the refinery and its Caron process was unique in Australia and should attract the highest protection rather than the lowest, as was being considered by government.

He said the Government had told them three months ago they would be given an answer but nothing had eventuated.

Meanwhile, the refinery, which lost millions of dollars a day under its former owner BHP and is now reportedly making \$200 million profits under Mr Palmer, is facing a big tax, depending on the level of free permits to emit.

At 94.5 per cent compensation, the tax could be as low as \$1.5 million or at the low scale support of 30 per cent, it could be \$19.5 million.

Contrary to Director, Government Relations Australia Advisory Pty Ltd  
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**From:** Contrary to Public In: Contrary to Public Interest  
**Sent:** Thursday, 14 April 2011 5:14 PM  
**To:** 'Lachlan Smith'; 'David Shankey'  
**Subject:** meeting request-Queensland Nickel

Dear Lachlan and David

GRA is registered on the Queensland Government's Lobbyists Register and is engaged by Queensland Nickel in relation to public policy and Government affairs. I write on behalf of Queensland Nickel to seek an opportunity to meet with the Premier in relation to the Federal Government's response to Climate Change and likely impacts on the company.

Queensland Nickel, as you know operate a Nickel processing facility at Yabulu, near Townsville. The company directly employs over 900 Queenslanders and around 200 contractors, and according to economic modeling, is responsible for around 2400 jobs in the Townsville region by way of economic multipliers.

As an Emission Intensive Trade Exposed (EITE) company, the firm is facing very significant liabilities from a carbon price in the short term and an Emissions Trading Scheme (CPRS) in the longer term.

The company has fully participated in the Federal Government's process in relation to the Carbon Pollution Reduction Scheme. At this stage the Department of Climate Change and Energy Efficiency has developed a single activity definition. The activity definition forms the basis of EITE compensation. The position of QNPL is that there should be a separate activity definition on the basis of the different products or outputs produced by Queensland Nickel. A single activity definition would see the company significantly under-compensated for its carbon cost exposure.

The company has also assessed the impact of the interim carbon price and would also like to provide a briefing on the importance of compensation for EITE industries. This is especially in view that compensation arrangements for the interim period have not yet been released and are yet to be decided by the Federal Government.

As a North Queensland employer, the company seeks an opportunity to meet with the Premier to discuss the impact of these issues. Attending would be Mr Neil Meadows, Chief Operating Officer of Queensland Nickel and myself.

I look forward to hearing from you in relation to this request. Alternatively I will follow up with your office over the next day or two.

Best regards

Director, Government Relations Australia Advisory Pty Ltd  
Tel: Contry to Pub Fax Contry to Pub Mobile Contry to Pub Email Cont@govrel.com.au Website: www.govrel.com.au

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## Peter Downey

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**From:** Peter Downey  
**Sent:** Tuesday, 26 July 2011 1:01 PM  
**To:** 'Brooke.Ford@ministerial.qld.gov.au'  
**Subject:** FW: meeting request-Queensland Nickel

Good afternoon Brooke,  
I've been asked to prepare a PBN concerning the below. Could you please let me know when this meeting is scheduled.

Thanks

Peter Downey

Policy Officer  
Economic Policy  
Department of the Premier and Cabinet  
Ph: 07-322-58014  
peter.downey@premiers.qld.gov.au  
Executive Building | Level 14 | 100 George Street | Brisbane  
PO Box 15185 | City East | Queensland 4002 |

**From:** Sharon Bailey  
**Sent:** Tuesday, 19 July 2011 1:39 PM  
**To:** David Hourigan; Mary Weaver; Bronwyn Edmeades  
**Cc:** Amanda Hill; Matthew Skoien  
**Subject:** FW: meeting request-Queensland Nickel

Hi

The Prem's office have requested a PBN in regard to the below matter.

Mary/Bron could you register in Trim and allocate to Economic Policy – could we have a week turnaround on this one

Thanks  
Sharon

**From:** [redacted] [mailto:[redacted]@gov.qld.com.au]  
**Sent:** Monday, 18 July 2011 8:05 PM  
**To:** David Shankey  
**Cc:** Lachlan Smith  
**Subject:** RE: meeting request-Queensland Nickel

Hi David

The way the CPRS program in the Whitepaper was set out, the final compensation received by an EITE is based on an allocative baseline which is an average of the emissions for all the emitters effected by a particular activity definition.

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It has previously been indicated to us by the Federal Government that the arrangements set out in the White Paper are most likely to be those that will apply at the time of the introduction of an ETS. ie an allocative baseline will be developed either on the basis of a single activity definition or a combined activity definition, with the effect of a single activity definition resulting in QNPL being compensated for around 30% of their actual liable emissions. A differentiated activity definition, better aligned to the products of QNPL, would see the company more comprehensively compensated.

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Assent of the Act. In such a situation, these contracts will be considered by the Regulator with a view to determine an entity-specific electricity allocation factor. The natural gas feedstock allocation factor will be set state-by-state."

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I am very happy to discuss this further with you.

Best regards

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**From:** David Shankey [mailto:David.Shankey@ministerial.qld.gov.au]  
**Sent:** Monday, 18 July 2011 2:09 PM  
**To:** Contrary to Public Interest  
**Subject:** RE: meeting request-Queensland Nickel

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**Sent:** Monday, 18 July 2011 1:55 PM  
**To:** Lachlan Smith; David Shankey  
**Subject:** FW: meeting request-Queensland Nickel

Hello Lachlan and David

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# Bligh rebuffs Palmer's carbon comments

TONY RAGGATT | July 16th, 2011

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"We are consulting with the companies involved."

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**Sent:** Thursday, 14 April 2011 5:14 PM  
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**Subject:** meeting request-Queensland Nickel

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As an Emission Intensive Trade Exposed (EITE) company, the firm is facing very significant liabilities from a carbon price in the short term and an Emissions Trading Scheme (CPRS) in the longer term.

The company has fully participated in the Federal Government's process in relation to the Carbon Pollution Reduction Scheme. At this stage the Department of Climate Change and Energy Efficiency has developed a single activity definition. The activity definition forms the basis of EITE compensation. The position of QNPL is that there should be a separate activity definition on the basis of the different products or outputs produced by Queensland Nickel. A single activity definition would see the company significantly under-compensated for its carbon cost exposure.

The company has also assessed the impact of the interim carbon price and would also like to provide a briefing on the importance of compensation for EITE industries. This is especially in view that compensation arrangements for the interim period have not yet been released and are yet to be decided by the Federal Government.

As a North Queensland employer, the company seeks an opportunity to meet with the Premier to discuss the impact of these issues. Attending would be Mr Neil Meadows, Chief Operating Officer of Queensland Nickel and myself.

I look forward to hearing from you in relation to this request. Alternatively I will follow up with your office over the next day or two.

Best regards

Director, Government Relations Australia Advisory Pty Ltd  
Tel: [0894372222](tel:0894372222) Fax: [0894372222](tel:0894372222) Mobile: [0894372222](tel:0894372222) Email: [director@govrel.com.au](mailto:director@govrel.com.au) Website: [www.govrel.com.au](http://www.govrel.com.au)

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## Daniel Smith

---

**From:** Sharon Bailey  
**Sent:** Tuesday, 19 July 2011 1:39 PM  
**To:** David Hourigan; Mary Weaver; Bronwyn Edmeades  
**Cc:** Amanda Hill; Matthew Skoien  
**Subject:** FW: meeting request-Queensland Nickel

Hi

The Prem's office have requested a PBN in regard to the below matter.

Mary/Bron could you register in Trim and allocate to Economic Policy – could we have a week turnaround on this one

Thanks  
Sharon

---

**From:** [Contrary to Public Interest] [mailto:Contrary@public.intel.com.au]  
**Sent:** Monday, 18 July 2011 8:05 PM  
**To:** David Shankey  
**Cc:** Lachlan Smith  
**Subject:** RE: meeting request-Queensland Nickel

Hi David

The way the CPRS program in the Whitepaper was set out, the final compensation received by an EITE is based on an allocative baseline which is an average of the emissions for all the emitters effected by a particular activity definition.

As we have discussed previously, the effect of this is that, with three players (BHP Ni West, Minara Resources and QNPL), where BHP is the lowest emitter per tonne of finished nickel product, Minara is in the middle and QNPL is the highest, BHP will be compensated on the basis of an average generated by all producers included in a single activity definition, with the effect that BHP will be compensated by close to 100% or possibly even more than 100% of its actual emissions, while QNPL will be compensated for around 30% of its actual emissions, according to ANPL modelling.

It has previously been indicated to us by the Federal Government that the arrangements set out in the White Paper are most likely to be those that will apply at the time of the introduction of an ETS. ie an allocative baseline will be developed either on the basis of a single activity definition or a combined activity definition, with the effect of a single activity definition resulting in QNPL being compensated for around 30% of their actual liable emissions. A differentiated activity definition, better aligned to the products of QNPL, would see the company more comprehensively compensated.

In relation to the carbon price or carbon tax period, section 5.2.2 of the Australian Government's "Securing a clean energy future" document states at Appendix A, page 115:

"Allocative baselines: Allocative baselines for activities will be based on the historic industry average level of emissions per unit of production for all entities conducting an activity during the assessment period.

The electricity allocation factor will be set at one permit per megawatt hour. However, this may be adjusted in respect of existing large electricity supply contracts for entities consuming greater than

2,000 gigawatt hours per year, and where contractual arrangements entered into before 3 June 2007 are still in force (without having been renegotiated or reviewed) within 60 days after Royal

Assent of the Act. In such a situation, these contracts will be considered by the Regulator with a view to determine an entity-specific electricity allocation factor. The natural gas feedstock allocation factor will be set state-by-state."

AND

"Initial rates of assistance: 94.5 per cent of the industry average baseline for activities with an emissions intensity of at least 2,000t CO<sub>2</sub>-e/\$m revenue or at least 6,000t CO<sub>2</sub>-e/\$m value added.

66 per cent of the industry average baseline for activities with an emissions intensity between 1,000t CO<sub>2</sub>-e/\$m and 1,999t CO<sub>2</sub>-e/\$m revenue or between 3,000t CO<sub>2</sub>-e/\$m and 5,999t CO<sub>2</sub>-e/\$m

value added."

The net effect of this is that the compensation paid during the carbon price period will be calculated using the same method as will be used during the ETS period, with 30% of QNPL's actual emissions being compensated (as set out in the first paragraph above).

However the CPRS White Paper establishes 5 principles, on the basis of which activity definitions are to be developed. Queensland Nickel's case has always been that the application of these 5 principles should see an individual activity definition developed for the products produced by the company, rather than a single activity definition for all Australian Nickel producers. Further, the under compensation of the company under a single industry based activity definition would cause great financial and economic vulnerability and further would substantially increase the risk of carbon leakage to overseas producers in South America and China, some of which release emissions around double those of QNPL, per tonne of finished nickel product.

I am very happy to discuss this further with you.

Best regards

Contrary to Public Interest  
Director, Government Relations Australia Advisory Pty Ltd  
Tel: Contrary to Public Interest Fax: Contrary to Public Interest Mobile: Contrary to Public Interest Email: Contrary to Public Interest Website: [www.govrel.com.au](http://www.govrel.com.au)

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**From:** David Shankey [mailto:David.Shankey@ministerial.qld.gov.au]  
**Sent:** Monday, 18 July 2011 2:09 PM  
**To:** Contrary to Public Interest  
**Subject:** RE: meeting request-Queensland Nickel

While the company is likely to be eligible for inclusion in the 94.5% EITE compensation bracket, the present view of the Department of Climate Change is for an application of the EITE principles which would see Queensland Nickel compensated for only around 30% of its emissions.

I am not sure I understand this sentence?

**From:** Contrary to Public Interest, Contrary to Public Interest  
**Sent:** Monday, 18 July 2011 1:55 PM  
**To:** Lachlan Smith; David Shankey  
**Subject:** FW: meeting request-Queensland Nickel

Hello Lachlan and David

I write to follow up on Queensland Nickel's previous request to meet with the Premier in order to discuss the impact of a carbon price on the company. In particular this relates to the impact on the company of under compensation measures set out in the Federal Government's White Paper for an ETS scheme. While the company is likely to be eligible for inclusion in the 94.5% EITE compensation bracket, the present view of the Department of Climate Change is for an application of the EITE principles which would see Queensland Nickel compensated for only around 30% of its emissions.

The General Manager of Queensland Nickel, Mr Trefor Flood, has asked me to bring to your attention again its desire to meet with the Premier in order to fully explain this issue and in particular how a decision by the Federal Government for a single activity definition for Nickel producers would negatively affect the company. (Our original request is set out below).

Best regards

Contrary to Public Interest, Director, Government Relations Australia Advisory Pty Ltd  
**Tel:** Contrary to Public Interest, Contrary to Public Interest, Contrary to Public Interest, Contrary to Public Interest, Website: [www.govrel.com.au](http://www.govrel.com.au)

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## Bligh rebuffs Palmer's carbon comments

TONY RAGGATT | July 16th, 2011

QUEENSLAND Premier Anna Bligh has brushed off comments by mining magnate Clive Palmer that a carbon tax will put 1000 jobs at the Yabulu nickel refinery at risk.

Meanwhile, refinery management is worried Mr Palmer's standing as one of the Coalition's largest single donors could be influencing the federal Labor Government into not responding to requests for the highest level of compensation, as has occurred with other refiners.

A spokesman for Climate Change Minister Greg Combet said that was definitely not the case.

"We are yet to make a decision on the final details of assistance to nickel refining as an emissions-intensive trade-exposed activity," the spokesman said.

"We are consulting with the companies involved."

Mr Palmer spoke out earlier this week warning that the carbon tax and the Greens posed a major threat to the viability of the refinery and that there was not much more the company could do to reduce its environmental impacts.

The refinery is a big emitter, mostly through the use of heavy fuel oil as a reductant of the nickel ore when it is reduced in the roasters.

Of Australia's 100 biggest emitters, Yabulu is understood to be number 48.

Ms Bligh said the compensation package provided as part of the carbon pricing arrangements more than compensated the big refiners.

"These high emitters are securing 94 per cent compensation so I'm very confident we are going to continue to see very strong refining and secondary processing activity in Queensland," she said.

When told the refinery was still waiting to hear its compensation arrangements, she said she would be happy to organise a full briefing for the affected parties and said she would leave it to others to make an assessment of Mr Palmer's comments.

Yabulu general manager Trefor Flood said they had provided a submission 18 months ago on why the refinery and its Caron process was unique in Australia and should attract the highest protection rather than the lowest, as was being considered by government.

He said the Government had told them three months ago they would be given an answer but nothing had eventuated.

Meanwhile, the refinery, which lost millions of dollars a day under its former owner BHP and is now reportedly making \$200 million profits under Mr Palmer, is facing a big tax, depending on the level of free permits to emit.

At 94.5 per cent compensation, the tax could be as low as \$1.5 million or at the low scale support of 30 per cent, it could be \$19.5 million.

Director, Government Relations Australia Advisory Pty Ltd  
Tel: [redacted] Fax: [redacted] Mobile: [redacted] Email: [redacted] Website: www.govrel.com.au

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**From:** [redacted] <[redacted]@govrel.com.au>  
**Sent:** Thursday, 14 April 2011 5:14 PM  
**To:** 'Lachlan Smith'; 'David Shankey'  
**Subject:** meeting request-Queensland Nickel

Dear Lachlan and David

GRA is registered on the Queensland Government's Lobbyists Register and is engaged by Queensland Nickel in relation to public policy and Government affairs. I write on behalf of Queensland Nickel to seek an opportunity to meet with the Premier in relation to the Federal Government's response to Climate Change and likely impacts on the company.

Queensland Nickel, as you know operate a Nickel processing facility at Yabulu, near Townsville. The company directly employs over 900 Queenslanders and around 200 contractors, and according to economic modeling, is responsible for around 2400 jobs in the Townsville region by way of economic multipliers.

As an Emission Intensive Trade Exposed (EITE) company, the firm is facing very significant liabilities from a carbon price in the short term and an Emissions Trading Scheme (CPRS) in the longer term.

The company has fully participated in the Federal Government's process in relation to the Carbon Pollution Reduction Scheme. At this stage the Department of Climate Change and Energy Efficiency has developed a single activity definition. The activity definition forms the basis of EITE compensation. The position of QNPL is that there should be a separate activity definition on the basis of the different products or outputs produced by Queensland Nickel. A single activity definition would see the company significantly under-compensated for its carbon cost exposure.

The company has also assessed the impact of the interim carbon price and would also like to provide a briefing on the importance of compensation for EITE industries. This is especially in view that compensation arrangements for the interim period have not yet been released and are yet to be decided by the Federal Government.

As a North Queensland employer, the company seeks an opportunity to meet with the Premier to discuss the impact of these issues. Attending would be Mr Neil Meadows, Chief Operating Officer of Queensland Nickel and myself.

I look forward to hearing from you in relation to this request. Alternatively I will follow up with your office over the next day or two.

Best regards

Director, Government Relations Australia Advisory Pty Ltd  
Tel: Contry to Pub Fax: Contry to Pub Mobile: Contry to Pub Email: Contry to Pub Website: [www.govrel.com.au](http://www.govrel.com.au)

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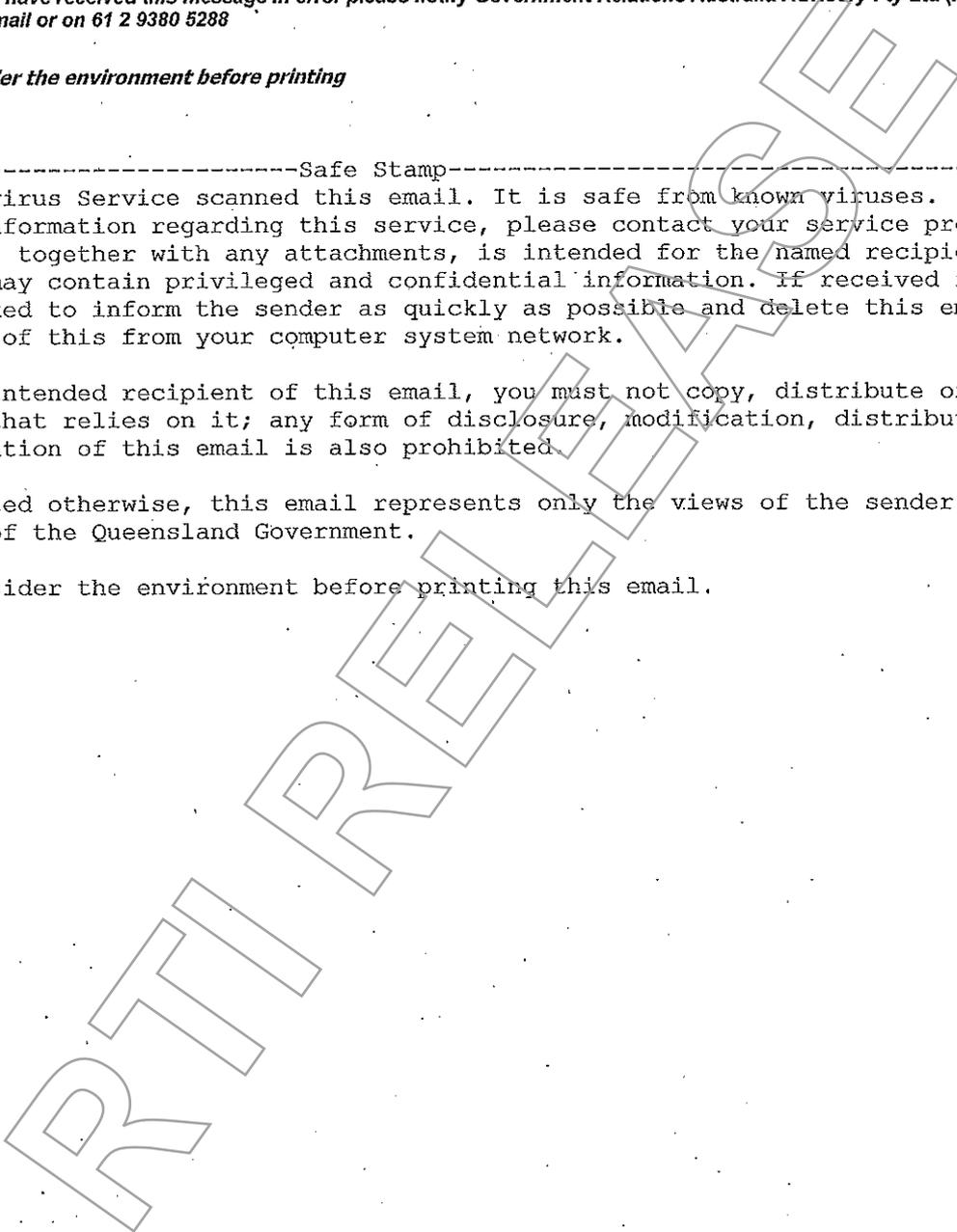
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Pages 129 through 154 redacted for the following reasons:

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Sch3(5) - Information revealing particular Sovereign communications

## Daniel Smith

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**From:** Lachlan Smith [Lachlan.Smith@ministerial.qld.gov.au]  
**Sent:** Tuesday, 19 October 2010 6:55 PM  
**To:** Linda Apelt (DG Communities); tony.hayes@communities.qld.gov.au; Hunt Dan; Ian Fletcher; robert.setter@deedi.qld.gov.au; Bradley John; Graeme.Newton@dip.qld.gov.au; michael.kinnane@dip.qld.gov.au; Paul Low; Mick Reid @ Health.qld.gov.au; Mal Grierson; anthony.hayes@tq.com.au  
**Subject:** Tomorrow's meeting to follow up on Premier's Townsville Trip  
**Attachments:** Header

Hi,

In advance of tomorrow afternoon's meeting with the Premier regarding Townsville trip follow-up, below are the issues raised during deputations the Premier last week. Could you or your representative please identify those relevant to your portfolio and come to tomorrow's meeting with advice regarding these matters. There are a few further deputations that I did not attend which I will also forward you details of in the morning.

Please keep all of this information confidential

Kind Regards,

Lachlan

Lachlan Smith | Senior Policy Advisor to The Hon Anna Bligh MP Premier of Queensland

\* 07 322 45299 M: Contrary to Public Interest 07 3221 3631

\* Lachlan.Smith@ministerial.qld.gov.au

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This Part Out of Scope of Application

Wed 13/10

Queensland Nickel - Clive Palmer, Neil Meadows, Trefor Flood Provided attachment detailing all issues

Issues:

- \* Waratah Coal - EIS for rail and mine is ready and construction can begin within 6 months with necessary approvals
- \* Want access to Port data re: tides and seismic data soundings (Advice already provided)
- \* Want resolution of water allocations issue between Qld Nickel and surrounding landholders (Advice already provided and discussions continuing)
- \* Invited Premier to visit Yabulu to be part of reopening of additional feed line to the Plant (likely to be Jan/Feb)

Action:

- \* Advice provided to Queensland Nickel on points 2 and 3, with discussions continuing. Responsibility for resolution of water issue with Minister Robertson, and Port data issue with Brad Fish at North Qld Bulk Ports.

This Part Out of Scope of Application

This Part Out of Scope of Application



GLADSTONE PACIFIC NICKEL LTD

9 December 2010

Mr Graeme Newton  
Coordinator-General and Director General  
Department of Infrastructure and Planning  
PO Box 15009  
City East Qld 4002  
Australia

Dear Sir

Although we have not met since you have assumed the position of Queensland Coordinator General, I have been made aware that some brief discussions were held between Mr Neil Meadows (the then Managing Director of Gladstone Pacific Nickel Ltd), the Chief Operating Officer of Queensland Nickel (QNPL), in Townsville towards the end of the recent unsuccessful takeover bid by QNPL (part of the Palmer Group) of our company.

I believe at that meeting the subject was raised of the existing timeframes for agreements associated with the project, particularly in respect to land in the Gladstone region, which are very tight given recent and current circumstances which I would like to highlight to you.

The Gladstone Pacific Nickel project has taken many forms over the years but in its current guise, which is to import laterite ore from New Caledonia for the recovery of nickel and cobalt either as final products at the Gladstone Refinery or alternatively at the Yabulu Refinery of QNPL, we are confident that we have a solid business model on which to base the project. There is considerable interest from New Caledonia in participating in such a project and supplying at least the majority of the ore required for the operation of the plant.

The Government should take comfort in the recent takeover offer by the Palmer Group which now owns 55% of our company. This indicates the interest in the project and the intentions to progress the project towards financing and ultimately operations.

The strategic benefits to QNPL are significant. In the short term QNPL is planning to import intermediate nickel product from New Caledonia for processing in its 45,000 nickel tonne back end refinery. Our Gladstone project could provide a long term solution to supplying intermediate material to the Yabulu refinery thereby providing long term economic and job benefits to two of North Queensland's important regional hubs.

Level 2 380 Queen Street Brisbane Qld 4000 Australia / PO Box 10267 Adelaide Street Brisbane Qld 4000 Australia  
+61 7 3231 7100 +61 7 3231 7199 /

ABN 27 104 261 887

OFFICES IN BRISBANE and NEW CALEDONIA

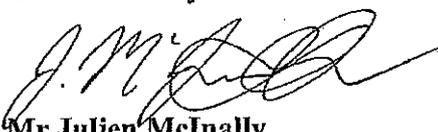
Member of the Australia China Business Council

Page 1 of 2

Having said all of that both the emergence of the Global Financial Crisis and the recent uncertainty in terms of the ownership of GPNL itself, has slowed down development of the project to the point whereby we feel that it is prudent to seek an extension of the current agreements for a period of one year and nine months which will move the financing date to December 2013. I have also attached for your consideration previous correspondence between myself and The Queensland Premier as a demonstration that we have attempted to keep the Government informed of progress on the project. In addition, I attach correspondence from Mr Clive Palmer to the Premier requesting an extension of time on the Company's approvals and agreements with the Queensland Government.

In summary, while the development of the GPNL project has been slower than would have been either anticipated three years ago or in any event desirable, it is our firm belief that once the company ownership and structural matters have been resolved, we have much greater certainty of developing a project along the lines of what I have briefly described above. As such, I look forward to a positive response to my request for the extension of our existing land tenure agreements.

Yours sincerely



**Mr Julien McNally**  
Chief Financial Officer  
Gladstone Pacific Nickel Pty Ltd  
(on behalf of the Board)

Copy: ~~Hon Anna Bligh MP, Premier of Queensland~~  
Hon Paul Lucas MP, Deputy Premier and Minister for Health  
Hon Andrew Fraser MP, Treasurer and Minister for Employment and Economic Development  
Hon Stirling Hinchliffe MP, Minister for Infrastructure and Planning  
Hon Stephen Robertson MP, Minister for Natural Resources, Mines & Energy and Minister for Trade  
Mrs Liz Cunningham, Member for Gladstone  
Mr Leo Zussino, CEO, Gladstone Ports Corporation Limited  
Mr Mike Davison, Property Services Group, Department of Infrastructure and Planning  
Mr John White, Property Services Group, Department of Infrastructure and Planning

**PREMIER'S BRIEFING NOTE**  
Policy

Tracking Folder No. TF/11/22193  
Document No. DOC/11/126173

To: THE PREMIER  
Date: 8 August 2011  
Subject: Meeting with Queensland Nickel (QN) regarding the Carbon Price Mechanism

Approved / Not Approved / ~~Noted~~  
Premier .....  
Date 24/7/11 .....  
Date Action Required by: ...../...../.....  
Requested by: .....  
(if appropriate)

**RECOMMENDATION**

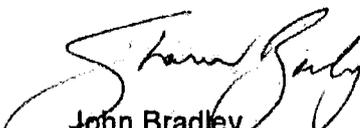
It is recommended that you note the following regarding a possible meeting with QN.

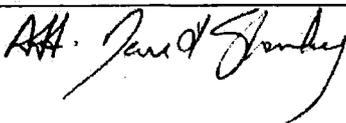
**KEY ISSUES**

- QN operates Townsville's Yabulu Refinery, producing nickel products from ore from New Caledonia, Indonesia and the Philippines and employing over 750 people.
- Australia has three major nickel producers. Listed in order of lowest to highest emissions intensity they are (i) BHP Nickel West, (ii) Minara Resources, and (iii) QN.
- BHP Nickel West and Minara Resources operations are located in Western Australia.
- QN would like to discuss the definition of industry 'activity', which forms the basis for determining Emissions Intensive Trade Exposed industries (EITEs) assistance.
- EITEs assistance consists of free permits allocated against a baseline at rates of 94.5 per cent and 66 per cent for highly and moderately emissions intensive activities, respectively.
- Emissions baselines will be calculated on industry-wide average emissions intensity. Hence, the proportion of assistance for a firm compared to its actual emissions depends on how much higher (or lower) it is compared to the industry average.
- This approach is based on the assumption that activities, such as nickel production, can be undertaken in multiple ways. By employing an industry-wide approach to the baseline, incentive is created to employ the most energy efficient production methods.
- QN claim that they will be compensated for only 30 per cent of their total emissions, while BHP Nickel West is expected to receive compensation close to 100 per cent of their total emissions.
- QN claim that it is not equitable for them to be captured by the same industry baseline as other nickel producers as QN's production process and product are different.
- As a result, QN is seeking a separate industry activity definition. Without such an approach, QN argues that there is a risk of carbon leakage taking place, in which nickel production moves overseas to lower cost higher emission producers.
- The Department of Climate Change and Energy Efficiency (DCCEE) advise that Minister Combet is currently considering the views of all stakeholders, including QN, in coming to a decision on an industry activity definition for the production of nickel.
- DCCEE also advise that the particular ore used by QN (also used by Minara Resources) partly contributes to variations in emissions intensity with BHP Nickel West.
- QN's claims regarding the risk of carbon leakage are difficult to analyse without more detailed information on the cost structures of domestic and overseas producers.
- However, it could be argued that if QN ceased operations the other Australian producers may gain market share rather than all production necessarily transferring overseas. Both scenarios, however, would result in Queensland job losses.

**CONSULTATION**

- Queensland Treasury, DEEDI, the Office of Climate Change.

  
John Bradley  
Director-General

Comments (Premier or DG) 

**PREMIER'S BRIEFING NOTE**

*Policy*

Tracking Folder No. TF/11/22193

Document No. DOC/11/126173

**To: THE PREMIER**  
**Date: 8 August 2011**  
**Subject: Meeting with Queensland Nickel (QN) regarding the Carbon Price Mechanism**

**Approved / Not Approved / Noted**

Premier .....

Date ...../...../.....

Date Action Required by: ...../...../.....

Requested by: .....  
*(if appropriate)*

**• RECOMMENDATION**

It is recommended that you **note** the following regarding a possible meeting with QN.

**• KEY ISSUES**

- QN operates Townsville's Yabulu Refinery, producing nickel products from ore from New Caledonia, Indonesia and the Philippines and employing over 750 people.
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- Emissions baselines will be calculated on industry-wide average emissions intensity. Hence, the proportion of assistance for a firm compared to its actual emissions depends on how much higher (or lower) it is compared to the industry average.
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**• CONSULTATION**

- Queensland Treasury, DEEDI, the Office of Climate Change.

Comments (Premier or DG)

John Bradley  
**Director-General**

**REPRESENTING PREMIER ANNA BLIGH**

**WE ARE CURRENTLY TRYING TO FIND A REPRESENTATIVE.  
IN THE MEANTIME, IT WOULD BE APPRECIATED IF YOU WOULD  
COMPLETE THIS FORM AND RETURN IT BY EMAIL ASAP.**

*\*Please note that the Premier's Representative may be accompanied to this function by an advisor\**

**INFORMATION REQUIRED**

DATE AND TIME OF FUNCTION

Saturday, November 12<sup>th</sup> between 10am and 1.30pm.....

NAME OF ORGANISATION / COMPANY

Special Children's Christmas Party.....

NAME AND TELEPHONE NUMBER OF THE PERSON TO CONTACT REGARDING THIS FUNCTION

Contrary to Public Interest  or work  Contrary to Public Interest .....

VENUE OF FUNCTION

(Including building name, street address and any other appropriate information)

Fred Moule Pavilion, Cairns Showgrounds, Mulgrave Road, Cairns .....

PURPOSE OF FUNCTION

This is an invitation only Christmas party for children living with a life threatening illness or who have a physical or intellectual disability. The whole family of the invited child is welcome to attend the event. Over 1000 invitations have been issued to qualifying children with special needs. .....

TELEPHONE CONTACT AT FUNCTION VENUE

(It may be necessary to contact the Premier's Representative at this function, please do not include a telephone number if the telephone is locked in a room where it cannot be answered during the function)

Contrary to Public Interest  .....

NAMES AND NUMBER OF OTHER PEOPLE ATTENDING THE FUNCTION

Kirsten Lesina (State candidate); Curtis Pitt, Member for Mulgrave.....

TIME AT WHICH PREMIER'S REPRESENTATIVE SHOULD ARRIVE

We usually have all dignitaries and celebrities on stage when Santa arrives at 11am. But anytime during the event would be welcome.....

WHO WILL MEET THE PREMIER'S REPRESENTATIVE AND AT WHICH ENTRANCE SHOULD SHE ARRIVE (This information is required to prevent confusion as to where your official will meet her as she alights from her vehicle). \* PLEASE PROVIDE A MOBILE NUMBER FOR THE PERSON MEETING THE REPRESENTATIVE

Contrary to Public Interest

will meet the Premier's Representative at the Volunteers Sign In desk located near the main entrance into the Pavilion. Under our Child Safety provisions, all guests must register

TIME AT WHICH PREMIER'S REPRESENTATIVE MAY DEPART

The Representative is welcome to stay as long or as brief a time as they wish

**SPEECH DETAILS**

IS THE PREMIER'S REPRESENTATIVE EXPECTED TO ADDRESS THE FUNCTION?

YES / NO (please circle)

IF YES, FOR HOW LONG? .....

AT WHAT TIME WILL THE PREMIER'S REPRESENTATIVE BE EXPECTED TO SPEAK: .....

DO YOU WANT THE PREMIER'S REPRESENTATIVE TO ADDRESS A SPECIFIC TOPIC?

YES / NO (please circle)

IF YES, WHAT IS THE TOPIC

.....  
.....

IS THE PREMIER'S REPRESENTATIVE THE ONLY SPEAKER?

YES / NO (please circle)

IF NO, WHO ELSE IS SPEAKING AND FOR HOW LONG?

.....  
.....

PLEASE STATE WHO THE PREMIER'S REPRESENTATIVE SHOULD ACKNOWLEDGE AND WHO SHE SHOULD THANK IN THE SPEECH

**The Premier's Representative will pay particular concern to acknowledgements when speaking at functions. To ensure that people are accurately acknowledged, it is essential that this office be provided with accurate attendance details in advance of the function.**

As this event is for children, we usually don't have formal speeches. If any of the dignitaries feel the need to address the crowd, we would appreciate them acknowledging the business

community who have funded the event and especially Queensland Nickel who is our major financial contributor. We would also like any speeches to acknowledge the volunteers who make the day happen as we rely heavily on about 100 people giving their time to assist at the event. It is our preference that dignitaries use the opportunity to mingle with the families. We also welcome the dignitaries to join us in the toy room and assist with the distribution of gifts.

IS A DETAILED RUN SHEET OF THE FUNCTION ATTACHED? YES / NO

IF NOT, WHEN WILL IT BE FAXED TO THE MINISTER'S OFFICE

IS A LECTURN AVAILABLE? YES / NO

IF NO, COULD YOU PLEASE ENSURE THAT ONE IS MADE AVAILABLE.

IS CAR PARKING AVAILABLE? YES / NO

HAS ANY MEDIA COVERAGE BEEN ORGANISED? YES / NO

IF YES, WHO WITH?

Our Public Relations consultant, Contrary to Public Interest of News Business will contact all local media in an effort to have the event covered.

**DRESS REQUIREMENTS**

WHAT IS THE DRESS REQUIREMENT FOR THIS FUNCTION?

Comfortable, casual and maybe a little festive.

**Once completed please return this form to:**

**Julie Wiggins  
Office of the Premier of Queensland**

**Email: [julie.wiggins@ministerial.qld.gov.au](mailto:julie.wiggins@ministerial.qld.gov.au)  
Fax: (07) 3221 3631  
Phone: (07) 3239 6817**

**Thank you for your assistance.**



**QUEENSLAND NICKEL VARIETY SPECIAL CHILDREN'S CHRISTMAS PARTY**

**STAGE PROGRAM – CAIRNS Saturday 12 November, 2011**

**COMPERE – Jeremy Grace**

**DJ – Spectrum Sounds**

**GUESTS – Ronald McDonald, Sam Powers**

<b>TIME</b>	<b>PERFORMANCE</b>	<b>CONTACT NO.</b>
9.45	<b>GATES OPEN</b>	
10.00-10.30	Jeremy and disco on stage to welcome all	
10.30– 1.00	RONALD McDONALD	
11.00	<b>Santa Arrives – Jeremy and guests on stage in time</b>	
11.10-11.15	<b>Jeremy and Sam Powers stay on stage</b> Call first voucher All children then progress through the toy room to receive gifts for the rest of the day	
11.15 – 11.45	SAM POWERS	
11.45 -12.15	Disco	
12.15-12.45	Jeremy and Neighbours	
12.45-1.15	Disco	
1.15-1.30	Jeremy does clean up	

**PLEASE REMEMBER TO THANK MAJOR SPONSORS, SUPPLIERS AND VOLUNTEERS**

**DRAFT**

**ADDRESS**

*presented by*

**TO BE ADVISED**

*at*

**SPECIAL CHILDREN'S CHRISTMAS PARTY**

*on*

**10.00AM, Saturday 12 November 2011  
Fred Moule Pavilion, Cairns Showgrounds, Mulgrave Road, Cairns**

RTI RELEASE

### **Acknowledgments**

All acknowledgements contained in the body of the speech

PLEASE NOTE: The Premier's representative is not required to speak at this occasion. Mingling with the families is preferred.

RTI RELEASE

Good morning everyone.

The Premier, Anna Bligh, regrets being unable to attend today's Christmas party and asked that I pass on her best wishes for a truly magical day.

By any chance is Contrary to Public Interest here in the pavilion?

Contrary to Public Interest wrote a wonderful letter a few years back about her time as a volunteer here.

She summed up this special event in a really beautiful way.

(If present)

Contrary to Public Interest if you don't mind, I'd like to share some of your letter.

(If not present)

I'm sure Contrary to Public Interest wouldn't mind me sharing some of her letter.

She writes:

*Every child I served thanked me with a big smile and their enthusiasm was contagious.*

*Their faces were lit up with life and laughter and when I looked around, the mums and dads were just as happy....*

*When it came time to leave, I really didn't want the occasion to end, but even though I was leaving empty-handed, I was leaving with a heart overflowing with joy and community spirit.*

Well said Contrary to Public Interest

Today, I've had the privilege of experiencing all this for myself.

This event is so full of life and love and the children's exuberance that it's impossible not to be swept up in the joy of the season.

It's a great initiative—one that's been going for 33 years now, right across Australia.

I want to say a big thank you to everyone who has helped make today possible.

To the organisers, Special Children's Christmas Party, who do such great things for the children's charity, Variety...

To the volunteers who, as Contrary to Public Interest discovered, get as much out of this event as they give...

And to the business community for their generous financial assistance, especially the event's major contributor, Queensland Nickel.

Have a fun day everyone!

**Peter Downey**

---

**From:** Peter Downey  
**Sent:** Friday, 22 July 2011 10:23 AM  
**To:** Bronwyn Edmeades  
**Subject:** TRIM Internal : DOC/11/122057 : \*\*\*URGENT\*\*\* Request for meeting brief regarding a meeting with Queensland Nickel  
**Attachments:** Email\_FW: meeting request-Queensland Nickel.html; URGENT Request for meeting brief regarding a meeting with Queensland Nickel.tr5

Good morning Bronwyn,  
I'm currently preparing the PBN for this request (located in TF/11/2293. However, the folder does not specify the date of the Premier's meeting. Do you have/are you able to get this date? I need to include it in the PBN.

Thanks

Peter Downey  
Policy Officer  
Economic Policy  
Department of the Premier and Cabinet  
Ph: 07-322-58014  
[peter.downey@premiers.qld.gov.au](mailto:peter.downey@premiers.qld.gov.au)  
Executive Building | Level 14 | 100 George Street | Brisbane PO Box 15185 | City East | Queensland 4002 |

-----< TRIM Record Information >-----

Record Number : DOC/11/122057  
Title : \*\*\*URGENT\*\*\* Request for meeting brief regarding a meeting with Queensland Nickel

**Peter Downey**

---

**From:** Peter Downey  
**Sent:** Tuesday, 26 July 2011 2:03 PM  
**To:** Geoff Robson  
**Subject:** RE: Urgent briefs due

Roger that. Oh and I should have added that I have received advice from Treasury, DEEDI and OCC so it should come together fairly quickly tomorrow. Also, it's due today, so if it goes up tomorrow it will only be ever so slightly late.

Peter Downey

Policy Officer  
Economic Policy  
Department of the Premier and Cabinet  
Ph: 07-322-58014  
[peter.downey@premiers.qld.gov.au](mailto:peter.downey@premiers.qld.gov.au)  
Executive Building | Level 14 | 100 George Street | Brisbane  
PO Box 15185 | City East | Queensland 4002 |

---

**From:** Geoff Robson  
**Sent:** Tuesday, 26 July 2011 1:52 PM  
**To:** Peter Downey  
**Subject:** Re: Urgent briefs due

Thanks and yes

---

**From:** Peter Downey  
**To:** Geoff Robson  
**Sent:** Tue Jul 26 13:41:08 2011  
**Subject:** RE: Urgent briefs due

Geoff,  
Sarah just flicked an e-mail to Amanda Hill saying that I'm prioritising the Wabo BN for tomorrow's meeting, and that Qld Nickel will be following soon after. I have flicked an e-mail to Brooke Ford (EA in Prem's office) finding out the actual date of that meeting (at present I suspect that it isn't happening in a hurry considering both the Treasurer and Minister Nolan appear to have pushed their own meetings with Qld Nickel). Will keep you posted if you require.  
-Peter

---

**From:** Geoff Robson  
**Sent:** Tuesday, 26 July 2011 1:30 PM  
**To:** Peter Downey  
**Subject:** Fw: Urgent briefs due

Hi Peter  
When is Q nickel due?  
Geoff

---

**From:** David Hourigan  
**To:** Amanda Hill  
**Cc:** Sarah Mohammed; Paul Sariban; Geoff Robson  
**Sent:** Tue Jul 26 13:20:50 2011  
**Subject:** Re: Urgent briefs due

What are the other 2?

---

**From:** Amanda Hill  
**To:** David Hourigan  
**Cc:** Kristen Huckfeldt; Samantha Luke; Sarah Mohammed; Marilyn Buswell  
**Sent:** Tue Jul 26 13:19:51 2011  
**Subject:** Urgent briefs due

Hi David

I understand there are 3 briefs from ec pol due today/ wed:

TF/11/: 22193 (Q Nickel), 22220 (note on deedi brief) & 21726 (Rio Tinto) – can you pls chase up for us. Bronwen is in mtgs (with short breaks) until about 5.30pm so would be good to give her the briefs asap, thanks.

Kind regards

Amanda Hill  
Acting Director  
Office of the Associate Director-General (Policy)  
Department of the Premier and Cabinet  
P (07) 3405 5661 (x 55661)  
PO Box 15185 | City East | Qld | 4002  
E: [Amanda.Hill@premiers.qld.gov.au](mailto:Amanda.Hill@premiers.qld.gov.au)

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 Please consider the environment before you print this e-mail or any attachments.

RTI RELEASED

**Peter Downey**

---

**From:** Peter Downey  
**Sent:** Thursday, 28 July 2011 10:55 AM  
**To:** Geoff Robson  
**Subject:** RE: TRIM Tracking Folder : TF/11/21726 : Request for briefing note for the Premier regarding a meeting with Rio Tinto Alcan - 29 July

Roger that.

Peter Downey  
Policy Officer  
Economic Policy  
Department of the Premier and Cabinet  
Ph: 07-322-58014  
[peter.downey@premiers.qld.gov.au](mailto:peter.downey@premiers.qld.gov.au)  
Executive Building | Level 14 | 100 George Street | Brisbane PO Box 15185 | City East | Queensland 4002 |

-----Original Message-----

**From:** Geoff Robson  
**Sent:** Thursday, 28 July 2011 10:55 AM  
**To:** Admin Economic (DPC)  
**Cc:** Peter Downey  
**Subject:** RE: TRIM Tracking Folder : TF/11/21726 : Request for briefing note for the Premier regarding a meeting with Rio Tinto Alcan - 29 July

Peter, nb

Geoff

-----Original Message-----

**From:** Admin Economic (DPC)  
**Sent:** Thursday, 28 July 2011 10:17 AM  
**To:** Geoff Robson  
**Subject:** RE: TRIM Tracking Folder : TF/11/21726 : Request for briefing note for the Premier regarding a meeting with Rio Tinto Alcan - 29 July

OADG have been chasing it, but no one seems to know when it is.

Sarah Mohammed  
Executive Assistant  
Economic Policy  
Department of the Premier and Cabinet

Ph (07) 3224 4355  
Extension 44355  
[sarah.mohammed@premiers.qld.gov.au](mailto:sarah.mohammed@premiers.qld.gov.au)

Level 14, Executive Building  
100 George St, Brisbane, QLD 4000

PO Box 15185, City East, QLD 4002

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-----Original Message-----

From: Geoff Robson  
Sent: Thursday, 28 July 2011 10:06 AM  
To: Admin Economic (DPC)  
Cc: Peter Downey  
Subject: RE: TRIM Tracking Folder : TF/11/21726 : Request for briefing note for the Premier regarding a meeting with Rio Tinto Alcan - 29 July

So, they are pushing for Q Nickel brief? Do we have a date of the meeting?

-----Original Message-----

From: Admin Economic (DPC)  
Sent: Thursday, 28 July 2011 9:55 AM  
To: Geoff Robson  
Subject: RE: TRIM Tracking Folder : TF/11/21726 : Request for briefing note for the Premier regarding a meeting with Rio Tinto Alcan - 29 July

I was!!! Sorry!

Sarah Mohammed  
Executive Assistant  
Economic Policy  
Department of the Premier and Cabinet

Ph (07) 3224 4355  
Extension 44355  
[sarah.mohammed@premiers.qld.gov.au](mailto:sarah.mohammed@premiers.qld.gov.au)

Level 14, Executive Building  
100 George St, Brisbane, QLD 4000

PO Box 15185, City East, QLD 4002

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-----Original Message-----

From: Geoff Robson  
Sent: Thursday, 28 July 2011 9:49 AM  
To: Admin Economic (DPC); Peter Downey  
Subject: RE: TRIM Tracking Folder : TF/11/21726 : Request for briefing note for the Premier regarding a meeting with Rio Tinto Alcan - 29 July

No, this one is with David and it was done by Mr Sariban.

Are you thinking of the Qld Nickel brief?

-----Original Message-----

From: Admin Economic (DPC)  
Sent: Thursday, 28 July 2011 9:40 AM  
To: Peter Downey  
Cc: Geoff Robson  
Subject: FW: TRIM Tracking Folder : TF/11/21726 : Request for briefing note for the Premier regarding a meeting with Rio Tinto Alcan - 29 July

I assume you're on this.

Sarah Mohammed  
Executive Assistant  
Economic Policy  
Department of the Premier and Cabinet

Ph (07) 3224 4355

Extension 44355  
[sarah.mohammed@premiers.qld.gov.au](mailto:sarah.mohammed@premiers.qld.gov.au)

Level 14, Executive Building  
100 George St, Brisbane, QLD 4000

PO Box 15185, City East, QLD 4002

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-----Original Message-----

From: Sheila King

Sent: Thursday, 28 July 2011 9:17 AM

To: Admin Economic (DPC)

Cc: Amanda Hill

Subject: TRIM Tracking Folder : TF/11/21726 : Request for briefing note for the Premier regarding a meeting with Rio Tinto Alcan - 29 July

Good morning Sarah - could this be 'pushed' please - it's overdue to ECU and required by Premier Advisor - prior to the proposed meeting.

Many thanks Sheila x44727

-----< TRIM Record Information >-----

Record Number : TF/11/21726

Title : Request for briefing note for the Premier regarding a meeting with Rio Tinto Alcan - 29 July

RTI RELEASED

**Geoff Robson**

---

**From:** [Contrary to Public Interest] [enquire@iqpc.com.au]  
**Sent:** Thursday, 14 April 2011 11:00 AM  
**To:** Geoff Robson  
**Subject:** Water Management in Mining - case studies and best practice from industry leaders

To view this email as a web page, go [here](#).

## **Water Management in Mining**

26 & 27 July 2011 @ Royal on the Park, Brisbane, QLD

### ***Leading Practice Development of Site Water Management Plans and Balances***

Dear Geoff

We've just completed the agenda for the second edition of **Water Management in Mining**, to be held in Brisbane in July.

Some highlights include:

#### **Working with Mines Affected by Extreme Flooding**

Presented by: Stuart Ritchie, Environmental Services Manager, RIO TINTO COAL AUSTRALIA

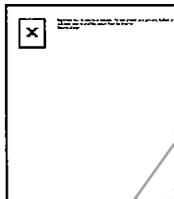
#### **Managing Water at QLD Nickel Refinery in the Tropics**

Presented by: Roslyn Dalton, Senior Operations Improvement Superintendent, QUEENSLAND NICKEL

#### **The Bureau of Meteorology's Role in Water Information and Regulation**

Presented by: Brendan Moran, Supervisor, Data Collection and Standards, BUREAU OF METEOROLOGY

[Download the brochure to view the full speaker line up and agenda](#)



The **Water Management in Mining** website is also home to the [download centre](#), where you can gain access to relevant industry articles, exclusive speaker interviews, podcasts, past presentations and research papers.

Feel free to [reply to this email](#) if you would like to contribute to the download centre!

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#### **Workshop A: Wastewater Management Disposal and Rehabilitation**

A group workshop for understanding and managing the process of efficient water recovery

#### **Workshop B: Monitoring and Controlling the Impact of Mining Operations on Biodiversity and**

## Ecosystems to Ensure Compliance

A group workshop for covering a framework for ecological trends that can be used for lifetime monitoring



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Regards,

Contrary to Public Interest

Divisional Director

Mining and Energy IQ

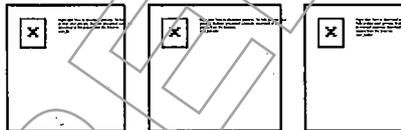
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## Attachment A

### Recent Economic, Fiscal and Financial Market Analysis undertaken by Economic Policy Branch

1.  This Part Out of Scope of Application
2. 
3. 
4. 
5. 
6. A PBN on the impact of the carbon tax on Queensland Nickel, including an analysis of Emissions Intensive Trade Exposed Industry assistance.

RTI

Pages 180 through 183 redacted for the following reasons:

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Sch3(2) - Cabinet information brought into existence on or after commencement

