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NB: Note that minutes are paraphrased to an extent and may not exactly match actual statements.

Project	Hydro Kurri Kurri site redevelopment project	From	Janita Klein
Subject	Community Reference Group	Tel	02 4979 9933
Venue/Date/Time	Thursday 16 October 2014 Hydro offices, Kurri Kurri 6.00pm – 7.30pm	Job No	21/23175
Copies to	All committee members		
Attendees	Mr Richard Brown – Managing Director, Hydro Kurri Kurri Mr Kerry McNaughton – Environmental Officer, Hydro Kurri Kurri Clr Morgan Campbell – Cessnock City Council Clr Arch Humphery – Maitland City Council Mr Ian Turnbull – Manager Natural Environment Planning, Cessnock City Council Mr Rod Doherty – President Kurri Kurri Business Chamber Mrs Kerry Hallett – Hunter BEC Mr Colin Maybury – Kurri Kurri Landcare Group Ms Debra Ford – Community representative Mr Brad Wood – Community representative Mr Bill Metcalfe – Community representative Mr Toby Thomas – Community representative Mr Andrew Walker – Hydro Kurri Kurri Mr Michael Ulph – CRG Chair, GHD Ms Janita Klein – CRG minutes, GHD Mr Mark Roser – Maitland City Council (for Ian Shillington) Mr Darrin Gray – Community representative (for Alan Gray) Mr Shannon Sullivan – ESS Australia Mr Jacob Whiting – ESS Australia		
Apologies	Mr Ian Shillington – Manager Urban Growth, Maitland City Council Mr Alan Gray – Community representative		
Others not present			



Notes

Action

Michael Ulph (Chair)

*Welcome and Acknowledgement of Country
Introductions for technical specialists and observers*

Meeting commenced at 6.25 pm

2. Meeting agenda

- Welcome and meeting opening
- Apologies
- Adoption of minutes from the last meeting
- Activity update
- Introduction to redevelopment and rezoning
- Questions and Answers
- General business
- Next meeting / Meeting close

3. Welcome and meeting opening

Michael Ulph welcomes the committee and records apologies for

- Mr Ian Shillington – Manager Urban Growth, Maitland City Council
- Mr Alan Gray – Community representative
- Mr Barry Miller – Community representative

Michael also welcomes Mark Roser who attended as delegate for Ian Shillington and Darrin Gray who attended as delegate for Alan Gray.

Michael explained that Barry Miller has emailed to tender his resignation due to other commitments. He is a busy man with many other commitments and unfortunately can't contribute on an ongoing basis.

Last meetings minutes

Michael confirmed the minutes from last meeting were emailed in draft copy to each committee member for review. Mark sent through amendments to attendances, which have been changed.

Minutes moved as a true and correct record by Rod Doherty and seconded by Kerry Hallett.

Thank you Rod and Kerry. I don't think there were any action items from last month's minutes.

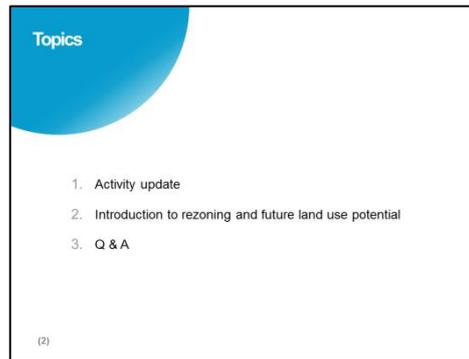
[Note: There was one action item that was overlooked regarding the profitability of using Rockwool – this will be carried over for discussion at the

next meeting]

Activity update

Michael: This meeting we will provide an activity update of the things that have happened since last meeting.

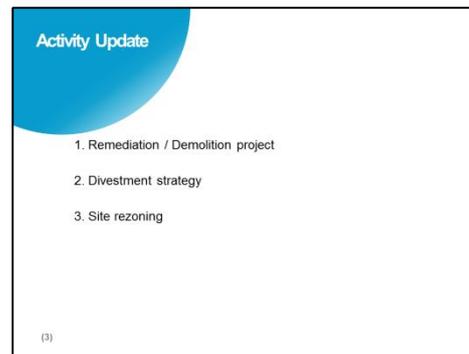
Richard Brown: As talked about at last meeting, the activity update will be broken up into three parts: demolition, remediation and site rezoning. We will hold on to the second item and you will see there is scope to be covered in a separate presentation which I will introduce. I apologise for the text on the power point presentation; it's a bit small when I look at it.



Topics

1. Activity update
2. Introduction to rezoning and future land use potential
3. Q & A

(2)



Activity Update

1. Remediation / Demolition project
2. Divestment strategy
3. Site rezoning

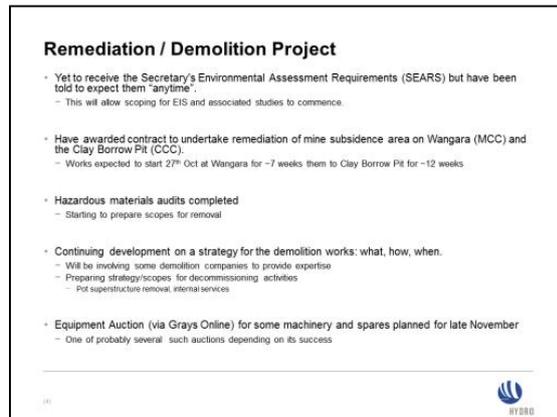
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Remediation

To go through the sorts of activities we've been doing and will be doing in the next little while. As we discussed last meeting, we

submitted our project application to get our requirements for the environmental impact statement. As yet we haven't actually received those, but we are told to expect that at any time, in fact I had word this afternoon that we should receive a draft of those requirements if not already in my email, then certainly in the morning. So they will

come though, and they will essentially allow us, once they are finalised, to start scoping the requirements for the environmental impact studies and associated work. That will be the next piece of work to follow on from the issue of those requirements.



Remediation / Demolition Project

- Yet to receive the Secretary's Environmental Assessment Requirements (SEARS) but have been told to expect them "anytime".
 - This will allow scoping for EIS and associated studies to commence.
- Have awarded contract to undertake remediation of mine subsidence area on Wangara (MCC) and the Clay Borrow Pit (CCP).
 - Works expected to start 27th Oct at Wangara for ~7 weeks then to Clay Borrow Pit for ~12 weeks
- Hazardous materials audits completed
 - Starting to prepare scopes for removal
- Continuing development on a strategy for the demolition works: what, how, when.
 - Will be involving some demolition companies to provide expertise
 - Preparing strategy/scopes for decommissioning activities
 - Pit superstructure removal, internal services
- Equipment Auction (via Grays Online) for some machinery and spares planned for late November
 - One of probably several such auctions depending on its success

(4)

Regarding some other peripheral remediation activities, some weeks ago we talked about how we've got some infill areas on the site, at Wangarra and the Clay Borrow Pit which is adjacent the plant, and how we intended to undertake some remediation works on those early on. The contract for that work has now been awarded, and we are now going through process of working with the contractor to put their management plans together, and we expect that works will start at Wangarra on the 27th October and they will last



HYDRO

Notes

Action

for about seven weeks.

So that will mean that the material that has been infilled in to the mine subsidence areas up there will be removed, and replaced with clean fill and be remediated. The material being brought back from there will come on to the site and be stockpiled and managed until the full remediation strategy is approved and we get underway. The Clay Borrow will get underway straight after that. It's a bit bigger just because of the volume of the material, so it means we will do essentially a similar piece of work: we will take out the refractory material and the concrete material in that area and bring it back on site and stock pile where it will be prepared for its next home, which we'd like to think that sometime in the future [the Clay Borrow Pit area] will be the location for the containment cell.

Demolition

Regarding demolition activities, we've talked about all the hazardous materials on site. All field work for that has now been completed, we are starting to go through the reports which highlights where on site we have asbestos, lead based paints, any risk of PCBs, oils and greases, the types of materials that need to be managed hopefully prior to demolition works but if not we at least understand where they are at. We are now starting to put together scopes of works to start the removal of that material.

The development of the demolition strategy is ongoing. We'll start in the next few weeks to involve some expertise in that area because clearly we're not demolition experts. So we will get some demolition companies to come and talk to us about how they would see the demolition works proceeding so we can put together the best execution plan for demolition.

In terms of the works to be undertaken, we talked a little bit about early works. There are some things we can do rather than wait for regulatory approval, be it State Significant approval or at Council level. There are some things we can do in terms of decommissioning: as we walked through the pot line [during the earlier tour of site] I said to a few people that one of the things we're looking to do is start to remove everything from the shell up. We will take all the superstructure material out, strip it down, sell off the bus bar and material resulting from that and we will be left with the shells and the pot linings in the pot line. It's probably a bit more complex but we may be able to start removing that pot lining if we can find an interim storage for that.

The last thing that may of interest to you and certainly the community, shortly we will be starting the process of selling some equipment. Initially the first test we will do is an online auction using Grays. We're not doing the whole site as you'd imagine trying to sell off the equipment across the whole site is bit of a logistical nightmare. So we're going to start with some of the workshop equipment, things like drill presses and lathes, and heavier engineering workshop type equipment. We've also got an area in the store where we've stockpiled various bits of equipment from across the site, and we'll be including that in the auction. At this stage the plan is to have the auction around the last week on November, I will confirm these dates. I think the way it works is the Grays people will come on site, they'll catalogue all of the lots that will be auctioned and they will have a period where those lots can be inspected onsite and then there will be a typical online auction process over a couple of days. And then there will be a period where people will collect their various bits and pieces.

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They are the main activities we've been focusing on; it doesn't sound much on paper but nonetheless these things take a lot of resources and a fair bit of head scratching.

Site divestment

In terms of the site divestment activity, there hasn't really been much in the last month. I think I talked about the storage facilities on Kooragang Island previously, I'm told this afternoon that it looks like it could be coming to a close probably in the next week, so we should hopefully be able to close out on that deal and then that's no longer part of our portfolio, but another company's.



Rezoning

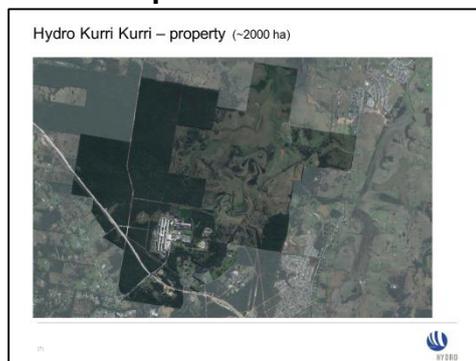
With regards to rezoning, previously I might have mentioned we've been engaging some assistance for various technical aspects, the environmental side of things has certainly been one with the remediation planning. The other area has been around future land use possibilities for the site and rezoning that potentially comes along with that. We have with us tonight the two consultants we have



been using, Shannon and Jacob and I'll ask Shannon to talk us through some of the introductory side of things in terms of where we're at with the rezoning and the potential land use. A bit like the remediation side of things, the deeper you dig the more you find: it's a very detailed thing though at this stage Shannon will talk you through a broad brush overview of where our thinking is at the moment.

Introduction to site rezoning and redevelopment

Shannon Sullivan: Thank you. My name is Shannon Sullivan and I'm from ESS Australia and we've been working with Hydro in terms of looking at land use assessment and potential future land use opportunities on the site. So, overall I think you've probably seen the site a few times: its 2000 hectares, a great site, well located, a large amount of infrastructure, and importantly there is the Hunter Expressway running through the site.



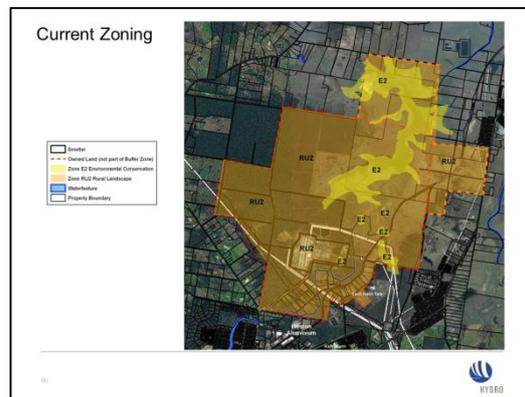
Another thing it's important to point out is that more or less this top [right] corner is in Maitland LGA and the remainder is in Cessnock LGA. There is a slight separation when we talk about rezoning; there will actually be two separate rezonings that would result. One will be for the Maitland LGA adjacent to Gillieston Heights, and then there will be a rezoning in Cessnock LGA for the larger part of the site.

At any time if you have any questions just feel free to jump in rather than waiting until the end.

Richard: All zoned rural.

Shannon: Sorry, yes the other important thing about the site. With the standardisation of the LEPs between the local government areas, standard zonings have been introduced so there is consistency between the two LGAs. RU2 represents the secondary rural landscape, and E2 is environmental zone. E2 is predominately over Wentworth

Swamps and some other area in terms of riparian corridors and the like, and the remainder of the site has traditionally been zoned rural land and is currently zoned rural land.



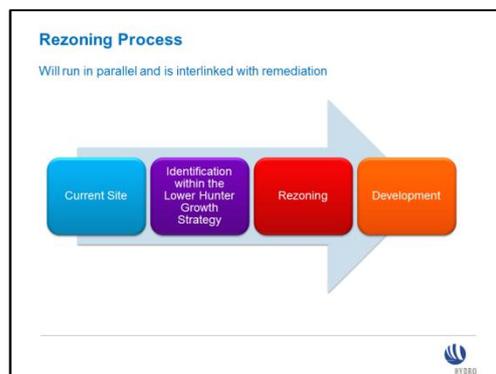
Michael: So the smelter site itself is still on rural land?

Shannon: Yes, so interestingly in terms of historical land use Cessnock Council, for whatever reason, never sought to zone the land for what it's being used.

Rod: I thought it was zoned rural but the smelter site was "special uses"?

Shannon: Within the current LEP there are no "special use" provisions so this is just maintained within the site under existing use constraints.

So what we'll run through in terms of the next slide. We've shown here current site and current land use zoning, and we've included in this an identification of the Lower Hunter Growth Strategy. As part of the starting of the rezoning process Hydro made a submission on the current strategy and then obviously the rezoning of the land and the next step would be redevelopment. This is the



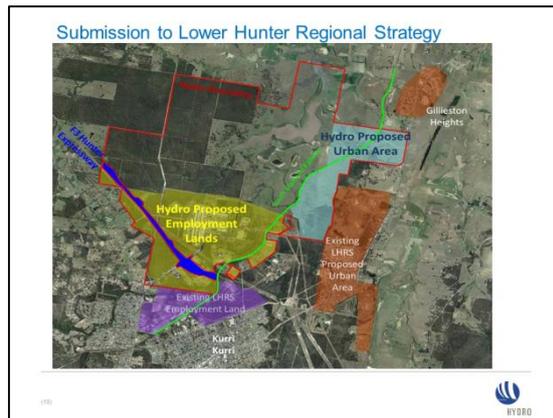
sequencing that occurs over a period of time and generally these things takes time to occur. As an example the submission of the Lower Hunter current Regional Strategy which will develop into the Growth Strategy was made probably 18 months ago when the call for submissions was announced. That strategy is still to be adopted, so this in itself will probably be around a two

year process. The rezoning will be a two year process, and then further after that, actual development will take a number of years.

As Richard spoke about earlier, regarding this timing there will be no material change on site for a number of years even through the plans might be identified in strategies or the actual rezoning.

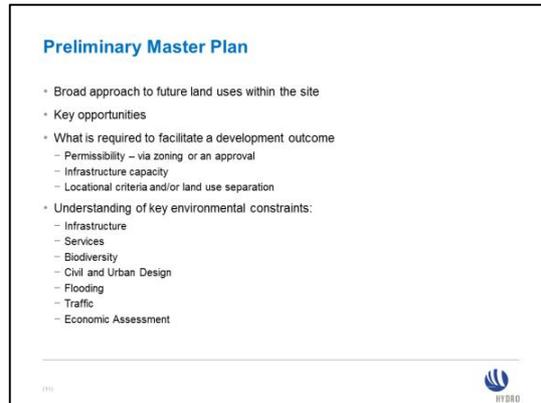
So this was the submission that was made in response to the Lower Hunter Regional Strategy Review. It was a very broad brush breakdown of the site. I've included this slide because it is a public document and generally looks at

around the core area, the employment lands and then feeding off the adjoining land use. So we have the existing employment lands to the south and it naturally feeds into that. We have this development area at Clifftleigh so there's a natural progression for that to be continued to this developable area. And then there's the urban area of Gillieston Heights and at that stage part of this site was



already identified in Maitland's strategy and it's just about looking at possibly including more area within the strategy. Even in that submission at that early stage, looking at that vegetated area in the north western part of the site and also the Wentworth Swamps area were considered unlikely to be developed.

When we came on board last year one of the first things we looked at in considering the site was 2000 ha we knew it was too large a site to just jump straight in and start trying to rezone land or to go into an actual environmental assessments without breaking into the broader context. So we went through a broader preliminary master planning process to look at general constraints, known



constraints and then also looking at what opportunities we think the site may have, the unique attributes. So the Hunter Expressway, the rail corridor, infrastructure within the site, the proximity to the workforce and those types of things. And then we starting looking at how best to facilitate that development outcome, so if someone wanting to come and occupy or redevelop the site, what is that best use.

We have a large smelter footprint; we could adapt to something else or look at rezoning the land. And then looking at different separation of land uses and how that may result.

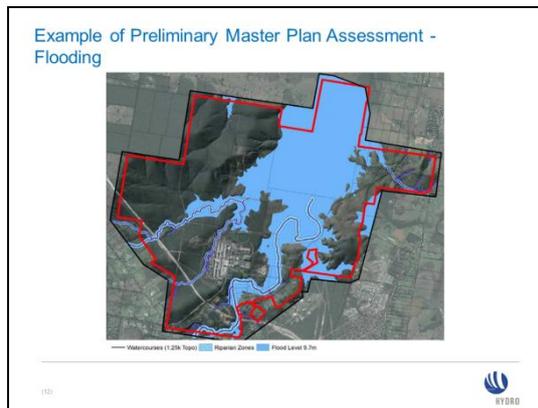
And then we use some of these key constraints as indicators: infrastructure

servicing, getting an understanding of biodiversity, urban design, flooding, traffic and economic assessment. So we want to understand how big the footprint could possibly be and how that would actually fit in the context of the Lower Hunter. We are talking about a large amount of land and the take up rates of employment or residential land would influence how much is realistic. When you go to Maitland or Cessnock Council, or the Department of Planning they want to understand what is the demand for that land use in the area and how that may impact on existing land that's already released, as well as opportunity for other land release in the Lower Hunter. Because, going back to the broader regional strategy, when this was done Hydro was an operating smelter in 2006 and so not considered a development site and therefore not included in the strategy.

Rod: In 2006 the Hunter Expressway wasn't even in the strategy, it was only a by line at the back. So we're going back five or six years and they didn't even identify the expressway.

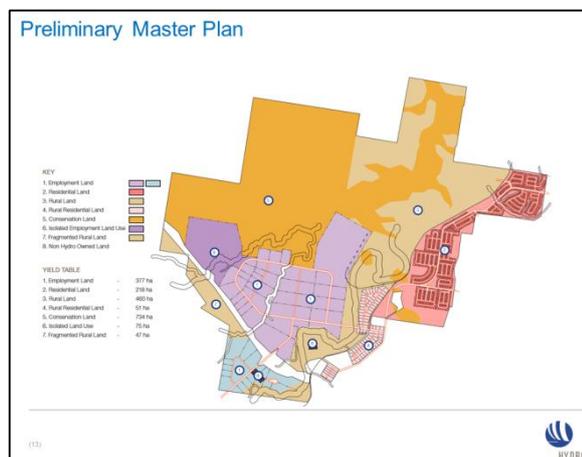
Shannon: I won't go through all the constraints, but I'll just put this one up as an example. So people often see or hear about the site and think 2000 ha is a lot of land, there is the smelter and expressway and think there must be massive development opportunity on site. But when you put over a simple constraint such as flooding you actually remove close to half the site. And

also when you look at the separation of some of these riparian corridors it means you start to limit the area the development foot print can actually achieve. So looking at just two simple constraints on the site being flooding and biodiversity it really shows that the development opportunities start to come back to the existing footprint of the smelter and this other area which joins on the back of Cliftleigh and Gillieston Heights.



No questions?

So then we worked through and adopted in December last year what we refer to as a preliminary master plan. This was just about setting out those potential land uses, getting an idea about what the actual size of that land use component might be, and then trying to understand the potential market take up and demand for that type of land use. And then also looking at the

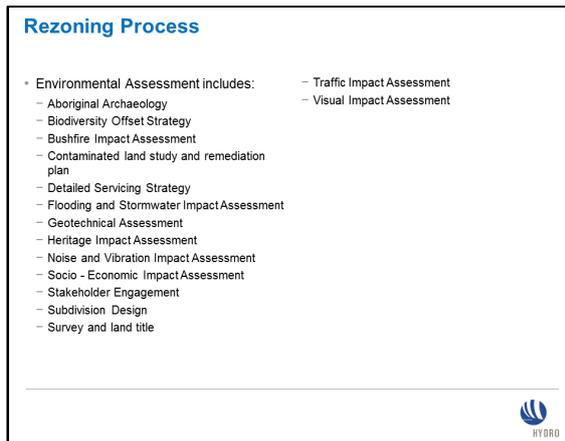


relationship between the three or four different types of land uses. Broadly speaking we have employment land use within the site: being straight industrial land use and potentially a business park or service employment generator, and perhaps a heavy industry type land use. And then residential which adjoins the existing urban release area, potentially rural land or rural residential and then there is some rural land holding and a large conservation area. So as a broad bush approach that's the overall balance we were looking at in terms of land use for the site.

Colin: How much land overall have you got for residential?

Shannon: In our diagram residential takes up 218 ha. When we started to get into the next level of assessment some more detailed constraints started to come into the calculation.

So on the back of that we then started moving forward into a detailed rezoning process. To give you an idea of the range of environmental assessment we're undertaking across the full site, and obviously there are some areas of the site that may be impacted by certain types of constraints and other areas may not be. I won't go through them all but assessments included Aboriginal archaeology for the full site, biodiversity offsetting is critical in some areas, though there are some areas of Wangarra that are cleared of any native vegetation, it's similar for bushfire impact and those sorts of things.



Some of them will relate to certain parts of the site and some areas will require us to respond to all of those. This is to give you an understanding of the range of studies we're undertaking.

Arch: Just on the residential again, have you got a split up between Clifteigh in Cessnock and Gillieston Heights in Maitland?

Shannon: Broadly, based on our current plan, Maitland has around 400 or so lots and 1200-1300 lots for Cessnock LGA.

We looked at this [area on the Preliminary Master Plan] as an alternate type of land use, large lot residential because there is some large lot residential at the back of Weston and we thought as a transition between the straight residential and other areas it could be a good transition for the marketplace. The Department of Planning have come back and said if it's serviceable land and it doesn't have constraints and it can be developed as residential land it should be developed as straight residential land.

Rod: 12 homes per hectare?

Shannon: You probably wouldn't get 12 homes in the Hunter but you would probably get eight or nine homes per hectare.

Bill: So where does Testers Hollow run though?

Shannon: Testers Hollow would be around the Cessnock Road.

Debra: And how many large lot residential properties have you got there?

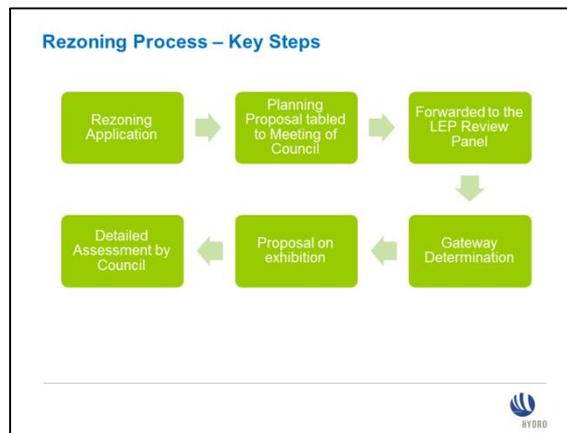
Shannon: The Department of Planning has indicated to us that there is no support for large lot residential within land that could be developed as residential. If there are others areas which are remote from servicing or infrastructure they will consider large lot residential, but in an area adjacent to infrastructure and within proximity to urban release areas they will not support it. They wouldn't support the inefficient use of land.

Debra: What would then be in that area?

Richard: I'm glad you asked.

Shannon: Just about to come to that. Though as not everyone understands the rezoning process I thought I'd include the key steps.

Generally we'll prepare a zoning application and lodge it with Council, they will consider the initial rezoning proposal and if it has merit and sufficient information they will table it to a meeting with Council and it's up to Councillors to pass the recommendation that the LEP should be forwarded to the Department of Planning in Newcastle. So within [the]



Newcastle [office] they understand a strategic assessment for the region and the strategies and they'll table it to a LEP review panel, and internal panel and they will consider the proposal and merits, which is referred to as a Gateway Determination. This determination says "yes we think there is merit" and we should go forward, you have to provide this range of studies and will go on exhibition for a period of time. At that point in time the Council will put it on exhibition which the community the others have the opportunity to make comment and then there is a detailed assessment and review of those submissions by the Council. Then after that point if it is still considered appropriate it gets forwarded through to the Department of Planning to be endorsed.

In terms of the timing, submit the rezoning, within three to six months it would be tabled at Council depending on information provided and the cycle of Council meetings.

Michael: Who's faster, Maitland or Cessnock Council?

Shannon: I wouldn't start that argument.

Rod: It's not a competition.

Michael: Just a bit of levity.

Shannon: We then get through the LEP panel within about six months and then they make a gateway determination and from there they usually say 12 – 18 months to be exhibited, assessed and returned to the Department of Planning in a form that it can be presented

Rod: Community consultation?

Shannon: Formal community consultation occurs after it goes through the gateway determination phase.

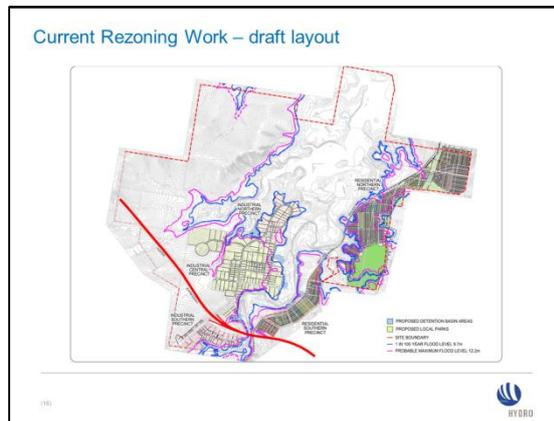
Richard: And our current expectation in terms of start date?

Shannon: In terms of Maitland Council, we've submitted an initial planning proposal and Council has requested additional information before being tabled at Council. We're preparing that information.

With Cessnock Council, we're intending to lodge the rezoning proposal by the end of the year, and similarly we will respond with additional information probably in November or early December.

Arch: The Wangarra property which is a rural property, will that be just sold immediately once the seven weeks of remediation has taken place?

Shannon: Okay, this is what we refer to internally as a current rezoning draft subdivision layout. The Wangarra landholding incorporates land in category one and category 2, and a larger component which is rural land including the swamp and other areas. This area here is outside of Council's current strategy even though it could be developed as residential land; there is already a surplus amount of land within Gillieston Heights. The area to the west of the rail corridor will remain as rural land. The extent of that Wangarra landholding depends, working back, on how big the biodiversity offset area is. There will be an area between the rail corridor and Wentworth Swamps which will remain as rural RU2 land.



Bill: Could you sub-divide those areas into 100 acre lots?

Shannon: 40 hectares is the minimum for an RU2 area. So if it's 120 hectares you could have three 40 hectare lots as a maximum development outcome for that area.

Going back to the initial slide showing the subdivision layout, the flooding constraints are included on here as well so you can draw a comparison between the early works and what we're trying to end up with in terms of a layout. The area within the Maitland LGA has issues with mine subsidence, riparian corridors, not as much vegetation remaining on site. There is however a pocket of vegetation down the bottom which we are still looking at and assessing the biodiversity value against retaining it [in the development area] and offsetting it, and that calculation is still ongoing. We have a flooding corridor which feeds into Wentworth Swamps which creates a separation, so that area near here will be looked at for rural residential which is adjacent the TAFE and has been in-filled now with straight residential development.

Debra: Numbers in that area?



Notes	Action
Shannon: At the moment this plan has about 300 lots there.	
Rod: Would it impact on the speedway? 300 homes won't like the speedway.	
Shannon: It really depends on that separation. There is a riparian corridor [in between]. I don't know what the current consent requirements are for the speedway. It's one of those issues we would need to consider. The speedway happens once, what, every two or three months?	
Kerry McNaughton: Probably more like once a month. And people practice there during the week.	
Shannon: Yep, okay.	
Debra: Those residential land lots, what are the average sizes?	
Shannon: At the moment the design has been based between around 750 through to about 600 [square metres], which is called traditional lot sizes. To give you an idea in an completely transparent and open manner for this forum, at the moment the lot yield is about 1830 lots for the full site given that traditional mix for the area. They've also done an assessment based on some of the more compact housing which generates around 2000-2100 lots. A third assessment, not a layout but a calculation has been done based on the Western Sydney growth areas at the moment which go down to 350m ² lots and that's about 2400 lots.	
Bill: But you are not going to be developers, you are just going to rezone the land and off-sell it.	
Shannon: Yes. We are just telling you this in this forum, in an open and transparent [way]. It would be up to the next person [developer], but we didn't want to quote you a number and then be held to it later if it turned out to be different.	
Rod: These are indicative numbers.	
Shannon: Yes, that's right.	
Richard: There are implications from a servicing perspective though, for example more lots would mean more pressure on servicing.	
Shannon: Yes. Just quickly was there another question?	
Debra: Yes, with the lots sizes. Obviously me being in real estate and looking at this from the sales side of things, your 600 to 750 is the way to go, anything smaller than that is where people start thinking it's too small. You're 450 square metres is just considered too small. A lot of people in and around the area don't like what's being done with 450m ² blocks.	
Rod: I know it's terribly. It's turning the place into a ghetto.	
Shannon: I'll say two things. I've worked around the Lower Hunter for the last 15 years in terms of planning and I thought I'd never see lots under 500m ² anywhere near here, even four or five years ago. But what happens in four or five years' time is unknown, I think the Huntlee development for instance is proposing lots down to, I think 250m ² .	
Rod: That's in the CBD though.	
Shannon: It is in the CBD. Part of what we're looking at, at the moment the Clifftleigh area does not have a commercial precinct, so there's no local shopping centre or anything like that. So as part of this indicative layout there	



Notes	Action
<p>are logical areas in which you would do a sports field and logical areas where you could have a 4000-5000m² lot to support a small IGA [or similar] and a few specialty shops or social infrastructure such as a child care centre, doctors or whatever it may be. At the back of the Clifftleigh development is the best part of the site and is therefore somewhere you could be looking for higher density development. We're by no means saying let's go chop the site into small lots, because there are some areas with topographical constraints. But there is no reason why, if you're within walking distance to good open space, recreation facilities and shops that you couldn't have smaller lots.</p>	
<p>Richard raised the point about servicing. The critical factor in any release area in the Lower Hunter is servicing. So sewer is the real pinch point across most Lower Hunter development areas. The land to the north would drain to the Farley catchment but everything else would come back down to Kurri Kurri where there is capacity. Farley is fairly constrained so we're looking at a servicing strategy, even putting in a pump station to come back over the ridge to Kurri Kurri.</p>	
<p>Any other questions on residential?</p>	
<p>The other side is employment lands. In the earlier slide we were looking at around 370 ha of employment land, we've come down to this footprint which has a northern, central and then southern precinct that is around 200 ha. The major constraint restricting that is biodiversity. We've gone through an assessment, looked at the biodiversity, and there are these areas which are heavily vegetated and in terms of OEH's offsetting the constraint of biodiversity outweighs the opportunity to actually develop it for employment land. This is even though all the other elements are there in terms of servicing and the actual potential of the site.</p>	
<p>Michael: I think we could probably arrange to have someone speak more specifically about biodiversity at some point in the future.</p>	
<p>Richard: Yes I think we could. It is a complex issue, which is why we hadn't planned to talk through it tonight. Yes we can arrange for that.</p>	
<p>Shannon: It is a detailed issue. So in terms of that employment layout, provides for uses from smaller generators right through to larger industrial uses. We still have this service type employment use, you think about Beresfield where they have bulky goods and those sorts of things. As opposed to other areas where there could be larger format, large warehouses, distribution centres, large manufacturing opportunities.</p>	
<p>Michael: Shannon the rail line goes though where, particularly in relation to employment lands?</p>	
<p>Shannon: In relation to employment lands earlier on in the preliminary master plan we identified an opportunity to have a rail spur coming in, the optimal area to get in which is to the east. This actually reduces any potential internal conflict between road and rail, so you are not changing over.</p>	
<p>Rod: Are the plans still around for the [proposed] rail spur when pot line three was developed?</p>	
<p>Richard: They probably are. I know there was a similar assessment probably not to the same degree of detail, but there was a similar assessment when we were considering line four and five.</p>	
<p>Arch: When you are talking about the railway which is privately owned, are</p>	



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there any issues between South Maitland Railway and a potential spur and use of it.

Shannon: We've consulted South Maitland Railway a number of times. They are more than happy to look at opportunities for rail infrastructure, obviously any ongoing arrangement is a commercial arrangement between a private infrastructure holder and whoever their tenant may be. But they are happy to entertain any idea about rail infrastructure within the site.

Mark Roser: Does that include public transport? Given the number of people at the Cliftleigh development, there are a lot of people out there.

Shannon: I think the problem is, and please don't hold me to any figures but if we were looking at putting in a Gillieston Heights station it would cost something like 12-15 million to build the station, let alone starting to get trains running. I think public transport is a great idea but to actually go through and build or rebuild all those stations: it's something like five-10 million for an upgrade. In Maitland they looked at Oakhampton etc.

Mark: It's a shame.

Rod: It used to be a two track system.

Bill: I'd prefer a cycleway.

Shannon: I think that's about all I had to go through. Are there any other questions?

Michael: First I'd call for any questions in relation to the presentation Shannon presented?

Rod: I'll ask it at every meeting. The Lower Hunter Growth Strategy is supposed to be on public exhibition now. Has Dave Rowland [Department of Planning] given any indication when that might be going out on exhibition?

Shannon: We met with Dave and his team in about mid-August to run through where we're at in terms of our program, to make sure they are aware of site and what we're doing. I'd say they are generally supportive of the idea and the location especially given the proximity to the Hunter Expressway and the Hart Road interchange. The update of the draft plan is an evolving beast as I understand; it is now including infrastructure and some other things. It may be out the end of this year maybe early next year, maybe after the election.

Colin: Is there a market price that you're thinking of? For the whole lot.

Richard: This is something we're thinking of and it's a shame Jake just walked out as he has been getting his head around the divestment strategy. But our initial enquiries to property consultants found that there is not a buyer out there who would take the site on [in one piece] because of the diversity of the product and size of the land. It's more than likely we will divide it up into a couple of different types: residential (1 or 2 lots), industrial/commercial (1 or 2 lots) which links back to the conservation side of things; the industrial/commercial land is interlinked with the conservation side of things. And then you end up with the rural and remaining land that is left over.

Bill: It's not the same as Gillieston Heights.

Richard: In terms of flat value, no we don't really have a price to put on it. It's more an understanding of what the market is demanding.



Notes	Action
<p>Debra: The thing is the market changes within three months or overnight. Anything could happen; you put a price on it today, in six months' time you will be sitting here telling us a different price. You can't put a price on it until you're ready to sell, basically.</p>	
<p>Shannon: Often it comes down to supply and demand. Take employment land, Coal and Allied land at Black Hill is going to market, englobo [Def'n. <i>An undeveloped lot, group of lots or parcel of land that is zoned to allow for, and capable of significant subdivision into smaller parcels under existing land use provisions.</i>] 180 ha, Tomago [Aluminium] is developing around their site which CSR is helping with, the land around Westrac at Tomago as well that they are developing the next stage on. So there is other employment land around that's being taken to the market. Similarly, with residential you have Coal and Allied have got 3,300 lots on the HunterLink just near the Expressway, and you have Huntlee at the other end of the expressway. There is a lot of land around in the marketplace. The time which you sell dictates what you sell for.</p>	
<p>Colin: You'd be surprised how quickly it's been taken up around Gillieston Heights. Going on what you're saying there is looks as though it's worth about 200 million dollars.</p>	
<p>Shannon: If you've got figures like that, I don't know where you're getting those sorts of figures from. To give you my understanding of what the market is, let's take 2000 residential lots let's assume two years down the track when it's rezoned, at the moment at Cliftleigh unserviced you're probably looking at \$10,000 per lot.</p>	
<p>Colin: Is that all?</p>	
<p>Shannon: That's the market rate, and that's if you can sell it as one lot. If you can find someone to buy the whole 2000 lots at the back of Cliftleigh / Gillieston Heights. And what we understand of the market in the Lower Hunter at the moment, there are not too many people around who would take the whole 2000 lots.</p>	
<p>Michael: If my maths is correct, that's \$2 million dollars.</p>	
<p>Shannon: No that will be \$20 million.</p>	
<p>Michael: There you go, my maths is not correct.</p>	
<p>Richard: Let's just hope Shannon is low balling here. But that's probably realistic.</p>	
<p>Shannon: Yes, but currently for unserviced land that's realistic.</p>	
<p>Bill: And of course you're not servicing any land; that's a cost you don't need.</p>	
<p>Shannon: Yes. The cost to develop this land is very high which is an unfortunate thing. You're fronting on to Maitland Road but to get access to it it'll cost \$3 million. So that's an upfront cost for whoever develops it. As well as that you'll probably have to lay about \$5 million worth of sewer infrastructure.</p>	
<p>Arch: What you're talking about is not the issue Hydro has to face. It's about splitting it up and what the market says really has nothing to do with us. We can't predict the market; even the people in the business can't do that. It's really about sticking to the process and it's Hydro's decision when they go to the market.</p>	



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<p>Richard: And similarly, I think I've said this before Hydro's ambition here is not to suck the last cent out of this piece of land but to primarily focus on the remediation and then to look at providing some social infrastructure back into the facilities that we've got.</p>	
<p>Colin: That's what I'm trying to ask Richard. How much is available in the pool to do the remediation?</p>	
<p>Richard: The remediation won't be driven by how much money is generated from the land sales. The cost of remediation will be what it is, and that's something that we essentially have to pay. If we then on sell the equipment and land that's just discounting off the cost of remediation and demolition. There is no ambition for that to be cash positive; it'll be what it is.</p>	
<p>Michael: Any other questions around the room of Shannon at this point in relation to rezoning?</p>	
<p>Mark: I'm probably drilling down too far, but with the employment land area, are you looking at different employment zones or a blanket zone?</p>	
<p>Shannon: We've spoken to Council, we were looking at B7 zone in terms of business development, as a service type area and adjacent to Weston and got high volume traffic movement past the door.</p>	
<p>Michael: Shannon for the audience, B7 is?</p>	
<p>Shannon: B7 is Business Development zone.</p>	
<p>Rod: Like Beresfield?</p>	
<p>Shannon: Yes I think Beresfield is B7. Thornton is B7 or B5. Maitland uses B5. Cessnock didn't adopt B5, they have B1, B2, B3 and B7 which is their version of enterprise corridor, bulky goods type development.</p>	
<p>Through the middle we're looking at general industrial zone. Originally we identified some area as isolated large land use. Because of Hydro's traditional land use practices with being an industrial area with a buffer zone, there were some general comments made early on about the possibility of other industries that could want some buffer around them. We are thinking that maybe some area could be an IN3, heavy industrial zone. But at the same time the area around Mitchell Avenue in the Cessnock LGA is already zoned IN3 - heavy industry, but there could be more opportunity to provide some more isolated heavy industrial uses up there.</p>	
<p>Mark: Will there be some connectivity between the residential and commercial zones to keep them off main road?</p>	
<p>Shannon: Originally the master plan had the concept of an internal connection, which was looked at, considered and studied. There were two elements to it: 1. It provided a spine road through the back of the residential development and access through and to the employment land. The issue with that is the actual area is flood prone land and height makes it difficult to provide a road connection through. Think of Testers Hollow for an example, but around 800 metres long. It would either impact on the riparian corridor or catchment, or be over engineered to a point where it was cost prohibitive. The topography of the site is fairly steep and we would have to interact with the rail corridor too, through either a crossing or overpass, and there's quite a large span of riparian corridor. Both opportunities have been investigated and the feedback is that is cost prohibitive in terms of the benefit and the yield you</p>	



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would get, as an outcome.

Richard: There is still the internal movement potentially into the back of Cliftleigh.

Shannon: Yes there would still be a connection through the back of the existing Winton development at Cliftleigh, and still potential to connect to the area at the back of Cessnock. There's a main access off Cessnock Road as well.

Darrin Gray: If you zoned it that way, does that preclude a regional hospital?

Shannon: Fortunately hospitals under the infrastructure guidelines are pretty much allowed anywhere. So if there was a desire to put a hospital anywhere within the site, in proximity to the Hunter Expressway and Hart Road, then the current zoning and future zoning would allow for it.

Arch: There is a new one going in Maitland so you don't have to worry about it.

Debra: Should I take it Hydro is no longer talking to the hospital people in regards to putting in a hospital in?

Richard: We've never really taken position on that, as far as Hydro is concerned that decision has been taken and it is in Maitland. Of course it that's not the decision, or some other decision is taken, then of course we have lots of land and potential to locate a facility like that.

Michael: I'm very conscious of time, although we have a few smaller items to get through, but if there are any other questions quickly? Thank you Shannon. A very thorough presentation and I hope to hear from you again in the future on how that progresses.

I think you'll all agree we are very lucky to be sitting in this room at the very inception of this; we are the first people to see these plans and be involved. It will be interesting to look back in two, four, six years' time and see what's evolved.

Questions and Answers

Michael: The next item is the question and answer session. I'd like to you focus also on what has been said by Richard previously in relation to his activity update and any other questions you may have.

Bill: What's to ask?

Michael: So let's talk about the activity update and what's been going on in the last little while.

Bill: I think everyone spoke up during presentation, rather than waiting until the end. I think if there was something they would have asked.

Michael: Everyone was pretty good during Richard's talk.

Colin: I was very disappointed, not disappointed to read that the Maitland Mercury had a poll, and the poll wanted people to vote on whether they want the spent potlining material put into a burial or containment cell. And they voted very resoundingly that they don't want it that way. This is the community speaking: 77.61 per cent don't want it buried in the ground, 19.4 per cent were prepared to go along with it. So that's three and a half to one.

Kerry H: How many actually responded to the vote. I mean if it's 10. Because



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not a lot of people do those.

Colin: I have no idea. Hang on Kerry. The fact you have 77.61 indicates a large number.

Kerry H: Not necessarily.

Michael: Thanks for that, so according to the Maitland poll there is.

Colin: A decided community swing against burying it in the ground.

Michael: So Hydro has a job to do in educating people about the containment cell.

Colin: That's what I find strange is that you expect us to do the community consultation and it's not so.

Michael: No. The CRG is one aspect and one channel but an early one to get early involvement. But there is a lot more consultation and there's formal consultation that has to happen as part of the EIS process and that's down the track, that hasn't even started yet. There is a lot to do.

Colin: I sent through to you a letter from one of the residents over at Weston and I asked you to put it in the minutes, it didn't go in.

Michael: Are you talking about the letter from Mrs McGee?

Colin: Yes.

Michael: We received that as a letter from Mrs McGee and we've discussed that and we wrote back to Mrs McGee. It wasn't tabled and discussed at the meeting so I didn't include it in the actual minutes.

Colin: It was tabled.

Michael: It was tabled at the meeting but given to me as a complaint from a resident. So as it wasn't discussed during the meeting I didn't include it in the minutes.

Colin: Those people over there have been tortured, with the work that's going on and the failure of them to do it satisfactorily.

Michael: Your comments on that site have been noted Col. Alright, around the room, anything else?

[Note: The letter from Mrs Helen McGee and comment from Dr Brett Turner have been included as appendices. It should be noted that Dr Turner's input has previously been received by Hydro and is being evaluated]

General business

Michael: Okay we do have to talk about any upcoming timetable of discussions. And I note that I mentioned biodiversity as a subject matter.

Are there other subjects from around the room that you'd like to have put onto the timetable for the agenda of future meetings?

Let me know at any time if you come up with something that is going to be topical or interesting, or timely. Without that we will continue ongoing through the same process and let you know what's going on [with the project].

If items such as biodiversity come up then we'll schedule them in.

Darrin: The reprocessing of the spent potlining is obviously going to the



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biggest thing for the community. What's the process?

Michael: Okay, and yes you're right it is one of the biggest issues and most controversial. And so for that reason it was one of the first issues discussed at length in the second meeting of this CRG and so the minutes are out there Darrin for you have a look at. No doubt we will be going back and going back [to discuss] those things.

Richard: Indeed, it's far from over. We talked earlier about that activity update about the requirements to do the environmental studies, that's the next phase of that. What are the various stakeholders and the process required to assess, prior to Hydro lodging their proposal to do that, and that will be [inputs] from the EPA, Department of Planning, Council and various stakeholders. So we'll understand then what it is we have to work through. As we work through that we'll be able to share those discussions and studies with the CRG; what conclusions we're reaching and engage in discussion through this process.

Darrin: Thank you.

Next Meeting

Michael: Okay the next item is to discuss the date for next meeting. Although we did discuss the possibility of having monthly meetings for a time and then going to bimonthly. I wanted to open that up for discussion now.

Richard: I think more than likely given the timing of it, the December meeting would back on to Christmas. So if we have the monthly meeting in November than skip through to the end of January, or even to February.

Michael: Okay, is everyone ok with a meeting next month?

Agreed.

The next meeting will be on **Thursday 20 November, from 6pm.**

Janita Klein

GHD – Stakeholder Engagement and Social Sustainability



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Appendix A – Letter from Mrs Helen McGee

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QUESTION (1)

FROM HETER Mc GEE

As a resident of WESON, living only metres away from the site in KLINE STREET, which is currently being REMEDIATED, by the REMOVAL of a LARGE AMOUNT of ALUMINIUM SPENT POT LININGS, which was "ILLEGALLY" DUMPED in a large Gully on the land, and covered over with soil, approximately FORTY YEARS AGO, by an EMPLOYEE of the ALCAN SMELTER at KURRI KURRI, I am asking WHY the SMELTER has NOT been "RESPONSIBLE" for the "COSTS" involved in the "REMEDIATION" of the site, INSTEAD of the current owners, who apparently knew "NOTHING" about the "CONTAMINATION" of the land, when it was purchased several years ago.

Given the fact the SMELTER did NOT OWN THIS LAND at the time, IT WAS "RESPONSIBLE" FOR ITS "CONTAMINATION" and therefore in my view, it SHOULD have been RESPONSIBLE for the "FULL COST" of the REMEDIATION of the land, and NOT the current owners, as they played NO ROLE whatsoever in relation to what happened PRIOR to their purchase of the land.

From what I understand, the present owners knew "NOTHING" of the "CONTAMINATION" of the land, until "AFTER" they lodged a DEVELOPMENT APPLICATION with CESSNOCK COUNCIL in 2008, for the building of SIX DUAL OCCUPANCY DWELLINGS on the land, which is ZONED RESIDENTIAL 2(a) and therefore, in my view, they should NOT have had the "RESPONSIBILITY" of "REMEDIATING" the land placed upon them, when clearly they played NO ROLE in the "CONTAMINATION" of the site.

(2)

QUESTION (2)

FROM HELEN MCGEE.

I am also asking WHY this "CONTAMINATED SITE" has NEVER BEEN FENCED OFF, and WHY there were NO SIGNS erected, to "WARN" people of the "DANGER" of the "CONTAMINATION" of the LAND, and the NEARBY CREEK, ESPECIALLY given the fact that in the SITE INVESTIGATION REPORT, carried out by GHD in 2003 (as revealed in Council documents in relation to the DEVELOPMENT Application lodged by the current owners in 2008) it was stated that, THE LAND (AS IT WAS AT THE TIME) POSED A SIGNIFICANT RISK OF HARM, TO HUMAN HEALTH AND THE ENVIRONMENT.

INSTEAD of ANY "WARNINGS" being issued to the residents, and "ESPECIALLY" those living in VERY CLOSE proximity to the site, we were left TOTALLY IN THE DARK and NOT KNOWING of the SIGNIFICANT RISK to OUR HEALTH because "TOXIC CHEMICALS" had been "ALLOWED" to leach into the groundwater (and therefore the creek), the SOIL, and the Air we breathe, through escaping VAPORS, and DUST.

The nearby residents were NOT "NOTIFIED" the land was "CONTAMINATED", when the present owners lodged their DEVELOPMENT Application with COUNCIL in 2008, and we were NOT "NOTIFIED" the land would have to be "REMEDIATED", to REMOVE the "TOXIC" ALUMINIUM SPENT POT LININGS, and CONTAMINATED SOIL from the site, EVEN THOUGH it had been RECOMMENDED in the REMEDIATION ACTION PLAN prepared by D.L.A.

(3)

ENVIRONMENTAL, that SEVERAL COMMUNITY MEETINGS should be held to NOTIFY the RESIDENTS of what was happening. This was "supposed" to include an EMERGENCY PHILL being carried out, and a HOT LINE being set up for any COMPLAINTS, but INSTEAD NOTHING WHATSOEVER happened, and we knew NOTHING of the "CONTAMINATION" of the land, and the "RISK" to our HEALTH through "EXPOSURE" to the "TOXIC CHEMICALS" being removed from the site, through REMEDIATION.

The FIRST the nearby residents knew of HOW "BADLY" the site was "CONTAMINATED", and of the REMEDIATION of the land to REMOVE the "TOXIC ALUMINIUM WASTE", was AFTER the REMEDIATION WORKS "COMMENCED", and "MAJOR" PROBLEMS began to arise, which led to me making enquiries as to what was actually happening.

At the time, we were advised these REMEDIATION WORKS would involve a period of 3-4 WEEKS, but due to the fact the AMOUNT of SPENT POT LIVES, dumped on the site, had been "UNDER ESTIMATED" in the GHD SITE INVESTIGATION ^{of 2003}, and therefore the REMEDIATION ACTION PLAN, a period of OVER TWO YEARS, have become involved, and the REMEDIATION WORKS are "STILL" continuing, at an ENORMOUS "COST" to the present owners of the land.

But even "WORSE", is the "COST" to the "HEALTH" of the RESIDENTS living only metres from this TOXIC SITE, as we have been "FORCED" to breathe in the "TOXIC FUMES, VAPORS, and DUST, on a DAILY BASIS for a period of ~~many~~ YEARS. AND WHO KNOWS "HOW MANY" LIVES HAVE BEEN AFFECTED, IN THE PAST.

(4)

QUESTION 3

FROM HELEN MCGEE

With the "REMEDIATION" of the SMELTER SITE, over the next FIVE YEARS or so, what "GUARANTEE" do the residents of WESTON, KUMI KUMI, HETON GRETA, and beyond have that these works will be carried out in a way, where there will be NO SIGNIFICANT RISK of HAZARD to HUMAN HEALTH and the ENVIRONMENT, given the fact there is MUCH MORE SPENT POT LININGS BURIED on the SMELTER SITE, than what was "illegally" dumped on the site at WESTON, approximately FORTY YEARS AGO.

One of the MAJOR problems we have experienced at WESTON has been the HUGE AMOUNT of "TOXIC" DUST which has been "allowed" to blow over us on a VERY REGULAR BASIS, especially due to works being carried out during windy days, and stockpiles of soil NOT being covered. The difference with both sites is that the site at WESTON is in a RESIDENTIAL area, and the works were being carried out only metres away from our homes.

Although the SMELTER SITE is NOT as close to residential areas, it has to be realized that STRONG WINDS can carry TOXIC DUST over a great distance, and this is something which NEEDS to be considered, given the amount of new housing in the area.

I was advised at the CRG MEETING held on 21 AUGUST 14 that a REMEDIATION ACTION PLAN will be prepared for the smelter site, and I am asking on behalf of the residents that the RECOMMENDATIONS are "FOLLOWED", to protect

(5)

the HEALTH of everyone living in this area, ESPECIALLY given the fact the RECOMMENDATIONS made in the REMEDIATION ACTION PLAN for the WESON SITE, were IGNORED, as was the HEALTH of the RESIDENTS.



Appendix B – Comment from Dr Brett Turner

**Comment on the plan to store contaminated material at the Norsk Hydro aluminium
smelter Kurri, Kurri**

Dr Brett Turner

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Norsk-Hydro Aluminium Kurri, Kurri has proposed the construction of an on-site containment cell to store the 100,000+ tonnes of spent pot liner waste generated from the aluminium smelting process since 1969. Aluminium metal is produced through a process in which aluminium oxide (alumina) is decomposed electrolytically in steel cells lined with carbon blocks called 'Pots'. Having a life-span of 4-7 years the carbon block lining eventually cracks. The lining (now termed spent pot liner) is removed, however it is infused with a number of hazardous chemicals with those of greatest environmental concern being cyanides, fluoride, and polyaromatic hydrocarbons (PAH's). Approximately, 25kg of SPL waste is produced for every tonne of aluminium.

Since September 21, 1998 the US EPA has had a prohibition on "land disposal" of raw untreated spent pot liner waste, with "land disposal" including (but not limited to) engineered containment facilities, landfills, waste piles, and underground mines or caves. In addition, soil and debris contaminated with these wastes were also prohibited from land disposal. According to the US EPA land disposal methods suffer from three main problems:

1. it results in "significant concentrations of highly persistent, highly toxic, highly mobile and bioaccumulative constituents"
2. are "not protective of human health and the environment" and,
3. are inherently unsafe because long-term containment of the hazardous wastes cannot be assured.

Point 3 is problematic in that no matter what the design, the structural integrity of a waste containment system will degrade as time passes. This is due to environmental stresses mainly the physical and chemical reactions that occur between the waste constituents and the containment system materials. The potential for burrowing animals to wreak destruction on the structural integrity of the containment system is also of concern.

Current best practice for hazardous waste containment cells, known as RCRA Subtitle C landfills according to the Resource Conservation and Recovery Act (RCRA) 1976, are modeled on the “dry tomb” approach. This approach is supposed to isolate the waste from moisture that will generate toxic leachate which will eventually escape any in-built redundancies and continue to pollute groundwater for as long as the waste remains in the landfill (i.e. forever).

The construction of these facilities basically involves some combination of high density polyethylene (HDPE plastic) and compacted clay in conjunction with a drainage leachate collection layer. The HDPE liners are the key element preventing leachate escaping the cell however, these plastic liners are inherently difficult to install without perforations and also deteriorate over time. Computer modeling suggests that these “best practice” containment cells are only about 85% and 60% effective at 30 and 100 years of operation respectively. Containment cell design and installation procedures have advanced since this was reported in 1993 however, irrespective of the design and construction, even the best systems will ultimately fail due to natural deterioration as noted by the U.S EPA. Failure results in the pollution of the surrounding groundwater and increased risk of exposure to those who own or use properties within the sphere of influence of the containment facility.

Of concern is that these “best practice” containment cells assume that the hazardous wastes have been pre-treated to a level as outlined by the US EPA. Hydro Aluminum Kurri, Kurri does not plan on pre-treating the spent pot liner material as it is mixed with other waste

despite treatment options being available for mixed spent pot liner waste material including the Reynold's, or the Ausmelt processes developed in Dandenong, Australia. As pointed out by Mr Richard Brown, managing director of Norsk-Hydro Aluminium Kurri Kurri, in the Newcastle Herald (Aug 22, 2014) the current waste pile at the site would be moved to a new containment cell. Therefore, it would not only be possible but "best practice" to take this opportunity to separate the spent pot liner for reprocessing from the other waste during the transition.

The comparison of containment cells at other sites such as the Pasminco smelter at Boolaroo, NSW for lead and zinc contamination is flawed. The containment of heavy metals (positive ions) is very different from the contamination from spent pot liner which consists of negative ions fluoride, cyanide, and cyanide complexes (ferro/ferric cyanides). In addition spent pot liner leachate is very alkaline ($\text{pH} > 10$) which can affect the chemical and physical structure of the containment cell walls. Consequently land disposal of untreated spent pot liner as proposed by Norsk-Hydro Kurri Kurri is a highly undesirable management scenario that effectively concentrates large volumes of a designated hazardous material which could otherwise be destroyed or immobilised.

Engineered containment cells are a flawed technology that at best, only postpones the inevitable pollution of the local groundwater and will result in future generations' having to clean-up the contamination. Of greater concern are the remediation issues that stem from the spent pot liner contaminated ground water and the associated soil currently at the site that as of yet, has not been addressed by Norsk-Hydro Kurri Kurri.