

# Meeting No. 131 Wednesday, 20 June 2018 9.00 a.m. – 10.30 a.m.

## NSW Ports' Board Room, Level 3 Maritime Centre 91 Foreshore Road, Port Kembla

# **Minutes**

#### **PRESENT**

Allison Broad University of Wollongong

Trevor Brown NSW Ports

Ron Hales Community Representative

Chris Haley Chairman Nigel Harpley Ixom

Brian Kiely
Roger Kirk
Port Authority of NSW
Community Representative

Naomi Lee Environment Protection Authority

John Macpherson Pacific National

Bruce Medcalf
Luke Pascot
Renee Winsor

Community Representative
Port Kembla Coal Terminal
Wollongong City Council

Lawrence Zammit BlueScope Steel

#### In Attendance

Kylie Hargreaves Australian Industrial Energy (AIE) Leesa Selke Australian Industrial Energy (AIE)

#### 1. Apologies

Andy Davis University of Wollongong

Lana Howell AAT

Dene Ladmore Quattro Ports

Philip Laird Community Representative John Morrison University of Wollongong

Brendan Moss GrainCorp

Greg Newman Environment Protection Authority
Olive Rodwell Community Representative

#### 2. Presentations

#### 2.1. Port Kembla Gas Terminal – Australian Industrial Energy (AIE)

Kylie Hargreaves and Leesa Selke gave a presentation regarding the gas terminal development proposed for Berth 101 and the southern stockyard area within the coal terminal. A copy of the presentation is provided at Appendix A.

Kylie indicated that AIE are currently seeking confirmation from the Department of Planning and Environment regarding the planning approval pathway which shall apply to this project.

[Post Meeting Note: On 24 June the Minister for Planning declared the Port Kembla Gas Terminal to be Critical State Significant Infrastructure.]

Kylie said that liquefied natural gas (LNG) has been transported by ships for over 60 years with a good safety record. Floating Storage Regasification Units (FSRUs) have been in use since 2005.

Leesa indicated that liquid gas is gasified using a heat exchange process with local seawater. As a result, water is returned to the harbour from the heat exchanger at colder than ambient temperature. The impacts of this cold-water discharge will be considered as part of the environmental impact assessment process.

Lawrence Zammit suggested that AIE could refer to harbour flora and fauna studies conducted by BlueScope for information about local aquatic ecology.

Naomi Lee asked what plans AIE has to consult with EPA and the community. Kylie said that AIE will undertake extensive consultation with all relevant stakeholders throughout the process.

In response to a question from Allison Broad, Kylie indicated that offshore anchoring of LNG carriers was unlikely to occur as the berth would generally be available whenever the vessel arrived off port.

In response to a question from Chris Haley about keeping the LNG cold, Kylie said that storage tanks on the carriers and FSRU were well insulated and any "boil-off gas" can be re-liquefied on board.

In response to a question from Chris Haley, Trevor Brown said that NSW Ports would be willing to consider opportunities for LNG bunkering of suitable vessels in the future, but there were no such vessels currently calling at Port Kembla.

Luke Pascot asked about the hazard and risk implications of the proposal for adjacent land uses and shipping operations in the port, particularly the Inner Harbour swing basin. Kylie said that LNG is not considered a dangerous good while in liquid form, but all relevant hazards and risks will be thoroughly assessed as part of the environmental impact assessment.

Naomi asked what volume/flow rate of seawater would be required for the heat exchange process. Kylie said this would be determined as part of the design of the terminal and procurement of the FSRU.

John Macpherson asked whether AIE would be establishing a local office in the Illawarra. Kylie said that while their head office is currently in Sydney, AIE is talking to the University of Wollongong about opportunities to source skilled labour from the local region.

#### 2.2. Environmental Incentive for Shipping – NSW Ports

Trevor Brown gave a presentation regarding the proposed financial incentive for ships whose environmental performance is better than regulatory requirements. A copy of the presentation is provided at Appendix B.

#### 3. Confirmation of Minutes of Meeting No. 130 held on Wednesday, 4 April 2018

The Minutes of Meeting 130 held on Wednesday, 20 June 2018, were received and accepted.

#### 4. Key Initiatives and Actions

The Group agreed that the draft Key Initiatives and Actions tabled at the February meeting were accepted.

#### 5. Climate Change

Trevor Brown noted that in April 2018 the Marine Environment Protection Committee of the International Maritime Organisation (IMO) adopted an initial greenhouse gas emissions reduction strategy for shipping. Chris Haley offered to present more information to the group regarding the strategy at a future meeting.

ACTION: Chris Haley to give a presentation regarding the IMO greenhouse gas emissions reduction strategy to a future meeting.

#### 6. Road and Rail Infrastructure

The Group noted that the NSW Government allocated funding to continue planning for the Mount Ousley Interchange Project in the June budget.

#### 7. PKHEG Website

Trevor Brown acknowledged that the agreed action (i.e. invoicing members and registering a website) from the April meeting remains outstanding and will be progressed prior to the next meeting.

#### 8. Legislation and Policy

Lawrence Zammit raised the use of per- and poly-fluorinated alkyl substances (PFAS) chemicals in firefighting foams, noting that there is no legislation in NSW preventing their use. He also noted that the Australian Government recently released advice from an independent panel of health experts that "there is mostly limited, or in some cases no evidence, that human exposure to PFAS is linked with human disease." A copy of the media release regarding this advice is provided at Appendix C.

Naomi Lee reported that EPA is currently considering appropriate policy and regulation for the use of methyl bromide as a fumigant.

#### 9. Round Table Reports

#### 9.1. Ixom

Nigel Harpley reported that construction is commencing on the new tanker loading bay on Foreshore Road. The project is expected to take 12 months to complete.

#### 9.2. Port Kembla Coal Terminal (PKCT

Luke Pascot reported that PKCT is commissioning its new stackers and reclaimers and will soon commence demolition of the old machines.

#### 9.3. Port Authority of NSW (PANSW)

Roger Kirk reported that PANSW is planning to install a second reel for the deployment of spill containment boom. The existing boom on No. 4 Jetty will be relocated to the Eastern Basin of the Inner Harbour and a new boom installed at the current location.

#### 9.4. Port Kembla Gateway

Brian Kiely reported that trade is progressing well. He said that the recent installation of 2 new CCTV cameras as part of the NSW Ports network was expected to deliver security and environmental benefits, including deterrence of illegal dumping activities.

#### 9.5. BlueScope Steel

Lawrence Zammit reported that BlueScope Steel is currently cooperating with the Department of Planning and Environment on a review of surplus industrial land in the Illawarra. The Department has engaged Elton Consulting to undertake the review.

#### 9.6. Environment Protection Authority

Naomi Lee reported that Greg Newman was busy responding to the fire on the Iron Chieftain. She said that Greg would provide the EPA report by email after the meeting. [Post Meeting Note: The EPA report was received on 27 June and is provided at Appendix D.]

#### 9.7. Community Representatives

Bruce Medcalf raised the issue of the fire on the Iron Chieftain. He asked if the fire had started on the conveyor. Lawrence Zammit replied that the root cause of the fire was not yet known but the conveyor had caught fire.

Bruce expressed concern at reports that Fire & Rescue NSW were preparing to source firefighting foam from interstate because they had exhausted stocks in NSW. Lawrence said that BlueScope Steel and Fire & Rescue NSW have been liaising with the EPA regarding the type of foam used to fight the fire. He said that the use of foma had been kept to a minimum but it was required to control the fire. Trevor Brown and Roger Kirk both said that other stocks of foam are present in NSW, but Fire & Rescue NSW have elected to source foams from interstate.

#### 10. General Business

#### 10.1. Actions from previous meetings

It was agreed that the following actions would be held over to a future meeting:

- Presentation on sustainable anchoring research
- Presentation on Port Kembla Revitalisation Strategy

Trevor Brown said he has not yet confirmed a date for a meeting regarding the Allans Creek Litter Boom but will continue to pursue this matter.

Trevor Brown noted that the PIANC *Guidelines on Climate Change Adaptation for Maritime and Inland Port and Navigation Infrastructure* have not yet been finalised and will be communicated to members when released.

#### 10.2. New Business

Nil

#### 10.3. Correspondence

Nii

#### 11. Next Meeting:

**DATE**: Wednesday, 1 August 2018

**VENUE**: NSW Ports Board Room

Level 3, Maritime Centre 91 Foreshore Road PORT KEMBLA

**TIME**: 9.00 a.m. to 10.30 a.m.

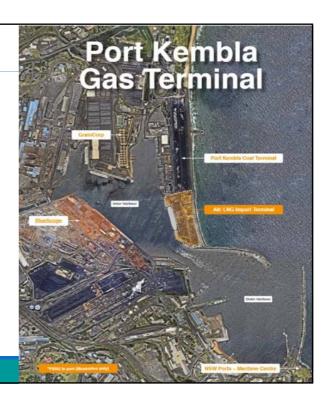
RSVP: Trevor Brown on Telephone: 4275 0714 or E-mail trevor.brown@nswports.com.au

# Appendix A



# **CONTENTS**

- 1. Australian Industrial Energy (AIE)
- 2. Project Overview & Components
- 3. Project Benefits
- 4. Operational Safeguards
- 5. Current Status
- 6. Next steps



# **AIE CONSORTIUM**

#### World class energy and resources experience







#### Andrew Forrest's Private Energy Company

- Well known and credentialed Australian industrial player with deep knowledge and experience of the industrial market
- Track record of creating market competitive low cost resource projects
- Strong connections with Australian industrial customers

#### **M**arubeni

#### Japanese Trading House

- Globally significant energy player with expertise in Asian LNG import terminals, gas transmission pipelines and broader infrastructure and power investments
- Ability to access Japanese engineering expertise re FSRU, small scale LNG etc
- Significant Australian energy infrastructure investor across gas distribution network

## Jera

#### ➤ World's largest LNG Buyer – JV Tokyo Electric and Chubu Electric

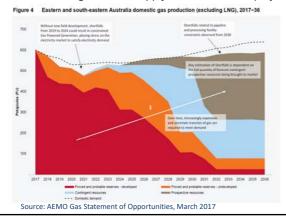
- Buys over 35mtpa LNG (>10% global market) and owner of 8 LNG import terminals
- Equity in 4 Australian LNG export Projects (Darwin, Gorgon, Wheatstone, Ichthys)
- One of the largest owners of thermal generation in the world (~ 70GW)

2 June 2018 AUSTRALIAN INDUSTRIAL ENERGY



## WHY IMPORT GAS?

- NSW currently imports 95% of its gas from SA, Victoria and Qld. The economy needs about 140 Petajoules (PJ) per annum.
- > Gas fields in southern states are depleting rapidly. Qld gas is plentiful but costs of gas development, extraction and transportation are high and rising.
- Some global competitors can develop their resources more cost effectively.
- > Transportation by sea is 20% of the cost of over-land pipeline costs and so can go large distances cheaply.
- > There is a global oversupply of LNG and our project has the world's largest LNG buyer on board.



	Onshore - Unconventional	Onshore - Conventional	Off-shore – conventional	Global Sources
Capital Costs				
Operational				
Costs				
Production				
Flow				
Rates/Volumes				
Variety of Gas				
Products				
(methane,				
butane,				
ethane etc)				

# **PROJECT OVERVIEW**

Capable of supplying ~70% of NSW gas demand needs from 2020

# AIE

#### **OBJECTIVE**

- Provide new, competitively priced gas to NSW industrial customers
- Up to ~100PJ p.a. (~70% of NSW demand
- Storage of ~4PJ, equivalent to 10-12 days requirements for all of NSW





#### SCOPE OF WORKS

- Excavate berth 101
- Construct new wharf with LNG offloading arms
- Construct short pipeline (12 13 kms)
- Procure Floating Storage Regasification Unit (FSRU) vessel
- Source LNG approx. 12 14 deliveries a year

#### **TIMELINE**

• Targeting first gas early 2020

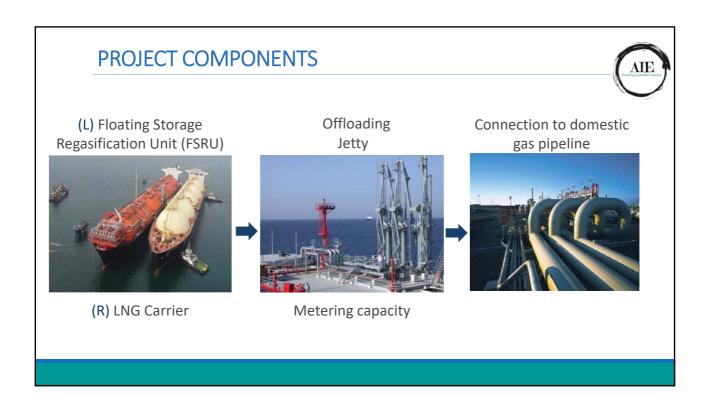
#### INVESTMENT

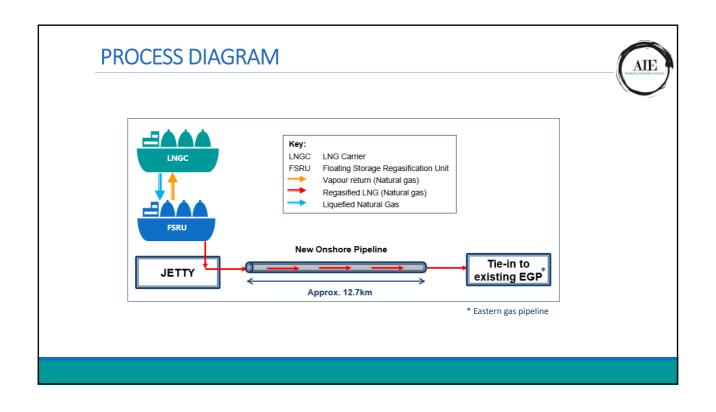
- Capital Investment est. \$200 \$300m
- Construction jobs est. 150
- Permanent jobs est. 40 50

17 MAY 201

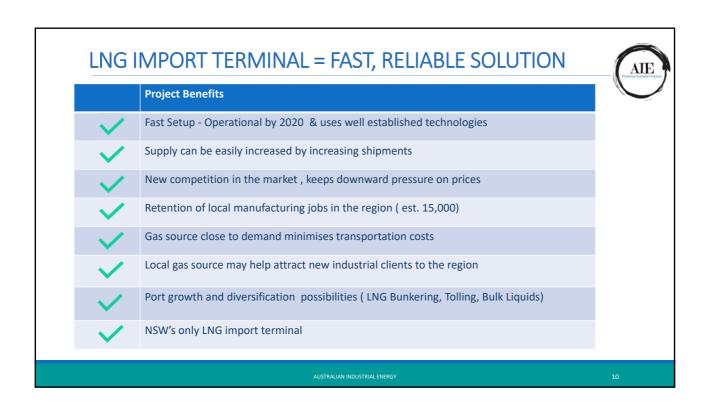
USTRALIAN INDUSTRIAL ENERGY

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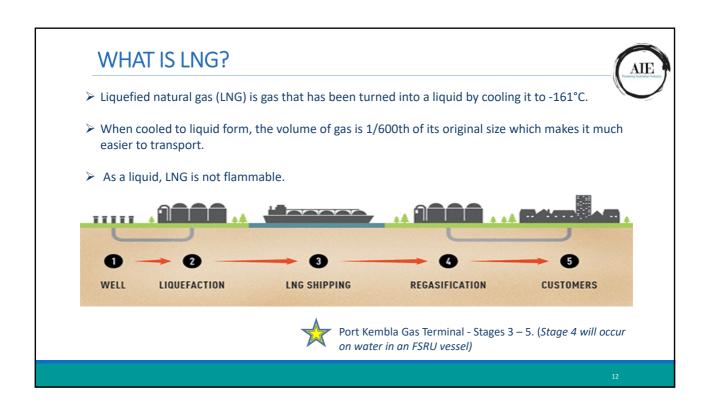


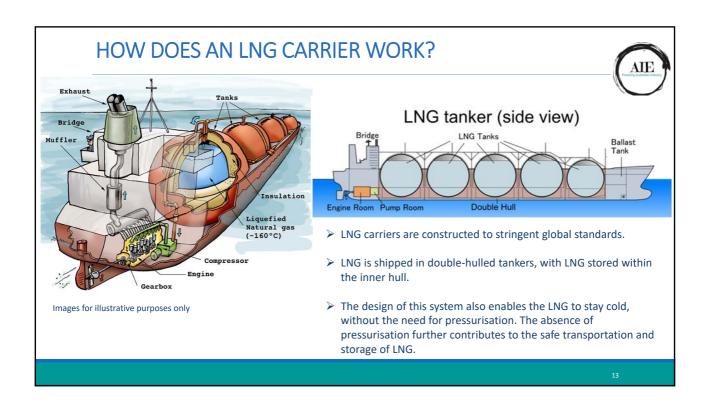














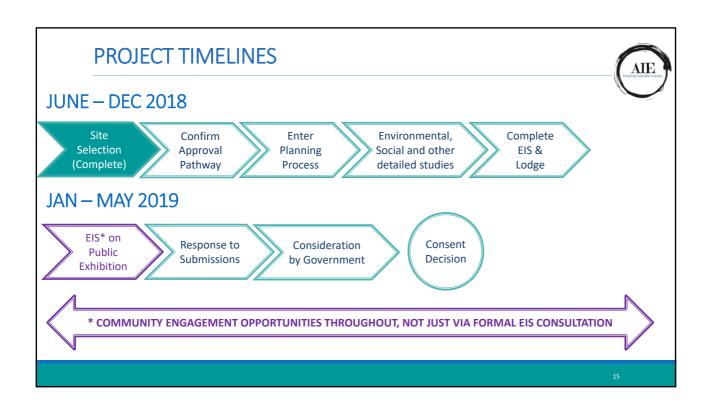


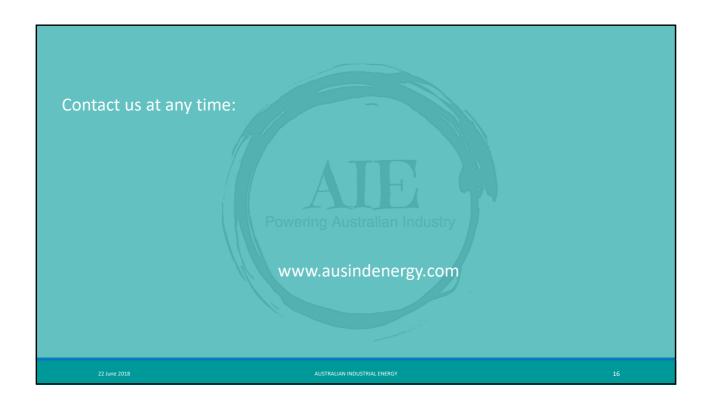


Floating Storage & Regasification Units

- ➤ Been around since 2005
- Over 30 in current operation, 75 more on order
- Removes need for fixed, onshore infrastructure
- Can be up and running 4 6x faster than onshore facilities

1/1







# **NSW Ports: Environmental Shipping Incentive**

NSW Ports is introducing an Australian-first environmental incentive for ships calling at Port Botany and Port Kembla.

The incentive will take the form of a discount on vessel related charges and is based on the Environmental Ship Index (ESI) rating system for ships.

The incentive will help reward higher standards of environmental performance in our ports.

NSW Ports is the first Australian port organisation to introduce such an incentive and is targeting a 1 January 2019 implementation.



#### **NSW Ports: What is ESI?**



#### Environmental Ship Index ESI

The incentive uses the Environmental Ship Index (ESI) rating system to apply the incentive.

ESI is a project within the World Ports Sustainability Program – whereby the world's key ports have committed to reducing greenhouse gas emissions.



ESI identifies and ranks seagoing ships that perform better in reducing air emissions than required by the current emissions standard of the International Maritime Organisation.

It is a voluntary scheme that provides an indicator of the environmental performance of ships.

http://www.environmentalshipindex.org



#### **NSW Ports: The main characteristics of ESI**

**Environmental Ship Index:** 

- gives a numerical representation between 0 and 100 of the environmental performance of ships regarding air pollutants and CO<sub>2</sub>;
- scores  $NO_X$  and  $SO_X$  emissions directly and proportionally and gives a fixed bonus for documentation and management of energy efficiency;
- only includes ships that perform over and above current international legislation (IMO);
- enables ports and other interested parties to stimulate ships to improve their environmental performance;
- is straightforward and simple in approach and presentation;
- can be applied to all types of sea going ships;
- is automatically calculated and maintained;
- is free of charge for ship owners



#### **NSW Ports: Calculating an ESI Score**

The ESI formula is built up of different parts for  $NO_x$ ,  $SO_x$  and  $CO_2$ ; additionally a bonus is awarded for the presence of an On-shore Power Supply installation.

The ESI Score ranges from 0 for a ship that meets the environmental performance regulations in force to 100 for a ship that emits no  $SO_\chi$  and no  $NO_\chi$  and reports or monitors data to establish its energy efficiency, i.e.:

- A ship with a score of 0 points is actually in conformity with the applicable requirements
- A ship with 100 points has zero emissions to air.

The best performing ships have scores that are close to 100; these ships use fuels with sulphur contents close to or equal to 0 % and are fitted with  $NO_X$  reduction systems.



#### **NSW Ports: ESI Listed Ships**

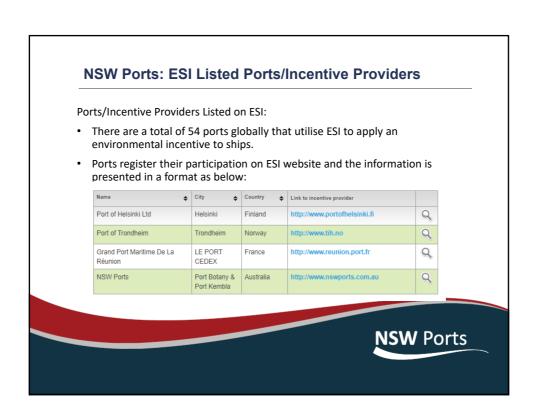
Ships Listed on ESI:

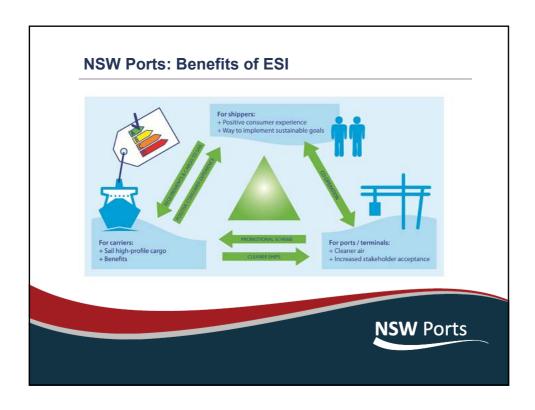
- The total number of ships with a valid ESI score worldwide is 7347 this represents approximately 14% of the worlds merchant fleet.
- Ships register their participation on ESI website and the information is presented in a format as below:





# NSW Ports: ESI Listed Ships Spread of ESI: Of the 7347 ESI Rated Ships, the majority have a score of between 20 and 35. Only 5% of ships have a score above 50%. Spread of ESI Scores Spread of ESI Scores 10-20 120-35 135-50 150+ W Ports







# CHIEF MEDICAL OFFICER MEDIA RELEASE

7 May 2018

#### **EXPERT HEALTH PANEL'S INDEPENDENT PFAS ADVICE**

An independent expert health panel established by the Australian Government has concluded there is mostly limited, or in some cases no evidence, that human exposure to PFAS is linked with human disease. Importantly, the panel concluded there is "no current evidence that suggests an increase in overall cancer risk".

The panel also concluded that much of the evidence available is weak and inconsistent and that decisions to minimise exposure to PFAS chemicals should be largely based on their known ability to persist and accumulate in the body.

Australia's Chief Medical Officer, Professor Brendan Murphy, today released the advice from the Expert Health Panel for PFAS.

The panel was established in October 2017 to advise the Government on the potential health impacts associated with PFAS exposure, and identify priority areas for further research.

Comprised of experts in the fields of environmental health, toxicology, epidemiology and public health, the panel considered the evidence available from both Australian and international scientific research as well as the views of the public in forming its advice to the Government.

It met three times between October 2017 and February 2018 and conducted extensive out-of-session work.

The panel found the evidence on health effects associated with PFAS exposure is limited.

It acknowledges there is some research that identifies associations with health outcomes such as high cholesterol. However, there is limited or no evidence of human disease accompanying these associations and many of them are not considered to be clinically significant and require further research.

The panel's report has been provided to the National Health and Medical Research Council (NHMRC) and it will be used to inform the \$12.5 million *National Research Program into the Human Health Effects of Prolonged Exposure to PFAS*.

The panel's findings support the Environmental Health Standing Committee's advice that there is no consistent evidence that exposure to PFAS causes adverse human health effects.

However, given the chemicals continue to persist in humans and the environment, exposure to them should be minimised.

The panel advised the evidence does not support any specific screening or health interventions for highly-exposed groups — except for research purposes.

It also concluded there was insufficient evidence of causation between PFAS exposure and any adverse health outcomes.

When reviewing the panel's report, it is important to understand the difference between an association and causation. An association indicates a relationship between one thing measured and another — in this case, PFAS exposure and an adverse health outcome. Causation means that the thing measured directly causes a change in the other.

The panel recommended future research focus on long-term studies, adding PFAS exposure to existing research, and utilising linkable data from other health studies that relate to exposed communities.

The Australian Government is committed to supporting communities and responding effectively to PFAS contamination. This commitment has included reducing exposure from contaminated drinking water, providing mental health and counselling services, funding an epidemiological study into potential health effects and providing access to free blood tests for PFAS on a voluntary basis.

The Expert Health Panel for PFAS's report is available on the <u>Department of Health</u> website.

Media contact: Kay McNiece, 0448 207 226 news@health.gov.au

#### **ENVIRONMENT PROTECTION AUTHORITY**

#### PORT KEMBLA HARBOUR ENVIRONMENT GROUP - 20 JUNE 2018

DOC18/403732

BlueScope Steel - Bypass of Waste Gas Cleaning Plant serving the sinter plant

Process air from the Sinter Plant is treated through electrostatic precipitators and the Waste Gas Cleaning Plant (WGCP). Following a major fire in the WGCP in October 2014, the licence permits bypasses of the WGCP for limited periods of time, subject to a series of conditions.

Following the detection of elevated temperatures in the WGCP, BSL commenced a bypass of the WGCP on 23 May 2018. BSL issued a media release https://www.bluescopeillawarra.com.au/news-media/2018/05/waste-gas-cleaning-plant-temporary-bypass/, updated its website and notified its Community Consultative Committee of the bypass.

The bypass resulted in a more visible stack plume and on 23 May 2018 BSL reported a minor air emission limit exceedance for total particulate matter. Process adjustments and further regular testing demonstrated compliance with licence requirements. The EPA inspected the facility regularly and will determine an appropriate response to the exceedance. The WGCP went back on-line on 28 May 2018.

#### Sentencing of Dib Hanna - Illegal dumping of waste

The Land and Environment Court has sentenced convicted repeat waste transporter Dib Hanna to three years imprisonment. Landowners should always be extremely cautious when accepting topsoil and be on the lookout for dodgy operators. Further information is attached.

#### Algal Bloom

On 8 June 2018 EPA responded to reports of a red discolouration in the water at the Outer Harbour boat ramp. The algae was identified quickly as the dinoflagellate *Noctiluca scintillans*. Public Notifications and signage was provided by NSW Ports and Roads and Maritime Services respectively. These blooms happen occasionally and can be triggered by increases in nutrients in the water such as during ocean upwelling events or following rainfall. Whilst not toxic, *N. scintillans* can cause minor skin irritation and contact should be avoided. This algae is also bioluminescent and emits bluish – purple light when disturbed.

#### *Industry Community Liaison Groups (CLG)*

A BSL CCC meeting was held on 22 March 2018. A copy of the minutes will be made available on BlueScope Steel's website at https://www.bluescopeillawarra.com.au/community/community-consultative-committee/. The date of the next meeting is 21 June 2018.

A PKC CLG meeting was not held on 22 May 2018 as scheduled. The next meeting is scheduled for 9 October 2018.

PÊTER BLOEM

Manager Regional Operations Illawarra

19/06/18

#### Sentencing of Dib Hanna - 31 May 2018

Ministerial Statement Attributable to NSW Environment Minister Gabrielle Upton

The sentencing of convicted repeat waste transporter Dib Hanna sends a strong message that illegal dumping of waste will not be tolerated.

Mr Hanna pled guilty to each of five charges against him.

It is the first time the Land & Environment Court has been asked to consider jailing a "repeat waste offender" under tough new anti-dumping legislation introduced by the NSW Government in 2014.

It is an appropriate sentence for Mr Hanna, who took advantage of innocent people for his own financial benefit.

Illegal dumping, especially of asbestos waste, is a serious environmental crime and NSW has tough laws to prevent it.

Today's result will serve as an important warning to those thinking of breaking the law.

Any behavior that flagrantly puts the health of the community and the environment at risk will not be tolerated.

Landowners should always be extremely cautious when accepting topsoil and be on the lookout for dodgy operators.

The simple message is: check that the soil you're receiving is clean & comes from a reputable supplier.

Contact the EPA on its 24 hour alert line 131 555 if you have any doubts about the company making the offer.

This is also the best way you can report any illegal dumping.

#### Background

Dib Hanna pled guilty to one charge of illegal transport of waste and four counts of illegal dumping of waste including;

- In October-November 2015 for illegal dumping at East Kurrajong
- In December 2015 for illegal dumping at Llandilo
- In November December 2015 for illegal dumping at Wallacia
- In December 2015 January 2016 for illegal dumping at East Kurrajong

The Land and Environment Court has sentenced Dib Hanna to three years' imprisonment. He has also been ordered to clean up the dumped waste, to publish details of the offence and to pay the EPA's legal costs.

Mr Hanna has a non-parole period of 2 years and 3 months, ie, the earliest he can be released is 16 July 2020 as the sentence was backdated to 17 April 2017.

In late 2016, the NSW EPA prosecuted Mr Hanna for the illegal transport and dumping of waste, including asbestos, on private properties in western Sydney in 2015 and 2016. Each charge carried a maximum penalty of \$250,000 and/or two years' imprisonment.

In an exhaustive pursuit, the NSW EPA worked with the Police to have him arrested in Victoria and extradited to NSW after he failed to appear in Court to answer the charges. This is the first time a person has been extradited in relation to environmental offences.

The Court heard that Mr Hanna had advertised free clean top soil, clay, crushed bitumen and shale and the use of an excavation machine to various Sydney residents via a letterbox drop.

Upon being contacted by innocent residents interested in receiving the free material, between October 2015 and January 2016 he instructed truck drivers to transport and deposit 461m3 (461,000kg) of waste, including asbestos waste, at residential properties in East Kurrajong, Llandilo and Wallacia.