



QUEENSLAND ALUMINA LIMITED

Queensland Alumina Limited
 Parsons Point
 Gladstone, QLD 4680
 Australia
 T +61 (0) 7 4976 2211
 F +61 (0) 7 4976 2300



QAL Community Advisory Committee Meeting

Meeting 4

6:00pm Thursday 18 February 2016

ATTENDEES:	
Mike Dunstan	QAL Representative
Jeremy Hastings	QAL Representative
Ross Greenhalgh	QAL Representative
Grant Costello	QAL Representative
Greg Doyle	QAL Representative
Lucinda Ross	QAL Representative
Jessica Ksiazek	QAL Representative
Resident South Gladstone	Resident South Gladstone
Resident South Gladstone	Resident South Gladstone
Local Government Representative	Local Government Representative
Resident Barney Point	Resident Barney Point
Resident Barney Point	Resident Barney Point
Resident South Gladstone	Resident South Gladstone
Resident Barney Point	Resident Barney Point
Resident West Gladstone	Resident West Gladstone
Local Government Representative	Local Government Representative
APOLOGIES:	
Member for Gladstone	Member for Gladstone
Resident Barney Point	Resident Barney Point
School Principal	School Principal
School Principal	School Principal
Resident Barney Point	Resident Barney Point
Barney Point community Group Representative	Barney Point community Group Representative



Resident Barney Point	Resident Barney Point
Resident South Gladstone	Resident South Gladstone
Resident South Gladstone	Resident South Gladstone
Resident South Gladstone	Resident South Gladstone

Introduction – Jeremy Hastings (Manager - Community Relations)

Welcome

Safety share

Emergency evacuation

Toilet location

Explained what we want to get out of this meeting:

- *Engage with our community.*
- *Find out key concerns.*
- *For the managers to know firsthand what are the community's issues.*

Overview of previous meetings

Reviewed previous actions

Mike Dunstan (General Manager, QAL): Asked Resident of South Gladstone about the whooshing noise that he previously thought was the Calciners.

Resident South Gladstone: States it was not from QAL it was actually from the trains.

Current market conditions - Mike Dunstan (General Manager)

- *Alumina prices have dropped*
- *Main driver for drop in price is due to the drop in demand and oversupply in China*
- *QAL cannot sustain these sorts of losses*
- *No one is predicting the market will bounce back soon*
- *Lowest alumina price in 25 years*
- *In early January I informed workers that redundancies were on the table*
- *On Tuesday (16th Feb) we had to make a number of support roles redundant*
- *QAL are Q3/Q4 on the cost curve – we need to be in Q1/Q2*
- *We are fighting to survive*

What can QAL do in the current situation?

- *Need to transform our Alumina Business from a Q3/4 produce to a Q1/2 producer*
- *Identify opportunities in operational and functional areas to reduce trade working capital*
- *Increase Productivity*
- *Optimise costs*
- *Review our commercial contracts*
- *Improve operational sustainability*
- *Increase process efficiency*

What QAL WON'T Compromise on



- *Our commitment to safety*
- *Our environmental and community commitments*
- *Critical maintenance and turnarounds*
- *The structural integrity of the plant*

What does this mean for our community?

- *We appreciate the support of our community*
- *QAL needs to be cash positive, we must reduce our cost of production*
- *Review contracts*
- *Reduce contractors on site*
- *Freeze recruitment and travel*
- *Significant scrutiny on sponsorships and donations*

Resident South Gladstone: *So is Yarwun feeling the same?*

Mike Dunstan (General Manager): *Yes, they are feeling exactly the same.*

Resident South Gladstone: *I thought it would be the opposite with QAL being such an old plant.*

Mike Dunstan (General Manager): *Yarwun has some technical advantages. But they face the same high costs of energy, raw materials and labour as we do.*

Resident Barney Point: *How long have the lows stayed low in the past?*

Ross Greenhalgh (Manager- Environment team): *Usually for about 18 Months.*

Mike Dunstan (General Manager): *But it is different now. A lot of these operations have been built on debt, for example oil - no one wants to bail out because of the cost to service this debt. At QAL we aren't in the curtailment or closure zone yet, but we need to be cash positive. My guess would be 18 months to two years before the prices go up again.*

Alkali update - Greg Doyle (Manager - Redside)

To avoid another event, such as 10 June, we are currently installing three Entrainment separators onto each of our Digestion units.

We have installed the upgraded entrainment separators onto two of the units, and the final upgrade (to unit 1) is planned for 16 April 2016.

(Committee shown video of entrainment separators installation)

Resident South Gladstone: *How was the alkali release on 10 June?*

Greg Doyle (Manager - Redside): *The entrainment separators, on the particular unit where the alkali was released from, were an original 1960's design. We have now refined and installed a new design used successfully in other refineries.*

Since the entrainment separators were installed we have an online system that monitor and report on alkali levels.



We have also installed an orifice plate that reduces caustic release into the entrainment separators during the draining of high pressure Heater Trains. The orifice controls pressure and flow that goes down to the entrainment separator – this reduces the low background levels further.

These modifications have been completed on all three digestion units.

(Show slide of alkali improvements)

Resident South Gladstone: *So that purple is what was released out into the community?*

Ross Greenhalgh (Manager - Environment): *No it wasn't, these pads were mounted on top of the entrainment separator to test the effectiveness. It helped us to identify the solution to the high pressure heater train.*

Resident West Gladstone: *So will the back ground caustic be zero?*

Greg Doyle (Manager - Redside): *By April we will have the units in place to minimize it.*

Resident West Gladstone: *Do the pads still show a lot of purple dots now?*

Jeremy Hastings (Manager - Community Relations): *It would be rare for us to find alkali on boundary - the last Alkali found on the boundary was a long time ago. However, if this occurs we spend time trying to find out what has happened.*

Resident South Gladstone: *With the odour, it has improved enormously but you can still smell it. You get that waft.*

Greg Doyle (Manager - Redside): *If the wind is blowing strong south or south easterly you will get that odour.*

Resident West Gladstone: *I am in west Gladstone and the odour gets so bad that you have to shut your windows.*

Greg Doyle (Manager - Redside): *Yes, and this is very important to us - we want to reduce the effect of odour on the community.*

Jeremy Hastings (Manager - Community Relations): *Odour is one of the key issues we are working to identify sustainable solutions for.*

Dust control - Grant Costello (Manager- Utilities)

Sometimes unfortunately when we work with alumina we generate dust - our goal is to reduce as much dust as possible.

(Shows wind speed slide)

You can see there are certain points that winds have been high.

Our operating procedure before January was - when the wind was blowing 40km/hr or more we were forced to stop loading alumina onto to the ship.



However we are continuously trying to improve and reduce our impact on the community.

We have changed our procedure from January - if the wind speed is over 33km/hr we will be forced to stop loading.

Today and over the next week we are putting in place a system where if the wind speed is above 33km/hr an alarm will sound. If it is still over 33km/hr for 30 minutes, it will shut down until the wind speed falls below 33km/hr.

We haven't got all the dust issues solved, but we are trying to develop ways to reduce our impacts.

Grant Costello (Manager- Utilities): We have done a lot of work on the cascade chute – we are not the best but we have done a lot of work in 12 months.

Resident Barney Point: So will you only be looking at this in certain wind directions (e.g. blowing over town)

Grant Costello (Manager- Utilities): The wind direction is irrelevant- if it is blowing 33km/hr or over we stop.

Resident South Gladstone: What are you actually blowing?

Mike Dunstan (General Manager): Alumina. It is a very fine white dust.

Ross Greenhalgh (Manager- Environment team): Explains the two types of monitoring devices we currently have (ROCS and the funnels)

We check the funnels every month to determine how much dust we have collected. That dust is then analysed to find out how much percentage Alumina is in the dust. Most dust is made up of all different substances e.g. Coal dust, sea salt, pollen and Alumina dust.

Resident South Gladstone: So once you go over the level you get into trouble.

Jeremy Hastings (Manager- Community Relations): If we receive a complaint, we will address your concern even if it is under the licence limit.

Grant Costello (Manager- Utilities): We are aiming for Zero impact on community liveability.

Workshop 'operation BBQ' and Zero Impact on community liveability

Write down problem, objectives and key deliverables -

- What do you want to see us achieve in the next 5 to 10 years?
- Biggest problem you want to see solved?

(Split into two groups)

<u>Group 1</u>	<u>Group 2</u>
Reduce property damage through Alkali	Open and honest communication with community and QAL – explain plans for tackling impacts as well as milestones
Stop the odour	



Lower environmental impact	Help community understand if there are any health impacts related to emissions
Reduce impact on community	
Two way communication between committee members and QAL	Reduce odour
QAL Equipment & System reliability	More open and transparent communication that is easy to understand – Milestones for real action & progress
Independent report into alkali impacts – from a different company or different alumina plant (Yarwun)	Reduce dust emissions
Individual consequences to employee when not following procedures which create impact on community	
Take action	
Measure odour online	
Measure alkali online	
Identify high noise area- Apply Dampening	

Everybody comes together as one group to explain what they discussed.

One group suggests that odour and alkali need to be further measured with results communicated.

Resident Barney Point: *I think everything is being over measured; we just need to go and get stuff done.*

Mike Dunstan (General Manager): *If we measure we don't need to rely on the community complaints - we can work to resolve the issue before it gets that bad.*

Resident South Gladstone: *How do you know there are no health risks from the odour?*

Ross Greenhalgh (Manager- Environment team): *There are definitely no health risks from odour.*

Mike Dunstan (General Manager): *We know there are no health risks, but that's not the point. We don't want you to have to close your window. We want you to be able to go outside and have a BBQ. That is one of the main impacts we want to change.*

Lucinda will put the health study report on the QAL website.

Jeremey Hastings (Manager – Community Relations) : *There is something called an "E-nose". They are calibrated to a chemical composition to smell. If we introduced these we could see when there is an odour impact.*

Mike Dunstan (General Manager): *Up until now the technology hasn't been there but now it can really help us identify the smell.*

Local Government Representative: *There is nobody there to give the community this sort of information. QAL needs to make sure there is strong, open and honest communications. All the information is on a website that no one knows about. It is all about communication.*

Mike Dunstan (General Manager): *Yes, and communication needs to follow with action.*



Resident Barney Point: *You're not selling yourselves. The community needs to become more confident in what is going on and what is being done to address issues. It is not as bad as everyone thinks, it is just the lack of information. The community needs to have more knowledge about changes. You are putting in 2 million dollars on making sure an event like the June 10 event doesn't happen again - and no one knows about it.*

Resident South Gladstone: *I think we need to break up all the negative talk on social media. We need to know what you are doing.*

Jeremy Hastings (Manager- Community Relations): *I think we need to start a website called Operation BBQ – co-shared with this group. People can ask questions on there and we will find out the answers and publish them. For example: Are there any health risks?*

Resident Barney Point: *We need to keep the big picture alive. What is happening? What QAL is doing about it? What is QAL reaching for? One of your biggest problems is the negative people on social media.*

Local Government Representative: *If odour has been reduced. Then why can't we just put more thermal oxidisers in and just get rid of the smell altogether?*

Ross Greenhalgh (Manager- Environment team): *We have limitations with odour. We do not have all the technology to solve all the issues with odour problems.*

Mike Dunstan (General Manager): *At least if we did have that "E-nose" we would be able to tell before we started getting outside complaints in.*

Local Government Representative: *If we knew what was going on (via the website) we could go out and tell others.*

Resident South Gladstone: *Where is the odour coming from?*

Mike Dunstan (General Manager): *It is coming from organics in the bauxite.*

Resident South Gladstone: *Do you have site tours?*

Mike Dunstan (General Manager): *Yes we do.*

Resident South Gladstone: *I would like to do that.*

Mike Dunstan (General Manager): *We invite you to come along on one before the next meeting. We can show you the equipment we use and what we are doing.*

Mike Dunstan (General Manager): *I also believe that putting alkali into the community is indefensible.*

Jeremy Hastings (Manager- Community Relations): *That is the ideology what we are trying to change.*

Resident Barney Point: *Well why don't you get out and tell people what you are doing?*

Jeremy Hastings (Manager- Community Relations): *We tried that in 2014 when we had a big QAL open day with site tours and information on what we are doing to*



address our impacts and no one came. So I think we need to open a debate with the community and we need to engage in social media because that is the only way we can get talking about these issues and how we can address them.

Local Government Representative: *Facebook is the best means of communication.*

Jeremy Hastings (Manager- Community Relations): *That is true and we can't just ignore it, we need to address it.*

Local Government Representative: *In my opinion QER does a really good article. It isn't saying "we are so good", it is more about what our current situation is and how we are trying to tackle it.*

Mike Dunstan (General Manager): *So maybe we should be more on the front foot about being positive.*

Resident Barney Point: *The way I see it is the lack of communication and ignorance from the past QAL workers that have shot you in the foot.*

Resident South Gladstone: *Five years ago the Port Authority put a dust monitor in my backyard to test the coal dust. The samples came back and it was just under the legal line so they didn't worry about it. As soon as I complained to QAL about my car they came out straight away, looked at it and talked to me. That is what I loved about QAL's response - you communicated with me.*

Actions

1. *Lucinda to put health study on QAL website*
2. *Jeremy to test 'E- Nose' before next meeting*
3. *Ross to present where odour comes from at next meeting*
4. *Lucinda to arrange a tour of QAL for committee members who haven't yet been to site*
5. *Lucinda to take Resident South Gladstone through 10.06.2015 event and explain what happened to cause the alkali release*
6. *Lucinda to bring alumina and bauxite samples next meeting*
7. *Lucinda to provide group with an example of communication material to be printed in Gladstone News Weekly for comment*

Next meeting will be around the beginning of April (first or second week)

Meeting closes.