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HUNTER NEW ENGLAND
NSW HEALTH

5 June 2006

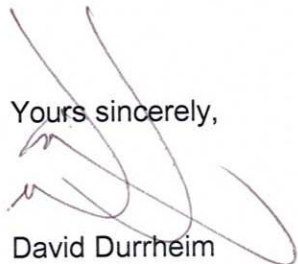
Mr Anthony Fitzsimmons
Director
Fitzwalter Group Pty Ltd
633 Harris St
Ultimo 2007

Dear Mr Fitzsimmons,

**SITE REMEDIATION STRATEGY PASMINGO COCKLE CREEK SITE 13A MAIN ROAD,
BOOLAROO.**

In response to your letter of 17th May, 2006 regarding the environmental assessment for the Pasmingo Cockle Creek site remediation strategy, we are satisfied that the assessments outlined in the "key assessment requirements" in the document provided to us should address the major environmental health protection issues in relation to this site. The general approach to assessing environmental health risk and control strategies as outlined by Kerry Holmes of Holmes Air Sciences is supported. We look forward to reviewing the environmental assessment.

Yours sincerely,


David Durrheim
Service Director
Hunter New England
Population Health



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NSW Government

DEPARTMENT OF NATURAL RESOURCES

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File: ER5612 & 20BL169708

Dennis Zines
Environmental Manager
Fitzwalter Group Pty Ltd
633 Harris Street
ULTIMO NSW 2007

24 May 2006

Dear Mr Zines

Subject: PCCS Site Meeting 24 May 2006 – Proposed Remediation of the Former Pasmenco Cockle Creek Smelter, Boolaroo, Lake Macquarie.

Thank you for the opportunity to discuss the PCCS site remediation proposal on Monday 22 May, 2006. As discussed at that meeting, the Department of Natural Resources (DNR) has a statutory approval role for any groundwater interception activity under Part 5 of the *Water Act 1912*. However, in light of the extensive involvement of the Department of Environment and Conservation (Environmental Protection Authority) under the *Protection of the Environment Operations Act* and the consent authority role of the Department of Planning under Part 3A of the *Environmental Planning and Assessment Act*, DNR is of the opinion that further licensing requirements under the *Water Act* do not add value to the remediation operation or the outcomes specified by DEC and DoP.

As such, DNR propose to issue a single licence approval for all PCCS remediation works related to the groundwater cut-off wall or its equivalent, and any contaminated groundwater interception bores installed and operated on the PCCS remediation site. The licence will be issued for the stated 5 year period required to complete the remediation works.

Groundwater licence 20BL169708 will be issued upon receipt of your acknowledgement and acceptance of the above proposal. If you have any questions related to the above, please don't hesitate to call Mr Hemantha De Silva on 4904 2525.

To assist the department in ensuring due diligence in this matter, it would be appreciated if DNR could be forwarded copies of the DEC/DoP endorsed site remediation plan and subsequent annual reports.

Yours sincerely

Mark Mignanelli
Acting Manager Access & Compliance, Access and Compliance
Hunter Region

Both the Deed Administrators of the Pasminco Group of companies and the Fitzwalter Group, Project and Development Managers appointed by the Deed Administrators, are committed to keeping the local community informed about what's happening at the Pasminco Cockle Creek Smelter P/L (subject to deed of company arrangement) ('PCCS') site. As part of this commitment we have prepared this December 2005 edition of the Community Report which focuses on the Site Remediation Approval Process.

previous investigations and actions post closure

Earlier newsletters have outlined the actions that PCCS has been undertaking to clean up the site in response to the Environmental Protection Authorities ('EPA') Remediation Order. These actions include dust control (including covering of the slag stockpiles), removal of material from the site for reuse, demolition of the plant and environmental management of surface and groundwater.

At the same time, PCCS has been investigating the best means to remediate the site. After considering a range of remediation options the most appropriate remediation methodology for the site's slag materials and contaminated soils is to contain them in a cell on the site.

Recently, preliminary concept design studies were completed which determined the engineering and environmental requirements for the construction of a containment cell as the central component of the proposed on-site remediation strategy.

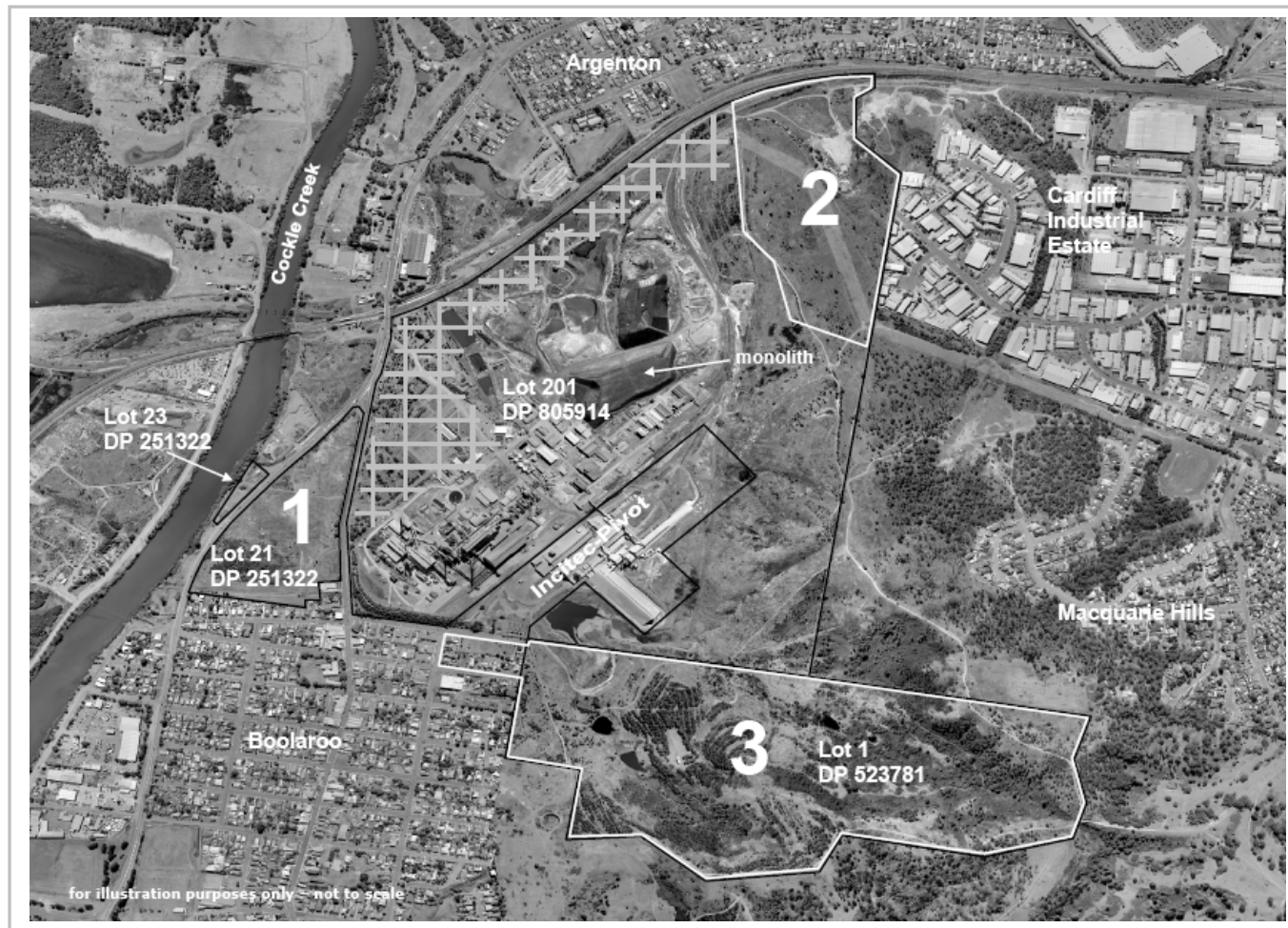
A Site Audit Report and Site Audit Statement are nearing finalisation which it is understood will confirm that the remediation strategy and design is suitable. Thereafter, the remediation documents will be submitted to the Department of Environment and Conservation ('DEC') for their technical approval. Subsequently, it will be necessary to obtain construction approval from the Minister for Planning. This newsletter outlines what is required for this approval.

planning approval process for site remediation

PCCS is seeking to gain approval from the Minister for Planning under Part 3A of the Environmental Planning and Assessment Act 1979 ('EP&A Act'), for various works associated with the remediation of the PCCS ('the Project'). The Project will include:

- > the remediation of PCCS owned lands at Boolaroo (see **Figure 1**) including the main smelter site (Main Site) (Lot 201 in DP805914), the Triangle Paddock site (Lot 21 in DP 251322), the Cockle Creek Pump Station (Lot 23 DP251322), and the Munibung Hill site (including a portion known as Boolaroo Heights) (Lot 1 in DP 523781);
- > the acceptance onto the Main Site of certain specified waste materials from nominated residential properties in Boolaroo, Speers Point and Argenton and possibly from the Incitec-Pivot site at Boolaroo;
- > the construction of a containment cell (or two cells) on the Main Site for the receipt and long term storage of materials arising from the sources noted above; and
- > associated environmental controls and site management during and after remediation.

▼ Figure 1: PCCS Owned Lands



Further details about the site remediation concept design are provided on Pages 3 and 4.

The Minister for Planning has issued draft Director's Guidelines for the Environmental Assessment Process under Part 3A of the EP&A Act 1979. A copy of the draft guidelines are printed on Pages 5 and 6 and when finalised can be found on the Department of Planning website www.dipnr.nsw.gov.au and the Pasmenco website www.pasminco.com.au

PCCS will be seeking to obtain an approval for the works at the earliest feasible time and is currently anticipating that the Environmental Assessment Report will be put on public exhibition in April 2006.

The community is invited to submit input and comments now that the draft Director's Guidelines have been issued. Comments received will be considered in preparing the Environmental Assessment Report. As the report is scheduled to be prepared in its final draft by February 2006, it would assist PCCS if submissions could be received before 31 January 2006.

Later when the report has been prepared, there will be a further opportunity to comment and have input. The Environmental Assessment Report will be put on public exhibition for a minimum of 30 days at which time the community will be able to either view the report at a number of local venues or obtain a copy.

Along with the exhibition, the community will be invited to make further comments which will be considered after the exhibition closes and before PCCS finally seeks approval for the project from the Minister for Planning.

Comments can be provided via the Project Hotline on **4958 0801** during office hours or alternatively you may write and/or fax your contact information including email address to us on:

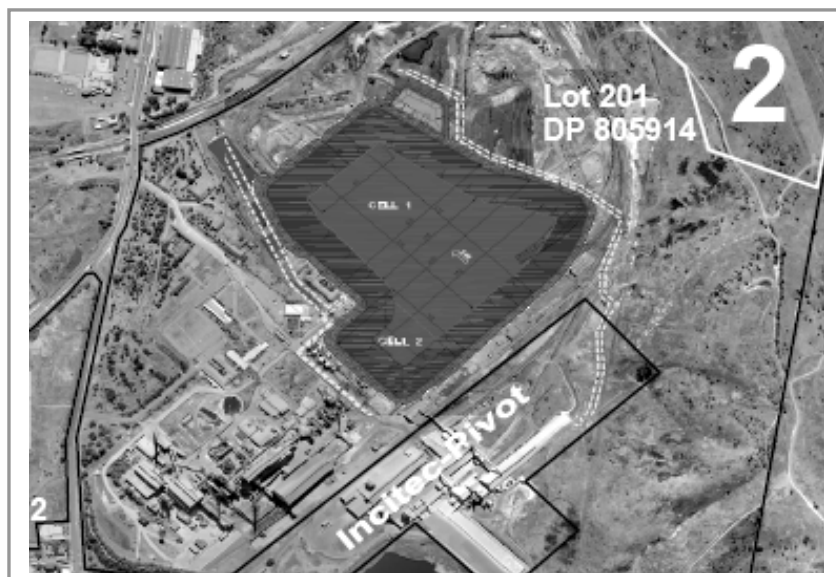
- > fax **9211 9299**; or
- > post to **633 Harris Street, ULTIMO NSW 2007**; or
- > email at **admin@fitzwalter.com.au**

containment cell proposed for site remediation

PCCS proposes to remediate its properties principally by excavating contaminated material from around the various PCCS properties and moving the excavated material to a single location where it will be permanently placed into an engineered containment cell. The cell is to be located over and around the on-site Lead Blast Furnace slag stockpile ('the monolith') which is to remain where it is.

The exact location of the outer perimeter of the cell is yet to be determined and will depend on a number of factors, principally the volume of contaminated material to be included. While estimates of in-ground contamination have been made, the final volume will not be known until the remediation process is undertaken.

As a general indication, **Figure 2** shows a conceptual cell layout which is being further refined.



▲ **Figure 2: Conceptual Cell Layout**

Areas identified for possible early remediation include:

- > the Triangle Paddock (Zone 1);
- > Cardiff West Industrial Estate (Zone 2); and
- > parts of the land along the railway land and in the foreground of the smelter (as shown cross-hatched on **Figure 1**).

Environmental controls will be used to manage the risks associated with groundwater, surface water and dust emissions during the remediation and construction periods.

PCCS has identified a number of separate land parcels that can be remediated independently.

The order of remediation of these land parcels will remain flexible for a large part of the remediation period (which is dependent on demand for the finished land and the efficient use of the cell contractor's resources and their remediation equipment).

The cell will be designed to prevent water infiltration into the cell from the base. As a first step, upstream rainfall run-off will be directed away from the cell by the creation of surface water diversion mounds and contouring. **Figure 3** shows a preliminary concept schematic of the cell with an exaggerated vertical scale.

With respect to groundwater, there will be an up-stream, in-ground cut-off wall and drain to prevent groundwater from entering the cell and potentially generating leachate. At the downstream side of the cell, there will be an in-ground drain which will capture any leakage from the cell. The water captured in the downstream drainage structure will be directed to an on-site treatment plant to remove contaminants leaving a water quality suitable for either on-site reuse or discharge to Cockle Creek.

The cell will be progressively capped and sealed on its external surface by a series of multiple layers for future development. These layers and the method of construction will restrict infiltration into the cell.

There will be restrictions as to any surface use of the cell to prevent any penetration into the cell, thus retaining the surface sealing for the long term.

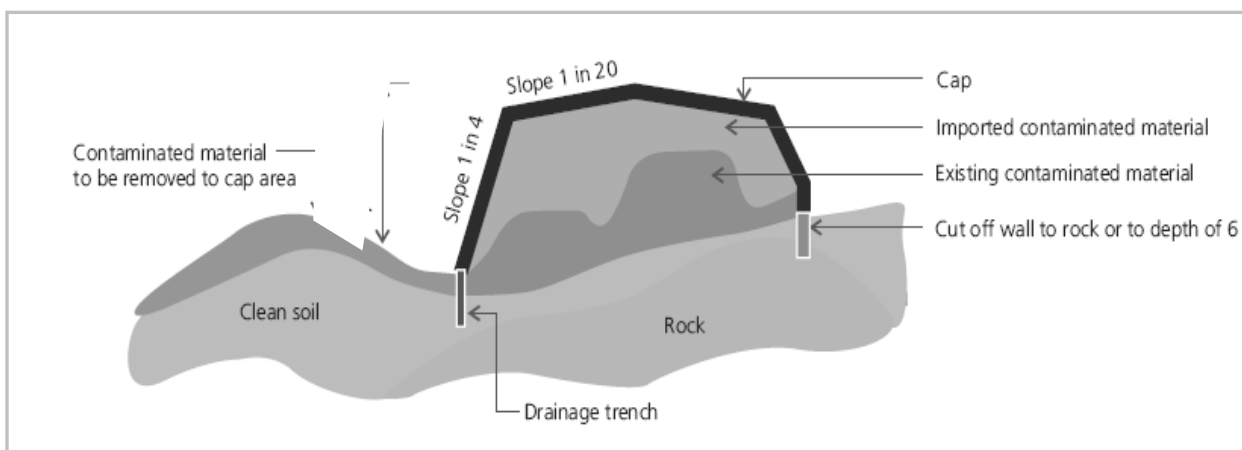
As the various site areas are remediated, they will become available for development for the future uses of industrial, commercial, residential or open space. Once finished, it is currently intended that the top of the cell also be used for either light industrial/commercial or open space purposes.

Residential uses will not be permitted on the cell.

The preparation of a Site Master Plan for the future development of the site beyond the remediation stage will require approvals separate to the Part 3A approval.

The cell (including the vegetated surfaces and the groundwater controls) will be managed by a Body Corporate type management system to ensure the long-term integrity of the containment solution.

The proposed site remediation strategy will ensure that there will be no risk to human health or the environment and that the whole site will be available for the nominated future uses.



▲ **Figure 3: Preliminary concept schematic of cell with exaggerated vertical scale**

DRAFT Director's Guidelines for the Environmental Assessment Process under Part 3A of the EP&A Act 1979.

REMEDIATION OF THE FORMER PASMINGO LEAD AND ZINC SMELTER SITE, BOOLAROO, LAKE MACQUARIE LOCAL GOVERNMENT AREA

ENVIRONMENTAL ASSESSMENT REQUIREMENTS UNDER PART 3A OF THE ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979

Project	Remediation of the former Pasmingo Cockle Creek Lead and Zinc Smelter site and surrounding land, including the construction and use of a containment cell(s) for long-term entombment of contaminated materials.
Site	Lot 201 DP 805914, Lot 21 DP 253122, Lot 1 DP 523781 and Lot 23 DP 251322
Proponent	Pasmingo Cockle Creek Smelter (subject to Deed of Administration) Pty Limited
Date of Issue	1 November 2005
Date of Expiration	1 November 2007
General Requirements	<p>The Environmental Assessment must be prepared to a high technical and scientific standard and must include:</p> <ul style="list-style-type: none"> . an executive summary; . a description of the proposal, including construction, operation, and staging; . an assessment of the environmental impacts of the project, with particular focus on the key assessment requirements specified below; . justification for undertaking the project with consideration of the benefits and impacts of the proposal; . a draft Statement of Commitments detailing measures for environmental mitigation, management and monitoring for the project; and . certification by the author of the Environment Assessment that the information contained in the Assessment is neither false nor misleading.
Key Assessment Requirements	<p>The Environmental Assessment must include assessment of the following key issues:</p> <p>Strategic Planning – the Environmental Assessment must detail the strategic basis for the project with specific reference to the need to remediate the site, proposed future land uses and development on the site, related and relevant existing development approvals and pending applications, and how the remediation outcome will avoid the unnecessary sterilisation of land or potential future land use conflicts. The Environmental Assessment must make specific reference to any remediation-related activities proposed and/ or approved that are relevant to the strategic remediation outcomes for the site, but not included in the scope of the application for the project.</p> <p>Air Quality Impacts – the Environmental Assessment must include a comprehensive assessment of the air quality impacts of the project in accordance with the <i>Approved Methods for Modelling and Assessment of Air Pollutants in NSW</i> (EPA, 2001). The Assessment must specifically focus on the impacts of heavy metals and particulates on ambient air quality, from a project-specific and a cumulative perspective. Consideration of the impacts of particulates must include ambient air quality and dust deposition implications.</p> <p>Health Impacts – the Environmental Assessment must assess the health implications of the project, both during remediation of the site and in an on-going context once the site is remediation and potentially redeveloped in future. Assessment of health impacts must detail and justify appropriate human exposure scenarios, including for both adults and infants, and demonstrate that the project will not have unacceptable acute or chronic health effects, during or after the remediation works.</p>

DRAFT Director's Guidelines for the Environmental Assessment Process under Part 3A of the EP&A Act 1979 continued...

REMEDIATION OF THE FORMER PASMINGO LEAD AND ZINC SMELTER SITE, BOOLAROO, LAKE MACQUARIE LOCAL GOVERNMENT AREA

ENVIRONMENTAL ASSESSMENT REQUIREMENTS UNDER PART 3A OF THE ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979

Key Assessment Requirements

Water Quality and Water Cycle Management – the Environmental Assessment must detail and assess the impacts associated with the expected water cycle during each phase of the project, including management of surface water, stormwater, groundwater and leachate. The Environmental Assessment must demonstrate how the project will be designed and operated to meet water quality criteria detailed in *Australian and New Zealand Water Quality Guidelines 2000* (ANZECC, 2000). The Environmental Assessment must also detail and assess the impacts of the project on groundwater flows and quality, and demonstrate that groundwater interception works would be adequate in achieving required remediation outcomes and preventing spread of contaminants.

Noise Impacts – the Environmental Assessment must assess the noise impacts resulting from all noise sources associated with project, with a particular focus on excavation works, and any activities proposed to be undertaken during evening or night time periods. The noise assessment must be undertaken in accordance with the *NSW Industrial Noise Policy* (EPA, 2000), the *Environmental Noise Control Manual* (EPA, 1994) and *Environmental Criteria for Road Traffic Noise* (EPA, 1999).

Future Ownership and Management – the Environmental Assessment must detail how the site will be managed in the longer-term, and after completion of the remediation works. In particular, details must be provided on monitoring and management responsibilities, future ownership provisions, liabilities and how the integrity of the remediation outcome will be assured.

General Environmental Risk Analysis – notwithstanding the above key assessment requirements, the Environmental Assessment must include an environmental risk analysis to identify potential environmental impacts associated with the project (construction and operation), proposed mitigation measures and potentially significant residual environmental impacts after the application of proposed mitigation measures. Where additional key environmental impacts are identified through this environmental risk analysis, an appropriately detailed impact assessment of these additional key environmental impacts must be included in the Environmental Assessment.

Consultation Requirements

You must undertake an appropriate and justified level of consultation with the following parties during the preparation of the Environmental Assessment:

- . NSW Department of Environment and Conservation;
- . NSW Department of Health;
- . NSW Department of Natural Resources;
- . Lake Macquarie City Council; and
- . the local community.

The Environmental Assessment must clearly indicate issues raised by stakeholders during consultation, and how those matters have been addressed in the Environmental Assessment.

Deemed refusal period

Under clause 8E(2) of the *Environmental Planning and Assessment Regulation 2000*, the applicable deemed refusal period is 60 days from the end of the proponent's environmental assessment period for the project.

demolition

The dismantling of the buildings and plant is continuing at a rapid rate with many stores and buildings now completely removed as well as many being dismantled to ground level. The contractor is now concentrating on clearing away the dismantled material prior to addressing the remaining buildings.

As part of the heritage management strategy for the site and in accordance with the consent conditions issued by Lake Macquarie City Council ('LMCC'), a report and documentation recording each building is provided to Council before the commencement of any work. Approval for the demolition of each building must be received from Council prior to commencement.

Demolition is expected to be completed in the first half of 2006.

land use planning

LMCC has completed its Pasminco Munibung Hill Land Use Strategy assessments. The document is now available to the public. The principles for redevelopment contained in the LMCC assessment are essentially contained in the PCCS plans.

PCCS has prepared a number of planning applications to subdivide and rezone various portions of the PCCS site which were lodged with Council in 2005 and are pending Council's assessment subject to receiving advice from DEC.

Future uses for the site include industrial/commercial, residential, open space (and environmental on the upper parts of Munibung Hill). The redevelopment planning and approvals are separate from the remediation approvals and will be undertaken in conjunction with the LMCC Pasminco Munibung Hill Land Use Strategy.

safety and security reminder during the holidays

Please remember that though the smelter's operations have ceased, demolition has commenced on-site. There is a considerable amount of structures which are in the process of being dismantled which have the potential to be dangerous and cause injury. Please be mindful of the warning signs and barricades/fencing and keep off the site for your own safety and the safety of others.

If you need to come on-site for any reason you will need to be accompanied by an authorised person, please check-in with the guard at the gatehouse located at the site's main entrance.

We wish you all a safe and joyful holiday season and best wishes into the new year.



future distribution area

Commencing with the next edition of the Community Report we plan to reduce the distribution area to the suburbs closest to the site (i.e. Boolaroo, Speers Point, Argenton & Macquarie Hills).

If you reside outside these areas and wish to join our mailing list, please contact our office via the Project Hotline on **4958 0801** during office hours or alternatively you may write and/or fax your contact information including email address to us on: fax **9211 9299** or post to **633 Harris Street, ULTIMO NSW 2007** or email us at **admin@fitzwalter.com.au** Alternatively both past and future Community Reports can be viewed on the Pasminco website at **www.pasminco.com.au**

Fitzwalter Group ensures you that your privacy will be respected. Please contact the Fitzwalter Group for a copy of our Privacy Policy.

further information

If you would like further information about the Cockle Creek site please contact:

- > the Project Hotline on **4958 0801** during office hours or visit the Pasminco website at **www.pasminco.com.au**
- > the Fitzwalter office will be closed for the holiday season from 24 December 2005 to 15 January 2006.

Alternatively, should you wish to write and/or fax information or your comments we can be reached on:

- > fax **9211 9299** or at **633 Harris Street, ULTIMO NSW 2007**.

Please address any correspondence to the attention of Andrew Freeman, Senior Development Manager.

environmental health centre (EHC)

The EHC has received great results from children's blood lead testing with a decrease in average blood lead levels for children less than 5 years of age from 9.6 µg/dl in 2003/04 to 6.8 µg/dl in 2004/05. These results are very promising however even though the smelter has ceased operations, soil and dust may still contain some lead which can be a risk for children.

It is important that the local community persists with lead-safe behaviours and that children participate in the annual blood lead screening and other testing programs recommend by the EHC or your local doctor.

Change in Hours at EHC

Due to the decreased demand for services since the smelters closure and changes to staffing levels, we have found it is no longer necessary to open the Boolaroo office 5 days per week. As from Monday, 5 December 2005 we will be open in Boolaroo on **Monday, Tuesday and Thursday only** from **8.30AM to 5.00PM**.

On days the EHC is closed you can leave a message on the EHC answering machine (phone **4965 8933**) or to speak directly to EHC staff during opening hours please call on **4924 6499**.

FITZWALTER GROUP

Property Consultants, Project & Development Managers