



Hydro Aluminium Company

Hydro Kurri Kurri rezoning proposal Community and Stakeholder Consultation Report

March 2015

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1. Introduction

1.1 Project background

The Kurri Kurri aluminium smelter is owned by Norsk Hydro ASA (Hydro) and is located at Kurri Kurri in the Hunter Region, NSW. In June 2012, Hydro announced the cessation of production on the site and by October 2012 ceased the plant's remaining primary metal production and production of casthouse products. In May 2014, Hydro announced that it would not be reopening the site.

Hydro has now initiated the Hydro Kurri Kurri Redevelopment Project to investigate options for the redevelopment and remediation of the site. This process involves a range of investigations including environmental studies to determine the future use of the site.

The proposed future use of the smelter site and the large (2,000 hectares) buffer zone includes:

- The conservation of around 1,300 hectares of land between Kurri Kurri and Maitland.
- Demolition of the smelter, and remediation of contaminated land on and around the smelter site.
- Rezoning of land on the current smelter site and nearby to provide for employment.
- Rezoning of land within Cliftleigh, Gillieston Heights and Loxford for potential residential development.

Hydro has engaged GHD to develop and implement a structured stakeholder and community engagement approach during investigations into the future use of the Kurri Kurri site. This approach will identify any potential issues and/or risks that need to be managed to minimise concern and streamline approvals, as well as the engagement tools for informing and involving key project stakeholders.

This report specifically addresses issues and engagement activities relating to the planning proposal to rezone the site.

1.2 The project site

The site includes the smelter and the buffer zone around the smelter, an area of approximately 2000 hectares.

The new Hunter Expressway travels through the site on the south western side, with the sites most eastern part bordering Cessnock road near Gillieston Heights.

Land near the centre of the site is part of a catchment area for Wallis creek, which flows into the Hunter River at Maitland, and land to the North West is rich in biodiversity, containing remnant native vegetation.

The buffer lands currently contain some residential areas, undeveloped forested land and grazing land.

The northern boundary of the buffer area is between 3.5 and 4 kilometres away from the smelter. See figure 1 below.

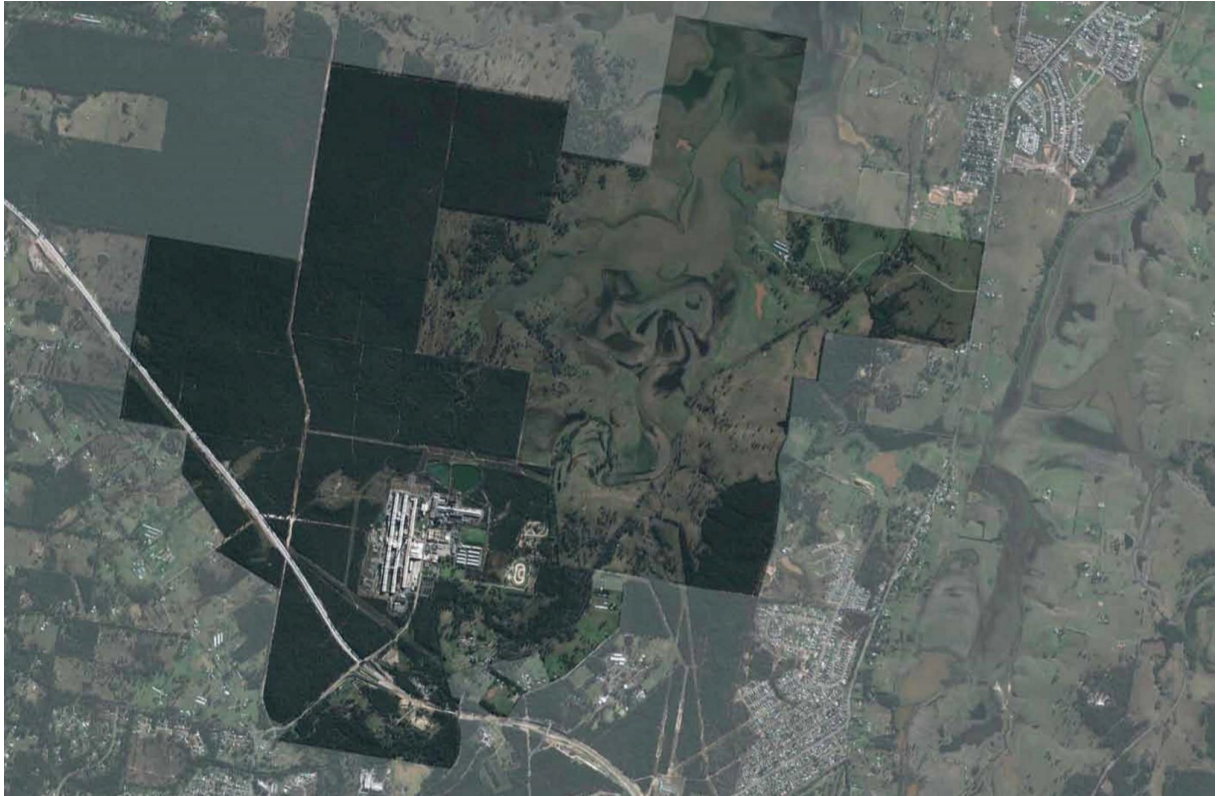


Figure 1 The project site.

1.3 Project vision

Hydro is a socially focused company that understands interdependence that will always exist between a large company and the local community of which it is a part. Hydro understands that the smelter has been a part of the local business and cultural scene for many years and is part of the community.

To this end, Hydro has worked proactively and openly to engage with the community since the decision was made to cease operations in 2012, and will continue to do so through the remediation, planning and proposed redevelopment of the site.

It is Hydro's strategic vision for the Site to play a key role in allowing the Hunter Region to achieve the economic, employment and environmental objectives identified in the NSW State Plan 2021 and the Hunter Regional Action Plan. Hydro aims to achieve this strategic vision by facilitating the rezoning and development of the Site for significant employment, residential, rural and biodiversity conservation purposes.

Hydro has provided a commitment to meeting its corporate environmental and social responsibilities, and to managing its environmental legacies. The rezoning of the land will ensure a long term legacy of housing, employment and conservation with the Hydro land.

2. Engagement approach

Hydro is committed to providing a positive legacy for the community and is undertaking extensive stakeholder consultation in conjunction with the investigative and planning process. This approach ensures stakeholders are involved throughout the various phases of the project and their contributions considered in the decision-making process.

A proactive consultation strategy has been developed to guide the project during the investigations and future planning phases, including the rezoning proposal. This strategy aims to increase engagement with the local community and other stakeholders, to maintain good existing relationships and provide an ongoing two-way flow of information.

The stakeholder and community engagement objectives of the Hydro Kurri Kurri Redevelopment Project are to:

- Incorporate communication and stakeholder engagement as a core pillar to embrace stakeholder and community relations and minimise any concerns
- Develop initiatives to foster trust and transparency:
 - between company and community
 - between company and the councils
 - between the company and the government regulators
- Strengthen existing relationships between Hydro and key stakeholders
- Achieve positive environmental and social outcomes for stakeholders.

These objectives are integrated into the Community and Stakeholder Engagement Plan, and guided by the International Association for Public Participation (IAP2) core values.

2.1.1 Engagement objectives

The following stakeholder engagement objectives have been developed with an understanding of the overall project objectives. These objectives aim to:

- Outline the most appropriate method for consulting with the community and identified stakeholders
- Explore stakeholder perspectives in relation to the future use of the Kurri Kurri site and consult them during key milestones and decisions around project elements
- Establish a project-specific community advisory group that will act as an advisory body
- Work closely with Hydro management and key project stakeholders throughout the project
- Maintain a thorough record of all communication undertaken with stakeholders
- Ensure an internal system is in place for capturing and recording interactions that stakeholders have with members of the project team

A Stakeholder and Community Engagement Plan has been developed to meet these objectives.

3. Consultation

Consultation with key stakeholders and the community will occur throughout key phases of the project, and will inform the following aspects:

- Site remediation and demolition
- Environmental impact assessment
- Rezoning
- Divestment.

This project carefully manages the expectations of each of the stakeholder groups about the remediation and redevelopment of the site, focussing on identifying and addressing potential community issues or concerns. This means that wherever reasonable and feasible, 'involving' stakeholders in the discussions before the final decision is made so there is shared ownership of the outcomes.

The key consultation activities being carried out to inform the project, including the rezoning proposal, include:

- **Kurri Kurri Hydro Community Reference Group (CRG)** – established in 2014 the CRG comprises representatives of the community and stakeholder groups being impacted by the current and future activities, and relevant Hydro staff. The CRG acts as a conduit to the community, relaying information and community concerns and queries to inform the project.
- **Community information sessions** – informal information drop-in sessions are being held during the public exhibition of the rezoning proposal (planned for April 2015) and exhibition of the environmental impact assessment and Development Application.
- **Contact mechanisms** – a project phone number and email address have been set-up to facilitate all community and stakeholder enquiries and feedback.
- **Online communication** – a project website and YouTube channel have been developed to provide clear information about the project, including the re-zoning proposal and preliminary site master plan.
- **Key stakeholder consultation** – ongoing consultation with key government authorities and agencies, as well as community groups and directly impacted residents.

The following section summarises consultation activities carried out to date.

4. Engagement activities

This section outlines the engagement activities and tools being carried out to inform the rezoning proposal. Broader consultation about the proposed redevelopment, remediation and associated planning is also being carried out in conjunction with the rezoning proposal.

The following table outlines the key engagement activities and tools, outlines their purpose, and describes how each tool/activity has been used to engage the community and stakeholders.

Table 1 Consultation activities to date (as at February 2015)

Activity	Purpose and Detail
Stakeholder identification and analysis mapping	A desktop search and site visit was undertaken to identify stakeholders located in close proximity to project, and those who are likely to have an interest in the project.
Community contact and feedback mechanisms	Contact mechanisms have been established to enable stakeholders and the community to provide feedback on the project and ask questions of the project team. The following mechanisms were advertised in all communication material: • Project information phone line: 1800 066 243 • Community email: community.kurri@hydro.com • Website: www.hydro.com/kurri An online consultation database, Consultation Manager is used to capture all known stakeholders, communications and all project enquires.
Meeting with authorities:	The project team have met with a number of ten relevant authorities to date, including: • Environmental Protection Authority • Department of Environment and Heritage • Roads and Maritime Services • Department of Planning and Environment • Department of Planning and Infrastructure.
Meeting with Council/s	To date, 18 meetings have been held with local council staff and councillors regarding the project. The project team have consulted with the following: • Maitland City Council staff and councillors • Cessnock City Council staff and councillors.
Letters to Council	Personalised letters have been addressed to local Councillors regarding the current status and future development of the smelter site. To date, letters have been sent in: • May 2014 • August 2014.
CRG establishment and continuation	Advertisements were placed in local papers and online to invite community members who had significant interest in the project to register their interest in establishing a Community Representative Group (CRG). A diverse group of community members were invited to join the committee which would meet every two months for a two-hour session. The formation of the CRG required a number of communication mediums to be established and maintained, including: • Development of Terms Of Reference • CRG meeting agendas • Attending and chairing all meetings • Recording and distributing meeting minutes.

Letters to residents	Letters were sent to nearby residents regarding the current status and future plans for the smelter site. These letters were sent in February, May and October 2014, and in February 2015.
Media	The local media have been engaged since project inception. The following key media activities have been undertaken to date: • An interview with the Cessnock Advertiser regarding the project status and plans for the future redevelopment, held on 7 March 2014. • An interview with Newcastle Herald regarding the project status and plans for the future site redevelopment, held on 28 May 2014. • Media release issued by Hydro 8 May 2014. • Hydro media briefing and site visit held on 22 August 2014.
Advertisements	• Expression of Interest for CRG membership – May 2014. • Announcement of closure – May 2014.
Website	Information about the project status and future outlook is kept up to date for community reference. Website: www.hydro.com/kurri

5. Community issues

The following table outlines the key issues raised to date in relation to the proposed re-zoning of the site.

Table 2 Issues identified to date (as at February 2015)

Issue	Current Response
The Motorcycle Club and Speedway are important to the community and provide economic benefit to the region. They should be considered when planning the future of the site.	Hydro will continue to consult with both groups and will consider how to approach this issue.
The community should be kept informed of any and all impacts before and during the proposed works.	Hydro has high standards of corporate social responsibility and will also comply with all requirements from Government, which will include community consultation.
We will be pleased to see the area develop to again be a larger employment zone.	The proposal includes rezoning of considerable space for commercial / industrial development .

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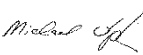
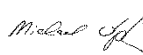
Level 3 GHD Tower 24 Honeysuckle Drive Newcastle NSW 2300
PO Box 5403 Hunter Region Mail Centre NSW 2310
T: (02) 4979 9999 F: (02) 4979 9988 E: ntlmail@ghd.com

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		Name	Signature	Name	Signature	Date
1	A. Parker	M. Ulph				
2	A. Parker	M. Ulph		M. Ulph		25/03/2015

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