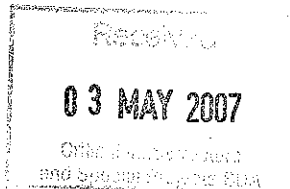




**BLUESCOPE
STEEL**

2 May 2007

Mr Chris Wilson
Executive Director
Major Projects Assessment
Department of Planning
23-33 Bridge Street
Sydney NSW 2000



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Dear Mr Wilson

BlueScope Steel's Proposed Ore Preparation Plant Upgrade – Reference: 06-0229)

We wish to acknowledge receipt of your letter dated 16/4/2007 (ref S06/00556) and the Director-General's requirement to address the issues raised in the submissions received during the public exhibition of the above proposed development.

Please find attached our response addressing each issue raised and a revised Statement of Commitments.

If you require any further information please contact Alan O'Brien on 42757864.

Yours faithfully

Alan Thomas
Vice President Technology and Environment

Attachment 1: Response to Issues Raised in Submissions

Submission 1

This submission is concerned about noise, dust and odour emissions.

BlueScope Steel has already committed as part of SOC 3.3.3 to undertake a noise assessment during and post development to assess compliance with the predicted noise levels. In addition, BlueScope Steel has agreed with the DEC to a PRP (which will be included on our EPA Licence No 6092) that clearly defines the steps in fulfilling this commitment. The noise monitoring cannot be carried out at the location suggested (Second Ave Warrawong) as the predicted noise levels from this project are lower than existing community noise levels. A near field monitoring location will be selected and the results extrapolated to the nearest community location to assess compliance. No modification to the SOC is required.

The Environmental Assessment for this project already includes a detailed air quality impact assessment. BlueScope Steel already conducts ambient monitoring in the community as part of our EPA Licence with a monitoring site at Shellharbour Road Warrawong. This community monitoring will continue and will be used to assess any impact from this project. Additionally, BlueScope Steel has agreed with the DEC to include in the SOC an undertaking to conduct a feasibility study into treating sinter cooler waste gas in the room dedusting system and a further commitment to conduct monitoring to assess if the anticipated improvements in particulate emissions from the room dedusting system are realised.

Odour emissions are not anticipated to be an issue with this project.

BlueScope Steel does not believe that the issues raised in this submission require any changes to the project or the Statement of Commitment.

Submission 2- Port Kembla Port Corporation

PKPC have raised concerns about the potential impacts of the project on neighbouring port users, particularly the impending motor vehicle import facility. In particular they raised four issues:

- ❖ The nature of particulates emitted from the raw materials and sinter plant areas are not described in sufficient detail and their potential impact on the exterior surfaces of motor vehicles is not assessed.

This project is to simply increase the capacity of the existing Sinter Plant and so the nature of the particulate emissions will not change. While the EA had a limited description of the nature of particulates emitted they will principally consist of the raw materials, iron ore, coke, limestone and anthracite and the product sinter. Literature searches and discussions with consultants could not determine which particulates emitted from the process have the potential to impact the exterior surfaces of motor vehicles. Therefore in collaboration with PKPC and the DEC a test programme was devised to identify any potential impacts. Two test panels have been positioned in the general cargo handling facility site since April 2006. The test panels are inspected and cleaned weekly. Examination of the panels has not revealed any impact on the painted surfaces due to fallout from neighbouring industrial premises. There has been one occasion when the test panels

were affected by rust spotting, which PKPC agrees is most likely due to cutting and grinding operations associated with construction activities on the general cargo handling facility site. This monitoring will continue for approximately another 12 months.

- ❖ The air dispersion modelling does not include fugitive emissions from the raw material and sinter plant areas.

The air dispersion modelling did not include fugitive emissions from the raw material stockpiles as it concentrated on what BlueScope Steel considered the main emission sources. BlueScope Steel believes that there would be no material change in the fugitive emissions. The raw materials will change from pellets to iron ore however all raw materials will be stored in the existing Raw Materials Yards. The stockpile areas already have efficient dust control management including water sprays on all stockpiles and a wind warning system to ensure extra dampening of the material in strong wind conditions. The current controls are very effective and there have been no incidents of fugitive emissions from raw material stockpile impacting outside our boundary.

- ❖ The air dispersion modelling considers only "typical" emissions from the Sinter Cooler and Room Dedusting Stack. There is no assessment of the potential for perturbations (eg equipment failure, operator error, process variations) throughout the raw materials handling and sinter making processes that may cause high emission incidents.

It is agreed that the air dispersion modelling only included the expected emission rates from normal operating conditions as perturbations by their nature are usually short in duration and it is difficult to predict the frequency and potential impact on emission rates. It is believed that there will be no significant change from the existing potential for perturbations. Existing controls to minimise process variation including operator training, equipment inspection and maintenance programmes will be maintained to reduce the risk of abnormal operating conditions.

- ❖ The potential impact of increased SO_x emissions on the exterior surfaces of motor vehicles is not assessed.

The Gypsum Plant project, described in Section 8.1.5 (page 89) of the EA is nearing completion and will be commissioned shortly. This project will significantly reduce SO_x emissions and even though the Ore Preparation Upgrade Project will have a slight increase in SO_x, the total SO_x emissions from Sinter Plant post the upgrade will be well below current levels. The test panels in the general cargo handling area have not indicated any impact from existing emissions and therefore it is anticipated that reduced SO_x emissions will not have an impact on the exterior surfaces of motor vehicles.

PKPC also state that it would be appropriate to conduct post-commissioning noise monitoring. This has been addressed in the PRP agreed with the DEC.

BlueScope Steel does not believe that the issues raised in this submission require any changes to the project or the Statement of Commitment.

Submission 3 – RTA

The RTA has requested a Traffic Management Plan for the construction phase of the development. Even though it is not anticipated that the construction phase of this project will result in a material increase in traffic along the classified road network, in Section 8.2.3 of the EA BlueScope Steel did commit to a Traffic Management Plan as part of the Construction Environment Management Plan. SOC 3.2.1 will be modified to include BlueScope Steel's commitment to prepare a Traffic Management Plan.

The project does not involve the placement of any structures or equipment within the Classified Road Reserve and therefore BlueScope Steel does not require a Section 138 Approval or a Road Occupancy Licence from the RTA.

BlueScope Steel does not believe that the issues raised in this submission require any changes to the project however will require a revision to the Statement of Commitment.

Submission 4 – Sydney Water

The proposed upgrade project does not involve any extension or amplification of existing water mains. There are no water, sewerage or stormwater infrastructure belonging to Sydney Water under or adjacent to the project area.

BlueScope Steel does not believe that the issues raised in this submission require any changes to the project or the Statement of Commitment.

Submission 5

This submission was in support of the project and there were no issues raised.

Submission 6 – Federal Chamber of Automotive Industries.

The FCAI raises similar issue to PKPC regarding the impact of emissions on the exterior surfaces of vehicles. These issues are addressed in the response to submission 2.

BlueScope Steel does not believe that the issues raised in this submission require any changes to the project or the Statement of Commitment.

Submission 7 – DEC

The DEC submission details two further Statements of Commitment and a PRP that supports the existing SOC 3.3.3. The attached revised SOC includes the addition commitments.

There were no further issues raised by the DEC that required changes to the project.

Additional Statement of Commitments

SOC 3.1 Air Quality Impacts

SOC 3.1.7 After the repair work is completed on the RDD system, BlueScope Steel will investigate utilising any spare capacity of the RDD system to handle additional dust load from the sinter cooler.


SOC 3.1.8 A post commissioning assessment of the performance of the Room De-dusting system will be undertaken.

SOC 3.2 Construction Traffic

SOC 3.2.1 A Traffic Management Plan will be prepared in consultation with the WCC and RTA as part of the Construction Environment Management Plan.

SOC 3.8 Commitment

SOC 3.8.1 These additional commitments are made under authority of the following person, who is legally empowered to make this undertaking on behalf of BlueScope Steel (AIS) Pty. Ltd. ABN 19 000 019 625

Signature 

Name ALAN THOMAS

Position VICE PRESIDENT TECHNOLOGY & ENVIRONMENT

Date 2 MAY 2007.