

**PREMIER'S BRIEFING NOTE**

*Policy*

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**To: THE PREMIER**  
**Date: 30 June 2009**  
**Subject: Meeting with Mr Clive Palmer and BHP Billiton regarding Yabulu nickel refinery.**

**Approved / Not Approved / Noted**

Premier .....

Date ...../...../.....

Date Action Required by: ...../...../.....

Requested by: .....

**• RECOMMENDATION**

- It is recommended that you **note** the following information for your meeting with Mr Clive Palmer and BHP Billiton regarding the Yabulu nickel refinery.

**• KEY ISSUES**

- On 23 January 2009, BHP announced that it may suspend operations at its Yabulu nickel refinery indefinitely. Since that time, BHP closed its Ravensthorpe nickel mine in Western Australia, which supplied Yabulu with processing materials. Yabulu's output has been cut substantially.
- It is understood that BHP Billiton Ltd may be preparing to sell its Yabulu nickel refinery project and the recently closed Ravensthorpe nickel mine as a package.
- BHP will complete a review of the Yabulu refinery this week and a review of the Ravenshorpe mine is scheduled to be completed by the end of the year.



- The \$3.8 billion Gladstone Pacific Nickel Project has been progressing towards commitment and project approval for several years. The project involves a modular nickel refinery. Stage 1 will produce around 63 000 tonnes p.a. of nickel and 6 000 tonnes p.a. of cobalt, creating 2000 construction jobs and 750 permanent jobs.
- The Coordinator General reviewed the EIS and Supplementary EIS in January 2009 and recommended that the project be approved with conditions. The Federal Government approved the project in May 2009.
- It is understood that Mr Palmer may be interested in acquiring the Yabulu refinery. This would allow him to rationalise the Townsville refinery and the proposed Gladstone refineries. A possible scenario is that the Gladstone project would go ahead but that the concentrate produced would be finally treated at Yabulu.
- DEEDI advises environmental authorities attached to the approval of the Yabulu refinery would transfer to a new owner with the sale, as well as any bonds. These would be identified in any due diligence carried out by the potential buyer's agents. DEEDI is not aware of agreements with QR regarding haulage of the ore to the refinery from the port, but any agreement should be transferable.
- Mr Palmer has other major interests (Attachment A) which he may wish to discuss.

**• CONSULTATION**

- DEEDI and DIP.

**Comments (Premier or DG)**

Ken Smith  
**Director-General**

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Approvals by Director / ED / DDG  
documented in *notes* in TRIM