

Australia: Another serious chemical leak by Orica

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Another serious leak at chemical company Orica's Kooragang Island ammonium-nitrate plant in the Australian city of Newcastle on November 9 again demonstrated the contempt the company holds for the health and safety of its workers and local residents.

Moreover, the ammonia spill showed that Orica feels under no threat from the political establishment, which has protected its toxic operations for decades, despite the company currently being the subject of a parliamentary inquiry into a dangerous hexavalent chromium leak on August 8.

An Australian-based offshoot of the British giant ICI, Orica is one of the world's biggest manufacturers of mining and commercial explosives, and other chemical products used in mining, water treatment and other industries.

Its Kooragang Island plant is located in the midst of suburbs, with an estimated 44,000 homes within four kilometres. It also situated close to water treatment facilities and catchment areas.

In what has become a recurring pattern, the company attempted to play down the November 9 ammonia leak by revising an estimate by New South Wales (NSW) Fire and Rescue that 857 kilograms had escaped. Orica claimed the amount was 170 kilograms.

Even if that were correct, the ammonia fumes drifted across to the suburb of Mayfield East, about five kilometres away, and overcame two workmen in a rail yard there, causing them to be hospitalised. At least three other people were affected.

Orica made the extraordinary claim that under "normal circumstances" the vapour should have dissipated into atmosphere but some had drifted across to the rail yard because of prevailing "ambient atmospheric conditions" on the day.

The state government's token environmental

regulator, the Environment Protection Authority (EPA), is already moving to lift an order it issued on August 9 suspending ammonia production at the facility.

The August 8 leak rained down a toxic residue containing hexavalent chromium over the nearby suburb of Stockton and covered workers in the plant. Nevertheless, in his submission to the parliamentary inquiry, Orica's chief executive Graeme Liebelt contemptuously declared that the August 8 leak should not be considered a "serious" incident.

Orica's site manager Stuart Newman admitted to the same inquiry that he had been "overwhelmed" by the amount of the toxic liquid produced during the spill. He also stated that he only became aware that the leak had escaped the plant when a Stockton resident reported yellow spots on his car.

The parliamentary inquiry, like the one previously called by Liberal Premier Barry O'Farrell, is part of the damage control exercise that swung into action when people became aware of the August 8 leak. The company failed to hose down public anger at a series of so-called community meetings that it convened.

The O'Farrell inquiry, conducted by former senior public servant Brendan O'Reilly did not recommend any legal action against the company. It also exonerated NSW Environment Minister Robyn Parker, despite the fact that she joined Orica in delaying any warning to residents that a serious leak had occurred.

The public were not informed by Parker until around 72 hours after the incident, strongly suggesting that the government was hoping up to the 11th hour that it could cover up for the company and minimise the political fallout from its own handling of the situation.

The recommendations brought down by the O'Farrell inquiry were largely cosmetic, featuring the reinstatement of the EPA as a statutory agency. Under

previous Labor governments, the EPA, whether a statutory agency or not, had a long history of covering up pollution by major companies, including Orica.

According to a recent report by the National Pollutant Inventory, Orica's Kooragang Island plant emitted 69 tonnes of ammonia in so-called "fugitive emissions." These were emissions exceeding the 481,000 kilograms permitted under its operating licence, in 2009-10, when Labor was in office.

In Wollongong, another major industrial city in the state, Labor rammed through special legislation to reopen the Port Kembla lead smelter in 1997. Assisted by the EPA, the government cleared BHP Billiton of all responsibility for a cluster of leukaemia and other cancers downwind of its steelworks throughout the 1990s. (See: "Wollongong steelworks pumps out dangerous dioxins").

Orica is ratcheting up pressure to re-open the Kooragang plant, declaring that a shutdown of part of the plant following the August 8 leak had wiped \$21 million from its 2011 full-year profit of \$642 million. Orica also declared that it had been forced to seek alternative supplies of ammonium nitrate to ensure that coal mines do not run out of explosives.

The company supplies explosives to 50 percent of the coal mines in the nearby Hunter Valley, as well as to mines around the country and overseas. Orica is aware that coal royalties, currently worth more than \$1.4 billion annually, are an important source of the state revenues. As the result, the government has a vested interest in ensuring that nothing interferes with coal production.

The current parliamentary inquiry, dominated by MPs from the two major political parties and the Greens, will work to ensure that Orica can resume production as soon as politically possible.

When the inquiry began its proceedings at a forum in Stockton on November 14, supposedly called to hear the concerns of residents and other members of the public, its chairman, Shooters Party MP Robert Borsak, instructed people to refrain from criticising individuals. He also directed them not to refer to other incidents, including the recent ammonia leak, because this was outside the inquiry's terms of reference.

Borsak further cautioned all present against speaking to the media, warning that anything they said would not be protected by parliamentary privilege. His remarks

amount to a thinly veiled threat that any criticism of the company, the government or the inquiry might result in legal action.



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