

Farrell, Richard

PGA Director - major projects

From: Hamilton, Ross [redacted] *Clause 3(1)*
 Sent: Wednesday, 7 March 2018 9:40 PM *managing director*
 To: Farrell, Richard; Burgess, Mark *PTA*
 Subject: *CO* PFAS COSTINGS *is a photo*

Richard

The briefing note identified the following costs to deal with PFAS for the FAL project

Temporary stockpiling including double handling	\$50m
Permanent disposal (between \$100m and \$270m)	\$150m
Total	\$155m.

Temporary stockpiling. By October last year when 15% of the spoil had been moved to the temporary stockpile at site C SINRW had claimed \$4.1m (PTA has paid \$2.6m). This equates to approximately \$30m for 100% of the material to go to stockpile.

This does not include lost opportunity for SINRW, risk that site C is not suitable to hold all the material if segregated, delays and disruptions. An extra allowance of \$20m has been allowed to cover this.

If the material remains on Site C we will need to change the planning approval to allow for permanent storage which may create political issues with the local government and there will be ongoing costs to manage the site as well as the lost opportunity to develop that significant industrial site.

Permanent disposal. If all the material has to go to a licensed landfill it will cost \$270m which covers transport, tipping fees and the landfill levee (approx \$120m). The commercial claims from SINRW of approximately \$15 to \$20m will be additional to this. Based on a Monte Carlo risk assessment of this amount a P50 risk based cost for this will be \$150 m. Ie a 50% chance of being higher (\$270m) and 50% chance of being lower (\$100m).

If another disposal location is found such as the airport then additional costs will be required to move the material and potentially place it, depending on when the site is identified and movement can occur. A negotiated sale may produce a better outcome however this will depend on the potential environmental conditions placed on the site by either DWER or DIRD if it is the airport.

Happy to discuss tomorrow.

Regards

Ross

Sent from Samsung tablet.