East End Mine Action Group (Inc)
(EEMAG INC)
East End, Mt Larcom. Q. 4695

Chairman:	Secretary:	Research &Communications:	Assistant Secretary
Mr Peter Brady	Mrs Heather Lucke	Mr Alec Lucke	Mrs Theresa Derrington

6 January 2011

The Committee Secretary
Senate Standing Committee on Rural Affairs and Transport
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Sir / Madam,

Further to our email of 9 January Fw: "Additional Information to EEMAG's Submission to Senate Inquiry 6.1.11" attached are a CD of the Mt Larcom Community Restoration Project Report (4 Volumes) and hard copies of documents etc listed below and with our Additional Information. Some of the documents relate to our initial Submission to the Senate Inquiry dated 14 December 2010 and we respectfully request that they be provided with that Submission as references.

LIST OF ATTACHMENTS POSTED TO SENATE STANDING COMMITTEE ON RURAL AFFAIRS AND TRANSPORT.

DOCUMENTS RELATING TO SUBMISSION DATED 6 JANUARY 2011

1. CD of Mt Larcom Community Restoration Project Report (4 Volumes) (October 2003).
2. List of consultants
3. Table of Contents
4. Copy of Appendix 12 – Extracts from Leggate on Mine Compliance

DOCUMENTS RELATING TO SUBMISSION DATED 14 DECEMBER 2010

5. Extracts from "Industry/Community Relationships in Critical Industrial Developments" (Hoppe 2005)
6. FOI of Fax from QCL to Co-ordinator General's Office 14 June 1995 re QCL Expansion Critical Issues "Guaranteeing the status quo remains with regard to environmental licences on current operations"
7. FOI of DME letter to QCL dated 8 August 1885, Re EMOS and Plan of Operations for expanded mining activities and lease renewal Refer Page 2, Para 3
8. FOI of fax from Department of Minerals and Energy to Office of Co-ordinator General dated 28/09/95 re QCL Expansion Project, Refer P 3, EMOS and Environmental Approvals using the IAS segment on groundwater impacts
9. Front Cover, first Page of QCL's 1996 Gladstone Expansion IAS, Pages 43 and Page 46, refer Page 46 Current Situation After 15 Years of Mining "Pumping from the mine has created a steep drawdown cone extending approximately 500 metres from the pit boundaries"
10. FOI of Ministerial Correspondence from DNR dated 20.12.88, quote "Data on hand indicates that water levels may have fallen by up to 2.5 metres at distances of 2 km from the mine due to mine dewatering."

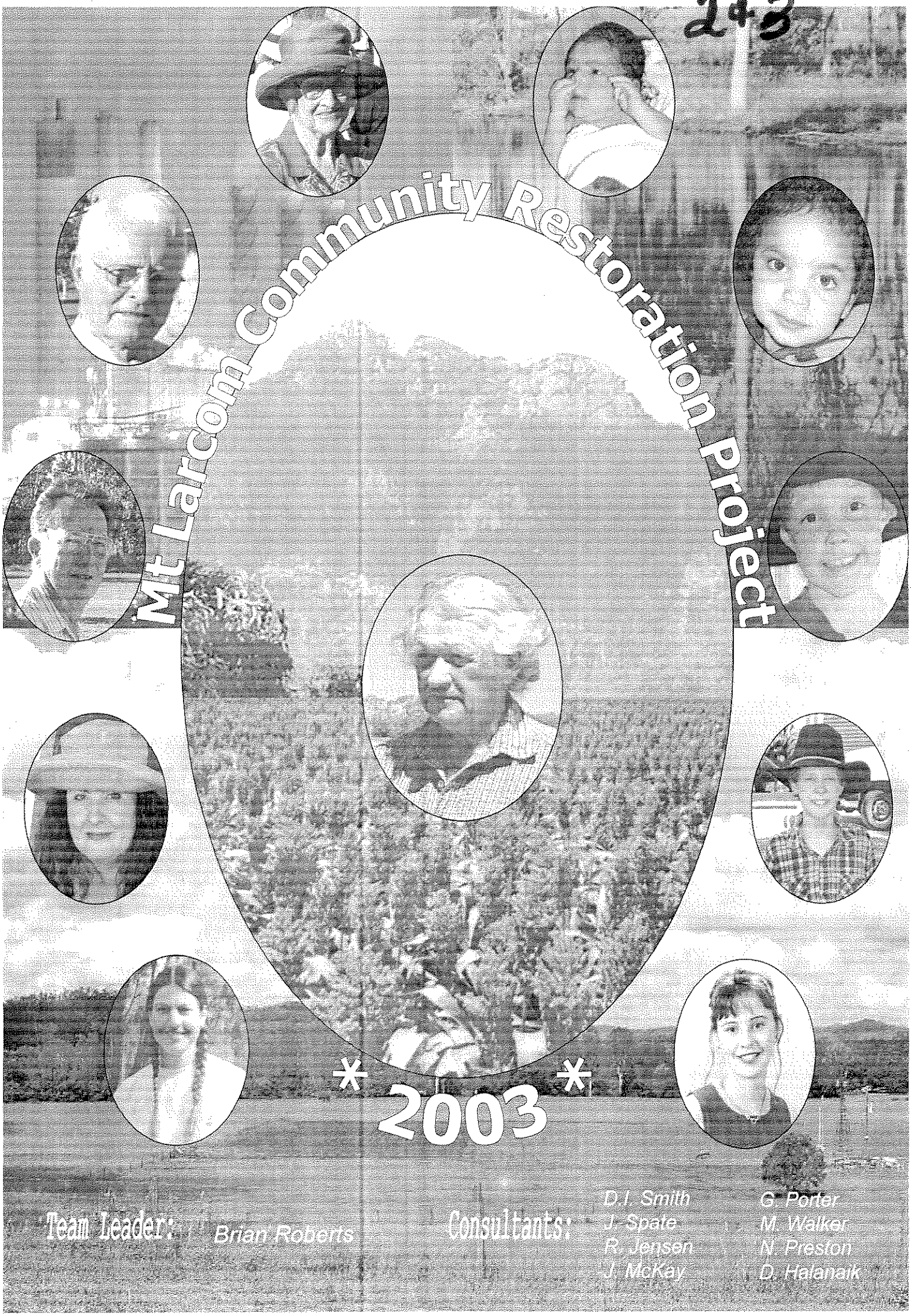
11. Figure 9 (12 Feb 1997) DNR Resource Sciences Centre depicting "Mine Impacted Area 1991" showing an off-lease mine impacted zone of approx 20 sq km by 1991 with variable loss in levels of up to 6.5 metres.
12. Map of Mine Pit Zone of Influence dated 22/2/2000 by QCL's modelling consultant, showing a mine –impacted zone of 33 sq km (approx 30 sq km off lease impacted)
13. FOI of Memorandum dated 22 October 2001 "Status of Environmental Authorities at East End , refer P1, 1. First Application Item 2. Quote "EIS conducted in 1996 when cement plant upgraded. Information still valid." – (I.e in 2001 EPA used the 1996 Hydrology Report from QCL Gladstone Expansion IAS that evaluated a mine-induced drawdown cone extending approx 500 metres from pit boundaries instead of subsequent reports in 1998, 2000.)
14. Cement Australia's Environmental Authority No M2017 (for East End Mine) Quote "This environmental authority is granted under the Environmental Protection Act 1994 and includes conditions to minimise environmental harm caused or likely to be caused, by the authorised mining activities". From our interpretation the conditions the environmental authority contains relate to water monitoring, their discharge license on volumes, conductivity and total dissolved solids etc, but regarding the zone of mine-induced water depletion P7 has only Residual Void Outcomes (Residual Void is the end of life of the mine). The EA has NO conditions to minimize / repair off-lease water depletion caused or likely to be caused by mine dewatering and does NOT define what impacts on the water table are acceptable. (We interpret that Calliope River Water Resources Plan is coordinated with the Environmental Authority under "standard criteria" under the EP Act 1994 and have lodged numerous submissions that the science for the WRP is inaccurate.)
15. Letter from Solicitor (with reference to Barrister's opinion) dated 10 November 2004 quote "There is no basis either under the Mining Lease, stature or common law by which you can obtain a merits review of the decision of the Chief Executive. The only way in which you could do that is as part of an action against the mining company and the Queensland Government for negligence and/or nuisance. As we have previously discussed, this would be an extremely large case which would require a large amount of expert evidence and it would not only be very expensive for you to prove your claim but would open you to potentially huge claims for costs in the event you were not successful..... In these circumstances, there is no way forward for such an application for a merits review."
16. Letter from Solicitor dated 25 November 2004 that taking a case against Cement Australia to the Land & Resources Tribunal (LRT) does not amount to "an independent review" of DNR&M findings, since to take an action in the LRT under Sec 363 (2)(h) of the *Mineral Resources Act 1989* we would have to sue the Company and prove the liability and quantum of our claim against the Company and this is entirely different to merely seeking a meritorious review of the decision of the Chief Executive under Special Condition 4 attached to the mining leases.

    "This is a huge undertaking and given the fact that it would be an action against a corporate giant such as Cement Australia with huge resources to defend such an action, you as a landowner would be at a distinct disadvantage. In fact, I consider that the costs of proving the claim and quantifying your loss would be extremely high, particularly when you consider the potential for matters to be taken on appeal and with the potential for costs orders to be made against you. The reality of these circumstances mean that it is virtually impossible for you to consider commencing such an action unless you are prepared to commit huge resources to proving your claim and defending any judgement which may be made in your favour against any appeals. I consider that there is a potential for costs, including any costs orders made against you, in such proceedings to be as high as $450,000.00 to $550,000.00."

Yours sincerely,

Heather Lucke

Secretary



Team Leader: Brian Roberts

Consultants: D.I. Smith, J. Spate, R. Jensen, J. McKay, G. Porter, M. Walker, N. Preston, D. Halanaik

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D Halanaik PhD Scholar

October 2003

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PREFACE

The East End Mine Action Group (Inc) is the grantee of a $100K funding allocation under the Regional Solutions Programme administered by the Department of Transport and Regional Services.

We express our gratitude and thanks to the Federal Government for their support and the opportunity to have community issues examined.

As the cover implies, the study is about the environment, people and their aspirations. The choice of the consultants was of course very important and a group of talented individuals were bought together for the purpose. This project struck a responsive chord, and our heartfelt thanks are expressed to the consultants, who worked for less than their normal fees. The tyranny of distance was largely overcome by modern communications. All consultants visited the district, on at least one occasion. The relationship between EEMAG and the consultants has been cordial.

EEMAG or its members has not sought nor received any reimbursement whatever from the Study funding. We are confident the study findings will make an important contribution to better understanding of local environmental and regional issues, and acknowledge the role of the consultants and particularly team leader Prof Brian Roberts in this contribution.

Our thanks are extended to the Community Advisory Group, the Future Farmers' Group, Departmental, Industry and Council Officers and others who participated in interviews and discussions, and members of the broader community who generously contributed their time and information in various ways. Our thanks must also be expressed to the sources who provided mapping for this study.

In conclusion, we hope those who influence and control the destiny of the Mt Larcom area may respond to this material in an open minded and enlightened way.

P Brady President
EEMAG Inc Regional Solutions Grantee
September 2003

APPENDIX 12

EXTRACTS FROM LEGGATE 1991 ON MINE COMPLIANCE

EXTRACT: J. LEGGATE TO P.S.M.C. 12.8.91

The abovementioned are telltale symptoms of something having gone wrong in practice with the theoretical system. There are also regular occurrences of unacceptable discharge of pollutants off operating mines and Department of Resource Industries continues to perpetuate this problem by:

- Turning a blind eye to breaches of statutory requirements, not heeding the warning signs of a mining operation operating outside regulations, and refusing to assert authority to bring the mining operation within reasonable limits. In an appeasement approach we politely request the industry to comply but do not insist. Full and proper compliance with the intent of the law would largely eliminate the problem.

- Appeasing the industry by continuing to accept flawed arguments and to trust them to achieve an agreed result rather than insisting that there be conventional and professional engineering towards achieving the result; and also continuing to defer the progress of mine rehabilitation. It appears the Industry still doesn't take the Department of Resource Industries seriously.

- Deliberately avoiding exposure and public accountability by refusing to disclose the conditions on most mining leases (Minister has only recently agreed to make available conditions on new leases).

- Avoiding exposure by Department of Resource Industries own environmental staff by relegating the function and positions to a low status which tends to attract quite young and inexperienced staff, who would not be expected to be assertive (the advice of these officers is constantly over-ruled). Senior environmental positions appear recently to have been filled with compliant new appointments, and more assertive officers have been suppressed.

- Allowing to pass unchallenged public claims by mine operators, of rehabilitation and environmental successes when the claims are often false and should be refuted so as not to perpetuate any myth that arises. Department of Resource Industries also is guilty of misleading statements to public.

- Facilitating (fast tracking) new mining development and waiving legal requirements for proper planning; whilst at the same time pronouncing that preventative measures are now being taken, and whilst blaming the old Mining Act for poor past performance.

- Not evaluating costs and benefits of new mining proposals nor validating assumptions about them on operating mines so as to monitor the worth of mining to Queensland, with consequence that some mining being permitted is probably not in public interest and some mining is not as much in public interest as it should be.

- Reacting to political pressure and also by not providing adequate advice to politicians re long term negative economic impacts.

- Not putting public interest before private interest of mining industry.

ie. There is an absence of checks and balances in our management of mining, although the legislation provides for them. Some reform is underway but appears token, ineffective and halfhearted. (eg. new environmental policy)

DISCUSSION

A. In order to correct the problem we should be

- Evaluating more closely the real costs and benefits of mining, particularly new mining proposals, and adopting a longer-term perspective on its worth, (i.e. improved accounting and quality control) to ensure sustainable development.

- Correcting the practice of miners when our monitoring and accounting reveal a departure from the contractual arrangements made between them and the Crown, and by refusing to allow mining to start or continue until an appropriate contract is in place (any relaxation or concessions that are considered necessary from time to time should not be the subject of private deals but declared publicly). Using the penalty provisions of the Mineral Resources Act will be much more cost effective than protracted coercion.

- Assuring the public of this accounting and quality control, to restore credibility and to gain their confidence and support for mining; and thereby resolve disputes. Unavoidable, justified environmental impact should be declared, not covered up.

B. It appears we are not doing these things because of:

- The lack of political will of, and poor advice to, the Cabinet.

- There is widespread non-compliance with the statutory requirements designed to control the abovementioned costs. The Department appears in danger of becoming subservient to the industry, since many of its requests for action by the Lessees have been ignored, and many mining companies appear to mine as they wish. Even the Coal Board has expressed concern about the lack of rehabilitation.

- Policies exist to change Department of Resource Industries function in respect of this but practice persists which doesn't fit with these policies, (this is a combination of double speak and inept management).

- The mining industry and the Department of Resource Industries lacks credibility and could be accused of promoting mining under false environmental pretences. There is a major discrepancy in what is said and claimed, and what actually exists by way of environmental performance. There is an emerging antipathy within the community towards mining.

- The mining industry appears not to be meeting the objectives of the Department, and is a long way out of step with other mining industries in New South Wales, Western Australia, Europe, North America, and even South Africa.

:COMMENDATION

Allegations of non compliance by Industry should be investigated, and some significant old sites revisited.

Department of Resource Industries should adopt a clear unambiguous mission statement reinstating the proper authoritative (Westminster) role of the Public Service in respect of administering the mining legislation passed by Parliament. Politicians need to be advised of the constraints of that legislation.

Department of Resource Industries should establish a branch within its commodity divisions for proper accounting in a common currency of real costs and benefits arising from mining. This information will help form the basis of:

(a) quality control of mining, existing and proposed;

(b) setting of clear policies and lease conditions and environmental standards for mining, and balancing environmental requirements with other government imposts;

(c) securing best public interest in mining.

- Department of Resource Industries should create an environmental function with status and authority to equate with its responsibilities under the legislation and which adequately covers the planning and prevention requirements as well as the surveillance/regulatory role. If this function is to continue to report to the Director-General of Resource Industries it should be subject to periodic audit by an interdepartmental Review Committee. The function must become a more secure career for professional people of integrity.

  The Government should ensure there are no legal impediments preventing the enforcement of statutory requirements controlling the environmental impact from mining.

- The Government and Department should make a firm commitment to use its authority to PREVENT unacceptable mining impacts even if it means temporarily delaying developments. The goal should be to re-establish the authority of the government as a basis for developing GOOD FAITH with a powerful industry.

- The Department should arrange scientific research into the mining impacts that need controlling and into cost effective means of reducing them.

POSITIVE OUTCOME OF RECOMMENDED ACTION

If mining can be made to be more compatible with the community's expectations for environmental quality, and is seen to be so, it will:

- help to counter extremist and mischievous environmental activists opposing mining and exploration;

- ultimately allow more effective development of Queensland's mineral resources, realising their strong economic growth potential within a sustainable development ethic; and

- help provide more certainty and confidence in mining and exploration investments.

12.8.91

J. LEGGATE
Senior Environmental Officer

[PROOF]

COMMONWEALTH OF AUSTRALIA

SENATE

SELECT COMMITTEE ON UNRESOLVED WHISTLEBLOWER CASES

BRISBANE

Thursday, 16 March 1995

(OFFICIAL HANSARD REPORT)

CANBERRA

The Institute is active and visible in dealing with ethical matters.

The Institute is able to refute any suggestion that detailed government regulation of its members activities might be justified.

I complained to the institute about a long list of Queensland mining professionals with a specific detailed complaint. Guess what the professor of mining who met with me to discuss it said? He said, 'It is up to government to set the standards'. However, every attempt I made to get technical standards in place in Queensland for the purpose of the mining industry was thwarted by the institute's members. Around and around the loop we go and in mining the problem is made worse by the fact that there is a timelag. It may be 20 years before the environmental consequence of mismanagement of mine sites is revealed. As I said before, the environment needs the law to protect it and Queensland's present gamble with self-regulation, in my mind, is going to fail. The stakes in the gamble are becoming very high.

Queensland has one of the largest mining industries in the world and it is getting bigger. The all important question in this regulatory capture discussion is: why does the government allow itself to be captured? Why, indeed?

I will go on for a few more minutes. The CJC regrettably initially refused to recognise all the signs of wrongdoing in respect of the mining industry and, in the words of a much more eminent legal mind than mine, it seems to me they missed the point of my report of suspected official misconduct. When they did get to investigate mining as part of the inquiry into wastes—I fear you have heard these words already this morning—it seems they failed to find the obvious, in my case also. Neglecting to act to control a runaway industry likely to cost taxpayers millions—millions more than it has already cost taxpayers cleaning up after mining companies—amounts, in my mind, to a breach of public trust.

Like Lindeberg, I too believed—and still do—that I had become the victim of a conspiracy aimed at covering up the government's actions, or inactions. I believe my complaints to the CJC warranted some investigation. After all, it is not as if the Fitzgerald inquiry did not point to the likelihood of institutional corruption. I went to the CJC with

coming up in other inquiries I am involved in. Would you see it as a major problem?

Mr Leggate—I would see it as a major problem. I will give you two particular instances. The general argument of the Queensland government is that what I have been concerned about was perhaps true but is all ancient history. It is in the past and everything is under control now, as a result of a new environmental policy. There were two particular cornerstones of this new policy. One was that, rather than the big stick being wielded, there would be commercial incentives for companies to perform because if they did not they would pay a hefty security to the government to have in reserve, should the mine site become a problem. To a very great extent that determination to take securities was a threat only. I understand that at this point in time we have probably gone full circle and that, for some of the biggest operations in Queensland that are subject to their own special agreements acts, there is now a discussion as to whether there can be negotiation of securities under a different system entirely from the new environmental policy.

So, firstly, the carrot is not in place despite the fact that the stick was thrown away. The carrot from the point of view of levying poor performance with a hefty security is a threat only for the most part. There are some exceptions. But there are probably tens of millions, if not hundreds of millions, of dollars outstanding that should be paid by way of securities. The CJC inquiry was misled because it was not revealed that, at the time of that inquiry, the industry's agreement with the new environmental policy was contingent upon the government accepting company based guarantees—a far cry, I think, from the lodging of a cash bond or a bank guarantee. Lodging a company based guarantee was designed so that it would not hurt so much, which was missing the whole point of the environmental policy.

The other cornerstone that is missing is that it was agreed at the time of the new environmental policy being introduced—I think you should understand that I was one of the architects of the new policy; I was in on it from the start, but the government has lost its way—was that there should be agreed technical standards that would be adopted for the purpose of designing environmental protection programs. Initially we made some progress and we endeavoured to put in place a code of practice. A code of practice is a document

with mandatory standards. That was about 1989. Six years down the track, a week ago, the Queensland government, with a lot of publicity, declared that it now had a set of technical guidelines.

These technical guidelines have been drawn up on the strict understanding that they will never be applied as mandatory technical standards, they will be advisory only. Every single guideline that is in that document has an indemnity clause on it that states that it is advisory only. So again we do not have teeth in the fundamental standards for environmental protection from mining in Queensland.

All we finished up with after years and years of trying, was not a code of practice, was not a set of technical standards that the Public Sector Management Commission had recommended, but a set of voluntary guidelines, every one of which has this indemnity on it:

This guideline is ADVISORY ONLY and is not intended to prescribe mandatory standards and practices. This guideline is intended to assist the development of project-specific environmental management practices.

So it is open to disagreement by the mining companies. If they do not want to apply those standards they simply do not apply them.

Senator FORSHAW—Is there a requirement, however, that they have an environmental management plan?

Mr Leggate—There is under the policy. As the CJC report pointed out, at the time of the CJC inquiry it was not backed by legislation. My understanding is that it is still not included in the act, so the requirement for this planning document, which is known as an EMOS, is not, as far as I know, a requirement of the act.

Senator FORSHAW—The exemption that you referred to—and the reason why I asked that question—is that from my understanding in areas like environmental management, and health and safety is another such area, there has been a trend away from setting minimum regulatory standards towards what might be called more of a whole management approach, where the pressure is on the company to have a whole plan which is then approved. It is a sort of case management approach rather than a minimum bureaucratic regulation of standards. I just wondered whether or not that sort of scheme that you have pointed to was part of a broader scheme? You are saying that it is not.

Griffith University

Faculty of Environmental Sciences

Australian School of Environmental Studies

Industry/Community Relationships in Critical Industrial Developments

Peter Hoppe BSc (Hons)

Thesis Submitted for the Degree of Doctor of Philosophy

Date of Submission – August 2005

Source: Jubilee Committee, Bracewell State School 75th Jubilee, 1990

Figure 8.4: The communal clearing of the Ahchay Farm

Project Commission. This openness by Kantonal government agencies to local knowledge and experiences is very different to the attitudes of Queensland government authorities involved in the EEM development. Their response to local wisdom and experiences is short and clear. "If information is not collected, analysed and interpreted by the agency or by its approved external experts, such data cannot be recognized by the department as scientifically legitimate and can therefore no be considered in the final decision-making process" (interview data, SoT, SG, 2000).

However, local anecdotal evidence reflected in local historical records show that the digging of wells and the clearing of land often were collective efforts involving neighbours and other community members (Figure 8.4). This community spirit was particularly evident when the district was subjected to a severe type of virus leaving many locals unable to operate their farms or even cook for themselves. Local families

landholders be informed about changes in water levels and quality, which had to be measured quarterly. This means that although changes in groundwater levels were observed by government agencies and the developer, the wider farming community were neither provided with monitoring reports nor interpreted monitoring data for 15 years. Consequently, the compliance verdict of the department was firmly rejected by the wider farming community as highly inappropriate. In a later assessment of the monitoring issue the Department of Natural Resources confirmed the landholders concerns, suggesting that rigorous water monitoring and reporting protocols are not being followed by the company (research data LETJ, 1999). In its revised assessment of the monitoring issues the department omitted, however, that it was required by the then Irrigation and Water Supply Commission to interpret the monitoring data, which it failed to do for over a decade.

The practice of sparse and slow data distribution while pursuing minimalist compliance is not new. Industrial organizations and government institutions frequently use this method as a means of controlling the situation (Roome, 1998; Wilson, 2000). The developer in the EEM case, therefore, is certainly not alone in using this approach. The research data and the responses from various stakeholders suggest that handling of the issues associated with *Clause 11* as well as *Clause 9 (b)* of the lease conditions was and still is questionable. It firstly, contributed greatly to confusing, prolonging and entrenching the EEM dispute and secondly, it deepened the social distrust held by landholders and the affected farming community to levels from which recovery is very difficult to achieve.

Conversely, in the FEKLHAS development the free flow of correct and detailed information developed into a matter of routine. The primary reason for the regular

manager shows that earlier deep structure commitments have indeed become part of EEM specific decision-making and the organisational decision-making structure itself.

> We are legally in compliance with regulation, compliance and with everything, so where is the problem? You see that is not just our problem but it also applies to government agencies. You've got these old guys still there sticking to decisions they made in 1977. That is what I believe is holding us back in East End (interview data, 3i, 1999).

The foregoing interview response indicates two major points, firstly, a minimum compliance strategy clearly a legacy of the 1970s and early 1980s, and secondly, a defence strategy of earlier EEM specific decision-making spanning over 3 decades. When asked whether earlier decision-making particularly in relation to the EEM development constitutes a legacy of the 1970s, the same manager observed

> you have got to remember that some of the old company is still around and in charge and so is the old thinking and the old logic (interview data, 3i, 1999).

This response confirms the deeply inertial nature of EEM specific deep structure commitments, strategies and decision-making. These deep structures are highly stable, because initial deep structure choices exclude many contingency options and include only those that are mutually agreed upon and are consistent with the earlier deep structure choices (Gersick, 1991). When applied to the ongoing EEM controversy this means that early deep structure choices by industry and government stakeholders favoured techno-economic solutions to emerging problems, while paying little attention to the socio-cultural factors of the dispute. Consequently, the initial commitment to a technical fix excluded possible participatory contingency options; firstly, because the social contingency responses of community participation and collaboration are not mutually agreed upon by past and present substructure management; and secondly, they are inconsistent with the deep structure choice of a technical fix.

maintained by their government agencies. However, the integration of these policies into the EEM controversy is highly unlikely, because of earlier EEM specific deep structure commitments, which, Gersick (1991) suggests, exclude many contingency options and include only those that are mutually agreed upon and are consistent with the earlier deep structure choices. This means that industry and government stakeholders, which share the responsibility for the planning, approval and operational processes of the EEM development, have little choice but to live with the legacy of earlier decision-making. It is necessary for these stakeholders, therefore, to defend earlier EEM specific deep structure decision-making because it controls socio-environmental community demands and equally important, minimises legal exposure. Although reluctantly, industry and government respondents recognise that the legacy of earlier EEM specific decision-making does play an important role in relation to the EEM case. This has been confirmed by a government representative stating, "government agencies and industry actually defend their earlier decisions quite regularly, they should not have to, but they actually do"(interview data, 9/0, 1999). Similarly, a public servant recognised that decision-makers in the EEM case "try to defend some of their old decisions, realising that earlier decisions were not as good as they should have been. (interview data, 4GA, 1999) These responses in relation to earlier decision-making indicate that government agencies struggle at times with institutional histories, previous organisational cultures and earlier deep structure commitments. A prime example of how EEM specific deep structure decision-making impacts on stakeholders 20 years after these decisions were made is related to the controversy about water monitoring. A member of the Queensland parliament remembered

> I think the best example with regard to the legacy of earlier decisions is the responsibility to monitor water depletion, which was required of the department from day one of the East End Mine project. (interview data, 9/0, 2000).

6

QCL
Queensland Cement

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FACSIMILE TRANSMISSION

To: Mr. Bill Upton
Co-ordinator General's Office
Fax No: 229.7348

From: P. O'Callaghan
Group Planning Executive
Our Fax No: 61-7-367 0348

Date: 14 June, 1995
Total No. of Pages: 2

Subject: QCL GLADSTONE EXPANSION : CRITICAL ISSUES

Please telephone Di Dale on 61-7-375 0431 if any part of this transmission failed or was misdirected.

As requested at our meeting of 8/6/95, we have identified the critical issues for the project from QCL's perspective. Specifically this has been done with the objective of gaining shareholder approval within the timeframe discussed.

1. Convincing Government to meet costs of any upgrades to physical infrastructure, especially the State roads and electricity grid.

2. Gaining approval from the relevant authorities to use the road network to transport raw materials.

3. In conjunction with point 2, maximising the truck payload so as to minimise trucking numbers.

4. Obtaining world competitive electricity charges

5. Obtaining some form of guarantee on mining lease renewals so as to assure QCL's shareholders that there are adequate, secure, approved raw material reserves.

6. Obtaining best available rates for coal, coal royalties and rail freight.

7. Guaranteeing the status quo remains with regard to environmental licences on current operations.

We have not listed all the minor issues nor those issues on which QCL is to take the lead in negotiations, e.g. priority berthing and renegotiation of local agreements. The aim here is to prioritise issues to allow COG to best allocate resources.

147

We have also not listed items such as DEH approvals. Although the timing is critical, we do not believe these will require difficult negotiation, but rather consistent effort to obtain the fastest possible response.

Regards,

Paul O'Callaghan
Group Planning Executive

ML 3629, ML 3630, ML 3631, ML 3632

MLs 3629, 3630, 3631 & 3632

Contact Officer: Mr N. Krosch
Telephone: (07) 237 1603
Facsimile: (07) 234 9970

(C:\WIN_DIREC\QCLLET.DOC:NK:NK)

8 August 1995

Mr J. Maycock
Managing Director
Queensland Cement Limited
PO Box 1328
MILTON QLD 4064

Dear Mr Maycock

I refer to recent discussions between your company and representatives of the Queensland Government regarding your company's concerns in relation to the renewal of mining leases covering your limestone resources and limestone mining operations in the East End - Bracewell area, south of Mount Larcom.

You would be aware that the Mineral Resources Act does not allow an application for renewal of a mining lease to be accepted in excess of one year prior to the date of expiry of the current term. It requires also that any application for renewal should be submitted not less than six months prior to the expiry date of the mining lease. Taking these factors into account, your applications for renewal of Mining Leases 3629, 3630, 3631 and 3632 would need to be lodged between 1 August 1996 and 31 January 1997

The Department of Minerals and Energy is very concious of the significance of security of tenure over the limestone resources and project infrastructure at East End - Bracewell to your company's proposed expansion of cement manufacturing capacity at Fisherman's Landing. We also recognise the economic stimulus that the cement plant expansion is likely to give to the Gladstone district, and the benefits of the project to Queensland as a whole.

Having said that, I advise that the Department of Minerals and Energy perceives that there would be no impediment to a recommendation to the Governor in Council that the renewal of the above mining leases be approved as and when required by your company, provided in the meantime that the leases are maintained in good standing and that all requirements of the Mineral Resources Act and any relevant Departmental policies continue to be complied with from the present up to the time renewals are sought.

The performance of the company to date in respect of the East End operation has been satisfactory and the company has complied with all statutory and policy requirements pertaining to the limestone leases. The Department's view is that, if QCL were in a position to apply for renewal of these leases now, it would be recommending, upon acceptance of the EMOS, that the Minister endorse the renewal to the Governor-in-Council.

The Environmental Management Policy for Mining in Queensland, administered by the Department, requires all mining leases to have an Environmental Management Overview Strategy (EMOS) and Plan of Operations which reflects the current status of the operation, including environmental management and rehabilitation requirements. The East End leases have an existing Plan of Operations which expires on 30 November 1995; an EMOS has been submitted and is being reviewed by the Regional Environmental Officer, Rockhampton.

As any expansion of operations would almost certainly require submission of a new Plan of Operations and possibly an EMOS variation, it would probably be advantageous to the company to amend the EMOS currently being considered by the Department and then to prepare a Plan of Operations (for the five years beginning 1 December 1995), such that both would address the proposed expanded mining activities. It will be necessary also to incorporate ML 7629 which covers the slurry pipeline from East End to Fisherman's Landing into these two documents so that the company can demonstrate its compliance with statutory requirements where this lease is concerned. Renewal of the package of leases at the appropriate time will then take into account the documents already lodged and accepted. Provided the revised EMOS and Plan of Operations are submitted by mid October 1995 the Department undertakes to ensure the documents are processed and, if appropriate, accepted by the 1st December 1995.

Based on our knowledge of your project, including the available limestone resources and the proposed extraction rate, it is considered that a renewal term commensurate with the life of the resource would be appropriate. However, the renewal terms of the leases will be considered at the appropriate time on the basis of information supplied by your company to support the particular terms specified in your applications for renewal.

In light of the company's proposed expansion at Fisherman's Landing and use of a different mode of transporting limestone from the mine site to the plant, the Office of the Co-ordinator General intends to call an IAS under Section 29 of the State Development and Public Works Organisation Act. Assessment of additional on-lease impact caused by expanded mining operations can be achieved through the EMOS process and the Terms of Reference for the IAS should not include any reference to the mining operation *per se*.

I trust this provides your company with a satisfactory level of assurance that the merits of this project will be given full consideration, particularly in relation to future renewal of the relevant mining leases.

Yours sincerely

(ROSS WILLIMS)
Director-General

SEP 28 '95 ...

DEPARTMENT OF MINERALS AND ENERGY

This document has been released under the FREEDOM OF INFORMATION ACT 1992

8

DEVELOPMENT PROGRAM

This is the document referred to as Annexure 20 in the affidavit of Heather Lucke
Sworn / affirmed at Mt Larcom on 9th .... before me GHA ....
March 2006

F4485

152434

FACSIMILE NO.: (07) 3237 0470

GPO BOX 194
BRISBANE QLD 4001

QUEENSLAND MINERALS AND ENERGY CENTRE
61 MARY STREET
BRISBANE QLD 4000

Lifer P3

TO:	FROM:
ATTENTION: Bill Upton	NAME: Colin Taylor
ORGANISATION: Office of Co-Ordinator General	POSITION: Director Project Development
FAX NO.: 322 97348	PHONE NO.: 323 71581

PRIORITY:	NUMBER OF PAGES INCLUDING THIS ONE: 3	DATE: 28/09/95

Information on QCL project is attached as discussed.

Charles

This is not consistent with the advice Colin Taylor provided by phone this morning when we were talking to QCL. I will speak to Taylor. I suggest you may wish to pursue with DME in more detail

PLEASE [illegible] 28/9/95

The information contained in this facsimile message is CONFIDENTIAL and is intended only for the use of the addressee (s). If you receive the facsimile in error any use, distribution or copying of this facsimile is not permitted, and you are requested to immediately inform us by telephone.

0037

... asks for an ML for shale oil.

QCL EXPANSION PROJECT

2

Security of plant site

QCL are seeking assurances with regard to the security of title of their Stuart plant site near Gladstone. There are three mechanisms by which this could be done.

1. Do nothing.

   If SPP the holders of the overlying Exploration Permit (EP) and adjoining Mineral Development Licences (MDL) were to apply for a Mining Lease over an area that incorporated the Plant Site of QCL such an application would have to go through due process in accordance with the Mineral Resources Act (MRA). This includes an Environmental Impact Study process with due consultation, a formal objection process, a Wardens Court Hearing, and the Ministers assessment and recommendation. All these processes allow for the impact of any mining on existing infrastructure and operations (such as QCL) to be considered and the importance and economic benefit of such operations to be clearly defined. It is extremely unlikely that such checks and processes would allow a project of such magnitude as QCL to be jeopardised. Indeed there are a number of examples of lesser economic importance that have caused the rejection of Mining Leases (eg. housing estates).

2. Use QCL Agreement Act provisions to exclude mining.

   The QCL Agreement Act 1977 ensures under Part II Clause 5 that the holder of any Authority to Prospect or mining tenure which may overlie the plant site of QCL (defined in Schedule B as Potions 32, 50 and 51) may not drill, mine or otherwise occupying part of the plant site.

   In fact this clause caused Southern Pacific Petroleum (SPP) with the consent of QCL to seek an amendment to the Agreement Act to allow SPP to acquire some land from the plant site for the purpose of their oil shale demonstration project on ML 80003. This was done in accordance with Part I clause 5 of the Act via an amendment to the Act after appropriate consultation and approvals.

   The QCL Agreement Act in accordance with Part I Clause 7 shall terminate on 31 July 1997 or the date of expiration, termination or surrender of the mining leases whichever is the earlier. Amendment of the Act to change the expiry date to take into account the life of the lease (as they will be renewed) would give QCL the reassurance they require. This course of action would require a Cabinet Submission which would justify the extension of the Act on the grounds of the importance of the expanded QCL project to the State and the life of the associated mining leases which have adequate resources to justify renewal for at least a further 30 years. The Department of Minerals and Energy would be happy to assist in or take carriage of the preparation of such a submission.

3. QCL to apply for a ML over the plant site area

QCL could apply for a Mining Lease for purposes other than mining under Section 298 of the Act. Under Section 248 (4) of the Mineral Resources Act a ML can be granted over an existing EP or MDL if the application is for a different mineral than the pre-existing tenure. In this case the applicant must obtain the existing authority holder's written views on the application. SPP would also have rights of objection and the application would have to go through the due process including EMOS, possible EIS, Wardens Court and Ministerial recommendation.

However a Mining Lease can also be applied for and granted over a mining lease if it is for a different mineral or a different purpose. SPP could therefore apply for a ML for oil shale over any ML that QCL might have had granted to them for other purposes.

Recommendations

Option 1 is the easier solution and we believe the project would not be jeopardise. However if QCL want greater reassurance then Option 2 would be supported by this Department. Option 3 is less favoured than option 1 or 2 due the precedent it might set with regard to mining leases over infrastructure and down stream processing facilities. This option also potentially does not offer any additional security than option 1.

EMOS and Environmental Approvals

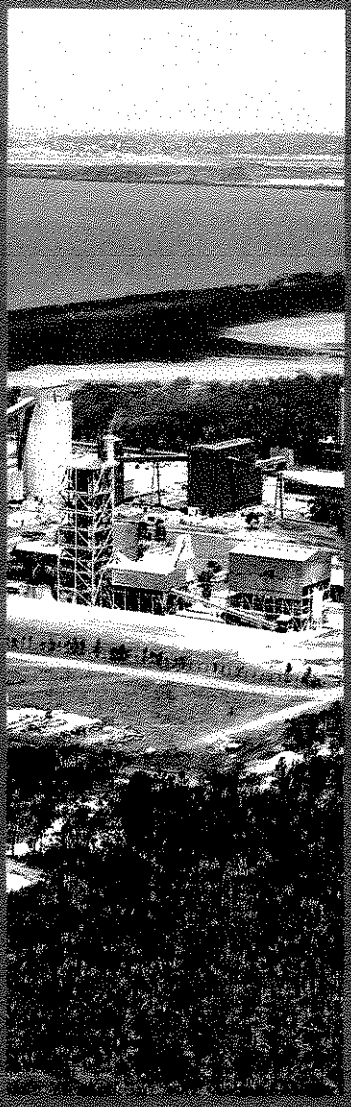
Department of Minerals and Energy will do all possible to expedite approval of the current QCL EMOS application for the East End Mining Leases. For the proposed expanded activities QCL will be required to revise the current draft EMOS. The varied EMOS will should be submitted as soon as possible. As discussed with Mr McDonald and Mr Upton this week the EMOS will use the IAS segment on ground water impacts rather than a separate study. This availability of the ground water study data will be a factor in finalising the EMOS for the expanded activity by 1 December 1995.

I:\dev\pjd\cqpd\projects\qcl\secop.not

9

QCL
Queensland Cement

Gladstone Expansion Impact Assessment Study



Final Report

Connell Wagner

GLADSTONE EXPANSION

IMPACT ASSESSMENT STUDY

FINAL REPORT

Prepared for
Queensland Cement Limited

Connell Wagner Pty Ltd
A.C.N. 005 139 873

1 February 1996
Job No. 438400CN

7.0 HYDROLOGY

7.1 East End Mine

The following assessment of water resources around the East End mine and the impact of the proposed development on groundwater has been prepared by C.R. Dudgeon from the University of New South Wales Water Research Laboratory (Technical Report No. 95/11, October 1995).

A review of the assessment prepared by Dr Peter James, Consulting Geotechnical Engineer, is included in Appendix E.

7.1.1 Introduction

The East End limestone mine near Mt Larcom is operated by QCL and supplies limestone for QCL's cement manufacturing works at Fishermans Landing. The bottom of the open pit mine is currently at 0 metres Australian Height Datum (AHD) at a location where the natural ground level is approximately 45 metres AHD. Groundwater flows into the mine from the surrounding limestone and is pumped into settling ponds from which it flows to Larcom Creek and eventually to the ocean at Gladstone via the Calliope River.

Mine dewatering has lowered the water table in the limestone deposit being mined and affected a limited number of local groundwater supplies drawn from the limestone and used for domestic and stock watering purposes. Water sources outside the limestone body are to a large extent protected from the effects of mine dewatering by barriers of less permeable rock of volcanic origin and only small reductions in groundwater levels in these sources can be attributed to the mine.

C R Dudgeon August 1995

Water Research Laboratory Technical Report No. 95/08 (Appendix D) describes the monitoring system set up in 1976 to obtain baseline groundwater and streamflow data in and around the mining leases held by QCL. It also provides an assessment of the current situation regarding water table levels, groundwater supplies and observed effects on local water resources of mine dewatering. The following sections provide some supplementary information on pre-mining and post-mining conditions, but its main aim is to examine the probable effects on the groundwater and surface water regimes of expanding the capacity of the cement works and consequently increasing the rate of mining limestone. It should be read in conjunction with Appendix D since relevant information included in that report has not been repeated here.

A summary of the groundwater and surface water regimes before mining and at the present time is given in the following section to provide a background to subsequent discussion concerning effects related to expansion of cement clinker production.

7.1.2 Surface Water and Groundwater System Around the East End Mine

Surface Water

Before the Commencement of Mining

Figure 7.1 shows the general topography and surface water drainage system around the East End mine site. The hilly areas are generally erosion resistant rocks of volcanic origin while the limestone generally occurs at lower levels, as it has been more easily eroded, and is frequently covered by a relatively thin layer of alluvium. The region has been extensively folded, and rocks which were laid down as sediments

water under artesian pressure attempting to force its way up through the clay. Evaporation of water from the slow upflow of groundwater caused salinisation of the soil surface in this area and a consequent reduction in the value of the land for grazing. Remediation of the surface condition resulting from long term lowering of the water table caused the landholder to clear the land for grazing. This has confirmed the beneficial effect of the mine on this property.

Where the water table intersected the ground surface near the mine in wet weather, outflow occurred into the creek which ran through the mine site. The upstream limit of the outflow varied over a length of approximately 1 kilometre upstream from the beginning of the continuous confining clay layer. After the outflow had receded to the boundary of the confining layer as the water table fell, the creek ceased to flow. Evidence of the continuing artesian condition in the confined limestone for some subsequent period was provided during the drilling of exploration holes before mining, when water flowed from holes in this area.

The quality of groundwater around the mine site before mining commenced was very variable. Water which enters the limestone and is extracted before it mixes with water which has been in contact with decomposition products of the rocks of volcanic origin is hard, but the total soluble salts content, and in particular the sodium chloride content, is relatively low. However, all the water sources in use around the mine site must have tapped into mixed water since they yielded water with a total salts content too high for most domestic uses and irrigating most crops, although it was suitable for cattle and horses to drink. Dry weather flow from the limestone aquifer into the local creek had a total soluble salts content of approximately 2,500 mg/L of which approximately 1,500 mg/L was sodium chloride. Improvements in groundwater quality following 15 years of pumping from the mine and several significant recharge events to flush out the aquifer indicate that, prior to mining, there was a pool of slow moving, denser saline water at depth in the limestone. This would have resulted from a long period of accumulation of the soluble products of decomposition of minerals such as feldspars in the volcanic and volcanoclastic rocks surrounding, interbedded with and intruded into the limestone.

Current Situation After 15 Years of Mining

Pumping from the mine has created a steep drawdown cone extending approximately 500 metres from the pit boundaries and a much flatter cone extending beyond this. Details of the development of the cone are given in Appendix D. It has been concluded from the available data that, under current extreme drought conditions, the maximum mine-induced lowering of the water table in bores used by property owners to extract water from the limestone being mined is approximately 2 metres. Immediately after major recharge events, when the water table is at near maximum levels in areas unaffected by mine dewatering, and during the subsequent recession of the water table, the reductions in water level in some water sources in the limestone would be considerably in excess of 2 metres. However, in these circumstances the depletion would usually not be serious in most cases as water would still be available. Some increase in pumping cost may be incurred as a result since the water has to be lifted through a greater height. The increase, if any, would depend on the type of pump, volume pumped and water level difference.

Water sources in rocks of volcanic origin surrounding the limestone body being mined, and in limestone separated by such rocks from the limestone being mined, cannot be affected by mine dewatering to the same extent as water sources in the mined limestone because of the lower permeability of the volcanic rocks. It has been concluded from observations made to date that any reduction in water table level in

10

Director, CLIENT SERVICES DIVISION.
Regional Engineer,
CENTRAL REGION. 20 12 88 CQ 723/0 JL:GP

MINISTERIAL CORRESPONDENCE
A LUCKE, MT LARCOM

389

At present, groundwater levels ~~in the district~~ are extremely low in the Mt Larcom/Bracewell area. The effects of limestone mining and the associated pit de-watering is applying additional pressure to the groundwater resource. Data on hand indicates that water levels may have fallen by up to 2.5 metres at distances of 2 km from the mine due to mine dewatering. The obvious conclusion is that the local farming community fears are realistic.

MLA808 is an extension, in effect, of ML700 ("Eastend"). Conditions were imposed by the Mines Dept, at the suggestion of the Water Resources Commission, which helped safeguard the groundwater supplies of the local farmers. It would be logical to impose the same conditions on MLA808 and it would not involve the Qld Cement and Lime Co in any additional expense but would help safeguard the local ground water supplies and satisfy the local community that their interests are being protected.

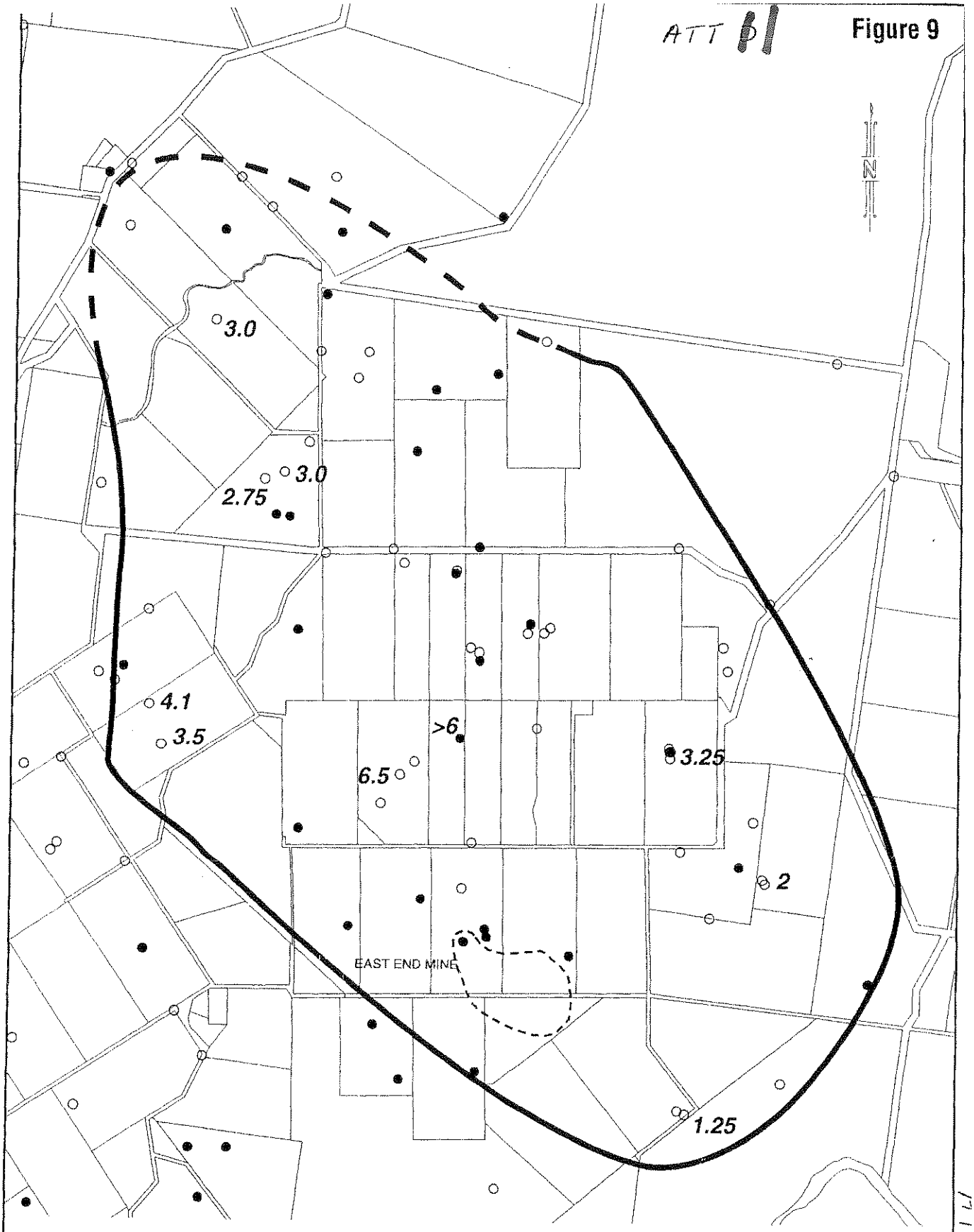
A draft reply to Mr Lucke is attached.

REGIONAL ENGINEER
CENTRAL REGION

JCC 21/12/88

ATT 1

Figure 9



LEGEND:

- Monitored Bores
- Unmonitored Bores
- 2.75 Drawdown (metres)
- Impacted Area Boundary

NOTE:
Bores outside Impacted area have zero water level difference

KILOMETRES
0 0.5 1.0 1.5

NATURAL RESOURCES

RESOURCE SCIENCES CENTRE

QUEENSLAND GOVERNMENT

Bracewell - East End Area Groundwater Investigations

Mine Impacted Area 1991

(WL Difference 1978/79 - 1991)

12 Feb 1997

A4-502511 RSC

Produced at the Resource Sciences Centre of the Department of Natural Resources by the Spatial Information and Mapping Group. Workspace - /projects1/cv3839

Mine Pit Zone of Influence
Kalf + Associates 22/2/2000

Mine Impacted area extrapolated to 1997.

ML 7629

ML 3659
East End No 2

MLS0009

Note: Mine Impacted area extrapolated to 1997
Source DNR Position Paper East End Mine Enviro
February 1998

East End Mine
Queensland Cement Limited

Mine Pit Zone of Influence
Kalf & Associates 22/2/2000
KERSHAW LCO.
1:25,000
0 250 500
214.868
8 July 2000
5 July 2000

Annexure 24 File A 2 R. 13

Memorandum

Queensland Government
Environmental Protection Agency
Incorporating the
Queensland Parks and Wildlife Service

Enquiries Neil Hoy
Telephone 07 4936 0540
Your reference
Our reference

22 October 2001

To: Jon Womersley, Regional Service Director

From: Neil Hoy, Senior Environmental Officer

Subject: Status of Environmental Authorities at East End

Purpose:
This purpose of this memorandum is to explain the status of two EA applications at East End and one EPA initiated amendment and to seek your advice on the timeframe to progress options.

Background:
Prior to 2001 the East End Mine had seven mining leases (ML 3629, 3630, 3631,3632, 3659, 7629 & 80002) with an accepted EMOS dated 1996 and a provisional licence that was current until 1 March 2001.

On 1 January 2001 each ML and the Provisional Licence was deemed to have Transitional Authorities under the Environmental Protection Act.

The various applications / amendments associated with this project are discussed below.

1. FIRST APPLICATION:
On 14 March 2001 an application was lodged for a (new) EA for six of the MLs (3629, 3630, 3631, 3632, 3659, 7629) plus EP Licence 180001 and this was allocated a new EA Number M5765 in MADS. On 20 March 2001 the applicant was advised that the application should have been lodged as an amendment not an application for a new EA. The Coordinated Assessment Committee considered the application on 21 March 2001 and minutes are as follows:

Level 3 decision - East End Mine Assessing Officer - Ian Wilson

1. *Application received (14/3/01) for new Non-Std EA due to expiry of Transitional Authority.*
2. *EIS conducted in 1996 when cement plant upgraded. Information still valid.*
3. *Public outrage: Concerns re hydrology*
4. *EMAG established as community consultation body with Government and community representation (This probably should have been the Community Liaison Group (CLG) N Hoy)*

Cnr Yaamba and Yeppoon Roads NORTH ROCKHAMPTON
Queensland 4701 Australia
PO Box 3130 ROCKHAMPTON SHOPPING FAIR
Queensland 4701 Australia
Telephone 07 4936 0511
Facsimile 07 4936 0508

5. *Crown Law recently advised that this project does not come under a special agreement act, and is therefore subject to the new legislation. Public should be happier due to their ability to be more involved.*

6. *Mining Leases expired in 1996. Applications for renewal cannot be finalised until compensation with local sorted out. (May now be addressed by L&RT) Rents, royalties etc paid and company continues to comply with conditions.*

7. *Transitional EA (previously a provisional licence) expired on 1/3/01 Darra claim that their application for amendment was not lodged prior to 1/3/01 because EPA (Rockhampton) did not advise them of their responsibility to do so.*

8. *Application requests a fee waiver.*

Proposed Action
- *EPA initiate an amendment to the TA for the mine (with assoc. EMOS). (Callide project was handled in this way by agreement between the holder and the Rockhampton office).*

Decision
- *ALD for EA application is non-standard, however, liaise with proponent to have application withdrawn (prior to EIS decision being required).*
- *Issue 'Notice of proposed action to amend'.*
- *Hold EIS decision until response from company.*

Action:
- *This approach to expired transitionals to be documented and signed off by the Director, Operations.*

Action:
- *When process agreed apply to other non-amended provisional projects.*

Since the CAC consideration, the applicant has written asking to withdraw the original application on 4 April 2001. This has not been entered on MADS so M5765 still appears in the database and although we never formally agreed to the withdrawal, this EA should probably be listed as withdrawn.

Summary Application One: The original invalid application has been effectively withdrawn.

2. EPA INITIATED AMENDMENT (M2017):

The EPA initiated amendment of T2017 ie M2017 was sent to Darra Exploration on 9 April 2001. It only relates to ML3631 and the conditions that were on the former provisional licence 180001. This refers to the accepted EMOS (taken to be the 1996 version NOT the August 2000 incomplete verion).

Summary **EPA initiated amendment**: This EA was a *proposed action* from the consideration of the first application above and has replaced the Provisional Licence 180001, refers to the accepted EMOS and requires a new EMOS by 1 April 2002. It covers the high level ERAs on the minesite

3. ML80002 TA AMENDMENT:

On 26 June [July?] 2001 CSU received an application to amend the TA for ML80002 because the company wanted to increase the area of disturbance on this ML which is held for waste rock disposal.
CAC on 10 August 2001 decided that the application for a non-standard did not involve a significant increase in environmental harm (and that meant there was no need to consider whether an EIS was required). The TA for this ML ie T3984 was to be issued as M3984 and the file material was sent to the Rockhampton office of EPA. The appropriate tasks were allocated to Neil Hoy on MADS and are still shown as outstanding tasks.

All it needs is an EA referring to the existing EMOS and the proposal for a new EMOS to be submitted by [date] and this EA is to become part of the mining project subject to a project authority after the new EMOS is submitted.

Summary ML80002: This file is in this office and we can now issue the EA. We need to decide on how to tie it into the other EAs on site and the timelines - we have 01April 2002 for M2017 above.

4. BALANCE OF TRANSITIONAL AUTHORITIES:

At this time, in addition to M2017, the remaining six transitional authorities for the MLs listed above and ML80002 (which was omitted from the original application) were still in force and may attract annual fees upon their anniversaries under current Regulation.

The tentative milestone of 01 April 2002 for the revision of the accepted EMOS into the EPA format and the negotiation of full EA conditions for the whole project would appear achievable.

CONCLUSION:

There are thus no unfinished applications for East End sitting with CSU as the original invalid application has effectively been withdrawn and another whole-of-project amendment application is expected to be accompanied by an EMOS revised to EPA template by 1 April 2002.

Advice has to be sought on the options to bring the remaining TA together into one EA before the anniversary of the individual TAs if fees are payable before April 2002.

Neil Hoy
Senior Environmental Officer
22 Oct 2001

UL/2006/808.

GL6911
GLT990
14

ENVIRONMENTAL PROTECTION ACT 1994

Queensland Government
Environmental Protection Agency
Queensland Parks and Wildlife Service

Central Coast District Office
PO Box 5065 GLADSTONE Qld 4680
Phone: (07) 496500 Fax: (07) 49721993
www.epa.qld.gov.au ABN: 87221158786

Environmental Authority No. M2017 (mining activities)

Section 228 *Environmental Protection Act 1994*

This environmental authority is granted under the Environmental Protection Act 1994 and includes conditions to minimise environmental harm caused, or likely to be caused, by the authorised mining activities. An environmental authority (mining activities) may be for mining activities authorised (under the Mineral Resources Act 1989) to occur under one of the following mining tenements: a prospecting permit; mining claim; exploration permit; mineral development licence; or mining lease. In general, a mining activity means: prospecting, exploring, mining; or processing minerals; remediation; rehabilitation; and includes facilitation and supporting activities and any action taken to prevent environmental harm.

Under the provisions of the *Environmental Protection Act 1994* this environmental authority is issued to:

Cement Australia (Exploration) Pty Ltd
c/- Groundwork EMS Pty Ltd
9 Mc Inroy Street
TARINGA QLD 4068

and

Cement Australia Pty Ltd
c/- Groundwork EMS Pty Ltd
9 Mc Inroy Street
TARINGA QLD 4068

Type of environmental authority (mining activities)	Authorised mining tenements	Location
Mining Lease	ML3629, ML3630, ML3631, ML3632, ML3659, ML80002, ML80127.	East End and Bracewell
Mining Lease	ML7629	East End to Fisherman's Landing

This environmental authority is subject to the conditions set out in the attached schedules.

J E Dalton

Signed

10 April 2006

Date

Jonathon Dalton
District Manager
Delegate of Administering Authority
Environmental Protection Act 1994

This **Environmental Authority** incorporates the following schedules:

- Schedule A - General
- Schedule B - Air
- Schedule C - Water
- Schedule D - Noise and vibration
- Schedule E - Waste
- Schedule F - Land
- Schedule G - Community
- Schedule H - Definitions
- Schedule I - Maps / Plans

Schedule A - General

Financial assurance

(A1-1) Provide a financial assurance in the amount and form required by the administering authority prior to the commencement of activities proposed under this environmental authority.

NOTE: The calculation of financial assurance for condition (A1-1) must be in accordance with Guideline 17 and may include a performance discount. The amount is defined as the maximum cost of rehabilitation for each year as defined in the current Plan of Operations and calculated using the formula: (Financial Assurance = Maximum Annual Rehabilitation Cost x Percentage Required)

(A1-2) The financial assurance is to remain in force until the administering authority is satisfied that no claim on the assurance is likely.

NOTE: Where progressive rehabilitation is completed and acceptable to the administering authority, progressive reductions to the amount of financial assurance will be applicable where rehabilitation has been completed in accordance with the acceptance criteria defined within this environmental authority.

Maintenance of measures, plant and equipment

(A2-1) The holder must:

a) install all measures, plant and equipment necessary to ensure compliance with the conditions of this environmental authority; and
b) maintain such measures, plant and equipment in a proper condition; and
c) operate such measures, plant and equipment in a proper manner.

Monitoring

(A3-1) Record, compile and keep for a minimum of twenty years all monitoring results required by this environmental authority and make available for inspection all or any of these records upon request by the administering authority.

(A3-2) Where monitoring is a requirement of this environmental authority, ensure that an appropriately qualified person conducts all monitoring.

Storage and handling of flammable and combustible liquids

(A4-1) Spillage of all flammable and combustible liquids must be contained within an on-site containment system and controlled in a manner that prevents environmental harm (other than trivial harm) and maintained in accordance with Section 5.9 of AS 1940 - Storage and Handling of Flammable and Combustible Liquids of 1993.

END OF CONDITIONS FOR SCHEDULE A

Schedule B - Air

Dust nuisance

(B1-1) The release of dust or particulate matter or both resulting from the mining activity must not cause an environmental nuisance, at any sensitive place.

(B1-2) When requested by the Administering Authority, dust and particulate monitoring must be undertaken within a reasonable and practicable timeframe nominated by the administering authority to investigate any complaint (which is neither frivolous nor vexatious nor based on mistaken belief in the opinion of the authorised officer) of environmental nuisance at any sensitive place, and the results must be notified within 14 business days to the administering authority following completion of monitoring.

END OF CONDITIONS FOR SCHEDULE B

Schedule C - Water

Release to waters

(C1-1) Receiving waters affected by the release of process water or storm water contaminated by the mining activities or both must be monitored at the locations and frequencies defined in Schedule C - Table 1 and Schedule I - Map A01-001-G-0046A

Schedule C - Table 1 (Receiving waters monitoring locations and frequency)

Monitoring point	Easting (AMG)	Northing (AMG)	Monitoring frequency
C (approx.)	294027.86	7356645.77	pH: annually; EC: quarterly
D	293898.46	7355269.37	pH: annually; EC: quarterly

NOTE: This does not apply to tailings dams.

(C1-2) End of pipe release limits for process water and storm water contaminated by mining activities must be monitored at the location and frequencies defined in Schedule C - Table 3 and Schedule I - Maps A01-001-G-0046A and 214_1172and comply with the volume flow and contaminant limits defined in Schedule C - Table 4.

Schedule C - Table 3 (End of pipe monitoring locations and frequency)

Monitoring point	Easting (AMG)	Northing (AMG)	Monitoring frequency
A (manual)	292538.32	7357578.89	Monthly: EC (if volume flow <6000 m^3/d), pH, TDS, TSS Daily: EC (if volume flow 6000 to 10000 m^3/d)
A (automatic)	292538.32	7357578.89	Automatically 1 per 10 minutes: Volume flow
E (manual)	291050	7357445	pH, EC and TSS within 24 hours of release events beginning

NOTE: This does not apply to tailings dams.

Schedule C - Table 4 (End of pipe contaminant release limits)

Parameter	Units	Minimum	Maximum
Electrical Conductivity (EC) - Volume flow <6000 m^3/d - Volume flow 6000 to 10000 m^3/d	µS/cm	-	4700 1500
pH	-	6.5	8.5
Total Dissolved solids (TDS)	mg/L	-	3000
Total Suspended solids (TSS)	mg/L	-	100
Volume flow - EC > 1500 µS/cm): - EC < 1500 µS/cm):	cubic metres per day		6000 10000

NOTE: This does not apply to tailings dams.

Stream sediment contaminant levels

(C3-1) All reasonable and practicable erosion protection measures and sediment control measures must be implemented and maintained to minimise erosion and the release of sediment.

END OF CONDITIONS FOR SCHEDULE C

Schedule D - Noise and vibration

Noise nuisance

(D1-1) Subject to Conditions (D1-2) and (D1-3) noise from the mining activity must not cause an environmental nuisance, at any sensitive place.

(D1-2) When requested by the Administering Authority, noise monitoring must be undertaken within a reasonable and practicable timeframe nominated by the administering authority to investigate any complaint (which is neither frivolous nor vexatious nor based on mistaken belief in the opinion of the authorised officer) of environmental nuisance at any sensitive place, and the results must be notified within 15 business days to the administering authority following completion of monitoring.

(D1-3) If the environmental authority holder can provide evidence through monitoring that the limits defined in the table in Schedule D - Tables 1 and 3 inclusive are not being exceeded then the holder is not in breach of Condition (D1-1). Monitoring must include:

a) $L_{A,\ max\ adj,\ T}$
b) the level and frequency of occurrence of impulsive or tonal noise;
c) atmospheric conditions including wind speed and direction; and
d) location, date and time of recording.

(D1-4) If monitoring indicates exceedence of the limits in Schedule D - Table 1, then the environmental authority holder must:

a) address the complaint including the use of appropriate dispute resolution if required; or
b) immediately implement noise abatement measures so that emissions of noise from the activity do not result in further environmental nuisance.

(D1-5) The method of measurement and reporting of noise levels must comply with the latest edition of the Environmental Protection Agency's Noise Measurement Manual.

Schedule D - Table 1 (Noise limits - 'Sensitive place')

Noise level dB(A) measured as	Noise measured at a 'Noise sensitive place'					
	Monday to Saturday			Sundays and public holidays		
	7am - 6pm	6pm - 10pm	10pm - 7am	9am - 6pm	6pm - 10pm	10pm - 9am
$L_{A10,\ adj,\ 10\ mins}$	b/g+5	b/g+5	b/g+0	b/g+5	b/g+5	b/g+0
$L_{A1,\ adj,\ 10\ mins}$	b/g+10	b/g+10	b/g+5	b/g+10	b/g+10	b/g+5

NOTE: The method of measurement and reporting of noise levels must comply with the latest editions of the Environmental Protection Agency's Noise Manual. ['b/g' means background noise levels]

Schedule D - Table 3 (Airblast overpressure level - 'Sensitive place')

Noise parameter	Monday to Saturday 8am - 5pm	Sundays
Air blast overpressure level (dB linear peak)	115dB (80th percentile)	No blasting
Air blast overpressure level (dB linear peak)	120dB (maximum)	

NOTE: The method of measurement and reporting of noise levels must comply with the latest editions of the Environmental Protection Agency's Noise Manual.

Vibration nuisance

(D2-1) Vibration from the mining activity must not cause an environmental nuisance, at any sensitive place.

(D2-2) When requested by the Administering Authority, vibration monitoring must be undertaken within a reasonable and practicable timeframe nominated by the administering authority to investigate any complaint (which is neither frivolous nor vexatious nor based on mistaken belief in the opinion of the authorised officer) of environmental nuisance at any sensitive place, and the results must be notified within 15 business days to the administering authority following completion of monitoring.

(D2-3) Blasting must not be carried out other than between the hours of 8:00 am and 5:00 pm Monday to Saturday inclusive.

END OF CONDITIONS FOR SCHEDULE D

Schedule E - Waste

Storage of tyres

(E1-1) Tyres stored awaiting disposal or transport for take-back and, recycling, or waste-to-energy options - should be stockpiled in volumes less than 3m in height and 200 sq.m in area and at least 10m from any other tyre storage area.

(E1-2) All reasonable and practicable fire prevention measures must be implemented, including removal of grass and other materials within a 10m radius of the scrap tyre storage area.

Disposal of tyres

(E2-2) Disposing of scrap tyres in spoil emplacements is acceptable, provided tyres are placed as deep in the spoil as possible but not directly on the pit floor.

(E2-3) Scrap tyres disposed within the operational land must not impede saturated aquifers and compromise the stability of the consolidated landform.

END OF CONDITIONS FOR SCHEDULE E

Schedule F - Land

Rehabilitation landform criteria

(F1-1) All areas significantly disturbed by mining activities must be rehabilitated to the final land description as defined in Schedule F - Table 1.

Schedule F - Table 1 (Final land use and rehabilitation approval schedule)

Disturbance type	Disturbance area (ha)*	Pre-mine land description	Post-mine land description	Analog site identification
Roadways	5.7	Cattle grazing	Roads for Industrial access, recreation access, public, farm	-
Infrastructure	8.1	Cattle grazing	Reuse Rural Industry	-
Quarry faces & benches above RL45	28	Farm residence & Cattle grazing	Wildlife habitat	-
Quarry faces & benches below RL45	175.4	Cattle grazing	Water storage, recreation	-
Spoil areas (rehabilitated)	78.75	Very light Cattle grazing	Reafforestation	-
Water Storages	3.6	Cattle grazing	Wetland / water storage	-
Water diversions, bunds	<1	Cattle grazing	Waterways	-
Visual screens	21.6	Cattle grazing	Forestry, wood lot and wildlife habitat	-

* Approximate values (i.e. +/- 20 %)

(F1-2) Progressive rehabilitation must commence within three years from when areas become available within the operational land.

Native ecosystem outcome

(F3-1) Areas which are to be progressively rehabilitated to native ecosystem must comply with the following outcomes;

a) achievement of a self sustaining native ecosystem with species composition and distribution similar to relevant analogue sites; and
b) all areas disturbed by mining activities must be rehabilitated to the landform design criteria defined in the report required in condition F3-2; and
c) landforms are stable with erosion comparable to analogue sites; and
d) landforms have been reshaped as close as practicable to the aspect orientation appropriate to the climax community.

Note: analog sites will be identified in the report required by condition F3-2 of this schedule.

(F3-2) Complete an investigation into rehabilitation of disturbed areas and submit a report to the administering authority proposing analogue sites; landform design criteria and acceptance criteria to meet the post-mine land description in Schedule F - Table 1 by 30 April 2005.

Residual void outcome

(F4-1) Residual voids must comply with the following outcomes;

a) residual voids must not cause any serious environmental harm to land, surface waters or any recognised groundwater aquifer, other than the environmental harm constituted by the existence of the residual void itself, and subject to any other condition within this environmental authority; and
b) residual voids must comply with Schedule F - Table 2.

(F4-2) Complete an investigation into residual voids and submit a report to the administering authority proposing acceptance criteria to meet the outcomes in (F4-1) and landform design criteria in Schedule F - Table 2 by 30 April 2005.

Schedule F - Table 2 (Residual void design)

Void identification	Void wall - competent rock slope (%)	Void wall - incompetent rock slope (%)	Void maximum surface area (ha)*
East End No 1	<=127% (52°)	<66%	175.4

* Approximate +/- 20%

Infrastructure

(F6-1) All infrastructure, constructed by or for the environmental authority holder during the mining activities including water storage structures, must be removed from the site prior to mining lease surrender, except where agreed in writing by the post mining land owner / holder.

Sewage effluent

(C4-1) All effluent released to land from the treatment plant must be monitored at the frequency and for the parameters specified in Schedule C - Table 10

(C4-2) Sewage effluent from the sewage treatment plant facilities must be irrigated and must not be released directly or indirectly from the sewage treatment plant to any water or drainage line.

Schedule C - Table 10 (Sewage effluent quality targets for release to evaporation basins)

Quality characteristics	Release limit	Units	Limit type	Monitoring frequency
pH	6.5-8.5	-	min-max	monthly
Free chlorine residual	0.3 to 0.7	mg/l	min-max	monthly
Total dissolved Salts	20	mg/L	max	monthly

(C4-3) The irrigation of effluent must be carried out in a manner such that:

a) vegetation is not damaged;
b) soil erosion and soil structure damage is avoided;
c) there is no surface ponding of effluent;
d) percolation of effluent beyond the plant root zone is minimised;
e) the quality of ground water is not adversely affected; and
f) runoff beyond the irrigation area is avoided.

(C4-4) Notices must be prominently displayed on any effluent irrigation area warning that the area is irrigated with effluent and not to use or drink the effluent. These notices must be maintained in a visible and legible condition.

END OF CONDITIONS FOR SCHEDULE F

Schedule G - Community

Complaint response

(G1-1) All complaints received must be recorded including details of complainant, reasons for the complaint, investigations undertaken, conclusions formed and actions taken. This information must be made available for inspection by the administering authority on request.

END OF CONDITIONS FOR SCHEDULE G

Schedule H - Definitions

Words and phrases used throughout this licence are defined below except where identified in the EP Act or subordinate legislation. Where a word or term is not defined, the ordinary English meaning applies, and regard should be given to the Macquarie Dictionary.

Word definitions

"acceptance criteria" means the measures by which the actions implemented to rehabilitate the land are deemed to be complete (same as completion criteria).

"airblast overpressure" means energy transmitted from the blast site within the atmosphere in the form of pressure waves. The maximum excess pressure in this wave, above ambient pressure is the peak airblast overpressure measured in decibels linear (dB).

"ambient (or total) noise" at a place, means the level of noise at the place from all sources (near and far), measured as the Leq for an appropriate time interval.

"appropriately qualified person" means any person who conforms to the EPA operational policy for an 'appropriately qualified person (analyst)' in accordance with Section 490(7) of the *Environmental Protection Act 1994*.

"authority" means environmental authority (mining activities) under the *Environmental Protection Act 1994*.

"blasting" means the use of explosive materials to fracture-

- rock, coal and other minerals for later recovery; or
- structural components or other items to facilitate removal from a site or for reuse.

"climax community" means flora and fauna communities that have attained a stable biological diversity and have reached equilibrium with the surrounding ecosystems.

"commercial place" means a place used as an office or for business or commercial purposes, other than a place within the boundaries of the operational land.

"environmental authority holder" means the holder of this environmental authority.

"$L_{A\ 10,\ adj,\ 10\ mins}$" means the A-weighted sound pressure level, (adjusted for tonal character and impulsiveness of the sound) exceeded for 10% of any 10 minute measurement period, using Fast response.

"$L_{A\ 1,\ adj,\ 10\ mins}$" means the A-weighted sound pressure level, (adjusted for tonal character and impulsiveness of the sound) exceeded for 1% of any 10 minute measurement period, using Fast response

"$L_{A,\ max\ adj,\ T}$" means the average maximum A-weighted sound pressure level, adjusted for noise character and measured over any 10 minute period, using Fast response.

"land" in the 'land schedule' of this document means land excluding waters and the atmosphere.

"land capability" as defined in the DME 1995 Technical Guidelines for the Environmental Management of Exploration and Mining in Queensland

"land suitability" as defined in the DME 1995 Technical Guidelines for the Environmental Management of Exploration and Mining in Queensland.

"land use" term to describe the selected post mining use of the land, which is planned to occur after the cessation of mining operations.

"leachate" means a liquid that has passed through or emerged from, or is likely to have passed through or emerged from, a material stored, processed or disposed of at the operational land which contains soluble, suspended or miscible contaminants likely to have been derived from the said material.

"noxious" means harmful or injurious to health or physical well being, other than trivial harm.

"offensive" means causing reasonable offence or displeasure; is disagreeable to the sense; disgusting, nauseous or repulsive, other than trivial harm.

"peak particle velocity (ppv)" means a measure of ground vibration magnitude which is the maximum rate of change of ground displacement with time, usually measured in millimetres/second (mm/s)

"protected area" means

- a protected area under the Nature Conservation Act 1992; or
- a marine park under the Marine Parks Act 1992; or
- a World Heritage Area.

"progressive rehabilitation" means rehabilitation (defined below) undertaken progressively OR a staged approach to rehabilitation as mining operations are ongoing.

"rehabilitation" the process of reshaping and revegetating land to restore it to a stable landform and in accordance with the acceptance criteria set out in this environmental authority and, where relevant, includes remediation of contaminated land.

"representative" means a sample set which covers the variance in monitoring or other data either due to natural changes or operational phases of the mining activities.

"self sustaining" means an area of land which has been rehabilitated and has maintained the required acceptance criteria without human intervention for a period nominated by the administering authority.

"sensitive place" means:

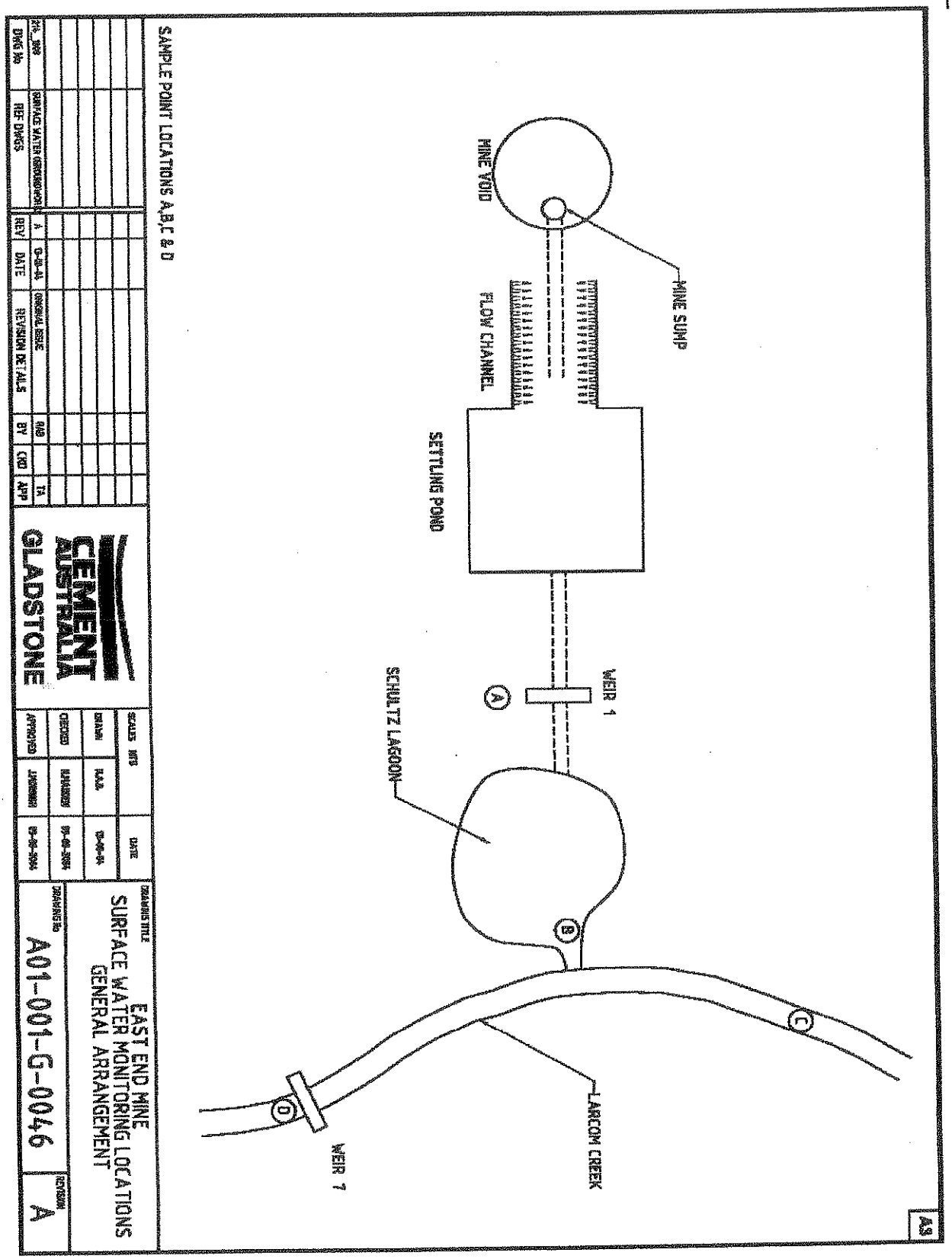
- a dwelling, residential allotment, mobile home or caravan park, residential marina or other residential premises; or
- an educational institution; or
- a medical centre or hospital; or
- a protected area under the Nature Conservation Act 1992, the Marine Parks Act 1992 or a World Heritage Area; or
- a public park or gardens; or
- a place used as a workplace, an office or for business or commercial purposes which is not part of the mining activity and does not include employees accommodation or public roads.

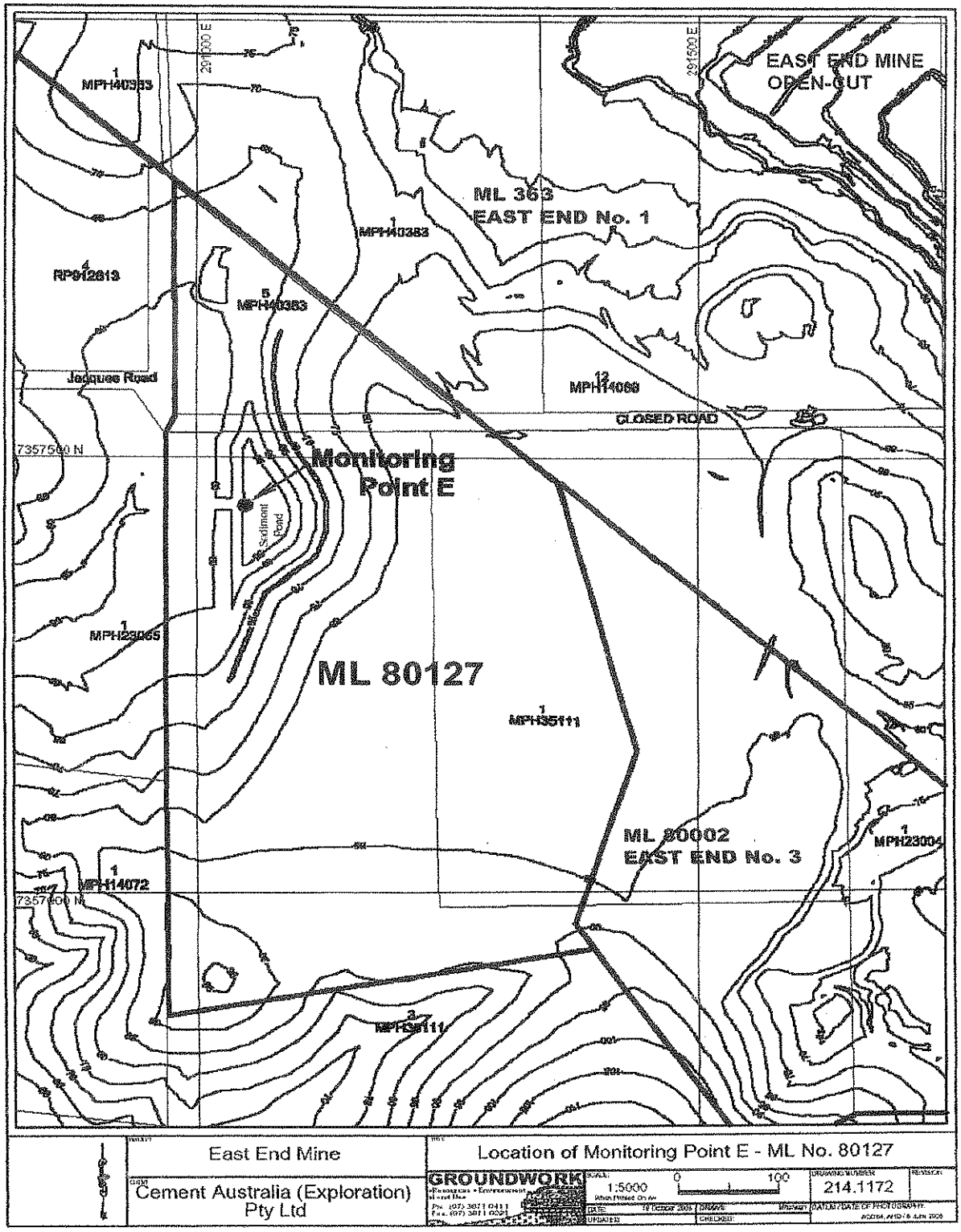
"stable" means geotechnical stability of the rehabilitated landform where instability related to the excessive settlement and subsidence caused by consolidation / settlement of the wastes deposited, and sliding / slumping instability has ceased.

"waters" includes river, stream, lake, lagoon, pond, swamp, wetland, unconfined surface water, unconfined water natural, bed and bank of any waters, dams, non-tidal or tidal waters (including the sea), and any under groundwater, any part-thereof.

END OF DEFINITIONS FOR SCHEDULE H

Schedule I - Maps / Plans





END OF CONDITIONS FOR SCHEDULE I

END OF ENVIRONMENTAL AUTHORITY

REES R & SYDNEY JONES
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PERSONAL INJURIES LAW

Our Ref 04-04-2023 (05)

10 November 2004

Dear Alec & Heather

RE: JUDICIAL REVIEW

I refer to previous correspondence and discussions in this matter and confirm my discussions with Alec on 9 November, 2004 and I have now had the opportunity to have an extensive discussion with John Murphy in this matter.

John agrees with me that there is no basis either under the Mining Lease, statute or common law by which you can obtain a merits review of the decision of the Chief Executive. The only way in which you could do that is as part of an action against the mining company and the Queensland Government for negligence and/or nuisance. As we have previously discussed, this would be an extremely large case which would require a large amount of expert evidence and it would not only be very expensive for you to prove your claim but would open you to potentially huge claims for costs in the event that you were not successful. In the view of John Murphy and myself, these costs could be in total $500,000.00 or more.

In these circumstances, there is no way forward for such an application for a merits review.

You will recall that during our previous discussions you had forwarded to me various documents in relation to Mr Percy Shaw. I am holding the documents and look forward to receiving your further advices in relation to them.

Yours faithfully

Andrew Palmer

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Our Ref: 04-04-2023 (05)

25 November 2004

Mr A & Mrs H Lucke

Dear Alec & Heather

RE: CEMENT AUSTRALIA MINING LEASE

I refer to previous correspondence and discussions in this matter and acknowledge receipt of a copy of the letter from the Mining Registrar of Rockhampton, Mr Paul O'Sullivan, to Mr Percy Shaw.

In the letter Mr O'Sullivan acknowledged receipt of Mr Shaw's request for an "independent review" of the determination of the Chief Executive pursuant to Special Condition 4 attached to Mining Lease no. 3629, 3630, 3631 and 3632. The Mining Registrar indicated that:

> "If you are of the belief that you are aggrieved by this determination, you may commence an action in the Land and Resources Tribunal which has jurisdiction to hear and determine matters regarding any assessment, damage, injury or loss arising from activities purported to have been carried on under authority of the MRA or any other act relating to mining.
>
> Any such action commenced by you in the LRT would in effect amount to an 'independent review'."

The Mining Registrar seems to be referring to Sec. 363 (2) (h) of the *Mineral Resources Act 1989* ("MRA") which reads as follows:

> "Without limiting the generality of Subsection (1) the tribunal shall have jurisdiction to hear and determine actions, suits and proceedings with respect to:
>
> (h) Any assessment of damage, injury or loss arising from activities purported to have been carried on under the authority of this Act or any other act relating to mining."

For you to be successful in any action pursuant to this section, you would first have to prove, to the satisfaction of the Tribunal, that you have suffered damage, injury or loss and that it was caused by the activities carried on by Cement Australia under the terms of its mining lease. You would then have to provide the amount of your damage or loss so that an award could be made in your favour.

I do not consider that such proceedings amount to "an independent review" as referred to by the

...2/

Rockhampton

Mining Registrar. To be successful under this section you would have to prove the *liability* and quantum of your claim and this is quite different to you having a review merely of the decision of the Chief Executive under Special Condition 4 to the Mining Leases.

I therefore am of the view that for you to commence an action pursuant to Sec. 363 (2) (h) of the MRA would require you to be able to prove to the satisfaction of the Tribunal that the actions of Cement Australia under the Mining Leases had caused the injury or damage, and to be able to quantify the extent of your damage, injury or loss.

This is a huge undertaking and given the fact that it would be an action against a corporate giant such as Cement Australia with huge resources to defend such an action, you as a landowner would be at a distinct disadvantage. In fact, I consider that the costs of proving the claim and quantifying your loss would be extremely high, particularly when you consider the potential for matters to be taken on appeal and with the potential for costs orders to be made against you. The reality of these circumstances mean that it is virtually impossible for you to consider commencing such an action unless you are prepared to commit huge resources to proving your claim and defending any judgment which may be made in your favour against any appeals. I consider that there is a potential for costs, including any costs orders made against you, in such proceedings to be as high as $450,000.00 - $550,000.00.

Yours faithfully

Andrew Palmer