



**AngloAmerican**

**METALLURGICAL COAL**

**Anglo American Metallurgical Coal Pty Ltd**

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Queensland Flood Commission of Inquiry  
PO Box 1738  
Brisbane, Qld 4001

1<sup>st</sup> April 2011

Dear Sir/Madam

**RE: Anglo American Metallurgical Coal Submission to the Queensland Floods Commission of Inquiry**

Anglo American Metallurgical Coal (Anglo American) forms part of the Anglo American plc group of companies being one of the largest and most diversified mining companies in the world. In Queensland, Anglo American operate the Callide, Dawson, Foxleigh, Oak Park and Lake Lindsay open cut mines and the Aquilla, Bundoora, Grasstree and Moranbah North underground mines. All of these mines are located within the Fitzroy River Basin and many are located in the upper reaches of these subcatchments with ephemeral stream flow during the wet season.

We appreciate the opportunity to provide this submission to the Queensland Floods Commission of Inquiry (QFCoI). Anglo American wholly supports the submission made by the Queensland Resources Council (QRC) of which we are a member. This submission provides some more site specific detail relevant to our operations during the 2010/2011 flood events.

The key relevant terms of reference are:

- 'c) all aspects of the response to the 2010/2011 flood events, particularly measures taken to inform the community and measures to protect life and private and public property, including immediate management, response and recovery resourcing, overall coordination and deployment of personnel and equipment adequacy of equipment and communications systems; and the adequacy of the community's response.*
- f) implementation of the systems operation plans for dams across the state ...and the suitability of the operational procedures relating to flood mitigation and dam safety,*
- g) all aspects of land use planning through local and regional planning systems to minimise infrastructure and property impacts from floods...;*

All of Anglo American's open cut mines and Grasstree and Moranbah North underground mines experienced severe flooding from November 2010 right through until the time of this submission. Production is yet to reach pre-flood levels and there is a significant amount of water at all sites that continues to impact our current operations and represents a significant risk leading into the next wet season.

QRC's submission provides a chronology of recent history relating to the licencing of water discharges from Queensland mine sites. Prior to 2008, water discharges were largely handled on an individual site basis through Environmental Authority (EA) conditions.

Following the floods of 2008 and subsequent investigations into releases of water from coal

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mines, 'model conditions' were developed and applied to all mine sites from the 1<sup>st</sup> January 2010. These conditions require mine sites to operate effectively under zero discharge conditions with no consideration or allowance for extreme events. Importantly, the mining sector were involved in significant negotiations about the inadequacy of the 'model conditions' in the lead up to the 2010/2011 wet season. Unfortunately, the minor concessions made by the Department of Environment and Resource Management (DERM) were too little and too late to make adequate preparations for the upcoming wet season.

Following significant flooding of nearly all of Anglo American's mines in late 2010 and early 2011, the only mechanism that was made available to sites was the Transitional Environmental Programs (TEP's) that would allow temporary release of mine water outside of normal EA conditions but still with strict and often unrealistic criteria and monitoring requirements. Many months after initial applications, we are still applying for amendments to existing TEP's or new TEP's to allow sites to dewater critical areas to allow full production at the mines. We believe the TEP mechanism and content is not appropriate during extreme events for the following reasons:

- TEP's appear to put the impact on the environment ahead of impacts on safety.
- The timeframes for approval of TEP's are not appropriate given the immediate nature of flood impacts. Some AAMC TEP's took over a month to gain approval. Conditions for release were often ideal but releases were not allowed because details of TEP's were still being finalized.
- The potential for environmental harm from the TEP release does not appear to be placed in the context of the environmental harm associated with a catastrophic failure of water storage structures.
- The ephemeral nature of many of the waterways adjacent to Anglo American operations was not considered in the first round of TEP's meaning that required conditions for flow could rarely be met even though the catchment was in flood.
- Monitoring requirements were onerous and often did not consider access during flood. This led to significant resource impact on the mines environmental staff.
- Data was often requested to support TEP applications that did not exist with no ability to be able to collect the requested information.

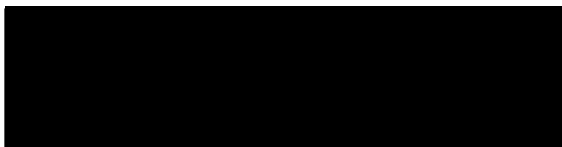
All of these issues with the TEP process have meant that three months after the initial floods, nearly all Anglo American's mines have yet to dewater their sites to allow full access to mining pits. We appreciate the extra resources DERM made available to review TEP's at the height of flood, however, the bureaucratic process is not suited to dealing with extreme climatic events and associated risks in a timely manner.

Extreme events such as floods and cyclones are a known part of the environment in which our mines are located in central Queensland. Anglo American therefore believes provisions for emergency response during these events should be included in each site's Environmental Authority. This would include a trigger and completion mechanism that would provide an efficient business recovery.



If you require any further information on this topic, please contact Carl Grant on 0408766160.

Yours sincerely



**Susan Johnston**  
Head of Safety & Sustainable Development

