

## Statement by Pier Westerhuis

I, **Pier Westerhuis** of Ensham Resources Pty Ltd (ACN 011 048 678), Level 18, AMP Place, 10 Eagle Street, Brisbane in the State of Queensland (also know as Peter Westerhuis) state as follows:

1. I am the Chief Executive Officer for Ensham Resources Pty Ltd (ACN 011 048 678) (**Ensham Resources**). I have worked for Ensham Resources since 1 June 2002 and have been in my current position as Chief Executive Officer since 1 December 2008.
2. I have been required to provide this statement by the Queensland Floods Commission of Inquiry (**Commission of Inquiry**) by notice dated 6 May 2011 and as attached to this statement.

### Background

3. Ensham Resources is the operator of the Ensham Mine, an open cut coal mine, for and on behalf of its owners. The Ensham Mine is located approximately 40 km east of Emerald in Central Queensland.
4. The Ensham Mine is jointly owned by Idemitsu Australia Resources Pty Limited (ACN 010 236 272); J-Power Australia Pty Ltd (ACN 002 307 682); Bligh Coal Limited (ACN 101 186 393); and LG International (Australia) Pty Ltd (ACN 002 806 831), (**the Ensham Joint Venture Parties**).
5. The Ensham Mine:
  - (a) has been operational since 1993;
  - (b) sells coal to various customers in Japan, Korea, India, China and other countries; and
  - (c) currently has a workforce of approximately 200 Ensham employees and a further 300 contract staff.

### Impact of the 2010/2011 flood events on the Ensham Mine site

6. The Ensham Mine did not suffer any flood inundation from the Nogoia River and its tributaries during the 2010/2011 flood event as referred to by the Commission of Inquiry in its letter of 6 May 2011, other than a river crossing access which was overtopped. However, increased levels of surface water were generated on the Ensham Mine site due to heavy rain fall events prior to and during this period.
7. More generally, the extensive regional flooding impacted the Ensham Mine in the following ways:
  - (a) restricted the delivery of goods and services to the Ensham Mine and its accommodation camp for many months following the 2010/2011 flood event;
  - (b) restricted coal raiing from the Ensham Mine to the Gladstone Port for a number of weeks due to rail infrastructure damage; and
  - (c) restricted access to and from the Ensham Mine and the accommodation camp for Ensham employees and contractors due to the river crossing access to the Ensham Mine being cut-off by floodwaters for approximately six weeks.

**QFCI**

Date:

11/11/11

JM

Exhibit Number:

1018

### **Impact of the January 2008 flood event on the Ensham Mine site**

8. On 19 January 2008, the Emerald area experienced a flood event which inundated parts of the Ensham Mine.
9. The floodwaters overtopped the then existing levee banks at the Ensham Mine during the January 2008 flood event in a number of places. Three mine pits were inundated, which resulted in the Ensham Mine suffering significant loss and damage including the limitation of open cut coal operations. The event resulted in a consequent loss of income as well as damage to equipment including a dragline.
10. The January 2008 flood event flooded a substantial area around the Ensham Mine in the floodplain of the Nogoa River and its tributaries.

### **Mitigation measures undertaken after the 2008 flood event**

11. On 14 April 2008, the Deputy Premier and Minister for Infrastructure and Planning declared the Ensham Mine Flood Recovery Project to be a Prescribed Project under the *State Development and Public Works Organisation Act 1971*. This declaration was to assist the Ensham Mine in minimising delays in statutory approvals required for the project and allow the reinstatement of the mine as quickly as possible.
12. The Ensham Mine Flood Recovery Project has been undertaken and included the removal of most of the water which inundated the mine, stability monitoring, dragline repair, mud disposal, and the repair and construction of flood protection levees and other essential infrastructure.
13. By the 2010/2011 flood event occurred, further works were undertaken to extend the existing mine flood protection levees and increase the levee design specifications to withstand a 1,000 year Average Recurrence Interval (ARI) flood event. This upgrade in flood protection levees was approved by DERM on 24 December 2009 and by the Nogoa River Flood Plain Board on 19 August 2010.

### **Studies undertaken by Ensham Resources to assess the impact of flood mitigation measures**

14. In support of its various applications for permission to extend and modify the levees, in particular for the purposes of providing up to and including 1 in 1000 ARI flood protection levees for the Ensham Mine, the following technical reports were obtained by Ensham Resources:
  - (a) "Ensham Mine Proposed Levee Banks , January 2008 Flood Event Assessment", prepared by Kellogg Brown & Root Pty Ltd, dated 17 June 2008;
  - (b) "Ensham Central Project - Revised Mining Methodology, Flood and River Morphology Impact Assessment", prepared by Kellogg Brown & Root Pty Ltd, dated 10 August 2009;
  - (c) "Ensham Mine - Raising of original Downstream Levee Banks, Flood Assessment", prepared by Kellogg Brown & Root Pty Ltd, dated 10 August 2009;
  - (d) "Ensham Mine Flood Levees, Design Report for the proposed C Pit levee and Proposed upgrade of Existing B Pit Levee", prepared by Kellogg Brown and Root Pty Ltd Consulting Engineers and Douglas Partners, Consulting Geotechnical Engineers, dated 17 September 2009 (**Technical Report**);

- (e) Independent review by Mr Rob Ayre, Sun Water, of the Technical Report, dated 22 September 2009;
  - (f) Independent review by [REDACTED] Golder and Associates Pty Ltd, of the Technical Report, dated 18 September 2009.
15. Earlier studies were obtained by Ensham Resources but the most recent and relevant studies are as set out in paragraph 15.

**Formal relationships between Ensham Resources and the Central Highlands Regional Council regarding preparation and response to floods**

16. There is no formal relationship between Ensham Resources and the Central Highlands Regional Council regarding the preparation and response to floods, however from time to time Ensham Resources has had contact with the Central Highlands Regional Council on flood matters, by way of example see paragraph 18 and 19.

**Communication with the Central Highlands Local Disaster Management Group before, during or after the 2010/2011 flood events**

17. Ensham Resources participated in two teleconferences with the Central Highlands Local Disaster Management Group. Other participants included management personnel from other mine sites and representatives from a range of government agencies. Information was shared in relation to potential and actual flood impacts and what assistance may be available.
18. At this time Ensham Resources offered the use of its accommodation camps for displaced residents of Emerald and surrounding areas, including the use of helicopter transport.

12 May 2011

[REDACTED]

Pier Westerhuis

**CHIEF EXECUTIVE OFFICER,  
ENSHAM RESOURCES PTY LIMITED**

[REDACTED]

Our ref: Doc 1596581

6 May

Mr Peter  
Chief  
Ensh

BRISBANE QLD 4001

*Please discuss*

**REQUIREMENT TO PROVIDE WRITTEN INFORMATION TO COMMISSION OF INQUIRY**

I, Justice Catherine E Holmes, Commissioner of Inquiry, require Mr Peter Westerhuis, Chief Executive Officer of the Ensham Resources Pty Ltd, to provide a written statement under section 5 of the *Commissions of Inquiry Act 1950* (Qld), detailing the following information:

1. Any impact of the 2010/2011 flood events on the Ensham minesite project, northeast of Emerald, Queensland.
2. Any difference in the impact of the 2010/2011 flood events on the Ensham minesite project compared with impact of the 2008 flood event.
3. Any flood mitigation measures undertaken by Ensham Resources Pty Ltd after the 2008 flood event that assisted in lessening flood damage to the Ensham minesite in the 2010/2011 flood events.
4. Any studies undertaken by Ensham Resources Pty Ltd to assess the impact of any flood mitigation measures; especially on the flow of the Nogoa River in flood.
5. Any formal relationship between Ensham Resources Pty Ltd and the Central Highlands Regional Council regarding the preparation or response to floods or other natural disaster events.
6. Any communications with the Central Highlands Local Disaster Management Group before, during or immediately after the 2010/2011 flood events.

Material is to be provided to the Queensland Floods Commission of Inquiry by 4 pm, Friday, 13 May 2011.

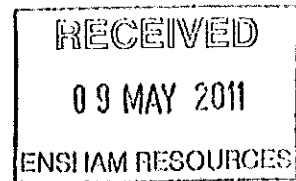
Material required can be provided by post, email or by arranging delivery to the Commission by emailing [info@floodcommission.qld.gov.au](mailto:info@floodcommission.qld.gov.au).

Commissioner  
Justice C E Holmes

Cc: David Kevin, Partner, King & Company Solicitors

400 George Street Brisbane  
GPO Box 1738 Brisbane  
Queensland 4001 Australia  
Telephone 1300 309 634  
Facsimile +61 7 3405 9750  
[www.floodcommission.qld.gov.au](http://www.floodcommission.qld.gov.au)  
ABN 65 959 415 158

Our ref: 1596846



6 May 2011

Mr Peter Westerhuis  
Chief Executive Officer  
Ensham Resources Pty Limited

BRISBANE QLD 4001

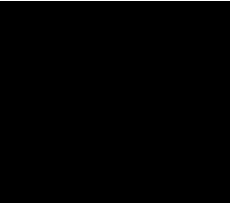
Dear Mr Westerhuis

**Requirement to provide written information**

Please find enclosed an original notice issued under s.5 of the *Commissions of Inquiry Act 1950* (Qld) concerning the provision of a written statement from Mr Peter Westerhuis, Chief Executive Officer of Ensham Resources Pty Limited.

Please note the return date of the statement is 13 May 2011. Should you have any questions, do not hesitate to contact Gerard Hinchliffe of our office on telephone 3405 9767.

Yours sincerely



**Executive Director**

Encl.

400 George Street Brisbane  
GPO Box 1738 Brisbane  
Queensland 4001 Australia  
Telephone 1300 309 634  
Facsimile +61 7 3405 9750  
[www.floodcommission.qld.gov.au](http://www.floodcommission.qld.gov.au)  
ABN 65 959 415 158