

Queensland



**MOUNT ISA MINES
LIMITED AGREEMENT
AMENDMENT BILL 1997**

Queensland



**MOUNT ISA MINES LIMITED
AGREEMENT AMENDMENT BILL 1997**

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SCHEDULE 2

AGREEMENT VARYING THE MOUNT ISA MINES LIMITED
AGREEMENT

1997

A BILL

FOR

An Act to amend the Mount Isa Mines Limited Agreement Act 1985

Mount Isa Mines Limited Agreement Amendment

| | | |
|--------|---|----------|
| | The Parliament of Queensland enacts— | 1 |
| | Short title | 2 |
| Clause | 1. This Act may be cited as the <i>Mount Isa Mines Limited Agreement Amendment Act 1997</i> . | 3 4 |
| | Act amended | 5 |
| Clause | 2. This Act amends the <i>Mount Isa Mines Limited Agreement Act 1985</i> . | 6 |
| | Insertion of new s 1A | 7 |
| Clause | 3. After section 1— | 8 |
| | <i>insert—</i> | 9 |
| | ‘Definitions | 10 |
| | ‘1A. In this Act— | 11 |
| | “agreement” means the agreement made 14 February 1985 between the State and Mount Isa Mines Limited, a copy of which is in schedule 1. | 12 13 |
| | “formal agreement” means the agreement as varied under an Act.’. | 14 |
| | Replacement of s 2 (Ratification of formal agreement) | 15 |
| Clause | 4. Section 2— | 16 |
| | <i>omit, insert—</i> | 17 |
| | ‘Ratification of agreement | 18 |
| | ‘2. The agreement is ratified and approved. | 19 |
| | ‘Ratification of 1997 agreement | 20 |
| | ‘2A.(1) The agreement made 28 April 1997 between the State and Mount Isa Mines Limited varying the agreement is ratified and approved. | 21 22 |
| | ‘(2) A copy of the varying agreement is in schedule 2.’. | 23 |

Mount Isa Mines Limited Agreement Amendment

| | | |
|--------|---|----|
| | Insertion of new s 3A | 1 |
| Clause | 5. After section 3— | 2 |
| | <i>insert—</i> | 3 |
| | ‘Effect of formal agreement | 4 |
| | ‘3A.(1) The formal agreement has the force of law and takes effect as if its provisions were expressly enacted in this Act. | 5 |
| | ‘(2) If there is an inconsistency between the formal agreement and another Act or law, the formal agreement prevails to the extent of the inconsistency. | 6 |
| | ‘(3) However, if the formal agreement is varied by a further agreement that has been approved by regulation, subsection (2) only applies to an inconsistency between the agreement as approved by regulation and an instrument made under another Act.’. | 7 |
| | | 8 |
| | | 9 |
| | | 10 |
| | | 11 |
| | | 12 |
| | | 13 |
| | Amendment of sch | 14 |
| Clause | 6. Schedule, heading— | 15 |
| | <i>omit, insert—</i> | 16 |
| | ‘SCHEDULE 1 | 17 |
| | ‘MOUNT ISA MINES LIMITED AGREEMENT | 18 |
| | section 2’. | 19 |
| | Insertion of new sch 2 | 20 |
| Clause | 7. After schedule 1— | 21 |
| | <i>insert—</i> | 22 |

‘SCHEDULE 2**‘AGREEMENT VARYING THE MOUNT ISA MINES
LIMITED AGREEMENT**

section 2A

**AGREEMENT VARYING THE MOUNT ISA MINES
LIMITED AGREEMENT****THIS AGREEMENT** is made the 29th day of April 1997**BETWEEN: THE STATE OF QUEENSLAND** (the “State”);**AND: MOUNT ISA MINES LIMITED** (A.C.N. 009 661 447) a company incorporated in Queensland and whose registered office is at Level 1, 410 Ann Street, Brisbane, Queensland (the “Company”).**RECITALS**

- A.** The State and the Company are parties to an agreement made on the fourteenth day of February 1985 which was approved and ratified and given the force of law by the Mount Isa Mines Limited Agreement Act 1985 and which is set out in the Schedule to that Act (the “Agreement”).
- B.** WMC Fertilizers Ltd (“WMC”) is investigating the feasibility of manufacturing fertiliser products at its phosphate deposit at Phosphate Hill to the south of Mount Isa (the “Project”), which Project is of considerable scale and economic benefit to Queensland.
- C.** The Project incorporates the construction and operation of an acid plant and associated gas cleaning facilities (all the “Acid Plant”) by WMC at Mount Isa to convert sulphur dioxide from the

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- Company's copper smelting operations to sulphuric acid for use
in the manufacture of the fertiliser products. 1
2
- D.** WMC and the Company have agreed the terms by which the 3
Company will make available to WMC smelter process gases for 4
conversion to sulphuric acid. 5
- E.** WMC and the Company have agreed that in the event the Acid 6
Plant does not capture smelter process gases made available to 7
WMC for conversion to sulphuric acid, the current procedure of 8
emitting such gases via the copper smelter stack will continue. 9
- F.** The construction of the Acid Plant, and the substantial reduction 10
in Smelter emissions which will result from its operation, will be 11
a positive step towards achieving the object specified in section 3 12
of the *Environmental Protection Act 1994* in that it allows for 13
new and continued development while at the same time reduces 14
the potential for environmental impact. 15
- G.** The State and the Company have agreed that the current air 16
quality standards will apply to all emissions of smelter process 17
gases which the Acid Plant does not capture. 18
- H.** The State and the Company have agreed that a formal study be 19
carried out into the environmental impacts of sulphur dioxide 20
emissions under conditions projected to occur when the Acid 21
Plant is in operation. 22
- I.** The State and the Company wish to vary the Formal Agreement 23
as provided by this agreement. 24
- J.** This agreement will only take effect in the event that the Acid 25
Plant is constructed. 26

IT IS AGREED AS FOLLOWS—

1

CONDITION PRECEDENT

2

It is a condition precedent to this agreement that—

3

- (a) WMC irrevocably commits to construction of the Acid Plant; and
- (b) all conditions precedent specified in the agreement between WMC and the Company dated 19 December 1996 are satisfied.

4

5

6

COMMENCEMENT DATE

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This agreement commences on the later of—

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- (a) the date on which all conditions precedent to it are satisfied; and
- (b) the date of this agreement (the “Commencement Date”).

9

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VARIATION OF FORMAL AGREEMENT—DEFINITIONS

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The Formal Agreement is varied by inserting the following definitions in clause 2 of Part I—

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13

“**Administering Authority**” has the meaning given to that term in Schedule 4 of the *Environmental Protection Act 1994*.

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“**Environment**” has the meaning given to that term in section 8 of the *Environmental Protection Act 1994*.

16

17

“**Environmental Duty**” has the meaning given to that term in section 36 of the *Environmental Protection Act 1994*.

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19

“**Environmental Legislation**” means the *Environmental Protection Act 1994* and any other Act and any subordinate legislation under those Acts which relate to the air emissions from the Smelters.

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“**Formal Agreement**” means the Agreement entered into for and on behalf of the State and the Company on the fourteenth day of February 1985, a copy of which is set out in the Schedule to the Mount Isa Mines Limited Agreement Act, as varied from time to time in accordance with this Act.

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- “Panel Assessment Study”** means the study to be commenced within three months of the Commencement Date and to be conducted in accordance with the scope specified in Schedule I by or on behalf or at the direction of the State into the environmental impacts of sulphur dioxide emissions from the Smelters under conditions projected to occur when the Acid Plant is in operation. 1
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3
4
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6
- “Permit”** means an environmental authority, order, direction or other requirement under any Environmental Legislation. 7
8
- “Prescribed Requirements”** has the meaning given in clause 20 of Part II. 9
- “Smelters”** means the copper smelter and the lead smelter or either of them, and the Acid Plant, and any associated plant and equipment, located on the Mining Tenements. 10
11
12
- “Standard Criteria”** has the meaning given to that term in Schedule 4 of the *Environmental Protection Act 1994*. 13
14

**VARIATION OF FORMAL AGREEMENT—
ENVIRONMENTAL MANAGEMENT SYSTEM** 15
16

The Formal Agreement is varied by inserting a new clause 19 in Part II as follows— 17
18

- 19.** The Company shall— 19
- (a) develop and implement an integrated environmental management system (“IEMS”) which provides for the following functions— 20
21
- **formulating and implementing an environmental policy** 22
 - **management ethic and leadership** 23
 - **initial environmental review** 24
 - **planning**, comprising 25
 - identification of environmental aspects and evaluation of impacts 26
27
 - legal requirements 28
 - internal performance criteria 29
 - environmental objectives 30

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- environmental action plan 1
 - **implementation and risk management**, identifying 2
 - resources needs 3
 - IEMS integration with existing management elements 4
 - environmental awareness and motivation 5
 - knowledge, skills and training 6
 - documentation 7
 - operational control 8
 - emergency preparedness and response 9
 - **measurement and evaluation**, comprising 10
 - measuring and monitoring 11
 - corrective and mitigative action 12
 - records and information management 13
 - **review and correction of deficiencies;** 14
- (b) lodge with the administering authority on or before 1 July 1997, 15
 and at six monthly intervals thereafter until 2 January 1999, a 16
 brief report describing the progress in developing and 17
 implementing the IEMS; 18
- (c) on or before 1 December 1997, have substantially completed the 19
 IEMS documentation; 20
- (d) on or before 1 December 1997, lodge a detailed description of the 21
 IEMS and its documentation with the administering authority for 22
 its review and comment; and 23
- (e) have due regard to that comment in the finalisation of the IEMS. 24

VARIATION OF FORMAL AGREEMENT—PANEL ASSESSMENT STUDY 25
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The Formal Agreement is varied by inserting a new clause 20 in Part II 27
 as follows— 28

20.(1) The Company shall participate in the Panel Assessment Study. 29

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(2) Following the publication of the findings of the Panel Assessment Study, the Company shall consult with the chief executive of the Department of Environment to determine how those findings should be included in the IEMS.

(3) In making the determination referred to in subclause (2) of this clause 20, the Standard Criteria must be considered.

VARIATION OF FORMAL AGREEMENT—AVAILABILITY OF SMELTER GASES

The Formal Agreement is varied by inserting a new clause 21 in Part II as follows—

21. The Company shall make available to the operator of the Acid Plant the gases generated and collected from the copper smelter.

VARIATION OF FORMAL AGREEMENT—AIR QUALITY STANDARDS

The Formal Agreement is varied by inserting a new clause 22 in Part II as follows—

22.(1) Despite any Environmental Legislation or other law to the contrary—

- (a) with respect to air emissions, the only standards, parameters, conditions and requirements which apply to and regulate the environmental effects and emissions from or in connection with the Smelters are those set out in Schedule H (the “Prescribed Requirements”);
- (b) environmental effects and emissions from or in connection with air emissions from the Smelters and their operation that conform with the Prescribed Requirements are lawful; and
- (c) the Company shall be taken for all purposes to be the holder of a licence under Chapter 3 Part 4 of the *Environmental Protection Act 1994* which is consistent with the provisions and conditions contained in Schedule H.

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(2) To the extent that the Prescribed Requirements differ from or are inconsistent with standards, parameters, conditions and requirements contained or prescribed in any Environmental Legislation, the application of that Environmental Legislation to the Smelters, their operation and the Company is modified only to the extent of that difference or inconsistency and, in all other respects (including those mentioned in paragraph (3) of this clause 22), the Environmental Legislation applies with full force and effect.

(3) To the extent to which any Environmental Legislation (as modified by paragraph (2) of this clause 22) is not complied with, the provisions of that Environmental Legislation in relation to offences, penalties and remedies for noncompliance with or breaches of that Environmental Legislation (as so modified) shall apply.

VARIATION OF FORMAL AGREEMENT—NEW SCHEDULE H

The Formal Agreement is varied by inserting a new Schedule H as follows—

SCHEDULE H

PART 1—DEFINITIONS

“**Abnormal operating conditions**” means equipment startup, equipment shut down, Smelter and AQC plant or equipment malfunctions which were not reasonably foreseeable, accidents and emergencies.

“**Unpredictable meteorological conditions**” means atmospheric conditions which, although in the opinion of a reasonable AQC System operator would not cause the limits in Clause 1 to be exceeded, in fact have that effect.

“**AQC system**” means the closed loop air quality control system used by the Company to monitor and control ambient air quality in the Mount Isa community.

PART 2—AIR QUALITY

1. The Company shall not cause the following ambient air quality limits at any of the air quality monitoring stations identified in Part 3 of this Schedule H to be exceeded—

- (a) an annual arithmetic mean sulphur dioxide concentration of 80 micrograms per cubic metre;
- (b) a 24 hour running average sulphur dioxide concentration of 365 micrograms per cubic metre; and
- (c) a 3 hour running average sulphur dioxide concentration of 1,300 micrograms per cubic metre.

2. It is not a contravention of clause 1 of this Part 2 if the limits specified in that clause are exceeded due in whole or in part to abnormal operating conditions or unpredictable meteorological conditions, provided that the Company has complied with the Environmental Duty in respect of the operation of the AQC System.

3. The Company shall maintain high PM-10 samplers at the locations identified in Part 4 of this Schedule H and must report annually the mean value of quarterly running average concentrations of arsenic, cadmium, lead and mercury for all samplers.

4. The Company shall not cause the quarterly running average concentration of lead to exceed 1.5ug/m³ at the PM-10 high volume sampling sites at the locations identified in Part 4 of this Schedule H.

PART 3—SULPHUR DIOXIDE MONITORING STATIONS

The air quality monitoring stations referred to in clause 1 of Part 2 of this Schedule H shall be located as follows—

| Monitor | Latitude | Longitude |
|---------|-------------|--------------|
| 1 | 20°41'44" S | 139°29'22" E |
| 2 | 20°42'32" S | 139°30'30" E |
| 3 | 20°43'44" S | 139°30'28" E |
| 4 | 20°44'23" S | 139°30'07" E |
| 5 | 20°44'57" S | 139°29'20" E |
| 6 | 20°42'47" S | 139°29'23" E |
| 7 | 20°43'04" S | 139°29'53" E |
| 8 | 20°43'41" S | 139°29'35" E |
| 9 | 20°44'07" S | 139°29'19" E |
| 10 | 20°44'32" S | 139°29'03" E |

PART 4—PM–10 MONITORING STATIONS

The high PM–10 samplers referred to in clause 2 of Part 2 of this Schedule H shall be located as follows—

| Monitor | Latitude | Longitude |
|------------|-------------|--------------|
| BSD | 20°44'08" S | 139°29'01" E |
| RSL | 20°42'49" S | 139°29'14" E |
| Racecourse | 20°42'59" S | 139°29'56" E |
| Miles St | 20°43'07" S | 139°29'35" E |
| K. Oval | 20°43'52" S | 139°29'15" E |

* Measured using hand-held GPS equipment.

VARIATION OF FORMAL AGREEMENT—NEW SCHEDULE I

The Formal Agreement is varied by inserting a new Schedule I as follows—

SCHEDULE I**SCOPE OF PANEL ASSESSMENT STUDY**

The scope of the work to be carried out by the Panel Assessment Study is to be determined by the Minister for Environment, but is to include at least the following matters—

- (a) current status including site history, smelting processes, air quality control system, sulphur dioxide sources and emission levels;
- (b) emission control options including world-wide industry practice, technology options, feasibility, legal requirements, impact of control options on waste streams and energy;

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- (c) environmental, health and social impacts, including research and monitoring results and community impacts; and 1
2
- (d) community views on the emissions and the effectiveness of the air quality control system. 3
4

EXECUTED as an agreement by the parties at the date set out at the commencement of this agreement. 5
6

SIGNED for and on behalf of the **STATE OF QUEENSLAND** by the Hon. Tom Gilmore the Minister for Mines and Energy of the State of Queensland in the presence of: 7
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.....
A Justice of the Peace 12

SIGNED for and on behalf of the **MOUNT ISA MINES LIMITED** by David Munro in the presence of: 13
14
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}

.....
A Justice of the Peace 16