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NSW Department of Planning and Environment

**Re: Dargues Reef Mine – Modification 3 Submission**

Thank you for the opportunity to comment on this significant Modification.

This submission is against the Modification. It covers four main points:

1. Independent Advice confirms that the proposal has inadequate controls,
2. The proposed Modification conditions are insufficient in very many areas,
3. There is no social contract for this Modification with the local community,
4. The economic impact will be significant and negative.

I trust that this will be a worthwhile contribution and wish you all the best with your deliberations.

Yours Sincerely



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## Submission on Dargues Reef Mine – Modification 3

Application number 10\_0054 MOD3

Due date for submission: 26 August

Thank you for the opportunity to comment on the proposed Modifications to Dargues Reef Mine. This submission deals sequentially with matters raised in the Modification. Headings from the Modification document are used as section headings in the response to Modification below. Underpinning this response are a set of key points as follows:

- **Independent Expert Advice:** Independent advice confirms that risk management proposals are clearly inadequate for the operations being proposed.
- **Conditions of the Proposed Modification:** Although mining has not yet commenced, the track record for this mine site is of multiple failure to achieve conditions, together with several incidents of environmental pollution. These stem from mine management's refusal to take account of information which has been provided to them repeatedly about site-specific environmental conditions such as rainfall patterns and environmental conditions. The proposed Modification continues to cite incorrect baseline environmental conditions. Because of this, the claimed compliance standards are under-stated and breaches of conditions with associated environmental damage are increasingly likely. The proposed Modification increases the inherent environmental risk of the site in many ways. This is specifically by increasing the on-site contaminants being used, the height of the tailings dam, the amount of material being dealt with and the length of time that the mine will be active. By continuing to understate the local environmental challenges the proponent has failed to provide sufficient risk management strategies to deal with the increased hazards presented in the Modification.
- **Social Contract:** The change to on-site processing of gold ore using cyanide is completely unacceptable for consideration as a Modification to this proposal. The environmental and social contracts that have previously been negotiated for this mine were based fundamentally on not introducing new toxic chemicals into this local environment, and on a concept of gold being processed elsewhere. There is extreme community outrage associated with this shift. To date the proponents have shown no willingness whatsoever to take account of this outrage, but instead are pushing ahead with what amounts to community notification of their intention to break the contracts. The proposed changes are so significant as to completely undermine the previous agreements and obligations that have been made in relation to the local community.
- **Economic Impact:** Far from being financially beneficial for the local area, this mine, and especially the Modification details, will fundamentally and detrimentally change the local economy.

## An Analogy – in case you think this mine continues a mining tradition

### **An Analogy for the introduction of Cyanide processing to the Dargues Reef Mine Proposal**

Suppose that a developer with no links to Sydney became aware that there was a great opportunity to host a prison rehabilitation centre there. Most people aren't happy with the idea, but proponents argue that the project will help improve Western Sydney public transport and provide employment for a population of about 5% of the local population. And it won't have a negative consequence because all of the prisoners will be taken out to Western NSW for release, so there won't be a local impact. However in the process of building the prison, the proponents finally admit what was obvious to all observers the whole time. It won't be cost effective to be shipping prisoners to and fro, but they'll need to house and rehabilitate them all in the same site. This means the prison will be bigger, stay for longer, house more serious offenders, and rehabilitate them right back into the local area. But it's going to be fine because now it will be an employer for more than 10% of the total Sydney population. And even better, those people will come and live in Sydney permanently, not just as part of the prison project. Naturally this won't impact socially on Sydney because it used to be a penal colony. And it's no big deal anyway, because the whole thing will be finished in 7 years.

Unfortunately for the proponents, the inconsistencies are as clear as day. Firstly, no-one believes that something external changed to require the new business model of locating prisoners in Sydney for longer. That's because the original proposal never made sense, and clearly never took account of the willingness of external communities to absorb the convicts. Secondly, it is just not rational for the proponent to invest this much in infrastructure on a marginally-profitable project they will walk away from in 7 years. The only rational approach would be for the company to continue using the infrastructure after the initial proposal is completed.

## Independent Expert Advice

It is well known that the independence of environmental proposals is constrained by the bias of those writing them, since they are contracted to the proponents. In the case of these proposed Modifications, several independent experts have been contracted for advice without the challenge of inherent bias. One example is the *Comments on the Proposed Modification 3, Change to Mining Operations* report by GhD, and dated 14 August. This report identifies a series of serious inadequacies in the proposed Modification. The report and all of its details, needs serious attention by government assessors, along with the professional advice received from other experts.

## Conditions of the proposed Modification

### Schedule 2, Condition 5 – completion date

The change of the completion date from 2018 to 2022 exceeds the social contract negotiated with Dargues Reef Mine. This needs thorough re-negotiation and is not acceptable by way of this Modification process.

### Schedule 2, Condition 6 – scale and type of operation

The change from not using cyanide to using cyanide fundamentally changes the entire Dargues Reef Mine proposal. This is completely unacceptable and requires an entirely new Environmental Impact Assessment with a complete and independent investigation of the socioeconomic consequences of the change. This is dealt with further below.

### Schedule 3, Condition 24 – tailings storage permeability

There is a proposed change to a higher permeability standard, and this is welcome. However the change also removes reference to compliance with a published Guideline. This change removes the mine's obligation to maintain best practice operation if published standards for tailings storage change during the life of the mine. The increased permeability should be retained, along with the retention of the reference to a published Guideline. The link to published guidelines could be retained if the condition reads as follows: ... "achieves a permeability standard exceeding the requirement in the Environmental Guidelines – Management of Tailings Storage Facilities (VIC DPI, 2004) and that the walls, floor and final capping of the tailings facility is designed to be equal or greater than  $1 \times 10^{-9}$  m/s over 900mm or equivalent".

### Schedule 3, Condition 41

The removal of the condition of the bus, operated from Braidwood to offer mine workers transport to and from the site each day is bewildering, and appears to contradict the spurious claims of additional full time equivalent employment from the mine, and any recognition of the proposed mine's impact on roads and amenity in the local area.

### Section 2.2 Extension of Mine Life and Resource to be Recovered

The increase in proven and probable resources is acknowledged. But a social contract has been negotiated with the community already. The extension of time poses an unacceptable burden of uncertainty and impact on the community and its infrastructure.

### Cyanide Storage, p.51

Bundling of 110% of the largest storage tank is not best practice. Triple-bundling with a total volume of all stored tanks is best practice. The bunded areas should also be under-cover. There is a triple-bundled feature, but it is not guaranteed in all likely rainfall and accident events. Together, these controls only provide the capacity to deal with an individual environmental incident. Yet combination or ongoing incidents are possible.

On p52 there is an explanation of how the multiple bunded areas would be used to manage cyanide spills in the case of emergencies. But they beg the question 'then what' – what is the emergency follow-up procedure in the event of this catastrophic failure?

### Cyanide Disposal, p. 53-54

The procedure to be implemented in the event of failures is to monitor fauna usage, rescue fauna, record and investigate etc. Then what? What is the plan if there are repeated problems with fauna being poisoned?

### Flotation Tailings, pp 56 onwards

The proposed Modification indicates silver, boron, molybdenum and antimony as being relatively enriched. It fails to mention others that appear enriched, including sodium and uranium according to the table on p. 56. The proposal deals inadequately with the individual, and eco-toxicological effects of these raised concentrations of multiple toxic materials.

### Concentrate Tailings p.58

There is mention of Sulphur and iron having highly elevated concentrations. But many other elements are also significantly concentrated.

## Design Criteria and Construction of the Tailings Dam, p. 60

The history of this mine site is one of under-estimating the likely rainfall, and of using incorrect rainfall data for modelling. Much of the design criteria and construction of the tailings dam hinge on these data. On p. 60, the proponents claim that the proposal exceeds requirements by 10 times. This appears to be wrong, because of an under-estimation of the likely rainfall events. Claims of effective risk management due to accurate rainfall modelling comes up again on p. 70 with the 1 in 2,000 year event quoted.

Not only do these rainfall data appear to be wrong, but they demonstrate continued failure to take account of the knowledge provided locally.

## Evaluation of Spring Creek

Within the Modification proposal is a mention that Spring Creek is largely modified. This fails to take account that much of the creek is in a pristine condition. Much of the creek is extremely low in sedimentation, with rocky beds and pristine wildlife areas. These sections, a short way downstream of the mine are highly vulnerable to any pollution incidents.

## Track record of the proponent

The history of this mine, and the track record of Unity mining in other areas are both extremely poor. The proponent has failed to clean up messes they have left in other areas, failed to produce plans, or to actually clean up when mines are closed, and failed to prevent environmental problems. This is not a company which can be trusted to deliver on their undertakings for sound environmental management.

## Social Contract

The process of gaining support for the original mine proposal was not smooth for the proponents. Most people in the local community opposed the mine. Reluctant acceptance of the mine was eventually negotiated after significant concessions and further agreements for ongoing community engagement.

The social contract for the originally-accepted proposal has not been met by the proponent. Yes, there is a community consultative committee, but it does not deal well with dissenting views among its membership. Yes, there has been information provided to the community about the current proposed changes, but none of this has been in the spirit of a negotiation. Instead, the proponent has informed the community of its intentions, heard repeated outrage and opposition to its proposals, and continued forward without any concessions to the resounding rejection of these changes.

I am personally outraged at the reversal of the promise to never have cyanide processing at this mine. It is simply unbelievable that the proponent could have honestly believed that the toxic elements of gold processing would be done elsewhere, and now genuinely finds the game changed by matters outside of its control, in another community which would have been host to the gold processing. It always seemed obvious that the receiving community would not want the gold processed in its backyard, via an extension of hazardous activity there. This entire change of plan rings of incompetence and/or untruthfulness and there is simply no reason to believe the story we are being told.

Given the earlier lies or incompetence combined with the difficulties in moving gold around, and in finding a place to treat it with cyanide, it is absolutely clear that if this facility is built, it will become a regional gold processing facility for future mining. This is despite the proponent now carefully and



repeatedly stating that ‘there is no provision for use of the proposed Majors Creek cyanide processing facility to be used by any other mine’. Remember, there was not just ‘no provision’ for cyanide processing in this area. There was an iron-bound promise NOT to have cyanide processing here, and this promise is proposed to be reversed. It is a much bigger leap from ‘absolutely no cyanide to ‘a purpose-built, state-of-the-art cyanide processing plant’ than from ‘no provision’ to ‘oh, now we have the facility, we realise that it will benefit our company to use it for other mines’.

The complete reversal of a promise which underpinned the earlier social contract requires an entirely new proposal and a complete and comprehensive environmental impact statement. It simply is not appropriate for this change to be dealt with as a minor Modification, or any other sort of Modification.

## Economic Impact

Naturally the industry commentary on this proposal is the usual rhetoric that ‘economic activity is good for the local area’. Yet surely there is sufficient evidence now that towns so unfortunate as to lie adjacent to new mining projects do not benefit from them. There is ample evidence from towns all around Australia that the economic benefits flow to the skilled workers brought in from outside, and to the proponents. This type of operation unbalances the local areas without fitting in and enhancing local economies. This will undoubtedly be the case here.

Braidwood has a delicately balanced town and country population. Housing accommodation is just adequate for the population, with a small number of rental houses and premises for sale at any one time, and no really major developments in recent history. This is a stable, and gradually growing community. It has grown from a mining town 200 years ago, to a place where mining is not done. Instead there is a burgeoning economy of local food production, with a regular farmers market and a new commercial garlic industry. There is a very strong artistic community with at least eight art galleries all exhibiting regularly. Many local artists have international reputations and show their work internationally on an annual basis. The art community intersects with the local schools, with artists participating in school educational activities. This artistic community also includes world renowned writers, performers, musicians and others. There is also a very strong scientific community, again, populated with international leaders in their fields. There are about 120 community groups listed in the local directory, which is about one for every ten people in the main town of Braidwood. All of this attests to a strong, vibrant, complex, diverse and unique community which has grown organically in this beautiful area. All of this is under threat from the looming presence of a toxic development.

The economic impact of the proposed Modification will be significant and negative for this very special local area.

## In conclusion

I strongly urge you to reject this Modification outright. It is an affront to a local area which neither needs nor wants this development. It is a cynical reversal of a previous social contract. The proposal misrepresents local conditions and contains major flaws in environmental risk management. Independent expert advice is that the Modification be rejected. Please take note of the response to this proposal and do not allow the proposed Modification.