



Coastwatchers

Eurobodalla's environment group

**PRESENTATION TO THE NSW PLANNING ASSESMENT COMMISSION'S
HEARING AT BRAIDWOOD NSW**

26 JULY 2016

DARGUES REEF MINE – MODIFICATION 3 (10_0054 MOD3)

**Proponent: Big Island Mining Pty Ltd,
Majors Creek NSW**

26 July 2016

**Coastwatchers Association Inc.,
PO Box 521,
Batemans Bay NSW 2536**

PRESENTATION

Good Morning Mr Chairman, and Commission Members,

Thank you for providing this opportunity for the Coastwatchers Association to make this presentation to the NSW Planning Assessment Commission, regarding the proposed amendment to the existing development approval at the Dargues Reef Gold Mine at Majors Creek.

My name is John Perkins, I am the President of the Coastwatchers Association. The Association is 30 years old and is an environmental group based at Batemans Bay on the South Coast of NSW.

The Association has opposed the reopening of the Dargues Reef Mine at Majors Creek since Cortona Resources lodged a development application 6 years ago. The Association continues to oppose the mine's operation.

The major concern of the Association with the Dargues Reef mine, is with the integrity of the tailings dam, now, in the future, and when the mine is no longer operational. Irrespective of the cause, many mining tailings dams worldwide suffer failures because of events such as intense rainfall, poor design, poor maintenance, poor construction, poor operation and/or poor management. These failures can lead to catastrophic environmental damage, major economic loss for affected communities and in some cases to the deaths of people. The consequence of a dam failure will depend on many factors, particularly the geographic location of the dam, the financial capacity of the miner, the type of damage which may occur, and the legislative requirements imposed by government.

Every mine operator claims they are immune from such incidents, but known major catastrophic failures continue worldwide at the rate of 1-2 per annum. Failures leading to lesser consequences are far more common, as highlighted by the Centennial Coal's breach at Lithgow in July this year. The simple fact is no miner, including Big Island Mining, is immune from dam failures, the only question, is the extent of risk and consequent damage when a failure occurs.

Two recent catastrophic failures are worth highlighting.

In November 2015 the Brazilian mine owned by Samarco, jointly owned by BHP and Vale, had a tailings dam failure. An estimated 20 people died, the village of Buento Rodrigues was wiped out, and the contents of the failed dam flowed 650 km to the Atlantic Ocean, killing everything in its path. The compensation being sought is in the 10s of \$billions.

Similarly with the Mount Polley mine in Canada in August 2014, the tailings dam failed, which resulted in massive environmental damage. This disaster began with a breach of the copper and gold mine tailings dam because it was poorly managed. The spill released water and slurry into lakes and rivers, reaching the once pristine Quesnel Lake, the cleanest deepwater lake in the world. Mine safety experts have called the spill one of the largest environmental disasters in modern Canadian history.

The Dargues Reef mine site is situated in one of the worst possible geographic locations, at the top of a mountain range, 680 meters above sea level, 50 to 60 km from the South Coast of NSW. This is a parallel location to a tailings dam spill, which occurred at the Timbarra Gold Mine at Tenterfield NSW, due to a massive storm. In that case there were long delays for emergency crews to access the site because fallen trees had blocked the roads and cut the power. By the time emergency services arrived, the tailings dam was empty and the contents had flowed down from the Great Dividing Range into the Clarence River. The State Government bore the cleanup costs as the miner went into administration.

Any tailings dam failure at Dargues Reef will release silt and sludge deposits, toxic water, heavy metals and the toxic xanthates, the flotation agents used in the tailings dam, into the river system. These will ultimately flow downhill to Moruya and into the ocean. Geographically, there is no physical barrier to impede any flows. The recent removal of cyanide processing at the Dargues Reef Mine, in no way impacts on these other discharges.

The toxic sludge and water discharged will kill or smother most flora and fauna in its path, whether endangered or not. It will pass through the **Deua National Park** and finish in the **Batemans Marine Park**. Agriculturalists and residents along the river system will have to stop drawing water.

45 km from the headwaters of the river system any discharge will reach the Shire Council water pumps, which supply 85% of the Eurobodalla Shire's drinking water to its 70,000 residents. If it is summer the population will be closer to 100,000. The town water supply pumps will be turned off.

Regrettably, Big Island Mining is not a wealthy company such as BHP, RIO or Vale. They do not have the financial resources to cope with a massive dam failure. They would have no financial resources to remediate damage or pay any compensation. In all probability they would simply close the mine and go into administration. The existing security bond is for the clean up of the mine site only, not any damage downstream. Even if it could be used it is so inadequate, it would have little impact of the overall cost of any damage.

Big Island Mining track record in managing risks associated with the limited operations at the Dargues mine is poor. In 2013, before the mine went into care and maintenance, there were 3 sediment spill incidents, and the illegal use and spill of flocculent chemicals. These resulted in fines of \$196K being imposed on the miner for costs and penalties by the NSW Government.

Unlike the Victorian Government and other States, there are no requirements in NSW to require a lower catchment structure, to accommodate any tailings dam failure.

Against this background, in 2010 and again in 2015-16 when the miner was preparing their Environmental Assessments, the NSW Government only required a detailed Assessment covering the impacts and consequences in a small immediate area around the mine site. No consideration was required of the environmental and economic consequences of a tailings dam failure, which would impact on everything and every person downstream.

The Government turned its back on the greatest social, environmental and economic risk with this mine.

The NSW Government's failure to require any analysis of the impact of a significant discharge from the mine site into the river system is reprehensible. There has been no assessment on the impact on the flora and fauna in the Deua National Park and the Bateman Marine National Park. There has been no assessment on the impact on the communities and agriculturalists downstream. There has been no assessment of the impact of a spill on the water supply of the Eurobodalla Shire. The groups and residents down stream have argued their case, and the Government has turned a deaf ear.

The history of mining is littered with tailings dam spills and collapses. This Dargues Reef site is one of the worst geographic sites to have a mine with a tailings dam. The company is not wealthy and their management track record is poor. Yet the NSW State Government ignores these downstream risks, which have the potential to devastate everything from the mine to the ocean.

There are Emergency Response Plans in place to allow immediate action in the event of an accident. There are no plans in place to guarantee an alternate water supply to Eurobodalla in the event of a dam failure.

The Coastwatchers Association considers that NSW State Government has displayed a gross dereliction of duty. The Government has a duty of care to address this issue and its failure to address it is simply negligent. There should have been a detailed assessment of all impacts from the mine site to the ocean to assess the risks of a major accident. In the event of any accident, the State Government will bear full responsibility, both politically and financially.

Recommendations

The Coastwatchers Association requests:

1. That PAC defer any further consideration of this proposed modification until Big Island Mining has prepared a new environmental assessment of the potential impacts of any mine site leakage – and or tailings dam failure on State and Commonwealth listed endangered species and the communities and residents, from the mine site to the coast.
2. When completed this environmental assessment which should have been conducted in 2010 as well as 2015 be placed on public exhibition in the same manner as any other Modification submission by Big Island Mining.
3. That a safety dam structure be required below the mine site to contain any spillage from the mine site, particularly catastrophic tailing dam failure as would be required in Victoria and South Australia.