



2 September 2011

Determination of the Dargues Reef Gold Mine

Project Application

The Dargues Reef Gold Mine Project seeks approval for the development of a new underground gold mine and associated infrastructure at Majors Creek, approximately 13 km south of Braidwood in the Southern Tablelands. Historically extensive mining occurred in the area and both abandoned mine shafts and alluvial works occur on the site. The project includes extraction and processing of up to 355 tonnes of gold ore a year, for up to 7 years, with:

- a box cut portal and decline, fuel store, ventilation rise, power and water supply;
- a processing plant and office area which would include an integrated run-of-mine (ROM) pad/temporary waste rock emplacement, crushing, grinding, gravity and floatation circuits, site offices, workshop, laydown area, ablutions facilities, car parking, and associated infrastructure;
- a tailings storage facility;
- a water management system, including 8 dams and an associated water reticulation system;
- a site access road and intersection to allow site access from Majors Creek Road; and
- ancillary infrastructure, including soil stockpiles, core yards, internal roads and tracks and surface water management structures.

Processed ore would be transported from the site by road and the site would be progressively rehabilitated.

Delegation to the Commission

On 28 May 2011 the Honourable Brad Hazzard MP, Minister for Planning and Infrastructure, delegated his powers and functions to determine certain project applications to the Planning Assessment Commission. The Dargues Reef Project was subsequently referred to the Planning Assessment Commission for determination under the terms of the Ministerial delegation.

Ms Gabrielle Kibble AO nominated Dr Neil Shepherd AM (as Chair) and Mr Garry Payne AM to the Commission for the project. The Honourable Brad Hazzard MP, Minister for Planning and Infrastructure, also appointed Mr Joe Woodward PSM as a casual member of the PAC for the project.

Consequently, the Commission consisted of Dr Neil Shepherd AM (chair), Mr Garry Payne AM and Mr Joe Woodward PSM.

Department's Assessment Report

The Director-General's Environmental Assessment Report (the Director-General's report) provided a detailed assessment of the following key issues:

- Water;
- Flora and Fauna;
- Noise;
- Blasting and Vibration;
- Air Quality;
- Transport; and
- Visual impacts.

Other issues assessed include Socio-economic considerations, Aboriginal Heritage, Non-Aboriginal Heritage, Greenhouse Gases, Bushfire Hazards and Waste.

The report concludes that on balance the Department believes that the project's benefits sufficiently outweigh its residual costs and that it is in the public interest and should be approved subject to strict conditions.

Briefing from the Department of Planning and Infrastructure

On 30 June 2011 the Commission met with representatives from the Department of Planning and Infrastructure for a briefing on the project.

During the briefing meeting the Commission raised some concerns with aspects of the proposal. In response, the Department advised it would provide an addendum to the report and also revise the recommended conditions. The issues of concern are described in the Department's Addendum to the Director-General's Report.

Addendum to the Director-General's Report

The addendum and revised recommended conditions were submitted to the Commission on 29 July 2011 and were made publicly available on both the Department's and the Commission's websites.

The addendum provided additional information and consideration of:

- The indicative mine plan for the project;
- The ownership of the site;
- The landing ground to the north west of the site;
- Water, including – harvestable rights, historic mine workings, the groundwater model, the water balance for the site, surface water monitoring, effects on downstream households and compensatory supply;
- Blasting;
- Air Quality;
- Tailings storage;
- Risk Assessment;
- Noise; and
- Traffic.

Meetings

PAC Meeting

On receipt of the Department's amended recommendation, the Commission advertised its intention to hold a public PAC meeting to hear submitter's views on the assessment report and recommendation. Notice of the meeting was advertised in the Braidwood Times on 3 August 2011. The Commission also wrote to all those who had made submissions, to invite them to comment on the recommendation at the meeting.

The PAC meeting was held on 23 August 2011 at the Braidwood Servicemens Club. Forty-four (44) people spoke at the meeting including representatives from both Palerang and Eurobodalla Councils, some Councillors, representatives of Aboriginal Land Councils, local residents and the Proponent's consultants and representatives. One person spoke to the Commission by telephone on the evening before the meeting.

Correspondence

Although it did not call for written submissions, the Commission also received correspondence from a number of individuals and organisations, as well as from the Sydney Catchment Authority and the Southern Rivers Catchment Management Authority.

Other Meetings

On 22 August 2011 the Commission meet with staff from Palerang Council to discuss Council's submission. Council advised that it had residual concerns with the road infrastructure proposals and a lack of clarity concerning limits on processing material from outside of the mine site.

On 22 August 2011 the Commission also visited the site accompanied by the Proponent. A brief meeting was also held with the Proponent.

On 26 August 2011 the Commission met with the Department of Planning and Infrastructure to discuss its outstanding issues with the recommendation. In particular the Commission sought clarification on whether the potential for processing or smelting of material from offsite had been considered. The Department confirmed that the application did not include any processing or smelting of material from offsite and that any proposal to accept material from offsite would need to be the subject of a further assessment.

The Commission also requested clarification on:

- the structure, operations and management of the tailings dam;
- the road upgrades required;
- the monitoring of the Majors Creek ecosystem and groundwater levels downstream of the mine;
- the level of suspended solids to be discharged from water in sediment collection ponds;
- the measures to manage noise from reversing alarms and during temperature inversions; and
- some of the reporting requirements.

On 30 August 2011 the Department provided further revised recommended conditions of approval.

Commission's Determination

The Commission has considered the Director-General's Environmental Assessment Report, addendum and revised recommended conditions of approval. The Commission is satisfied that the mine will have a significant economic benefit for the region and that the environmental impacts of the proposal can be adequately mitigated or managed by a suite of stringent conditions. Consequently, the Commission has determined to approve the project subject to the recommended conditions.



Neil Shepherd AM
PAC Member



Garry Payne AM
PAC Member



Joe Woodward PSM
PAC Member