

Submission to Planning & Infrastructure NSW in response to Dubbo Zirconia Project EIS

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Terms Used

EIS – the Environmental Impact Statement prepared by Alkane Resources Ltd for its Dubbo Zirconia Project located at Toongi, to which this document is responding

DZP - Dubbo Zirconia Project

The Applicant - Alkane Resources Ltd

P&I – Planning and Investment NSW, to whom this document is directed

Executive Summary

Despite claims in the EIS, appropriate communication has not been had with Obley Road residents (aside from those immediately adjacent to the DZP site). Data at public forums and in information documents deliberately hide the impact of the DZP on Obley Road traffic. With such a large impact, this should have actively discussed with Obley Road residents. The (required and understandable) depth of the EIS has resulted in many people being entirely unaware of these impacts, and so submissions on the issue are likely to be few.

The rail option should not be discounted based on the issues raised by The Applicant. Whilst cost is indeed an important issue for the company, that should not be at the expense of the greater public good. Equally, The Applicant should not be granted approval based on future studies of rail; after nearly 15 years working on this project they should have all studies completed prior to approval. Despite The Applicant's public comments to the contrary, rail is unlikely to be developed when their own EIS states **"the simplest and cheapest option would be to operate a road transport fleet only"**.

If P&I allow all road transport, there should be significant restrictions put on times heavy vehicles are allowed to operate. The EIS states that it wants 24 hour transport to and from the DZP site, which will have a large negative impact on Obley Road residents. At the least, heavy vehicle movements should be severely curtailed during peak/school bus periods and at night.

Communication

Section 3.2.1.1 of the EIS claims The Applicant has “committed to maintaining open lines of communication” with various stakeholders in the local area, including “local landholders”. They cite various community information sessions, “regular community newsletters” and “targeted community consultation” as part of that process. As a resident living within 150m of the major supply route for the mine, I have had no approaches from The Applicant.

I did hear via the media of the July 2012 presentation in Dubbo and attended it. Whilst somewhat informative, it was generally vague on specifics, particularly those involving transportation. Rail was mentioned as a likely viable option and a preference of The Applicant, whilst noting concerns of some South Dubbo residents regarding the reactivation of the rail line. The presentation noted that there would be “Community consultation with surrounding residents and those on the Dubbo to Toongi railway”. I live within 750m and direct sight of the railway line and have had no direct contact from The Applicant. I live within 250m of the Obley Road where an estimated 138-158 extra truck movements and 320 light vehicle movements PER DAY (Section 4.12.3.2 of EIS) will occur during mine operations. Why hasn't there been any direct communication with anyone along this road or rural rail line? There are approximately 100 residential buildings directly affected by the changes to road (and potentially rail) use (excluding Benelong Road residents), yet The Applicant has made no effort to proactively contact them. Surely even a mailed newsletter at the total cost of approximately \$50 per newsletter would not have been outside the capacity of an operation with an EBITDA value estimated to be \$5.4 billion dollars (Section 6.3.3 of EIS)? The EIS notes that re-commissioning the rail line may result in some concern to residents along the rail corridor (Section 4.15.5.5 of the EIS), but nowhere does it suggest that landholders adjacent to Obley Road may have concerns.

The lack of transparency and willingness to communicate has raised concerns over what other matters may be glossed over in presentations to community groups and the NSW Government in the EIS. Some of these are outlined below.

Rail Preferred to Road

The Applicant has claimed at public forums, in presentations and in even in the EIS that their “preferred method of transporting reagents and other materials to, and products from the DZP site, would involve a combination of road and rail operations” (Section 2.12.1 of EIS). The Applicant then goes to some length to describe the difficulties in utilising the rail option. Tellingly, The Applicant states “**the simplest and cheapest option would be to operate a road transport fleet only**” (Section 6.1.7 of EIS). I am unaware of any business that voluntarily chooses a more complicated and expensive method of operation.

In combination with the communication issues highlighted above, this appears to confirm that The Applicant has only suggested a possible rail option as a means of pacifying

potential concerns regarding the increase in road traffic. This is further demonstrated by The Applicant wishing to undertake a feasibility of the rail option within 5 years of receiving development consent and then make a decision. If P&I accedes to this request, The Applicant will never have to implement a rail option at all. Given The Applicant has been working on this project for 14 years, it seems incredible that it requires another 5 years to undertake a study of an option it claims to be a preferred option.

I believe The Applicant should have a thorough rail feasibility study completed prior to consent and P&I demand that rail is used to transport reagents where possible. According to the EIS, 235,000 tonnes per year of reagents (sulfur, caustic soda, hydrochloric acid and anhydrous ammonia) could be transported by rail, representing nearly 40% of total tonnage required at the site. When it is noted that limestone (195,000 tonnes) and salt (91,000 tonnes) will come via the Newell Highway (not through Dubbo proper), the rail reagents total 68% of all goods moved through Dubbo (Section 2.7 of EIS). Therefore, the rail option has the potential to greatly minimise loss of amenity and decrease the risk of accidents to residents.

It must be remembered that it is not only residents adjoining the Obley Road that will be affected if all the above reagents are transported by rail. Aside from the salt, all other reagents will have to move through the West Dubbo roundabout (Victoria and Whylandra Streets). Limestone will initially come from Parkes, but 195,000 tonnes (per annum) of it will eventually have to move through Cobra Street, over the LH Ford bridge and through the West Dubbo roundabout bypass. Other products will need to come through Bourke and Erskine Streets. This will adversely affect the vast majority of road users in Dubbo and degrade the road infrastructure (Figure 2.15 in EIS). If there is an alternative in rail, why should that not be used?

The Applicant states that the \$30 million upgrade cost to the rail line is one impediment to that option. It should be noted that this represents less than 0.6% of the EBITDA value of the project, estimated to be \$5.4 billion dollars (Section 6.3.3 of EIS). The Applicant may be justified in thinking the NSW Government should contribute given the extensive royalties it will receive. Surely both parties could look at a range of possible options, from shared funding to a financing arrangement whereby The Applicant pays for the construction over time?

Irrespective of the above, cost is not a reasonable option for The Applicant not to pursue the rail option. As an analogy, consider if I was to undertake a local development that would impinge on neighbours and had two options available to me. One would cost less and cause significant loss of amenity to residents in the area, whilst a second would cost more but significantly minimise this loss in amenity. The various planning authorities would quite rightly make me use the second option. If that meant I had to delay my development until I had sufficient funds to do so, then that would be my problem. So in this instance, I can see

no reason why The Applicant should be able to choose the road option simply because it doesn't have sufficient funds at this time.

Accessing the required reagents ex-Newcastle and rail bottlenecks in the Hunter region are other limitations to rail cited by The Applicant. However, in the EIS, they do not even consider alternatives such as Port Botany or Port Kembla. There may well be reasons why these are not feasible, but an EIS should examine all possibilities, not just look at the preferred one and then claim it is too difficult.

Section 4.15.4.6 of the EIS addresses adverse economic impacts. Whilst claiming there might be some loss in value to properties adjoining the rail line, it claims that "landowners of properties located further from the DZP site.....have been regularly consulted over the proposed operations and a general level of acceptance over the Proposal has been indicated". This is an outright dishonest statement, as residents along the Obley Road have not been consulted as a group (as discussed above). Section 3.2.1.3 of the EIS talks about community consultation sessions with agricultural landholders, but landholders adjacent to the Obley Road away from the immediate mine site were not invited. Section 3.2.1.6 discusses "targeted community consultation", yet one of the groups who will be most affected by the proposal (residents along Obley Road) are not even mentioned, let alone consulted.

Section 4.15.5.2 states that the costs of increase heavy traffic on the Obley Road could increase travel time, accidents, noise pollution and reduce property values. It then states that the "tax" component of fuel and registration compensates the general community for such costs. That is a throwaway statement that clearly doesn't address the issues raised as they affect the residents of Obley Road. It also claims that the Cadia Valley Operations mine near Orange has not lead to a fall in property prices when it is an entirely different operation with regard to location, mine type, presence of other mining interests and traffic.

Whilst their vehicle numbers are included in the various analyses in the EIS, the residents of Benelong Road aren't even mentioned in the EIS. They will be equally affected in terms of increased traffic and accident rates as those on the Obley Road as they have to use the latter to access the Benelong Road.

Section 4.15.5.5 says that Obley Road residents north of Toongi will have some loss of visual amenity and some noise impacts. It then claims that The Applicants expenditure on road improvements will increase amenity in terms of better road safety and improved travel times. This is clearly incorrect, as the large increase in traffic volume will increase the chance of an accident even though the road surface may be improved. And how can travel time be improved? As stated above, Section 4.15.5.2 even states that travel time will increase. It should also be noted that travel time is not currently limited by the condition of the road; it is only the vehicles associated with mine that will cause such a limitation. Yet again, this is evidence of The Applicant not understanding the issues affecting the residents

and not understanding (or ignoring) the impact it will have on residents. The EIS even contradicts itself in this area.

The issue of impact on school buses is mentioned in the EIS. However, Section 4.12.2.2 says there are 6 known bus stops on the Obley Road, whilst acknowledging these will change over time. The reality is there are approximately 15 bus stops and 2 separate bus routes that service the Obley Road. The EIS refers to “the school bus”, thereby demonstrating a lack of understanding of even the most basic facts involved in the situation. Section 4.12.4 states that to mitigate against risk of accidents, scheduling will be such to avoid school bus times/peak travel times “*wherever practical*” and employ “*specific driving protocols when avoidance of school bus times is not practical*”. Surely one of the most practical mitigation strategies should be to put as much freight onto rail as possible, thereby reducing traffic volumes and reducing the chance of accidents?

Restrictions on Road Movements

The management of road operations is poorly articulated in the EIS and even more poorly communicated in community consultations and presentations.

The volume of reagents used has been outlined in section 2.7 of the EIS. The total tonnage of major reagents used can be calculated from this information to be 630,000 tonnes per annum. It is important to note how this varies from what has been presented in community consultations and information sources:

- July 2012 presentation states 500,000 tonnes (actual in EIS is 26% more)
- October 2013 presentation has tonnages that are different to EIS. The presentation lists them and suggests the total is about 550,000, when simply adding them up totals 580,000 (this is a 5% discrepancy and still well short of actual figures in the EIS)
- The EIS does not contain any reference to sodium sulphate, yet it is mentioned in the July 2013 presentation at 29,500 tonnes (5% of total reagents)

It is difficult to get an appreciation of what the reality will be when so many conflicting versions exist on the public record. It again does not reflect well on The Applicant’s supposed transparent community consultation process.

Of greatest concern to Obley Road residents is the lack of information provided in the EIS with regard to transportation of reagents (and to a lesser degree, processed end products). Section 2.14.1 and Table 2.19 of the EIS outline the hours of operations of various aspects of the mine site. No mention is made at all of transportation, yet this single aspect of the DZP will impact on the most people. It again demonstrates how little regard has been given to Obley Road residents.

The rail aspect offers the greatest flexibility for community-friendly transportation in that they can be scheduled to offer minimal interference to all residents. If P&I does not enforce a rail requirement for the DZP, it is essential that some controls be put in place for regulating transport. The EIS outlines the desire to schedule shift changes outside peak periods and this is an appropriate strategy. However, the P&I need to put some controls on heavy road freight for the DZP as well. If deliveries can be made for 24 hours/day, this will completely destroy the amenity of Obley Road residents. There are in excess of 20 houses that live within 300m of this road and a lot more within 500m. It must be remembered that with little existing traffic and minimal other residual noise in the environment, all extra traffic noise carries significantly through the environment.

There is no reason that P&I could not put a reasonable restriction on heavy vehicle movements to the DZP. Of great concern, Section 4.2.3 of the EIS notes that conveying, loading and despatch of product by road and rail is scheduled for 24 hours per day. Section 4.2.6.3 of the EIS also notes that transportation can occur 24 hours per day. When assessing noise impacts of on Obley Road residents, the EIS groups Obley Road together with the Newell Highway as a “freeway/arterial/sub-arterial” road. This seems ludicrous given they are two obviously very different road types. Of concern, it allows The Applicant to use a 55dB night time threshold (Table 4.7 of EIS). It is noted that night time traffic noise is predicted to reach 51.4dB within the lifespan of the project (Section 4.2.7.5 of the EIS). I would like I&P to investigate whether this road classification is a legitimate reference point for the transport noise to be generated by the DZP.

It is also noted that level of noise is a separate issue to frequency. Residents expect to hear heavy vehicles on the Obley Road, but the DZP will dramatically increase these. Heavy vehicle movements will increase by 70-130% on current levels. The Applicant has again attempted to mask this impact with selective presentation of data. In its exhibitions and information documents, it has presented the data for traffic movements in Figure 1 (below).

This graph is designed to make traffic movements on Obley Road miniscule. They are, but only when compared to the Newell Highway. When the Newell Highway data is stripped away, the massive impact on Obley Road traffic can be more clearly seen. Figure 2 much more clearly demonstrates the true impact of the DZP on traffic volumes.

Similarly, Table 4.79 of the EIS examines the impact of DZP traffic on the overall traffic burden of the Obley Road. However, it uses the predicted 2036 traffic to compare it against, whereas the impact on residents will be occurring within 2-3 years. By using a larger baseline figure, The Applicant is trying to hide the impact of road traffic on local residents in the immediate future.

These are stark examples of how The Applicant has not attempted to clearly communicate the true impact of the project on residents of Obley Road.

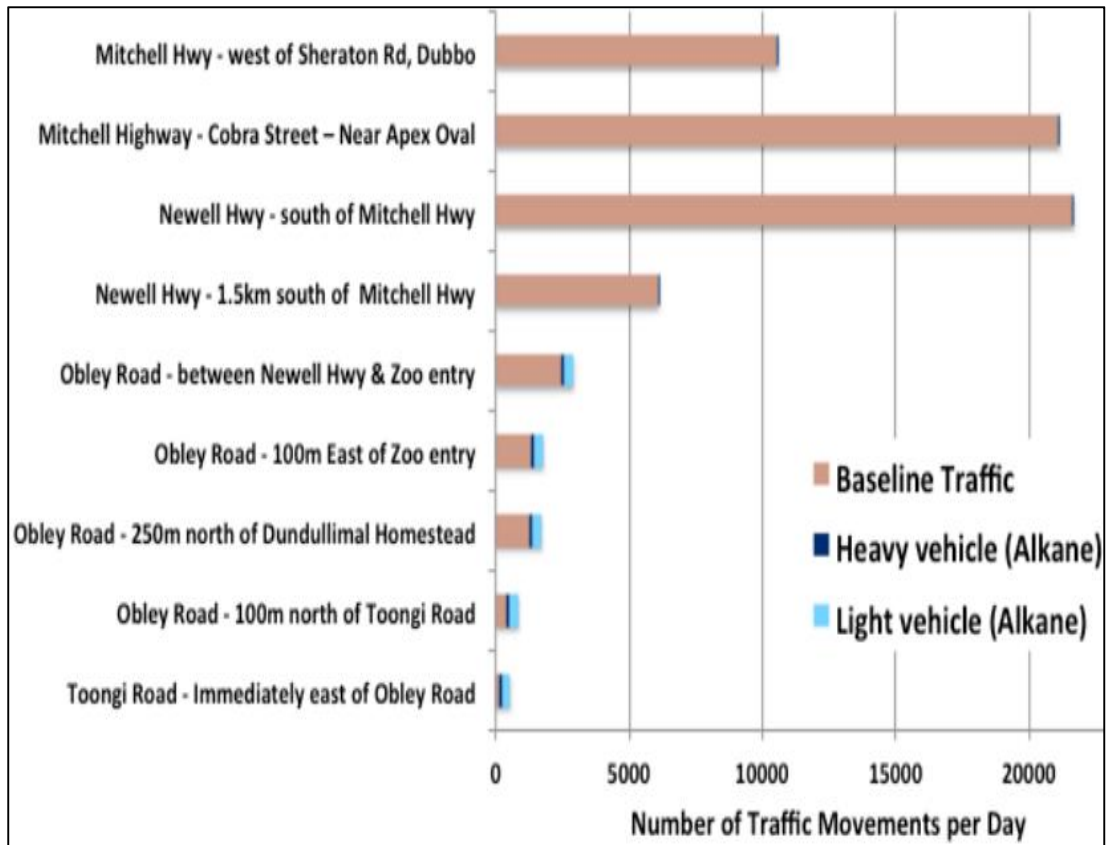


Figure 1: Daily vehicle movements – public presentation

(Source: Alkane public presentation (<http://www.alkane.com.au>))

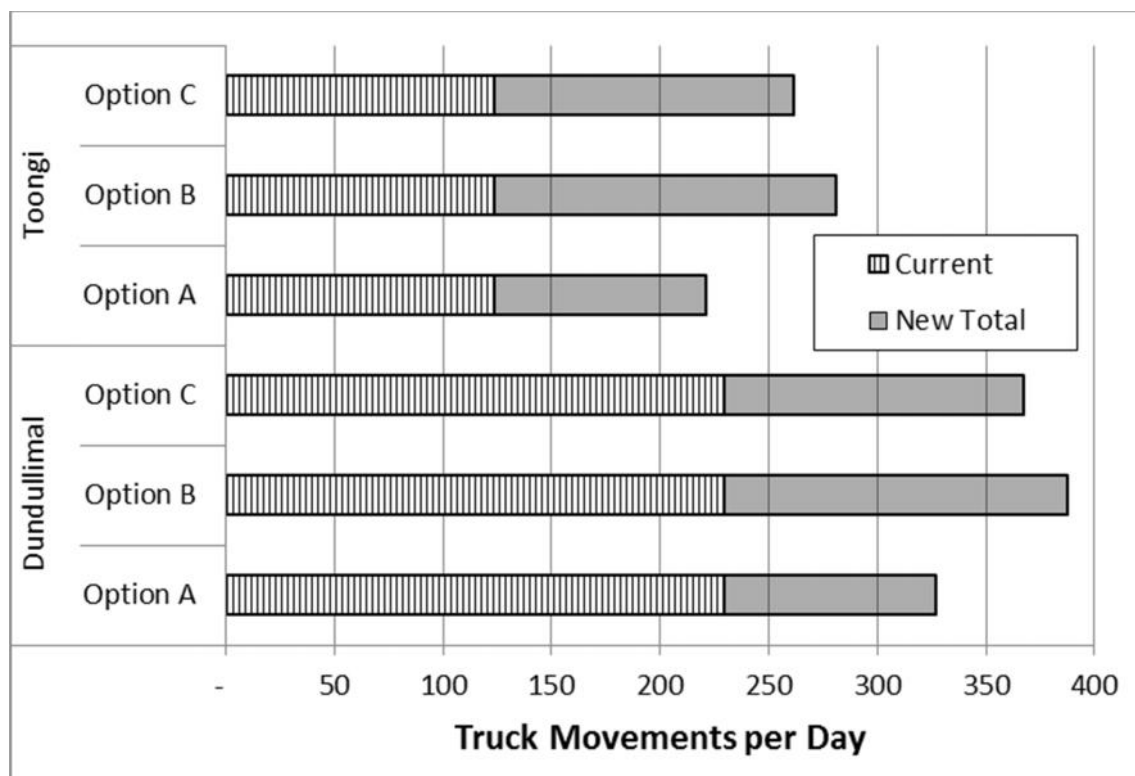


Figure 2: Daily heavy vehicle movements

Source: Adapted from Tables 4.75 and 4.78 of EIS

There are no attempts to mitigate this noise as The Applicant is claiming that noise is below accepted thresholds, therefore doesn't need addressing. This is despite the EIS identifying that without adoption of mitigation measures, the risk of "road traffic noise causing annoyance and/or distractions and impacts to amenity" is "high" and "sleep disturbance as a result of maximum noise levels caused through rail loading of product, rail and road traffic" is "medium to high". Surely moving all possible freight to rail is an obvious mitigation measure?

It is also worth noting the dismissive nature of The Applicant to concerns already raised. Taronga Western Plains Zoo has raised concerns that increased noise could affect their breeding programs. The Applicant merely states that "the movement of heavy vehicles are already a feature of the Obley Road" (Section 4.2.7.8 of the EIS) – no further addressing of the issue occurs. This mirrors The Applicant's attitude to the human residents of Obley Road.

Matching mining operations (7am – 6pm, 5.5 days per week) seems a reasonable timeframe to secure supplies. There could perhaps be a tolerance of 5% heavy vehicle movements, or a number of movements per hour outside these hours to allow for unforeseen circumstances. Daylight hours may be an acceptable alternative. There are many options that P&I could consider that allow for successful operation of the mine and minimising impacts on local residents.

It should be noted that the EIS outlines the storage capacity at the DZP site for reagents. These are generally at least 2 weeks' worth (anhydrous ammonia at 5 days and caustic soda at 7 days being the exceptions). If The Applicant protests that restrictions on delivery times would limit production, it is a simple matter to require them to have greater storage capacity at the site to minimise this risk to production. There is no shortage of space at the site, at any extra cost in increased capacity would be very modest.

Restrictions also need to be enforced on operations around peak periods and school bus times to mitigate risk of traffic accidents. The road will be improved but still only 9m wide with a 1m shoulder (Section 2.2.5.2 of the EIS). I note that this is considerably narrower than the 20m internal roads to be used at the DZP site (Section 2.12.2.2 of the EIS), albeit with wider vehicles. Given trucks and buses can be up to 2.5m wide, this offers little room if a school bus has pulled over on the shoulder of the road. If the bus is on the shoulder (1m unpaved width), that leaves 1.5m of it still on the road. Assuming 2 trucks pass each other as the bus is pulled over, that is $2 \times 2.5\text{m (trucks)} + 1.5\text{m of bus} = 6.5\text{m of vehicle width on the road}$. This leaves only 1.25m between the passing trucks and the bus and a truck. This is a very narrow safety margin, but one that has presumably been approved by relevant authorities. Therefore, it is imperative that P&I mandate that deliveries cannot be made (at least in any significant volume) in the period in which the school buses operate. It is not acceptable that The Applicant will schedule to avoid school bus times/peak travel times "wherever practical" and employ "specific driving protocols when avoidance of school bus

times is not practical" (Section 4.12.4 of the EIS); this should be mandated as part of the consent process to effectively mitigate risk to the local residents.

Impacts on amenity

Many impacts on amenity, particularly if road transport of all reagents is permitted without operational restrictions, have been outlined above.

One other issue for consideration relates to the school bus services. As part of the mitigation and management issues for traffic, the EIS contends that The Applicant will provide "additional school bus stop pullovers" (Section 4.12.4 of the EIS). Presumably this will then designate where school children can be picked up and dropped off. Unless a pullover is provided outside every residence on both sides of the road (unlikely), then the impact on many residents will be large. No longer will children be able to catch the bus from outside the front of their lot, but will have to be driven to these designated areas. Parents/carers will have to be available every morning and afternoon to pick up children and this large negative impact on social amenity hasn't even been considered by the applicant. Again, putting as much freight as possible on rail and restricting heavy vehicle road movements seem the most obvious mitigating solutions.

I also have concerns for the impact of the DZP on the tourist attractions located on the Obley Road. Most notably, the Taronga Western Plains Zoo is the region's most prized attraction, and many people are now accessing it via the Tracker Riley pathway. A large increase in heavy vehicle movements will make crossing the Obley Road to reach the entrance much more difficult. Increased traffic is inevitable with such a development, but if a large proportion of the freight could be sent by rail, this would dramatically decrease this impact.

I want to finish this submission by stating I am not against the DZP. On the contrary, I think if it is well regulated and managed, it will have great benefits to the region. I accept that I will have more traffic passing my front door as part of this development – that is the price we pay for economic advancement. However, I believe there are serious transport issues that need resolving, rather than giving a rubber stamp to the proposal.