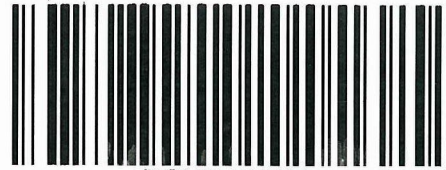


PALERANG COUNCIL

Contact Person
File

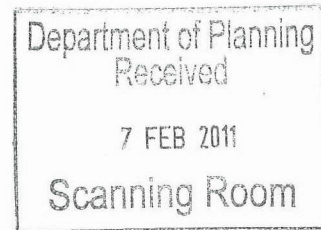
Louise Menday
WM0011



PCU019221

1 February 2011

George Mobayed
Planning Officer
Mining and Industry Projects
NSW Department of Planning
GPO Box 39
SYDNEY NSW 2001



Attention: George Mobayed

**Re: Review of Proponent Response
Dargues Reef Gold Project, Major Project Application No. 10_0054**

Dear Mr Mobayed

The following contains extracts of Palerang Councils original submission in response to the proponents EA and extracts of the proponents response to that submission

Included at the end of this correspondence is the list of conditions that Council requests be included in any approval for this proposal.

1. General

Council wishes to express its concern about the adverse implications of this mine if it goes ahead and asks that the State impose conditions that are as rigorous as necessary. It is considered that there are errors and omissions in the EIS, particularly in relation to water modelling (some are identified in the attached report, others were raised at the Council Meeting). Council, therefore, requests that the following issues be addressed prior to determination of the application. If the Department does not decide to have these issues addressed prior to determination it is requested that relevant conditions of consent be imposed. A response on how these issues have been further addressed would be appreciated.

Council Response

Council accepts that the proponent has acknowledged and addressed some of the errors and omissions in the original EA. However Council is disappointed that the proponent chose to ignore or failed to adequately address the following issues raised in Councils' original response to the proponents EA.

2. Ground water supply

Council is concerned about the modelling that has been used to determine the impact of the proposed mine on groundwater in the vicinity of the mine, in the Araluen Valley [the orchard industry located there relies heavily on groundwater] and the Majors Creek National Park

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Nature Reserve. While modelling of the Araluen Valley aquifers has not been satisfactorily undertaken, modelling of the aquifers in the vicinity of the mine has failed to incorporate critical data such as up to date rainfall that reflects drought and climate change, and potential consequences of draw down of water in the old mine. It is considered that removal of water, for processing needs, from the old mine void may result in draining of the aquifers into the old mine void. Further that the aquifers will not recharge at an acceptable rate due to a reduction in environmental flows on the mine site. It is considered that the proposed environmental flows, to be harvested on the site and released into the system further down from the immediate vicinity of the mine, are not adequate for the health of the river system and recharge of aquifers in the Araluen Valley. It is requested that the water modelling be verified by an independent party [such as the NSW Office of Water]. Further, as a minimum precaution it is suggested that base line data from test bores in the Araluen Valley [between 2 and 3 kilometres from the mine site would allow for data to be collected prior to operations commencing, and then allow for data to be collected during operations to measure any impact of the mine on the Araluen Valley.

Council Response

Council supports measures advocated by the NSW Office of Water and other Government Agencies concerning this particular issue.

Measures should be included in any approval to address mine operations should this monitoring prove detrimental to the Araluen Valley.

Council Response

The proponent has not provided any contingency plan for this eventuality as requested.

3. Water quality

Council is concerned about potential impact on water quality of the creek/river system downstream of the mine site, and all aquifers, particularly in relation to;

- the location of the tailings dam and any potential for the dam to fail, and
- the potential for the contaminated water from the old mine to be released into the system.

The proposed tailings dam is at the very headwaters of the Araluen Valley, Deua River and ultimately Moruya River. Whilst the EA states that the walls of the tailings dam have been designed to world best practice, any leakage or breakage will see an environmental disaster with pollutants entering the headwaters of a major water catchment. Further measures should be incorporated in any consent, so as any failure of the dam will be sufficiently mitigated against.

As a minimum precaution it is suggested that water testing on the environmental flows, to be returned to the environment from the proposed mine site, be monitored on a daily basis (it is requested that this information be provided to Palerang Council so that Council can keep its community informed of the outcomes).

Council Response

The proponent has not acknowledged this issue let alone adequately responded to it.

It is requested that emergency and remedial actions be identified for circumstances where pollutant/contaminant levels are found, through the monitoring, to be higher than those recommended, and that measures be incorporated in any consent so that the Department of Planning is able to assure the community that the water is safe for residents to drink wash in, use on the orchards and market gardens, and for the continued health and survival of the animals and plants downstream.

Council Response

The proponent has not acknowledged this issue let alone adequately responded to it.

Proponent Response

Water within the harvestable rights dams would be likely to have electrical conductivities significantly lower than those measured in groundwater within the Project Site. As a result, the compensatory flow program would result in improved water quality within Majors Creek

Council Response

The evidence presented in the EA does not support this claim.

Proponent Response

In the unlikely event that water would be required to be drawn from the historic workings for the compensatory flow program, the quality of the water that would be discharged would be equivalent to the quality of the water that the program is designed to replace. As a result, the program would result in a negligible change in groundwater quality within Majors Creek.

Council Response

The evidence presented in Table 5 of the EA dealing with groundwater quality is at odds with this statement and this issue needs further clarification and explanation given the magnitude of the potential environmental and economic risks

Long-term recovery of groundwater levels

This issue will be addressed in the response to the submission provided by the NSW Office of Water.

Council Response

Council supports the assessment made by the NSW Office of Water.

4. Compensation

The local community is concerned that the value of properties and businesses could be affected by the proposed mine, particularly in relation to failure of safety measures and pollution of the environment. Council seeks assurance that there are mechanisms in place to ensure that compensation can be provided to landowners and all those with a commercial interest in the surrounding localities of Majors Creek and Araluen. Further what measures can be put in place, that if the owner/operator of the mine is liquidated before rehabilitation and compensation can occur, and/or if the cost of compensation and rehabilitation is more than bonds held.

Council Response

The issue of compensation was totally ignored in the proponents response. Lack of any discussion or articulation of the issue of compensation procedures represents a source of increased uncertainty and hence an unacceptable and unmitigated risk to the local community from this proposal.

5. Roadworks – Entrance to Mine

The applicant has proposed an entrance point to the mine off Majors Creek Road approximately 9.3 km south of Araluen Rd. While the sight distances at this location appear to be adequate for the design speed of the road, the applicant's proposal to provide only a BAR/BAL standard treatment is in conflict with recommendations made by the Local Traffic Committee. Considering the area that potential employees may be sourced from, Council does not believe that the statement that a bus will transport the majority of employees, adequately reflects what the traffic movements will actually be. Individual staff vehicle trips need to be

factored into the assessment, especially in relation to numbers of vehicles turning at intersections.

Proponent Response

The proponent proposes to provide a BAL and BAR treatment in Majors Creek Rd, and justifies this argument that there are no other AUR and AUL treatments at any of the major intersections between Braidwood and the Project Site.

Council Response

Council, with advice from the Local Traffic Committee, has recommended that draft conditions of approval include provision of:

- a. AUR/AUL treatment at the entrance intersection
- b. Acceleration lane from the intersection uphill towards Braidwood

It is considered that these are the appropriate treatments at this location on a 6% longitudinal grade where significant numbers of heavy vehicles associated with the mine's operation will

- decelerate, prop and then turn right on entering the site on the downhill grade, and
- turn out of the entrance to the left and need to accelerate when laden on the uphill grade towards Braidwood.

These stop/start and slow movements of these trucks at this location will come into conflict with passing traffic on Majors Creek Road. Adequate pavement area, provided by the above treatments, will ensure sufficient space for safe manoeuvring for all vehicles, reduce delays for vehicles on Majors Creek Road and at the same time protect Council's road asset which will suffer edge and shoulder failure under the lesser treatments suggested by the consultant for the applicant.

There will many vehicles passing on the outside of the right turning trucks, causing damage to the bitumen edges and the need for regular shoulder maintenance of the BAR treatment. The RTA 's Road Design Guide at subsection 4.5.2.1 suggests 'that a layout with auxiliary lanes may be more appropriate[than a BAR treatment] when shoulder wear is a problem [ie adopt an AUR treatment]. Likewise the slow laden trucks leaving the site uphill will tend to keep over to the left thus causing serious damage to shoulder areas if no acceleration lane is provided.

Council requests once again that Council's recommended treatments be required in conditions.

Roadworks – Second Entrance

The existing southern access to the site is at a poor location and is very sub-standard. It should be closed as an access point to the mine. All traffic should be required to enter the mine site from the northern entrance.

Proponents Response

The proponent proposes to close the existing southern entrance to the Project Site once the proposed northern entrance is established. However, the southern entrance will be required for emergency access. At other times the access gate will be locked and all vehicles will be required to enter and leave the Project Site via the proposed northern entrance.

Council's Response

If it is deemed necessary for this entrance to be available for emergency access and occasional alternative access should the main entrance be closed, then Council recommends that it be properly constructed and bitumen sealed to an RTA Figure 4.9.7 Rural Access

standard. It should not be used other than for emergency situations and at other times needs to be locked. A condition of consent has been included in the attached conditions to reflect this requirement.

6. Landscaping

Whilst the mine will be screened by some vegetation and mounds, it is considered that there will be an impact on the visual amenity on the surrounding locality. It is considered appropriate to request further tree planting as part of any approval, especially along the southern edge of the property which is bounded by the Majors Creek Road.

Proponents Response

Agreed with the exception of the following:-

- The landscaped buffer is to be planted in a manner determined in consultation with the local community and other interested parties. "Advanced stock" may not be the most appropriate mechanism to vegetate the buffer area.
- The landscaping shall be commenced within 12 months of the commencement of mining operations. It may be that seasonal conditions are not appropriate for planting operations and it would not be reasonable to delay construction operations as a result.

Council's Response


Council does not agree with the Proponent's response. Council has requested this landscaping to create a visual and aural buffer to the development from the public domain. Whilst Cortona can continue to negotiate with the community on other plantings, Council requires the planting in this location. Also, to delay the planting and not use advanced stock defeats the purpose of this requirement. The plantings need to be advanced, and done asap so as to provide this important buffer and this can be achieved in the construction phase of the mine but prior to the commencement of actual mining operations on site.

Without a condition of consent requiring this planting, there is no guarantee that further planting will occur on site.

Please find attached to this correspondence a list of conditions that Council requests be included in any approval for this project.

Yours faithfully



 **Louise Menday**
Director of Planning and Environmental Services

Conditions of Consent to be included in any consent given for the Dargues Reef Gold Project:-

Planning Agreement with Palerang Council

1. The applicant is to enter into a planning agreement with Palerang Council to address impacts to the public road network with the details to be in accordance with Cortona's letter of offer to Council dated 24 September 2010.

Reason: To ensure road impacts are addressed to Council's satisfaction

2. The applicant is to enter into a planning agreement with Palerang Council to provide a financial contribution towards the upgrading of the Braidwood Recreation Grounds in order to address impacts of increased demand on public facilities. The details of the agreement are to be in accordance with Cortona's letter of offer dated 24 September 2010.

Reason: To ameliorate against the increased demand on public facilities

Roadworks

3. The following treatments be constructed by the applicant at the site of the entrance from Majors Creek Road, in accordance with RTA's Road Design Guide:

- a) Intersection in accordance with RTA's AUR/BAL standard treatment
- b) Acceleration lane on Majors Creek Road on the up-grade towards Braidwood.

Reason: To provide for safe access to egress to the development site.

4. The following treatment be constructed by the applicant at the site of the second entrance to the mine:

- a) Intersection to be constructed and bitumen sealed to an RTA Figure 4.9.7 Rural Access standard

Reason: To provide for safe access to egress to the development site.

Construction certificate for Roadworks

5. Obtain a construction certificate from Palerang Council or an appropriately accredited private certifier before undertaking any roadworks. Forward a copy of any construction certificate issued by a private certifier to Palerang Council at least 2 days before undertaking any work in accordance with that construction certificate.

As consent is required under section 138 of the *Roads Act 1993* i (for works within the public road reserve) provide a copy of construction drawings to Palerang Council for approval prior to issue of any construction certificate.

Reason: To ensure compliance with Section 81A(4) of the Environmental Planning and Assessment Act 1979.

Section 138 consent

6. Obtain consent under section 138 of the *Roads Act 1993* from Palerang Council before any work is undertaken in the public road reserve. A security deposit of \$5000 is required to be lodged with Council prior to the issue of the S138 consent.

Reason: To ensure that works carried out comply with the Roads Act.

Design drawings

7. Provide engineering design drawings, and supporting information, to standards in AUS-SPEC #1 as amended by Council, for all proposed roadworks for approval by the

principal certifying authority prior to issue of any construction certificate.

Engineering drawings are to include a note that "All work is to be constructed in accordance with AUS-SPEC#1 Development Specification Series as amended by Palerang Council, and the terms of the Development Consent."

Reason: To ensure that works are designed to cater for the demands generated by the development in accordance with Council's standards.

Certification of completed civil works:

8. At the completion of works the superintendent of works shall present to Palerang Council a Certification Report for Construction Works as set out in AusSpec#1 Clause CQC7(1), and will also include copies of any approvals outlined in this development consent and report on the current status of environmental restoration and revegetation. The superintendent of works shall be a Civil Engineer or suitably experienced and accredited Registered Surveyor as set out in AusSpec#1 Clause CQC7(3).

Reason: To ensure compliance of the works with the terms of the development consent.

Works as- executed plans

9. Provide one copy of works as-executed plans to Palerang Council, showing any variations from the approved designs. The works as-executed plans are to be prepared in accordance with the requirements set out in Aus-Spec #1 as amended by Council.

Reason: To provide a record of works for future technical reference.

Internal Road

10. The access road within the development site to be bitumen sealed for a minimum of 200m from the entrance on Majors Creek Road.

Reason: To reduce dust and the impact on the amenity of the surrounding locality

Dust Suppression

11. Respond to Councils direction to provide dust suppression on roads leading to, adjacent to and within the development site in the event that weather conditions and construction traffic are giving rise to abnormal generation of dust.

Reason: To ensure that local residents and activities are not disadvantaged by dust during construction.

Haulage Trucks Hours of Operation

12. Haulage truck operations on the public roads are to cease during the period when school buses may be encountered on the roads - between the hours of 7.30 - 9.00 am and 3.00-5.00 pm on school days.

Reason: To avoid potential conflict with existing local traffic

Hours of operation for Processing

13. Hours of operation (for above surface processing) will be 6.30 am to 6.30 Monday to Friday and 6.30am to 12.30pm on Saturday and no work on Sundays for the first full year of operation, to allow for real data to be used to determine the noise levels, dust and lighting interference that may occur, affecting the residents of Majors Creek and that the hours be reviewed at the end of this period.

Reason: To ensure that the noise associated with processing complies with the requirements of the Industrial Noise Policy

Waste Management

14. The applicant is to prepare a waste management plan with objectives to minimise waste and maximise recycling at the site. Under no circumstances shall waste from the mine be taken to any of Council's landfills except for the Braidwood landfill where putrescible waste may be dumped under a fee for service arrangement with Council.

Reason: To ensure waste is disposed of appropriately from the site.

Landscaping

15. Provide a landscaped buffer to the southern edge of the property to reduce the visual appearance of the built form within the landscape. The landscape buffer is to be planted with advanced stock and incorporate native species including trees capable of achieving mature heights of at least 5 m and understorey vegetation capable of achieving heights of 1.5-2.0m. Details of the proposed landscaping are to be approved by Palerang Council prior to commencement of planting.

Landscaping is to be carried out prior to the commencement of operation of the mine.

Reason: To minimise the visual impact of the development on the surrounding locality.

Local approval – on-site sewage management system

16. Prior to the installation of any on-site sewerage management system, a Local Approval under s.68 of the *Local Government Act 1993*, must be obtained from Palerang Council.

Reason: To ensure compliance with AS1547-2000.

Construction certificate & occupation certificate for building works

17. Obtain a construction certificate from Palerang Council or an appropriately accredited private certifier before undertaking any building work. Forward a copy of any construction certificate issued by a private certifier to Palerang Council at least 2 days before undertaking any work in accordance with that construction certificate.

Reason: To ensure that work is undertaken in accordance this consent & relevant construction standards.

18. Appoint a principal certifying authority before any building work is undertaken. Provide details of the appointed principal certifying authority (if not Palerang Council) to Palerang Council at least 2 days prior to any work being undertaken.

Reason: To ensure compliance with the Environmental Planning & Assessment Act 1979.

19. Do not occupy or use the premises until an occupation certificate has been issued by Palerang Council or an appropriately accredited private certifier. Provide a copy of any occupation certificate, issued by a private certifier, to Palerang Council no later than 2 days after the occupation certificate is issued.

20. The final occupation certificate must not be issued until all conditions of consent relating to building have been satisfactorily complied with and all mandatory stage/required plumbing inspections undertaken. Plumbing and drainage must be inspected by Palerang Council at the relevant stages of construction in accordance with the required Local Approval and a final plumbing certificate obtained prior to issue of any occupation certificate.

Reason: To ensure that the development is safe & appropriate for occupation.

21. All work is to comply with the current edition of the Building Code of Australia.

Reason: To ensure all building work is carried out in accordance with relevant construction standards.