

20 August 2010

Ms Carolyn Littlefair  
Committee Manager  
Standing Committee on Natural Resource Management (Climate Change)  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

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Dear Ms Littlefair

### **Inquiry into Water Management – Questions on Notice**

Thank you for the opportunity to present to the *Standing Committee on Natural Resource Management (Climate Change)*. The NSW Minerals Council and its members are committed to continual improvement of water management processes.

Responses to each of the three questions on notice are outlined below.

#### **1. Use of Recycled Water at East Cadia Mine**

Cadia Operations has distinguished itself as an excellent case study of managing community and environment concerns and impacts, particularly in relation to water. Cadia East mine will be Australia's largest underground mine and the world's fourth largest gold mine. Cadia East mine is focussed on more efficient water use and increased capacity in the mine's existing dams in Cadia Valley. Initiatives include further improvements in the use of recycled water and harvesting of licenced water. Cadia is also managing effluent from the shower and toilet blocks at the mine by installing a treatment plant that will allow the effluent to be treated and reused in dust suppression.

A joint Water Accounting pilot project, conducted by NSWMC, the Minerals Council of Australia and University of Queensland identified that approximately 80% of water used in processing at Cadia Operations is recycled and reused. In addition, up to 10ML per day is sourced externally as treated effluent from Orange. The effluent corresponds to between 40% and 50% of the daily make up water demand.

#### **2. Examples of Water Licence Delays**

NSWMC members continue to experience considerable delays in gaining licence approvals (which are secondary approvals) from the Office of Water. It is critical that mining operations gain approval as efficiently as possible, given that a mine cannot operate without water. As a consequence of approval delays, full commencement of operations is unnecessarily delayed.

Examples of delays include:

- A member company received Project Approval in 2006, under which over 15 water licences were required. Despite continual application and communication with the Office of Water, to this day a large number of these licences have still not been granted, including water extraction licences. As a result, the conditions under which this mine site operates are suboptimal and extremely frustrating. In There has been a lack of guidance from the Office of Water, and no timeframes have been provided for granting of the necessary approvals, despite approaches to senior levels within the Department.



- Another member company was granted project approval in December 2008, and required several licences under s115 of the *Water Act 1912*. An application was lodged in February 2009, however approval was only granted just over 5 months after application. As result of the delay, the proponent was unable to commence planned development until the licence was granted.

### 3. Further Information on the Water Matrix Program

The Water Accounting Framework (the Framework), initiated by the Minerals Council of Australia in 2005, is now in the process of being finalised. The Framework is a joint effort by the Sustainable Minerals Institute at the University of Queensland and the MCA and provides a mechanism for the minerals industry to collate data relating to an operational facility's water interactions with the surrounding environment and community.

It is intended that the Framework will be adopted by the National Water Initiative as the national model for water accounting in Australia. To illustrate the mechanics of the proposed Framework, a pilot project was conducted at various mine sites in Central West NSW, based on the Water Accounting Framework. A case study detailing the project is currently being finalised. The aim of this case study is to show that the Framework can be used to produce water accounts suitable for a range of local, national and international reporting requirements.

At this stage the Case Study and Framework are not available for distribution, but NSWMC will ensure that they are made available upon finalisation.

I trust that this information adequately addresses the questions asked by the Committee. Again, I thank you for the opportunity to present at the Inquiry's hearings. NSWMC is happy to provide any further information that the Committee requires.

Yours sincerely



**Sue-Ern Tan**  
DEPUTY CHIEF EXECUTIVE OFFICER

