

Submission
No 90

**INQUIRY INTO CURRENT AND POTENTIAL IMPACTS OF
GOLD, SILVER, LEAD AND ZINC MINING ON HUMAN
HEALTH, LAND, AIR AND WATER QUALITY IN NEW
SOUTH WALES**

Organisation: Orange and Region Water Security Association

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Inquiry into current and potential impacts of gold, silver, and zinc mining on human health, environment, agriculture, impacts on catchments, surface water, groundwater, town water, air and water quality in New South Wales. (refer to Media Release, July 26)

Orange and Region Water Security Association (**ORWSA**) appreciates the opportunity to express its continued concerns about the operation of mines in this area, as well as suggesting some possible refinements to the regulatory requirements. Orange and Region Water Security Association (**ORWSA**) maintains that opinion.

(2) In giving evidence to the NSW Upper House Water Augmentation Inquiry, ORWSA stated that it considered Cadia Valley Operations (**CADIA**) to be the major disruptor of the local water balance. Orange and Region Water Security Association (**ORWSA**) maintains that opinion since **Cadia** impacts the Raw Water Supply for Orange, the distribution of water in Orange and environmental impacts (water quality and quantity) to the health of local streams. Orange and Region Water Security Association (ORWSA) maintains that opinion.

(3) The Cadia mine was approved in 1996 and Cadia started taking treated water from the Orange Sewer Treatment Plant (**STP**) in 1998. The average take is 9 megalitres/day (**ML/D**) or about 3 300 **ML/year** (refer to Council's website: Annual Raw Water Report) under a contract agreement between Orange City Council (**OCC**) and Cadia Valley Operations (**CVO**) – (refer to the treated water transfer DA at Orange Library).

In the past 25 years the impact of taking this treated water has been:

- ❖ Orange has a recycled water pipeline for some newer suburbs (about 4 500 residential lots) which was planned to use the recycled treated water from **STP** but uses potable (drinking water) instead. Why would Council plan to install this pipeline if it could not obtain water from its STP? The recycled pipeline water is not used for its original purpose, a huge expense for no addition benefit to the community. (www.watersensitivecities.org.au Case Study Orange Stormwater to Potable: p25) (4)

The Productivity Commission recommended that agreements like the one between CVO and OCC should not exist as it gives unfair favourable treatment to a public company and should be reviewed. Noting that there is no charge to CVO for supplied water. This Inquiry gives the NSW State Government the opportunity to review the agreement, as it apparently is in commercial confidence, and instigate a more appropriate and sustainable agreement between CVO and OCC as the Cadia mine is a State Significant Development project (**SSD**).

- ❖ The diversion of the STP treated water away from Summer Hill Creek caused serious environmental impacts on the ecology of Summer Hill Creek, as well as hardship for the water users downstream from the STP. This is well documented in submissions to the Stormwater project- Water Supply Work Approval Application No A03539. It took away the baseflow of the creek that was created by the discharge which existed for about 100 years. Surely this CVO/OCC agreement can be reviewed by NSW Department of Planning and Environment (**DPE**) when the next Modification for Cadia is considered. ORWSA has argued for a share of treated water for Council to use to help restore the health of Summer Hill Creek, and other uses as there are plans for producing purified water that is destined for Cadia, an unbelievable prospect. (6)
- ❖ After many years of negotiations and legal action, Summer Hill Creek achieved some relief by obtaining environmental flows from Suma Park Dam (NCAT Dec 2015). This is not a viable option as it has required approximately 900 ML/yr of enviro water in some years, compared to Orange consuming about 1 000 ML/yr during the approval process of the Macquarie Pipeline. (7)
- ❖ The East Orange Stormwater Harvesting Project (Water Supply Work Application) is delayed due to the treated water diversion to Cadia, because there is a case that its approval will further impact the health of Summer Hill Creek. (8)

It is time to acknowledge: the impact of Cadia on the water security of Orange

- : the costly, inefficient spend on additional water infrastructure that wouldn't be required if some of the treated water was for Council use – recycled water pipeline and environmental release to Summer Hill Creek.
- : that Council should not be effectively subsidising a very profitable Company -Cadia (9)

In the near future, the area will probably see the start of McPhillamys Gold Mine (Regis Resources: **SSD-9505**) near Blayney as there is conditional approval for this development. (Refer to the Independent Planning Commissions determination (**IPC**)) ... Many in the community question the reliability of the approval process, and the validity of the determination based on the Commissioners' Reasons for conditional approval. (10)

Submissions indicated that the advice given to the Commission is contradictory and seriously flawed, and that the Reasons for Approval would include a detailed rebuttal to the assertion. This didn't happen with the McPhillamys approval process, which clearly indicates that some form of Appeal process must be viably available to submitters, to ensure the best possible outcome. (11)

Recommendations from this Inquiry could include possible suggestions to improve the NSW State Significant Development approval process. (12) **Page 2 of 3**

In the McPhillamys case the water issue was foremost in determining the approval. DPE in their NSW Draft Regional Water Strategies (Fact sheet- pp2-3, 8) stated:

- “NSW’s water supplies less secure than we thought”
- Adopted a four-step approach, “that the method was consistent **with best practice** in the field and a major advance over using historical records or only climate models” ... “even 500 years’ worth assumes that everything will remain the same”

Research was presented to the IPC to show that median inflows to Carcoar Dam, (its catchment includes the McPhillamys Project site), have reduced by 60% based on WaterNSW data. (ORWSA submissions). The use of 130 years of historical data without reference to the reduced streamflows in the past 30 years for the Belubula River -above Carcoar Dam- allowed for a flawed approval. Regis Resources may eventually source water to offset their impact on the Belubula River but dismisses the cumulative impact of reduced flows. (13)

For the Commissioners to use an unproven assertion: “slight positive result for irrigators is that it takes away some of the license that’s going to extract from the dam, so it does reduce the demand on Carcoar Dam” (219 Statement of Reasons for Decision), to in some way justify the project on the Belubula River is deplorable. In fact, the opposite could eventuate, reduced allocations to irrigators as any Belubula water entitlement acquired by Regis Resources will be fully allocated for offsetting. (14)

“The Department notes that... the Projects water take .. will have a shortfall of .. 2083ML/yr. This compared to water consumption in Orange of around 1 000ML/yr during the assessment period of the Macquarie Pipeline. Many in the community would question Regis Resources receiving conditional approve when it hasn’t the social licence to use the quantity of water for the project. (15)

(16) The language or information for any proposal, submission, presentation, and advice to government or Members of Parliament should not be misleading or deceptive but should be professional by those who are qualified. “The Applicant’s SWIG concludes that the Project would not have a significant impact ...” (224 Statement of Reasons..) is misleading as it implies ‘little or no impact’. Year 9 or 10 school statistics would state “significant” is outside 3 standard deviations from the mean, which is a very small proportion of possibilities – 2.5%?, accordingly “not significant” encompasses almost everything and therefore can be misleading and deceptive. The question is: “how did misleading or deceptive” information influence the McPhillamys approval decision? Without qualifying the use of “significant” - professionals should make use of other terms – substantial, major, or minor - to explain any impact.

(17) The Recommendations of this Inquiry should enable the NSW Government to review the current approval process for State Significant Developments to re-establish confidence in the approval process.