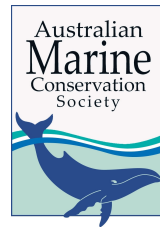




**Mabunji
Aboriginal
Resource
Association
Inc.**



Monday 11 September 2006

Hon. Chris Natt MLA
Minister for Mines
Parliament House
Darwin

Delivered by hand: Monday 11 September 2006

Dear Minister

Protecting the McArthur River and the interests of the Northern Territory

We take the unprecedented step of writing this combined letter to you because of our grave concerns about the proposed Xstrata/MRM McArthur River mine proposal and the potential for the NT government to make a serious and long lasting mistake in granting approval for the project in its currently proposed form.

We have carefully read and commented on the company's EIS and PER documents, and have carefully read and assessed the reports of the EPA including appendices and other submissions, as well as seeking our own scientific advice. As a result we are now more convinced than ever that the project the government is being pressured to approve is environmentally, socially, culturally and economically irresponsible, unsustainable and against the best interests of the local community and the wider NT public.

It is absolutely clear that the proposed project if approved will cause long term and irreversible contamination and other damage to the river system; irreversibly pollute groundwater resources; harm the economic interests of downstream communities; and leave a massive liability for future generations. The various reports cited above make this clear, e.g. "*Review of seepage issues related to the Tailings Storage Facility*", EWL Sciences, Appendix 1 to EPA Assessment Report 54, 2006.

The company has consistently and stubbornly refused to seriously address the many fundamental problems and flaws in its plans. For example:

1. It has failed to adequately address alternatives to river diversion – of which there are several – on the selfish grounds that they would cost more or reduce profits;
2. It has failed to demonstrate that the proposed diversion of the river and creeks and re-vegetation can be done effectively and not result in, amongst other things, severe ongoing erosion;
3. It has failed to address major problems with the location and design of the tailings storage facility (TSF), thereby ensuring long term and irreversible contamination of the river and groundwater;
4. It has failed to demonstrate that its proposed management of overburden and waste rock will not result in severe ongoing acid mine drainage and heavy metal pollution;
5. It has wrongly used livestock water quality standards when assessing water contamination issues, instead of the appropriate freshwater aquatic ecosystem standards;
6. It has failed to adopt essential preventative measures in its proposal, preferring instead to attempt to rely on reactive responses to pollution and other problems as they arise;
7. It has failed national standards of mine design, operation and closure;
8. It has failed to show how mine closure and long term management post-mining will be conducted so as not to impose major environmental and financial costs and liabilities on future generations;

9. It has failed to adequately address the concerns of Indigenous Traditional Owners and communities impacted by the mine, including the pollution of downstream marine environments and organisms;
10. It has failed to adequately address the impacts of river diversion on the endangered freshwater sawfish;
11. It has failed, to the best of our knowledge, to guarantee payment of any mineral royalty to the NT Government thereby continuing the extraordinary and embarrassing situation whereby one of the largest and richest mining companies in the world is able to avoid making such payments while making large profits from the eventual sale of the resource overseas. This lost income is of course on top of the \$5million per year energy subsidy given to Xstrata by the government.

In short, it is clear that at every stage and in relation to almost every aspect of the proposed mine, the company has adopted, and put forward as non-negotiable, the option that results in the lowest financial cost/greatest profit to itself, rather than the option that provides the greatest safeguards and benefits for the community as a whole. **This is NOT 'balance'.**

We therefore urge you in the strongest terms to refuse to approve the proposed mine in its current form and to:

1. Inform the company that it has failed to adequately address and resolve the key issues previously identified by the government (March 2006).
2. Instigate an independent assessment of alternatives to the proposed mine that do not require river diversion and which address such issues as the safest placement and management of the tailings storage facility and waste rock piles. There are ore bodies that can be mined without diverting and polluting the river.
3. Seek legal advice as to the risks and liabilities to the government and community of the proposed mine bearing in mind that it would lead to the inevitable and irreversible pollution and degradation of the river system, marine environments and groundwater resources – in breach of several NT Acts of Parliament.

We are confident that the government will not allow itself to be forced into approving such a dirty, 'on-the-cheap' and unnecessary mine when better alternatives exist – including the option of not mining if it cannot be done without such damage and risk. We would welcome the opportunity for a delegation from the signatories below to meet with you and discuss these matters in person.

Yours sincerely

					
Peter Robertson	Mr Frazer Baker	Dr Barry Traill	Ms Denise Boyd	Ms Kate Davey	Mr Tony Roberts
<i>Coordinator</i>	<i>Chairperson</i>	<i>Northern Campaign Director</i>	<i>National Campaigns Director</i>	<i>Director</i>	<i>Historian</i>
Environment Centre NT	Mabunji Aboriginal Resource Association Inc	The Wilderness Society	Australian Conservation Foundation	Australian Marine Conservation Society	Bega NSW
GPO Box 2120 Darwin 0801					

c.c. Hon Clare Martin; Hon Marion Scrymgour; Ms Barbara McCarthy MLA; Hon Elliot McAdam MLA