



Report and recommendations of the Environmental Protection Authority



**Orebody 18 Iron Ore Mine
- inquiry under s46 of the
Environmental Protection Act 1986
to amend Ministerial Statement 439**

BHP Billiton Iron Ore Pty Ltd

Report 1550

June 2015

ENVIRONMENTAL PROTECTION AUTHORITY
REPORT AND RECOMMENDATIONS TO THE MINISTER FOR
ENVIRONMENT

**OREBODY 18 IRON ORE MINE - INQUIRY UNDER SECTION 46 OF THE
ENVIRONMENTAL PROTECTION ACT 1986 TO AMEND MINISTERIAL
STATEMENT 439**

The Minister for Environment has requested (19 March 2015) that the Environmental Protection Authority (EPA) inquire into and report on the matter of changing the implementation conditions relating to the Orebody 18 Iron Ore Mine proposal.

The following is the EPA's Report and Recommendations (No. 1550) to the Minister pursuant to section 46(6) of the *Environmental Protection Act 1986* (EP Act).

Background

The Orebody 18 Iron Ore Mine proposal is to develop and operate an open cut iron ore mine 32 kilometres east of Newman in the Shire of East Pilbara. The EPA assessed the proposal at the level of Consultative Environmental Review, and considered the following environmental factors relevant to the proposal:

- Declared Rare Flora, Priority Flora, and Vegetation Communities;
- Threatened Fauna and Priority Fauna;
- Landform;
- Groundwater;
- Dust; and
- Noise.

Using *Environmental Assessment Guideline for Environmental principles, factors and objectives* (EAG 8, January 2015), these factors would now be described as:

- Flora and Vegetation;
- Terrestrial Fauna;
- Subterranean Fauna;
- Landforms;
- Hydrological Processes;
- Inland Waters Environmental Quality;
- Air Quality and Atmospheric Gases; and
- Amenity.

The EPA concluded in its report to the Minister (Bulletin 840, December 1996) that, subject to satisfactory implementation by the proponent of the EPA's recommended conditions and procedures, the proposal could be managed to meet the EPA's objectives.

The then Minister for Environment approved the proposal for implementation, subject to the implementation conditions of Ministerial Statement 439 (6 February 1997).

Proposed changes to conditions

Changes to the Orebody 18 Iron Ore Mine proposal were authorised under section 45C of the EP Act on 3 February 2015. The authorised changes will result in an increase in clearing of native vegetation within the Hamersley and Fortescue Interim Biogeographical Regionalisation for Australia (IBRA) subregions (within the Pilbara IBRA region).

The Minister for Environment has requested the EPA inquire into the matter of changing the implementation conditions relating to the Orebody 18 Iron Ore Mine proposal, particularly the matter of setting a condition on the proposal that would require environmental offsets for the clearing of native vegetation.

Assessment of the requested change to conditions

As stated in its advice to the Minister for Environment under section 16(e) of the EP Act (August 2014), the EPA has identified a substantial increase in the number of applications for, and the amount of clearing of, native vegetation occurring within the Pilbara IBRA region. The EPA is concerned that without intervention the increasing cumulative impacts of development and land use in the region will significantly impact on biodiversity and environmental values.

The EPA has taken a proactive approach to limiting these potential cumulative impacts, consistent with the WA Environmental Offsets Guidelines (August 2014), by recommending the Minister for Environment set offset conditions on new proposals involving clearing of native vegetation in the IBRA subregions where extensive clearing has already occurred.

Although the additional clearing authorised for the Orebody 18 Iron Ore Mine proposal does not in itself represent a significant additional impact to the original proposal, it will contribute to the cumulative impacts of clearing of native vegetation within the Pilbara IBRA region.

The EPA considers it appropriate that additional clearing authorised for existing proposals, such as that authorised for the Orebody 18 Iron Ore Mine proposal, be subject to similar offset requirements as new proposals.

EPA conclusions and recommendations

Having inquired into this matter, the EPA submits the following recommendations to the Minister for Environment:

1. That it is appropriate to change the conditions relating to the Orebody 18 Iron Ore Mine proposal to include a condition requiring environmental offsets for the clearing of 'good to excellent' condition native vegetation within the Hamersley and Fortescue Interim IBRA subregions;
2. That the offset condition should apply to the clearing authorised under section 45C on the 3 February 2015, and any subsequent clearing authorised for the proposal; and
3. That, after complying with section 46(8) of the *Environmental Protection Act 1986*, the Minister issues a statement of decision to change the conditions relating to the Orebody 18 Iron Ore Mine proposal in the manner provided for in the attached recommended statement.

OEPAMIN2015-0091

RECOMMENDED ENVIRONMENTAL CONDITIONS

**STATEMENT TO CHANGE THE IMPLEMENTATION CONDITIONS APPLYING TO
A PROPOSAL**

(Section 46 of the *Environmental Protection Act 1986*)

OREBODY 18 IRON ORE MINE

Proposal: Orebody 18 Iron Ore Mine
Proponent: BHP Billiton Iron Ore Pty. Ltd.
Australian Company Number: 008 700 981
Proponent Address: 125 St Georges Terrace Perth WA 6000

Report of the Environmental Protection Authority: 1550

Preceding Statement/s Relating to this Proposal: 439

Pursuant to section 45 of the *Environmental Protection Act 1986*, as applied by section 46(8), it has been agreed that implementation conditions set out in Ministerial Statement No. 439 be changed as specified in this Statement.

Words and expressions used in this Statement shall have the same respective meanings as in the *Environmental Protection Act 1986*, or as defined in this Statement.

1. Condition 8 is added.

8. Offsets

8-1 The proponent shall contribute funds to offset the clearing of 'good to excellent' condition native vegetation in the Hamersley and Fortescue IBRA subregions, calculated pursuant to condition 8-3. This funding shall be provided to a government-established conservation offset fund or an alternative offset arrangement providing an equivalent outcome as determined by the Minister.

8-2 Condition 8-1 does not apply to clearing of native vegetation authorised under Ministerial Statement 439 prior to 3 February 2015, as detailed in Attachment 2 to Ministerial Statement 439.

8-3 The proponent's contribution to the offset fund or alternative offset arrangement identified in condition 8-1 shall be paid biennially, the first payment due two years after the commencement of clearing authorised for the proposal under section 45C of the *Environmental Protection Act 1986* on 3 February 2015, as detailed in Attachment 3 to Ministerial Statement 439.

The amount of funding will be made on the following basis and in accordance with the approved Impact Reconciliation Procedure required by condition 8-5.

- (1) \$750 AUD (excluding GST) per hectare of 'good to excellent' condition native vegetation within the Hamersley IBRA subregion; and
- (2) \$1500 AUD (excluding GST) per hectare of 'good to excellent' condition native vegetation within the Fortescue IBRA subregion.

8-4 The real value of contributions described in condition 8-3 will be maintained through indexation to the Perth CPI, with the first adjustment to be applied to the first payment.

8-5 The proponent shall prepare and submit an Impact Reconciliation Procedure to the satisfaction of the CEO within six months of the date of this Statement.

8-6 In the event that additional clearing is authorised for the proposal, the proponent shall revise the Impact Reconciliation Procedure required by condition 8-5 to the satisfaction of the CEO within six months of that clearing being authorised.

8-7 The Impact Reconciliation Procedure required by condition 8-5, or revised Impact Reconciliation Procedure required by condition 8-6, shall:

- (1) include a methodology for identifying 'good to excellent' condition native vegetation within the Hamersley and Fortescue IBRA subregions;
- (2) include a methodology for calculating the area of 'good to excellent' condition native vegetation cleared within the Hamersley and Fortescue IBRA subregions for each biennial time period, and for which contributions shall be made to the offset fund or alternative offset arrangement as required by condition 8-1;
- (3) include the submission of spatial data identifying the areas of 'good to excellent' native vegetation cleared within the Hamersley and Fortescue IBRA subregions for each biennial time period; and
- (4) state dates for the commencement of the biennial time period and for the submission of results of the Impact Reconciliation Procedure, to the satisfaction of the CEO.

2. Definitions

Acronym or Abbreviation	Definition or Term
IBRA	Interim Biogeographic Regionalisation for Australia.
CEO	The Chief Executive Officer of the Department of the Public Service of the State responsible for the administration of section 48 of the <i>Environmental Protection Act 1986</i> , or his delegate.
CPI	Consumer Price Index