



Report and recommendations of the Environmental Protection Authority



Baby Hope Proposal

Hamersley HMS Pty Limited

Report 1562

November 2015

Assessment on Proponent Information Environmental Impact Assessment Process Timelines

| Date | Progress stages | Time (weeks) |
|------------|--|--------------|
| 07/09/2015 | Level of assessment set | |
| 01/10/2015 | Proponent's final Environmental Review (API) document received by EPA | 5 |
| 15/10/2015 | EPA meeting | 2 |
| 11/11/2015 | EPA report provided to the Minister for Environment | 4 |
| 16/11/2015 | Publication of EPA report (3 working days after report provided to the Minister) | 3 days |
| 30/11/2015 | Close of appeals period | 2 |

Timelines for an assessment may vary according to the complexity of the project and are usually agreed with the proponent soon after the level of assessment is determined.

In this case, the Environmental Protection Authority met its timeline objective in the completion of the assessment and provision of a report to the Minister.



Dr Tom Hatton
Chairman

11 November 2015

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1. Introduction and background

This report provides the advice and recommendations of the Environmental Protection Authority (EPA) to the Minister for Environment on the outcomes of its environmental impact assessment of the proposal by Hamersley HMS Pty Limited to develop and operate mine pits and associated infrastructure in the Baby Hope Project Area as an amendment to the existing Hope Downs operations. The Minister has nominated Hamersley HMS Pty Limited as the proponent responsible for the proposal.

Section 44 of the *Environmental Protection Act 1986* (EP Act) requires that the EPA prepare a report on the outcome of its assessment of a proposal and provide this assessment report to the Minister for Environment. The report must set out:

- what the EPA considers to be the key environmental factors identified in the course of the assessment; and
- the EPA's recommendations as to whether or not the proposal may be implemented, and if the EPA recommends that implementation be allowed, the conditions and procedures to which implementation should be subject.

The EPA may also include any other information, advice and recommendations in the assessment report as it thinks fit.

The aims of environmental impact assessment and the principles of environmental impact assessment considered by the EPA in its assessment of this proposal are set out in the *Environmental Impact Assessment (Part IV Divisions 1 and 2) Administrative Procedures 2012*.

The proponent has submitted an Assessment on Proponent Information (API) Environmental Review document and supporting documents (including technical studies). The document describes the proposal, outcomes of consultation, environmental studies undertaken, and the proponent's assessment of impacts on environmental factors and application of the mitigation hierarchy to manage those impacts (Appendix 4).

This report provides the EPA advice and recommendations in accordance with section 44 of the EP Act.

2. The proposal

The proponent, Hamersley HMS Pty Limited, proposes to develop and operate the Baby Hope proposal, including iron ore mine pits and associated waste dumps, as an amendment to the existing Hope Downs Iron Ore Mine (Hope Downs 1), which is located 75 kilometres (km) north-west of Newman, Western Australia. (Figure 1). The proponent refers to the existing project as Hope Downs 1 as the proponent also operates the Hope Downs 4 project.

The approved Hope Downs Iron Ore Mine comprises open cut mine pits and associated infrastructure, including rail infrastructure. The proposal is subject to the *Iron Ore (Hope Downs) Agreement Act 1992*, and is authorised under Ministerial Statement 584 and Ministerial Statement 893.

The proposed amendments to Hope Downs 1 which comprise the Baby Hope proposal include three above watertable open pits, waste rock dumps, stockpiles and haul roads (Figure 2). The Baby Hope Area is situated within an area that the proponent has defined as the Hope Downs 1 Development Envelope, however this is not formally defined in the existing Ministerial Statements for the approved Hope Downs Iron Ore Mine.

The main characteristics of the proposed amendment are summarised in Tables 1 and 2 below. A detailed description of the proposal is provided in the proponent's Assessment on Proponent Information (API) Environmental Review Document (Rio Tinto 2015a) which is included as Appendix 4.

Table 1: Summary of key proposal characteristics

| | |
|--------------------------|--|
| Proposal Title | Baby Hope Proposal |
| Proponent name | Hamersley HMS Pty Limited |
| Short Description | The proposal is to amend the Hope Downs Iron Ore Mine described in Ministerial Statement 584, to develop and operate additional above water table open pits and associated infrastructure including waste rock dumps, stockpiles and haul roads within the Baby Hope Area. |

Table 2: Proposal elements

| Element | Location | Authorised Extent |
|---|-----------------------|--|
| Additional pits and associated infrastructure | Figure 2 and Figure 3 | Clearing of up to 800 hectares (ha) (including up to 54 ha of Riparian Vegetation) in the 1,208 ha Baby Hope Area, within the 25,959 ha Hope Downs 1 Development Envelope. |

The potential impacts of the proposal on the environment identified by the proponent and their proposed management are summarised in Section 5 of the proponent's API Environmental Review Document (Appendix 4, Rio Tinto 2015a).

In assessing this proposal, the EPA notes that the proponent has sought to avoid, minimise, and rehabilitate environmental impacts associated with the proposal by:

- using existing infrastructure at adjacent operations to minimise the amount of clearing required for this proposal;
- avoiding known priority flora locations as far as practicable;
- avoiding clearing of riparian vegetation as far as practicable;
- progressively rehabilitating areas no longer required; and
- using waste rock from the Baby Hope proposal to backfill existing pits.

Subsequent to the referral of the Baby Hope proposal, the proponent modified their proposal in consultation with the EPA by reducing the project area and eliminating the northern waste rock dump from the proposal. This waste rock dump will be constructed under the existing clearing allowance for Hope Downs 1. The change to the proposal reduces the clearing required from 1,000 ha to 800 ha.

During the preparation of the Environmental Review (API) document, the proponent consulted with government agencies and key stakeholders. The agencies and stakeholders consulted, the issues raised and proponent's response are detailed in Table 3-1 of the proponent's Environmental Review document (Appendix 4, Rio Tinto 2015a).

The EPA considers that the consultation process has been appropriate and that reasonable steps have been taken to inform the community and stakeholders on the proposed development.

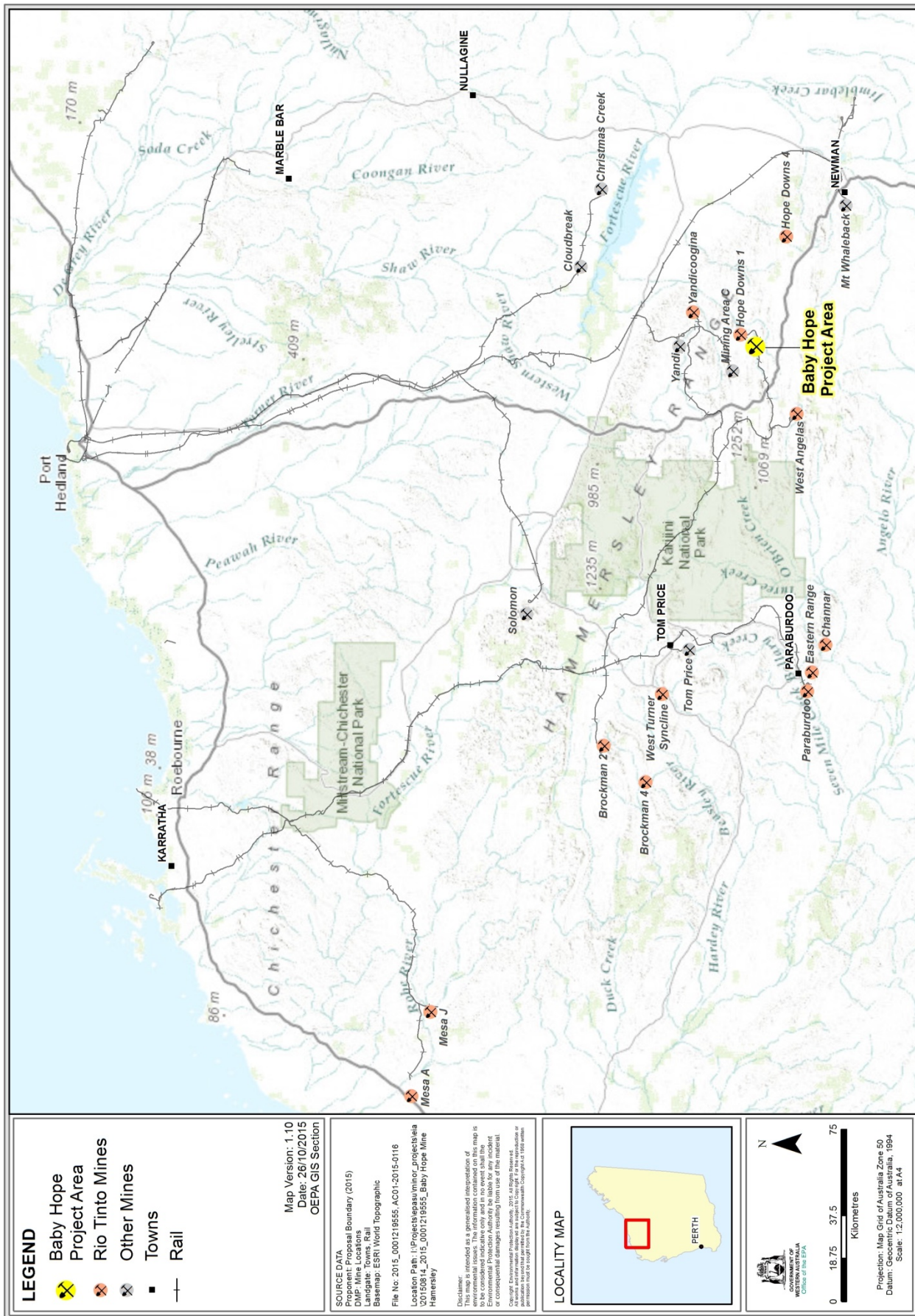


Figure 1: Proposal location

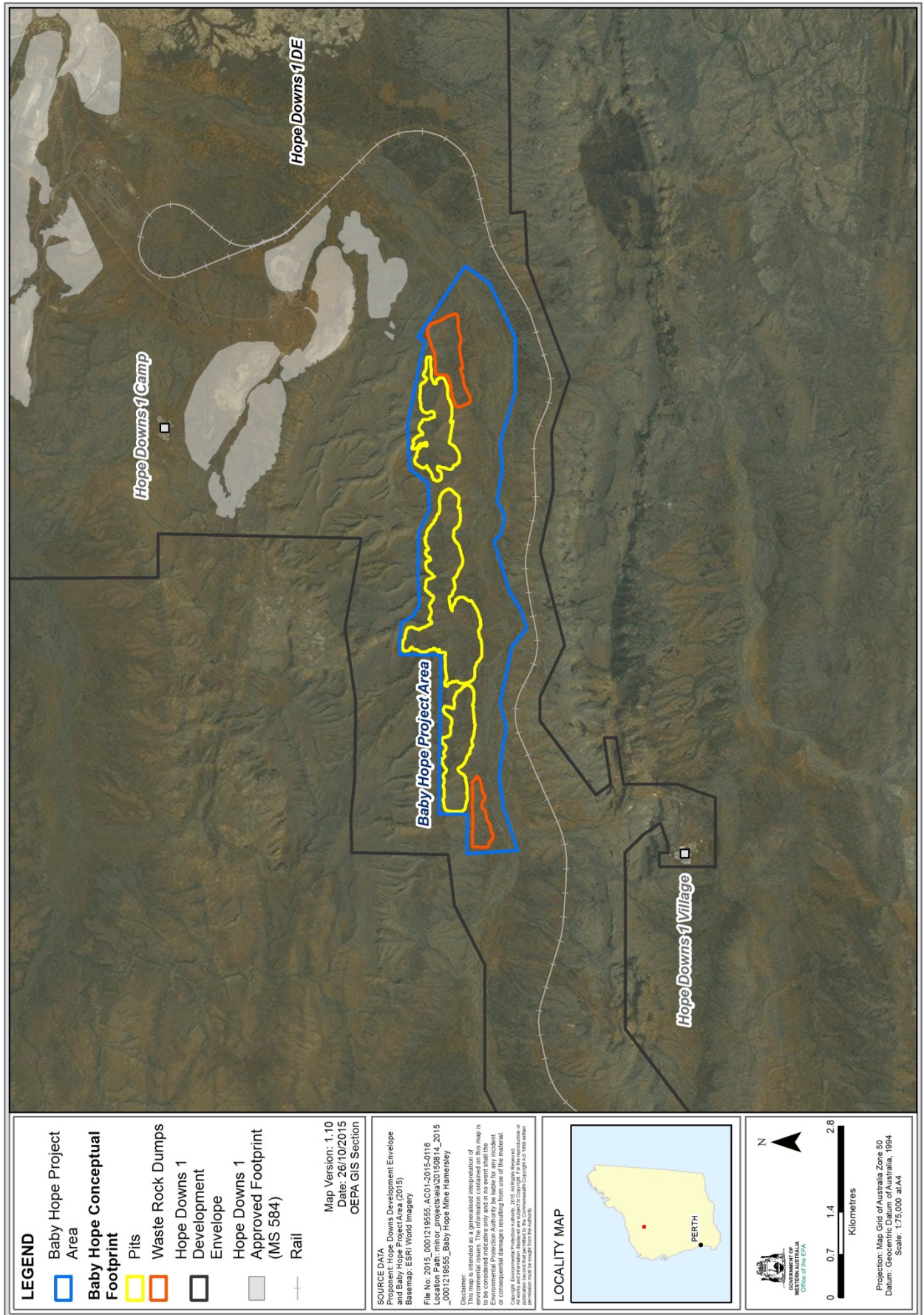


Figure 2: Project area conceptual layout

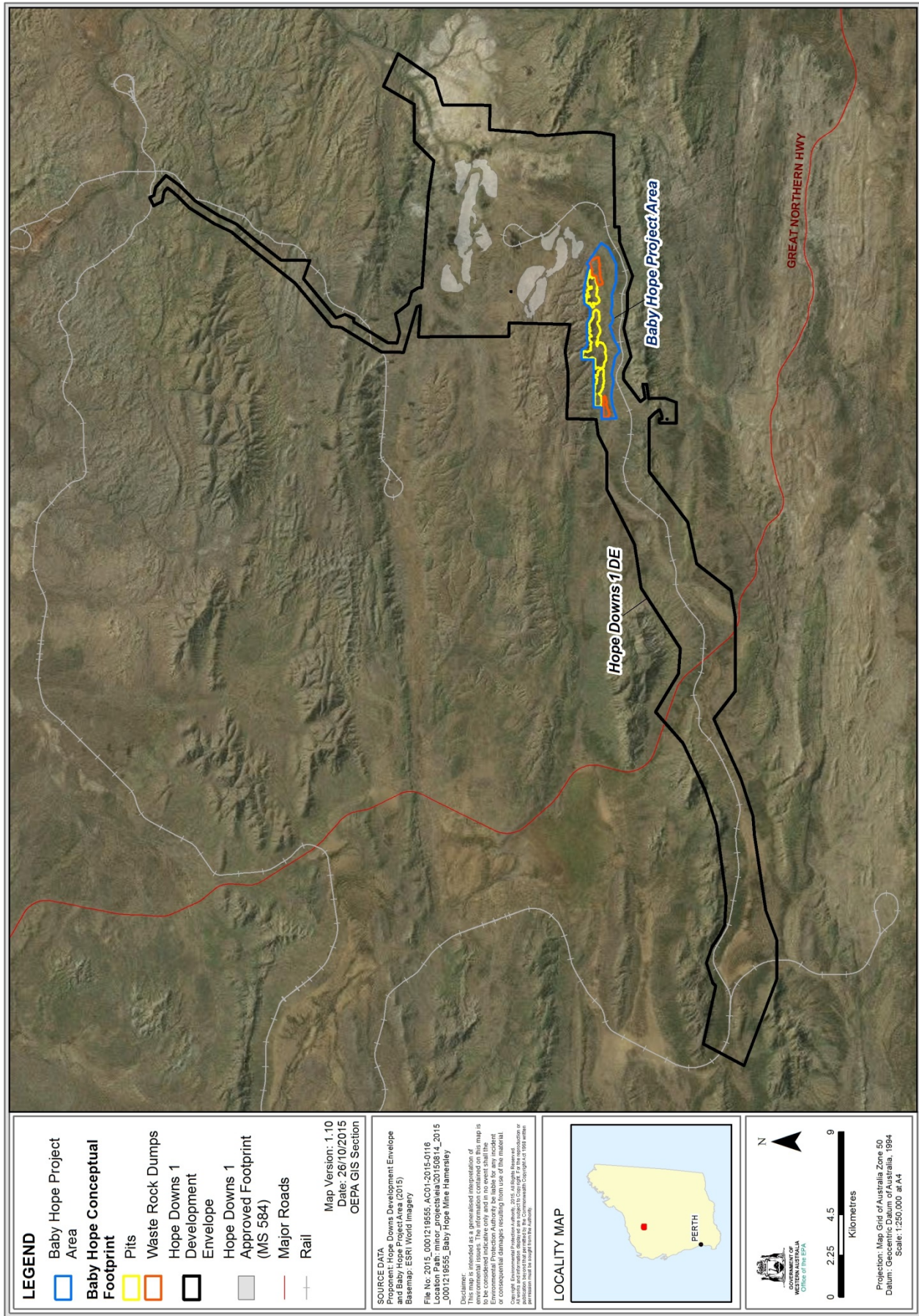


Figure 3: Hope Downs 1 Development Envelope

3. Key environmental factors

The EPA has identified the following key environmental factors during the course of its assessment of the proposal:

1. **Flora and Vegetation** – Clearing of up to 800 ha of native vegetation in ‘good to excellent’ condition within the 1,208 ha Baby Hope area in the Hamersley IBRA subregion.
2. **Rehabilitation and Decommissioning (Integrating factor)** – the proposal will be located on State Agreement Act tenure, so the Department of Mines and Petroleum is unable to regulate rehabilitation and decommissioning for these areas under the *Mining Act 1978*.
3. **Offsets (Integrating Factor)** – to counterbalance the significant residual impacts to native vegetation in ‘good to excellent’ condition.

The EPA’s assessment of the proposal’s impacts on the key environmental factors is provided in Table 3. This table outlines the EPA’s conclusions as to whether or not the proposal can be managed to meet the EPA’s objective for a particular factor and, if so, the recommended conditions and procedures that should apply if the proposal is implemented.

In preparing this assessment report, the EPA has had regard for the object and principles contained in s4A of the EP Act.

When the level of assessment was determined in September 2015, the EPA identified Subterranean Fauna as a preliminary key environmental factor. However, through the course of the assessment the EPA has determined that this factor is unlikely to have a significant effect on the environment as the proponent has demonstrated that Troglifauna habitat extends outside of the proposal area. This factor is discussed in Appendix 2.

Other environmental factors which the EPA considered not to be key environmental factors are discussed in the proponent’s Environmental Review (API) document (Appendix 4, Rio Tinto 2015a). The EPA considers that impacts to these factors do not require management under Part IV of the EP Act.

Table 3: Assessment of Key Environmental Factors

| Inherent Impact | Environmental Aspect | Mitigation actions to address residual impacts | Proposed regulatory mechanisms for ensuring mitigation | Outcome to demonstrate that the proposal meets EPA objective |
|---|--|--|---|--|
| <p>3.1 Flora and Vegetation <i>To maintain representation, diversity, viability and ecological function at the species, population and community level.</i></p> | | | | |
| <p><u>Context</u></p> <ul style="list-style-type: none"> The proposed development is located entirely within the Hamersley IBRA sub-region. The proposal area is within the existing Hope Downs 1 Development Envelope. Existing land uses include mineral exploration, mining and transport. The proponent has carried out flora and vegetation surveys since 2009 in accordance with EPA's <i>Guidance Statement No. 51 Terrestrial Flora and Vegetation Surveys for Environmental Impact in Western Australia</i>. <p><u>Key (Survey) Findings</u></p> <ul style="list-style-type: none"> Vegetation in the proposal area is considered to be in 'good to excellent' condition. No Threatened Flora, Priority Ecological Communities or | <p>Direct clearing of Native Vegetation for mine pits and associated infrastructure including waste rock dumps, stockpiles and haul roads.</p> | <p><u>Avoid</u></p> <ul style="list-style-type: none"> Pits and waste dumps would be developed outside the 100 year ARI floodplain to avoid impacts to riparian vegetation and Pebble Mouse Creek. <p><u>Minimise</u></p> <ul style="list-style-type: none"> Impacts to known Priority Flora locations have been minimised in the conceptual design of the proposal. Existing processing infrastructure at Hope Downs 1 would be used, minimising clearing requirements for infrastructure. Waste Rock would be backfilled to existing Hope Downs 1 pits where practicable, in | <ul style="list-style-type: none"> Clearing of native vegetation and riparian vegetation would be limited through the key characteristics table of the recommended Ministerial Statement. Recommended condition 8 would require the proponent to prepare and implement a consolidated Mine Closure Plan that addresses rehabilitation of cleared areas for the Hope Downs 1 Development Envelope, including the Baby Hope proposal. | <p>Having particular regard to:</p> <ul style="list-style-type: none"> the absence of Threatened Ecological Communities, Declared Rare Flora, and Priority Ecological Communities in the project area; the widespread nature and low numbers of Priority Flora identified in the project area; the use of existing infrastructure and backfilling of existing mine pits to minimise clearing; and the significant residual impact of clearing of up to 800 ha of vegetation in 'good to excellent' condition, <p>the Baby Hope proposal can be managed to meet</p> |

| Inherent Impact | Environmental Aspect | Mitigation actions to address residual impacts | Proposed regulatory mechanisms for ensuring mitigation | Outcome to demonstrate that the proposal meets EPA objective |
|---|----------------------|--|--|---|
| <p>Declared Rare Flora have been recorded in the Baby Hope Area.</p> <ul style="list-style-type: none"> Four Priority Flora species, consisting of one Priority 1 species, one Priority 2 species, one Priority 3 species and one Priority 4 species, have been recorded in low numbers within the project area. All four species have been recorded outside the project area and are relatively widespread throughout the Pilbara area. (Biota 2014). Two vegetation units in the project area have been identified as riparian vegetation associated with Pebble Mouse Creek, a tributary of Weeli Wolli Creek. <p><u>Impacts</u></p> <ul style="list-style-type: none"> Permanent clearing of up to 800 ha of native vegetation in 'good to excellent' condition, including up to 54 ha of riparian vegetation. | | <p>order to minimise the clearing requirements for above ground waste rock dumps.</p> <p><u>Rehabilitate</u></p> <ul style="list-style-type: none"> Areas disturbed areas for the construction of waste rock dump, stockpiles and other infrastructure would be rehabilitated using local native vegetation. <p><u>Offset</u></p> <ul style="list-style-type: none"> An offset would be provided for clearing of native vegetation identified as being in 'good to excellent' condition. | <ul style="list-style-type: none"> Beds and banks permits under the <i>Rights in Water and Irrigation Act 1914</i> as applicable to manage clearing of riparian vegetation. Recommended condition 9 would require the proponent to provide an offset for significant residual impacts on 'good to excellent' condition vegetation. | <p>the EPA's objective for Flora and Vegetation provided that the following conditions are imposed:</p> <ul style="list-style-type: none"> a condition requiring the proponent to prepare an updated Mine Closure Plan for Hope Downs 1 which includes the Baby Hope proposal (condition 8); and an Offset condition (condition 9) to counterbalance the significant residual impact of the additional clearing of up to 800 ha 'good to excellent' condition vegetation. |

| Inherent Impact | Environmental Aspect | Mitigation actions to address residual impacts | Proposed regulatory mechanisms for ensuring mitigation | Outcome to demonstrate that the proposal meets EPA objective |
|---|---|---|---|---|
| <h3>3.2 Rehabilitation and Decommissioning (Integrating Factor)</h3> <p><i>To ensure that premises are decommissioned and rehabilitated in an ecologically sustainable manner.</i></p> | | | | |
| <p><u>Context</u></p> <ul style="list-style-type: none"> The proposal is subject to the <i>Iron Ore (Hope Downs) Agreement Act 1992</i>, and therefore would not be subject to regulation under the <i>Mining Act 1978</i>. In accordance with the <i>Guidelines for Preparing Mine Closure Plans (May 2015)</i>, Rehabilitation and Decommissioning for this proposal is therefore assessed by the EPA. The proposal would result in three above water table mine pit voids, with no permanent pit lakes. The proposed land use for the proposal area post-mining would be a change to pastoralism and a return to native ecosystem. <p><u>Key (Survey) Findings</u></p> <ul style="list-style-type: none"> Mineral waste characterisation conducted by the proponent indicates that most of the | <p>Clearing of native vegetation.</p> <p>Alteration of landforms to create a mine pit.</p> <p>Drainage from waste landforms</p> | <p><u>Avoid</u></p> <ul style="list-style-type: none"> The proposal is above the water table, avoiding potential impacts to groundwater and creation of pit lakes. <p><u>Minimise</u></p> <ul style="list-style-type: none"> Existing ore processing infrastructure and facilities at adjacent operations would be used to minimise decommissioning requirements for this proposal. <p><u>Rehabilitate</u></p> <ul style="list-style-type: none"> Areas disturbed for construction of infrastructure and final waste dump landforms would be rehabilitated using native species. | <p>The proponent has prepared a Closure Plan addressing the Baby Hope proposal (Rio Tinto 2015b). This plan is considered sufficient to manage the early stages of the proposed operations, however closure criteria included in the plan would require revision based on the results of studies conducted during the operations period.</p> <p>Recommended condition 8 would require the proponent to implement the Mine Closure plan prior to incorporating the Baby Hope amendment area and operations into a revised Mine Closure Plan for Hope Downs 1 within 2 years of the</p> | <p>Having particular regard to:</p> <ul style="list-style-type: none"> the proposal occurring on State Agreement Act tenements; up to 800 ha of disturbed vegetation requiring rehabilitation; and the low risk of acid forming material within the proposed mine pit, the proposal can be managed to meet the EPA's objective for Rehabilitation and Decommissioning subject to: recommended condition 8 being imposed, requiring the proponent to incorporate the Baby Hope proposal into a revised Hope Downs 1 mine closure plan. |

| Inherent Impact | Environmental Aspect | Mitigation actions to address residual impacts | Proposed regulatory mechanisms for ensuring mitigation | Outcome to demonstrate that the proposal meets EPA objective |
|--|----------------------|--|--|--|
| <p>material to be encountered can be classified as non-acid forming, and the risk of acid drainage being generated during or following the operation from all deposits is low.</p> <ul style="list-style-type: none"> • Mine pits would be located outside of the Pebble Mouse Creek floodplain. Waste dumps would be designed so that disturbance to surface water flow along Pebble Mouse Creek is minimised. <p><u>Impacts</u></p> <ul style="list-style-type: none"> • Impacts to surface water regimes as a result of failure to design appropriate post-closure surface water controls. • Impacts to surface water quality due to inadequate mine planning and/or decommissioning activities. | | | issue of this statement. | |

| Inherent Impact | Environmental Aspect | Mitigation actions to address residual impacts | Proposed regulatory mechanisms for ensuring mitigation | Outcome to demonstrate that the proposal meets EPA objective |
|---|--|---|--|--|
| <h3>3.3 Offsets (Integrating Factor)</h3> | | | | |
| <p><i>To counterbalance any significant residual environmental impacts or uncertainty through the application of offsets.</i></p> | | | | |
| <p>The clearing of native vegetation in 'good to excellent' condition in the Pilbara IBRA bioregion is considered to be significant when considered in a cumulative context. (EPA 16e advice on cumulative impacts of development in the Pilbara Region).</p> <p>The proposal is located in the Hamersley IBRA subregion. Only 13% of the Hamersley subregion is currently reserved for conservation.</p> <p>Following the implementation of all mitigation measures, the proposal would have a significant residual impact of clearing of up to 800 ha of 'good to excellent' condition native vegetation. Consistent with the <i>WA Environmental Offsets Guidelines</i> (2014), a significant residual impact relating to cumulative impacts may require an offset.</p> <p>Conservation areas in the Pilbara bioregion total approximately six percent of the area, with the remainder mostly crown land</p> | <p>Clearing of up to 800 ha of native vegetation in 'good to excellent' condition.</p> | <p>The proponent has committed to providing an offset in line with current policies and guidelines.</p> | <p>Recommended condition 9 requires the proponent to provide an offset for the clearing of up to 800 ha of native vegetation in 'good to excellent' condition.</p> | <p>The proposal can be managed to meet the EPA's objectives for Flora and Vegetation and Offsets provided that recommended condition 9 is imposed to counterbalance the residual impact of clearing of up to 800 ha of native vegetation in 'good to excellent' condition.</p> |

| Inherent Impact | Environmental Aspect | Mitigation actions to address residual impacts | Proposed regulatory mechanisms for ensuring mitigation | Outcome to demonstrate that the proposal meets EPA objective |
|--|----------------------|--|--|--|
| <p>covered with mining tenements and pastoral leases. As such, the potential for traditional land acquisition and management offsets are limited. The EPA has determined that a possible solution is the establishment of a strategic regional conservation initiative for the Pilbara. The State Government is currently considering how to establish this conservation initiative.</p> <p>The current EPA position is to apply an offset of \$750 per hectare for clearing of 'good to excellent' condition vegetation in the Hamersley IBRA subregion.</p> <p><u>Impacts</u></p> <p>Loss of up to 800 ha of native vegetation in 'good to excellent' condition.</p> | | | | |

4. Conclusion and recommended conditions

The EPA has concluded that the proposal can be managed to meet the EPA's environmental objectives, provided that there is satisfactory implementation by the proponent of the conditions in Ministerial Statement 584 as amended by Ministerial Statement 893, and further amended by the recommended conditions set out in Appendix 3.

Matters addressed in the conditions include:

- a new condition (8) requiring the submission of a mine closure plan in accordance with relevant guidance for Hope Downs 1 which incorporates the Baby Hope proposal; and
- a new condition (9) requiring the proponent to contribute funds to a government established conservation fund to mitigate the significant residual impact associated with clearing of up to 800 ha of native vegetation in 'good to excellent' condition.

5. Recommendations

That the Minister for Environment notes:

1. that the proposal being assessed is to develop and operate the Baby Hope proposal, including iron ore mine pits and associated waste dumps as an amendment to the existing Hope Downs Iron Ore Mine;
2. the key environmental factors identified by the EPA in the course of its assessment set out in Section 3;
3. the EPA has concluded that the proposal may be implemented to meet the EPA's objectives, provided the implementation of the proposal is carried out in accordance with the recommended conditions and procedures set out in Appendix 3 and summarised in Section 4; and

Appendix 1

References

Biota (2014) *Baby Hope Downs Flora and Vegetation Survey*, Biota Environmental Sciences Pty Ltd, December 2014.

Biota (2015) *Baby Hope Downs Troglifauna Survey Phase 2*, Biota Environmental Sciences Pty Ltd, July 2015

DMP/EPA (2015) *Guidelines for Preparing Mine Closure Plans*, prepared by the Department of Mines and Petroleum and the Environmental Protection Authority, May 2015

Rio Tinto (2015a) *Baby Hope Proposal S38 referral, Environmental Review Document*, prepared by Rio Tinto iron ore on behalf of Hamersley HMS Pty Limited, September 2015.

Rio Tinto (2015b) *Baby Hope Mine Closure Plan, RTIO-HSE-0245210*, prepared by Rio Tinto iron ore on behalf of Hamersley HMS Pty Limited, August 2015.

Appendix 2

**Other environmental factors identified as preliminary key environmental factors
not requiring detailed assessment**

| Inherent Impact | Environmental Aspect | Mitigation actions to address residual impacts | Proposed regulatory mechanisms for ensuring mitigation | Outcome to demonstrate that the proposal meets EPA objective |
|--|--|---|---|--|
| <p>Subterranean Fauna</p> <p><i>To maintain representation, diversity, viability and ecological function at the species, population and assemblage level.</i></p> | | | | |
| <p><u>Context</u></p> <ul style="list-style-type: none"> The proposed pits are above the water table and would not impact stygofauna, but will impact on troglofauna. The area to be excavated for mine pits is approximately 350 hectares over three pits. The average depth of the pits is expected to be approximately 60 metres. Sampling for troglofauna was conducted by the proponent in accordance with the EPA's EAG 12 – Consideration of subterranean fauna in environmental impact assessment in Western Australia (2013) <p><u>Key Survey Findings</u></p> <ul style="list-style-type: none"> Nine species of troglofauna were identified during the proponent's surveys of the Baby Hope proposal area. Two of the identified species are currently only known from | <p>Excavation of mine pits, placement of mine infrastructure such as waste rock dumps.</p> | <p><u>Minimise</u></p> <p>The disturbance footprint has been designed to minimise clearing to that required for safe construction and operation. Waste rock would be backfilled to existing pits in the Hope Downs 1 Development Envelope where possible, reducing the requirement for waste rock dumps which could further impact troglofauna.</p> | <p>Clearing limited through the key characteristics table of the recommended Ministerial Statement.</p> | <p>Having particular regard to:</p> <ul style="list-style-type: none"> the distribution of the majority of troglofauna species recorded outside of the disturbance footprint; and the likely extension of habitat for <i>Draculoides</i> sp. BHD2 and the unidentified Palpigradi beyond the disturbance footprint, <p>the EPA considers that the proposal can be managed to meet the EPA's objective for Subterranean Fauna.</p> <p>Subterranean Fauna is not considered to be a Key Environmental Factor for this proposal</p> |

| Inherent Impact | Environmental Aspect | Mitigation actions to address residual impacts | Proposed regulatory mechanisms for ensuring mitigation | Outcome to demonstrate that the proposal meets EPA objective |
|--|----------------------|--|--|--|
| <p>within the proposed pit outline: <i>Draculooides</i> sp. BHD2 and an unidentified Palpigradi.</p> <ul style="list-style-type: none"> • <i>Draculooides</i> sp. BHD2 has been identified from two locations, both within the proposed pit outline but located two kilometres apart. • <i>Draculooides</i> sp. BHD4 occurs both within and outside the proposal area and was located in a similar geological unit to <i>Draculooides</i> sp. BHD2. The wider distribution of this species suggests that habitat for <i>Draculooides</i> sp. BHD2 is likely to extend beyond the proposal area. • The unidentified Palpigradi was collected from the edge of the proposed pit in an area of extensive potential troglofauna habitat. <p><u>Impacts</u></p> <ul style="list-style-type: none"> • Excavation resulting in removal of troglofauna habitat. • Alterations to surface topography from placement of mine infrastructure. | | | | |

Appendix 3

Identified Decision-making Authorities and Recommended Environmental Conditions

Identified Decision-making Authorities

Section 44(2) of EP Act specifies that the EPA's report must set out (if it recommends that implementation be allowed) the conditions and procedures, if any, to which implementation should be subject. This Appendix contains the EPA's recommended conditions and procedures.

Section 45(1) requires the Minister for Environment to consult with decision-making authorities, and if possible, agree on whether or not the proposal may be implemented, and if so, to what conditions and procedures, if any, that implementation should be subject.

The following decision-making authorities have been identified for this consultation:

| Decision-making Authority | Approval |
|---|---|
| 1. Minister for State Development | <i>Iron Ore (Hope Downs) Agreement Act 1992</i> |
| 2. Minister for Aboriginal Affairs | <i>Aboriginal Heritage Act 1972</i> |
| 3. Minister for Environment | <i>Wildlife Conservation Act 1950</i> |
| 4. Department of Environment Regulation | Works Approval and Licence |
| 5. Department of Mines and Petroleum | <p>Dangerous Goods <i>Dangerous Goods Safety Act 2004</i> Chief Dangerous Goods Officer</p> <p>Mine Safety <i>Mines Safety and Inspection Act 1994</i> District Inspector, Resources Safety Branch State Mining Engineer</p> |

Note: In this instance, agreement is only required with DMAs 1, 2 and 3, since these DMAs are Ministers.

RECOMMENDED ENVIRONMENTAL CONDITIONS

STATEMENT THAT A PROPOSAL MAY BE IMPLEMENTED
(*Environmental Protection Act 1986*)

HOPE DOWNS IRON ORE MINE, 75 KM NORTH-WEST OF NEWMAN
PILBARA REGION
BABY HOPE PROPOSAL

Proposal: Amendment to the Hope Downs Iron Ore Mine described in Ministerial Statement 584, to develop and operate the Baby Hope deposit and associated infrastructure as described in Schedule 1 of this statement.

Proponent: Hamersley HMS Pty Limited
Australian Company Number 115 004 129

Proponent Address: 152-158 St Georges Terrace
PERTH WA 6000

Assessment Number: 2066

Report of the Environmental Protection Authority: 1562

Pursuant to section 45 of the *Environmental Protection Act 1986* (EP Act) it has been agreed that the proposal described and documented in Schedule 1 of this statement may be implemented, subject to the implementation conditions set out below.

Pursuant to section 45B of the EP Act, the implementation of the Hope Downs Iron Ore Mine Proposal described in Ministerial Statement 584 as amended by this proposal is subject to the implementation conditions in Ministerial Statement 584 dated 1 February 2002, as amended by Ministerial Statement 893 dated 12 April 2012, and the following additional implementation conditions:

8 Rehabilitation and decommissioning

- 8-1 The proponent shall ensure that all areas within the Hope Downs 1 Development Envelope (delineated in Figure 2 and defined by the geographic coordinates in Schedule 2) are rehabilitated and decommissioned in an ecologically sustainable manner, through the implementation of the mine closure plans required by conditions 8-2 and 8-3.
- 8-2 Unless and until the proponent is notified in writing by the CEO that the mine closure plan submitted under condition 8-3 satisfies the requirements of condition 8-4 and meets the objective specified in condition 8 1, the proponent shall implement the Baby Hope Mine Closure Plan (17 August 2015, RTIO-HSE-0245210) and the Hope Downs Iron Ore Mine Closure Plan (February 2006, RTIO-HSE-0015596).

- 8-3 Within two years of this statement being issued, the proponent shall prepare and submit a consolidated mine closure plan for the Hope Downs Iron Ore Mine and the Baby Hope proposal to the CEO.
- 8-4 The proponent shall prepare the mine closure plan required by condition 8-3 in accordance with the *Guidelines for Preparing Mine Closure Plans, May 2015* and any updates, to the requirements of the CEO on advice of the Department of Mines and Petroleum.
- 8-5 After receiving notice in writing from the CEO that the mine closure plan submitted to meet the requirements of condition 8-3 satisfies the requirements of condition 8-4 and meets the objective specified in condition 8-1, the proponent shall:
- (1) implement the mine closure plan required by condition 8-3; and
 - (2) continue to implement the mine closure plan required by condition 8-3 until the CEO has confirmed by notice in writing that the proponent has demonstrated that the objective specified in condition 8-1 has been met.
- 8-6 The proponent shall review and revise the mine closure plan required by condition 8-3 at intervals not exceeding three years, or as otherwise specified by the CEO.
- 8-7 The proponent shall implement the latest revision of the mine closure plan, which the CEO has confirmed by notice in writing, satisfies the requirements of condition 8-4 and meets the objective specified in condition 8-1.

9 Offsets

- 9-1 In view of the significant residual impacts and risks as a result of implementation of the proposal, the proponent shall contribute funds for the clearing of 'good to excellent' condition native vegetation in the Hamersley IBRA subregion, calculated pursuant to condition 9-2. 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.
- 9-2 The proponent's contribution to the initiative identified in condition 9-1 shall be paid biennially, the first payment due two years after commencement of the additional ground disturbance defined in Table 2 of Schedule 1. Subject to condition 9-7, the amount of funding will be \$750 AUD (excluding GST) per hectare of 'good to excellent' condition native vegetation cleared within the Baby Hope Area (delineated in Figure 1 and defined by the geographic coordinates in Schedule 2) within the Hamersley IBRA subregion.
- 9-3 The clearing of 4,883 ha of native vegetation previously approved under Ministerial Statement 584 is exempt from the requirement to offset under condition 9-2.
- 9-4 Within twelve months of the date of this statement, the proponent shall prepare an Impact Reconciliation Procedure to the satisfaction of the CEO.

- 9-5 The Impact Reconciliation Procedure required pursuant to condition 9-4 shall:
- (1) include a methodology to identify clearing of 'good to excellent' condition native vegetation subject to this condition in the Hamersley IBRA subregion;
 - (2) require the proponent to submit spatial data identifying areas of 'good to excellent' condition native vegetation that have been cleared within the Baby Hope Project Area delineated in Figure 1;
 - (3) include a methodology for calculating the amount of clearing undertaken during 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.
- 9-6 The proponent shall implement the Impact Reconciliation Procedure required by condition 9-4.
- 9-7 The real value of contributions described in condition 9-2 will be maintained through indexation to the Perth Consumer Price Index (CPI), with the first adjustment to be applied to the first contribution.

Table 1: Summary of the Proposal

| | |
|--------------------------|---|
| Proposal Title | Baby Hope Proposal |
| Short Description | The proposal is to amend the Hope Downs Iron Ore Mine described in Ministerial Statement 584, to develop and operate above water table open pits and associated infrastructure including waste rock dumps, stockpiles and haul roads within the Baby Hope Area. |

Table 2: Location and authorised extent of physical and operational elements

| Element | Location | Authorised Extent |
|---|---|---|
| Additional pits and associated infrastructure | Figure 1, Figure 2 and geographic coordinates in Schedule 2 | Clearing of up to 800 ha (including up to 54 ha of Riparian Vegetation) in the 1,208 ha Baby Hope Area, within the 25,959 ha Hope Downs 1 Development Envelope. |

Table 3: Abbreviations and Definitions

| Acronym or Abbreviation | Definition or Term |
|--------------------------------|--|
| 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. |
| EPA | Environmental Protection Authority |
| EP Act | <i>Environmental Protection Act 1986</i> |
| ha | Hectare |

Figures (attached)

Figure 1 Baby Hope Project Area (This figure is a representation of the coordinates in Schedule 2.

Figure 2 Hope Downs 1 Development Envelope (This figure is a representation of the coordinates in Schedule 2.

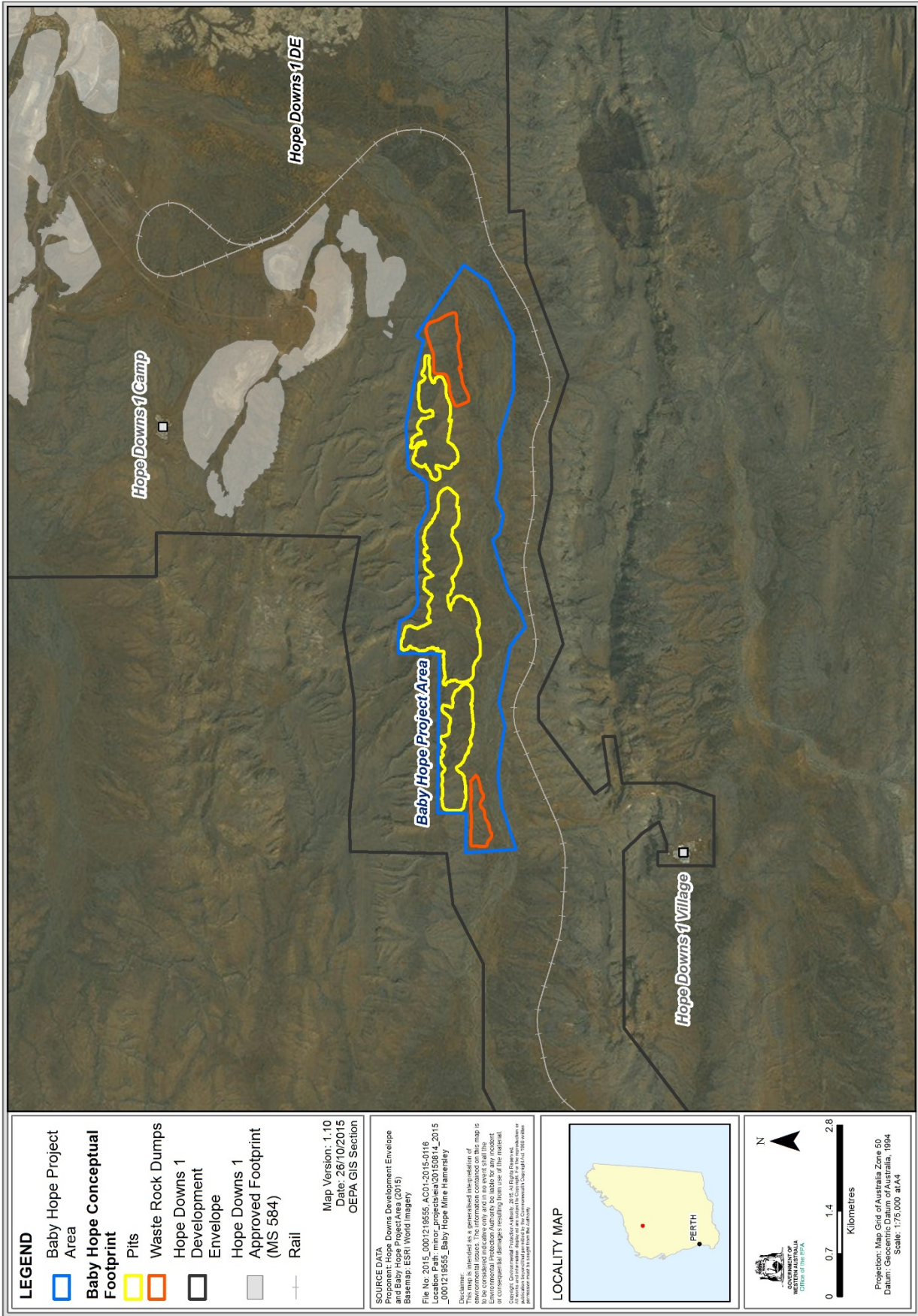


Figure 1 – Baby Hope Project Area

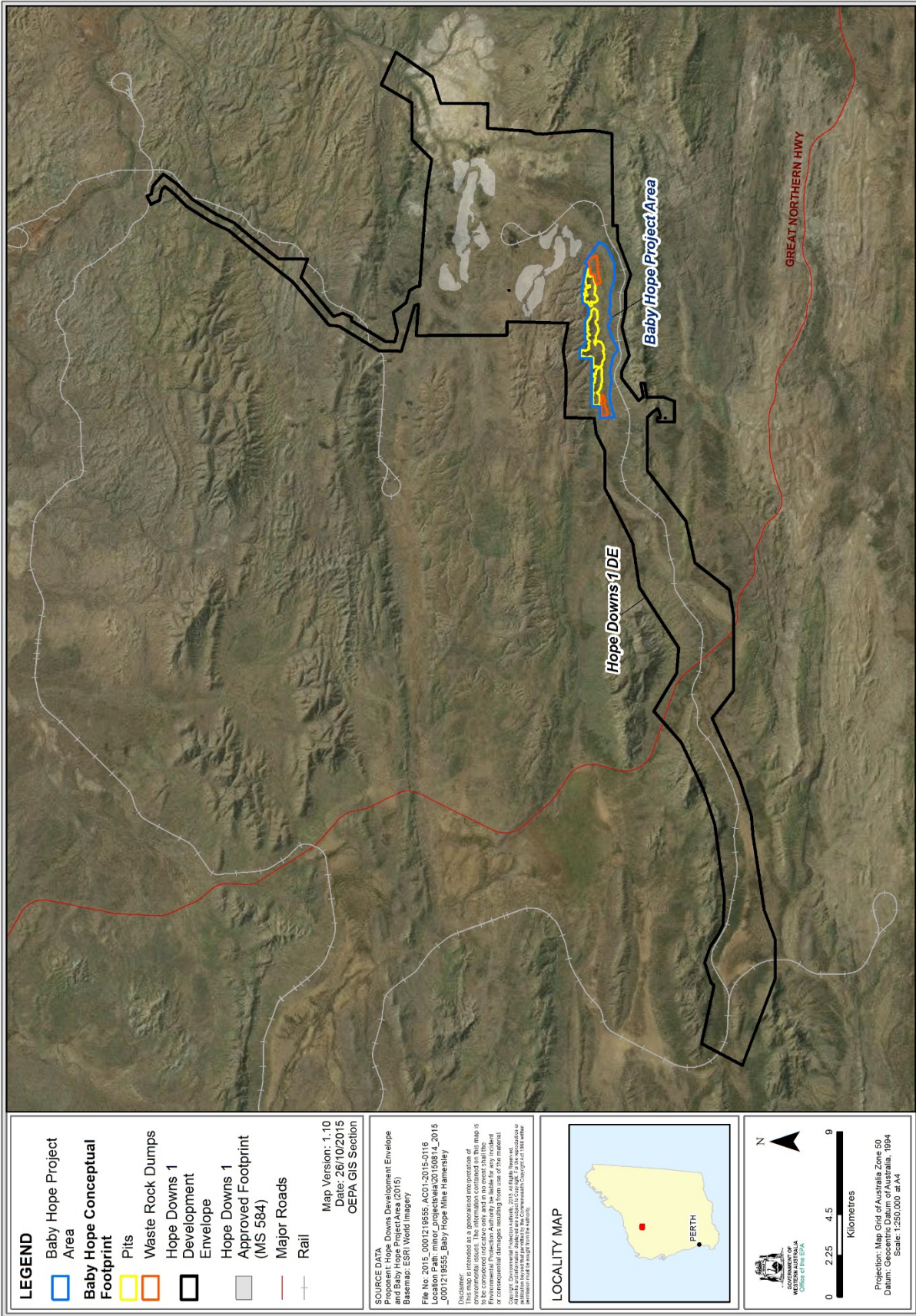


Figure 2 – Hope Downs 1 Development Envelope

Schedule 2

Coordinates defining the Baby Hope Project Area are held by the Office of the Environmental Protection Authority, Document Reference Number 2015-0001265082.

Coordinates defining the Hope Downs 1 Development Envelope are held by the Office of the Environmental Protection Authority, Document Reference Number 2015-1445928780631.

Appendix 4

Proponent's API Environmental Review documentation

Provided on CD in hardcopies of this report and on the EPA's website at
www.epa.wa.gov.au