



Report and recommendations of the Environmental Protection Authority



**Jimblebar Iron Ore Project
– inquiry under s46 of the
Environmental Protection Act 1986
to amend Ministerial Statement 857**

BHP Billiton Iron Ore Pty Ltd

Report 1564

April 2016

ENVIRONMENTAL PROTECTION AUTHORITY
REPORT AND RECOMMENDATIONS TO THE MINISTER FOR
ENVIRONMENT

**JIMBLEBAR IRON ORE PROJECT - INQUIRY UNDER SECTION 46 OF THE
ENVIRONMENTAL PROTECTION ACT 1986 TO AMEND MINISTERIAL
STATEMENT 857**

The Minister for Environment has requested that the Environmental Protection Authority (EPA) inquire into and report on the matter of changing the implementation conditions relating to the Jimblebar Iron Ore Project proposal.

The following is the EPA's Report and Recommendations (No. 1564) to the Minister pursuant to section 46(6) of the *Environmental Protection Act 1986* (EP Act).

Background

The Jimblebar Iron Ore Project proposal in the Shire of East Pilbara involves an extension to the Wheelarra Hill open pits and overburden storage areas, and the mining of the South Jimblebar and Hashimoto deposits, with disposal of overburden into adjacent Overburden Storage Areas and in-pit disposal. The EPA assessed the proposal at the level of Environmental Protection Statement, and considered the following environmental factors relevant to the proposal:

- Flora, and Vegetation;
- Fauna;
- Groundwater;
- Surface Water; and
- Mine Closure and Rehabilitation.

In applying the current *Environmental Assessment Guideline for Environmental principles, factors and objectives* (EAG 8, January 2015), these factors are now described as:

- Flora and Vegetation;
- Terrestrial Fauna;
- Subterranean Fauna;
- Hydrological Processes;
- Inland Waters Environmental Quality; and
- Rehabilitation and Decommissioning.

The EPA concluded in its report to the Minister (Bulletin 1371, October 2010) 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 857 (18 February 2011).

Proposed changes to conditions

Changes to the Jimblebar Iron Ore Project proposal were authorised under section 45C of the EP Act on 22 October 2015. The authorised changes will result in an increase in clearing of native vegetation within the Hamersley Interim Biogeographical Regionalisation for Australia (IBRA) subregion (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 Jimblebar Iron Ore Project proposal, particularly the matter of setting a condition on the proposal that would require environmental offsets for the clearing of native vegetation.

Relevant EPA policies and guidelines

The EPA has given due consideration to the relevant published EPA policies and guidelines (see Appendix 1), noting that other published policies and guidelines pertaining to this application were considered but determined not to be relevant. The following relevant EPA process policies and guidelines were applied:

- a) Environmental Impact Assessment (Part IV Divisions 1 and 2) Administrative Procedures 2012;
- b) Environmental Assessment Guideline (EAG 8) for Environmental principles, factors and objectives, 2015;
- c) EAG 9 for Application of a significance framework in the environmental impact assessment process, 2015;
- d) EAG 11 for Recommending environmental conditions, 2015; and
- e) Environmental Protection Bulletin (EPB No. 11) for Consultation on Conditions Recommended by the EPA, 2010.

The following policies and guidelines relevant to the environmental factor “Offsets” were applied:

Offsets

WA Environmental Offsets Guidelines August 2014, Environmental Protection Bulletin No. 1 – Environmental Offsets August 2014 and WA Environmental Offsets Policy 2011

The purpose of applying these guidelines is to ensure that decisions made on environmental offsets are consistent and accountable under the *Environmental Protection Act 1986* (the EP Act).

Cumulative Environmental Impacts of Development in the Pilbara Region August 2014

This document outlines the advice of the EPA to the Minister for Environment under Section 16(e) of the EP Act and the purpose of this advice is to:

- outline the cumulative impacts of development in the Pilbara;
- provide a context for the EPA’s assessment of current and future proposals;
- discuss the rationale behind the EPA’s recommendation for the establishment of a strategic conservation initiative to coordinate the delivery of offsets in the Pilbara; and
- recommend strategies and actions for a more strategic approach to the consideration of future proposals and protection of biodiversity in the Pilbara.

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 Guidelines¹ (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 Jumblebar Iron Ore Project 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.

¹ A summary table of relevant EPA policies and guidelines that have been considered and/or applied to this assessment is presented in Appendix 1 of this EPA Report.

The EPA considers it appropriate that additional clearing authorised for existing proposals, such as that authorised for the Jimblebar Iron Ore Project 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 Jimblebar Iron Ore Project proposal to include a condition requiring environmental offsets for the clearing of 'very good to excellent' condition native vegetation within the Hamersley Interim IBRA subregion;
2. That the Offset condition should apply to the clearing authorised under section 45C on the 22 October 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 Jimblebar Iron Ore Project proposal in the manner provided for in the attached recommended statement.

OEPA MIN2015-0579

Appendix 1

EPA Policy and Guidance relevant to the change to conditions for the Jimblebar Iron Ore Project

The following EPA policies and guidelines were considered relevant:

Process/ Factor	Policies and guidelines considered relevant
Change to conditions	Environmental Assessment Guideline (EAG8) for Environmental principles, factors and objectives, 2015
	EAG 9 for Application of a significance framework in the environmental impact assessment process, 2015
	EAG 11 for Recommending environmental conditions, 2015
	Consultation on Conditions Recommended by the EPA (Environmental Protection Bulletin No.11), 2010
Offsets	<ul style="list-style-type: none">• WA Environmental Offsets Guidelines, 2014• Environmental Protection Bulletin No. 1 – Environmental Offsets, 2014• WA Environmental Offsets Policy, 2011• Cumulative Environmental Impacts of Development in the Pilbara Region, 2014

RECOMMENDED ENVIRONMENTAL CONDITIONS

**STATEMENT TO CHANGE THE IMPLEMENTATION CONDITIONS APPLYING TO
A PROPOSAL
(Section 46 of the *Environmental Protection Act 1986*)**

JIMBLEBAR IRON ORE PROJECT, 40 KILOMETRES EAST OF NEWMAN, SHIRE
OF EAST PILBARA

Proposal: Jimblebar Iron Ore Project
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: 1564

Preceding Statement/s Relating to this Proposal: 857

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. 857 be changed as specified in this Statement.

1. Condition 14 is added.

14. Offsets

14-1 The proponent shall contribute funds to offset the clearing of 'very good to excellent' condition native vegetation in the Hamersley Interim Biogeographical Regionalisation for Australia (IBRA) subregion, calculated pursuant to condition 14-3. 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.

14-2 Condition 14-1 does not apply to clearing of native vegetation authorised under Ministerial Statement 857 prior to 22 October 2015, as detailed in Schedule 1 to Ministerial Statement 857.

14-3 The proponent's contribution to the offset fund or alternative offset arrangement identified in condition 14-1 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 22 October 2015, as detailed in Attachment 1 to Ministerial Statement 857.

The amount of funding will be made on the following basis and in accordance with the approved Impact Reconciliation Procedure required by condition 14-5.

- \$750 AUD (excluding GST) per hectare of 'very good to excellent' condition native vegetation within the Hamersley IBRA subregion.

14-4 The real value of contributions described in condition 14-3 will be maintained through indexation to the Perth CPI, with the first adjustment to be applied to the first contribution.

14-5 Within twelve months of the date of this Statement, the proponent shall prepare and submit an Impact Reconciliation Procedure to the satisfaction of the CEO.

14-6 In the event that additional clearing is authorised for the proposal, the proponent shall revise the Impact Reconciliation Procedure required by condition 14-5 to the satisfaction of the CEO within twelve months of that clearing being authorised.

14-7 The Impact Reconciliation Procedure required by condition 14-5, or revised Impact Reconciliation Procedure required by condition 14-6, shall:

- (1) include a methodology for identifying 'very good to excellent' condition native vegetation within the Hamersley IBRA subregion;
- (2) include a methodology for calculating the area of 'very good to excellent' condition native vegetation cleared within the Hamersley IBRA subregion for each biennial time period, and for which contributions shall be made to the offset fund or alternative offset arrangement as required by condition 14-1;
- (3) include the submission of spatial data identifying the areas of 'very good to excellent' native vegetation cleared within the Hamersley IBRA subregion 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.

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