

***Environmental Protection Act 1986***

**Section 43A**

**STATEMENT OF REASONS**

**CONSENT TO CHANGE PROPOSAL DURING ASSESSMENT**

**Proposal:** Blue Hills Mungada East Expansion

**Proponent:** Sinosteel Midwest Corporation Limited

**Decision**

For the reasons outlined below, the Environmental Protection Authority (EPA) has determined to consent to the proponent changing the proposal outlined in Schedule 1 attached to this Statement of Reasons.

The EPA has also determined that no consultation or public review is necessary in regard to considering the request to consent to the change due to the nature of the changes which either result in a reduction to impacts or remain unchanged from those as described in the proponent's Public Environmental Review Document. In addition the changes to the proposal will be fully assessed in the EPA's report and recommendations to the Minister for Environment which will be subject to a 2 week appeal period.

**Background**

In September 2013 Sinosteel Midwest Corporation Limited (the proponent) referred its proposal for the expansion of its mining development at the Mungada West and Mungada East pit areas on the Mungada Ridge, to the EPA under Section 38 of the Environmental Protection Act 1986 (EP Act). In June 2014 the proponent modified the proposal such that it only included the proposed expansion of the Mungada East pit. Details of the modified proposal were finalised in September 2014.

The proposal to expand its approved Koolanooka/Blue Hills Direct Shipping Ore Mining Project (Ministerial Statement No. 811) is located approximately 66 kilometres (km) north-east of Perenjori in the Blue Hills area.

The Blue Hills Mungada East Expansion, which includes one new pit, a waste dump, processing plant, and haul and access roads which connect to the existing mine operations (Figure 1), would provide an additional 4.4 million tonnes of hematite over a three year life of mine.

The expansion proposal would result in the disturbance of 22 hectares (ha) of the Mungada Ridge landform, 53.5 ha of native vegetation on and adjacent to the Mungada Ridge, within a 172.5 ha development envelope. On 5 November 2014 the

EPA set the level of assessment at Assessment on Proponent Information – Category B.

On 10 November 2014 the EPA released its report and recommendations to the Minister for Environment (EPA Report 1532) which concluded that the proposal could not be managed to meet the EPA’s objectives. Following consideration of the appeals, on 22 April 2015, the Minister for Environment remitted the proposal back to the EPA pursuant to Section 101(1)(d)(i) of the EP Act and directed that the EPA reassess the proposal by way of a Public Environmental Review (PER).

The EPA issued an Environmental Scoping Document for the reassessment in July 2015. The proponent’s PER document was released for a 6 week public review period from 15 August 2016 to 27 September 2016.

In response to the submissions on the PER document, and in advance of the EPA preparing a report on the outcome of its assessment of the proposal, the proponent has sought the EPA’s consent to change the proposal under section 43A of the EP Act (s43A).

The s43A change sees modifications to the design of the abandonment bund, pit layout and access and haul roads which reduces the disturbance footprint of the proposal by approximately 17% from 53.5 ha to 44.3ha within a 172.5ha development envelope.

### **Relevant Statutory and Administrative Provisions**

The EPA released its *Environmental Impact Assessment (Part IV Divisions 1 and 2) Administrative Procedures 2016* on 13 December 2016. Given that the proposal was referred, the level of assessment set, the proposal remitted and the PER document released for public review under the *Environmental Impact Assessment (Part IV Divisions 1 and 2) Administrative Procedures 2012* (Administrative Procedures 2012), these remain the relevant administrative procedures for this assessment.

Section 17 of the Administrative Procedures 2012 states that the EPA may consent to the proponent making changes to a proposal without a revised proposal being referred to the EPA. The EPA may only consent to a change if the change is unlikely to significantly increase any impact that the proposal may have on the environment.

In addition, the Administrative Procedures 2012 and the *Procedures Manual 2016* guides what information the EPA requires from a person wanting to change its proposal during assessment.

In considering the request for consent, the EPA considered the:

- details of the proposed change
- statement of the significance of the change and
- rationale for the change.

## **Materials considered in making this decision**

In determining whether to consent to the proponent changing the proposal the EPA has considered the following:

1. Proposal Description (September 2014).
2. Public Environmental Review Document (August 2016).
3. Submissions received during the Public Environmental Review period.
4. The proponent's Draft Response to Submissions Document (January 2017).
5. The proponent's request to change the proposal (17 January 2017).
6. Relevant EPA policy and procedures.

## **Consideration**

### 1. Nature of the proposed change

The change involves an overall reduction in the proposed disturbance footprint of the proposal by 17% or 9.2 ha from 53.5 ha to 44.3 ha within a 172.5 ha development envelope.

This is as a result of modification to the design and location of the abandonment bund resulting in a reduction in size from 8 ha to 0.8 ha. The layout of the pit has also been refined and reduced in size from 10.6 ha to 7.3 ha. These modifications have resulted in a 1.3 ha increase to the haul and access roads, from 12.6 ha to 13.9 ha.

In revising the proposal the proponent has directly consulted with the Department of Mines and Petroleum (DMP) regarding the proposed design changes to the abandonment bund. The DMP has advised that the proposed bund design would comply with the *Mines Safety and Inspection Act 1994*.

### 2. Stage of the assessment process

The proponent's PER document was released for a 6 week public review period from 15 August 2016 to 27 September 2016. The response to submissions document is approved subject to minor modifications.

### 3. Currency, relevance and reliability of the information, including submissions

The change to the proposal was submitted to the EPA in January 2017, together with a draft Response to Submissions and supporting documentation which details the revised impacts to landforms and flora and vegetation. The EPA has reviewed the revised impacts, which is based on surveys and information provided in the PER document which remain current.

#### 4. Community engagement

The community has been engaged on the proposal during the Public Review Period but was not engaged in regard to the proposed change. However, the EPA intends to release information on the proposed changes for public information.

The EPA is yet to complete its assessment of the proposal and opportunities to appeal the report or recommendations of the EPA are yet to open.

#### 5. Level of public concern

Some public interest was shown when the Public Environmental Review was released for a 6 week public review period with 7 submissions being received. Of these 3 were from community groups or members of the community. The EPA does not consider that the proposed changes to the proposal would result in an increased level of interest in the proposal.

### **Consideration of Whether the Change is Unlikely to Significantly Increase Any Impact that the Proposal May Have on the Environment.**

#### a) values, sensitivity and quality of the environment which is likely to be impacted.

Landforms; Flora and Vegetation; Terrestrial Fauna; Subterranean Fauna; Amenity; and Rehabilitation and Decommissioning, were considered to be preliminary key environmental factors in the Public Environmental Review Document.

The proposal is located in Blue Hills area and would directly impact on the Mungada Ridge landform. The proposal area is known to contain threatened and priority flora and vegetation communities and provides habitat for fauna. The Mungada Ridge has amenity values as an expansive landform in the landscape which provides topographic variety amongst the extensive scrub plains.

The proposed change to the proposal would result in a decrease to the direct impacts to landforms and flora and vegetation. As such, the values, sensitivity and quality of the environment being impacted remain unchanged when compared to the proposal described in the PER document.

The change gives no cause for additional environmental factors to be considered 'key environmental factors' for the purposes of preparing the EPA's Report and Recommendations to the Minister.

#### b) extent (intensity, duration, magnitude and geographic footprint) of the likely impacts

The change would reduce the extent of the likely impacts of the proposal to the Mungada Ridge landform by reducing the direct impact on the landform by 8.8ha and reduce the level of impact at its highest point (within the 440 to 450 m AHD) from 1.6 ha to 0.14 ha, and avoid 0.75 ha impacts at its steepest point (within the 10 to 15 degree slope bracket).

The change would reduce the extent of the likely impacts of the proposal to flora and vegetation by reducing the extent of clearing required from 53.5 ha to 44.3 ha.

The changes would reduce the extent of impacts to conservation significant flora, in particular *Acacia woodmaniorum* and *Lepidosperma sp. Blue Hills*. Impacts to priority flora would also be reduced with the exception of one priority 3 species *Rhodanthe collina* which has increased. It is noted that overall the impact on this species is less than 1% of the known individuals in Western Australia.

The changes would reduce the extent of likely impacts to conservation significant vegetation including the Blue Hills priority ecological community and restricted floristic community types.

Overall the proposed changes would result in a decrease in the extent of impacts to the landform, and flora and vegetation. The impacts to amenity and fauna would likely be reduced or remain unchanged from that of the proposal described in the PER document.

c) consequence of the likely impacts (or change)

The consequences of likely impacts of implementing the change would result in a reduction or remain unchanged to those of the proposal described in the PER document.

d) Resilience of the environment to cope with the impacts or change

The function of the Mungada Ridge landform and the values it supports are no more impacted by the changed proposal being implemented than it would if the current proposal were implemented. The EPA considers the resilience of the environment to cope with the changed proposal would increase (due to reduced extent in impacts) or remain unchanged from that of the proposal described in the PER document should it be implemented.

e) Cumulative impact with other projects

Cumulative impacts will be considered in the assessment of the changed proposal as it were to be considered in assessing the proposal described in the PER document. The proposed change are likely to result in a reduction to cumulative impacts at a local or regional scale or remain unchanged from that of the proposal described in the PER document.

f) Connections and interactions between parts of the environment to inform a holistic view of impacts to the whole environment

There is a high degree of connectivity and interrelatedness of the processes and impacts in relation to impacts on the Mungada Ridge landform which has unique physical attributes, supports biodiversity values and is located in a landscape setting which has visual aesthetic values.

The holistic view of impacts to the whole environment will be considered in the assessment of the changed proposal as it were to be considered in the proposal described in the PER document.

g) Level of confidence in the prediction of impacts and the success of proposed mitigation

There is no change to the confidence in the prediction of impacts and the success of proposed mitigation.

h) Public interest about the likely effect of the proposal, if implemented, on the environment, and public information that informs the EPA's assessment

The EPA is of the opinion that public interest in the proposal will likely remain the same, that is, some local and state interest.

In addition to the above the EPA notes that the proposal is being assessed at the level of PER, which is the appropriate level to assess the changed proposal. The EPA also notes the following:

1. The EPA is yet to commence the assessment stage for this proposal and as such the EPA may fully consider the changed proposal in preparing its report and recommendations to the Minister for Environment.
2. To date the EPA has not made any appealable decision in regard to the current assessment and as such, the public will not be at a disadvantage in regard to rights of appeal as a result of consenting to the change.
3. In accordance with the *Procedures Manual 2016*, the EPA will advertise its decision to consent to the change – this will allow the EPA to maintain an appropriate level of decision making transparency.

## Schedule 1

### Change to Proposal\*

Element	Current Proposal	Changed Proposal (s43A)
Mine Pit and pit abandonment bund area	Clearing of no more than 18.6 ha within a 172.5ha development envelope	Clearing of no more than 8.1 ha within a 172.5 ha development envelope
Waste rock dump	Clearing of no more than 11 ha within a 172.5 ha development envelope	No change
Supporting infrastructure (processing)	Clearing of no more than 11.3 ha within a 172.5 ha development envelope	No change
Haul roads and access roads	Clearing of no more than 12.6 ha within a 172.5 ha development envelope	Clearing of no more than 13.9 ha within a 172.5 ha development envelope
Waste Material	Approximately 13.5 million tonnes of waste rock – the majority used to backfill the existing Mungada East pit and the remainder disposed of the proposed waste rock dump and the existing Mungada East waste rock dump.	Approximately 6.5 million tonnes of waste rock – the majority used to backfill the existing Mungada East pit and the remainder disposed of the proposed waste rock dump and the existing Mungada East waste rock dump.

\*A new table will be developed to align the changed proposal description with Instruction: Key Proposal Characteristics. The Key Characteristics table derived from the proponents 43A request has been used to illustrate the changes as compared to the proposal as described in the PER document. As such this table will be subject to change during the assessment.