



Environmental Protection Act 1986

Hon Reece Whitby MLA
Minister for Environment; Climate Action

MINISTER'S APPEAL DETERMINATION

APPEAL AGAINST REPORT AND RECOMMENDATIONS – REVISED PROPOSAL FOR THE ROY HILL IRON ORE MINE (EPA REPORT 1716)

Purpose of this document

This document sets out the Minister's decision on an appeal lodged under section 100(1)(d) of the *Environmental Protection Act 1986* (the Act) in objection to the above report. This document is produced by the Office of the Appeals Convenor for the Minister but is not the Appeals Convenor's own report, which can be downloaded from the Appeals Convenor's website at www.appealsconvenor.wa.gov.au.

Appellant:	Conservation Council of WA Inc
Proponent:	Roy Hill Iron Ore Pty Ltd
Proposal description:	The proposal is a revised proposal for the existing Roy Hill Iron Ore Mine located in the Pilbara region, to mine and process iron ore and to develop and operate associated infrastructure.
Minister's Decision:	The Minister allowed the appeal in part
Date of Decision:	2 May 2022

REASONS FOR MINISTER'S DECISION

The Minister received an appeal from the Conservation Council of WA Inc in objection to the report and recommendations of the Environmental Protection Authority (EPA) in respect to Report 1716 – Revised Proposal for the Roy Hill Iron Ore Mine .

The appellant raised concerns about how the EPA assessed greenhouse gas (GHG) emissions resulting from the revised proposal. In particular, the appellant submitted that the EPA's assessment failed to adequately consider the increase in GHG emissions from the revised proposal and the cumulative effect of those emissions. The appellant also raised concerns about the adequacy of the proponent's GHG Management Plan and measures to mitigate GHG emissions.

Decision

Taking into account the matters raised by the appeal, the Minister considered that the GHG emission reductions reflected in the EPA's recommended conditions should be improved. The Minister has come to this conclusion noting that the GHG emission intensity identified for this

proposal appears to be higher than for other producers based on most recent data. Other iron ore producers in the Pilbara have also committed to steep reductions in emissions to 2030 which are significantly more ambitious than the emission reductions suggested by the EPA.

Noting this is a rapidly evolving area and the assessment of this proposal extended over multiple years, the Minister acknowledged that the EPA's recommendations may have been (at least in part) superseded by events. To address this, the Minister allowed the appeal in part by requiring the proponent to undertake an urgent review of its GHG Management Plan by the end of this year, should the proposal be approved.

The review of the GHG Management Plan will need to set out how the emissions intensity of the proposal compares with contemporary data from other Pilbara iron ore producers and how future emissions compare to commitments made by those other producers to 2030. To ensure a like for like comparison, the review should include scope 1 and 2 emissions with the intensity calculated against the volume of iron ore shipped.

The revised GHG Management Plan will also need to address the ambiguities identified by the Appeals Convenor in respect to some of the EPA's GHG emission calculations. While these ambiguities are regrettable, the Minister did not consider they are of a scale that would warrant reassessment by the EPA. In any event, the benchmarking elements of the review will be the main focus to ensure emissions are acceptable and consistent with the Government's GHG Emission Policy for Major Projects which includes ensuring competitiveness, managing business risk and driving innovation.

The Minister requested the Chair of the EPA to liaise with the CEO on the review process and provide him with advice as to whether any changes should be made to the conditions of the approval to support the outcomes of the review.

The full reasons for the Minister's decision are set out below.

Greenhouse gas emissions

In recommending the proposal be approved for implementation, the EPA noted that unmitigated scope 1 GHG emissions from the proposal would be in the order of 5.1 million tonnes of carbon dioxide equivalent (CO₂-e) with mitigated emissions of about 4.2 million tonnes (a saving of approximately 900,000 tonnes of scope 1 CO₂-e).

On analysis by the Appeals Convenor, it appears the emission reductions are in the order of 320,000 tonnes over the life of the proposal, or about a third of the reduction in scope 1 emissions contemplated by the EPA. While this difference is regrettable, the Minister did not consider it is of a scale which necessitates reassessment by the EPA.

Rather, the key consideration for the Minister is whether the emission reductions reflected in the EPA's assessment are consistent with achieving net zero GHG emissions by 2050 and otherwise reflect industry best practice and evolving knowledge. In that regard, the Minister noted the Appeals Convenor's advice that other iron ore producers in the Pilbara have published recent data which suggests their GHG emission intensity is lower than this proposal.

Similarly, commitments to achieve net zero GHG emissions by other producers have been evolving rapidly, with some commitments to achieve net zero emissions in iron ore production by 2030. By contrast, the EPA's recommended condition 9 requires no emission reductions until mid 2027, and then an 18 per cent reduction for the five years ending mid 2031.

To ensure GHG emissions from this proposal are in-line with contemporary science and industry best practice, the Minister agreed with the Appeals Convenor that (should the proposal be approved under section 45 of the Act), the proponent be required to review the GHG

Management Plan by the end of this year. This review will require the proponent to confirm scope 1 GHG emission reductions over the life of the proposal and for scope 1 and 2 emissions to be benchmarked against contemporary emissions data of other Pilbara iron ore producers. Noting the need for urgent reductions in GHG emissions this decade, the review must also provide details on how future emissions from the proposal compare with commitments published by other Pilbara iron ore producers. This ‘forward looking’ benchmarking will provide guidance on how the proposal compares to commitments given by similar industry participants.

These changes, combined with the EPA’s advice that the CEO may request a review of the GHG Management Plan at any time, provides assurance that GHG emissions reductions will be regularly reviewed, and adjusted as necessary. Given this, the Minister did not see an immediate need for the emission reduction figures suggested by the EPA in condition 9 of the implementation conditions to be modified at this time. Should the review this year (or any and any future review) indicate that more ambitious net emission reductions are required, those reductions can be reflected in the GHG Management Plan and will become binding accordingly. As noted above, the Minister will await guidance from the Chair of the EPA at the time of the review as to whether any changes to the conditions should also be considered.

Consistent with its approach on other recent proposals where GHG emissions were identified as a key environmental factor, the EPA has expressed the view that its role is to minimise emissions from new proposals, and a decision on whether residual emissions are acceptable is ultimately a matter for the decision-makers under section 45 of the Act. The EPA also noted that it is open to the decision-makers to consider whether to require the proposal to be net-zero from commencement – that is, require the proposal to be carbon neutral from commencement.

Based on the foregoing, the Minister allowed the appeal to the extent described above. A final decision on the proposal, and the acceptability of the emissions, will be considered by relevant decision-making authorities under section 45 of the Act in due course.

Note: this decision is published pursuant to the terms of section 110 of the *Environmental Protection Act 1986* and regulation 8 of the *Environmental Protection Regulations 1987*.

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