



bhpbilliton

BHP Billiton Iron Ore

Draft MNES Program

Pilbara Strategic Assessment

March 2016



Document Control

Action	Name	Position	Date
Prepared by:	L. Reilly	Document Manager	12/2/16
Reviewed by:	B. Skarratt	Team Leader Strategic Environmental Assessment	10/3/16
Endorsed by:	M. Garrahy	Manager Environment Approvals	14/3/16
Approved by:	G. Price	Head of Environment	16/3/16

DISCLAIMER

This MNES Program has been prepared for submission to the Federal Department of the Environment for the purpose of the Minister for the Environment making a determination regarding whether to approve BHP Billiton Iron Ore's Proposal under the *Environment Protection and Biodiversity Conservation Act 1999*. The MNES Program has been developed for this purpose only, and no one other than the Department of the Environment or the Minister should rely on the information contained in this MNES Program to make any decision.

In preparing this MNES Program, BHP Billiton Iron Ore has relied on information provided by specialist consultants, government agencies and other third parties available during preparation.

The MNES Program has been prepared for information purposes only; and, to the full extent permitted by law, BHP Billiton Iron Ore, in respect of all persons other than the Department of the Environment and the Minister, makes no representation and gives no warranty or undertaking, expressed or implied, in respect of the information contained in the MNES Program and does not accept responsibility and is not liable for any loss or liability whatsoever arising as a result of any person acting or refraining from acting on any information contained in the MNES Program.

NOTE ON CURRENCY

Where possible, the contents of this MNES Program are up to date as at 16 March 2016.

COPYRIGHT

© The concepts and information contained in this document are the property of BHP Billiton Iron Ore. Use or copying of this document in whole or in part without the permission of BHP Billiton Iron Ore constitutes an infringement of copyright.

MNES PROGRAM CONTENTS

1	Definitions and Acronyms	6
2	Strategic Assessment Overview	10
2.1	Introduction	10
2.2	Legislative Context	12
2.3	The Agreement	13
2.4	Impact Assessment Report and MNES Program	13
2.5	Purpose and Structure of this MNES Program.....	15
2.6	Endorsement Criteria.....	15
3	Scope of the Program	15
3.1	Approval Holder	16
3.2	Strategic Assessment Area.....	16
3.3	Description of Activities	17
3.4	Exclusions	17
3.5	Upper Disturbance Limit	17
3.6	Matters of National Environmental Significance.....	17
3.7	MNES Program Timeframes.....	18
4	Management Context	20
4.1	Ecologically Sustainable Development.....	20
4.2	Heritage Management.....	20
4.3	MNES Program Objective.....	21
5	Validation Framework	24
5.1	Identification of Material Actions.....	24
5.2	Validation of Actions and Impacts	25
5.2.1	Scope of MNES Program	25
5.2.2	Protected Matters	26
5.2.3	Contemporary Guidance	26
5.2.4	Environmental Change.....	27
5.2.5	Data Evaluation	27
5.2.6	Application of the Mitigation Hierarchy	27
5.3	Consultation and Public Information	28
5.4	Notice of Intent to Proceed	29
6	Implementation Plans	32
6.1	Assurance Plan	32

6.2 Offsets Plan 33

7 Program Evaluation and Governance..... 34

7.1 Adaptive Management 34

7.2 Monitoring and Reporting..... 34

7.3 Compliance 34

7.4 Auditing..... 35

7.5 Life of Program and Revision..... 35

8 REFERENCES..... 36

9 APPENDICES..... 38

List of Tables

Table 1 Commonwealth objectives for MNES 21

List of Figures

Figure 1 Strategic Assessment Area 11

Figure 2 Strategic Assessment process overview 14

Figure 3 Validation Framework 25

List of Boxes

Box 1 EPBC Act objects..... 13

Box 2 Principles of ESD 20

1 DEFINITIONS AND ACRONYMS

Term	Meaning
action	As defined in Chapter 8 Part 23 Division 1 Subdivision A of the EPBC Act.
material action completion	The point at which a Material Action has been implemented in full, such as the time identified in a Notice of Intent to Proceed or at an earlier point as agreed between BHP Billiton Iron Ore and the Department.
Agreement, the	The agreement dated 18 September 2012 between the Commonwealth Minister for the Environment and BHP Billiton Iron Ore for the strategic assessment of the impacts of the Proposal on MNES and attached at Appendix A.
Approval	Means Ministerial approval of an action or class of actions in accordance with this MNES Program.
Approval Holder	Means BHP Billiton Iron Ore or the newer owner of a BHP Billiton Iron Ore divested asset for which an Approval has been granted.
asset	An economic resource within the Strategic Assessment Area. Examples include mining tenure with an identified resource, an operating mine, or infrastructure such as rail or processing infrastructure.
Assurance Plan	An Implementation Plan that provides further detail on the processes described in this MNES Program, including management of Specified Protected Matters, stakeholder engagement, reporting and auditing requirements and governance arrangements.
BHP Billiton Limited	The ultimate parent company of BHP Billiton Iron Ore.
BHP Billiton Iron Ore	BHP Billiton Iron Ore Pty Ltd, as manager and agent for and on behalf of BHP Billiton Minerals Pty Ltd, BHP Iron Ore (Jimblebar) Pty Ltd, United Iron Pty Ltd, the participants of the Mount Goldsworthy Joint Venture, Mount Newman Joint Venture and Yandi Joint Venture.
Commence, commenced or commencement	Any preparatory works required to undertake the Material Action including clearing vegetation, the erection of any onsite temporary structures and the use of heavy duty equipment for the purpose of breaking the ground for buildings or infrastructure.
controlling provision	As defined in Part 7 Division 1 Section 67 of the EPBC Act.
contemporary guidance	Relevant policy or guidance documents approved in accordance with the EPBC Act, for example, a recovery plan, threat abatement plan and/or conservation advice that are publicly available. In addition, any other material considered relevant to the material action and specified in the Assurance Plan.
Department, the	The Commonwealth Department responsible for the administration of the <i>Environment Protection and Biodiversity Conservation Act 1999</i> or successors.

Direct disturbance	Means areas disturbed by the actions of the Approval Holder in moving earth or clearing vegetation.
Endorsement Criteria	Criteria that are required to be met to support the Commonwealth Minister for the Environment's endorsement of this MNES Program.
EP Act	<i>Environmental Protection Act 1986</i> (Western Australia).
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i> (Commonwealth).
ESD	Ecologically sustainable development.
Impacts	Any event or circumstance that has a direct or indirect influence on a Specified Protected Matter in this MNES Program.
Impact Assessment Report or IAR	BHP Billiton Iron Ore Strategic Assessment: Impact Assessment Report (BHP Billiton Iron Ore 2015).
Implementation Plans	Specifically the Assurance Plan and Offsets Plan, which are designed to support the implementation of this MNES Program.
Material Action	An activity that is considered likely to have an impact on a MNES that is greater than the thresholds defined for a Specified Protected Matter in the Assurance Plan.
Minister	Commonwealth Minister responsible for administering the <i>Environment Protection and Biodiversity Conservation Act 1999</i> .
MNES	Matters of national environmental significance under Part 3 of the EPBC Act.
MNES Management Outcomes	A measurable level of performance for the management of MNES Impacts that are a result of implementation of Material Actions applicable under this MNES Program.
MNES Program	Means this program produced under Part 10 of the EPBC Act and in accordance with the Agreement.
MNES Program Objective	The objective is to implement the Proposal in a manner that aligns with the Commonwealth objectives for MNES as described in Section 4.3.
Native Vegetation	Means plants that are indigenous to Western Australia, including trees, shrubs, herbs and grasses.
Notice of Intent to Proceed	A non-statutory process administered by BHP Billiton Iron Ore, notifying the Department that a Material Action has been validated and may be implemented in accordance with the frameworks and commitments set out in this MNES Program.
Offsets Plan	An Implementation Plan that provides further detail on the processes that will be implemented to identify and deliver offsets associated with the Proposal.
Proposal	Means BHP Billiton Iron Ore's proposal for future operations within the Strategic Assessment Area, described in Part 3.
Specified Protected Matters	MNES that have potential to be impacted significantly by the Proposal.
Strategic Assessment Area	The geographical extent of the assessment and boundaries within which the Proposal may be implemented, as depicted in Figure 3.1.

Terms of Reference	Means the terms of reference for the preparation of the Impact Assessment Report as defined in the Agreement.
Validation Framework	The framework described in Part 5.

2 STRATEGIC ASSESSMENT OVERVIEW

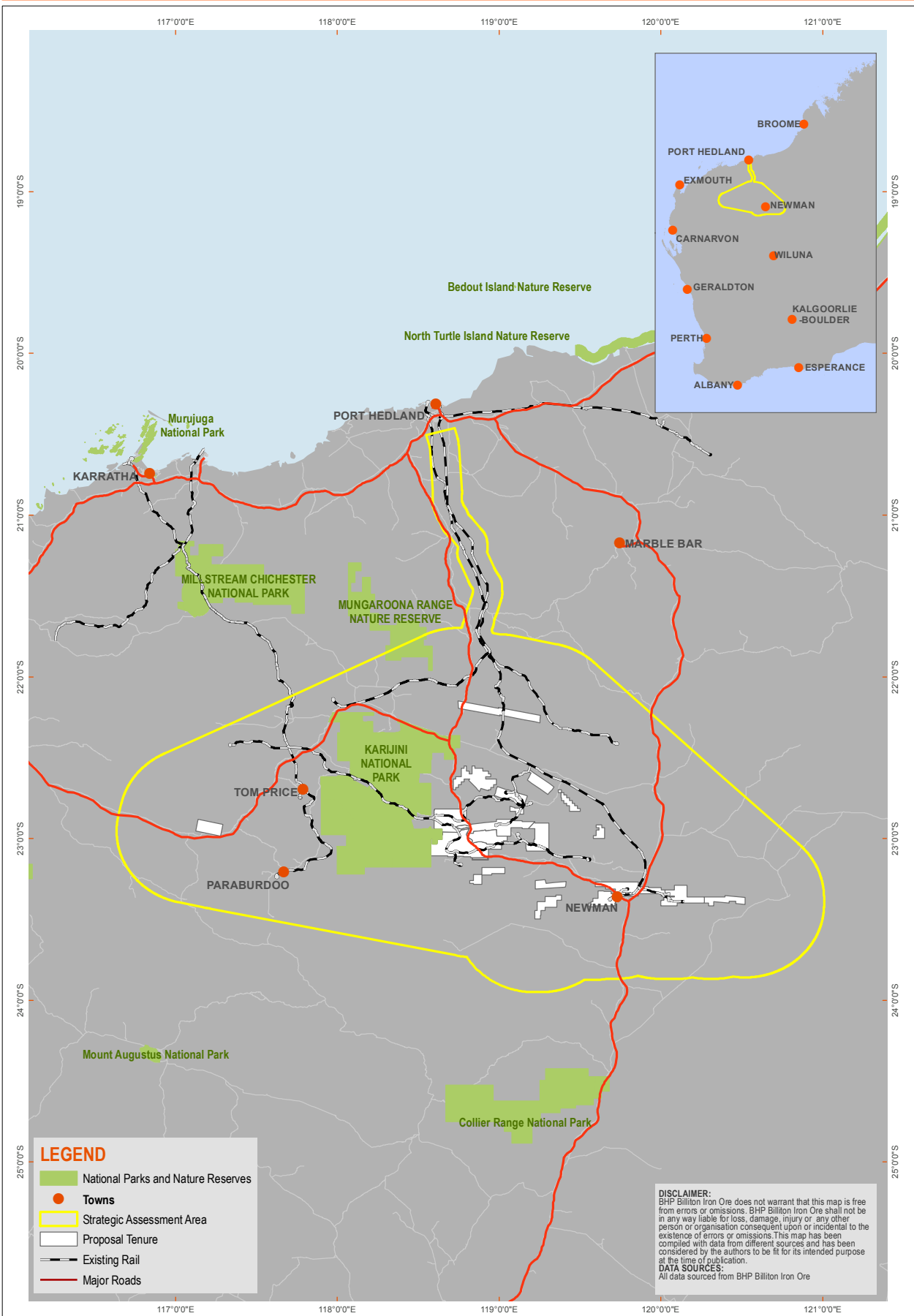
2.1 INTRODUCTION

BHP Billiton Iron Ore Pty Ltd (BHP Billiton Iron Ore) has been operating in the Pilbara for over 50 years and proposes to continue developing mines and infrastructure within and around its existing Pilbara operations over the long term. The proposed future activities include development of greenfield mines and infrastructure and expansion of brownfield mines and infrastructure, which are collectively referred to as the BHP Billiton Iron Ore Pilbara Strategic Assessment (the Proposal). BHP Billiton Iron Ore envisages that the Proposal will be implemented over many decades, for example 50 to 100 years.

The proposed future development activities that are the subject of this Proposal, include the development of new iron ore mines and associated infrastructure and the expansion of existing iron ore mines and associated infrastructure, within a defined Strategic Assessment Area (Figure 1). The strategic assessment process is conducted under Part 10 of the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). Strategic assessments provide an alternative to project-by-project impact assessment under Part 9 of the EPBC Act and examine proposed developments at a broader landscape scale and timeframe in relation to the requirements of the EPBC Act, taking into consideration impacts on matters of national environmental significance (MNES).

BHP Billiton Iron Ore considers that its decision to pursue the Proposal has the following benefits:

- the early consideration of environmental issues, including relevant MNES, providing the ability to influence design of future project development;
- the ability to consider impacts to MNES of more than one future action or classes of action;
- greater certainty for local communities regarding the maximum extent of Impacts and greater confidence in future development;
- more flexible time frames and longer lead times for consideration of environmental issues;
- a long-term approach to environmental management, focusing on environmental outcomes and allowing adaptive management;
- enables landscape scale assessment which puts into effect cumulative impact assessment allowing an improved application and governance framework for aspects such as strategic offsets which can deliver improved environmental outcomes;
- greater efficiencies in the environmental approvals process for the community, government and BHP Billiton Iron Ore;
- an increased surety for BHP Billiton Iron Ore that its proposed environmental management approaches will result in appropriate management of impacts to MNES; and
- a standardised and consistent approach across operations with environmental and economic benefits.



Pilbara Strategic Assessment



Figure 1 Boundary of the Strategic Assessment Area and Proposal Tenure

DATE: 16/03/2016
DRAWN: BHP Billiton Iron Ore
Environmental Approvals

2.2 LEGISLATIVE CONTEXT

2.2.1 COMMONWEALTH EPBC ACT

The EPBC Act is the Commonwealth Government's key piece of legislation for environmental impact assessment. Part 3 of the EPBC Act sets out MNES, which are:

- World heritage values of a declared World Heritage property (section 12 and section 15A);
- Heritage values of a national heritage place (section 15B and section 15C);
- Wetlands of international importance (section 16 and section 17B);
- Listed threatened species and ecological communities (section 18 and section 18A);
- Listed migratory species (section 20 and section 20A);
- Commonwealth marine areas (section 23 and section 24A);
- Protection of the environment from actions involving Commonwealth land (section 26 and 27A);
- Commonwealth heritage places outside the Australian jurisdiction (section 27B and section 27C);
- Protection of the environment from Commonwealth actions (section 28);
- Protection of water resources from coal seam gas development and large coal mining development (section 24D and section 24E);
- Protection of the environment from nuclear actions (section 21 and section 22A); and
- The Great Barrier Reef Marine Park (section 24B and section 24C).

The strategic assessment comprises three key documents:

- The Agreement between BHP Billiton Iron Ore and the Minister under section 146 of the EPBC Act;
- This MNES Program, which identifies the key commitments and undertakings of BHP Billiton Iron Ore for the protection and management of MNES protected under the EPBC Act; and
- The Impact Assessment Report (IAR), which provides a detailed impact assessment of the impacts to MNES, with consideration of the implications of this MNES Program.

2.2.2 WESTERN AUSTRALIAN ENVIRONMENTAL PROTECTION ACT

There is also an equivalent strategic assessment process at the State level under the Western Australian *Environmental Protection Act 1986*. The State process is conducted in two phases. Phase one, the strategic proposal, involves preparation of a Public Environmental Review document (PER) in respect to the Proposal. The PER is assessed by the Environmental Protection Authority (EPA) and if the State Minister for the Environment approves the Proposal, a Ministerial Statement will be issued.

Phase two does not involve a full impact assessment but involves consideration of whether individual future proposals fall within the scope of the Proposal. If not, BHP Billiton Iron Ore will refer individual proposals to the EPA and request that the EPA declare each of those referred proposals to be a derived proposal.

For the EPA to be able to determine that a referred proposal is a derived proposal, it must consider whether:

1. the environmental issues raised by the referred proposal were adequately assessed when the PER was assessed;

2. significant new or additional information justifies the reassessment of the issues raised by the referred proposal; or
3. a significant change in the relevant environmental factors has occurred since the PER was assessed.

If the EPA is not satisfied, it may require the individual referred proposal to be subject to further environmental impact assessment pursuant to Part IV of the *Environmental Protection Act 1986*.

2.3 THE AGREEMENT

This strategic assessment was initiated through an Agreement between the Commonwealth Minister for the Environment and BHP Billiton Iron Ore Pty Ltd (Appendix A). The Agreement is intended to be an agreement for the purposes of subsection 146(1) of the EPBC Act to assess the impacts of implementing actions in accordance with this MNES Program.

The Agreement provides for the preparation of an IAR and a draft MNES Program for approval by the Minister. BHP Billiton Iron Ore is responsible for the development of these documents in accordance with the Agreement and the Terms of Reference. The IAR must be developed in accordance with the Terms of Reference in the Agreement.

The scope of the MNES Program is described in Part 2.5.

2.4 IMPACT ASSESSMENT REPORT AND MNES PROGRAM

The IAR provides an assessment of the potential impacts of activities on MNES and outcomes of implementing the Program. This MNES Program is the document that is the subject of the Proposal. The MNES Program is designed to support the Objects of the EPBC Act (listed in Box 1). A description of how these Objects have been addressed is provided in the Draft IAR (BHP Billiton Iron Ore, 2015). In deciding whether to endorse the MNES Program, the Minister must have regard to the extent to which the Program:

- demonstrates how the MNES Program will ensure that the Proposal will be implemented in a manner consistent with the EPBC Act;
- outlines the commitments and processes that BHP Billiton Iron Ore will undertake to avoid, mitigate and offset potential impacts on MNES; and
- provides the basis for Ministerial approval of actions and classes of actions that are required to implement the Proposal and that will be undertaken in accordance with the endorsed MNES Program.

An overview of the processes described in the MNES Program is provided in Figure 2.

Box 1 EPBC Act objects

1. protect the environment, especially those aspects of the environment that are MNES;
2. promote ecologically sustainable development through the conservation and ecologically sustainable use of natural resources;
3. promote the conservation of biodiversity;
4. provide for the protection and conservation of heritage;
5. promote a cooperative approach to the protection and management of the environment; and
6. assist in the co-operative implementation of Australia's international environmental responsibilities.

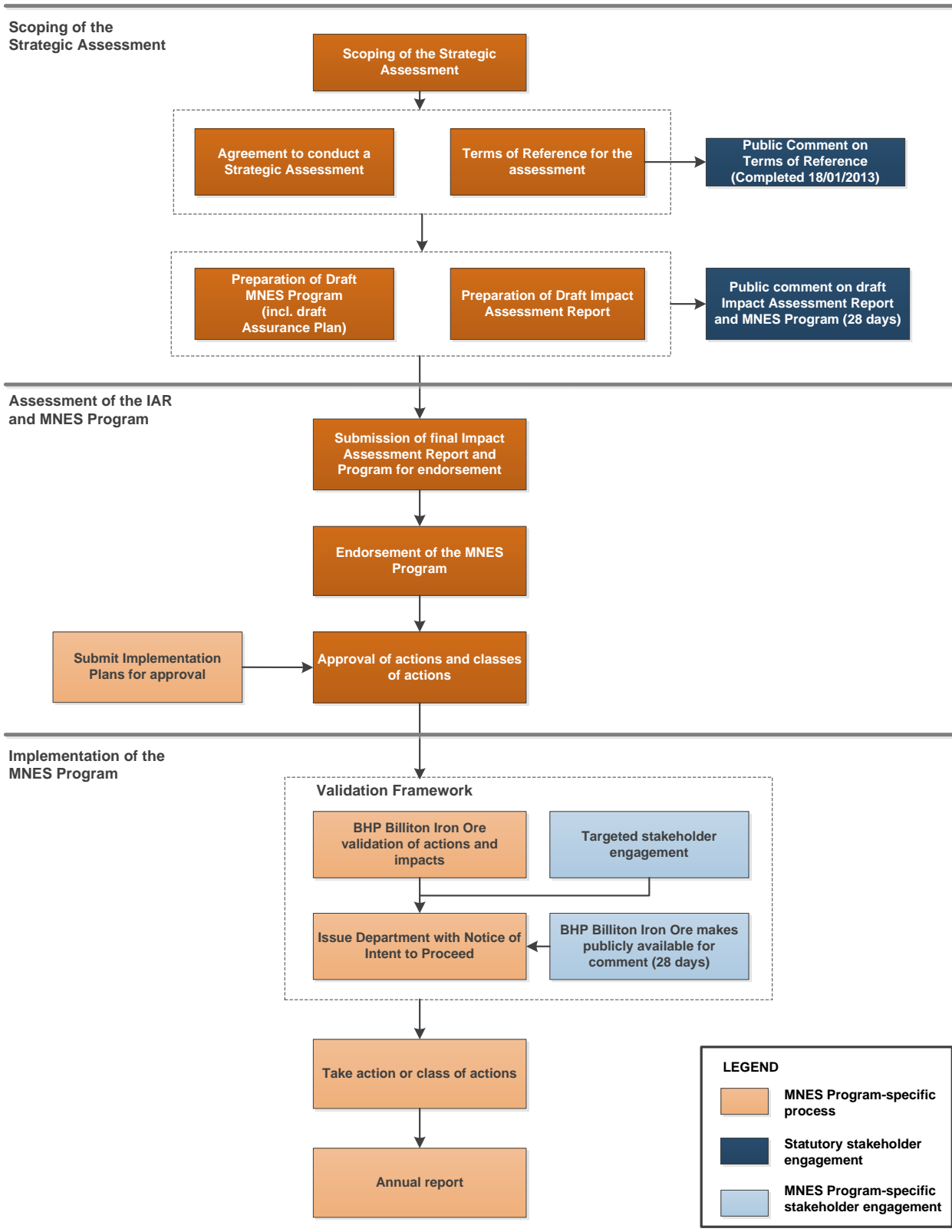


Figure 2 Strategic Assessment process overview

2.5 PURPOSE AND STRUCTURE OF THIS MNES PROGRAM

The purpose of this MNES Program is to provide certainty to the Commonwealth Government that the likely impacts to MNES from implementing the Material Actions relevant to this Proposal will be managed through the commitments and processes outlined in this MNES Program.

References to legislation in this document are provided generally for background information and contextual purposes. Any amendments to this legislation not affecting conservation objectives or any other measure required by this document do not interfere with the applicability or requirements of this MNES Program.

The MNES Program is structured as follows:

- Part 1 provides the definitions of terminology and acronyms used in this MNES Program.
- Part 2 provides an overview of strategic assessments under the EPBC Act, including the strategic assessment process, the Agreement, IAR and MNES Program.
- Part 2.5 outlines the scope (approval holder, Strategic Assessment Area, activities, exclusions, upper disturbance limit and program timeframes) of the MNES Program.
- Part 4 contains the MNES Program objective and management context.
- Part 5 outlines the Validation Framework that will be undertaken by BHP Billiton Iron Ore.
- Part 6 describes the Implementation Plans (Assurance Plan and Offsets Plan).
- Part 7 provides a description of the evaluation and governance requirements for the life of the MNES Program.

2.6 ENDORSEMENT CRITERIA

In deciding whether to endorse the Program, the Minister must be satisfied that the requirements of the EPBC Act have been met, that the Terms of Reference for the Proposal have been adequately addressed, and that any recommendations by the Minister to modify this MNES Program have been responded to appropriately. The Minister may endorse the MNES Program if satisfied that the IAR adequately addresses the impacts of actions taken under the MNES Program on the MNES that have been specified for the assessment. These MNES are:

- Listed threatened species and ecological communities (section 18 & section 18A).
- Listed migratory species (section 20 & section 20A).

Protection of nationally listed threatened species, communities and migratory species (the Specified Protected Matters) will be achieved by aligning this MNES Program with the objects of the EPBC Act.

3 SCOPE OF THE PROGRAM

3.1 APPROVAL HOLDER

The MNES Program applies to:

- all activities (Section 3.3) associated with assets of BHP Billiton Iron Ore within the Strategic Assessment Area (Section 3.2) except those in Section 3.4; and
- all activities (Section 3.3) associated with assets divested by BHP Billiton Iron Ore for which a Notice of Intent to Proceed has been issued to the Department (Section 5.4) or determined not to be a Material Action (Section 5.1).

The Minister may consent to the transfer of an Approval to a new owner of an asset or assets to which the MNES Program applies, subject to the following:

- BHP Billiton Iron Ore is the only Approval Holder to which Part 5 of the MNES Program applies.
- If an asset/s is divested by BHP Billiton Iron Ore, the Minister may agree to a transfer of the Approval insofar as it relates to that asset/s to the new owner of that asset/s subject to the consideration of:
 - Whether the new owner would be a suitable person to be granted an approval having regard to:
 1. The new owner's history in relation to environmental matters; and
 2. The new owner's capacity to comply with the MNES Program and/or conditions attached to an approval.

Should this occur, the Approval in relation to the divested asset/s will no longer be held by BHP Billiton Iron Ore and will instead be held by the new owner of the divested asset. BHP Billiton Iron Ore will continue to be the Approval Holder in relation to other, non-divested assets to which the Approval relates.

Subject to Section 3.5 and Section 5.1, the MNES Program does not apply to any asset/s divested by BHP Billiton Iron Ore that do not have a Notice of Intent to Proceed (Section 5.4) or actions in relation to divested asset/s that have been determined by BHP Billiton Iron Ore not to be Material Actions (Section 5.1). In those cases, the new owner of the divested asset/s would need to consider its obligations to comply with environmental laws including whether or not to refer an action under Part IV of the EPBC Act.

The MNES Program and any conditions attached to the Approval apply to any person or entity authorised, permitted or requested by the Approval Holder to implement those actions.

3.2 STRATEGIC ASSESSMENT AREA

BHP Billiton Iron Ore proposes to continue developing iron ore mines and infrastructure to replace and sustain its existing Pilbara operations over the long term. Future activities related to the development of new iron ore mines and/or expansion of existing mines and the spatial limit of these developments is defined by an area known as the Strategic Assessment Area (Figure 1). The Draft IAR has assessed impacts within the Strategic Assessment Area.

3.3 DESCRIPTION OF ACTIVITIES

Subject to express exclusions outlined in Section 3.4, proposed activities undertaken within the boundary of the Strategic Assessment Area (as shown in Figure 1) that are considered within the scope of the Proposal include:

- all activities directly or indirectly associated with the development of new iron ore mines and associated infrastructure and their use within the Strategic Assessment Area;
- all activities directly or indirectly associated with the expansion of existing iron ore mines and associated infrastructure and their use within the Strategic Assessment Area; and
- all activities associated with decommissioning, rehabilitation and/or closure of an iron ore mine issued with a Notice of Intent to Proceed within the Strategic Assessment Area.

These activities may be implemented anywhere within the Strategic Assessment Area, subject to the exclusions in Section 3.4 and to the Validation Framework at Part 5.

3.4 EXCLUSIONS

Approval is not being sought for the following activities within the Strategic Assessment Area:

- activities in any existing National Park, including Karijini National Park, as shown on Figure 1; and
- activities associated with any existing BHP Billiton Iron Ore operations and infrastructure that has been previously approved.

Activities north of 26 km rail-chainage mark, including BHP Billiton Iron Ore's existing operations at Port Hedland and the Goldsworthy rail line from Port Hedland to and including Yarrie, do not occur within the Strategic Assessment Area.

3.5 UPPER DISTURBANCE LIMIT

BHP Billiton Iron Ore is committed to limiting the direct disturbance footprint within the Strategic Assessment Area to a maximum of 110,000 ha excluding those matters in Section 3.4. This is the upper limit of disturbance for all actions implemented in accordance with this MNES Program. The MNES Program does not apply to any direct disturbance that occurs beyond 110,000 ha.

3.6 MATTERS OF NATIONAL ENVIRONMENTAL SIGNIFICANCE

The Validation Framework (described in Part 5) requires that the impacts of a Material Action are considered with respect to the lists of threatened species and communities and listed migratory species that are applicable during the validation period. In practice, BHP Billiton Iron Ore is committed to undertaking an adaptive management process that takes into consideration all matters listed under Australian Government legislation for listed threatened species and communities and listed migratory species to determine whether an action is likely to have an impact and hence whether detailed consideration is required prior to issuing a Notice of Intent to Proceed (see Section 5.4 for more detail). This mechanism ensures that the Program is not static, and will accommodate new listings (and any de-listings) as they arise, together with any new conservation advice, recovery plan or guidance.

BHP Billiton Iron Ore has also voluntarily undertaken to assess potential future wetlands of international importance and national heritage areas that are reasonably foreseeable as at January 2016.

3.7 MNES PROGRAM TIMEFRAMES

The MNES Program will have effect for 120 years from the date of the Approval. Part 5 of the MNES Program will only have initial effect for 30 years from the date of the Approval.

Part 5 may operate for two subsequent 30 year periods, subject to the following considerations in relation to new listings events.

If a new listing event under other controlling provisions relevant to the Strategic Proposal that is not defined in Section 3.6 is listed prior to the end of any 30 year period for which Part 5 has effect then, during each subsequent 30 year period:

- Part 5 will apply to that new listing; and
- the Minister's consent is required to any Material Action proposed in respect of that new listing, unless the Minister considers that any potential impacts of the Material Action to that new listing have been adequately assessed in the IAR or otherwise.

The Approval and Part 5 of the MNES Program will continue to have effect for up to 120 years from the date of the Approval in relation to any Material Actions that are commenced within the first 30 years from the date of the Approval, or for which a Notice of Intent to Proceed has been issued within that time, regardless of any new listing events.

4 MANAGEMENT CONTEXT

4.1 ECOLOGICALLY SUSTAINABLE DEVELOPMENT

A key objective of the EPBC Act is to promote ecologically sustainable development (ESD) through the conservation and ecologically sustainable use of natural resources. BHP Billiton Iron Ore is committed to implementing and improving environmental performance in implementing the Proposal.

This includes:

- carrying out its business in an environmentally responsible manner by effectively identifying and managing any potential impacts of the Proposal on the environment;
- taking all reasonably practicable steps to ensure that environmental performance is maintained and improved through adaptive management, including regular monitoring and reporting of environmental performance, implementing corrective action where appropriate and communicating key learnings; and
- applying the avoidance, mitigation and offset hierarchy throughout project planning, construction, operations and closure phases during implementation of the Proposal.

BHP Billiton Iron Ore will ensure that all actions are planned, assessed and undertaken in a manner consistent with the principles of ESD, as set out in the EPBC Act (Box 2).

Box 2 Principles of ESD

1. Integration principle: Decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations.
2. Precautionary principle: If there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation.
3. Principle of inter-generational equity: that the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.
4. Biodiversity principle: The conservation of biological diversity and ecological integrity should be a fundamental consideration in decision-making.
5. Valuation principle: Improved valuation, pricing and incentive mechanisms should be promoted.

4.2 HERITAGE MANAGEMENT

Heritage is not a Specified Protected Matter for the Proposal under the EPBC Act. BHP Billiton Iron Ore will continue to respect Aboriginal heritage through undertaking its activities in accordance with the Western Australian *Aboriginal Heritage Act 1972* (WA) and consulting with Traditional Owners and other stakeholders regarding any proposed actions that have the potential to impact heritage values.

Should any relevant sites within the Strategic Assessment Area become listed National Heritage or World Heritage sites in accordance with Part 2.5 of the EPBC Act after the date of the Approval, the process outlined in Section 3.7 will apply to these new listings.

BHP Billiton Iron Ore is well placed to understand and manage the potential impacts to heritage values, having conducted large scale archaeological and ethnographic surveys to identify places of cultural significance with the Traditional Owners of the area. Potential impacts to heritage sites associated with the Proposal will continue to be managed through BHP Billiton Iron Ore’s internal heritage management processes. The engagement of the Traditional Owner groups is guided by Heritage Protocols between the groups and BHP Billiton Iron Ore.

BHP Billiton Iron Ore has also voluntarily undertaken to assess the potential impacts of the Proposal on potential future national heritage areas that are reasonably foreseeable as at January 2016. BHP Billiton Iron Ore will follow the process outlined in Part 5 for the Specified Protected Matters should these become listed as MNES in the future to ensure the proposed management considerations are included in the Implementation Plans.

4.3 MNES PROGRAM OBJECTIVES

The Commonwealth Government has identified environmental objectives for all MNES in the Department’s *Standards for Accreditation of Environmental Approvals under the EPBC Act (2014)*. BHP Billiton Iron Ore proposes to support those objectives through implementation of this MNES Program. Specifically, BHP Billiton Iron Ore’s MNES Program objective is to implement the Proposal in a manner that aligns with the Commonwealth objectives for MNES, which are provided in Table 1.

Table 1 Commonwealth objectives for MNES

MNES that are Applicable Controlling Provisions	Commonwealth Objective
Listed threatened species and ecological communities	The survival and conservation status of listed species and ecological communities is promoted and enhanced, including through the conservation of habitat critical to the survival of a species or community and other measures contained in any recovery plans, threat abatement plans or conservation advices.
Listed migratory species	The survival and conservation status of migratory species and their critical habitat is promoted and enhanced, consistent with Australia’s international obligations.

BHP Billiton Iron Ore will align to the Commonwealth MNES objectives by implementing the Proposal in accordance with MNES Management Outcomes to be defined within the Assurance Plan, as described in Section 6.1. MNES Management Outcomes for each Specified Protected Matters will:

- identify a specific environmental outcome for the Strategic Assessment Area that is consistent with the Commonwealth MNES Objectives in Table 1;
- define the threshold at which impacts on the Specified Protected Matter are considered to be material (for the purpose of determining a Material Action (Section 5.1);
- define the circumstances in which impacts on the Specified Protected Matter will be avoided, mitigated and offset;
- be developed using the IAR and relevant sources of baseline data;
- support relevant recovery plans, threat abatement plans and conservation advices;
- be measurable and reportable; and
- reflect BHP Billiton Iron Ore’s influence within the Strategic Assessment Area and focus on the drivers within its control.

The Approval Holder is required to undertake regular audits and report against the MNES Management Outcomes, as described in Part 7. The intent of auditing is to ensure compliance with the MNES Management Outcomes, and also to ensure that the MNES Program objective is met.

The MNES Management Outcomes will inform the mitigation hierarchy described in Section 5.2.6, so that BHP Billiton will avoid, mitigate, and as a last resort, offset impacts to MNES in order to achieve the MNES Management Outcomes.

BHP Billiton Iron Ore has also voluntarily undertaken to assess the potential impacts of the Proposal on potential future wetlands of international importance and national heritage areas that are reasonably foreseeable as at January 2016. BHP Billiton Iron Ore will follow the process outlined above for the Specified Protected Matters should these become listed as MNES in the future to ensure the proposed management considerations are included in the Implementation Plans.

5 VALIDATION FRAMEWORK

A comprehensive environmental impact assessment has been undertaken in order to provide the Minister with appropriate information to support the endorsement of this MNES Program. This impact assessment is presented in the IAR and is based on a number of inputs such as publicly available and BHP Billiton Iron Ore data, and specialist knowledge and peer review. The IAR presents an assessment of potential impacts from implementation of the Proposal on the Specified Protected Matters. The IAR is an assessment as at January 2016 and at the broad whole of Strategic Assessment Area scale, so the assessment validation process is required to ensure that new actions are consistent with the MNES Management Outcomes at the local scale and over the lifetime of the MNES Program.

The Validation Framework identifies, through a Material Action test, those actions that require BHP Billiton Iron Ore to prepare a Notice of Intent to Proceed to be issued to the Department prior to undertaking the Material Action. The Notice of Intent to Proceed is a document that provides assurance to the Department that all actions taken under the MNES Program are consistent with the MNES Management Outcomes for each Specified Protected Matter.

An overview of the process is shown in Figure 3.

The processes within the Validation Framework are described under separate sections below.

5.1 IDENTIFICATION OF MATERIAL ACTIONS

The EPBC Act establishes a framework to protect MNES and prohibit actions that are likely to have a significant impact on MNES without approval. BHP Billiton Iron Ore recognises that some activities conducted within the Strategic Assessment Area under this MNES Program are unlikely to result in significant impacts to MNES. In recognition of the threshold established by the EPBC Act, the Notice of Intent to Proceed will only be triggered by Material Actions. Activities taken under this MNES Program will be considered a Material Action if the impacts are higher than the threshold for Specified Protected Matter in the Assurance Plan (Section 6.1).

BHP Billiton Iron Ore will produce a report recording its decision on whether proposed actions are considered material or not, which will be made available for auditing purposes to the Department. Outcomes of these decisions will also be summarised and included within the regular reporting as described in the Assurance Plan (Section 6.1).

Where BHP Billiton Iron Ore decides that a proposed action is a Material Action (Section 5.1), BHP Billiton Iron Ore will:

- undertake the processes described in Section 5.2;
- undertake consultation and provide public information as described in Section 5.3;
- issue a Notice of Intent to Proceed to the Department as outlined in Section 5.4; and
- allow 20 days for the Department to respond to the Notice of Intent to Proceed

before action commencement can occur.

Actions that do not meet the Material Action threshold will be managed in accordance with the requirements of applicable Western Australian environmental approvals, legislation and internal business processes.

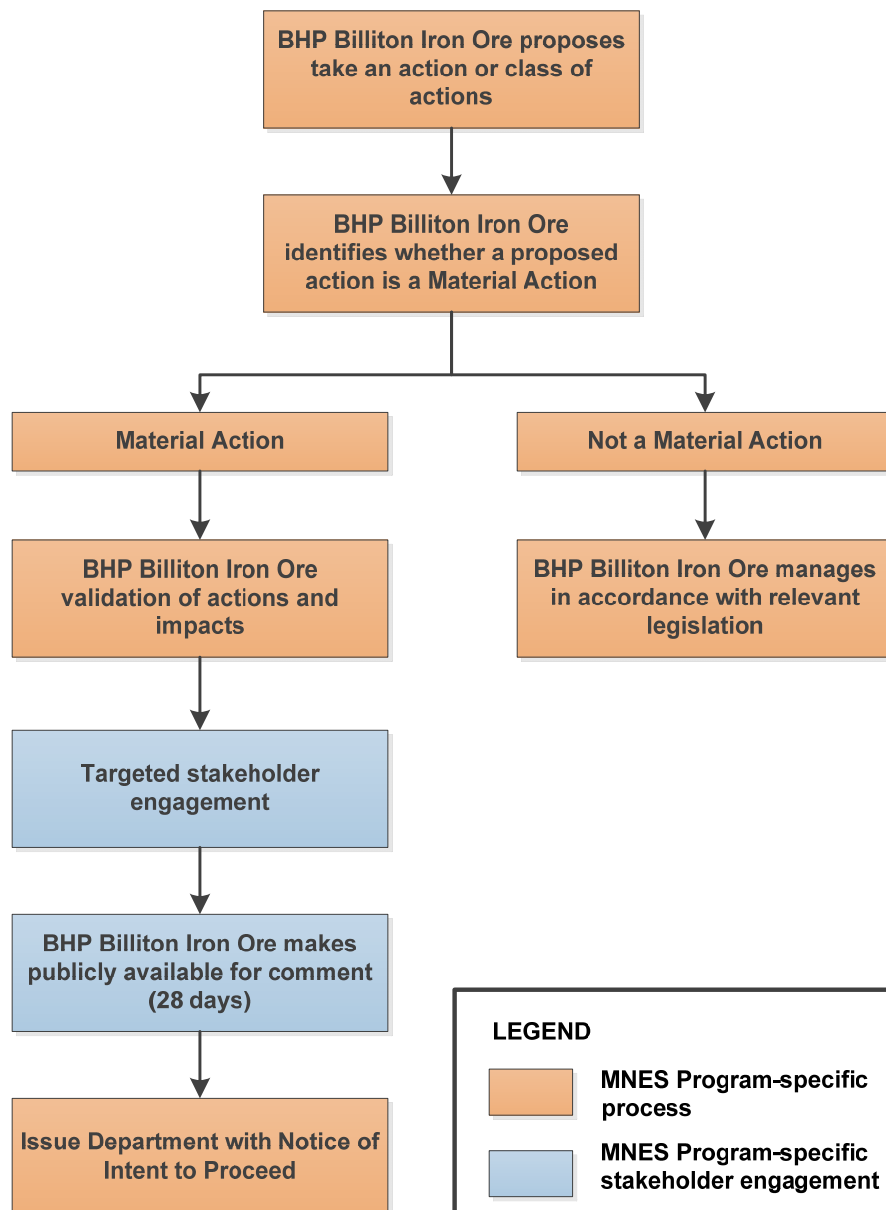


Figure 3 Validation Framework

5.2 VALIDATION OF ACTIONS AND IMPACTS

For all Material Actions identified, BHP Billiton Iron Ore will follow the processes outlined in the sections below.

These processes will ensure that BHP Billiton Iron Ore will continue to comply with the MNES Program in the future and that the MNES Program Objective is achieved. The information will be included in the Notice of Intent to Proceed as described in Section 5.4.

5.2.1 SCOPE OF MNES PROGRAM

For each Material Action proposed under the MNES Program, BHP Billiton Iron Ore will verify that the proposed action is within the scope of the Proposal as defined in Part 2.5. Specifically, BHP Billiton Iron Ore will confirm that the Material Action is:

- Located within the Strategic Assessment Area described in Section 3.2 and illustrated in Figure 1; and

- Within the scope of the Proposal and aligned with the description of activities described in Section 3.3.

Proposed actions that do not satisfy the above criteria will be treated as requiring either an action or class of actions approval under section 146B of the EPBC Act to authorise the taking of the proposed action in accordance with this MNES Program or Part 9 of the EPBC Act approval for actions that are located outside of the Strategic Assessment Area or are beyond the scope of the Proposal.

5.2.2 SPECIFIED PROTECTED MATTERS

BHP Billiton Iron Ore will consider listing events for all Specified Protected Matters as described in Section 3.6 at the time that the Notice of Intent to Proceed is issued. The Notice of Intent to Proceed is not affected by any Specified Protected Matter listed after the date it is issued.

For the purposes of this MNES Program, a listing event defined under the EPBC Act for listed threatened species and communities and listed migratory species is any of the following:

- a species becoming a listed threatened species;
- an ecological community becoming a listed threatened ecological community;
- a listed threatened species or a listed threatened ecological community becoming listed in another category representing a higher degree of endangerment; and
- a species becoming a listed migratory species.

For those actions that are determined to be Material Actions (as discussed at Section 5.1), BHP Billiton Iron Ore will consider the listing events applicable to the controlling provisions under this MNES Program, outlined in Section 3.6. New listings under the Specified Protected Matters applicable to this MNES Program will be subject to the processes described in this section and consultation and public information identified in Section 5.3 and included within a Notice of Intent to Proceed (Section 5.4).

BHP Billiton Iron Ore will update the Implementation Plans every five years in accordance with the adaptive management approach to ensure that new listings for the above controlling provisions are managed appropriately. This update will include the addition of MNES Management Outcomes for the relevant new listings, which will align with the MNES Objective in Section 4.3.

Should a listing event occur after a Notice of Intent to Proceed is issued to the Department, BHP Billiton Iron Ore is not required to consider the new listing for that particular Material Action, or for any Material Actions that have substantially commenced or are within five years of substantial commencement. This approach is consistent with individual actions considered under sections 7 to 9 of the EPBC Act. BHP Billiton Iron Ore will, where practicable, take into account new listings in decision-making for actions not substantially commenced. BHP Billiton Iron Ore is also not required under this MNES Program to continue to manage any listings under the Specified Protected Matters applicable to this MNES Program that become delisted (delisted MNES) and may elect to discontinue with specific management measures for any delisted MNES that are set out in the Implementation Plans.

5.2.3 CONTEMPORARY GUIDANCE

In accordance with the EPBC Act, BHP Billiton Iron Ore will consider the following materials as they apply to relevant MNES:

- threat abatement plans;
- conservation advice;
- recovery plans; and/or
- equivalent guidance material.

The above material will be considered in determining the suitability of baseline information and in undertaking validation processes.

Should guidance material relevant to a particular action be released after the date of a Notice of Intent to Proceed for a particular Material Action issued to the Department, BHP Billiton Iron Ore is not required to consider that guidance in taking the action.

5.2.4 ENVIRONMENTAL CHANGE

BHP Billiton Iron Ore will consider information regarding changes in the environment that could have the potential to impact the Specified Protected Matters. These changes may include, but are not limited to:

- climate change; and
- ecological threats such as pests (e.g., cane toads)

BHP Billiton Iron Ore will consider whether the management measures that apply to the Material Action should be adjusted accordingly to account for changes that may result in an impact to MNES beyond the threshold set out in the Assurance Plan, as per the adaptive management approach described in Section 7.1.

The environmental changes and any management response will inform the Notice of Intent to Proceed and be included in reporting to the Department at appropriate intervals. Reporting mechanisms will be defined within an Assurance Plan, further described in Section 6.1.

5.2.5 DATA EVALUATION

Predicted impacts to MNES will be validated by using relevant contemporary local and regional scale data. Where necessary, baseline studies and mine and infrastructure planning information will be updated.

Baseline data will be evaluated to check that they are sufficient for validation of actions and impacts. This evaluation will generally take place at least every five years to ensure that the data meet the requirements set out in contemporary guidance.

If baseline data do not meet the above criteria, then additional on-ground surveys (including targeted surveys for listed MNES) will be undertaken to supplement and update the baseline data. These data will be used:

- to validate the baseline conditions of the location of the Material Action and to identify the MNES applicable to the Material Action proposed;
- to inform the application of the mitigation hierarchy, including the development of appropriate mitigation measures contained within the Implementation Plans; and
- as part of a reference data set for monitoring and rehabilitation programs associated with the Material Action.

5.2.6 APPLICATION OF THE MITIGATION HIERARCHY

The mitigation hierarchy for environmental management is to avoid, mitigate and as a last resort, offset impacts to MNES.

- **Avoid:** Impacts to MNES may be avoided through measures informing planning and design or selecting alternative mining methods.
- **Mitigate:** Measures to mitigate impacts to MNES may include management of environmental impacts to minimise impacts to MNES, or restoration and rehabilitation activities to establish habitat of conservation value for MNES.
- **Offset:** Measures to offset impacts to MNES may include some or a combination of on-ground management of non-mining threats (e.g., feral animal control), research into ecology or threats relating to MNES, rehabilitation, creation or enhancement of habitat.

Where significant impacts to MNES are considered likely as a result of implementing the Material Action, as determined from the above validation activities, the mitigation hierarchy will be applied. Where reasonably practicable, BHP Billiton Iron Ore will use its best endeavours to avoid impacts to MNES. Where significant impacts to MNES cannot be completely avoided, impacts will be mitigated as far as reasonably practicable. If all significant impacts cannot be avoided or mitigated to an acceptable level (i.e., residual impact is likely to occur), offsets will be applied.

Further detail on management measures to avoid and mitigate impacts to MNES will be provided in the Assurance Plan (Section 6.1) and measures to offsets impacts to MNES will be provided within the Offsets Plan (Section 6.2).

The application of the mitigation hierarchy will be used to inform a statement of compliance with the MNES Program within the Notice of Intent to Proceed. BHP Billiton Iron Ore will include within the Notice of Intent to Proceed an estimate of the residual impact and the offsets to be applied for a Material Action. Information to support this residual impact estimate, including baseline data and avoidance and mitigation measures considered, will be recorded and made available to the Department upon request.

5.3 CONSULTATION AND PUBLIC INFORMATION

BHP Billiton Iron Ore's approach to stakeholder engagement is embedded in business process, seeking to build good relationships with stakeholders based on mutual respect, open and ongoing communications, disclosure of information and transparency of its activities. Through BHP Billiton's Community Group Level Document, BHP Billiton Iron Ore is required to maintain a stakeholder engagement plan, which identifies the interests and relationships of stakeholders and contains a range of culturally and socially inclusive engagement activities to encourage open communication, which is reviewed and updated annually.

BHP Billiton Iron Ore maintains local processes to respond to community concerns, complaints and grievances about the performance or behaviour of BHP Billiton Iron Ore and its people. The grievance mechanisms are locally relevant and are transparent, culturally appropriate and widely communicated. As part of the resolution process, all complaints and grievances are required to be acknowledged, documented and investigated internally. As required, appropriate actions are implemented and complainants are advised of the outcome.

BHP Billiton Iron Ore also has a number of specific consultation obligations under Native Title agreements.

In relation to future actions or classes of actions, the stakeholders consulted and level of stakeholder consultation activity undertaken will depend on the complexity, size and risk of the particular action, and the level of stakeholder interest indicated from ongoing stakeholder engagement. The intent of future stakeholder consultation is to both inform relevant stakeholders and to enable stakeholder engagement in regards to the planning, delivery and management of these actions.

BHP Billiton Iron Ore will maintain a register of interested parties for the purpose of future stakeholder consultation. During the formal Strategic Assessment public consultation period, BHP Billiton Iron Ore will seek expressions of interest from those making submissions as to whether they wish to be advised of future consultation opportunities. Interested parties will also be able to self-identify after the consultation period through BHP Billiton Iron Ore's local response process as outlined above. BHP Billiton Iron Ore will also include on the register key State government agencies, community reference groups, directly affected stakeholders, and relevant Traditional Owner groups.

BHP Billiton Iron Ore will undertake stakeholder engagement during the preparation of the following documents:

- Draft Implementation Plans (Offsets Plan and Assurance Plan)
- Notice of Intent to Proceed
- Annual reporting

Details of the stakeholder engagement commitments to each of the above documents are outlined below.

Prior to a request for approval of a new class of actions as described in Section 3.7, BHP Billiton Iron Ore will advise interested parties on the stakeholder register. BHP Billiton Iron Ore will also make publicly available on its website (or equivalent) the draft Implementation Plans for a period of 28 days and instructions on how to provide comment. BHP Billiton Iron Ore will consider comments on these documents prior to submission to the Department.

As outlined in Part 6, BHP Billiton Iron Ore or other Approval Holders will be responsible for undertaking a five-yearly review, which may require updates to the Implementation Plans as part of the adaptive management process. BHP Billiton Iron Ore (or other Approval Holder) is required to make publicly

available any revised draft Implementation Plans for a period of 28 days and instructions on how to provide comment. BHP Billiton Iron Ore will consider comments on these documents prior to submission.

Prior to issuing the Department a Notice of Intent to Proceed, BHP Billiton Iron Ore will advise interested parties on the stakeholder register of the proposed submission, including a description of proposed activities of the proposed action, potential impacts on the Specified Protected Matters and the proposed management approach. In addition, the draft Notice of Intent to Proceed will be made available on BHP Billiton Iron Ore's website (or equivalent) for a period of 28 days along with instructions on how to make comment on the document. BHP Billiton Iron Ore will consider comments on these documents prior to issuing the final Notice of Intent to Proceed to the Department.

Any stakeholder comments received for the above documents that require follow-up will be included in BHP Billiton Iron Ore's stakeholder engagement plan. BHP Billiton Iron Ore will respond to stakeholders on comments provided within a nominated period as described in the Assurance Plan, the content of which is described in Section 6.1.

BHP Billiton Iron Ore will make an electronic copy of its annual environmental report available on its website (or equivalent) for a period of 28 days along with instructions on how to be added to the stakeholder register for future consultation.

BHP Billiton Iron Ore will maintain a record of the stakeholders consulted and how the issues raised have been considered as part of this process. Further details of stakeholder engagement will be provided in the Assurance Plan, described in Section 6.1.

5.4 NOTICE OF INTENT TO PROCEED

The Notice of Intent to Proceed is a key non-statutory process step that occurs prior to any Material Action being undertaken. The Notice of Intent to Proceed is a document that BHP Billiton Iron Ore will issue to the Department, which confirms that the Material Action that is planned to be undertaken is within scope and complies with the requirements of this MNES Program.

The Notification will provide:

- a date that the Notice will take effect, as identified by date and signature of a BHP Billiton Iron Ore authorised person;
- Location of Material Action;
- Activities planned as part of the Material Action;
- Expected end date of activities associated with the Material Action;
- Estimate of the direct disturbance area, including residual impact estimate;
- MNES relevant to the Material Action;
- Map illustrating the boundary of the Material Action and area of direct disturbance;
- Discussion of indirect impact;
- Statement of compliance with the MNES Program, including the outcomes of the validation of action and impacts; and
- Stakeholder engagement undertaken.

To maintain transparency and to provide assurance to the Department, BHP Billiton Iron Ore will make the Notice of Intent to Proceed for each Material Action available for public comment for a minimum of 28 days prior to issuing the Notice to the Department. BHP Billiton Iron Ore will issue the Notice of Intent to Proceed to the Department as soon as practicable after public comments have been addressed, and no later than 20 business days after the date that the Notice will take effect.

The Approval Holder must notify the Department that the Material Action has commenced no later than 30 days after the commencement of a Material Action, and that the Material Action has been completed no later than 30 days after the completion of a Material Action.

Where BHP Billiton Iron Ore has issued a Notice of Intent to Proceed to the Department, the Material Action must commence within five years of the date of the Notice. If the Material Action has not

commenced within the five year timeframe, then the Approval Holder must not implement the Material Action until either:

- the Department authorises commencement for the Material Action by BHP Billiton Iron Ore or the Approval Holder; or
- BHP Billiton Iron Ore issues a new Notice of Intent to Proceed to the Department for that Material Action in accordance with this MNES Program. This process extends the substantial commencement timeframe for another five years.

6 IMPLEMENTATION PLANS

BHP Billiton Iron Ore must develop and submit for the Ministers approval, two implementation plans to manage impacts to MNES, which the Minister may consider in approving actions or classes of actions under the MNES Program. These implementation plans are the Assurance Plan and Offsets Plan.

Adaptive management is a key principle for the management of MNES within the Strategic Assessment Area. It is a systematic process for continually improving management practices and performance through monitoring, evaluation and corrective action. The Implementation Plans contain a commitment to include an adaptive management process to ensure that corrective action is undertaken where necessary and that management of MNES continues to be effective throughout implementation. Further information regarding adaptive management is described in the Draft IAR (BHP Billiton Iron Ore 2015).

This section applies to BHP Billiton Iron Ore and may apply to other Approval Holders operating under this MNES Program as described in Section 3.1. These Implementation Plans will be developed in accordance with the content prescribed in Sections 6.1 and 6.2 and will be made publicly available as described in Section 5.3. The Implementation Plans will be reviewed every five years as described in Section 7.5.

6.1 ASSURANCE PLAN

The purpose of the Assurance Plan is to define the MNES management hierarchy, the monitoring, reporting and auditing requirements, and the governance processes that will be implemented to ensure that all Material Actions are undertaken in accordance with this MNES Program. The Assurance Plan will be reviewed every five years and submitted to the Department for approval.

The Assurance Plan will contain:

- a process to identify Material Actions in line with Section 5.1, including criteria and/or examples;
- MNES Management Outcomes, which are measurable, specific and relevant to the MNES potentially impacted by Material Action. The MNES Management Outcomes will be developed using relevant sources of baseline data or other information, including recovery plans, threat abatements plans and approved conservation advices;
- performance indicators, including triggers, thresholds and/or targets that will be used to track compliance and performance against each MNES Management Outcome. These performance indicators will be measurable, auditable and appropriate for each MNES;
- adaptive management and corrective action to manage events in which monitoring indicates that MNES Management Outcomes are not likely to be met, or where it is anticipated that MNES Management Outcomes are not considered likely to continue to support the MNES Program Objective described in Section 4.3;
- a process for data management and sharing of data;
- details of compliance reporting aligned with Part 7;
- compliance audit process to demonstrate compliance with the endorsed MNES Program;
- performance audit, adaptive management and corrective action process to demonstrate that the MNES Management Outcomes are being met;
- details of regular and ongoing stakeholder engagement, including a process for maintaining records of stakeholder engagement outcomes and how these will be addressed where relevant to the management of MNES;

- key communication points with the Department, noting the Notice of Intent to Proceed, and notification of commencement and completion of each Material Action; and
- governance arrangements to deliver the above.

6.2 OFFSETS PLAN

The purpose of the Offsets Plan is to ensure that appropriate offsets are applied to address residual impact(s) of Material Actions at an appropriate time.

The Offsets Plan will be prepared in line with the following guiding principles:

- is regional/landscape in scale and relevant to the Strategic Assessment Area;
- wherever possible, meets the requirements of both the State and Commonwealth offset obligations;
- implements conservation actions in a coordinated way based on clearly documented investment decisions and targeted outcomes;
- focuses on the highest priority biodiversity issues (key threatening processes) in the region through the delivery of on-ground initiatives which are proportionate to potential residual impacts;
- provides opportunities for partnerships between government, industry, landholders and Aboriginal communities;
- is transparent, with robust governance arrangements that can be readily measured, monitored and audited; and
- will be applied within an adaptive management framework.

The Offsets Plan will contain:

- specific MNES Management Outcomes to be achieved. These will either be the same as or complement those detailed in the Assurance Plan;
- an estimate of the residual impact (after avoidance and mitigation is applied) if the full extent of the Proposal is implemented (i.e., the maximum quantum of the offset);
- a method to convert the above residual impact to an adequate and measureable offset for the relevant MNES;
- an implementation plan to apply and track offsets over time including identification and prioritisation of offsets;
- monitoring, reporting, adaptive management process for changing offsets identification and priorities and evaluation mechanisms;
- timeframes and responsibilities for implementation;
- funding schedule and financial arrangements; and
- governance arrangements to deliver the above.

7 PROGRAM EVALUATION AND GOVERNANCE

7.1 ADAPTIVE MANAGEMENT

Adaptive management is a key principle for the management of MNES within the Strategic Assessment Area. It is a systematic process for continually improving management practices and performance through monitoring, evaluation and corrective action. The Implementation Plans described in Part 6 will include an adaptive management process to ensure that corrective action is undertaken where necessary and that management of MNES continues to be effective throughout implementation of the endorsed MNES Program. Further information regarding adaptive management is described in the Impact Assessment Report (BHP Billiton Iron Ore 2015).

7.2 MONITORING AND REPORTING

This section applies to the Approval Holder as described in Section 3.1.

The Approval Holder will be responsible for monitoring and reporting on performance indicators for each Material Action annually to the Department as defined in the Assurance Plan. The primary purpose of this is to demonstrate that the MNES Management Outcomes are being achieved, and continue to support the MNES Program Objective described in Section 4.3.

The annual report will highlight the performance against the MNES Management Outcomes in the previous 12-month reporting period, corrective actions taken, and any deviation or non-compliance with the Implementation Plans described in Part 6.

Every five years from the issuing of the first Notice of Intent to Proceed, the Approval Holder will include in the annual report for that year the outcomes of the five-yearly review as discussed in Section 7.5.

Reports that will be made available for public information are described in Section 5.3.

7.3 COMPLIANCE

The annual report will contain:

- Material Actions under the MNES Program;
- progress of all Material Actions;
- progress in applying the avoidance, mitigation and, if relevant, offsets for each Material Action;
- progress in achieving the MNES Management Outcomes; and
- deviations from the MNES Program or from information contained in a Notice of Intent to Proceed for a Material Action.

The importance of any deviation in terms of impacts on Specified Protected Matters will be explained, along with corrective action taken.

For any deviation that has materially impacted or may materially impact any Specified Protected Matter greater than the level of impact expected without the deviation, the Approval Holder will:

1. take corrective action in respect to the deviation; and
2. Within 30 business days of becoming aware of the deviation, notify the Department in writing of the deviation; the corrective action taken or to be taken; and should corrective action be taken, the outcome of that corrective action.

The Department will advise the Approval Holder that either:

- the deviation is minor or trivial and that the corrective action taken or to be taken is satisfactory or no further corrective action is required; or
- The deviation requires further corrective action.

7.4 AUDITING

Independent compliance audits will be conducted as required by the Approval Holder, or as requested by the Minister. The independent auditor and the terms of reference for audits are to be approved by the Minister prior to the commencement of the audit, and the report will address the criteria to the satisfaction of the Minister. The Terms of Reference may be included as a part of the Assurance Plan.

7.5 LIFE OF PROGRAM AND REVISION

As described in Section 3.7, the life of Part 5 of the MNES Program is 30 years from the date of the Approval. For Part 5 to have effect beyond the 30 year timeframe, BHP Billiton Iron Ore will seek approval from the Minister in writing for subsequent 30 year periods.

The application of all other Parts of the MNES Program will have effect for up to 120 years. This will allow commenced Material Actions, and Material Actions for which BHP Billiton Iron Ore has issued the Department a Notice of Intent to Proceed, to continue to proceed with an approval in place.

The Approval Holder will be responsible for undertaking a comprehensive five-yearly review of the MNES Program. The review should inform adaptive management and potentially prompt the updating of relevant implementation plans to maintain or improve performance. The review will require the development of draft Terms of Reference to be approved by the Minister.

8 REFERENCES

BHP Billiton Iron Ore (2015). Pilbara Strategic Assessment Draft Impact Assessment Report, BHP Billiton Iron Ore, Perth, Western Australia

9 APPENDICES

APPENDIX A – THE AGREEMENT



**ENVIRONMENT PROTECTION AND BIODIVERSITY
CONSERVATION ACT 1999**
Part 10 Strategic Assessments
Section 146 Agreement

Agreement to undertake a strategic assessment of the impacts of a Plan for mining iron ore
in the Pilbara region, Western Australia.

between

**THE MINISTER FOR SUSTAINABILITY, ENVIRONMENT, WATER, POPULATION AND
COMMUNITIES**

and

BHP Billiton Iron Ore Pty Ltd
ACN 008 700 981

CONTENTS

1	PARTIES	3
2	COMMENCEMENT OF AGREEMENT	3
3	DEFINITIONS	3
4	PREAMBLE.....	5
5	BACKGROUND	5
6	TERMS OF REFERENCE FOR THE IMPACT ASSESSMENT REPORT	6
7	PREPARATION OF THE IMPACT ASSESSMENT REPORT AND MNES PLAN.....	7
8	ENDORSEMENT OF THE PLAN	8
9	ENDORSEMENT CRITERIA.....	8
10	APPROVAL OF ACTIONS UNDER THE PLAN.....	9
11	VARIATION, CONFLICT RESOLUTION AND TERMINATION.....	10

1 PARTIES

The Parties to this agreement are:

The Minister for Sustainability, Environment, Water, Population and Communities

and

BHP Billiton Iron Ore Pty Ltd ABN 46 008 700 981

2 COMMENCEMENT OF AGREEMENT

2.1 This agreement will commence on the date on which the agreement is signed by both parties.

3 DEFINITIONS

3.1 Unless stated otherwise in this Agreement, the definitions, meanings and terms in the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) apply to this Agreement and its attachments.

3.2 In this Agreement:

Agreement means this strategic assessment agreement entered into between the Minister for Sustainability, Environment, Water, Population and Communities and BHP Billiton Iron Ore Pty Ltd on the date the last Party executes this agreement.

BHP Billiton Iron Ore means BHP Billiton iron Ore Pty Ltd ACN 008 700 981

day means a business day as measured in Canberra, Australian Capital Territory.

Department means the Australian Government department administering the *Environment Protection and Biodiversity Conservation Act 1999* (Cth).

endorsement criteria means the endorsement criteria detailed in Clause 9 of this Agreement.

EPBC Act means the *Environment Protection and Biodiversity Conservation Act 1999* (Cth).

Impact Assessment Report means the report prepared in accordance with the Terms of Reference assessing the likely impacts, including cumulative impacts, on MNES from implementing the Plan.

Minister means the Minister responsible for administering the EPBC Act or the Minister's authorised delegate.

MNES means matters of national environmental significance protected under Part 3 of the EPBC Act.

MNES Plan means the Plan by BHP Billiton Iron Ore Pty Ltd for the protection of matters of national environmental significance within the boundary defined in Attachment A for which BHP Billiton Iron Ore Pty Ltd has responsibility.

Parties mean the Minister and BHP Billiton Iron Ore Pty Ltd together, each a **Party**.

Plan is the 'policy, plan or program' (section 146 of the EPBC Act) of the BHP Billiton Iron Ore Pty Ltd management arrangements that will apply to those parts of the strategic assessment area as described in the MNES Plan and for which endorsement by the Minister is sought.

strategic assessment means the strategic assessment to which this Agreement relates, namely the strategic assessment of the impacts, including cumulative impacts, of actions on the environment of the strategic assessment area, relevant MNES and the BHP Billiton Iron Ore Pty Ltd management arrangements to deal with such impacts.

strategic assessment area is the geographic extent of the assessment as described in Attachment A.

Terms of Reference means the terms of reference for the preparation of the Impact Assessment Report.

WA means the State of Western Australia.

4 PREAMBLE

4.1 The Parties agree that:

- (a) the Pilbara region of WA has significant environmental, social and economic values and that;
- (b) new mines and expansion of existing mines and associated infrastructure located within the Pilbara must be undertaken in a manner that protects and enhances these values.

4.2 Recognising the environmental values, the Parties commit to:

- (a) undertake a strategic assessment of the impacts of actions under the MNES Plan on matters of national environmental significance protected by Part 3 of the EPBC Act,
- (b) share information, including but not limited to mapping and spatial data, and
- (c) work collaboratively to undertake the activities within this Agreement through taking reasonably practicable measures.

4.3 The parties recognise that the MNES Plan, and any associated approved actions and classes of actions would be implemented as part of BHP Billiton's Charter. This would occur through the development and application of environmental managements systems and environmental standards including (but not limited to):

- (a) company charter, Code of Business Conduct and standards;
- (b) planning, implementation and operation;
- (c) monitoring and reporting; and
- (d) compliance and review.

4.4 The strategic assessment does not affect the application of the EPBC Act in the strategic assessment area in relation to actions or activities already approved under Parts 7, 8 and 9 of the EPBC Act.

4.5 The Department agrees to assist BHP Billiton Iron Ore to address the requirements of the strategic assessment.

5 BACKGROUND

5.1 Subsection 146(1) of the EPBC Act allows the Minister to agree in writing with a person responsible for the implementation of a policy, plan or program to assess the impacts of actions taken under that policy, plan or program on MNES.

5.2 This Agreement is intended to be an agreement for the purposes of subsection 146(1) of the EPBC Act to assess the impacts of actions taken under the MNES Plan.

5.3 The MNES Plan is to be developed by BHP Billiton Iron Ore. The MNES Plan, if endorsed, will allow the Minister to approve actions or classes of actions taken in accordance with the MNES Plan, within the boundaries of the strategic assessment area. Key issues that must be addressed in the MNES Plan are included (but not limited to) those at Attachment B.

- 5.4 For the purposes of the Agreement, the policy, plan or program is the MNES Plan. An Impact Assessment Report will also be prepared to assess the impacts of implementing the MNES Plan on MNES.
- 5.5 A draft Impact Assessment Report and draft MNES Plan will be made available for public comment for a minimum of at least 28 days. Following the public comment period, a revised final Impact Assessment Report and a final MNES Plan will be submitted to the Minister.
- 5.6 After considering the final Impact Assessment Report and final MNES Plan, the Minister may make recommendations about the MNES Plan (including recommendations for modification of the MNES Plan).
- 5.7 The Minister may decide to endorse the MNES Plan if satisfied that:
- (a) the Impact Assessment Report and MNES Plan adequately address the impacts and endorsement criteria to which this Agreement relates; and
 - (b) the recommended modifications (if any) to the MNES Plan made by the Minister, or modifications having the same effect, have been made.
- 5.8 The Parties acknowledge that the endorsement of the MNES Plan itself does not constitute any approval for the taking of actions under the EPBC Act.
- 5.9 If the Minister decides to endorse the MNES Plan, the Minister may then approve the taking of an action, or a class of actions, in accordance with the MNES Plan and the EPBC Act. The effect of this approval decision is that any actions or class of actions approved under section 146B would not need further approval by the Minister under the EPBC Act if taken in accordance with the endorsed MNES Plan.
- 5.10 The Parties acknowledge that, where proponents propose to take an action in accordance with the MNES Plan that is not the subject of an approval under section 146B, they are able to seek approval for that action through the assessment and approval process established under Parts 7, 8 and 9 of the EPBC Act. Where relevant, information in the Impact Assessment Report must be taken into account when deciding:
- (a) the level of assessment for an action referred under Part 7; and
 - (b) whether or not to approve an action under Part 9 (paragraphs 87(3)(e) and 136(2)(e)).

6 TERMS OF REFERENCE FOR THE IMPACT ASSESSMENT REPORT

- 6.1 After commencement of the Agreement, BHP Billiton Iron Ore will as soon as practicable seek public comment on the draft Terms of Reference (Attachment C). BHP Billiton Iron Ore must provide the draft Terms of Reference for public comment by notice including:
- (a) posting on BHP Billiton Iron Ore's website;
 - (b) publishing in a major newspaper circulating in Western Australia; and

(c) circulation to key stakeholder groups agreed between the Department and BHP Billiton Iron Ore.

6.2 The notice must advise:

- (a) that the draft Terms of Reference are available for public comment;
- (b) how copies may be obtained;
- (c) the contact details for obtaining further information; and
- (d) that public comments are invited for a period of at least 28 days as specified by the Minister.

6.3 Following the public comment period for the draft Terms of Reference in accordance with clause 6.2(d), BHP Billiton Iron Ore will submit to the Minister:

- (a) proposed final Terms of Reference;
- (b) public responses relating to the draft Terms of Reference; and
- (c) a report on how the public responses have been taken into account.

6.4 Following receipt of the proposed Terms of Reference, the Minister will notify BHP Billiton Iron Ore that the proposed Terms of Reference:

- (a) are approved, or
- (b) are not approved, in which case the Minister will notify BHP Billiton Iron Ore of any comments and invite BHP Billiton Iron Ore to provide revised Terms of Reference which take those comments into account.

6.5 As soon as practicable after receipt of the revised Terms of Reference from BHP Billiton Iron Ore in accordance with clause 6.4(b), the Minister will either:

- (a) notify BHP Billiton Iron Ore of the approval of the revised Terms of Reference; or
- (b) provide approved Terms of Reference that meet the requirements.

7 PREPARATION OF THE IMPACT ASSESSMENT REPORT AND MNES PLAN

7.1 BHP Billiton Iron Ore will prepare as soon as practicable after the Terms of Reference are approved under clause 6.5 a draft MNES Plan and draft Impact Assessment Report in accordance with this Agreement and the Terms of Reference.

7.2 BHP Billiton Iron Ore must provide the draft MNES Plan and draft Impact Assessment Report for public comment by notice, including:

- (a) posting on BHP Billiton Iron Ore's website;
- (b) publishing in a major newspaper circulating in Western Australia; and
- (c) circulation to key stakeholder groups agreed between the Department and BHP Billiton Iron Ore.

7.3 The notice must advise:

- (a) that the draft MNES Plan and draft Impact Assessment Report are available for public comment;
- (b) how copies may be obtained;
- (c) provide contact details for obtaining further information; and
- (d) that public comments are invited on the draft reports for a period of at least 28 days as specified by the Minister.

7.4 BHP Billiton Iron Ore will prepare a final Impact Assessment Report and final MNES Plan, taking into account any public comments received in accordance with clause 7.3(d).

8 ENDORSEMENT OF THE PLAN

8.1 BHP Billiton Iron Ore will submit to the Minister:

- (a) The final MNES Plan (incorporating any revisions in light of public comments);
- (b) The final Impact Assessment Report (incorporating any revisions in light of public comments);
- (c) a report explaining how relevant public responses have been taken into account and addressed in the final Impact Assessment Report and final MNES Plan;
- (d) public comments received during the consultation period relating to the draft Impact Assessment Report and draft MNES Plan; and
- (e) any other documents required to support the BHP Billiton Iron Ore's submission.

8.2 If the Minister is not satisfied that the final MNES Plan and final Impact Assessment Report adequately addresses the impacts to which this agreement relates, then:

- (a) the Minister can make recommendations to amend the MNES Plan;
- (b) BHP Billiton Iron Ore may seek clarification from the Minister on the recommendations;
- (c) BHP Billiton Iron Ore will then submit to the Minister for consideration the revised MNES Plan and a summary of how the Minister's recommendations were given effect;
- (d) the Minister will consider the revised MNES Plan, and any supporting material provided; and
- (e) the Minister may request further modifications if still not satisfied that the Plan provides for adequate protection of MNES.

8.3 The Minister may endorse the MNES Plan if satisfied that the reports submitted under clause 8.1 and/or clause 8.2 adequately address the impacts to which this Agreement relates, and that any recommended modifications to the MNES Plan or modifications having the same effect have been made. In considering whether to endorse the MNES Plan the Minister will also consider the endorsement criteria at Clause 9.

9 ENDORSEMENT CRITERIA

9.1 When deciding whether to endorse the MNES Plan, the Minister must be satisfied that the Impact Assessment Report adequately addresses the impacts to which the Agreement relates, and that any recommendations by the Minister to modify the MNES Plan have been responded to appropriately.

- 9.2 In determining whether or not to endorse the MNES Plan, the Minister will have regard to the extent to which the MNES Plan meets the objects of the EPBC Act. In particular, that it:
- (a) protects the environment, especially those aspects of the environment that are MNES;
 - (b) promotes ecologically sustainable development through the conservation and ecologically sustainable use of natural resources;
 - (c) promotes the conservation of biodiversity;
 - (d) provides for the protection and conservation of heritage;
 - (e) promotes a cooperative approach to the protection and management of the environment; and
 - (f) assists in the co-operative implementation of Australia's international environmental responsibilities.
- 9.3 Without limiting the matters the Minister may consider when making the decision whether or not to endorse the MNES Plan, the Minister will consider the manner in which the Plan:
- (a) identifies direct, indirect and cumulative impacts on MNES;
 - (b) avoids impacts on MNES;
 - (c) mitigates the impacts on MNES;
 - (d) offsets the impacts on MNES;
 - (e) contributes to the enhancement of the existing environment and management of existing threats; and
 - (f) demonstrates adaption to reasonable climate change scenarios.
- 9.4 Commitments in the MNES Plan must be adequately resourced throughout its life. The MNES Plan must demonstrate an effective system of adaptive management that addresses uncertainty and contingency management as well as procedures for monitoring, independent auditing and public reporting on implementation.
- 9.5 The MNES Plan must address all of the above matters for it to be considered for endorsement by the Minister in accordance with the EPBC Act.

10 APPROVAL OF ACTIONS UNDER THE PLAN

- 10.1 The Minister may approve the taking of an action in accordance with the endorsed MNES Plan. In doing so, the Minister must take into consideration:
- (a) matters relevant to any matter protected by provision of Part 3 of the EPBC Act that the Minister considers relevant to the approval; and
 - (b) economic and social matters.
- 10.2 In considering these matters, the Minister must take into account the principles of ecologically sustainable development.
- 10.3 The Minister must seek comment from other Australian Government Ministers with administrative responsibilities relating to the actions before approving the taking of an action, or class of actions, pursuant to section 146C of the EPBC Act.

10.4 If endorsed, both Parties will make publicly available electronically through their websites the endorsed MNES Plan, the Impact Assessment Report, and any approval decision and conditions.

10.5 Approvals for actions or classes of actions may occur progressively after endorsement of the MNES Plan.

11 VARIATION, CONFLICT RESOLUTION AND TERMINATION

11.1 This Agreement may only be varied by written agreement (including electronic communications) between the Parties and in accordance with the EPBC Act.

11.2 Where there is a dispute between the Parties to this Agreement on a particular matter, the Parties will consult in the spirit of mutual cooperation in relation to that matter and will use their best endeavours to negotiate a mutually acceptable resolution.

11.3 Either party may at any time terminate this Agreement by written correspondence to the other Party.

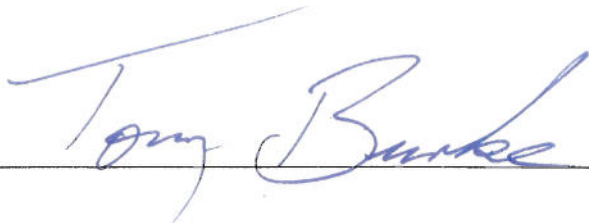
11.4 The Parties do not intend this Agreement to create contractual or other legal obligations, or that a breach of the Agreement will give rise to any cause of action, or right to take legal proceedings.

11.5 To avoid any doubt, nothing in this Agreement is intended to override the provisions of the EPBC Act.

SIGNED BY:

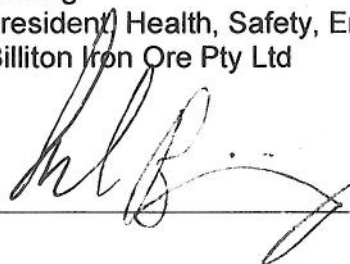
The Hon. Tony Burke MP
Minister for Sustainability, Environment, Water,
Population and Communities

Dated


_____ 18. 9. 12

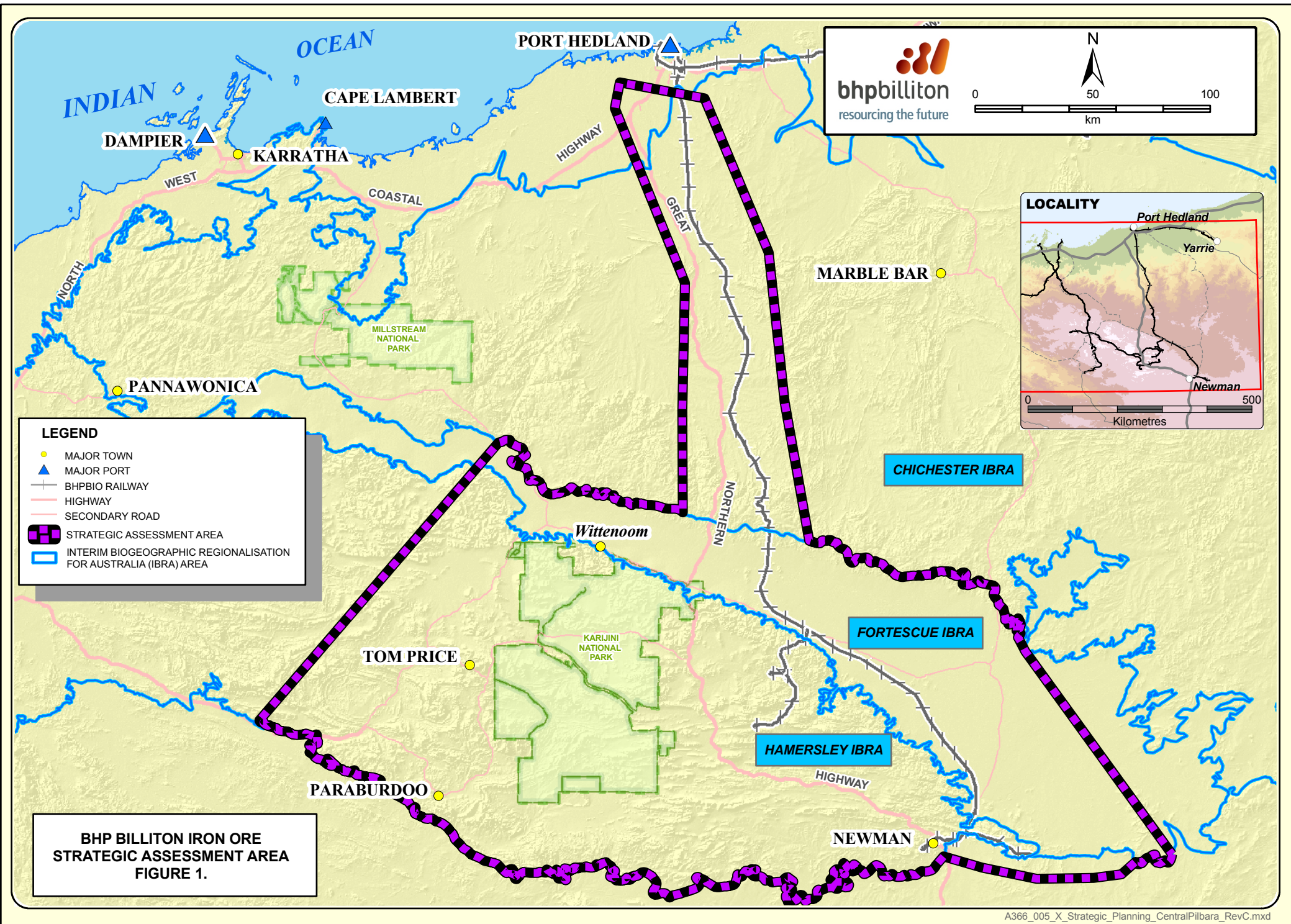
Carl Binning
Vice President Health, Safety, Environment and Community
BHP Billiton Iron Ore Pty Ltd

Dated


_____ 28/8/2012

STRATEGIC ASSESSMENT AREA

The strategic assessment area is the boundaries of BHP Billiton assets within the central Pilbara region of Western Australia (refer Figure 1) and the surrounding area, to the extent that actions undertaken by BHP Billiton in the strategic assessment area may impact matters of national environmental significance. The strategic assessment area has been defined in part using the Interim Biogeographic Regionalisation for Australia (IBRA) sub-regional boundaries and a nominal corridor based on the existing BHP Billiton Iron Ore Newman to Port Hedland rail corridor.



0 50 100
km

LOCALITY

0 500
Kilometres

LEGEND

- MAJOR TOWN
- ▲ MAJOR PORT
- BHPBIO RAILWAY
- HIGHWAY
- SECONDARY ROAD
- ▣ STRATEGIC ASSESSMENT AREA
- ▣ INTERIM BIOGEOGRAPHIC REGIONALISATION FOR AUSTRALIA (IBRA) AREA

BHP BILLITON IRON ORE STRATEGIC ASSESSMENT AREA FIGURE 1.

KEY ISSUES TO BE ADDRESSED IN THE MNES PLAN

1. The MNES Plan prepared for this strategic assessment has a wide audience, including the general public and government regulators, so it must:
 - a) use plain English to ensure readers who do not have background in or detailed knowledge of the MNES Plan understand its intent, where it applies, what must/must not be happening and the planning mechanisms;
 - b) address anticipated community concerns; and
 - c) provide clarity about legal responsibilities affected by the MNES Plan following endorsement.
2. The MNES Plan must clearly articulate outputs and outcomes to be achieved and the actions and processes to be used. These outputs, outcomes, actions and processes should address (but not be limited to):
 - a) matters of national environmental significance;
 - b) data management and sharing;
 - c) stakeholder engagement and communication; and
 - d) monitoring, auditing, evaluation and adaptive management.
3. The MNES Plan must describe how relevant matters of national environmental significance within the strategic assessment area will be addressed through avoidance, mitigation or offset measures. To be endorsed, the MNES Plan must adequately address all impacts to which the Agreement relates.
4. The MNES Plan must address (but not limited to) how:
 - a) environmental impacts will be addressed;
 - b) monitoring, auditing, evaluation and adaptive management process will be implemented (including addressing failure to meet environmental outcomes); and
 - c) mechanisms to achieve ecologically sustainable development including actions to maintain or enhance biodiversity, having regard for species diversity and abundance, and the extent, condition, connectivity and protection of native vegetation.
5. Any state legislation, plans, procedures or guidelines relevant to the MNES Plan must be documented in the MNES Plan or referenced.
6. The MNES Plan must continue to be effective despite changes to relevant WA planning, legislative and policy provisions underpinning the plan. It is also important that such changes will not affect the ability of the MNES Plan to deliver the endorsed outcomes, actions and processes in the future. The MNES Plan must give a clear, secure basis for building confidence that the benefits and outcomes committed to at the time of endorsement will be delivered. The MNES Plan must also clearly describe how it has allowed enough flexibility to deal with unforeseen changes, respond to adaptive management outcomes or to have elements added to the MNES Plan.

7. The MNES Plan must also be clear on aspects that cannot be altered without breaching the Plan. For example, minimum environmental outcomes.
8. All references cited in the MNES Plan are to be included in a bibliography.

Draft Terms of Reference

BHP Billiton Iron Ore Strategic Assessment of the impacts of a MNES Plan for mining iron ore in the Pilbara region, Western Australia.

1 Introduction

The Minister for Sustainability, Environment, Population and Communities and BHP Billiton Iron Ore Pty Ltd have agreed to undertake a strategic assessment of BHP Billiton Iron Ore's proposed program for mining iron ore in the Pilbara region of Western Australia. This program includes:

- Expansion of existing operations;
- Upgrade to existing supporting infrastructure (such as railway lines); and
- New mines and associated infrastructure.

The purpose of this strategic assessment is to assess a plan for the management of Matters of National Environmental Significance as defined in the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) for the implementation of the proposed program (MNES Plan). The MNES Plan is to be prepared by BHP Billiton Iron Ore as part of the strategic assessment process.

In addition to the preparation of the MNES Plan, BHP Billiton Iron Ore will prepare an Impact Assessment Report (IAR). The objective of the IAR is to provide details of the potential impacts of the implementation of the MNES Plan.

These Terms of Reference (ToR) refer specifically to the contents and structure of the Impact Assessment Report.

2 Content of Impact Assessment Report

2.1 Description of the MNES Plan

The IAR must include a detailed description of the MNES Plan prepared by BHP Billiton Iron Ore, including (but not limited to):

- How the MNES Plan has been developed.
- The regional context (social and environmental) of the MNES Plan.
- The legal and administrative framework for the implementation of the MNES Plan. This should include a description of:
 - Legal standing of the MNES Plan.
 - The relationship of the MNES Plan to other relevant policies, plans, guidelines, commitments, regulations and legislation.
 - The basis of land and asset tenure.
 - The management and approval arrangements of BHP Billiton Iron Ore and the person(s) responsible for the implementation of the MNES Plan.
- Description of the actions and classes of actions that are the subject of the MNES Plan. This includes the short, medium and long term actions proposed.

2.2 Existing Environment

The IAR must provide a detailed description of the existing environment of the Pilbara region (as relevant to the strategic assessment). This should include the environment beyond the footprint of the actions and

classes of actions proposed by BHP Billiton Iron Ore where there is potential for either direct or indirect impacts.

In addition, the following should be included:

- Description of any physical processes (eg. fire, flood, drought, past and current land uses) influencing the environmental characteristics of MNES.
- A detailed profile of each MNES potentially affected by the MNES Plan. Each profile must include:
 - Description of the MNES (including images).
 - Conservation status of the matter under both the EPBC Act and relevant West Australian legislation.
 - Maps showing the distribution and location of the MNES (both historic and current), across its range and within the strategic assessment area.
 - Where appropriate, a description of the habitat requirements of the MNES.
 - Description of key threats to the MNES and recovery and conservation management priorities.
- A profile should also be prepared for matters that are potentially eligible for listing prior to approval of actions and classes of actions.

2.3 Nature and implication of impacts

The IAR must include an assessment of the potential impacts (including direct and indirect) on each relevant MNES, including those matters that are potentially eligible for listing during the strategic assessment duration.

As a minimum, the IAR must include the following:

- Description of the nature and extent of the potential impacts, whether:
 - Short-term, long-term or irreversible.
 - Local or regional.
 - Discrete or cumulative.
 - Direct or indirect.
- Discussion of uncertainty in the assessment of potential impacts on MNES, including reference to technical data and information relied upon in the impact assessment.
- Where appropriate, maps showing the location, amount (hectares), quality and type of habitat that may be impacted for each MNES.
- Where relevant, maps showing the location, amount (hectares), quality and type of habitat to be retained for each MNES.
- Discussion of the potential for climate change to intensify potential impacts and threats to MNES.
- Description of the assumptions made in the impact assessment.

2.4 Ecologically sustainable development

The IAR must describe how the following principles of ecologically sustainable development have been applied in the MNES Plan:

- a) Decision making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations.
- b) If there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation.

- c) The principle of inter-generational equity – that the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations.
- d) The conservation of biological diversity and ecological integrity should be a fundamental consideration in decision making.
- e) Improved valuation, pricing and incentive mechanisms should be promoted.

2.5 Management, mitigation and offsets

The IAR must demonstrate that every effort has been made to avoid impacts to MNES. Where impacts cannot be avoided, the IAR must outline and assess mitigation measures to protect MNES from potential impacts. Environmental offsets in accordance with the *EPBC Act Environmental Offsets Policy, Consultation draft, August 2011 (offsets policy)*, should then be applied to compensate for impacts to MNES that are unable to be avoided or mitigated.

The IAR will include a detailed description and assessment of the effectiveness of management measures to be implemented to address the impacts of the MNES Plan, including (but not limited to):

- An assessment of the suitability of the approach taken (eg. when compared to other potential approaches) to address the impacts on MNES.
- Discussion of the predicted effectiveness of the proposed measures. Claims regarding effectiveness of measures must be substantiated.
- Details of the implementation of measures, including:
 - Method of implementation (eg. BHP Billiton policy, training, signage, etc).
 - Timelines.
 - Roles and responsibilities.

Offsets must produce an overall conservation outcome that improves or maintains the viability of the relevant MNES. Offsets must be readily able to be measured, monitored, audited and enforced in accordance with the *Department's offset policy*.

The IAR must include discussion of:

- The appropriateness of the proposed offsets in the context of evolving or approved policy, including (but not limited to):
 - Commonwealth threat abatement plans, recovery plans, conservation advices and other relevant policy statements.
- Details of proposed direct and indirect offsets.
- Timing of the establishment of offsets.
- Mechanisms to ensure the security and long-term management of offset sites.

Where appropriate, information on proposed offsets must include the provision of maps to show the location, amount (hectares), quality and type of habitat for the relevant MNES.

2.6 Adaptive management and managing risk

The IAR must identify key risks associated with the management measures and the response for addressing these risks as well as adapting to changed circumstances. The IAR must provide details of:

- Key risks (eg. to timing, effectiveness of measures).
- Responses to address these risks.
- Triggers for review and modification of the mitigation measures and strategies (eg. new information, significant change to standards).

2.7 Auditing and reporting

The IAR must specify:

- Monitoring and public reporting process and timeframes.
- Commitment for independent, third party auditing of the implementation of the MNES Plan by a suitably qualified person(s).

2.8 Endorsement criteria

The IAR must include an assessment of how the MNES Plan together with any associated management arrangements meets the endorsement criteria defined in Clause 9 of the Agreement.

2.9 General

The IAR has a wide audience including; the general public, community groups, non-government organisations (NGOs), government agencies and industry groups. The IAR must therefore be written using plain English to ensure that all readers are able to understand the nature and extent of impacts to MNES.

Information used in the IAR must be appropriately referenced, with the following details provided:

- Source of the information;
- How recent the information is;
- How the reliability of the information has been tested; and
- Details of uncertainties in the information.



VARIATION TO AGREEMENT TO UNDERTAKE A STRATEGIC ASSESSMENT

Strategic assessment of BHP Billiton Iron Ore's mining activities in the Pilbara Region of Western Australia

This decision to vary a strategic assessment agreement is made in accordance with clause 11.1 of the Agreement signed under section 146 of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) on 18 September 2012.

Agreement

Responsible person BHP Billiton Iron Ore Pty Ltd
ABN 46 008 700 981

Variation

Variation of Agreement The variation is to substitute the strategic assessment area text at Attachment A and the Map at Figure A of the Agreement signed 18 September 2012 with the specified text and revised strategic assessment area map at Appendix A of this notice.

Date of effect This variation has effect on the date this instrument is signed.

Person authorised to make decision

name and position Bruce Edwards
Assistant Secretary
Assessments (WA, SA, NT) and Air Branch

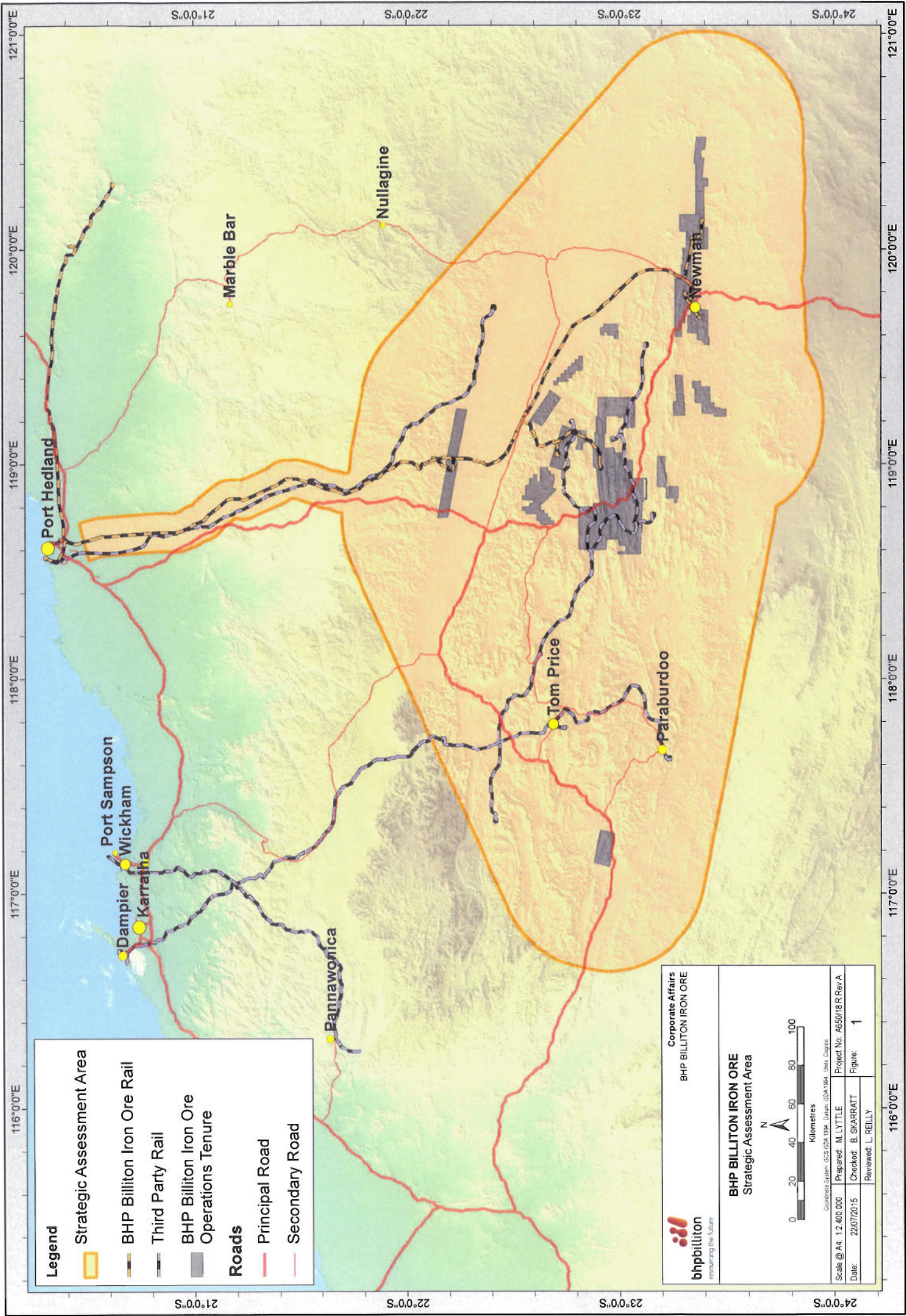
Signature

Date of decision 
21 October 2015

Revised text for Attachment A

STRATEGIC ASSESSMENT AREA

The strategic assessment area is the geographical extent of the assessment and is depicted in Figure 1. It represents the nominal area of influence from future actions undertaken by BHP Billiton on matters of national environmental significance. The strategic assessment area has been defined in part using a nominal corridor based on the existing BHP Billiton Iron Ore Newman to Port Hedland rail corridor and existing BHP Billiton Iron Ore mining tenure.



Legend

- Strategic Assessment Area
- BHP Billiton Iron Ore Rail
- Third Party Rail
- BHP Billiton Iron Ore Operations Tenure
- Roads**
- Principal Road
- Secondary Road

bhpbilliton
measuring the future

Corporate Affairs
BHP BILLITON IRON ORE

BHP BILLITON IRON ORE
Strategic Assessment Area

Scale @ A4: 1:2,400,000
Date: 22/07/2015
Prepared: M. LITTLE
Checked: B. SKARRATT
Reviewed: L. REILLY

Figure: 1

Coordinate System: GCS_GDA_1994, Datum: GDA1994, Units: Degree

Kilometres
0 20 40 60 80 100

N

