



BHP Billiton Iron Ore Pilbara Strategic Assessment

Program

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Document Control

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NOTE ON CURRENCY

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Glossary and Abbreviations

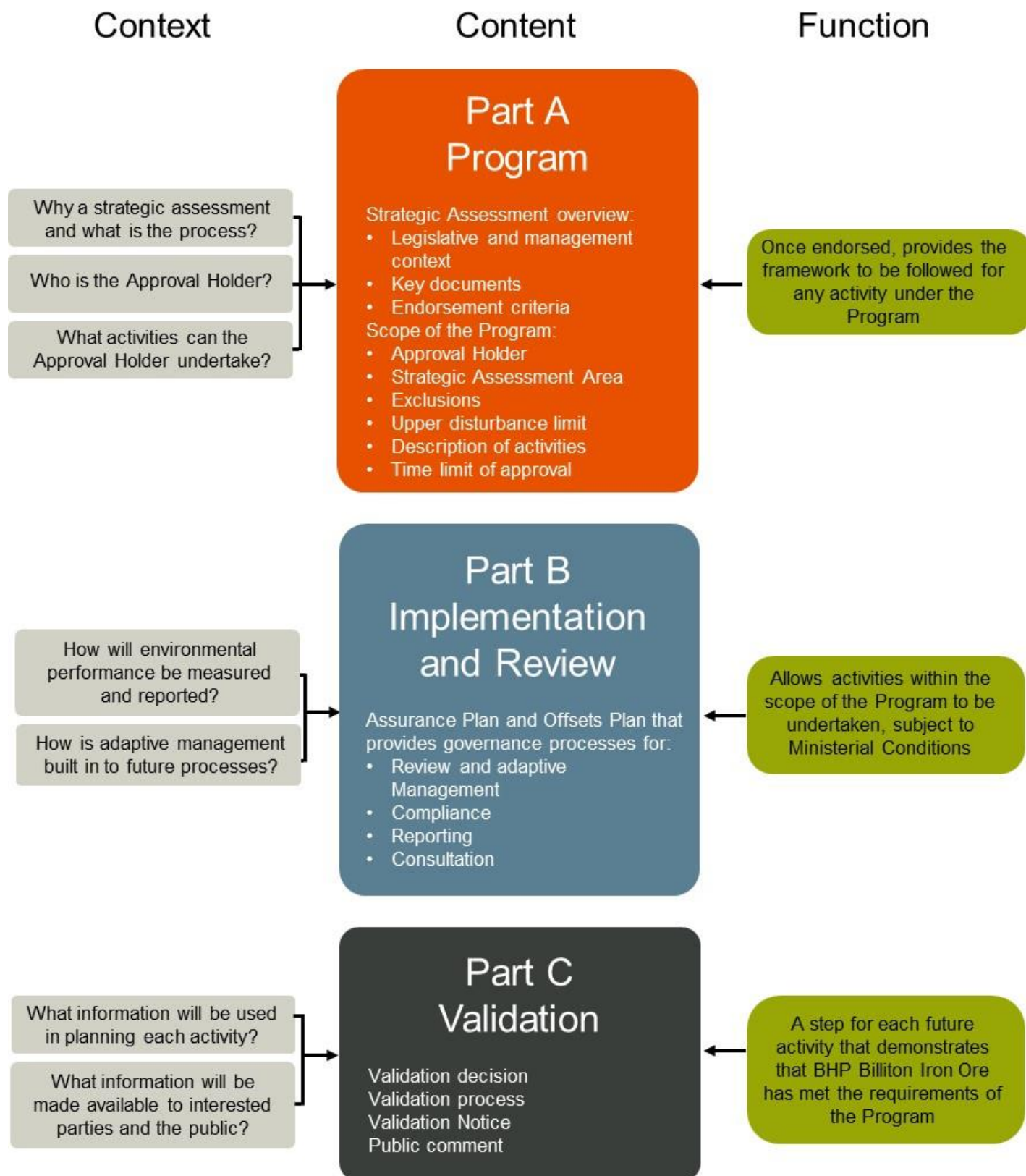
Term	Meaning
Activity or activities	The activities within the Strategic Assessment Area as defined at Part A, Section 2.5 of this Program.
Agreement, the	The agreement dated 18 September 2012 (including the Variation to the Agreement dated 21 October 2015) between the Commonwealth Minister for the Environment and BHP Billiton Iron Ore for the strategic assessment of the impacts of the Proposal on MNES and attached at Appendix A.
Approval	Means the approval of the taking of an action or class of actions in accordance with this Program given under section 146B.
Approval Holder	Means any person or persons named in an Approval as an Approval Holder who may take action in accordance with this Program.
asset	Means an economic resource within the Strategic Assessment Area, including mining tenure with an identified resource, an operating mine, or infrastructure such as rail or processing infrastructure.
Assurance Plan	A plan that provides further detail on the processes described in this Program, including management of Program Matters, stakeholder engagement, reporting and auditing requirements and governance arrangements.
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.
clear or clearing	The cutting down, felling, thinning, logging, removal, killing, destroying, poisoning, ring-barking, uprooting or burning of native vegetation.
Commence, commenced or commencement	Any preparatory works required to undertake a notifiable action including clearing, the erection of any onsite temporary structure and the use of heavy duty equipment for the purpose of breaking the ground.
controlling provision	As defined in Part 7 Division 1 section 67 of the EPBC Act.
Department, the	The Australian Government Department responsible for the administration of the EPBC Act or successors.
Direct disturbance	Means the clearing of native vegetation and/or moving of earth as a result of activities undertaken within the Strategic Assessment Area in accordance with this 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.
Heavy duty equipment	Heavy duty vehicles, including earthmovers, road pavers, asphalt makers and steam rollers.
Impact or impacts	As defined in section 527E of the EPBC Act.
Impact Assessment Report or IAR	BHP Billiton Iron Ore Strategic Assessment: Impact Assessment Report (BHP Billiton Iron Ore 2016).
Implementation Framework	Comprises the Assurance Plan and Offsets Plan, which are designed to support the implementation of this Program

Minister	Minister responsible for administering the EPBC Act and includes a delegate of the Minister.
New Listings	Any new listed threatened species or existing species that have been included in a higher endangerment category identified in accordance with Section 4.1.2 of this Program.
New Matters	Other matters protected by a controlling provision of Part 3 of the EPBC Act (other than listed threatened species) that may be identified in accordance with Section 4.1.2 of this Program.
notifiable action	An activity that is considered likely to have a relevant impact on a Program Matter based on an assessment of the proposed activity against the thresholds defined for Program Matters in the Assurance Plan. In relation to the voluntary part of this Program, this includes an activity that is considered likely to have a relevant impact on a New Listing or a New Matter.
notifiable action completion	The point at which a notifiable action has been implemented in full, such as the time identified in a Validation Notice or at an earlier point as agreed between BHP Billiton Iron Ore and the Department.
Offsets Plan	A plan that provides further detail on the processes that will be implemented to identify and deliver offsets associated with a notifiable action.
Other controlling provisions	Any controlling provision under the EPBC Act that is not already considered in accordance with this Program, the Assurance Plan and/or Offsets Plan.
Program	This program that has been developed in accordance with the Agreement and endorsed by the Minister. Whilst the Agreement refers to a Plan, it was agreed with the Department that the term Program is a better reflection of the systems and processes to be delivered by BHP Billiton Iron Ore.
Program Matters	Means the listed threatened species Hamersley lepidium (<i>Lepidium catapycnon</i>), Pilbara leaf-nosed bat (<i>Rhinonicteris aurantius</i>), Northern quoll (<i>Dasyurus hallucatus</i>), Greater bilby (<i>Macrotis lagotis</i>), Ghost bat (<i>Macroderma gigas</i>), and Olive python (Pilbara subspecies) (<i>Liasis olivaceus barroni</i>).
Strategic Assessment Area	The geographical extent of the assessment and boundaries within which this Program must be implemented, as depicted in Figure 1.
Protected Matters	Matters protected by a provision of Part 3 of the EPBC Act.
Validation Notice	A non-statutory process administered by BHP Billiton Iron Ore under Part C of the endorsed Program.

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Part A: Program

1 Strategic Assessment Overview

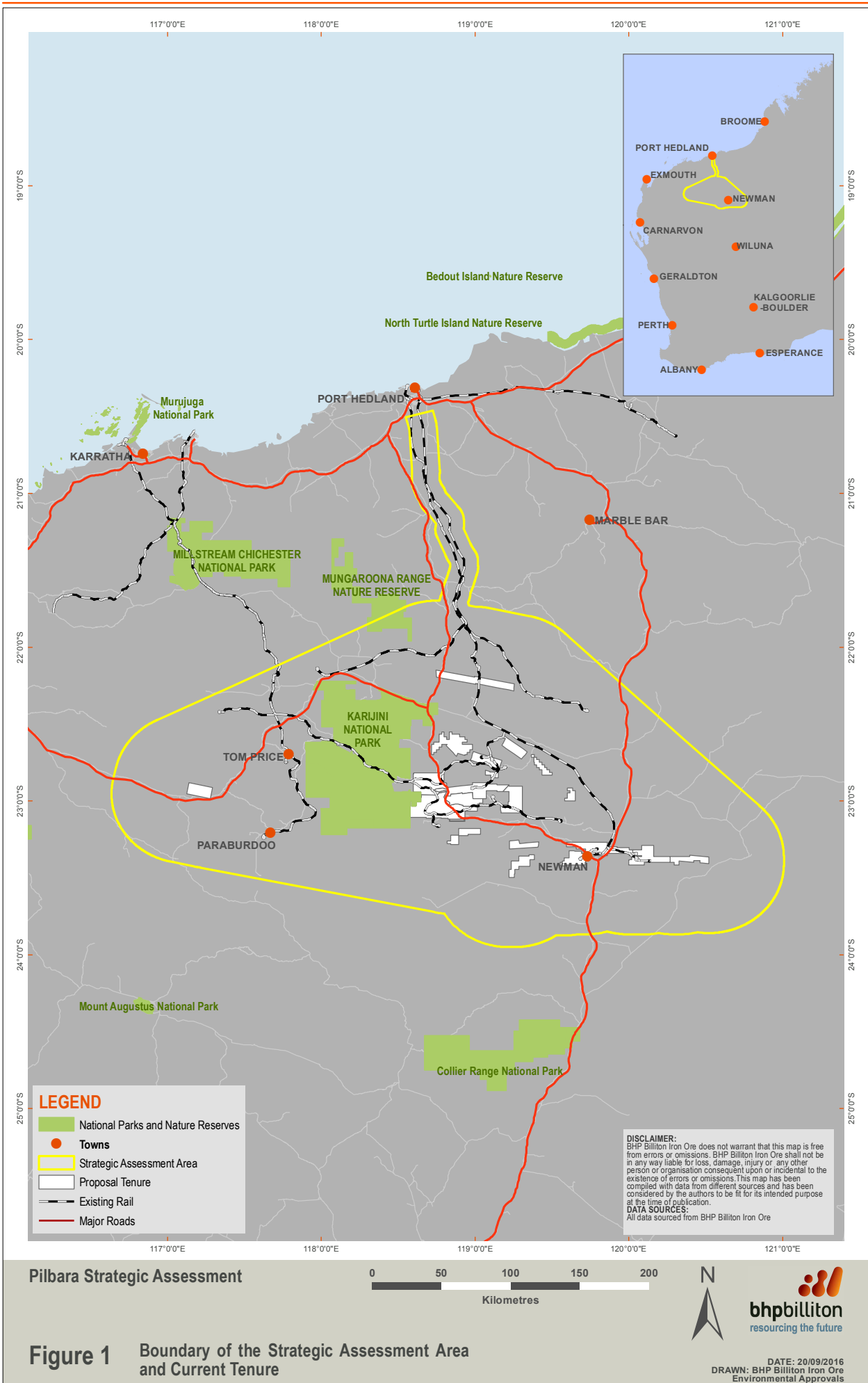
1.1 Introduction

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. BHP Billiton Iron Ore envisages that this Program will be implemented for up to 100 years.

The proposed activities that are the subject of this Program, 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). A strategic assessment is conducted in accordance with Part 10 of the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). Strategic assessments provide an alternative approach 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 (the protected matters).

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

- the early consideration of environmental issues, including relevant protected matters, providing the ability to influence design of future project development;
- the ability to consider impacts to protected matters 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 protected matters; and
- a standardised and consistent approach across operations with environmental and economic benefits.



1.2 Legislative Context

1.2.1 Commonwealth EPBC Act

The EPBC Act is the Commonwealth Government's key piece of legislation for environmental impact assessment. At the time of drafting this Program, Part 3 of the EPBC Act set out the following protected matters:

- 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).

Sections 4.1.1 and 4.1.2 include a review process to identify whether any further protected matters may become relevant to this Program in the future. The consideration of these New Matters and New Listings is a voluntary process to be implemented by BHP Billiton Iron Ore.

Protected matters that are relevant to this Program as at the date of the Approval are referred to as Program Matters (and are listed threatened species).

1.2.2 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 in respect to the Strategic Proposal. The Public Environmental Review is assessed by the Environmental Protection Authority (EPA) and if the State Minister for the Environment approves the Strategic 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 Strategic Proposal. BHP Billiton Iron Ore will refer individual proposals within the scope of the Strategic Proposal 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 Strategic Proposal 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 Strategic Proposal 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*.

1.3 Key Documents

The strategic assessment comprises three key documents:

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

These key documents are discussed below.

1.3.1 The Agreement

This strategic assessment was initiated through an Agreement between the Commonwealth Minister for the Environment and BHP Billiton Iron Ore Pty Ltd on 18 September 2012 (Appendix A). The Agreement was developed in accordance with subsection 146(1) of the EPBC Act to facilitate a strategic assessment of the impacts of a program for managing the impacts on matters of national environmental significance from mining iron ore in the Pilbara region, Western Australia.

The Agreement provides for the preparation of a draft IAR and a draft program for endorsement and 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 attached to the Agreement.

The scope of this Program is described in Part B.

1.3.2 The Program and Impact Assessment Report

The IAR provides an assessment of the potential impacts of activities on the Program Matters and outcomes of implementing the Program. This 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 IAR (BHP Billiton Iron Ore, 2016). In deciding whether to endorse the Program, the Minister must have regard to the extent to which the Program:

- demonstrates how the Program will ensure that activities 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 the Program Matters; and
- provides the basis for Ministerial approval for the taking of an action or class of actions that are required to implement activities and that must be undertaken in accordance with the endorsed Program.

An overview of the processes above is provided in Figure 2.

Box 1 EPBC Act Objects

1. protect the environment, especially those aspects of the environment that are matters of national environmental significance;
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.

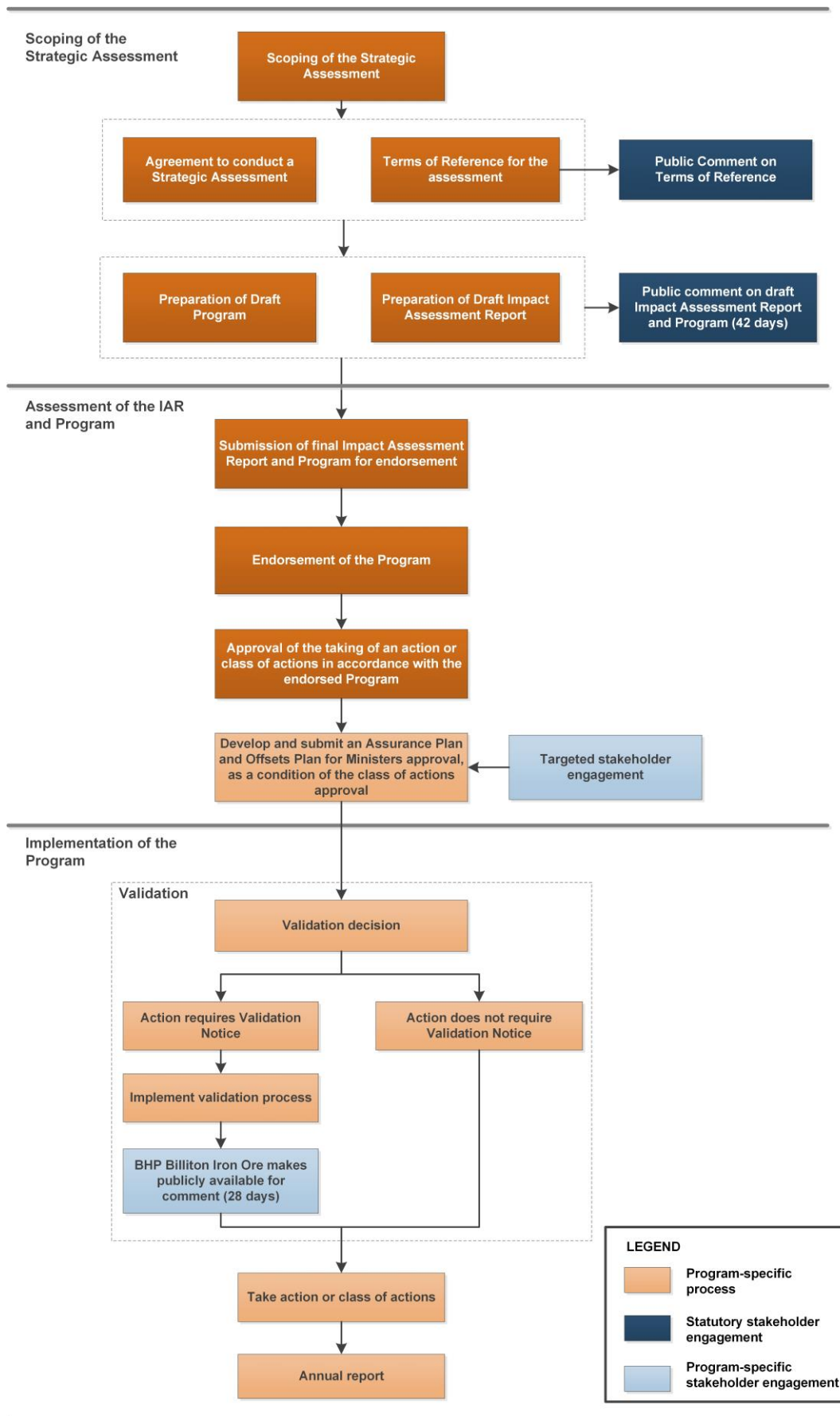


Figure 2 Strategic Assessment process overview

1.4 Endorsement Criteria

In deciding whether to endorse the Program, the Minister must be satisfied that the requirements of the EPBC Act have been met and that the Terms of Reference have been adequately addressed, and that any recommendations by the Minister to modify this Program have been responded to appropriately. The Minister may endorse the Program if satisfied that the IAR adequately addresses the impacts of activities that may be taken under the Program on the protected matters that have been specified for the assessment, known as the controlling provisions. The controlling provision for the Program is listed threatened species (section 18 & section 18A).

Protection of nationally listed threatened species will be achieved by ensuring that this Program aligns with the objects of the EPBC Act.

1.5 Management Context

1.5.1 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 this Program.

This includes:

- carrying out its business in an environmentally responsible manner by effectively identifying and managing any potential impacts of the activities 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 through implementation of this Program.

This Program has been developed in a manner consistent with the principles of ESD, as set out in the EPBC Act (Box 2). Therefore, undertaking activities in accordance with this Program will ensure that ESD is applied during implementation.

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.

1.5.2 Heritage Management

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 other relevant State and Commonwealth legislation

in consultation with Traditional Owners, Native Title holders and other stakeholders regarding any activities that have the potential to impact heritage values.

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 activities 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.

Should any relevant sites within the Strategic Assessment Area become listed National Heritage or World Heritage sites in accordance with the EPBC Act after the date of the Approval, the voluntary process outlined in Section 4.1.2 will apply to these New Matters.

2 Scope of the Program

2.1 Approval Holder

BHP Billiton Iron Ore is responsible for implementation of this Program and will hold the first Approval under the Program. Further Approval Holders may be granted an approval under s 146B to operate under this Program subject to the considerations described below.

This Program applies to:

- all activities (Section 2.5) associated with assets of BHP Billiton Iron Ore within the Strategic Assessment Area (Section 2.2) except those in Section 2.3; and
- all activities (Section 2.5) associated with assets divested by BHP Billiton Iron Ore for which a Validation decision has been made (Part C).

Where BHP Billiton Iron Ore has not made a Validation decision relating to a divested asset, this Program does not apply to activities in respect of that asset. In this case, BHP Billiton Iron Ore will not have any obligations under this Program in respect to activities associated with that asset from the date the asset is divested. The new owner would need to consider its obligations to comply with environmental laws including whether or not to refer an action under Part 7 of the EPBC Act.

BHP Billiton Iron Ore will notify the Minister if it intends to divest any asset or assets for which a Validation decision has been made and to which this Program applies. The Approval held by BHP Billiton Iron Ore cannot be transferred to the new owner, as this Approval applies to all activities associated with assets of BHP Billiton Iron Ore within the Strategic Assessment Area. The new owner must seek an Approval from the Minister for activities within the scope of the Validation decision associated with that asset/s, subject to equivalent conditions to those that apply to that asset/s pursuant to Parts B and C of this Program and the Approval held by BHP Billiton Iron Ore, insofar as they are relevant.

The Minister may grant an Approval to a new owner, subject to consideration of:

- The new owner's history in relation to environmental matters; and
- The new owner's capacity to comply with this Program and/or conditions attached to an approval.

The new owner will not be entitled to make further Validation decisions in respect to the asset/s in accordance with Part C of this Program.

Where the Minister has granted a new Approval, the conditions of BHP Billiton Iron Ore Approval will be amended to remove the asset/s and BHP Billiton Iron Ore will not have any obligations under this Program in respect to activities associated with that asset/s from the date the new Approval is granted. BHP Billiton Iron Ore's Approval will continue to authorise its activities in relation to all other, non-divested assets to which this Program relates.

An Approval Holder may authorise, permit or request another person to take any activities to which this Program applies.

2.2 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 are defined by an area known as the Strategic Assessment Area (Figure 1). The IAR has assessed the impacts of activities within the Strategic Assessment Area.

2.3 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 have been previously approved.

Activities north of the 26 km rail-chainage mark of the Newman to Port Hedland rail line, 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.

2.4 Upper Disturbance Limit

A maximum upper disturbance limit of 110,000 hectares applies to the Strategic Assessment Area. All activities listed in Section 2.5 that result in a direct disturbance will count towards the upper disturbance limit. This Program does not apply to any direct disturbance that occurs beyond 110,000 ha.

All direct disturbance will be apportioned to Approval Holders (through conditions attached to the Approval) in the event that assets are divested in the future. All Approval Holders will be responsible for ensuring that the direct disturbance within the Strategic Assessment Area complies with the limit specified in conditions attached to approval and counting against the upper disturbance limit in annual reporting.

2.5 Description of Activities

Subject to express exclusions outlined in Section 2.3, activities undertaken within the Strategic Assessment Area (as shown in Figure 1) that are considered within the scope of this Program 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;
- all activities associated with environmental management under Part B and C; and
- all activities associated with decommissioning, rehabilitation and/or closure of an iron ore mine and associated infrastructure within the Strategic Assessment Area.

These activities may be implemented anywhere within the Strategic Assessment Area, subject to the exclusions in Section 2.3 and the requirements of Part C.

2.6 Time Limit

Part C and Part B of this Program will have effect for 70 and 100 years respectively from the date of the Approval, subject to the review and adaptive management defined in Section 4. All activities must be completed prior to year

100 from the date of the Approval. Any activity that has not commenced prior to Year 70 from the Approval date is not included within scope of this Program.

Part B: Implementation and Review

This section describes the content of the Assurance Plan and Offsets Plan and outlines the review and adaptive management process. The section applies to BHP Billiton Iron Ore and where applicable, any Approval Holder of a divested asset to which this Program applies.

3 Implementation Framework

The implementation framework provides the processes that enable effective delivery of the Program throughout its life. The framework is comprised of two plans: the Assurance Plan and Offsets Plan. The plans will be developed in accordance with the content described in Sections 3.1 and 3.2 and will be submitted to the Department for the Minister's approval. The Implementation Framework is subject to review every five years as described in Section 4.1.1. Together with the annual reporting requirements detailed in Section 5, the implementation framework enables the Department to monitor performance against this Program. The environmental outcomes and objectives are enforceable through conditions attached to the approval of the classes of actions of this Program.

3.1 Assurance Plan

The purpose of the Assurance Plan is to define the governance processes to ensure that all activities are undertaken in accordance with this Program.

The Approval Holder is required to develop an Assurance Plan that contains:

- Objectives for the Program Matters as described in Section 3.1.1;
- A list of the Program Matters that may be impacted by the activities defined within the scope of this Program;
- Outcomes for the Program Matters as described in Section 3.1.2;
- The process for implementing Parts B and C of this Program;
- A process for adaptive management and corrective action;
- An authorisation process to inform any person that they authorise, permit or request to undertake an activity of their obligations under this Program and the conditions attached to the Approval.
- A process for data management and sharing of data;
- Details of compliance audit and reporting requirements;
- A process for regular and ongoing stakeholder engagement;
- An approach to engagement with the Department; and
- Governance arrangements to deliver the above.

Unless otherwise agreed to in writing by the Department, the Approval Holder is required to revise the Assurance Plan every five years from the date of the Approval, as described in Section 4.1.

3.1.1 Objectives

In consultation with the Department, the Approval Holder will develop an objective for each Program Matter. Each objective will be based on the Department's *Standards for Accreditation of Environmental Approvals under the EPBC Act (2014)* or other applicable Departmental Policy and will set out an environmental standard that:

- supports the Commonwealth Government's intended outcomes for each Program Matter;
- is consistent with the principles of ecologically sustainable development; and
- will not result in unacceptable or unsustainable impacts on Program Matters.

The objectives will be achieved through implementation of this Program as outlined below.

3.1.2 Outcomes

The Approval Holder will align with the objectives developed in accordance with Section 3.1.1 by implementing this Program in accordance with each Program Matter Outcome that will be defined within the Assurance Plan. The outcomes for each Program Matter will:

- be specific and relevant to the Strategic Assessment Area and consistent with the objectives in Section 3.1.1;
- define the threshold at which impacts on the Program Matter are considered to be notifiable for the purpose of Validation (Part C);
- define the circumstances in which impacts on the Program Matter will be avoided, mitigated and/or offset;
- be developed using the IAR and relevant sources of baseline data;
- support relevant recovery plans, threat abatement plans, conservation advices or other guidance material approved in accordance with the EPBC Act, or other documents of material consideration endorsed by the Department;
- be measurable and reportable; and
- reflect the Approval Holder's influence within the Strategic Assessment Area and focus on the impacts to Program Matters within its control.

3.2 Offsets Plan

The purpose of the Offsets Plan is to ensure that appropriate offsets are applied to address significant residual impact(s) of actions at an appropriate time. The Approval Holder is required to develop an Offsets Plan as outlined below.

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 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:

- Program Matters Outcomes to be achieved. These will either be the same as or complement those detailed in the Assurance Plan;
- a method for calculating residual impact that may result from undertaking a notifiable action, and an approach to converting the results of the residual impact estimate into a quantifiable offsets outcome;
- 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.

Unless otherwise agreed to in writing by the Department, the Approval Holder is required to revise the Offsets Plan every five years from the date of the Approval, as described in Section 4.1.

4 Review and Adaptive Management

Adaptive management is a key principle for the management of protected matters within the Strategic Assessment Area. It is a systematic process for continually improving management practices and performance through monitoring, evaluation and corrective action.

Adaptive management has been embedded in the Implementation Framework through key processes to ensure that management of protected matters continues to be effective throughout implementation of this Program. These processes are described below covering the Program Matters at the time of approval and the voluntary consideration of New Listings and New Matters.

4.1 Review Timeframes

Part B of this Program will have effect for 100 years from the date of the Approval, subject to the review processes described in Sections 4.1.1 and 4.1.2.

4.1.1 Five Yearly Review

The Approval Holder will be responsible for undertaking a comprehensive five yearly review of the Implementation Framework as part of the adaptive management process. The purpose of the five yearly review is to:

- Ensure that implementation of this Program is effective;
- Demonstrate that outcomes and objectives for Program Matters are being met; and
- Support an update of Assurance and Offsets Plans.

The review will include:

- New requirements to manage Program Matters as identified in new or revised recovery plans, conservation advice, threat abatement plans or equivalent; and
- Improvements to the Program Matters Outcomes, or supporting triggers or thresholds, in order to achieve the agreed objectives with the Department.

Validation Notices (Part C) must demonstrate that notifiable actions meet the requirements of the most recent Assurance Plan and Offsets Plan, which define the Program Matters Outcomes. BHP Billiton Iron Ore will not consider listing events that occur between review periods or for any notifiable actions once a Validation Notice has been issued. This approach is consistent with individual actions considered under sections 7 to 9 of the EPBC Act.

Where practicable, BHP Billiton Iron Ore will take into account listing events in decision-making for notifiable actions for which a Validation Notice has been issued (refer to Section 8). BHP Billiton Iron Ore is also not required under this Program to continue to manage any listings under the Program Matters that become delisted (delisted protected matters) and may elect to discontinue with specific management measures for any delisted protected matter that are set out in the Implementation Framework.

4.1.2 Voluntary consideration of New Listings and New Matters

Although the Program Matters are fixed at the date of the approval, BHP Billiton Iron Ore will voluntarily undertake to apply the review and adaptive management approach more generally so that:

- Every 5 years, BHP Billiton Iron Ore will identify whether in the preceding 5 years, there have been New Listings (that is, newly listed threatened species or existing species that have been included in a higher endangerment category) which may be significantly impacted by activities taken in accordance with the Program.
- At Year 35 (from the date of Approval), BHP Billiton Iron Ore will identify if there are any New Matters that may be significantly impacted by activities taken in accordance with the Program.

If there are any New Listings or New Matters identified in these reviews, BHP Billiton Iron Ore will:

- update the Assurance Plan to include objectives and outcomes for the New Listings and New Matters; and,
- if any significant residual impacts on New Listings or New Matters are identified, update the Offsets Plan; and
- submit the updated Assurance Plan and Offsets Plan (if necessary) to the Minister.

BHP Billiton Iron Ore will voluntarily undertake to implement the Assurance Plan and Offsets Plan as they apply to New Listings and New Matters as if those New Listings and New Matters were Program Matters.

4.2 Consultation

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 sought expressions of interest from those making submissions as to whether they wish to be advised of future consultation opportunities. 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. Interested parties will also be able to self-identify after the consultation period through BHP Billiton Iron Ore's routine stakeholder engagement processes. New Approval Holders will also be required to maintain a register of interested parties for the purpose of future stakeholder consultation.

BHP Billiton Iron Ore will undertake stakeholder engagement during the preparation of the Assurance Plan and Offsets Plan, and will also make publicly available on its website (or equivalent) the draft Assurance Plan and Offsets Plan for a minimum period of 28 days and instructions on how to provide comment. BHP Billiton Iron Ore will consider comments on these documents prior to seeking Ministerial Approval.

The Approval Holder will be responsible for undertaking a five-yearly review, which may require updates to the Assurance Plan and Offsets Plan as part of the adaptive management process. The Approval Holder is required to make publicly available any revised draft Implementation Plans for a minimum period of 28 days and instructions on how to provide comment. The Approval Holder will consider comments on these documents prior to submission.

5 Reporting

The annual report will contain:

- compliance with the Assurance Plan and Offsets Plan, and Validation Notices;
- actions determined not notifiable;
- activities determined to be a notifiable action;
- progress of notifiable actions, including when notifiable actions have commenced and completed;
- assets divested through the process described in Section 2.1, noting the status of environmental obligations under this Program at the time of divestment;
- an account of the upper disturbance limit for all activities taken within the Strategic Assessment Area. This will include any direct disturbance that has occurred in the twelve month period and as a cumulative total; and
- Results of the five yearly review as described in Sections 4.1.1. and 4.1.2.

Part C: Validation

A comprehensive environmental impact assessment has been undertaken in order to provide the Minister with appropriate information to support the endorsement of this 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 activities on Program Matters. The IAR is an assessment as at March 2016 and at the broad whole of Strategic Assessment Area scale.

A validation process will be implemented to ensure that all activities are consistent with the Program Matters Outcomes at the local scale and over the life of this Program. This section outlines the requirements for a Validation Notice under this Program and will have effect for 70 years from the date of the Approval, subject to the review processes described in Sections 4.1.1 and 4.1.2.

6 Validation Decision

The EPBC Act establishes a framework to protect matters of national environmental significance and prohibit actions that are likely to have an impact on those matters. BHP Billiton Iron Ore recognises that some activities conducted within the Strategic Assessment Area under this Program are unlikely to have an impact on Program Matters. In recognition of the significant impact threshold established by the EPBC Act, the need for a Validation Notice will only be triggered by notifiable actions.

Activities proposed under this Program will require a Validation Notice if:

- The action is within scope of this Program as defined in Section 2;
- The trigger for the Program Matter as defined in the Assurance Plan (Section 3.1) is exceeded.

BHP Billiton Iron Ore will produce a report recording its decision on whether a proposed activity is considered notifiable or not, which will be made available for auditing purposes to the Department. Outcomes of these decisions will also be summarised the Annual Report (Section 5).

Where BHP Billiton Iron Ore decides that a proposed action is notifiable, BHP Billiton Iron Ore will develop and issue a Validation Notice, or amend and re-issue an existing Validation Notice. Actions that do not exceed the trigger for a Program Matter (and therefore are not notifiable actions) will be managed in accordance with the requirements of applicable Western Australian environmental approvals, legislation and internal business processes.

7 Validation Process

For each notifiable action, BHP Billiton Iron Ore will validate that the relevant Program Matters Outcomes will be met. This validation will use contemporary information and data to inform how the mitigation hierarchy for environmental management is applied to achieve the outcomes. These key processes are described further in Sections 7.1 and 7.2.

7.1 Contemporary Information and Data

BHP Billiton Iron Ore will consider information and data that relates to all Program Matters considered relevant to a particular notifiable action. This consideration ensures that updated data and changes to the environment are included in the Validation Notice and inform decision-making.

Baseline data will be evaluated generally at least every five years to ensure that the data meet the requirements set out in contemporary guidance and are adequate for validating impacts to Program Matters. BHP Billiton Iron Ore will supplement and update the baseline data where required, including desktop reviews and on-ground surveys (including targeted surveys). This data will be used:

- to identify Program Matters applicable to the activity proposed;
- to make decisions on whether an action requires a Validation Notice (Section 8);
- to validate direct and indirect impacts to Program Matters;
- to inform application of the mitigation hierarchy, including the development of appropriate mitigation measures contained within the Implementation Framework; and
- as part of a reference data set for monitoring and rehabilitation programs associated with the activity.

7.2 Mitigation Hierarchy

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

- **Avoid:** Impacts to Program Matters may be avoided through measures informing planning and design or selecting alternative mining methods.
- **Mitigate:** Measures to mitigate impacts to Program Matters may include management of environmental impacts or restoration and rehabilitation activities to establish habitat of conservation value for Program Matters.
- **Offset:** Measures to offset impacts to Program Matters 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 Program Matters, rehabilitation, creation or enhancement of habitat.

In demonstrating that the mitigation hierarchy has been applied, BHP Billiton Iron Ore will show that it has undertaken best endeavours to avoid impacts to Program Matters. Where significant impacts to Program Matters cannot be completely avoided, impacts will be mitigated as far as reasonably practicable. If all residual impacts cannot be avoided or mitigated to an acceptable level (i.e., significant residual impact is likely to occur), offsets will be applied in line with the Offsets Plan (Section 3.2). Information to support this residual impact estimate, including baseline data and avoidance and mitigation measures, will be recorded and made available to the Department upon request.

8 Validation Notice

A Validation Notice is a document that BHP Billiton Iron Ore will issue prior to undertaking activities associated with a notifiable action. The purpose of the Notice is to validate that the notifiable action complies with the requirements of this Program.

The Validation Notice 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 the action;
- Description of activities planned as part of the action;
- Expected end date of activities associated with the action;
- Estimate of the direct disturbance area, including residual impact estimate;
- Program Matters relevant to the action;
- Map illustrating the boundary of the action and area of direct disturbance;
- Discussion of direct and indirect impact using contemporary information and data as described in Section 7.1;
- Demonstration that the Program Matters Outcomes can be met through application of the mitigation hierarchy as described in Section 7.2, including details of offsets proposed; and
- Stakeholder engagement undertaken.

Where BHP Billiton Iron Ore has issued a Validation Notice, the action must commence within five years of the date of the Notice. If the notifiable action has not substantially commenced within the five-year timeframe, then the Approval Holder must not implement the action until either:

- the Department authorises commencement for the action by BHP Billiton Iron Ore or the Approval Holder; or
- BHP Billiton Iron Ore issues a new Validation Notice for that action in accordance with this Program. This process extends the commencement timeframe for another five years.

BHP Billiton Iron Ore may choose to vary a Validation Notice following the same process as for issuing a Validation Notice.

9 Public Comment on Validation Notice

BHP Billiton Iron Ore will undertake regular stakeholder engagement as outlined in Section 4.2. To ensure transparency and to provide assurance to the Department, BHP Billiton Iron Ore will also make the draft Validation Notice for each notifiable action available for public comment for a minimum period of 28 days prior to issuing the Notice.

BHP Billiton Iron Ore will issue the Validation Notice as soon as practicable after public comments have been considered, and no later than 20 business days before the date that the Notice will take effect.

Appendix 1

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

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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.

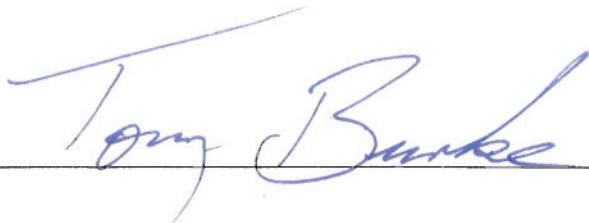
11 VARIATION, CONFLICT RESOLUTION AND TERMINATION

- 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:

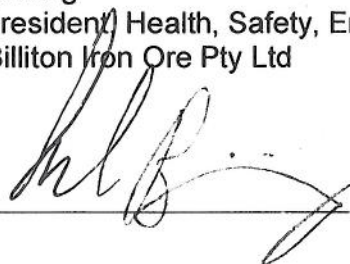
The Hon. Tony Burke MP
Minister for Sustainability, Environment, Water,
Population and Communities

Dated

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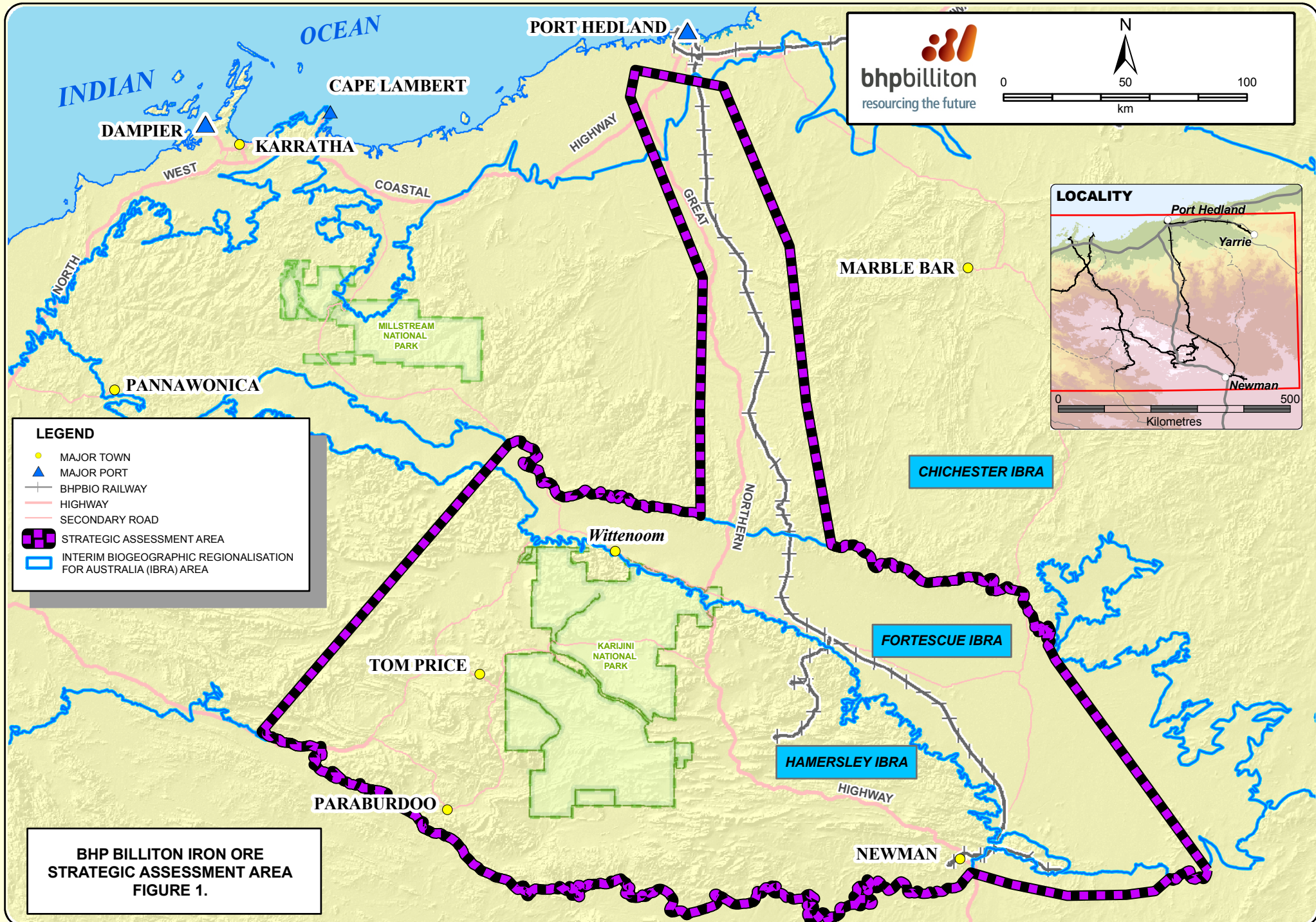
Carl Binning
Vice President Health, Safety, Environment and Community
BHP Billiton Iron Ore Pty Ltd

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.



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
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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.
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Date of effect	This variation has effect on the date this instrument is signed.
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Person authorised to make decision

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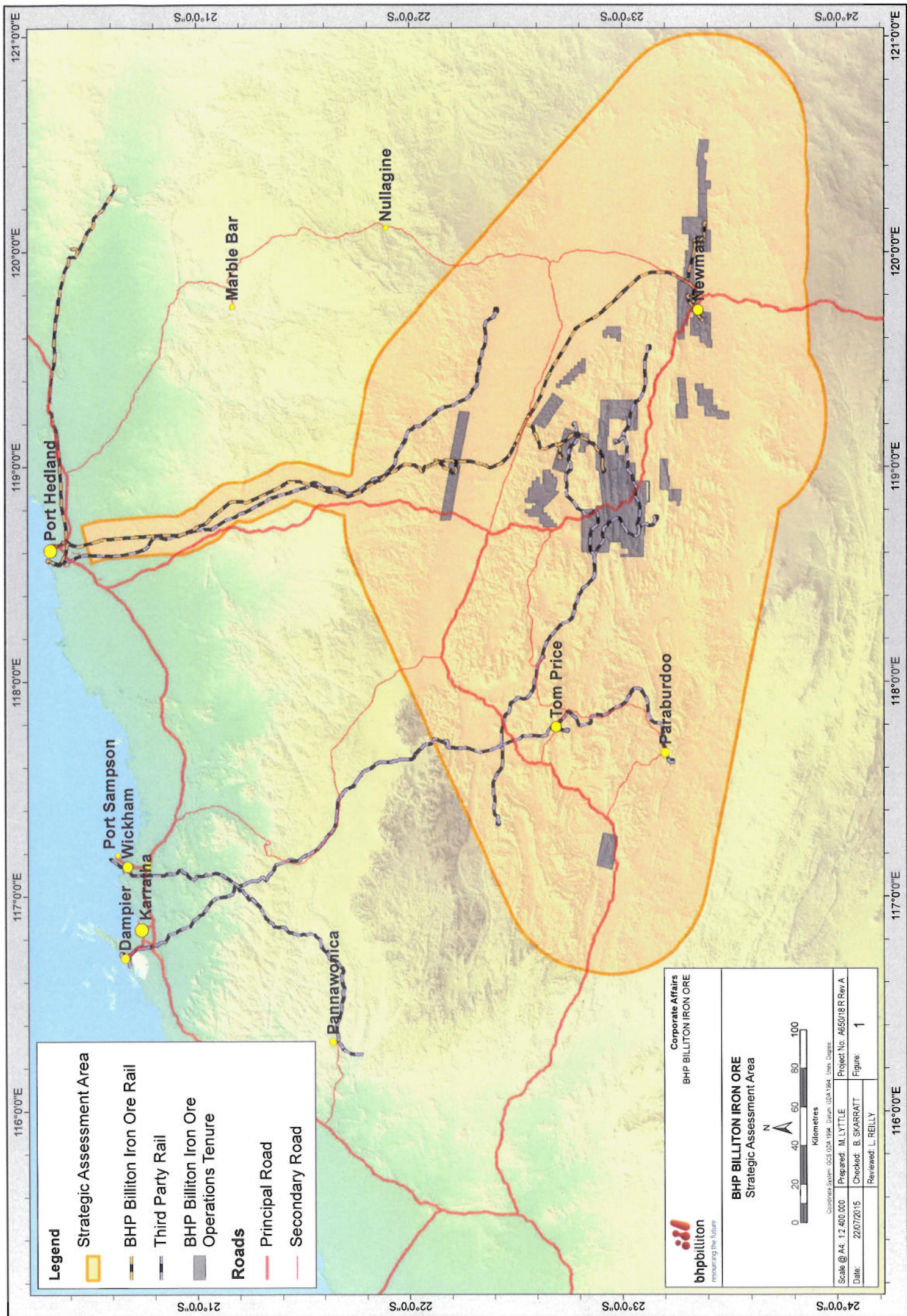
Signature

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

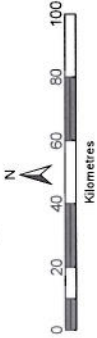
Principal Road

Secondary Road

Corporate Affairs
BHP BILLITON IRON ORE



**BHP BILLITON IRON ORE
Strategic Assessment Area**



Scale @ A4: 1:2,400,000	Prepared: M. LYTLE	Project No: A650/18 R Rev A
Date: 22/07/2015	Checked: B. SKARRATT	Figure: 1
	Reviewed: L. REILLY	