



Hon. Judy Edwards, MLA
MINISTER FOR THE ENVIRONMENT AND HERITAGE

Dear Minister

Yakabindie Nickel Project — Further Extension of Approval Period

Thank you for your memo of 29 July 2002 requesting the EPA to report on the request by the proponent, WMC Resources Ltd, for a further extension of the approval period set out under Condition 11 of Statement 574 for the Yakabindie Nickel Project. The advice set out below constitutes a report pursuant to Section 46 of the *Environmental Protection Act 1986* (EP Act).

The Yakabindie Nickel Project was originally approved in December 1990 and has since been the subject of 5 reviews under Section 46 of the EP Act. These reviews have related to changes to the proposal and extensions to the time limit of approval. The last extension of the time limit was granted in October 2001 in order to give WMC Resources Ltd, which had recently acquired the project, time to submit details of its plans for future activities.

In its letter of 6 June 2002, WMC Resources Ltd sets out its future plans for the project through a timetable for project development. WMC Resources Ltd also requested a further five-year extension of the approval in order to accommodate this timetable.

Evaluation

In considering this request, the EPA needs to satisfy itself that there is a process to deal with environmental issues that could arise due to the long period of time between the assessment of this project and its implementation. There are two main ways in which such issues could arise. Firstly, it is quite likely that as the proponent continues to work on the project concept, that it will make changes to the proposal that was last assessed in 1996 (EPA Bulletin 827). These changes could then affect the nature or extent of the predicted environmental impacts of the proposal. Secondly, the relevance of the EPA's previous recommendations diminishes with time as our understanding of the environment changes, standards of environmental management improve, and community expectations evolve. For this project, much of the baseline environmental data dates back to the original assessment in 1990 and needs to be updated.

In this case, the process to deal with such issues would be the submission of updated information for the EPA's consideration, and possible formal assessment, prior to development. In accordance with the current timetable the EPA expects that the proponent will submit a revised proposal (including updated environmental information) in 2005/2006.

At that time the EPA would then determine what sort of evaluation was necessary, either due to project changes, and/or changes in knowledge or circumstances since the original approvals. Should it be necessary, the EPA could then require formal assessment of the revised proposal under Section 38 of the EP Act, or it could initiate a revision of the existing Environmental Conditions under Section 46 of the EP Act. Alternatively, the EPA may find that the revised proposal can be acceptably managed under the current conditions of approval and therefore not require further formal assessment.

Based on the above, the EPA is of the view that WMC Resources Ltd's request for a five-year extension of the time limit should be granted.

Recommendation

That Environmental Condition 11 of Ministerial Statement 574 be amended by replacing the existing time limit with "21 October 2007".

Yours sincerely



Bernard Bowen
CHAIRMAN

20 November 2002