

Shire of Perenjori
MINUTES
Special Council Meeting

Held in the Shire of Perenjori Council Chambers, Fowler Street, Perenjori on 7 December 2006 commenced at 9.15am.

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S 6121 PRELIMINARIES

S 6121.1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

S 6121.2 OPENING PRAYER

S 6121.3 DISCLAIMER READING

**S 6121.4 RECORD OF ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE
(PREVIOUSLY APPROVED)**

| | |
|-------------|--------------------|
| President | Cr Brian Baxter |
| Councillors | Cr Robyn Benton |
| | Cr Laurie Butler |
| | Cr Jennifer Hirsch |
| | Cr Graeme Reid |
| | Cr Ian West |
| | Cr J Cunningham |

| | |
|----------------------------|----------------|
| CEO | Mr Stan Scott |
| Manager Community Services | Mr Garry Agnew |

Visitors

Bill Mackenzie, Project Manager, Midwest Corporation Ltd;
Chris Lewis, Operations Manager, Koolanooka/Blue Hills Iron Ore Project, Midwest Corporation Ltd;
Mark Cannon, Manager Environment, ecologia Environment
Tim Harries, Environmental Advisor, ecologia Environment

| | |
|-----------|---------------------|
| Apologies | Cr Christopher King |
| | Cr John Bendsorp |

S 6121.5 PUBLIC QUESTION TIME

S 6121.6 DEPUTATIONS / PRESENTATIONS

S 6121.7 NOTATIONS OF INTEREST

Financial Interest – Local Government Act s 5.60A

Proximity Interest – Local Government Act s 5.60B

Interest Affecting Impartiality – Shire of Perenjori Code of Conduct.

S 6121.8 ANNOUNCEMENTS BY PERSON PRESIDING WITHOUT DISCUSSION

S 6121.9 MATTERS FOR WHICH MEETING MAY GO BEHIND CLOSED DOORS

S 6122 PURPOSE OF SPECIAL MEETING

To consider urgent matters related to mining and associated economic development.

S 6122.1 MIDWEST CORPORATION PROJECT

APPLICANT: ECOLOGIA ENVIRONMENT
FILE: 0
DISCLOSURE OF INTEREST: 0
AUTHOR: STAN SCOTT – CEO _____
RESPONSIBLE OFFICER: STAN SCOTT – CEO _____
REPORT DATE: 21 November 2006
ATTACHMENTS

Executive Summary:

Ecologia Environment has requested on behalf of Midwest Corporation to make a presentation to Council on its Koolanooka Blue Hills Direct Shipping Iron Ore Project.

Applicants Submission:

The Executive Summary of the scoping document is as follows:

This scoping document has been developed for the Midwest Corporation in order to fulfil submission requirements of the Western Australian environmental approvals process, concerning the proposed Koolanooka / Blue Hills Remnant Direct Shipping Iron Ore (DSO) Mining Project. This project addresses the revival of two pre-existing iron ore mines at Koolanooka and the Blue Hills area. Once ore has been extracted from these locations and processed, ore will then be transported by truck and rail to the nearby port at Geraldton for export.

The implementation of the proposed development is dependent on successful resolution of any associated issues, through effective application and assessment of environmental approval processes. Baseline surveys and investigations for

environmental aspects of the project are currently being conducted, with management plans for significant aspects of the project to be developed in compliance with regulatory guidelines. Ongoing consultation with regulators, relevant stakeholders and interested members of the public is also being undertaken to incorporate community concerns as part of the assessment process.

The works proposed with this project will be largely conducted within pre-existing pits and previously disturbed areas. The DSO Mining Project has been designed to minimise environmental impacts and as such all haul roads, waste dumps, ore stockpiles and infrastructure will be located on previously disturbed land that will require minimal clearance activity.

Potential impacts in implementing the DSO include disturbance to flora and fauna, the evolution of dust and gases, reduction in visual amenity and social factors, noise and vibration issues, waste material control, and influence to surface and ground water bodies. This Scoping Document discusses these issues, and additionally highlights decommissioning and rehabilitation commitments, and issues such as principles of sustainability.

Lastly this document highlights legislation applicable to the proposal, lists consultation events and stakeholders of interest, and identifies the members of the study team that have developed this submission.

Background:

Midwest Corporation is presently exporting from stockpiles at the Koolanooka mine. They intend to extract additional ore from the Mungada pits (Blue Hills), which will be blended with ore at Koolanooka to produce a consistent Fe content. While the Blue Hills tenement is within the Shire of Perenjori, transit will be largely on a haul road rather than a public road.

Statutory Environment:

Environmental legislation relevant to the Koolanooka / Blue Hills Remnant Direct Shipping DSO Mining Project includes:

- *Aboriginal Heritage Act, 1980;*
- *Agricultural and Related Resources Protection Act 1995;*
- *Environmental Protection Act, 1986;*
- *Explosives and Dangerous Goods Act 1961;*
- *Heritage of Western Australia Act 1990;*
- *Mining Act 1978;*
- *Rights in Water and Irrigation Act;*
- *Conservation and Land Management Act 1984;*
- *Soil and Land Conservation Act, 1945;*
- *Water and Rivers Commission Act 1995;*
- *Waterways Conservation Act 1986; and*

Policy Implications:

Nil

Financial Implications:

The project is expected to have limited impact on the Shire of Perenjori.

Strategic Implications:

This project adds to the critical mass of mining projects in the local area to support industrial expansion.

Consultation:

Midwest Corporation has consulted with adjacent landowners and other stakeholders including the Shire of Morawa. The CEO and Shire President have met with Midwest Corporation at its offices in west Perth. This is the first real attempt by Midwest Corporation to meet with the Shire, and the Shire of Perenjori is NOT listed as a stakeholder in the documents dissertation on stakeholder consultation.

Comment:

The scoping document is the final version prior to the preparation of the Public Environmental Review (PER) which is due to be lodged towards the end of December 2006. A hard and electronic copy of the document are held by the CEO.

The need to blend ore from the Blue Hills with Koolanooka ore provides the imperative for transport through Morawa. The document indicated that the haul road does not traverse a public road until within the Shire of Morawa. This may need to be confirmed, as our maps indicate that a portion of Mungada Road East of Lochada Road is within the Shire of Perenjori.

Voting Requirements:

Simple Majority

Officers Recommendation:

That Council consider a presentation by Mark Cannon form ecologia Environmental.

Bill McKenzie and Tim Harries outlined Midwest Corporations plans for hard rock mining at 3 previously mined pits, these being Koolanooka, and Mungada East and Mungada West pits at Blue Hills. As all have been previously mined and are being extended and made deeper the environmental footprint is relatively small. Most of the clearing involved with the project relates to clearing regrowth on the previous haul road.

The Blue Hills pits are both in the Shire of Perenjori, and the Koolanooka pit is in the Shire of Morawa. The ore would be transported via a haul rod the Morawa Shire boundary, and then along Mungada Road to a Tilley's siding just North of Morawa, and from there by rail to Geraldton.

Midwest indicated that it would genuinely support local businesses with and expectation that two thirds of the 50 to 60 jobs would be locally based.

The anticipated mine life is up to 5 years depending on the rate of extraction of ore. Apart from locally based labour Midwest will consider training for local people and will contribute to a community development fund.

Patience Bulk Haulage will be responsible for hauling the ore

The visitors left the meeting at 10.15 am.

S 6122.2 EPA BULLETIN 1242

| | |
|-------------------------|---|
| APPLICANT: | SHIRE OF PERENJORI |
| FILE: | 0 |
| DISCLOSURE OF INTEREST: | 0 |
| AUTHOR: | STAN SCOTT – CEO _____ |
| RESPONSIBLE OFFICER | STAN SCOTT – CEO _____ |
| REPORT DATE: | 30 NOVEMBER 2006 |
| ATTACHMENTS | COMMUNITY NOTICE, WEST AUSTRALIAN ARTICLE |

Executive Summary:

The EPA published their recommendations on the Mt Gibson Iron Ore and Infrastructure Project on 27 November 2006. The Bulletin includes recommendations that would limit the project to Stage 1, and if applied across the industry would seriously curtail the longevity of mining in this region. Mount Gibson is encouraging concerned stakeholders to appeal the recommendation.

Applicants Submission:

The CEO has taken the following action to date:

1. Submitted an appeal on behalf of the Shire:
2. Prepared an Agenda Item for the Wildflower Country Regional Council
3. Circulated information to other Shires in the Mid West
4. Prepared a community circular to provide other concerned people with sufficient information to appeal if they wish to do so.

Background:

Rolf Forster, Resource Development Manager for Mount Gibson Iron Limited wrote as follows:

The EPA published their recommendations on the Mt Gibson Iron Ore and Infrastructure Project yesterday. The Bulletin can be found at <http://www.epa.wa.gov.au/template.asp?ID=16&area=EIA&Cat=EPA+Bulletins> , it is a weighty document but the 2-page summary is useful.

In summary, the EPA will recommend to the Minister that the project proceed, subject to certain conditions. Neither Mount Gibson Iron or Asia Iron are prepared to accept a number of those conditions, so both companies will be lodging appeals. The appeals period ends 11th December 2006.

This is a public appeals period when anybody can lodge an objection to the process, the principles, the outcome or even the assessment mechanism itself.

*The condition we will be primarily objecting too is the **requirement that all parts of the existing Mining Leases, outside the initial project footprint, be converted into Class A Conservation Reserves**, embargoed from exploration or mining forever. As it is always just Stage 1 of projects initially before the EPA, this requirement would effectively guarantee projects with no future and no possibility of*

any extended life. Furthermore, it undermines the very principle of granting a lease to conduct a specific activity. This has ramifications for all leaseholders (mining, pastoral, special purpose, etc) in WA, and ultimately, throughout Australia. If the DoEC becomes empowered to change the status of granted leases, AFTER they are granted, serious sovereign risk issues arise

Statutory Environment:

The proposed appeal would be made under Section 100(d) of the *Environmental Protection Act 1986*.

Policy Implications:

Nil

Financial Implications:

It costs \$10 to lodge an appeal.

Strategic Implications:

A key plank of Council's Economic Development Strategy is linked to maximising benefits from mining developments. The EPA recommendation seriously threatens the success of that strategy.

Consultation:

There has been extensive discussion between Mount Gibson Mining and the Shire of Perenjori. There has also been extensive discussion between CEO's within the region.

Comment:

The EPA has recommended that for the Stage 1 Project to proceed that the remaining ridges of banded ironstone formation be placed in a conservation reserve. If this recommendation is accepted it virtually eliminates the prospect of a long term iron ore industry in the region. Acceptance of the EPA recommendation would have the following outcomes:

1. This recommendation is likely to be replicated for each of the other iron ore projects in the southern rangelands. This means that each of the long term projects in the Mid West would be limited to one to two decades rather than the 50 to 100 years of potential resource that is available.
2. Without the prospect of long term access to resources the much needed consolidation of 'juniors' within the region is unlikely to proceed. Resources that would have been allocated to consolidation, exploration and hard infrastructure will be diverted to other regions with a more development friendly regime.
3. Hard infrastructure such as the Oakajee Port and the inland rail line are unlikely to proceed. Infrastructure investors need the realistic expectation of long term demand to justify the billions of dollars of investment required.
4. Project proponents will move heaven and earth to achieve exceptional environmental outcomes if the next stage of the project is dependent on success. Locking away the prospect of future expansion provides less incentive for proponents to raise the environmental bar.
5. Local communities that are relying on the economic spin off from projects will be disappointed. For investment in land, housing and relocation families rely on the long term prospects for the industry. People will not invest in housing if they expect their property to be worthless in 15 years time. The net result would be yet another fly in fly out community with all of the economic benefits of mining exported from the region.

There is another way. The EPA's recommendation is based on advice from the Department of Environment and Conservation, and more specifically those elements of the organisation that were formerly CALM. The salient points of the argument are as follows:

1. One rare and endangered species and one priority one species have been identified in the area. Mount Gibson Iron has worked with the Botanic Gardens and Parks Authority (Kings Park) to successfully propagate the rare species, and have expressed confidence that they can do likewise with the priority one species.
2. The mining area has a number of different floristic communities. That is a group of plants growing in the one location. While the plants within the group may be neither rare nor endangered, that particular combination of plants may not occur elsewhere. Provisions are available for floristic communities to be classified as Threatened Ecological Communities under Commonwealth legislation, but no floristic communities in the Mount Gibson Ranges are so classified. Mount Gibson Iron has suggested that these floristic communities could be replicated as part of the rehabilitation process. The Department is not convinced that this is possible.
3. Mount Gibson Iron is suggesting stringent environmental conditions that would commit the company to successfully propagating rare species and re-establishing floristic communities. They would expect to achieve the necessary results prior to any expansion of the project. The Department argues that the establishment of conservation reserves that would effectively lock up hundreds of millions of dollars worth of future development is the only acceptable approach.

It is important to recognise and support sensible efforts to preserve biodiversity. It is sensible to impose strict environmental controls that allow the project to proceed and for the industry to continue in the long term. Mount Gibson Iron has made undertakings that if successful would protect the biodiversity **and** secure the future of the industry. Subsequent mining would not proceed if these undertakings cannot be achieved. This is a far more sensible and balanced approach than that suggested by the Department and adopted by the EPA. Further it will remove some of the guesswork from future assessment. It would establish new benchmarks for rehabilitation and contribute volumes to the body of knowledge on the management of biodiversity.

Voting Requirements:

Simple Majority

Officers Recommendation / Council Resolution:

Moved Cr Hirsh, Seconded Cr Cunningham

That Council notes and endorses the CEO's actions.

CARRIED 7/0

S 6122.3 TOWN PLANNING MATTERS

APPLICANT: SHIRE OF PERENJORI
FILE: 0
DISCLOSURE OF INTEREST: 0
AUTHOR: STAN SCOTT – CEO _____
RESPONSIBLE OFFICER: STAN SCOTT – CEO _____
REPORT DATE: 21 NOVEMBER 2006
ATTACHMENTS

Executive Summary:

Council needs to give consideration to allocation of land for future industrial and residential purposes.

Applicants Submission:

Recent information suggests that we may need to review our town planning scheme, primarily due to the issues identified in the background.

This document needs to be reviewed to ensure that:

- There is adequate provision for future residential (of various types) and industrial land to meet anticipated future needs;
- Development zones and permitted use tables are consistent with anticipated growth.

Background:

DPI was seeking advice from the government solicitor about the status of proposed industrial land adjacent to the new Shire Depot. Crown advice indicates that Native Title Clearance will be required and therefore it will be a minimum of 12 months, possibly longer, before this land is available.

Cr Baxter has been approached by workers involved in the mining projects indicating that they would be interested in lifestyle blocks in Perenjori. No such blocks are presently available.

With the infrastructure plans of project proponents becoming clearer we need to consider any town planning proximity issues, and whether there are any zoning preferences in relation to the new infrastructure.

Statutory Environment:

The Shire of Perenjori Town Planning Scheme No 1, District Zoning Scheme, was formulated under the *Town Planning and Development Act 1928*. This sets out planning controls for the entire district.

Policy Implications: Nil

Financial Implications:

A review of the Town Planning Scheme is likely to cost a minimum of \$20,000. There is a budget allocation of \$5,000 towards scheme review and local law expense. This will probably be sufficient for expenditure this financial year.

Strategic Implications:

A key part of the Town Planning Scheme is the Local Planning Strategy. Much of the contextual work required for this part of the document has been completed through the development of our strategic plan.

Consultation:

The CEO discussed some of the town planning issues with Patrick Beale from UWA while he was here for the Architecture presentation. He advised that UWA has an Urban Planning Institute with close links to his faculty that may be able to assist with the review.

Comment:

The present scheme does not make sufficient allowance for medium to heavy industry or 'lifestyle blocks. Some of the work of the landscape student may be relevant to the local planning strategy.

Voting Requirements:

Simple Majority

Officers Recommendation / Council Resolution:

Moved Cr Benton, Seconded Cr West

That the CEO / Manager Community Services seek expressions of interest and quotations from suitably qualified Town Planning consultants for a review of the Town Planning Scheme.

CARRIED 7/0

S 6123 OTHER RELATED MATTERS

S 6123.1 MOTIONS OF WHICH DUE NOTICE HAVE BEEN GIVEN

S 6123.2 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

S 6123.3 MATTERS BEHIND CLOSED DOORS

S 6123.4 DATE OF NEXT MEETING / MEETINGS

Ordinary Meeting of Council, 1.30pm Thursday 21st December 2006

S 6123.5 CLOSURE

Meeting closed 11.00 am.