



Application for Works Approval Amendment

Part V Division 3 of the *Environmental Protection Act 1986*

Works Approval Number	W5835/2015/1
Works Approval Holder	Iluka Resources Limited
ACN	008 675 018
File Number	DER2015/000690-1
Premises	North Capel Operations Yearly Road CAPEL W.A. 6271 Legal description – Mining tenements M70/257, M 70/651, M 70/959, M70/962, M70/970, M70/978, M70/990, M70/1083 and M 70/1128, M70/279, M70/386 & M70/1 082. As defined by the coordinates in Schedule 1 – Map Works Approval
Date of Report	5/07/2021
Proposed Decision	Revised works approval granted

1. Amendment summary

Works approval W5835/2015/1 is held by Iluka Resources Limited (Iluka) for the construction of a 110 m stack for the discharge of emissions from Synthetic Rutile Plant 1 (SR1) located at the North Capel Operations facility (the premises).

This amendment report documents the amendment made pursuant to section 59(1)(k) of the *Environmental Protection Act 1986* (EP Act). The amendment has been initiated by Iluka to extend the duration of the works approval which expires on 23 August 2021.

The amendment is administrative in nature and does not alter the risk profile of the premises. Emissions associated with existing premises infrastructure are not considered in this assessment given they were previously subject to risk assessment through the original application for a works approval in 2015 and a subsequent application to amend the works approval in 2019. The decision report for the existing works approval will remain on the department's website for future reference and will act as a record of the department's decision making.

In amending the works approval, the department has considered and given due regard to its Regulatory Framework and relevant policy documents which are available at <https://dwer.wa.gov.au/regulatory-documents>.

2. Background

Iluka North Capel Operations is a mineral sands processing facility located approximately 200 km south of Perth and 4.5 km north of Capel. The North Capel processing plant includes a separation mill, two synthetic rutile production plants (SR1 and SR2) and associated residue disposal and water treatment facilities. Support processes include a cogeneration plant, a char plant, and the storage of process by-products.

This proposal relates to SR1. In the synthetic rutile (SR) plants, ilmenite is upgraded to SR which produces combustible gases which are burnt in high temperature chambers producing hot exhausts, which are a mixture of carbon dioxide, sulphur dioxide and water vapour. Particulates are then removed from the kiln and wastes emitted to air via stacks. Several changes to stack configuration have been made over time.

Iluka holds works approval W5835/2015/1 relating to a category 31: Chemical manufacturing premises under the EP Act. The works approval was first issued in 2015 for three years for the construction of a new 110 m stack to replace the 35 m dryer stack for SR1. The main objective of the new stack was to improve the safety of gas emissions from SR1 and decrease odour impacts on the neighbouring environment.

The works approval was amended in 2018 to extend the expiry by three years (expiring 23 August 2021) as initiated by Iluka. Iluka advised that an extension to the expiry was required since construction had not commenced as the starting up of SR1 was not financially feasible due to poor market demand. In 2019, Iluka applied for a further amendment to the works approval to change the proposed SR1 stack location and diameter of the stack. The delegated officer determined that the stack modifications were unlikely to alter the existing, low risk profile for air emissions at SR1 and therefore granted the amendment in January 2020.

On 12 May 2021, Iluka submitted an application to the department to amend the expiry date of works approval W5835/2015/1 by a further five years (expiring in 2026). According to Iluka, this is required due to SR1 remaining idle in response to the market demand being impacted by Covid-19. Iluka expect that the five-year extension will allow construction in line with a proposed restart of SR1 when markets recover.

3. Applicant comments

Iluka was provided drafts of the amended works approval and amendment decision report on 8 June 2021, which proposed a three-year extension to the expiry date (23 August 2024) rather than the five-year extension requested by Iluka. The Delegated Officer determined that a three-year extension was appropriate based on the increased likelihood that environmental conditions may change over the eleven-year period from the original works approval granted in 2015 through to 2026, which could impact the risk profile of the site.

In response, Iluka proposed that the relevant period to assess the potential for changing environmental conditions is January 2020 onward when the risk profile of the SR1 stack was most recently reassessed by the Department in granting an amendment to the works approval. The 2020 amendment considered proposed changes to the SR1 stack location and diameter that are intended to improve the stack's emissions profile and any potential odour impacts on the neighbouring environment and included a revised air model assessment.

Iluka therefore requested that a five-year extension to the works approval be re-considered given the risk profile was less likely to change during the six-year period from 2020 to 2026. Further, Iluka indicated that a three-year extension would not allow for operational flexibility to commence construction in line with market demand, noting the 18-month timeframe for works required prior to restarting SR1.

4. Decision

Section 63 of the EP Act prescribes that a works approval shall continue in force for such period as is specified in the works approval. Works approval W5835/2015/1 is due to expire on 23 August 2021. The delegated officer notes that Iluka have applied for a five-year extension to the works approval which would push back the expiry date to 2026.

In determining to amend the duration of the works approval, the delegated officer has considered that the works approval amendment granted in January 2020 provides the most recent assessment of the risks posed by emissions from the premises. On that basis, the delegated officer has determined that extending the works approval expiry date by five years to August 2026 is appropriate given the risk profile is unlikely to be impacted by changing environmental conditions in the period from 2020 to 2026.

If Iluka have still not completed the construction of the new SR1 stack by the new expiry date, then they will be required to submit a new works approval application. This will enable the Department to assess the application under current environmental conditions which may have changed since 2020.

The amendment also includes some minor administrative changes to correct typographical errors, remove redundant terms from the definitions table and an update in format. These changes do not alter the obligations of the works approval holder to which the works approval relates.

The delegated officer has amended works approval W5835/2015/1 in accordance with section 59(1)(k) of the EP Act by extending the expiry date from 23 August 2021 to 23 August 2026.