

For Public Notice via Internet**REASONS FOR DECISION UNDER *ENVIRONMENT EFFECTS ACT 1978*****Title of Proposal:** WIM150 Mineral Sands Project**Proponent:** Australian Zircon NL**Description of Project:**

Australian Zircon NL proposes to develop the 12,850 hectare WIM150 mineral sands deposit in the Wimmera region of western Victoria, approximately 20 kilometres southeast of Horsham and just north of the Grampians National Park. The project area is mostly broad flat plains at the foothills of the Grampians Ranges, with some lunettes, swamps and low ridges. While it has been significantly modified by past agricultural activities, there are areas of remnant vegetation, including near lakes, wetlands, drainage lines and roadsides. The project area is likely to contain protected species and communities, such as the Grey Box Grassy Woodlands and Derived Native Grasslands of South-eastern Australia (endangered), as well as Buloke Woodlands of the Riverina and Murray-Darling Depression Bioregions (endangered).

The proposal includes the development of a mineral sands mine, wet concentrator plant, mineral separation plant and tailings thickening and disposal plant together with the additional site infrastructure (i.e. site office, car park, warehouse and workshop facilities, loading facilities and fuel storage), as well as realignment of the Western Highway (temporarily or permanently). The mine may entail an open pit dry mining method or combination of open pit and dredge mining methods. It is expected to initially process 12 million tonnes of ore per annum, which may increase to 25 million tonnes over the projected 25-year mine life.

Ten megawatts of power is likely to be required for the mineral sands project, which would be supplied from the electricity grid via the existing 220 kilovolt transmission line traversing the site, or an option of on-site electricity generation using natural gas. In addition, the project may require a supply of natural gas for processing of the heavy mineral concentrate. Construction of a gas pipeline connecting the project site to the existing gas pipeline to Horsham would be required, although the proposed alignment of the pipeline is unknown at this stage.

Decision:

The Minister for Planning has decided that an Environment Effects Statement (EES) is required for the proposed WIM150 Mineral Sands Project, as described in the referral accepted on 14 November 2011.

Reasons for Decision:

1. The project has the potential for significant environmental effects as a result of the spatial extent and duration of the proposed mining, together with the nature of the existing environment within the project area. In particular the project could have significant effects on:
 - a. surface water and groundwater hydrology, quality, availability and beneficial uses;
 - b. native vegetation, listed ecological communities and species of flora and fauna;
 - c. existing land uses and landscape values, including those associated with the nearby Grampians National Park; and
 - d. Aboriginal and non-Aboriginal heritage values of the area.
2. Further detailed investigations are needed to assess these effects, in terms of both their extent and significance, as well as how adverse effects can be avoided and/or minimised during the construction and operation of the project.
3. An EES process would enable an integrated assessment of the range of potentially significant adverse effects of the project to inform relevant statutory decisions, including under the *Mineral Resources (Sustainable Development) Act 1990*, *Aboriginal Heritage Act 2006* and *Water Act 1989*.

Date of Decision: 23 December 2011