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Major Project Development Assessment Processes

Productivity Commission

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Submission: Major Project Development Assessment Process

Mackay Conservation Group is a regional NGO covering the northern half of the Bowen and Galilee coal basins and unconventional gas areas as well as much of the Great Barrier Reef from the Whitsundays to Broadsound. This area incorporates the expanding coal ports of Abbot and Hay Point. We submit submissions on coastal developments, mining and port projects. We welcome the opportunity to make the following observations for this review.

The reality of Red or Green Tape: the Need for Comprehensive Cost/Benefit Analyses

We are shocked at the extent and speed of new “green and red tape” elimination legislation in Queensland over the past six months without any attempt at meaningful consultation with affected sectors, and its removal of many environmental and biodiversity protective measures and resources for protection.

The former Coastal Plan has been removed without community consultation to be replaced at a later date. On Monday the 8th of October the Queensland Government gazetted the Draft Coastal Protection State Planning Regulatory Provision (SPRP) which suspended State Planning Policy 3/11 and introduced a revised framework for managing development in the coastal zone.

Some of the significant changes include:

- removing the requirements for a proponent to undertake a detailed risk assessment for individual sites
- removing requirements relating to areas of High Ecological Significance (HES) in urban areas
- removing requirements on local governments to undertake adaptation strategies

In the light of conclusive evidence that sea levels are rising under global warming and the risk of coastal infrastructure building is increasing, this kind of legislative change is pennywise and pound foolish. It also means more biodiversity loss as coastal development

in or adjacent to significant coastal habitats has no check. In reality such habitats of high conservation significance are lost with compensatory “offsets” allowed. Such “offsets” have no research to justify their efficacy. This has already happened in our region e.g.

- a. loss of an endangered ecological community at Midge Point for a beachside caravan park at one of the lowest elevations above sea level along the coast in return for a revegetation “offset” further north along the coast.
- b. SEIS released for construction of a marina resort over the sea bed at Shute Harbour despite no demonstrated need, no comprehensive cost/benefit analysis, and financial failure of the current two marina resorts in the Whitsundays at Abel Point and Airlie in Boathaven Harbour. For the Port of Airlie development seagrass beds were lost which were a significant feeding ground for dugongs and turtles.
- c. Lack of a comprehensive Environmental Management Plan for the Caley Valley Wetlands at Abbot Point. The State’s own expert consultant report concluded these internationally significant wetlands would be significantly degraded by ongoing coal terminals and industrial development. Seagrass offsets have been proposed for offshore seagrass beds but to date there has been no scientific evidence that they will be possible.

There is a lack of comprehensive cost/benefit analyses in EIS assessments for coastal and mining projects to objectively evaluate such decisions. How can industry and government argue that the costs of red and green tape are a burden if those costs have not even been fully quantified and regarded? For example:

In 2010, the former Department of Environment, Water, Heritage and Arts commissioned Access Economics to deliver a cost benefit analysis of strategic assessments (rather than case-by-case assessments); however, the report was desperately flawed:

- The findings were based on the assumption that the benefit to the environment was the same regardless of which approach was adopted (in other words benefits were not considered in this ‘cost benefit analysis’)
- The study was based on the seven strategic assessments then underway in Australia, only ONE of which had been completed (in other words the findings were based on a sample of one - and that, the first one)
- The study assumed that the only costs involved were the full time equivalent labour costs of public servants.

This report was referred to in the 2011 Deloitte Access Economics report to SEWPAC on the costs and benefits of reforms to EIAs under the EPBC Act. It was commissioned because the number of assessments required was increasing as (i) developments were becoming more likely to trigger to the EPBC Act, as increasingly, suitable locations not containing items of NES have already been developed and (ii) the total number of listed matters of NES is increasing and a longer list makes it more likely that a development would trigger the Act.

The Deloitte Access Economics report came out in favour of bilateral agreements, guidelines and early engagement.

So, from a faulty study, based on a desire to cut costs reforms in the face of increased need, reforms were made without any consideration of the impact of different procedures on the environment.

The danger in the current review of project assessment processes being undertaken by the Productivity Commission is that, again, speed, lower costs to business (particularly the mining and resources sector) will be used to justify modification of the assessment process to the detriment of the environment and the community (and, ultimately, the economy).

Using such an approach would fail to enable the Productivity Commission to meet one of its criteria: cost-effectiveness. It would also threaten the criteria of accountability, opportunities for public participation, open and transparent processes, proportionality, and justification.

Bilateral and Strategic Agreements

Risks of removing an oversight layer of review:

Examples:

1. The Alpha coal mine project in the Galilee Basin.

The proponent, GVK/Hancock did not report the presence of the endangered Black-throated finch within the project boundaries. Mackay Conservation Group had noted its presence within the adjoining property on the Bimblebox Nature Refuge. SEWPac asked us if it was likely that this species was also present within the Alpha project. We had not surveyed there but considering it was present in surrounding properties and suitable habitat was available, we advised that it was likely to be there and further survey work should be done. SEWPac subsequently required more survey work to be done and GVK/Hancock finally made an agreement with SEWPac to contribute \$1 million for ten years of annual surveys and research to find ways to conserve the biodiversity of this species within the Galilee Basin, where at least nine mega mines are proposed, all with habitat for this species. *This would not have happened without SEWPac oversight as the Queensland government had already signed off on the project!*

2. State governments have a strong conflict of interest in owning mineral resources yet being responsible for stewardship of state biodiversity. There is a strong incentive to allow mineral development at the expense of environmental and community values. Even the Queensland *Environmental Protection Act* allows mining in Nature Refuge, privately owned lands set aside for the permanent conservation of areas of high environmental conservation values. In such a situation bilateral and strategic agreements allow higher level oversight by the Australian government, and should not be removed or weakened.

Benchmarking

As is pointed out in the Issues Paper released by the Productivity Commission, there are many drawbacks to benchmarking. One that is not mentioned directly is the framework within which different nations operate, including the social and environmental standards to which they aspire.

The report suggests that Canada might be an appropriate country against which to benchmark Australia's performance. Yet in terms of the criteria referred to above, Canada is ranked 17th in the World Bank's scale of ease of doing business (compared with Australia's ranking of 10th) and 6th in terms of the OECD's Better Life Index (compared with Australia's 1st). In other words, Australia is doing better than Canada on both counts and initiating the reforms may well be a backward step.

The Issues Paper refers to a report commissioned by the Minerals Council of Australia that states that Australian coal projects take an average of 1.3 years longer to receive approval than 'those elsewhere'. In the MCA-commissioned report, Australia is compared with the group 'Rest of the World'. Investigation shows that the top five coal exporters in the world are Indonesia, Russia, South Africa, Columbia and the US. Does Australia aspire to the social and environmental standards of Indonesia, Russia, South Africa and Columbia?

Conclusion

To date the current Queensland government has weakened environmental protection legislation and significantly reduced human resources available for environmental research and protection without convincing data to support those actions. The Queensland Department of Environment and Heritage Protection has an annual budget of \$66 million, about \$28 per square kilometre of the state. That is insufficient given the large scale of coal and unconventional gas mining. DEHP has had to cut back to monitoring and enforcement of only the worst pollution infringement cases.

Ninety-five percent of the Burdekin River Basin and eighty-five percent of the Fitzroy River Basin are covered with overlying coal and unconventional gas and shale oil exploration permits. Coal Ports are planning to double or triple export capacity in the next decade. As coal deposits follow the rivers and waterways and wetlands have the highest biodiversity values, their protection is a priority as they are the most heavily impacted areas.

Logging in State Forests containing threatened and endemic species (such as the Eungella honeyeater in Crediton, Mia Mia and Cathu State Forest west of Mackay) will now be allowed by the Queensland government. There is already a permit application for a logging coupe in Crediton State Forest. This forest adjoins the Eungella National Park and the Eungella honeyeater uses both the National Park and this State Forest for different seasons of the year. Every regional ecosystem within Crediton State Forest has habitat suitable for this endemic species, which is also a major attraction for bird watcher tourists. The Department of Agriculture, Forestry and Fisheries Office responsible for the issuing of logging permits had no knowledge of this species until I informed him.

Up to half of these state forests with a prior history of earlier logging could be cleared.

The haste of project approvals does not assure us that due process and adequate cost/benefit analyses are adequate to ensure environmental protection. Higher level oversight and comprehensive environmental legislation, policies, monitoring and enforcement is therefore necessary at the state and national levels. This is not the time for a wealthy first world country to skimp on environmental protection.

Sincerely,

Patricia Julien
Coordinator,
Mackay Conservation Group