



- - PRIVATE AND CONFIDENTIAL - -

Report into the Maitland Industrial Precinct

Prepared for

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On behalf of the Karratha Chamber of Commerce and Industry Inc

With input from

- Shire of Roebourne
- Pilbara Regional Council
- Pilbara Area Consultative Committee
- Karratha Visitors Centre

MINISTERIAL BRIEFING NOTE

Report Purpose

To highlight the advantages to Government of immediately developing the Maitland Industrial Precinct for future major industrial projects

The advantages are political, cultural, economic, environmental, social and recreational.

EXECUTIVE SUMMARY

- There are a host of practical (engineering and planning), social, environmental and aboriginal problems with development on the Burrup Peninsula.
- The Burrup Peninsula has very little land available, is constrained by rock outcrops and is full of steep slopes with extremely hard rock underneath. Service corridor space is limited, congestion is a major problem and development of the Port is fraught with difficulties.
- The Burrup is a world treasure of rock art. Evidence is that emissions are destroying what remains and that further development will accelerate this process.
- It is a zone of unusual vegetation which is species rich, un-duplicated elsewhere and has been recommended for conservation.
- It is scenically attractive and the major recreation area for local people.
- There is substantial community concern regarding the effect of industry emissions on local residents and the effect of industrial plants themselves on the livability of Karratha and Dampier.
- There has been an alternative available to the Burrup for many years, which has been the subject of an approved Public Environmental Review. The Maitland estate avoids all the problems of Burrup and is recognised to be much more attractive to industry once developed.
- The major argument against Maitland is its substantial development cost – anywhere between \$ 100 million and \$ 300 million, depending on what is constructed. Its other negative is its distance from a port – an average of 14 km, compared with 6 km on the Burrup.
- The primary agency responsible for development of Maitland should be the Federal Government, as it receives most of the Royalties from these projects.
- This task force recommends that the Federal Government be lobbied to fund construction of Maitland and that all possible projects be located on the Maitland Estate.
- Development of Maitland will serve to attract more industry to the region as it will be cheaper to construct and simpler to obtain community (including aboriginal) and environmental approval.

1. BACKGROUND

The Office of Major Projects (OMP) and its predecessors have recognised the Burrup Peninsula as a possible industrial estate for several decades. Its proximity to deep water and relative ease of access has made the Burrup an obvious choice as a Port.

We believe OMP is also aware of the difficulties faced by proponents on the Burrup. These include the extremely hard rock substrate, the lack of relatively flat land, the lack of space, the confined port access, significant difficulties with joint use infrastructure corridors and many other issues.

As the prospect of several large projects on the Burrup has suddenly become apparent to the public, its value as a tourist, recreational, archaeological and natural resource has been thrown into focus.

Extensive lobbying by the Greens in particular - but also rock art groups, the ACF and the Conservation Council - has given many a real appreciation of the environmental values of the area. This has led to doubt being expressed by the community about the merits of locating any heavy industry at Hearson Cove, King Bay, Withnell Bay and West Intercourse Island before Maitland is developed.

Public concern has recently been very vocal as issues are disclosed (some belatedly like the freehold of the Northern Burrup) and locals begin to recognise the social significance of the impact of the proposed six petrochemical complexes. This has led to public pressure being applied to the Government.

The current process being used to extinguish native title is also creating deep divisions within the aboriginal community and further weakening its traditional culture.

The North-West is a difficult area to live. Those not employed by the multi-nationals experience poor quality housing, high living costs and often ordinary wages. Lifestyle is seen as a big positive and the placement of heavy industrial on the region's most popular recreation area is a real threat to this. Thus many issues have combined to suddenly make the Burrup a big issue.

2. CURRENT SITUATION

Public attitudes to development on the Burrup have progressed from a mild disinterest in the past to a widespread concern over this past year. People have mobilised to form many opposition groups both in Karratha and Perth, in a quite remarkable burgeoning of interest.

The question being asked is "why locate some of the industry on the Burrup and then be forced to duplicate the infrastructure on the Maitland Industrial Estate some time in the future?"

The lack of transparency by OMP and other Government departments and in not justifying their reasoning against Maitland over the last two-two years has only added fuel to the fire. This has led the Shire to commission its own report on the relative merits and development costs of Burrup versus Maitland.

Barrow Island is also an issue that will attract strong opposition as it contains a unique ecological system not currently represented on the Australian mainland.

3. THE ISSUES

Government needs to be aware of the issues pertinent to each option. These are summarised below.

The advantages of the Burrup are:

- There is an existing bitumen road and causeway for access
- A relatively small amount of money is needed to develop it as an industrial estate
- It has an existing public wharf
- Proposed industrial sites are relatively close to the port (between 4 km and 8 km)
- Some infrastructure, such as power, water, roads etc already exist

The disadvantages of the Burrup are:

- It is close to the townships of Karratha and Dampier. Predominant winds will blow emissions over these towns and there is substantial concern over these effects
- It is a major recreational area for local people and much of this is in jeopardy
- There is strenuous local opposition to further development
- It is covered in world-class rock engravings: application for World Heritage Listing has been made.
- The National Trust has recently listed the Burrup as endangered and the International Council on Monuments and Sites has emphasized the importance of the petroglyphs.
- Advice is that industrial emissions will destroy the engravings
- It has very little flat land available
- Much of the available land is below cyclone surge level
- The ground comprises extremely hard rock: earthworks are inordinately expensive
- The port has very little land available in the vicinity of its wharf for laydown and storage
- The Port's natural water depth is only 6 to 8 metres
- There is limited room for port expansion – future wharfs will result in congestion and a high likelihood of accident
- Obtaining aboriginal approval for developments is a nightmare
- Development areas are sandwiched between huge rock-piles making expansion difficult and services complicated and expensive to run
- It has a high number of plant species, representing types from a wide range of WA.
- Its vegetation communities are unique and have been recommended for total protection
- It contains some animal species which are endangered
- It is scenically attractive and has great potential as a tourist destination
- It has some impassioned conservationists, both local and in Perth trying to halt development: environmental and aboriginal approvals are very difficult

Maitland has the following advantages over the Burrup:

- It offers virtually unlimited development area at a reasonable distance from a port
- There is no rock: earthworks costs are minimal
- Land slopes are minimal, so little earthworks need to be completed
- It is a comfortable distance away from Karratha in the least common wind direction. Winds will only occasionally drive fumes and pollution over the townships
- It does not affect current recreation or tourism opportunities
- Environmental groups support it
- Aboriginal groups also appear to prefer it
- It is in an area of low scenic and recreational value (old cattle country)
- It promotes symbiosis and integration between industries which will have no physical barriers between them

- There are no aboriginal engravings on the industrial sites themselves. Running of services can be done where planned: there is no need to direct services down valleys between huge rock piles
- The West Intercourse Island port can be laid out to cause minimal damage to rock art
- Buffer areas between industrial plants can be whatever is needed
- Expansion of industrial plants is easily accommodated
- There is no need to build up areas above cyclone surge levels
- Its lack of aboriginal and environmental issues and support by these groups will make it attractive to developers

The disadvantages of Maitland are:

- It will require Government to get it started at a cost of some \$200 million
- It is 13 to 16 km distant from the port compared with Burrup's 4 - 8 km
- The port itself at West Intercourse Island will require removal of aboriginal sites

4. CONCLUSIONS

Many people studying this issue have come to the conclusion that in consideration of sovereign risk and project viability, Maitland is the preferred site for future major industrial expansion.

- Maitland offers projects greater development opportunity and a lower business risk environment.
- There is no land left on the Burrup for new projects now. It seems irrational to place a few projects on the Burrup when it is recognised that eventually other projects will have to be placed on Maitland. Use of the Burrup increases the inevitable unit construction cost of Maitland and finally the cost to the people of Western Australia.
- The Burrup as a National Park and internationally recognised centre of rock art will draw tourist income for perpetuity: this is a far greater benefit to the nation than the Burrup as a second rate industrial estate.
- Local, aboriginal and environmental opposition to projects on the Burrup can only increase and this makes the State less attractive to investors.
- It is very much in the State's interest to make Karratha an attractive place for people to settle: this results in lower wages and a decentralised and more vigorous economy. Burrup as an industrial estate will make Karratha the Kwinana of the north and this will have a profoundly negative effect on employment costs.
- Maitland is more viable as industrial estate in any case: individual project costs are less, integration with other projects is facilitated, buffer zones are substantial and the Dampier to Perth Natural Gas Pipeline runs right through it.
- Maitland as the heavy industry precinct is not something that has been 'plucked out of the air' in recent times – the site was originally identified some seventeen years ago. Extensive studies were undertaken and significant models of the project were developed and put on display for public comment in the early 1990's. What were the outcomes?

5. WHERE TO NOW

This Task Force is pro-development and does not want to see projects lost to the State or this area. It is important that project proponents be given clarity, certainty and assurance.

Firstly, while it is recognised some projects cannot be moved to Maitland, it is clear that the Government has not reached the absolute "point of no return" in being unable to move other projects from Burrup to Maitland.

Secondly, with the will, Government – both State and Federal – with assistance from project proponents could develop common infrastructure in parallel with project construction on Maitland and still meet commercial deadlines.

Thirdly, it is clear that as the Federal Government reserves the lion's share of revenue from resource projects in the area, it should also fund the lion's share of infrastructure that houses and promotes these projects.

6. PROPOSED ACTIONS

This group believes the following principles must be followed by Government:

1. Maitland Industrial Precinct

- Lobby the Federal Government for funds to develop the Maitland Industrial Estate (see point 6 below)
- Amend the current OMP/Landcorp plans to exclude West Intercourse Island, apart from an infrastructure corridor and necessary laydown area at the north-east end for a common user Jetty.
- Make an immediate start on developing infrastructure at Maitland.
- An independent qualified party should be engaged to urgently assess whether the Government and proponents can develop in parallel on the Maitland to meet relevant commercial timetables.
- Commit resources to the positive promotion of Maitland as the future heavy industrial precinct.

2. Land Allocation Burrup Peninsula

- There be no further allocation of land for industrial purposes on the Burrup Peninsula other than for tourism.
- If project rights expire at Hearson Cove and Withnell Bay, the sites are returned to the National Estate.
- Excisions from Hamersley Iron and Woodside leases for third party projects to cease.

3. Emissions and pollution

The cumulative impact of fine matter and gas emissions should be made public on an ongoing basis.

In particular:

- The impact on global warming (photochemical smog and greenhouse gas emissions)
- The impact of the local population (including xylenes, benzenes and methyl benzene compounds)
- The impact on ancient rock art (oxides of nitrogen and sulphur, and fine matter, plus the above)
- The impact on flora and fauna (from the above plus light, noise and ground vibration)

The Government, its agencies and project proponents should adopt triple bottom line reporting. Only by adopting the world's very highest standards can the Government claim to be responsible. We have the possible opportunity to be a world leader in emission elimination technology.

4. Proponent options

- The current project proponents on the Burrup must be given the choice of assessing Maitland in detail for suitability, given the same level of common infrastructure as proposed at the Burrup.
- The Government to provide every assistance for the proponents to consider the Maitland Industrial Precinct (as revised)

5. Burrup Protection Legislation

The State and Federal Governments must introduce legislation to specifically protect the Burrup Peninsula and adjacent islands from further development, with some specific exclusions for the Shire of Roebourne to manage recreation and tourism sites – in conjunction with the local aboriginal community.

6. Royalty Reinvestment

Request the Commonwealth Government to immediately reinvest in the Pilbara 2% of its enormous royalties to make it more attractive for projects and people

The Federal Government is the major beneficiary of the Royalties and reinvesting capital could generate increased returns. Ongoing capital funding will be needed to continue development and maintenance of the infrastructure.

The State government should return 1% of its royalties to ensure the viability of the Pilbara.

The Government must take a proactive approach to marketing the area for investment and as a place to live and work.

7 Resource Sharing

The Government to investigate ways of companies sharing common infrastructure, such as product conveyors and other resources.

8. Conduct & ethics

The Government must adopt its policy "Consulting Citizens" as explained in the Resource guide

produced in April 2002 by the Citizens and Civics Unit in the Dept of Premier and Cabinet:

"Encouraging and empowering people to participate effectively, creatively and critically in community life must be a priority," says Dr Geoff Gallop.

The following quotations from Premier Geoff Gallop at the Global Linkage Environmental Unit forum in Japan, concerning the Government's environmental strategy should be followed in all sincerity:

"There is a good interest in the leadership WA is showing in developing sustainable strategies for the future."

"Environmental considerations are no longer an optional extra. They must be integrated into everything we do and it must be done from the start - not bolted on afterwards."

"We have had the industrial revolution and now it's the environmental revolution."

9. Accountability

The Office of Major Projects who investigate, develop and promote industrial sites such as the Burrup and Maitland estates is outside the accountability of good governance.

We understand the Ombudsman and the Auditor General are not able to effectively audit the Office of Major Projects. This situation needs to be reviewed to ensure the process is transparent and both elected representatives and the public have greater access to the information available.

10. Barrow Island

- The Gorgon Development partners and Sassol Chevron should be encouraged to consider Maitland as a superior site for future projects.
- Apart from the sensitivity and existing impacts on the A-Class Nature Reserve of Barrow Island location at Maitland would be a major boost to the synergies and integration of the Maitland precinct.
- Location of Gorgon at Maitland would result in many workers being based in the area, rather than being fly-in fly-out as at Barrow. This is a better outcome for both the State and the region.



Leann Cooper
President.