

## MINISTERIAL BRIEFING NOTE

**27 August 2002**

### Report Purpose

To highlight the advantages to Government of immediately locating proposed major industrial projects to the Maitland Industrial Precinct, rather than the Burrup Peninsula.

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

### Background

The Burrup Peninsula has been recognised for several decades, by the Office of Major Projects and its predecessors as a possible industrial estate. 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 and many other issues.

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

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 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 creating deep divisions within the aboriginal community and further weakening its traditional culture.

### 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.

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

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

The lack of transparency by OMP and other Government departments over their reasoning against Maitland has only added fuel to the fire and the recent history of the Labor Party in the North West has not helped.

A long line of decisions such as the proposed hand-over of the Burrup to Native Title Claimant groups, the agitation of now stable, well-paid workforces over Workplace Agreements, the over-ruling of the local Port Authority as it cuts costs, the amalgamation of the Hedland and Karratha

colleges, the halving of Student Subsidised Travel and many other actions have made local people wary of the Government.

So called "community consultation" is seen as a whitewash, a farce in which a public meeting is held and a stall placed in the Shopping Centre for a day or two and the conclusion is made: "you've been consulted!"

Huge rent increases over the last 12 months combined with a lack of local hiring by Woodside and its contractors has resulted in a cynical public. In fact, such "public consultations" inform very few and can be seen as an abject failure.

The North-west is a difficult area to live, with poor quality housing only adding to the high costs and often very ordinary wages.

Lifestyle is seen as a big positive and the placement of an industrial estate 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.

The persistence of the Rock Art community and their overseas contacts has only assisted the opposition cause.

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

## Options

Government needs to know the issues: it has been surprisingly weak in this area.

The advantages of the Burrup are:

- There is an existing bitumen road and causeway for access
- Government needs to spend very little money to develop it as an industrial estate
- It has an existing public wharf
- Industry is quite close to the port
- Power, some water, roads etc exist

The disadvantages of the Burrup are:

- 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
- Obtaining aboriginal approval for developments is a nightmare
- It is close to townships and winds blow emissions over these towns
- 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 has very little flat land available
- Much of the available land is below cyclone surge level
- The port has very little land available for storage
- The Port's natural water depth is only 6 to 8 metres
- There is limited room for port expansion
- The ground is generally enormously hard rock: earthworks are inordinately expensive
- 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, and vegetation which has been recommended for total protection
- It contains some animal species which are endangered
- It is scenically attractive
- It has some impassioned conservationists 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
- It is a comfortable distance away from Karratha, so winds will rarely drive fumes and pollution over the town
- 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 is no rock: earthworks costs are minimal
- 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
- There will be little opposition from rock art groups – manage West Intercourse rock art
- Buffer areas between plants can be whatever needed
- Expansion of plants is not an issue
- There is no need to build up areas above cyclone surge levels
- Its lack of aboriginal and environmental issues will make it attractive to developers

The disadvantages of Maitland are:

- It will require Government to get it started at a cost of \$100 to \$200 million
- It is about 15 km distant from the port compared with Burrup's 5 km
- The port itself at West intercourse (not the industrial land) will require removal of many aboriginal sites

## **Conclusion**

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.

- 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 decentralized and more vigorous economy. Burrup as an industrial estate will make Karratha the Kwinana of the north.

- Finally, 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.
- There is no clear evidence that the Government has reached the absolute "point of no return" in not being able to move projects from Burrup to Maitland.
- With the will, the Government and project proponents could develop common infrastructure and project construction on Maitland in parallel and meet commercial deadlines.
- Maitland offers projects greater development opportunity and a lower business risk environment.
- Project proponents must be given clarity, certainty and assurance.

## **Proposed Action**

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

### **1. Land Allocation Burrup Peninsula**

There is no further allocation of land for industrial purposes other than 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.

An independent qualified party to urgently assess whether the Government and proponents can develop in parallel on the Maitland to meet relevant commercial timetables.

### **2. Native Title**

In the public interest, the Government to make public the terms of the current agreement being offered to aboriginal claimant groups.

The agreement is revised to exclude the Burrup and adjacent islands.

The agreement to promote retention of aboriginal spiritual and cultural values and traditions, and to promote aboriginal economic self-sufficiency.

The Government to recognise the traditional aboriginal decision making process where the elders are the final decision makers, as distinct from the process currently being employed.

The Government to ensure each claimant group and representative has adequate financial funding to enable the respective representatives to seek their own independent legal advice if they require.

The Government facilitates the immediate withdrawal of the current application to the Federal Court to have a specific aboriginal elder replaced as a claimant representative for purposes of negotiating the agreement.

### **3. Aboriginal Economic Self-sufficiency**

A Management Plan for the Burrup Peninsula needs to be created in which the resources of the area are mapped, stakeholders identified, reserves established and management procedures developed. This should cover:

- Rock Art and Aboriginal Sites
- Threatened and valuable vegetation

- Recreational requirements
- Emission controls and other strategies for management of existing industry (HI, Woodside, DPA etc)

Create a visitors centre, run by Aboriginal people, giving tours of the peninsula etc to provide employment and other benefits to the region.

Immediately appoint local Aboriginal people to act as managers of the plan as at Karijini, Uluru, Kakadu etc.

#### **4. Maitland Industrial Precinct**

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.

Parallel project development (common infrastructure and petrochemical plants) at Maitland, as would be required on the Burrup

Commit resources to the positive promotion of Maitland as the future heavy industrial precinct.

#### **5. Emissions and pollution**

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

- ✓ 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 to 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.

#### **6. 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) –

And promote the EPA environment approval of the Maitland Industrial Precinct.

#### **7. Burrup Protection Legislation**

The State and Federal Governments to 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.

## **8. Royalty Reinvestment**

The Government to substantially reinvest its enormous royalties in the Pilbara to make it more attractive for projects and people.

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

## **9. 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" 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."*

## **10. 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 has greater access to the information available.

## **11. Barrow Island**

The Gorgon Development partners and Sassol Chevron are 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 of the Maitland precinct.

The local community would prefer workers to be based in the area, rather than fly-in fly-out.