



INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES COMMITTEE

Members present:

Mr J Pearce MP (Chair)
Mr GJ Butcher MP
Mrs BL Lauga MP
Mr Michael Hart MP

Staff present:

Ms M Telford (Principal Research Officer)

PUBLIC HEARING—INQUIRY INTO THE SUSTAINABLE PORTS DEVELOPMENT BILL 2015

TRANSCRIPT OF PROCEEDINGS

THURSDAY, 30 JULY 2015

Mackay

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Committee met at 8.30 am

CHAIR: Good morning, everyone. I declare open the public hearing for the committee's inquiry into the Sustainable Ports Development Bill 2015 and I thank you all for your attendance here today. I would like to introduce the members of the Infrastructure, Planning and Natural Resources Committee. I am Jim Pearce, the member for Mirani and chair of the committee. The other committee members are: Mr Michael Hart, the deputy chair and the member for Burleigh; Mr Glenn Butcher, the member for Gladstone; and Mrs Brittany Lauga, the member for Keppel. Mr Shane Knuth, the member for Dalrymple, and Mr Lachlan Millar, the member for Gregory, are apologies for today.

The Parliament of Queensland Act 2001 requires the committee to examine the bill to consider the policy to be given effect by the bill and the application of fundamental legislative principles. Today's public hearing will form part of the committee's examination of the bill. Before we commence, I ask that mobile devices be switched off or put on silent mode. For the benefit of Hansard, I ask that witnesses state their name and position when they first speak and to speak clearly into the microphone. The hearing is being transcribed by Hansard and is a formal committee proceeding. The guide for appearing as a witness before a committee has been provided to those appearing today. The committee will also observe schedule 3 of the standing orders.

JULIEN, Ms Patricia, Research Analyst, Mackay Conservation Group

ROBERTS, Ms Ellen, Coordinator, Mackay Conservation Group

CHAIR: Our first witnesses this morning are from the Mackay Conservation Group. I welcome the representatives from that group. Would you like to make a brief opening statement?

Ms Roberts: Yes. Thank you very much for the opportunity to present here today. The Mackay Conservation Group is pleased with the developments in this bill and their reflection of community concern about the need to preserve the Great Barrier Reef—an issue that we saw very much play out in the previous election. So we are pleased to see this new level of government commitment to reef protection.

I would just like to acknowledge at the start, if I could, someone who was not an employee of the Mackay Conservation Group but instead of the Marine Conservation Society, Felicity Wishart, who unfortunately passed away last week. She was someone who really put the reef on the map nationally and internationally as well, and I do think that we would be here today in this way if it were not for her particular efforts. So I would like to acknowledge that and the work that she has done in this area, particularly on port development and some of the concerns around expansion.

There was an issue that she raised in the Marine Conservation Society submission that I would like to add to our submission in relation to strategic planning for ports across the Queensland coast across all port areas. What she was saying in that submission was that we need to make sure that we are maximising the existing port facilities across all areas, not just looking at each port in isolation. I think that what we have seen up until now are really proponent-led port developments instead of actually looking at where are the existing facilities, where is the existing need and how can we best use that. That may mean potentially diverting commodities through another port instead of just pushing ahead with an expansion in a particular area. This is a particular issue for us obviously because we have three priority port development areas in Hay Point, Mackay and Abbot Point in this immediate vicinity. So this area is certainly targeted potentially for port expansions. But we would really like to see the government actually looking at what is economic development going to look like and how can we best maximise existing facilities. As the committee is no doubt aware, we have had Abbot Point operating at limited capacity for some years now.

The other issue that I would like to raise in our submission—and I understand that other groups have raised this as well—is the ban on transshipping which was an election commitment, and we congratulate the ALP for recognising community and scientific concern about transshipping developments and whether they are appropriate for a sensitive ecological environment like the Great

Barrier Reef World Heritage area. It is absent from the bill. We would be very keen to see that implemented in an update from the committee about where those developments are at and what any barriers might be to implementing that.

We would also like to raise the issue of capital dredge dumping from non-port facilities which we understand is also excluded from the bill. I have included in my submission some concerns from tourism operators within the Whitsundays. Water quality in the Whitsundays is reaching an acute level, with some tourism operators indicating that it is impacting on their business. Obviously more research work needs to be done to work out exactly why that is happening and why that is such an acute issue at the moment. But certainly allowing dumping from either facilities like marinas, for example, that are not captured by this bill is potentially going to continue to impact on water quality. So we would like to see that addressed. It is something that is of particular concern in our area.

The other issue that we would like to discuss with the committee is around master planning. We appreciate a greater role for the state in doing master planning of port areas. We have been working a lot with the local community around Hay Point who have a number of concerns about the port and the impact on their lives in terms of coal dust and noise et cetera. We did a survey of residents adjacent to the port in 2013 and found that coal dust was a major concern for them. But it is not clear to us what the boundaries of the master planning areas are going to be. We understand that the bill provides for them to be outside the Transport Infrastructure Act, but those boundaries themselves are designed essentially to facilitate safe shipping. They are not necessarily for this kind of process. I would be really interested to have an update from the committee about what those kinds of boundaries are going to be given the potential impacts on those communities.

In general, I am concerned about an assumption that just because there are existing port facilities that means that you can just continue to expand without environmental damage. The World Heritage Committee did say any port development even when it is part of an existing port facility that impacts on outstanding universal values will be of concern to them. So it is not as though we are writing a blank cheque for any port expansions. In the case of Hay Point, you have people living there and you have sensitive ecological environments, particularly at Abbot Point, as you would know, with the Caley Valley Wetlands. We understand the importance of preserving wetlands for water quality and for reef health more generally. Those are the opening points that I would like to make and we are happy to answer any questions.

CHAIR: Patricia, would you like to add anything?

Ms Julien: I have a couple of small points if you have time.

CHAIR: Just quickly, yes.

Ms Julien: Section 34 'Restriction on granting approvals for disposal of prescribed dredge material' states—

(1) An approving authority may grant an approval for development that is, or includes, the disposal of prescribed dredge material within a restricted area only if—

(a) it is impracticable to beneficially reuse prescribed dredge material;

I am just wondering how 'impracticable' is defined. Is it a question of economics? Is there a legal, technical or other form of definition for what impracticable is? The other major concern is section 21 'Content of port overlay'. Subsection (2)(c)(ii) states—

including measures to reduce the risk of environmental harm, or serious adverse cultural, economic or social impacts, in the master planned area.

That is what the port overlay may include. If the approach is merely to reduce risk rather than minimise or prevent risk, then how does it meet the intent of the bill which is for sustainable development? Where is the line defined between refusal of a development and acceptable risk? At what point do alternative, more sustainable options for port developments get adopted? Who is looking at that? Where is the dividing line between adoption or saying no, it is not acceptable?

The final point concerns the last section on compensation for affected people around the port. Given that in the council planning scheme there is a requirement for three industrial hubs between Paget to the south of Mackay and Hay Point, there is going to be a huge increase in emissions. We have been very concerned about the dust emissions from the port and the inadequacy of the national environmental protection measures for air quality in addressing emissions, especially toxic emissions. One of those hubs will be a transport hub. So there will be a huge increase in diesel emissions. I can see it standing out a mile that we are looking at a state development area that is going to be attached to the port because it will be a major port.

What is going to happen in terms of compensation for the people in those areas? They talk about reasonable compensation and fair and equitable compensation but they really do not define that. In my view, given that we just had a death of a long-term resident at Louisa Creek from a heart disease problem that was related to long-term exposure to dust pollution—the medical evidence is there that it was related to that—people should be able to be relocated to the equivalent of what they lost. That is my point. It should be equitable in that sense. That is all I wanted to say.

CHAIR: I just want to make something clear. There were a number of questions put by both of you. It is not our role to answer those questions. We are here to hear what your concerns are—any concerns you have with the legislation. Then we will consider those concerns and report to the parliament. We will take the questions that you have put to the committee today as concerns and we will take them into consideration during our work.

Ms Julien: Thanks, we would appreciate that.

CHAIR: Can you please explain your concerns regarding the boundaries of port areas as identified by the port master plans and tell us whether you have any suggestions for how these matters could be remedied?

Ms Roberts: I do not have the wording of the bill in front of me. Basically the bill does not prescribe what the boundaries of the master planning areas are to be. It indicates that they may extend beyond the Transport Infrastructure Act boundaries which are quite large. I have put the example of Hay Point in my submission. I am not sure whether the committee has seen what the relevant boundaries would be for the other ports. Similarly, they are extremely large. If you look at page 6, the port facilities are not marked in there but you can see Hay Point there and Dudgeon Point there. My understanding is that the Transport Infrastructure Act boundaries extend up to Bakers Creek. So the question then is: is it intended by the act for the boundaries to be that large? It is potentially something that needs to be defined. I know there are various pieces of legislation that put the boundaries within the legislation itself to specify that.

North Queensland Bulk Ports has obviously been doing a similar kind of process over some years. There are probably people from the ports authority who would be able to answer those questions much better than we would. But they have also shown there the areas that they consider to be within the Port of Hay Point. What we saw with the Dudgeon Point development, for example, was a proposal at Dudgeon Point that was considered to be an expansion that was like four kilometres from existing facilities. We have not drawn up what we would consider the appropriate boundaries to be. But I think most people would imagine for the Port of Hay Point that it is essentially what the existing facilities are exactly around the port there, rather than including all the way up to Bakers Creek, for example, as an area that is potentially open for port expansion—because there are a number of housing developments and there are also mangroves and other ecologically sensitive areas within that area. What we do not want I guess is the mention of the Transport Infrastructure Act within the bill to kind of create a de facto situation where that becomes the boundaries themselves. Some people consider port limits also to be the areas that are carved out of the Great Barrier Reef Marine Park itself, which is obviously a much more restricted area—

CHAIR: So we get back to that point about a clearer definition of what the boundaries are?

Ms Roberts: That is right, yes.

CHAIR: And why.

Ms Julien: And why, justification, yes

Ms Roberts: There has been a lot of uncertainty over recent years about what the new proposals are going to be. There are a number of potential port expansion proposals. Originally, there was Dudgeon Point; there are also a number of stockpile expansions proposed for Dalrymple Bay. So the people living in that area constantly live with that level of uncertainty. Obviously, we appreciate the extent to which the master planning could ameliorate some of that uncertainty, but certainly if the port boundaries themselves are over a huge area then that is not necessarily going to do that.

Ms Julien: Can I add to that. At Dudgeon Point, I do not know if you were aware of this, but the plan was for the stockpiles to be up to 20 metres high—given the concrete block that they sat on and add that to the height of the stockpile, they were 20 metres high. The dust from that for people right up to Mackay, but especially in McEwens Beach, would be enormous.

Mr HART: Ellen, I noticed in your opening statement you said that your conservation route covered three ports—Abbot Point, Mackay and Hay Point. For the purposes of this bill, there are only two port areas that that covers—Abbot Point is one and Mackay/Hay Point is another. Do you think the Mackay port and the Hay Point should be split up as two separate ports for the purposes of this bill?

Ms Roberts: I do not think we have a strong position on whether it is appropriate that they are considered together or separately. A lot of the expansion proposals are really around the port of Hay Point and the export of coal. In terms of the master planning process, we can take that on notice. I do not have a strong view of whether they should be.

Ms Julien: At one time, there was a proposal to ship coal out of the port of Mackay. That is totally unacceptable to the community. There was a huge angst about that. As you know, the wagons are not required to be covered, and to have coal continually going through the port of Mackay was unacceptable. The port of Mackay is mostly, from the point of view of the coal industry, import/export for fuel so there is enough worry about the heavy fuels being transported through the city without the dust as well.

Mr HART: How much consultation has your group had with the government about this bill?

Ms Roberts: Certainly, our local members have made themselves available to discuss this bill with us at length.

Mr HART: Was that before this bill was in place?

Ms Roberts: The ALP made it clear what their election commitments were and we did discuss those with our local members. Then we have provided a submission and we are appearing here today. I think that is the extent of the consultation.

Mr HART: So you have had no consultation with the government departments at all then—just local members?

Ms Roberts: Just local members, yes.

Ms Julien: But quite a bit prior to the bill in terms of our activism on the coal dust issues, for example—and through the Mackay planning scheme about the three hubs that were there and concerns about the water quality and air quality issues. Whenever there have been spills at the port, we have been involved in contacting departments and making sure that they knew about it and they did something about it. So in that sense, yes, we have had quite a bit of contact.

Mr BUTCHER: My question is around transshipping. What are your concerns with transshipping and why is it such a big concern for your group?

Ms Roberts: We have a number of concerns, and I think these concerns are also shared, for example, by the Great Barrier Reef Marine Park Authority. They did an assessment of the Fitzroy terminal project. There are a number of concerns. There is continued chronic exposure to coal dust within the marine environment. There certainly does need to be more work done on understanding the impacts of coal dust within the marine environment, and there has been some research work done through AIMS about that particular issue that was part of a Senate inquiry last year. So there certainly needs to be more work done on that. Coal dust is recognised as something that we should not be increasing, particularly where there are already existing port facilities.

There is also obviously a risk with those increased ship movements of ship collisions and then you also have spills of coal dust—again, a kind of extreme situation there. There are also the impacts of continual light and noise on marine animals. We often think of the larger ones—whales and dugongs, for example—which are affected by that kind of ongoing persistent activity, and they obviously are impacted by existing shipping. Fish can also be very impacted by noise. For example, I was talking to an expert on this and he was saying the relationship between fish and corals is to some extent determined by noise so that can be impacted by transshipping facilities.

Essentially, my understanding is that most transshipping occurs within relatively sheltered environments. So given the kind of high seas and the rough conditions that we can have offshore, off the reef coast, this is simply not appropriate for this area. We welcomed the ALP's election commitment on that and considered that it reflected community concern that we have seen here in Hay Point and also the local scientific concern.

Mr BUTCHER: Are you aware of any incidents in relation to transshipping—massive coal spills, ship crashes? Has there been anything in the past?

Ms Roberts: I can provide the news articles that we referred to in our submission if you like in relation to a large spill in Colombia. My understanding is that, as a result of that, the Colombian government implemented a ban on transshipping.

Ms Julien: There is Indonesia as well—the video that was made that showed all the coal onshore that had washed up from the spills.

Mr BUTCHER: Can you table that for us?

Ms Roberts: Yes.

Mr BUTCHER: Can they table that, Chair, or provide it to us?

CHAIR: You can send it to us later.

Ms Julien: There is an economic issue too. I looked at about four or five years of wave heights. As Ellen has mentioned, if the waves are too high, the barges cannot go out. The proposal was for 10 million tonnes a year. They would not be able to achieve that. They had two sites to ship out the coal—one was within the port boundaries where they could probably get back and forth in between the high wave events, but when you factor in the site that is 30 kilometres offshore, there just was not enough of a time window for them to do more than a limited number of trips out there. So that is another economic issue that I have never seen raised anywhere, but I have raised it in submissions.

CHAIR: Ellen, could you provide that documentation by Friday of next week?

Ms Roberts: Sure.

CHAIR: Time is a factor for us this morning so we will have to conclude now.

Ms Julien: Thanks for the opportunity.

DALLAS, Mr Peter, Spokesman, Hay Point Community Action Group

CHAIR: I welcome the representative for the Hay Point Community Action Group via teleconference. I have members of the committee here with me—the member for Burleigh, Michael Hart; the member for Gladstone, Glenn Butcher; and the member for Keppel, Brittany Lauga. We are ready to hear what you have to say. Everything is being recorded by Hansard. Do you have any opening comments that you want to make?

Mr Dallas: First of all, sorry I cannot be there in person but I am visiting family in Dampier in Western Australia. I would have liked to have been there in person but it did not happen.

CHAIR: You have 20 minutes.

Mr Dallas: I pleased to hear that your committee is getting up and down the Queensland coast. There is nothing like local knowledge to find out all of the problems that beset the Great Barrier Reef. I might explain the make-up of the Hay Point Community Action Group. We formed in 2014 when it became public knowledge that there was a transshipping scheme proposed for our area at Hay Point. We have a group of 12 executives, if you like, and about 40 volunteers or workers, and I think we can say we have nearly 100 per cent of the community behind us to look after our interests, because we consider that the proposed transshipping scheme at Hay Point will have serious effects on our area and the environment of the Great Barrier Reef national park.

I might rattle through the transshipping proposal so we are all on the one page with it. It involves barges being loaded in the tug harbour at Hay Point and towed seawards some 10 to 25 nautical miles out to where the coal ships presently anchor. The transshipper will be tied up alongside an anchored bulk carrier. The transshipper consists mainly of a very large barge, possibly two cranes with grab buckets on them. They will unload the coal from the barges into hoppers on the deck of the transshipper, which in turn will send the coal via slewing conveyers into the various ship holds.

We have done a fair bit of research on transshipping operations worldwide on the internet et cetera. Transshipping seems to work very well in sheltered waters—bays, lagoons, fjords, estuaries, et cetera, anywhere out of the wind and the waves. Unfortunately, it does not seem to work too good in open ocean conditions, as is proposed off Hay Point by the Mitchell Ports group and North Queensland Bulk Ports. We commonly have three-metre seas and 30-knot winds, and anybody who fishes locally there will understand that. We have 30-knot winds sometimes for 10 days at a time. The potential for spillage into the ocean is very real. If you think about a grab bucket being lifted off an open barge in a 30-knot wind, you can imagine how much loose coal is going to be blown into the open ocean. We understand, although we have not been told officially, that they can only operate in seas under two metres and winds under 20 knots. Dalrymple Bay and Hay Point can load a bulk carrier in between 20 and 30 hours with their present jetties et cetera. We estimate it could possibly take anything up to a week plus to load a ship using the transshipping method. You can imagine the pressure from ship owners et cetera. Once a ship started to load and we get 10 days of 30-plus knots, Mitchell Ports has all of this equipment and men sitting idle, the pressure is on to get the ship loaded and get it on its journey to China, South Korea, Japan or wherever. So the temptation would be to operate outside of their envelope, you could say, with the weather.

If I could point out that there has been quite a few transshipping mishaps around the world. One we have picked up on the internet was with Drummond Coal, a very large US coal exporter operating off the Colombian coast. They had exactly the same scheme as is proposed at Hay Point operating in open-sea conditions. They towed a barge out in very poor conditions. The barge took on large waves. When it got to the transshipper, they realised that the barge was going to sink. So they swung a large pump on board and pumped 2,000 tonne of coal and a mixture of coal and seawater slowly overboard, told nobody about it, and a couple of weeks later all this coal appeared on the local beaches. They then had to admit that they had pumped 300 tonne overboard. They never told anybody initially and when it came to the crunch, they said they had pumped 300 tonne. In actual fact, they had pumped 2,000 tonne overboard to save the whole cargo from going under—it was not until it contaminated all the beaches. They were fined \$3.6 million by the Colombian government. When they did not clean up their act, the transshipping agreement with Drummond Coal within the port of Cerrejon, I think it is, off Colombian has been terminated and they are now building jetties just like Xstrata, Glencore and BPH and those who operate beside them in Colombian waters. So mishaps can happen and will happen. We are very concerned that the same thing could happen in Great Barrier Reef waters.

It appears that coal will travel very well in water. So we can imagine a major transshipping spill at Hay Point. If the tides were going to the north, coal could realistically cover Mackay's Harbour Beach, Lamberts Beach, Eimeo, Bucasia et cetera, or going south we go over Louisa Creek,

Salonica, Grasstree through Campwin all covered in coal depending on the wind and the tide. Dalrymple Bay and BHP both looked at this transshipping method in the past, because it is quite a cheap way of exporting coal. You do not need hard-structure jetties or anything. So they looked at it and both threw it away because they could not resolve the problem of operating in open waters.

So along comes Mitchell Ports, which is a very small drilling contractor operating mainly in exploration drilling and coal seam gas drilling. They have no experience in coal operations or marine operations. They come along and North Queensland bulk ports accommodated them with open arms because of the possibility of extra coal royalties. They have no experience whatsoever in this game. They just thought they might want to be the next big thing in coal exporting. Incidentally, the same Mitchell Ports put in the same proposal for the Fitzroy delta and were knocked back on environmental grounds. I have no doubt that, as they get shunted out of Hay Point, they will probably end up at Abbot Point—a little further north each year perhaps.

CHAIR: Okay, Peter. We have a few questions to ask. Are you okay for them now?

Mr Dallas: Can I just go on for one more moment?

CHAIR: Yes.

Mr Dallas: Okay. So the proposed scheme locally is going to knock the hell out of Half Tide and Salonica Beach. Half Tide existed 40 years before there was any coal to hit the ground at Hay Point. We are going to have a large stockpile across the lake from Salonica. We are going to have five kilometres of overland conveyor, which goes through our local lake, pristine bird sanctuaries, through the mangroves, on to the beach in front of the pub with the noise and dust 500 metres from homes—a 24/7 operation, sleep deprivation, land values et cetera. North Queensland bulk ports has overseen the demise of Louisa Creek and now it is set to squeeze the communities of Half Tide and Salonica out.

We understand Hay Point is designated a priority port development area, but environmental and longstanding communities must have a place and a say in all future expansions of the coal industry. The present capacity of Dalrymple Bay and BHP combined is 140 million tonnes. We have just had record coal shipments out of both and I think they have reached about 120 million. They have nowhere near the capacity. Why do we need to allow a transshipping scheme off Hay Point that does not seem to be warranted?

The coal industry appears to be in a slow decline. In the *Australian* newspaper yesterday BHP stated that it expects a six per cent decrease in coal amounts over the next few years. Do we need more export facilities operated by a very small drilling company with no coal exporting or marine operation experience overseen by a government agency that is blinded by the lure of coal dollars and royalties and operating in an area regarded as the eighth wonder of the modern world?

Many of the problems besetting the Great Barrier Reef such as coral bleaching, damage by cyclone et cetera we cannot do much about, but allowing spillage of coal from an inappropriate coal-loading operation is something that we can and must control. With UNESCO and all the world looking on, it is a very brave or foolhardy political party that would sign off on transshipping in Great Barrier Reef waters.

The Hay Point Community Action Group lobbied and campaigned, as you know, Jim, long and hard to protect our own slice of Great Barrier Reef waters and we will continue to do so until common sense prevails and the Queensland government honours its pre-election promise to ban an environmentally flawed operation. Have you got a question there, Jim?

CHAIR: No. Thanks, Peter. Michael Hart, the member for Burleigh, will ask you the first question.

Mr Dallas: Righto.

Mr HART: I think you have pretty well outlined the impacts that you think will happen in your area. How many people who live in that area do you think will be impacted?

Mr Dallas: Michael, there are approximately 100 to 110 homes at Half Tide Beach where I live. That would be 500 metres away from where they are going to load the coal in the harbour. Salonica Beach is approximately between 400 and 450 homes, which starts at about one kilometre away, and which will be affected by dust, noise et cetera. Then we have all the rural properties from where the stockpile will be. Then wind will take the dust and the noise through to Timberlands. So we are talking probably a couple of thousand people.

Mr HART: Okay. If the government decides not to ban transshipping, what else would you like to see in this bill to protect those residents?

Mr Dallas: The actual proposal, Michael, is virtually on top of our communities. The Queensland government owns 1,400 hectares of land, which has been earmarked for coal exporting at Dudgeon Point. The actual proposal by Mitchell Ports is virtually on top of our two communities. With any development or future development of coal—we understand that it is an important priority—some of these communities, Michael, have been there years and years, some 40 years. Admittedly, Salonica has not been, but Half Tide and Louisa Creek, which does not exist anymore—it has gone under the Dalrymple Bay terminal—we have been there for 40 years. We must have a home also. If they wanted to extend the coal industry at Hay Point, let them do it at Dudgeon Point, which they bought the land for years and years ago. They have 1,400 hectares there.

Mr HART: So you are not saying transshipping should not be banned completely in Queensland, just at your particular location at Hay Point?

Mr Dallas: No. I think transshipping, as I said before, Michael, seems to operate very well in sheltered waters. It will not work in open waters. It is a disaster waiting to happen. I ask that you people consider a 100 per cent ban on transshipping in Great Barrier Reef waters. There is no room for it. This is just from our local perspective at Hay Point, but when you think about it and you see what has happened around the world, who wants 2,000 tonne of coal spilt at Hay Point?

Mr HART: Okay. Thank you.

CHAIR: I will hand over now to Glenn Butcher.

Mr Dallas: Hello, Glenn.

Mr BUTCHER: How are you going, mate? If the bill were to be amended to include a ban on transshipping, it may be possible that more developments would have to occur at Hay Point. What would your group's position be with respect to the expansion of the port without transshipping? You said that you want them to move it to the land that has been set aside. What if there was more development within the area where it is now?

Mr Dallas: Glenn, we can live with what we have at Hay Point. I should point out that we are not anti coal. George Christensen will tell you that anybody who opposes the coal industry is anti coal. I personally had 32 years in the coal industry and of the 12 executive members of the action group, five of us have 150 years of service. So we are not anti coal. We can live with what we have at Hay Point. We cop noise, we cop dust, we cop lights, we cop helicopters flying all hours of the day and night. It is a 24/7 operation. I must say that there is not very much room at Hay Point for any more and, as I said before, there is 1,400 hectares sitting at Dudgeon Point that was going to be expanded by Dalrymple Bay and Adani. Any future expansion of the coal industry at Hay Point should not be on top of communities. It should be on the 1,400 hectares sitting there that is grazing a few cattle at present.

Mr BUTCHER: Right. Thanks for that.

CHAIR: Okay. Brittany Lauga, the member for Keppel, would like to ask you a question.

Mrs LAUGA: Hi, Peter. How many members are there in your action group?

Mr Dallas: We have an executive of 12 and we have volunteers—about 40-odd. We had a couple of public meetings there that were very well attended. We have a Facebook page et cetera. It is hard to gather, but we did a petition and all of that and I never had one person refuse to sign the petition. But that is the way it goes with petitions. I would say that we have 95 per cent backing of the entire community of Hay Point.

Mrs LAUGA: Okay. The actual project, is it within port limits?

Mr Dallas: The actual operation of loading the barges, towing them out et cetera are in port limits. Some of the ships anchor outside port limits but, regardless of port limits, the line delineating Great Barrier Reef port limits, the coal enters the waters; it does not stop at that line, it just keeps flowing, if you get my drift.

Mrs LAUGA: Is the on-land part of the project within port land?

Mr Dallas: The proposal by Mitchell Ports would mean cattle land has to be resumed off parkland, the cattle station. The conveyor will be going across the lake. Other land will have to be taken off local people there and also cattle land. The conveyor goes right through the middle of a small engineering works. It goes straight through 20 hectares of pristine mangroves, which is home to a very large bat colony which flies over my house every night. It then does a right angle at the mangroves and ends up on 500 metres of sandy beach in front of our hotel-motel and that is where the coal loader would be. I have yet to hear of anywhere in the world that they can make a coal loader dustless, noiseless and without lights and without sirens going and operating 24/7 500 metres from our homes.

Mrs LAUGA: So Peter, are you saying that in principle you are supporting the transshipping process but not in this location?

Mr Dallas: No, I do not support a transshipping operation in Great Barrier Reef waters. It is beset with problems. The possible damage there is enormous and, as we saw with the Drummond Coal thing, one day it will all turn to tears and we will end up with a major coal spill in our waters.

CHAIR: I will ask one more question to finish off. Have you had much consultation with the company itself? Do you have a good idea of what they propose or has it all come from media reports?

Mr Dallas: Strange you should ask that, Jim. Would you believe North Queensland Bulk Ports spoke to these people for two years before they actually told the community reference group, of which I was a member but I am no longer. As you know, we have a community reference group that operates between the North Queensland Bulk Ports and Queensland Rail and Dally Bay and BHP and the local community to solve problems. They talked to Mitchell Ports behind our backs for two years and when it come out in the open North Queensland Bulk Ports did not want to have anything to do with it. We had to insist on Mitchell Ports doing a presentation to the CRG committee which they were reluctant to do. We had to placard with 30-odd members outside the meeting to be allowed to attend. That gives you an idea of the secrecy and the behind the back goings on that occurs and regularly occurs with anything that happens with the coal industry at Hay Point.

CHAIR: Thank you very much for your time. Enjoy the rest of your stay over in Western Australia.

Mr Dallas: Thanks for that, Jim. I am just about to launch the boat and go fishing. It is as flat as a tack here and we will see if we can catch a fish. Good on you, Jim, and good luck to your committee. I hope they make the right decision. Thank you for listening to me.

BROWN, Ms Patrice, Director, Hay Point Exports

KING, Mr Ben, Director, Mitchell Ports Project.

Mrs LAUGA: I think now is an appropriate time for me to declare that I used to work as a town planner in a consulting firm where transshipping was a project that I worked on, but I can confirm that I have no ongoing interest in the project, the firm that I worked for or their client.

CHAIR: Thank you. Leave is granted to table a document. It was moved by Mrs Lauga and seconded by Mr Hart. Do you have an opening statement?

Mr King: Yes. Thank you to the committee for having us along today. In listening to the other submissions I feel like it has been 20 minutes or a couple of days arguing some of the points or clarifying some things, but anyhow in the format that it is I do appreciate having the opportunity to talk from a proponent's perspective. As in any idea which is thought through, there is a lot of planning, thought, consultation, good ideas, poor ideas, innovations, relying upon existing technology and a lot of permutations. There are a lot of different ideological points of view that will come up with any major project and you cannot please everyone all the time but you do what you can with the information that you have at the time and you continue to walk forward in good faith and hopefully win in fact and reliability. That is the way we have endeavoured to conduct ourselves and continue to conduct ourselves at Mitchell Ports and particularly with the Hay Point export proposal, the Bowen Basin terminal.

We believe transshipping will be critical for Queensland's future economy. Transshipping is used extensively worldwide to import and export all kinds of products and commodities, including in first world European countries, North America, and, yes, in developing countries as well. Transshipping in many parts of the world meets very high environmental standards and restrictions and the types of operations which we are considering and doing the science on and looking at would be leading edge use of technologies. Just as there are all sorts of both domestic and commercial applications of technology, some are poor and some are well used, and that is a point to be acknowledged by some of the detractors that pointed only to the poor examples.

It is obvious from statements in the 13 July hearing that there is a lot of confusion around transshipping, what it is, and there are a number of definitions as well, but essentially in the context that we are talking, a transshipper is a vessel, it is a boat. We have thousands of boat movements every day on the Queensland coast, successful, just as we have thousands of planes landing and taking off at our airports. Just because there is the potential for a problem to happen, with the right management and good regulations these things can bring enormous benefit to our community and mitigate the realistic risks associated with using it.

Some of the advantages of transshipping is that it requires minimal or no dredging. It offers the benefit of needing limited shore base infrastructure. What I mean by that is we do not need a large jetty which we are used to in the export of coal, for example. We have a more restricted, limited presence into the shoreline of a barge loading facility. Mitchell Ports appreciate the pressure the state government is under by some groups to ban transshipping in the Great Barrier Reef, period. There are a number different ways of looking at this and you have to look at the motivations. We presented to the World Heritage Committee back in 2012 when the hot topic of dredging and large-scale developments into the foreshore of the Great Barrier Reef was high in the press and we also thought is there a better way of sustainably developing the export capacity of Queensland. I note the bill which we are discussing today is sustainable development. It does not mean ring fencing, it does not mean no development, it is how can we do this in the best way possible. We see that there has been a relentless drive by some groups in the community to stop coal being exported from Queensland altogether and how may this be achieved. It may be achieved by limiting port development, it may be achieved by limiting the various cogs in the mechanism by which appropriate development or inappropriate development can be pursued, but unfortunately in this drive we have seen one element after another be attacked. Some could be done better. I am not here to debate the pros and cons of, for example, capital dredging, but the Mitchell Ports approach has to be to try to find a better way, to look at what are our options to develop some sort of increased coal export capacity with a lighter touch while still getting the job done. If we wholesale blanket ban transshipping without the science being done by these groups or others then what are we doing? What will the future look like if there is no capacity to even have good ideas tabled and assessed for their scientific merit?

Mitchell Ports congratulate the current government in the recent endorsement of the 2050 reef plan which committed to banning transshipment that would adversely affect the Great Barrier Reef Marine Park. That is all as a proponent we have asked for: to let the science speak for itself, to have an opportunity to be heard in the light of science and logic and not hearsay and emotion. We have

pursued this type of development because we believe it is worth putting the money, time and risk into evaluating it. That is what we are asking. You can come under a lot of fire and criticism for not talking to everyone upfront, but what you do realistically is you talk to authorities, you gain what information you can, you look at your options and you step through a process. We have only ever asked to follow a process which is outlined by the government.

It was pointed out during the last committee hearing by QRC CEO Michael Roche, and I quote, it would be short sighted for parliament to rule out a particular port development technology in advance of such projects being submitted to the rigour of environmental impact assessment under the process of Queensland and Commonwealth law.

UNESCO and IUCN acknowledged the environmental benefits of transshipping in their June 2012 report stating—

where new bulk cargo facilities are being considered within existing port areas, [we] recommend that such alternatives that could reduce or eliminate dredging requirements should be evaluated within the relevant Environmental Impact Assessment process as a potential means to reduce the impacts of port development.

Not to stop port development. Let us do it better. Let us find an appropriate way forward. That is what we have asked to do. Fitzroy Terminal project was one of our projects. There was a recommendation as of then to look at development within a priority port development area, such as Hay Point. Every step has been followed which has been recommended by the process. The Bowen Basin Terminal project was declared a controlled action last July under the EPBC Act. Our federal EIS has been commenced. Mitchell Ports' team has worked with North Queensland Bulk Ports to select the most appropriate concept layout for the assessment of the EIS. This is not a final, it is a pre feasibility concept. You do start talking to people, you do start talking to the authorities, you do start making plans for discussion. That includes where we selected, which had already been looked at as a potential future port development area, particularly with the Dudgeon Point proposal, and where we put in the concept plans. We have met with the community reference group, as was outlined, and we have followed the process which has been outlined to us by North Queensland Bulk Ports and with much consultation with a number of state governments and the federal government.

The Bowen Basin terminal is a project within a priority port development area creating jobs in this region. We would have approximately 350 jobs during construction and an operational work force of 250. These are some of the other realities of living in a community and a state which requires some business to be done, some jobs to be produced. We cannot have it all one way, we believe. We are trying to find the best way to suit as many people and the environment as possible.

In closing, transshipping is more than about coal or bulk commodities, it is a modality of importing and exporting at sea all types of product and cargo. It has been used for centuries around the world. It is used currently in a very sophisticated way in many environments and jurisdictions of the world. I have personally and our team has personally visited operations worldwide. The reality is that as a proponent our responsibility is to tell the truth and state the facts and to go through a process. That process is not complete.

I often feel that a lot of the detractors of these types of technologies and processes shoot without the facts. I do appreciate the opportunity in this small way to start addressing those. We also appreciate that UNESCO has been encouraging, in our interpretation, when it comes to good and better processes going forward and truly looking at sustainable port development. We believe the transshipping in this project ticks a lot of the boxes. The process has not run fully. We very much look forward to being part of that conversation. Thank you for the opportunity.

CHAIR: Patrice, did you want to add anything?

Ms Brown: I support the comments made by the Ben, in particular the need for the committee to consider UNESCO's comments in 2012 which encouraged transshipping to be considered at existing ports. Conflicting statements have been made by various antioal groups that are not factual. People are continuing to compare the transshipping that is proposed by Mitchell Ports with Third World country technology.

The barge end transshipping that was referred to by Mr Dallas in Colombia is not like the proposed transshipping that Mitchell Ports is talking about. A lot of the Third World countries do not have the restrictions that we have in Australia, which are some of the highest environmental requirements in the world—and so they should be to protect our important environmental values.

I really feel for the people who live in these communities that are hit by the scaremongering and some of the untruths that are being told. The Mitchell Ports Project at Hay Point will not have a conveyor going through the wetlands. It will not have a conveyor going through engineering works. Nor will it have the disruptions on the beach at the tug harbour as have been suggested by Mr Dallas.

Community reference group meetings were undertaken quite early in the process, and probably in some ways prematurely. Mitchell Ports is a small company and, unlike some of the big proponents, engaged very early in the process, sometimes without all the facts being on the table, to ensure the community has an input into the design of the project, which is important.

A very important fact is that the Bowen Basin Terminal Project at Hay Point is a controlled action declared by the federal government. It was scrutinised by—the Great Barrier Reef Marine Park Authority. That EIS process has commenced. Just for the record, the Fitzroy Terminal Project was not knocked back on environmental grounds as suggested by Mr Dallas. The project was withdrawn when Port Alma was not declared a priority port development area.

Mitchell Ports has spent significant funds in assessing the design elements over the last six or seven years to ensure tight product control. The transhippers and barges that have been considered will be significantly more sophisticated than those suggested by the antioal groups.

In closing, transhipping is about more than just exporting coal. Australia is an island nation. Our ports are critical for our future. We should be prudent as Australians, as Queenslanders and make sure that sustainable development solutions and policies are based on science and facts and not on social media pressure.

CHAIR: What impact will the bill have on your proposed port operations?

Mr King: Without anything being totally finalised, I am not 100 per cent sure. The statements made in terms of banning transhipping, the overlay of jurisdiction in various areas and the development operations are still a little unclear.

Ms Brown: The proposal aligns with the objectives of the Sustainable Ports Development Bill. If transhipping is not banned the project would fit in quite nicely with the bill as it stands now.

CHAIR: Given what you have just said, are there any comments or recommendations regarding the bill that you would like to put to us?

Mr King: As long as there is not a ring fence put around transhipping we can work with that. If the objective is to have an appropriate outcome then we can work with that and live with that. If there is a blanket ban on the potential to look at a technology that would be my problem with the bill.

Mr HART: Patrice, you said that the Fitzroy Terminal Project was cancelled when Port Alma was not included in this bill. Are you suggesting then that under this bill transhipping cannot happen anywhere that is not a priority port?

Mr King: In the current context we are looking at a coal export facility. My understanding is that that is restricted to priority port development areas. It is the only place on the table as far as I am aware.

Mr HART: This bill is about capital dredging.

Ms Brown: The Fitzroy Terminal Project did require some dredging in the World Heritage area within Raglan Creek. That would have been capital dredging in an area that was not a priority port development area. That was the difference.

Mr HART: How much draft does a barge need versus a coal ship?

Mr King: It depends on the size of the barge and the configuration. This should be figured into the environment into which you are looking at putting in a facility. Let us say for argument sake it is about six-metres draft—that is full. That compares to requiring 20-odd metres for a coal export vessel.

The idea of transhipping is to be able to take a shallow vessel with limited infrastructure to load it and also a lot shallower channel and take it to naturally occurring deeper water. So you are working with the environmental restrictions. As long as your safeguards are there to be able to transfer the coal that is okay. At Hay Point we are talking about 10 to 20 barge movements at full operation. That is staggered up. How many boat movements happen around Hay Point every day and up and down the coast without collision? That is the principle behind it. Instead of having to change the environment it is about working with the environment. Those factors can be changed. You can use larger or smaller barges.

Mr HART: So I have a clear understanding, why would you need to provide more shallow draft boats when you have a deep channel already at Hay Point?

Mr King: There are restrictions in terms of access to that channel with high and low tides and the larger vessels which are using it. This provides for an opportunity to not further congest or put pressure on expansion of those large scale facilities and give a small incremental capacity to increase your export.

As someone else stated today, coal exports are at record highs. Reading the Queensland Treasurer's report from last quarter, the expectation is that coal exports will continue to rise. There have been a lot of port developments on the table which have copped flack for the large scale nature of them, but how many have actually come to reality? How many are economically viable and environmentally appropriate?

Mr HART: From your coal-loading location to the edge of the deep water channel is that going to require capital dredging to get down to six metres or is it already there?

Mr King: We would not use the existing channel that is used for the export vessels. That is in a different location. We would expand the edge of the tug harbour and that would require some extension of the dredging. There is maintenance dredging done there already. We would need to do some capital dredging in that area. It would be a drop in the bucket in comparison. We have always committed to bringing any of that back on shore for beneficial use. That is very small scale?

Mr HART: What is the length in kilometres? Is it a couple of kilometres?

Mr King: No, it is hundreds of metres. It is more to do with the where the barge turns on the edge of the tug harbour. Instead of going into the area where fishing and commercial tugs are already used, we would go on the edge of that so as not to interfere with the local community and so on. That would require a modest amount of capital dredging work to be then taken on shore. Those facilities, through consultation with North Queensland Bulk Ports, were to be integrated into a plan that was already there.

Mr HART: The comment that was made about three-metre waves and that stopping coal loading, is that correct from your point of view?

Mr King: Three-metre waves would stop us, yes. Our operational cut-off is, as published, 1½ metres. As a business we would be crazy to go into an enterprise where we would not be able to operate. We would not do it. The good thing about the operations at Hay Point is that we have decades of scientific data—not people going out in boats saying, 'This is rough.' This is commercial sized operations taking scientific data over decades. We have analysed this and determined what the appropriate conditions would be in an average year, over 10 years and over 20 years.

As published in our referral for controlled action, we have conservatively over 90 per cent of days of the year operationally available to us. We only need 220 to 270 days to operate. So our window is actually very broad. To someone shooting from the hip saying that we get three-metre waves and 30-knot winds, we would say that of course we would not operate in that. The existing coal terminal would not operate in those conditions. It shuts down. No-one wants to push those operational limits and have a problem. We would not either.

We take that very seriously. We have the facts. We would not make a submission to government based on anything less than what is appropriate.

Ms Brown: We have done quite a lot of consultation with Maritime Safety Queensland over years in terms of the different ports. Before we put these submissions in we have had those discussions to make sure it will work and we have the data in combination.

Mr BUTCHER: What is the difference between the transshipping that you are proposing and putting a normal jetty in other than some traffic? Is there a cost benefit for the company in doing this compared to building another wharf and jetty and unloading facility and the like?

Mr King: Yes, there is. It is the flexible nature of transshipping. Being a vessel, if this project finishes it can sail away and do another job and leave no scar on the environment. The high cost of building fixed infrastructure out into the ocean is considerable.

Wiggins Island Coal Terminal in Gladstone cost over \$2 billion for stage 1. In terms of Hay Point with a capacity of approximately 30 million tonnes we estimate to deliver for about \$700 million. There is a huge difference in the capital cost. That then transfers into the life of the project and the operational cost. You actually get an advantage plus you have takeaway infrastructure at the end of the day.

It also enables you to increase in smaller increments. You can justify that our Hay Point project was justifiable at a 10 million tonne increase. At a maximum we are looking at 30 million tonnes. It is not a smash and grab massive scale application of the technology. We think once again that works towards being economically appropriate in times where you have staged growth.

Mr BUTCHER: Where are you getting the coal from for this proposal, which mines or which area?

Mr King: For this area it is through the Goonyella rail system. We are talking to a myriad of miners. You are all aware of the length of time it takes and the risks associated with getting a major project to the table. You have a first round of meetings and discussions. You look at data that is provided by, for example, the Queensland government. You look at other projects for competition of where that coal might go. We think that over the course of time it would take to assess this project properly and to develop it, looking at the trajectory of expected coal export and other port capacity restrictions, coal would come from that Goonyella system and would be only a small step in meeting the projected demand for ports in the future.

Mrs LAUGA: What sorts of environmental controls would be implemented as part of the process?

Mr King: We are assessing a massive suite of environmental controls, product controls, to be potentially applied to this project. As was noted earlier, from a transshipping point of view, which most of this seems to be about, we have scoured the world and looked at efficient, well-run transshipping operations which is important from a reliability point of view—for example, ones that do meet European and North American environmental restrictions and controls, which is exactly what we want to bring to this great state. Then we have also looked at how we can apply extra technologies which are at the forefront of use in industry to manage the movement of a product like coal—so everything from the encloseability of conveyors, to marine sensitive lighting, to dust sprays, to spill gates, to telescopic loading equipment, to live data capture shut off systems. There is a huge suite. We would expect that we would want to apply the best standards. They must be appropriate best standards and they must be capable of being economically viable as well. We have tried to in the planning process put everything on the table and then through consultation and through research select the appropriate ones to put back for assessment.

Ms Brown: There has been quite a lot of dialogue with the Great Barrier Reef Marine Park Authority—

Mr King: There have been years of dialogue.

Ms Brown:—AMSA, World Heritage specialists and marine ecologists. So there has been a whole bunch of people involved in helping to inform what will be required for those environmental controls. We need to make sure we get it right in Queensland. In terms of transshipping, the Bowen Basin is one project. No doubt in the future as these restrictions on dredging continue, with maintenance dredging being the next target, places like Gladstone may require transshipping to bring materials in and out.

CHAIR: Thank you very much, Patrice and Ben. We appreciate you coming here today.

Ms Brown: Thank you.

Mr King: Thanks for the opportunity.

BRUNNER, Mr Bob, Senior Manager, Planning, North Queensland Bulk Ports Corporation

STEWART-HARRIS, Mr Jeff, Chief Operating Officer, North Queensland Bulk Ports Corporation

CHAIR: Our next witnesses are from the North Queensland Bulk Ports Corporation. Do you want to make a brief statement?

Mr Stewart-Harris: Yes. Chairman and committee members, North Queensland Bulk Ports thanks you for the opportunity to appear before the committee today and to provide direct feedback on the bill. As background, North Queensland Bulk Ports, or NQBP, manages four trading ports in Queensland—three of which are designated as priority ports under this legislation, and they are the ports of Hay Point, Mackay and Abbot Point. The total volume of product shipped through NQBP's four ports—and that includes Weipa—has exceeded 164 million tonnes in the last year. That is approximately half of Queensland's port trade. North Queensland Bulk Ports has a strong focus on protection of the environmental values of our port areas, and we do this through the implementation of a range of sustainability measures including environmental monitoring and enhancement.

The value of goods imported and exported through Queensland ports exceeds \$50 billion per year, and the regional areas of Queensland, whether it is exporting sugar, grain or resources—mineral products—depend on efficient and globally competitive ports to manage supply chain costs and efficiencies. We are an island nation and we are highly dependent on efficient and effective ports. Consequently, our ports need to be economically competitive as well as environmentally sustainable if Queensland is to continue to compete in global markets.

While the difference in costs between onshore and offshore disposal of capital dredge material varies project to project, NQBP notes that the proposed changes to capital dredging in the bill will significantly increase the cost of future port development. However, NQBP acknowledges that the Queensland government has made commitments to the Reef 2050 Plan and applauds this, and this legislation seeks to implement the state's important commitment in regard to the disposal of capital dredge material. Because of this known impact to future development of ports, it is important that the legislation does not have any unknown or unexpected consequences beyond those sought through the Reef 2050 Plan.

I would like to highlight some areas that NQBP believes and recommends that there should be amendments to the bill, and there are three. Firstly, there is a large overlap between port waters and the Great Barrier Reef Marine Park in many of the priority ports. Commonwealth legislation—namely, the Coastal Waters (State Powers) Act 1980—affords the power to the state to apply laws over ports, harbours and other shipping facilities when in Commonwealth waters. So this bill does not need to exclude the Great Barrier Reef Marine Park areas from port planning or to prohibit port development within port limits. State legislation just needs to be consistent with the Commonwealth legislation on those shared zones. I think that is an important distinction.

The bill prohibits capital dredging and port development in port areas that overlap with the Great Barrier Reef Marine Park. This goes beyond the recent changes to Commonwealth legislation that prohibits disposal of capital dredge material in the Great Barrier Reef Marine Park. So there are differences between the boundaries of those two descriptors. For ports such as Hay Point, the bill will have the effect of preventing further improvement to the critical port infrastructure and supply chains such as most of the port's 9.5-kilometre long departure path, the dredge material relocation area within the port and the 41 designated ship anchorages—again within that area—as they are located in shared areas or waters shared with the Great Barrier Reef Marine Park.

North Queensland Bulk Ports recommends that the bill be changed to allow such improvements within all of the designated port limits. It should be noted that this does not give automatic rights for development because any proposed project would still need to be going through the full assessment processes to obtain the appropriate state and Commonwealth approvals. So that is the first set of recommendations for amendment.

Second, in a similar vein, the bill excludes the areas of overlap between the Great Barrier Reef Marine Park and port limits from the master planning process. This is contrary to recommendations in the Reef 2050 Plan that 'require port master planning that considers potential marine based as well as land based environmental impacts'. In addition, the recent independent review of the Port of Gladstone recommended planning encompass the entire extent of port limits. So that is a distinction

that we believe needs to be made, that a master plan ought to be for the whole of the port and all of the operations within the port, and the cumulative impacts and so on from the whole of that port activity, rather than simply stopping the planning at a boundary.

The third area of recommendation for amendments is that the current wording of clause 34 of the bill has the potential to cause uncertainty due to contradictory requirements. The current wording has the potential to leave projects being unnecessarily held up by legal challenges because of wording, uncertainty and different interpretations being possible. North Queensland Bulk Ports recommends that the definition of 'beneficial re-use' be added to the bill, and that intent is already provided in the explanatory statement but not found in the bill itself. Chairman, thank you for this opportunity. My colleague Bob and I are happy to take some questions.

CHAIR: I just want to clear something up that you said with regard to the expansion of the port. Did I hear you say that maintenance is not a problem obviously but it is the expansion of the port, putting in an extra laneway or whatever you call it where the ships are towed in? Is that what you are saying?

Mr Stewart-Harris: Yes. The configuration of the port at the moment is that you have aprons for about 500 metres out from the berths. There are deep berth pockets that obviously allow ships to take load and to take advantage of the six-metre tidal range that occurs there. The aprons and the departure path that goes out for 9.5 kilometres is all dredged to a design depth of minus 14.9 metres below lowest astronomical tide. At some point in the future there may in fact be a need, from either navigational safety or the build-up of traffic in the port with port ship numbers and so on, that the dwell times of ships that are fully loaded and ready to leave may require some additional depth in that apron and departure path to fully take advantage of the capabilities of the port.

I clarify that the deepest berth pockets at the Port of Hay Point are a design depth of 19 metres below lowest astronomical tide. So what you have then is a panamax, which are the smaller ships of 70,000 tonnes or so of dead weight, through to capesize ships that run up to—I think the largest one that has actually been loaded out of Hay Point has been 235,000 tonnes. You would see that they would load into that berth pocket on a making tide and take full advantage of the interaction between the depth of that berth pocket and the tide rising and be ready to sail at an appropriate window of tide so that they have the six metres of water above the minus 14, above the lowest astronomical tide, so there is good safe navigation. That is just day-of-operation planning and operations at the port as a whole. At some point in the future as traffic volumes build, to get the most efficient dwell times of the departing loaded ships, there may well be a case to deepen that apron and departure path to some depth.

I was the project sponsor and Bob was the project director of the Dudgeon Point project while it was being master planned and developed. We did some work that, based on an economic assessment for the sort of capacity that was there, suggested that there would be a case as traffic volumes built up to add another 30 centimetres of depth at that point to that dredge apron and departure path. That is the basis for that comment. Effectively, if there is no capability to do anything, any capital works in the marine park, you get to a point not very far down the departure path where you simply then cannot proceed, and that is the point we are making.

Mr HART: Jeff, is your view that that would be capital dredging, not maintenance dredging?

Mr Stewart-Harris: Any deepening to the design depth we would regard as capital dredging.

Mr HART: When you do dredging for maintenance purposes, is there allowance on how much of a change you can make? Is it plus or minus a percentage or anything like that?

Mr Stewart-Harris: Generally not other than beyond the sorts of limits of a hydrographic survey, which is typically about plus or minus 150 millimetres.

Mr Brunner: I might add that you have to specify in your dredging approvals the maximum depth you want to go to which is the nominal depth plus an overdredging allowance, because the dredgers cannot get it exactly right because there are variations in the bottom. You actually do get a specification for the maximum depth you are allowed to dredge. So any deepening of that maximum is capital dredging by definition.

Mr Stewart-Harris: Yes. So maintenance dredging does not crib extra depth. It simply returns it to that approved depth of what was just described.

Mr HART: And that is historical depth, is it?

Mr Brunner: It is a depth that has been approved through the Commonwealth government and state government approval process. We actually had permits to go to that depth, so it is all documented exactly what we are allowed to do.

Mr HART: What happens with capital dredging once you reach the port limit that is covered by this bill? What happens outside of that?

Mr Brunner: I should explain that the port of Hay Point is quite large and it is quite large for operational reasons. Reef pilots bring ships into the port. The ships are anchored, and when the ships are ready to come in to be loaded a port pilot, which is a specialist pilot, gets on board and brings it in. We have 41 anchorages designated in the port of Hay Point, so the port of Hay Point is large for operational reasons.

Our departure path, or channel, is actually wholly within our port limits, but two-thirds of those port waters are also within the marine park in a multiuser designation. It is something that has been in place for many, many years. It does not affect the operations of the port, but it is something that this bill quite unusually will basically prohibit any more works in that marine park area, even though they are within the port limits. That is something we are seeking a change on because it would severely restrict, for example, future improvements in the port of Hay Point.

Mr HART: What about capacity of the Mackay/Hay Point ports? What sort of percentage are they running at currently?

Mr Stewart-Harris: At the moment, you have the port of Hay Point that has got two terminals. The first terminal is the Dalrymple Bay Coal Terminal. It has a nameplate capacity of 85 million tonnes and it is fully contracted to that 85 million tonnes. In the financial year just closed, they have had some records and that is in the vicinity of 72 million tonnes of actual throughput. You can understand that, whilst you have a coal terminal that has a capacity which is calculated by dint of the amount of coal that can be received through the receiving facility and be managed and stockpiled and stacked and reclaimed in the stockyards and then conveyed out to a ship-loading facility, that 85 million tonnes is a finite system but it is dependent on the supply systems that come to it. Any rail interruptions, operation failures or any of those sorts of things lead to a broad supply chain system deduction. So the 85 million tonnes, whilst real and whilst it is contracted, is highly dependent on what happens upstream of the terminal as to whether it can achieve that or not. So that is Hay Point—

Mr HART: That is Dalrymple.

Mr Stewart-Harris: Yes, Dalrymple Bay Coal Terminal. We could confirm this later on today but I think there are 17 or 18 different customers who export through that.

Next door to that, you have the Hay Point Services Coal Terminal. It is somewhat more of a vertically integrated BMA operation. The BMA mines are much more coordinated with their deliveries to that terminal. In fact BMA run their own rail operation to support that. Therefore, they are able to plan that whole delivery through the system and control a lot of those system interferences or noise, if you like, perhaps better. They have recently completed the construction and are finalising their commissioning now of a new berth which takes the capacity of that terminal up from 44 million tonnes per annum to 55 million tonnes. They will strive for somewhere in the early to mid-50s in this first year of operation as they bring it on.

It needs to be recognised that BMA are a customer through Dalrymple Bay as well, so they have got coal going through there and on occasions have also shipped coal through Abbot Point. There has been some expansion at the port. I make the point that, in the DBCT case, the tonnage is fully contracted on a take-or-pay basis, and in the Hay Point terminal scenario that is very much a vertically integrated supply chain and they have got a lot of ambition to use all of their capacity.

Mr HART: It sounds like the place is at capacity.

Mr Stewart-Harris: It is at essentially contracted capacity. I think it is important to understand how historically new coal terminal capacity comes about. You need to also recognise that DBCT is the only economically regulated coal terminal in the country, so there are various forms of prices oversight and other jurisdictions and so on for various ports but DBCT is a regulated entity.

What typically happens is they will telegraph to potential users that they might be contemplating some expansion or something of the like, and in that circumstance additional development will only occur if there are early underwritten access agreements in place. So the commercials of these things are actually stacked up from the outset and often before they will talk to us as the Port Authority even about some of their proposals. In fact we have some history of that as well because our predecessor organisation in fact constructed the original Dalrymple Bay Coal Terminal before it was sold to Babcock & Brown in 2002. So too did our organisation do the upgrades at Abbot Point from 13 million tonnes to 50 million tonnes capacity, and we wrote similar sorts of contracts for access for that but we had all of those contracts for access at least on in-principle agreements to lead forward before the investment commitments were made.

Mr HART: So you have 140 million tonnes of capacity. How much was it 20 years ago roughly?

Mr Stewart-Harris: There have been a couple of upgrades there.

Mr Brunner: We would probably have to look at the numbers, but DBCT is talking about its eighth stage of expansion and the Hay Point Coal Terminal is currently finishing its third stage of expansion. So over that time, there has almost been one expansion of either terminal going on over the full 30 years since DBCT started.

Mr Stewart-Harris: I am happy to check these numbers and give the committee something in writing afterwards, but I think the best guess we could hazard is something about the 40 plus 35 or 40 mark, and that would have been in the 75 kind of range, plus or minus 15, something like that.

Mr Brunner: And there has certainly been steady growth. The port has been operating for more than 40 years, and there has been steady growth over that whole time—probably about five to six per cent average growth over that period. That has been a steady increase in capacity of those terminals.

Mr Stewart-Harris: From the access point of view, I ran the expressions of interest processes for North Queensland Bulk Ports in 2010-11 for expansions at both Abbot Point and Dudgeon Point. In the first instance, at that time we had this unprecedented demand for coal terminal capacity. There was something like about 900 million tonnes worth of access seekers at the time. That is five or six times what we have already got on the ground now. Clearly, after we deduced the double dips between the two different offerings and so on, there was still about 600 million. Today you would be flat out rubbing together 20 or 30 million tonnes worth of real demand from access seekers.

Mr BUTCHER: I have a quick question going back to a statement this morning. Is there any intention to utilise Mackay port to export coal?

Mr Stewart-Harris: There was a proposal back in 2007 by a company called Brigalow logistics to in fact use the grain outloading facility initially for about one million or two million tonnes worth of coal in a covered environment. That proposal got well and truly ahead of itself and at one stage ended up at a number of about 48 million tonnes. As you can imagine, there was huge community outrage about that. To coincide with a community cabinet in Mackay at the time, cabinet took a decision that Mackay would be a general cargo port and not a coal port.

CHAIR: We do not have any more questions so I thank you for coming along. You have given us some valuable information.

ACKERMAN, Mr Jaco, Manager, Strategic Planning, Mackay Regional Council

BROOK, Ms Julie, Senior Planner, Mackay Regional Council

CHAIR: I welcome representatives from the Mackay Regional Council. Would you like to make an opening statement?

Mr Ackerman: The Mackay Regional Council welcomes the opportunity to provide feedback on the sustainable ports bill. The council acknowledges the substantial differences between the sustainable ports bill 2015 and the now lapsed Ports Bill 2014, which was of significant concern. Many of the previous concerns have been addressed.

Just as a matter of background, council supported the Queensland Ports Strategy in 2013 which identified the Hay Point/Mackay port as a strategic port area, subject to mitigating the environmental and other impacts, which is a matter for the sustainable ports bill. The council also made a submission on the inquiry into coastal sea freight by the Transport, Housing and Local Government Committee in 2014. The importance of this Mackay port—being the Hay Point port and the port of Mackay—are well recognised in the statistics mentioned in both those documents. However, I would like to highlight the importance of the Mackay port. The council sees the diversification of the existing port facility as an enabler for a range of economic aspects which will help diversify Mackay's economy and position in the area to be more resilient for the future. That port has significant development potential.

As I have mentioned, the bill has substantially changed from the Ports Bill 2014. It has an entirely different intent, but there are still a couple of concerns that we would like to raise. The first is there is no statutory guidance for the compilation of the master plan—that is in terms of the content and the process. Section 8 of the bill includes information which must be included in the master plan. This section deals well with the state interests, but it is devoid of local government interests and any information on the mechanics of a master plan to ensure transparent intent and facilitate common understanding.

Section 8 deals with the content of the master plan and it is noted and appreciated that it includes an environmental management framework and impacts on the environment. It does not deal, however, with the impacts on the surrounding land users and other impacts, such as impact on infrastructure. The bill deals with the content, except for the matters that I have just raised, but it does not deal with the process in developing the master plan. It seems that this process is based on good intent which can change over time.

The master plan contents do not compel the port to identify any conflicting issues or recognise local planning instruments in the event the priority area comprises land outside the existing boundaries. We have got particular concerns where the master plan might indicate suitable land uses that are inconsistent with the planning scheme. Another matter is that there is no guidance on the structure of the master plan and we recommend that it should be in context with the Queensland Planning Provisions.

In addition, I want to note another matter mentioned in the LGAQ submission that the act should include provisions for the minister to provide feedback on how submissions on the master planning and development process were considered. The second matter is about the functions and powers of the proposed overlay. This is unclear. The explanatory notes of the bill advise that the port overlay will have a similar effect to the state planning regulation provisions under the Sustainable Planning Act but that it prevails over other existing planning instruments such as the planning scheme. The master plan will prevail where there are any inconsistencies. It seems that the overlay is required to give the same effect to the land as a declaration of the port land under the transport act. Furthermore, the practicalities over the overlay are unclear. It is unclear what the process would be and how that would be acknowledged in the planning scheme or if that would be an SPRP process or a process that will be managed by the state. Council recommends that the facts and circumstances of the proposed overlay are expanded to advise how matters will be dealt with, how it will be declared and how it will be addressed in the planning scheme.

CHAIR: Did you have anything, Julie?

Ms Brook: I would add that our concerns were chiefly about some of the mechanics and more of the detail in the process which so far is unclear. The guideline, given its non-statutory nature, is also quite broad and not detailed, as Jaco said, with regards to the process of consultation and what happened to the consultation that occurs when the master plan undergoes its planning process. Then there are the mechanics of development assessment and what impacts that overlay will have for an assessment manager. Will that be a state planning policy amendment? Will it be a state agency

referral trigger? Those matters are unclear. Will council be required to do a planning scheme amendment to reflect that overlay when it affects land based properties?

Mr HART: What advantages would there be in making it a statutory process to councils?

Ms Brook: We would have some certainty that the ports would have a specific process that they would need to follow, and council would have some security knowing that there is a certain time period that we have to consult, that our comments have some weight and that they need to be taken on board because currently that is not really the case.

Mr HART: What changes or recommendations would you like this committee to make to fix the issues that you have as a local government with this particular bill?

Mr Ackerman: First of all, the guidelines for the master planning process should be statutory guidelines. In acknowledging that the guidelines are in draft form and there will probably be further detail that will emanate over time, the guidelines should be more detailed in terms of the content, the matters to be addressed in the master plan and the process to be followed in developing the master plan and dealing with the submissions.

Mr HART: It sounds to me like you do not have any particular recommendations. It is just that there is a lack of detail and you want to see that detail first; is that correct?

Mr Ackerman: The master planning process should definitely be a statutory requirement rather than—

Mr HART: Yes, okay.

Mrs LAUGA: I do remember having a conversation with the department about this at the last hearing. I think it might have been the Local Government Association of Queensland that raised a few similar issues and the department provided a response. I think if you go back into the Hansard, or we could provide it to you, the department has answered some of the questions. I think it was talking about resolving a lot of those issues by regulation. So they do plan to make the master planning process more clear.

Ms Brook: When you read the current state planning policy for infrastructure and ports, council has an obligation to protect those ports in terms of surrounding land uses. We did that in your draft planning scheme. We applied an overlay around the port. So there is a bit of confusion now as to what status that overlay has. Is there going to be an amendment to the state planning policy? Does that overlay have the same intent or are they for different grounds?

Mr HART: Have you had a chance to have a look at the private member's bill for planning that is in place?

Ms Brook: Yes.

Mr HART: Is there anything in there that fixes any of the concerns that you may have?

Ms Brook: No, because a private member's bill does not address state planning policy and the ports have been taken out of it anyway.

Mr Ackerman: I think the concern is also about the detail of that master plan. In the current legislation the core matters that the master plan needs to deal with are not all included in the new master plan. It is only the environmental issues that are specifically mentioned, not the impacts on the surrounding community and vice versa, the encroachment of urban areas surrounding the bill and that that should be protected, and the impacts on council infrastructure.

CHAIR: Thank you very much for your attendance here today. It has been most informative, as the whole of this week has been. We certainly got some valuable information that will assist our examination in the Sustainable Ports Development Bill. I thank you again. Thank you, Hansard. I declare the hearing closed.

Committee adjourned at 10.21 am