

**MEDIA BACKGROUND**

# New information revealed at the Crib Point gas import project inquiry



Image: Westernport Bay

This brief covers new information revealed during the previous 10 weeks of the inquiry into the Crib Point gas import jetty and gas pipeline project.

## THE PROJECT

AGL is proposing to build a 290-metre-long floating gas import terminal at Crib Point in Westernport Bay, south-east of Melbourne. Westernport Bay is recognised as a wetland of international importance under the Ramsar Convention.

## THE HEARINGS

A joint Inquiry and Advisory Committee (IAC) was appointed to consider the Environment Effects Statement (EES). All documents relating to the hearings, including public submissions, are at: <https://engage.vic.gov.au/crib-point-IAC>

The hearings commenced on Monday 12 October and run until 17 December. The most recent timetable (version 7) is [here](#).

Zoom link details for the hearings are available at <https://engage.vic.gov.au/crib-point-IAC>

## HOW TO USE THIS DOCUMENT

This brief summarises new information that has been revealed at the inquiry through Expert Evidence Statements and cross-examination. The full list of expert statements is [here](#).

Recordings of the hearings are [available online](#). Links within this document to recordings are time-coded to begin at the most relevant section.

Links in this document go to [public submissions](#) on the inquiry site. In some cases, hundreds of individual submissions have been combined into the one PDF, so the fastest way to find the relevant part is to CTL+F search for the submission number.

This document summarises submissions and evidence. It does not represent the full position of each organisation and is not a legal opinion. It is intended as useful background for journalists and researchers covering the final week of the hearings.



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## SUMMARY OF INFORMATION REVEALED DURING THE HEARINGS

### GAS SUPPLY

The EES claims the project is needed to meet “a projected gas supply shortfall and improve gas supply certainty from 2024 onwards”. ([EES Executive Summary](#), p.1) At the hearings, expert witness Bruce Robertson from the Institute for Energy Economics and Financial Analysis noted that domestic demand for gas has declined in Australia by 21% since 2014 and is flat in Victoria. 2020 has been a disruptive year for the gas industry, and the following events have occurred since the EES was written:

- Australia’s three largest LNG export markets, Japan, China and Korea have committed to net zero emissions by mid-century.
- Several big battery projects have been announced.
- The Victorian budget featured almost \$800m to improve energy efficiency and lower power bills including new efficiency standards and \$335m to replace old heaters, including gas fired heaters.

These policies will lower the demand for energy, including gas.

In addition, the gas import terminal at Port Kembla has already been approved by the NSW Government, with contracts signed to supply gas in South-East Australia. In September 2020 Jemena announced that the Eastern Gas Pipeline will be modified so that it can deliver over 200 terajoules (TJ) of gas from New South Wales into the Victorian market. This represents a significant alternative supply of gas into Victoria, undermining the justification for the project. (Source: [Joint submission of environment groups](#), points 20-46.)

Finally, during [cross-examination](#) at the hearings, AGL’s expert on gas modelling agreed there is no physical shortfall of gas in Australia, the market has a capacity to shift to use less gas, and Victoria will be self-sufficient in total (aggregate) gas supply until 2030.

### CLIMATE IMPACTS

The floating gas terminal can be operated in two modes. The first is ‘open loop’, which means it uses seawater for reheating the LNG. The second is ‘closed loop’, which means it burns gas to reheat the LNG. The EES estimates that open loop mode would create about 70 thousand tonnes of greenhouse gas emissions per year, and closed loop about 250 thousand tonnes. ([EES Volume 2, Chapter 11, table 11-6.](#))

However, during the hearings gas industry analysts [Northmore Gordon gave expert evidence](#) stating that this only accounts for the emissions associated with operating the facility, but ignores the ‘downstream’ emissions when the gas is burned by households and businesses. The expert noted that “current industry practice includes downstream emissions in greenhouse gas inventories”. For example, the Environmental Impact Statement for the Narrabri gas project in NSW included Scope 3 downstream emissions from the use of gas.

If these emissions are included then the total greenhouse gases are about eight million tonnes per year, nearly 17 times higher. This is a lot of pollution – over 7% of Victoria’s current annual emissions. AGL’s own expert on greenhouse gases has now acknowledged this much larger figure should be included in the impact assessment of the project. ([Ben Sichlau expert witness statement](#), point 17 a and b.)

### GAS CALCULATIONS

The project could import gas from all around the world, but the EES calculated the impact using figures for a single source country – Qatar – which happens to have one of the lowest emissions profile for LNG, meaning the EES provides a significant underestimate of the likely emissions.

This was revealed in an [expert evidence](#) from gas analysts Northmore Gordon, which states: “This calculation assumes LNG is sourced in Qatar, which has a lower emission factor than Australian sourced LNG. Upstream LNG emissions should be calculated for multiple LNG source countries under the precautionary principle, including differences from transportation of LNG.”



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## MARINE BIODIVERSITY IMPACTS

The terminal, known as a Floating Storage Regasification Unit (FSRU), would receive liquefied natural gas (LNG) via shipments from interstate or overseas, then convert this LNG back into gas. This process poses numerous and significant risks to sensitive marine wildlife and habitats of Westernport Bay.

Seals, dolphins, whales, fish, water birds, apex predators and wetland habitats are all at risk from the individual and combined effects of toxic chemical discharge into the surrounding waters, the release of warmer or colder water, vibration, noise and light disturbances, and oil and fuel spills, which can cause barriers to movement for important species such as fish and squid.

During the hearings it was revealed that:

- Marine wildlife and seabed communities would be continually exposed to chronic toxicity from chlorine toxicants and the size of the impact area is likely to be much larger than AGL originally estimated. ([Professor Perran Cook expert witness statement](#), point 1.)
- Combined effects of the FSRU operations and discharges, including temperature changes, toxicants and sediment disturbance have the potential to affect a high diversity of different community types on the seabed. Some of these communities are unique and only documented in the Crib Point area. An important population of lamp shell beds found only within this region of Victoria failed to be assessed. ([Matt Edmunds evidence statement](#), page 5.)
- After AGL denied that the nearby seagrass meadows and other intertidal habitats would not be close enough to be affected, evidence clearly showed they were. ([Professor Tom Baldock expert witness statement](#), page 15.)
- AGL failed to properly assess impacts of marine wildlife from light, underwater noise, chlorine toxicants, the amount of plankton sucked into the ship, and oil spills. ([Matt Edmunds evidence statement](#), pages 4 and 12.)
- The EES contained no modelling of oil spills or the potential impact a spill would have on coastal habitats (mangroves, saltmarsh, intertidal and emergent seagrass meadows

and mudflats). However, if there were a spill, it would impact the shoreline in under an hour, and spread over the whole bay over time if remedial measures were not taken to prevent that dispersion. ([John Wardrop evidence statement](#), pages 27 and 32.)

## ECO TOURISM IMPACTS

In [submission 980](#), John Dickie, owner of Wildlife Coast Cruises, states: "Local coastal movement of the Southern Right and Humpback whale migration has the potential to be affected by any increase on amount, movement, and underwater noise created by the large ships that will transit Westernport as the project grows."

AGL also failed to address the *Environment Protection and Biodiversity Conservation Act* recovery plan and the Conservation Management Plan for the Southern Right Whale 2011–2021. Vessel strike, noise interference and habitat modification are listed as threats under the conservation management plan.

Evidence from Captain Chris Noon also revealed that an LNG tanker would have "very limited" capacity to avoid collision with a whale within the channel and the Port of Hastings handbook and harbour master's directions make no reference to the risk of whale strike or measures to avoid it.

## TOURISM IMPACTS

During the hearings, Bass Coast Shire Council presented evidence that the gas terminal would cause reputational risk to Phillip Island's status as a tourism destination. A [tourism impact study](#) estimated a 20% reduction in nature-based tourism would result in the loss of approximately \$38.35 million in visitor expenditure to the region.

Many local tourism businesses made detailed submissions with their concerns:

- **Westernport & Peninsula Fishing Charters** has operated charter fishing boats in the area for 30 years. Owner Robin Gray is concerned the super-cooled chlorinated wastewater from the floating gas terminal would kill the seagrasses and mangroves, which are the food supply for local fish.
- **Mornington Peninsula Vignerons Association** is the official industry group representing the local wine industry (worth \$180 million annually to the area). Their [submission 1479](#) states: "Tourism is a very significant contributor to the sustainable



future of the wine industry...The mere visual impact of LNG bulk carriers constantly moving in and out of the bay will detract from the experience of visiting the region.”

- **Point Leo Estate & sculpture park** faces Westernport Bay and the LNG tanker ships would be visible from their location.

## ENVIRONMENTAL REGULATION

Prior to the hearings, AGL unsuccessfully lobbied to change the wording of the State Environment Protection Policy (Waters), which regulates wastewater discharges into high conservation areas. AGL’s attempt to weaken this regulation, which they knew was potentially problematic for their Crib Point proposal, was [exposed in the media in 2019](#).

In its [response to questions from the inquiry](#), AGL argued the Victorian EPA had discretion not to apply this regulation. If it were applied, AGL’s interpretation was that the discharged wastewater didn’t need to provide an environmental benefit. ([AGL/APA Part A submission](#), point 261.)

After being asked by the inquiry’s counsel to clarify the issue, the EPA has effectively rejected AGL’s position. The EPA’s [detailed submission](#) and their [cross-examination](#) of AGL at the hearings both indicated key clauses of SEPP (Waters) would apply. Additionally, the EPA’s interpretation is that the wastewater should have an environmental benefit or be reused in some way, which is exactly what AGL argued against.

During the hearings, the EPA also [served a notice to AGL](#), asking the company to explain how discharging toxic chlorinated wastewater into a Ramsar-listed wetland could “help protect, or provide a benefit to, the environment”. Lawyers for environment groups argued that the project couldn’t possibly meet this requirement because it would have “a net environmental detriment, rather than any environmental benefit”.

## FISHING IMPACTS

In [submission 3315](#), Victoria’s peak recreational fishing body VR Fish raises concerns about the effect the project would have on fish larvae, fish populations and fish behaviour. The floating gas terminal would discharge water approximately 7 degrees cooler than the surrounding seawater temperature. This could act as a ‘thermocline barrier’ which fish would avoid – covering an area much larger than the worst-case scenario in the EES.

Westernport Bay is also a known fish nursery area. A vast number of fish larvae would perish when sucked into the vessel along with seawater. The EES has not addressed how this ongoing removal of fish larvae

## PIPELINE IMPACTS

The gas pipeline from the Crib Point terminal location to Pakenham would be 57 kilometres long and run alongside asparagus farms near Koo Wee Rup. This region south-east of Melbourne produces more than 95% of Australia’s total asparagus. The silky texture of the soil and the lack of sand particles allow the asparagus spears to emerge undamaged, making them highly prized around the world.

However, asparagus is highly susceptible to infestation by *Phytophthora cinnamomi*, commonly known as cinnamon fungus. This water mould is distributed through movement in ground water and spreads easily on equipment. Fungal scientist Dr Mary Cole gave oral testimony that AGL’s controls for cinnamon fungus were inadequate and “there is no economically viable mitigation that can protect the asparagus industry”.

It is likely the pipeline would also spread the amphibian chytrid fungus to the growling grass frog and Southern Toadlet populations and other frogs.



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**SOCIAL AND COMMUNITY IMPACTS**

Community group Save Westernport's [submission](#) covers safety concerns, noise and light impacts, increased shipping traffic, potential collisions, leaking LNG and explosions, the use of potentially toxic fire-fighting foam and restricted access to local beaches. Being forced to respond to the EES during the COVID pandemic has placed enormous stress on the community. Vegetation within the proposed site boundary has already been removed without a council permit, contributing to an existing lack of trust.

Expert witness Bonnie Rosen gave evidence that the social impacts of the proposal included strong feelings of “powerlessness, fear, anger and sadness” felt by thousands of submitters. ([Bonnie Rosen evidence statement](#), pages 30 to 32.) Many Westernport Bay residents are connected to their local environment and the prospect of heavy industrialisation violates their sense of place, a distress recognised in psychology as ‘solastalgia’. The expert witness concluded that AGL does not have a ‘social licence to operate’.

Along with a record number of written submissions, more than 100 individuals have given personal oral testimony to the hearing, highlighting the diversity, scale and depth of local opposition to the project. Businesses including oyster farms, wineries, fishing charters, tour operators, cafes and restaurants have also made submissions against the project.

**WHAT HAPPENS AFTER THE HEARINGS?**

The committee will send a report to the Victorian Planning Minister Richard Wynne by late February. The Minister has 30 days to respond and make his decision. The committee’s report is not public until after the Minister has decided, and the Minister has discretion to ignore the committee’s recommendations. In the recent North-East Link EES, the Minister approved the project and [dismissed key findings](#) of the panel.

**KEY HEARING DATES REMAINING**

Date	Group or expert appearing
15 Dec	Discussion on Mitigation Measures/Environment Performance Requirements
16 Dec	Closing submissions from Minister for Planning, Minister for Environment, EPA, Councils, Bunurong Land Council Aboriginal Corporation and Environment Victoria, Save Westernport and Victorian National Parks Association, instructed by Environmental Justice Australia
17 Dec	Closing submissions from AGL and APA

