

AGL's proposed Crib Point gas import terminal



Image: an LNG floating gas tank terminal

KEY POINTS AND RECOMMENDATIONS

- AGL's proposed Crib Point gas import terminal and connecting gas pipeline have been shown to present major environmental hazards and an unacceptable risk to the internationally significant ecosystems of Westernport Bay, its surrounding land environment and communities. AGL has no social licence and the proposal lacks community support.
- If approved, the project would lock-in gas use for another 20 years, greatly limiting Victoria's energy transition and keeping greenhouse gas emissions high.
- The Andrews government has commenced significant energy efficiency and electrification policies, as a cleaner, cheaper and safer approach to our energy future – this is the way forward, not a massive gas import terminal.
- Planning Minister Richard Wynne is due to make his assessment of the environmental effects of the project in March.
- We call on him and the Andrews government to reject it.

ABOUT WESTERNPORT BAY

Located to the south-east of Melbourne, Westernport Bay is home to hundreds of thousands of Victorians and is a major tourist and recreational destination.

It is part of the Mornington Peninsula and Bass Coast and includes both Phillip and French Islands.

Its environmental values are internationally recognised by UNESCO as a Biosphere Reserve and under the Ramsar Convention as an internationally significant wetland. It is home to 65 threatened species, 59 migratory species and the southernmost mangroves in the world.

Its mangroves and seagrasses are a natural carbon sink, able to process carbon more effectively than forests.

OVERVIEW OF AGL'S PROJECT AND THE ENVIRONMENTAL ASSESSMENT PROCESS

AGL is proposing to permanently moor a 290-metre-long, 14 story high, floating gas import terminal (a Floating Storage and Regasification Unit – FSRU) at Crib Point in the heart of Westernport Bay.

The FSRU would receive liquefied natural gas (LNG) via shipments from interstate or overseas, store it, and then convert it to gas for distribution via a new pipeline.

This pipeline would run through 60 kilometres of protected wetlands and high value agricultural land from Crib Point to Pakenham.

The gas conversion process uses large amounts of water to warm up the cold, liquefied gas. The FSRU would use up to 480 million litres of sea water per day, including marine life like plankton, fish larvae and mangrove seeds, before dispersing chlorinated dead water back into the surrounding sea.

In October 2018, Planning Minister Richard Wynne announced that an Environment Effects Statement (EES) process would be required. EES hearings were held from October-December 2020.

The Inquiry & Advisory Committee (IAC) of the EES submitted its report to Minister Wynne on 22 February. The Minister normally makes his/her assessment within 25 business days, bringing the decision date to approximately 26 March.

The IAC's report is not public until after the Minister has made his assessment. This report is a major input, but the Minister has discretion to make his assessment on the basis of a wide range of source material.

The AGL proposal will then need to be reviewed by the Federal Environment Minister, due to its impacts on matters covered in the Commonwealth Environment Protection & Biodiversity Conservation Act 1999.

THE PROJECT IS UNNECESSARY

AGL argues the project is needed to address "a projected gas supply shortfall and improve gas supply certainty from 2024 onwards". While we understand the need for energy security, there are clear alternatives to this project.

Analysis by energy efficiency experts Northmore Gordon found that Victoria could avoid any forecast gas shortfall with a concerted push on energy efficiency and electrification policies. This would reduce gas demand and provide cheaper and cleaner energy for Victorians. A number of such policies now exist in Victoria.

The Andrews government's 2020 state budget included \$335 million to replace 250,000 residential heaters, the vast majority of which will be inefficient gas heaters. Our analysis shows that this policy alone will reduce winter day peak gas consumption by 33 terajoules per day – enough to avoid the most likely forecast shortfalls during winter months.

Alternatives to gas in Victorian manufacturing are becoming increasingly feasible.

Demand for gas powered generation is falling and now stands at its lowest level since 2005.

A gas import terminal has already been approved in Port Kembla, NSW. The proponent, Squadron Energy (owned by Andrew Forrest), has said it could deliver more than 100 petajoules per year (~50% of Victoria's current consumption) and more than 200 terajoules per day to Victoria – more than sufficient to address energy security concerns. AGL could purchase imported LNG through this facility.

THE IMPORTED GAS WOULD BE RESPONSIBLE FOR UP TO 8 MILLION TONNES OF GREENHOUSE GASES EACH YEAR IN VICTORIA

The FSRU's direct emissions would be between 70,000-250,000 tonnes per year (depending on the operation mode). This would make the Crib Point terminal one of the 25 biggest emitters in Victoria.

However, the downstream emissions of AGL's imported gas (i.e. use of the gas in homes and businesses) could amount to up to 8,000,000 tonnes per year – approximately 7% of Victoria's current annual greenhouse gas emissions. During the EES hearings, AGL's own expert witness agreed these emissions should be taken into account.

UNACCEPTABLE MARINE BIODIVERSITY IMPACTS

During the EES hearings, it was shown that the gas import terminal operations will affect sensitive marine wildlife and habitats of Westernport Bay through:

- Chlorinated wastewater discharges and associated toxic chlorine by-products
- Thermal pollution
- Vibration, noise and light disturbances, and
- Potentially catastrophic events such as fuel spills

Expert evidence at the EES hearings showed that nearby threatened seagrass meadows and other intertidal habitats for fish and birds are close enough to be affected (despite AGL's denials) and that the project may cause widespread and irreversible damage.

Some of the ecosystems are unique to the Crib Point area.

Other evidence showed that the proponents' EES Reports were inaccurate, did not provide evidence-based details on specific species and habitats and underestimated chlorine discharges.

Environmental damage from disturbance of acid sulphate soils along the whole pipeline corridor is a major risk to flora and fauna, including EPBC listed species.

IMPACTS TO REGIONAL TOURISM AND RECREATION

Regional tourism and recreation are the biggest employer and source of income for the local community.

In contrast, the project provides negligible ongoing jobs and could adversely affect tourism if the region were no longer seen as green and clean.

During the EES hearings, Bass Coast Shire Council presented evidence that the gas terminal would cause reputational risk to Phillip Island's status as a tourism destination. Given that Phillip Island and the San Remo region is the second-most tourism-dependent economy in Australia, this is a huge risk.

A tourism impact study estimated that a 20% reduction in nature-based tourism would result in the loss of approximately \$38.35 million in visitor expenditure in the region.

Westernport Bay is the second biggest location for recreational fishing in Victoria. Thousands of people fish in the bay, prized for its whiting and other species. The potential impacts on fish populations are unknown and a huge risk.

AGL TRIED TO WEAKEN PROBLEMATIC ENVIRONMENTAL REGULATIONS AND HAS A VERY POOR TRACK RECORD

In 2018, AGL unsuccessfully pushed to weaken the State Environment Protection Policy (Waters) which protects high value conservation areas from wastewater discharges – recognising that this regulation was likely to be problematic for their then-forthcoming Crib Point proposal. AGL has still not explained how their project would comply with this regulation. The EPA has asked AGL for further information.

AGL is the biggest polluter in Australia and has a long track record of environmental breaches and safety issues.

The company is not trusted by the communities of Westernport, who would be most impacted by the outcomes of this project.

WIDESPREAD AND DETERMINED COMMUNITY OPPOSITION

This project has found near-unanimous opposition from the community.

It is strongly opposed by local councils, the wine industry, tourism operators, community groups and local businesses.

The ALP Member for Nepean, Chris Brayne, is opposed. The Labor Environmental Action Network wrote a submission against the project.

Federal MP for the Flinders electorate Greg Hunt has been a vocal opponent of the project. Given his position as a Minister in a government that is pushing for a “gas-led recovery”, his opposition is a significant barometer on public sentiment in the area.

The Liberal/National opposition in Victoria has now formally

opposed the project. Other parties, including the Greens and the Sustainable Australia party are also deeply opposed.

Traditional owners have said that construction and operations as proposed in the EES would significantly harm Aboriginal Cultural heritage.

The IAC accepted over 6,000 submissions in response to the EES, (the largest number ever) which were overwhelmingly opposed to the project. Hundreds of individuals spoke at the hearings, setting out their deeply felt concerns, perspectives and scientific and socio-economic reasons as to why the project should not proceed.

THE UNKNOWNNS AND RISKS ARE TOO GREAT

The EES demonstrated significant risks and many unknowns, including cumulative effects. The risks of the proposed Crib Point gas import terminal cannot be mitigated and are simply too many and too great to proceed.

We call on the Minister and the Victorian government to reject this project.



Image: Westernport Bay. Credit: Stacey Chilcott