



**CONSERVATION
COUNCIL** ACT REGION

Submission to Senate Standing Committees on Environment and Communications

Middle Arm Industrial Precinct

October 2023

Thank you for the opportunity to provide input into the inquiry into the Middle Arm Industrial Precinct.

The Conservation Council ACT Region is the peak non-government environment organisation for the Canberra region. Since 1981, we have spoken up for a healthy environment and a sustainable future for our region. We harness the collective energy, expertise and experience of our more than 40 member groups to promote sound policy and action on the environment.

We campaign for a safe climate, to protect biodiversity in our urban and natural areas, to protect and enhance our waterways, reduce waste, and promote sustainable transport and planning for our city. Working in the ACT and region to influence governments and build widespread support within the community and business, we put forward evidence-based solutions and innovative ideas for how we can live sustainably.

At a time when we need to reimagine a better future, we understand that the changes we need will only happen with the collective support of our community.

Middle Arm is a fossil fuel project

Greenhouse gas emissions from coal, oil and gas are the largest drivers of climate change globally, and a rapid reduction in fossil fuel production and use is required for the world to limit warming to 1.5°C. The development of the Middle Arm Industrial Precinct is intertwined with the development of new gas fields against the advice of bodies such as the International Energy Agency and Intergovernmental Panel on Climate Change (IPCC).

The Synthesis Report of the IPCC's Sixth Assessment Report (AR6-SYR) released in March 2023 is unequivocal in its statements about the urgency required in global emissions reductions.

*“Keeping warming to 1.5°C above pre-industrial levels requires deep, rapid and sustained greenhouse gas emissions reductions in all sectors. Emissions should be decreasing by now and will need to be **cut by almost half by 2030**, if warming is to be limited to 1.5°C.”¹*

Despite the recent Northern Territory Government greenwashing rebranding of this industrial zone as the ‘Middle Arm Sustainable Development Precinct’, it is clear its primary function is to expand the gas industry and establish a petrochemical industry. The Middle Arm Industrial Precinct is intertwined with fossil fuel projects in the region. If built, this zone would accelerate some of Australia’s biggest gas projects, becoming a foundational demand source for gas and other hydrocarbons from the Beetaloo Basin, or offshore in the Timor Sea.

Despite public assertions by the Northern Territory Government and a number of federal Ministers that the precinct is “sustainable”, and designed primarily for green industries (critical minerals processing, battery production and green hydrogen are frequently mentioned), the project is, and always was, primarily designed to facilitate gas expansion.

Cultural heritage impacts

The Federal funding commitment to the Middle Arm industrial precinct was made without consultation with Larrakia families, despite the fact that Larrakia people have been custodians of the Middle Arm peninsula for millennia. The peninsula is a site of immense cultural significance to the Larrakia people, and a unique pre-invasion archaeological record unparalleled in the Darwin region. The peninsula is the site of the only indigenous rock art to have survived colonisation.

It is imperative that a Larrakia-led and governed cultural values assessment and cultural heritage impact assessment be undertaken in accordance with their protocols, prior to the release of any further environmental impact assessment documentation.

Integrity and governance questions regarding Commonwealth funding

The Albanese Government has committed \$1.5 billion to the Middle Arm precinct. This money was first committed by both the Morrison Government and the Labor Party (in opposition) during the 2022 federal election campaign. This follows a long and deeply murky history of corporate advocacy for this development, including through lobbyists installed into government advisory positions at both federal and NT levels.

The processes that led to the funding commitment to this project raise important questions

¹ IPCC, 2023, ‘Urgent climate action can secure a liveable future for all’, Press release, 20 March, https://www.ipcc.ch/report/ar6/syr/downloads/press/IPCC_AR6_SYR_PressRelease_en.pdf

about integrity and good governance that require scrutiny. We trust other submissions will cover the details, and recommend the Committee deeply scrutinise the funding process.

Flawed environmental approval processes

The Middle Arm Industrial Hub is currently undergoing concurrent strategic environmental assessments under both the *Environment Protection Act (NT)* and the *Environment Protection and Biodiversity Conservation Act (Cth)*. The Northern Territory Government's Department of Infrastructure, Planning and Logistics is the proponent of the Middle Arm Industrial Hub. Approval will be required by both the NTEPA and the Commonwealth Environment Minister.

So far, the following has occurred:

- A referral was made of the project to the NTEPA and Minister Plibersek, containing draft terms of reference and some details of the industries to be located at Middle Arm;
- The public was given an opportunity to comment on the referral and draft terms of reference;
- The terms of reference under the Environment Protection Act were approved by the NTEPA in September 2022;
- The terms of reference under the EPBC Act do not appear to have been approved by Minister Plibersek.

It is understood that the release of the EIS for public comment (which will address both the NT and federal assessments) may be imminent, having been significantly delayed from its initial proposed release date of early 2023. It is understood that it will need to undergo an "adequacy review" by Minister Plibersek prior to its public release.

A key purpose of the strategic environmental impact assessment for Middle Arm is to achieve "certainty" for business. This would involve Minister Plibersek and the NTEPA giving an overarching ("umbrella") approval for the precinct for 50 years as part of the strategic environmental assessment, with approvals for potentially highly polluting individual projects being turned around in as little as 60 days once this overarching approval is given. A 60-day approval process is entirely insufficient for industries and projects that have the ability to fundamentally change the region.

While strategic environmental assessments *can* lead to better environmental outcomes, the conduct of the strategic environmental assessment for the Middle Arm Industrial Hub to date has been flawed in a number of key respects, as follows:

- There is a lack of detail in the referral about the industries that are proposed to be constructed at Middle Arm, making meaningful engagement with the referral and draft terms of reference extremely difficult, if not impossible;
- No development scenarios have been disclosed, nor a draft development plan released, beyond a laundry list of "classes of actions" in the referral documentation.
- Methodologies for the calculation of baselines, and impact assessments, for key

domains have not been released nor public comment sought on these methods (including the air shed model, marine impacts, health impacts, climate impacts, biodiversity impacts and offsets methodology);

- The strategic assessment area has not been clearly defined and justified.

The project should be subjected to the highest level of environmental assessment under both the Environment Protection Act and EPBC Act: a public inquiry.

Climate impacts and climate risk

There is strong consensus from global organisations that we face an accelerating climate emergency. In 2021 the International Energy Agency [warned](#) that the world cannot afford new coal, oil and gas projects. As UN Secretary-General António Guterres [said in April](#) 2022, “investing in new fossil fuel infrastructure is moral and economic madness.” The Director-General of the World Health Organization says the “modern addiction to fossil fuels is not just an act of environmental vandalism... it is [an act of self-sabotage](#)”. Mark Brown, Prime Minister of the Cook Islands, highlights Australia’s contribution to global emissions and the plight of millions of people affected by climate-driven ecological change: “it is up to the G20 countries responsible for 80% of global emissions that we are beholden to for our survival. Our survival is being held to ransom at the cost of profit and an unwillingness to act despite the ability to do so.”

Climate change has a multiplying effect on other pressures on the natural world, including exacerbating wildfires, enhanced La Nina rainfall flooding, bleaching events on the Great Barrier Reef, beetle infestations killing alpine forests due to changing microclimates, as documented by the 2016 and 2021 Australia: State of the Environment Reports. Living Wonders has collated detailed evidence of the [climate impacts of fossil fuel projects](#) on thousands of animals, plants, ecosystems and places, many of them already threatened or endangered.

The expansion of the onshore and offshore gas industries in the Territory will drastically increase greenhouse gas emissions, increasing the risk of catastrophic climate change. It is unlikely Australia will be able to comply with its commitments made under the United Nations Paris Agreement on Climate Change should the Precinct go ahead

[Dr Petroni found that](#) the Middle Arm industrial precinct could increase the Northern Territory’s emissions by 15 million tonnes per annum (or 75%), and could be the single highest greenhouse gas emitter in the NT. When indirect, cumulative and life cycle emissions are included (including the opening up of the Beetaloo, Barossa and Verus gas fields), the carbon footprint of Middle Arm is likely to be indefensibly high.

Climate change is already a very real threat to the Northern Territory, and threatens to exacerbate existing inequalities in health, education, and infrastructure. [Climate modelling has suggested](#) that without drastic reductions in greenhouse gas emissions to avoid catastrophic climate change, the number of days over 35 degrees in Darwin will increase to 187 days per year by 2050 and 275 days per year by 2070. At the beginning of the 20th century, Darwin experienced an average of only 5.6 days per year over 35 degrees. Combined with high humidity, these temperatures pose a distinct threat to human health.

Given the Northern Territory's unique vulnerability to climate change, it is particularly unjust for the Northern Territory to be burdened with an industrial precinct that will accelerate the already rapid deterioration of our climate.

A thorough climate risk assessment must be undertaken.

Health Impacts

The Middle Arm Petrochemicals Zone is likely to cause [serious health impacts](#).

Gas and petrochemical production is closely associated with serious health risks, especially from air pollution, as well as water pollution and dangers caused by accidents. The area of Louisiana, USA, filled petrochemical facilities is also known as "Cancer Alley" due to the high rates of cancers in that area, well understood in scholarly literature to be associated with the petrochemical industry.

In 2022, The Environment Centre Northern Territory (ECNT) commissioned a report by Dr Michael Petroni on the potential environmental and human health impacts of the Middle Arm industrial precinct. Dr Michael Petroni is an environmental scientist with expertise in environmental health and risk assessment, with a focus on petrochemical and large manufacturing. He has experience working for the United States Environmental Protection Agency on health risks associated with industrial facilities. Dr Petroni's full report is available [here](#).

The Middle Arm Precinct is a fossil fuel project, which will contribute to a warm climate. The dynamics between climate change and public health are complex but growing increasingly important. There are many benefits for public health by taking strong mitigation actions to prevent further deterioration of Earth's climate. Direct health impacts of climate change are felt through extreme heat, storm destruction, water restrictions and bushfire smoke, as well as its influence on diseases and mental health. As the climate becomes more volatile, this will affect fresh food production and outdoor activities both employment related and recreational, and people's vulnerability to climate factors, such as through hot housing, socio-demographic issues and complex health issues, will increase. All of this will increase the patient burden on healthcare facilities which will simultaneously be subject to climate impacts on staff, supply chains and infrastructure. (See figure 1)

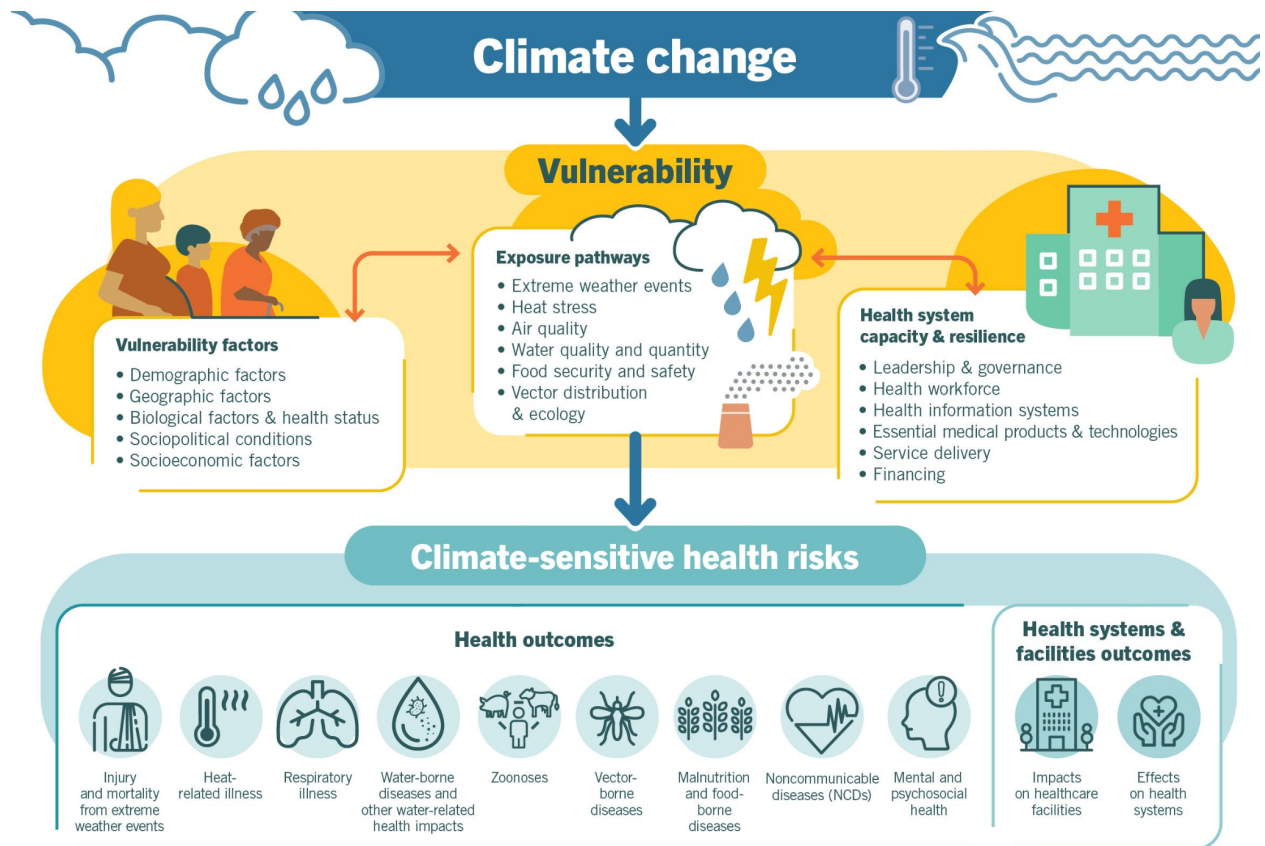


Figure 1: An overview of climate-sensitive health risks, their exposure pathways and vulnerability factors. Climate change impacts health both directly and indirectly, and is strongly mediated by environmental, social and public health determinants. World Health Organization.

“The risk of experiencing an adverse health outcome occurs at the intersection of exposure and vulnerability, consisting of sensitivity and adaptive capacity. Exposed individuals and communities most at risk are those with high sensitivity and low adaptive capacity, as influenced by the social determinants of health.”²

If it proceeds, the Middle Arm Industrial Precinct would be a significant contributor to climate change, which in itself is a serious threat to human health.

² Covert, H. H., Abdoel Wahid, F., Wenzel, S. E., & Lichtveld, M. Y. (2023). Climate change impacts on respiratory health: exposure, vulnerability, and risk. *Physiological Reviews*. <https://doi.org/PRV-00043-2022>

Recommendations

- Larrakia-led and governed cultural values assessment and cultural heritage impact assessment be undertaken in accordance with their protocols, prior to the release of any further environmental impact assessment documentation.
- The project be subjected to the highest level of environmental assessment under both the Environment Protection Act and EPBC Act: a public inquiry.
- A thorough climate risk assessment must be undertaken.
- Rejecting the project is the only feasible pathway to limit the worst of global warming. It is high time that the Australian Government takes heed of the international scientific consensus on the climate emergency, including impacts to human health. The Australian Government cannot continue to ignore the climate impacts of coal, oil and gas projects.