



Appeals Convenor
Environmental Protection Act 1986

**REPORT TO THE
MINISTER FOR ENVIRONMENT**

**APPEALS IN OBJECTION TO THE CONTENT OF, AND RECOMMENDATIONS
IN, AN ENVIRONMENTAL PROTECTION AUTHORITY REPORT**

**REPORT 1639: PLUTO NORTH WEST SHELF INTERCONNECTOR
PIPELINE, BURRUP PENINSULA**

PROPONENT: DDG OPERATIONS PTY LTD

APPEAL NUMBER 033 OF 2019

October 2019

Appeals Summary

This report relates to two appeals received against the Environmental Protection Authority's (EPA) Report 1639 for a proposal to construct and operate the Pluto North West Shelf Interconnector (PNI). The PNI includes a 3.3 kilometre buried steel pipeline, connecting the Pluto Compressor Station to the Karratha Gas Plant within the Burrup Strategic Industrial Area on the Burrup Peninsula in the Pilbara Region.

The appellants submitted that the EPA's assessment of the proposal was inadequate, and that the EPA should have considered the proposal as a component of broader industrial works in the Burrup region. Central to this submission was the appellants' view that the proposal will facilitate an increase in the capacity of liquefied natural gas (LNG) development in the area.

The appellants submitted that the proposal has the potential to contribute to the State's cumulative greenhouse gas emissions and impact on the Murujuga National Park Rock Art.

In responding to the appeals, the EPA noted that it assessed the proposal before it, which was the construction and operation of a buried pipeline for transporting natural gas. The EPA advised that the construction of the PNI will not increase the greenhouse gas emissions from either of the Pluto LNG plant or the Karratha Gas Plant, irrespective of the source or volume of gas being transferred.

In this context the EPA advised that greenhouse gas emissions produced by the proposal are related only to the short-term construction activity and are expected to be minimal, and that it will take into account greenhouse gas emissions during its assessments of other projects in the region.

On the current proposal, the EPA recommended implementation conditions to manage potential direct and indirect impacts to Aboriginal heritage sites. The EPA also advised that it will take into account air emissions and potential impacts to rock art during its assessments of future industrial projects in the wider Burrup region.

For the reasons stated in this report, it is considered that the EPA's assessment of the proposal was appropriate and its conclusions were supported by the available information.

Recommendation

It is recommended that the appeals be dismissed.

INTRODUCTION

This report relates to appeals lodged by M. Gray and the Conservation Council of WA Inc. (CCWA) (the appellants) in objection to the contents of, and recommendations in, the report of the Environmental Protection Authority (EPA) in respect to a proposal by DDG Operations Pty Ltd (the proponent) to construct and operate the Pluto North West Shelf Interconnector (PNI) within the Burrup Strategic Industrial Area of the Burrup Peninsula in the Pilbara Region. The location and development envelope of the proposal are shown in Figure 1.

The proposed PNI is a buried steel pipeline 3.3 kilometres (km) in length, which will connect the Pluto Compressor Station to the Karratha Gas Plant, enabling transfer of natural gas from the Pluto Liquefied Natural Gas (LNG) Plant to maintain supply to the Karratha Gas Plant for processing. The proposal area is zoned industrial, and extends along the eastern side of the Karratha Gas Plant and adjacent Buffer Zone leases for about 1.1 km, then enters the existing Dampier to Bunbury Natural Gas Pipeline corridor for 2.2 km before connecting to the Pluto Compressor Station. The proposal will require clearing of up to 10.69 hectares (ha) of native vegetation.

In November 2018, the proposal was referred to the EPA. The EPA advertised the referral information for the proposal for public comment and received 130 submissions. Report 1639 indicates that all of the submissions requested a Public Environmental Review level of assessment due to potential impacts on Murujuga¹ National Park Aboriginal rock art (petroglyphs) and proposed World Heritage listing. In January 2019, the EPA decided to assess the proposal and set the level of assessment at 'Referral Information'. In February 2019, the EPA requested further information from the proponent, which was received in March 2019.

In June 2019, the EPA released its report and recommendations (Report 1639) on its assessment of the proposal, where it concluded that the proposal is environmentally acceptable and recommended a set of conditions. It was from this report that the appeals were received.

This document is the Appeals Convenor's formal report to the Minister for Environment under section 109(3) of the *Environmental Protection Act 1986* (EP Act).

OVERVIEW OF APPEAL PROCESS

In accordance with section 106 of the EP Act, a report was obtained from the Environmental Protection Authority (EPA) in relation to the issues raised in the appeals. The proponent was also given the opportunity to address the matters raised in the appeals. During the appeals investigation the Appeals Convenor consulted with the appellants and the proponent.

CCWA requested a copy of the EPA's report on the appeals, and subsequently provided additional information in response which was considered during the appeal investigation. The proponent also requested a copy of the EPA's report but did not make further comment.

¹ Murujuga (the Dampier Archipelago and Burrup Peninsula), which means 'Hip Bone Sticking Out' in the Ngarluma-Yaburara language.

Figure 1 – Location and development envelope of the proposal



(Source: EPA Report 1639)

The environmental appeals process is a merits-based process. For appeals in relation to an EPA report and recommendations, the Appeals Convenor normally considers the environmental merits of the assessment by the EPA, based on objectives as set by the EPA as well as other environmental factors. The appeals process considers environmental significance, relevance of factors, additional information not considered by the EPA, technical errors and attainment of policy objectives. Where the development has been the subject of previous EPA assessments, those assessments and any subsequent Ministerial appeal decisions also need to be taken into account.

The following decisions are available to the Minister in determining appeals lodged in respect to an EPA report: (1) dismiss the appeal; or (2) allow the appeal in full or part by: (a) remitting the proposal for assessment, further assessment or reassessment by the EPA; or (b) changing the implementation conditions recommended by the EPA.

OUTCOMES SOUGHT BY APPELLANTS

The appellants are seeking for the Minister to remit the proposal to the EPA for a more detailed and public assessment of cumulative impacts particularly in relation greenhouse gas emissions and impacts Murujuga National Park Aboriginal rock art.

The appellants contend that the proposal is not environmentally acceptable and should not be implemented. However, the decision as to whether or not the proposal may proceed is made through a process of consultation with decision making authorities pursuant to section 45 of the EP Act which is separate to the decision before the Minister in respect to the appeal.

GROUND OF APPEAL

The appellants submitted that the EPA's assessment of the proposal was inadequate and that the proposal should have been considered and assessed in the wider context, as a component of the broader 'Burrup Hub'², rather than as a separate proposal. For example, CCWA submitted:

[T]he Report fails to consider the cumulative impacts of the Proposal as a component of the broader "Burrup Hub" project ...

The separation of the components of the broader project fails to take into account the connection and relationship between the proposals or the total overall, aggregated and cumulative impact of the project. [We consider] that the EPA's assessment (and any Ministerial approval) of the Proposal pre-empts assessment and approval of other elements of the "Burrup Hub" project which, in our ... view, have more significant and controversial environmental impacts.

Central to this submission was the appellants' view that the proposal will facilitate an increase in the capacity of LNG development in the area, including processing of Browse and Scarborough gas fields.

To the extent that the proposal would increase production of LNG, appellants submitted that the EPA should have assessed air quality as a key environmental factor. Impacts identified by the appellants attributable to the proposal include increased greenhouse gas emissions and an extension of the duration of LNG processing in the region, with consequent impacts to Murujuga rock art.

In relation to greenhouse gas emissions, CCWA stated that as part of the broader Burrup Hub proposal, the proposal has the potential to increase the State's greenhouse gas

² As described by Woodside in its plans for a 'Burrup Hub' www.woodside.com.au

emissions, further noting that any net increase in greenhouse gas emissions contributes to climate change and associated environmental impacts in the State.

On rock art, Ms Gray submitted that the proposal:

... will facilitate more industry and increased LNG production in the Burrup region. Resulting air pollution increases will hasten the destruction of the patina of the rocks of the Burrup Peninsula. This impact of air pollution is the critically important factor requiring control to the point of zero emissions.

CONSIDERATION

The key issue raised by the appeals is whether the environmental impacts of the proposal warrant further assessment by the EPA. To address this, it is necessary first to ascertain the nature of the environmental impacts posed by the implementation proposal.

There are two types of impact raised by the appeals – impacts associated with the construction of the pipeline; and impacts associated with the operation of the pipeline after commissioning.

The appellants submitted that the proposal should be further assessed by reference to its interrelationship with the Burrup Hub; that is, the operation of the pipeline should be considered in the context of the Hub proposal, and not be the subject of separate assessments. In this regard, the appellants submitted that the EPA too narrowly focussed on the direct/construction impacts of the proposal. For example, Ms Gray submitted in relation to rock art:

While the pipeline itself may not be considered a major risk to the Aboriginal heritage of the record of petroglyphs on the Burrup, the production of its content - the LNG - is an unacceptable risk...

The Minister [should review] the proposal in the wider context that this pipeline is part of major development proposals that threaten the Aboriginal heritage of the Burrup Rock Art with destruction resulting from air pollution.

Notwithstanding the primary concern of the appellants relates to emissions arising from the use of the pipeline as part of the Burrup Hub, this report firstly examines the construction related impacts of the proposal, followed by a consideration of the operational (indirect) impacts.

Construction impacts

The proponent's referral document states:

Potential impacts of dust on air quality may occur from activities such as vegetation clearing, earthworks, excavation, blasting, materials handling and soil stockpiling. Other impacts to air quality also include blasting and vehicle and machinery exhausts. The impacts are expected to be temporary, occurring during construction activities and managed by applying water to dusty areas. Appropriate measures will be implemented to minimise and manage air quality impacts where applicable as per the CEMP [Construction Environmental Management Plan].³

The EPA did not consider Air Quality to be a key environmental factor for the proposal. The EPA specifically noted that impacts are expected to be temporary, and only occur during the construction phase. In the case of greenhouse gas emissions from construction, the EPA stated that it expected these to be minimal on the basis that the construction period is relatively short.

³ Jacobs Group (Australia) Pty Limited, *Pluto-North West Shelf Interconnector, DDG Operations Pty Ltd, S38 EP Act Referral - Supporting Information Document*, 12 November 2018, page 13.

The EPA advised that emissions during construction, which mainly relate to dust and noise, can be managed through recommended condition 7 (CEMP Implementation), and as there will be no emissions from the pipeline itself after construction, the EPA considered that there is minimal likelihood of impact on the Murujuga rock art.

Noting that neither appellant raised concern about the EPA's assessment as it relates to construction impacts, it is considered that the EPA's assessment and recommended conditions are appropriate, and no further consideration is required in relation to these impacts.

Operational (indirect) impacts

This section relates to the primary concern of appellants, which is that the EPA did not take into account the role the development of the pipeline will have in facilitating an increase in LNG production and subsequent increases in emissions.

In response to this issue, the EPA advised that it assessed the proposal as referred, and not the wider Burrup Hub. The EPA stated that to do otherwise would be 'outside of the scope of the proposal referred'.

In relation to the role of the pipeline connecting existing gas plants, the EPA noted that the Karratha Gas Plant is currently regulated through a combination of a Ministerial Statement 536 which regulates carbon dioxide emissions, and licence conditions imposed under Part V of the EP Act. The EPA also noted that it is also currently assessing (through a Public Environmental Review), a proposal to extend the life of operations for the Karratha Gas Plant, and that this assessment will address the issue of greenhouse gas emissions. In relation to the Pluto LNG Plant, the EPA noted that it is regulated through Ministerial Statement 757 which regulates the emissions of carbon dioxide.

On the key issue as to the role the pipeline will have in increasing emissions, the EPA advised that given:

... both of these LNG plants [Karratha and Pluto] are regulated, the construction of the proposed pipeline **will not increase the emissions from either of these two facilities** irrespective of the source or volume of gas being transferred. (emphasis added)

Table 1 sets out the authorised production volumes for both the Karratha and Pluto gas plants.

Ministerial Statement	Amendment history	Approved Production Capacity (Mtpa)
Karratha Gas Plant – Ministerial Statement 536	Issued in 2000	15.5
	Amended in 2006	18.5
Pluto LNG Plant – Ministerial Statement 757	Issued in 2007	12

As can be seen, the current production limits for the Karratha Gas Plant and Pluto LNG Plant have been in place since 2000 and 2007 respectively.

The EPA has additionally advised that it is assessing a number of industrial proposals in the Burrup area, including the North West Shelf Project Extension (Karratha Gas Plant). The EPA advised that for this extension, it will require air emissions information and modelling that takes into consideration all other reasonably foreseeable proposals.

The scoping document for the North West Shelf Project Extension (Extension proposal) relevantly provides that the production capacity of the plant will not increase as a result of

that proposal. The EPA has identified Air Quality as a key environmental factor for the Extension proposal, which requires the proponent to (among other things) characterise direct and indirect greenhouse gas emissions from the Extension proposal and assess the relative contribution to regional, state, national and international greenhouse gas emissions.⁴

From the above, the proposal the subject of this appeal does not alter the production capacity applying to the Karratha and Pluto gas plants. Nor is approval to increase production being assessed by the EPA under other processes at this time.

CCWA provided additional information in support of its appeal that the implementation of the interconnector will result in an increase in production up to the current approved limits. However, both the Karratha and Pluto proposals include conditions relating to greenhouse gas emissions, and the EPA has required the proponent of the Extension proposal to undertake additional work on greenhouse gas emissions relevant to that proposal.

Taking this information into account, it is considered that while the implementation of the interconnector proposal may result in higher utilisation of excess capacity, there will be no increase in production above the levels approved in 2000 and 2007 respectively. As those production levels are pre-existing, and have been approved through relevant provisions of the EP Act at the time, they are not considered to be open to consideration through the current appeal.

Additionally, it is noted that the proponent for the interconnector is not the proponent operating the two gas plants, and is therefore not responsible for decisions made at those plants. Similarly, even if the intensity of production at the two plants changed as a result of the implementation of the interconnector, no conditions could be applied to the proponent of the current proposal to restrict that usage, given they are separate entities.

It is also noted that the State Government recently released its Murujuga Rock Art Strategy which outlines a long-term framework to guide the protection of the rock art located on Murujuga. The EPA noted that it considered the strategy in its assessment of the proposal and will consider it during its assessments of current and future industrial developments on the Burrup.

Based on the EPA's advice, it is considered that the implementation of the proposal will not increase emissions, and as a result, it is considered that the EPA's assessment of the proposal was appropriate.

OTHER MATTERS

CCWA raised concerns in relation to the impacts of venting carbon dioxide in Commonwealth waters from LNG development in the Burrup Hub, which is not considered to be directly related to the proposal, and is therefore considered to be beyond the scope of this appeal report.

The EPA provided the following advice in this regard:

Emissions from sources within Commonwealth waters are assessed by the Commonwealth Department of Environment and Energy under the *Environment Protection and Biodiversity Act 1999*.

⁴ Woodside Energy Ltd, North West Shelf Project Extension Proposal Environmental Scoping Document, August 2019, pages 16-17.

CONCLUSION AND RECOMMENDATION

From the information provided in respect to the appeals, the following is noted:

- the EPA assessed the proposal before it, which is the construction and operation of the PNI, which will enable transfer of natural gas from the Pluto Compressor Station to the Karratha Gas Plant
- the EPA advised that both of these LNG plants are regulated, and that the construction of the PNI will not increase the greenhouse gas emissions from either of these facilities irrespective of the source or volume of gas being transferred
- the EPA advised that greenhouse gas emissions produced by the proposal are related only to the short-term construction activity and are expected to be minimal, and that it will take into account greenhouse gas and other air emissions during its assessments of other projects in the region
- the EPA has recommended implementation conditions to manage potential direct and indirect impacts to Aboriginal heritage sites resulting from the proposal, and potential impacts on rock art from future industrial development in the wider Burrup region will be assessed separately by the EPA.

For the reasons stated above, it is considered that the EPA's assessment of the proposal was appropriate and its conclusions were supported by the available information.

It is therefore recommended the appeals be dismissed.

The final decision on whether or not the proposal should be implemented, and if it is to be implemented, the conditions that apply to its implementation, is a matter for the Minister and relevant decision making Ministers to consider under section 45(1) of the EP Act.

Emma Gaunt
APPEALS CONVENOR

Investigating Officer:
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