

MINISTER'S STATEMENT

PORT PHILLIP BAY CHANNEL DEEPENING

SUPPLEMENTARY ENVIRONMENT EFFECTS
STATEMENT

July 2005

MINISTER'S FOREWORD

On 31 March 2005, I released a Statement in response to the Report of the independent Panel Inquiry on the Port Phillip Bay Channel Deepening Proposal, together with the Panel's Report. My Statement presented a provisional response to the Panel's findings and recommendations and invited public submissions in response. A total of 80 submissions were received.

I now confirm that the Port of Melbourne Corporation (PoMC) must prepare a supplementary statement or "Supplementary Environment Effects Statement" (SEES) in accordance with section 5 of the *Environment Effects Act 1978*. The SEES must now be prepared and exhibited for public comment before I complete an Assessment of the environmental effects of the proposal under the Act to inform relevant approval decisions.

This document sets out the process that I intend to be applied for the preparation of the SEES, as well as the further stages of the assessment process.

The SEES is intended to provide supplementary information to that contained in PoMC's Environment Effects Statement (EES) exhibited on 5 July 2004. This is necessary in the context of a range of shortcomings in the exhibited EES documentation.

The Panel's recommendations, when taken together, focus on:

- Justification of the project design;
- Benchmarking of available technologies for dredging and dredged material placement as well as demonstration of their feasibility; and
- Direct physical changes resulting from the project (e.g. hydrodynamic changes, turbidity generation, dredging and placement of contaminated sediment).

The Panel also identified concerns with the risk assessment applied in the EES, which has consequences for the evaluation of the spectrum of environmental effects.

My general response to the recommendations of the Panel, including in relation to the matters that the SEES will need to address, is set out in the Statement on the following pages. However, a few preliminary observations are needed to establish the context for the SEES:

- 1) While the Panel focussed on issues related to project design, technology and physical impacts, there is a need to consider any consequential environmental, social and economic effects, directly attributable to the project.
- 2) The investigations underpinning the EES, with limited exceptions, were methodologically sound. This work can now be built upon in the SEES to provide the foundations for further targeted studies to assist a comprehensive and integrated assessment of existing and new information.
- 3) PoMC has undertaken extensive further studies since the completion of the Panel hearing, including obtaining expert peer reviews of key investigations. Much of this work, together with additional work necessary to address outstanding matters, will need to be incorporated in the SEES.
- 4) The EES and the SEES deal with the project proposed by the Victorian Channels Authority and its successor, PoMC. This proposal for the deepening of the main channels in Port Phillip Bay, was proposed after a strategic review found it to be the superior economic option for Victoria to accommodate predicted trade growth, compared to alternatives such as developing the Port of Hastings and "land bridging" to move freight to and from other Australian ports. The Government

has given its in-principle support of the proposal, subject to environmental, financial and technical provisos.

One of the Panel's recommendations was that a trial dredging program be conducted in or near the Heads to test its feasibility. The Panel also recommended further field testing of turbidity plumes and other aspects. The response in my March Statement gave provisional support to the concept of a trial dredging program. Such a program would provide a valuable means of field testing a range of aspects, including technical feasibility, environmental effects and environmental management measures. A detailed proposal has now been prepared by PoMC for a trial dredging program. Having received advice from the Department of Sustainability and Environment that the proposed trial dredging program would not have a significant effect on the environment, if the proposed works are managed in accordance with PoMC's proposed environmental management framework, I have determined that an order under section 3(1) of the *Environment Effects Act* is not required for the trial dredging works. Consequently, an EES is not required for the trial dredging. I am satisfied that trial dredging will significantly assist the assessment of the Channel Deepening Proposal.

A more detailed framework for the scope of the SEES is set out in Draft Assessment Guidelines, released for public comment for a period of four weeks.

The SEES is intended to enable the full and effective assessment of the potential environmental effects of the Channel Deepening Proposal. There will be a formal opportunity for public comment in response to the exhibited SEES, which will be followed by a further independent Panel Inquiry.

**ROB HULLS MP
MINISTER FOR PLANNING**

MINISTER'S STATEMENT FOR CHANNEL DEEPENING PROPOSAL SUPPLEMENTARY ENVIRONMENT EFFECTS STATEMENT

Preamble

This Statement sets out the directions for the preparation of the Port Phillip Bay Channel Deepening SEES and the further stages of the assessment process. The contents are summarised as follows:

- 1) The purpose of the SEES process;
- 2) The objectives of the SEES;
- 3) A proposed structured approach for undertaking the SEES investigations; and
- 4) The elements of the SEES process, including the steps involved and the responsibilities of key parties.

More detailed guidance for the SEES will be set out in the SEES Assessment Guidelines, a draft of which is available for public comment. The Guidelines will identify the matters needing to be investigated and documented to inform the Assessment of the project under the *Environment Effects Act*. While the EES substantially covered these matters, an update to the original EES Assessment Guidelines (issued in 2002) is needed to identify the matters to be further investigated in the SEES to inform the final Assessment. The SEES Assessment Guidelines will encompass and therefore replace the original EES Assessment Guidelines, largely to provide clarity on the full range of matters relevant to the final Assessment under the *Environment Effects Act*.

The results of further investigations will need to be integrated with the EES studies. Some components of the EES may also need to be updated or revised to achieve a sound and effectively integrated body of analysis. It will be the responsibility of the proponent to investigate and document relevant matters, including those that emerge during the course of preparing the SEES.

1. Purpose of SEES

A supplementary statement or "Supplementary Environment Effects Statement" (SEES) is now to be prepared by the Port of Melbourne Corporation (PoMC) in accordance with section 5 of the *Environment Effects Act*.

The purpose of the SEES is to provide a clearly documented body of analysis to inform the final Assessment by the Minister for Planning of the Channel Deepening Proposal under the *Environment Effects Act*. Public submissions and the report of a Panel Inquiry to be appointed under the Act will also inform the Assessment. The Assessment will in turn inform decision-making under relevant legislation, including the *Coastal Management Act 1995* and *Environment Protection and Biodiversity Conservation Act 1999*.

2. Objectives of SEES

The SEES is part of the extended assessment process under the *Environment Effects Act*. Four specific objectives of the SEES are set out below.

Project Description

Objective 1. Provide a description of the Channel Deepening project, following necessary technical reviews of the proposed project design and technology, supported by documentation of:

- a) The project rationale;
- b) Its technical feasibility (especially the proposed dredging technology and management of contaminated sediment from the Yarra);
- c) Consistency with statutory provisions and performance standards, including for navigational safety and environment protection;
- d) The merits of design, technological and work method alternatives; and
- e) The consideration of environmental, social, safety and economic factors.

Objective 2. Provide a description of the implementation strategy for the Channel Deepening Proposal, including for the proposed technology and work arrangements to manage environmental risks, supported by documentation of:

- a) Technical reviews and field testing;
- b) Evaluation of the likely effectiveness of the proposed environmental management regime, including its practical measures; and
- c) An improved framework for managing environmental risks.

Assessment of Impacts

Objective 3. Provide an assessment of the risks of specific environmental effects arising from the refined project, on the basis of further investigations building on the EES studies, especially with respect to:

- a) Space-time modelling of turbidity plumes generated during the proposed dredging campaign;
- b) Modelling of ecological process responses, including both primary production and nutrient cycling;
- c) Implications for risks associated with contaminated sediments;
- d) Implications for risks to ecological communities and species of conservation significance; and
- e) Implications for risks to other beneficial (non shipping) uses of the Bay's environmental assets, including related economic and social risks.

Objective 4. Consolidate and integrate the results of the new SEES studies with the key outcomes of the EES studies, having regard to relevant legislative and policy provisions.

3. Structured Approach to Preparing the Supplementary EES

To address the four objectives under section 2 (above), the following general approach for preparing the SEES should be adopted:

- 1) Refinement of the environmental risk assessment methodology and criteria used in the EES, to ensure that:
 - The methodology to be applied in the SEES is clearly described and represents the significance of potential changes to ecological and other environmental assets, as well as takes account of uncertainty associated with both the current knowledge of environmental processes and the management of environmental risks; and
 - Risk assessment criteria reflect relevant technical and scientific knowledge, as well as applicable statutory provisions and associated policy.
- 2) Critical review of the characterisation of the environmental risks associated with the Channel Deepening proposal. Disciplinary experts and other people with expert knowledge of the Bay environment and available management measures should work together (with PoMC) to develop a shared understanding of environmental risks associated with the affected systems, as well as critical information gaps, relevant performance indicators and management options.
- 3) A critical review of the project design, as well as relevant alternatives, should determine whether changes are needed to minimise risks, comply with policy requirements, and achieve an optimal balance of environmental, economic and social outcomes.
- 4) Benchmarking of the proposed dredging technology and dredged material management methods for the project should occur, against the availability of best practice technologies that might be economically applied to minimise environmental and related risks.
- 5) Field testing of turbidity plumes, seasonal and light dependency of primary production, effects on denitrification processes, as well as methods for management of dredging and dredged material is needed.
- 6) Relevant calibration and further modelling is needed for the turbidity plumes that would be generated during the dredging campaign, as well as further assessment of potential long-term changes to sediment transport and coastal processes in southern Port Phillip Bay as a result of any change in currents.
- 7) Necessary extension of previous baseline studies and research should occur, as well as consolidation with the results of previous studies, to characterise the existing environment assets that may be impacted by the project, especially in the context of predictions of turbidity plumes and other physical changes.
- 8) Refinement of ecological modelling to underpin the assessment and management of risks to primary production and nutrient cycling should occur.
- 9) Assessment of the risks to environmental assets arising from the following is needed, to an extent proportionate to the magnitude of the risks involved:
 - Direct removal, destruction or burial of assets;
 - Effects on primary production or nutrient cycling within Bay ecosystems;
 - Effects on species, ecological communities or areas of conservation significance; and
 - Changes to the availability or quality of assets (i.e. beneficial uses) for other Bay users.

- 10) Assessment of the effectiveness of proposed risk mitigation and management measures, in the context of uncertainties about both operational measures and capacities as well as environmental responses, including in relation to:
 - 'Proof of concept' modelling of the effects of elevated turbidity on primary production;
 - The proposed environmental management system;
 - The proposed 'adaptive management' regime, including the statistical design of the monitoring program, and demonstrated capacities to implement response measures in real-time to ensure satisfactory environmental performance; and
 - Proposed offsetting measures.
- 11) Integrated assessment of anticipated outcomes with respect to relevant evaluation objectives and performance criteria, in light of the applicable legislation and policy and the potential effects of the proposal.

4. Elements of SEES Process

The preparation of a SEES by PoMC is intended to build upon both the studies done for the EES and the review undertaken by the independent Panel Inquiry. The following outlines the steps in the SEES process, which will ultimately lead to the completion of an Assessment of the proposal under the *Environment Effects Act*:

- 1) Draft Assessment Guidelines on the scope of the SEES are prepared by the Department of Sustainability and Environment¹ (DSE), after considering public comments received in response to the Minister's Statement and the Panel Report which were issued on 31 March 2005;
- 2) The Draft SEES Assessment Guidelines are advertised for public comment by DSE for a period of four weeks;
- 3) Final SEES Assessment Guidelines are prepared after considering public comments on the exhibited draft, as well as advice from an Independent Expert Group to be appointed by DSE. If a trial dredging program is carried out by PoMC, the Assessment Guidelines will be reviewed by DSE, with advice from the Independent Expert Group, in light of monitoring and evaluation of the trial dredging to determine whether any changes to the guidelines are needed.
- 4) The SEES will be prepared either by or on behalf of PoMC. The proponent will need to investigate and document relevant matters, including those that emerge during the course of developing the SEES. During the preparation of the SEES the following should occur:
 - a) PoMC will need to undertake a program of stakeholder and community consultation for the purposes of:
 - informing interested parties of its proposal, its program of investigation and interim results;
 - seeking views and local knowledge with respect to environmental risks that may need closer investigation;
 - discussing opportunities to address environmental risks; and

¹ The Built Environment Group within DSE administers the EES process.

- providing constructive feedback on inputs received.
- b) A Project Taskforce, convened by the Department of Infrastructure, is to provide practical advice and support to PoMC with respect to taking forward its program of investigations.
- c) DSE will coordinate advice to PoMC on the preparation of the SEES, including any necessary clarification regarding the matters to be investigated and documented in relation to the Assessment Guidelines.
- d) The Independent Expert Group will use its individual members' expertise to advise DSE on:
 - the SEES Assessment Guidelines;
 - the technical adequacy of study briefs and study outputs as part of the preparation of the SEES;
 - the need for and scope of any other necessary independent peer reviews of SEES studies; and
 - other matters referred to it by DSE.
- 5) The suitability of the SEES for public exhibition will be determined by DSE¹, having regard to the SEES Assessment Guidelines.
- 6) The SEES will be exhibited for public comment for a period of six weeks, after it is completed by PoMC to a satisfactory quality.
- 7) An inquiry will be appointed under section 9(1) of the *Environment Effects Act* to consider public submissions, hold public hearings and provide its Report to the Minister for Planning in response to its terms of reference.
- 8) The Minister for Planning will determine and release an Assessment of the Channel Deepening Proposal under the *Environment Effects Act* and provide this to the relevant decision-makers.

The terms of reference and protocols for the Independent Expert Group should clearly establish its independence from PoMC. It should be appointed with expertise in the fields of shallow marine ecosystem processes, shallow marine hydrodynamics, and dredging, at a minimum. Similarly, the terms of reference and protocols for the Project Taskforce should clearly establish its independence from the administration of the SEES process.

The appointment of a stakeholder advisory committee will be a valuable element in the program of stakeholder and community consultation to be undertaken by PoMC during the preparation of the SEES. The stakeholder advisory committee could provide advice to PoMC on both the design of the program of stakeholder and community consultation and feedback on its implementation. The committee could also provide advice to PoMC on their program of investigations necessary to address the required scope for the SEES.