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Infrastructure, Planning and Natural Resources Committee  
Parliament House Brisbane QLD 4000

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**SUSTAINABLE PORTS DEVELOPMENT BILL 2015– INFRASTRUCTURE, PLANNING AND NATURAL  
RESOURCES COMMITTEE  
PORTS AUSTRALIA SUBMISSION**

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Ports Australia welcomes the opportunity to make a submission to the Committee addressing the provisions of the *Sustainable Ports Development Bill 2015*.

Ports Australia's comments are made in the context that it has undertaken to apply its best endeavours to work cooperatively with the Queensland Government and its agencies on port sustainability and development issues. This is borne out by our record with respect to our contribution within the Great Barrier Reef 2050 Group and in our relationship with the Department of State Development, notably on port master planning. In that spirit we offer some thoughts about the possible flow on effects of this Bill but do not seek to be at odds with the Queensland Government over the passage of the Bill.

Ports Australia works closely with its affiliate the Queensland Ports Association and supports its submission to the Committee including on operational aspects. Ports Australia has limited its comment to high level issues.

**Ports Australia - Representation**

Ports Australia is the peak industry body representing all port authorities and corporations, both publicly and privately owned, at the national level. Ports Australia is a constituted company limited by guarantee with a Board of Directors, comprising the CEOs of 10 member ports. Our website is at [www.portsaustralia.com.au](http://www.portsaustralia.com.au).

All the Queensland Port Authorities are Members of Ports Australia which, among other things, facilitates the exchange of information and experience between all Australian ports on leading practice in key areas of port business including port operations and environmental management. Queensland ports have a history of dedicating considerable resource to understanding, managing and monitoring the marine environments in which they are domiciled and operate.

**Our General Position**

Ports Australia understands the policy position of the Queensland Government and that it is necessarily embraced by the provisions of the Bill. While we will, as mentioned above, work with the Government and its agencies to give effect to these policies and to promote the orderly development of the ports community in Queensland we likewise have a policy position, which has been carefully and advisedly developed, that some provisions of the Bill, longer term, are not sustainable.

The Bill is not directed at optimising the sustainability of the Queensland ports community. Its focus is far removed from this goal. The language of the Bill, the Explanatory Memorandum and the briefing provided to the Committee by the Department of State Development, is directed at

“restricting”, “prohibiting” and “mandating” aspects of port activity and otherwise subjecting ports in Queensland to a highly centralised and bureaucratised model of regulation. In our view this Bill will have a major impact on the cost structures and competitiveness of Queensland ports, will cost jobs and embodies the potential to in fact produce sub-optimum environmental outcomes. The Bill was developed in haste and serves the ideological interests of bureaucrats in an international agency far removed from Queensland’s interests, who sadly have been permitted to dictate terms to our parliaments on industry and environmental policy.

In this environment the port community in Queensland was completely demonised and scientific objectivity that informs us, among other things, that dredging activity, which is both well managed and manageable, has a negligible impact on the health of the Great Barrier Reef (GBR), was discarded. Further, Queensland ports cast a tiny footprint on the GBR and their impact is commensurately small yet the World Heritage Committee was apparently happy to accept advice that our ports were prepared to turn the Reef into some sort of industrial wasteland.

Ports Australia and its Members have a strong conviction that leading practice environmental stewardship and sustainable port development should go hand in hand and this is what we endeavour to practice. The Bill before the Parliament reflects thinking that it is a competition; that ports must be hog tied and severely restrained if the protection of our Reef is to be guaranteed.

The managers of our Queensland ports are Queenslanders who care about the GBR as much as anyone else and accordingly and ironically it is within the ports that some of best practice in environmental understanding and monitoring now resides. All of our ports both individually and as a group have a profound understanding that a highly pro-active approach to the protection of the GBR is essential to their long term viability and “social licence to operate”.

In our comments to the Department I mentioned that I believed that the Queensland Government at some point will experience considerable difficulties with this legislation because of its regulatory over reach and because of the manner in which it positions the Minister in the master planning process as the arbiter of all things.

Ports Australia is a strong supporter of the port master planning concept and strongly supportive of establishing clean lines around land use planning which we believe the Bill, if administered in a positive way, should accomplish. However we advocate that the ports themselves should be front and centre in the process and in turn accept the responsibility of sharing and securing the ownership of master plans with other stakeholders rather than establishing the Minister as the “referee” which at some point he or she may not necessarily welcome. In short, the Bill marginalises the ports in an activity that should be core business for them, and in which the State Government should legitimately expect them to perform to standards and the strategic settings stipulated by Ministers.

### **Ports Australia Reports**

For the Committee’s information we attach, by way of background, the following reports:

- Leading Practice: Port Master Planning *Approaches and Future Opportunities* (August 2013)
- Leading Practice: Port & Supply Chain Protection *Current Practice and Future Opportunities* (April 2014)
- Dredging Report - Tropical and Sub-tropical Ports ( April 2014)
- Dredging and Australian Ports - Temperate Ports (May 2015)

The two reports on dredging referred to above point to a good record among Australian ports on a number of dredging projects when measured against the performance criteria respectively established for each project by environmental regulators. In addition, and importantly, the reports also focus on the key role of shipping channels and also detail the rigorous regulatory processes involved in securing dredging and sea dumping permits, including in accordance with the London Protocol and the National Dredging Guidelines which stipulate among other things that:

- A proponent is obliged to identify the best disposal option; and
- No toxic material will ever be placed at sea.

For the information of the Committee also Ports Australia is currently developing a Dredging Code of Practice which formed one element of the commitments we made to Ministers in the preparation of the Reef Long term Sustainability Plan developed by the reef 2050 Group.

### Some Relevant Settings

The reliance that Australia has on its ports as drivers of economic growth is well documented. We are a highly trade exposed country with the fifth largest shipping task in the world. Jobs growth is highly dependent on the productivity of our ports and their ability to develop their capacity in an orderly and certain investment environment. Many aspirations of governments, for example the development of Northern Australia as a food bowl, will be directly reliant on the efficient operation and development of our ports and their supply chains.

Sometimes it is not readily appreciated that shipping channels or “sea road ways” are a key element of our supply chains and just as their capacity is defined by the capacity of our road and rail networks, as well as our terminals, so it is also defined by the capacity of our channels which we now see as at risk.

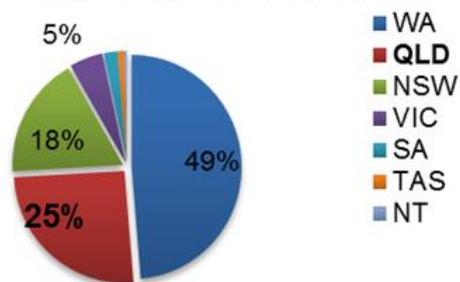
Ports play a key role not only as facilitators of international trade but in maintaining the connectivity of coastal populations, including during extreme weather events that can disrupt our land based connections, and in defense and border protection support as well as tourism.

Ports are not only about exports and the export of bulk commodities but play a vital role as key import hubs. Townsville and Mackay for example are the gateways that feed northern Australia with machinery, project cargo and building materials, motor vehicles and fuel as well as consumables.

The value of goods moving through Queensland ports equates to nearly \$50 billion per annum and equates to about 25 percent of Australia’s total international trade in goods and commodities.

### Total National Trade - Australian Seaports

(Mass Tonnes: 2012-2013)



(Ports Australia, Trade Statistics, 2014)<sup>1</sup>

<sup>1</sup> Ports Australia (2014) Trade Statistics – Website [www.portsaustralia.com](http://www.portsaustralia.com)

Ports are of course in reality our largest freight hubs and their competitiveness essential to retaining competitiveness in price sensitive global markets. Increasingly our ports have become very proactive in the development and efficient operation and coordination of their supply chains and much work has gone into implementing greater efficiencies and coordination into our supply chains. The orderly development and maintenance of our channels, particularly to take advantage of economies of scale through accommodating larger vessels must form part of this landscape if we are to maintain a competitive economy.

### Capital Dredging

It is our view that the decision (as contemplated within the *Bill*) to restrict *capital* dredging and other development to within Priority Port areas will be detrimental to the Queensland economy, particularly in regional areas where efficient and reliable seaports are critical for continued growth and development.

In this respect we appreciate that the Bill contains provisions to accommodate minor works but strongly suggest that ports such as Cairns that do not come within the scope of the Priority Ports should be given a clear mandate to proceed with orderly and sensible development that meets the aspirations and need of their respective communities, and is accordance with leading environmental practice.

Secondly, Ports Australia holds strongly to a view that the prohibition on sea relocation of *capital* dredge material from within designated Priority Ports will result in both economic and ecological detriment. It will not only result substantially greater costs for industry and potential investors in what already is a high cost environment it will potentially cause sub optimum environmental outcomes.

We make the following observations:

- Dredged material placed on land takes years to dry. The material needs to be stored in a dedicated facility with containment walls, potentially lined to avoid groundwater salination, have special tailwater treatment ponds and needs to be engineered to cater for cyclones and storm surges.
- Issues such as the potential impact on surface and ground waters, fauna and flora and the management of potentially acid sulfates soils need to be properly considered. Furthermore, such uses may require significant amounts of coastal zone land.
- Large areas (100s of ha) of flat land close to the port would be required if material is to be placed onshore. In most cases, such extensive areas are not available as the land is used for residential purposes or is of high conservation value.
- The Great Barrier Reef 2014 Strategic Assessment concluded: “that land based disposal of maintenance material for the six major Great Barrier Reef ports was not a viable long term option.”
- Reclamation is possible in some cases but results in a loss of shallow coastal habitats and may lead to unacceptable changes to coastal sediment transport processes (e.g. cause foreshore erosion). Reclamation is generally only viable in capital dredge projects where additional industrial land area is required.
- As a general rule marine sediments are best relocated in a marine environment.

The inability of ports to consider the full range of disposal options (including those ‘at-sea’) for suitable dredge material does not align with the London Protocol to which Australia is a signatory - nor the principles outlined within the National Assessment Guidelines for Dredging.

Whilst we appreciate the current range of external policy issues, we argue that, in the longer term at least, such a watershed policy decision should be more fully considered in close consultation with industry stakeholders, so that true operational, economic and environmental consequences can be fully appreciated.

### Definitions

We note the *Bill* as currently drafted does not contain a definition of ‘beneficial re-use’. Rather than rely on the *Explanatory Notes* or other policy documents for this definition, we would strongly suggest a definition be included in the *Bill* for the sake of clarification regarding uses such as reclamation works in tidal areas being included within this definition.

### Maintenance Dredging

We note that the *Bill* makes a distinction between capital and maintenance dredging and does not restrict *maintenance* dredging activities at Queensland ports. We strongly support this position as essential to the ongoing viability of the Queensland ports.

*Maintenance* dredging to ensure designated depths are maintained is critical to the continued safe and efficient operation of our ports. This is particularly the case in Queensland where the majority of major commercial ports are located within the cyclonic activity zone and are accordingly subject to periodic (and unpredictable) high levels of siltation bringing about immediate requirements for *maintenance* dredging to ensure the ongoing safe operation of the port and, in some cases, access of their communities to essential goods in cases where sometimes there are no other functioning transport links.

We strongly support the ability of ports to undertake *maintenance* dredging as part of their normal operations in line with strict regulatory controls.

### Master Planning

We note the *Bill* requires Master Planning for the four priority ports of Gladstone, Hay Point/Mackay, Abbot Point and Townsville. We further note that ‘guidelines’ are to be produced to detail the master planning methodology and process.

Whilst we support a master planning approach, we are concerned that the *Bill* as currently drafted does not specify adequate involvement of port managers in the formal port master planning process. We note the ‘Minister’ (and we assume Departmental officers) is responsible for preparing the port master planning documentation and, formal consultation processes. We would urge government to consider the consequences of this proposition including the resources required in preparing such robust documentation and the technical expertise across a range of disciplines required to undertake this work (e.g. an operational understanding of port engineering issues, supply chains, cargo contestability issues, hinterland drivers, global logistics, coastal marine processes, trade forecasting, social, environmental and day-to-day port operational skills etc.).

Queensland port managers have a vast amount of detailed technical and operational experience, which must be recognised and captured in the formal master planning process.

Over the past few years, Ports Australia has been a strong advocate for comprehensive port master planning. In 2013/14 we released two publications ‘*Leading Practice Port Master Planning*’ and ‘*Leading Practice Port & Supply Chain Protection*’.

These two reports align with the recommendation of the National Port Strategy. We have attached these publications for the Committee’s reference.

Our *Master Planning* report promoted a comprehensive approach to port master planning, drawing upon international experiences. It is our view that the best port master plans result from early

consideration of operational, economic, environmental and social values. They also consider 'beyond the boundary' supply chain issues.

Building upon our Master Planning report, the *Port & Supply Chain Protection* report examined domestic and international approaches for the protection of port facilities, freight nodes and infrastructure corridors. The report found that to be successful, port master planning endeavours must:

- Identify and preserve new port facilities, freight and infrastructure corridors; and
- Ensure the robust, statutory protection of port facilities, freight nodes and infrastructure corridors from inappropriate land uses and urban encroachment.

It has always been our view that strong alignment ('line-of-sight') of planning regulatory frameworks in and around port precincts is absolutely critical. We note the *Bill* promotes better coordination of 'state interests' around port areas (via a statutory 'port overlay') including we assume, statutory protection of transport and infrastructure corridors. We assume this will operate in a similar way to airport overlays commonly seen around Australia.

We very much support this position - as **statutorily protected** supply chains and surface transport corridors will be critical for future prosperity, particularly as urban and regional areas further develop.

#### Scope of Master Planning

We encourage the government to ensure all areas relevant to port operations, including anchorage and sea channel areas (within or outside port limits) are included within the scope of a port master plan. At present, the *Bill* fails to allow inclusion of all marine side areas (e.g. anchorage areas) in the master planning process. These facilities / areas are considered critical for safe and efficient port operations.

#### **Conclusion**

Committee, we thank you for the opportunity to raise these issues for your consideration.

I would again like to emphasise that Ports Australia and our members embrace a strong culture of sustainable port development in which leading environmental practice is an integral part. Like all Australians, Queensland port authorities have a profound interest in protecting the Great Barrier Reef and regard this as essential to maintaining their 'licence to operate and grow'. This means we logically advocate that in this environment a critical look must be taken at unnecessary restrictions to port operations and development that in turn inhibit the potential of the Queensland economy to be competitive and continue to be a major driver of jobs growth in the State.

As always, we would welcome the opportunity to work with government officers on the finalisation of the *Bill*, or related guidelines, if that would assist.

Yours sincerely,



David Anderson  
**Chief Executive Officer**