

# 1. SUMMARY

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This is the Report of the Panel appointed to consider the Port Phillip Bay Channel Deepening Environment Effects Statement and submissions to it.

The Report is in two volumes:

- Volume 1 containing the substantive reasoning and responses of the Panel to issues raised; and
- Volume 2 containing technical, procedural and background material.

In opening, the Panel must observe that it recognises that the Port Phillip Bay Channel Deepening project enjoys high-level policy support and a high priority for implementation, from the perspective of many government, business and community stakeholders.

However, the Panel must also acknowledge from the outset its considerable concerns about the means of implementation as proposed in the EES and in our hearing process.

In summary terms, it appears to the Panel that:

- the environmental risk analysis in the EES is not methodologically sound, lacks integration and requires further development;
- channel designs are not necessarily optimised, so opportunities to reduce environmental impacts and costs are not necessarily maximised;
- chosen dredge technology is not necessarily best practice technology and hence environmental impacts are not necessarily minimised;
- background modelling of effects such as turbidity require further development before the environmental effects of dredging can be assessed;
- characterisation of contaminated sediment from the Yarra is not sufficient to enable conclusions to be drawn about methods and effects of sediment disposal in the Bay;
- there are not always clear and proven means by which the proponent can deliver satisfactory performance to a range of relevant requirements arising from its own Environmental Management Plan; and
- hence the proponent is not always clear as to how the project will be delivered to time and budget, by means that do not entail unduly adverse environmental effects.

Readers of this volume are directed to Chapter 18 which provides a complete set of the Panel's recommendations.

The Panel's recommendations fall into two types.

- **primary recommendations**, which consider the immediate action that should be taken across the range of issues; and
  - **secondary recommendations**, which address matters of detail emerging from the Panel's technical review.
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The primary recommendations can be summarised in the following terms.

- In the context of its findings, and for a range of technically detailed reasons, the Panel considers that it cannot recommend to the Minister for Planning that he should make a concluded assessment of environmental effects at this time.
- If the project were to proceed directly to implementation without further consideration and review, the Panel considers that the potential for significant adverse environmental effects would not have been sufficiently excluded. It therefore follows that the project should not proceed to approval or the commencement of works until the issues addressed in the detailed recommendations have been thoroughly considered.

In reaching this position, the Panel must note that the proponent was actively engaged in the preparation of further studies to address some of the concerns that became manifest in the Panel process. Much was achieved against very tight deadlines:

- A draft Environmental Management Plan for the project was produced which will continue to provide a useful project framework, subject to ongoing development.
- A substantial re-appraisal of turbidity modelling (referred to in this Report as the Annexure D work) was produced. Whilst not fully resolving the Panel's concerns, this work took many steps forward from the turbidity modelling exhibited in the EES.
- A seagrass workshop was held outside the Panel process to provide the comments of independent experts into the leading edge science of light budgeting being deployed in marine ecological assessment. Whilst this raised many concerns that require resolution, it was a very useful process and should contribute to the rigour and level of certainty to which the proponent's consultant team can make recommendations. A similar approach could be of value in other major subject matters.
- Work to develop the sediment characterisation was flagged by the proponent on the closing day of the Panel hearings, but could not be completed in time to enable it to be put before the Panel.

In short, the Panel fully recognises that much study is still taking place. Most importantly, means now need to be found to ensure that these studies are completed and that the Panel's findings are considered in the light of these studies, leading to an integrated statement of impacts and controls. It remains the Panel's view that there is considerable scope to reduce the environmental effects of the project.

Turning to the secondary recommendations, these often relate to matters of considerable technical detail and cannot be fully digested in a summary. Key directions emerging from them are drawn out in the Panel's summary findings above. Remark should also be made that these recommendations fall into two further broad groups.

- There are 'foundation stone' recommendations. These arise from the Panel's consideration of the major topics: risk analysis, channel design processes, selection of dredge technology, turbidity modelling and sediment characterisation. In the Panel's view, the recommendations arising from these subject matters require the closest immediate attention.
  - Other detailed recommendations relate to subject matter that is largely contingent upon these. Expressly:
    - it is not possible to fully assess environmental impacts on marine or terrestrial species or habitats until further analysis as to a range of foundation stone inputs is to hand; and
    - equivalently, it is not possible to fully assess a range of social, cultural or economic impacts for the same reason.
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This issue of contingency must be recognised by readers of this report. Whilst its 'foundation stone' recommendations should be taken as being clear and directive, the recommendations in contingent chapters record a response to what has been done, whilst recognising that there is still foundation stone work to do. The resolved approaches to the contingent recommendations will need to be closely informed by ongoing foundation stone work and further acts of impact assessment will be required. It is for this reason that the Panel has also recommended the early establishment of a further ongoing independent expert panel: a body that would have responsibility for structuring and delivering the necessary further acts of impact assessment.

That being said, such a body can only act once there is a clear strategy in place for the development of the project. For this reason, this Panel considers that the best and most productive way forward in response to its recommendations would be for a period of time now to be set aside, in which relevant senior government stakeholders and the proponent can give consideration to our report and its recommendations. It considers that there should be a high level, strategic project management review, leading to the production of action plans to address the suite of technical concerns raised in this report, in an holistic and integrated fashion. Once this process has taken place, it will then be necessary to consider how the programmed actions can be delivered and the degree of re-exposure to public scrutiny that may be required, through the medium of the recommended independent expert panel or some equivalent body.

Turning finally to external relations, the Panel notes that many of the submitters before it were representatives of industrial and leisure users of the Bay. They remained to be convinced that the sustaining of environmental values and their interests in these values had been sufficiently responded to by the project to date.

Clearly there is a task to be done to demonstrate to these stakeholders that the project can become a best practice project and can be delivered in a manner that optimises the balance of social, economic and environmental benefits.

Such demonstration should arise from the recommended work to review foundation stone studies. It should also be fostered through an open and engaging dialogue, in which issues of concern can be identified and resolved through mutual co-operation. Entities from the individual fisher, to the dive school operator, to the corporation owning Newport Power Station were asking for dialogue, to ensure that their interests were fully considered and appropriately balanced. The Panel has recommended the establishment of a strong community liaison committee to ensure that this work can commence.

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