

## **Equator Principles and the Alpha Coal Project**

The Alpha Coal Project comprises a mine and railway line that will require the clearing of thousands of hectares of woodland, development of part of a coastal wetland that opens into the Great Barrier Reef World Heritage Area, and ongoing industrial noise and coal dust pollution adjacent to areas known to support nesting of migratory and threatened marine turtles, feeding for dugongs and resting for migratory Humpback whales.

The environmental assessment process has been the subject of controversy for its failure to fulfil statutory obligations and disputed conclusions about the scale of impact the project will inflict on natural and critical habitats, which are subject to provisions of Performance Standard 6 of the Equator Principles.

The Australian Environment Minister in May 2012 referred to the assessment process conducted by the State of Queensland as a “shambolic joke<sup>1</sup>” and began a new process because of concerns that the impacts of the Project had been underestimated or misrepresented by the proponent. Three months later, the same Minister gave the project conditional approval.

### **Biodiversity impacts of the Alpha Coal Project**

The Alpha mine will require the clearing of 7,000ha of woodland likely to provide habitat for the nationally threatened Black-throated finch, along with a range of other protected and threatened species<sup>2</sup>.

The rail line ends in a loop at Abbot Point and will require removal of 16ha of the Caley Valley Wetlands and the enclosure of a further 99ha of the wetland inside the loop itself. The Caley Valley wetland is listed as a “wetland of high ecological significance in Great Barrier Reef catchments” and on the national Directory of Important Wetlands<sup>3</sup>. It provides habitat for migratory shorebirds that are protected under the JAMBA and CAMBA international migratory bird agreements, and has an opening into the waters of the Great Barrier Reef World Heritage Area (GBRWHA) in Curlew Bay. Migratory and threatened marine species such as the Humpback whale, dugong and Green turtle are known to use these waters for resting, feeding and mating respectively<sup>4</sup>.

In May 2012, the Australian Federal Department of Sustainability, Environment, Water, Population and Communities (SEWPAC) expressed profound concern about the adequacy of the assessment undertaken for the project<sup>5</sup>. Their concerns include:

- For nine nationally threatened species identified as having suitable habitat at the mine site or along the rail alignment, SEWPAC responded that “assessment of these species was not sufficient to understand the extent to which they may or may not be impacted upon by the proposed activity.” The assessment provided for these species was described by SEWPAC as “insufficient for a meaningful assessment”
- For twelve Migratory marine species listed as “not occurring” and two listed as “unlikely to occur” by the proponent’s Environmental Impact Statement (EIS), SEWPAC pointed out that the document elsewhere confirmed the presence of six of these (Dugong; Flatback Turtle; Green Turtle; Humpback Whales; Indo-Pacific Humpback Dolphin and Snubfin Dolphin), yet no assessment of them was undertaken in the EIS as they were labelled as “not occurring” or “unlikely to occur”

<sup>1</sup> He made these comments on the ABC Radio National program *The World Today*, 5 June 2012.

<http://www.abc.net.au/worldtoday/content/2012/s3518454.htm>

<sup>2</sup> See Alpha Coal Project *EPBC Act Report June 2012*.

<sup>3</sup> Australian Government. 2001. *A Directory of Important Wetlands in Australia. Third Edition*. Chapter 8: Queensland <http://www.environment.gov.au/water/publications/environmental/wetlands/pubs/directory-ch8.pdf>

<sup>4</sup> Information about the ecological values of the wetlands and waters around Abbot Point is summarised in the Alpha Coal Project *EPBC Act Report June 2012*.

<sup>5</sup> The document from which these comments are drawn is not publicly available. It was obtained by Greenpeace in the course of our research. We can provide a copy of this document if needed.

- The method and quantity of surveys conducted for many nationally threatened species did not meet requirements established by SEWPAC. The Coordinator General's report acknowledges this in saying "SEWPAC has advised them that the survey effort applied to the project, given its scale, do not meet the department's survey guidelines"

**Critical habitat**

Paragraph 16-18 of Performance Standard 6 of the Equator Principles deals with critical habitat and reviewing these standards against the Alpha Coal Project reveals that the Project will lead to the permanent loss or alteration of more than one area fitting the Equator Principles' definition of critical habitat, and would therefore be a breach of this framework.

- Paragraph 17 stipulates that the client will not implement any project activities in critical habitat unless it is demonstrated that "The project does not lead to measurable adverse impacts on those biodiversity values for which the critical habitat was designated, and on the ecological processes supporting those biodiversity values." This is not been the case with the Alpha Coal Project.
- The critical habitat affected by the Alpha Coal Project includes 7,000ha of bushland to be cleared for the mine. In their comments on the assessment, SEWPAC state that the survey effort for this species was inadequate, but that:

If present, any population of Black-throated Finch would be considered important. While further discussion does relate to potential impacts to habitat for this species, it should be noted that if the species is found or believed to be present, the estimated 7,154 hectares of largely contiguous habitat on the proposed mine site would almost certainly be considered "habitat critical to the survival of a species"

- The proponent of the mine failed to adequately survey for this species but surveys undertaken by the community in nearby properties have sighted the finch.
- In any case, even were the proponent of the mine to argue that they have been able to meet the requirements of paragraph 17 of Performance standard 6, paragraph 18 requires that the proponent should "where a client is able to meet the requirements defined in paragraph 17, the project's mitigation strategy will be described in a Biodiversity Action Plan and will be designed to achieve net gains of those biodiversity values for which the critical habitat was designated." This has not occurred for the Alpha Coal Project.

**Habitat for migratory species**

Critical habitats are also defined in Paragraph 16 of Performance Standard 6 as habitat supporting globally significant concentrations of migratory species.

- The Australian policy for designating important habitat for migratory species is habitats that support at least 0.1 per cent of the flyway population of a single species, or at least 2000 migratory shorebirds, or at least 15 shorebird species<sup>6</sup>.
- The rail loop for the Alpha Coal Project at Abbot Point would enclose 99ha of the Caley Valley Wetlands (CVW), and will clear a further 16ha of this wetland, which is described a "wetland of high ecological significance in a Great Barrier Reef catchment" and which opens into the waters of the Great Barrier Reef World Heritage Area.
- SEWPAC were, again, highly critical of the survey work undertaken in the Caley Valley Wetlands, and remarked that

<sup>6</sup> See EPBC Act Policy Statement 3.21 "Significant impact guidelines for 36 migratory shorebird species"  
<http://www.environment.gov.au/epbc/publications/pubs/migratory-shorebirds.pdf>

SEWPaC considers that the impacts to migratory species have not been adequately assessed with reference to the CVW being considered important habitat for a number of these species. In the absence of the cumulative impact assessment, the preliminary view of the department is that the Caley Valley Wetland is important to migratory waterbirds and that it will be significantly impacted by coal mine-to-port operations, at least cumulatively.

- We are aware of further survey and assessment work undertaken in the wetlands that have uncovered more threatened and migratory bird species than the proponent's assessment, but these are not yet available, and have not been included in the documentation for this project.
- Under paragraph 17 of Performance Standard 6 of the Equator Principles, project activities cannot be undertaken in critical habitat unless it is demonstrated that the activity: "does not lead to measurable adverse impacts on those biodiversity values for which the critical habitat was designated, and on the ecological processes supporting those biodiversity values"

17. In areas of critical habitat, the client will not implement any project activities unless all of the following are demonstrated:

- No other viable alternatives within the region exist for development of the project on modified or natural habitats that are not critical;
- The project does not lead to measurable adverse impacts on those biodiversity values for which the critical habitat was designated, and on the ecological processes supporting those biodiversity values;
- The project does not lead to a net reduction in the global and/or national/regional population of any Critically Endangered or Endangered species over a reasonable period of time; and
- A robust, appropriately designed, and long-term biodiversity monitoring and evaluation program is integrated into the client's management program.

We do not believe that all of these conditions have been met for the Alpha Coal Project. For the Black-throated finch, loss of more than 7,000ha of "habitat critical to the survival of the species" is a measurable adverse impact and the company has not undertaken sufficient investigation to determine the presence of the species.