

DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT

MS20-900080

To: Minister for the Environment (For Decision)

EPBC ACT - MAJOR PROJECTS - SECOND TRANCHE

Timing: 12 June 2020 - to enable discussions with jurisdictions and announcement on 15 June 2020.

Recommendations:

1. Agree to the second tranche of six 'Major Projects' that will be considered under the *Environment Protection and Biodiversity Conservation Act 1999*.

Agreed / Not agreed

2. Agree to the proposed three levels of service delivery commitments for the first and second tranche of Major Projects to bring these projects online as fast as possible.

Agreed / Not agreed

Minister:



Date: 12/6/20

Comments:

Clearing Officer: Sent 12/6/2020	Declan O'Connor-Cox	A/g Assistant Secretary, Environment Approvals Division	Ph: 6274 2969 Mob: s. 47F(1)
Contact Officer:	s. 22(1)(a)(ii)	Director Environment Approvals Division	Ph: 6274 Mob: s. 22(1)(a)(ii)

Key Points:

- You have been asked by Cabinet to bring forward a second tranche of Major Projects to will help stimulate Australia's economic recovery in the context of COVID-19. These projects will be identified in consultation with relevant ministers and with states and territories (**MS20-900078** refers).
- In February 2020, you agreed to the first tranche of nine Major Projects that are of economic or strategic significance (MS20-000073 refers). You are now being asked to agree to an additional 6 Major Projects listed at **Attachment A**.

- a. These are s. 22(1)(a)(ii) Perth Airport (WA), s. 22(1)(a)(ii)

s. 22(1)(a)(ii)

- b. These projects will have an economic contribution of over \$33.2 billion creating up to 43,600 direct and indirect jobs.
 - c. This is in addition to the existing 'Major Projects' that have an economic contribution of over \$47 billion and 22,500 direct and indirect jobs.
3. The six projects have been determined based on the existing agreed criteria for Major Projects of economic or strategic significance or are a government priority. The Department has worked with the Department of Infrastructure, Transport, Regional Development and Communications and the States to develop this second tranche.

s. 22(1)(a)(ii)

4. There will be three levels of service delivery for the existing and new Major Projects (Attachment B).
 - a. For yet to be referred or newly referred projects: A service charter will be established with the states and proponent to reduce the time to assess these projects (from referral to final decision) by up to half (based on current 3.5 year timeframe).
 - b. For in-train projects: A service charter will be agreed, with the aim of cutting the remaining assessment timeframes in half.
 - c. For advanced projects that are likely to be agreed within 6 months we will meet statutory timeframes for our final approval decision (30-40 business days).

Sensitivities and Handling

5. There is a risk that proponents and states may not provide sufficient information to enable us to meet our commitments. This will be managed through service charters that will set out clear commitments around information requirements. As a fall-back, the Commonwealth can 'stop the clock' on our assessment if information is inadequate.
6. Where there is a lack of certainty around environmental impacts, projects may be approved with less information up-front and outcomes-based conditions, which puts the onus on the proponent to ensure there is no adverse effect on the environment. This may require proponents to supply more information at the post-approval stage.
7. Publically announcing the Major Projects may lead to increase scrutiny on how these have been selected and requests from proponents for their projects to be included. Any further increase in Major Projects may impact on the Department's ability to meet statutory timeframes for all key decisions across all projects.
8. There may be public concern that Major Projects will not be subject to the same assessment processes, which is not the case. Clear communication that there will be no lowering of environment standards will need to be included in any announcements.

Consultation: YES/NIL

9. Department of Prime Minister and Cabinet, Department of Infrastructure, Transport, Regional Development and Communications, relevant State agencies.

ATTACHMENTS

- A:** EPBC Act Major Projects Second Tranche
- B:** Major Project service delivery levels

ATTACHMENT A: EPBC ACT – MAJOR PROJECTS SECOND TRANCHE

After consultation with the States and Department of Infrastructure, Energy, Resources on the proposed second tranche of 'Major Projects' the Department puts forward the six 'Tier 1' projects included in the first table for agreement. The other tiers are included for information and the Department does not recommend that these are suitable for Major Project states at this stage.

TIER 1: Suitable for immediate announcement: 6 projects with an economic contribution of \$32.6 billion creating up to 43,500 direct and indirect jobs.

TIER 1 Project Grouping	State view	Proposed second tranche of Major projects	Description
s. 22(1)(a)(ii)			
Perth Airport upgrades	Not applicable as the project is on Cth land.	2017/8082: S160 Airservices and CASA, Perth Airport New Runway Project, Perth Airport, WA	The development of the new runway project is expected to deliver an increase in the Perth region real economic output through to 2045 by providing jobs associated with construction and operation of the project, as well as reducing delay costs to airlines and passengers and increasing tourism potential.
		2017/8081: S160 Perth Airport New Runway Project, Perth Airport, WA	
		To be referred: Airport Central Terminal and associated airfields	Construction of the new runway will generate up to 487 FTE jobs during the peak construction period estimated to be in the year 2025. The average number of jobs across both construction and operation out to 2045 is estimated at 160 FTE. Total investment for the project is estimated at \$475 million.

s. 22(1)(a)(ii)

S. 22(1)(a)(ii)

TIER 2: May be suitable for future announcements: 3 projects with an economic contribution of \$1.2 billion creating 484 direct and indirect jobs.

TIER 2 Project grouping	State view	Proposed future Major projects	Description
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S. 22(1)(a)(ii)

TIER 3: Not suitable as unlikely to need EPBC Act approval: 5 projects with an economic contribution of \$7.2 billion and creating up to 1700 direct and indirect jobs.

TIER 3: Project grouping	State view	Projects tested but unlikely to need EPBC Act approval	Description
<h1>s. 22(1)(a)(ii)</h1>			

ATTACHMENT B: MAJOR PROJECT SERVICE DELIVERY LEVELS

There will be three levels of service delivery for the Major Projects:

- a. For yet to be referred or newly referred projects: A service charter will be established with the states and proponent to reduce the time to assess these projects (from referral to final decision) by up to half (based on current 3.5 year timeframe).
- b. For in-train projects: A service charter will be agreed immediately with the states and proponent, with the aim of cutting the remaining assessment timeframes in half.
- c. For advanced projects that are likely to be agreed within 6 months, we will meet statutory timeframes for our final approval decision (30-40 business days).

With the addition of six new Major Projects to the existing nine, there will be 15 Major Projects. These 15 projects are comprised of at least 38 subprojects that are at different stages in the assessment process. These subprojects have been have been split into the three service delivery levels. Note projects in blue form part of the already agreed first tranche of Major projects.

There are:

- 11 yet to be referred or newly referred projects
- 18 in-train projects and
- 9 advanced projects that are likely to be approved within 6 months.

Yet to be referred or newly referred Projects

We will reduce the time to assess major projects (from referral to final decision) by up to half (based on current 3.5 year timeframe for major projects) through a service charter with states and proponent.

s. 22(1)(a)(ii)

- Perth Airport Central Terminal and associated airfields

s. 22(1)(a)(ii)**In-train Projects**

We will work with companies and states immediately to agree a service charter for each major project, with the aim of cutting the remaining assessment timeframes in half.

s. 22(1)(a)(ii)

s. 22(1)(a)(ii)

Advanced Projects – likely to be approved this year

These projects are already well advanced and it is too late for a service charter and are likely to have a Commonwealth approval decision in the next six months. The Cth will meet statutory timeframes for our decision (30-40 business days).

s. 22(1)(a)(ii)

- 2017/8082: S160 Airservices and CASA, Perth Airport New Runway Project, Perth Airport, WA
- 2017/8081: S160 Perth Airport New Runway Project, Perth Airport, WA

s. 22(1)(a)(ii)