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To the relevant assessment officer

**RE: DRAFT GUIDELINES FOR AN ENVIRONMENTAL IMPACT STATEMENT  
FOR ABBOT POINT COAL TERMINAL 2, PORT OF ABBOT POINT, QUEENSLAND  
BHP BILLITON METCOAL HOLDINGS PTY LTD (EPBC 2011/6185)**

North Queensland Conservation Council (NQCC) finds the draft guidelines for the above-mentioned project comprehensive and appropriate for the level of risk associated with a massive heavy industrial project that:

- is within the Great Barrier Reef World Heritage Area;
- is within a place included on the GBR National Heritage list; and
- has the potential to have significant negative impacts on six Matters of National Environmental Significance (MNES).

NQCC would like to ensure that the Guidelines also call specifically for a full and detailed cost/benefit analysis (CBA) of the project, on the grounds that this would greatly assist the public and government decision-makers compare what the country stands to gain against what it stands to lose should the development go ahead.

Such a study would require, for example, explicit evaluation of all monetary **and** non-monetary (including but not limited to non-tangible, residual and non-user costs and benefits, including of externalities associated with the development and all direct, indirect and cumulative costs and benefits), and an assessment of the distribution of costs and benefits.

Given the nature of this particular proposal, the analysis should extend to international (ie cross-international-border) costs and benefits, and quantify the costs and benefits over the lifetime of both the proposal and the MNES that are likely to be affected. For example, if foreign income earned is seen as a benefit, then the impact of carbon emissions arising from the project would need to be seen as a cost.

All assumptions made in the CBA would need to be stated in order to render the analysis fully transparent. Sensitivity analysis to test the impact of assumptions would be required.

The guidelines for conducting CBA prepared by the Department of Finance (DoF) would be an appropriate starting place for detailing the CBA required. These guidelines are provided in DoF's 2006 *Handbook for Cost Benefit Analysis*, which 'is intended for use by those officers involved in appraising and evaluating projects and programmes that carry major resource implications'. They are reproduced in Appendix 6 to the

Federal Government's 2010 *Best Practice Regulation Handbook*. A CBA for the purposes of the EPBC would focus on the costs and benefits associated with the proposed project.

Given that industry operates entirely on the basis of cost/benefit analysis, such a requirement would not be onerous, especially given that much of the data required will be collated to meet other requirements of the guidelines.

It is only when costs and benefits are compared that decisions about whether or not to allow damage to world heritage and national heritage assets can be made by the public and decision-makers.

Yours faithfully

A handwritten signature in cursive script, appearing to read "Wendy Tubman".

Wendy Tubman  
Coordinator