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Our ref: 23/12935/55804
Your ref:

Ms Caroline Le Couteur MLA
Legislative Assembly for the ACT
Members Entrance, London Circuit, Civic Square
CANBERRA ACT 2601

Dear Caroline

Auditor General's Report Number 7 2008
Adverse Reflection - Seeking Comment

Thank you for the opportunity to respond to your letter in regard to the Assembly's Standing Committee on Public Accounts submission received as part of the committee's enquiry into the Auditor General's report number 7 of 2008.

GHD has chosen to make comments in regard to extracts from submissions as set out below:

1.1 Submission Comment – Page 7

- The comment on page 7 in regard to a previous report prepared by GHD indicates that "there was nothing "private" or "independent" about this project. Furthermore, the comment states that the proponents had virtually unlimited access to the government, support, documents, press etc. The government had "given" prime land to the proponent without any discussion with the community basing this on a report prepared for the government by GHD and given to the proponents but not the community."

1.1.1 GHD response

- GHD previously prepared a report for the ACT Planning and Land Authority in regard to potential future land-use provisions for the Hume industrial area, south-west of the Mugga Lane waste management facility and land between the waste management facility and Monaro Highway. This report recommended a number of options for the future expansion of industrial land use in the locality. It envisaged a buffer between the existing residential areas and relatively small lot industrial development adjacent to Mugga Way. After the report was completed and delivered to government its future use was entirely in the hands of government. While GHD stands behind the recommendations included in this report, it could not envisage a large-scale industrial employment-based development similar to the one proposed by the proponents. The link between a recommendation that the land is suitable for some industrial use and a particular use is tenuous at best. In this work, not only is GHD independent from the proponent but also from a range of other technical inputs, on which GHD reported.

1.2 Submission Comments – Page 8

- Comment was made in regard to the EIS - "the EIS was a joke compiled by the same company who conducted the original HIPS. They did not conduct any site specific research or analyse any report in an independent expert manner. (See the financial viability report which GHD approved within less than 24 hours of receiving and has since proven to be pretty vacuous nonsense given TRE (sic) has requested $34 million of taxpayer's money to support their private profit-making scheme)."

1.2.1 GHD responses

- If it is assumed that the HIPS is the Hume industrial planning study, this was prepared by GHD, but did not and could not pre-empt a large-scale data centre building with a co-located power plant. It recommended that the land had some potential future use for industrial purposes. As mentioned above, it is being suggested that GHD may have had a conflict of interest in then collating the Environmental Impact Assessments (EIA's), however, GHD did not pre-empt this type of development and could not be perceived to have had a conflict in the assessment of the EIS. Additionally, GHD collated and reviewed much of the information that had been provided by a range of other professional consultancies, which it then summarised in the EIS. GHD prepared only some parts of the EIA documentation. It should be noted that the EIA documentation is usually prepared separately and then summarised into an EIS. Such assessment documentation is appended to the EIS for reference by interested parties as part of the normal process.
- Comment on page 8 indicates that ACTPLA required a Health Impact Assessment (HIA) to be prepared and that this task was then undertaken by an "unskilled, consultancy firm". GHD did not prepare or review the HIA. Furthermore, the HIA was not provided to GHD until after the Environmental Impact Statement (EIS) was substantially completed per advice.
- The Financial Viability Report (FVR) was never endorsed or approved by GHD. It was a report prepared on behalf of the proponent, as a part of the EIA and a statement based on its findings is included in the EIS, prepared by GHD. As mentioned above, many of the EIA reports were prepared by other professional consultancies. These "others" are independent, professional organisations who have responsibilities to their "professions" to provide reliable, independent and accurate information which is then used by the professional organisation preparing the overall statement. The argument appears to be that, GHD and subsequent other professional organisations involved in the preparation of individual EIA components are not independent of each other, or the project. This is not the case GHD has no relationship with the organisation that prepared the financial viability report. Accordingly, in preparing the EIS, in this instance, GHD was not responsible for independently validating this report. GHD relied on the report as provided, and this is an appropriate response maintaining independence.
- Much of the work required to be undertaken by the EIA, as required by the Minister, had been undertaken as part of the previous development application and PA. Consequently, parts of the EIS were collated from information previously provided to the government by the proponent. Additional work was required, of which, some was prepared by GHD, and other parts prepared by other professional organisations selected for their qualifications and experience in relevant fields. Where GHD prepared information for the EIA; the information was collected, collated and prepared to relevant scientific and professional standards. Where necessary this EIA preparation included field/site visits. As mentioned above, a number of these tasks were carried out by other independent organisations who undertook their investigations in the field.

1.3 Submission Comment – Page 21

1.3.1 GHD responses

- Comments on page 21 seem to be jointly and severally pointed at both the EIS and the HIA, bundling them up into the same argument. It needs to be pointed out that these documents were prepared separately and that while GHD prepared the EIS, it had no input into the HIA, or the health impact issues: The HIA was prepared separately and independently from GHD.
- Questions in regard to the need to provide data on PM 2.5 emissions is covered in the EIS. While several objectors indicated that these conditions needed to be studied, specialists within GHD reviewed the air quality data provided and particulate matter emitted by this type of industrial activity and concluded that further discussion on PM 2.5 emissions would not add to the understanding of the environmental impact or community health impact of this development.
- The EIS was prepared under legislation that was relevant at the time of the lodging of the development application. While it is noted that the legislation was repealed prior to the delivery of the statement to the government, the legislative changes had been in the pipeline for some years prior to gazettal. Nevertheless, the application to which the EIS applied was lodged prior to the changed legislation and consequently had to comply with the previous legislation. At a later date, a new application was lodged with government, on another site under new legislation. These events were coincidental and did not relate to the completion of the original EIS which is site specific. GHD was not involved in or consulted on the alternate site.
- Where specific information required specialists to be included in the interpretation, writing and development of information, appropriate specialist people were engaged. The HIA was not prepared by GHD, and GHD did not rely on information in the health impact assessment. These are separate documents, with separate purposes, prepared by separate organisations.

1.4 Submission comment –Page 22 (1)

- Comment on page 22 that "Minister Barr had called for an environmental impact statement in August 2008", and that "that statement is irrelevant and an attempt to silence the health impact assessment, ward of an election issue and result in a worthless document which was shoddy, uncritical and written by a consultancy firm that already had a vested interest in the proposed industrialisation of that land"

1.4.1 GHD response

- This commentary is clearly a misrepresentation of the events, the documentation and the purpose of the EIS as well as the processes involved in preparing and writing the documents.
- As stated previously the EIS is a statement about a large number of documents that have been prepared as a part of various EIA modules. The purpose of the EIS is to draw together the information that has been provided by independent, accountable and professional organisations: these include but are not limited to GHD. The EIS is, critical but balanced: a statement of the facts in regard to environmental impacts and independent of the HIA. These 2 documents set side by side provide the government with a range of views, to enable it to make a decision.

- The comment in regard to whether or not the consultancy firm (GHD) already had a vested interest in the proposed industrialisation of that land is not relevant to the preparation of the EIS. Furthermore, while GHD had recognised that some of the land in the vicinity of this development was capable of "industrial type" development, it did not and could not pre-empt this type of development on this site. Indeed, GHD had recommended that development similar to the data centre and gas-fired power station in scale and impact should be developed on land to the east of the Monaro Highway. It did not recommend that this type of development should be on the land the subject of the EIS. The previous study did not go into this level of detail, although it did recommend small lot industrial development in the vicinity of this development proposal.

1.5 Submission comment – Page 22 (2)

- Further comments on page 22 indicate that the government "did not feel any compulsion to comment on the choice of GHD as the authors of the so-called EIS...."

1.5.1 GHD response

- While GHD had previously prepared some strategic documentation for the government in regard to the Hume industrial area, there was no recommendation that this type of development would be appropriate for the site. The site, at the time the development application was lodged, was zoned for rural land use. The government received advice, independent of GHD that the land use was appropriate for the zone. GHD had no pecuniary interest in the organisations undertaking the development. Although GHD had been involved in previous advice on the future use of the land: this did not pre-empt another section of the company making a recommendation in regard to the development application, through the EIS that could lead to an adverse finding.

1.6 Submission comment – Page 23

- Comment on page 23, "...but the passing of the fast tracking legislation in December 2008 showed how little the government cared about the contents or recommendations of an EIS..." seems to relate to the government's process in regard to whether or not it considered, or would have considered, the findings of the EIS.
- Further on page 23 it is contended that because GHD found the financial viability study to be sound, "and it is clearly not" this throws doubt on other judgements made by GHD.

1.6.1 GHD response

- As previously mentioned, the financial viability of the development was assessed by other professional organisations, who found that under a range of assumptions the proposed development would be financially viable, provided the assumptions remained stable. GHD would like to point out the following:
  - GHD relied on the financial viability statement; it was prepared by other professional organisations who have a reputation for reliability; and
  - GHD's brief was to collate the EIS from a range of information sources that were provided by other professional organisations, or to fill the gaps where specialist advice is available within the organisation. On a number of occasions, GHD recommended advice be sought from specialists, and it was.

1.7 Submission comment – Page 33

- On page 33 are a number of issues raised in regard to GHD and the EIS. It is concluded that because GHD were the authors of the Hume Industrial Planning Study, which had originally recommended the conversion of the Tuggeranong Broadacre buffer zone into industrial land" and had suggested the site as being suitable for a gas-fired power station - albeit without doing any topographical or specific studies on the land" GHD was therefore an unsuitable organisation to write the statement.

1.7.1 GHD response

- While GHD had recommended that some of the land should be rezoned into an industrial land use capability in the medium to longer term, it did not recommend that a gas-fired power station would be a suitable use of this site. On the contrary, a recommendation was made that a data centre might be a suitable use on the eastern boundary of the existing industrial zoned land adjacent to the New South Wales border.

Once again, GHD would like to thank the Assembly's Standing Committee for the opportunity to respond to submissions. GHD prides itself on being a professional, independent and robust advice providing organisation that maintains high standards of professional integrity. Indeed, we pride ourselves on integrity and consequently we take great care to choosing the type of work we will undertake. In this case, the organisation researched the issues before taking on the preparation of the statement. As a consequence, GHD is confident that it can stand behind the information that it has provided to Government and to ACTPLA.

Yours faithfully
GHD Pty Ltd

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