

Endangered species can pose a threat to massive resource projects, but in many cases it is resource companies that identify the species and the risk. **Carolyn Batt** reports.

Greenmail in the outback

A carnivorous flat-backed turtle, a nocturnal parrot averse to flying and a tiny eyeless arachnid seem an unlikely team of warriors to take on Australia's mining heavyweights.

Yet these and other little-known creatures, often only discovered thanks to the efforts of the miners themselves, are putting a brake on resources development at a time of unprecedented demand for commodities.

Last month the Environmental Protection Authority rejected Rio Tinto's \$12.5 billion plans to expand its iron ore mine 43km west of Pannawonica because there was a "high and unacceptable risk" that the project would result in the extinction of at least five species of "troglobitic fauna". The tiny spider-like creatures, less than 0.5cm in length and boasting feelers rather than eyes, were discovered in 2003 by Rio Tinto's own researchers.

The decision has immediately pitted conservationists against the mining industry. Several politicians have slammed the finding as "ludicrous", and Rio is preparing for an appeal. But environmentalists argue every species is precious, whether cuddly or not, and an extinction risk should not be tolerated.

It is not the first time the State's booming resources industry has come into conflict with issues of flora, fauna and heritage protection. Other high-profile examples include: Portman Mining's activities at Koolyanobbing potentially affecting the endangered flowering

bush tetratheca; the recent approval of an onshore processing facility on the Burrup Peninsula resulting in the loss of ancient rock art; the Chevron-operated LNG project on Barrow Island which is home to the rare flatback turtle, and Fortescue Metals' plans for the Chichester Range raising concerns for the almost-extinct night parrot.

Striking the balance between economic and business imperatives on the one hand, and environmental and heritage protection on the other, is naturally controversial.

Richard McLellan, WA manager of conservation organisation WWF, said the approval of Chevron's expanded project on Barrow Island, an A-class reserve, was a clear example of a wrong decision. "It is a unique landscape, and for a bit of extra cash, the whole option could be moved onshore," he said. "It all comes down to cost."

But David Parker, director of policy at the Chamber of Minerals and Energy, emphasised the positive contribution to the environment made by mining companies, noting that the resources sector employs more environmental scientists than any other industry in WA. Rio Tinto Iron Ore, for example, employs 65 environmental specialists.

"I do think we get the balance right," he said.

"There is a huge amount of effort in time and resources deployed into environmental practice, and it's also important to note that our sector plays an important role in contributing to the environmental knowledge base, particularly in the discovery and conservation of rare

flora and fauna."

This is true. Resources companies spend millions each year on environmental impact statements and biodiversity studies. BHP Billiton alone spent \$US309 million (\$382 million) last year on global environmental management. More than half of this was on site rehabilitation, but \$US78 million was spent on environmental impact statements and training.

Woodside has spent more than \$2 million over the years on biodiversity surveys in the North West Cape region, while Rio Tinto is believed to have spent more than \$1 million on environmental studies at the Mesa A deposit at the centre of the current controversy.

The number of WA fauna species listed as threatened has grown from 120 in the year 2000 to 204 now, while the list of threatened flora has increased from 335 to 378. Rather than reflecting an increasingly dire situation for Australian wildlife, however, the rise is mainly due to discoveries of previously unrecorded or presumed extinct species, often during mining groups' pre-project investigations.

Improving scientific techniques, more stringent regulatory requirements and a significant increase in exploration mean the number of known threatened species is likely to continue to grow.

In addition to talking up its environmental credentials, the mining industry also points to its economic importance for the State.

The value of production in WA last year was more than \$48 billion, translating to a record \$1.9 billion in

royalties flowing directly into the State's coffers.

Statistics also suggest that for every job in the resources industry, five supporting roles are created. The Barrow Island project is expected to create 2500 jobs.

The town of Pannawonica, which has 700 residents, is dependent on Rio Tinto's mine and a mass exodus is predicted if the project does not proceed.

The fact that resources companies assess projects by their dollar value represents a dilemma for those trying to argue the worth of delicate eco-systems and culturally significant sites.

"The real dilemma is that most components of the environment have never been costed in an economic sense," Mr McLellan said. "In some cases, it is impossible to say what an eco-system is worth."

However, Dr Steven Schilizzi, a lecturer in the school of resource economics at UWA, said there were now techniques for estimating how

much society values a particular environmental or cultural asset.

These take into account both a species' "use" value — for example where it is a food source or has significance for the tourism industry — and its "passive" value.

Passive value takes account of people's desire to bequeath wildlife to future generations and the value placed on the mere existence of a species.

The figures reached are necessarily approximate, but help in a cost-benefit analysis, Dr Schilizzi said.

He also noted that the direct financial benefits of mining tended to flow to a relatively small group of stakeholders, while environmental benefits were enjoyed by the whole population.

All of this balancing is irrelevant to the EPA, however, whose remit does not allow it to consider the broader social and economic effects of a project.

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EPA chairman Wally Cox has emphasised that the recommendation is made on environmental grounds only. Ultimately, the decision is one for State Environment Minister David Templeman, who will consider but is not obliged to follow the EPA's advice.

Observers note that because potential extinction of a species is purportedly at stake, Rio's situation is more difficult.

And while the EPA — which has hundreds of projects referred to it each year — frequently approves projects subject to conditions, it is rare for the authority to issue an outright rejection.

However, history nevertheless favours the mining giant. The last time the EPA rejected a resources project was when it considered the Barrow Island proposal in mid-2006.

Six months later, the Government gave the project the green light.

ENDANGERED

2000 vs 2007

- Flora (threatened) 335 vs 378
- Flora (presumed extinct) 22 vs 14
- Fauna (threatened) 120 vs 204
- Fauna (presumed extinct) 13 vs 18

Source: Government Gazette



Illustration: Toby Wilkinson