

Our Ref: SE-10091

9 September 2025

Ads Standards PO Box 5110 BRADDON ACT 2612

Complaint lodged via website at: www.adstandards.com.au

RE: Greenwashing - North Queensland Export Terminal

- 1. We act for Climate Integrity. Climate Integrity is a not-for-profit advocacy group championing science, transparency, accountability and justice in the transition to zero emissions.
- Our client requests that Ads Standards investigate whether statements made by North
 Queensland Export Terminal (NQXT) in an advertisement on their website are potentially
 misleading, in breach of the Environmental Claims Code (Code).
- 3. On the NQXT website, the following statements are made:
 - a. "NQXT and Abbot Point Operations are committed to putting sustainability at the core of our business and aligning our sustainability focus areas with global initiatives"
 - b. "We have identified that Sustainable Development Goals one, seven, nine, eleven, fourteen and fifteen are most relevant to our business."
 - c. We are conserving and protecting wetlands, particularly the Caley Valley Wetland, such as by investing heavily in the onsite stormwater management system."
 - d. "this work is already helping us to deliver positive environmental outcomes for the Caley Valley Wetlands"
 - e. "The terminal is committed to protecting the local environment...all activities are managed appropriately in a safe and environmentally responsible manner."
 - f. "The Terminal's water management systems are highly effective and support enormous biodiversity including fish, amphibian, and birdlife." ...

(together, the **Statements**).

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Environmental Claims Code

- 3. The relevant sections of the Code are as follows:
 - a. Section 1(a) which provides that Environmental Claims shall not be misleading or deceptive or be likely to mislead or deceive;
 - b. Section 1(b) which provides that Environmental Claims shall display any disclaimers or important limitations and qualifications prominently, in clear, plain and specific language;
 - c. Section 2 which provides that Environmental Claims must be relevant, specific, consistent with the body of evidence, and clearly explain the significance of the claim;
 - d. Section 3 of the Code which states that environmental claims must "be specific broad, vague or unqualified claims should be avoided"; and/or
 - e. Section 4, which provides that the Environmental Claims must not overstate the benefit to the environment.
- 4. Our client considers that the Statements may breach these sections of the Code for the reasons that follow.

Potentially misleading claims

Claim 1 - NQXT operations are aligned with United Nations Sustainability Goals

Words likely to mislead or deceive – alleged breach of sections 1 and 3 of the Code

- 5. The NQXT website claims that their actions and business model are "aligned" with the United Nations Sustainable Development Goals (**UNSDG**). The website particularly identifies UNSDG 7 as being "most relevant to our business". By aligned, a consumer would understand that their operations are consistent with the UNSDG goals namely ensuring access to affordable, reliable, sustainable and modern energy for all.
- 6. NQXT primary purpose is to provide deep water coal export terminal with a capacity to export up to 50 million tonnes of coal per annum. Coal is a fossil fuel and the largest emitter of energy related global carbon dioxide and the largest source of energy generation. As the largest source of energy-related CO2 emissions globally it is a major contributor to climate change. Coal use traps heat in the atmosphere, warming the planet and causing impacts like extreme weather, sea level rise, and drought. It is therefore a major contributor to climate change. Every pathway that seeks to avoid the major impacts of climate change and stay within the temperature goals of the Paris Agreement involves early and significant reductions in coal-related emissions. A United Nations expert group on Net Zero emissions commitments has recommended no new or expansion of coal reserves, since mining coal is a primary contributor to anthropogenic climate change. Coal is therefore the opposite of "sustainable" and will not

¹ Executive summary – Coal in Net Zero Transitions – Analysis - IEA

² United Nations' High-Level Expert Group on the Net Zero Commitments of Non-State Entities, <u>Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions</u> (8 November 2022), 24.

- provide affordable and reliable energy. In fact renewable energy such as solar or wind power, even when firmed by energy storage are cheaper than operating most coal plants.³
- 6. The UNSDG 7.2 identifies that a key target of goal 7 is to "increase substantially the share of renewable energy in the global energy mix". As a coal exportation business, NQXT is a source of fossil fuel production and bolsters the supply chain of non-renewable energy. However, in contravention of section 3(c), there are no specified caveats or disclaimers on the purported alignment with UNSDG 7, so it is unclear if the statement is intended to refer to the entire goal or only part of it. Rather, the general reference to goal 7 and the use of the term "sustainability" to describe the NQXT business is vague, in conflict with section 3(b) of the Code.
- 7. In our client's view, a consumer would interpret the broad reference to "sustainability" and "goal 7" to mean the entirety of goal 7 and assume that the NQXT port operations are contributing to a substantial increase in renewable energy sources and overall sustainability. Our client contends that the ordinary reader would be familiar with the distinction between renewable energy sources and fossil fuels and would be misled into believing that NQXT is involved in promoting renewable energy other than coal by the language used on the website.

Claim 2: NQXT is conserving and protecting the Caley Valley Wetland

Overstates environmental benefit – alleged breach of section 2 and 4 of the Code

- 8. The NQXT website makes a claim that their coal exportation business produces a net positive benefit to the surrounding wetlands, particularly the Caley Valley wetlands. It implies by using the words "conserving and protecting wetlands" and "deliver positive outcomes" that NQXT has implemented measures to preserve the wetlands from degradation and improve their physical state.
- 9. Consumers would interpret these statements to mean that NQXT are leaving the Caley Valley wetlands better off than they would have otherwise been without their intervention. The meaning of the word 'conserve' would lead a consumer to assume that the operations are actively supporting the wetlands and avoiding any behaviour that could have a negative impact. However, the environmental controls at the port are more focused on mitigating risks such as sediment runoff or major disruption to habitats that inevitably occur while operating coal export terminals. These measures are not conservational in nature, because they do not seek to improve the Wetlands or counter their degradation. In fact, as coal contributes to climate change, which can increase temperatures, it is more likely to put the wetlands at risk. The Australian Government's Department of the Environment and Energy states that wetlands are highly vulnerable to climate change, especially wetlands that are degraded or modified.⁵

³ Commonwealth Scientific and Industrial Research. (2024). GenCost 2024-25 Report. URL: <u>24-00479_EN_INFOGRAPHIC_GenCost24-25Consultation_FINAL1_241.png</u> (3508×2480).

⁴ University of New South Wales, 'Escalation: The destructive force of Australia's fossil fuel exports on our climate' (August, 2024) Australian Climate Accountability Project, 11-12.

⁵ Australian Government Department of the Environment and Energy, *Wetlands and Climate Change* (2019).

- 10. NQXT's location adjacent to the Caley Valley wetlands makes it more susceptible to the impacts of pollution associated with coal. In fact, NQXT in 2017 was charged with releasing water polluted with almost double the allowable total suspended solids into the Caley Valley wetlands. Conservation groups reported a similar incident that occurred in 2019. NQXT is not capable of delivering positive outcomes for this sensitive ecosystem. In contravention to section 2.1 of the Code, these statements present coal mine exports as having a positive environmental impact on surrounding ecosystems, without showing any evidence of the benefits or improvements to the Wetlands. The section is also silent on the fines they've received for polluting the wetland.
- 11. Additionally, section 2.5.8 of the Abbot Point Development Scheme Approval⁸ requires NQXT to minimise adverse impacts on water quality arising from altered stormwater quality or flow. This means that the stormwater monitoring is not something done voluntarily, but in compliance with the regulatory requirements for operating the port. We refer to decision 0296-23 about NSW Mining made by the Ad Standards Community Panel where similar claims about environmental benefits that were required by law were found to be misleading to consumers.
- 12. Furthermore, the claim that the operations are preserving and protecting "wetlands, particularly the Caley Valley wetlands" would lead consumers to think that work is also being done to support other wetlands outside of the Caley Valley wetlands. In contravention of section 2 of the code, this claim is not supported by any reasonable evidence that demonstrates work being done other than stormwater monitoring in the Caley Valley wetlands. The claim is therefore misleading because monitoring activities of the NQXT are limited to the Caley Valley wetlands and do not form part of a larger conservation project in surrounding wetlands.

Claim 3: NQXT is protecting the local environment

No reasonable basis – alleged breach of section 1 of the Code

- 13. The statements that the "terminal is committed to protecting the local environment" and that "all activities are managed appropriately in a safe and environmentally responsible manner" do not have a reasonable evidentiary basis. They imply that the exportation of coal helps to protect the local environment and that operations are conducted in ways that will protect or benefit the environment.
- 14. As represented in a UNSW Climate Accountability Project, exportation of fossil fuels has a significant impact on rising temperatures, increasing the risk of extreme weather events that can damage the local environment. This includes increasingly irreversible loss of species

⁶ Adani fined for releasing polluted water into wetlands - Australian Marine Conservation Society

⁷ Adani must come clean on wetland... | Australian Conservation Foundation, Adani coal terminal releases more water into wetlands near Abbot Point port - ABC News

⁸ The project was previously known as Abbott Point Port and is known as NQXT.

⁹ University of New South Wales, 'Escalation: The destructive force of Australia's fossil fuel exports on our climate' (August, 2024) *Australian Climate Accountability Project*, 14.

through mass mortality events on land and in the ocean. ¹⁰ As a result, the Statements are likely to mislead readers into believing that the local environment will be protected, rather than harmed, by the operation of the NQXT port. The analysis is narrowly focused on the direct impacts of the port on the local environment, rather than the cumulative impact of their whole operation on the local environment. Given the port has the capacity to export 50 million tonnes of coal per annum, it will through the facilitation of coal export ultimately lead to burning of fossil fuels and climate change impacts. The port's local environment includes the Great Barrier Reef that is significantly impacted by climate change. ¹¹ The impacts of global warming on the Reef include sea level rise, ocean acidification, more intense storms and rainfall, changes in ocean currents, and lasting damage to the reef itself through coral bleaching from warmer temperatures. Globally, coral reefs are projected to decline by 70 to 90% if climate warming remains at 1.5°C, having a significant impact on marine biodiversity and local fisheries. ¹²

Selective use of supporting evidence – alleged breach of section 2 of the Code

- 15. As outlined, despite the scientifically documented impacts of climate change including on the Great Barrier Reef, the website does not mention these negative effects, instead exclusively represents the port as having a positive contribution to the local environment. This contravenes s 2(b) of the Code that requires there to be "sufficient disclosure of any negative impacts" on the environment.
- 16. The evidence provided to substantiate the claim that NQXT protect the environment included references to the dust monitoring program and compliance reporting. In contravention of section 2, this is a selective use of evidence that misrepresents the overall harm that coal mine exports have on the local environment by contributing to climate change.
- 17. Additionally, monitoring particulate matter with regards to air quality is legally required under 5.14 of the Final Guidelines for Abbot Point Coal Environmental Impact Statement. The representation that this prevents environmental harm and pollution creates a misleading impression that this is beyond the legal obligations of NQXT. Monitoring dust pollution and air quality is not a voluntary requirement that can be used as evidence of NQXT's protection of the local environment.

Claim 4: Adani's water management systems support biodiversity

Overstates environmental benefit – alleged breach of section 2 and 4 of the Code.

18. The statements that NQXT's water management systems "support enormous biodiversity including fish, amphibian, and birdlife". It references UNSDG 14 which has the objective of "conserve and sustainably use the oceans, seas and marine resources for sustainable development" and UNSDG 15 whose objective is to "protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, and halt and reverse land degradation and halt biodiversity loss". This implies that the port which purpose is to support

¹⁰ Intergovernmental Panel on Climate Change, <u>Climate Change 2023 Synthesis Report (</u>2023), 5.

¹¹ Climate change | Reef Authority, Understanding climate threats to the Great Barrier Reef | Climate Change Authority

¹² Understanding climate threats to the Great Barrier Reef | Climate Change Authority

- coal exports and mining has a genuine and direct benefit on the marine and land biodiversity of the region.
- 19. The claims made in the webpage are unsubstantiated by any evidence that could support the assertion that the Port's water management systems support biodiversity. Viewers of the webpage would expect that the meaning of the statement 'support[s] enormous biodiversity' is that the NQXT water management safeguards the wellbeing of marine and terrestrial life. Instead, the coal exports it supports cause strong concerns about water availability and security, since large volumes of water are used to manage dust levels. This contributes to the increasing scarcity of water, impacting terrestrial and marine populations.
- 20. While there is some demonstrated benefit to biodiversity through weed management, this is represented as being supported by the water management systems in use by the Port. However, there is no evidence to support the claim that NQXT's water management supports biodiversity. The benefits given to biodiversity are primarily through partnership work that is separate from the Port's internal systems. In contravention of section 2 of the code, this is a selective use of evidence that focuses on the positive effects of removing invasive species without acknowledging the impact of coal mining that is supported by the port, on the degradation of land and environment.

Yours sincerely,

Environmental Defenders Office

Kirsty Ruddock

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¹³ Gao et al., 'A systems model combining process-based simulation and multi-objective optimisation for strategic management of mine water' (2014) 60 *Environmental Modelling & Software* 250.

¹⁴ Intergovernmental Panel on Climate Change, *Climate Change 2023 Synthesis Report* (2023), 6.