

DAN RATHER (ON CAMERA)

GOOD EVENING. THE UNITED NATIONS AGENCY UNESCO IS MEETING NEXT WEEK TO ADDRESS SERIOUS THREATS TO SOME OF THE MOST SPECTACULAR AND TREASURED PLACES ON EARTH. AT THE TOP OF THE LIST IS AUSTRALIA'S GREAT BARRIER REEF WORLD HERITAGE SITE. THE CONCERN STEMS FROM THREE ENORMOUS NATURAL GAS FACILITIES THAT ARE BEING BUILT WITHIN THE PROTECTED SITE. AND A GOOD CHUNK OF MONEY TO BUILD TWO OF THOSE PLANTS HAS COME FROM A RATHER OBSCURE US FEDERAL AGENCY THAT HAS PROVIDED BILLIONS OF DOLLARS -- THAT'S BILLIONS WITH A "B" --IN CRITICAL FINANCING. THE AGENCY IS CALLED THE EXPORT-IMPORT BANK..OR EX-IM...ITS MISSION IS TO SUPPORT PROJECTS THAT WILL BOOST AMERICAN EXPORTS...AND EMPLOY AMERICAN WORKERS. BUT THOUSANDS OF MILES AWAY, THERE IS A BELIEF THAT THE PLANTS IN AUSTRALIA ARE CONTRIBUTING TO THE DESTRUCTION OF ONE OF THE WORLD'S NATURAL WONDERS.

KIERAN MORAN, PUBLIC RELATIONS, GLADSTONE PORTS CORPORATION

Good morning everyone...and welcome to the Gladstone Ports Corporation Western Basin harbor cruise.

RATHER (VOICE OVER)

WE'RE ON A TOUR OF GLADSTONE HARBOR...

MORAN

This is a two-hour cruise. We'll be taking you past some of the developments that are happening in the Gladstone Harbor.

RATHER (VOICE OVER)

A NARROW SLIT OF WATER ON AUSTRALIA'S EAST COAST STATE OF QUEENSLAND.

MORAN

So sit back and enjoy the tour.

RATHER (VOICE OVER)

IT'S HOME TO SOME OF THE LATEST -- AND LARGEST -- PROJECTS TO GET U-S EXPORT- IMPORT BANK FINANCING: A PAIR OF MASSIVE NATURAL GAS PLANTS THAT RECEIVED NEARLY \$5 BILLION IN EX-IM LOANS LAST YEAR.

RATHER (VOICE OVER)

THIS TOUR IS BEING LED BY KIERAN MORAN, HEAD OF PUBLIC RELATIONS FOR THE GLADSTONE PORTS CORPORATION -- THAT'S THE AGENCY IN CHARGE OF THE HARBOR...AND THE FOCUS IS THE NEW NATURAL GAS DEVELOPMENTS. THE COMPANIES WOULD NOT ALLOW US ON THE CONSTRUCTION SITES... SO WE CHARTERED A LOCAL HELICOPTER... AND FROM THE AIR YOU CAN SEE JUST HOW MASSIVE THE PROJECTS HAVE BECOME. THIS HARBOR WILL SOON BE ONE OF THE WORLD'S MOST IMPORTANT EXPORT CENTERS OF LIQUIFIED NATURAL GAS, OR LNG.

QGC PROMOTIONAL VIDEO

As a leader in Queensland's emerging coal seam gas industry, QGC will play a key role in setting, achieving, and surpassing standards expected by the public and regulators.

RATHER (VOICE OVER)

METHANE WILL BE MINED ABOUT 300 MILES INLAND, PUMPED TO THE PORT THROUGH THESE NEWLY LAID PIPELINES...AND THEN COOLED INTO A LIQUID THAT CAN BE SHIPPED OFF TO A VORACIOUS ASIAN MARKET.

MORAN

The initial annual capacity of the LNG plant here once it's built will be between 3 million and 4 million tons. And they're hoping to be ready to be exported by early 2015.

RATHER (VOICE OVER)

TO PREPARE THE HARBOR, THE PORTS CORPORATION LAUNCHED THE LARGEST DREDGING PROJECT IN AUSTRALIA'S HISTORY... SOME 26-MILLION CUBIC METERS OF SEABED SUCKED FROM THE HARBOR BY DREDGES LIKE THIS-- ENOUGH TO FILL BEIJING'S OLYMPIC STADIUM MORE THAN EIGHT TIMES.

MORAN

That's pretty much to facilitate mainly the LNG ships that will be coming into Curtis Island which we'll Talk about as we're going past.

RATHER (VOICE OVER)

THIS TOUR IS INTENDED FOR LOCALS ONLY. THE GOAL IS NOT ONLY TO SHOW HOW THE LNG PROJECTS WILL HELP THE AREA'S ECONOMY...BUT TO EASE WIDESPREAD CONCERNS THAT THEY WILL HARM THE HARBOR'S MARINE LIFE. BUT SUDDENLY, AN UNWELCOME SOUND TAKES OUR GUIDE OFF SCRIPT.

MORAN

Of course we're going to hearing the pile driving. This is where the wharf is going to be for the QGCLNG site.

BOAT PASSENGER

That noise. What's it doing to the life in the water. It's hurting my ears. And it must be hard going under there. Poor bloody fish.

RATHER (VOICE OVER)

A RISING CHORUS OF ENVIRONMENTALISTS...SCIENTISTS...AND OUTSPOKEN LOCALS LIKE CHERYL WATSON HERE... HAVE BEEN WARNING THAT THESE PROJECTS WOULD HAVE IRREVERSIBLE IMPACTS ON THE HARBOR'S SENSITIVE UNDERWATER ECOSYSTEM. AND THEIR VOICES HAVE BEEN HEARD, DRAWING ATTENTION FROM INTERNATIONAL MEDIA LIKE THIS CREW FROM FRANCE.

MORAN

This is why I shouldn't have let her on.

RATHER (VOICE OVER)

AND THE PRESENCE OF CHERYL WATSON ON THE BOAT TURNS THE GOODWILL TOUR INTO A CONFRONTATION.

MORAN

Cheryl bloody Watson. If I knew she was on here, I probably wouldn't have put you on here.

RATHER (VOICE OVER)

THOSE IN FAVOR OF THE PROJECTS ARE NOW ON THE DEFENSIVE. THE FRENCH CREW STARTS TO INTERVIEW WATSON. BUT KIERAN MORAN TRIES TO STOP THEM.

MORAN

I'd rather you didn't. She's going to walk around and keep talking about the projects and stuff and the falsities of the project. You're here as our guests, so I'd rather you didn't.

MEMBER OF THE FRENCH MEDIA

Sorry?

MORAN

You're here as our guests, so I'd rather you didn't speak to Cheryl. Because it's completely biased against the project.

BOAT PASSENGER

What's wrong with free speech? You're trying to stop her from having her say. Come on.

RATHER (VOICE OVER)

BUT THE PROJECTS AREN'T JUST IGNITING LOCAL TENSIONS. THEY'VE COME UNDER FIRE FROM CONSERVATIONISTS AROUND THE WORLD. THAT'S BECAUSE JUST ABOUT 40 MILES AWAY LIES ONE OF THE WORLD'S MOST SPECTACULAR NATURAL TREASURES: THE GREAT BARRIER REEF --AMONG THE MOST FRAGILE, COMPLEX AND INCREDIBLY DIVERSE UNDERWATER ECOSYSTEMS ON EARTH...HOME TO THE WORLD'S LARGEST STRETCH OF CORALS...SOME 1,500 DIFFERENT SPECIES OF FISH...ENDANGERED SEA TURTLES, LIKE THIS GREEN TURTLE WE SPOTTED ON A DIVE...AND THIS COUSIN OF A MANATEE, CALLED A DUGONG.

IN 1981, THE UNITED NATIONS AGENCY UNESCO PUT THE REEF ON ITS LIST OF WORLD HERITAGE SITES – THAT'S A RARIFIED GROUP OF NATURAL AND CULTURAL SITES THE AGENCY DETERMINED TO HAVE A SPECIAL VALUE FOR ALL OF HUMANITY. THE REEF IS SAID TO BE THE ONLY LIVING THING VISIBLE FROM SPACE, AND ALL 1,300 MILES OF IT ARE PART OF THE PROTECTED WORLD HERITAGE SITE. UNESCO ALSO INCLUDED SURROUNDING HABITATS IN THE SITE TO PROTECT THE REEF FROM ENCROACHING DEVELOPMENT. BUT THE NEW US FINANCED NATURAL GAS PROJECTS SIT SQUARELY IN THIS PROTECTED ZONE.

CHERYL WATSON, THE LOCAL RESIDENT YOU SAW ON THE BOAT TOUR, LIVES ON CURTIS ISLAND, WHERE THE TWO NATURAL GAS PROJECTS ARE BEING BUILT.

CHERYL WATSON, RESIDENT, CURTIS ISLAND

Yes, I believe that the American government or American bank should have perhaps been a little bit more diligent in their research for this project.

For example, um, are they allowed, or would they allow --- a gas plant on one of their World Heritage listed areas. Would they do that? So, I don't know, they may. But if they wouldn't do it in America, why should they do it here?

RATHER (VOICE OVER)

WATSON SAYS THE COMPANIES HAVE STEAMROLLED LEGITIMATE LOCAL CONCERNS WITH THE PROMISE OF BIG MONEY AND JOBS.

WATSON

This is gonna sound dramatic, and I don't think I'm a dramatic person, um, but, the truth is it breaks my soul. It hurts. Um, it's depressing to see what's happening because I cross the harbor regularly going to the island, to see the dirty water. They don't care about the town. Their homes are somewhere else, their families are somewhere else.

RATHER (VOICE OVER)

THESE LNG PROJECTS ARE BEING DEVELOPED BY TWO SEPARATE COMPANIES: AUSTRALIA PACIFIC, OWNED IN PART BY CONOCO-PHILLIPS...AND QGC, A COMPANY OWNED BY THE BRITISH ENERGY GIANT, BG GROUP. THEY'RE BEING DESIGNED, BUILT AND SUPPLIED BY HOUSTON BASED BECHTEL CORPORATION, CONOCO-PHILLIPS AND OTHER SMALLER US COMPANIES...WHICH BRINGS US TO THE US EXPORT IMPORT BANK. IT'S THE PROVIDER OF THAT \$5 BILLION IN LOANS -- FINANCING IT SAYS WILL HELP EMPLOY SOME 20-THOUSAND AMERICANS.

ALL THIS WORK IS TRANSFORMING A ONCE-QUIET PART OF CURTIS ISLAND. BUT BOTH AUSTRALIA-PACIFIC AND QGC SAY IT WILL HAVE A NEGLIGIBLE IMPACT ON THE ENVIRONMENT.

DEREK FISHER, MANAGING DIRECTOR, QGC

I'm a big believer that you can have both good environment and industrial development that there can be a successful coexistence. I do not think it's an and or an or, I think you can do both.

RATHER (VOICE OVER)

MASSACHUSETTS NATIVE DEREK FISHER IS MANAGING DIRECTOR OF QGC. AND HE SAYS THE COMPANY HAS BENT OVER BACKWARD TO MAKE SURE ITS PROJECT WOULD HAVE LITTLE TO NO IMPACT ON THE REEF AND SURROUNDING ECOSYSTEMS.

FISHER

And it's important to note that while this project is providing significant benefit to Australia and in particular Queensland, I also think it's gonna provide significant benefits to United States. In my opinion, this will help generate thousands of jobs.

RATHER (VOICE OVER)

SO WHAT IS THE EX-IM BANK? IT'S THE OFFICIAL CREDIT AGENCY OF THE US GOVERNMENT...INSIDE THIS BUILDING IN WASHINGTON...BILLIONS OF DOLLARS IN FINANCING IS DISTRIBUTED TO US COMPANIES THAT WILL BOOST US EXPORTS AND ENCOURAGE HIRING OF AMERICAN WORKERS. BUT UNLIKE MOST FEDERAL AGENCIES WHAT GOES ON HERE IS DONE OUT OF PUBLIC VIEW. OUTSIDE THE OCCASIONAL PRESS RELEASE, THE BANK DISCLOSES LITTLE ABOUT PROJECTS IT FINANCES, CITING "BUSINESS SECRETS." EX-IM BOARD MEETINGS ARE TYPICALLY CLOSED TO THE PUBLIC...AND THE AGENCY REFUSED OUR REQUESTS FOR AN INTERVIEW WITH ITS CHAIRMAN FRED HOCHBERG, OR ANYONE ELSE.

BUT BEHIND-THE-SCENES, THE BANK'S ROLE HAS GROWN ENORMOUSLY. PRESIDENT OBAMA HAS MADE BOOSTING US EXPORTS A FOCUS OF HIS STRATEGY FOR REDUCING STUBBORN UNEMPLOYMENT.

PRESIDENT BARACK OBAMA

So during the financial crisis, as trade finance dried up, the Export-Import Bank lived up to its mission and stepped up to fill the void.

RATHER (VOICE OVER)

AND SINCE HE TOOK OFFICE, THE EXPORT-IMPORT BANK HAS ALMOST DOUBLED ITS FINANCIAL COMMITMENTS TO NEARLY \$110 BILLION DOLLARS. THAT'S MONEY BACKED BY US TAXPAYERS.

SARAH UHLEMANN, SENIOR ATTORNEY, CENTER FOR BIOLOGICAL DIVERSITY

You really have to stop and question why the US federal government is basically subsidizing the destruction of the Great Barrier Reef.

RATHER (VOICE OVER)

SEATTLE BASED ATTORNEY, SARAH UHLEMANN, HAS LONG BELIEVED THAT THE EXPORT IMPORT BANK LENDS TOO MUCH MONEY TO BIG OIL AND GAS. BUT SHE SAYS THE GREAT BARRIER REEF PROJECTS TOOK IT ONE STEP TOO FAR... UHLEMANN WORKS FOR THE CENTER FOR BIOLOGICAL DIVERSITY, ONE OF SEVERAL ENVIRONMENTAL GROUPS THAT HAVE TAKEN THE UNUSUAL STEP OF SUING THE EX-IM BANK TO STOP THE FINANCING IN AUSTRALIA.

UHLEMANN

So under the US Endangered Species Act which is a US law, Ex-Im Bank was required to determine what the impacts of these two huge fossil fuel facilities are going to be on endangered species in the area. There are several US listed endangered species. Yet Ex-Im Bank had provided \$5billion worth of US taxpayer money and indirect loans without really evaluating what the impacts are going to be.

RATHER (ON CAMERA)

IN AN EMAILED STATEMENT, AN EX-IM BANK SPOKESMAN TOLD US THE BANK SENT A TEAM OF ENGINEERS TO GLADSTONE BEFORE IT APPROVED ANY LOANS TO ASSESS POTENTIAL ENVIRONMENTAL IMPACTS. HE SAID THE ENGINEERS' TRAVEL WAS PAID FOR BY AT LEAST ONE OF THE COMPANIES APPLYING FOR THE LOANS, BUT INSISTED IT PRESENTED NO CONFLICT OF INTEREST.

STILL, HE REFUSED TO DISCLOSE THE COST OR DETAILS OF THE TRIP. A SPOKESWOMAN FROM AUSTRALIA PACIFIC ALSO DECLINED OUR REPEATED INTERVIEW REQUESTS.

RATHER (VOICE OVER)

NOW, COMING UP NEXT...WE DIVE DOWN UNDER WHERE SCIENTISTS HAVE FOUND REAL CAUSE FOR ALARM...

MATT LANDOS, VETERINARY SCIENTIST

You see this prawn here? He's got an erosion right here inside of his carapace.

RATHER (VOICE OVER)

AND A ONCE PROSPERING FISHERY IS NOW BELLY UP.

ACT 3: GREAT BARRIER GRIEF

MATT LANDOS, VETERINARY SCIENTIST

Welcome aboard.

RATHER (VOICE OVER)

WE'RE BACK IN THE GLADSTONE HARBOR, ON AUSTRALIA'S EAST COAST. PUSHING OFF INTO THE STRAIGHT, YOU CAN GET A FEEL FOR HOW BUSY THE HARBOR HAS BECOME...AND WE WANTED TO SEE UP CLOSE WHAT THE IMPACT OF ALL THIS NEW DEVELOPMENT HAS BEEN ON THE GREAT BARRIER REEF WORLD HERITAGE SITE. WE INVITED ALONG TWO SCIENTISTS: JON BRODIE, A JAMES COOK UNIVERSITY EXPERT ON WATER QUALITY, AND MATT LANDOS, A VETERINARIAN SPECIALIZING IN AQUATIC ANIMAL HEALTH. BOTH HAVE WORKED FOR OPPONENTS OF THE DEVELOPMENTS.

LANDOS

We're sitting right now in the World Heritage Area of the Great Barrier Reef. So this area is in fact a home range for some inshore dolphin species, and some of those are ones that have disappeared. A third of them have disappeared since the start of this project. So there's quite some concern over those animals.

RATHER (VOICE OVER)

LANDOS SAYS IT'S IMPOSSIBLE TO HAVE SUCH LARGE DEVELOPMENTS, LIKE THE NATURAL GAS FACILITIES, WITHOUT DAMAGING THE HARBOR'S UNDERWATER ECOSYSTEM. SINCE WORK BEGAN THREE YEARS AGO, BOAT TRAFFIC HAS MORE THAN DOUBLED HERE AND HE SAYS ONCE EXPORTS BEGIN, THE HUGE LNG SHIPS WILL BE PASSING PRECARIOUSLY CLOSE TO THE GREAT BARRIER REEF. LANDOS SAYS THE BIGGEST IMPACT HAS COME FROM THE MASSIVE DREDGING PROJECT, WHICH HE SAYS SUCKED UP ACRE AFTER ACRE OF MARINE HABITAT.

LANDOS

Well what we're looking at here is a rock bund wall and this was put in place to retain the dredge spoil being removed from the harbor. So all the contaminated sediments out of the harbor that are being either excavated and put through these cutter suction dredges as a slurry are being pumped in here to this area. So looking at it is quite hard now to understand that this was seagrass meadow and there were dugongs slithering around on there, uh, filling themselves up eating seagrass.

RATHER (VOICE OVER)

A TEAM FROM UNESCO VISITED GLADSTONE LAST YEAR AND WAS SHOCKED BY THE SCALE OF NEW DEVELOPMENT. AND LANDOS WARNED THEM THAT THE NEW CONSTRUCTION WOULDN'T JUST IMPACT THE HARBOR...BUT THE REEF ITSELF.

LANDOS

So when important nursery areas like this, which grow huge amounts of food, massive amounts of prawns span out from this area and fan out along the coast, they're the food resource for many of these other animals further out on the reef. So, they're not separated. There is no fence. There's no great boundary between Gladstone Harbor and the reef.

RATHER (VOICE OVER)

AT THE HEIGHT OF THE DREDGING PROJECT, LOCALS NOTICED THAT THE TEA-LIKE WATER HAD TURNED OPAQUE, LIKE CHOCOLATE MILK...THEN, FISHERMEN BEGAN MAKING DISTURBING DISCOVERIES...AND HIRED LANDOS TO INVESTIGATE.

LANDOS

Uh, there had been reports up to that time of all manner of dead creatures floating up. Lots of dead turtles, dead dolphins, dead dugongs, as well as the commercial fishermen primarily reporting diseased crabs,

LANDOS (ON BOAT)

That's abnormal shell development. And these are the types of lesions that are caused by increased metal exposure, things like copper and zinc predominantly. That we know of...And prawns and a whole suite of different fish that had all kinds of red, rather nasty looking lesions on them, so they wanted to understand why these fish were dying and uh, so I offered my services to assist in the diagnostic process.

RATHER (VOICE OVER)

OVER SEVERAL MONTHS, LANDOS AND HIS TEAM STUDIED THOUSANDS OF FISH, PRAWNS AND CRABS PULLED FROM THE HARBOR... THEY ALSO DISCOVERED DEAD TURTLES AND SHARKS WITH MYSTERIOUS RED LESIONS...AND THEY FOUND THE RATE OF DISEASE INCREASED AFTER HEAVY DREDGING, AND DECREASED THE FARTHER AWAY YOU GOT FROM THE HARBOR.

LANDOS

Only in Gladstone. When we went to a reference site 250 kilometers to the north, we caught probably over a ton of fish over three days and none of the fish had lesions. NOT ONE.

RATHER (VOICE OVER)

LANDOS CONCLUDED THAT THE DREDGING HAD CHURNED UP DECADES OF INDUSTRIAL POLLUTANTS THAT HAD BEEN SILTED OVER IN THE HARBOR'S SEABED.

LANDOS

When those are brought back up into the water column from where they had settled on the bottom, uh, that process can release some of those metals into the water itself and it actually activates those metals into a form that can be toxic.

RATHER (VOICE OVER)

LANDOS PUBLISHED HIS FINDINGS LAST YEAR IN A REPORT THAT QUICKLY BECAME THE FOCAL POINT OF THE DEBATE OVER THE BIG LNG PROJECTS. PEOPLE OPPOSING THE PROJECTS SAY THE REPORT HAS VALIDATED THEIR WORRIES. BUT THE PROJECT'S SUPPORTERS HAVE CHALLENGED LANDOS'S SCIENCE WITH A SERIES OF OTHER STUDIES.

THIS IS PETER O'SULLIVAN...AND HE'S OVERSEEING THE DREDGING OPERATION FOR THE GLADSTONE PORTS CORPORATION. TODAY, HE'S PRESIDING OVER A MEET AND GREET WITH GLADSTONE RESIDENTS IN AN ONGOING EFFORT TO EASE CONCERNS ABOUT THE PROJECTS.

**PETER O'SULLIVAN, DREDGING AND DISPOSAL PROJECT MANAGER,
GLADSTONE PORTS CORPORATION**

At the end of the day we believe there has been lots of noise that what we should be focused on is what's the science and what is reality of what's happening.

RATHER (VOICE OVER)

O'SULLIVAN QUESTIONS LANDOS'S SCIENCE AND MOTIVES...AND HE SAYS THE AGENCY HAS TAKEN GREAT PAINS TO MINIMIZE ANY DAMAGE TO THE HARBOR'S ECOSYSTEM.

O'SULLIVAN

Um, so far to date we're on target to complete the project in about October this year, um, which will mean we'll complete about 15 months early. So, from a perspective of getting the job done and allowing the harbor to return to its normal state, that's a very good thing.

RATHER (VOICE OVER)

HE SAYS THE PORTS CORPORATION REGULARLY TESTED THE WATER QUALITY IN THE HARBOR BEFORE AND DURING DREDGING, AND FOUND NOTHING OUTSIDE THE ORDINARY.

O'SULLIVAN

And obviously what we look for is what has occurred in the past, what's consistent with Gladstone Harbor, what's consistent with the natural geology and making sure that you now we are looking and making sure that everything fits in the normal range that Gladstone Harbor expects.

RATHER (VOICE OVER)

O'SULLIVAN SAYS THE DREDGING DID NOT ELEVATE THE LEVELS OF METAL IN THE WATER COLUMN AS LANDOS HAS ASSERTED. HE SAYS THE MOST LIKELY CAUSE FOR THE FISH DISEASE AND ANIMAL DEATHS IN GLADSTONE WERE HEAVY FLOODS THAT SWAMPED QUEENSLAND IN LATE 2010 AND EARLY 2011...A SURGE OF FRESH WATER THAT PUT STRESS ON LOCAL FISH POPULATIONS AND WASHED OUT HABITAT.

O'SULLIVAN

We saw for example that the when the floods were here and there was a complete loss of seagrass, there was a large number of turtle deaths et cetera associated with that loss of a food source. In the last year the numbers for Gladstone in particular when we compare the mortality rates up the Queensland coast they are quite low. So even though industry is occurring here, the mortality rates compared to other sites up and down the Queensland coast this year suggest that they are quite low in comparison.

LANDOS

To suggest that this was due to a flood is incongruous. If we go north or south of here the same flood occurred. In fact it was bigger to the north. Nothing died. Really it's a silly proposition that

suddenly rainfall has become the most toxic thing on our planet, capable of killing everything it touches.

RATHER (VOICE OVER)

LANDOS SAYS HE'S STILL FINDING EVIDENCE OF FISH DISEASE MORE THAN TWO YEARS AFTER THE FLOODS.

LANDOS (ON BOAT)

So we got a few prawns that came off one of the prawn trawlers that was working in the harbor this week. So he wanted to have a look at what was happening to the stock. And it's still quite a lot of diseased stock. So you see this prawn here has got an erosion right around the side of his carapace, of his head so the shell of the head. All of this black material is the prawn's rather futile effort to control the infection.

This one's also got a parasite on its gill. You can see its carapace is pushed out. There's going to be a parasite living under this gill. There it is. We know that there's a very close correlation between parasite load and immune status, so it is another indicator that these animals are under stress.

RATHER (VOICE OVER)

UNTIL RECENTLY, THE TOWN OF GLADSTONE HAD SOME OF THE FRESHEST SEAFOOD AROUND...WITH THE DAY'S CATCH FOR SALE AT LOCAL RESTAURANTS AND MARKETS LIKE THIS.

BUT NOT ANYMORE...IT'S GETTING HARDER AND HARDER TO FIND GLADSTONE FISH IN GLADSTONE. MOST OF THE FISH SOLD HERE AND ELSEWHERE IN TOWN NOW COMES FROM OTHER PARTS OF AUSTRALIA OR ABROAD. THE MARKET IS OWNED BY SIMON WHITTINGHAM AND HIS FATHER -- TWO OF THE BIGGEST PLAYERS IN THE AREA'S COMMERCIAL FISHING INDUSTRY. THEY ALSO OWN A LARGE FISH FACTORY IN GLADSTONE AND THIS PROCESSING BARGE.

IN BETTER TIMES, AS MANY AS 30 WORKERS WOULD BE SHUCKING AND CLEANING SCALLOPS BROUGHT IN FROM NEARBY WATERS.

SIMON WHITTINGHAM, COMMERCIAL FISHERMAN

This place was loud. This place was very, very loud. So you can appreciate shells and knives and clacking and carrying on, uh, a hive of activity in this room.

RATHER (VOICE OVER)

IN ITS BEST YEAR, THE WHITTINGHAM'S BUSINESS TURNED OVER MORE THAN 16 MILLION DOLLARS WORTH OF SEAFOOD, FISH FROM NEARBY WATERS. THEN THE DREDGING BEGAN.

WHITTINGHAM

In 2011...about late January/February time, a staff member who used to work for me was involved in receipt of the products harvested within the harbor--so mainly your mud crabs and your net--net fishes, so your barramundi, king salmon, blue salmon, mullet--um, he came to me and he expressed concerns of the appearance of some of the fishes that was starting to come through. And he wasn't too sure whether or not this product was in fact okay.

RATHER (VOICE OVER)

IN 2011, AT THE HEIGHT OF DREDGING, WHITTINGHAM DECIDED TO STOP BUYING LOCAL FISH...

WHITTINGHAM

It's a bloody shame this is, you know?

RATHER (VOICE OVER)

IT MEANT HE WOULD NEED TO LAY WORKERS OFF...AND CUT OFF ALMOST ALL REVENUE.

WHITTINGHAM

Mate we are just finalizing the demolition of our seafood export factory.

RATHER (VOICE OVER)

BUT WHITTINGHAM DIDN'T WANT TO RISK HIS FAMILY'S HARD-EARNED REPUTATION BY EXPORTING SICK FISH.

WHITTINGHAM

It really doesn't resemble a seafood factory anymore.

RATHER (VOICE OVER)

IT WAS THE FIRST TIME BUSINESS HAD STOPPED IN THE 28 YEARS SINCE IT WAS FOUNDED.

WHITTINGHAM

That used to be my office.

RATHER (VOICE OVER)

SUDDENLY, THE STORY OF GLADSTONE'S SICK FISH WAS BEING REPORTED NATIONWIDE -- AND ABROAD. A ONCE THRIVING INDUSTRY WAS SUNK... TODAY, WHITTINGHAM AND COMMERCIAL FISHERMEN ARE IN A PITCHED BATTLE FOR COMPENSATION FROM THE GLADSTONE PORTS CORPORATION.

WHITTINGHAM

And it was, it was all because of the sick fish. The commercial fishers believe that the activity of dredging and the development, the aggressive development here in the port was responsible for it.

RATHER (VOICE OVER)

ON THE DAY WE ARRIVED, AFTER MONTHS OF HANGING ON, WHITTINGHAM WAS SHUTTING THE DOORS OF THE MAIN FISH PROCESSING PLANT FOR GOOD.

WHITTINGHAM

She's all done mate. That's it, locked up, Gladstone Fish Market is no longer. It's all over.

RATHER (VOICE OVER)

WHITTINGHAM AND OTHERS SAY THE PROMISE OF BIG MONEY DROWNED OUT THEIR VOICES FROM THE BEGINNING. ONCE THE LNG PROJECTS ARE UP AND RUNNING NEXT YEAR, THE TONS OF NEW GAS EXPORTS WILL BRING BILLIONS OF DOLLARS IN REVENUES TO THE TWO CORPORATIONS, NOT TO MENTION THE GOVERNMENTS OF AUSTRALIA AND QUEENSLAND.

ADD TO THAT THE BILLIONS IN FINANCING FROM THE US GOVERNMENT-RUN EXPORT-IMPORT BANK -- AND THE OPPOSITION NEVER HAD A CHANCE. NOT EVEN UNESCO -- WITH ITS PRESENCE ON THE WORLD STAGE -- COULD STOP THESE MASSIVE PROJECTS FROM BEING DEVELOPED WITHIN THE WORLD HERITAGE SITE.

MATT LANDOS SAYS THE PROJECTS HAD THE PUSH OF TOO MANY POWERFUL INTERESTS FOR THE RESIDENTS OF GLADSTONE -- ABOVE AND BELOW THE WATER -- TO HAVE ANY SAY.

LANDOS

This is a very interconnected ecosystem. And we're really landing quite a mortal blow on this area here. Essentially, decisions made here are, are making this a sacrificial lamb, this area's being sacrificed for industry and going with it is a big chunk of very important world heritage area, and a productive fishery is being lost with it.