

## **TOWNSVILLE OCEAN TERMINAL**

# **ENVIRONMENTAL IMPACT STATEMENT SUBMISSION RESPONSE**

## **RESPONSE TO NORTH QUEENSLAND CONSERVATION COUNCIL INC**

**August 2008**

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## NORTH QUEENSLAND CONSERVATION COUNCIL INC

Note: This submission response document has been prepared by means of duplicating the individual submission received and inserting response clauses where relevant.

### 1.1 GENERAL COMMENTS

- 1.1.1 It is the view of NQCC (North Queensland Conservation Council) that the purpose of an Environmental Impact Statement is to inform people of the potential impacts of a proposed development. This allows them to make an informed submission, offer alternatives and support or object to the proposal based on the information provided. This being the case NQCC finds it inappropriate that the first page of the Executive Summary for this proposed development summarily dismisses almost all of the continuous issue with a list of dot points that provide conclusions as to the impacts. Given that the full document acknowledges that there are possible, probable and likely impacts relating to many of these issues, this list is not only inappropriate; it could be construed as a deliberate effort to be misleading regarding the impacts of the proposal.
- 1.1.2 It is the belief of NQCC that the EIS it is an important part of the application to seek approval for the proposed development from the Federal Environment Minister. It is an offence under the Environmental Protection and Biodiversity Conservation Act 1999 to provide false or misleading information (Division 17 section 489).
- 1.1.3 The statement in the EIS that *"The Ocean Terminal is only possible and feasible as part of an overall TOT Project that includes the Breakwater Cove Precinct."* Is clearly not factual and an insult to the mentality of anyone reading the document. Standalone ocean terminals can be found throughout the world. The Queensland Government could easily provide funding for this public infrastructure if the so desired. The reconfiguration of the existing breakwater to establish the ocean terminal is by far the least costly and lowest environmental impact part of the TOT proposal and could easily be built as a stand alone development. Summarily ruling out this option makes a mockery of the project needs and alternatives section of the EIS and the public consultation process in general.

### Recommendation:

That the Federal Environment Minister seek such advice as he deems necessary with regards to possible infringements under Division 17 Section 489 of the EPBC Act (1999) concerning all aspects of the TOT application.

That the public consultation be cancelled and recommenced with the alternative of a standalone ocean terminal included.

### RESPONSE

**Whether the State Government believes that it is warranted for the State to fully fund an Ocean Terminal is a policy decision for the State. The present EIS process, as detailed in the Terms of Reference and subsequent inquiries resulting in over 3,000 pages of detailed technical evaluations, is concerned specifically with the integrated project. The project under investigation has been developed under the terms of the Development Agreement between the State and the Proponent and the integration of the two elements for this EIS is therefore fundamental.**

The Economic Impact Assessment Report evaluated the proposed integrated Townsville Ocean Terminal and Breakwater Cove development project and a standalone Ocean Terminal project in terms of Net Present Value (NPV) considerations. A number of scenarios were evaluated, with varying assumptions concerning future cash-flow streams. These assumptions went to the likely number of ships visiting the Terminal each year going forward, and the likely price and rate of sale achievable for the proposed residential dwellings and dwelling sites at Breakwater Cove.

The assessment concluded that the standalone Ocean Terminal concept did not deliver a positive NPV for at least 32 years, which would be unacceptable time horizon for any investment consideration. By comparison, even on conservative residential sales and ship visitation assumptions, the integrated project was able to achieve a positive NPV over a shorter time horizon.

The Ocean Terminal facility (as a publicly owned tourist infrastructure) is in large part being funded by the proceeds of the private residential and marina development. This results in direct savings to the State Government (and hence taxpayers) of the difference in actual State Government commitments and expected total construction costs.

## 1.2 ECONOMICS

- 1.2.1 Page 1 of the Executive Summary states that the TOT project "Will deliver major economic and social benefits to North Queensland and the State well into the future".
- 1.2.2 It is the view of NQCC that consideration should have been given in the EIS to the potential costs to the public that could arise if this development is approved. Further, it is the contention of NQCC that if full consideration had been given to the social, economic and environmental costs of this development it would not be found to deliver benefits in the long-term.
- 1.2.3 While the social and economic benefits have been well reported and extrapolated out to include dubious multiplier effects with regards to economics, little mention has been made of the possible social and economic costs that could arise due to this development. Ongoing maintenance costs to the government and environmental impacts at existing canal developments prompted the Hon Rod Welford in his term as Environment Minister to declare "there will be no new canal estates approved in Queensland".
- 1.2.4 The Coastal Protection and Management Act 1995 places the responsibility for maintenance dredging with the Townsville City Council. It is unclear to NQCC how the stated agreement for this cost to be met by the Principal Body Corporate for Breakwater Cove can be enforced under provisions of the Body Corporate and Community Management Act 1997. It is the view of NQCC that a levy on the "beneficiaries of the waterways" as stated in the EIS could be challenged by non-boating members of the Body Corporate as not applying to them. The end result of this being that political pressure could force Townsville City Council meeting the ongoing cost of dredging.

- 1.2.5 No consideration has been given to the public cost of a disaster such as a cyclone or major shipping accident resulting from this proposal. Cyclonic winds drop sharply after a cyclone crosses the coast. The location of the proposed development perched on filled ocean is highly exposed and would have to be considered a high-risk location in terms of cyclone damage. Dwellings built on the site will be able to withstand cyclonic winds, however this will rely on them maintaining structural integrity. In the event of a cyclone air borne debris is the major cause of building damage in the first instance. Once the structural integrity of a building is weakened by wind borne debris cyclonic winds are then able to turn the weakened structure into more debris creating a domino effect of destruction. Current building regulations in Queensland only consider wind speed and do not take into account flying debris generated cyclonic winds. It is the view of NQCC that allowing the residential part of this development to proceed would add considerably to the cost to government in the event of a cyclone hitting Townsville.
- 1.2.6 Many passing yachts use the proposed development site as a safe anchorage where they can lay over close to town and replenish their supplies. The likely result of this loss of free safe anchorage is that many passing yachts that would normally stop over will now bypass Townsville. This will result in a direct and ongoing economic loss to the region.
- 1.2.7 Extensive monitoring has been recommended in the EIS. For species this includes quarterly, annual and event monitoring of corals, seagrasses, dolphins and other listed fauna, and their associated ecosystems, during the construction period and continuing for a period of 5 to 10 years after the Development. Also recommended is quarterly, annual and event monitoring of sediments and waters for a comprehensive range of chemicals including heavy metals and nutrients, during the construction period and continuing for a period of 5 to 10 years after the Development has been completed. Again the cost of ongoing monitoring is expected to be met by the Principal Body Corporate for Breakwater Cove without providing any assurance that it is legislatively feasible to enforce this in the long term.
- 1.2.8 It seems likely that expanded monitoring will be required from the Environmental Protection Agency and Townsville Port Authority in the areas of noise and air quality.
- 1.2.9 In summary, it is the view of NQCC that if the above mentioned costs were applied to this development in the cost benefit analyses, then this development would have to be considered of marginal economic benefit to Townsville and North Queensland.

## RESPONSE

**The Economic Impact Assessment Report and Social Impact Assessment Report considered both the benefits and impacts (and associated potential costs) of the project. In totality, a balanced approach was taken that accounted for both the adverse and positive impacts, and which also accounted for the magnitude and duration of these potential impacts.**

**The economic benefits include the following:**

- The Ocean Terminal facility is an important piece of tourism infrastructure, which will assist in attracting increased visitations by passenger and naval vessels to Townsville. The proposed facility is consistent with the position outlined in the Queensland Government Cruise Tourism Plan 2003. Such a facility can also catalyse the diversification and expansion of the cruise tourism sector in Townsville. The cruise shipping industry is recognized as a high-growth, high-yield tourism industry. The analysis undertaken in the Economic Impact Assessment estimated that annual impacts of increased cruise tourism could range from \$2m to \$4.7m in value-add to the regional economy (between ~0.2 and 0.46% of Gross Regional Product). In employment terms, the analysis estimated that between 23 and 53 full-time equivalent jobs would be directly created by the operations of the Ocean Terminal.

- The impacts of cruise shipping on economic sectors in the region will flow directly to businesses involved in accommodation, cafés and restaurants, other transport (e.g. taxis), trade and personal and other services. Indirect value-added benefits will be experienced by these and the finance and business services sectors.
- In addition, there is significant opportunity for Townsville to capture some of the growing demand emerging from the global superyacht sector, and unmet demand across Queensland for recreational marina berth facilities. There is a 2,000-plus waiting list in Queensland for berths, and the proposed Breakwater Cove precinct will deliver 450 new berths to meet this demand.
- Aside from the economic impacts of the precinct once fully operational, the construction of the cruise terminal and subsequently construction of residential dwellings and other structures will generate significant benefits to the region's construction and building sectors. The construction of the cruise terminal and wharf involves an investment of approximately \$209m, and over the three years of construction is forecast to generate \$174.8m in value-added impacts on the regional economy and create 1,913 full-time equivalent jobs.
- These construction-related benefits are particularly pertinent in an emerging economic climate where construction and building activity is easing. The sustained confidence of the Proponent in this project and the North Queensland region/Townsville generally will act as a boost to the local economy and assist it in navigating through the current contraction in the national economy.

As for social benefits, the following were identified in the original Social Impact Study and confirmed in the Updated Social Impact Report (Appendix A30 in Volume 2) in the Townsville Ocean Terminal Supplementary EIS:

- The development can enhance social capital and social coherence in Townsville through its contribution to increasing demographic diversity and encouraging a most cosmopolitan outlook for the City. This impact is consistent with the expectations of the majority of the City's residents, as identified in the community survey undertaken in July 2007.
- Social benefits also arise from the fact that the project is expected to create significant employment opportunities as outlined above. A person's quality of life and ability to actively participate in contemporary societies is heavily dependent on their having a sustainable job. This project contributes significantly to the economic foundations of local residents' quality of life and ability to participate in social life. Indirectly, this enhanced social participation capital supports the realisation of social inclusion, which further reinforces the values of Townsville residents.
- By creating additional marina facilities, the development will make possible a more active participation from some residents in marine-based recreational activities. This would further reinforce and expand on Townsville's reputation as a relaxed tropical city that values its outdoor lifestyle.
- For the broader public, the project includes the provisioning of significant tracts of public open space with high amenity value. This space offers local residents free access to ocean front recreational spaces, complementing the highly successful and popular Strand precinct. The proposed walk along the western perimeter of the FDA effectively achieves a continuation of the Strand from a recreational users' perspective, and provides a legible connectivity between the project and a well-established social and recreational precinct.

- Finally, and importantly, the high quality residential opportunities offered by the proposed development not only meets the needs and aspirations of some existing Townsville residents who value the location and the inner-city, waterfront lifestyle offered by the location, but will also be extremely attractive to people currently not living in Townsville. In particular, high quality residential opportunities will enhance Townsville's competitiveness and attractiveness to luring professionals, para-professionals and senior managers to the City. These people and the skills, knowledge and experience that they bring, contribute significantly to the ongoing welfare of local residents. For example, consultations with Queensland Health confirmed that residential opportunities such as those being proposed by Breakwater Cove would assist in making Townsville an attractive living and working destination for medical professionals. To not encourage these kinds of high-value residential opportunities is to undermine the ability of Townsville to compete not only on a national stage but also internationally for the best skills and the best brains.
- These reputation and flow-on benefits are difficult to quantify. But taken in their entirety, the project offers significant net social benefits – many of which are intangible, but with important ramifications for the ongoing development of Townsville as a cosmopolitan, globally competitive city.

Taking these considerations into account, together with a review of the potential net costs of the project to the public (directly or indirectly), an updated project Cost Benefit Assessment has been prepared by Transpac Consulting (Appendix A33 in Volume 2). This assessment concludes that:

- The project can be expected to deliver significant economic and social benefits (many of which are intertwined); and
- The project can be realised without net imposts on taxpayers and ratepayers. Indeed, the assessment reinforces the original Net Present Value and Benefit-Cost evaluation (refer to the Economic Impact Assessment Report), which indicated that the ocean terminal facility in itself was not economically viable but combined with the proposed residential precinct is likely to deliver net financial benefits.

In short, a narrow economic evaluation would indicate that the State (and therefore the general public) is, through the development agreement with the Proponent, effectively achieving an outcome whereby the private development is effectively funding a significant piece of public infrastructure with flow-on benefits that will be long-lasting into the future. In any other context, this outcome would be recognised as a significant win for the community.

Consideration has been given to the potential impacts resulting from disasters such as cyclones.

The NQCC raises the possibility of the economic losses resulting from vessels that had historically harboured (for free) in the FDA. No evidence was presented as to the economic benefits of this activity. However, given that the proposed marina development includes an additional 450 berths (some of which will be available for short-term public usage) and 10 superyacht berths, *prima facie* it is reasonable to conclude that any potential economic loss resulting from the loss of free anchorage will be made up by the economic benefits of expenditures associated with the construction of additional berths, and the ongoing operations of same.

### 1.3 SOCIAL IMPACTS

- 1.3.1 It is the view of NQCC that the social benefits of the proposed TOT Project have been hugely overstated in the EIS and the social impacts equally understated.

- 1.3.2 Townsville is more than adequately serviced by existing restaurants and there are numerous vacant properties in Townsville where restaurants have closed do to insufficient patronage.
- 1.3.3 The Townsville City Council is currently promoting urban infill and selling underutilised public green space for development. This makes a mockery of the suggestion that creating another area of public green space that will need to be maintained and patrolled is a benefit to the public.

## RESPONSE

**Comments related to the social benefits of the project are addressed at the previous response. Further, it can be noted that no specific references or evidence is presented to support the claim about the over-stating of social benefits. The Proponent does not accept this claim.**

**The claim that Townsville is “more than adequately serviced by existing restaurants etc.” is an unsubstantiated value judgement. Claims about the closure of restaurants as a result of insufficient patronage belie two critical economic considerations:**

- **The closure of restaurants may have been a function of poor service that did not meet the evolving tastes/needs of Townsville’s clientele; and**
- **The increased population of a relatively high socio-economic status (who typically eat out more often than other segments in society) associated with the proposed Breakwater Cove precinct would add to demand for restaurants generally.**

**The Proponent does not believe it is appropriate for it to comment on Townsville City Council policies concerning urban infill. Suffice it to comment that the provision of public open space at the FDA adds a new, high quality recreational facility to the ocean front landscape for general enjoyment.**

## 1.4 ENVIRONMENTAL IMPACTS

- 1.4.1 The unsustainable environmental impacts of the TOT proposal are so clear and defined it takes little effort to identify and denounce them. Of most concern are the impacts identified in the report from the proponents consultant "Townsville Ocean Terminal Report On Potential Impacts On Matters Of National Environmental Significance (EPBC Act)."The risk assessment table on page 5 of this document identifies that the TOT proposal is likely to have moderate to catastrophic consequences on key feeding habitat for Australian snubfin dolphin. It is the view of NQCC that this fact alone demonstrates a significant impact on a species listed under the EPBC Act. The Federal Environment Minister must consider all impacts of a development and if it is found to impose a significant impact on a matter of environmental significance he must take action to prevent this. Given that there can be no mitigation for the complete loss of habitat that will result from land reclamation for this project the Minister must reject the application.
- 1.4.2 Dr Guido J. Parra is one of only a few people in the world able to claim any expertise regarding the Australian snubfin dolphin. DR Parra has opposed this development in recent media statements and suggested that this development could lead to the localised extinction of the species. The sunbfin population in Cleveland Bay is the largest known population in Australia so any threat to the local population would have to be considered a significant impact on the species as a whole.
- 1.4.3 The Risk assessment also acknowledges that the TOT proposal will have a high consequence of smothering by marine debris, increased boat strike, impacts on food resources and reduction of breeding or nursery habitats of Australian snubfin dolphin.



- 1.4.4 The consultants report on matters of environmental significance notes that "The TOT Development site and areas immediately surrounding it form part of the key habitat for the Australian snubfin dolphin." Reduction and removal of threats and protection of habitat are universally recognised as the two most important activities for the preservation of rare and endangered species.
- 1.4.5 The TOT proposal will also have similar impacts on marine Turtles, dugongs and Indo-Pacific humpback dolphins.

## RESPONSE

The detailed environmental impact assessments undertaken as part of the original EIS, and prepared as part of this supplementary EIS process, confirm that identified environmental implications can be effectively managed and mitigated.

An updated impact assessment on dolphins, dugongs and turtles has been undertaken for the FDA site and ramifications within Cleveland Bay. This analysis includes an assessment of habitat loss, noise impacts particularly due to piling, and the risk of boat strikes and then set out proposed mitigation measures and potential monitoring where relevant.

The assessment determined that the development will not substantially impact the ecosystem as core feeding areas are some distance away from the site. Critical habitat for the relevant marine mammals is not located within the impact area of the TOT project. It was concluded that the effects of construction and operation of the development are unlikely to have significant consequences for dolphins, dugongs or other marine mammals.

## 1.5 CONCLUSION

- 1.5.1 It is the conclusion of NQCC that the risk of significant environmental harm as a result of the TOT proposal is such that it cannot be justified by approval under the EPBC Act.

### Final Recommendation

As no mitigation strategies are available to offset the impacts from loss of habitat and increased boat strike on EPBC Listed Species, it is the recommendation that the Federal Environment Minister should reject this application outright.

## RESPONSE

The Proponent has prepared a detailed study with management/mitigation recommendations dealing with habitat loss risk and boat strike risk, and this is presented in the Draft Nature Conservation Report at Appendix A14 in Volume 2 and a series of Marine Mammal Reports at Appendix A35 in Volume 2.