

TOWNSVILLE OCEAN TERMINAL

ENVIRONMENTAL IMPACT STATEMENT SUBMISSION RESPONSE

RESPONSE TO TOWNSVILLE LOCAL MARINE ADVISORY COMMITTEE

August 2008

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TOWNSVILLE LOCAL MARINE ADVISORY COMMITTEE

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

There seems to be little community dissension with the concept of a cruise liner/naval berth for Townsville Port. In fact it appears that community support is quite solid for the Terminal. It is seen as a much-needed improvement on the present maritime gateway to Townsville. Perhaps the only issue raised by a naval use is a level of uncertainty concerning naval exclusion zones in Ross Creek.

There is also the method of provision of refuelling for both the cruise liners and naval vessels. The options would seem to be a sub-creek pipeline or a constant back and forth line of heavy b-double tankers. The first option raises some interesting environmental problems and would undoubtedly be very expensive. The second option would have a noticeable impact on traffic, regardless of which route was used to access the terminal. The associated residential development however, presents a number of issues which are insufficiently dealt with in the EIS.

The residential aspect of the project is almost an affront to the principles of sustainability, having to be constructed on land which is required to be reclaimed from the adjacent seabed. Townsville Port has plans to similarly reclaim offshore areas to facilitate port expansion. Townsville Port has some justification in that it cannot expand landward beyond its present boundary. The TOT residential component cannot claim any such justification. Residential land is not in short supply in the greater Townsville area.

In fact Townsville Port's own expansion plans in conjunction with the building of the Port Access road will free up waterfront residential blocks for future development. Despite impacts from the Access road infrastructure, the risks involved with that project, environmentally, socially and economically would be unlikely to be as significant as those which have caused the community and industry concern over the TOT residential project.

It would seem that Queensland's lack of standard buffer zones to protect residential development from the very real risks posed by fuel and gas handling terminals being located in close proximity make this proposed residential development a very good case for such regulation to be introduced. To place residents so close to the Port's facility borders on irresponsible. The risks are recognised in the EIS without being given the prominence or weight which they deserve. The "cascading effects of negligence" have the potential to create a significant risk in the placement of this residential project. Townsville Port has spent a great deal of time and money to create a buffer zone between South Townsville residents and its tenants' operations. The fuels handling terminal and storage areas within the Port are generally at some distance from residents. Where they are not, their location is a product of last century's planning practices. The TOT's planned residential component has no such excuse.

The environmental aspects of the reclaiming of most of the outer breakwater area together with the enclosing walls are likely to have impacts both to marine wildlife and sand movement around the adjacent headlands and the Strand beaches. Local scientists are in no doubt that there would be negative impacts on local populations of the Snubfin Dolphin. Added to this the requirement for frequent dredging to keep the marina channel open makes the proposed canal area unattractive to marine animals which commonly feed in that location. While dislocation of the local Snubfin population from this feeding ground may not be critical it could still have a negative effect on what is seen as an already rare and endangered species.

A potential nutrient spike from material used in landscaping projects on the site would negatively impact on water quality, a major issue in the marine parks whose waters this project abuts. The adjacent seagrass beds which contribute to the maintenance of the Cleveland Bay dugong population would be similarly at risk.

The noise, smell and sound mitigation measures incorporating sealed and air-conditioned internal spaces for housing are not in line with the Queensland government's climate change policy. The restrictions placed on residents by covenants which restrict complaints about Port-related impacts are farcical. It begs the question: where would you find buyers who would willingly enter into such an arrangement? The fact that the EIS indicates that there are precious few complaints registered does not mean that there are no complaints about Port-related or perceived Port-related activities circulating in the community.

Of relevance is the Queensland Coastal Management Plan. This instrument specifically refers to the protection of areas of economic significance in order that there should not be conflicts between industrial users and other stakeholders. The residential component of this project flies in the face of that plan's intent.

While the EIS recognises that the effects of global warming will see a 50cm rise in sea levels in the future. Some scientists see this as unrealistic with a real rise likely to be more in the region of 1.5m. Coupled with a 2-3m cyclonic surge, it's difficult to believe that the outer breakwater residential area would not suffer a disaster of catastrophic proportions. The economic and social responsibility for dealing with such a catastrophe, or any situation from unforeseen weather will ultimately be borne by the community.

The cost-benefit argument ignores this possibility. To see the residential project's real cost as being "a foregone opportunity that would result from not proceeding with it" is bizarre. This component of the project has a raft of hidden costs. They include the necessity for TCC (ratepayers) to accommodate dramatically increased traffic flows on limited access roads which already have recognised choke points. The increasing inner-city high density residential development on land which already exists will further exacerbate the problem.

The main city boat ramp, while manifestly inadequate for the city's needs, has not been properly seen as having a major impact on the traffic flows on Sir Leslie Thiess Drive. The boat ramp will operate in that site for the foreseeable future and certainly has the potential to create significant traffic flows. It also appears that vehicle numbers in the proposed residential development are grossly underestimated as is the parking area required for these vehicles.

The Ross Creek bridge proposal is a serious blockage to a waterway that has been historically free of obstructions. The option (for construction) of a barge across Ross Creek is another candidate for the bizarre category. A (temporary?) lift bridge may very well work to provide access to the Breakwater Island precinct but it would be at a cost in which all the impacts are borne by the local community, whether in being denied access to Cleveland Bay for extended periods or residents having to deal with noise and vibration of heavy truck traffic. It would make far more sense to view the barraging of rock material to the site as having lesser impacts if the project reaches the construction stage.

The EIS is a difficult document for community groups and individuals to digest and comment on in the time available. To release it in the busy pre-Christmas period adds a further handicap. That a political risk is recognised, despite the entire project's favoured status is a tacit admission that the community's concerns are valid.

RESPONSE

This submission is broad in its scope. The following is provided by way of a response.

Detailed consideration of compatibility between the Port of Townsville and the proposed Breakwater Cove residential precinct has been undertaken as part of the original EIS and Supplementary EIS.

Townsville Port and Port users are achieving environmental performance standards that have not, and are not expected to create unacceptable nuisance impacts on nearby residents. This is the broad conclusion from detailed technical investigations of air quality and acoustic impact issues.

A detailed report examining the critical issues impacting on the compatibility of the Port and the proposed residential precinct has been prepared (Transpac Consulting Report: *Port Compatibility – Impact of Proposed Townsville Ocean Terminal and Breakwater Cove Precinct on the Future Activities and Expansion of Townsville Port* – Appendix A31 in Volume 2). This Report considers the evidence on amenity issues provided by technical specialist reports, and evaluates the extent to which available evidence supports concerns about potential incompatibility.

Based on the findings of the technical reports, the Report on Port Compatibility finds that on all key measures of nuisance disamenity – noise, dust nuisance and odour – the Townsville Port and its users are performing at levels that for the most part do not compromise acceptable nuisance standards. Potential exceedances are rare and infrequent, relating to noise emanating from the loading and unloading of motor vehicles, the blasting of ship's horns and the odour impacts associated with the loading of live cattle. Nuisance dust levels are well within acceptable EPA guidelines. Where exceedances have been recorded or are anticipated, these are infrequent and the Report finds that satisfactory mitigation measures can be implemented.

The Port and nearby residences have generally co-existed harmoniously and this is demonstrated by the low level of recorded complaint activity. Records from Townsville Port Authority and EPA were updated and examined. The number of complaints are low with a total of 61 complaints recorded by TPA on dust, noise and vehicles between 2001 and 2007. Where data was available on the origin of complaints, the evidence shows that the majority come from residents of South Townsville (rather than to the west of Ross Creek in the vicinity of the proposed Breakwater Cove precinct). The Report concludes that since 2001 there have been 2.38 complaints per 1,000 persons within the nearby population catchment to the Port and 0.54 environmental nuisance complaints per 1,000 persons.

The Report further examined complaint activity in the context of port activity. The analysis found that the patterns of complaint activity did not appear to have any strong relationship with measured port activity (e.g. trade throughput and capital works expenditure), indicating that complaint activity since 2001 did not exert any effect on port performance.

The near negligible presence of adverse community experiences towards the Port are reflected in the above-average property values achieved for properties located west of Ross Creek, in close proximity to the Port. This data was originally presented in the EIS, but is worth re-evaluation as high property values reflect properties of comparatively high desirability and residential amenity. Had the Port been a significant disamenity to nearby residents, property prices in both absolute terms and in terms of growth would have reflected this by being below the levels achieved for Townsville as a whole. Combined with feedback gained from residents living in close proximity to the Port, the objective property value data suggests strong evidence that living in relative proximity to the Port is seen as desirable and offering a net positive amenity to residents.

Given these historic experiences, the analysis concluded by attempting to forecast potential complaints emanating from Breakwater Cove. The study concluded that on the basis of current and anticipated Port environmental performance, the Proponent expects up to 5 complaints per year from Breakwater Cove residents noise, dust and odour issues.

In addition to this Report, another report has been prepared examining port/residential interface issues in 16 Australian and international port cities (Appendix A32 in Volume 2). The report shows that in the vast majority of cases, residents are located well within 700m of port berths; and that in some cases – specifically Mackay and Sydney – residents are located within 300m of port berths. The case studies confirm that all Australian ports are regularly dealing with port-residential interface issues. In some cases, these challenges are brought about as a result of residential expansion towards port lands/facilities while in others they result from the encroachment of port activities towards existing residential areas.

In these circumstances, it is widely recognised that all stakeholders have a stake in achieving a workable balance between the needs and expectations of all impacted users. A suite of management measures are implemented in all cases, and reflecting their respective idiosyncrasies, the interface regimes include a combination of measures including, but not limited to, the use of spatial buffers, physical buffers, design mitigation at source and at receptor, sustained robust port-community engagement mechanisms and in some cases, active strategies to reduce disamenities by modifications to port activities.

The case studies demonstrate that ports and residents can co-exist, and there are a myriad of ways in which such co-existence can be negotiated and realised. On the basis of these experiences, the Proponent is confident that an appropriate range or suite of interface management initiatives can be implemented to ensure ongoing compatibility between the Townsville Ocean Terminal precinct and the Townsville Port.

Together with the findings of the case studies report (Transpac Consulting Report: *Case Studies on Seaports and Residential Interface Experiences in Australia, Singapore and New Zealand – Appendix A32 in Volume 2*), the Proponent is confident that the Breakwater Cove development could proceed given the very good environmental performance of the Port of Townsville and Port users. This is consistent with the historical evolution of the FDA development concept, which was originally promoted by the Port of Townsville.

Indeed, this confidence in the compatibility of the Port and the Breakwater Cove precinct appears to be supported by the views expressed by Townsville Port Authority in its 2006-07 Annual Report, which states (p. 20):

The Authority is working closely with City Pacific Ltd. and the Queensland Government to ensure that adequate port protection mechanisms are in place for the Breakwater Cove residential development which will be located adjacent to the Ocean Terminal facility. These mechanisms, which will closely reflect those agreed for residential developments surrounding the Breakwater Marina, will ensure that residents are aware of potential amenity impacts, that building design appropriately addresses impacts and that legal protections are in place to ensure the ongoing operations and growth of the Port of Townsville.

In this context, the Proponent is confident that specific measures contained in the final Port Protection Measures will not only be effective in terms of mitigating potential disamenity impacts, but will actually not result in inappropriate imposts on residents in terms of design amenity. Given the infrequent nature of anticipated exceedances, Breakwater Cove precinct residents will be able to enjoy the oceanfront amenity offered by the location without hindrance.

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 recognised 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 assist in meeting 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 is anticipated to 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. An approval for and commencement of construction of this project will act as a boost to the local economy and assist it in underpinning the local economy 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):

- 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 generally heavily dependent on their having a sustainable job. This project is expected to contribute 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 access to waterfront 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 user's 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.

The submitter makes reference to “hidden costs” such as increased traffic flows exacerbating traffic congestion in and around the Townsville CBD. Detailed examination of the traffic impacts of the proposed development have been updated at Appendix A21 in Volume 2. The detailed and subsequent analysis demonstrates that the project’s impact on the future road network is below the 5% ‘significance’ threshold as stipulated by Department of Main Roads. The detailed modelling undertaken indicates that even without the project proceeding, natural traffic growth together with known development projects in the CBD and environs will result in an unsatisfactory traffic outcome at the Denham Street/Flinders Street East intersection.

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 Analysis 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 Report at Appendix A28 in Volume 2), 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. This outcome should arguably be recognised as a significant win for the community.

Impacts on marine life, the Strand and water quality have been addressed in detailed responses to State Agency submissions.

The Proponent has undertaken a multi-criteria assessment (MCA) of haulage route options as part of this Supplementary EIS process. It is presented at Appendices A7 and A8 in Volume 2. The MCA concludes that “the preferred route adopted by the proponent [namely involving a temporary bridge across Ross Creek] represents a reasonable trade off of cost and environmental impacts against the benefit of reduced social impact”.

As an alternative, a barge option to carry trucks across Ross Creek has been considered by the project Proponent, which would effectively avoid any concerns about the impact of a temporary bridge structure on creek access.

This alternative to the temporary bridge across Ross Creek involves barging the trucks back and forth across the creek to the site. Discussions with the Port and the Regional Harbour Master have confirmed that this option is possible and two barge landing ramp locations have been identified with them and

design work has been undertaken to show that the options are viable. The barging option has an advantage over the bridge in that noise on the Strand and Sir Leslie Thiess Drive is minimised.