



# CAIRNS SHIPPING DEVELOPMENT PROJECT

Next Steps

Draft Terms of Reference for:

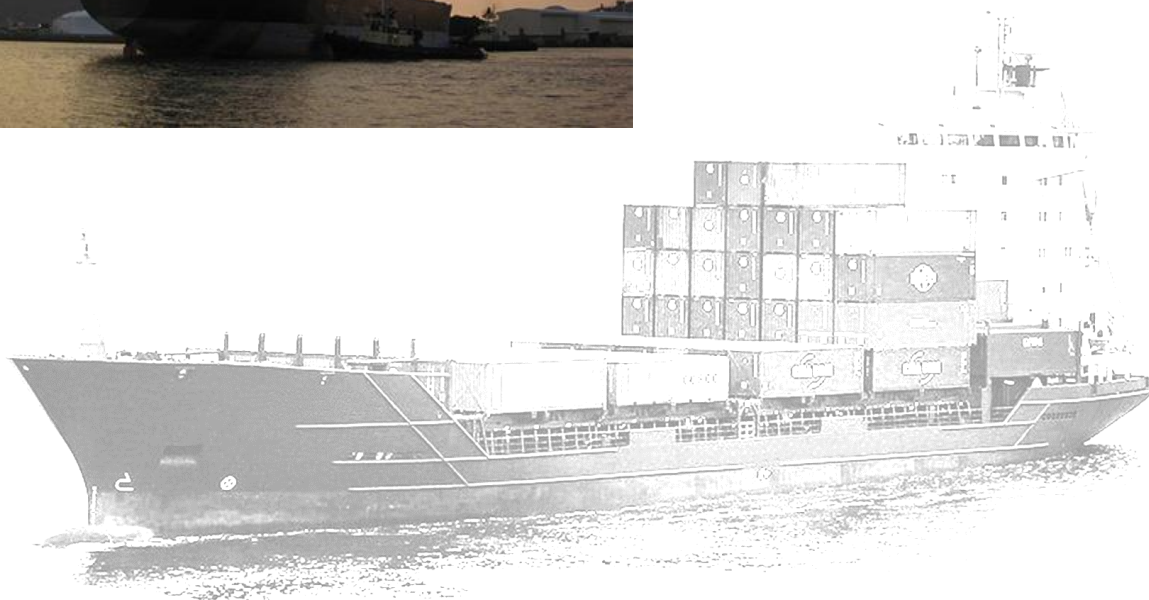
East Trinity Development  
Project Plan

On behalf of

*Friends of the Port of Cairns*

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10 June 2015



# Draft Terms of Reference for a new assignment to produce an East Trinity Development Project Plan

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**On behalf of: Friends of the Port of Cairns - [www.facebook.com/PortofCairns](http://www.facebook.com/PortofCairns)**

**10 June 2015**

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## **A. Summary**

This proposal for an East Trinity Development Project Plan responds to Treasurer Curtis Pitt's requests (see Section B) to: '*recast that EIS and make another proposal which has an emphasis on onshore disposal*'; and put another option '*on the table*.'

The State Government has ruled against proceeding with the recommendations in the Ports North draft EIS on the basis that the primary recommendation to put the dredging spoil in an off-shore location has been ruled against by both the Federal and State Governments, and the option of on-land placement of the spoil is considered too expensive.

An alternative has been proposed for both placement of the spoil and development at the 944 ha State-owned property at East Trinity. A submission from Friends of the Port of Cairns proposed an alternative approach that would likely have far lower net costs. This submission's third recommendation is:

*We recommend consideration be given to commissioning a different group of specialists to develop a full project plan for this alternative proposal, including benefit-cost analyses and implementation time-line. This recommendation is based on the difficulties invariably experienced when consultants are asked to change their previous assumptions, assessments and conclusions.*

This document expands on that recommendation by proposing draft terms of reference for new team of consultants to prepare a project plan to develop an area of land at East Trinity, including the placement of at least 4.4M cubic metres of dredging spoil from the Trinity Inlet and basin.

This proposed new East Trinity Project Plan would provide the information necessary to enable our State and local governments, Cairns business leaders and the Cairns community to understand fully and make informed decisions on dredging the Trinity Inlet and basin, a development at East Trinity and other associated factors.

# East Trinity Development Project

## Draft Terms of Reference

### B. Introduction and background

This terms of reference (TOR) comprises a request for a proposal (RFP) for a team of consultants to prepare a project plan to develop an area of land at East Trinity, including the placement of at least 4.4M cubic metres of dredging spoil from the Trinity Inlet and basin.

The sponsor for this project plan is the Queensland State Government. The Minister(s) with directly accountability is *(to be advised - possibly Queensland Treasurer Curtis Pitt and State Development Minister Anthony Lynham)*. The sponsor will be represented by a small Project Steering Group (PSG) comprising Cairns business people.

The project plan is required following a draft Environmental Impact Statement (EIS) prepared by consultants for Ports North. The draft EIS concluded placing the dredging spoil on land at East Trinity would cost \$365M plus major additional costs that would considerably exceed revenues if the land is developed.

<http://www.dip.qld.gov.au/assessments-and-approvals/cairns-shipping-development-project.html>

The draft EIS recommended that the dredging spoil be placed in a suitable location off-shore. However both the Federal and State Governments have ruled against this option despite credible scientific evidence that such off-shore placement would not be detrimental to the Great Barrier Reef.

The draft EIS, as well as subsequent reports such as the draft EIS submission from Cummings Economics, stressed the vital importance to the Cairns economy from completing the dredging as soon as possible. Cummings calculate the dredging project's NPV is \$1.35 Billion; without discounting factors, the figure is closer to \$5 Billion. The Cummings submission also explores the potential for East Trinity to provide a long-term solution for Cairns' expansion after the current Mt Peter residential development is completed; as such this East Trinity Project would be an important first step. The Cummings Economics submission is at:

[http://www.cummings.net.au/pdf/recent/J2865\\_Cairns\\_Shipping\\_Development\\_Project.pdf](http://www.cummings.net.au/pdf/recent/J2865_Cairns_Shipping_Development_Project.pdf)

Whilst other options may be suitable, indeed necessary in the longer term, the draft EIS as well as other assessments conclude that the only viable location for the capital dredging spoil placement in the short to medium term is on the 944 ha State-owned property at East Trinity.

The State government did not wait for public submissions to the Coordinator General before announcing the cost of dredging was too high, and decided against the project. However, it appears the State Government are not ruling out other options. The Cairns Post reported on 15 May 2015:

*'TWO senior State Government ministers are not ruling out developing the Port of Cairns, including dredging. Queensland Treasurer Curtis Pitt and State*

*Development Minister Anthony Lynham are calling on Ports North to re-examine their Environmental Impact Statement on dredging Trinity Inlet shipping channel. Dredging has been ruled out on economic and environmental grounds by the government, with sea dredge spoil dumping **estimated to cost \$100 million and land based \$365 million.** “What we’ve said is that this EIS doesn’t rule out future port development, what it does is say the options that are on the table ... are not viable options,” Mr Pitt said. “What we’ve said is that Ports North, as the proponent can go back, recast that EIS and make another proposal which has an emphasis on onshore disposal.’*

Ports North website states ‘....Ports North, is a company Queensland Government Owned Corporation responsible for the development and management of the declared Ports of Cairns,..’ Ports North’s capabilities and successes in its vital role of port management are well recognized. However, land development for residential purposes and resolution of land degradation problems such as those on the East Trinity property are clearly outside Ports North’s mandate. As such, Ports North role in this project should remain focused on Port activities, including dredging management or oversight, rather than having responsibility for the whole East Trinity Development Project.

A submission from Friends of the Port of Cairns proposed an alternative approach that would likely have far lower net costs. The submission’s third recommendation is:

*We recommend consideration be given to commissioning a different group of specialists to develop a full project plan for this alternative proposal, including benefit-cost analyses and implementation time-line. This recommendation is based on the difficulties invariably experienced when consultants are asked to change their previous assumptions, assessments and conclusions. The full submission is at: <http://better-management.org/wp-content/uploads/2015/06/Submission-to-Coordinator-General-1-June-2015.pdf>*

## **C. Project objectives**

The objectives of this project plan are to prepare and present:

1. The most cost-effective plan to develop the 944 ha State-owned property at East Trinity over the short to medium term, say 5 – 8 years, that complies with all statutory requirements, and includes the placement of at least 4.4M cubic metres of dredging spoil from the Trinity Inlet and basin.
2. A benefit-cost analysis and project time-line, including listing the main changes to relevant regulations and approvals, together with associated processes, that will be required.
3. A brief indicative approach to develop this property for a further 20+ years as part of an overall vision for East Trinity’s role in Cairns’ long-term expansion.

## **D. Additional requirements**

The consultants should also:

1. Assess and briefly describe world best-practices with regard to aspects of dredging and spoil placement, development and management of significance to this project, together with supporting references, including:
  - Dredging
  - Pumping dredging spoil
  - De-watering methods such as centrifuging
  - Acid Sulphate Soil management, including lime and other treatment methods
  - Bund walls for dredging spoil containment
  - Re-establishing vegetation
  - Establishing eco-tourism ventures for mangroves and wetlands
  - Project Management, including community communications
  - Contract Management and Supply Chain Management
2. Describe briefly the main assumptions that underpin the plan and benefit-cost analysis, and explain how and why these assumptions differ from those of the Ports North draft EIS.

## **E. The consultants' capabilities**

The selection criteria for the team of consultants for this project are:

1. A team leader who has demonstrated the ability to manage complex projects, inspire excellent team synergy and meet deadlines within agreed budgets.
2. Consultants with high-level and relevant development and technical experience, team-players, demonstrated success producing innovative cost-effective solutions, and willing to challenge the status quo.
3. The consultants should not have had any major involvement in the preparation of the Ports North draft EIS in order to ensure a fresh approach is taken to solution development.
4. After studying proposals, a short-list will be drawn up for further consideration by the PSG. Rather than a formal presentation, discussions with the individual consultants, then with the full teams for the short-listed proposals, will precede final selection.

## **F. Information available to the consultants**

A wide range of information will be available to the consultants, including that used and generated by the Ports North consultant during the preparation of the draft EIS.

There are also many reports completed during recent years concerning East Trinity that will be available.

## G. The proposal and costing

The consultants' proposal should be delivered as a PDF document to (*name, email address, by x date*).

The proposal should be as short as practical in order to demonstrate and provide:

1. A thorough understanding of the project and assignment requirements and background.
2. A total and breakdown of costs to complete the assignment, including any contingencies and expenses.
3. An assignment time-line, including discussions with the PSG at appropriate intervals (a 'no surprises' approach is important).

The assignment deliverables will be:

4. Brief working papers for discussion with the PSG at appropriate intervals, as agreed with the PSG Chair;
5. A draft project plan for discussion with the PSG. Quality is far more important than quantity – supporting information is required only to the extent that it provides sufficient support for the conclusions; and
6. A final project plan presented to the PSG, then two or more wider audiences of stakeholders.

The project plan should include:

7. Consideration of the Ports North draft EIS and submissions to the Coordinator General concerning the EIS, in particular the alternative proposal presented in the Friends of the Port of Cairns' submission, and the Cummings Economics submission.
8. Assessment and application of best practices, as above.
9. Description of the main assumptions, as above.
10. Details of potential suppliers of services and initial assessments for the Project Manager's consideration, sufficient for the Project Manager to commence negotiations.
11. Proposed arrangement with Ports North for the delivery of capital dredged spoil, and possibly future delivery of maintenance spoil. Consideration may be given to dredging additional spoil to create a deeper and wider channel and basin that would enable additional large vessels to use Cairns Port.
12. Assessment of options, and recommendations, on the optimum developer(s) including: One or a group of developers; Private/public partnership; and Public development.
13. Sufficient details that will enable a Project Manager to commence the project as soon as possible.