Cairns Port Development

This report explains how the reasons given for delaying Cairns Port development have been overcome. It reveals how to expedite development so the Cairns Region’s businesses and communities can gain the massive benefits from this development as soon as possible.

For the consideration of Queensland State Ministers:

Hon Annastacia Palaszczuk, Premier
Hon Curtis Pitt, Treasurer
Hon Dr Anthony Lynham, Minister for State Development
Hon Mark Bailey, Minister for Main Roads, Road Safety and Ports
Hon Dr Steven Miles, Minister for Environment

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The evidence and views presented in this report indicate the Queensland State Government Ministers responsible for the key decisions on Cairns Port development can expedite the proposal without further delay.
A. Executive Summary

- This report responds to State Treasurer Curtis Pitt’s challenge, reported in the Cairns Post, 15 May 2015: “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 Ports North, as the proponent can go back, recast that EIS and make another proposal which has an emphasis on onshore disposal.”

- Previous reasons cited for delaying Cairns Port development have been resolved so the development can now be expedited. The Cairns Region businesses and community will then gain the major benefits from this development as soon as possible. Direct benefits have been estimated at $5 billion over 25 years; many indirect benefits will include business growth and job opportunities. The Australian Department of Defence will be assured Cairns Port naval base will remain fully-operational as a strategic port for regional and coastal operations.

- Spoil from major dredging programs will not be discharged at sea in future despite credible scientific reports demonstrating this could be completed without environmental damage. Dredging spoil has been used for land reclamation for 111 years, and can continue similarly whilst complying with environmental regulations and enabling further growth.

- Previous development proposals were abandoned by State governments following objections from a few green activists. Massive potential benefits were lost to the Cairns community. All politicians should now take notice of the great majority of voters that support port development.

- Ports North’s draft EIS did not present the lowest cost option to place spoil on land, nor the most cost-effective way to develop spoil-covered land. Neither did the draft EIS comply fully with the Terms of Reference requirement to provide credible benefit-cost assessments.

- The Port Sustainability Bill does not include Cairns as a Priority Port. However, Minister Lynham has stated ‘The (Ports North draft) EIS proposal is respected by the government as being in place before this (Bill).’ The State Government has given Ports North $350,000 on top of the previous $5.1m to revise the draft EIS. Competent professionals could complete this revision before the 31 March 2016 deadline and should have been directed accordingly.

- The revised EIS should satisfy all requirements to expedite Cairns port development:
  - Lowest possible cost dredging of the channel and basin using optimum technologies;
  - All spoil placed on land rather than at sea;
  - Meet all relevant environmental requirements;
  - Meet Australia’s naval strategic requirements; and
  - Enable Cairns to benefit from the forecasted benefits when the proposed port development is completed, and ongoing development is planned to match future requirements.

- The State government should expedite completion of a ‘shovel-ready’ project plan.
  - To ensure credibility, the plan should be completed by independent specialists and include a full benefit-cost analysis including direct and indirect benefits and recommendations.
  - The plan should include assessment of a private/public partnership.

- The authors and supporters of this report recommend the Queensland State Government:
  - Note Minister Hunt’s supportive letter in February to Minister Miles regarding dredging;
  - Recognise that all significant and perceived downsides that have delayed Cairns Port development should now be resolved; and
  - Expedite all steps required to complete the proposed port development as soon as possible.
B. Introduction and background

Ports North propose to dredge the Trinity Inlet Channel and swing basin near the new CBD cruise terminal to enable larger cruise ships to dock at the cruise terminal (a fast-growing part of Cairns' tourism industry) and other marine and associated activities such as expansion of naval operations.

This proposal has considerable merit, and is strongly supported by the authorities and the authors of this report and, it is understood, by the great majority of regional councils and residents.

Dredging as proposed will involve about 4.4 million cubic metres of spoil initially, then ongoing maintenance dredging. The Ports North Initial Advice Statement notes: ‘The estimated annual maintenance dredging quantity for the proposed improved channel is 580,000m3. For comparison, the current average annual maintenance dredging is around 320,000m3.’ Ports North initially proposed to dump all the spoil and future maintenance spoil in an extended area by the current dump offshore site near the entrance to the Trinity Inlet Channel.

State Treasurer and acting Development Minister Curtis Pitt instructed Ports North to focus on ways to increase the size of ships entering the city’s port. The dredging is to allow larger ships, particularly cruise liners, to navigate the channel.

The final Terms of Reference (TOR) for the Cairns Shipping Development Project were released by the Coordinator General (CoG) in September 2012. Ports North announced they had commissioned consultants ARUP to complete the EIS (Environmental Impact Statement) in April 2013. Ports North stated the draft EIS report would be provided in May 2014, then a delay to September 2014. Ports North said changed conditions required further work and had delayed the report.

In fact, the Terms of Reference had not changed and the ‘changed conditions’, ie government ruling against dumping dredge spoil at sea, required far less work rather than more as the TOR always required assessment of options to place dredging spoil on land. The draft EIS was finally released on 17 April 2015.

Rather than waiting for submissions and a final EIS State Treasurer Mr Curtis Pitt announced ‘on the basis of the draft EIS, the government had decided against the proposed Trinity Inlet dredging’. Mr Pitt explained the $365m cost calculated in the draft EIS was unacceptably high.

The Government granted the Ports North an extension to 31 March 2016 to provide a revised environmental impact statement.

The Cairns Shipping Development Project is able to proceed under the transitional arrangements as part of the Sustainable Ports Development Act 2015 passed in the November 12 Parliament sitting.

Ports North contracted consultants ARUP in April 2013 to produce a draft EIS report that covers everything Mr Pitt has stated he wants. However, nothing additional to the requirements of the original EIS TOR is understood to have been requested. Competent specialists could complete these final requirements in a few months if they were directed to do so. Indeed, the
authors of this report as well as many others have been involved in far larger and more complex reports that were completed in a fraction of the time taken so far for the Ports North EIS.

The following sections C to K describe how all the significant issues that have delayed the port development proposal to date have been overcome. Section K recommends a practical way forward so the Cairns region’s businesses and community can gain the major benefits outlined.

The report authors wish to thank the several people who have contributed to this report.

The report can be downloaded from www.better-management.org.

C. Issues for consideration concerning the Cairns Port development

This section presents four key issues that impact on the proposed Cairns Port development. However, many more issues have not been presented to avoid readers drowning in detail that is still important but of lesser significance.

C1. There is widespread public support for expediting the port development

Numerous individual comments from the general public, media and politicians have expressed strong support for developing Cairns Port in order to expedite the major benefits that will accrue. Some examples are listed below:

- Several polls and a large petition indicate most Cairns Region people are strongly in favour of expediting the proposed port development. For instance:
  - The Cairns Port Development Inc. petition signature sheets were handed to the Queensland Parliament at 7.28 AM on 15 September 2015. The 4,099 written signatures plus the 2,017 online signatures totalled 6,116 - one of the largest petitions ever from the Cairns Region.
  - The proposal is supported by local governments in the region.
  - Cairns Post poll, 24 July 2015: 'Do you support increased dredging of Trinity Inlet'. Result in Monday 27th edition: YES 73%.

- Cairns Port Development Inc. strongly supports this report. CPDI President, Ron Crew, said ‘this report extends the work our group has been pursuing, and presents all the key arguments as to why the Queensland State Government has no further valid reasons for delaying this project which is vital to underpin Cairn’s progress’.

- The Cairns Post article, 25 September 2014 included: ‘80pc of Cairns residents support Trinity Inlet dredging for bigger ships. A SURVEY has revealed almost 80 per cent of people in Cairns support dredging of the Trinity Inlet channel to allow bigger ships to enter the city’s port. The result of 78 per cent was revealed in an independent survey of 300 residents by Compass Research commissioned by Ports North last month. Respondents who were “definitely for” the project (41 per cent) said it would be good for business, good for the economy and good for tourism, with some mentioning better experiences for cruise ship visitors, diversification of the port and opportunities for navy expansion. Another 38 per cent wanted to see the project proceed but requested...’
more information. Only 4 per cent said they were “definitely against” the project. The survey found 83 per cent had heard of the Cairns Shipping Development Project and just over half (51 per cent) had a detailed, or fundamental, knowledge of the project which is designed to deepen and widen the existing channel to enable larger ships, particularly cruise liners, to berth in the city. The proposal would also open up more opportunities for the cargo and shipping industries as well as expansion of the region’s naval base.'

- Cairns Post editorial, 22 Jan 2016 noted: ‘The parliamentary committee heard testimony overwhelmingly in favour of dredging and unanimously recommended in its report to the government that Cairns be named a “priority port” where dredging should be allowed’.

- Federal Minister for the Environment, Greg Hunt’s letter to Minister Steven Miles notes: ‘There is no prohibition in Federal law or under the LTSP against any sustainable tourism development of Cairns Port. I strongly encourage the Queensland Government to find a workable solution for the Port of Cairns that is consistent with international commitments and national environmental law’.

- Dr Fanny Douvere, Marine Program Coordinator at the World Heritage Centre, and involved in the recent decision not to list the reef as in danger, is quoted as saying:
  o ‘UNESCO was not particularly worried about existing port expansions;’ and

- The Hon. Warren Entsch, MP, Federal Member for Leichhardt Queensland, noted in an article in Dredging News Online, 20 March 2015: Dredging critical for growth: ‘Entsch says land-based disposal “dredging critical for growth”. ’I congratulate Environment Minister Greg Hunt for this decision,’ Mr Entsch said... ‘Greg Hunt has indicated for a long time that his preferred option for disposal is on land...so I don’t see any reasons why there would be delays as they have already considered a number of land-based options.’

- An article in the Cairns Post 30 April 2015: Crawford backs dredging on Trinity Inlet noted ‘Barron River MP Craig Crawford has broken political ranks to back the dredging of Trinity Inlet. He says the widening and deepening of the channel to accommodate larger cruise ships may not happen in the short term, but needs to happen eventually – as long as the Queensland Government has the money to fund it. ‘I would like to see it happen. What’s restricting us at the moment is certainly the finances for it,’ he said. ‘The Palaszczuk Government dumped the Cairns Shipping Development Project about two weeks ago, saying there was no economic or environmental case for it.’ As noted elsewhere in this report, there is an economic case and the environmental impact would be positive if the spoil is used to cover the polluted area at East Trinity.
• Senator Ian Macdonald and Bob Katter, Federal Member for Kennedy, talked with John Mackenzie on 4CA Talkback, 22 October 2015, about deepening Cairns Port to enable large naval, cruise and cargo ships to use the port and facilities. Both Senators noted deepening is essential, should be expedited, and will bring major benefits to FNQ. Naval access is also an essential Australian defence requirement. Senator Macdonald said: “The Qld Government really has to ignore the minority greens groups who will make up any story to stop any sort of development in Cairns or anywhere else and get some sensible advice...”

• Cairns Post article, 27 April 2015, Industry group Cruise Down Under is urging the Government to consider the economic benefits of dredging of about $1.3 billion. CDU general manager Jill Abel said a study showed cruise ships injected $12.6 million into the city’s economy in 2013-14. Ms Abel said. “… Cairns is a must-see destination from a passenger perspective, and integral to the eastern seaboard itineraries.”

• Mr Bernie Gallen, Cairns Delegate on the Queensland State Committee of the Maritime Union Australia (MUA), commented: ‘Anyone with half an ounce of grey matter between their ears would understand that Cairns is the gateway to the reef and a fully functional 21st century port and facilities built in the next 10 years will save $100s of millions into the future. The present facilities are antiquated, unsafe and very 1940s. The channel and inlet should be deepened and widened ASAP so larger cruise ships can berth as well as fully-laden cargo ships’. Not one person wants to destroy the reef with pollution. We're smart enough to get to Mars but befuddle ourselves with misinformation and shortsightedness when it comes to our own backyard.’ Mr Gallen is the local tug delegate of the MUA after 35 years calling Cairns his home port. At a recent meeting with Mr Gallen and three MUA colleagues, Mr Gallen described their pragmatic vision for Cairns Port development that would cater for Cairns Region’s growing port infrastructure needs.

• The Cairns Post editorial, 22 August 2015, is typical of many comments: 'New look at dredging - Ports North told to come up with revised proposal.' And 'If the revised EIS suddenly comes back with a favourable opinion of increased dredging, surely this raises suggestions the government is advising its consultants what outcome they should find rather than merely letting the science do the talking.' http://www.cairnspost.com.au/news/cairns/cairns-port-dredging-plan-back-on-the-cards-in-state-government-rethink/story-fnpusyw-1227493667126.

C2. The draft EIS did not cover two of five requirements of the TOR

A submission to the CoG demonstrated the draft EIS did not present the lowest project costs due to ignoring optimum technology and applying methodologies that increased the costs far above the most cost-effective best-practice approaches. Neither did the draft EIS adequately cover two of the five key requirements of the TOR:

- ‘Sufficient baseline economic data to underpin a comprehensive assessment of the direct, indirect, cumulative, costs and impacts of the project’; and
- ‘The indirect impacts likely to flow to other industries and economies from developing the project, and the implications of the project for future development.”
Also, the three options for developing the spoil-covered land all ignored the obvious and most cost-effective options for the State owned 964-hectare East Trinity property.

Thus, no effective benefit-cost analysis was presented for either the CoG or State Treasurer’s consideration. See [Submission to Coordinator General.]

C3. The area the draft EIS recommends for dredged spoil complies with CSIRO advice

The draft EIS recommends part of the 964.3 ha state-owned East Trinity site as the preferred option for land-based spoil disposal.

Most of that area was in continual agricultural production since the first survey in 1894. The history of the site and demise to its current degraded state is a long story. An aerial photograph of East Trinity, Trinity Inlet and the Cairns CBD in 1942 is shown below, with points of interest flagged. The area marked salt pans & grassland, and woodlands is the proposed location for placing dredged spoil.

The current status of the East Trinity property is described in an article in The Cairns Post, 20 June 2015: ‘East Trinity, not a wetland, just a mess. Queensland State Government own a 943.6 ha partly-degraded area at East Trinity, about 1 kilometre across the Trinity Inlet from the Cairns CBD. The background and events to date relating to this area as well as the dredging are described on the website: Cairns Trinity Inlet Dredging and East Trinity - Opportunities. CSIRO carried out a rigorous assessment of this property between 1995 - 1999 to understand the pollution problems. CSIRO’s peer-reviewed report noted considerable dangerous pollution and degradation, and proposed covering most of the area with dredging spoil as a major part of the solution to reclaim this land to useful purpose.’
The majority of this property between 1884 through to 1998 was farmed; dairy and cattle grazing, then cane until farming became uneconomic. A development proposed by Sailfox Pty. Ltd. with proponent NatWest Markets Australia Limited involved purchasing the site, then planning and proposing a major resort, the $1.4 Bn (1990's dollars) Royal Reef Integrated Resort and Community. The project plan was approved in principle by the Queensland Labor State Government, and work commenced. Further details of this abandoned proposal are in the next section: Royal Reef Integrated resort and residential community project 1992.

A few green activists objected. The State Government withdrew approval. The developer went into receivership, and their bank, National Westminster, commenced proceedings to recover their losses from the State. An out-of-court settlement was reached. The settlement amount, understood to be $10m, has never been revealed to the public.

The property is now a major liability to the Queensland State Government and continues to be a drain on the State. Millions of dollars have been spent on testing, reducing the acid sulphate run-off into the Trinity Inlet and plagued by inadequate maintenance. Much of the property is now overgrown with weeds and over-run by feral pigs and vermin, with a large area of dead melaleuca trees (see 2013 photograph below). Large areas of stagnant ponded water breed clouds of mosquitoes, crocodiles abound, as reported by many East Trinity residents – all this within 1 kilometre of the Cairns CBD, new cruise terminal, main tourist centre and wharf.

A CSIRO report, Acid Sulfate Soils in East Trinity Inlet, May 1999, noted: ‘Our research indicates that: The land at East Trinity is severely degraded and is a continuing environmental hazard; ....water discharged into Trinity Inlet contains dissolved aluminium between 120 and 6000 times the Australia and New Zealand Environment and Conservation Council (ANZECC) guidelines.’ There is considerable evidence of further deterioration since 1999, but also of major advances in technologies that can address these problems cost-effectively. As well, equivalent high levels of iron, zinc arsenic and other contaminants were being discharged into Trinity Inlet.
This high level of pollution presented many problems for a bio-remediation method, or re-flooding with normal tidal interchange. Surveys had revealed depression areas, formed in the 20 years since it was last drained, and from agricultural earthworks. The CSIRO report stated: ‘Experience of CSIRO scientists at the site indicates that remediation by conventional acid neutralisation or simple re-flooding would be impractical. Moreover, this approach is likely to be uneconomic and environmentally hazardous’. Capping, or burial beneath clean fill became the preferred recommendation ‘especially since large quantities of sediment may be available from harbour dredging’.

The Mandingalbay traditional owners wish to use sections of the East Trinity reserve and the landing at the mouth of Hills Creek and some of the wetland areas over which they hold native title (especially those areas on the northern side of the reserve), as a base for an eco/indigenous tourism presentation that would extend into Grey Peak National Park. It is significant that this could proceed alongside the use of the southern section of East Trinity reserve.

D. Examples of benefits lost from Cairns Region abandoned projects

Three examples are presented to demonstrate the benefits that have been lost to the Cairns Region businesses and communities due to projects being abandoned. Many more projects could be described that suffered from the same fate for similar reasons.

D1. Royal Reef Integrated resort and residential community project

The background to this proposal is described in the section above: *The area recommended in the draft EIS to place dredged spoil has a complex history*

The 1992 EIS report by Brannock Humphreys, Town Planning Consultants, East Trinity Residential community, described the project as follows: ‘The proposed project is a resort and residential community development comprising tourist accommodation, attractions and residential components. The total construction cost was to be $1.4 billion or $2.5 billion in inflation-adjusted 2015 dollars). The development is proposed to include 2,451 tourist accommodation units (2,000 hotel and 451 golf course units) and 4,024 residential units and houses. A ferry service across to the Cairns CBD was planned. Other components of the project include:

- Theme park – sea-life display and entertainment area incorporating Royal Reef, a man-made coral reef and other attractions, amusements and shows;
- Aboriginal cultural center – display of aboriginal life style, history, arts and crafts;
- 2,500 seat convention facility
- A commercial complex - tourist oriented shops and entertainment; a total 45,000 square metres gross floor area;
- Two golf course – championship and resort standard course with club houses and practice ranges;
- Flora and fauna part- Australian animal park and rainforest habitat and interpretive center; and
- A 10-hectare light industrial precinct.
A graphic and plan from the resort report indicated the international standard of the proposed resort:

However, a few vociferous green activists objected. A key issue raised was that the project included a highly degraded area that would have been remedied as part of the project. The green activists wanted this area to be ‘restored’ to wetlands. The argument was entirely specious as this area has never been wetlands in recorded history. As well, the aquarium proposed was attacked strongly by the green activists claiming any discharge water would affect the inlet, ignoring the plans to treat discharge water to comply with the requisite standards.

Two Royal Reef AIS and EIS reports, 1992 and 1995, produced by a team of specialists led by Professor John Brannock of Brannock Humphreys, Town Planning Consultants, describe the proposal in detail. Section 10.0 CONCLUSIONS notes: ‘There will be no major detrimental impacts to the environment as a result of the proposed development which has been modified to be generally in accordance with the Trinity Inlet Management Plan.’

Queensland State Premier Peter Beattie’s Labor government withdrew approval to appease the green activists. As a result, the developer went into receivership. The State agreed to pay the National Westminster bank what is understood to be $10m to avoid being sued.

The so-called rehabilitation has been a major failure, incurring ongoing costs of some $400,000 each year. As well the plan included infrastructure which would have provided an alternative route to and from the City and reduced the need for valuable agricultural land to be replaced by urban development, including the Mt Peter project.

This project was originally proposed and planned giving access directly to the Cairns CBD, less than one km distant to commuters by passenger and vehicular ferry services in addition to upgrading the present Pine Creek road/Bruce highway road link.

State Government initial approval was granted conditionally including the proponent finance and construct the Trinity Inlet Bridge, planned previously by the Main Roads department. This was to be part of the second Southern access to Cairns CBD.

The benefits lost to Cairns businesses and community from abandoning this proposal are massive, including numerous ongoing jobs, commerce, tourism, Cairns’ second Southern access, fixing the land pollution at East Trinity, valuable agricultural land and much more, as listed at the start of this section. The project was costed at $2.5 billion (in inflation-adjusted 2015 dollars).
Assuming a simple benefit-cost ratio of 2:1, typical for commercial projects, this suggests the direct benefits lost would have been worth of the order of $5 billion, plus all the indirect benefits such as training and employment opportunities for local people from Yarrabah and Bessie Point.

D2. Hydro Electric Scheme / Tully-Millstream Dam

There is no better practical demonstration of the confused and conflicted priorities of green activists than their blocking of the Tully-Millstream Hydro-Electricity Augmentation Scheme in 1991. This $520 million Queensland Electricity Commission proposal would have inundated a very small area (135 hectares) of previously-logged World Heritage-listed forest. Two dams were to be constructed, with a total of 4300 hectares of lake area, to feed a 600 megawatt power station to be added to the existing Tully Falls Hydro Scheme.

To put the 135 hectares in proper perspective, at the time there were 600,000 hectares of World Heritage-listed forest in the Far North, so the area to be inundated represented just 0.02% of the total WHL area. QEC even offered a 440 hectare cattle-property to be added to the World Heritage estate and rehabilitated into rainforest to offset the loss of the 135 hectares, but that deal was not acceptable to the green activists.

In the 25 years since the Tully-Millstream Augmentation was stalled there has been rapid growth in the region. Base-load electricity is transmitted long-distance from coal-fired power stations in the south. Allowing for transmission losses, it is estimated that stopping the Tully-Millstream Augmentation twenty-five years ago has resulted in an additional 45,000,000 tonnes of CO2 being generated from the coal-fired power stations.

To put the 45,000,000 tonnes of CO2 into perspective, that is the equivalent of having added 630,000 cars to our national fleet, or almost 5% more cars in total.

Not only has burning all that coal added unnecessarily to our national carbon footprint, it also came at a very high dollar cost. Using a methodology provided by the Federal Environment Agency of Germany, producing electricity from hard coal comes at an all-inclusive cost of AUD$0.14/kWh, while large-scale hydro costs just AUD$0.0028/kWh.

The Tully-Millstream Hydro-Electricity Augmentation Scheme had actually commenced at the time of the green intervention, with one pilot tunnel dug and $26,000,000 spent. This technically brilliant scheme could easily be reinstated were the confusion about environmental priorities within the green movement to be resolved.

600 megawatts of entirely renewable energy with zero emissions is highly desirable in environmental terms. The rational majority of Queenslanders would be delighted to flood less than one and a half square kilometres of World Heritage bush to take the equivalent of 630,000 cars worth of emissions out of the atmosphere and save $772 million per year in production costs. Scrapping the Tully-Millstream Augmentation meant our state-owned electricity generators supplied us with 140,694,300,000 kWh of coal power instead, at a cost of $19,697,202,000. That same 140,694,300,000 kWh from Tully-Millstream would have cost $393,944,040. The loss to the generators, and therefore the people of Queensland, was a staggering $19.3 billion over the past
twenty-five years. As then-Member for Mulgrave Warren Pitt said in 1991, “It is no wonder that so many far-north Queenslanders are cynically suspicious of some environmentalists”.

D3. Relocating fuel storage

There was a huge gas works explosion at the old storage Bunda Street, Cairns depot (next to the Cape York Hotel) on 17th August 1987. This explosion consumed around 40,000 litres of LPG in a massive fireball that killed one and injured 27, including three firefighters. This boiling liquid expanding vapour explosion (BLEVE) is the only Queensland incident on a list of comparable international incidents that are synonymous with chemical and industrial disasters such as Bhopal (India) and Flixborough (United Kingdom).

Plans were formulated to reposition all the Cairns fuel storage and gas bulk storage tanks on Admiralty Island.

Admiralty Island was considered to be the safest location as the city was expanding. At that time the northern end of the island, which is predominately sand ridges above tidal influence and where during WWII military facilities had been established, was recognised as a future industrial/port area under the control of the Cairns Harbor Board.

Investigations and planning began and a bulldozer moved onto the area.

This approach was not acceptable to the Cairns and Far North Environment Centre (CAFNEC) and their supporters who demonstrated and mounted a political campaign and protest. They were also supported by Dr Lesley Clark (who became the State Member for Barron River). Together they successfully convinced the government to rezone and include the island into the Trinity Inlet Marine park. To ensure there would be no ‘environmental’ destruction to the surrounding ‘pristine’ shore areas, including the East Trinity site, Dr Clark convinced the Government to establish the Trinity Inlet Management Program (TIMP).

TIMP as it was known was given powers to reject or approve any proposed projects within the Trinity Inlet catchment area and over-rule local and state planning schemes. TIMP had a paid CEO and secretary and a board of ‘Stake Holders’ which comprised mostly green activist members.

The TIMP no longer exists as finance was withdrawn. However, Cairns City having the storage areas for fuel and gas on the border of the CBD is a major safety hazard. Admiralty Island is still suggested as the safest alternative site but now it needs parliamentary approval for it to be excised from the Marine Park and the northern end again designated for industrial use.

The Cairns Industrial and commercial areas have expanded surrounding the fuel storage tanks. Now an even larger and ever-present danger exists to a large part of the Cairns. Questions have been asked: if there is another similar accident where people are injured or die, with major operational disruption requiring very expensive replacement, who will be held accountable, and who will pay for the costs of replacement and disruptions?
Note: An example of a project that delivered major benefits to the Cairns Region is Skyrail. Acclaimed world-wide as a ‘must-see’ attraction that has played a major role in putting Cairns on the international tourist map, Professor David Bellamy said: ‘Skyrail showed how to move, marvel and motivate large numbers of people through a world heritage rain forest causing little or no damage and providing hands-on education for the visitors. Had the family owners not been so persistent in countering the green activists’ objections, this exceptional project would not exist. The story can be viewed at The Skyrail success story

E. Who are these activists that obstruct developments?

E1. The ‘green movement’ has been gradually captured by activists

First, it is emphasised that most environmentalists are sincere people who want to take care of our environment. Greenpeace achieved considerable success in their early days.

But the green movement was gradually taken over by activists who had very different overt and covert agendas, in particular anti-development. These activists tend to be smart, university-educated and articulate, supported by wealthy overseas-based organisations such the US-based PEW Charitable Trust. CAFNEC receives government funding: Queensland Government DEHP provided $50,000 and $25,000 Grant Federal - Australian Government GVESHKO (latest accounts to June 2014). The latter grant has been discontinued.

The Federal MP Kevin Andrews wrote in 2011: ‘The Greens are Marxist in their philosophy and display the same totalitarian tendencies.’ Dr Patrick Moore, co-founder of Greenpeace, said in 2005 after his resignation ‘the environmental movement abandoned science and logic in favour of emotion and sensationalism.’

Commenting on the port development proposal, David Crisafulli, previous Queensland State Member for Mundingburra and Minister for Local Government, said on John MacKenzie’s 4CA talkback show, 23rd January 2015, a week before the State election: ‘We do need to find a way to get that dredging done. Now, there has been every roadblock put up that could possibly happen.’ It has been suggested that these ‘roadblocks’ are predominantly people in positions of influence who have been targeted with sophisticated campaigns by green activists.

A Pyramid News’ article, 10 August 1994, expressed Warren Pitt’s outrage about the anti-development activists. [Note: Warren is State Treasurer Curtis Pitt’s Father; he was the Labor member for Mulgrave from 1989-95 and then again from 1998-2009, serving as the Minister for Business, Industry and Regional Development (1995), Communities (2004-07) and Main Roads and Local Government (2007-09).] ‘Mr Pitt hit out savagely at people he claimed were a “vocal and ill-informed minority who have made it their mission to decide what is best for the rest of us”. “It would appear some interest groups would have the economic future of Far North Queensland come to a standstill. They oppose development irrespective of its need or ability to satisfy stringent environmental requirements imposed by State government.” “Opposition to the Tully-Millstream Hydro Scheme and the Kuranda Skyrail flies in the face of considerable data obtained by numerous agencies. Data which shows the projects to be not only viable but in the best interests of the environment... “It’s all right for these people to knock everything and demand the public purse be dipped into to fund their version of an environmental utopia:
But someone has to pay the bills. “To do that we need economic growth and people gainfully employed,” Mr Pitt said. (See copy of original article below.)

E2. CAFNEC’s objections to port development have been countered

The following points respond to key objections presented by CAFNEC on their website:

- The dredge spoil would likely be dumped on the environment reserve and restored wetlands at East Trinity. The proposed land at East Trinity never was wetlands so cannot be ‘restored’. This land is highly polluted. The solution recommended by CSIRO to cover the polluted area with spoil was ignored by the State Government, resulting a failed solution costing about $400,000 a year.

- ... and then, in an annual battle against nature to keep the channel open, they’d dredge and dump around an additional 100,000 m3 into the waters of the Great Barrier Reef Marine Park to maintain the channel. The spoil could be placed on land with considerable benefits, as has been done in Cairns with enormous success for over a century (see image from the State Library of Queensland below).
• The economics just don’t stack up, the project would cost taxpayers around $440 million, and benefit only a handful of businesses. These costs are exaggerations of already exaggerated costs. The costs would be far lower, as explained in this report. The expected benefits are massive.

• The same vested interests are now calling for Cairns to be made into a priority industrial port. This is simply wrong. The proposal for Cairns to be declared a Priority Port, NOT a priority industrial port, was to avoid the major and unnecessary restrictions that would otherwise be imposed on Cairns port development.

• This would allow unlimited capital dredging for port expansion in the future and risks turning Cairns into an industrial mega-port like Gladstone. Only CAFNEC has ever suggested Cairns could become “an industrial mega-port like Gladstone”. The surrounding mountain ranges would make it prohibitively expensive to ship any bulk mineral product through Cairns. Additionally, there is no room for Gladstone-style refineries or smelters in the Cairns port area.

• Our commitment to UNESCO to prevent new dredging in ports like Cairns was crucial in preventing recent ‘at risk’ listing for the reef. If we break our promise we open the door to at risk listing and would send the wrong message to potential tourism visitors. This would have negative impacts on the economy. As noted below, there is no need to ‘break our promise’, as pointed out by Minister for the Environment, Greg Hunt, and supported by comments by Dr Fanny Douvere, Marine Program Coordinator at the World Heritage Centre. The impacts on the economy would be very positive, as noted in Section G.

• Nobody wants to hold back the economic future of Cairns, but new dredging threatens to do just that and is not necessary for our industries such as tourism, sugar export and defence to continue. First, it is clear the CAFNEC and supporting green activists DO want to hold back the economic future of Cairns by suppressing the natural growth of all industries that use the port. Each of the industries named would benefit to a significant degree by the port being deepened to meet the requirements of modern shipping. Many cargo ships, in particular sugar
and fuel, have to enter and depart Cairns Port about half full in order to navigate the shallow channel. This is very inefficient and costly, as CAFCNEC are well-aware.

- The aerial photo of a dredge showing muddy water around it, regularly shown on TV news, is taken whilst the spoil is being unloaded from the dredge. A photo taken 30 minutes later would show blue water as the spoil would have sunk towards its final and approved resting place.

**F. The key reasons for delay have been overcome**

This section addresses State Treasurer Curtis Pitt’s statement, noted in The Cairns Post, 15 May 2015, concerning his rejection of the proposed port development: “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 Ports North, as the proponent can go back, recast that EIS and make another proposal which has an emphasis on onshore disposal.”

- A submission to the CoG demonstrated the draft EIS did not present the lowest project costs due to ignoring optimum technology, and applying methodologies that increased the costs far above the most cost-effective best-practice approaches.

- The draft EIS did not adequately cover two of the five key requirements of the TOR; Thus no effective benefit-cost analysis was presented for either the CoG or State Treasurer’s consideration. See Section D2.

- If the revised EIS is completed objectively and competently, it should satisfy all requirements: lower cost dredging of the existing channel and basin; all spoil placed on land rather than at sea; meeting environmental requirements; complying with Federal Minister Greg Hunt’s agreement with UNESCO to not de-list the reef; meeting Australia’s naval strategic requirements; and enabling the Cairns Region to benefit from the major economic benefits when the proposed port development is completed.

- A key reason the Hon. Curtis Pitt, stated for ruling out the port deepening proposal, as reported in the Cairns Post, 15 May 2015, was it was too costly: “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.’

  - The likelihood that the port development cost could be completed at a far lower cost, possibly at minimal or no cost, should remove this reason;
  - All environmental regulations relating to dredging and placing spoil on land have been met in the past, and will be met in future. Therefore, the Minister’s concerns about environmental issues no longer apply; and
  - With regard to the Minister’s concerns “Dredging has been ruled out on economic … grounds”, Section G demonstrates that the proposed port development should considerably exceed normal commercial criteria for economic projects as well as most government-funded projects.
Given the proposed port deepening would comply with all regulations and place all spoil on land, the previous view that port deepening would be against Federal Minister Greg Hunt’s agreement with UNESCO is unfounded, as stated clearly in his letter to Minister Miles of February 2016.

G. Cairns Port development will enable billions of benefits

Cummings Economics submission to the Qld Coordinator General, May 2015, presented a compelling case for the dredging. This report should be read in its entirety. http://www.cummings.net.au/pdf/recent/J2865_Cairns_Shipping_Development_Project.pdf

The submission summary of the main points comprised:

1. The project based on offshore placement is highly viable with strong efficiency savings to cruise operators and passengers that lead to very strong benefit cost ratios over the project period.
2. This leads to projected major increases in cruise traffic and strong beneficial economic impacts.
3. Government decisions, in spite of scientific evidence that offshore placement does not pose an environmental threat, means that governments should either:
   - Compensate the community for loss of economic opportunity,
   - Meet additional costs of onshore placement, or
   - Work with the community to find ways to make onshore placement viable and contribute to the city’s long-term growth and employment opportunities.
4. The approaches taken and costs portrayed in the EIS need to be reviewed in the interests of finding solutions to viable onshore placement.
5. Cairns and its region have a long track record of strong long-term growth that is likely to continue into the future.
6. Onshore placement can be used:
   - To facilitate long-term development of
     - Industrial land
     - Cairns seaport
   - To open up a major new area for urban growth after Mt Peter
   - To provide more efficient multipurpose road transport routes into the city
   - To enable the Cairns Shipping Development Project to proceed along with future other important capital dredging needs relating to the port and possible continuing onshore placement from maintenance dredging.
7. The Coordinator General should recommend to the Government that it work with the Cairns community to comprehensively re-examine onshore placement with a view to finding positive, innovative and viable solutions that will enhance the city’s long-term progress.

The financial implications were shown as follows:

*Table #1: Estimated Additional Economic Impact - Direct Additional Expenditure Generated over Project Period – Net Present Value at 7 Percent Discount Rate Net Present Value in 2014 prices*
Cairns Port Development Inc. made a presentation to the Queensland State Coordinator General from a high-level suite near the Trinity Inlet on 8 December 2015. The venue allowed the presenters to point out to the CoG the major developments in Cairns that had been achieved over 111 years using spoil dredged from the Trinity Inlet and basin. The presentation described the key issues relating to the proposed port development proposal, including several errors in the Ports North draft EIS such as the exaggerated costs. The major benefits the Cairns Region would gain following the proposed development were explained, together with tables showing the calculations. The Power Point presentation can be downloaded from: CPD Inc. Presentation to the Coordinator General, update.

As noted in Section C, the draft EIS assesses placing spoil on 518 ha of low land at East Trinity, and that area is highly degraded. The current level of pollution is illegal and would not be allowed if the property was privately owned. Annual maintenance has failed to fix the degradation. It is understood the maintenance of the area including bund walls, gates and large grassed areas is costing the State Government approximately $400,000 a year. A solution such as the port development proposal would avoid this cost. Over 30 years the net present value would be approximately $7m at a 7 percent nominal discount rate.

CSIRO advice to cover this area with spoil has been ignored for some two decades. The draft EIS report assesses the benefit-cost of developing this 518 ha would be uneconomical. However, if the figures from the report are applied to developing the 428 ha raised area on the 946 ha property, this indicates there could be sufficient profit to pay for all the dredging and treatment costs, leaving the 518 ha as grassland to be developed much later when the ground had fully settled.

The draft EIS also ignores many other related benefits such as providing work for Yarrabah people, and funding potential tourist ventures on adjacent wetlands.

Serious concerns have been expressed by Federal and State politicians that the Australian Department of Defence will be not able to make full use of Cairns Port naval base unless the port deepening and widening is completed. This relates to some large vessels operated by Australia’s allies, and likely large future ships operated by the Australian Navy.

** The Cummings Economics submission notes Larger non-cruise shipping trade stimulated – [benefits] unknown. This refers to the many cargo ships that enter and leave Cairns Port with less-than full loads due to depth restrictions. This is a very inefficient and expensive use of these cargo ships, and applies in particular to fuel and sugar cargo. The additional costs of this inefficient transport are considerable.
H. Cairns Port development can be expedited at low or no cost to the State

H1. Ports North should complete the EIS revision by the due date, March 31

This revision should include updated and corrected cost figures for dredging and placing the spoil on land using best technology. The very exaggerated draft EIS stated the total cost of on-land placement of spoil would be $365m. The dredging cost should be $60-$100m. Independent specialists have estimated the cost to place all spoil on land would be no more than $140m if appropriate best-practice technologies and methodologies are applied.

The revised EIS should respond to the Coordinator General’s terms of reference that require a benefit-cost analysis, specifically: ‘Sufficient baseline economic data to underpin a comprehensive assessment of the direct, indirect, cumulative, costs and impacts of the project’; and ‘The indirect impacts likely to flow to other industries and economies from developing the project, and the implications of the project for future development.’ In other words, provide an objective and comprehensive benefit-cost analysis.

The revised EIS should take into account the submissions presented to the CoG concerning the draft EIS costs, and by Cummings Economics concerning the benefits, as noted above.

There has been ample time to complete EIS. Again as noted above, many far more complex assessments have been completed in a fraction of the nearly 3 years taken to date. It is understood Ports North have requested a further extension to the deadline for unknown reasons, but logic suggests this request can only be for political reasons.

H2. An independent group of specialists should be contracted as soon as possible to deliver a ‘shovel-ready’ plan to complete the port development

This project plan should would include the following. A suggested terms of reference for this assignment is available at Cairns Port Deepening Plan, TOR. The assignment tender process and selection procedure should ensure exclusion of any consultants that have previously expressed any significant negative bias against land-based placement of spoil; objectivity will be as essential as professional competence.

- Options for developing the land reclaimed after spoil placement;
- A full benefit-cost analysis;
- Options and recommendations on the optimum relationships with the owners of the land on which the spoil will be placed, including private/public partnership. This option may conclude no further payments would be required from the State; and
- A ‘shovel-ready’ plan to enable a project manager to commence immediately.

The covered land would be developed by private developers and probably ‘land-banked’ for some years. There are several options for land to place the dredged spoil including East Trinity, Admiralty Island and a 50 ha area to the North West of Portsmith. One development option for State-owned 964 ha East Trinity should include developing the partly-raised 428
ha area as well as covering the remaining highly polluted 518 ha, as recommended by CSIRO (see above).

H3. It may be appropriate for the Federal Government to contribute to costs

The Federal Government requires relevant science be taken into consideration with regard to the Great Barrier Reef.

Credible scientific reports have demonstrated that placement of all dredging spoil at sea could be completed without damage to the reef. As such, and given that land placement is more expensive than placement at sea, it is incumbent on the Federal Government to either pay for, or make a substantial contribution to the additional costs of placement on land.

I. Conclusion

The evidence and views presented in this report indicate the Queensland State Government Ministers responsible for the key decisions on Cairns Port development can expedite the proposal without further delay.

The government will require a project plan before a decision to proceed can be made. However, a decision in principle can be taken now, subject only to the final project plan.

Expediting Cairns port development will result in massive benefits for the Cairns Region businesses and community, and for the Australian Defence a guarantee of continued use of the naval facilities. And all this with no significant downsides.

The Cairns Post captured local sentiments in a cartoon, 16 August 2014: