Appendix D

POTL Offset Commitments for the TMPP

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Ref: Marine Precinct Offsets

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05 January 2010

Mr Colin Jensen
Coordinator General
Department of Infrastructure and Planning
PO Box 15009
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Dear Mr Jensen

Townsville Port Projects – Offset Requirements

Townsville Marine Precinct Project (TMPP)
I wish to confirm that in planning for the TMPP, potential impacts have been avoided wherever possible (e.g. by redesigning the breakwater to be an offshore structure with a reduced footprint). Residual impacts were then mitigated wherever possible (e.g. through an Environmental Management Plan, Dredge Management Plan, Stormwater Plan etc). The remaining impacts, both direct and indirect, form the subject of a potential Offsets Package as detailed below.

The Queensland Government Offsets Policy sets the framework for consideration of any offset liability. It recommends that, where appropriate, specific–issue offset policies be addressed. Because there is no terrestrial vegetation or koala habitat to be lost for the project, the only relevant specific-issue offset policy for the TMPP is *'Mitigation and Compensation for Works or Activities Causing Marine Fish Habitat Loss 2002'*, published by QPIF.

The environmental metric for calculating an offset liability, proposed by QPIF in its submission to the EIS (submission 326) is currently in draft form and is not publicly available. Further, the metric proposed by QPIF is highly contentious at this point in time and has no acceptance by Whole of Government.

In 2009 POTL transferred 200 hectares of Port Land for incorporation, along with other lands from other tenures, into the Environmental Reserve associated with the Port Access Road. This transfer had been negotiated at a time when it was not clear that POTL may require an offset of its own for the Marine Precinct Project. POTL submits that, by any metric, 200 hectares was far in excess of any contribution POTL may have been obliged to make for the TPAR Road and bridge. Much of this land was marine habitat (mangroves, saltpan, saltwater couch, succulents) and has been incorporated into a reserve with Protected Area status (Environmental Reserve managed by Queensland Parks and Wildlife Service – total area approx 530 hectares).

In recognition of the fact that the Marine Precinct would not be proceeding at this time were it not for the TPAR bridge restricting access upstream for commercial users, and in consideration of the fact that POTL has contributed over 200 hectares, POTL seeks to obtain credit for 50 hectares of the land transferred into the Environmental Reserve as a two times offset for the nett loss of habitat from the TMPP (24.2 ha nett loss, see Table 1 below). Table 1 is an updated version of Table 3-59 from the EIS. A two times offset is consistent with the QPIF 'no nett loss of habitat' policy.

Future Port Expansion Project
Some of the land transferred by POTL was once occupied by the Sun Sun Aquaculture facility. This facility ceased to operate in 1993, leaving a significant environmental liability. The site has generated acid runoff since that time from exposed acid sulfate soils. In addition to transferring the degraded land to the protected area, in 2008 POTL expended $1.8 million undertaking civil and remedial works to rectify the environmental problems. Works included removal of 15 car bodies, 362 tonnes of concrete, 25 tyres, 54 cubic metres of rubbish and treatment of more than 35,000 cubic metres of soil with 2000 tonnes of lime to neutralise the acid.

The result has been reinstatement of 30 hectares as viable, valuable, tidal marine habitat. So successful has been the rehabilitation that the project won the Civil Contractors Federation (QLD) Earth Award in July 2009.

POTL seeks credit for the $1.8 million spent on rehabilitation of this land to improve its ecological value and requests that the Coordinator General accept the $1.8 million as having been 'banked' as a credit for a future offset requirement for the Port Expansion Project (or other Port project). See Table 2 below.

POTL also wishes to enter into negotiation with you about the possibility of 'banking' a further portion (say 100ha) of the remaining 150ha of land transferred to the Environmental Reserve as an offset credit for the Port Expansion (or other) project.

Yours sincerely

Barry Holden
Chief Executive

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Table 1 Habitat Gain/Loss calculations, Townsville Marine Precinct Project

Item	Habitat Type	Ecological value (Descriptive)	Predicted impact	Area (loss)	Area (gain)
1	Mangroves and other marine vegetation	Thin strip of mangrove and other marine vegetation between existing beach and Port Access Road. Mangroves fragmented with weed species. Considered to be low value habitat.	Loss due to construction of TMPP and Services Corridor.	-1.5 ha	
2	Benthic substrate (soft)	Intertidal and subtidal benthic seabed. Muddy/sandy environment. Supports mainly molluscs, crustaceans and worms. Moderate ecological value. No marine plants. Not considered critical habitat for wading and migratory birds or marine megafauna.	Loss due to reclamation of Lot 773.	-32.5 ha	
3	Benthic substrate (soft)	Subtidal benthic seabed. Muddy/sandy environment. Supports sparsely distributed taxa, mainly molluscs and worms. Low-moderate ecological value. No marine plants. Not considered critical habitat for wading and migratory birds or marine megafauna.	Loss due to construction of breakwater	-2 ha	
			TOTAL HABITAT LOSS	**36 hectares**	
4	Benthic substrate (soft) Inner Harbour	Subtidal benthic seabed. Muddy/sandy environment. Expected to support molluscs, crustaceans and worms. Expected to have moderate ecological value. Not expected to support marine plants. Not expected to be critical habitat for wading and migratory birds or marine megafauna.	Gain of subtidal benthic soft sediment due to creation of Inner Harbour of TMPP replacing some habitat lost during reclamation on Lot 773. Note does not include area of channel. This is already dredged every two years and the habitat is not expected to be changed by development.		+7.1 ha
5	Benthic substrate (hard) Precinct	Rocky subtidal habitat. Will support hard substrate taxa including crustaceans. May provide habitat that different taxa can colonise, such as sponges.	Subtidal habitat gain due to creation of Precinct rock revetment and quayline. Expected to act as niche refuge for fishes and crustaceans.		+1.8 ha
6	Benthic substrate (hard) Precinct	Rocky intertidal habitat. Will support hard substrate intertidal taxa including crustaceans, barnacles and molluscs.	Intertidal habitat gain due to creation of Precinct rock revetment and quayline. Expected to support intertidal taxa including crustaceans.		+1.5 ha
7	Benthic substrate (hard) Breakwater	Rocky subtidal habitat. Will support hard substrate taxa including crustaceans. May provide habitat that different taxa can colonise, such as sponges.	Subtidal habitat gain due to creation of offshore breakwater. Expected to act as niche refuge for fishes and crustaceans.		+0.6 ha
8	Benthic substrate	Rocky intertidal habitat. Will support hard substrate intertidal taxa including crustaceans, barnacles and	Intertidal habitat gain due to creation of offshore breakwater. Expected to support		+0.8 ha

	(hard) Breakwater	molluscs.	intertidal taxa including crustaceans. This and all other above-tide habitat may also act as roosting sites for marine birds.		
			TOTAL HABITAT GAIN		**11.8 hectares**
9	Water quality	High ecological value as good water quality is intrinsically important for the support of healthy marine ecosystems. Currently some levels of contaminants in areas adjacent to marine industries upstream.	Opportunity to co-locate marine industries into a purpose-built facility with potential for improving water quality through better management of waste water.		Difficult to put a value on improved water quality (indirect environmental gain)
Balance of habitat Loss/Gain: 36 hectares – 11.8 hectares = (24.2 hectares loss)[1]					

1. **Environmental Reserve.** POTL seeks to obtain credit for 50 hectares of the land transferred into a Protected Area as 2X offset for the Townsville Marine Precinct habitat loss.

Table 2 Offsets 'Banked' for future Port projects

Item	Habitat Type	Ecological Value (descriptive)	Predicted impact	Value
1	Marine plant/saltpan[2]	Rehabilitated Sun Sun prawn farm. Moderate-high ecological value. Expected to be colonised by saltpan and mangrove vegetation.	Improved quality marine habitat gain from rehabilitation of previously degraded site. Recolonisation by mangroves and saltpan species has already commenced.	$1.8 million expended in 2008/09.
2	Marine plant/saltpan[3]	Saltpan habitat supporting mostly succulents and marine couch.	Marine habitat gain for Protected Area through transfer of Port lands.	100ha

2. **Rehabilitation of Sun Sun Aquaculture Facility.** POTL seeks to 'bank' the $1.8 million spent on rehabilitation of this land to improve its ecological value as an offset credit for a forthcoming port project (possibly Port Expansion Project).
3. **'Banking' of additional ex-POTL lands.** POTL wishes to negotiate banking an additional portion (100ha) of the 200ha land transfer as an offset credit for future Port Expansion project/s.