

STATEMENT OF REASONS

Section 69(1)(a) of the *Environment Protection Act 2019* (EP Act)

Environmental approval holder	Crowley Australia Pty Ltd ACN 654 468 836
Environmental approval holder reference number	CROW-0001
Environmental approval number	EP2021/008 - 001
Action	Project Caymus Bulk Fuel Storage Facility - To construct and operate a bulk fuel storage facility and ancillary infrastructure for the transfer and storage of aviation turbine fuel at Sections 5720, 5673, 6350, and 5790 Hundred of Bagot, East Arm, Darwin.
Material considered	NT EPA advice received on 24 November 2021 <ul style="list-style-type: none"> Assessment Report 93 A draft environmental approval setting out conditions recommended to apply. Fit and proper person advice: <ul style="list-style-type: none"> Declaration signed by Directors of the proponent entity.
Decision	In accordance with sections 69(1)(a) and 82(4)(a) of the EP Act, I accept the draft environmental approval, adopt the proposed conditions of the NT EPA and grant the approval.

REASONS

This statement of reasons has been prepared in accordance with sections 82(3) and 82(4) of the EP Act.

Nature of the action

The Action was referred by the environmental approval holder (proponent) pursuant to section 48 of the EP Act. The proponent proposes to construct and operate a new bulk fuel storage facility at East Arm. The Action will receive, store and supply aviation turbine (jet) fuel to provide additional storage and capacity to support the Australian and United States (US) defence force operations and industry in the region, and to meet the forecast increase in demand.

Scale of the action

The Action will be on reclaimed, freehold land owned by the Land Development Corporation, is zoned for industry development and the proposed site is suited to, and has been reserved for, bulk liquids storage due to its proximity to port loading facilities and existing pipeline infrastructure. As such the Action is contained to a relatively discrete footprint and area.

Receipt of fuel will occur by ship at the existing Wharf 4 berth and after the initial terminal fill, four ships are expected to service the facility per annum. The proposed facility has a design working life of 50 years.

Objects of the EP Act

I have had regard to each of the objects of the EP Act. I note in particular that through the environmental impact assessment of the action and the granting of the environmental approval, adverse impacts on the Territory environment are likely to be avoided and the protection and management of the Territory environment have been promoted. I also note the opportunity provided to the community for involvement in the environmental impact assessment of the action.

Environmental context

The site will be accessed by Salloo Street off O'Sullivan Circuit in the industrial suburb of East Arm. It is at least 4.5 km away from any residential or congested areas.

The proposal location is adjacent to the Darwin Harbour marine environment which is considered to be a sensitive environmental receptor. The Action area is fringed by mangrove ecosystems, which grow along the foreshore north towards Charles Darwin National Park. However no protected or threatened species are located in the Action area.

Principles of environment protection and management

In considering Part 2 (Principles of environment protection and management) of the EP Act, I have considered the meaning of ecologically sustainable development (ESD) and applied each of the principles of ESD. I have reviewed the NT EPA's consideration of the principles of ESD as summarised in Assessment Report 93. I have considered and weighed all the principles of ESD in making my decision.

I have considered and applied the hierarchies for environmental decision making and waste management. I have given particular consideration to the application of the environmental decision making hierarchy, in requiring best practice technologies and management in the first instance, to avoid potential adverse impacts on the environment.

I am satisfied that through compliance with the environmental approval, the action is consistent with the ESD principles and the management hierarchies.

Potential impacts

Two environmental factors were identified to be at risk of significant impact from the Action:

1. Marine environmental quality:

Cumulative impacts of stormwater runoff, existing groundwater contaminants, hydrocarbon spills during fuel transfer and any other contaminant leak will all impact the water quality in and around the Action area and in turn the quality of the marine environment in Darwin Harbour.

As with any fuel storage, there is also a very low likelihood of a single but serious or irreversible harm incident from the possibility of a major loss of hydrocarbon containment.

I am satisfied the potential for significant impacts to the water quality and marine ecosystems in Darwin Harbour can be appropriately avoided, mitigated or managed through Approval Condition 10. Additionally noting the water quality of Darwin Harbour is assessed annually by the NT Government against the guidelines of the Darwin Harbour Water Quality Objectives.

2. Air quality:

Due to the estimated emissions of volatile organic compounds (VOCs) from the fuel storage facility, including cumulative impacts to the regional airshed, there is a potential that Darwin's air quality will be significantly impacted. I am satisfied that the controls established by Approval Condition 11 are adequate to reduce the potential for VOC

emissions to acceptable levels. In addition, I am satisfied that independent oversight and publicly reporting the monitoring results will appropriately supplement the routine monitoring and reporting by the NT Government, and ensure the environmental management outcomes of the action are transparent.

I am satisfied the potential for significant impacts to the region's air quality can be appropriately mitigated or managed through Approval Condition 11.

Fit and proper person

I have had regard to whether the proponent, including its directors and directors of its parent company Crowley Holdings Inc. is a fit and proper person to hold an environmental approval. I consider the proponent to be a fit and proper person to hold an environmental approval.

Section 73(2) of the EP Act

Overall, having regard to the above and the materials I considered, I am satisfied that:

- the community has been consulted on the potential environmental impacts and environmental benefits of the proposed action through the consultation process on the referral; and
- the significant impacts of the action have been appropriately avoided or mitigated or can be appropriately managed through compliance with the environmental approval. The NT EPA's Assessment report supports this view.

No significant residual adverse impacts on the environment were identified that would require an environmental offset.



Signature

Hon Eva Dina Lawler MLA

Minister for Environment

DATE 29/11/21
