

Statement of Reasons

PROJECT SEA DRAGON PTY LTD – PROJECT SEA DRAGON STAGE 1 LEGUNE GROW-OUT FACILITY

PROJECT

Project Sea Dragon Pty Ltd (the Proponent) intends to establish stage 1 of a prawn aquaculture farm at Legune Station in the Victoria River District, Northern Territory. Legune Station is located 106 km from Kununurra, Western Australia.

The Project Sea Dragon Stage 1 Legune Grow-out Facility (the Project) would consist of 1080 ha of land-based ponds, 324 ha of internal recycling ponds, produce nominally 12 000 tonnes of prawns per annum and require:

- seawater pumping and delivery infrastructure
- freshwater delivery infrastructure
- a waste water discharge to the environment
- a power plant
- diesel and liquified natural gas supply and storage infrastructure
- a central village at Legune Station.

Subject to approvals, the Proponent expects to make a final investment decision on the Project in mid-2016, begin construction in mid-2017 and nominally operate for 25 years.

The Proponent submitted the Notice of Intent (NOI) for the Project to the Northern Territory Environment Protection Authority (NT EPA) on 15 July 2015 for consideration under the *Environmental Assessment Act* (EA Act).

CONSULTATION

NT EPA staff have reviewed the NOI in consultation with Northern Territory Government (NTG) advisory bodies, as required by clause 8(1) of the Environmental Assessment Administrative Procedures.

JUSTIFICATION

Consultation with NTG advisory bodies identified that there is a risk of significant impact to the environment from the Project. Issues contributing to this conclusion include:

- Potential to impact on threatened, marine and migratory species listed under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) and the *Territory Parks and Wildlife Conservation Act*. Risks to biodiversity values could arise from habitat clearing, poor weed hygiene, downstream impacts from discharge of nutrient-rich water and extraction of large volumes of freshwater.

- Potential to impact on the Legune coastal floodplain site of conservation significance, which is host to migratory birdlife aggregations of international significance, and includes Turtle Point, a highly significant nesting beach for the flatback turtle (*Natator depressus*; listed as vulnerable under the EPBC Act).
- Potential impacts from the discharge of waste from the prawn farming activities into receiving waters considered to be of high environmental value.
- The significant management requirements for solid and liquid waste and the potential detrimental effects of inappropriate management practices.
- Potential impacts on the local amenity and the environment from unauthorised third-party access to the area for recreational fishing, camping and hunting. The proposed action would establish all-weather access, which could unintentionally provide entry to previously inaccessible areas.
- The implications of predation by birds on prawn stock held in ponds, both on the project feasibility and on bird aggregations.
- The need for consideration of decommissioning of the site in the event of unplanned closure.
- Potential economic, social and cultural impacts on the region and the Northern Territory, including the risks of the project not realising its projected economic and social benefits.

The Commonwealth decided that the Project is a controlled action and will require assessment and approval under the EPBC Act before it can proceed. The Project is likely to be assessed under the bilateral agreement between the Northern Territory and the Commonwealth.

DECISION

The NT EPA considers that there is a risk of significant impact to the environment from the Project and a number of risks cannot be adequately characterised without further studies and a more comprehensive assessment. The NT EPA has decided that an environmental impact statement is necessary in respect of the proposed action.



HON GARY NAIRN AO
MEMBER

NORTHERN TERRITORY ENVIRONMENT PROTECTION AUTHORITY

14th SEPTEMBER 2015