

NOTICE OF DECISION AND STATEMENT OF REASONS

Section 55 of the *Environment Protection Act 2019* (EP Act)
Regulations 57(2)(b) and 63 of the *Environment Protection Regulations 2020* (EP Regulations)

Name of proposed action	Project Caymus Bulk Fuel Storage Facility
Proponent	Crowley Government Services Incorporated
NT EPA reference	Referral EP2021/008 accepted 20 July 2021
Description of proposed action	To construct and operate a bulk fuel storage facility and ancillary infrastructure for the transfer and storage of jet fuel at Sections 5720 and 5711 Hundred of Bagot, East Arm, Darwin.
Nature of proposed action	Industrial
Decision	Standard environmental impact assessment is required in accordance with section 55 of the EP Act and regulation 57(b)(i) of the EP Regulations The method of environmental impact assessment to be by referral information in accordance with regulation 57(b)(ii)
Person authorised to make decision	Dr Paul Vogel AM – Chairperson, as delegate of the Northern Territory Environment Protection Authority (NT EPA)
Signature	
Date of decision	14 October 2021
Matters considered under EP Regulation 56	The NT EPA has considered the following: <ul style="list-style-type: none">• the accepted referral (including the referral form, referral report and appendices)• additional information provided by the proponent in response to a direction from the NT EPA under regulation 40• submissions made in relation to the accepted referral.
Consultation	<ul style="list-style-type: none">• Submission period 26 July to 23 August 2021• Submissions received:<ul style="list-style-type: none">○ government authority: 9○ public: 0• Submissions indicated that the proposal has the potential to have a significant impact on air quality and the Darwin air shed, and the appropriateness of process waste water treatment and discharge is uncertain. <p>All submissions are available on the NT EPA website.</p>

Statement of Reasons

Overview

The NT EPA considers that the proposed action has the potential to have a significant impact on environmental values associated with two environmental factors¹.

Sea

- **Marine environmental quality** – There is the potential for significant impact to Darwin Harbour water quality through the proposed waste water discharge in first flush events, and/or should upset conditions occur / an emergency event, at the fuel storage facility. The bunding around storage tanks, while proposed to be designed in accordance with Australian Standards, could overtop in extreme rainfall events resulting in hydrocarbons flowing to the harbour via surface drainage.

Air

- **Air quality** - There is the potential for significant impact to local air quality and to the regional air shed through emissions of volatile organic compounds (VOCs) from tank breathing and planned operational loss, as well as ship loading/unloading, and leaks and spills. The referral has not provided a profile of the VOCs produced, or considered the potential for cumulative impacts of the proposal in conjunction with other emitters in the region. The criteria used to determine thresholds for significant impact are inappropriate and, there is uncertainty about the design of the proposal as pollution control, including avoidance and mitigation measures and best available technology, have not been proposed.

The NT EPA considered other environmental factors during its consideration of the referral; however, the impact on those factors was not considered to be significant.

Justification

A standard assessment by referral information is required to ensure the facility avoids adverse impacts on the environment to the greatest extent possible, and because of:

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| Regulation 59 (a) | the significance of the potential impact of the proposed action as described above. |
| Regulation 59 (b) | the need to improve the NT EPA's level of confidence in predicting potential significant impacts of the proposed action taking into account the extent and currency of existing knowledge, particularly in relation to the: <ul style="list-style-type: none">• impacts on marine environmental quality• significance of impacts on air quality, including cumulative impact to the Darwin air shed. |
| Regulation 59 (c) | the need to develop measures to avoid, mitigate or manage potential significant impacts, and increase the NT EPA's confidence in the effectiveness of the proposed measures, with respect to: <ul style="list-style-type: none">• less environmentally damaging approaches, methodologies and technologies in design of the facility to reduce VOC emissions• potential impacts on marine environmental quality from failure of fuel storage tanks. |

¹ [NT EPA Environmental factors and objectives](#)

- Regulation 59 (d) & (e) the extent of community engagement that has occurred in relation to the proposal. This includes communication with:
- the Department of Environment, Parks and Water Security
 - the public and NT Government authorities through the referral consultation process
 - the Australian Government Department of Agriculture, Water and the Environment.
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Conclusion

The NT EPA considers that the proposed action has potential for significant impacts on two environmental factors, and that environmental impact assessment is required. While the NT EPA considers that the proponent has not (a) adequately predicted the potential significant impacts of the proposed action, and (b) demonstrated that the proposed measures to avoid, mitigate or manage potential significant impacts are likely to be effective, the NT EPA has the requisite information in the referral, informed by government authority submissions, to complete its assessment.

In making its decision under EP Regulation 57(2)(b), the NT EPA has considered:

- the objects of the Act in section 3 of the EP Act
- the purpose of the environmental impact assessment process in section 42 of the EP Act
- the matters under regulation 56 of the EP Regulations
- the matters relevant to a consideration of the method of environmental impact assessment in regulation 59 of the EP Regulations.