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(CI Fuel Consolidation)

Date: 26/04/2012



SHIRE OF CHRISTMAS ISLAND

SUBMISSION TO THE PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS ON THE PROPOSED IMPROVEMENT TO FUEL STORAGE AND SUPPLY ON

DATE OF REPORT 24 April 2012

CHRISTMAS ISLAND

INTRODUCTION

Council received Community Bulletin D33/2012 inviting community feedback on a proposal to upgrade fuel facilities on Christmas Island.

Council considered this matter at its ordinary monthly meeting held on 24 April 2012.

This submission expands upon the resolutions of Council for the consideration of the committee in their enquiry.

RESOLUTION 1 – That Council receives and notes Community Bulletin D33/2012 and the Statement of Evidence to the Parliamentary Standing Committee on Public Works on the proposed improvement to fuel storage and supply on Christmas Island.

No additional comment necessary.

RESOLUTION 2 - That Council commends the Department on the initiative to consolidate and improve fuel supplies on Christmas Island and is encouraged that the Government is committed to the delivery of this vital outcome for the community of Christmas Island.

Council has sought relocation of the bulk fuel storage facility from the settlement foreshore for a number of years. Of fundamental concern to Council is the community and environmental risk associated with the facility in this location. Council agrees with Clause 26 the Departments Statement of Evidence which states:

26. Bulk petrol fuel storage on CI consists of 2 x 370 kL tanks located on an escarpment above the Indian Ocean at Rocky Point. This location is subject to extreme local weather conditions resulting in ongoing erosion around the tank footings, corrosion to tank fabric and risk of damage by waves breaking against the cliff face, (Attachment 11 refers).

In addition to this statement, the series of photographs provided in Appendix 1 of this report should emphasise to the committee the extreme nature of the wave action possible in this location. These photographs were taken during a storm event in 1988 and clearly demonstrate the risk to infrastructure located along the foreshore.

Council is strongly of the opinion that the tanks located as they are on the foreshore are a "disaster waiting to happen." They are an unacceptable risk to

the community and unique environment of Christmas Island. The project proposal to remove the tanks from this location would in Councils opinion alleviate significant safety concerns of the community and the Department is commended in their action to address this issue.

In addition, the Department in its statement correctly points out that the relocation of the storage tanks and the service station contribute to planning for the future development of the foreshore area. This future planning is conceptualised in Councils Gaze Road Tourism and Commercial Precinct Urban Design Master Plan completed in 2011. Appendix 2 of this report provides visualisations of the foreshore area with the service station and tanks removed.

There was considerable community concern in February 2011 that the diesel fuel supply on the island would be exhausted compromising the ability of the power authority to generate electricity for the community. This situation was avoided by the barest of margins (a matter of days).

Although the proposal does not actually add to diesel storage capacity of the island Council notes the intention of the Department to negotiate with Indian Ocean Oil Company (IOOC) for increased access to the 2.1ML tank F3. Council is hopeful these negotiations will be successful. A repeat of the February 2011 "near miss" of the diesel tanks running dry is an unacceptable situation given similar weather and fuel consumption circumstances are likely to recur in the future.

RESOLUTION 3 – That Council nominates Crs Kamar Ismail and Kelvin Lee and requests the Chief Executive Officer (or delegate) to attend the public meeting to be held on 26 April 2012 at 7.00pm at the Poon Saan Community Hall and to report back to Council on matters raised by the community at the meeting.

Council is somewhat disappointed as to the Departments timing of the community consultation process. The timing has not allowed an opportunity to attend the public meeting on 26 April 2012 prior to the closing date for project feedback (20 April 2012).

A closing date for submissions after the public meeting would in the opinion of Council be a more appropriate consultation process. This would allow both Council and the community to be more fully briefed on the project, to hear and question any additional information on the proposal and to hear in particular concerns of community members.

The doubt that this timing raises in the mind of Council (and perhaps in the mind of the community more generally) is that the decision to co-locate the service station at the bulk storage facility near the power station (Option 1) has already been made.

This option quite clearly is the option of lowest cost. However the service station being at this location provides the least overall community amenity and benefit. In the opinion of Council this needs to be carefully weighed against costs in the decision making process that affects the broader Island community.

Nevertheless, Council remains optimistic that the project will fully take into consideration the views of the community and stakeholder groups in

determining a final location of the service station which provides the greatest net benefit to the community.

Council is of the opinion based upon the information available that this is provided by Option 3 i.e. the Taman Sweetland location adjacent to the intersection of Murray and Silver City Roads.

RESOLUTION 4 – That Council advises the Department Regional Australia, Local Government, Arts and Sport that on balance Council considers that the location of the service station at Taman Sweetland (Option 3) is Councils preferred location as it:

- provides the best balance of community amenity;
- provides potential for development of small retail facilities associated with the service station which will assist in servicing adjacent areas planned for future urban development; and
- may be able to be integrated with intersection upgrade works designed to provide access to the light industrial area.

Whilst it is understood that the committee is not necessarily making a specific decision regarding the location of the service station, Council believes that it is important for the committee to be made aware of Councils views on the selection of a service station location. Page 22 of the Statement of Evidence regarding the options for service station location states:

Service Station

63. The preferred location of the Service Station is co-located with the Bulk Fuel Installation at Murray Road however the final location will be subject to community consultation. A number of options have been identified for the Service Station and their relative merits evaluated in determining the preferred site (Attachment 14). A brief summary of these options together with a brief appraisal is as follows:

Option 1 - Co-located with Bulk Fuel Installation at Murray Road

- A new Service Station to be constructed within a public access area of the proposed Bulk Fuel Installation.
- 65. The key advantages of this location are as follows:
 - Consolidates fuel storage and retail supply in the same location;
 - Reduced infrastructure requirement and lower cost, ie no truck fill stand point would be required; and
 - c) There will be no requirement to transport flammable ULP or diesel via tanker truck on public roads.
- 66. The key disadvantages of this location are as follows:
 - Located approximately 6-7 km from the existing service station;
 - b) Located in close proximity to crab migration corridor; and
 - Will increase the volume of traffic past the school on Murray Road.

Specific comments from Council on the stated advantages of this option are:

a) Any co-location advantage is offset by the location being on the fringe of the community urban area. This means that it will require the highest amount of travel for refuelling for the majority of residents.

Council also notes that this location is on the main travel route to the immigration detention centre and whilst this may provide a more convenient location for fuelling of traffic to that location, it provides no resident community benefit.

- b) Council does not dispute that this option may be realised at lower cost. However cost should not be the only factor taken into consideration in the assessment of the best location for the service station. Council is of the opinion that other locations can provide offsets in the form of greater community benefit.
- c) There being no requirement to transport flammable ULP via tanker truck on public roads sufficient to service a rate of consumption of 2000 litres per day or to transport retail diesel appears to Council be a moot point. The increase in aviation fuel (Jet 1A) storage is proposed to increase by up to 450,000 litres to service a consumption of up to 5800 litres per day. All of this fuel will continue to be transported by public road, as it is currently. Council does not agree that the transport of some additional fuels on the public road system represents a valid advantage of the colocation option.

Specific comments by Council on the stated disadvantages of this option are:

- a) Council agrees that the location of this site being the most distant from the community is a disadvantage.
- b) Council would consider that the location of this site is not in close proximity to a to a red crab migration corridor, it is in fact within a crab migration corridor. Each year during peak migration periods, the Christmas Island National Park in conjunction and cooperation with the Shire closes Murray Road approximately from the school to the power station.

It is understood however that crab bridges and/or crossings along this section of road are planned as part of the project to remove this closure requirement. However, until this was to occur, a detour via Irvine Hill Road would be required for vehicles to access the service station during peak migration times. Mapping is provided in Appendix 3.

c) Council agrees that the location of this site would increase traffic through the school traffic zone and that this is an undesirable community outcome.

Page 23 of the Statement of Evidence regarding the options for service station location states:

Option 3 - Taman Sweetland

- A new Service Station to be constructed at the intersection of Murray and Silver City Roads.
- 71. The key advantages of this location are as follows:
 - Site is located in an intermediate area between the Drumsite and Settlement residential areas; and
 - Site has good access and potentially multiple ingress/egress paths.
- 72. The key disadvantages of this location are as follows:
 - a) Located approximately 3 km from the existing service station;
 - Does not consolidate fuel storage and retail supply in the same location;
 - Increased infrastructure requirement and higher cost, ie truck fill stand point would be required;
 - There will be a requirement to transport flammable ULP and diesel via tanker truck on public roads;
 - e) Located relatively close to a school; and
 - f) The road intersection near the proposed location may require an enhanced traffic management solution.

Specific comments from Council on the stated advantages of this option are:

- a) Council agrees that the location of the site is central to the community as a whole and represents the best balance of possible site locations.
- b) Council agrees that the location of the site has good access.

In addition, modern service stations generally incorporate other retail or commercial functions into their operations. The location of this site provides a greater opportunity for this to occur. Possible commercial and retail functions suited to this site could include a takeaway and/or convenience store, bicycle, scooter and/or vehicle hire, car washing facilities, vehicle accessory sales and information or booking services.

The area of land directly North of this site is recognised in Councils Town Plan as an area suitable for future urban development and a small commercial area associated with a service station would be ideally located to service this area.

In addition to this, the ultimate plan for the Light Industrial Area in Quarry Road is to have this area linked to Murray Road to avoid having truck traffic passing through residential areas. As part of the development of this site as a service station, preliminary work could be done to determine the viability of the new intersection that is required for this link road.

Appendix 4 shows the mapping to support these comments.

Specific comments from Council on the stated disadvantages of Option 3 are:

- a) Council does not agree that the site being 3km from the existing service station is a disadvantage. The site is central to the community which is an advantage over the site of the existing service station.
- b) Council acknowledges that co-location is an advantage in terms of cost but that this advantage is offset by the location providing poor amenity to the community. It should be noted that this service station will be required to service the community long into the future and a location that provides the greatest amenity should rank highly in the consideration of the site chosen.
- c) Once again Council acknowledges that higher cost of infrastructure required by this option but considers that this is offset by the stated advantages of the site.
- d) Once again, fuel transport on roads appears to Council be a moot point as the project does not address reducing existing road transport of aviation fuel (Jet 1A) and based on the proposal this Jet 1A transport requirement would also increase.
- e) The site is not close to a school. It is however close to the childcare centre in the old Tech School area.
- f) Any increased traffic management requirement for the intersection is offset by the overall advantages of this site.

RESOLUTION 5 advises the Department Regional Australia, Local Government, Arts and Sport that co-locating the service station with the bulk storage at the power station site on Murray Road (Option 1) is not supported by Council as despite this being the option with the least infrastructure costs the option provides:

- the least level of amenity to the community;
- · increases traffic within the school zone; and
- is the least favourable in terms of potential future service station retail development.

The information provided in the previous section already addresses this resolution of Council and no additional comment is necessary here.

RESOLUTION 6 – That Council requests the Chief Executive Officer to lodge the submission provided in Attachment 10.4.3(c) to the Parliamentary Standing Committee on Public Works.

This is said submission. No additional comment necessary.

CONCLUSION AND RECOMMENDATION

Despite some concerns as raised in this submission, Council is greatly encouraged that real progress is now well underway to relocate the unsafe fuel storage on the foreshore. Council encourages the committee to approve the next stage of the project allowing detailed design to be completed and Council would welcome the opportunity to contribute to its progress.

Appendix 1

Photographic Evidence of Extreme Weather Impacting Upon the Existing Fuel Tank Facility at the Settlement Foreshore, Christmas Island

Note: Photos are © Copyright Holger Rumpff and may not be used or reproduced without permission.













Appendix 2

<u>Visualisations of the Foreshore Area with Service Station and Tanks</u>

<u>Removed from Councils Gaze Road Tourism And Commercial Precinct</u>

Urban Design Master Plan



Redevelopment of Gaze Road with Tanks Removed



The Redevelopment of the Existing Service Station Site



The Redevelopment of the Existing Service Station Site



Redevelopment of Gaze Road with Tanks Removed

Appendix 3

Alternate Route that will be Required to Access Service Station During Peak Crab Migration Periods



