

# Save Bastion Point

*protect this coastal environment from inappropriate development*

## MEDIA RELEASE

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### **Bastion Point Economic Report Still Lacks Credibility Second Time Around**

East Gippsland Shire Council has finally admitted that its consultants got it very wrong on the cost-benefit analysis for the Bastion Point breakwater development, Save Bastion Point Campaign said today.

Save Bastion Point spokesperson, Leo op den Brouw, said that Council has now been forced to slash the benefit cost ratio by 75 per cent to 1.6 but even that remains a gross exaggeration of the project's economic potential.

"The Independent Panel report found the investment outlook for the project poor with a 0.34 Benefit Cost Ratio and considered the development would likely become a burden on the people of East Gippsland."

East Gippsland Shire Council downgraded the economic benefits of the project after receiving a revised economic report from Buchan consultants, the authors of the original report.

The revision was necessary after Save Bastion Point exposed significant errors in the economic analysis including a massive multiplication error which resulted in an annual \$2.8 million black hole in revenue generation.

"The revision of the Buchan report in no way restores its credibility and it remains a highly unreliable economic analysis of the Bastion Point breakwater overdevelopment. Adjusting for the discrepancies that remain will quickly send the benefit cost ratio below the point where benefits outweigh costs – it is not a healthy economic case at all."

Save Bastion Point asked Economists at Large to review the revised report, who concluded that it could not be used to justify the project on economic grounds. They found that the revenue assumed to 'underpin' regional benefits appears to be based on expenditure by existing visitors as well as Mallacoota residents.

Further questions raised by the Campaign include:

- How did the consultants come up with a recreational ramp usage increase seven times those that the Independent Panel accepted?
- Why would visitors to Mallacoota spend double the published Tourism Victoria overnight expenditure figure for Gippsland?
- Why hasn't the Buchan report addressed the negative effects on non-boating tourism, which was found by the Panel, to outweigh gains in boating tourism?

"The consultants admit they take 'no responsibility for errors or inaccuracies that may be in the data used', and 'they are not presented as results that will actually be achieved'. This is cold comfort for the Mallacoota community when the strategy for its tourism future is based on a report even the authors aren't prepared to back."

It is time for the East Gippsland Shire Council to dismiss the Buchan report, abandon the current proposal to overdevelop Bastion Point and work with the community on a low-key and sustainable solution for ocean access at Mallacoota.

#### **Contact details for interviews –**

Leo op den Brouw, Save Bastion Point Campaign M: 0428 535 192

[www.savebastionpoint.org](http://www.savebastionpoint.org)