

Cairns Port Development Inc. (Friends of the Port of Cairns)

IPNRC COMMITTEE HEARING

Introductory Comments

Thank you for the opportunity to appear before the Committee.

The Friends of the Port of Cairns started as an informal group of citizens of the Cairns region concerned about the Port of Cairns and its future development.

Cummings Economics, has been supportive of the group and was pleased to prepare the submission to the Committee on their behalf.

The group recently met and resolved to form an incorporated association under the proposed name, Cairns Port Development Inc., and with me is Ron Crew who has been elected as president of the association.

Attached to our submission were three submissions to the Coordinator General in response to the Cairns Shipping Development Project Study EIS:

1. One by myself addressing economic benefits and Cairns' long experience with onshore placement of dredged material.
2. The second was on behalf of the Friends of the Port of Cairns by Peter Senior, along with Norm Whitney. Peter Senior is with us. Their submission especially addressed costs and potential returns from using dredge material to reclaim and develop land at East Trinity.
3. The third was by Adam Gowlett, President of the Cairns Branch of the Urban Development Institute, on the form and prospects for future urban development in Cairns and especially East Trinity.

Also attached to the submission was evidence of support for the position taken by the group in the form of a petition signed by 164 people in two weeks. The Friends' Facebook site currently records over 1600 "likes".

Turning now to the submission, the first section addressed the importance of Cairns as a seaport and that, in the context of this legislation, should be regarded as a Priority Port.

Cairns acts as a regional capital, a transport, distribution, manufacturing and services hub, with over half the population of a large region from the PNG border down to Etheridge Shire and from Cardwell west to the Gulf and the Northern Territory border, that covers over half the latitudes of Queensland

It is a region on a long-term growth path that since the 1970s, contributed more population growth in Queensland than any other region outside of the South-East corner. With a population approaching 300,000, it is now the largest in population across northern Australia.

Cairns seaport is critical to the regional economy. It is highly diversified in the type of vessels using the port.

Cairns seaport leads Queensland's ports in:

- Tourism and Reef Fleet operations;
- Naval operations;
- Fishing industry operations;
- Coastal trading vessel operations including to Indonesia.

It is second to South-East Queensland ports in:

- Cruise ship operations;
- Super Yacht and cruising yacht visitation;
- Slipways, ship and boat building and marine services operations.

It is third in Queensland in:

- Container movements.

The region has more port/marine related activities by a long way than any other region across the North and in Queensland outside the South-East.

Past studies indicate a direct output of \$800m a year and direct employment of over 4,000. In overall vessel movements, Cairns will be second in the State to Brisbane.

In terms of piloted movements of larger ships, if cruise ships having to stand off the coast are taken into account, the indications are that Cairns will have movements more than Mackay and Abbott Point.

However, in relation to bulk cargoes, because of the region's geography, with no area more than about 300km from the sea, the region has five bulk export seaports (Mourilyan, Cairns, Cape Flattery, Weipa and Karumba). Tonnages shipped are more than the Townsville region, close to south-east Queensland, and more than the States of South Australia and Tasmania and the Northern Territory.

Mineral output, with a value of \$2.7bn in 2013-14, is handled especially through Cape Flattery, Weipa and Karumba. Major bulk export commodity out of Cairns is sugar, a role it shares in the region with Mourilyan Harbour. The other major bulk commodities through the port, fertilisers and fuel, play a critical role in the economy. Fertilizer imports service Queensland's largest cropping region outside the south-east.

Fuel imports via Cairns seaport are a major factor in the viability of many other industries and activities.

This includes Cairns International Airport and its large aviation sector that is vital to the region's \$3bn per annum tourism sector.

It includes the major maritime sector based in Cairns seaport including Australia's north-east naval base, Queensland's largest tourism fleet, Queensland's largest fishing fleet, and Queensland's largest coastal shipping operations, all requiring large amounts of fuel. Fuel is supplied by ship out of Cairns to communities up Cape York and into the Torres Strait and via motherships to a large fishing fleet operating up the east coast and around into the Gulf.

Shipping commonly used for transport of sugar, fertilisers and fuel has been getting larger over the years and currently the shipping for each of these commodities is unable to enter and leave the port with full loads. This results in costly inefficiencies. Sugar ships are only able to take on part loads and have to proceed to other ports to 'top up'. Similar to sugar ships, fertilisers and fuel ships need to offload part of their cargoes at other ports before proceeding to Cairns. Larger international container ships are unable to use the port.

As cruise ships become larger, more and more are having to stand off the coast and undertake highly inefficient shore transfers costing of the order of \$70 per passenger.

Cairns seaport's strategic position in the Queensland economy is set to continue expanding into the future against a background of expanding tourism, including cruise shipping, in maritime servicing, in agricultural and mining development and general population and economic growth.

Capital Dredging

The current proposed legislation leaves the port exposed to a ban on capital dredging for expansion of other port facilities like the marina, general cargo wharves, navy base. This is unacceptable. Potential economic cost to the region would be massive.

Onshore Placement

The "beneficial" provision appears to be very vague. Onshore placement will almost certainly come as a cost, especially in the short term. If capital dredging spoil is put on land, so could maintenance dredging spoil, if this becomes an issue in the future.

It is suggested that

Having banned offshore placement, there is a real duty for the State and Federal Governments to assist develop technology and development perspectives that will enable onshore placement to occur at minimal initial cost and in a way that maximizes future economic returns.

It is essential that in this legislation, this question is addressed including grant and long-term funding such that relevant port operations are not burdened with onshore placement costs that make further port development uneconomic.

We would like to thank the committee for visiting Cairns and we are ready to help with any information we can provide.