PRESENTATION ON
CAIRNS SHIPPING DEVELOPMENT PROJECT

CAIRNS PORT DEVELOPMENT INC
OUR PORT - OUR FUTURE
CAIRNS A STRATEGIC PORT

• NORTH EAST NAVY BASE
• MAIN MARITIME ACTIVITY AND EMPLOYMENT: NORTHERN AUSTRALIA
• CARGO SHIPPING SERVICING LARGEST POPULATION: NORTHERN AUSTRALIA
• STRATEGIC CRUISE SHIPPING AND TOURISM PORT
The project description:

- Widening the existing 90m channel to 130m
- Increasing the depth from 8.3m to 9.4m
- Outer Channel upgrade and extension of the northern end by 1.0km
- Expansion of the Crystal Swing Basin
- Upgrade of wharf berths
- Upgrade of landside infrastructure
- Relocation of navigational aids
- Relocation of the Main Swing Basin to a new location adjacent to Senrab Point (designated as the Smith’s Creek Swing Basin) will enable future expansion of HMAS Cairns and provide a wider and deeper inner channel for the full length of the inner port. Will also provide safer access for the new Landing Helicopter Dock (LHD) Class ships, with reduced operational restrictions. The larger US Navy Carriers that cannot currently berth at the Port of Cairns could also be accommodated by the proposed channel upgrade.

- Total volume of sediment for removal: 4,400,000m³.
DRAFT EIS =

• THE DREDGED MATERIAL COULD BE SAFELY PLACED AT SEA

• PLACEMENT AT SEA LOWEST COST OPTION

• ONSHORE PLACEMENT INVOLVED SUBSTANTIAL ADDITIONAL COSTS
DRAFT EIS =

ECONOMIC EFFICIENCY

NPV BENEFITS OVER PROJECT PERIOD APPROX. $550M COMPARED WITH:

CAPITAL COST OF APPROX:

• $100M OFFSHORE
• $350M ONSHORE (NOTE: EIS ADOPTS INFLATED COST)
## ECONOMIC ACTIVITY GENERATED

**DIRECT EXPENDITURE PLUS ‘FLOW-ON’ OVER 25-YEAR PROJECT PERIOD**

<table>
<thead>
<tr>
<th>YEAR OF EXPENDITURE</th>
<th>OVER $5 BN</th>
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<tbody>
<tr>
<td>IN 2016 VALUES</td>
<td>$3.7 BN</td>
</tr>
<tr>
<td>NET PRESENT VALUE 7% NOMINAL DISCOUNT RATE</td>
<td>$1.3 BN</td>
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REEF 2050 PLAN RULES OUT OFFSHORE PLACEMENT

TWO SCHOOLS OF THOUGHT

• OFFSHORE PLACEMENT TECHNOLOGY TO CONVINCE UNESCO (UNLIKELY)

• ONSHORE SOLUTIONS VIABLE
LONG EXPERIENCE WITH RECLAMATION DREDGE SPOIL

1920's
1940’S PORTSMITH AREA BEFORE RECLAMATION
PORTSMITH CROWN INDUSTRIAL ESTATE BEING RECLAIMED

1960'S

Cairns
A BULK RAW SUGAR PORT

Produced by the Queensland Sugar Board, Cairns Harbour Board and the Colonial Sugar Refining Company Limited to mark the opening of the Cairns bulk raw sugar installation in October, 1984.
TODAY: KEY PORT AND MARINE ACTIVITIES THOUSANDS OF JOBS
ESTIMATED LAND VALUE $220M
TWO MAJOR PROSPECTS: Northern end of Admiralty Island and East Trinity
NORTHERN END OF ADMIRILTY ISLAND
potential current land value $140 per sqm
EAST TRINITY ONSHORE PLACEMENT COST

EIS MASSIVELY OVERESTIMATED $250M

REAL COST $140M
IE ABOUT $36 PER SQ METER OF LAND

6 MILLION CUBIC METERS NOT 12 MILLION CUBIC METERS
**SMALLER AREA NEEDED**

- EIS says 518 Ha
- We say only 320 Ha is needed
- The area is highly degraded and **not** natural wetland.
CAIRNS LONG TERM GROWTH

PROJECTED POPULATION RANGES OF QUEENSLAND REGIONAL CITIES, IN 2050, ON PAST 35, 20 AND 10-YEAR GROWTH RATES

Based on past 35, 20 and 10-year trajectories, by 2050, Cairns will lead with population ranging from 400,000 to 460,000 with Townsville next at 330,000 to 400,000.
CAIRNS LONG TERM DEVELOPMENT OPTIONS
East Trinity different development approach to EIS
EXTENT OF LAND (RESERVE & FREEHOLD) TO SUPPORT SERVICES
## ECONOMICS OF LAND PLACEMENT

### LAND VALUES EXPECTED TO INCREASE

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>INFLATION</strong></td>
<td></td>
<td>3% PA</td>
</tr>
<tr>
<td><strong>REAL INCREASE WITH CITY GROWTH, SAY</strong></td>
<td></td>
<td>1% PA</td>
</tr>
<tr>
<td><strong>NET HOLDING COST</strong></td>
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<td>3% PA</td>
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### COST OF PLACEMENT IN CURRENT VALUES

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<tbody>
<tr>
<td>$36 PER SQ M</td>
<td>NOW</td>
<td></td>
</tr>
<tr>
<td>$48 PER SQ M</td>
<td>AFTER 10 YEARS</td>
<td></td>
</tr>
<tr>
<td>$65 PER SQ M</td>
<td>AFTER 20 YEARS</td>
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# ECONOMICS OF LAND PLACEMENT

## CURRENT CITY VALUES

<table>
<thead>
<tr>
<th>Type</th>
<th>Value 1</th>
<th>Value 2</th>
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<tbody>
<tr>
<td>INDUSTRIAL</td>
<td>AV $140 SQ M</td>
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</tr>
<tr>
<td>CBD</td>
<td>$600 : $1400 SQ M</td>
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<tr>
<td>LOW RESIDENTIAL</td>
<td>$160 SQ M</td>
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</tr>
<tr>
<td>HIGH RESIDENTIAL</td>
<td>$400 SQ M</td>
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</tr>
<tr>
<td>EDMONTON</td>
<td>$160 : $200 SQ M</td>
<td></td>
</tr>
<tr>
<td>GORDONVALE</td>
<td>$140 : $180 SQ M</td>
<td></td>
</tr>
<tr>
<td>EAST TRINITY BEACHES</td>
<td>$160 : $240 SQ M</td>
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FUNDING ARRANGEMENTS: ONSHORE SOLUTIONS

TWO DIFFERENT PROJECTS

1. DREDGING ITSELF ABOUT $100M
   (HIGHLY JUSTIFIED: RETURN FROM PORT EFFICIENCY BENEFITS)

2. ONSHORE PLACEMENT ABOUT $140M
   (PORT EFFICIENCIES BENEFITS + LONGER TERM RETURN)
FUNDING ARRANGEMENTS

<table>
<thead>
<tr>
<th>DREDGING (JUSTIFIED: NORMAL STATE PORT FUNDING) $100 M</th>
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<tr>
<td>ONSHORE $140 M</td>
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The onshore costs should be funded as a partnership between:

1. STATE as a STATE DEVELOPMENT AREA

2. COMMONWEALTH DEFENCE / NORTHERN DEVELOPMENT
ONSHORE PLACEMENT PROJECT BEYOND SKILLS AND INTERESTS OF PORTS NORTH
NEED FOR INDEPENDENT STUDIES
The Reef 2050 Plan was only issued in late 2014 for public consultation and within 12 months, with a devastating blow, the city of Cairns and the Far North Queensland region lost the right to develop their port if the Cairns Shipping Development Project fails to proceed.

Since about 2012, the proponent Ports North had knowledge of this likely outcome.

Unfortunately it wasn’t until late 2014 that the proponents consultants reported on the land based options for spoil placement. We consider that this part of the study is likely to remain deficient.
We submit that the proponents draft EIS for the Cairns Shipping Development study should be limited to the shipping channel widening and deepening project only. A new and independent study for land based placement should be carried out. This study should be funded by the Commonwealth and administered locally by Cairns Port Development Inc. in conjunction with the Cairns Regional Council.
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