

**Submission to Queensland Parliamentary Infrastructure, Planning and Natural Resources Committee**

***The Sustainable Ports Development Bill 2015***

**A Deep Water Port for Cairns Region**

The Yarrabah Aboriginal Shire Council has, for some years, been investigating a business opportunity for a deep-water port to serve the Cairns region and the Cruise Ship industry. At present cruise ships visit the Cairns Seaport, Yorkeys Knob and Port Douglas. Data for 2013 showed that there were 64 cruise ship visits to those locations in 2013, with most of the larger ships calling at Port Douglas and Yorkeys Knob. The Yarrabah Aboriginal Shire Council proposes, subject to further investigations, to build a long jetty off Wungu on Oombunghi Beach into deep water that could receive the largest of vessels. Passengers could disembark directly to the jetty and would not need to be tendered to shore as they do at present. However, the Sustainable Ports Development Bill 2015 threatens to block any potential for a deep water port in this region.

The Bill proposes in Section 2 “to provide for the protection of the Great Barrier Reef World Heritage Area through managing port-related development in and adjacent to the area”. It prohibits particular future development in the Great Barrier Reef World Heritage Area and provides for the development of master plans that establish a long-term vision for the future development of priority ports consistent with the principles of ecologically sustainable development. It aims to do this through long-term planning for priority ports to provide a strategic and coordinated approach to managing economic, environmental, cultural and social values in the Great Barrier Reef World Heritage Area and concentrating port development in priority ports.

The “priority ports” recognised in the Bill are:

- a. Port of Abbot Point;
- b. Port of Gladstone;
- c. the ports of Hay Point and Mackay;
- d. Port of Townsville.

Effectively the development of deep water port facilities in the Cairns region will be blocked by this Bill. That blockage could only be overcome by an amendment to the Bill to include a “Cairns Region Port” as a “priority port”. I believe that this is a matter of high strategic importance for the long-term development and prosperity of our region.

The Cairns region is famous worldwide as a tourist destination. It is the unique gateway to one of the Seven Wonders of the World - the World Heritage-listed Great Barrier Reef - and to the world's oldest rainforest, the Daintree Rainforest (part of the World Heritage-listed Wet Tropics Rainforest) which is over 135 million years old. Total tourism sales in the Region in 2013/14 exceeded \$2 billion.

*The economic and social impacts of tourism in the Far North Queensland planning region* (<http://www.dip.qld.gov.au/resources/plan/far-north-queensland/background/tourism-report.pdf> - Department of Infrastructure & Planning) - observed, having regard to the Cairns region Tourism Industry that this region accounts for over 10 per

cent of domestic and around 30 per cent of the international tourism expenditure in Queensland and that the importance of the tourism industry to the region is more than three times greater than the Queensland average. It concluded that: "Infrastructure planning has to be tuned to the developing needs of a growing tourist population." The Bill, as it stands, is not tuned in that manner.

It is not only the tourism industry that will benefit from deep water port facilities. The cattle, sugar and banana industries and potential future developments including mining may all suffer from this restriction. More southerly regions all have ports within a reasonable distance. The maximum distance to the nearest deep-water port from any point on the Bruce Highway from Brisbane to Ingham is 266km. However, from Babinda (289 km) to Bamaga (1,271 km) the distance increases dramatically.

Regardless of whether my Council's proposal for Oombunghi Beach ever succeeds we must not let the future of our region be stymied by this proposed legislation that does not even achieve its stated purpose of protection of the Great Barrier Reef.

The threat to the World Heritage area is almost certain to be intensified by larger ships and greater numbers of ships. Abbott point could serve bulk carriers up to 360m in length able to carry up to 400,000 tonnes of cargo each. At its peak Abbott Point could be loading up to 180 million tonnes of coal per year, equivalent to about 450 of the largest bulk carriers per year or even larger numbers of smaller vessels. These would all need to transit the Great Barrier Reef World Heritage Area.

In contrast the amount of shipping generated by a deep water port in Cairns would be relatively small. A total of 64 cruise ships with an average gross tonnage of 66,235 tonnes (a total of 4.23 million tonnes – 2.35% of the potential Abbott Point tonnage) visited Cairns and Port Douglas<sup>1</sup> in 2013.

With better port facilities the numbers of cruise ships visiting would probably increase. However, even a quadrupling of that trade would still see the tonnage of shipping transiting the World Heritage at less than 10% of what Abbott point is likely to generate.

My Council seeks the inclusion of a "Cairns Region" deep-water port as a "priority port" in Section 5 of the Bill.

A copy of a brief summary report to Council from GHD in relation to our jetty proposal is attached.



Errol Neal  
Mayor  
30<sup>th</sup> June 2015



Janelle Menzies  
Chief Executive Officer  
30<sup>th</sup> June 2015

## Yarrabah Economic Development Summary

Wungu Beach is located on Yarrabah Aboriginal Community land just 20 kilometres as the crow flies to the east of Cairns in Queensland. Cairns is experiencing growth in visitation from some of the largest and fastest growing outbound markets in the world, and especially from China.

Passenger numbers at the Cairns Airport are forecasted to double over the next 20 years and the Yarrabah Aboriginal Shire Council has a strategy to facilitate the development of a resort and cruise ship precinct on its lands at Wungu Beach to contribute capacity to meet the future demand for resort and tourism products in North Queensland.

### Unique Tourism Potential

Wungu Beach possesses unique tourism assets –

- It has the only deep water available for Cruise Ship berthing in the Cairns region
- It has a long sandy, tropical beach similar to that of Four Mile Beach at Port Douglas
- It is surrounded by abundant Wet Tropics managed rainforest assets
- It has a rich and exotic Indigenous cultural heritage
- It has a young population
- It is located close to Cairns city and the Cairns International Airport

The Yarrabah Aboriginal Shire Council (YASC) will leverage the Wungu Beach tourism assets to generate economic development opportunities for its people, to assist in reducing welfare dependency and to reduce government grant funding of its Community.

Two major opportunities will be developed at Wungu Beach –

- The construction of a 570 metre Jetty with Cruise Ship Wharf, as an alternative option to project dredging and ongoing dredging of the Cairns shipping channel. The anticipated cost of \$80 million is estimated to be less than the full cost of dredging for the expansion of the Cairns shipping lane and will mitigate dredge spoil threats to the Great Barrier Reef.
- The development of a 250 hectare Eco-village precinct to include a Resort Hotel, two smaller Villa hotels, Indigenous Cultural Centre attraction, golf course, tourism residential units, tourism retail units and a Cruise Ship precinct. Over 100 hectares of the total land area for the Eco-Village precinct is planned as a conservation zone, with fauna corridors and the removal of noxious weeds and feral animals. Land and construction values are estimated at \$450 million with the creation of 250 jobs for Aboriginal people.

## Next Steps for YASC include -

### Form YEDA

- Council will form the Yarrabah Economic Development Authority (YEDA) to act as the proponent entity to hold the various State and Federal approvals, and also to manage an international Expression of Interest (EOI) process to attract qualified developers.

### Position Jetty Alternative

- Ensure that the Wungu Beach Jetty proposal is fully considered as a cost effective and practical alternative to the proposed expansion dredging of the Cairns shipping channel by the Queensland Government and Ports North and that the Jetty alternative is considered as part of the Environmental Impact Assessment of the dredging project.

### Commence Master Planning

- Obtain funding from government and non-government sources to undertake Master Planning, Environmental Impact Assessments and development approvals, feasibility and valuation information so as to make the Eco-village development investment ready and de-risked for both local and overseas investors.

### Commence Tourism Opportunities

- Undertake the operationalisation and marketing of existing small scale tourism opportunities so as to build brand awareness and travel market knowledge of the Wungu Beach brand and to provide immediate training and employment opportunities for the people of Yarrabah.

### Progress towards Approvals and International EOI

- Firmly place the Yarrabah opportunities on the priority project lists of Local, State and Federal governments, government tourism agencies, the hotel and cruise ship industries, property developers, local and overseas investment communities and the general public through targeted communication pieces and by building broader awareness through the Yarrabah tourism products.

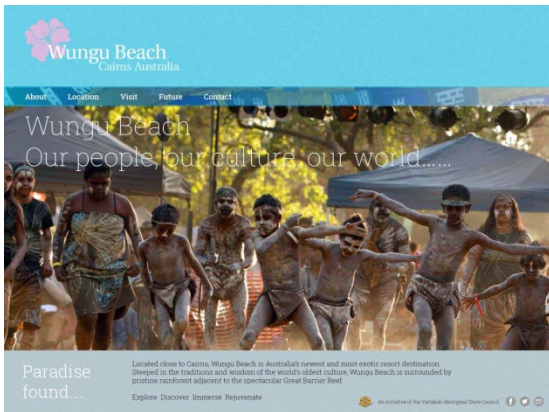




### Wungu Beach Commercial Environment

Tourism in Australia generates \$94 billion in spending, directly employs 500,000 and is Australia’s largest service industry.

Tourism is recognised as the most important industry earning external income for the Far North Queensland region.



China is Australia’s second largest tourism market, behind New Zealand, and is the worlds’ largest outbound market and the major focus of Tourism Australia’s future strategic growth and marketing efforts.

According to Tourism Australia market research, Australia ranks number one as a ‘Must Visit Holiday Destination’ in the China market with Hawaii and Maldives in second and third place. Significantly, both Hawaii and the Maldives are tropical holiday destinations.

Cairns has long experience in dealing with guests from North Asian markets. For over 25 years it has been serving guests from Japan whose cultural and service requirements are similar to those of Chinese guests.

Cairns is well placed to receive increased visitation from China, with Mandarin language speaking tour guides, brochures and signage already in place.

Passenger numbers into the Cairns Airport are forecast to double over the next 20 years as a result of fast growing demand from Asia, particularly from China.

Visitation to the Great Barrier Reef underpins a tourism economy that provides a major source of employment, and that generates around \$2.2 billion in revenues for the Cairns region.

The day tour industry to Green Island, Fitzroy Island and the outer reefs is estimated to generate a \$100 million per annum in revenues. Vessels cruise by Yarrabah daily, taking visitors on dive tours and day trips to the globally iconic Great Barrier Reef.

### Cruise Ship Visit Industry

Growing the cruise ship visit industry to Cairns faces significant challenges. The shipping channel to the Cairns Seaport is too shallow to accommodate more than two-thirds of the vessels that visit the region. Most ships are required to anchor one kilometre from the shore, with passengers ‘tendered’ from the ships in small vessels, prior to boarding buses for the 15 kilometre journey into Cairns.

The Cairns Seaport operator, Ports North, has developed a proposal to dredge the shipping channel which is estimated to generate large amounts of dredge spoil.

According to engineering reports and nautical charts, Wungu Beach possesses the only deep water in the Cairns region capable of handling cruise ships.

The development of a Jetty with Cruise Ship wharf at Wungu Beach would alleviate the need to undertake large scale dredging operations, which are believed to threaten the delicate Great Barrier Reef coral systems located a few kilometres away.



Broome Jetty in WA. Similar in size to that proposed for Wungu Beach

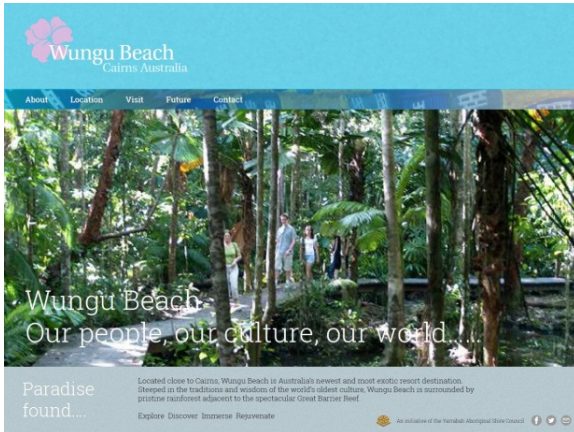
Dredging cost estimates at \$8 per cubic metre plus federal government environment levies and/or dredge spoil disposal costs of \$10 per cubic metre put the estimated dredging project cost at \$90 million, with a recurrent cost of over \$10 million per annum

State government funding of a Jetty at Yarrabah would resolve a major issue affecting the future development of the cruise ship business into the Cairns region, as well as providing the catalyst to economic development at Yarrabah.

A jetty would provide an all-tides solution, whereas the proposed expansion dredging will only provide access for most cruise ships to the Cairns Seaport on favourable tides.

## Enterprise development

Queensland's World Heritage listed tropical rainforests are reported to contain some of the world's best living flora and fauna records which mark the major stages in the evolution of the world's land plants, marsupials and songbirds. Along with visits to the Great Barrier Reef, visitors to Cairns travel at least 70 kilometres to visit the closest Rainforest tours and attractions at Mossman Gorge, and at the Daintree National Park.



The Rainforest boardwalk or Rainforest walk attractions will be developed and introduced to travel industry buyers at the Australian Tourism Exchange to be held for the first time in Cairns.



Importantly over 50 of the world's travel media journalists will be in attendance as well as a large number of tourism industry leaders.

## Tourism Investment Environment

Australia experienced a period of high investment in tourism assets 25 years ago, with investment in hotels and resorts from Japan recorded by the Foreign Investment Review Board peaking at \$3.5 billion in 1988/89.

In September 2013, the Queensland Government led an investment delegation to Asia comprising local government, property and construction industry representatives and developers.

On his return, Premier Campbell Newman announced a tourism investment pipeline from China amounting to over \$6.5 billion, which includes \$4.5 billion proposed for the Aquis project near Cairns.

## Project Approvals

The Queensland State Development and Public Works Organisation Act 1971 (SDPWDO Act) provides the framework for the environmental assessment and the coordination of all relevant state and local development approvals for major State projects.

The key planning document required for processing of approvals for the proposed development at Yarrabah is the Environmental Impact Assessment (EIA).

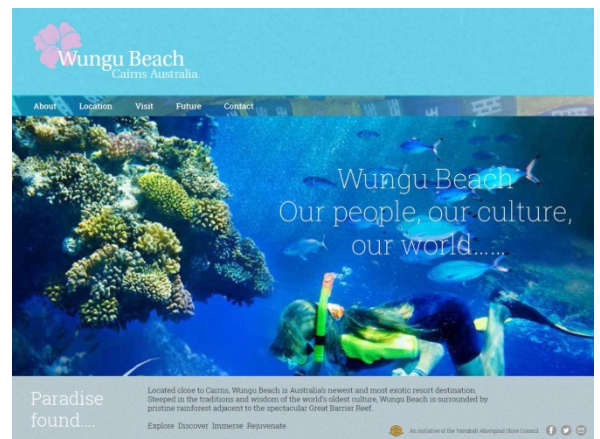
The project would be considered a 'Coordinated Project' under Queensland State legislation and will require a 'Material Change of Use' permit under SDWPO legislation.

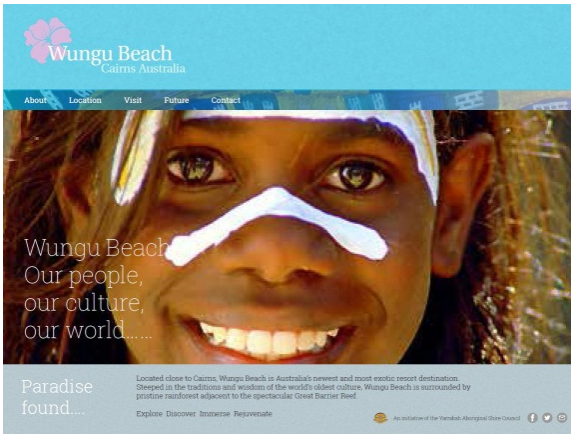
Under a bilateral agreement between Queensland and the Commonwealth, the key planning document for the Commonwealth review under the EPBC would be the Queensland Coordinator Generals' assessment report of the project EIA.

Other associated approvals required include those from the Great Barrier Reef Marine Park Authority (GBRMPA) and from Ports North, the Cairns Seaport operator.

The development area falls within a GBRMPA Habitat Protection Zone and a permit will be required to undertake shipping and tourism activities.

The Ports North jurisdiction as harbourmaster ends just south of the Wungu Beach area and approvals for any jetty, mooring or changes to navigation would require approvals by Ports North, who adopt all the requirements of the Queensland SDPWDO Act.





### Expression of Interest process

It is proposed that the Yarrabah Economic Development Authority (YEDA) act as the proponent for the property development approvals process.

The vending of approvals and land tenure documents would be subject to a worldwide Expression of Interest process.

The proposed opportunities at Yarrabah are globally significant within the tourism industry and could be marketed by an organisation such as Jones Land LaSalle Hotels who specialise in major hotel and resort transactions.

In addition to leveraging the resources of the Queensland Government’s foreign trade unit and Austrade, strong focus will be on the China investment market, especially due to the attractiveness of the recently introduced Significant Investment Visa (SIV) Scheme.

It is time for Yarrabah to use a relatively small parcel of land, around 0.16%, to develop a sustainable economic future.

### Benefits to the Cairns Region

As Cairns continues to grow into an important destination for the fast growing markets of the Asia region, Yarrabah will support Cairns and the wider region in its future destination marketing by providing -

- Exotic, Aboriginal themed Eco-village resort precinct to include cruise ship wharf, villa hotels, resort hotel, retail outlets, conference centre, golf course and Queensland Indigenous Cultural Centre
- Deep Water Access – the only near shore deep water in the region, sufficient to accommodate the world’s largest cruise ships
- Rainforest – Wet Tropic managed rainforest attraction located close to Cairns city, much closer than Mossman Gorge or the Daintree
- Wungu Beach - similar to Four Mile Beach at Port Douglas. Wungu Beach offers visitors to Cairns city a closer tropical beach destination than Port Douglas which is located 70 kilometres away

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