



**ADVANCE  
CAIRNS**  
OUR REGION ONE VOICE

# FORGING A BRIGHTER FUTURE

**CAIRNS TNQ FEDERAL BUDGET SUBMISSION 2022-23**



# FROM THE CHAIRMAN

NICK TROMPF

## Forge / forge (vb.)

to create (*something*) strong, enduring or successful.

Oxford Dictionary

### HOW THE FEDERAL BUDGET CAN BUILD RESILIENCE FOR CAIRNS TNQ

Against the backdrop of the ongoing global pandemic, leaders of business and industry in the Cairns region have developed an integrated series of initiatives to drive renewal, resilience and greater diversity in the far north's economy.

This year's Federal Budget will be pivotal in bringing to life central elements of this Forging a Brighter Future plan.

With COVID-19 continuing to disrupt key sectors such as tourism and hospitality for a considerable time ahead, the integrated plan in this document provides opportunity for renewal.

Opportunity for the Federal Government to build on its already significant support by providing further backing for catalytic infrastructure and policy reform.

And opportunity for the private sector to invest heavily off the back of this government support, in both existing and emerging industries.

Central to this plan is creating jobs - in traditional & advanced manufacturing, health & allied industries, ground-breaking research, education, primary production & processing and civil construction.

Defence is as a centrepiece, given heightening geopolitical tensions in the south-west Pacific region, and the fact that Cairns is home to Queensland's only Navy base.

A brighter future will be forged for Cairns TNQ through with Federal Budget support for the following:

- Building sovereign Defence capability through transforming the Cairns port and expanding HMAS Cairns, including a new \$300-\$400m common user facility
- Addressing acute skills shortages through a \$50m new CBD campus for CQUniversity plus 80 CSPs in medicine across James Cook University campuses in Cairns, Townsville and Mackay

- Rebuilding international tourism via \$30m for aviation attraction, \$40m for destination marketing and \$10m for security upgrades at Cairns International Airport
- Ensuring urban water security and opportunity for agricultural growth through \$250m+ investment
- Further upgrading capacity and connectivity of the region's key roads, as well as a strategic recommendation to extend the National Highway A1 from Cairns' northern suburbs to the Atherton Tablelands

We readily acknowledge the considerable investment by the Federal Government in the far north in recent years – highlighted by more than \$1.5bn in road construction underway, along with a host of other support measures such as JobKeeper.

Despite this Federal support, the adverse impacts of COVID-19 on this region are starkly illustrated by a slump in the Cairns labour force, which has shrunk by 4400\* (or -4.9%) people in work. This contrasts starkly with other QLD regions like the Gold Coast (+51,600\* or 14.2%), Townsville (+8100\* or 4.5%) and the Sunshine Coast (+2200\* or 0.6%).

Regardless, business and industry leaders are absolutely confident the long-term future for Cairns TNQ is bright – and we look forward to the Federal Government providing much-needed, immediate impetus through investments outlined in this plan.

# INFRASTRUCTURE & POLICY PRIORITIES

THE OPPORTUNITIES SUMMARISED BELOW ARE PIVOTAL TO HELP CAIRNS TNQ REBOUND FROM THE DEVASTATING ECONOMIC IMPACTS OF COVID-19 AND, IMPORTANTLY, CREATE MUCH-NEEDED DIVERSIFICATION AND RESILIENCE IN THE REGION'S ECONOMY.

## INFRASTRUCTURE



**CAIRNS MARINE PRECINCT - P4**  
Federal/State funding to fund construction of Common User Facility; \$24m Federal funding slipways; \$155m HMAS Cairns; \$28m State funding new wharves.



**EDUCATION & RESEARCH - P6**  
\$50m Federal funding new CQUniversity CBD campus; \$11.2m Federal funding Great Barrier Reef International Marine College; 80 additional places JCU medical school.



**CAIRNS AIRPORT - REBUILDING AVIATION - P8**  
\$10m Federal funding infrastructure upgrade Cairns Airport; \$20m joint funding aviation attraction.



**FOOD AND WATER SECURITY - P10**  
State and Federal Governments facilitate DAs Lakeland Irrigation Area Project; \$215m Federal/State (50:50) Cairns Water Security - Stage 1; \$2m Federal funding Etheridge Shire Irrigation Project; \$7m from NWIDF business case North Johnstone River diversion scheme.



**COASTAL ROADS - P12**  
Federal funding \$527m Cairns Ring Road; State funding \$132m Cairns Ring Road; strategic transport plan linking Cairns-Townsville.



**TABLELANDS ACCESS - P14**  
Extend National Highway A1 from Smithfield to Mareeba; \$20m Federal/State (50:50) funding Kuranda Range Rd business case; State to follow up on findings from Cairns to Northern Tablelands Access Study.



**INLAND ROADS - P16**  
\$398m State and Federal funding over 10 years Gulf Savannah Way; \$25m Federal funding to complete upgrade Kennedy Developmental Road.

## POLICY



**REGIONAL HEALTH PLANNING - P18**  
\$6m Federal funding palliative care hospice and \$10.5 million State recurrent operational funding; Federal/State (50:50) funding chronic condition care facility; 80 extra CSPs JCU medical school.



**SPECIALIST BOAT BUILDING - P20**  
Cairns be recognised by Federal Government as a high priority alternative for specialist boat building; State and Federal Governments commit to working with SeaSwift to ensure their vessel upgrades occur in Cairns.



**TNQ TOURISM RECOVERY FUND - P22**  
\$40m Federal funding destination marketing, cruise shipping, domestic & international airline partner support; State and Federal Government detailed roadmap to reopening international tourism into QLD and Cairns.



**PACIFIC ENGAGEMENT - P24**  
Operational headquarters in Cairns for DFAT Office of the Pacific; Cairns designated Australia's northern hub for Step-Up to the Pacific.



**FRANCHISE REFORM - P26**  
Broaden automotive franchisee protections to cover all motor vehicle categories; extend some or all of these protections to other franchisee categories.



**FUTURE GROWTH - P28**  
\$80m joint State and Federal funding for the Strategic Integrated Urban Development and Transport Plan.



**ENHANCING URBAN LANDSCAPES - P30**  
\$29.4m Federal Government commitment to implementing the Enhancing Natural Urban Landscapes - from Rainforest to Reef initiative.



# CAIRNS MARINE PRECINCT

**COUNCIL:** CAIRNS **STATE ELECTORATE:** CAIRNS **FEDERAL ELECTORATE:** LEICHHARDT

## BRIEFING NOTE SUMMARY

- The Cairns Marine Precinct is vital for the economic diversification of the Tropical North Queensland region that has been hard hit by COVID-19.
- Cairns is a strategic port for Defence. The Navy has announced it requires its planned Regional Maintenance Centre (RMC) North-East in Cairns to begin operating by 2022 – the first of four new RMCs in Australia.
- The Federal and State Governments work together to deliver a \$300-\$400m Common User Facility as a centrepiece of fully developing the precinct infrastructure and tomorrow’s workforce.
- A commitment is needed to provide long-term continuous sustainment programs and to support the re-development of ship and boat building in the precinct.

## THE ISSUE

The Cairns Marine Precinct (CMP) is a critical enabler of the Tropical North Queensland (TNQ) economy, supporting Australia’s strategic Defence and foreign policy initiatives, as well as border and fisheries, tourism, and maritime trade operations. The precinct is home to a large and diverse marine sector with 1603 commercial vessels across tourism, fishing and shipping, and cruising yacht sectors, in addition to several Royal Australian Navy (RAN) and Australian Border Force (ABF) vessels. The precinct also hosts superyachts and cruise liners visiting the Pacific. COVID-19 exposed the fragility of Cairns’ tourism-based economy, and the continued growth of the Marine Precinct is critical for economic diversification in the region. A sustainable marine capacity to ensure that both strategic Defence priorities and industry needs are met is vital to provide growth and jobs for the TNQ region.

Over the past few years, growing tensions between the United States and China have elevated the strategic importance of the Pacific, and Australia is now more than ever a frontline player in terms of engagement and development of the region. Australia’s Step-Up to the Pacific program, which sees engagement in the Pacific as one of the highest priorities of Government, is tied to the 2017 Foreign Policy White Paper and commits Australia to a more ambitious level of

Pacific engagement, signalling a key change in Australia’s Defence posture as it prioritises the Indo-Pacific region.

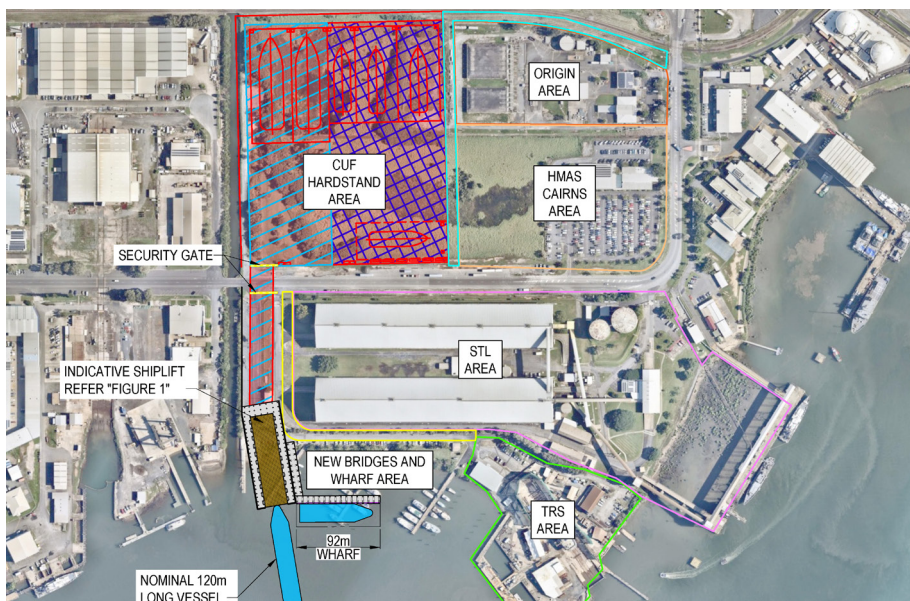
Under the Security of Critical Infrastructure Act (2018), the Cairns port is a critical national infrastructure asset. The port includes HMAS Cairns, Australia’s most northern naval base on the eastern seaboard, and it plays a key strategic role in Australia’s northern naval capability. In acknowledging this role, in 2017-2018 the Federal Government committed to upgrading the precinct through staged investment.

There is unmet and growing demand in naval, commercial and superyacht maintenance opportunities that supports a step change in ship sustainment capacity in the CMP. As outlined in Table 1, this investment needs to cater for larger vessels (up to 120m), have ship-lift capacity of 3500-5000 tonnes, provide up to 350m of extra wharf, see multiple large vessels simultaneously in dry dock, and allow considerable extra land for sustainment activities.

The State Government business case released in January 2022 has identified necessary infrastructure and skills requirements to ensure future growth and development in the precinct. This includes a common user facility, accessible by all shipyards. It is essential that a \$300-\$400m commitment to fund the required infrastructure is made by both the Federal and QLD Governments.

A commitment to long-term continuous maintenance programmes by the RAN will assist the individual shipyards to forward plan in their own businesses and give them the ability to make investments in their own infrastructure. Understanding the opportunities in specialist boat and shipbuilding will also allow further private investment and give the security to individual businesses of a pipeline of continuous work in the marine precinct.

The CMP expansion needs to be complemented by a significant step up in industry workforce skills and training, both within the shipyards and also within the sector’s support industries. To support the CMP, there is a major role for training to upskill existing workers and contextualise training for the marine sector, and to recruit and grow the workforce through stronger training pathways.



*Pictured: The proposed Common User Facility for the Cairns Marine Precinct.*

## BACKGROUND

The Cairns region has the largest marine services sector in Northern Australia, and has a skilled, year-round permanent marine and engineering workforce of 4600 across 270 organisations.

In 2017 the Federal Government committed to a Phase 1 \$24 million investment into Ports North Leaseholds to enhance and modernise the three shipyards within the Cairns Marine Precinct. In 2020, the State Government committed \$28M for increased wharf capacity as well as \$2M for the detailed business case to inform a step-change within the precinct.

The CMP is Australia's maintenance centre for the RAN's hydrographic vessels as well as Australian Border Force Cape Class vessels. It has serviced the Defence, Border Force, and marine industries for many years and, as home to Fleet Base Pacific (HMAS Cairns), is one of the few ports in Australia that can offer the Department of Defence significant expansion opportunities in berth and land facilities. RAN is currently undertaking long-term planning for HMAS Cairns, and, in conjunction with Ports North Master Planning and the marine precinct business case, are looking at expansion of the current site as well as future purpose and requirements for the base.

The CMP will be the first of four new Regional Maintenance Centres (RMCs) for the Royal Australian Navy (RAN) as part of Plan Galileo. The RMC North-East will provide a national naval sustainment and maintenance hub, enabling the CMP to build on its present

commitments of servicing vessels from HMAS Cairns, Darwin, the United States, and the Pacific Islands.

The State Government business case (released January 2022) highlights that one in six vessels in Australia over 15m – and four in five NQ registered vessels – are serviced in Cairns. The business case also highlights the existing shipyards are at or near capacity and that future demand will not be met with current capabilities.

Without a significant step-up in infrastructure and capability at the Cairns Marine Precinct, existing operators may not be able to compete for all future sustainment contracts, and/or maintain or grow their business. This will result in a potential decline in market share and loss of economic opportunity, while overall regional activity levels in allied industries will also sharply decline. The objectives of the Defence Industrial Capability Plan are to broaden, deepen and grow the industrial base of Defence to enhance Australia's national security.

## NEXT STEPS

To ensure further growth and job creation in the region, to attract greater private investment, and to enable Defence to achieve their strategic goals, the following commitments for the Cairns Marine Precinct are needed to facilitate a transformation in the overall capacity and capability of the precinct:

- \$300-\$400m Federal/State investment in infrastructure and support as outlined by the Cairns Marine Precinct business case released in January 2022.
- A commitment from Defence to provide additional vessels in Cairns and long-term continuous maintenance and sustainment programmes.
- Support for ongoing innovation and re-establishment of a boat and small ship building industry in the precinct.
- Consideration of a virtual sustainment college through the Great Barrier Reef International Maritime College. The College will develop and deliver agile micro credentials that meet future Defence sustainment demands (see Education & Research priority).

INFRASTRUCTURE	SHORT TERM	LONGER TERM
Capability (vessels)	Vessels to 120m LOA - homeported RAN fleets and majority of regionally based commercial vessels	Vessels 150m to 175m LOA – majority RAN fleet/maximal commercial vessel opportunities
Lift out capacity (shiplift/dock)	3500 to 5000 tonnes capacity	8000 tonnes capacity
Berth length	3 to 4 vessels at any one time; additional berth of 150 – 350m	800m to 1km of quayside, separate superyacht berth facility comprising floating pontoons
Extra yard and warehouse facilities, plus out of water capacity	3 to 4 vessels up to 120m LOA; 5 hectares of additional land + SPMT corridors; additional paint/blast workshops; ability to sub-divide land areas for a security/ship type purposes	6 – 8 hectares of additional land for vessel lay down purposes, separate landside areas for superyacht maintenance and refits (up to 3 hectares)

## OUR RECOMMENDATION

- That the Federal Government commits to deliver the outcomes of the Cairns Marine Precinct expansion project business case with investment as outlined in the Cairns Marine Precinct business case.
- Defence investment in HMAS Cairns, including a commitment to base and sustain additional vessels in Cairns.
- That the Federal Government commits \$24 million for stage 2 capacity increases within the three existing shipyards, in time for the Regional Maintenance Centre North-East starting operation in 2022.
- That the Queensland Government supports and facilitates the Federal expansion of HMAS Cairns, ensuring the Department of Defence delivers on the initial \$155 million upgrade of the navy base by 2025.
- That the QLD Government \$2m business case be completed by end of 2021 and the \$28 million for early works to deliver in-water maintenance berths for the Cairns Marine Precinct expansion be constructed by the end of 2022.

ESTIMATED PROJECT COST \$607M	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025
<b>FUNDING REQUIRED</b>				
Construction of Common User Facility in CMP (Federal/State)	-	\$30M	\$50M	\$100M
Stage 2 shipyards request (Federal)		\$24m		
<b>FUNDED, DELIVERY</b>				
HMAS Cairns infrastructure (Federal)	\$20m	\$50m	\$45m	\$40m
CMP wharf improvements (State)	\$28m			



# EDUCATION AND RESEARCH

COUNCIL: CAIRNS STATE ELECTORATE: CAIRNS FEDERAL ELECTORATE: LEICHHARDT

## BRIEFING NOTE SUMMARY

- Tropical North Queensland's education sector includes two universities, six TAFE campuses, 35 secondary schools, and private language and business schools.
- Youth unemployment sits at 12.6% and the region faces a skills shortage in health, allied health, aviation, and a number of other STEM professions.
- Two key infrastructure projects have been identified to address regional skills shortages, with \$50 million sought for a permanent new CQUniversity campus in the Cairns CBD and \$11.2M for the Great Barrier Reef International Marine College expansion.
- The CQU campus project is shovel-ready and will create an estimated 330 jobs (direct and indirect) during construction and contribute \$549 million to the regional economy over 10 years. The project will address current skills shortages in allied health, engineering, and technology.
- Regional medical shortages will also be addressed by James Cook University by establishing a complete medical school in Cairns, with support sought for 80 designated Commonwealth Supported Places for domestic students, enabling students to complete JCU's full Bachelor of Medicine, Bachelor of Surgery program in Cairns.

## THE ISSUE

Tropical North Queensland has a dynamic and vibrant education sector with two universities, six TAFE campuses, 35 secondary schools, and a number of private language and business schools. In 2019/20, nearly 13,000 people were employed in education and training in TNQ, contributing \$900M to the economy, an increase of 200% in 5 years<sup>1</sup>. The region is shifting towards a knowledge-based economy, which has implications for educators and regional training facilities. To accommodate the shift, the sector has invested hundreds of millions of dollars in infrastructure in recent years, and a number of additional projects are flagged for investment.

With a strong student base now established, CQUniversity (CQU) and James Cook University (JCU) continue to grow in the Cairns region. Through collaborative partnerships and to address current gaps in education pathways, the two universities are working to build capacity across a range of industries and community initiatives.

**CQU:** Since commencing on-campus delivery in Cairns in 2016, CQU Cairns has experienced more than 20% year on year growth<sup>2</sup>. Given this, it has outgrown its current premises and requires new purpose-built facilities. As part of its 2019 Community Impact Plan, CQU has a shovel-ready project to build a permanent new CQU Cairns CBD campus (\$50M for construction/fit out).

CQU currently operates from four leased

premises across Cairns. The proposed new campus will allow the consolidation of these sites.

**TAFE Queensland:** The Great Barrier Reef International Marine College (GBRIMC) continues to grow and expand its range of innovative marine training capabilities. With the growth in Cairns as a strategic marine defence hub and a renewed focus on the Pacific as part of the Step-Up to the Pacific programme, the Department of Defence awarded the contract for Pacific Maritime Training Services (PMTS) to TAFE Queensland and the GBRIMC in March 2021. This programme will enable GBRIMC to provide all technical and non-technical training, as well as pastoral care services to Pacific Island Country crew who have been gifted Guardian Class patrol boats from the Australian Government, estimated to be 320 crew annually.

**JCU:** Building on 30 years of commitment to Cairns and the Far North, James Cook University proposes to expand Cairns-based activity to ensure that students can study a full medical degree in Cairns. Currently, JCU only offers years 1-6 of its medical degree in Townsville, while Cairns is limited to years 4-6. This means that future medical students are required to leave Cairns to commence their studies elsewhere. Research has shown that once students leave regional areas they often do not return. It is vital that Cairns and TNQ retain their local talent in the region and have a full year 1-6 medical program.



## BACKGROUND

The TNQ region has an estimated resident population of 286,873 and population growth of 1.1% per annum. The attainment of a university degree in Cairns is 54% lower than the national average at 14.3%, while 8.5% of residents have an Advanced Diploma or Diploma and 22.9% have a Vocational Certificate, on par with the rest of the state<sup>3</sup>.

In September 2021, the youth (15-24 years) unemployment rate stood at 11.7%<sup>4</sup>. While Cairns has two universities, access to appropriate courses and pathways into university is critical in bridging the high youth unemployment rate and encouraging young people to enter the workforce.

Nationally over the next five years, an additional 85,000 health workers and 28,000 educators will be needed to fill jobs in regional areas. COVID-19 has also exacerbated shortages in other sectors in Cairns, most notably engineering. Engineering is ranked as one of the major skills shortages nationwide, and this shortage is greater in regional areas. To fill this need, the importance of regional universities cannot be overstated with more than 65% of employed regional university graduates remaining in regional areas on completion of their studies<sup>5</sup>.

## NEXT STEPS

In addressing youth unemployment and preparing the region's workforce for the future, the following four projects have been identified as essential enablers.

1. CQU seeks \$50 million to establish a permanent, purpose-built CBD campus capable of accommodating 4,000+ students by 2030. Due to the proposed location adjacent to the Cairns Convention Centre, the new campus will complement existing infrastructure, effectively creating a knowledge
2. TAFE Queensland, following preliminary design and planning work, seeks to undertake a facility extension to the GBRIMC campus, with site stabilisation works including



hub precinct in the Cairns CBD. The close proximity to the Convention Centre provides an important link for conference organisers and allows for greater co-operation with regard to facilities and human resources such as the employment of students for events. Most importantly, the new campus will address the significant skill gaps identified in the region, particularly in terms of allied and mental health, engineering, and technology. The allied health courses will be supported by the establishment of on-campus health clinics staffed by supervised student practitioners. The project is shovel-ready and will generate an estimated 330 jobs during construction (80 direct), plus more than 300 direct jobs through expanded university operations and staff and student expenditure in the region. The economic impact over 10 years will be around \$549 million<sup>6</sup>.

pre-loading, construction of new classrooms, and a simulator suite. The cost of this extension is expected to be \$11.2 million. This extension will allow the provision of services to the 320 PMTS students expected each year as well as catering for the growth in Defence and other marine training, following the commencement of the Regional Maintenance Centre for Defence in 2022.

3. To support the training and recruitment of Cairns-based clinicians, JCU requires an additional 80 designated Commonwealth Supported Places (CSP) recurrent for the JCU Bachelor of Medicine, Bachelor of Surgery (MBBS) program. This will allow JCU to offer Years 1-6 of the MBBS in Cairns.

Source:

- 1 <https://economy.id.com.au/cairns/output-by-industry?StartYear=20190932>
- 2 <https://www.tropicnow.com.au/2020/october/14/cquniversity-push-for-new-cbd-campus-picks-up-steam>
- 3 <https://quickstats.censusdata.abs.gov.au/census-services/getproduct/census/2016/quickstat/306>
- 4 Regional youth unemployment, Sep 21 (qgso.qld.gov.au)
- 5 ACER JTD Research briefing (2011) Higher education and community benefits: The role of regional provision Volume 1, number 5.
- 6 Cummings, W. Economic and Socio-Economic Impact Analysis: Proposed Development CQUniversity Campus May 2020 p16.

## OUR RECOMMENDATION

- That the Federal Government invests \$50M to establish a new CBD campus for CQU.
- That the Federal Government supports the expansion of the GBRIMC with an investment of \$11.2 million, to enable training for the Pacific Patrol Boat training programme and other Defence and marine requirements.
- That to support the training of a regional medical workforce, the Federal Government allocates an additional 80 Commonwealth Supported Places recurrent, plus an allocation of Destination Australia scholarships to JCU's School of Medicine and Dentistry.

### ESTIMATED PROJECT COST

	2021 - 2022		
	CQUniversity CBD Campus	JCU Medical School	TAFE Queensland GBRIMC
Recommended Federal Investment	\$50M	80 additional CSPs	\$11.2M



# CAIRNS AIRPORT – REBUILDING AVIATION

COUNCIL: ALL TNQ STATE ELECTORATE: ALL TNQ FEDERAL ELECTORATES: KENNEDY, LEICHHARDT

## BRIEFING NOTE SUMMARY

- COVID-19 has had a disproportionate impact on the Far North Queensland region with an estimated loss of \$2.2 billion of visitor spending in 2021, impacting more than 7,700 jobs in the visitor economy.
- Investing in the rebuilding of aviation will deliver a strong ROI resulting from increased tax revenue, while playing a critical role supporting job creation in the tourism and accommodation industries.
- Cairns Airport has committed to upgrading the International Terminal to support the rebuilding of direct international aviation. This follows completion of the Domestic Terminal upgrade in 2020.
- Government support to meet the costs of Federally Mandated security upgrades will avoid cost prohibitive increases to the International Passenger Service Charge and International Passenger Security Charge during the aviation rebuild period.
- Targeted route development, with a strong focus on Japan and Europe is required to replace Chinese visitors who were previously the most valuable international customer segment for Tourism in the region.
- New aircraft technology provides the opportunity for direct flights from Cairns to Europe, which would be a game changer for Cairns' tourism and international trade. Cairns is the only airport in Queensland that can reach Europe with direct flights.



## THE ISSUE

When international travel ceased in March 2020, it removed a structurally important component of the \$3.3B tourism industry in Far North Queensland (FNQ). International visitors not only account for 7.4% of the region's economy, but they also smooth the annual demand cycle because they travel when domestic demand is low, which allows operators to retain a year-round work force. The current absence of international tourists has operators juggling resourcing to service stop-start domestic demand and missing out on the opportunity to serve their premium customers.

FNQ's high value airfreight export industries are also dependent on international connectivity and currently rely heavily on the Federal Government's IFAM program. Whilst this program has been a lifeline, private sector businesses are relying on the resumption of international connectivity to provide freight capacity beyond July when the IFAM program concludes.

Cairns Airport is working to achieve a strong, fast international recovery for the benefit of the region's tourism industry and exporters. This international aviation rebuild will be achieved from a standing start as the Cairns International terminal has been closed to commercial traffic for two years due to ongoing travel restrictions. The aviation rebuild will also take place in a changed and challenging operating environment where geopolitical developments, rapidly evolving customer needs and high degrees of operational risk dictate that international

connectivity be built back differently.

Key issues for consideration during the international aviation rebuild include:

### **Maintaining a stable cost base for airline partners**

Cash constrained airlines are highly sensitive to increased costs of doing business with airports in the current environment.

Mandated security upgrades will cost Cairns Airport \$10M, significantly increasing the International Passenger Service Charge and International Passenger Security Charge levied to airlines, particularly as costs would be shared across a reduced number of passengers during the aviation rebuild.

### **Establishing new point-to-point routes for the covid-cautious traveller**

Route development has also been impacted as passengers now prefer to avoid hubs and fly point-to-point. Thankfully, Cairns has a long history of direct connectivity to Japan upon which to rebuild, and modern long-range wide-body aircraft (A350 and B767) are creating opportunities for long-haul point-to-point routes, including the possibility of direct flights into central-western Europe.

Airlines rely on direct financial support to offset the increased risk and cost associated with new routes, especially long-haul point-to-point routes which are a departure from the pre-covid playbook. In a cash constrained environment, all stakeholders have weak balance sheets and must work together to support the re-establishment of international routes.



## BACKGROUND

Cairns Airport maintains strong relationships with airlines based on fair pricing and a constructive approach to the airline-airport partnership. These relationships enable it to secure increased aviation capacity, which in turn facilitates regional growth. Cairns Airport has a successful track record of investment in international route development and a history of successful collaboration with government to deliver positive regional and industry outcomes.

In FY19 Cairns International Airport facilitated 4,400 direct international flights and 660,000 direct international passenger movements. During that period, international visitors accounted for 6.9M room nights and \$1.1B in regional expenditure in Far North Queensland, while airfreight exports ex Cairns Airport totalled 3,075 tonnes with a total value of \$146M.

Now that vaccination thresholds have been achieved, Cairns Airport is once again seeking to support the re-establishment of critical international links to enable industries to continue operation.

Cairns Airport is engaging with NAIF to revitalise the International Terminal on the basis that that a modern and efficient international terminal will be a more attractive destination for international airlines and will provide an improved passenger experience for the FNQ tourism industry.

Government mandated security upgrades would be completed as part of the terminal refresh project however the incremental cost of security upgrades, if funded by Cairns Airport, would be passed through to airlines via increases in the International Passenger Service Charge and International Passenger Security Charge.

Cairns Airport will fund the functional

and cosmetic components of the terminal refresh, most likely with NAIF loans. However, to maintain a stable cost base for airline partners Cairns Airport call upon the Federal Government to **fund the mandated security upgrades** as it has done for other non-capital city airports via the Regional Airport Security Screening Fund. Cairns Airport understands that it sits outside the eligibility parameters for this program but is concerned that a new commercial disincentive to fly into Cairns during the rebuild period would negatively impact the recovery of the international tourism industry at a time when the region needs all the support it can get.

Cairns Airport has had to reevaluate its approach to **international route development** for the COVID-normal operating environment.

The rebuilding of key tourism markets such as Japan back to its peak in the late 2000s would largely offset the recent loss of direct Chinese arrivals from Hong Kong and mainland China, and modern, fuel-efficient aircraft now make it possible to establish direct connections from Cairns to Europe. A Cairns-Frankfurt service would make Cairns (and Queensland) a single-hop destination for covid-cautious European travellers. There is no precedent for such direct connectivity from Cairns, so interested airlines would seek to minimise commercial risk through government support.

Cairns Airport has a solid track record of delivering a strong ROI on government aviation investment and this would be opportunity for another successful partnership.

## NEXT STEPS

### Mandated security upgrade:

Maintaining stable costs for airlines is a high priority for Cairns Airport as it works to

rebuild its international route network, to bring valuable international tourists back into the region. Government funding to cover the security upgrade requirements will eliminate the need for increases to the International Passenger Service Charge and International Passenger Security Charge, supporting the recovery of the region's tourism industry.

**Cairns Airport investment:** Cairns Airport is supporting the regional economic recovery by investing in initiatives that increase the appeal of direct flights to international airlines.

**Aviation attraction funding:** To rebuild traditional direct routes and to provide direct connectivity to new destinations without exposing passengers to hub airports. Cairns Airport seeks to work with State and Federal Governments in attracting a full-service carrier into Japan and establishing a direct service into Europe. To achieve this, government will be called upon to help de-risk these service through the direct provision of aviation attraction funding to Cairns Airport.



## OUR RECOMMENDATION

- To maximise success, Cairns Airport calls on the Federal government to make the following commitments:
  - \$10 million towards Security Infrastructure upgrades, to support the recovery of the region's international tourism industry, by allowing Cairns Airport to maintain a stable cost base for airlines during the international aviation rebuild period.
  - \$20 million (\$5M per year for four years from State and Federal Governments) in aviation attraction funding directly to Cairns Airport, to support attraction of an historic direct central-western European international connection and to rebuild Japan back to peak visitor numbers.

ESTIMATED PROJECT COST \$30M	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026
<b>Recommended Federal Investment</b>				
Infrastructure \$10 million	\$10m			
<b>Recommended State and Federal Investment</b>				
Aviation attraction support \$20 million	\$5m	\$5m	\$5m	\$5m



# FOOD AND WATER SECURITY

**COUNCILS:** CAIRNS, MAREEBA, ETHERIDGE, COOK, TABLELANDS **STATE ELECTORATES:** BARRON RIVER, CAIRNS, HILL, TRAEGER

**FEDERAL ELECTORATES:** KENNEDY, LEICHHARDT

## BRIEFING NOTE SUMMARY

- The ability to meet increased demand for fresh Australian food from North Queensland is at risk due to the lack of a long-term water implementation strategy.
- To cater for growing demand for water, four significant water supply and infrastructure projects are considered essential enablers for the region: Lakeland Area Irrigation Scheme, Cairns Water Security – Stage 1 project, Etheridge Shire Agricultural and Irrigation Precinct Project, and North Johnstone River Diversion Scheme.
- All four projects require bilateral commitment and shared investment to facilitate environmental approvals and to progress to construction stage.
- A \$7M investment is required to progress a North Johnstone River Diversion Scheme business case with completion of the business case by June 2022, to enable and inform a rewrite of the water resource plans for both the Barron and Wet Tropics catchments.
- A \$2M investment is needed to progress the Etheridge Agricultural and Irrigation Precinct implementation strategy which includes an Economic, Environmental, and Social Impact Assessment; farming land analysis; and synthesis of existing work on the Gilbert River to identify available and potential water supply with a view to obtaining pre-approval for the key components of the precinct.

## THE ISSUE

Tropical North Queensland (TNQ) has seen sustained population growth during the past 30 years underpinned by the expansion of industries including agriculture, tourism, fisheries, education, health, and retail. Throughout 2020, agriculture has been a continuing success story for the region and vitally important in driving post-COVID-19 economic recovery. At the forefront of agricultural growth has been the Atherton Tablelands, driven by the Mareeba Dimbulah Water Supply Scheme (MDWSS) with rapid expansion in high-value crops such as avocados, bananas, berries, and sugarcane. Water is now 100% allocated<sup>1</sup> and 80% used, with purchase prices rising more than three-fold since 2011, peaking at \$4000ML.

To address high prices and supply issues on the Tablelands, short- and long-term action is urgently needed. The Queensland Government, via the Regional Water Assessment Program, is currently undertaking a \$3M investigation into possible additional water supply and long-term water security across the broader Tablelands region. Sunwater is undertaking much-needed improvements in the MDWSS to provide efficiencies in the short term, but the scheme will also need supplementing with extra supply through the proposed North Johnstone River Diversion Scheme.

In addition, agriculture in areas such as the Lakeland district near Cooktown and surrounding the Gilbert River in Etheridge Shire has the potential to expand rapidly through value crops such as bananas, grains, cotton, legumes, and watermelons. Water security has been a concern for a number of years and is now limiting supply in both regions.

Agricultural exports are vital to TNQ with the industry sector output currently valued at \$1.6B<sup>2</sup>, constrained mainly by factors such as irrigation and access to market. A landmark supply chain study titled *Export 2030 – Fresh Food Fast*<sup>3</sup> was released in June 2020, which highlighted the potential to double high-value food exports



through Cairns Airport within a decade.

Urban demand also continues to increase with Cairns' population growth averaging 1.1% per annum. This, combined with a long-running history of attracting an estimated three million tourists visiting TNQ annually pre-COVID, means an effective and multi-faceted water supply strategy is required to ensure the growing needs of the region can be met. Addressing this urban need will also reduce the impact on agricultural water supply. In Cairns itself, modelling by the Cairns Regional Council shows that demand for water will outstrip supply within the next five years. As a result, the Cairns Water Security – Stage 1 project is an essential piece of infrastructure to secure urban water supply for Cairns well into the future.

In summary, four significant water supply and infrastructure projects are considered essential enablers for water security and growth in the region:

- Lakeland Irrigation Area Project
- Cairns Water Security – Stage 1 project
- Etheridge Shire Agricultural and Irrigation Precinct Project
- North Johnstone River Diversion Scheme.

## BACKGROUND

Water and food security have become priority national policy issues on the back of record drought periods in Australia, as well as disruption to supply chains through COVID-19. In 2020, the Federal Government committed a further \$2B to the National Water Infrastructure Fund to build resilience in regions and to help grow the agricultural sector. A National Water Grid Authority has also been established to develop investment frameworks. In strengthening the role of northern Australia as a food bowl, substantial feasibility work has progressed in the past three years to explore new agricultural development opportunities. With many of these studies now coming to a close, there are clear priorities for progressing environmental impact and construction activities, and a coordinated approach to development is required.

### Lakeland Area Irrigation Scheme

**Project:** Regional Development Australia Tropical North, through the National Water Infrastructure Development Fund (NWIDF), funded a preliminary business case that investigated new water storage options to expand the Lakeland irrigation area. Once constructed, the proposed dam will store 200,000ML with a secure output of 80,000ML per annum, irrigating up to 10,000ha of highly irrigable land. Federal Government funding of \$10M to further develop the business case has seen work advance materially with aerial mapping, geological drilling and sampling, and dry season ecology fieldwork all completed. The draft Reference Design was completed in December 2021. Further work on the business case is continuing, with completion scheduled for September 2022. Bilateral government support will be required to further the development approval processes

for the project.

### Cairns Water Security – Stage 1 project:

With forecasts indicating that supply to the Cairns urban region is due to be at capacity by 2026, the Cairns Water Security – Stage 1 project is a critical piece of infrastructure for the city. The project has been identified by the Cairns Regional Council’s Water Security Advisory Group (WSAG) as a key priority to meet the short- to medium-term water security needs of the Cairns community. The project is estimated to cost about \$215M and will provide an estimated 630 FTE jobs and contribute an estimated \$159M in Gross Regional Product (GRP) during the project’s construction phase<sup>4</sup>.

**Etheridge Shire Agricultural and Irrigation Precinct Project:** Etheridge Shire Council, in conjunction with Regional Development Australia Tropical North, proposes to develop an agricultural and irrigation precinct in the Shire. The project aims to establish protocols that facilitate the approval and expansion of agriculture and horticulture across the precinct on a regional basis. As much as 530,000ha of Class A and B soil is potentially available in the Shire, but there are barriers to water access and security. Around 495,000ML of water is available in the Gilbert River catchment area. A \$2m investment is proposed for an implementation strategy to analyse the best means of accessing water and irrigating up to 50,000ha of land to diversify crop types and drive economic growth in the area.

**North Johnstone River Diversion Scheme:** Sunwater completed a preliminary feasibility study in early 2020 with favourable findings, and the Queensland Department of Resources has since been undertaking detailed hydrological modelling. The diversion scheme is considered a viable option to stimulate the economy, delivering

up to 50,000ML. A \$7M investment is sought for a full business case to enable and inform the rewrite of the Water Resource Plans for both the Barron River and Wet Tropics in subsequent years.

## NEXT STEPS

Development of the four proposed water infrastructure projects would meet a range of state and national policy objectives, including:

- Expanding northern Australia’s agricultural productive capacity – this is nationally significant given the impact of drought on food and water security in southern Australia.
- Increasing northern Australia’s contribution to GDP through an increase in agricultural production.
- Diversifying northern Australia’s economic capabilities to facilitate investment and reduce reliance on tourism.
- Strengthening Australia’s international competitiveness through proximity to Asia.



1 <https://www.sunwater.com.au/schemes/MareebaDimbulah/>

2 <https://www.abs.gov.au/ausstats/abs@/nsf/Lookup/by%20Subject/1001.0~2016-17~Main%20Features~2015-16%20Agricultural%20Census~10002>

3 <https://www.advancecairns.com/project/export2030-delivering-fresh-food-fast/>

4 <https://www.cairns.qld.gov.au/water-waste-roads/water/security>

## OUR RECOMMENDATION

- That the Federal and Queensland Governments work together to facilitate and coordinate the development approval processes for the Lakeland Irrigation Area Project.
- That in 2022-2023 the Federal Government commits funding towards the Cairns Water Security - Stage 1 project as per the Town and City Water Security High Priority Infrastructure Initiative identified by Infrastructure Australia.
- That the Federal Government provides \$2M over two years for the implementation strategy for the Etheridge Shire Agricultural and Irrigation Precinct Project.
- That the Queensland Government applies to the National Water Infrastructure Development Fund (NWIDF) in 2021-2022 for \$7m to progress a full business case for the North Johnstone River diversion scheme.

ESTIMATED PROJECT COST \$230M	2021 - 2022 North Johnstone business case	2021 - 2022 Etheridge Shire scoping study	2024 - 2025 Cairns Water Security - Stage 1 project	2025 - 2026 Cairns Water Security - Stage 1 project
Recommended Federal Investment	\$7M	\$2M	\$55M	\$52.5M
Recommended State Investment			\$55M	\$52.5M



# COASTAL ROADS

**COUNCILS:** CAIRNS, CASSOWARY COAST, HINCHINBROOK, TOWNSVILLE **STATE ELECTORATES:** CAIRNS, HINCHINBROOK  
**FEDERAL ELECTORATES:** HERBERT, KENNEDY, LEICHHARDT

## BRIEFING NOTE SUMMARY

- TNQ's road transport system is under pressure due to population growth, particularly on the coastal road network around Cairns, which is the main distribution hub for the region.
- The Bruce Highway is one of Australia's highest risk roads, and in the 5 years to 2020 there were 604 casualty crashes and 33 fatalities on the stretch between Cairns and Townsville.
- When the Captain Cook Highway is flooded, the Cairns Western Arterial Road is the only flood-free access route between Cairns, the Northern Beaches, and the Kennedy Highway.
- In the 2021-22 budget, the Federal Government allocated \$240 million to duplicate the entire length of the Cairns Western Arterial Road. Additionally, the Queensland Government promised \$60 million for the road in the lead-up to the last election.

## THE ISSUE

An integrated and efficient road transport network is critical for economic stability and growth in Tropical North Queensland (TNQ) and the coastal road network plays an important part. The main coastal roads for TNQ that require significant upgrading are:

1. **The Bruce Highway A1** (Cairns to Townsville)
2. **The Cairns Ring Road** (comprising the Captain Cook Highway and the Cairns Western Arterial Road)

In TNQ, the road network underpins the economy. The road network is vital to the resident population of 256 039<sup>1</sup> (with up to 50,000 tourists during peak holiday season) ensuring accessibility to health, education, community services, and trade. Due to sustained population growth, TNQ's road transport system faces increasing pressure. Meeting the growing demand for freight has strained existing infrastructure, impacting on transport costs and service levels across the supply chain. The strain has been exacerbated by uneven population dispersion, competing road users, and resilience gaps in the road network which is frequently impacted by weather events. Traffic congestion, safety issues, and a loss of liveability and connectivity are the key issues for these roads.

The Bruce Highway is part of the National Highway A1, providing the vital link between Cairns and Townsville, other Queensland coastal cities, and Brisbane. The highway also supports the transport of freight into and out of the region. Cairns and Townsville are northern Australia's largest cities, yet the mostly single carriageway highway is inadequate for the population base and is frequently closed due to flooding.

There is significant traffic congestion on the Captain Cook Highway and along the Cairns Western Arterial Road, both of which lead from the Northern Beaches into the city. This makes the transport of freight to, from, and between

## Cairns Ring Road



the key port locations difficult. While there is significant potential to expand export activities for the TNQ region, particularly to Asian markets, connectivity between ports is a critical enabling factor in the future development of Cairns as an export and service hub.

Cairns' population is forecast to grow by 42%<sup>2</sup> by 2046, and with its geography highly constrained by World Heritage-listed mountains and rainforest to the west and the Great Barrier Reef Marine Park to the east, the ability to build new roads is severely limited. Therefore, it is imperative for the future prosperity and liveability of Cairns that both the Bruce Highway and the Cairns Ring Road be upgraded.

## BACKGROUND

**The Bruce Highway:** Over the past decade, the Bruce Highway has consistently been rated one of Australia's highest risk roads. In 2016 the highway accounted for 17% of national casualty crashes on only 7.5% of the entire national network. On the 299km section between Cairns and Townsville, which carries an estimated 17,250 vehicles per day, in the five years to 2020 there were 604 casualty crashes and 33 fatalities<sup>3</sup>. The mostly single carriageway is slow, dangerous, and often closed during flooding.

**Cairns Ring Road (Captain Cook Highway section):** The National Highway A1 was extended by the Federal Government in 2020 to the intersection of Captain Cook and Kennedy Highways and Mount Milman Drive, Smithfield, north of Cairns. In 2019, just before this road re-classification, the Federal Government announced it would undertake the majority of funding (\$287 million of \$359 million) for road upgrades to Smithfield. The need to upgrade Captain Cook Highway to enhance connectivity was recognised by the Federal Government in its July 2020 release of the 2019 National Land Transport Network (NLTN) Determination Review, and works on the first phase between James Street and Airport Avenue are to begin in late 2021.

**Cairns Ring Road (Cairns Western Arterial Road section):** The effectiveness and safety of the road transport network in and around Cairns will continue to be adversely impacted until the Cairns Western Arterial Road is fully duplicated from Redlynch to Smithfield as well as major intersections being upgraded.

The Cairns Arterial Road network has been underfunded for many years in terms of capacity upgrades, with residential and industrial land development outpacing road project investments.

The Cairns Western Arterial Road is considered a priority infrastructure project as the road is heavily congested on a daily basis. Furthermore, when the Captain Cook Highway is flooded during wet season or natural disaster, it is the only flood-free access route between Cairns, the Northern Beaches, and the Kennedy Highway.

Upgrading the state-owned Western Arterial section of the Cairns Ring Road, which carries approximately 42,000 vehicles per day<sup>2</sup>, is essential to connecting Cairns' freight routes with the region's premier agriculture producing areas (Atherton Tablelands, Cape York Peninsula, and Mossman), while also meeting demand for daily commuter traffic. At the 2020 State Election, the State Government pledged \$60 million to the Western Arterial Road. In the May 2021-22 budget, the Federal Government committed \$240 million for the duplication of the remaining single carriageway section of the road. It is now imperative that the State Government commits to the balance of funding and that planning gets underway to ensure the duplication work is undertaken as soon as possible.

Infrastructure Australia has listed both the Bruce Highway and the Cairns Western Arterial Road on its 2021 list of infrastructure priorities<sup>4</sup>.

## NEXT STEPS

A number of significant investments announced to address safety and efficiency challenges on the TNQ road network must be commenced as soon as possible.

- Bruce Highway, Cairns to Townsville: Develop a strategic transport plan for the Bruce Highway, which links northern Australia's two largest centres, Cairns and Townsville.
- Bruce Highway, Innisfail Bypass: Continue to preserve the existing bypass corridor and continue transport project planning (\$9 million) with a view to completion by 2024-25.
- Bruce Highway, Ingham to Cardwell Range Deviation: Continue to preserve the existing transport corridor and commence transport project planning (\$48 million) with a view to completion by 2024-25.
- Captain Cook Highway: Complete planning for upgrade between Cairns and Smithfield and include \$359 million (State and Federal) allocated for construction in budget forward estimates for 2022-2025.
- Cairns Western Arterial Road: Now that the Federal Government has committed to \$240 million in the 2021-22 budget, it is imperative that planning for the duplication of the road between Smithfield and Redlynch be completed to enable works to commence as soon as possible.

Source:

1 <https://profile.id.com.au/cairns/population-estimate>

2 <https://www.infrastructureaustralia.gov.au/map/cairns-western-arterial-road-capacity>

3 <https://www.data.qld.gov.au/dataset/crash-data-from-queensland-roads>

4 [https://www.infrastructureaustralia.gov.au/publications/Infrastructure\\_Priority\\_List\\_2021](https://www.infrastructureaustralia.gov.au/publications/Infrastructure_Priority_List_2021)

## OUR RECOMMENDATION

- That through the Bruce Highway program, the State and Federal Governments honour their promise to upgrade North Queensland sections of the National Highway A1 (\$57M) and commit to developing a strategic transport plan linking Cairns and Townsville.
- That the Federal Government commitment of \$287.2 million for Captain Cook Highway upgrade and \$240 million for the CWAR duplication be allocated in forward estimates.

ESTIMATED PROJECT COST	2021 - 2022	2022 - 2023	2023 - 2024
<b>BRUCE HIGHWAY - funding required \$57m</b>			
Recommended Federal Investment	\$7.2m	\$16m	\$22.4m
Recommended State Investment	\$1.8m	\$4m	\$5.6m
<b>ESTIMATED PROJECT COST</b>			
<b>CAIRNS RING ROAD - funded, delivery by 2025 \$659m</b>			
	Captain Cook Highway	Western Arterial Road	Cairns Ring Road
Recommended Federal Investment	\$287m	\$240m	\$527m
Recommended State Investment	\$72m	\$60m (Pledged)	\$132m



# TABLELANDS ACCESS

**COUNCILS:** CAIRNS, MAREEBA, TABLELANDS **STATE ELECTORATES:** BARRON RIVER, CAIRNS, COOK, MULGRAVE, HILL, TRAEGER  
**FEDERAL ELECTORATES:** KENNEDY, LEICHHARDT

## BRIEFING NOTE SUMMARY

- There are four main roads linking Cairns with the Atherton Tablelands: Palmerston Highway, Gillies Range Road, Kuranda Range Road, and Mossman Mt Molloy Road.
- The Kuranda Range Road has already exceeded its capacity of 9,500 vehicle movements per day, catering for up to 10,000 daily traffic movements. In 2018-2019, the road was closed more than 130 times due to crashes and debris.
- The Palmerston Highway connects Innisfail to Millaa Millaa on the Southern Tablelands. It is a critical road to connect the agriculture and mining sectors of Tropical North Queensland with the port of Mourilyan.
- Extending the NLTN from Smithfield to Mareeba will ensure continued economic and social development of the region and will improve national and regional connectivity. It will also ensure there is a clear partnership between State and Federal Governments for future investment in the lead-up to the last election.

## THE ISSUE

The road networks linking Cairns with the vital agricultural, mining, and tourism regions of the Atherton Tablelands and beyond are critical enablers of the regional economy. With sizeable growth in both agriculture and mining in the region predicted in the next decade, a safe and reliable road network that enables increased heavy vehicle traffic is vital for economic growth and prosperity in the region. The road network in and out of Cairns acts as the main distribution hub for the region and is essential to further developing the agricultural and mining exports of the region. However, meeting the growing demands for freight has strained existing infrastructure, impacting transport costs and service levels across the supply chain.

There are four main roads linking Cairns with the Atherton Tablelands: Palmerston Highway and Gillies Range Road servicing the Southern Tablelands, and the Kuranda Range Road and Mossman Mount Molloy Road for the Northern Tablelands. Two of these roads, the Palmerston Highway and Kuranda Range Road, are considered priority transport routes for goods to and from the region<sup>1</sup>. All roads pass through World Heritage-listed areas, increasing the complexity of any potential transport solution.

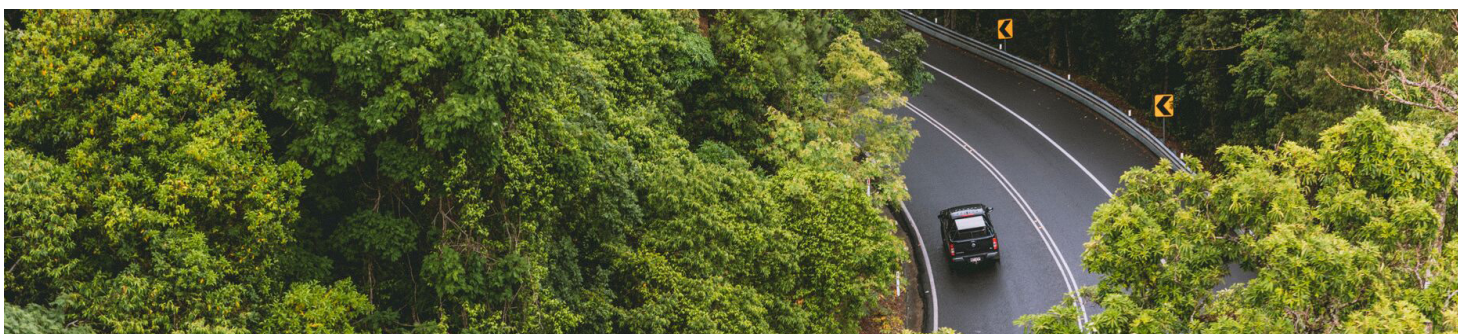
The Palmerston Highway connects Innisfail to Millaa Millaa on the Southern Tablelands. It is a critical road to connect the agriculture and mining sectors of Tropical North Queensland with the port of Mourilyan. However, it requires significant upgrades to allow heavy vehicles to use the route on a regular basis.

The Kuranda Range Road (Kennedy Highway, Cairns/Mareeba section) links Smithfield with Kuranda and is the main coastal gateway to the Atherton Tablelands, Cape York Peninsula, and the Gulf Savannah. It is a critical link for commuter, commercial, and visitor traffic in Tropical North Queensland and a vital strategic corridor linking the Atherton Tablelands, North

Tropical Coast, and Cape York to the Cairns Airport and seaports. The Kuranda Range Road underpins the commercial viability of primary industries, producers, and exporters in the region in providing access to markets through the Cairns air and seaports, and road links to southern markets<sup>2</sup>. In recent years, there has been rapid growth in traffic demand due to growth in tourism, freight movement, and residential development on the Tablelands. The road is now operating beyond capacity with safety and traffic efficiency now at critical levels for action.

There are other impediments to a safe and efficient transport corridor from Cairns to the Tablelands. The Barron River Bridge on the Kennedy Highway at Kuranda was reduced to one lane and load limited to 50.5 tonnes for a year due to concerns over the safety and stability of the bridge. The State Government in March 2021 announced a \$2.1 million investigation into long-term solutions for either replacing or rehabilitating the bridge<sup>3</sup>.

The Federal Government, in its July 2020 release of the 2019 National Land Transport Network (NLTN) Determination Review, confirmed the National Highway A1 would be extended from Cairns to Smithfield. The objectives of an integrated land transport network include improving national and regional connectivity for communities and industry; improving national, regional, and international logistics; and trade and consistency with viable, long-term economic and social outcomes<sup>4</sup>. Continuing the NLTN from Smithfield to Mareeba would meet these objectives as well as ensuring the continued economic and social development of the Atherton Tablelands region and beyond. It would be the next logical step in the network, with Mareeba being the gateway to the region's agriculture production areas of Atherton Tablelands, Cape York Peninsula, and the Gulf of Carpentaria.



## BACKGROUND

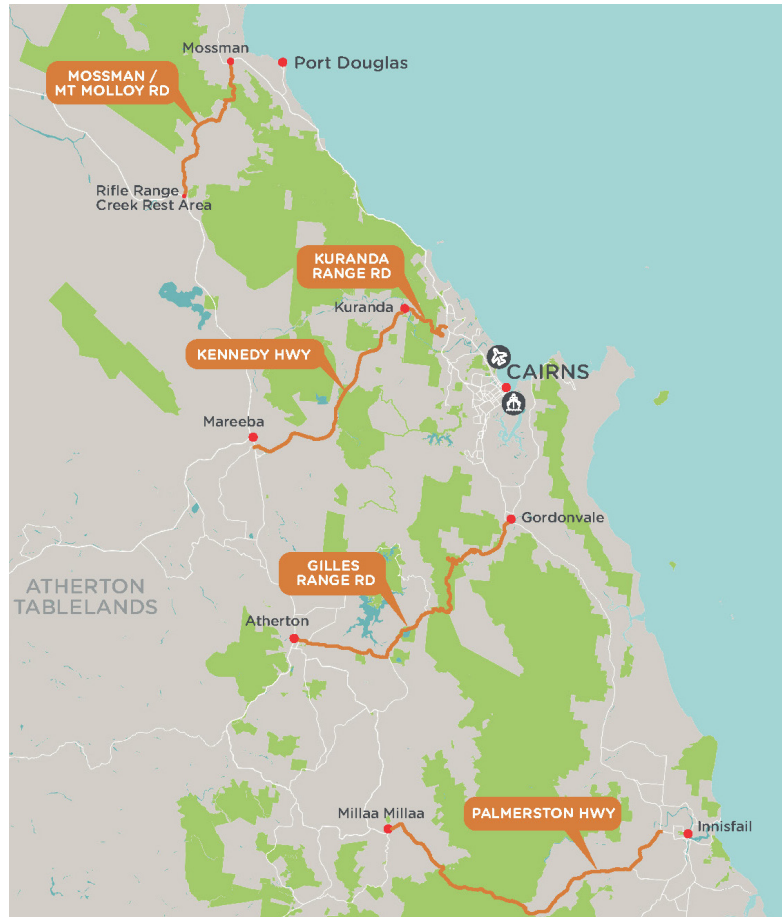
The Kuranda Range Road has been the subject of multiple impact assessments and design studies dating back to 2000 but is yet to see significant investment. The road has already exceeded its capacity of 9,500 vehicle movements per day, catering for up to 10,000 daily traffic movements. During 2018/2019, the Cairns to Mareeba section of the Kennedy Highway experienced 130 unplanned closures<sup>5</sup>. While the need to upgrade the road was identified in the 2009-2031 Far North Queensland Infrastructure Plan<sup>6</sup>, more than 10 years on this remains a critical infrastructure project but is yet to secure significant funding.

In late 2021, the Queensland Department of Transport and Main Roads will commence a \$30 million project to upgrade Intelligent Transport Systems (ITS) on the Kuranda Range Road, adding variable message signs, variable speed limits, radar technology (to determine travel times and traffic levels), and closed-circuit television. The department has carried out the \$1.6 million Cairns to Northern Tablelands access planning study, looking at improving the capacity and efficiency of transport routes between Cairns and the Northern Tablelands<sup>7</sup>. This study examined all existing routes to determine the most appropriate focus for future planning and investment.

## NEXT STEPS

There have been 21 years of studies on the Kuranda Range Road with most recommendations not implemented. As a result, safety, capacity, and efficiency issues are now at a critical point. Failure to address this issue has also resulted in constraints in economic development in the region. Continued growth in tourism, agriculture, mining, and population on the Atherton Tablelands and beyond mean it is imperative that a solution is developed for access from Cairns to the Tablelands prior to a major crisis.

To address the critical long-term safety and capacity issues, it is essential that a preliminary evaluation and business case (\$21 million) is announced to plan for duplication of the Kuranda Range Road by 2022.



Source:

1 FNQROC (2020), State Government Regional Priorities, Far North Queensland Regional Organisation of Councils (<https://www.fnqroc.qld.gov.au/files/media/original/004/d6c/243/58c/State-Delegation-Brief-August-2020-Web-V2.0.pdf>)

2 FNQROC Kuranda Range Road Far North Queensland Regional Priority August 2019 (<https://www.fnqroc.qld.gov.au/files/media/original/004/98d/138/272/FNQROC-Kuranda-Range-Road-August-2019-DIGITAL.PDF>)

3 Cluff R. Government investigates replacement of Barron River Bridge, Tropic Now. 2020 18 Mar. Available from: <https://www.tropicnow.com.au/2021/march/18/government-investigates-replacement-of-barron-river-bridge>

4 Australian Government Infrastructure Investment Program, What is Infrastructure Investment?, ([https://investment.infrastructure.gov.au/about/what\\_is\\_infrastructure\\_investment.aspx](https://investment.infrastructure.gov.au/about/what_is_infrastructure_investment.aspx)).

5 Mason, G. Kuranda Range closed 130 times by crashes and debris during 2018/19, Cairns Post 2019 July 5. Available from: <https://www.cairnspost.com.au/news/cairns/kuranda-range-closed-130-times-by-crashes-and-debris-during-201819/news-story/0e02e54290fad892522fe646400af8e0>

6 Queensland Government 2009, Far North Queensland Infrastructure Plan 2009 – 2031, <https://cabinet.qld.gov.au/documents/2009/feb/far%20north%20queensland%20infrastructure%20plan/Attachments/Final%20FNQ%20Infrastructure%20Plan.pdf>

7 Department of Transport and Main Roads <https://www.tmr.qld.gov.au/projects/cairns-to-northern-tablelands-access-strategy-planning>

## OUR RECOMMENDATION

- That the Queensland Government works with the Federal Government to amend the National Land Transport Act 2014 to extend the national highway designation from its current terminus at the intersection of Captain Cook and Kennedy Highways to the intersection of the Kennedy Highway and the Mulligan Highway.
- That, subject to evaluation of the \$1.6M Cairns to Northern Tablelands Access Strategy, the Queensland and Federal Governments commit \$20 million (shared 50:50) to undertake a preliminary evaluation and business case for upgrading Kuranda Range Road.

### ESTIMATED PROJECT COST \$20M

Recommended Federal Investment

Recommended State Investment

2021 - 2022

Kuranda Range Road Business Case

\$10m

\$10m



# INLAND ROADS

**COUNCILS:** BURKE, CARPENTARIA, DOOMADGEE, FLINDERS, ETHERIDGE, CROYDON **STATE ELECTORATES:** HILL, TRAEGER  
**FEDERAL ELECTORATE:** KENNEDY



## BRIEFING NOTE SUMMARY

- The Savannah Way stretches for 3700km and is considered to be one of the top 10 Great Australian Drives, linking Cairns in Tropical North Queensland to Broome in Western Australia's Kimberley, and delivering \$69.8 million annually in drive tourism.
- Segments of the Queensland section of the Savannah Way are unsealed and flood prone, isolating communities during the wet season and limiting the economic value of this northern road link.
- The Kennedy Developmental Road is a key strategic link from northern Australia to the southern freight hubs of Brisbane, Sydney, and Melbourne.
- To realise the benefits of a fully sealed inland road between Cairns and Melbourne, it is critical that funding be provided to complete the remaining 11km of the Kennedy Developmental Road and complete a heavy vehicle safety upgrade at White Cliffs.

## THE ISSUE

The inland roads of Tropical North Queensland (TNQ) are vital to enhance the productivity of northern Australia, while contributing to the national economy through providing improved connectivity to southern markets<sup>1</sup>. With the growth in population, employment, tourism, and freight volumes, the safety and capacity issues on these roads will only be exacerbated, resulting in nationally significant productivity losses. It is for these reasons the Gulf Developmental Road (Savannah Way Gulf Section) and the Kennedy Developmental Road have been highlighted as priority roads in the Infrastructure Australia Priority list for 2021<sup>2</sup>.

**The Savannah Way** traverses northern Australia, linking Cairns in TNQ to Broome in Western Australia's Kimberley. The route is approximately 3700km long, crossing 15 national parks and five World Heritage areas as it traverses across the Top End.

Considered to be in the top 10 road trips of Australia, the self-drive tourism market delivers \$69.8 million annually into the Gulf region<sup>3</sup>, with 38% of visitors starting the journey in Cairns.

The Gulf section of the Savannah Way (Gulf Developmental Road) takes in 888km from Forty Mile Scrub west of Mt Garnet to the Northern Territory border, with significant sections of the road already sealed. However, there are many substantial sections that require pavement upgrades, bitumen seal, minor realignment of substandard curves, concrete causeways, and four major river crossing upgrades.

**The Kennedy Developmental Road** is a key strategic link from northern Australia to the southern freight hubs of Brisbane, Sydney, and Melbourne. However, for many years sections of the road remained unsealed, causing safety issues for the locals, tourists, and transport companies that regularly use the road.

To address these concerns, in 2017 under the \$600 million Northern Australia Roads Program, the Federal and State Governments provided \$53.3 million to complete 42km sealing of the Kennedy Developmental Road between the Lynd and Hughenden, and a 3.4km section of road widening and sealing between Mount Garnet and the Lynd. A further \$50 million was secured in 2018 to complete the remaining 48km of the Kennedy Developmental Road. However, when funding is fully expended by June 2022, there will be a remaining 11km of the highway yet to be sealed. Additional funding support to seal the remaining 11km on the Kennedy Developmental Road as well as a safety upgrade at White Cliffs would accelerate this project to timely completion and finalise an important link for tourism, horticulture, freight, and cattle movement through Queensland's north and north-west region, reducing the cost of transporting cattle which, at times, can cost a third of their final value to transport to market.

The completed highway will be of tremendous economic benefit to the entire Cairns region, providing a direct transport corridor for banana and other fruit growers and primary producers to freight goods from Tropical North Queensland to southern markets faster and more reliably than the existing Bruce Highway route.

<sup>1</sup> <https://www.northqueenslandregister.com.au/story/5611276/inland-queensland-road-network-strategy-launched/>

<sup>2</sup> <https://www.infrastructureaustralia.gov.au/map/queensland-inland-road-network-upgrade>

<sup>3</sup> Keirle, P, (2018) Gulf Savannah Way Tourism Survey Report, Gulf Savannah Development



## BACKGROUND

**Savannah Way (Gulf Section):** In recognising the need to seal the Gulf section of the Savannah Way, in 2019 the Federal and State Governments committed \$62.5 million to road upgrades through the Roads of Strategic Importance – next priorities initiative. This will be spent across various shire councils, with a prioritised list being formulated in 2021.

The Mt Garnet to Carpentaria Shire border section is 510.5km and requires funding to upgrade the road and floodways for reliability and to meet current construction and safety standards for heavy vehicles, tourists, and commuters. Burke Shire to the Northern Territory border is approximately 302km long with less than 50% of the road sealed.

**Kennedy Developmental Road:** Sealing the road in its entirety is a priority project as it will reduce costs and increase safety for all road users travelling from Tropical North Queensland to southern parts of Australia. A fully sealed highway would provide a year-round, all-weather route to southern markets for agricultural produce and livestock.

With an expanding population base and rapid growth in agricultural production, the

importance of the route for economic, tourism, and critical connection has increased in recent years. Completion of the road sealing would:

1. Ensure an alternate supply route to TNQ – vital when the Bruce Highway traffic is disrupted due to extreme weather events.
  2. Reduce the cost of transport to market from Tropical North Queensland, supporting the sustainability of primary production in northern Australia. Using this inland alternative, the distance between Cairns and Melbourne is reduced by 800km, saving 8-10 hours in travel time.
  3. Provide the opportunity for economic development and growth in agriculture (including irrigation), mining, tourism, and freight along with a multitude of employment, lifestyle, and social benefits that will follow.
  4. Enhance Queensland’s road infrastructure, demonstrating the integrated capacity as a catalyst for northern Australia development.
  5. Enhance supply chains in time of need, providing sovereign capability.
- Over the course of the Kennedy

Developmental Road upgrade, it has been estimated that 130 jobs were created, including Indigenous employment, with more than 100km of highway being sealed.

## NEXT STEPS

### Savannah Way (Gulf Section):

Upgrading the remaining sections is estimated to require investment of at least \$39.8 million annually over 10 years (including the \$62.5M already committed). Completing the project over 10 years with annual investments to local councils will allow for incremental improvements on this road and ensure the retention of a local roads workforce. The estimated investment breakdown over 10 years for each local shire is as follows:

- Burke Shire to NT Border - ~\$64m
- Carpentaria Shire - ~\$185m
- Croydon Shire - ~\$78m
- Etheridge Shire - ~\$71m

The project will extend across north-west Queensland, travelling along the Gulf of Carpentaria from Forty Mile Scrub to the Northern Territory border, passing through remote towns including Croydon, Burketown, and Doomadgee in Queensland and connecting to Wollongorang in the Northern Territory.

**Kennedy Developmental Road:** In the most recent round of government funding of \$50 million under the Northern Australia Roads Program, the Flinders and Etheridge Shire have completed 21.8km of sealing and widening works with a further 16km currently underway, and it is expected to complete a further 12km of sealing works by June 2022. However, the final 11km section of unsealed road on the Hann Highway will not be covered under the current funding agreement. Sealing the remaining section as well as the White Cliffs realignment is expected to cost \$25 million.



## OUR RECOMMENDATION

- That the Federal and State Governments support the sealing and improved flood resilience of the Gulf section of the Savannah Way by providing project funding, and that allocation of funds be distributed to the controlling Local Government Authorities in equal portions over a 10-year period from 2021-2022 onwards.
- That the Federal Government provides \$25M to seal the final 11km of the Kennedy Developmental Road and complete the White Cliffs realignment to ensure this key strategic route between Cairns and southern freight hubs is sealed in its entirety.

ESTIMATED PROJECT COST \$424+M	2021-2022	2022-2023	2022-2023	2023-2024	2024-2025*
	Savannah Way (Gulf Section)	Kennedy Development Road	Savannah Way (Gulf Section)	Savannah Way (Gulf Section)	Savannah Way (Gulf Section)
<b>Recommended Federal Investment</b>	\$31.84m	\$25m	\$31.84m	\$31.84m	\$31.84m
<b>Recommended State Investment</b>	\$7.96m		\$7.96m	\$7.96m	\$7.96m

\* Funding is ongoing to 2030-2031



# FNQ REGIONAL HEALTH PLANNING

COUNCIL: ALL TNQ STATE ELECTORATE: ALL TNQ FEDERAL ELECTORATES: KENNEDY, LEICHHARDT

## BRIEFING NOTE SUMMARY

- Cairns Hospital is under constant pressure as the only tertiary-level hospital in Far North Queensland.
- Additional primary health and community care initiatives can help to alleviate pressure on the hospital.
- There are five identified strategies to ease pressure on hospital services:
  1. FNQ Palliative Care Hospice
  2. Community-based mental health initiatives
  3. A chronic condition care facility
  4. Health research and education investment
  5. Regional health plan development
- These strategies will ease capacity restraints on the hospital, improve community health services, and divert patients to more appropriate care settings.

## THE ISSUE

Far North Queensland (FNQ) continues to experience a high burden of disease and poorer health outcomes compared with the Queensland average. Cairns Hospital is the only tertiary-level hospital in FNQ, but it is under constant bed pressure, which negatively impacts the community's access to acute care services. Unlike large metropolitan areas, there is only one emergency department in Cairns, with no option to divert to any other facilities when the hospital reaches capacity, both in terms of inpatient beds and emergency care.

Strategic initiatives are being progressed to maximise capacity at Cairns Hospital, including transitioning Cairns Hospital to university status, to allow the delivery of more and better health services, but additional primary health and community care initiatives can also assist in alleviating the pressure. Community-based initiatives could divert patients to more appropriate care services, which would help ease pressure on the hospital.

To successfully achieve genuine improvements in health and wellbeing in Far North Queensland, investment is required to enable development of a comprehensive regional health care plan, along with expansion of community health services. The five identified strategies are:

### 1. A Far North Queensland Palliative Care Hospice

**Hospice:** The demand for palliative care services within FNQ continues to increase year on year, with more than 650 people being admitted to hospital for palliative care in 2020, and many more receiving palliative care support in their homes. Currently, there are no palliative care hospice or respite centres for people with palliative care needs in FNQ. Cairns Hospital and the Gordonvale Palliative Care Unit (an off-site ward of Cairns Hospital) provide acute care for patients needing interventions and life-extending treatment. A community-run hospice would provide a comfortable residential environment away from a hospital environment to improve the wellbeing of adults and children needing end-of-life care and who cannot manage at home.

### 2. Community-based mental health initiatives:

Mental health and wellbeing can dominate a person's health status across their lifespan, and the demand for services in the Far North Queensland

region is at a critical point. Self-harm is one of the top five leading causes of death for people under the age of 65 in Queensland, and suicide and self-inflicted injuries in Far North Queensland are higher than the state-wide rate. Services are needed now to address the doubling of mental health and behavioural conditions since 2001.

3. Establishment of a **Chronic Condition Care Facility (healthy living centre)** in Cairns' southern region is required to meet the needs of people with selected chronic illnesses, to empower self-management and reduce repeated presentations to hospital.

The proposed facility would provide a collaborative approach to managing chronic conditions, thereby freeing up space at hospitals. Potential conditions to be managed include chronic obstructive pulmonary disease (COPD) and respiratory diseases, diabetes, cardiac conditions, mental health, and renal disease.

### 4. Investment in health research and education:

Co-contributions to Cairns and Hinterland Hospital and Health Service and universities are sought to partner and provide conjoint appointments and research support positions to fully realise integration across clinical, research, and education functions, to enable the university hospital to become a reality. Professorial chairs of medicine, allied health, and nursing are sought, as well as the development of interprofessional teams across relevant research areas for the region (e.g. Aboriginal and Torres Strait Islander health, tropical medicine, and chronic disease). Coupled with James Cook University's intent to offer a full medical degree in Cairns, with the allocation of further Commonwealth Supported Places (CSPs), considerable benefits will be realised.

5. **Development of a regional health plan:** An integrated regional health plan draws together relevant government, council, non-government, and community service providers to collectively prioritise and partner to meet the health needs of the community.

These initiatives need to be prioritised to meet existing healthcare gaps and improve community services that will alleviate pressure on Cairns Hospital. These initiatives have been selected as they represent service gaps where there are no alternatives to acute hospital care, and where a hospital is often not the right setting for the type of care required.

## BACKGROUND

The Cairns Hospital supports an estimated resident population of 259,000 and regularly provides acute medical services for residents of the Cape York and Torres Strait Islands regions (population of 27,928). Combined with estimated population growth of 1.1% (compound annual growth rate) per annum and an ageing population, it is estimated that by 2026 an additional 27,643 people will reside in the catchment area with close to one in five residents being over 65.

The Cairns Hospital continues to see increased demand on its Emergency Department. In 2019-2020 there were 71,690 presentations to the Cairns Hospital Emergency Department, averaging 211 patients per day (a 4% increase on the previous year). From November 2020 to April 2021, there was further increased pressure on the ED with an average of 232 patients presenting each day. Historically, 30% of emergency patients are tourists or people who live outside Cairns, in rural and remote areas.

Cairns and Hinterland Hospital and Health Service (CHHHS) provides health services across the continuum of care to some of the most remote communities in Queensland and strives to meet the unique health needs of the largest and most diverse Aboriginal and Torres Strait Islander population in the state. A funding injection into the five identified health priorities will see benefits for the region, whilst also resulting in reduced pressure on Cairns Hospital, enabling the community to receive health care where they need it.

## NEXT STEPS

### 1. Far North Queensland Palliative Care Hospice: Cairns Organisation United for

Cancer Health (COUCH), a community-focused charity, has a strategy to create the Cairns COUCH Community Health Precinct, inclusive of a 12-bed palliative care hospice with respite facilities. Commonwealth capital funding of \$6 million and three-year recurrent operating costs of \$3.5 million per year are sought to build the hospice within the COUCH precinct.

### 2. A suite of **community-based mental health initiatives** will address current and emerging mental health needs for the community, exacerbated due to the pressures of the COVID-19 pandemic. There are four high-impact strategies prioritised for community-based mental health intervention:

- A GP/mental health model targeting physical health outcomes
- A mental health youth psychosocial model
- A community crisis support space, and
- A transition to parenthood (perinatal mental health & wellness) program.

A Commonwealth funding injection of \$1.5 million to the North Queensland Primary Health Network (NQPHN) to commission these services under the Joint Regional Wellbeing Plan for Northern Queensland is sought.

### 3. Cairns chronic condition care facility (healthy living centre): The facility would be a 'one-stop shop' for co-located services to meet the needs of people living with chronic conditions. Partnerships with universities and training organisations are envisaged, enabling student-led clinics and clinical research trials. An estimated \$15 million capital funding is required to build this facility,

inclusive of development of a concept brief detailing the model and proposed partnerships between the health service, universities, training organisations, and community organisations.

### 4. Ongoing investments into health research and education are critical to enable development of alternative models of care and to ensure optimum health outcomes can be achieved. Cairns Hospital has a vision to become Cairns University Hospital, with a range of benefits identified, including expanded clinical services enabling patients to receive care closer to home, attraction of high-calibre health specialists and researchers, and development of the local workforce. A recurrent funding injection of \$2 million is required to enable conjoint appointments to be established across Cairns Hospital and university partners. Additionally, support for the training and recruitment of Cairns-based clinicians is also sought. Additional Commonwealth Supported Places (CSPs) will allow JCU to offer a full medical degree in Cairns.

### 5. Finally, the **development of a regional health plan** will enable an integrated, collaborative approach to address prioritised health needs for Far North Queensland. The regional health plan is envisaged as a holistic plan, with a particular focus on health equity, and would be developed via a co-design collaborative approach across the region. A commitment of \$1 million is required for the CHHHS to develop the regional health plan in partnership with the NQPHN.

## OUR RECOMMENDATION

- That Federal infrastructure funding of \$6 million be provided to build a palliative care hospice, along with \$10.5 million state funding for 3 years of recurrent operational funding, and \$15 million for a chronic condition care facility (State/Federal 50:50).
- That Federal funding of \$1.5 million be provided to enable comprehensive investment in community mental health initiatives.
- That Federal funding of \$2 million be provided to enable conjoint appointments to be established between universities and the Cairns Hospital.
- That to support the training of a regional medical workforce, the Federal Government allocates an additional 80 Commonwealth Supported Places recurrent, plus an allocation of Destination Australia scholarships to JCU's School of Medicine and Dentistry.

ESTIMATED PROJECT COST	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022
	Palliative Care Hospice	Mental Health Initiatives	Chronic Care Facility	Research and Education	JCU CSPs	Regional Health Plan
<b>Recommended State Investment</b>	\$3.5m <sup>+</sup>		\$7.5m			
<b>Recommended Federal Investment</b>	\$6m	\$1.5m	\$7.5m	\$2m	80 additional CSP places	\$1m

<sup>+</sup>Recurrent funding for three years



# SPECIALIST BOAT BUILDING AND SUPPLY CHAIN RESILIENCE

COUNCIL: CAIRNS STATE ELECTORATE: CAIRNS FEDERAL ELECTORATE: LEICHHARDT

## BRIEFING NOTE SUMMARY

- Cairns has a long and proud history of shipbuilding, with Defence and Coast Guard vessels, cruise ships, and passenger ferries being constructed in the region since 1954.
- The Cairns Marine Precinct has proven capability in ship maintenance and sustainment, as well as pre-existing supply chain arrangements and infrastructure, and transferrable skills and knowledge that would ensure a ship and specialist vessel building industry could be quickly established.
- Cairns is ideally located to play an important strategic role in any future foreign policy objectives in Northern Australia and the Pacific. However, the industry needs further investment in supply chain resilience if it is called upon to play a strategic role in Northern Australia.
- A commitment from the State and Federal Governments is sought to secure the long-term, continuous building of small specialist Defence vessels, commercial vessels, and enabling infrastructure in Cairns.
- Specialist shipbuilding and supply chain enabling infrastructure will further enhance sustainment capabilities in the region and will enhance the overall capacity, capability, and resilience of the industry.



## THE ISSUE

The Cairns Marine Precinct supports Australia's strategic defence and foreign policy initiatives, as well as border and fisheries, tourism, and maritime trade operations including essential services to northern Australia's regional and remote communities. The precinct is home to a large and diverse marine sector with 1603 commercial vessels across tourism, fishing and shipping, and cruising yacht sectors in addition to several Royal Australian Navy and Australian Border Force vessels. After COVID-19 exposed the fragility of Cairns' tourism-based economy, project cargo and the continued growth of the marine precinct became critical for economic diversification in the region. The reestablishment of a small specialist vessel and boat building industry to service Defence and industry needs would provide stable growth and jobs for the Tropical North Queensland (TNQ) region and build on the pre-existing capability in the precinct and region.

The Federal Government's 2020 Defence Strategic Update<sup>1</sup> outlined the changing environment for Australia and the strategic realignment of the Indo-Pacific in global geopolitics, primarily due to strategic competition between the United States and China. This has led to Defence prioritising sovereign industrial capability<sup>2</sup> and a nation-wide approach to investment. The objectives of the Defence Industrial Capability Plan<sup>3</sup> are to broaden, deepen, and grow the industrial base

of Defence to enhance Australia's national security. Cairns is ideally located to assist with these objectives, with existing marine and international airports that would allow it to play a strategic role in the Federal Government's Step-Up to the Pacific program and other foreign policy objectives.

Cairns also has proven capability in ship maintenance and sustainment, along with a long and proud history in shipbuilding. The pre-existing supply chain arrangements and infrastructure, as well as transferrable skills and knowledge in the precinct, would ensure a specialist boat building industry could be established quickly, whilst contributing to a Defence strategy of regionalisation.

As well as Defence vessels, there are a number of commercial vessels that could also be manufactured in Cairns, including tourism and cargo vessels. The Defence and commercial sectors together could provide workload for a continuous pipeline that would enable a greater underlying level of business, leading to an increase in private investment in the region.

The commitment of long-term Defence contracts will underpin private sector work and lead to growth and resilience. Investment in a specialist boat building industry and investment in supply chain resilient enabling infrastructure in Cairns will ensure highly skilled jobs and a more diversified and resilient economy for the region. Most importantly, Australian sovereign capability will be improved.

## BACKGROUND

From Defence vessels to commercial barges, ferries, and catamarans, Cairns has a long and proud history of boat building. Since 1954, commercial and Defence vessels have been built in the CMP. NQEA, a world-renowned shipbuilder based in Cairns, constructed 11 landing craft, 14 Fremantle Class Patrol boats, hydrographic survey vessels, Coast Guard patrol boats, passenger cruise ships, and passenger ferries between 1965-2008. A significant portion of these skills still exist in the marine precinct today, with several businesses still constructing fishing and tourism vessels.

Small-scale Defence shipbuilding has also recommenced in Cairns with Tropical Reef Shipyards and fabrication firm BME NQ being awarded the \$4 million contract to build 7 new Army watercraft in March 2021<sup>5</sup>.

The Australian Defence Force (ADF) plans to invest up to \$800 million to design and build new Australian-built amphibious vehicles and landing craft for Army from 2026. The Land 8710 Army Littoral Manoeuvre Phase 1 Project involves replacing LCM-8 and LARC-V small boats originally built in Cairns.

The current "default" shipbuilding location for the Land 8710 is Henderson, Western Australia. Advance Cairns would like to see these vessels built in Cairns. It is understood the tender document allows for alternative build locations. Advance Cairns would like the Federal Government to nominate Cairns as a high priority alternative to the current default WA location, so that tenderers can have some certainty that their alternative proposal will be seriously considered. Cairns has the history and capability to build these types of vessels.

The Phase 1 vessels will likely be based in Townsville, and it makes sense that these vessels be designed, constructed, and sustained close to their operational base and HMAS Cairns for interoperability. Having these vessels constructed thousands of kilometres away from their home base in N.E. Australia increases the length of the supply chain, increases risk, and has the effect of placing "all eggs in one basket". Enhancing shipbuilding capacity in Cairns diversifies Australia's shipbuilding capability and improves resilience.

From a commercial shipping perspective, Sea Swift is a large Cairns-based national sea freight company servicing Australia's northern borders, supplying 54 communities with essential services over thousands of kilometres of coastline. With 26 ships, Sea Swift's civilian fleet is the size of a small navy and has specialist

capability in servicing a broad range of markets, many in remote areas. In the event of a maritime security threat, Sea Swift has sovereign and specialist capabilities in remote logistics that could support or supplement Defence capabilities.

Sea Swift provides an opportunity for catalytic Government investment in supply chain resilience and the modernisation of the CMP. Sea Swift is already investing in these priorities, but Government investment could bring forward this change. A partnership between Government and Sea Swift to invest in supply chain resilience infrastructure in the order of \$8M in landside infrastructure over the next 2 years would further enable supply chain resilience for essential services to northern Australian communities. Sea Swift is currently using local shipyards to refit a number of vessels (2021 > \$3.5m) in Cairns and is evaluating the commercial feasibility of the majority of vessel refits and the construction of new purpose-built landing craft vessels in Cairns in the future. Such a program would add to the continuous pipeline of work to enable a sustainable long-term industry. Sea Swift could also provide Australia with enhanced sovereign capability through targeted upgrades, particularly around integration, plug-in capability, surveillance, logistics, and hydrographic uses, should the need arise.

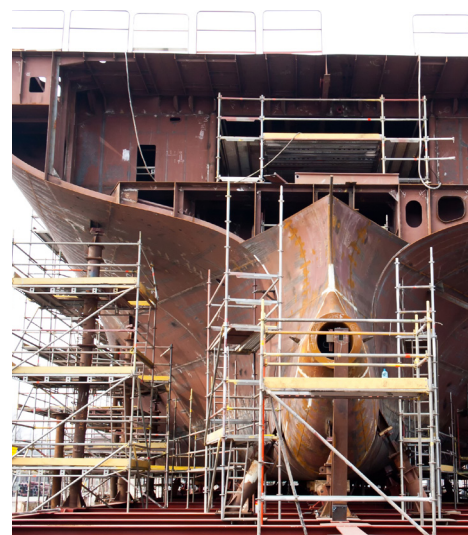
Combining the above two maritime initiatives significantly improves resilience, resulting in a more sustainable marine industry. Furthermore, Cairns' other large existing marine sectors such as fishing and tourism will also underpin demand and a viable business case.

## NEXT STEPS

The reestablishment of Cairns as a regional centre for specialist vessel building is a logical step for Defence and industry due to the existing infrastructure, skills, and supply chain arrangements already in the region. The current investment being undertaken in the Cairns Marine Precinct would assist and support ship building and align with the ADF's strategy of strengthening Australian manufacturing capability.

To further develop the Cairns Marine Precinct and re-establish the small specialist vessel shipbuilding industry in Cairns, a long-term commitment from State and Federal Governments would be required. This could be through Defence contracts and investment in private sector partnerships. Reshoring shipbuilding in the region could create

hundreds of jobs over the next 10 years and ensure the re-establishment of a commercial shipbuilding industry in Cairns. There is already a commitment in sustainment and maintenance in the Cairns Marine Precinct, and specialised boat and ship building that includes enhancing existing and new vessels would be a logical next step to ensure a continuous program of work. It would also assist to develop a viable and resilient industry that will attract significant private sector investment.



## OUR RECOMMENDATION

- That Cairns be recognised by the Federal Government as a **high priority alternative** for building specialist Defence vessels (including the Land 8710 contract) to the current "default" shipbuilding locations as identified by Defence.
- That the State and Federal Governments commit to Sea Swift by investing in \$8M (split 50:50) in landside supply chain resilience infrastructure ensuring sovereign capability.
- That the State and Federal Governments commit to a **partnership approach** by working with Sea Swift to ensure their program of work, including vessel refits and new builds, is commercially viable and constructed in Cairns.

Source:  
1 [https://www1.defence.gov.au/sites/default/files/2020-11/Factsheet\\_Strategic\\_Update.pdf](https://www1.defence.gov.au/sites/default/files/2020-11/Factsheet_Strategic_Update.pdf)  
2 <https://www.minister.defence.gov.au/minister/melissa-price/media-releases/australian-businesses-building-our-sovereign-defence-industry>  
3 [https://apo.org.au/sites/default/files/resource-files/2018-04/apo-nid142496\\_0.PDF](https://apo.org.au/sites/default/files/resource-files/2018-04/apo-nid142496_0.PDF)  
4 [https://www.covid19.qld.gov.au/\\_data/assets/pdf\\_file/0021/140376/far-nth-qld-economic-recovery-plan.pdf](https://www.covid19.qld.gov.au/_data/assets/pdf_file/0021/140376/far-nth-qld-economic-recovery-plan.pdf)  
5 <https://www.cairnspost.com.au/news/cairns/hmas-cairns-development-tropical-reef-shipyard-wins-army-contract/news-story/1490d33bda4c708404d63c118571d884>



# TNQ TOURISM RECOVERY FUND

**COUNCIL:** ALL TNQ **STATE ELECTORATE:** ALL TNQ **FEDERAL ELECTORATES:** KENNEDY, LEICHHARDT

## BRIEFING NOTE SUMMARY

- Tropical North Queensland (TNQ) is world renowned as a leading tourism destination.
- The visitor economy supports one in six jobs directly and indirectly, and pre-COVID the tourism sector paid more than \$1 billion in State and Federal taxes per annum.
- To date, the regional economy has lost \$5.3 billion due to COVID-19 border closures.
- A Federal Government investment of \$40 million over 3 years is needed for marketing to rebuild tourism supply chains, attract new airline partners, restart international cruise ship markets, and develop new international source markets.

## THE ISSUE

Tropical North Queensland (TNQ) is a significant tourism destination for both domestic and international visitors, with the region being the gateway to unique World Heritage assets. With a tourism industry accounting for 17% of the regional economy, and international tourism representing 7.4% (Tourism Research Australia, 2021), the local economy faces significant exposure when an event like the COVID-19 pandemic occurs.

COVID-19 has devastated the TNQ tourism industry, and to date the regional economy has lost \$5.3 billion in Gross Regional Product (GRP) due to border closures. Domestic lockdowns and no international visitors have led to the region losing \$7 million a day, as well as more than 6000 jobs, with another 3000 forecast to be lost by December 2021. This has been the primary reason the labour force in the Cairns SA4

region has slumped overall by 4400\* (or -4.9%) people in work. This contrasts starkly with other QLD regions like the Gold Coast (+51,600\* or 14.2%), Townsville (+8100\* or 4.5%), and the Sunshine Coast (+2200\* or 0.6%). Prior to COVID-19, annual tourism expenditure in the region was estimated to reach \$5 billion by 2029.

In 2019, one in three visitors to the region was international, so the closure of international borders has impacted TNQ disproportionately. When international borders do reopen, the re-introduction of international aviation capacity to Australia is likely to be slow. Tourism Tropical North Queensland (TTNQ) must therefore seek to maximise opportunities to recover domestic airline capacity and target destination marketing to drive the recovery of the TNQ tourism sector.

<sup>1</sup> Tourism and Transport Forum Australia

## BACKGROUND

TNQ stretches from Cardwell to the Torres Strait and west to the Northern Territory border. Pre-COVID-19, TNQ received nearly three million domestic and international visitors annually. This equated to an estimated \$3.5 billion in annual visitor spend in the year ended March 2020 (Tourism Research Australia, 2021). Two-thirds of the region's visitor nights are domestic travellers, and one-third international. The visitor economy, made up of holiday, visiting friends and relatives, business events, major events, and education visitors, contributes over 17% of GRP in the region, supporting one in six jobs directly and indirectly.

Over the past decade, the funds available for tourism marketing in the state have not kept pace with the increased level of competition both in Australia and globally, and the impact of global travel restrictions from COVID-19 has seen the visitor economy come to a virtual standstill since March 2020. As the industry emerges, it is clear that the key to the recovery of the visitor economy, and the wider regional economy, is aviation led.

Air connectivity is key to the economic development of the Cairns region. It opens up new visitor markets, enables the export of agricultural produce, and promotes growth in the education sector. A daily international wide-body flight to Cairns is potentially a \$200 million a year export business, with \$100 million of international visitor spend, \$50-\$150 million of agricultural produce sales, and the potential to deliver more than 650 new jobs widely dispersed across the region.

Cairns Airport is the nation's seventh busiest in terms of combined international and domestic passenger movements. It has historically handled around 130,000 aircraft and more than 5.2 million passenger movements per year. The airport is widely recognised as one of the most significant economic drivers in the Tropical North Queensland (TNQ) region and its facilities are critical pieces of economic infrastructure.

With limited international flights returning to Cairns in the immediate future, capturing as much domestic capacity as possible

is crucial to support and re-energise the tourism sector and the local economy. The Cairns community welcomed the support of Governments in providing direct support to the airlines (Federal) and the airports (State) to assist the reintroduction of domestic services to Cairns and across the region. TNQ is seeking direct support for route marketing for secured aviation seats as part of a \$40M Tourism Recovery Package.

## NEXT STEPS

To drive the recovery of the TNQ tourism industry and wider regional economy, it is vital that there is investment in targeted support that will drive measurable outcomes. The TNQ visitor supply chain has been severely damaged as a result of COVID-19, and 20 years of investment in destination marketing has been disrupted. Rebuilding the supply chain – including sourcing new products and suppliers, attracting new international airline partners, restarting international cruise ship market, and developing new international source markets – will require significant investment in destination marketing and brand building.

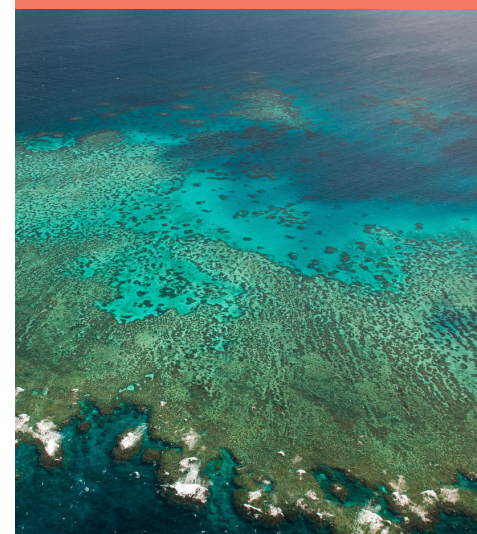
Finally, development of a reopening pathway with timeframes would allow the industry to be able to plan for the future and give confidence to travellers and the TNQ tourism sector.

The result will be a framework for more sustainable, affordable, and efficient growth, enabling the region to influence population trends rather than respond to them. The strategy will also provide input to the state population plan, complement federal population initiatives around attracting new migrants to regional cities, and inform the Queensland Government's delivery of the National Partnership on the Skilling Australians Fund.



## OUR RECOMMENDATION

- That the Federal Government invests \$40 million in funding to Tourism Tropical North Queensland (TTNQ) over three years for destination marketing to rebuild and source international markets, restart the cruise ship sector, and support domestic and international airline partners to market the secured aviation routes into the region and boost demand.
- That the State and Federal Governments provide certainty to the TNQ tourism sector and provide a detailed roadmap to reopening, with timeframes, to enable future planning and instill traveler confidence.





# PACIFIC ENGAGEMENT STRATEGY

COUNCIL: ALL TNQ STATE ELECTORATE: ALL TNQ FEDERAL ELECTORATES: KENNEDY, LEICHHARDT



## BRIEFING NOTE SUMMARY

- Cairns is the ideal strategic hub for the implementation of Australia's Pacific Engagement Strategy.
- The ambition to establish Cairns as the Pacific hub for Australia is aligned with the Federal Government's own agenda, meeting the needs of the Step-Up to the Pacific program.
- Cairns has the geographic adjacency, structures, and relationships to be the operational base to deliver many of the programs of the Office of the Pacific.

1 <https://www.pm.gov.au/media/inter-view-john-mackenzie-4ca-cairns>

2 Westoby et al, [https://www.griffith.edu.au/\\_\\_data/assets/pdf\\_file/0036/1197189/Pacific-islands-tourism-during-COVID-19.pdf](https://www.griffith.edu.au/__data/assets/pdf_file/0036/1197189/Pacific-islands-tourism-during-COVID-19.pdf)

3 Prime Minister Morrison, 8 November 2018: <https://www.pm.gov.au/media/address-australia-and-pacific-new-chapter>

4 Department of Foreign Affairs and Trade, Fact Sheet: Step-up Australia's Pacific Engagement, November 2018

## THE ISSUE

Prime Minister Scott Morrison stated in January 2019 that "Cairns [is] a Pacific capital of Australia, a tropical capital of Australia. Cairns is very important to our engagement with the Pacific<sup>1</sup>". As such, Cairns is Australia's natural home for implementing much of the national Pacific Engagement Strategy, providing the Department of Foreign Affairs and Trade's Office of the Pacific with close direct air and sea access to Pacific nations. This enables stronger partnerships for economic growth, regional security, and free trade.

The establishment of Cairns as the Pacific hub for Australia is aligned with the Federal Government's own agenda. Cairns is home to a multicultural society and with 10,000+ Papua New Guinea (PNG) nationals residing in the region, it is already a base for Australia's participation in the development of cultural and education research and teaching, health care, marine training, logistic support including maintenance and enhancement, and security support for South Pacific nations. The role of Cairns as a cultural and commercial hub for the Pacific nations was recognised with the Department of Defence awarding the contract for Pacific Maritime Training Services (PMTS) to TAFE Queensland and the Great Barrier Reef International Marine College (GBRIMC), highlighting the close ties the region has with the Pacific.

The impacts of COVID-19 have been greatly felt by Pacific nations, with their heavy reliance on tourism as a key pillar of economic development<sup>2</sup>. To address the economic challenges of our Pacific neighbours, as well as the workforce shortages created in Australia due to the pandemic, the Pacific Labour Scheme has become an important program for both nations. It helps address labour force shortages in Australia whilst supporting economic prosperity in the participating countries

and helps Pacific economies recover from the impacts of COVID-19. With its pre-existing links to the Pacific community, Cairns would be a natural location for the organisational hub of the Pacific Labour Scheme. From now until 2030, the Pacific region is estimated to need US\$3.1 billion in investment per year<sup>3</sup>. While Australia has consistently been the largest investor in the region, with a record \$1.44 billion in development assistance in 2020-2021, a total of 62 countries are active Pacific investors with the top five being Australia, China, New Zealand, the United States, and Japan. Australia has traditionally focussed on building capacity for social initiatives such as health care, policing, and security, while other countries such as China have focussed on catalytic infrastructure projects such as marine facilities, airports, and roads.

Australia's Step-Up to the Pacific program, which sees engagement in the Pacific as one of the highest priorities of Government, is tied to the 2017 Foreign Policy White Paper and commits Australia to a more ambitious level of Pacific engagement<sup>4</sup>. The Pacific nations themselves have identified a number of challenges in regard to pursuing economic growth. These include unreliable telecommunications networks; shortages around skills and expertise; concerns regarding law and order (security); and control of fisheries, their most prolific natural resource.

While the newly formed Office of the Pacific has been tasked with overseeing Australia's Pacific Engagement Strategy, Cairns already has strong established networks and links with nations of the Pacific, together with expertise in working with dispersed populations and tropical climates. The city is therefore well placed to facilitate the administration of the next phase of security, education, health, trade, and investment conversations in the region.



## BACKGROUND

Over the past several years, growing tensions between the United States and China have elevated the strategic importance of the Pacific, and Australia is now more than ever a frontline player in terms of engagement and development of the region. Increased emphasis on the region is largely due to tensions around trade agreements, which reflect strong economic growth in the Pacific. As recently as November 2020, China signed an MOU with Western Province in Papua New Guinea to build a \$204 million fish processing plant less than 200km from the Australian border, a move that also raises concerns over Australian border security. However, in the case of China, trade agreements are linked to repayable loans, and as developing economies with scarce national resources, they appear to be beyond the capacity of Pacific nations to service. This has increased the need to secure their fisheries, resource productivity, policing, and security.

Evolving geopolitical tensions in the region have led to a number of significant collaborations in the Pacific. These include a bilateral agreement between the US and Australia to reinstate the Lombrum Naval Base on Manus Island in PNG, and a quadrilateral partnership between Australia, Japan, the United States, and India to mobilise infrastructure investment in the Indo-Pacific. In addition, Australia has established a \$2 billion Australian Infrastructure Financing Facility for the Pacific (AIFFP), signalling the significance of the future economic partnership<sup>4</sup>.

On the back of these collaborations, the Pacific is a region that has undergone and is undergoing profound change. This will be further accelerated through the establishment of the PACER Plus free trade agreement, through which 14 signatory countries (including Australia) are collectively focussed on facilitating trade to strengthen the global position of the Pacific.

## NEXT STEPS

Cairns is already home to many of the Commonwealth's Pacific engagement initiatives, covering security, education, economic development, infrastructure, financing, foreign affairs, and trade. Establishing an operational headquarters of the Office of the Pacific in Cairns will enable Australia to build stronger relationships with our Pacific neighbours, providing a more coordinated strategic approach and better value for existing budgeted measures. For example:

- **Defence and Marine** – The Cairns Marine Precinct is home to HMAS Cairns, one of only five naval bases in Australia, and is the ideal base for OPV and Border Force vessel sustainment and maintenance, the Pacific Maritime Security Programme, and the Pacific Mobile Training Team. Under the Security of Critical Infrastructure Act (2018) the Cairns port is a critical national infrastructure asset.
- **Education** – Strong alignment exists between Cairns' tertiary institutions and the Australia Pacific Training Coalition, with structures already in place to administer the new Australia-University of the South Pacific partnership worth \$84 million over six years (2019-24). Research projects already exist and there is scope for further engagement. Cairns also offers essential marine training through its Great Barrier Reef International Marine College, which provides the opportunity to contribute to the development of South Pacific nations' fisheries control and security.
- **Infrastructure and Development** – With the Northern Australian Infrastructure Fund headquartered in Cairns, the structure exists to either manage or co-locate the \$2 billion Australian Infrastructure Financing Facility for the Pacific (AIFFP) from the region. Cairns is also supported by direct flights and shipping links to and from Pacific nations.
- **Sport** – Cairns is the ideal base for elite athlete training camps associated with the Australia-Pacific Sports Linkages Program. It has strong links established through the Pacific Games and provides the perfect base for hosting or co-hosting future

Pacific Games. It would also be an ideal location for a Pacific training hub for the 2032 Olympics.

- **Pacific Labour Scheme** – Creating an organisational hub in Cairns for the program would be a natural fit, linking agricultural and hospitality employers with around 22,000 available workers.
- **Government and Trade** – Cairns is home to the Exchange Innovation and Information Centre (EiiC), which works in partnership with PNG Government to promote business and educational links between Cairns, PNG, and the Pacific. The EiiC is unique within Australia and houses the offices of Tradelinked Cairns PNG Pacific, and of PNG National and Provincial agencies. Cairns also hosts 12 Foreign Consulates, and through existing business links is engaged with and supports the Pacific Labour Scheme.
- **Health** – Cairns and Hinterland Hospital and Health Service, in partnership with James Cook University (JCU), is established as a world leader in tropical health and diseases, knowledge that is vital to our Pacific neighbours. And through its Division of Tropical Health and Medicine, JCU has already established research relationships with the University of the South Pacific and Fiji National University.

## OUR RECOMMENDATION

- That, through the Department of Foreign Affairs and Trade, the Federal Government establishes an operational headquarters of the Office of the Pacific in Cairns to drive the implementation of Australia's Pacific Engagement Strategy from northern Australia
- That the Federal Government formally designates Cairns as Australia's northern hub for delivering the Step-Up to the Pacific program.
- That the Federal Government provides \$1.5 million for developing a comprehensive strategy to identify and maximise opportunities for Cairns as part of delivering its Step-Up to the Pacific agenda.



# FRANCHISE REFORM

**COUNCIL:** ALL TNQ **STATE ELECTORATE:** ALL TNQ **FEDERAL ELECTORATES:** KENNEDY, LEICHARDT

## BRIEFING NOTE SUMMARY

- There are an estimated 1344 franchise networks in Australia.
- 537,000+ employees remain at serious distorted risk of unfair practices by their franchisors.
- At-risk franchisees also need and deserve better protection within their franchise agreements.
- The difficulty for any small business in correcting a wrong is the balance of power against them and the cost of seeking redress.
- Protections afforded to new vehicle dealership agreements should be extended to other franchise categories.
- Reforms need to be implemented to ensure at-risk franchisees gain protections upon the imminent renewal of thousands of franchise agreements in the new year.

## THE ISSUE

It is estimated there are 1344 franchise networks in Australia, with 98,000+ individual franchised outlets, employing more than 598,000 people. The segment generates approximately \$184 billion annually, about 14% of the total Australian GDP. The demographics range from typically sole trader or partnership family businesses with basic knowledge of business practices to more significant, sophisticated entities that may benefit from university-qualified people at the helm or close by.

The common trait of all these businesses is that they are relatively substantial investments for the owners, considering their wealth and resources. Often, they are a family's entire multi-generational or lifetime savings being put at risk. Outside of franchisees now protected under Part 5 of the 2021 Regulations, 94,000+ franchisee businesses with 537,000+ employees remain at serious distorted risk of unfair practices by their franchisors. A great majority of these are small and family businesses.

These at-risk franchisees also need and deserve better protection within their franchise agreements. The vast majority of these franchisees will not have:

- Any umbrella association protecting or advocating for their interests;
- A sophisticated understanding of business;
- High-level advice readily available in their business organisation; or
- Significant funds available to fight for a fair outcome when they are victims of a franchisor.



## BACKGROUND

Changes introduced by the Morrison Government began in June 2020, implementing a separate 'Part' in the franchise code regulations that focused on balancing the 'new motor vehicle' franchise sector. The new 'Part 5' sets automotive franchising as distinct from general franchising. However, the automotive dealer sector made it clear that Part 5 did not go far enough.

In July 2021, the Morrison Government moved further in the **Competition and Consumer (Industry Codes— Franchising) Regulation 2014 (the '2021 Regulations')** to balance the power of franchisors and franchisees. Significant reforms to the regulations were made that assist all franchisees and provide better guidance for all franchisors. However, the vast majority of improvements are directed at the motor car retail industry. The changes resulted from the widely reported treatment of dealers by several prominent motor vehicle manufacturers. The changes were also based on several reviews of the Franchise Code in the past decade.

Since July 2021, the government has continued consultation with the motor industry through a discussion paper to seek further views and feedback on the changes in the 2021 Regulations and what else might be needed.

## NEXT STEPS

Considering the relative upfront investment, property leases, equipment requirements, and ongoing fees for these franchisees, contrasted with their wealth, it is arguable that many of the protections afforded to new vehicle dealership agreements should be extended to other franchise categories such as beauty, business services, education, financial services, food & drink, health & fitness, home services, printing, retail, and travel.

These other types of franchisees also deserve protection on

1. A franchisor closing or materially changing the business model;
2. Compensation when mistreated in business changes;

3. Repurchase of stock;
4. Any clause that might seek to exclude compensation by a franchisor;
5. Opportunity to earn a reasonable return on investment during the term of the franchise; and
6. End of term obligations.

A number of highly-publicised disputes involving franchisor groups and franchisees in recent years highlight the fact that the issues are more widespread than the motor vehicle sector alone.

The difficulty for any small business in correcting a wrong is the balance of power against them and the cost of seeking redress. Many franchisees caught up in disputes would not have been in the position of having to seek judicial assistance if regulations were in place to prevent poor behaviours. The franchise reform of the past two years has seen significant balancing of power in 'new vehicle dealership' agreements. However, these are agreements for dealers that sell just new passenger vehicles and new light goods vehicles.

There are many franchisees still at risk outside of the new passenger new light goods vehicle sectors that really should be covered in a broadened 'Automotive' Part 5 or a separate Code.

Part 5 only protects motor dealers who sell new passenger vehicles or new light goods vehicles.

The definitions in the 2021 Regulations provide examples of a motor vehicle as a (a) motor car; (b) motorcycle; (c) tractor; (d) motorised farm machinery; (e) motorised construction machinery; (f) aircraft; or (g) motorboat.

The definition in the same regulations for a new vehicle dealership agreement excludes (b) through (g) above. It limits the scope of Part 5 to just new passenger vehicles and new light goods vehicles.

Therefore motorcycle, tractor, motorised farm machinery, motorised construction machinery, aircraft, and motorboat dealer agreements remain outside the scope of the protections, despite for some reason their products being named as motor vehicles in the 2021 Regulations definitions. Arguably, all of the protections afforded to new vehicle dealership agreements should be extended to

other categories of 'vehicle'.

Similarly, dealers for trucks of all sizes, forklifts etc., are not protected, despite their infrastructure and investment often being as substantial as a motor car dealer.

None of the changes that have been made in 2021, or that may be made following the discussion paper on the 2021 Regulations, will take effect in a franchisee agreement until an agreement is newly entered or renewed. Therefore, there will be thousands of franchisees that entered agreements before July 2021 that will have no better protection until a renewal is struck – perhaps as long as five years away.

Likewise, any delay in further improvement to regulations will see thousands of more franchisees in other franchise categories being offered poor agreements and potentially subjected to continuing poor behaviour by franchisors. Planned reforms must be expedited so that intended changes cover any renewed or new Franchise agreements. These reforms must be completed, if at all possible, by the end of this calendar year.

## OUR RECOMMENDATION

- **Broaden the Automotive Part 5 of the Competition and Consumer (Industry Codes— Franchising) Regulation 2014 (the '2021 Regulations')** to at least cover all motor vehicles. Especially truck, motorcycle, farm machinery, construction machinery, and forklift franchises.
- **Expedite the reforms to ensure at-risk franchisees gain protections upon the imminent renewal of thousands of franchise agreements during 2022.**
- **Consider the extension of some or all of the identified protections into other franchise categories.**



# FUTURE GROWTH – CAIRNS 2050

**COUNCIL:** ALL TNQ **STATE:** CAIRNS, MULGRAVE, BARRON RIVER **FEDERAL ELECTORATE:** KENNEDY, LEICHHARDT

## BRIEFING NOTE SUMMARY

- Cairns is a linear city sandwiched between two World Heritage sites and faces significant growth challenges.
- Alternative city shaping models are urgently needed.
- An Integrated Urban Development and Transport (IUDT) plan is required to guide Cairns' future development.
- The plan is required to address growth challenges and transform Cairns into a modern liveable and sustainable city.

## THE ISSUE

Cairns faces significant growth challenges. Increasing population growth has resulted in rental shortages, a housing boom, congestion, and code yellows at Cairns Hospital. More than 300,000 people are expected to live or stay in the city by 2050. Urban development in Cairns has been occurring in a flat, narrow, ecologically fragile zone between World Heritage-listed reef and rainforests. Past human urban settlement has dramatically altered the landscape and natural areas, and good quality agricultural land is steadily being swallowed up by urban sprawl.

Growth has been and will be driven by several factors including a trend to move to the regions (partially accelerated by Covid-19) and large infrastructure, such as Defence-related projects, a new university hospital, education facilities, and roads. Cairns has been a big beneficiary of people moving to the regions, and its rental vacancy rate is less than 1%. The region is yet to see the impacts of 30-40,000 (daily) returning tourists.

Cairns is a car-dominated, sprawling, and linear city, characterised by detached housing on large blocks with a high reliance on cars for transport. However, Cairns is running out of developable land. Available land to the north of the city is very limited and expanding to the west is problematic because of the cost and difficulty of upgrading the Kuranda Range Road. As a result, the city is sprawling south using outdated planning models where congestion will be the new norm. For much of the city there is only one road in and out, making it difficult and

expensive to continually widen.

Advance Cairns advocated for the critical \$659M investment for Cairns Ring Road to improve access into the city and drastically reduce congestion. However, history shows that as populations continue to grow and traffic levels increase, roads typically become congested again. To prevent this from happening and to further support our road infrastructure, now is the time to capitalise on alternative transport opportunities.

Cairns has reached the stage of needing alternative city shaping models much sooner than other cities of its size because of its highly constrained linear nature and its environmental, geological, and geographical constraints. There has been a steady loss of liveability and sustainability in some areas (i.e. congestion) in the past couple of decades, and the southward city sprawl will mean increasingly longer commutes.

This also means greater distance to health services and infrastructure assets such as the JCU Smithfield campus, the proposed new university hospital, and Cairns International Airport. Tourism markets to the north and south will have increasing commute times which will negatively impact on one of the region's most important industries.

Unmanaged development on a strip of rapidly diminishing coastal land runs the risk of degrading world heritage values, which are the region's and Australia's greatest assets. Future growth will be threatened if the city's liveability is further diminished, and its residents cannot find suitable and affordable climate-suited housing.

<sup>1</sup> Regional Australia Institute 2019, 'National Population Plan for Regional Australia' [http://www.regionalaustralia.org.au/home/wp-content/uploads/2019/02/2019\\_RAL\\_NationalPopulationPlanForRegionalAustralia\\_Final.pdf](http://www.regionalaustralia.org.au/home/wp-content/uploads/2019/02/2019_RAL_NationalPopulationPlanForRegionalAustralia_Final.pdf)  
<sup>2</sup> Bernard, A et. al. 2020, 'Anticipating the impact of COVID-19 on internal migration', Centre for Population Research Paper, The Australian Government, Canberra.  
<sup>3</sup> <https://profile.id.com.au/tnqrc/population-estimate>  
<sup>4</sup> Carr, R. 2020, 'Cairns Watch', Herron Todd White Cairns Socio-economic research

## BACKGROUND

Future development, while necessary to support population growth, should be sensitive to both the reef and the rainforest considering the importance of these natural wonders to our heritage and to our economy. The Great Barrier Reef and Wet Tropics World Heritage areas are worth \$11 billion to the economy and Cairns is by far the Northern Australia’s largest gateway for visitors. It is important that growth be managed sustainably.

In Cairns, growth, urban planning, and city infrastructure is developed and managed at Local, State and Federal levels of government. The last State-led Far North Regional Plan was developed in 2009. Cairns Regional Council (CRC) has one planning scheme for the region – “The Cairns Plan” (updated in 2016) that has been prepared in accordance with the Sustainable Planning Act 2009. It sets out Council’s intention for future development in the area over the next 20 years.

All of these multi-government plans are fast becoming out of date and are soon to be reviewed. Therefore, in consideration of the challenges faced in one of the most unique and special places in the world, it is now time to reimagine how the people of Cairns grow, move, live, and work. In developing new plans, Cairns has a choice. Does it want to continue being a car-dominated sprawling city or a more compact, liveable, modern and sustainability city?

Urban consolidation policies started to become a major urban planning policy back in the 1980s and 1990s and are now being implemented in all major Australian capital cities. It just so happens that Cairns is reaching the stage to consider change much earlier than other cities for the reasons discussed. The general aim of consolidation policies is to reduce urban sprawl by increasing densities, particularly around good quality transport nodes.

Unfortunately, Cairns’ public transport is limited to buses and currently lacks good quality heavy or light rail or a metro, all of which are very suitable for linear type cities.. Good quality public transport should be a prerequisite for consolidation policies. Research suggests that these transit-oriented type communities (often called TODs) created around transport nodes should be mixed use with a range of different product types and a strong sense of place. They should be walkable, have enough density to support transit services and good public amenities/

services, with ample open space, greenery, parks, and gardens. Furthermore, urban planning and place-based design should be tailored to regional Australia, and protects local character and identity.

Since the last statutory regional and city plans were first formulated over a decade ago, there has been significant development in new transportation technologies such as battery-operated metros, trackless trams, trains, autonomous vehicles and shuttles, and personal electric transport devices (i.e. electric scooters and bikes) particularly for end-of-journey trips. It is time for these new technologies and planning models to be researched and considered as a system and become part of the solution in reshaping our communities.

## NEXT STEPS

### Strategic Integrated Urban Development and Transport Plan

One of the issues with planning at city level is that it’s very complex and has often led to specialisation, work being done in silos across various government departments, and lack of coordination of critical infrastructure that has not been integrated. Nowhere is this problem more evident than in the planning of urban development and transport, particularly when done at strategic level and when attempting to move towards new models of development and city shaping.

CRC is currently planning for the growth through its 2050 Growth Strategy which will guide the city’s new town plan. It is recommended this strategy be broadened to an *Integrated Urban Development and transport (IUDT) Plan*. The overall plan should be bold and aspirational and needs to consider how Cairns people live and move. It should also consider the needs and aspirations of young migrants to Cairns, who often want to use multi-modal transport and live in vibrant “lifestyle” type communities.

The IUDT Plan should address key strategic questions, take on a holistic approach and be developed through collaborative and partnership processes. Although not the main focus, other city-shaping aspects should be considered in the plan at a strategic level, such as water, health, education, tropical housing, communications, and energy infrastructure. Included in the IUDT plan would also be a population study that identifies addresses the why, how and where people want to settle.

It is proposed that a city-shaping partnership be created between CRC, State and Federal Governments, and key stakeholders (including

industry bodies, universities such as JCU and CQU, and environmental and community groups) that would partner to develop strategies to provide more holistic solutions that encourage a reimagining of Cairns as it transforms into a modern, prosperous, liveable and sustainable city.



## OUR RECOMMENDATION

- That the Federal and State Governments jointly fund (50:50) the development and implementation of the Strategic Integrated Urban Development and Transport Plan. Total cost \$8M.
- That Cairns Regional Council funds the Cairns Growth Strategy 2050 (\$2.5M).

ESTIMATED PROJECT COST	CRC 2022 - 2023	STATE 2022- 2023	FED 2022- 2023
\$10.5M			
IUDT PLAN		\$4m	\$4m
Cairns Growth Strategy 2050	\$2.5m		



Pictured: Brisbane Metro



# ENHANCING NATURAL URBAN LANDSCAPES – RAINFOREST TO REEF

COUNCIL: CAIRNS STATE ELECTORATE: CAIRNS, MULGRAVE, BARRON RIVER FEDERAL ELECTORATE: LEICHHARDT



## BRIEFING NOTE SUMMARY

- Natural areas in the Cairns urban footprint have been significantly degraded or removed.
- World Heritage values have been seriously impacted upon, including from the rainforests all the way to the reef.
- Cleaning up agricultural practices has rightly been focused upon, but little focus has been on urban areas.
- A fund of \$24.9m is required to restore and enhance natural urban landscapes, help protect the reef, and fuel the green economy to create green jobs.
- It is proposed that the fund be self-sustaining by tapping into a variety of private and public green funding mechanisms.

## THE ISSUE

Urban development along the Tropical North Queensland coast occurs in an internationally significant and ecologically fragile zone between World Heritage-listed rainforests and the Great Barrier Reef. The Reef and Wet Tropics are worth more than \$11B to the economy. In Cairns, human settlement has dramatically altered the landscape, and natural areas in the urban footprint are either gone or severely degraded. Urban settlements are high polluters and have significant impacts on coral reefs. Although urban areas form less than 1% of land use in the Great Barrier Reef catchment, they contribute disproportionately to sediment loads.

Much research and remedial work has focused on agriculture's impacts on the Great Barrier Reef. Some research exists regarding impacts from urban development (e.g., AIMS), but far less mitigation/restoration work has been undertaken to address the impact of urban infrastructure and services such as housing, buildings, roads, power, water, and sewerage. Marine environments near urban areas receive more sediments, nutrients (from runoff, wastewater), and pollutants (industrial, microplastics) than undeveloped areas, and coral reefs near coastal cities are characteristically subject to more anthropogenic (human) stressors such as population growth, flooding events, storm surge, fire risks, and pollution. It is vital that lessons, skillsets, and capabilities learnt in agricultural contexts are transferred into an urban landscape environment.

This paper proposes a greater Cairns-focused Strategic Urban Landscapes (SUL) Fund that involves enhancing, rehabilitating, and restoring natural urban landscapes, particularly around rivers and streams flowing to the Reef. The SUL fund would initially be federally funded but would be used to leverage further private sector and other government (i.e., Local/State) funding that ensure the fund's ongoing sustainability. After initial SUL start-up, this initiative would prioritise and develop these sustainable funding models and economic instruments (e.g., reef credits, go green funds, offsets) as well as identify policy and planning drivers to move towards a self-

sustainable model that provides environmental and economic benefits.

Leveraging public and private sector capital provides prospects for engaging with opportunities emerging in the environmental trading space. There is a rapidly growing carbon and biodiversity environmental market that needs to be further harnessed by the TNQ region. Offsets are a common method for large infrastructure projects needing to mitigate their impacts on the environment. Developers and infrastructure providers often struggle to find suitable programs to offset against, especially in their geographic area. This program will provide local and national opportunities.

The Reef is not the only beneficiary. SUL programs will improve water quality, enhance biodiversity, amplify the city's resilience to flooding, make the city a more attractive tourist destination, and increase liveability.

Benefits of these programs include:

1. Enhanced Reef health through improved water quality (both salt and freshwater), through decontaminating (heavy metals, sewerage, and stormwater), and reducing runoff to the Great Barrier Reef.
2. Restored natural city landscapes through revegetating natural waterways and widening nature corridors, reconnecting segregated natural ecosystems, and providing buffers for existing vulnerable sites and climate refugia.
3. Resilience to flooding, which is forecast to increase in Cairns with climate change.
4. Reduced urban heat in Cairns, a city projected to triple the number of heatwave days by 2050<sup>1</sup>.
5. Urban development that prioritises the environment makes the city healthier, more attractive, cooler, and more liveable. This makes the region a place of choice to live and work, which ultimately drives economic growth. It adds further to the Cairns Regional Council's goal of being a smart green economy.
6. The lessons learnt through practical on-the-ground research in the Cairns region can be applied to the 21 LGAs, with a combined population of more than 600,000 people, that abut the boundary of the Great Barrier Reef.

<sup>1</sup> <https://www.disaster.qld.gov.au/dmp/Documents/QFES-Heatwave-Risk-Assessment.pdf>

## BACKGROUND

The Great Barrier Reef is internationally renowned for its abundance and diversity of marine life, while the rainforests of the Wet Tropics contain plant and animal species not found anywhere else on the planet. The city of Cairns enjoys the unique advantages of being adjacent to these two precious assets.

Urban development and future growth require high-level strategic foresight, as only a narrow coastal strip is available for future population growth and urban development. Cairns is an ideal living laboratory for Reef- and Rainforest-sensitive urban development solutions that can be replicated across other catchments.

Waterways in urban areas are converted into hard infrastructure such as concrete drains and culverts, which quickly convey stormwater but degrade water quality and ecosystem services. Research suggests that retaining and enhancing the city’s natural systems (blue green infrastructure or BGI) in urban development strategies is key to the ongoing success of cities and towns and creates healthy, prosperous, and resilient places.

Nature-based solutions and water-sensitive urban designs play an important role in habitat restoration and biodiversity conservation. This in turn creates connectivity for flora and fauna in our urban areas, providing important temperature refugia for animals and humans alike.

**Catchment planning:** The Cairns Regional Council already has a track record of success through its integrated catchment management planning model, which mitigates the risk of flooding in high-risk catchments to enhance their disaster resilience. Council’s efforts to monitor Saltwater Creek in Cairns are building an evidence base to guide investment and interventions that improve resilience to flooding. Most recently, CRC engaged Healthy Land and Water to undertake a strategic planning workshop (June 2021), which prioritised the key challenges, goals, and potential solutions. This provides the basis to develop an integrated catchment management plan. A model will be designed that can be replicated across the city and other tropical catchments.

**Water sensitive urban design:** James Cook University (JCU) in collaboration with Central Queensland University (CQU) can provide practical on-the-ground research. JCU’s Tropical Urbanism and Design Lab (TUDLab) has documented key examples of water-sensitive urban design (WSUD) undertaken in Cairns, with flood mitigation

solutions through improved conveyance of floodwaters.

**Restoration of damaged landscapes:** Terrain NRM, Wet Tropics Management Authority (WTMA) and Far North Queensland Regional Organisation of Councils (FNQROC) have been leaders with other stakeholders in identifying a series of critical green corridors across the Wet Tropics to increase the resilience of the World Heritage rainforest and its keystone species. Our region has one of the most established (40+ years) and proven reforestation industry clusters in Australia and it has capacity to scale. These capabilities can now be implemented at city level.

**Tropical Sustainable City Building:** Advance Cairns is the peak advocacy and economic development group for FNQ. Industry will play a vital role in the implementation of the strategy and development of the green economy, and Advance Cairns is well positioned to take on a leadership role in conjunction with our two universities, JCU and CQU.

## NEXT STEPS

Step 1 – Establish a collaborative group comprised of key stakeholders to drive the project. The group will develop a governance and organisational framework for the fund.

Step 2 – JCU/CQU to lead a multidisciplinary Strategic Catchment and Biodiversity Prioritisation Study

- Develop a Strategic Framework to identify priority restoration/rehabilitation projects and programs
- Conduct on-the-ground research to map key restoration corridors and associated catchment management plans based on sustainable waterway management
- Research preliminary designs and business cases to be appraised by an evaluation committee

Step 3 – Establish an initially federally funded SUL Fund that enables ‘on-the-ground’ restoration and rehabilitation programs (with a focus on Indigenous employment and co-design).

Step 4 – Increase the capacity of and provide opportunities for Traditional Owner organisations and existing businesses in the region to increase the number of jobs and benefits.

Step 5 – Develop sustainable funding models and economic instruments and identify and implement policy and planning drivers to transition to a more self-sustaining funding model building on the work of the start-up fund. Leverage private and public

funding opportunities. Pilot initiatives to test viability.

Step 6 – Ongoing research to evaluate and monitor the success of the program, funds invested are accountable to investors, so it can be applied to other coastal urban environments.



## OUR RECOMMENDATION

- That the Federal Government commits to implementing the Enhancing Natural Urban Landscapes – From Rainforest to Reef initiative that includes establishing a strategic urban landscapes fund (SUL). Total cost \$29.4 million.

ESTIMATED PROJECT COST \$29.4M	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026
<b>Recommended Federal Investment</b>				
<b>Step 1 start-up \$2.4M</b>	\$0.6M	\$0.6M	\$0.6M	\$0.6M
<b>Step 2 initial study \$1M</b>	\$1M			
<b>Step 3 establish SUL fund \$25M</b>		\$8.4M	\$8.3M	\$8.3M
<b>Steps 4, 5, 6 implementation/support/research \$1M</b>		\$0.34M	\$0.33M	\$0.33M



**ADVANCE  
CAIRNS**  
OUR REGION ONE VOICE



contact: Nick Trompf

**e:**[nicktrompf@advancecairns.com](mailto:nicktrompf@advancecairns.com) **p:** 07 4080 2900