



**ADVANCE
CAIRNS**
OUR REGION ONE VOICE

FORGING A BRIGHTER FUTURE

CAIRNS TNQ REGIONAL PRIORITIES 2022-23



FROM THE CHAIRMAN

NICK TROMPF

Forge / forge (vb.)

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

Oxford Dictionary

DIVERSITY AND RESILIENCE ESSENTIAL TO RECOVERY

Against the backdrop of an 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.

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%).

With COVID-19 continuing to disrupt key sectors such as tourism and hospitality for a considerable time ahead, the integrated plan captured in this document takes on even greater significance.

Forging a Brighter Future is a plan which turns adversity into opportunity.

Opportunity for governments - both federal and state - to build on their 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.

Innovation is evident too across sectors such as aviation and tourism, innovation which is paramount in a COVID-normal world.

Defence is as a centrepiece, given heightening geopolitical tensions in the south-west Pacific region, with marine maintenance and specialist boat & ship building in Cairns providing great potential to build all-important sovereign capability in an increasingly uncertain world.

A brighter future will be forged for Cairns TNQ through the following government backing:

- **\$80m to revitalise Cairns International Airport** and position it to capitalise on fast-emerging maintenance, repair and overhaul (MRO) for aircraft
- **\$40m to aid international tourism recovery**
- **Hundreds of millions to transform the Cairns port** and expand HMAS Cairns
- **Policy support to revive specialist ship** and boat building in Cairns
- **\$200m+ to bring to life Cairns University Hospital** through state and federal infrastructure as well as critical tertiary places in medicine at James Cook University
- **\$50m for a new campus** for the fast-growing CQUniversity, a project central in addressing acute skills shortages and helping to revive an ailing CBD
- **A strategic recommendation** to extend the National Highway A1 from Cairns' northern suburbs up to the Atherton Tablelands, as well as continued investment in upgrading safety and capacity of the region's key roads
- **\$250m+ towards water infrastructure** to provide security for agricultural and urban growth

We readily acknowledge the substantial investment in recent years by both federal and state governments in the far north - best illustrated by well over \$1.5bn in road construction underway, which is creating thousands of jobs.

The private sector, too, has been doing its share of heavy lifting and providing considerable investment across a range of sectors - highlighted by two of Cairns' three shipyards selling to Australian companies with deep balance sheets and bold ambitions.

Together government and private enterprise can forge a much brighter future for Cairns and the wider tropical north by aiding recovery in our tourism and hospitality sector and at the same time accelerate the expansion of other sectors.

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



AIRPORT AND MRO - P4
\$80m Federal funding upgrade Cairns International Airport; \$20m Federal funding aviation attraction



CAIRNS MARINE PRECINCT - P6
Federal/State funding to deliver Cairns marine precinct business case findings; \$24m Federal funding slipways; \$155m HMAS Cairns; \$28m State funding new wharves



CAIRNS UNIVERSITY HOSPITAL REDEVELOPMENT - P8
\$14m State funding business case evaluation; substantive State funding for subsequent hospital upgrades



EDUCATION & RESEARCH - P10
\$50m Federal funding new CQUniversity CBD campus; \$11.2m Federal funding Great Barrier Reef International Marine College; 80 additional places JCU medical school



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 urgently release Cairns to Northern Tablelands Access Study



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

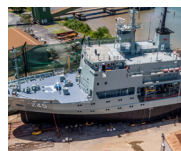


FOOD AND WATER SECURITY - P18
\$215m Federal/State (50:50) Cairns Water Security - Stage 1; \$7m from NWIDF business case North Johnstone River diversion scheme; State and Federal governments facilitate DAs Lakeland Irrigation Area Project; \$8m Federal funding EIS Gilbert River Irrigation Scheme

POLICY



REGIONAL HEALTH PLANNING - P22
\$6m Federal funding palliative care hospice; \$10.5 million State recurrent operational funding; Federal/State (50:50) funding chronic condition care facility; 50 extra CSPs and 30 international places JCU medical school



SPECIALIST BOAT & SHIPBUILDING - P24
Cairns be recognised by Federal Government as a high priority alternative for specialist ships building; State and Federal governments commit to working with SeaSwift to ensure their vessel upgrades occur in Cairns



TNQ TOURISM RECOVERY FUND - P26
\$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 - P28
Operational headquarters in Cairns for DFAT Office of the Pacific; Cairns designated Australia's northern hub for Step-Up to the Pacific



FRANCHISE REFORM - P30
Broaden automotive franchisee protections to cover all motor vehicle categories; extend some or all of these protections to other franchisee categories



LAND USE & AGRICULTURE - P32
State establish Strategic Agricultural Development Areas; State create Office of Co-ordinator General in Cairns



POPULATION & MIGRATION STRATEGY - P34
\$1.5m Federal/State (50:50) Cairns region Population & Migration Strategy



AIRPORT AND MRO

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 a forecast 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, given the pivotal role it plays as a driver of tourism in FNQ.
- Targeted route development, in conjunction with 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, while also rebuilding strategic markets such as Japan.
- Upgrading the International Terminal in Cairns will provide airlines with the infrastructure they need into the 2030s, while giving visitors to the region a welcome that showcases the reef, rainforest and the Indigenous culture that make FNQ unique.
- Facilitating the growth of aviation support services such as aircraft maintenance and maritime surveillance, will support the diversification of the Cairns economy by providing skilled, well-paying jobs.

¹ IVS & NVS FY19



THE ISSUE

1. Rebuilding international aviation in a COVID-normal operating environment

Far North Queensland's \$3.3B¹ tourism industry has been built on the platform of international and domestic aviation connectivity, as is the case for the region's high value airfreight export industries. With international borders closed, one third of the region's visitor nights have been lost and tourism operators who rely on international visitors are barely surviving.

Domestic connectivity will resume as domestic borders reopen, but international connectivity will need to be rebuilt in a substantially more challenging operating environment. As such, all participants in the aviation ecosystem will have a role to play in the recovery.

The key challenges are as follow:

- 18 months of heavily impacted operation have left airlines and airports cash constrained with weakened balance sheets
- 18 months of international border closures have left Cairns International Airport needing to completely rebuild its international business in the new COVID-normal operating environment
- Airlines will require financial support to re-establish international routes as passenger demand may be subdued due to the increased cost and complexity including border restrictions, lockdowns, passenger quotas and sanitisation requirements, all of which impact route viability

Cairns Airport has a strong, constructive relationship with airlines and understands the necessity to provide **efficient modern international terminal infrastructure** to assist airlines during the recovery. Cairns Airport has explored options to cost-effectively deliver the infrastructure the airlines and the region need to deliver growth

over the coming decade.

The current international terminal is outdated in form and function. The community is proud to have an international terminal, but they are not proud of its condition. A modern, refreshed and efficient international terminal will provide a better passenger experience, will be compliant with government mandated security upgrades and will be a more attractive destination for international airlines. Financial support will be required to deliver this, given that passenger numbers will initially be low while the industry rebuilds.

Route development has also been impacted with passengers preferring to fly from point to point. Thankfully, the delivery of modern long-range wide-body aircraft (A350 and B767) is creating opportunity for **new point-to-point international routes**, including the possibility of direct flights into central-western Europe.

2. Facilitating growth of aviation support services

Cairns Airport is home to multiple government service providers, including Cobham who provide aerial surveillance operations for Australia's national security, border protection, law enforcement, and environment protection. Cairns Airport also hosts a significant General Aviation precinct, including Australia's busiest Maintenance Repair and Overhaul (MRO) hangar servicing turboprop and regional jets.

All operators on Cairns Airport are operating at capacity and Cairns Airport does not have additional hangar space to support future growth. **Construction of new hangar infrastructure** will significantly de-risk future growth plans for aviation support services on airport. Growth of the broader airport economy is beneficial for the regional economy and for the health of Australia's sovereign commercial aviation maintenance capability and national security.

BACKGROUND

1. Rebuilding aviation in a COVID-normal operating environment

Cairns International Airport facilitated 4,400 direct international flights and 660,000 direct international passenger movements in FY19. 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.

Direct international routes must be re-established for industry to recover and thrive again in Cairns, and these must be sustainable, even with the incremental commercial burden associated with operation in a COVID-normal environment.

To achieve this, Cairns Airport intends to **redevelop and refurbish its international terminal** so it is optimised in form and function for the COVID recovery. A modern international terminal will provide an improved customer experience for visitors and better operating efficiencies for airport and airline operators.

Similarly, Cairns Airport acknowledges that its approach to **international route development** will need to be rethought for the COVID-normal operating environment. Modern, fuel-efficient aircraft now make it possible to establish direct connections from Cairns to Europe, creating opportunities for routes such as Cairns-Frankfurt, which would be a game changer for Cairns tourism and international trade. There is no precedent for such direct connectivity from Cairns, so Cairns Airport expects that interested airlines would seek to minimise commercial risk through government support. Also important is the rebuilding

of key tourism markets such as Japan back to its peak in the late 2000s. This would largely offset the recent loss of direct Chinese arrivals from Hong Kong and mainland China.

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.

2. Facilitating growth of Aviation Support Services

Cairns Airport is a significant base for operators who directly and indirectly provide government services.

Cobham plays an integral role in maintaining Australia's national security through delivery of aerial surveillance operations. Infrastructure investment would significantly aid Cobham's expansion plans.

QG Air's fixed and rotary wing operations deliver emergency medical aviation services to the Far North Queensland community and operate in a public safety role supporting the Queensland Police Service.

The APAC region will be the single largest destination for commercial jet deliveries in the next 20 years, expecting 40% of global deliveries or 17,645 aircraft. COVID-19 briefly impacted the aviation maintenance repair and overhaul (MRO) industry, but it has experienced a V-shaped recovery and is currently operating at capacity. Australian and Pacific-based airlines are having to send work offshore because Australia doesn't have the local capacity to maintain its own fleet. Cairns Airport modelling shows opportunity for airport-based MRO providers to capture an incremental 400,000 annual man hours of heavy aircraft maintenance work, if fit-for purpose hangars were available.

NEXT STEPS

International terminal infrastructure:

Investment in redevelopment and refurbishment of the international terminal will provide airlines with sustainable, affordable and fit-for-purpose infrastructure. A modern international terminal will cater for forecast pax growth into the 2030s, with further stages to increase capacity iteratively in 10 year increments.

Hangar infrastructure:

Building on the success of the Queensland Government's investment in the expansion of the Jet Aviation (Hawker Pacific) facility, government co-investment in fit-for-purpose hangar infrastructure will de-risk future growth for major airport tenants who have opportunity to significantly increase their footprint, increasing their contributions to the regional economy and national security.

Aviation attraction funding:

To manage the risks associated with hub airports, and simultaneously open Cairns to new European markets, Cairns Airport seeks to work with government to attract a major carrier to operate direct into central Europe. To achieve this, government will be called upon to help de-risk this proposed new service through the direct provision of aviation attraction funding to Cairns Airport.



OUR RECOMMENDATION

- That the Federal Government commits \$80 million towards:
 - The redevelopment and refurbishment of the international terminal to ensure that Far North Queensland remains competitive and an attractive destination for airlines in the COVID-normal operating environment.
 - Construction of hangar infrastructure to support an integrated maritime surveillance and rescue centre with substantial in-house aviation MRO capability.
- That the Federal Government commits \$20 million (\$5m per year for four years) in aviation attraction funding directly to Cairns Airport to support attraction of an historic direct central-western European international connection and rebuilding Japan back to the peak visitor numbers.

ESTIMATED PROJECT COST \$100M	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026
Recommended Federal Investment				
Infrastructure \$80 million	\$30m	\$50m		
Aviation attraction support \$20 million	\$5m	\$5m	\$5m	\$5m



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 on Business Case recommendations to fully develop the precinct – including significant investment to build vital infrastructure and build tomorrow's workforce.
- A commitment to provide long-term continuous sustainment programmes 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 both strategic Defence priorities and industry needs are met is vital to provide growth and jobs for the TNQ region.

Over the last 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.

Investment in infrastructure in the Cairns Marine Precinct is a critical enabler. 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 precinct must also have the capacity to allow future expansion in the long term. The State Government business case, to be completed by November 2021, will look at the necessary infrastructure and skills requirements needed to ensure future growth and development in the precinct. This includes a common user facility, accessible by all shipyards. Once the business case is completed, it is essential that a commitment to fund the required infrastructure is made by both State and Federal Governments. Ultimately, upon completion of the business case, the State Government is projecting that further significant investment will be needed by both levels of government to create transformation in the overall capacity and capability of the precinct.

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.

To capture the unmet demand and opportunities, the CMP expansion needs to be complemented by a significant step up in industry workforce skills and training, both within the shipyards and also the sector support industries. The Queensland Government has a clear mission to grow Queensland's Defence industry and to increase the number of Queenslanders working in Defence manufacturing from 6,000 to 10,000 over the next decade. To support the Cairns CMP, there is a major role for training to upskill existing workers contextualise training for the marine sector, and to recruit and grow the workforce through stronger training pathways.



BACKGROUND

Cairns and TNQ has a long-standing history in the marine and defence industries. The 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 stage 1 \$24 million investment into Ports North leaseholds to enhance and modernise the three shipyards within the Cairns Marine Precinct. This investment has delivered preliminary improvements to wharves, hardstands, slipways, and services and has been a catalyst for further private sector investments. In 2020, the State Government committed \$28m to provide increased wharf capacity under the auspice of Ports North as well as \$2m for a detailed business case to inform a step-change within the precinct. These projects are currently underway, with the business case due to be completed by late 2021.

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 (RMC) for the Royal Australian Navy (RAN), along with Darwin, Sydney, and Perth as part of their Plan Galileo. The Regional Maintenance Centre 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.

Without a significant step-up in infrastructure and capability at the Cairns Marine Precinct, the 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, attract greater private investment, and 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:

- Additional investment in infrastructure and support for the precinct, from both State and Federal Governments, as defined by the Cairns Marine Precinct business case, which is due for completion in late 2021.
- 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 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.
- That the Federal and State Governments commit 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.

ESTIMATED PROJECT COST	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025
FUNDING REQUIRED				
Financial recommendations of CMP business case (Federal and State)	-	Due Dec 21	Due Dec 21	Due Dec 21
Stage 2 shipyards request (Federal)		\$24m		
FUNDED, DELIVERY				
HMAS Cairns infrastructure (Federal)	\$20m	\$50m	\$45m	\$40m
CMP wharf improvements (State)	\$28m			



CAIRNS UNIVERSITY HOSPITAL REDEVELOPMENT PROJECT

COUNCIL: CAIRNS **STATE ELECTORATES:** BARRON RIVER, CAIRNS, COOK, MULGRAVE
FEDERAL ELECTORATES: KENNEDY, LEICHHARDT

BRIEFING NOTE SUMMARY

- Cairns Hospital will be at capacity across all bed types by 2022.
- Cairns Hospital will become a University Hospital after investment is provided to support two development phases – (1) optimising Cairns Hospital to create additional bed space and building a Cairns Health and Innovation Centre (CHIC) in parallel with James Cook University’s Cairns Tropical Enterprise Centre (CTEC), both to be located in a Health and Knowledge Precinct; and (2) building a new acute clinical services building.
- Phase 1 is now progressing, with State Government committing \$1.5 million for the preliminary business case and \$15 million for land acquisition.
- In addition to funding for CHIC as part of the University Hospital development, \$9 million is sought to commence planning for phase 2 (new acute services building) to enable Cairns Hospital to expand its clinical services and meet predicted health service demands.
- JCU has entered into a funding agreement with the Federal Government, providing \$60 million towards CTEC (including contribution to land acquisition).

THE ISSUE

The Cairns and Hinterland Hospital and Health Service’s (CHHHS) services extend beyond the Cairns and Hinterland regions, to some of the most remote communities in Queensland, with a population increasingly experiencing complex, chronic conditions.

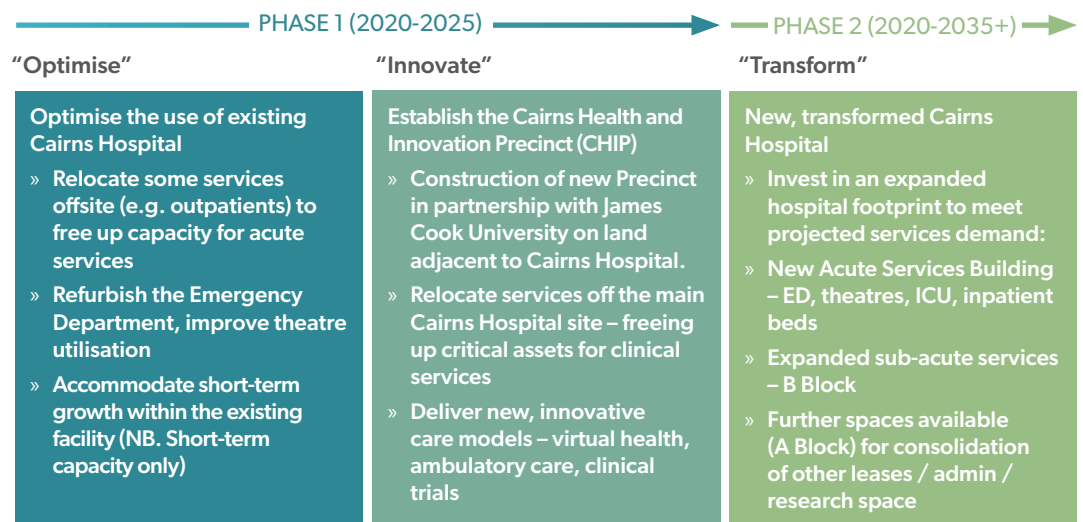
Clinical research, education and expanded health services are critical to meeting the health needs of Tropical North Queensland’s growing population. Investment in health facilities in Cairns is required to support this goal, as well as address the following sustainability challenges facing Cairns Hospital.

- **Short- and long-term infrastructure capacity** – Cairns Hospital will be at capacity across all bed types by 2022. By 2036/37, this gap will be 300 beds. Cairns Hospital does not have a bypass option and capacity is critical for service continuity to the Far North region.
- **Site constraints and resilience** – Cairns Hospital is the smallest block of developable land for comparable hospitals, and the location creates service continuity risk (via flooding).
- **Workforce, innovation and care closer to home** – the CHHHS needs to grow a local health workforce to enable more services to be delivered closer to home and facilitate research and innovation to inform models of care.

Transitioning Cairns Hospital to university hospital status will allow the hospital to deliver world-class, high-quality care to address the critical current and future health challenges facing TNQ.

Practically, this means CHHHS can deliver more and better health services – meaning more complex medical and surgical services, with more skilled and highly trained clinicians, and less patients having to travel out of the Region for treatment when they are seriously unwell. To do this, the CHHHS needs strong linkages with education and research. The Cairns University Hospital will enable enhanced education and research, meaning more Cairns and TNQ locals can complete their entire health / clinical education and training in the Cairns region. It will also facilitate undertaking research in areas that are relevant to our region and embed the research outcomes into better health services.

To deliver on the vision of Cairns University Hospital, CHHHS needs to progress phase 1 (CHIC) and planning for Phase 2 (new acute clinical services building) – with both facilities in close proximity to Cairns Hospital. A complementary element of the CHIC will be JCU’s CTEC. The CTEC is a multi-disciplinary centre for applied technology and enterprise. It will also allow expansion of the JCU Bachelor of Medicine, Bachelor of Surgery (MBBS) program to offer Years 1-6 in Cairns, as well as the introduction of allied health programs into Cairns.



<https://profile.id.com.au/cairns/population-estimate>
Queensland Treasury, Service Delivery Statements, Queensland Health 2019-2020
<https://www.myhospitals.gov.au/hospital/310000214/cairns-hospital/emergency-department>
<https://www.myhospitals.gov.au/hospital/310000214/cairns-hospital/admissions>

BACKGROUND

The Cairns Hospital supports an estimated resident population of 259,000 and regularly provides acute medical services for residents of the Cape and Torres region (population of 27,928), an area larger than Victoria. Combined with estimated population growth of 1.46% (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 Emergency Department with an average of 232 patients presenting each day. Increasingly there is demand for specialist services and elective surgery, placing additional pressure on Cairns Hospital.

The two phases of the Cairns University Hospital Redevelopment Project have broad partner support and seeks to build on successive government investments. CHHHS, supported by the Northern Queensland Primary Healthcare Network (NQPHN), JCU, and other tertiary institutions, is seeking to improve the ability of Cairns to build its own medical, nursing and allied health workforce and translate research into practice to improve health outcomes in our community.

To ensure the best outcomes for Far North Qld and to ensure the maximum efficacy of the University Hospital, a suite of other primary health and community measures are being developed to ease capacity restraints on the hospital, improve community health services and divert patients to more appropriate care settings.

NEXT STEPS

To successfully transition Cairns Hospital to Cairns University Hospital, an expansion of selected specialty services is required over coming years potentially including endoscopy, paediatrics and other medical and surgical specialties. This will also include new expanded clinical and professorial roles. This will be delivered through strong partnerships, the right infrastructure and expanded provision of safe and sustainable clinical services for TNQ.

There are two phases to growing Cairns Hospital's infrastructure, services and research to transition to a university hospital.

Phase 1: Optimise and Innovate – A measure to maintain capacity, comprising:

- Optimising the use of existing assets at Cairns Hospital to provide additional bed capacity (up to 80 beds) and refurbish the Emergency Department.
- Constructing the Cairns Health and Innovation Centre (CHIC), bringing together innovation in clinical services, research, education and training. This will enable some functions to be relocated from Cairns Hospital, freeing up bed capacity in the medium-term.

It is intended that Phase 1 of the Cairns University Hospital Redevelopment Project will complement JCU's CTEC, a multi-

disciplinary teaching and research facility with a focus on the application of digital technologies that has received a \$60m Federal Government grant, including a contribution towards acquiring land for the facility. The CHIC and CTEC will be located in the Health and Innovation Precinct.

The State Government has committed \$1.5 million for a preliminary business case for phase 1, plus \$15 million for land acquisition for the CHIC; however, further investment will be required to deliver on the proposal, pending finalisation of the business case in late 2021.

Phase 2: Transform – Develop a new acute clinical services building:

Construction of a new acute clinical services building near Cairns Hospital to expand the hospital footprint and address resilience risks. It is anticipated an additional 300 beds would be created, with the new building facilitating the delivery of more complex medical and surgical services closer to home.

The most critical next step is to fund a \$9 million business case for Phase 2 (Transform), which is urgently required to address the longer-term bed capacity issues being faced by Cairns Hospital. Funding for land acquisition to support Phase 2 will also be required.



OUR RECOMMENDATION

- That the State Government, pending completion of the preliminary business case, commits the full funding to increase inpatient beds at Cairns Hospital (Phase 1: Optimise) and the Cairns Health and Innovation Centre (Phase 1: Innovate), including detailed business case and capital costs.
- That \$9 million is provided in FY21/22 to fund the full business case process for a new acute clinical service building to enable Cairns Hospital to meet predicted health service demands (Phase 2: Transform).
- That funding is committed to acquire land to support the new acute clinical services building (Phase 2: Transform)

ESTIMATED PROJECT COST	2021 - 2022	2022 - 2023	2022 - 2025
	PH1 Optimise and Innovate	PH2 Transform	PH1 and PH2
Recommended State Investment	Full business case \$5m*	Full business case \$9m	Delivery of project Full funding as per costs in business case
Recommended Federal Investment	-	-	-

*Preliminary business case underway



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 years¹. 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 growth². 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 state³.

In September 2021, the youth unemployment (15-24 years) rate stood at 11.7%⁴. 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 studies⁵.

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 pre-loading, construction of new classrooms, and a simulator suite.



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 million⁶.

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/cqunis-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 (aqso.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 CQU University 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		
	CQU University CBD Campus	JCU Medical School	TAFE Queensland GBRIMC
Recommended Federal Investment	\$50m	80 additional CSPs	\$11.2m



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 039¹ (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%² 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 299 km 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 fatalities³. The mostly single carriageway is slow, dangerous, and is 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 day², 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 priorities⁴.

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

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 Queensland Government commits the balance of funding for the two stages of the Cairns Ring Road, and construction starts in 2022 and finishes no later than 2025 (refer right: Cairns Ring Road table).
- 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.
- That the Queensland Government completes its detailed planning of the Cairns Western Arterial Road upgrade for a late 2022 construction start date (as planned); and the Captain Cook Highway upgrade planning be complete by October 2022.

ESTIMATED PROJECT COST	2021 - 2022	2022 - 2023	2023 - 2024
BRUCE HIGHWAY - funding required \$57m			
Recommended Federal Investment	\$7.2m	\$16m	\$22.4m
Recommended State Investment	\$1.8m	\$4m	\$5.6m
ESTIMATED PROJECT COST	CAIRNS RING ROAD - funded, delivery by 2025 \$659m		
	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 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 region¹. All roads pass through World Heritage-listed areas, increasing the complexity of any potential transport solution.

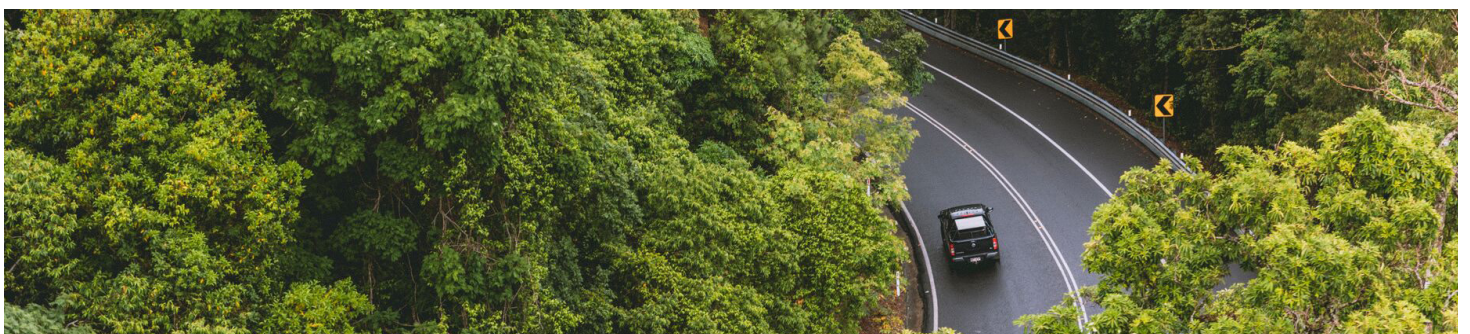
The Palmerston Highway connects Innisfail to Millaa Millaa on the Southern Tablelands. It is a critical road to connect the agriculture and mining sectors of Tropical North Queensland with the port of Mourilyan. However, it requires significant upgrades to allow heavy vehicles to use the route on a regular 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 markets². 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 bridge³.

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 outcomes⁴. 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 closures⁵. While the need to upgrade the road was identified in the 2009-2031 Far North Queensland Infrastructure Plan⁶, 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 Tablelands⁷. 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

the following key projects be announced in 2021- 2022:

1. Release the findings of the \$1.6 million Cairns to Northern Tablelands access strategy.
2. Preliminary evaluation and business case (\$21 million) 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).
- 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 the Queensland Government releases the findings of the \$1.6 million Cairns to Northern Tablelands access strategy, which was originally due for completion in late 2020.
- That, following the release of the access strategy and subject to its evaluation, the Queensland and Federal Governments commit \$20 million (shared 50:50) to undertake a preliminary evaluation and business case for 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 markets¹. 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 2021².

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 region³, 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.

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

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

³ 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.
- 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)
Recommended Federal Investment	\$31.84m	\$25m	\$31.84m	\$31.84m	\$31.84m
Recommended State Investment	\$7.96m		\$7.96m	\$7.96m	\$7.96m



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 a lack of long-term water implementation strategy.
- To cater for growing demand for water, four significant water supply infrastructure projects are considered essential enablers for the region: North Johnstone River Diversion Scheme, Lakeland Irrigation Area Project, Gilbert River Irrigation Scheme, and Cairns Water Security – Stage 1.
- All four require bilateral commitment and shared investment to facilitate environmental approvals and progress to construction stage.
- \$7 million is required to progress a North Johnstone River Diversion Scheme business case with completion of the business case by June 2022, to help inform a rewrite of the water resource plans for both the Barron and Wet Tropics catchments.

THE ISSUE

Tropical North Queensland (TNQ) has seen sustained population growth during the past 30 years underpinned by 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% allocated¹ 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 \$3 million 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 the long term it is expected that Nullinga Dam will also be given further consideration, with land for the proposed site being set aside.

In addition, agriculture in areas such as the Lakeland district near Cooktown and surrounding the Gilbert River in Etheridge Shire have potential to expand rapidly through value crops such as bananas, grains, cotton, 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 Tropical North Queensland (TNQ) with the industry sector output currently valued at \$1.6 billion², despite being constrained by factors such as irrigation and access to market. A landmark supply chain study titled *Export 2030 – Fresh Food Fast*³ 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. Combined with an estimated three million tourists visiting TNQ annually (pre-COVID), to ensure the growing needs of the region can be met, an effective and multi-faceted water supply strategy is required. Addressing this urban need will also reduce future 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:

- North Johnstone River Diversion Scheme
- Lakeland Irrigation Area Project
- Gilbert River Irrigation Scheme
- Cairns Water Security – Stage 1 project.

1 <https://www.sunwater.com.au/schemes/Mareeba-Dimbulah/>
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/export-2030-delivering-fresh-food-fast/>
4 <https://www.cairns.qld.gov.au/water-waste-roads/water/security>

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. The Federal Government committed \$3.5 billion to the National Water Infrastructure Fund to build resilience in regions and help grow the agriculture 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.

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 annually. A \$7 million investment is sought for a full business case, to be completed by June 2022 to enable and inform the rewrite of the Water Resource Plans for both the Barron River and Wet Tropics in subsequent years.

Lakeland Irrigation Area 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. When constructed, the proposed dam will store 200,000ML

annually and irrigate 10,000ha of arable land. Federal Government funding of \$10 million to further develop the business case has seen work advance materially with aerial mapping, geological drilling and sampling and dry season ecology field work all completed. Work on the business case is scheduled for completion in September 2022. Bilateral government support will be required to further the development approval processes for the project.

Gilbert River Irrigation Scheme: Etheridge Shire Council proposes to manage water from the Gilbert Catchment general reserve and facilitate construction of an irrigation scheme along the Gilbert River, distributing water to an estimated 30,000ha of irrigable land. A detailed business case funded by the State Government's Maturing the Infrastructure Pipeline Program has been completed and Etheridge Shire Council is in the process of developing a forward plan to progress the project. Preliminary modelling suggested the scheme is economically feasible, and that the area is suited to a range of irrigated crops including grains, pulses, and cotton.

Cairns Water Security – Stage 1 project:

With forecasts indicating supply to the Cairns urban region 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 \$215 million and will provide an estimated 630 FTE jobs and contribute an estimated \$159 million in Gross Regional Product (GRP) during the project's construction phase⁴.

NEXT STEPS

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

- Expand northern Australia's agricultural productive capacity – this is nationally significant given the impact of drought on food and water security in southern Australia;
- Increase northern Australia's contribution to GDP through an increase in agricultural production;
- Diversify northern Australia's economic capabilities to facilitate investment and reduce reliance on tourism; and
- Strengthen Australia's international competitiveness through proximity to Asia.

OUR RECOMMENDATION

- That the Queensland Government applies to the National Water Infrastructure Development Fund (NWIDF) in 2021-2022 for \$7 million to progress a full business case for the North Johnstone River diversion scheme.
- That the Queensland Government works with the Federal Government to facilitate and coordinate the development approval processes for the Lakeland Irrigation Area Project.
- That the Federal Government provides \$8 million for an environmental impact study for the Gilbert River Irrigation Scheme.
- That in 2021-2022 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.

ESTIMATED PROJECT COST \$230M	2021 - 2022 North Johnstone business case	2022 - 2023 Gilbert River Irrigation Scheme EIS	2024 - 2025 Cairns Water Security - Stage 1 project	2025 - 2026 Cairns Water Security - Stage 1 project
Recommended Federal Investment	\$7m	\$8m	\$55m	\$52.5m
Recommended State Investment			\$55m	\$52.5m

GET INVOLVED

Advance Cairns members are socially responsible businesses which have committed to securing a legacy of prosperity for the region. Through your membership, you will join these leaders in demonstrating a commitment to move beyond talk and into action. How you engage is ultimately up to you.

CONNECT

As a member of Advance Cairns, you can engage with our activities and build your connections with executive business leaders – and grow the profile of your organisation across the region. Throughout the year, we host a number of events exclusively for members which feature high profile speakers and guests and which can provide you with access to senior politicians and executive leaders of top tier Australian companies.

INFLUENCE

Each of our advocacy priorities are reviewed annually in collaboration with member representatives and with key regional partners such as the Cairns Chamber of Commerce, Regional Development Australia, Superyachts Great Barrier Reef and Tourism Tropical North Queensland.

Have your say in these reviews by engaging with our Board members, Advisory Council members and Executive team throughout the year. You can also nominate to sit on our member committees and Board of Directors. A range of members also get to directly influence policy at a political level by participating in major advocacy initiatives and ministerial round-tables

PROSPER

Through your membership, you will help us drive government support for catalytic projects and vital policy change, using your voice to shape the region to secure a prosperous economy for TNQ.

JOIN NOW

visit advancecairns.com/members

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



AIRPORT AND MRO - P4
\$80m Federal funding upgrade Cairns International Airport; \$20m Federal funding aviation attraction



CAIRNS MARINE PRECINCT - P6
Federal/State funding to deliver Cairns marine precinct business case findings; \$24m Federal funding slipways; \$155m HMAS Cairns; \$28m State funding new wharves



CAIRNS UNIVERSITY HOSPITAL REDEVELOPMENT - P8
\$14m State funding business case evaluation; substantive State funding for subsequent hospital upgrades



EDUCATION & RESEARCH - P10
\$50m Federal funding new CQUniversity CBD campus; \$11.2m Federal funding Great Barrier Reef International Marine College; 80 additional places JCU medical school



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 urgently release Cairns to Northern Tablelands Access Study



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



FOOD AND WATER SECURITY - P18
\$215m Federal/State (50:50) Cairns Water Security - Stage 1; \$7m from NWIDF business case North Johnstone River diversion scheme; State and Federal governments facilitate DAs Lakeland Irrigation Area Project; \$8m Federal funding EIS Gilbert River Irrigation Scheme

POLICY



REGIONAL HEALTH PLANNING - P22
\$6m Federal funding palliative care hospice; \$10.5 million State recurrent operational funding; Federal/State (50:50) funding chronic condition care facility; 50 extra CSPs and 30 international places JCU medical school



SPECIALIST BOAT & SHIPBUILDING - P24
Cairns be recognised by Federal Government as a high priority alternative for specialist ships building; State and Federal governments commit to working with SeaSwift to ensure their vessel upgrades occur in Cairns



TNQ TOURISM RECOVERY FUND - P26
\$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 - P28
Operational headquarters in Cairns for DFAT Office of the Pacific; Cairns designated Australia's northern hub for Step-Up to the Pacific



FRANCHISE REFORM - P30
Broaden automotive franchisee protections to cover all motor vehicle categories; extend some or all of these protections to other franchisee categories



LAND USE & AGRICULTURE - P32
State establish Strategic Agricultural Development Areas; State create Office of Co-ordinator General in Cairns



POPULATION & MIGRATION STRATEGY - P34
\$1.5m Federal/State (50:50) Cairns region Population & Migration Strategy



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: 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 (CHHHS) 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 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 (CSP) 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 50 Commonwealth Supported Places and 30 International 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
Recommended State Investment	\$3.5m ⁺		\$7.5m			
Recommended Federal Investment	\$6m	\$1.5m	\$7.5m	\$2m	50 additional CSP places	\$1m

⁺Recurrent funding for three years



SPECIALIST BOAT AND SHIPBUILDING

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 the industry could be quickly re-established.
- Cairns is ideally located to play an important strategic role in any future foreign policy objectives in the Pacific. However, the industry needs further depth 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 in Cairns, as well as commercial boats and ships.
- Specialist boat and ship building 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 (CMP) supports 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. 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. The reestablishment of a small specialist vessel and ship 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 Update¹ 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 capability² and a nation-wide approach to investment. The objectives of the Defence Industrial Capability Plan³ 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 and ship 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. These include tourism and cargo vessels. The Defence and commercial sectors together could provide workload for a continuous pipeline of work that would enable a greater underlying level of business, leading to 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 and ship building industry 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 ship and boat building. Since 1954, commercial and Defence vessels have been built in the Cairns Marine Precinct. NQEA, a world-renowned shipbuilder based in Cairns, constructed 11 landing craft, 14 Fremantle Class Patrol boats, hydrographic survey vessels, as well as 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 2021⁵.

The opportunity now exists for the Australian Defence Force (ADF) to invest up to \$800 million to design and build in Cairns (as an alternative to Perth) 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 and would be ideally suited for the capabilities of the Cairns Marine Precinct. The phase 1 vessels will likely be based in Townsville, ensuring a truly regional product. These vessels should 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 international sea freight company servicing Australia’s northern borders, supplying 54 communities 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.

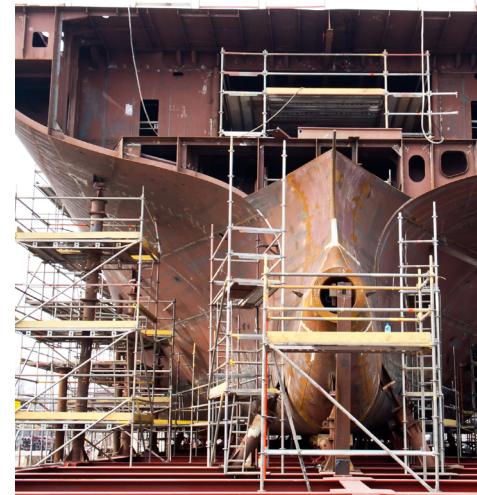
Sea Swift requires seven new barges over seven years and is currently evaluating local construction in comparison to offshore. Such a program would add to the continuous pipeline of work to enable a sustainable long-term industry. Sea Swift could also potentially provide Australia with enhanced sovereign 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 re-establishment of Cairns as a regional centre for ship and 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, private sector partnerships, or both. Depending on the outcome of the Cairns Marine Precinct business case, 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 specialist ships to the current “default” ship building locations as identified by Defence.
- That the State and Federal Governments commit to working with Sea Swift, a leading private sector shipping company with sovereign capability, to ensure their program of work - including vessel upgrades - is constructed in Cairns.

Source:

1 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

4 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.

¹ 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.

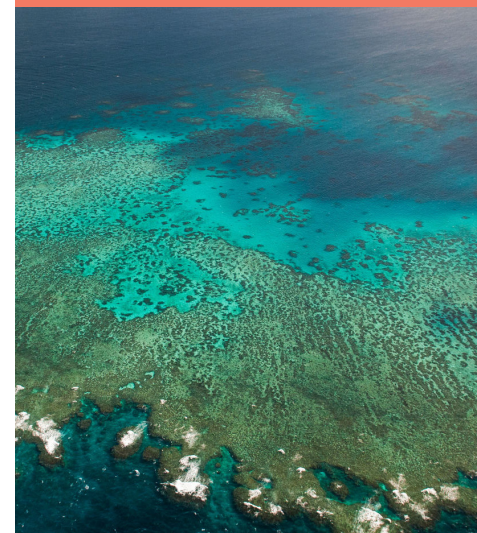
Finally, development of a reopening pathway with timeframes would allow the industry to be able to plan for the future and give confidence to travellers and the TNQ tourism sector.

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

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 Pacific¹". 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 development². 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 year³. 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 engagement⁴. 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 last 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 partnership⁴.

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, LEICHHARDT

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.**



LAND USE AND AGRICULTURE

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

BRIEFING NOTE SUMMARY

- To reduce the uncertainty facing investors in agricultural development, improved strategic land use planning and mechanisms for tenure resolution are required. To facilitate this process, it is proposed that Strategic Agricultural Development Areas be prioritised and established.
- This approach would be complemented by the creation of an Office of the Coordinator General in Far North Queensland. The Office is required to coordinate more effective strategic regional land use planning and major development approvals, supported by increased State investment to process subsidiary tenure resolution efforts.

THE ISSUE

A CSIRO and James Cook University (JCU) report into land tenure issues in northern Australia identified key actions required to ensure land tenure arrangements facilitate rather than hinder investment in the region.

The report identified that the majority of land in northern Australia is crown-owned (75.4%), two-thirds of which is pastoral leasehold. Another 18.5% is Indigenous land, and privately owned land accounts for 6.1%¹. However, Indigenous land interests cover an estimated 94% of northern Australia and there are limited arrangements to support traditional owners in leading development opportunities within these various tenures.

In the state of Queensland, an estimated 65% of land is leasehold², with term leases for grazing and agriculture the principal arrangement. High value agriculture is permitted by the Native Title Act (1993) on term leases subject to notices, which does not require an Indigenous Land Use Agreement (ILUA) or consent.

In 1996 the Native Title Act confirmed existing

freehold and perpetual leases extinguished native title, however it is the State's view this can only be achieved if native title is extinguished either by agreement (ILUA) or order of the Court.

Many pastoral tenures therefore have quite restrictive requirements that need careful negotiation for development. Native title issues in particular are sensitive as the land holder cannot achieve more secure tenure unless native title is surrendered or extinguished. Many others are impacted by the Queensland Vegetation Management Act (1999)³, which was amended in 2018 to ban broad-scale clearing of remnant vegetation for agriculture.

The reduced certainty regarding land use is impacting both agricultural and environmental management investment, as many leaseholder and financial institutions require a more secure form of tenure to underpin the huge capital investment required for high-value agriculture.

Combined with land tenure uncertainty, to improve agricultural investment in Tropical North Queensland (TNQ) an opportunity exists to streamline development approvals.

BACKGROUND

Productive agricultural land is an irreplaceable asset for current and future generations and must be effectively identified, managed, and preserved through improved land use planning and project assessment frameworks.

While land ownership in Australia is governed by common and statutory laws, in the context of northern Queensland a lack of strategic planning and land tenure complexities have frustrated new investment.

In a recent CRCNA report, *Facilitating Quality Agricultural Development in Northern Queensland*⁴, it has been recommended that to achieve investment and sustainable agricultural outcomes, significant effort is needed to address issues that arise from:

- A lack of clearly articulated agricultural development priorities across northern Queensland;
- Poor frameworks for integrated, collaborative planning at the catchment or sub-regional scale between governments, the private sector, and the community to progress agricultural development;
- Fragmented and sometimes conflicting policy and process settings in project assessment and approvals that are unable to resolve tensions (and opportunities) concerning development, the environment, and Indigenous interests in northern Queensland landscapes; and
- A limited focus on raising the capacity of agricultural development interests to develop and prosecute investment-ready proposals that can easily achieve their regulatory obligations.

Without resolution, further investment in agricultural development will continue to be hampered by inefficiencies, conflict, and uncertainty.

In Tropical North Queensland, efforts to reduce barriers to agricultural investment could be pursued in several different ways:

1. All levels of government working together with industry, investors, and community interests to set targets for, and to prioritise agricultural development in northern Queensland;
2. Streamlining development approvals and regulations at the federal, state, and local level through a single point-of-contact permanently based in the region;
3. Making administrative and legislative improvements to land tenure legislation to reduce barriers to investment, taking into consideration the requirements of the Queensland Vegetation Management Act (1999); and
4. Taking action to improve the effectiveness of land and resource planning to reduce conflict between potential investors and land holders.

NEXT STEPS

Just as there are State Development Areas (SDAs) to promote economic development in Queensland, to reduce the uncertainty facing investors in agricultural development, it is proposed that a framework for prioritised Strategic Agricultural Development Areas be developed across TNQ. Similar in nature to a State Development Area, this would mean that in areas suitable for agricultural production, a single authority would coordinate decisions regarding:

- Land use planning and approvals;
- Vegetation management planning and approvals;
- Native title negotiations;
- Environmental impact studies and approvals (including EPBC Act);
- Water allocations; and
- Trunk infrastructure requirements.

The process would be managed through the creation of an Office of the Coordinator General in far northern Queensland, which would be tasked with coordinating strategic regional land use plans and major development approvals, supported by associated tenure resolution efforts.



OUR RECOMMENDATION

- That the State Government reduces uncertainty regarding land use and land tenure issues by establishing a framework for Strategic Agricultural Development Areas in Queensland.
- That the State Government establishes an Office of the Coordinator General in far northern Queensland based in Cairns to effectively coordinate strategic regional land use planning and major development approvals (including all three levels of government), supported by associated tenure resolution efforts.

1 CSIRO and James Cook University, Land Tenure in northern Australia: Opportunities and challenges for investment, June 2013

2 Department of the Prime Minister and Cabinet, Planning for Australia's Future Population, March 201

3 Queensland Vegetation Management Act (1999) <https://www.legislation.qld.gov.au/view/pdf/2017-07-03/act-1999-090>

4 Dale, Allan Patrick & Marshall, Amber (2020) *Facilitating Quality Agricultural Development in Northern Queensland: New Policy Directions*. Cooperative Research Centre for Developing Northern Australia (CRCNA), Australia.



POPULATION AND MIGRATION STRATEGY

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

BRIEFING NOTE SUMMARY

- A Population and Migration Strategy will provide the framework to attract people to TNQ and encourage people to stay long term.
- COVID-19 has accelerated remote working, leading to greater migration to regional Australia.
- Australian residents are showing they want to live in regional areas. Policy that supports population migration to the regions can aid in balancing Australia's population growth trends, which are currently centred around metropolitan areas.
- Development of a Cairns Region Population and Migration Strategy requires shared State and Federal Government investment of about \$1.5 million and supports the objectives of the Commonwealth's Centre for Population.

THE ISSUE

In 2018 Australia's population reached 25 million people, two decades earlier than predicted, which has put unprecedented pressure on metropolitan capitals. Significant population growth in capital cities has created a settlement imbalance, leading to sizeable infrastructure investment in cities and an infrastructure deficit in the regions.

While population growth has been centred on capital cities, Australian residents are showing they want to live in regional areas with more than 400,000 people choosing to relocate from the city to the regions in the five years to 2016¹. COVID-19 has accelerated this trend, with net migration to regional areas 5% higher in 2020². Migration away from capital cities has predominantly occurred in the 30-39 year and 60-69 year age groups, leading to unexpected increased demand for regional school enrolments and health care services, and demonstrating the important role of population policy planning for regional locations.

To encourage the trend of regional migration

to continue and to ensure that relocation is a real and viable alternative to capital cities, there is a need to rebalance national infrastructure spending away from urban fringe locations such as the Gold Coast to regional city locations such as Cairns. Infrastructure investment will improve the accessibility and liveability of regional cities and, in the case of Cairns, deliver on the Federal Government's northern Australia agenda for economic growth.

Population growth should not be a side effect of other policies as it leads to unplanned urban growth and insufficient infrastructure, and this has been the experience to date in northern Queensland. The Cairns Region Population and Migration Strategy will therefore provide a strategic approach to population that demonstrates the needs of the region, leading to proactive plans that drive catalytic projects such as roads, health services, and water infrastructure, plus a supportive policy framework. The strategy will inform forward planning for government at all levels, delivering on the objectives of the Commonwealth's Centre for Population.

BACKGROUND

In December 2018, population became a standing agenda item for the then Council of Australian Governments (COAG), placing it firmly on the national policy agenda. In delivering a new approach to population planning, the State Treasurers and the Australian Local Government Association have been tasked with developing a national framework through a bottom-up approach to population policy development.

In support of this objective, a national population and planning framework was released by the Federal Government in March 2019, and in October 2019 a Centre for Population was launched to be based inside of Treasury. The Centre is the primary location for all population-related matters and works closely with the states and territories, academics, and think tanks in order to share data, research, ideas, and expertise on population.

Far North Queensland is the largest region in northern Australia by population (279,948 people)³, and whilst it has an established track record of population growth averaging 1.1% per annum, this is lower than the Queensland state average of 1.6%. The population growth rate of the Cairns region has been in steady decline since 2010 and at 0.86% in 2020 is well below the long-term average of 2.6%⁴.

To achieve the region's economic potential and to help fill current employment gaps, in May 2019 a Far North Queensland Designated Area Migration Agreement (DAMA) was declared for the region. A deed of variation to the DAMA was approved in May 2021 to expand the designated area, increase the number of occupations available under the DAMA, and to ease restrictions to the work experience and age requirements of certain visas. It is also imperative to identify emerging and growing industries and the associated skill gaps they will bring, enabling the region to develop workforce projections and to plan for the targeted recruitment

of skilled migrants. This will also inform social infrastructure needs and investment requirements for catalytic assets.

NEXT STEPS

Policy that supports population migration to the regions can be part of the solution to balancing Australia's population growth away from metropolitan areas, relieving pressure on capital cities while supporting economic development in northern Australia.

A Cairns Region Population and Migration Strategy is needed to provide the framework for the infrastructure, services, and facilities required to attract, retain, and support a skilled and growing resident population in TNQ. The strategy will inform policy development regarding infrastructure, liveability, social cohesion, and workforce planning, delivering the change required for economic development and aiding in the creation of a Masterbrand that overcomes perceptions of poor infrastructure, services, and amenity in the region.

Led by James Cook University's Cairns Institute, the population and migration strategy will:

- Identify causes and consequences of population change;
- Establish medium-term goals for population size and growth;
- Examine distribution trends and opportunities to modify them; and
- Identify possible levers to achieve the changes required.

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 in 2021-2022 the Queensland and Federal Governments support the development of the Cairns Region Population and Migration Strategy through shared investment of \$1.5 million (based on 50:50 contributions).

ESTIMATED PROJECT COST \$1.5M	2021 - 2022
Recommended Federal Investment	\$0.75m
Recommended State Investment	\$0.75m



1 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
 2 Bernard, A et. al. 2020, 'Anticipating the impact of COVID-19 on internal migration', Centre for Population Research Paper, The Australian Government, Canberra.
 3 <https://profile.id.com.au/fnqroc/population-estimate>
 4 Carr, R. 2020, 'Cairns Watch', Herron Todd White Cairns Socio-economic research

GET INVOLVED

Advance Cairns members are socially responsible businesses which have committed to securing a legacy of prosperity for the region. Through your membership, you will join these leaders in demonstrating a commitment to move beyond talk and into action. How you engage is ultimately up to you.

CONNECT

As a member of Advance Cairns, you can engage with our activities and build your connections with executive business leaders – and grow the profile of your organisation across the region. Throughout the year, we host a number of events exclusively for members which feature high profile speakers and guests and which can provide you with access to senior politicians and executive leaders of top tier Australian companies.

INFLUENCE

Each of our advocacy priorities are reviewed annually in collaboration with member representatives and with key regional partners such as the Cairns Chamber of Commerce, Regional Development Australia, Superyachts Great Barrier Reef and Tourism Tropical North Queensland.

Have your say in these reviews by engaging with our Board members, Advisory Council members and Executive team throughout the year. You can also nominate to sit on our member committees and Board of Directors. A range of members also get to directly influence policy at a political level by participating in major advocacy initiatives and ministerial round-tables

PROSPER

Through your membership, you will help us drive government support for catalytic projects and vital policy change, using your voice to shape the region to secure a prosperous economy for TNQ.

JOIN NOW
visit advancecairns.com/members

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