PRIORITY AREAS FOR ACTION
FURTHER DETAIL
Cairns Airport is targeting four new priority routes: one each from the Middle East and Southeast Asia (to serve Europe); one from Shanghai, and one from North America.
AVIATION ROUTE DEVELOPMENT

Delivering the air connectivity required to support job growth and economic activity in the region’s tourism, international education and high value agricultural export sectors

Air connectivity is key to the economic development of the Cairns region. It opens up new visitor markets for the tourism sector, provides opportunities for the export of high value agricultural produce and promotes growth of the international 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 for the region. There are additional flow-on benefits as other trade is enabled by new air routes. These benefits are widely dispersed across businesses in the sector and the region. Currently more than 80% of international visitors through Cairns Airport travel on domestic flights. Due to the volume of international passengers flying-in on domestic routes, domestic capacity is also being constrained.

Limited direct international aviation capacity is a key constraint to the region’s tourism economy. Analysis by Tourism Research Australia for the year ended 30 September 2018 indicates international tourism visitation and expenditure in TNQ reduced by 3.3% and 2% respectively compared to the prior year. Contrast this with the results for Brisbane and the Gold Coast over the same period where international tourism expenditure increased by 20.5% and 13.3% respectively. Increasing direct international aviation together with tourism product development and direct investment in destination marketing is required to address this worrying trend for the TNQ tourism sector.

There is significant international visitor growth that would be unlocked by additional capacity without reducing passengers on existing flights. To unlock this growth, Cairns Airport is targeting four new priority routes: one each from the Middle East and Southeast Asia (to serve Europe); one from China, and one from North America. Together, these four new air routes would provide $800 million per year in additional economic benefit to the $14 billion Cairns economy. More international services direct to Cairns will create more capacity for domestic visitors and encourage international visitors to stay longer and spend more whilst in the region.

But whilst the case for new international aviation routes into Cairns is compelling, temporary ‘start up’ funding packages are required to de-risk initial establishment for the airlines involved and secure these new routes in what is an extremely competitive international market. Cairns Airport is seeking to assemble four airline support packages to support the start-up on the four key routes identified above.

COMMITMENT REQUIRED
Funding allocation of $100 million towards securing new international aviation routes for Cairns Airport supporting an estimated $800 million pa growth in the region’s tourism, international education and agricultural export industries.

AREAS OF FOCUS SUPPORTED
This project/priority supports the following areas of focus outlined in this City Deal proposal:

- Food production
- Tourism
- Tertiary Education
- Cairns’ Strategic Location
- Skilled & Growing Population
- Renewable Energy
CAIRNS DESTINATION SPORTS

Cementing Cairns’ position as an international destination of choice for sports tourism, sports events, and sports research and education

Cairns has a unique opportunity to position itself as a destination of choice for sports tourism, elite level sports training camps, mass participation sporting events, and sports related research and education.

The region’s specific competitive advantages include:

- A track record of attracting and hosting large scale sporting events and training camps with recent examples including: the Ironman Asia-Pacific Championship Cairns; Paralympic Pan Pacific Swimming Championships; NRL and AFL league games; Commonwealth Games Basketball (2018); Rugby League World Cup Games (2017); international swim team training camps; Davis Cup Tennis; Seven Cairns Marathon Festival; and the GBR Masters Games amongst others.
- An existing and well-established national level sporting team in the Cairns Taipans (basketball), with an aspiration to attract a WNBL team to the region (Women’s Basketball).
- A range of high standard sporting facilities including: the Tobruk Memorial Pool; Cairns Convention Centre; Cairns Basketball Stadium; Cazalys Stadium (AFL and cricket); Cairns International Tennis Centre; Cairns Regional Hockey Centre; and Barlow Park (athletics, rugby league, rugby union and soccer).
- Two well established universities (CQUniversity and James Cook University), existing tertiary sports and exercise science education and research activities occurring in region and the potential for further expansion.
- A climate which is attractive for winter training camps and events and which also lends itself to tropical sports conditioning and research.
- Strong domestic and international aviation links and ancillary facilities (accommodation etc.) to support sports tourism, training camps and events.
- Existing and strengthening sporting links with PNG particularly for rugby league and the potential for this and other initiatives to support future rectangular stadium development.

Growth in professional women’s sport and tropical sports conditioning also represent potential areas of opportunity that Cairns is well positioned to benefit from.

A detailed scoping study is required to further understand the opportunity and how Cairns can best position itself as an internationally recognised sports destination of choice. It is expected that the study would incorporate two phases.

**PHASE ONE: Market/Needs Assessment**

Phase one would investigate the potential market opportunities for sports tourism, events training camps, research and education, rectangular stadium use etc. It would analyse emerging trends at both a domestic and international level with a view to identifying significant growth opportunities. The region’s specific competitive advantages would be considered as part of this phase as would existing proposals put forward by a variety of proponents. Phase one would also include an audit of the existing sporting, education and research expertise, facilities and infrastructure in the region as well as consultation with key regional stakeholders (universities, sporting bodies, tourism marketing agencies etc.). It would also include a gap analysis identifying key investments and development required to meet the priority areas of market opportunity.

**PHASE TWO: Business Case and Implementation Plan**

Phase two would build on the results of Phase one and provide detailed commercial feasibility analysis as well as an implementation plan for key initiatives identified. Work is expected to include consideration of funding models for infrastructure establishment and operation, analysis of governance and collaboration models, cost benefit analysis, risk assessment and mitigation strategies. The output from Phase two would be a business case/s for the specific opportunities/facilities required to meet the priorities identified from the market and needs assessment phase.
A number of proposals/concepts that could potentially contribute to the region's reputation as a sporting destination of national and international significance have already emerged. These include:

- The potential establishment in Cairns of a Women’s National Basketball League (WNBL) team, stadium, and associated CQUUniversity Women in Sport Research Centre. CQUUniversity in partnership with Cairns Basketball Association (CBA) and the Cairns NBL Taipans have already identified this initiative as a priority worthy of further investigation.

- Potential Tropical Sports Conditioning Centre/Facilities which would provide a world class base for tropical sports science serving the local community, youth athletes, and occupational/tactical personnel along with bringing elite national and international athletes to the region. This is an initiative previously identified by James Cook University and will focus on both teaching and research in areas such as heat stress and physical activity, heat-acclimatisation training for strength and endurance athletes and industry-related heat illness.

- The potential for a new/upgraded multi-use rectangular stadium to: support a proposed Cairns/Papua New Guinea (PNG) NRL bid; potentially host national and international level games from other codes including soccer, rugby union; provide a large scale outdoor venue for concerts and events; and provide a potential base for retail, accommodation, research/education and other activities. Such a stadium could also potentially house facilities for a range of other sporting codes and initiatives.

These are among the concepts that would be further considered and explored as part of the scoping study. This initiative also complements the proposed Queensland/SEQ 2032 Olympic Bid with the development of sporting facilities and training capabilities in region supporting the case for such a bid. Continued investment provides potential for Cairns to eventually rival the international cities of Kuala Lumpur, Hong Kong and Singapore as one of world’s premier destinations for tropical sports conditioning and training as well as sports tourism.
CAIRNS GALLERY PRECINCT

An iconic new cultural tourism project driving increased visitation, tourism diversification and regional employment

Cairns is recognised as the Arts and Culture Capital of Northern Australia. The Cairns Gallery Precinct is a project that strongly supports this status and complements recent regional investment in arts and cultural facilities, events and programs. These include the Cairns Indigenous Art Fair (CIAF), Cairns Performing Arts Centre (CPAC), Munro Martin Parklands and Centre of Contemporary Arts refurbishment among others. The project will transform and connect three heritage listed buildings in the Cairns City Centre (the Cairns Art Gallery, ‘Old’ Court House and former Mulgrave Shire Council offices) and establish a new world class gallery building to create a dynamic and unique gallery precinct with benefits for both the local community and domestic and international visitors.

The project would have a particularly strong connection to the region’s Indigenous community, would broaden the region’s tourism offer and enhance the liveability of our community.

A significant proportion of Cairns’ population identify as First Nations peoples. Cairns is also the principal connection point for the exchange and celebration of Indigenous arts, and the need to diversify our tourism offering all contribute to the need for increased scale and diversity of Cairns’ visual arts infrastructure.

Establishment of the precinct will also have significant positive impacts on jobs and economic growth. In addition to the significant economic impact and employment created during construction, once operational, the project will add $20.7 million per annum to the regional economy (Gross Regional Product) and support 177 ongoing full time jobs through its direct operation and induced tourism expenditure. An independent and comprehensive business case for the project has been completed utilising funding provided by the Queensland Government.

The business case supports the case for project investment with the preferred project option having a Benefits to Cost Ratio (BCR) of 1.19 and a Net Present Value (NPV) of $13.3 million. This proposal calls for a tripartite funding arrangement to construct and establish the precinct with Federal, State and Local (Council) Governments each contributing one third of the project’s total capital cost of $39.8 million.
A significant proportion of Cairns' population identify as First Nations Peoples. Cairns is also the principle connection point for the exchange and celebration of indigenous art and culture.
CAIRNS HOSPITAL
(UNIVERSITY STATUS)

Investing in the infrastructure and services required to keep our community healthy

Health and wellbeing are critical foundations to a community’s quality of life and are essential if communities are to continue to grow and prosper. The Cairns and Hinterland Hospital and Health Service (CHHHS) is the FNQ region’s largest employer with approximately 6,000 staff delivering a wide range of hospital and health services across the region. The Cairns Hospital is a critical facility within the CHHHS network and caters for approximately 100,000 patient admissions every year. The hospital also deals with a diverse range of health and wellbeing needs of the regional community including the region’s significant Aboriginal and Torres Strait Islander populations. Expansion of the facilities and status of the Cairns Hospital as well as investment in the broader regional services managed by the CHHHS will be required to meet the future needs of a growing regional population. The region’s unique demographics, including significant visitor and Indigenous populations, are also key considerations when planning for the future health needs of Cairns.

The aim is for Cairns Hospital to become a university hospital thereby facilitating the expansion of higher level of services that can be offered locally. For this objective to be realised, facilities need to be developed which support clinical research and education. The establishment of a Research, Education and Innovation Centre (REIC) supports this initiative and aligns with James Cook University’s proposed Cairns Tropical Enterprise Centre (CTEC). The CTEC project has already received a Federal funding commitment of $60 million. A further $90 million is required to enable the design and construction of the REIC to progress.

In addition, Cairns Hospital will need a further $60 million in capital funding to refurbish areas that are vacated into the REIC to create 80 additional beds to meet demand and expand clinical services until 2027. The allocation of additional teaching places within JCU’s College of Medicine and Dentistry will also be required to support facility development and operation.

These developments will deliver significant benefits to the Cairns and FNQ communities including:

- Increased capacity at the Cairns Hospital created through the transition of research and educational staff to the proposed CTEC and REIC facilities.
- Further development of expertise and research targeted at regional priorities, which may include Indigenous health, medicine, rheumatic heart disease, sexually transmitted infections, renal disease, diabetes and blood borne viruses.
- Enhancing clinical leadership and excellence in targeted clinical areas.
- Facilitating further employment growth in the region’s Health Care and Social Assistance industry sector (already the largest employment sector in the region and growing).
- Expanding the tertiary education opportunities for the local community in clinical fields.
- Supporting growth in the private sector relating to medical innovation and potential links to the development of an innovation precinct within the Cairns City Centre.
- Supporting economic development within the Cairns City Centre more broadly.

AREAS OF FOCUS SUPPORTED
This project/priority supports the following areas of focus outlined in this City Deal proposal:
- Tourism
- Tertiary Education
- Skilled & Growing Population

COMMITMENT REQUIRED
$150 million commitment for the establishment of JCU’s Cairns Tropical Enterprise Centre and a Research, Education and Innovation Centre (REIC) at the Cairns Hospital to support the goal of Cairns Hospital becoming a university hospital in the short to medium term. $60 million to increase bed capacity at Cairns Hospital together with further recurrent funding allocations to support REIC operation and additional bed capacity.
THE REGION’S UNIQUE DEMOGRAPHICS, INCLUDING SIGNIFICANT VISITOR AND INDIGENOUS POPULATIONS, ARE KEY CONSIDERATIONS WHEN PLANNING FOR THE FUTURE HEALTH NEEDS OF CAIRNS AND FNQ.
CAIRNS METRO/AIRPORT LINK
An innovative public transport solution connecting the Cairns Airport to the City Centre

The Cairns Metro concept would provide for a direct and high frequency public transport link between the Cairns Airport and the Cairns City Centre including the proposed Tropical North Global Tourism Hub site. The adjacent diagram provides an overview of the proposed route for the service (approximately 7.5 kilometres long) and the key stops/attractors along that route. Cairns is a regional city with unique potential for such a service given the region’s high visitor population (almost 3 million visitors per year) and the fact the Cairns International Airport is the seventh busiest airport in Australia with in excess of five million passenger movements each year. The Cairns community has expressed a desire to see innovative public transport options progressed. The Cairns Metro concept could potentially see the deployment of electric tram-like vehicles or alternate innovative transport solutions. The project could also link to the future expansion of a wider public transport network to the north and south of the city centre and contribute to the delivery of a wider transport strategy for the region. The project links directly with several of the priorities included within this proposal document as a number are physically located on or adjacent to the proposed route.

Cairns Regional Council has engaged with the Queensland Transport Minister, the Hon Mark Bailey, regarding the project and Council has also worked collaboratively with representatives of the Department of Transport and Main Roads (‘TMR’) to identify the steps required to further develop the concept. A business case is now required to determine the market demand for such a service, investigate the alternative options for servicing that demand, and undertake commercial, financial and economic analysis for the preferred option. $400,000 in funding is required to fund the preparation of the business case for this exciting public transport project.

AREAS OF FOCUS SUPPORTED
This project/priority supports the following areas of focus outlined in this City Deal proposal:
• Tourism
• Tertiary Education
• Skilled & Growing Population

COMMITMENT REQUIRED
$400,000 in funding to undertake the market needs assessment and business case for this innovative public transport project.
CAIRNS IS A REGIONAL CITY WITH STRONG POTENTIAL FOR AN AIRPORT LINK SERVICE GIVEN THE REGION’S HIGH VISITOR POPULATION AND THE fact THE CAIRNS INTERNATIONAL AIRPORT IS THE SEVENTH BUSIEST AIRPORT IN AUSTRALIA.
CAIRNS ROAD NETWORK PROJECTS

Investing in an integrated road network that will support the future economic prosperity, liveability, safety and resilience of the Cairns and FNQ community

The road networks both within Cairns and connecting Cairns to regions located to the north, south and west are critical enablers for the regional economy. An effective road transport network contributes to the region’s liveability by facilitating efficient travel both within region and to/from outside the region for work, leisure and social purposes. Safety for all modes of transport is an important consideration as is the resilience of the region’s road network to weather events and flooding. There are seven key road network projects (three of which are already fully funded and underway) that are critical to the delivery of an integrated road transport network for Cairns and to support enhanced connectivity with the surrounding region. The projects all contribute to the priorities contained in the Queensland Government’s Far North Regional Transport Plan (Draft) 2018 and a number also align with the Federal Government’s Roads of Strategic Importance initiative as they facilitate efficient freight connectivity to the Cairns Seaport and Cairns Airport.

Each project is depicted in the adjacent diagram with further commentary in the paragraphs that follow.

COMMITMENT REQUIRED

$370 million for capacity improvements on the Cairns Western Arterial Road (CWAR) linking Smithfield to south Cairns. Extension of the National Land Transport Network to the Cairns Airport and Smithfield and investment of $359 million in support of capacity enhancements on this road corridor. $225 million to deliver the Bruce Highway – Cairns Southern Access Corridor Stage 5: Foster Road Intersection project. $1 million for a Strategic Assessment of Service Requirements and $20 million for Preliminary Evaluation and Business Case development for the Kuranda Range Road corridor to address significant safety, capacity and reliability issues on this strategic road link between Cairns, the Atherton Tablelands and beyond. Capital investments to deliver on the outcomes of this review.

CAIRNS WESTERN ARTERIAL ROAD

The Cairns Western Arterial Road provides an important linkage to the north, west and south of Cairns via its connections to the Captain Cook Highway, Kuranda Range Road and Bruce Highway respectively. The road corridor alleviates traffic flows through the Cairns City Centre by providing an alternate ‘bypass’ route to the National Highway 1 route that traverses through the Cairns City via Sheridan Street. Whilst elements of the Cairns Western Arterial Road are ‘dual laned’ in each direction, further investment is required to ensure this road corridor can deliver to its full potential supporting the efficient and safe movement of freight and people. Cairns Regional Council has identified a range of upgrades on this road corridor that would significantly enhance its capacity and improve connectivity and safety. Projects include ‘dual laning’ of the northern section of the road, through to upgrades to McCoombe Street to deliver improved connectivity with the Bruce Highway to the south. An estimated investment of $370 million from the Queensland Government is required to deliver these enhancements and unlock this road corridor’s full potential.
CAIRNS CITY DEAL PROPOSAL

KEY PROJECTS

- Cairns Southern Access Corridor
- Stage 3: Edmonton to Gordonvale
- Cairns Southern Access Corridor
- Stage 4: Kate St to Aumuller St
- Cairns Southern Access Corridor
- Stage 5: Foster Road Intersection
- National Highway 1
- Draper Street to Smithfield
- Smithfield Bypass
- Kuranda Range Road
- Cairns Western Arterial Road (CWAR)

*denotes road projects already fully funded and currently underway
The National Land Transport Network (NLTN) currently terminates at the corner of Comport and Draper Streets (just south of the Cairns City Centre). As a result, the section of the National Highway 1 that connects the southern fringe of the Cairns City to Smithfield via Sheridan Street is unable to benefit from the 80/20 (Federal/State) funding arrangements that apply to roads within the NLTN. The road corridor provides key connectivity to the Cairns Seaport, Cairns City Centre, Cairns Airport and Smithfield (including the Cairns Campus of James Cook University). Significant investment in capacity enhancements on this road corridor have been identified by Cairns Regional Council. The estimated cost of these enhancements is $359 million. Whilst the outcomes of the NLTN Determination Review have not yet been finalised, an announcement of $287.2 million in funding via the 2019/20 Federal Budget delivered in early April 2019 and a separate announcement of $71.8 million from the Queensland Government are welcomed. The proposed enhancements on this road corridor would also complement the Queensland Government’s Smithfield Bypass project which is currently underway.

The Kuranda Range Road links Smithfield to Kuranda and provides critical connectivity between Cairns, the Atherton Tablelands (including Mareeba), Cape York and the Gulf of Carpentaria. The FNQ region’s agricultural sector is a key driver of the need for an improved Kuranda Range Road. With a sector value of $2.95 billion and export value of $1.81 billion and potential for significant further growth (particularly if the region’s enormous water and arable land resources are further developed), this road link to Cairns needs to be significantly upgraded to unlock the sector’s full economic potential. An Impact Assessment Study of the road by Maunsell McIntyre (now AECOM) in 2000, identified that the road’s inadequacies contributed to poor safety, poor economic performance (travel times, vehicle operating costs and inability to accommodate freight-efficient vehicles) and poor reliability. 18 years on, these issues have not been adequately addressed with significant investment now needed to deliver increased capacity, improved safety and to enable the road to deliver its full economic potential for the region. This road corridor has strong alignment with the objectives of the Federal Government’s Roads of Strategic Importance initiative given the significant agricultural resources and potential located on the Atherton Tablelands and beyond. An updated and comprehensive review is required to determine the best way to unlock this road corridor’s economic potential whilst at the same time addressing the current safety and reliability issues. The Queensland Government has announced $1.25 million towards a planning project in this regard. In addition to this planning project, $1 million is required to complete a Strategic Assessment of Service Requirements and a further $20 million for Preliminary Evaluation and Business Case development to fully investigate options to address the service requirement. Such options for investigation may include Kuranda Range duplication, development of alternate routes, implementation of reversible lanes and other innovative traffic flow initiatives. The ultimate solution needs to be included within the National Land Transport Network to ensure there is a clear partnership between the State and Federal Governments for future investment in this road corridor. It is noted that the project is also compatible with the Federal Government’s Roads of Strategic Importance initiative.

### AREAS OF FOCUS SUPPORTED
This project/priority supports the following areas of focus outlined in this City Deal proposal:
- Food production
- Tourism
- Skilled & Growing Population
- Renewable Energy
The Cairns Southern Access - Stage 5 project involves a grade separation upgrade at the Bruce Highway and Foster Road intersection in Cairns. This project will build on the existing commitments made along the Cairns Southern Access Corridor (including the Stage 3 and Stage 4 projects currently underway). The project has an estimated capital cost of $225 million and will improve capacity and traffic flow including movements in and out of nearby suburban streets. It will also improve road safety by reducing congestion around the intersection and facilitate the efficient flow of passenger and freight traffic.

SMITHFIELD BYPASS
The 3.8-kilometre-long bypass between the McGregor Road roundabout and the Cairns Western Arterial Road (CWAR) and Captain Cook Highway (CCH) roundabout will provide an alternative route to the Captain Cook Highway. The bypass aims to ease congestion at the Smithfield and Caravonica roundabouts thereby improving traffic flows and reducing the risk of crashes on the Captain Cook Highway. The project is currently underway and scheduled for completion in late 2020.

BRUCE HIGHWAY CAIRNS SOUTHERN ACCESS CORRIDOR – STAGE 3: EDMONTON TO GORDONVALE
The project will deliver significant enhancements on this road corridor including the ‘dual laning’ of the Bruce Highway in both directions between Edmonton and Gordonvale. The project will deliver long-term improvements to traffic flow, freight delivery, road safety and connectivity between Gordonvale and Edmonton and destinations to both the north and south. It will also complement the industry development envisioned in the Queensland Government’s recently announced Cairns South State Development Area, thereby supporting further economic activity and job growth in the region. Early procurement works have started and construction is expected to commence in early 2020 with project completion scheduled for mid-2023.

BRUCE HIGHWAY CAIRNS SOUTHERN ACCESS CORRIDOR – STAGE 4: KATE STREET TO AUMULLER STREET
This project which will deliver long-term improvements to traffic flow, freight delivery and road safety south of Cairns, through reducing urban congestion, reducing highway travel times and improving road access. As well as capacity improvements to the Southern Access Corridor between Kate Street and Aumuller Street, the project will deliver additional improvements from Comport Street to Kenny Street. The project is underway and expected to be completed in mid-2021.

The four projects referred to previously will complement projects already fully funded and currently underway in the Cairns region including:
THE CAIRNS SEAPORT IS A CRITICAL ENABLER FOR THE CAIRNS AND FAR NORTH QUEENSLAND REGIONS SUPPORTING SIGNIFICANT EMPLOYMENT AND CONTRIBUTING TO REGIONAL ECONOMIC GROWTH AND RESILIENCE.
CAIRNS SEAPORT/ HMAS CAIRNS

Investing in the strategically positioned HMAS Cairns base and effectively planning for the long term needs of the Cairns Seaport including committing the investment required to realise the Seaport’s full economic potential

Key projects/initiatives within the Seaport Precinct include:
- Seaport Development
- HMAS Cairns Expansion
- Tropical North Global Tourism Hub

The Seaport (and broader Cairns economy) would also benefit from the implementation of certain government policy that would support Seaport expansion and activation. Further commentary is provided on the following pages.

COMMITMENT REQUIRED
Strategic investment over the 10 years to 2030 in upgraded facilities and infrastructure for HMAS Cairns, consider the wider economic benefits of future expansion of the port and investigate innovative funding and finance opportunities subject to relevant business case, implementation of complementary policy to support development.
This project/priority supports the following areas of focus outlined in this City Deal proposal:
- Food production
- Tourism
- Cairns’ Strategic Location
- Skilled & Growing Population
- Renewable Energy

SEAPORT DEVELOPMENT
Cairns Seaport is a critical enabler for the city of Cairns and the broader FNQ region. The Port is also strategically located from a naval, marine logistics and marine tourism perspective with close physical proximity to Asia, PNG and the Pacific. Importantly, the Port is part of the community, and it is infrastructure of State and National importance. The Port has served as the natural consolidation and redistribution centre for supplies shipped to the coastal communities north of Cairns as well as the Torres Strait Islands and the Gulf of Carpentaria. Cruise shipping, freight and logistics, marine maintenance, commercial fishing, super yachts, navy and marine based tourism are just some of the many users and stakeholders reliant on the Seaport.

The growth in port industries and the Cairns Seaport to meet the future demand will be supported by investment in infrastructure. For any infrastructure investment the wider economic benefits of future expansion of the port should be considered including investigating innovative funding and finance opportunities subject to relevant business cases.

A specific initiative already identified is the Stage 2 development of the Cairns Marine Maintenance Precinct which incorporates the Seaport’s three operating slipways and associated marine maintenance facilities. The Stage 2 development requires a capital investment of $24 million for further facility upgrades together with an additional $1 million required to support business case development to guide precinct operation.

HMAS CAIRNS EXPANSION
The HMAS Cairns Naval base located within the Cairns Seaport has a responsibility extending from Rockhampton to Thursday Island. HMAS Cairns’ primary responsibility is to provide maintenance, logistic and administrative support for Cairns based units and to provide refit and training support for neighbouring Pacific Island nations (Pacific Class Patrol Boats). The strategic importance of the HMAS Cairns base has been underlined by the recent announcement of a partnership between the US and Australia to redevelop the Lombrum naval base on Manus Island. The Federal Government has recently pledged a $200 million investment in HMAS Cairns to enable four new offshore patrol vessels to be based in Cairns. A further $313 million investment is expected in 2025-26. Continued investment in the HMAS Cairns base not only strengthens Australia’s border security and defence capabilities but has significant flow on economic benefits to the Cairns region and supports skills development in the marine maintenance sector. The economic contribution from this sector is relatively stable and not subject to the impact of fluctuations in economic conditions and other factors such as interest and foreign exchange rates. As a result, this sector plays an important role in supporting regional economic resilience. This City Deal Proposal calls for the commitment of significant strategic investments to HMAS Cairns upgrades over the 10 year period to 2030 to fully leverage the strategic importance of the base’s location and support marine industry sector development and employment in the Cairns region.

COMPLEMENTARY POLICY
As well as the investment outlined in this proposal, the adoption of certain government policy positions has the potential to contribute significantly to the expansion and activation of the Cairns Seaport and broader Cairns economy. Policy imperatives include:

SUPERYACHTS – Changes to the Coastal Trading Act to remove the imposition of GST on vessel value for foreign vessels chartered in national waters. This change would significantly enhance the attractiveness of Cairns and other Australian destinations for Superyachts in what is an internationally competitive market. Implementation of the other policy priorities contained in the Queensland Government’s Queensland Superyacht Strategy 2018-23 would further support sector growth.

NAVAL MAINTENANCE AND SUSTAINMENT – Cairns has a well-established naval and marine maintenance sector with a broad cross section of facilities and capabilities. The Cairns Seaport’s physical proximity to Papua New Guinea and the broader Asia Pacific means it is strategically located to serve as a maintenance and sustainment base for naval vessels. Designating Cairns as the primary sustainment and maintenance base for appropriate naval vessels operating in the region will not only support naval deployment, it will also ensure the critical mass of skills and infrastructure already developed within the Cairns Seaport is able to further expand.

HMAS CAIRNS – The Port of Cairns is designated as a Critical Port in the Security of Critical Infrastructure Act 2018. The recent announcement of a partnership between the US and Australia to redevelop the Lombrum naval base on Manus Island and the growing influence of other world powers in the region has further underlined the strategic importance of HMAS Cairns and the Cairns Seaport. The designation of the Cairns Seaport in all relevant State and Federal legislation should be reviewed to ensure future HMAS Cairns and port expansion is supported and not impeded by restrictive regulation.
In 2017, the Queensland Government announced a proposed Global Tourism Hub for Tropical North Queensland with a preferred site on Port North’s strategic port land within the Cityport precinct at Wharf Street, Cairns. The preferred site is adjacent to the Cairns City Centre.

The synergies between the proposed Tropical North Global Tourism Hub and wider development in the Cairns City Centre (including the projects proposed in the Cairns City Centre Master Plan 2019) are significant and have the potential to deliver substantial economic activation across both precincts. The Tropical North Global Tourism Hub will also provide a critical interface between the Cairns Cruise Liner Terminal, the Cairns Convention Centre and the City Centre, an interface that will be increasingly important with the growth in cruise ship visitation expected to be delivered by the Cairns Shipping Development Project.

A multi-phase procurement process is being conducted by the Queensland Government in relation to the project. Expressions of interest from potential proponents have been assessed and three proponents have been shortlisted and invited to submit detailed proposals: Hard Rock International; Reef Casino Joint Venture; and Destination Cairns Consortium. Proposals are scheduled to be assessed in Q3/Q4 2019 with a preferred proponent expected to be announced in late 2019 or early 2020 with construction expected to commence in late 2020. The anticipated private sector investment that will be delivered as a result of the Tropical North Global Tourism Hub project will provide significant employment and economic impacts for the Cairns and FNQ region both during the construction phase and beyond.
CITY CENTRE MASTER PLAN

Guiding the ongoing evolution of public spaces within the Cairns City Centre to ensure the city remains a vibrant and liveable space for everyone

Tourism is a significant driver for the Cairns and TNQ economy with the region attracting almost three million visitors every year and annual visitor expenditure now exceeding $3.4 billion. Whilst Cairns’ tourism reputation has traditionally been built on its location at the gateway to the iconic Great Barrier Reef and Wet Tropics Rainforest, an opportunity exists to further develop the city as an attraction in its own right. In doing so, there is potential to further increase visitation, visitor length of stay and visitor expenditure. Recent developments including the Cairns Aquarium, Munro Martin Parklands, Cairns Performing Arts Centre and Crystalbrook Collection suite of hotels, have all made positive contributions in this regard as will the proposed Tropical North Global Tourism Hub and Cairns Convention Centre expansion projects. A comprehensive city centre master plan is critical to ensuring the future development of the City Centre occurs in a coordinated and guided manner. In doing so, it not only supports the jobs and economic benefits increased visitation will deliver, but also ensures the City Centre is a vibrant and dynamic public space that can be enjoyed by the local community.

Throughout 2018 and early 2019, Cairns Regional Council invested significant resources in developing the Cairns City Centre Master Plan 2019 including significant public input and consultation. Almost 2,500 people took the opportunity to give feedback and make suggestions on initial project ideas using innovative mediums including Council’s interactive online ideas wall. Residents and visitors told Council how they use the city’s public spaces, what they value most, what issues they would like to see addressed, and also generated new ideas. Reflecting on the community’s feedback and suggestions, Council developed a suite of opportunities and preliminary concept sketches. Council invited feedback on these project opportunities throughout July and August 2018, with over 3,300 people engaging in the process. The process culminated in the endorsement of the Cairns City Centre Master Plan 2019 by Council in early April 2019.

THE MASTER PLAN IS UNDERPINNED BY FIVE GUIDING PRINCIPLES:

1. Embrace Tropical Urbanism
2. Support Economic Growth & Diversity
3. Create an Accessible & Connected City Centre
4. Celebrate Arts, Culture & Creativity
5. Deliver a Sustainable, Safe & Liveable City

The Guiding Principles within the Master Plan also provide opportunity for further projects to emerge over the coming decades. This City Deal proposal calls for a tripartite commitment of $100 million over the period to 2030 to deliver the Master Plan project opportunities and unlock the economic potential that a vibrant City Centre can deliver.
RENEWED ESPLANADE PARKLANDS
A renewal of the parklands’ key spaces, connections and facilities will build upon the Esplanade’s most valued qualities and features and distribute activity more evenly along the full length of the parklands. The Esplanade is a large and diverse space and the project will consider the discrete features and activities unique to the Esplanade’s north, centre and south.

FLORENCE STREET
Council has created a new, world-class cultural hub spanning Florence Street, with the construction of the Cairns Performing Arts Centre and adjacent Munro Martin Parklands. The opportunity now exists to enhance Florence Street with the creation of a pedestrian boulevard that supports walkability and connects these public places to the Esplanade Parklands. Florence Street will become an extension of Munro Martin Parklands, with an avenue of shade trees. Tropical planting will feature along revitalised footpaths, and flowering shade trees will highlight the intersections.

CITY STREETS
This project recognises that all streets within the City Centre are valuable public spaces, playing an important role for movement and circulation. Vibrant and well-defined streetscapes foster walkability, encouraging people to explore, relax and gather. Drawing from feedback during consultation, this project focuses on delivering streetscapes that create a connected, tropical public place with an active street life.

ESPLANADE DINING PRECINCT
This project will enhance the best features of the Esplanade Dining Precinct, expanding the dining area to provide space for additional dining and seating, improving views to the parklands and increasing pedestrian connections.

CAIRNS GALLERY PRECINCT
The project will transform and connect three heritage listed buildings in the Cairns City Centre (the Cairns Art Gallery, former Cairns Court House and former Mulgrave Shire Council offices) and establish a vibrant new world-class gallery building. This project has been separately included within this City Deal proposal as a full business case for the project has been completed and the capital investment required has been quantified.
UNIVERSITY ATTAINMENT AND PARTICIPATION LEVELS IN CAIRNS REMAIN WELL BELOW THAT ACHIEVED ACROSS QUEENSLAND AND AUSTRALIA. THIS IMBALANCE MUST BE ADDRESSED TO HARNESS THE HUMAN INTELLECTUAL CAPITAL REQUIRED FOR FUTURE DEVELOPMENT AND ECONOMIC PROSPERITY.
Higher education improves quality of life through the enhancement of self-knowledge and the employment opportunities and options it creates. Universities provide students and graduates with the skills to succeed in global workplaces that are becoming increasingly competitive. Whilst Cairns is fortunate to have two complementary and well established universities, the levels of tertiary education attainment and participation continue to fall well below levels achieved across Queensland and Australia as reflected in the table at right. This imbalance needs to be addressed.

For Cairns, the continued growth of the university sector will deliver significant benefits including:

- **Economic contribution and employment** – As well as developing the intellectual capital regional economies need in order to thrive, our local universities are large employers in their own right contributing to the local economy through employment and the procurement of materials and services as well as the indirect benefits that flow from these activities. Universities also support the continued growth of the international education export sector in Cairns.

- **Diversity of thought, research and expertise** – Universities by their very nature encourage critical thinking, research and diversity of thought within a community thereby contributing to innovation, economic diversification, social tolerance and diversity. Universities also have the potential to attract global talent to our city with this intellectual capital able to be leveraged for broader community benefit.

- **Supporting our city’s evolution** – Universities occupy significant footprints within the Cairns region and invest significantly in infrastructure and services. Our universities can play a significant role in revitalising the City Centre delivering increased pedestrian traffic and activation, including outside of traditional business hours. Universities also provide opportunities for physical and social spaces to be opened up for the benefit of the wider community.

- **Improvements to quality of life** – Universities improve a person’s self-knowledge and self-worth and broaden and enhance an individual’s employment opportunities and earning potential.

Continued investment in our university sector is required to ensure we build the human intellectual capital needed to unlock the region’s enormous economic potential.
CQUNIVERSTY CITY CAMPUS & IMPACT PLAN

Delivering improved tertiary education access for the Cairns and FNQ community and supporting international education industry development and Cairns City Centre activation

CQUniversity is undergoing rapid growth in the Cairns region. By adopting a collaborative partnership approach to expansion, CQUniversity has been able to help build capacity across a range of industries and community initiatives. In 2017 CQUniversity released a community impact plan consisting of six primary projects. Most of the projects in the 2017 plan have since been completed (to varying degrees) by the end of 2018, requiring the development of an updated CQUniversity 2019 Cairns Community Impact Plan. Three projects identified in this impact plan are included in this City Deal proposal and outlined over the following pages:

COMMITMENT REQUIRED
$50 million towards the establishment of a new permanent city centre campus, $45 million towards Asia Pacific Aviation Hub development and $35 million for the establishment of Queensland’s first University High School.

AREAS OF FOCUS SUPPORTED
This project/priority supports the following areas of focus outlined in this City Deal proposal:
- Tourism
- Tertiary Education
- Skilled & Growing Population
THE FACE OF CITY CENTRES IS CHANGING. A PERMANENT AND EXPANDED UNIVERSITY PRESENCE IN THE CAIRNS CITY CENTRE PROVIDES A RANGE OF ECONOMIC AND SOCIAL BENEFITS FOR THE COMMUNITIES OF CAIRNS AND FNQ AND CONTRIBUTES TO THE ONGOING EVOLUTION OF OUR CBD.
CQUniversity seeks $50 million to establish a permanent, purpose-built CBD campus capable of accommodating 2,500+ students. The new, permanent campus will deliver an expanded range of training, education and research offerings that will diversify and grow the local economy and skilled workforce, while stimulating greater international student numbers in the Cairns CBD. This will cement CQUniversity’s presence in Cairns with a permanent CBD campus capable of absorbing forecast student growth, while galvanising Cairns’ identity as an agile, innovative two-university city.

CQUniversity has witnessed tremendous growth in Cairns since first opening a modest study hub in 2012. Student numbers have grown persistently; averaging 20% year-on-year through to 2018, with a 30% leap in enrolments in the past 12 months alone. CQUniversity has approx. 1500+ students currently, which is forecast to increase to 1700+ by year’s end. CQUniversity’s current (leased) CBD campus is at capacity, with little flexibility to absorb further growth. The nature of CQUniversity’s current lease arrangement doesn’t provide the stability or security CQUniversity needs for further investment and growth in Cairns. CQUniversity requires a permanent, purpose-built CBD campus capable of accommodating 2,500+ students to continue being an educator of impact in Cairns. Community and industry engagement will be the defining philosophy of the new campus, with an ‘open-door’ campus model being employed. This will further help to engage local students from low socio-economic and/or disadvantaged backgrounds – a student base of which CQUniversity outperforms every other Australian university in terms of enrolment proportion and student support. But most importantly, this permanent new campus will finally galvanise Cairns’ identity as an agile, innovative two-university city.

CQUniversity’s current participation rates.
narrowing the gap with metropolitan growth is having a profound effect. CQUniversity’s current (leased) CBD campus is at capacity, with little flexibility to absorb further growth. The nature of CQUniversity’s current lease arrangement doesn’t provide the stability or security CQUniversity needs for further investment and growth in Cairns. CQUniversity requires a permanent, purpose-built CBD campus capable of accommodating 2,500+ students to continue being an educator of impact in Cairns. Community and industry engagement will be the defining philosophy of the new campus, with an ‘open-door’ campus model being employed. This will further help to engage local students from low socio-economic and/or disadvantaged backgrounds – a student base of which CQUniversity outperforms every other Australian university in terms of enrolment proportion and student support. But most importantly, this permanent new campus will finally galvanise Cairns’ identity as an agile, innovative two-university city.

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CQUniversity and Cairns State High School seek $35M in funding to establish Queensland’s first Comprehensive University High School. The funding will deliver new teaching facilities and comprehensive university educational offerings at Cairns State High School. This Cairns State High School/ CQUniversity Comprehensive University High School proposal delivers innovative education pathways and employment pipelines at fundamental levels. As a Queensland first, the Comprehensive University High School unites CQUniversity (Queensland’s only dual-sector university delivering formal training across the broader VET/Degree spectrum) with Cairns State High School’s school curriculum, courses and pedagogy.

The proposed Comprehensive University High School VET/Degree core programming focuses on the Sciences, Aerospace, Engineering, and Performing Arts disciplines supporting the government’s STEAM agenda and encouraging more young people into areas of critical workforce need. By incorporating CQUniversity VET and Degree-level offerings and student support within the current school curriculum, students will commence VET/Degree qualifications at school with a continuous, seamless pathway to post-schooling study on site under an innovative Queensland-first model.

A breakdown of the model’s components, offerings and associated facilities include: Master plan; Trades, Engineering & Aerospace Centre of Excellence; Allied Health Laboratories; Centre of Excellence for Teaching; Arts Technologies Theatre; Centre for Cultures and Knowledges.
An innovation precinct in the Cairns City Centre/City Fringe would complement JCU’s planned $30 million Cairns Innovation Centre (located at JCU’s Smithfield campus and scheduled for completion in 2020) as well planned university expansions in the Cairns City Centre and the proposed Cairns University Hospital developments centred on education and research.
INNOVATION PRECINCT

Actively supporting the development of innovation and entrepreneurship in FNQ

CAIRNS CITY DEAL PROPOSAL

AREAS OF FOCUS SUPPORTED

This project/priority supports the following areas of focus outlined in this City Deal proposal:

- Food Production
- Tertiary Education
- Skilled & Growing Population
- Renewable Energy

Cairns is ideally placed as a city of choice to capitalise on the ‘start-up’ trend. It offers the convenience of a modern city, has air services to all Australian mainland capital cities, connectivity to key Asian countries as well as the digital connectivity and capacity required to support development. Cairns also offers significant lifestyle benefits compared to competing destinations. The identification and establishment of an Innovation Precinct in the Cairns City Centre/city fringe would harness these competitive advantages and support economic growth and diversification. The three levels of government and the private sector would collaborate to:

- Determine the specific innovation sectors that leverage the region’s strengths and that would benefit from precinct development.
- Identify and analyse the options for physical precinct location within the Cairns City Centre/city fringe.
- Identify the incentives and investment required to foster precinct development. Assistance could include taxation and stamp duty relief and other specific investment attraction measures.

Close collaboration with and input from the region’s two established universities (JCU and CQUniversity) and TAFE would also be critical.

INNOVATION PRECINCT

Actively supporting the development of innovation and entrepreneurship in FNQ

JAMES COOK UNIVERSITY
AUSTRALIA

CQUniversity AUSTRALIA

rafe

Cairns REGIONAL COUNCIL

COMMITMENT REQUIRED

Tripartite commitment to investigate the establishment of an innovation precinct in the Cairns City Centre/city fringe with a range of Federal, State and Council incentives to support development and with direct linkages to both JCU and CQUniversity.

AREAS OF FOCUS SUPPORTED

This project/priority supports the following areas of focus outlined in this City Deal proposal:

- Food Production
- Tertiary Education
- Skilled & Growing Population
- Renewable Energy
EFFECTIVE TRANSPORT SYSTEMS ENABLE A COMMUNITY TO FUNCTION EFFECTIVELY AND SUPPORT ECONOMIC GROWTH AND QUALITY OF LIFE
Key to the long term liveability of Cairns will be the development and implementation of a long term transport strategy for the city. Greater emphasis on alternative transport modes such as bus, rail, walking and cycling will need to be considered as part of this strategy, as well as emerging transport technologies such as autonomous and electric vehicles. A ‘Green Train’ and an electric bus network are among ideas that have been put forward. The Cairns Transit Network Concept Design Report was completed by Queensland Department of Transport and Main Roads (DTMR) in 2010. The report contained concept designs for a future bus oriented public transport network that serviced the main communities in Cairns. The study identified potential transport corridors that would provide efficient running for a bus network from Palm Cove in the north to Gordonvale in the south.

A medium to long term transport strategy for the city is required identifying preferred modes of transport, implementation planning, and impacts on related activities such as parking. The study would also need consider the integration and connection between transport modes including road, rail, air and sea. This will be particularly relevant for the transportation and distribution of freight.

Integrated Transport Strategy
Planning for the future transport needs of Cairns and FNQ to ensure the efficient, safe and reliable flow of freight, traffic and people

Commitment Required
Preparation of a wide ranging integrated transport strategy for the Cairns region considering air, road, sea and rail transport as well as consideration of public and active transport solutions.

Areas of Focus Supported
This project/priority supports the following areas of focus outlined in this City Deal proposal:
- Food Production
- Tourism
- Tertiary Education
- Cairns’ Strategic Location
- Skilled & Growing Population
- Renewable Energy
CAIRNS IS THE ONLY AUSTRALIAN CITY WITH DIRECT CONNECTIVITY TO BOTH ABORIGINAL AND TORRES STRAIT ISLANDER CULTURE. IT PROVIDES AN AUTHENTIC LOCATION FOR THE ESTABLISHMENT OF A NATIONAL INDIGENOUS HERITAGE CENTRE.
NATIONAL INDIGENOUS HERITAGE CENTRE

Establishing a centre of national significance to preserve, showcase and celebrate Australia’s Aboriginal and Torres Strait Islander history, heritage and culture

Cairns has the highest proportion of population that is Indigenous of any city in Australia. Cairns is also the only region with direct connectivity to both Aboriginal and Torres Strait Islander culture. Protecting and preserving our Indigenous history, heritage and culture is not only an essential part of our community’s identity, but it also provides employment opportunities and social benefits for the region’s First Peoples.

One of the great gaps that exists within our national community has been an inability to reconcile our past and to unite, accept and embrace a ‘many cultures one country’ philosophy. This could be demonstrated through the establishment of a National Indigenous Heritage Centre (of art, history, research, dance, language, education, story-telling and more) that unites all Australians.

Cairns/TNQ provides an authentic location for the establishment of such a National Indigenous Heritage Centre. The centre would become an iconic part of Australia’s heritage and culture and ultimately achieve similar status to attractions such as the Australian War Memorial and Australian Stockman’s Hall of Fame.

The National Indigenous Heritage Centre would aim to:
- Protect, celebrate and preserve the unique cultural heritage of Australia’s Indigenous peoples.
- Embrace a ‘many cultures, one country, one world’ philosophy.
- Create Indigenous business enterprise and employment opportunities.
- Be an engaging, ‘must see’ world-class attraction for locals and tourists.
- Be a key regional enabler supporting the promotion and sharing of Indigenous culture and heritage within the Far North Queensland region including Cape York and the Torres Strait.

To progress this important initiative, funding will be required to support the initial concept development and business case preparation.

COMMITMENT REQUIRED
Funding to support initial concept development and business case preparation for a National Indigenous Heritage Centre located in Cairns.

AREAS OF FOCUS SUPPORTED
This project/priority supports the following areas of focus outlined in this City Deal proposal:
- Tourism
- Tertiary Education
- Cairns’ Strategic Location
- Skilled & Growing Population
COMMITMENT REQUIRED
Preparation of a strategy to enable the region’s significant potential for nature based tourism activities such as hiking and mountain biking to be fully realised.

NATURE BASED TOURISM STRATEGY

Unlocking the region’s full Nature Based Tourism potential

Significant and rapid expansion of the global middle class population, the age profile of that population and their propensity for travel, is driving significant increases in global tourism. International inbound travel to Australia is expected to increase by 75% over the 10 years to 2026-27. Nature Based Tourism is a significant growth sector within the tourism market and has been a major contributor to international tourism growth in destinations such as Tasmania.

Ecotourism Australia’s Nature Based Tourism in Australia Manifesto indicates that:

- In the year ended 30 June 2016, 68 per cent of international visitors to Australia engaged in some form of nature based activity.
- International nature based visitors generated a higher yield on average with a spend of $5,548 per trip compared to $3,621 per trip for other international visitors.

The Cairns and FNQ region is fortunate to be situated as the gateway to two iconic World Heritage Listed natural assets in the Great Barrier Reef and Wet Tropics Rainforest with existing and well established nature based tourism experiences. However, significant potential remains to develop the region’s nature based tourism experiences and product particularly in the adventure based segments of mountain biking and hiking.

The Queensland Government has committed to the development of the Wangetti Trail. The Trail is a 94-kilometre dual-use walking and mountain biking track through Tropical North Queensland’s coast and hinterland from Port Douglas to Palm Cove (Cairns). The Wangetti Trail will provide a unique, world-class hiking and mountain biking attraction complementing existing nature based tourism in the region.

Whilst the Wangetti Trail will be a welcome addition, further potential remains. The region has a large number of hiking and mountain biking trails with stunning natural scenery and significant ecological diversity and value. Further development and promotion of these opportunities has the potential to attract additional visitors from this high yielding market segment and contribute to extended visitor length of stay.

This proposal calls for the development of a Nature Based Tourism Strategy for the region to identify potential markets, analyse the product offering (current and potential) and the actions needed to realise the segment’s enormous potential. The strategy would include:

- Assessment of market demand for Nature Based Tourism - what experiences does the market (visitors) demand, what are the key source markets (domestic/international), market demographics, what are the trends/growth projections, what are the expectations of visitors (trail facilities, ancillary facilities – accommodation, restaurants etc).
- Analysis of supply – an ‘audit’ of existing and potential Nature Based Tourism product with key information such as location, type of product, supporting infrastructure etc.
- Competitor assessment – what are the competing locations for the region’s potential market and what is their point of difference/approach.
- SWOT analysis on Nature Based Tourism for the region taking into account results of market assessment, supply assessment and competitor analysis.
- Stakeholder analysis – who are the key stakeholders in the development of Nature Based Tourism for the region and what are their respective roles/responsibilities.
- Development of a strategy flowing from the above with key actions and responsibilities identified in areas of:
  - Product development including linkages and packaging.
  - Marketing and promotion.
  - Governance and planning.
  - Operations and maintenance.

Strategy development would require close engagement and consultation with stakeholders such as Queensland National Parks.
WITH CAIRNS ALREADY ESTABLISHED AS THE GATEWAY TO TWO ICONIC WORLD HERITAGE LISTED NATURAL ASSETS IN THE GREAT BARRIER REEF AND WET TROPICS RAINFOREST, THERE IS OPPORTUNITY TO FURTHER EXPAND THE REGION'S SHARE OF THE GROWING NATURE BASED TOURISM MARKET
CAIRNS IS THE REGIONAL CAPITAL OF FAR NORTH QUEENSLAND, THE MOST POPULATED REGION IN NORTHERN AUSTRALIA. A STRATEGIC APPROACH TO POPULATION GROWTH IS REQUIRED TO PROVIDE THE HUMAN CAPITAL NECESSARY FOR THE REGION TO REALISE ITS FULL ECONOMIC POTENTIAL.
POPULATION AND MIGRATION STRATEGY
Supporting the growth of a skilled population base to deliver economic outcomes in Northern Australia

In August 2018, the Australian population reached 25 million people. Recent population growth in Australia has significantly exceeded forecasts which has resulted in an infrastructure deficit and settlement imbalance particularly in major capital cities such as Sydney and Melbourne where the majority of population growth has been concentrated. This rapid population growth presents significant challenges in major cities such as dealing with increased traffic congestion and delivering new infrastructure in already heavily populated areas. Policy which supports population growth and migration to regional cities such as Cairns can be part of a solution which not only relieves the pressure on our nation’s major capitals, but also supports continued economic development in Australia’s regions and Northern Australia in particular.

Cairns already has a track record of sustained population growth with an average annual growth rate of 2.3% achieved in the 15 years to 2016, above both the Queensland and national population growth rates over the same period. Growth has largely been driven by net economic (employment) migration to the region with superior quality of life and liveability also supporting population attraction and retention.

Today, Cairns and the FNQ region have a population of 165,000 and 286,000 respectively. But the continued growth of a skilled population base will be required in order for the region to achieve its full economic potential including the opportunities identified in this proposal.

Cairns has unique competitive advantages when it comes to attracting and retaining international and domestic migrants including:
• An existing diverse and multicultural community and population.
• Strong connectivity and accessibility by virtue of the city’s well-established international airport.
• Low unemployment and a strong private and public investment pipeline.
• Superior quality of life and liveability.

This proposal calls for the development of a long-term population and migration strategy for the Cairns region including:
• Analysing the historical and forecast trends in regional population growth and migration.
• Forecasting medium to longer term trends in the regional economy and the impacts of these trends on future employment and workforce requirements.
• Forecasting future workforce requirements for priority industries and identifying and quantifying potential skills gaps and actions to address including consultation and collaboration with the region’s university and higher education sectors.
• Establishing population growth targets for the region including for priority skills sectors.
• Consideration and analysis of a wide range of actions and incentives that can support migration (international, intrastate, interstate) to the region with an emphasis on priority skills sectors.
• Assessment of the ‘liveability’ factors that contribute to population attraction and retention and related actions to support enhanced liveability.
• High level consideration of the key infrastructure and service requirements to support further population growth.

The strategy will ultimately inform policy to support future population growth and economic development for the Cairns region.
PRIORITY REGIONAL RECYCLING AND REPROCESSING HUB

Effectively managing the region’s waste resources and establishing Cairns as a leader in materials recycling, processing and innovation

Waste management in Australia is in transition. There is a significant attitudinal shift within Australian society regarding the ways in which we manage waste. There is a growing acceptance that our current rate of consumption of natural resources is not acceptable and that we need to be more efficient in managing and recovering our resources in a way that minimises the environmental and public health impacts from waste. There are also significant commercial opportunities presented from the effective recovery and reprocessing of waste materials that have the potential to contribute positively to the regional economy. The recent introduction by the Queensland Government of the Container Refund Scheme (CRS) and Waste Levy represent policy changes that will also support waste recycling and reprocessing.

Situated at the gateway to two iconic World Heritage Listed natural assets in the Great Barrier Reef and Wet Tropics Rainforest, Cairns has a moral obligation to be a leader in the development of waste management solutions that not only minimise environmental impacts but also provide commercial, economic and employment opportunities from implementing innovative recycling and reprocessing solutions. In 2018, Cairns Regional Council adopted its Waste Reduction and Recycling Strategy 2018-2027. The vision within that strategy is for ‘innovative waste management providing economic, social and environmental benefits for the Tropical North Queensland Region’. The strategy has five core strategic objectives:
• Provide education and awareness
• Reduce waste
• Maximise resource recovery
• Secure our future needs
• Advocacy and collaboration

Strategy implementation is progressing including the multi-million-dollar upgrade to Council’s Materials Recovery Facility which will see diversion from landfill rates increased from 50% up to 85%. The facility already recycles significant waste materials from a number of neighbouring councils and has the potential to further meet the waste recycling needs across the FNQ region more broadly.

Specific recycling and value added processing opportunities exist for plastics, glass, rubber (including tyres) with innovative solutions also required for emerging waste streams such as solar panels, lithium batteries and other technology equipment.

The fact that Cairns is already home to two well established universities and a number of secondary recycled materials processors means there is opportunity to undertake research and investigate innovative solutions for the reprocessing of recycled materials.

This proposal calls for the designation of Cairns as a Priority Regional Recycling and Reprocessing Hub with key actions in support of this designation including:
• Funding to support further infrastructure investment in materials recycling facilities to support increased diversion from landfill and provide the necessary ‘feedstock’ for recycled materials reprocessing.
• Provision of funding to support concept and business case development for innovative recycled materials reprocessing and other solutions such as biofuels.
LIMITED NATURAL RESOURCES AND CHANGING SOCIETAL VALUES ON HOW WE DEAL WITH WASTE ARE DRIVING A SHIFT TOWARDS A CIRCULAR ECONOMY. AS THE REGIONAL CAPITAL OF FAR NORTH QUEENSLAND AND UNIQUELY POSITIONED AS THE GATEWAY TO THE WORLD HERITAGE LISTED GREAT BARRIER REEF AND WET TROPICS RAINFOREST, CAIRNS HAS BOTH AN OPPORTUNITY AND A MORAL DUTY TO BE A LEADER IN WASTE RECYCLING AND REPROCESSING.
PRIORITY RENEWABLE ENERGY ZONE

Harnessing the region’s significant natural resources and establishing FNQ as a leader in renewable energy generation, research and innovation

International commitments to emission reductions and changing social attitudes towards climate change are driving record investment in renewable energy projects. The Australian Government’s own 2030 Emissions Reduction Target provides for a 26-28 per cent reduction in 2005 emission levels by 2030. The Queensland Government’s target is for 50% of the State’s energy to come from renewables by 2030.

The International Energy Agency predicts that renewables will have the fastest growth in the global electricity sector, providing almost 30% of power demand in 2023, up from 24% in 2017. During this period, renewables are forecast to meet more than 70% of global electricity generation growth, led by solar PV and followed by wind, hydropower, and bioenergy.

The Cairns and FNQ region has an abundance of natural resources (sun, wind and water) that can be harnessed for renewable energy generation. There are already a number of significant renewable energy projects either already operating or planned in the region including:

- Stanwell’s Barron Hydro hydro-electric generator located 20 kilometres north west of Cairns with a capacity of 66MW (operational).
- Ratch Group’s Mt Emerald Wind Farm wind energy generation project located on the Atherton Tablelands and comprising 53 wind turbines with a capacity of 180MW (operational).
- Conergy’s Lakeland Solar and Storage Project located approximately 240 kilometres north west of Cairns with a capacity of 12.5MW (operational).
- MSF Sugar’s Tableland Green Energy Power Plant located on the Atherton Tablelands which utilises sugarcane fibre (known as bagasse) to produce renewable energy. The plant has a production capacity of 24MW (operational).
- Genex Power’s proposed Kidston Pumped Storage Hydro Project located in the Etheridge Shire south west of Cairns with an expected capacity of 250MW (planned).

The Australian Energy Market Operator’s (AEMO’s) Integrated System Plan (ISP) identifies the Far North Queensland and North Queensland Clean Energy Hub as two potential renewable energy zones within a pool of 34 potential candidates.

The Cairns and FNQ region has significant potential to support further renewable energy project development. Not only does such development support delivery of the region’s and nation’s energy security and emission reduction targets, it also aligns with the region’s ‘clean and green’ image with Cairns the gateway to two World Heritage Listed natural assets in the Great Barrier Reef and Wet Tropics Rainforest.

To unlock the region’s potential for further renewable energy development, this proposal calls for the following:

- Designation of the FNQ region as a Priority Renewable Energy Zone (REZ).
- Appropriate incentives to encourage further investment in renewable generation projects located in the Priority REZ and to also encourage renewable energy companies to establish operational/‘head office’ bases in region.
- Establishment of Cairns as a gateway to and knowledge hub for the region’s renewable energy sector.
- Investment in the National Energy Market (NEM) transmission network to facilitate the efficient connection and transport of renewable energy generated in the Priority REZ to consumers.
- Support for renewable energy research, development and innovation ideally in conjunction with the region’s university sector. This could include research and analysis on potential micro grid and energy storage solutions that could contribute positively to the region’s energy security and resilience (particularly during natural disasters such as cyclones).
The Australian Energy Market Operator’s (AEMO’s) Integrated System Plan (ISP) identifies the Far North Queensland and North Queensland Clean Energy Hub as two potential renewable energy zones within a pool of 34 potential candidates.
Positioned as the gateway to the world heritage listed Great Barrier Reef and Wet Tropics rainforest, Cairns’ future is intrinsically linked to the effective management of, and investment in, these two iconic natural assets.
REEF AND RAINFOREST MANAGEMENT

Effectively managing and investing in our region’s two most important and internationally significant natural assets

Cairns lies at the gateway to two of the world’s greatest natural wonders in the Great Barrier Reef (GBR) and Wet Tropics Rainforest (WTR), both of which are World Heritage Listed. As well as the GBR’s unquestionable environmental value, it also underpins significant components of the Cairns region’s economy, in particular tourism. Recent analysis by Deloitte Access Economics estimated that:

• The asset value of the GBR is $56 billion.
• The GBR provides support for 64,000 Australian jobs.
• The GBR generates $6.4B in revenue annually.

The WTR also provides significant economic benefits to the regional and national economies through tourism in particular. The international growth of nature and adventure based tourism underlines the critical importance the GBR and WTR will continue to play in the future economic prosperity of the Cairns and broader FNQ region.

The condition and factors impacting reef health need to be better understood and addressed as does adverse domestic and international perceptions of the health of the GBR. Crucially, a significant proportion of the river systems flowing into the GBR have their sources within, or flowing through, the World Heritage Listed WTR. The health of the Rainforest has a direct impact on river catchments and marine ecosystems with flow-on impacts on water quality and the health of the GBR.

Responsibility for management of the WTR has been devolved to the Wet Tropics Management Authority. The Australian and Queensland Government’s respective responsibilities in cooperating to protect and conserve the Great Barrier Reef Marine Park (GBRMP) were incepted in the Emerald Agreement in 1979, and most recently updated in the Great Barrier Reef Intergovernmental Agreement 2015.

The existing management structures for the GBR and WTR are overly complex and lack clarity of purpose and responsibility. The level of funding to support GBR and WTR preservation and management also needs to be reset. A single, de-politicised World Heritage management body (such as a commission) would ensure transparency, accountability and effectiveness. A review of the management structure and funding sends a powerful message that this nation has the boldness, vision and leadership to do what it is necessary to protect these two global icons.

The preservation and effective management of these two iconic natural assets must be recognised as a strategic priority of national and global importance if their significant social, community and economic benefits are to be secured for future generations.
COMMITMENT REQUIRED
Tripartite commitment to the implementation of a visitor levy in the Cairns local government area.

SUSTAINABLE TOURISM FUNDING

Providing the funding necessary to support destination marketing and tourism industry development in an increasingly competitive international market

International inbound tourism represents an area of significant opportunity for both Australia as a whole and for the Cairns region. The following factors underline this potential opportunity:

• Significant and rapid expansion of the global middle class population leading to increased discretionary expenditure.
• Global population age profile and propensity for travel both positively impacting tourism and travel.
• Cultural, nature based and sports/events tourism are significant growth sectors and align well with Cairns and Tropical North Queensland’s (TNQ’s) existing strengths.
• International inbound travel to Australia is expected to increase by 75% over the 10 years to 2026-27.

Despite this positive outlook, the Cairns and TNQ region’s market share of Australia’s inbound international tourism visitation has been trending downwards for some time. The region’s market share of domestic visitation has remained relatively static. Factors such as international perceptions of reef health/management and direct international aviation connectivity represent challenges in this regard and are the subject of specific projects outlined elsewhere in this proposal.

Sufficient and sustainable funding for destination marketing of the Cairns region and tourism industry development is of critical importance if we are to compete effectively in what is a highly competitive international market. The implementation of a modest visitor levy has the potential to raise significant funding in this regard and provide a reliable and growing source of funds for investment.

At a high level, the proposed visitor levy would operate as follows:

• Levy set as a percentage of short term accommodation revenue (hotels, motels, hostels, caravan parks, online accommodation providers such as Airbnb etc.) and charged by the accommodation provider to the visitor/occupant.
• Levy payable by the visitor/occupant either in advance or on checkout to the accommodation provider.
• Levy reported and remitted by accommodation providers to the Cairns Regional Council on a monthly or quarterly basis with a potential retention of an appropriate amount of levy collections by accommodation providers to offset the costs of collection and administration.
• Levy proceeds separately accounted for by the Cairns Regional Council and invested directly in support of Cairns destination marketing and tourism industry development.

To be successful, it is important that the introduction of such a levy be backed by tripartite government support. The amendment of existing or introduction of new State legislation would be required to facilitate levy introduction. Whilst not prevalent in Australia, there are numerous examples of the successful implementation of visitor and tourism levies elsewhere in the world.

This proposal calls on tripartite support for the investigation and implementation of a visitor levy in the Cairns local government area.

AREAS OF FOCUS SUPPORTED
This project/priority supports the following areas of focus outlined in this City Deal proposal:

• Tourism
• Skilled & Growing Population
An appropriately structured and implemented visitor levy has the potential to provide a significant step change in the level of funding available to support the destination marketing of the Cairns region and tourism industry development more broadly.
**WATER INFRASTRUCTURE DEVELOPMENT**

Strategically planning for and investing in the water infrastructure required for future agricultural and urban development

Water security and quality are key priorities underpinning the future development of Cairns and the surrounding region. While the region enjoys an abundance of rainfall and water resources, strategic investment in infrastructure will be required to ensure sufficient water supply is harnessed for agricultural development. To cater for demand from an increasing population, Cairns will also require additional urban water storage and supply capacity in the coming years. Significant water supply and infrastructure projects already under consideration include:

- **Nullinga Dam** – A proposed dam on the Walsh River south west of Mareeba with a storage capacity of 518,000 ML and annual yield of 74,000ML. The dam will be a critical enabler for agricultural development on the Atherton Tablelands and forms part of the long term urban water security strategy for Cairns.

- **Lakeland Irrigation Project** – In 2019, SMEC finalised a strategic business case for the Lakeland Irrigation Project. The project is located north west of Cairns and south west of Cooktown. The business case identified the Palmer River that flows west into the Mitchell River catchment as the most viable site to improve water security and reliability for agricultural development in the region. When constructed, the dam will store 200,000ML and have an annual yield of 80,000ML irrigating 8,000 ha of arable land in the Lakeland agricultural precinct. The Federal Government has recently committed an additional funding allocation of up to $10 million to further develop the business case for this project to ensure it is shovel ready.

- **Mitchell River Catchment** – In July 2018, CSIRO completed the Northern Australia Water Resource Assessment (NAWRA) of the Mitchell River catchment. The Mitchell River flows from the Atherton Tablelands (50 kilometres north west of Cairns) to the Gulf of Carpentaria. CSIRO’s NAWRA assessment of the Mitchell River catchment concluded that the catchment had the potential to support 140,000 hectares of year-round irrigated agricultural development via the establishment of four large instream dams. The NAWRA has clearly identified the potential from harnessing the significant resources in the Mitchell River catchment. Funding is now required for the development, feasibility and business case work needed to identify the infrastructure, policy and investment required to realise the potential of this significant natural resource.

- **Gilbert River Agricultural Project** – The Etheridge Shire Council has been promoting the Gilbert River Irrigation Project to facilitate more intensive agricultural development in the Shire which is located south west of Cairns. Etheridge Shire Council is currently formulating the Detailed Business Case utilising funding from the Queensland State Government’s Maturing the Infrastructure Pipeline Program. The Detailed Business Case will align with the Building Queensland Business Case Development Framework and is due for completion in March 2020. The business case will provide a comprehensive assessment of the credentials of the project, consider the most feasible and viable development option, and, if warranted, identify a clear path to construction and operations.

- **Draper Road Water Treatment Plant** – The proposed Draper Road Water Treatment Plant is part of the Cairns region’s short to medium term water security infrastructure requirements. With the Cairns population expected to exceed 300,000 by the middle of the century and significant increases in tourist visitor numbers also expected, additional water treatment facilities will be required to service this population growth. Cairns Regional Council has commenced early planning works for this critical piece of urban water supply infrastructure including early stage engagement with Infrastructure Australia.

- **North Johnstone Diversion** – A project which would see surplus water in the North Johnstone catchment diverted to Tinaroo Dam to provide flood mitigation for downstream communities on the Johnstone River and also supplement water entitlements for agricultural and urban use via the Mareeba Dimbulah Water Supply Scheme.

**AREAS OF FOCUS SUPPORTED**

This project/priority supports the following areas of focus outlined in this City Deal proposal:
- Food Production
- Tourism
- Skilled & Growing Population
- Renewable Energy

**COMMITMENT REQUIRED**

Funding to support project feasibility/business case work and subsequent capital investment for significant regional water storage, distribution and treatment projects such as Nullinga Dam and the Lakeland Irrigation Scheme.
Harnessing the region’s significant rainfall and water run-off will be critical if the full economic potential of the region’s agricultural sector is to be realised.
The priorities and projects contained in this City Deal proposal have been drawn from the Cairns 2050 Shared Vision. The development of this vision was led by Cairns Regional Council in consultation with key regional stakeholders and carries the support of local representatives from all three levels of government. The vision provides a framework to secure long term economic prosperity and liveability for the Cairns region. To find out more about the Cairns 2050 Shared Vision visit www.cairns.qld.gov.au/vision2050 and sign on to help us secure an even better future for the Cairns community.