

JOINT SELECT COMMITTEE ON NORTHERN AUSTRALIA



This submission is made by Cairns Regional Council

**Cairns Regional Council
P O Box 359
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14 February 2014

Terms of Reference

The committee is to consider policies for developing the parts of Australia north of the Tropic of Capricorn, spanning Western Australia, Northern Territory and Queensland, and in doing so:

- examine the potential for development of the region’s mineral, energy, agriculture, tourism, defence and other industries.
- provide recommendations to:
 - enhance trade and other investment links with the Asia-Pacific;
 - establish a conducive regulatory, taxation and economic environment;
 - address impediments to growth; and
 - set conditions for private investment and innovation
- identify critical economic and social infrastructure needed to support the long term growth of the region, and ways to support planning and investment in that infrastructure.

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“Australia’s Tropical North – Initial Challenges, Historical Development, Current Progress & Future Prospects” – February 2014.

1. Introduction

The Tropical North Queensland Region is one of Australia's premier tourism destinations being located in close proximity to two of the world's great natural wonders – The Great Barrier Reef and the World Heritage listed tropical rainforest. Additionally, the attractions of the Atherton Tablelands, Cassowary Coast, Port Douglas, the Gulf of Carpentaria and Cape York Peninsula provide a diversity of experience for visitors to the region.

The city of Cairns is the “regional capital” and the Cairns economy has a symbiotic relationship with the region it services. The city's growth is highly related to the growth of the region it services and the region is highly dependent on the extent and efficiency of the infrastructure and services provided by the City.

The critical element in Cairns standing as the “regional capital” is the Cairns Airport which is the conduit for domestic and international tourists to the Region as well as providing vital airfreight services to a range of markets in Australia and in key Asian countries. The Region's strong tourism base is expected to continue to expand to meet increased demand from international visitors, particularly from Asia. This strength has seen the development of significant infrastructure to service more than two million visitors per annum.

However, whilst tourism is the Region's major industry, there are many other smaller, but no less critical, industries which will continue to expand and diversify the local economy. In particular, Cairns role in the provision of services to a range of industries and markets and its growing presence in delivering education and research capabilities based on tropical expertise are considered to be major opportunities for expansion.

Cairns has a growing presence in the Asia Pacific region built on existing transport and trade linkages to Papua New Guinea and many Pacific Island and South East Asian countries. Its location, combined with its existing natural and built resources, positions the City and the surrounding region to play a significant role in the development of Northern Australia.

There is current evidence of renewed interest in Cairns as tourism visitation increases and the property market makes a tentative recovery following a period of subdued activity brought about by the global financial crisis. Plans have been announced for a \$4.2 billion integrated tourist resort and casino primarily catering for international visitors. This project alone, if it proceeds, is expected to result in the creation of 16,000 jobs in the construction phase and a further 25,000 ongoing jobs when completed. The flow-on effects of this project to the regional economy will be game-changing and will challenge the region's ability to cater for such a significant boost in employment, population and economic activity.

In this submission, a synopsis has been provided of factors which have historically limited the development of Northern Australia. It is apparent that many of these limiting factors are still evident today. The submission concerns itself, not only with issues relating directly to the city of Cairns, but with issues relating to the Region the city services including some countries in the Asia Pacific region. It identifies four critical priorities which impact on almost all industries and the broader regional economy in general and a further 21 industry priorities. Additionally, critical infrastructure for industry development and community wellbeing has also been identified for consideration.

2. The Development of Northern Australia

Northern Australia, being that area of Australia north of the Tropic of Capricorn, comprises 36% of Australia's land area and is characterised as being rich in mineral and natural attractions but with a relatively small population base.

Due to its remoteness and the challenges posed by its tropical environment, the Region was late being settled and initially slow to develop compared to the earlier-settled regions of Southern Australia. In the past fifty years, following the discovery and development of significant resource deposits, realisation of tourism potential, advances in primary industries and improvements in everyday living conditions, economic and population growth has escalated – to an extent where growth has exceeded that for the balance of the nation. Northern Australia now provides about half of Australia's export revenue, principally from mineral resources, but also from primary industries and tourism.

The discovery and development of mineral resources in Central Queensland, around Mount Isa, at Weipa, at Gove and in the Pilbara have been major drivers of this expansion in export revenue with resources taking over from primary production (principally beef) as the Region's largest export sector. In more recent years, tourism and natural gas have emerged as major industries which have further grown export revenues and provided substantial employment throughout the region. The relatively rapid growth in these industries (and in population) over the last fifty years has, however, resulted in a lag in the provision of service infrastructure, including roads, energy, telecommunications, health, education and community services.

At a political level, almost all decision making affecting Northern Australia has been directed from the South. At a national level, this was from Canberra and at a state government level from Brisbane and Perth, and, in the case of the Northern Territory, from Canberra. The special needs of the North in policy and types of infrastructure have often been swept aside in the adoption of uniform national policies to meet the needs of the majority in Southern Australia.

Historically, it may be argued that Government policy was deliberately aimed at lessening the nation's reliance on primary industries and commodity exports by building up its manufacturing sector under protectionist policies. Clearly the regional economies which were very heavily dependent on their primary commodity export industries and had weak manufacturing and service industry structures were a victim of this policy direction. This resulted in a situation where the manufacturing base of the Region remains relatively small with much of the region's service requirement being provided by industry and government in Southern Australia.

Any consideration of the development potential of Northern Australia must not only consider the types of industries which may provide export revenue and employment and development opportunities, it must also consider the demands these industries place on regional communities. In doing so, the unique factors of a series of very different sub-regions and communities must be recognised.

Northern Australia covers a large area. It is clearly not a homogenous area, but an aggregation of a series of very distinct sub-regions, each with an area equivalent to the states in Southern Australia.

Each of these major sub-regions has a "capital city" – a regional hub with a typical capital city relationship providing a centre for delivery of manufacturing, transport, distribution, government and non-government services to the region it services.

There are four such cities and regions in central and northern Queensland:

Rockhampton – servicing the immediate Fitzroy region and the central west.

Mackay – servicing the Mackay/Whitsunday area.

Townsville – servicing the northern region and west to Mt Isa.

Cairns – servicing the tropical north Queensland region, west to the Gulf and north to the Papua New Guinea border.

Similarly, Darwin commercially services the Northern Territory (although there are some areas that are commercially serviced out of Adelaide). The Pilbara and Kimberley regions are, in most part, commercially, as well as politically, serviced out of Perth.

The smallest of these servicing regions, the Mackay region, has an area equivalent to that of the smallest of the southern states, Tasmania. The largest of the Queensland regions, the Cairns/Tropical North Queensland region, has an area about 1½ times the size of Victoria, is as deep from north to south as the State of New South Wales or the rest of Queensland.

Against this background, it can be a mistake to think of these regional cities and the regions they service as comparable with the regional cities in New South Wales and Victoria. Although there are some similarities in population sizes, the northern cities have very different histories and prospects. It is also important to recognise that although there are common threads in their development due to a tropical location, each of the regional capitals has its own distinctive regional economic and social structures and community ethos. For these reasons, it is likely that a flexible approach in formulating policy options to address development constraints may be required for the various sub-regions of Northern Australia.

Currently 90% of Australia's population occupies just 3% of its landmass, making Australia's population one of the mostly densely concentrated of the OECD nations. This imbalance has seen ongoing investment in facilities in urban Australia to deal with congestion and in maintaining standards and services that have been enjoyed by urban communities for many decades. This trend cannot be sustained as it does not result in the most efficient allocation of the nation's economic resources and will ultimately constrain the nation's economic growth. The establishment of the Joint Select Committee is recognition by Government that there may be issues which are unique to Northern Australia (or to any of the sub-regions) and that there is potential to further develop the Region to improve national economic wellbeing. It is anticipated that there is also an appreciation at a Government level that the continued concentration of the population into existing urban zones cannot be sustained and that different policy settings are required to drive economic and population growth in regional Australia.

There is already evidence that there is a trend for population movement to the regions of Northern Australia, particularly Tropical North Queensland. These movements are part of a global trend to increased population of the tropical regions with the emergence of Asia as the world's economic epicentre being a contributing factor.

In fact, if growth rates that have been experienced in the 20-year period from 1991 to 2011 are applied through to the year 2050, the population of Northern Australia will double – see table below, with Cairns the largest city in Northern Australia with a population exceeding 400,000 residents.

Population of North's cities and Regions 2050, projection at 1991 to 2011 Av. Annual Growth Rates

City	Region ⁽¹⁾	Av annual growth 1991 - 2011% Per Annum	2011 residential population	Projected residential population 2050
Cairns		2.66 ⁽²⁾	145,986	406,400
	Far North	1.90	264,405	550,887
Townsville		1.94	167,371	354,096
	North	1.43 ⁽²⁾	224,678	390,886
Mackay		2.17	83,600	193,116
	Mackay	1.64 ⁽²⁾	171,564	323,555
Rockhampton/Gladstone		1.32	126,083	210,266
	Fitzroy	1.30	217,123	359,314
	QLD Central & NW	(-0.46)	46,914	39,193
Darwin		2.50	129,106	338,203
	Northern Territory	1.69	231,292	444,644
	Pilbara, Kimberley	1.74	98,568	193,158
Total North Australia			1,254,544	2,301,637
C. F.				

Source: Cummings Economics ABS CAT3218.0, Note:(1) Statistical Positions, Note:(2) Adjusted for boundary changes.

The northern cities have been passing regional cities in the South in size, and the process seems set to continue with Cairns, Townsville and Darwin especially overtaking and passing cities like Geelong, Hobart and Wollongong and to be equivalent in size to Canberra in the coming decades.

On its continuing growth trajectory, the Cairns/Tropical North Queensland region will be equivalent to the current State of Tasmania in size within a forty year timeframe. The total of Northern Australia will be the equivalent of the current South Australia population within twenty years and about four times the size of Tasmania in about thirty years.

This will provide a base for the sustainability of a whole range of higher order and specialist services ranging across health, education, cultural and sporting facilities. While still being inferior to those available in the major metropolitan centres, they will be potentially superior to those available in most regional cities in southern Australia.

This factor plus improving technology relating to everyday living is likely to continue improving the attractiveness of the tropical cities and regions as a place to live. Importantly, this then lowers the costs of attracting and holding workforce and this affects the general cost of operating businesses in the area.

These future population movements may eventuate without any concerted special effort to stimulate development in Northern Australia. However the continuation of this trend will present challenges for Governments at all levels to provide infrastructure and community services and lifestyle choices in northern communities at an equivalent standard to that already enjoyed by residents in Southern Australia.

3. Critical Priorities for Consideration

The Joint Committee's terms of reference include consideration of policies to develop the Region and examine the potential for development of the Region's industries. There are four major issues that transcend almost all industries which are limiting the development potential of Northern Australia and which need consideration and action by Governments at all levels:

1. Timely resolution of native title and land tenure issues
2. Proper assessment of conservation and environmental values
3. Access to reliable, cost competitive water and electricity
4. The provision of a reliable road network

Timely resolution of native title and land tenure issues

A key element to support development in Northern Australia relates to the resolution of a number of land tenure issues, including native title determinations and the delivery of a stable tenure environment which enables investors and stakeholders to progress investment decisions with confidence.

It is evident that in parts of Northern Australia, particularly in Cape York Peninsula, that the slow and cumbersome process of determining native title matters is inhibiting development. Timely, properly considered determinations will benefit traditional owners through the enabling of plans to deal with their land and improve their economic and social wellbeing.

Governments should commit resources to ensure that the processes surrounding native title determinations are proactively pursued by Government such that applications, that can be determined, are done so as a matter of urgency. This is in contrast to the current passive practice of the native title tribunals where applications are considered when they are made by the traditional owners.

Critical to the investment and development plans of investors and stakeholders is certainty surrounding the tenure of the land on which investments will be directed. Stable, secure tenure, for a period consistent with the investment horizon of major mining, tourism and agricultural projects, is a prerequisite for such large-scale investments to proceed. At present there are major inconsistencies and limitations in tenure arrangements which preclude investment in the underlying land and resources, with the resultant detrimental impact on employment and community wellbeing.

Critical Priority 1 – Certainty of Land Tenure

Implement programs and commit funding to proactively resolve native title determinations in Northern Australia and review current land tenure arrangements to remove inconsistencies and limitations in tenure which currently constrain investment in the underlying land and resources.

Proper assessment of conservation and environmental values

Northern Australia offers some unique natural assets and ecosystems that are highly valued by regional communities and which are internationally recognised for their natural beauty or ecological significance.

A significant factor in the North's progress in recent decades has been the impacts of the growing environmental movement throughout Australia and around the world. The reality of Northern Australia's failure to achieve development on a scale achieved in southern Australia has left large areas of the Region relatively unmodified by human activity. Progressively, populist decisions by governments in Brisbane and Canberra have seen Northern Australia become the stage where Australia's environmental consciousness has been played out. Whilst the recognition of environmental values and protected status of some assets has been supported and welcomed by the regional community and has provided the basis for sustained economic growth in some industries, the pursuit of environmental or conservation outcomes has, in other cases, served to undermine the economic interests of the Region for limited gain.

Whilst potential threats to the natural environment of Northern Australia are recognised by its community, it is believed that processes to declare environmental reserves and protected areas are flawed as these decisions are, too often, based on emotion or political expediency rather than detailed assessment involving proven scientific or conservation principles. For these reasons, the resultant outcomes fail to gain local support, particularly where there is a lack of genuine consultation and where no recognition is given to the economic and social impacts on the local communities.

Where properly assessed reserves are given protected status, recognition must be given to the impacts which will be borne by the immediate (relatively small) community in providing a benefit in the national or international interest. Additionally, there is a need to ensure protected areas and their interdependency with surrounding environments are properly understood and managed. Consequently ongoing funding is required for management of such areas asset and to advance research capability.

Critical Priority 2 – Proper Assessment of Conservation and Environmental Values

Implement a more transparent, consultative process to the assessment of conservation and environment values which:

- a) Ensures initiatives to protect natural assets are subject to an objective independent assessment based on proven scientific or conservation principles; and***
- b) Gives due recognition to the economic and social impacts on local communities.***

For all current (and future) declared protected areas commit ongoing funding to:

- a) Enable the pro-active management of the assets and the interaction of the assets with surrounding environments; and***
- b) Advance research capability to assist in the management and preservation of the asset.***

Access to reliable, cost competitive water and electricity

For any sustained increase in population in Northern Australia, communities will demand levels of economic and social wellbeing and the provision of services which are consistent with their counterparts in Southern Australia. Currently there is already a lag in the provision of such services and this remains a major hurdle for the development of the region.

Access to reliable, cost competitive energy is a key consideration in business investment decisions and is instrumental in improving the quality of life in regional communities. This is particularly the case for electricity and water supplies.

The development of new electricity generation capacity in Tropical North Queensland will deliver electricity more cost effectively to the region and thereby reduce the need for public financial support of transmission losses, which is estimated to amount to \$600 million p.a. for affected households. Additional generating capacity will better align electricity supply with the growth projections of the region.

There are opportunities to explore several renewable energy alternatives in the region including major hydro-electric, wind and co-generation options. In particular the opportunity to expand existing electricity generation capacity at both the Barron Falls and Kareeya power stations should be considered.

To enable Northern Australia to deliver on its potential to contribute to a doubling of the nation's food production and to accommodate a substantial increase in population, investment is required into further progressing feasibility studies into the construction of major water storage facilities in the wet tropics region of Tropical North Queensland. Several options for dam sites have been identified in various studies which have the capability of delivering water for both urban use (Cairns City) and for the expansion of agricultural land on the Atherton Tablelands. Additional considerations in the selection of suitable sites include the potential to enhance hydro-electric generation capacity and the impact additional water storage may have on the natural environment.

A detailed feasibility study by an appropriately qualified panel of professionals should commence as soon as practical to determine options which deliver additional water for consumptive and agricultural use and which provide the capability to expand hydro-electric generation capacity in the Tropical North Queensland Region.

Critical Priority 3 – Reliable, Cost-effective Energy

Progress feasibility studies for the construction of major water storage facilities in Tropical North Queensland to expand electricity generation capacity and to supply water for consumptive and agricultural use.

The provision of a reliable road network

A modern efficient transport network is the hallmark of developed economies as it provides critical connectivity between communities and access by communities to key markets which are critical to the derivation of economic benefit. Transport is a common element in all Northern Australian industries in ensuring access to markets and enabling support services to industry and regional communities.

In the Tropical North Queensland region, there are four key major transport routes that require ongoing development to improve market access, to expand support services and to enable connectivity throughout the region.

- a) Continued upgrade of the Bruce Highway
The Bruce Highway is the primary road linkage to the Region and, whilst well developed, requires continued upgrading to accommodate increased usage and reduce flooding constraints.
- b) Continued upgrade of the Hann Highway
The Hann Highway has long been identified as an alternative route to the Bruce Highway, providing a more direct link between North Queensland and Melbourne/Adelaide for the movement of freight, cattle and other agricultural products. Sealing of the last remaining section of the Hann Highway, to provide year-round access to southern markets for North Queensland's agricultural produce, improves supply chains and provides significant freight efficiencies for producers.
- c) Peninsula Development Road.
Upgrading the Peninsula Developmental Road provides better connections between the principal road servicing Cape York Peninsula and the National Network south of Cairns. It will also generate indirect benefits for Cairns as the regional transport hub. In addition, sealing of the road is seen as a catalyst to increasing available land for agriculture and improving access to markets for primary produce and increasing the prospects of viable economic development in remote indigenous communities.
- d) Upgrade Kuranda Range Road
The Kuranda Range Road (section of the Kennedy Highway) leads from Cairns up the McAlister range to Kuranda. The road is currently a critical freight route for the efficient distribution of fuel, fertiliser and other products from Cairns to Tablelands, Peninsula and Gulf industries and communities and for transport of product from these areas to Cairns. The road is also a growing commuter route for residents of Kuranda and the Northern Tablelands who work in Cairns. The upgrade of the road is critical to cater for population growth in Cairns. The roads current inability to take minimum freight efficient vehicles of B Double size imposes additional costs and constraints on many of the regions industries and communities.

Critical Priority 4 – A Reliable Road Network

Commit funding for the ongoing development and upgrading of the Bruce Highway, the Peninsula Development Road, the Hann Highway and Kuranda Range Road in recognition of their role in the development of the Tropical North Queensland Region.

4. The Potential for Development of the Region's Industries and Industry Priorities:

This section examines the economic contribution the various industries have made to Australia's economic development, considers the potential for further development and provides recommendations to address factors which are considered to be impediments to future growth.

In considering these matters, it is critical to recognise that, as for any regional economy, even well-targeted Government initiatives or policy positions invariably do not just impact on one particular industry or sector of the region's economy. The lack of substantial scale for most industries has resulted in a vulnerability to flow-on effects where a significant downturn in one industry will seriously impact other industries. Conversely, just as there are downside risks, there is also the potential for significant positive flow-on effects of well-directed programs and initiatives. This interdependency is more pronounced in relatively small regional economies such as those in the sub-regions of Northern Australia.

1. Minerals & Energy

Opportunity:

Remove uncertainty surrounding the approval, establishment and operation of mining and energy developments by providing a supportive governance framework and appropriate transport and energy infrastructure.

Context:

The mining industry has heavily affected Northern Australia's pattern of development.

There are significant concentrations of base metal deposits in North West Queensland and into the Northern Territory, in the North East Mineral Province behind Cairns and Townsville with some lesser deposits around Tennant Creek in the Northern Territory, south of Darwin and the Kimberley area. Most early mining was concentrated in these areas, noting that the major deposits at Mt Isa were not discovered until the 1920s.

By the 1950s, the extent of the great sedimentary deposits in the North was only just being realised – the coal reserves in Central Queensland, iron ore in the Pilbara, bauxite at Weipa and Gove and silica sand at Cape Flattery. The extent of LNG resources in the North West Shelf and in Papua New Guinea was only realised more recently.

As these resources have developed they have become a critical factor in Australia's growing status as a major trading country. In the early 1960's it is estimated that 9% of Australia's exports were shipped from Northern Australia; by the late 1990's this had grown to 26% and is now about 50%. Indications are that of Australia's real growth in overseas exports since 1998/99, about 60% has come from Northern Australia.

With further exploration, the introduction of new technology and favourable economic conditions, there is potential to continue this growth from existing mines, known proven resources and potential resources not yet fully explored.

Current and potential future mining development in the region includes major expansion of bauxite exports from the Weipa-Aurukun area, mineral sands and kaolin deposits in the Cape, continuing growth of silica sand exports from the Cape, coal in the Laura basin, along with tungsten, tin, iron ore, copper, zinc, gold, scandium, nickel, perlite, diatomite, dimension stone, lime processing and geothermal development in the North East minerals province in the Cairns hinterland. There are also gas prospects being explored in the Gulf of Carpentaria area.

Critical to the development of existing mineral deposits are cost effective inputs (including labour, energy and service capability), transport access to ports or facilities for secondary processing, access to markets and supportive community and governance arrangements.

The four common constraints identified in the introduction of this submission have particular relevance to the potential development of the mining and energy industries in Northern Australia. A regional priority to promote the city's FIFO workforce and its role as a supply and services centre is further addressed in the other sections of this submission..

Critical Priorities:

- Certainty of Land Tenure

Implement programs and commit funding to proactively resolve native title determinations in Northern Australia and review current land tenure arrangements to remove inconsistencies and limitations in tenure arrangements which currently preclude investment in the underlying land and resources.

- Conservation and Environmental

Implement a more transparent, consultative process to the assessment of conservation and environment values which:

- a) Ensures initiatives to protect natural assets are subject to an objective independent assessment based on accepted scientific or conservation principles; and***
- b) Gives due recognition to the economic and social impacts on local communities***

For all current (and future) declared protected areas commit ongoing funding to:

- a) Enable the pro-active management of the assets and the interaction of the assets with surrounding environments; and***
- b) Advance research capability to assist in the management and preservation of the asset.***

- Reliable, Cost-effective Energy

Progress feasibility studies for the construction of a major dam in Tropical North Queensland to expand electricity generation capacity and to supply water for consumptive and agricultural use.

- Road infrastructure

Commit funding for the ongoing development and upgrading of the Bruce Highway, the Peninsula Development Road and the Hann Highway in recognition of their role in the development of the North Queensland Region.

2. Agriculture

Opportunity:

Increase the value of agricultural output of Northern Australia to enable Australia to increase its agriculture exports by 140% by 2050.

Context:

A growing world economy has resulted in a growing demand for primary industry products at a time of increasing world prices. A Food and Agriculture Organisation report predicts that changes in demand will drive the need for significant increases in production of all major food and feed crops and that world agricultural output will need to grow by 70% to meet demand by the middle of this century.

ABARE has predicted that Australia will continue to play a substantial role in meeting this increased world demand with its agricultural exports estimated to increase by 140% by 2050. Northern Australia must play a significant part if Australia is to meet or exceed this target.

Tropical Australia's underlying agricultural potential remains comparatively underdeveloped. Further advances in technology, reliable transport routes and additional water availability are expected to be key factors in unlocking this potential.

The high rainfall areas of the Tropical North Queensland coast and Tablelands represent some of the areas of greatest plant growth potential in Australia. This area has substantial farming and leads Northern Australia in value and diversity of crops produced. Recent trends in farming practices in the area have been towards higher value crops. Its water resources are extended by Tinaroo Dam into one of the North's major irrigation areas – the Mareeba Dimbulah Irrigation Area.

Other areas across Northern Australia of major significance for crops, as opposed to cattle production, are around Katherine where mango production has been established and the Ord River which has industries based on irrigation.

The major stand-out areas where there is a major mismatch between agricultural production and plant growth potential is Cape York Peninsula and the Northern Territory Top End/Arnhem Land where there is a reliable strong wet season but almost no agricultural production – both areas are characterised by poor infrastructure of roads and electricity supply, high indigenous populations and unfavourable land tenures.

While the development of additional cropping over most of tropical Australia would depend on irrigation development, the strength and reliability of the wet season in the Peninsula and the Top End/Arnhem Land is such that broad acre crops grown under natural rainfall are potentially viable, but the necessary infrastructure to support sustained farming activity is lacking.

Whilst the predominant cattle industry is geared to be able to operate in remote areas of Northern Australia, one of the important things to realise about more intensive livestock industries and cropping industries, is that a more sophisticated service industry structure is needed and cheap transport access to markets including ports to ship to overseas markets.

The most favourable areas for expansion of cropping lie close-by the existing cropping areas in Queensland where there are well developed agricultural service towns and facilities, some amount of local markets, transport connections to the South and developed ports for potential export.

The opening up of the Cooktown district for agricultural production following provision of sealed road access linking to the established agricultural service centre of Mareeba and the national road transport network further south is a classic example. This should be contrasted with the trials and tribulations of the Ord River which is a prime example of difficulties of development in remote areas. Latest Australian Bureau of Statistics' figures for the Ord's gross value of crop production stands at about \$30m. Latest information from Queensland Department of Agriculture and Forestry indicates annual crop production in the Cooktown district has now climbed past \$40m.

Because of these factors, expansion of production such as that proposed in the Dimbulah area west of Mareeba with the building of the proposed Nullinga Dam for joint agricultural and residential water supply, the proposed Etheridge Gilbert development 2½ hours' drive west of the Atherton Tablelands and the Flinders River scheme on the rail line west of Charters Towers are well placed to be successful. Similarly, expansion around Darwin and Katherine are well placed to meet these requirements.

Critical Priorities:

- Expansion of Agricultural Land

To facilitate the expansion of agricultural land and to enable the region to deliver on its potential to contribute to a doubling of the nation's food production, investment is required into further progressing feasibility studies into the construction of a major dam in the wet tropics region of Tropical North Queensland. Various studies have identified several options for dam sites which have the capability of delivering water not only for the expansion of agricultural land but also for urban use (Cairns City) and possibly to increase hydro-electric generation capacity.

Critical Priority 3:

Progress feasibility studies for the construction of a major water storage facilities in Tropical North Queensland to expand electricity generation capacity and to supply water for consumptive and agricultural use.

- Transport Routes

As highlighted above, a key component in expanding agricultural land is the provision of reliable transport linkages to enable access to key markets. The initiative of the Menzies Government to introduce the "Beef Roads" program in the 1960's was recognition by the Federal Government of the day of the importance of improving market access – at the time they were needed to replace costly and time consuming droving to rail heads.

While the “Beef Roads” program was to assist the beef industry, they have also delivered enduring benefits to the fishing and tourism industries and have improved access to remote townships and communities in Northern Australia. More recently, the functions of the “Beef Roads” would reverse from movement south to fattening areas and meatworks to facilitate movement in the opposite direction north and west to live cattle trade export ports such as Karumba and Darwin.

Similar foresight is needed to extend the road network in Northern Australia as a precursor to the sustained development of additional agricultural land and increasing production to meet world demand.

Critical Priority 4:

Commit funding for the ongoing development and upgrading of the Bruce Highway, the Peninsula Development Road, the Hann Highway and Kuranda Range Road in recognition of their role in the development of the Tropical North Queensland Region.

Industry Priorities:

- Improved Market Access

Clearly the major stimulus to demand for agricultural products from northern Australia is likely to come out of Asia. There is going to be a need for very careful appraisal of what those markets are going to need and what products these countries are going to accept from overseas. Protectionism is still rife in agricultural products in some of the Asian countries. Exporters of mangoes from the Mareeba area have reported difficulties in accessing the mainland Chinese market direct.

Any negotiation of trade arrangements must take into account the maintenance of appropriate quarantine standards for product imported into Australia.

Industry Priority 1:

Ongoing commitment by Government to the relaxation of trade barriers with major (and potential) trading partners to enable fair and equitable exchange of goods and services, whilst maintaining appropriate quarantine controls.

- Research and Development Capability

If the Achilles heel of northern development has been agriculture, the Achilles heel of the development of successful agriculture has been technology - technology relating to tropical agriculture in general and technology to overcome high costs of labour and production in Australia. The development of high yielding plants and animal varieties suitable to local climatic and economic conditions in Northern Australia has been critical.

It was a setback for tropical Australia when the CSIRO decided to switch out of agricultural research into other fields. The structure of the economy and prospects in southern Australia almost certainly justified the switch. The economy and prospects in tropical Australia at the time almost certainly did not.

The advances enjoyed by the sugar industry (through mechanisation and the introduction of more resilient plant varieties), the adaption of different breeds and pastures by the beef industry (through the introduction of animals and plant species better suited to the tropical environment) and the creation of new industries and products (tropical fruits, exotic vegetables, coffee, tea etc.) are examples of how Northern Australia has met the challenges of its tropical location. Not only has it met these challenges it has prospered and delivered enduring benefits to the national economy.

An ongoing research capability, located in close proximity to agricultural activity, is required to identify and implement technological advancements.

Industry Priority 2:

Commit to an expanded, targeted research capability in the region, including the relocation of existing research facilities, to improve productivity in agriculture and other primary industries.

- Support for Corporate Farming

Traditionally the family farm has been the mainstay of farming activity in Australia. However, following the removal of barriers to competition across almost all industries and in response to growing cost pressures, there has been a trend towards larger farming units. It is apparent that significant investment in infrastructure and technology to remain competitive in international markets will see this trend continue. Realistically, the expansion of industries into new land will only be contemplated by large scale operators and there is likely to be a consolidation of ownership in current producing areas.

The expansion of agricultural production in Northern Australia will therefore be largely delivered by large corporate operators. There is already evidence of large scale proposals in the Etheridge / Gilbert Area where a company is looking to establish an integrated agricultural development including a sugar mill and meat processing plant to process production from irrigated cropping land and an expanse of grazing land.

Priorities identified above which are required to support agriculture in general are equally relevant to such large scale operations. However additional support for large scale developments through streamlined approval processes is also a critical factor in their success.

Industry Priority 3:

Recognise the importance of attracting major corporate investment into agriculture in Northern Australia and ensure processes are in place to deal efficiently with approvals and that funding is provided for the provision of any necessary support infrastructure which is the responsibility of Government.

3. Tourism

Opportunity:

Capitalise on expected growth in world tourism to welcome 2 million international visitors to Northern Australia.

Context:

Northern Australia offers unique natural assets that already attract visitors from across the world. The natural attractions of the Region are supported by a range of increasingly sophisticated product offerings and accommodation choices with international aviation access available primarily through Darwin and Cairns or indirectly through other Australian capital cities.

Tourism is expected to be one of the fastest growing global industries in the next 20 years. Encouragingly, much of the projected growth in tourism is expected to be generated from Asian countries where demand is expected to be principally generated from an increasingly affluent middle class.

Northern Australia is well placed to capitalise on this potential due to:

- Our proximity to Asia
- Our unique natural assets and the diversity of these attractions across the Region.
- Australia's reputation as a safe, English-speaking destination.
- Increased, affordable aviation access – particularly connections to Asia.

To cater for increased demand, there will be a need for significant investment in infrastructure and services. Increased visitors to the Region will demand high end experiences, accommodation and entertainment, ease of access to different destinations within the region and the highest standard of customer service. Tourism has a particular advantage over other industries in that it is a significant generator of employment. As an example, tourism accounts (directly and indirectly) for more than 20% of the local workforce in Tropical North Queensland. As such, expansion of the tourism industry will significantly boost employment which is a catalyst for population growth in Northern Australia.

There is a need for a concerted effort by industry stakeholders and Government to ensure the Region capitalises on the potential offered. The Industry should be provided with a supportive regulatory environment and the mechanisms to promote the Region on the international stage.

Critical Priorities:

- **Product Development**

To cater for increased demand, there will be a need for significant investment in new infrastructure and services to deliver new offerings to visitors. To encourage new visitors and past visitors to return to the Region, further investment will be required to deliver high end experiences, accommodation and entertainment, ease of access to different destinations within the region and the highest standard of customer service.

The common constraints identified in the introduction of this submission have particular relevance to the potential development of the new tourism infrastructure. For new tourism ventures based on indigenous culture or environmental experiences it is possible that these ventures may impact in some way on indigenous land or on conservation protected areas. In some cases it can be expected that the proponents of these ventures may be the indigenous people themselves.

Critical Priority 1:

Implement programs and commit funding to proactively resolve native title determinations in Northern Australia and review current land tenure arrangements to remove inconsistencies and limitations in tenure arrangements which currently preclude investment in the underlying land and resources.

Critical Priority 2:

Implement a more transparent, consultative process to the assessment of conservation and environment values which:

- c) Ensures initiatives to protect natural assets are subject to an objective independent assessment based on accepted scientific or conservation principles; and***
- d) Gives due recognition to the economic and social impacts on local communities***

For all current (and future) declared protected areas commit ongoing funding to:

- e) Enable the pro-active management of the assets and the interaction of the assets with surrounding environments; and***
- f) Advance research capability to assist in the management and preservation of the asset.***

Industry Priorities:

- Aviation access – incentives

Tropical North Queensland relies heavily on aviation and, without additional direct international services, there will be a failure to realise tourism growth opportunities and to create employment and economic value. Significant growth in international visitor numbers from key source markets will increase the value of visitor expenditure in the region with flow-on effects to the broader regional economy. New flights also offer potential for commercial and business development opportunities with flow-on effects of investment attraction delivering employment and skills development opportunities.

The attraction of new airline entrants is increasingly commercially focussed but success invariably involves the provision of incentives from destination airports, tourism operators and local stakeholders, including government. These incentives are particularly critical in the initial years as demand for the introduced service grows.

State and Federal Government contributions to the payment of incentives to airlines to operate services to / from Cairns and Darwin can provide a critical stimulatory element to the regional economy. Payments structured to contribute to the first 3 years' operational start-up costs of airlines adding new routes can significantly de-risk the proposition for airlines. Support is also invaluable to deliver expanded marketing programs through airlines and wholesalers and provide incentives for sales and marketing initiatives for route development.

Industry Priority 4:

Creation of a Regional Aviation Incentive Fund to stimulate aviation access into Northern Australia through the provision of temporary incentives for new air services to offset start-up costs of airlines and to support marketing programs.

- Tourism – Sustainable Funding

Australia's tourist destinations are promoted in regions around the world through the co-operative efforts of Governments, tourism operators, airlines, travel agents and other stakeholders. This support is critical to the ongoing success of the tourism industry which delivers significant export income to the nation (including Northern Australia).

The opportunities offered by the projected growth in Asian tourists will be lost if the Australian industry fails to actively promote its natural attractions, its culture and its reputation as a desirable destination. Such failure to do so will threaten the sustainability of the industry and severely impact regions where the regional economy has a strong tourism bias e.g. Tropical North Queensland.

Event tourism provides a “reason to travel” and is recognized as an important sector within the tourism industry to buffer leisure tourism seasonality that is experienced in Northern Australia. Business events, one of the highest yielding sectors of the tourism industry contribute almost \$200 million directly and indirectly to the local economy. Our close proximity to Asia provides the greatest opportunity for growth in both the association and corporate sectors. The Asian Pacific rim also presents opportunities to grow participation (and visitor) rates in the sports events portfolio of the destination. However in order to remain competitive on a global scale subvention funding will be required to support bids to attract these events.

Consideration must be given to the development of sustainable subvention funding models and the adoption of funding models for tourism marketing and promotion which provide an appropriate level of funding to the industry and which deliver certainty to allow the industry to expand in a sustainable manner.

Industry Priority 5:

Commit to a review of funding mechanisms for event attraction, destination marketing and tourism promotion and commit to a funding model to guarantee the sustainability of the tourism industry in Northern Australia.

- Cruise

The Port of Cairns has a long history as a key cruise destination in Queensland with cruise ship numbers steadily increasing. Internationally, ship numbers have significantly increased at a time when there is a clear trend to larger vessels. In the case of Cairns, future growth may be constrained by the limitations of the existing shipping channel with the situation being exacerbated as the size of cruise ships increase.

The removal of existing constraints is proposed by a significant widening and deepening of the shipping channel, with an Environmental Impact Study currently being progressed as part of this project. The Queensland Government has committed to fully funding the EIS as part of its current \$40 million commitment to this Project.

The project, when completed is expected to deliver significant growth in larger cruise ship visits. Increased visitation will deliver substantial economic returns to the region, and flow-on benefits to other regional cruise destinations.

This project will also provide opportunities for the expansion of HMAS Cairns as well as improving operational efficiencies for the Port’s shipping operators.

Industry Priority 6:

Following the completion of the Environmental Impact Study for the Cairns Shipping Development Project, support is required to ensure this critical infrastructure project is approved and a joint funding arrangement between the State and Federal governments is agreed to allow the construction phase of the project to proceed.

- Export Market Development Grants (EMDG)

Tourism exports from Tropical North Queensland make up 20.9% of Queensland's total tourism exports. The regional tourism industry needs support for this export activity to be continued and expanded, to assist the further development of inbound tourism, and to provide growth in tourism, the region's major economic driver.

Increasing the funding available to tourism exporters through the EMDG scheme, for marketing and promotional activities in international markets, will lead to an increase in international visitation to the Region, and an increase in visitor expenditure. Additionally, promotion and marketing of regional tourism destinations and product leverages the destination marketing activity of Tourism Australia, Tourism and Events Queensland, and Cairns Airport.

A strong vibrant tourism industry is critical to the delivery of employment opportunities with the industry currently employing more than 20% of the local workforce.

Industry Priority 7:

Commit to increased funding for Export Market Development Grants to stimulate investment in tourism export marketing.

- Corporate Investment in Tourism Infrastructure

As with mining and agriculture realising tourism opportunities will need major corporate investment in accommodation and other facilities. Given the markets likely to develop much of this will come from overseas.

The major increase in tourism from Japan in the 1990s was underpinned by major investment in tourism in Australia from Japan.

The proposed \$4.2 billion Aquis Project is an example of the type of capital investment that will be needed to unlock the growing potential of the Chinese market for tourism to Australia.

Industry Priority 8:

Recognise the importance of attracting major corporate investment into tourism in Northern Australia and ensure processes are in place to deal efficiently with approvals and that funding is provided for the provision of any necessary support infrastructure which is the responsibility of Government.

- Simplified Visa Processes

Visitors from many high-yield markets such as India and China (which are not on the Electronic Travel Authority (ETA) eligible countries list) generally arrive on a tourist visa. Applying for such a visa can be complex and require the completion of lengthy application documents that require the provision of extensive personal information which may be challenging for visitors from these countries.

Each applicant must pay a \$115 non-refundable charge, which, in the cases of Indian and Chinese visitors who often visit in family groups, adds a significant financial barrier to visiting Australia. For visitors from eligible countries on the ETA list, a \$20 processing fee is still payable. It is of interest that many countries in the region (for example, Singapore and Hong Kong) that compete for Asia-Pacific visitor spend do not impose such a fee for visitors from eligible countries. Further there are concerns that the visa fees should be set at levels that represent a cost-recovery fee only, and that do not result in an over-collection compared with processing costs.

Industry Priority 9:

Initiate a review to consider:

- 1. measures to simplify the processing of visa applications from visitors from the key Indian and Chinese markets; and***
- 2. the fairness of visa application charges.***

4. Defence

Opportunity:

Increase Defence and Border Protection Presence in Northern Australia.

Context:

The relative underdevelopment of the North has long posed a security problem for Australia – a problem that came to a head in the dark days of early 1942 when a strategic reality was being faced that Australia could not defend its northern extremities and the ‘Brisbane line’ concept was being canvassed.

In the early 1970s, public opinion would be shocked when Minister Doug Anthony plainly spelt out at the height of the Cold War tensions and tumults in Asia that if Australia didn’t develop the North, it had no moral claim to it and eventually others would come and take it.

Whilst there may remain some lingering insular thinking in southern Australia, there is a widespread recognition that it makes strategic sense to have a strong presence of defence, surveillance and border protection services in Northern Australia.

Australia's northern regions have already benefited from an increased defence and surveillance and border services presence, especially the cities and regions serviced by Darwin (army, airforce, navy, surveillance, border services), Townsville (army and airforce) and Cairns (navy, surveillance and border services).

Location of defence, surveillance and border protection services in the North plays two roles. It improves Australia's response capability and it has a wider developmental benefit in supporting the economies of other previously underdeveloped industry sectors. Commercial servicing, especially of naval and customs vessels and to a lesser extent surveillance aircraft, has played a role in supporting the development of maritime and aviation servicing capability.

Australia's principal navy base, Navy Fleet Base Sydney, obviously has constraints to development. Shifting elements to Northern Australia would have major benefits in strategic positioning as well as contributing to the build-up of a maritime industries servicing capacity with the potential to earn export income from the wider Asia/Pacific area. Arguments can be mounted for establishing improved naval facilities in Cairns, Darwin and the Pilbara/Kimberley area.

The northern positioning of naval facilities will improve interaction with surveillance and border services and increase Australia's presence in the broader region. This will strengthen potential interaction with defence forces in neighbouring countries like Papua New Guinea, the Pacific Islands, East Timor and Indonesia and improve the capacity to deal with any threats and emergencies caused by volcanic eruptions, tsunamis and cyclone damage in those countries as well as in Northern Australia.

The presence of defence forces in the northern cities has a long history of community support. One of the past problems of northern development has been an ignorance in the major centres of southern Australia of the real situation in the North. Whilst tourism (through visitation to the Region) has been changing this to some extent, the transfer of large numbers of defence personnel through the northern cities has had an effect of familiarising many families with the people and climate of Northern Australia and removing misconceptions around tropical living. The northern cities with defence presence now include a significant number of residents who were in the defence services, liked the place and on completion of service, stayed or came back as permanent residents. The contribution of ex naval personnel, and the skills they possess, has been critical to the build-up of Cairns' maritime servicing cluster of activities.

Industry Priorities:

1. Expansion of HMAS Cairns

The Port of Cairns is a logical location for expansion of defence facilities in Northern Australia with HMAS Cairns already the second largest naval establishment on the east coast of Australia. The Cairns region is one of the closest air and sea service hubs to most of Southeast Asia and the Pacific and has strong commercial linkages with many Western Pacific countries. These relationships have previously enabled Defence to engage in capacity-building and training exercises throughout these regions. Cairns has Australia's closest seaport to the Manus Island Asylum Seeker Detention Centre and the region currently oversees critical border patrol activities and shipping traffic, especially through the Torres Strait trade routes.

In terms of protection of national assets, Tropical North Queensland is strategically located as the north eastern gateway to Australia and already hosts a significant customs presence.

The navy presence, along with a wide variety of commercial vessels has lead to the establishment of a substantial, highly skilled service industry capable of expanding its services to meet an increased demand from Navy. This is particularly the case for Cairns where a quality, cost competitive service industry continues to grow.

To highlight the advantages offered by the Port of Cairns and to examine its capability to accommodate an increased naval presence, it is proposed a detailed assessment be conducted to confirm opportunities and potential constraints.

Industry Priority 10:

Undertake a detailed assessment of the Port of Cairns to examine the expansion potential of the port and surrounding land.

2. Relocation of Defence and Border Protection Support Operations.

There is a variety of Defence and Border Protection Support operations, including training and administration functions, located in Southern Australia. In some cases these support operations are intrinsically linked to operations which are conducted in Northern Australia – for example, the Hydrographical Services Unit. There may be efficiencies in relocating these types of functions closer to the operational functions.

With a growing research and teaching capacity at James Cook University, benefits may also accrue to Defence from the relocation of its Malaria and Dental units to Cairns to capitalise on the growing local research capability.

Industry Priority 11:

Relocate Defence and Border Protection support operations to Northern Australia where such relocation will deliver efficiencies to Defence and Customs whilst providing economic stimulus to the Region.

5. Fishing

Opportunity:

Support the ongoing management of, and access to, Northern Australia fisheries to assist in strengthening and diversifying the regional economies in Northern Australia.

Context:

Australia is a major importer of seafood products while harvest of its own very substantial resources is minimal. This trade imbalance is largely a result of environmental restrictions which limit access by Australians to important Australian resources. This is particularly the case in the Coral Sea where the declaration of a marine reserve has constrained access by Australian fishermen.

A feature of the offshore areas of North Australia is a very large area of relatively shallow seas – along the Great Barrier Reef, in the Torres Strait, the Arafura and Timor seas and the North West Shelf.

The extensive shallow seas inside the Great Barrier Reef, in the Gulf and off the Top End and Kimberley coasts have large high value prawn resources.

The coral reef areas of the Torres Strait and off Broome with their high value pearl produce some of the world's most valuable marine products. The industry has moved over the years from wild collection to offshore cage farming.

The Torres Strait and especially the far northern areas of the Great Barrier Reef have a variety of species that over the years have been commercialised or sought to be commercialised – for example, tropical rock lobsters, trochus shell, beche-de-mer, sponges, giant clams.

Highly prized reef fish like coral trout are a resource exported out of Cairns by air for the very high value live fish trade to Asian restaurants. As well as being an important part of the tourism product of the region, the reef is a source of high value aquarium fish for commercial aquariums overseas as well as households.

Offshore from Cairns is the very large tuna fishery resource in the Coral Sea and further afield. This resource supports large scale commercial fishing and canneries in the Pacific Islands. There is a spectacular opportunity to participate in being part of the harvesting of this massive Pacific Tuna resource which could deliver increased produce on a sustainable basis and yield substantial employment.

Key centres that especially relate to Northern Australia's fish resources are Cairns followed by Darwin and the smaller centres of Bowen, Cooktown, Thursday Island, Karumba and Broome.

Environmental restrictions not based on science however have caused major checks to the sector's expansion. The most important thing for this sector reaching its potential to play a role in the diversified development of Northern Australia will be to keep restrictions not based on science under control, and in fact in a number of cases, wound back. The prime example of these restrictions is the proclamation of a Marine Reserves network around the Australian coast with a resultant restriction on fishing activity within the various reserves. The vast Coral Sea Marine Reserve, with its massive tuna resource, is the largest single area of Reserve with critical restrictions also applying to the prawn and other fisheries in the Gulf of Carpentaria.

Critical Priorities:

The assessment of the proposal to introduce a network of Marine Reserves did not properly consider the socio- and economic impacts on regional communities in Northern Australia. This remains a major concern to local stakeholders. A full assessment of the impacts would fully acknowledge the level of support required for the region's economy and community to manage and overcome the impacts of the proclamation.

Critical Priority 2 – Proper Assessment of Conservation and Environmental Values

Implement a more transparent, consultative process to the assessment of conservation and environment values which:

- c) Ensures initiatives to protect natural assets are subject to an objective independent assessment based on proven scientific or conservation principles; and***
- d) Gives due recognition to the economic and social impacts on local communities.***

For all current (and future) declared protected areas commit ongoing funding to:

- c) Enable the pro-active management of the assets and the interaction of the assets with surrounding environments; and***
- d) Advance research capability to assist in the management and preservation of the asset.***

Industry Priorities:

As the proclamation has proceeded, even without any understanding of its impacts, consideration must now be given to adjusting the licensing arrangements in a manner that would allow some vital fishing activities to continue within the proclaimed Reserves.

Industry Priority 12:

Modify licensing arrangements to enable the continuation of sustainable fishing activities within the Marine Reserves.

6. Education & Research

Opportunity:

Position Northern Australia as a leader in education and tropical expertise through investment in regional universities and research institutions and initiatives which support workforce skills development and growth in education services.

Context:

Development of technology especially suited to the tropics, the maintenance of a skilled and educated workforce along with research and development initiatives have played, and will continue to play, a critical role in the development of Northern Australia. The education and research sectors have developed to form a critical element of the Tropical North Queensland economy providing services to local residents and to domestic and international markets.

Current education and learning facilities in Cairns include a campus of James Cook University, a satellite campus of Central Queensland University, Technical and Further Education facilities, the Great Barrier Reef International Marine College and Cairns Aviation Skills Centre. Additionally, the City has established itself as the leading centre for the delivery of non-university international education, especially in the form of English language schools. International students are attracted to Cairns due to lifestyle, special study opportunities, international air connections and its strategic location.

However, the City remains underserved with university courses and student numbers per head of population which are currently well below national regional averages. There is a special need for investment in education and training:

- to improve university education penetration levels (i.e. benchmarked against regional levels in southern Australia);
- to support the development of Northern Australia's industries and increase outside earnings from education and research;
- to especially complement the development of the skills based manufacturing and service sectors such as the marine and aviation sectors now earning international income;
- to support the role being played by the northern cities, especially Cairns, in provision of education services in Papua New Guinea and the Pacific; and
- to continue the provision of special support for indigenous education and training institutions.

Tropical expertise, based on world leading tropical knowledge and research, has developed into a capability which impacts on a vast range of sectors including tropical medicine and health, education, agriculture, infrastructure, mining, fisheries, building design and disaster management. There is a growing demand to share this expertise with many tropical zone economies around the world.

As one of the few developed high income tropical economies in the world, this tropical knowledge and expertise, infrastructure and research capabilities are now positioned:

- to deliver targeted and field-tested products and services including education and research to tropical economies across the world; and
- to act as a 'hub' for the interchange of technology relating to the tropics around the tropical zone.

The opportunity exists for university, research institutions, not-for-profit entities, industry and key economic and business agencies to collaborate to form stronger strategic alliances and to develop a framework for the building over time of an export focused education and tropical knowledge sector in Northern Australia. These initiatives will diversify the economy and drive productivity and innovation in existing industries including tourism, manufacturing and professional services.

With an established marine and aviation services sector in Cairns, the international competitiveness of these industries depends on maintaining high skill levels. The education arms of these sectors are vital to their continuing success in deepening the North's economic structure.

In a region with a high indigenous population, it is fundamental to northern development, (especially in Cape York Peninsula, the Northern Territory and the Kimberley Region) that there is special attention to indigenous education and training. Whilst there is existing capacity throughout the regions of Northern Australia, there is a need to further enhance the delivery of these services.

An example of current developed tropical expertise is the Australian Institute of Tropical Health and Medicine (AITHM), a tropical health and medical research institute based at James Cook University in Townsville, Cairns and the Torres Strait. The Institute undertakes public health, biomolecular, clinical, translational, and health system research which is strongly focussed on the health problems of most importance to tropical Australia, and particularly to tropical North Queensland.

The AITHM will also support the sporting aspirations of the region through its tropical sports science research facilities, established to research ways to best enhance fitness and physical performance in tropical environments and to identify potential high performance athletes across the region.

Regional Priorities:

1. Maintain and Grow Funding of Education.

Industry Priority 13:

Commit to providing investment into education institutions and community infrastructure to increase numbers of domestic university students to levels appropriate for the regional population. Example investment opportunities include James Cook University student accommodation and Central Queensland University Cairns CBD campus.

2. Support the Growth of Education Services.

Industry Priority 14:

To assist in growing export income from Northern Australia, review initiatives which support:

- a) the continued attraction of international students to Cairns; and***
- b) the provision of services based on tropical expertise.***

3. Research Capability and Capacity

Industry Priority 15:

Commit to providing investment into research facilities (including Cooperative Research Centres) to support development in tropical Australia, noting that to achieve the best results from this research, it is critical that the research be undertaken by institutions and individuals located within Northern Australia.

4. Workforce Skills Development

Industry Priority 16:

Support the implementation of a place-based Skills Plan that meets the region's training needs, including those for the region's indigenous population.

7. Trades and Services

Opportunity:

To expand the capacity of Northern Australia's manufacturing and service industries to grow market access within Northern Australia and into the nearby Asia Pacific Region.

Context:

Similar to other regional service hubs, Cairns has developed industries and capabilities which provide a range of goods and services to its immediate region. Currently this includes neighbouring coastal and hinterland regions as well as communities in the Gulf of Carpentaria, Cape York Peninsula and the Torres Strait. However, unlike the majority of other service hubs, Cairns has also established key trade and service links to international markets in the nearby Asia Pacific Region.

Expertise developed over the years to directly support traditional established industries such as tourism, fishing and defence, is now being applied to other industries and at a more sophisticated technical level than in the past. This expertise has been refined and adapted over time with current specialisation in the marine, aviation, and mining services industries and to a lesser extent professional services.

The marine services sector in Cairns has the largest size and range of marine industry support activities across Northern Australia. At the heart of the sector are the slipways/shipyards with three major facilities capable of handling vessels of varying size - Tropical Reef up to 3,000 tonnes, Cairns Slipway up to 1,200 tonnes, and Norship up to 400 tonnes. These slipways are supported by a wide ranging agglomeration of smaller firms and contractors involved in repairs and maintenance work. The expertise has seen new markets developed including the servicing of international super yachts, which demand a very high standard of service. Cairns reputation as a centre for servicing super yachts continues to grow.

The competitive strength of the Cairns region's marine services sector lies in:

- The scale of the region's local fleet compared with surrounding regions.
- The investment that has taken place in essential infrastructure of slipways and travel lifts and in sophisticated equipment and training.
- The long-term experience of the sector's management.
- The high level of training and skills of its workforce delivered by the Great Barrier Reef International Marine College
- The location and compact efficiency of the sector in the immediate Cairns seaport area.
- Cairns' strategic location as the northern terminus of Australia's east coast road and rail network and in relation to the Pacific Island countries to the north.
- Cairns' role as the hub international airport in north eastern Australia.

The aviation services sector is based at Cairns Airport. Cairns is long established as a key gateway for inbound international flights but also is a base for a significant fleet of smaller aircraft used to service mines in Australia and Papua New Guinea and remote communities in the Gulf of Carpentaria, Cape York Peninsula and the Torres Straits.

Cairns has one of the most diverse aviation maintenance bases in the country, providing a range of world-class aviation and avionic services to international, domestic and general aviation clients. The industry is complemented by a state-of-the-art training centre (the Cairns Aviation Skills Centre), specialist technical, legal and administrative support and a highly effective industry cluster, the Australian Aviation Group – Cairns.

Cairns has a long history in providing quality services to the mining and resource industry as well as the provision of heavy engineering services to the sugar industry. Businesses within the region have built expertise around servicing this market in mostly remote and difficult to reach mining locations.

The services supplied to mines tend to fall into a number of categories with a different range of service providers involved - labour/personnel supply including fly-in fly-out workers; aviation and shipping services; food services; engineering services; and specialised corporate and professional services.

Industry Priorities:

- Super Yachts

While Australia currently attracts around 60 super yachts per year, providing opportunities for super yachts to charter in Australian waters will ensure greater expenditure on repairs, maintenance and provisioning, with a potential revenue increase to the Australian economy of \$170 – \$200 million per annum. Cairns is already recognised as a desirable destination for super yachts, attracting 35-50 super yachts each year. The ability to base super yachts in Cairns for chartering purposes will strengthen the well-established marine industry and position the region as a leader in marine servicing and supply, as well as capitalise on the training opportunities available through the Great Barrier Reef International Marine College.

Industry Priority 17:

Initiate steps to remove the import requirements for international super yachts wishing to undertake chartering activity in Australia for a period of up to 12 months.

- Immigration and Customs Pre-clearance

There is considerable business activity between Cairns and Papua New Guinea (PNG), which will continue to increase in the future as PNG continues to undergo significant growth. Facilitating entry via pre-clearance for immigration and customs in Cairns will ensure a more efficient service for PNG and remove many of the barriers currently impacting business and trade. Pre-clearance will also enable economical travel between Cairns and PNG by providing flexibility to airlines to expand services into other areas aside from Port Moresby, taking the pressure off Jacksons Airport while facilitating tourism growth in other parts of PNG.

Industry Priority 18:

Undertake a full feasibility study into options for immigration and customs pre-clearance processing for travel and trade between Cairns and Papua New Guinea.

- Enhance Marine Infrastructure at the Port of Cairns.

Developing regional maritime freight infrastructure to overcome existing port-based freight blockages has been identified as an important growth strategy for increased trade development. Cairns is the nearest Australian port to Papua New Guinea and south west Pacific markets. The growth in servicing these markets provides Cairns with an opportunity to expand shipping services and facilitate greater trade activity. Marine infrastructure improvements also have implications for the long-term expansion of HMAS Cairns.

Industry Priority 19:

Commit funding to upgrade marine infrastructure at the Port Of Cairns, including wharf expansion, barge ramp facilities and a heavy lift container crane to enable increased trade with Papua New Guinea and south-west Pacific nations.

8. Government Services

Opportunity:

Review the provision of Government Services to communities in Northern Australia to realise efficiencies in service delivery and consider opportunities to devolve appropriate decision making to a more regional level.

Context:

For the purposes of this submission, the provision of Government Services has been considered as an industry in recognition of the significant role of Government in regional economies in Northern Australia. Of the range of Government services that impact all Australian communities, there are a number of services which have particular relevance and linkages to Northern Australia. These particular services include social and community services, defence and border protection, research and education, and the administration of programs which are targeted at regional issues. Consideration is required of the method of delivery of these services and whether changes can be made to deliver efficiencies to Government whilst providing a stimulus to regional economies in Northern Australia.

There is also an opportunity to examine Federal and State Government engagement with regional communities to ensure that the views of the community are being understood and that any funding provided by Governments is directed at programs which have community support and that funds are appropriately expended.

Industry Priorities

1. Relocation of Government Services and Offices to Northern Australia.

There are a number of activities undertaken by various Government departments which have a strong link to industries, activities or assets in Northern Australia. These Government activities may include:

- Defence and defence support services
- Australian Customs Service
- CSIRO and other publicly funded research programs
- Australian Quarantine Inspection Service
- Australian Customs
- Specialised programs such as those offered by the Australian Institute of Sport
- National Parks and Environment
- Foreign Affairs and Trade, including AusAID
- Government customer service and call-centres

Where there are linkages to Northern Australia, consideration should be given to relocating departments, or elements of departmental activity, to the Region to deliver efficiencies in service delivery and stimulus to the regional economies. Evidence from the experience of ex-Navy personnel who have elected to reside in Tropical North Queensland on leaving the service, supports the view that relocation would be welcomed by a majority of public servants as an opportunity to improve lifestyle.

Industry Priority 20:

Relocate Government Services to Northern Australia to deliver efficiencies to Government whilst providing economic stimulus to the Region.

2. Regional Development & Community Engagement.

In regional communities around Australia there are a variety of organisations, including Regional Development Australia (RDA) Committees, Local Government, State Agencies and others, that have some involvement in “economic development” or “regional development”. It is evident that there is much duplication of effort, a failure of the organisations to share information and a lack of will to work co-operatively to identify issues and adopt a consensus position to advance matters which are of significance to the region. The result has been confused messages on key regional issues and a failure in meaningful community engagement by State and Federal Governments.

It is expected that, in the consideration of the implementation of the Government’s National Stronger Regions Fund, the future of the RDA Committees will be considered. This provides an opportunity to make significant changes to the structure and composition of these Committees (or their replacements) to ensure the engagement of local government. In particular, it would seem appropriate that:

1. The Committees should be “re-branded” to break the connection with the past.
2. The practice of Ministerial appointments should be continued.
3. The appointees to Committees should be from the elected representatives of regional local governments.
4. The Chair should be a local government representative.

If the above were implemented, the structure would then deliver:

1. Engagement by all three levels of Government.
2. Local communities being represented by elected representatives who have the authority to speak on behalf of their communities.
3. The prospect of a more consistent and coherent approach to regional development.
4. An assurance to the Federal Government that the views of the re-branded committees are representative of the regional community.

Industry Priority 21:

Implement changes to Regional Development Australia Committees (or any replacement organisation) to improve the quality of community engagement through the involvement of local government at a regional level.

5. Economic and Social Infrastructure

Opportunity:

Develop infrastructure in Northern Australia to meet existing community service standards and to accommodate future demands from an increased population.

Context:

Modern integrated infrastructure is required to encourage investment and economic growth and to enable opportunities for regional communities to develop and prosper. With appropriate infrastructure in place, businesses can make informed decisions on the location of business operations and the type of business activities to be undertaken. Similarly, individuals will have a broader choice of community in which to live and work.

Due to the expanse of Northern Australia, the diversity of its communities and remoteness from Australia's large population centres, the provision of reliable infrastructure is a critical element enabling the Region to realise its economic potential and to bridge the difference in economic well-being with urban Australia. It is unlikely that economic and population growth will occur in Northern Australia without significant investment in additional infrastructure.

Investment can be made with confidence that by and large, the economies and populations served will continue to grow strongly in coming decades and that this factor needs to be taken into account in designing appropriate levels of infrastructure.

The key infrastructure components are:

- **Transport**

A modern efficient transport network is the hallmark of developed economies as it provides critical connectivity between communities and to key markets.

- **Energy**

Access to reliable, cost competitive energy is a key consideration in business decisions and is instrumental in improving the quality of life in regional communities. Increasingly there is an acknowledged need to embrace renewable and clean energy generation.

Similarly, quality, reliable and cost effective water is critical to cater for increasing demands from the residential, industrial and agricultural sectors. The impacts of population and industry activity also require collection and treatment of waste water.

- **Communications**

The provision of reliable communications enables connectivity between communities and the sharing of information and is a critical element necessary to improve economic efficiency and competitiveness.

- **Services – Schools, Hospitals, Recreational Facilities**

Strong and vibrant communities demand quality schools, health services and recreational facilities to suit lifestyle opportunities. These demands must be satisfied to attract and retain a skilled labour workforce, to encourage population growth and to build and sustain skills and knowledge.

Regional Infrastructure Requirements:

The following specific needs are considered critical to the Tropical North Queensland Region meeting service expectations of its current community and to provide for planned future growth.

Transport

- **Regional Road Network**

In the Tropical North Queensland region, there are four key major transport routes that require ongoing development to improve market access, to expand support services and to enable connectivity throughout the region.

- a) **Continued upgrade of the Bruce Highway**

The Bruce Highway is the primary road linkage to the Region and, whilst well developed, requires continued upgrading to accommodate increased usage and improve flooding constraints.

- b) **Continued upgrade of the Hann Highway**

The Hann Highway has long been identified as an alternative route to the Bruce Highway, providing a more direct link between North Queensland and Melbourne/Adelaide for the movement of freight, cattle and other agricultural products. Sealing of the last remaining section of the Hann Highway, to provide year-round access to southern markets for North Queensland's agricultural produce, improves supply chains and provides significant freight efficiencies for producers.

- c) **Peninsula Development Road.**

Upgrading the Peninsula Developmental Road provides better connections between the principal road servicing Cape York Peninsula and the National Network south of Cairns. It will also generate indirect benefits for Cairns as the regional transport hub. In addition, sealing of the road is seen as a catalyst to increasing available land for agriculture and improving access to markets for primary produce.

- d) **Upgrade Kuranda Range Road**

The Kuranda Range Road (section of the Kennedy Highway) leads from Cairns up the McAlister range to Kuranda. The road is currently a critical freight route for the efficient distribution of fuel, fertiliser and other products from Cairns to Tablelands, Peninsula and Gulf industries and communities and for transport of product from these areas to Cairns.

The road is also a growing commuter route for residents of Kuranda and the Northern Tablelands who work in Cairns. The upgrade of the road is critical to cater for population growth in Cairns. The roads current inability to take minimum freight efficient vehicles of B Double size imposes additional costs and constraints on many of the regions industries and communities.

- Cairns Port – Access Channel

The removal of existing constraints in the Port is proposed by a significant widening and deepening of the shipping channel, with this project currently progressing with the preparation of an Environmental Impact Study. The Queensland Government has committed to fully funding the EIS as parts of its current \$40 million commitment to this Project.

The project, when completed will deliver significant growth in larger cruise ship visits. Increased visitation will deliver substantial economic returns to the region, and flow-on benefits to other regional cruise destinations.

This project will also provide opportunities for the expansion of HMAS Cairns as well as improving operational efficiencies for the Port's shipping operators.

- Cairns Port - Marine Infrastructure

Developing regional maritime freight infrastructure to overcome existing port-based freight blockages has been identified as an important growth strategy for increased trade development. Cairns is the nearest Australian port to Papua New Guinea and south west Pacific markets. The growth in servicing these markets provides Cairns with an opportunity to expand shipping services and facilitate greater trade activity. Marine infrastructure improvements also have implications for the long-term expansion of HMAS Cairns.

Energy

- Major Dam in the Wet Tropics Region of Tropical North Queensland

Access to reliable, cost competitive energy is a key consideration in business investment decisions and is instrumental in improving the quality of life in regional communities.

The development of new electricity generation capacity in Tropical North Queensland will deliver electricity more cost effectively to the region and thereby reduce the need for public financial support of transmission losses, which is estimated to amount to \$600 million p.a. for affected households. Additional generating capacity will better align electricity supply with the growth projections of the region.

There are opportunities to explore several renewable energy alternatives in the region including major hydro-electric, wind and co-generation options. In particular the opportunity to expand existing electricity generation capacity at both the Barron Falls and Kareeya power stations should be considered.

To enable Northern Australia to deliver on its potential to contribute to a doubling of the nation's food production and to accommodate a substantial increase in population, investment is required into further progressing feasibility studies into the construction of a major dam in the wet tropics region of Tropical North Queensland. Several options for dam sites have been identified in various studies which have the capability of delivering water for both urban use (Cairns City) and for the expansion of agricultural land on the Atherton Tablelands. Additional considerations in the selection of a suitable dam site include the potential to enhance hydro-electric generation capacity and the impact additional water storage may have on the natural environment.

A detailed feasible study by an appropriately qualified panel of professionals should commence as soon as practical into the preparation of a feasibility study to determine options which deliver additional water for consumptive and agricultural use and which provide the capability to expand hydro-electric generation capacity in the Tropical North Queensland Region.

Communications

- Continued rollout of the national broadband network.

The trend towards a more digitally based economy will provide a transformational opportunity to regional communities across Australia. More business activity will be conducted through high-speed broadband. It will make regions more liveable and attractive to new and current residents by enabling greater digitally-enabled access to services and social connections. Such opportunities for economic growth, diversification and wellbeing contribute to stronger regions and a strong national economy. High speed broadband represents an unprecedented investment in telecommunications infrastructure in regional Australia.

The availability of high speed broadband in Tropical North Queensland means regional and remote businesses will be able to connect and interact with domestic and international markets like never before, enabling greater innovation, facilitating new business models and improving regional productivity. It is a critical enabler to diversifying the Tropical North Queensland economy and increasing the economic output of our region.

Community Services

- Revitalisation of Cairns Central Business District.

Master planning of the Cairns CBD has identified the need for a major refurbishment of the City centre to increase community visitation and to improve the experience of visitors. It is anticipated that the delivery of the project will result in additional retail spending with flow-on effects supporting local employment and improved trading conditions for small business. The project will support, strengthen and grow the local economy with the creation of more than 100 jobs in the construction phase.

Components of the Project include:

- The opening up of Lake Street through the existing City Place with two traffic lanes for all traffic;
- A shared low-speed pedestrian focus along the Shields Street alignment and;
- Upgraded bus transit stations located in Lake Street north of City Place.

Further works are then proposed to refurbish Shields Street between Grafton and Abbott Streets subject to funding availability from the State and Federal Governments.

- Redevelopment of Tobruk Pool.

The iconic Tobruk Memorial Pool was built by returned serviceman from Tobruk in the early 1960's to commemorate the contribution of the Rats of Tobruk during World War II. It is located off Sheridan Street and is the City's highest profile and most visible fixed format swimming facility. The facility is located close to the Cairns International Tennis Centre and the world class home of Cairns Hockey. The pool is now approaching the end of its useful life as the facility has deteriorated due to its age and is now aesthetically unappealing.

Council is progressing the re-development of the facility to a FINA standard pool capable of hosting National and international swimming events. In addition, a series of ancillary facilities will be provided to deliver a variety of allied health and recreation facilities.

- Cairns Performing Arts Centre.

There is an urgent need for new or upgraded performing arts facilities in Cairns. This has been well established in several studies undertaken by Cairns Regional Council when considering options to meet the community's needs for performing arts' facilities in Cairns. The existing Cairns Civic Centre, constructed in the 1970's, is considered to be grossly inadequate in meeting the current demands of the community.

Studies have confirmed a preferred site for the performing arts centre and future expansion of the Cairns Convention Centre, with part of the site being able to be made available for a potential hotel or residential development. There are opportunities to be assessed when considering how a performing arts centre and the Convention Centre could be jointly operated and managed.

- Cairns Rectangular Stadium

The development of a stadium in Cairns is proposed to cater for rectangular pitch sports, including rugby league, rugby union and soccer. Designed as a multi-use venue, the Stadium shall be capable of hosting sporting events for multiple sporting codes as well as events such as open air concerts.

The stadium shall meet the requirements of the following bodies:

- International Rugby Board (IRB).
- Australian Rugby Union (ARU).
- National Rugby League (NRL).
- FIFA requirements for International Soccer.
- Australian Rugby League (ARL).

Council has completed a feasibility study into the need for a major rectangular sports stadium for Cairns which recommended:

- A staged redevelopment of Barlow Park to a “10,000 seat + 10,000 standing room” stadium over the coming years.; and
- An aspirational plan to progress to a 20,000 seat stadium over the course of perhaps the next 20-50 years.

- Waste Water Treatment Facilities.

The effective processing of waste water is a fundamental service to be provided to the community. The provision of facilities for the treatment of waste water (including sewerage) is, almost without exception, the responsibility of local government and there is currently a varied level of treatment being undertaken by local governments in the Tropical North Queensland region. Progressively there is a need to upgrade current treatment standards to meet community expectations and environmental standards. Additionally, the capacity of existing treatment plants will need to be upgraded to cater for increased population.

The treatment of waste water is a critical issue for local governments throughout the Tropical North Queensland region due to the Region’s unique environmental assets and its close proximity to the Great Barrier Reef.

Upgrading of these facilities is fundamental to accommodating an increased population in Northern Australia.

Health Services

Cairns Hospital and other allied medical facilities in Cairns provide high order services for the largest regional population in northern Australia with the area serviced covering an area close to the size of Victoria. In addition, these facilities service a visitor population that can peak at over 40,000 in the peak tourist season. They have special needs to service the largest indigenous population in Queensland and they play a special and increasing role, in helping Papua New Guinea meet its deficit in health services. Cairns has long been the major base in northern Queensland for the Royal Flying Doctor Service and other emergency services.

A major upgrade of Cairns Hospital is nearing completion. The State government has undertaken to bring funding for the Cairns Hospital up to top tier levels.

There will be a continuing need for increased funding to keep hospital and health services in Cairns to appropriate levels and to meet the substantial needs for local services throughout its very large servicing region. Health facilities should be provided at an equivalent standard to that already enjoyed by residents in Southern Australia.

In particular there is a need to urgently upgrade facilities at the Cairns Hospital to improve oncology and cardiac treatment and allow local patients to be treated close to family and friends.

Education Services

Higher education and tertiary level education and training needs have been addressed in an earlier section of this submission. It will be a continuing challenge to keep school education facilities up to population growth in Cairns in the future, as it has been in the past. Council has been working with the Queensland Schools Planning Commission to identify the location of future schools to cater for projected growth. Through this collaboration, the historical lag time between population growth and infrastructure provision is addressed.

A feature of schools growth in Cairns in recent decades has been an expansion of the range of non-government schools. Another feature has been an expanding interface with the international education sector. This sector is expected to grow but is subject to many of the influences that affect tourism, such as air services and the level of the Australian dollar.

Cairns currently plays a significant role in providing tailored schooling services for indigenous students from the remote communities as well as the local indigenous residents. It is expected that this role will expand as part of a policy of delivering good education outcomes for young people in and from the remote communities.

As for health services, there will be a continuing need for increased funding to keep education services in Cairns to appropriate levels and to meet the substantial needs for local services throughout its very large servicing region. These facilities should be provided at an equivalent standard to that already enjoyed by residents in Southern Australia.

End

APPENDICES

Appendix 1 - Priorities

Critical Priorities

1. Certainty of Land Tenure

Critical Priority 1:

Implement programs and commit funding to proactively resolve native title determinations in Northern Australia and review current land tenure arrangements to remove inconsistencies and limitations in tenure which currently constrain investment in the underlying land and resources.

2. Proper Assessment of Conservation and Environmental Values

Critical Priority 2:

Implement a more transparent, consultative process to the assessment of conservation and environment values which:

- a. Ensures initiatives to protect natural assets are subject to an objective independent assessment based on accepted scientific or conservation principles; and***
- b. Gives due recognition to the economic and social impacts on local communities***

For all current (and future) declared protected areas commit ongoing funding to:

- c. Enable the pro-active management of the assets and the interaction of the assets with surrounding environments; and***
- d. Advance research capability to assist in the management and preservation of the asset.***

3. Access to Reliable, Cost-effective Water and Electricity

Critical Priority 3:

Progress feasibility studies for the construction of a major dam in Tropical North Queensland to expand electricity generation capacity and to supply water for consumptive and agricultural use.

4. A Reliable Road Network

Critical Priority 4:

Commit funding for the ongoing development and upgrading of the Bruce Highway, the Peninsula Development Road and the Hann Highway in recognition of their role in the development of the North Queensland Region.

Industry Priorities

1. Agriculture - Improved Market Access

Industry Priority 1:

Ongoing commitment by Government to the relaxation of trade barriers with major (and potential) trading partners to enable fair and equitable exchange of goods and services, whilst maintaining appropriate quarantine controls.

2. Agriculture - Research and Development Capability

Industry Priority 2:

Commit to an expanded, targeted research capability in the region, including the relocation of existing research facilities, to improve productivity in agriculture and other primary industries.

3. Agriculture - Support for Corporate Farming

Industry Priority 3:

Recognise the importance of attracting major corporate investment into agriculture in Northern Australia and ensure processes are in place to deal efficiently with approvals and that funding is provided for the provision of any necessary support infrastructure which is the responsibility of Government.

4. Tourism - Aviation access – incentives

Industry Priority 4:

Creation of a Regional Aviation Incentive Fund to stimulate aviation access into Northern Australia through the provision of temporary incentives for new air services to offset start-up costs of airlines and to support marketing programs.

5. Tourism – Sustainable Funding.

Industry Priority 5:

Commit to a review of funding mechanisms for event attraction, destination marketing and tourism promotion and commit to a funding model to guarantee the sustainability of the tourism industry in Northern Australia.

6. Tourism – Cruise – Cairns Shipping Development Project

Industry Priority 6:

Following the completion of the Environmental Impact Study, support is required to ensure this critical infrastructure project is approved and a joint funding arrangement between the State and Federal governments is agreed to allow the construction phase of the project to proceed.

7. Tourism – Export Market development Grants

Industry Priority 7:

Commit to increased funding for Export Market Development Grants to stimulate investment in tourism export marketing.

8. Tourism - Investment in Infrastructure

Industry Priority 8:

Recognise the importance of attracting major corporate investment into tourism in Northern Australia and ensure processes are in place to deal efficiently with approvals and that funding is provided for the provision of any necessary support infrastructure which is the responsibility of Government.

9. Tourism – Simplified Visa Processes

Industry Priority 9:

Initiate a review to consider:

- 1. measures to simplify the processing of visa applications from visitors from the key Indian and Chinese markets; and***
- 2. the fairness of visa application charges.***

10. Defence – Expansion of HMAS Cairns

Industry Priority 10:

Undertake a detailed assessment of the Port of Cairns to examine the expansion potential of the port and surrounding land.

11. Defence – Relocation of Support Operations

Regional Priority 11:

Relocate Defence and Border Protection support operations to Northern Australia where such relocation will deliver efficiencies to Defence and Customs whilst providing economic stimulus to the Region.

12. Fishing – Re-evaluation of Environmental Restrictions

Industry Priority 12:

Modify licensing arrangements to enable the continuation of sustainable fishing activities within the Marine Reserves.

13. Education - Maintain and Grow Funding.

Industry Priority 13:

Commit to providing investment into institutions and community infrastructure to increase numbers of domestic university students to levels appropriate to regional population. Example investment opportunities include James Cook University student accommodation and Central Queensland University Cairns CBD campus.

14. Education - Support the Growth of Education Services.

Industry Priority 14:

To assist in growing export income from Northern Australia, review initiatives which support:

- a) the continued attraction of international students to Cairns; and**
- b) the provision of services based on tropical expertise.**

15. Education - Research Capability and Capacity

Industry Priority 15:

Commit to providing investment into research facilities (including Cooperative Research Centres) to support development in tropical Australia, noting that to achieve the best results from this research, it is critical that the research be undertaken by institutions and individuals located within Northern Australia.

16. Education - Workforce Skills Development

Industry Priority 16:

Support the implementation of a place-based Skills Plan that meets the Region's training needs, including those of the Region's indigenous population.

17. Trades & Services – Super Yachts

Industry Priority 17:

Initiate steps to remove the import requirements for international super yachts wishing to undertake chartering activity in Australia for a period of up to 12 months.

18. Trades & Services – Immigration and Customs Pre-clearance

Industry Priority 18:

Undertake a full feasibility study into options for immigration and customs pre-clearance processing for travel and trade between Cairns and Papua New Guinea.

19. Trades & Services – Enhance Marine Infrastructure at the Port of Cairns.

Industry Priority 19:

Commit funding to upgrade marine infrastructure at the Port Of Cairns, including wharf expansion, barge ramp facilities and a heavy lift container crane to enable increased trade with Papua New Guinea and south-west Pacific nations.

20. Government Services – Relocation to Northern Australia

Industry Priority 20:

Relocate Government Services to Northern Australia to deliver efficiencies to Government whilst providing economic stimulus to the Region.

21. Government Services – Regional Development & Community Engagement.

Industry Priority 21:

Implement changes to Regional Development Australia Committees (or any replacement organisation) to improve the quality of community engagement through the involvement of local government at a regional level.

Appendix 2 - Key Infrastructure Requirements

Transport

- Continued upgrade of the Bruce Highway
- Continued upgrade of the Hann Highway
- Peninsula Development Road.
- Upgrade Kuranda Range Road
- Cairns Port – Access Channel
- Cairns Port - Marine Infrastructure

Energy

- Major Water Storage in the Wet Tropics Region of Tropical North Queensland.

Communications

- Continued rollout of the national broadband network.

Community Services

- Revitalisation of Cairns Central Business District.
- Redevelopment of Tobruk Pool.
- Cairns Performing Arts Centre.
- Cairns Rectangular Stadium
- Waste Water Treatment Facilities

Health Services

- Ongoing Investment in Regional Health Facilities

Education Services

- Ongoing Investment in Regional Education Facilities

End