

PUBLIC WORKS COMMITTEE

- 8 MAY 2006

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CAIRNS PORT AUTHORITY SUBMISSION TO

SUBMISSION 10

8 May 2006

PARLIAMENT OF AUSTRALIA
PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS
REDEVELOPMENT OF HMAS CAIRNS

Introduction

Thank you for the invitation to Cairns Port Authority (CPA) to provide a submission to the Parliamentary Standing Committee on Public Work's consideration of the proposed redevelopment of HMAS Cairns in the City of Cairns, Queensland.

CPA is a Queensland Government Owned Corporation (GOC) and is the owner and operator of Cairns Seaport and Cairns International Airport. CPA has substantial holdings of Strategic Port Land that it is required to manage, in the long term, interests of the efficient and effective operation of the Port.

This submission is not made on behalf of the Queensland Government and does not seek to represent the views of the Government.

CPA's Corporate Objectives are to:

“achieve commercially successful operations and increase shareholder value through sustained profitable performance, whilst:

- ensuring facilities and services provided by CPA are safe and secure for employees, customers and community;
- providing employees with satisfying employment;
- meeting our customers' needs;
- conducting operations in an ecologically sustainable manner;
- identifying and managing risk;
- conducting operations in compliance with legislation and policies of the Queensland Government;
- fostering tourism, trade and industry in Tropical North Queensland; and
- being regarded as a responsible and caring corporate citizen.”

The Cairns Seaport has been an operating port for over 100 years and thrived during the time in Australia's history when maritime transport was the only viable option for regions remote from major population centres. The Port's primary cargo movements are the importation of Fuel and Fertiliser and exportation of Sugar, Molasses and General Cargo. With the significant advancements in other transport modes Cairns Port has become less relevant in relation to commodities, cargo and passenger transport.

The Port's location, in proximity to the Great Barrier Reef, has seen the Port's role in tourism grow substantially, such that today nearly one million people per annum use the Port for tourism and leisure purposes.

Proximity to coastal and island communities in the Far North has also meant that the Port has continued to provide important provisioning services to remote communities.

In recent years Cairns Seaport has continued to incur financial losses due to the decline in traditional activities, high dredging costs and high costs associated with maintaining aging infrastructure.

CPA has, therefore, increasingly relied on effective use of strategic Port land holdings to seek to achieve Port viability.

The Cairns Seaport's association with the armed forces has been a source of pride and opportunity for the regional community. The Port played important roles in both World Wars, including being a significant base for the Catalina Flying Boats and a base for active defence of the Nation in the second World War.

The Australian Navy base, HMAS Cairns, was originally commissioned as a naval establishment in 1974. It was recommissioned in its present location in 1982 and has become an important part of the fabric of the community.

CPA, Cairns City Council and the Cairns Chamber of Commerce play an active role in encouraging the presence of the Australian Navy and international military vessel visitation to the City.

Key Points of Our Submission

- The needs of the Australian Navy and visiting international military vessels continue to be important considerations in the long term planning of the Cairns Seaport by CPA.
- CPA is required to ensure that Port infrastructure and land is used both effectively and efficiently so that the Port is able to provide required services to a multitude of customers on a sustainable basis.
- CPA has been in discussions with the Department of Defence (Defence) for some time in relation to options to meet its long-term needs in Cairns.
- By virtue of these discussions, CPA is fully aware of the planned approach to the redevelopment of HMAS Cairns and wishes to finalise mutually acceptable tenure arrangements as soon as possible to support the redevelopment.
- CPA is supportive of the plans to enter into an arrangement with Sugar Terminals Limited (STL) that will see the existing wharf infrastructure also used for naval purposes as this results in more effective use of existing assets.
- It is important that the needs of visiting military vessels be addressed in the plans for use of wharf infrastructure, given the limited availability of suitable wharf facilities from a force protection perspective.

CPA is also supportive of the planned redevelopment and expansion of the landside facilities of HMAS Cairns

Port Waterside Infrastructure

The Cairns Port's waterside infrastructure has, for many years, accommodated both Australian and international naval vessels. These have been accommodated generally at CPA's main cruise wharves and within the existing HMAS Cairns base.

The Sugar Wharf, located adjacent to HMAS Cairns, is primarily used for the export of Molasses and Sugar and is significantly underutilised. Whilst commercial cargo operations must be retained on the wharf it represents a cost effective and operationally efficient option for expansion of waterside facilities to cater for naval activity. Secure access to the wharf can be constructed from the end of Draper Street.

It is understood that negotiations with STL, as the owner of the sugar wharf, have been progressed. CPA approvals will be required for any agreement between Defence and STL in relation to the use of the facilities. CPA does not foresee any problems with such approvals.

This expansion of waterside facilities will also provide additional flexibility in meeting the security and protection needs of visiting naval vessels. CPA is committed to continuing to cater for visiting vessels and will work with Defence to facilitate this important facet of Port operations.

Shore-based Land Use

The existing HMAS Cairns land footprint occupies 2.5 hectares of central waterfront land in the Cairns Seaport. The existing footprint is landlocked and additional land is required to relieve the significant congestion that is evident.

Defence has indicated a need to acquire interest in the following CPA lands to meet HMAS Cairns expansion requirements:

- Lot 485 – vacant land comprising an area of 6.15 hectares held by CPA in freehold title and separated from the Base by Draper Street. The land is subject to a long term lease to STL. STL has confirmed that the land is surplus to future sugar requirements and parties have agreed to negotiate the surrender of STL's interest in the land. Defence have identified Lot 485 as its preferred option for land based expansion for HMAS Cairns and CPA has indicated in principle agreement to grant a lease over this land to Defence.
- Part of Lot 461 comprising an area of approx 2,755m² held in freehold title by CPA and currently under lease to Cairns Navy League Incorporated. CPA supports Defence's acquisition of this land subject to appropriate treatment of Cairns Navy League's interest.

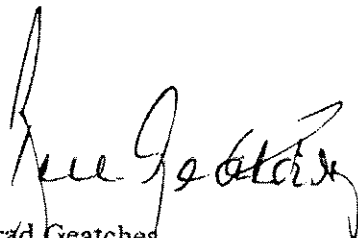
The use of these lands for HMAS Cairns is consistent with CPA's Objectives and Strategic Plan outcomes.

Conclusion

The expansion of HMAS Cairns is viewed by CPA as a significant milestone for the Far North Queensland region. The continued presence of the Australian Navy in Cairns is of critical importance to the region.

CPA, as a significant stakeholder in the region, and taking a long term strategic approach to the development of the Cairns Seaport, recognises the benefit in the expansion of the Base within the Cairns Seaport.

CPA has been working with Defence over the past two years to facilitate a mutually beneficial outcome for the expansion of the Base. Discussions in relation to securing both waterside infrastructure and access to Port Land to facilitate the most cost effective and operationally efficient expansion of HMAS Cairns are well advanced and CPA will continue to work co-operatively with Defence to ensure that this important redevelopment proceeds successfully.



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