Cairns Port Development Inc. is not-for-profit and community based. We live and work beside the Great Barrier Reef, applying world’s best standards to protect it. Our ‘Nationbuilder’ campaign platform has over 12,000 active followers. Further information can be downloaded from this link: http://www.cairnsport.org.au
CAIRNS PORT- STRATEGIC

Upgrading the port of Cairns is vital to the economy of the Cairns and hinterland region as it is:

- The largest in population in northern Australia
- The largest cropping region in northern Australia
- The largest tourism region with the North’s largest airport
- The location of North Queensland’s naval operations base
- The location of Queensland’s largest number of registered commercial vessels for passengers, freight and fishing.
- Most new ships are too large to navigate the shipping channel
- It is inefficient for existing and potential future cargo vessels
- Deepening the channel will assist the future efficiency of Cairns’ Naval Base.
DREDGING CAMPAIGNS: Port is regularly deepened.

1876: Cairns port declared. First capital dredging works in 1887.

1913: Trinity Bay dredge took up operations deepening the channel and increasing its width to 45 m by 1929.

1940s: Channel widened progressively to 60 m.

1970s: Further widened to 75 m and deepened the entrance to 8.2 m. The Sir Thomas Hiley dredge replaced the Trinity Bay dredge.

1990s: Channel widened to 90 m and a design depth of 8.3 m.

2001: The Brisbane dredge replaced the Sir Thomas Hiley and has continued to provide maintenance dredging to the Port of Cairns annually since that time.

Maintenance dredging is undertaken annually at Port of Cairns. Average annual quantity dredged is approximately 600,000 m³ of which 90 percent is removed from the channel and 10 percent is removed from the inner port area.
LONG EXPERIENCE WITH RECLAMATION DREDGE SPOIL
1940s PORTSMITH AREA BEFORE RECLAMATION
1960s

PORTSMITH CROWN INDUSTRIAL ESTATE BEING RECLAIMED

Cairns

A BULK RAW SUGAR PORT

Produced by the Queensland Sugar Board, Cairns Harbour Board and the Colonial Sugar Refining Company Limited to mark the opening of the Cairns bulk raw sugar installation in October, 1964.
TODAY : KEY PORT AND MARINE ACTIVITIES - THOUSANDS OF JOBS
CAIRNS PORT - STIFLED

The upgrade was due in 2010, although the project plan was only then started.

- 2011/12 plan released by Ports North
- 2014 project on track. Cost approximately $100m, placing the spoil off shore.
- Special funding to Ports North, $90m.
- In 2015 it was stopped in its tracks. What went wrong?
- In the rush to improve mining assets in Central Queensland and political outcomes relating to the Great Barrier Reef, the future of the Port of Cairns was set back.
NO, YOU CANNOT PUT AN ECONOMIC CAP ON CAIRNS BY STOPPING THE FUTURE EXPANSION OF THE PORT

Extract: Cairns Post July 15.
CAIRNS PORT– SHAFTED

• Commonwealth LNP government Reef 2050 Plan negotiated with UNESCO in 2015.
• Banned all placement of capital dredge spoil at sea and in the Great Barrier Reef Marine Park.
• Under previously negotiated arrangements, the BOUNDARY OF THE MARINE PARK HAD BEEN BROUGHT INTO CAIRNS PORT LIMITS.
• The Government, to implement the Reef 2050 Plan, introduced the Queensland Sustainable Ports Development Act
• The project that was started may proceed, but once completed will be NO MORE.
• Cost was now blown out to $350m. Commonwealth would not contribute.
• On election in 2015, the Government released the EIS and announced that they would not proceed with the project.
CAIRNS PORT—FORCED BOUTIQUE

- Cairns Port Development Inc formed in 2015.
- In three weeks, over 6000 signatures were collected to petition the Government.
- The Cairns community was not satisfied with the process being terminated based on cost.
- Other engineers capital cost for 4.4million m³ much less, about $240m with onshore placement.
- Government advised downscaled project
- Only 1 million m³ for a $120m with onshore placement.
- The cost has doubled per cubic metre.
- Ships are limited to 300 metres in length.
- Voyager class cannot access. By 2025 we will likely be in the same position as we are today.
- Extended study costs now up to $8million.
- Every year that passes with no project, the local economy loses about $35 million.
- It is now about 10 years over-due.
DELAYED FOR 4TH TIME TO 31ST DEC 2017.

The State elections confirm that both major political parties will not make any public commitment to amend the Reef 2050 plan with their federal counterparts, or amend the Sustainable Ports Development Act.
THE QUESTION IS, ARE WE QUEENSLANDER’S BEING PENALISED FOR WHERE WE LIVE: IN NORTH QUEENSLAND?


Cairns Shipping Development Project

The Cairns Shipping Development Project has been granted environmental approval by the Queensland Coordinator-General.

Further approvals are being processed, including:

- Commonwealth Government environmental approval in accordance with the Environment Protection and Biodiversity Conservation (EPBC) Act and
- State Government completion of a detailed business case in accordance with the Building Queensland Framework.

Ports North is continuing to work with the parties to finalise these approvals as soon as possible in order to move forward to the construction stage of the Project.
CAIRNS PORT - REAL COST OF REEF 2050 PLAN

• Reef used by Green activists to support UNESCO's activities to stymie Port expansion.
• World Heritage listing a 'marketing-tool'. Reef is the responsibility of Australian governments.
• Unsubstantiated value placed on Reef, but real value of world heritage listing much less.
• Reef related tourism not dependent on world heritage listing (TNQ Repositioning Study, Commonwealth 2009-10)
• Recently a target of very damaging publicity, detracting from the value of the Reef.
• Reef tourism only accounts for well less than 10% of employment.
• The economy is supported by agriculture that is relying on Port expansion for operating efficiency.

A loud minority of local Green activists are supported by international activists opposing coal exports. Coal is not exported from the Port of Cairns.
TOWNSVILLE PORT – A PRIORITY

Our Brisbane based government has bowed to the pressure of the threats made by UNESCO, and the conservation industry with international donors.

They have only allowed FOUR PRIORITY PORTS to expand in North Queensland. Townsville Port is one, where even though they are adjacent to the reef, they are dredging 11 million cubic metres from the shipping channel and spending $1.64 BILLION.

IS THE REEF ADJACENT TO CAIRNS MORE PRECIOUS THAN THE REEF ADJACENT TO TOWNSVILLE?

The environmental impact assessment for both ports records they do no harm to the reef.

THE TRUTH ON THE MATTER IS THAT THE ‘PRIORITY PORTS’ DECISION IS BASED ON POLITICAL EXPEDIENCY, NOT ECONOMIC VIABILITY.

Please forgive the people of Cairns for thinking we are the ‘SACRIFICIAL LAMB’.
Port of Townsville: Area outlined in RED excised from the GBRMPA. Note that it includes the spoil grounds even though they are outside the Port’s limits. Why can’t we do that for Cairns Port Projects?
### Income $57m

#### Operating income after tax $14.2m


### Statement of Comprehensive Income

**Year ended 30 June 2016**

<table>
<thead>
<tr>
<th>Company</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>INCOME FROM CONTINUING OPERATIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>User charges</td>
<td>A1.1</td>
<td>46,528</td>
</tr>
<tr>
<td>Interest revenue</td>
<td></td>
<td>1,400</td>
</tr>
<tr>
<td>Grant revenue</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Other revenue</td>
<td></td>
<td>132</td>
</tr>
<tr>
<td>Gain on sale of property plant and equipment</td>
<td></td>
<td>18</td>
</tr>
<tr>
<td><strong>Total Income from Continuing Operations</strong></td>
<td></td>
<td>56,615</td>
</tr>
<tr>
<td><strong>EXPENSES FROM CONTINUING OPERATIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies and services</td>
<td>A2.2</td>
<td>19,506</td>
</tr>
<tr>
<td>Employee expenses</td>
<td>A2.1</td>
<td>11,538</td>
</tr>
<tr>
<td>Depreciation</td>
<td>B3.1</td>
<td>5,199</td>
</tr>
<tr>
<td><strong>Total Expenses from Continuing Operations</strong></td>
<td></td>
<td>36,243</td>
</tr>
<tr>
<td>Operating Result from Continuing Operations before income tax (equivalent) expense</td>
<td></td>
<td>20,372</td>
</tr>
<tr>
<td>Income tax equivalent expense/(benefit)</td>
<td>A3.2</td>
<td>6,111</td>
</tr>
<tr>
<td><strong>Operating Result for the year</strong></td>
<td></td>
<td>14,261</td>
</tr>
<tr>
<td><strong>Other Comprehensive Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that will not be reclassified to operating result</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase/(decrease) in asset revaluation surplus</td>
<td>B7.2</td>
<td>13,834</td>
</tr>
<tr>
<td>Other deferred tax adjustments</td>
<td>B7.2</td>
<td>(4,151)</td>
</tr>
<tr>
<td><strong>Total Other Comprehensive Income for the period, net of income tax</strong></td>
<td></td>
<td>9,683</td>
</tr>
<tr>
<td><strong>Total Comprehensive Income for the year</strong></td>
<td></td>
<td>23,944</td>
</tr>
</tbody>
</table>

### Statement of Financial Position
As at 30 June 2016

<table>
<thead>
<tr>
<th>Company</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Note</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>B1 48,358</td>
<td>41,446</td>
</tr>
<tr>
<td>Receivables</td>
<td>B2 6,562</td>
<td>6,071</td>
</tr>
<tr>
<td>Inventories</td>
<td>39</td>
<td>54</td>
</tr>
<tr>
<td>Prepayments</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>55,223</td>
<td>47,849</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>B3.1 157,128</td>
<td>143,482</td>
</tr>
<tr>
<td>Investment Property</td>
<td>B4 152,053</td>
<td>148,723</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>309,181</td>
<td>292,205</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>364,604</td>
<td>340,054</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>3,264</td>
<td>2,594</td>
</tr>
<tr>
<td>Current tax liabilities</td>
<td>103</td>
<td>1,531</td>
</tr>
<tr>
<td>Provisions</td>
<td>B5 14,864</td>
<td>9,731</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>B5 2,191</td>
<td>2,325</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>20,422</td>
<td>16,181</td>
</tr>
<tr>
<td><strong>Non-current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>B6 43,817</td>
<td>37,511</td>
</tr>
<tr>
<td>Provisions</td>
<td>B5 718</td>
<td>781</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>44,535</td>
<td>38,292</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>64,957</td>
<td>54,473</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>299,647</td>
<td>285,581</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed equity</td>
<td>B7.1 187,178</td>
<td>187,178</td>
</tr>
<tr>
<td>Asset revaluation surplus</td>
<td>B7.2 80,965</td>
<td>71,282</td>
</tr>
<tr>
<td>Accumulated surplus</td>
<td>31,504</td>
<td>22,121</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>299,647</td>
<td>285,581</td>
</tr>
</tbody>
</table>

Total equity $300 m
Ports North, as a government owned corporation, paid $5.4 m tax to the government.

Very little investment, $1.27 m is made into the asset.

The shareholding Ministers of the GOC, the Ports Minister and the Treasurer are taking yearly dividends est. at $6 m

Summary of 2015/16 annual accounts:
Income $57 m & Operating income after tax $14.2 m
Equity $300 m
Shareholders dividends plus tax over $10 m

The corporation has been earning operating income although has not invested into a major capital works projects for over 25 years. In addition, it has been paying taxes and dividends to the Queensland government worth approximately $250,000,000 over the period.

= CASH COW

Ports North has a strong financial position to carry out the Cairns Shipping Development project. Cairns port is a commercial investment that has the potential to earn additional revenue for Ports North, generate additional economic activity and employment in the community.

Funding for this project needs to be seen in the context of it being an investment in an income earning asset and in a different category to spending on social infrastructure (eg. hospitals, schools, etc.).

Today they are announcing that the project is ‘wrapped up’ with the Global Tourism Hub and the extension of the Cairns Convention Centre, potentially another delaying tactic. Or it may be a scheme to make someone else pay, like they did when the Cairns airport was sold to pay for the hospital.
Passenger charges at Cairns Airport are about $27 a passenger.

SO THE QUESTION IS:
WHY HAS PORTS NORTH NOT PUT UP THEIR CHARGE?

In fact an analysis of the fee’s and charges for imports and exports through the Cairns port show a lesser charge than Townsville port.

Upon investigation, it is determined that the cause is poor operating efficiencies that port users won’t pay for.
<table>
<thead>
<tr>
<th>OVER 25 YEARS OF EXPENDITURE</th>
<th>OVER $5 BN</th>
</tr>
</thead>
<tbody>
<tr>
<td>IN 2016 VALUES</td>
<td>$3.7 BN</td>
</tr>
<tr>
<td>NET PRESENT VALUE 7% NOMINAL DISCOUNT RATE</td>
<td>$1.3 BN</td>
</tr>
</tbody>
</table>

The Queensland Government refuses to carrying out the full original Cairns Shipping Development Project, that future proofs the port for 25 years and delivers best value for the tax-dollar. That full project will deliver over $5 billion to our regional economy.

Their excuse is that the project is not economically viable. But the real reason, is that it is not politically expedient, while the conservation industry and their political activities hold South East city voters attention.
The Benefit Cost ratio of up to 5 : 1. Substantial additional economic activity would occur in the region.

WE ASK FOR:

2. Continued commitment of $120m to enable the revised project to proceed as STAGE ONE.
3. A review of the Queensland Sustainable Ports Development Act & Reef 2050 Plan to guarantee the ability to extend capital dredging of the port beyond the current proposal.
Cairns Port Development Inc. is not-for-profit and community based. We live and work beside the Great Barrier Reef, applying world's best standards to protect it. Our 'Nationbuilder' campaign platform has over 12,000 active followers. Further information can be downloaded from this link: http://www.cairnsport.org.au/economic_future_of_city_relies_on_port_expansion