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Cruise Ship Access Review Secretariat

R1-4-B163

Russell Offices

Department of Defence

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Dear Review Secretariat Chair

**Re: Call for submissions – the potential for enhanced cruise ship access to Garden Island, Sydney**

Thank you for the opportunity to comment on the independent review of enhanced cruise ship access to Garden Island naval base in Sydney, announced by Minister for Defence, Hon. Stephen Smith. I applaud the Minister for taking this initiative and believe that a finding by the Independent Review to increase capacity for incoming numbers of cruise ships will bring about extensive benefits for the tourism industry, and for the nation.

With the potential for enhanced cruise ship access to Garden Island, there is an opportunity for the whole visitor economy to benefit, including flow-on economic effects to other tourism businesses. This letter is a letter of support to accompany the submission of Carnival Australia and its position on the

provision of shared access to the Garden Island facility. In particular, it refers to Review Terms of Reference (a), (d), (e), and (g).

I support the view that shared access has the potential to bring about opportunities for other tourism businesses, and that shared access can potentially provide an opportunity for investment in new tourism heliport infrastructure which Sydney currently lacks.

### **Credentials**

In my professional view, the time is right for reassessing cruise ship access constraints currently faced in Sydney Harbour. I base my views on this initiative on 19 years experience as Managing Director of the Tourism & Transport Forum (TTF), a national, CEO forum representing the leading investors and institutions in the Australian tourism, transport, property, infrastructure and investment sectors. My last major task at TTF was to launch “HarbourView” a document endorsed by government which outlined a sustainable tourism development vision for Sydney Harbour, including a significant focus on cruise shipping facilities.

I was also the founder and Deputy Chair of Infrastructure Partnerships Australia (IPA), which represented all major public and private sector investors, financiers, operators and regulators of national infrastructure (including the Department of Defence).

Since my retirement from the top job at TTF & IPA in February, I have been appointed Special Counsel to TTF and I also remain Chairman of the Madrid-based United Nations World Tourism Organisation (UNWTO) Business Council.

I have also established Taylor Street Advisory, a consulting firm providing strategic advice to a range of blue chip institutions from across government and industry, including Lend Lease, Federal Department of Infrastructure, Harbourside Helicopters, TTF, the City of Parramatta and Moss Capital Funds Management – on issues such as urban planning, tourism development, transport operations and infrastructure investment.

In 2009–10, I sat on the NSW Government's Transport Blueprint Panel, examining a 30 year transport plan for Sydney and I am currently a member of the Joint Federal/State Commission on Sydney's 2nd Airport, due to report to the Prime Minister and Premier later this year with development options.

I was also a member of the Passenger Cruise Terminal Steering Committee managed by the Sydney Harbour Foreshore Authority, which was tasked with examining infrastructure capacity for the cruise industry and advising the NSW Government. The second stage of the Committee's investigation included an in-depth examination of cruise ship facilities east of the Harbour Bridge, with the option to better utilise Garden Island in a shared capacity with the Royal Australian Navy achieving overwhelming support from participants.

### **The economic benefits of cruise shipping**

Carnival Australia has rightly asserted that the cruise shipping sector is the strongest performing sector of the Australian leisure tourism market, driven by product innovation, a strong Australian Dollar and a changing holiday market. Carnival Australia asserts that cruise shipping is making a growing contribution to the tourism economy, and also Australia's overall economy, with more than 1 million Australians predicted to be taking cruise holidays by 2020.

### **Sydney gateway and capacity constraints**

As with business, event and other tourism sectors, Sydney is the key gateway to the Australian market for cruise shipping visitors, handling 70 per cent of all passengers. Research shows that such is the iconic nature and overwhelming demand for Sydney Harbour that if capacity constraints denied port access to cruise operators, Australia would likely come off most international schedules.

Globally, the size of cruise vessels is increasing, with new generation ships unable to pass beneath the Sydney Harbour Bridge, and there has been a significant increase in port call growth, predicted to reach more than 400 per season in 2020, compared to 150 in 2011.

Currently, the Overseas Passenger Terminal (OPT) is facing operational limitations to accommodate the increasing demand for cruise ship berths, and will reach capacity, with no ability to accept new berth bookings, by 2013. (Even though Sydney Ports is to review the MasterPlan for OPT, with possible extension to allow for slightly larger ships to berth there, there is no capacity to allow for additional ships to use the facility.)

These two factors are in my opinion the strongest reasons why the Federal Government should develop a permanent arrangement for the shared use of Garden Island with the Royal Australian Navy. The priority role of the site is to support the Royal Australian Navy's maritime operations, but there is significant scope for shared access of existing facilities for ship repair and maintenance, and for new facilities for passenger processing and transport, in particular helicopter, access.

I believe that a permanent arrangement for shared use, and consideration of investment in shared terminal facilities to be the best solution to ensure continued growth of the cruise industry, and flow-on economic benefits to other tourism businesses.

### **The flow-on benefits of shared access to Garden Island**

Tourism as a sector makes a major contribution to city-wide, state and the national economy and is also a major employer. The cruise ship industry represents significant and growing economic benefit to Sydney and Australia and by 2020, is expected to inject \$3 billion annually into the economy from local and international ships.

The Overseas Passenger Terminal at Circular Quay is situated in the heart of Sydney's premier tourism precinct, and passengers have direct access to retail, restaurants, transport links, accommodation and attractions. The provision of shared access at Garden Island is also well-positioned in close proximity to the Sydney CBD and its attractions.

However, if the Federal Government was to make permanent an arrangement for shared use of the Garden Island facilities for cruise shipping purposes, I strongly encourage this review to consider support for a multi-use terminal at South Woolloomooloo which could potentially incorporate a helipad or heliport on its roof.

Examining the case for a terminal and helipad at South Woolloomooloo would provide Sydney with critical infrastructure it currently lacks, in a position which is on the harbour foreshore, near the CBD, has heavy vehicle access, is in close proximity to a luxury hotel and is able to be operated with a large emphasis on civil aviation passenger screening and security, with compliments Naval security requirements, and cruise ship passenger processing requirements.

In the interests of the tourism industry and the cruise ship industry as one of its major players, it is important that the Review Secretariat consider the benefits of greater cruise ship access to Garden Island, and the potential to provide complimentary passenger facilities and helipad infrastructure which will deliver flow on economic outcomes to local, state and the national economy.

Thank you again for the opportunity to make a submission, and if you would like to discuss this letter in more detail, please contact me via

.

Yours sincerely,

**CHRISTOPHER BROWN**  
Executive Chairman