



28 October 2011

Dr Allan Hawke  
Cruise Ship Access Review Secretariat  
R1-4-B163, Russell Offices  
Department of Defence  
PO Box 7902  
CANBERRA BC ACT 2610

Dear Dr Hawke,

### **SUBMISSION: INDEPENDENT REVIEW OF ENHANCED CRUISE SHIP ACCESS TO GARDEN ISLAND**

Tourism & Transport Forum (TTF) welcomes the opportunity to contribute to the Hawke Review of shared access for cruise ships to the Garden Island naval base.

TTF represents the public policy interests of leading organisations in Australia's tourism, transport, aviation and infrastructure sectors. Our membership includes cruise ship operators (Carnival Australia and Orion Expedition Cruises) as well as a number of major attractions, accommodation and chartered transport operators with an interest in the growth of cruise shipping. Thales Australia, the operator of the graving dock and maintenance facilities at Garden Island, is also a TTF member.

#### **The growing importance of cruise shipping to the visitor economy**

The cruise ship industry is of significant and growing economic benefit to Sydney and Australia. It is estimated that more than one million Australians will take a cruise in 2020, by which time the industry will be injecting \$3 billion annually into the economy from local and international ship visits. The growth of cruise shipping to Sydney Harbour will significantly benefit a broad range of tourism-related sectors including visitor attractions, events, hotels, cultural institutions, the restaurant and entertainment industries and transport providers (taxis and hire cars).

Sydney Harbour is one of the world's premier cruise shipping destinations experiencing rapid growth in demand for cruise ship port calls. Annual growth in cruise ship passenger numbers has averaged 11% over the last decade.

The opportunity for cruise ships to visit Sydney Harbour, as one of Australia's great natural and man-made destinations, is of self-evident importance to the success of the industry. Its continued growth in Australia hinges on Sydney Harbour being able to accommodate superliners.

The growth of the cruise ship industry has prompted the NSW government to explore berthing infrastructure for the sector. In 2009, the then Minister for Planning established the Passenger Cruise Ship Terminal Steering Committee.

The committee's 2011 report (its "Part B" report) examined infrastructure and terminal requirements east of the Sydney Harbour Bridge.

The report outlined the growth of the cruise ship sector and the expected increase in vessels with air draft restrictions that will not be able to use berthing facilities west of the Harbour Bridge. Its findings point to a looming crunch point for the sector as the Overseas Passenger Terminal (OPT) will reach capacity in the near future.

Within the next five years, 85 per cent of new cruise ships constructed around the world will be too tall to fit under the Sydney Harbour Bridge. The report found that in 2010 there were 20 cruise ship calls with air draft restrictions and that this could increase to 246 by 2020 under a medium growth scenario. The need for more cruise ship berthing space east of the bridge is therefore imminent.

The report recommended improvements to the OPT and identified options to relieve capacity pressure (such as by utilising harbour moorings for part of a ship's visit). These, however, would only partially alleviate the capacity constraints of the OPT.

### **Shared access**

Garden Island has a history of providing shared access for other ship-related activities. The lease of the graving dock and associated maintenance facilities to a private operator has allowed Garden Island to serve the RAN's needs while playing an important role as a maintenance facility for the commercial sector and other fleet operators (for example, Sydney Ferries). TTF strongly supports the continued shared use of Garden Island for these purposes and the role of the private sector in managing the maintenance facilities.

TTF believes shared access for Garden Island represents the most practical solution to current and future capacity constraints for cruise ships in Sydney Harbour. While we recognise the importance of an ongoing Royal Australian Navy (RAN) presence at Garden Island, it is economically vital to optimise the use of scarce infrastructure – in this case portside deep-water shipping berths.

Implementing shared access will require a degree of compromise from both the RAN and the cruise industry. TTF understands that the relocation of some RAN ships or changes to the RAN berthing program to accommodate shared access may be contrary to existing operational and strategic guidelines for the deployment of vessels. In return for flexibility on the part of the RAN, cruise operators must be willing to adhere to stringent security requirements, and be a respectful and co-operative tenant of the facility. Equally, in times of military imperative or national emergency, it may be necessary for cruise ship access to Garden Island to be temporarily suspended.

## **Implications for the RAN**

The RAN has argued that it will continue to be strategically important to home-port existing and future naval vessels at Garden Island and that this places severe constraints on the capacity to expand cruise ship access to its berths.

While recognising that Garden Island will remain the home-port for the 11 RAN ships and the major east coast maintenance facility, TTF believes that the Hawke Review should examine whether alternate berthing facilities can be provided at various times of the year. The review should consider the necessity of berthing RAN ships at Garden Island during the Fleet Reduced Activity Period and at times when ships are not utilising Garden Island's maintenance facilities.

The review should examine mooring and berthing facilities west of the Harbour Bridge (for example, HMAS Waterhen) and at other ports, including Newcastle. It may also be consistent with broader defence strategy to home-port one or more of the new LHDs and AWDs in northern Queensland when they enter service.

## **Security**

In considering shared civilian access to a military facility, security must be paramount. Security considerations should not, however, preclude the shared use of infrastructure – particularly where economic benefits may be forgone. It stands to reason that cruise operators should accept and comply with stringent security screening of vessels, crew and passengers prior to berthing. Additional physical security measures may also be required.

## **Transport**

The task of shuttling up to 3,000 passengers and crew between Garden Island and Sydney City will need to be properly managed by local and state authorities in cooperation with the RAN and cruise ship operators. Chartered ferry services can play a role in transporting cruise passengers from Garden Island to Circular Quay. This would also provide high quality tourist experience for cruise passengers.

## **Terms of Reference**

With regard to the review terms of reference, TTF makes the following comments:

- a. *Outcomes from the New South Wales Government-sponsored Passenger Cruise Terminal Steering Committee Part B report on infrastructure requirements and locations for a Cruise Passenger Terminal east of Sydney Harbour Bridge:*

As a participant on this committee, TTF reiterates its findings that the OPT will not be able to cope with the expected increase in cruise ships numbers. The Steering Committee Report recommended continued dialogue with the RAN in relation to Garden Island. To this end, TTF welcomes the role played by the Commonwealth in initiating the review of civilian access to defence facilities. The Report considered alternate berthing opportunities outside Sydney Harbour. TTF is firmly of the view that other locations, like Port Botany, do not represent a realistic solution. The

tourism sector is one based on experience and perception and, in this regard, the attraction of Sydney as a cruise ship destination is clearly Sydney Harbour. Boarding and disembarking passengers at Port Botany at a major container terminal will not provide an attractive or desirable experience for tourists.

*b. Current and future RAN requirements for facilities at Garden Island to meet the operational and maintenance needs of home-ported and visiting RAN and allied naval ships:*

TTF does not have the technical capacity to comment in detail on the operational and maintenance requirements of RAN and visiting naval ships. However, as outlined above, TTF hopes that the review will examine the potential of other locations to provide berths and moorings for RAN vessels when maintenance and other operational requirements do not necessitate their presence at Garden Island.

*c. Future Defence Materiel Organisation requirements and responsibilities for contracted RAN ship repair and maintenance, including the continuing need for Garden Island to be available for short notice emergency Navy dockings:*

TTF believes forward itineraries for cruise ship visits to Sydney Harbour provide sufficient notice for scheduled RAN dockings to be coordinated to facilitate shared access. With regard to emergency naval dockings, TTF believes a caveat of shared access must be an obligation for cruise operators to co-operate with the RAN in the event of unforeseen circumstances requiring the deployment of defence resources.

*d. The suitability of existing Garden Island facilities to support more regular cruise ship visits during peak periods and with the degree of advance notice sought by the industry:*

TTF believes the degree of advance notice for cruise ship itineraries (in many cases wharf access is booked up to 10 years in advance) provides sufficient time for temporary customs and quarantine facilities to be deployed when required. In the event that permanent shared access is granted, limited facilities could be established at Garden Island (as long as consistent with RAN operational requirements). This may include the establishment of a permanent or semi-permanent passenger processing facility. It should be noted that semi-permanent facilities, whilst not optimal, operate effectively in many other cruise ports worldwide and have done so at Garden Island in the past.

*e. The economic benefits of enhanced cruise ship access to Sydney Harbour and the economic contribution of the ongoing navy presence in Sydney:*

As noted previously, cruise shipping makes a significant contribution to the local, state and national economy. Cruising also has an increasing profile within the tourism industry, and its ongoing growth is critical to Australian tourism during a period of significant transition in the composition of inbound markets. While it is important to also recognise the economic contribution of the navy to the diversity of the local economy, the potential economic benefit of moving some RAN operations to a regional centre such as Newcastle should also be considered.

*f. Options for alternative berthing, maintenance and support arrangements for naval vessels both within Sydney and other ports which might be required to allow*

*enhanced cruise ship access to Garden Island during peak periods, with estimates of feasibility, costs and timeframes involved:*

TTF believes, as outlined above, that the review should examine alternative berthing facilities for some of the RAN ships currently utilising Garden Island, including other sites in Sydney Harbour and the Port of Newcastle.

*g. The costs, benefits and impact of the cruise industry investing in purpose-built facilities at Garden Island to enable enhanced use of the island by cruise ships:*

Without specific reference to costs, TTF understands the cruise industry is willing to contribute to the cost of establishing temporary or permanent facilities at Garden Island.

*h. Changes to defence risk profile which would be caused by enhanced cruise ship access to Garden Island:*

TTF is not in a position to provide technical advice on the security arrangements, and hence risk profile, that would need to be put in place at Garden Island in the event of regular cruise ship access. However, if cruise ships are provided access to the FBE berths, it would be possible to put in place effective security measures to ensure that there is limited or no impact on other areas of Garden Island, with separate and direct access possible from Cowper Wharf Road.

I would welcome the opportunity to discuss this submission with you in further detail. I can be contacted via [REDACTED] on [REDACTED] or [REDACTED].

Sincerely,



**JOHN LEE**  
Chief Executive