



# THE REPORT OF THE CRUISE INDUSTRY REFERENCE GROUP

October 2017

# COVER LETTER

**HON MELINDA PAVEY MP, MINISTER FOR ROADS, MARITIME AND FREIGHT AND HON ADAM MARSHALL MP, MINISTER FOR TOURISM AND MAJOR EVENTS.**

Solving the fast emerging capacity demands of the cruise industry in to and out of the great harbour city of Sydney has been almost as perplexing as the second airport issue, finally to be resolved with Badgerys Creek Airport.

In the last two decades, there have been nineteen previous attempts to find a way forward. Self interest has both driven the impetus for change; and, stopped it in its tracks. This report is predicated on recognising Sydney Harbour as the original home port of the Royal Australian Navy (RAN) and the rightful place of Navy in Australia's global city; but equally the need to see Sydney Harbour as shared infrastructure capable of accommodating the RAN fleet as well as meeting the massive growth of the Cruise Ship Industry.

The Cruise Industry Reference Group (Reference Group) was convened by the NSW Government to consider the options, narrow the field, and, come up with cost effective solutions to meet demand. The following report will feed into the Cruise Ship Development Plan (CDP) being prepared by the NSW Government.

The short lifespan of the Reference Group necessitates reliance on work already done in earlier reports, however, the Reference Group provides the best indication so far as to user preferences. In a competitive

market, and with different market profiles, unanimity on all recommendations was not expected, however, a high degree of consensus emerged over a brief three month period - particularly as to viable permanent solutions.

Short term measures are outlined which could relieve pressure on the seemingly insatiable public demand for cruise vacations, not to mention the dramatically larger ships headed our way. Not all of these will be used, but opportunities at hand have been identified and opened up.

I would like to thank Ministers Pavey and Marshall for their invitation to chair this group and their ongoing support through the process.

Similarly, I wish to thank the Reference Group participants for their willingness to work together to deliver a report that provides a wide ranging series of recommendations to maximise the benefits to the NSW economy.

I trust that this report of the Cruise Industry Reference Group will help underpin the Government's deliberations on the way forward for the Cruise Industry for decades to come.



**Hon. Peter Collins AM QC**  
**Chair - Cruise Industry Reference Group**  
5 October 2017

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## GLOSSARY OF TERMS

|                              |   |
|------------------------------|---|
| ABF                          | Australian Border Force.  |
| AQIS                         | Australian Quarantine and Inspection Service.   |
| AWD                          | Air Warfare Destroyer: A class of three destroyers built or under construction for the Royal Australian Navy, to be named HMAS Brisbane, Hobart and Sydney.   |
| Bollards                     | Large, load-bearing points on a wharf to which ships are connected by large cables or ropes. Each bollard is rated according to the strain it can bare (usually in tonnes), indicating it can support that tonnage of strain or 'pull.' |
| FBE                          | Fleet Base East, the wharves running parallel to Cowper Wharf Road, Woolloomooloo. Currently used by the RAN as their principal berthing facility within Sydney.  |
| FFG                          | Guided Missile Frigate: A class of three frigates (originally six) in service with the RAN, named HMAS Newcastle, Melbourne and Darwin.   |
| GI                           | Garden Island, home to the RAN in Sydney Harbour including essential maintenance and support infrastructure.  |
| GT                           | Gross tonnage.  |
| HMAS                         | Her Majesty's Australian Ship, prefix to all commissioned RAN vessels, e.g. HMAS Sydney.  |
| Large Cruise Ships           | Cruise ships that are unable to pass under the Sydney Harbour Bridge.   |
| LHD                          | Landing Helicopter Dock: the RAN's largest warships namely HMA Ships Canberra and Adelaide.   |
| Mega Cruise Ships            | Cruise ships that are unable to pass under the Sydney Harbour Bridge and are unable to berth at OPT due to their size.  |
| NSW Ports                    | A private entity operating the wharves at Port Botany in association with Hutchison Ports.  |
| OPT                          | Overseas Passenger Terminal at Circular Quay.   |
| PANSW                        | Port Authority of NSW.  |
| RAN                          | Royal Australian Navy.  |
| Small/Mid-sized cruise ships | Cruise ships that are able to pass under the Sydney Harbour Bridge.   |
| Transit Call                 | A port visit by a ship that is not home ported in that location, where passengers disembark to sight-see and shop before departing for the vessel's next destination (usually for less than 24 hours).                                  |
| Turnaround Call              | A port call by a cruise vessel where the passengers and their luggage disembark the ship and reprovisions and a new complement of passengers embark before the ship departs port again.   |
| WBCT                         | White Bay Cruise Terminal.  |

## DISCLAIMER

Any views expressed in this report are not necessarily those of the NSW Government.

## ACKNOWLEDGEMENTS

**We acknowledge the invaluable participation and input of the following industry representatives into this report:**

- Cruise Lines International Association
- Australian Cruise Association
- Carnival Australia
- Royal Caribbean International
- Norwegian Cruise Lines Holdings.

**The support of numerous organisations was essential in the completion of this report, including:**

- Port Authority of NSW
- Department of Industry
- Infrastructure NSW
- Transport for NSW
- NSW Ports.

**The Cruise Industry Reference Group met six times on:**

- 26 June 2017
- 10 July 2017
- 7 August 2017
- 4 September 2017
- 22 September 2017
- 5 October 2017.

**We further acknowledge the following list of groups, individuals and entities consulted as part of this review including:**

### Chair Meetings

- Mr Andrew Woodhouse, President of the Potts Point Residents Action Group
- Mr Ted Blamey, Principal Chart Management Consultants Pty Ltd
- Mr Richard Davey
- Senator, the Hon. Concetta Fierravanti-Wells
- Mr David Saul, General Manager Government Services and Mr Michael Sousa Director of Ports and Bulk, QUBE Holdings

- Mick Cronin General Manager Strategy and Commercial, and Marika Calfas, CEO, NSW Ports
- The Hon. Steven Ciobo, Minister for Trade, Tourism and Investment
- Councillor Leigh Colacino, Wollongong City Council
- Mr Mark Sleigh, General Manager of Destination Wollongong
- The Hon. Patricia Forsyth, Director Sydney Business Chamber
- Vince di Pietro AM CSC, CEO Lockheed Martin
- Geoff Crowe, CEO of Newcastle Ports
- Margy Osmond, CEO of the Tourism and Transport Forum.

**Written submissions to the Chair as part of this review, dated:**

- 30 July 2017 - Mr Andrew Woodhouse, President of the Potts Point Residents Action Group
- 18 August 2017 - Mr Richard Davey
- 1 September 2017 - Mr David Saul, General Manager Government Services and Mr Michael Sousa Director of Ports and Bulk, QUBE Holdings

**External presentations to the Reference Group, dated:**

- 26 June 2017 - Port Authority of NSW Mr Paul Robinson, consultant
- 4 September 2017 - Destination Wollongong - Mr Mark Sleigh, General Manager.
- Wollongong City Council - Leigh Colacino, Councillor.
- NSW Ports - Jason McGregor, Trade and Marketing Manager
- 4 September 2017 - NSW Ports - Marika Calfas, CEO

As a Commonwealth entity, the Royal Australian Navy (RAN) was not a part of the Reference Group process. Any communications with RAN personnel were strictly informal and non-binding, however as a courtesy, the RAN Fleet Commander was advised when the Cruise Industry Reference Group was established.

## SECTION 1

# EXECUTIVE SUMMARY

## CURRENT STATUS OF CRUISE INDUSTRY USE OF SYDNEY HARBOUR

The passenger cruise industry carries more than one million passengers through NSW ports either as visitors on transit calls or passengers embarking on cruises conducted by Sydney-based vessels.

Sydney has developed as Australia's primary cruise industry port through a combination of international appeal, available facilities and supportive State government policies and actions. In particular, the NSW Government has invested over \$100 million in the last decade to accommodate the growth of the cruise industry.

In 2016, Cruise Critic named Sydney the best cruise destination in Australia and New Zealand<sup>1</sup> and Best Australian Homeport<sup>2</sup> with domestic and international markets driving demand for berths across Sydney Harbour.

While ships operate from Sydney year round, the greatest concentration of visits occurs from October to April, with particular concentration in the December to February period.

Sydney's two major cruise terminals – the Overseas Passenger Terminal (OPT) and White Bay Passenger Terminal (WBCT) have been meeting current vessel demand. However, as cruise holiday popularity continues to grow, the number of vessels unable to pass under Sydney Harbour Bridge also increases, placing strain on the OPT driving the need for new terminal facilities.

In addition to demand the cruise industry is moving towards ships that displace up to 250,000 GT and carry 6000 passengers and over 2000 crew, known as Mega cruise ships.

Ships over 48 metres in height including all ships over 90,000 GT are unable to pass under the Sydney Harbour Bridge and thus cannot use WBCT. OPT is only able to accommodate one Large cruise ship at a time.

Sydney has already experienced a 168,000 GT, 5000 passenger cruise ship in the newly built Ovation of the Seas which at 348 metres is the maximum sized ship that can access the OPT. As currently configured the OPT can accommodate ships up to 360 metres in length but would not routinely accommodate the largest Mega cruise ship, the Oasis class of ships, as they are wider than 60 metres in beam.

Industry has provided growth projections (Appendix II) that demonstrate a sustained increase in the demand for cruising, as well as growth in the size of cruise ships and an increase in the average number of passengers per ship.

Without a strategy to support the continued long-term growth of the passenger cruise industry, Sydney risks losing further cruise vessel operations to other Australian or international ports.

## CRUISE INDUSTRY REFERENCE GROUP TERMS OF REFERENCE

*"The Cruise Industry Reference Group will provide advice in the form of a report to the Minister for Roads, Maritime and Freight and the Minister for Tourism and Major Events, on the future location of a possible cruise terminal and how current capacity issues may be resolved in the short, medium and long-term.*

*The Cruise Industry Reference Group will also provide advice on other matters of relevance to enable finalisation of the Cruise Development Plan including, but not limited to, the benefits of the cruise industry to the NSW economy and initiatives to increase these benefits."*

## MEMBERSHIP

- Independent Chair – The Hon. Peter Collins, AM QC
- Chair Support
- Transport for NSW
- Department of Industry
- Property NSW
- Port Authority of NSW
- Infrastructure NSW
- Cruise operators – Carnival Australia, Royal Caribbean International and Norwegian Cruise Lines Holdings
- Cruise Industry Associations – Cruise Lines International Association and Australian Cruise Association.

## SECRETARIAT

- Department of Industry

## PURPOSE OF THIS REPORT

This report seeks to identify potential sites for additional cruise terminal facilities capable of berthing Large and Mega cruise ships to ensure that Sydney remains Australia's pre-eminent cruise port.

In consultation with the cruise industry and community, this review investigated a significant number of options in and around Sydney as well as regional NSW ports, to identify options to alleviate the growing capacity constraints emerging in Sydney.

A shortlist of potential sites were identified by the Cruise Industry Reference Group (the Reference Group) including:

- Garden Island West / FBE
- North East Garden Island
- Port Botany
- Molineaux Point (in Botany Bay)
- Yarra Bay (in Botany Bay)
- Rose Bay
- Athol Bay.

A list of criteria was applied to each site and is attached at Appendix I.

The Reference Group acknowledges that further work will need to be done to fully test each site that is the subject of a recommendation against the agreed criteria.

In accordance with the terms of reference, the Reference Group examined a wide variety of options for meeting the needs of the cruise industry in NSW, together with alternative methods of extracting more capacity from existing facilities.

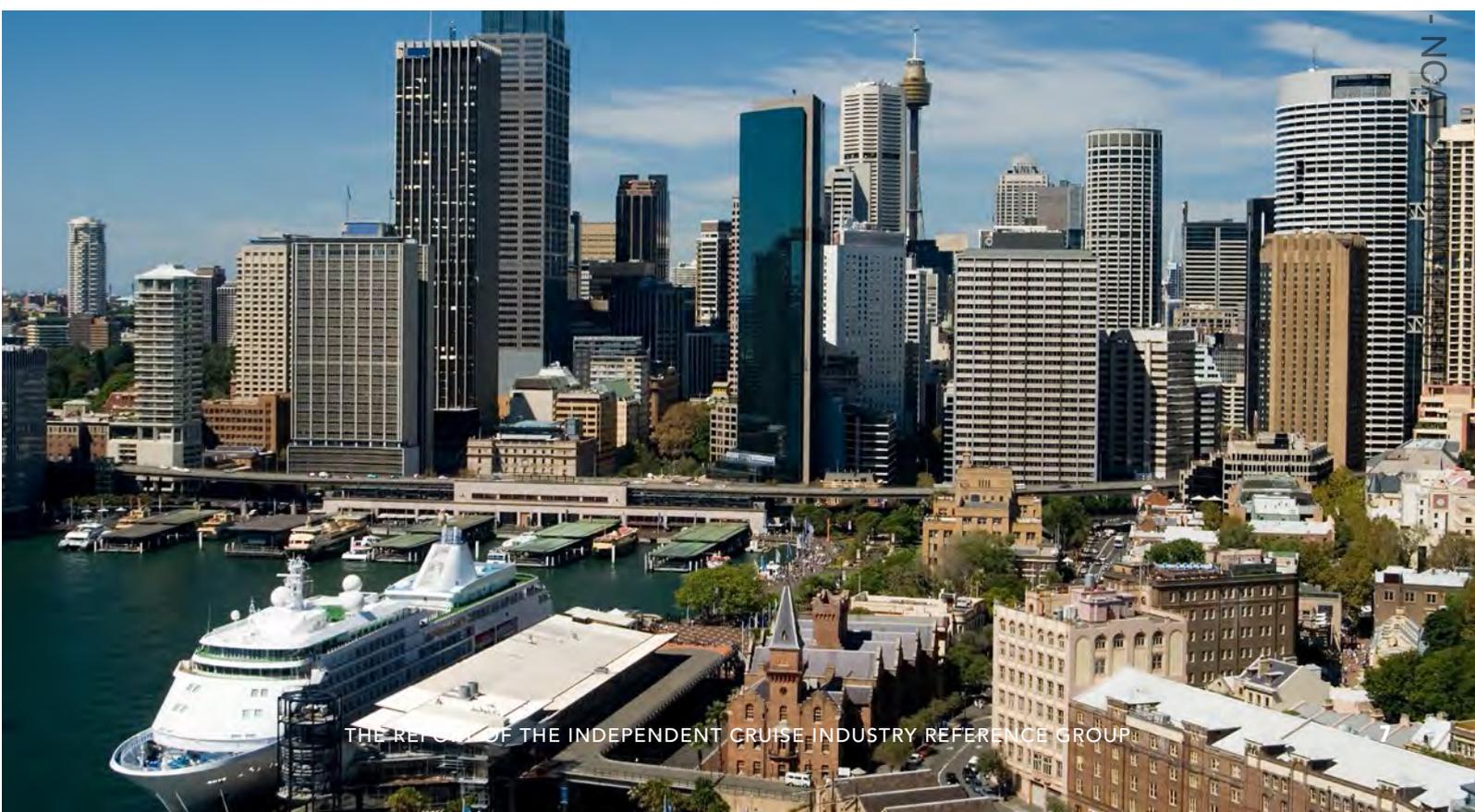
From early consultations it became apparent that the final solution would require consideration of a variety of constraints and stakeholders with no simple cost effective option readily available. This included consideration of the varied uses of Sydney Harbour including residential, industrial, military, commercial and environmental uses.

Based on these criteria, the Reference Group has developed a series of recommendations for both short and long term solutions for the future development of the cruise industry in NSW for consideration by the NSW Government.

It should also be recognised that there was not unanimous acceptance of every recommendation as the Reference Group represented a wide variety of viewpoints and positions on the future of the industry, not all of which were universally accepted. Rather these recommendations are a range of options that have gained some level of acceptance from the Reference Group and thus are included as recommendations in this report.

<sup>1</sup> Cruise Critic 2016 Cruisers' Choice Destination Awards.

<sup>2</sup> Cruise Critic 2016 Australia Editors' picks Awards.





Prepared by the Department of Industry  
Canberra, Australia  
2018-00143881

## SECTION 2

# INTRODUCTION

Sydney Harbour hosted 344 cruise ship visits in the 2016/17 season<sup>3</sup> - an 11 per cent increase over the 2015/16 season. Over the 2016/17 season more than half a million passengers visited Sydney via cruise ships at an estimated industry value of nearly \$2.9 billion for NSW.<sup>4</sup>

Based on information from the Cruise Lines Industry Association 2016 market report, it is estimated that almost 1.3 million Australians or 5.3 per cent of the Australian population cruise each year.<sup>4</sup> From 2006 to 2016, the passenger cruise industry has grown by 21 per cent with Australian passenger numbers more than doubling within the last five years.<sup>4</sup>

Demand on existing cruise vessel infrastructure has been difficult to support. Each year larger ships at increased frequencies enter Sydney Harbour as the industry evolves to cater for more passengers. In 2016 Cruise Critic named Sydney the best cruise destination in Australia and New Zealand<sup>1</sup> and Best Australian Homeport<sup>2</sup> with domestic and international markets driving demand for berths across Sydney Harbour.

Sydney berthed 344 ships in 2016/17 with 389 ships expected to berth in Sydney over the 2017/18 season. Size constraints preventing many new generation cruise vessels from passing under the Sydney Harbour Bridge means the OPT will be called upon to berth more vessels that operate from Sydney with demand peaking during the October to April cruising season.

The December to April period is already at maximum capacity.

It is recommended the NSW Government continue to support the passenger cruise line industry and its continued focus on Sydney as a major port of call. This is due to the economic contribution the passenger cruise industry makes to NSW through employment, international and domestic visitation, economic benefit and international reputation both directly and through flow-on effects.

## FORMATION OF THE CRUISE INDUSTRY REFERENCE GROUP

In June 2017, the Reference Group was established to chart a solution to the growing cruise industry demand on limited passenger facilities across Sydney Harbour. The Reference Group, convened by the NSW Government, brought together representatives of industry and government to outline potential solutions to relieve capacity constraints on Sydney Harbour cruise terminals.

In addition, formal submissions and informal contributions were received from individuals and organisations during the review process to better understand key issues and assist in charting a solution.

Based on recommendations put forward by the Reference Group (detailed in this report), a number of short, medium and longer term actions have been proposed to meet projected demand for additional berthing capacity and ensure that Sydney continues to reap the rewards as Australia's pre-eminent cruise port.

<sup>3</sup> <https://www.portauthoritiesnsw.com.au/news-publications/news/record-cruise-season-for-nsw/>

<sup>4</sup> Contribution of cruise tourism to the Australian economy in FY2015/16 ([www.cruising.org.au](http://www.cruising.org.au))

## SECTION 3

# THE PASSENGER CRUISE INDUSTRY - A GROWTH TRAJECTORY

Sydney Harbour is the busiest cruise port in the southern hemisphere, supporting over 300 passenger cruise vessels each year.

The high levels of cruise industry growth are the result of cruise companies recognising and capitalising on the southern hemisphere summer solstice during the least productive period for northern hemisphere cruise ports. Through extensive marketing and operational work on the part of the industry, Sydney has grown to be a major operational hub for the cruise industry. Led by Sydney, NSW has received a 23.9% rise of passengers between 2015 and 2016.<sup>6</sup>

The peak season for cruising from Sydney was originally defined as running from mid-November through to mid-February, with ships deploying from key markets in the northern hemisphere during the northern winter to either visit (transit call) or operate (turnaround call) from Sydney.

Today it is generally accepted that the Sydney cruising season runs from early October through to end of April, with an increasing number of vessels operating from Sydney year round.

## INDUSTRY GROWTH

NSW is the epicentre of cruise operations in Australia, with the state hosting 361 cruise visit days (number of days a ship is in port during a single call) in 2015/16, with Sydney hosting 348 of those days.

This translates to the highest number of passenger visit days of all Australian states (1.19 million in 2015/16, a 9.5 per cent increase year on year). This in turn drives direct expenditure by passengers, crew and cruise lines, with NSW receiving 63 per cent of all direct expenditure in 2015/16.

In the 2018 calendar year, Sydney is scheduled to receive 389 cruise ship calls by 50 different ships representing 23 separate brands\*.

Australians have embraced cruising with the highest market penetration rate in the world. As shown in Figure 1, over the past ten years the number of Australians taking an ocean cruise has increased by over 500 per cent.<sup>7</sup>

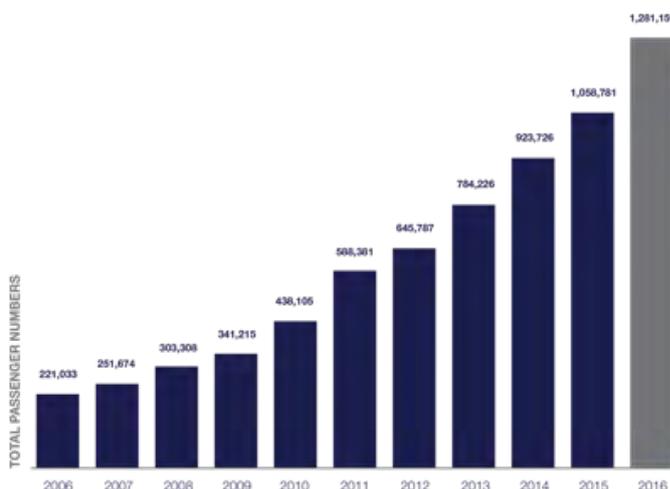


Figure 1. Number of Australian passengers taking ocean cruises 2006 to 2016.<sup>7</sup>

Targeted product packaging and marketing aimed at a broad population demographic including options for families and retirees has led to an appreciation that cruising represents a good value for money holiday option, with all accommodation, dining and entertainment options paid for in advance.

High customer satisfaction ratings, the variety of ships operating from Sydney and the range of itineraries available (from short three day sampler cruises to long cruises stopping at multiple international ports) at varying price points may all be contributing factors to the repeat business and increased interest in cruising as a preferred holiday option for Australians.

## ECONOMIC BENEFITS FOR NSW

The cruise industry in Sydney makes a significant contribution to the NSW economy. **Industry research shows that the economic contribution of the cruise industry to NSW in 2015-16 was 2.9 billion, which represented a 19.5% increase on the previous year.**<sup>6</sup>

Sydney cruise terminals support two types of berthing – transit calls and turnaround calls. Transit calls are short stays of usually less than 24 hours where a ship calls into port, passengers disembark for a day to sample the attractions of the city and then depart to continue its cruise through to the ship's final destination. Whereas turnaround calls are where the ship commences or completes its voyage in Sydney and all passengers disembark and are replaced by an entirely new group of passengers. During a turnaround call the ship is reprovisioned and refuelled before heading off on a

new cruise. This is most common when ships are 'home ported' in Sydney, that is the cruises start and end in Sydney. In the 2016/17 summer season, it is estimated that 95 per cent of all ship calls to OPT were turnaround calls.

The average expenditure by domestic and international turnaround passengers highlights the economic advantages of hosting turnaround calls compared to transit calls as detailed in Table 1.

|                                | Turnaround Calls      | Transit Calls    |
|--------------------------------|-----------------------|------------------|
| <b>Domestic Passengers</b>     |                       |                  |
| Average Spend                  | \$485 per person      | \$161 per person |
| Accommodation Spend            | 1.4 nights per person | Nil              |
| <b>International Passenger</b> |                       |                  |
| Average Spend                  | \$750 per person      | \$223 per person |
| Accommodation Spend            | 2.4 nights per person | Nil              |

Table 1. Average expenditure in NSW from domestic and international passengers on turnaround and transit calls out of Sydney.<sup>6</sup>

#### On average:

- Cruise lines spend \$840 million per annum in NSW
- Passengers spend \$593.1 million per annum in NSW
- Ship crew spend \$16.1 million per annum in NSW
- Individual crewmembers spend \$137 in Sydney per visit on retail shopping and transport with Large and Mega cruise ships carrying over 2000 crew.

#### Turnaround calls provide significantly more economic impact due to:

- Interstate and international passengers embarking or disembarking in Sydney paying for accommodation and services.
- Interstate and international passengers making connections or extending their visit to take in sightseeing across a wider area beyond the Sydney CBD.
- Cruise ships sourcing food, beverages, and other consumable from local NSW and Australian suppliers and producers.

#### For example one of Carnival Australia's brands, P&O Cruises Australia, has an annual primary produce consumption of:

- 6.2 million fresh eggs
- 410,000 litres of milk
- 125,000 kilograms of cheese
- 665,000 litres of yogurt and cream

- 2.6 million kilograms of meat and poultry
- 4.7 million kilograms of fruit and vegetables
- 92,000 kilograms of lamb.

Produce is sourced from Australian farms, representing a growth market for farmers. In addition, the cruise industry states that following trials on Australian-based vessels, items not previously carried on their vessels have been adopted worldwide based on their popularity with passengers. The adoption of Australian lamb worldwide on Princess Cruises vessels is an example of how the cruise market has helped Australian farmers.

Every opportunity should be taken to encourage cruise lines operating from NSW ports to maximise their intake of Australian produce in preference to sourcing from overseas.

#### Recommendation:

As the greatest economic impact comes from turnaround calls, it is acknowledged that an appropriate cruise solution will be one that caters for turnarounds and motivates cruise lines to homeport their ships in NSW.

### BARRIERS TO FUTURE GROWTH

NSW's share of the cruise industry's economic contribution to the national economy (from direct expenditure by passengers, crew and cruise lines) declined from 68 per cent in 2014/15, to 63 per cent in 2015/16. In 2016/17, NSW's share of the industry's national economic contribution rose by 6 per cent, the lowest increase of all the states, compared to almost 20 per cent growth in the prior year. The industry asserts that this is directly attributed to Sydney reaching berthing capacity and not being able to accommodate any additional Large cruise ships during the peak cruising season.

While the industry has seen outstanding growth in transit and turnaround calls, limitations on the available berths east of the Sydney Harbour Bridge to support Mega and Large cruise ships will likely curtail growth unless new berths are determined.

Some cruise operators have already started relocating vessels from Sydney Harbour to other ports (such as Melbourne, Brisbane and Singapore) in response to capacity constraints. Without investment in additional cruise facilities, Sydney is likely to see more vessels redeployed elsewhere in coming years. This is exemplified by the recent Queensland government announcement to build a new cruise ship terminal.

<sup>6</sup> Contribution of cruise tourism to the Australian economy in FY2015/16 ([www.cruising.org.au](http://www.cruising.org.au))

\* Many of these brands are owned by a single entity, for example Carnival Cruises also operates the P&O, Princess, Cunard and numerous other brands.

## SECTION 4

# EXISTING BERTHING LOGISTICS AND REQUIREMENTS

## THE WORKING HISTORY OF SYDNEY HARBOUR

Over the past 200 years Sydney Harbour been a working harbour visited by many different vessels.

From 1788 to 1792 small supply ships transported convicts and soldiers to the new colony. As Sydney developed, sailing ships brought settlers from Europe expanding the population and industry. Throughout the 1800s wool clippers gave way to coal fired steam ships and in due course the break-bulk cargo ships of the mid-20th century were supplanted by the bulk carriers and container ships of the modern era.

Throughout World War I and II Sydney Harbour played a significant strategic and operational role as a main naval and logistics base for the Royal Australian Navy (RAN) and throughout the 1950s/60s carried thousands of immigrants from Europe during the government's populate or perish drive.

By the 1960/70s, large passenger ships were mostly replaced by aircraft with the commoditization of the 747 jumbo jets offering affordable air travel to the masses. Passenger cruise vessels entering Sydney Harbour were infrequent and predominately limited to international world cruises and semi-regular visits by small ships such as the Oriana and Canberra.

From 2001 to 2005 the average passenger cruise ship visiting Sydney displaced approximately 50,000 GT, was some 210 metres in length and accommodated around 1400 passengers.

Sydney Harbour now accommodates significantly larger vessels at higher frequencies. A large cruise ship calling in Sydney today is likely to displace up to 168,000 GT, be some 348 metres in length and accommodate 5,000 passengers.

In the last two decades the Sydney-based cruise industry has grown in size, scope and reach, providing a valued holiday activity for locals, Australians from interstate and much-valued international visitors.

### This section discusses:

- Sydney Harbour's existing passenger cruise terminals
- Sydney Harbour cruise terminal requirements
- Changes to cruise operator fleet
- Cruise terminal requirements
- Logistics of managing cruise vessel visits.



## SYDNEY HARBOUR'S EXISTING PASSENGER CRUISE TERMINALS

Sydney Harbour has two main cruise terminals that support cruise ship berths:

- The Overseas Passenger Terminal (OPT) located at Circular Quay, The Rocks
- White Bay Passenger Terminal (WBCT) located at White Bay, Balmain.

## OVERSEAS PASSENGER TERMINAL AT CIRCULAR QUAY

The OPT is Sydney's oldest existing passenger terminal established in 1960. Located at Circular Quay, it is centrally located in the CBD, connected to transport services and has an iconic outlook of the Sydney Opera House, Sydney Harbour Bridge and the Sydney skyline.

Over 925,000 passengers embarked or disembarked a cruise ship at OPT in 2015/16.<sup>8</sup>

In recent years \$70 million has been invested in upgrading the terminal to better accommodate the demands of Large cruise ships and their increased passenger, crew and storage demands. As currently configured, the OPT is not able to accommodate the largest Mega cruise ships, the Oasis class of ships, as they are wider than 60 metres in beam.

### The OPT supports cruise ships:

- Up to 168,000 GT
- Up to 360 metres in length physically (but may have technical challenges for the larger ships)
- That accommodate up to 5,000 passengers.

As the primary cruise terminal in Sydney and the only facility able to support use by Large cruise ships, the OPT reaches maximum capacity during the peak cruise season from October to April inclusive each year.

However it is considered likely that Mega cruise ships cannot be routinely and satisfactorily accommodated at the OPT due to impacts on the operations of the adjacent and increasingly busy Circular Quay ferry terminal.

## WHITE BAY CRUISE TERMINAL

The WBCT was built to replace the Darling Harbour terminal and was funded by the sale of the Barangaroo precinct. Based in White Bay, Balmain the terminal was formerly used for shipping and logistics purposes.

In 2013 the existing wharves were strengthened and \$57 million was invested to develop terminal facilities



Figure 2. Large cruise ship at the OPT. Source NSW Government.

to support cruise ship operations. The wharf length exists at the WBCT to berth two ships alongside simultaneously, however further shore side infrastructure will be needed to upgrade the site with new facilities to maximise this opportunity.

Many of the homeported ships currently calling here will gradually be phased out of service and be replaced by larger vessels that cannot get under the Bridge.

### Currently the WBCT supports:

- Over 383,000 passengers embarking or disembarking based on 2015/16 figures.
- Small/Mid-sized cruise vessels under 51 metres in height which are able to pass under the Sydney Harbour Bridge air draught (the distance between the water and the lowest part of the Bridge).
- Ships that accommodate up to 2,380 passengers.



Figure 3. A cruise ship at the WBCT. Source Macleay Newsroom.

It is the contention of this report that WBCT continue to be the primary passenger facility for those vessels able to pass beneath Sydney Harbour Bridge.

<sup>8</sup>[https://d2bp0c2skoohvn.cloudfront.net/media/1810/port-authority\\_annual-report\\_15-16.pdf](https://d2bp0c2skoohvn.cloudfront.net/media/1810/port-authority_annual-report_15-16.pdf)

## SECTION 4

### SYDNEY HARBOUR CRUISE TERMINAL REQUIREMENTS

Port visits by the cruise industry to Sydney have grown from 108 in the 2009/10 season to 344 in the 2016/17 season and an expected 386 calls in the 2017/18 season.

The cruise industry is currently building a number of larger passenger cruise vessels to replace older and smaller ships which will result in fewer vessels being able to operate from the WBCT. With an expected increase in vessels taller than 51 metres visiting Sydney Harbour, both industry and government have identified the single cruise berthing limitations of the OPT. Industry's growth projections predict that by 2040, the number of passengers cruising from Sydney will almost double 2017 numbers, as will the number of Large and Mega cruise ship calls during the peak season (see CLIA growth projections attached at Appendix II)

The search for a potential additional passenger terminal east of Sydney Harbour Bridge has seen several potential sites explored in the past.<sup>9</sup>

The Commonwealth commissioned Hawke Review<sup>10</sup> considered increased cruise industry access to the RAN's facilities on Garden Island and sought to examine all possible options for a future strategy for increased access to cruise facilities that could be accessed by vessels unable to transit under the Sydney Harbour Bridge.

The participation of the cruise industry has been crucial to defining the need for a new facility and defining the economic contribution made by the industry to NSW and wider Australian economy.

In addition, some Large cruise ships have, in the past used the northern berths of the RANs Fleet Base East (FBE) at Garden Island on a very occasional, ad-hoc basis as well as berthing ships at Athol Bay and off Point Piper when there are no available alongside berthing facilities. Consideration of RAN operations and requirements are further detailed in *The Royal Australian Navy's operations and requirements*.

### CHANGES TO CRUISE OPERATOR FLEET

Over the last two decades, the passenger cruise industry has responded to increased customer demand for cruise opportunities by increasing the size and amenity of their vessels. Larger vessels offer a greater economies of scale due to the larger number of passengers they carry.

As of Q3 2017 there are more than 50 cruise vessels under construction, with 75 ships currently on order through to 2025. Over two thirds of the vessels will displace more than 100,000 tonnes with a further six to displace over 200,000 tonnes. Most of these vessels will carry over 3,500 passengers, with the largest carrying well in excess of 5,000 passengers. Figure 4 details the historic growth of ship sizes in Sydney Harbour from 2001.

The OPT and the RAN FBE are the only two terminals in Sydney able to berth cruise ships up to 360 metres in length located on the east of the Sydney Harbour Bridge. We expect cruise lines will seek to base these new class of Mega cruise ships in Australia with greater frequency in the next 10 years.

The current agreement is for the FBE to host up to three berths a year subject to RAN operations and approval. Both the OPT and FBE can berth only one Large or Mega cruise ship at a time, however since 2013 no Large cruise ships have berthed at the FBE due to RAN operations.

### CRUISE TERMINAL REQUIREMENTS

The cruise industry has provided a set of terminal and berthing criteria based on an Oasis class vessel the largest cruise ship vessel class currently in operation as detailed in the pull-out right and the tables on the following pages.

#### OASIS CLASS SPECIFICATION

##### OASIS OF THE SEAS

- 227,700 Gross Tonnage
- Length: 360 metres overall
- Beam: 47 metres waterline [60.5 metres extreme]
- Height: 72 metres above water line
- Draught: 9.3 metres
- Decks: 16 passenger decks
- Capacity: 5400 passenger double occupancy
- Crew: 2,400
- Cost: US\$1.4 billion (2006 figures)
- Five ships completed or building
- Operator: Royal Caribbean International.

### MEGA CRUISE SHIP - UNABLE TO BERTH AT OPT



Future **225,282 GT**, 362m, 5400 Pax

### LARGE CRUISE SHIPS - CAN BERTH AT OPT



2016 **168,666 GT**, 348m, 4180 Pax



2012 **137,270 GT**, 310m, 3138 Pax

### SMALL/MID-SIZED CRUISE SHIPS - CAN BERTH AT WBCT



2007-2012 **circa 80,000 GT**, 261-297m, 1990-2124 Pax



2001-2005 **circa 47,000 GT**, 204-241m, 1400 Pax

Figure 4. The evolution of cruise ship sizes in Sydney since 2001. Source CLIA.



## SECTION 4

Table 2. Minimum berthing, apron area, terminal and ground transportation requirements for Oasis class cruise ships.

| BERTHING REQUIREMENTS        |  |
|------------------------------|--|
| ITEM                         | REQUIREMENTS   |
| Channel width                | 150 metres   |
| Channel depth                | 12.5 metres  |
| Diameter of turning basin    | 470 metres   |
| Depth of turning basin       | 11.5 metres  |
| Pier depth                   | 11 metres  |
| Bollard strength             | 150 tonnes   |
| Berth envelope               | 190 metres   |
| Fenders                      | High capacity foam filled 7ft x 14ft with a rated energy absorption of 633ft Kips and related reaction force 337 Kips.   |
| Pier length                  | 380 metres   |
| Ship services                | Refueling capability, water  |
| Ship waste handling          | AQIS compatible secure procedures for wastewater, oily waste, waste disposal and garbage disposal.   |
| Pier width                   | 30 metres unobstructed width to allow safe logistics operations of up to 20 trucks and forklifts.  |
| APRON AREA REQUIREMENTS      |  |
| ITEM                         | REQUIREMENTS   |
| Operational needs            | Luggage loading (cages, ramps), provisioning (over 20 trucks and forklifts), vessel doors, gangways and vessel utilities (potable water, bunkering, oily waste, garbage collection, etc.). |
| Entry points                 | Close to the road to allow for containers, trucks and other service vehicles.  |
| Apron width                  | 30 metres  |
| Fuel supply flexibility      | Allow for flexibility in fuel supply alternatives in the future such as LNG.   |
| Other logistics requirements | Waste disposal, garbage disposal, loading of chemicals/hazardous materials, oil supply, fuel barge and sludge disposal.  |

| TERMINAL REQUIREMENTS              |  |
|------------------------------------|--|
| ITEM                               | REQUIREMENTS   |
| Passenger handling                 | Handle at least 6,000 passengers per ship (allowing 12,000 passengers embarking or disembarking).  |
| Equipment                          | Cost effective, state of the art terminal that uses the best available equipment and technology to enhance guest flow and minimise security personnel costs.                                   |
| Structure                          | Two storey building to maximise flow and minimise footprint.   |
| Design                             | Separate routing for passenger and crew, luggage and logistics.  |
| Luggage area                       | Luggage laydown area for state-of-the-art handling system.   |
| Customs & Immigration              | Account for future technologies planned by the Department of Immigration and Border Protection.  |
| Crew area                          | Crew lounge and check-in area.   |
| Guest area                         | Guest check in area using efficient technologies (e.g. wireless check in and digital signage) to minimise queues and enable most guests to check in during the first four hours after arrival. |
| Disembarking                       | Guests to collect luggage and clear terminal within three to four hours.   |
| Security area                      | Screening areas for checked luggage and guests using state-of-the-art technology.  |
| Amenities                          | Restroom facilities.   |
| GROUND TRANSPORTATION REQUIREMENTS |  |
| ITEM                               | REQUIREMENTS   |
| Road system                        | Linked road access that supports arrival and departure of passengers by bus, car, taxi minibus etc.  |
| Vehicle access                     | A separate entrance for buses and provisioning trucks.   |
| Traffic design                     | Traffic separation between embarking & disembarking passengers is preferable   |
| Pedestrian access                  | Clear passenger walkways   |
| Parking                            | Sufficient parking for 20 coaches taking transit passengers on excursions  |

## SECTION 4

### RECOMMENDATIONS IN THE SHORT TERM

The Cruise Industry's demand for berthing slots in Sydney for Large and Mega Cruise Ships, particularly during the summer cruise season, significantly outweighs availability of such slots in Sydney. This has already led to decisions to relocate existing Australian deployed large ships to other ports and markets and undoubtedly to delays in the introduction of new ships to the Australian market. Sydney has very little time to lose. This requires both short term fixes and a medium to long term solutions to be determined and commenced as soon as possible while other measures to achieve maximum use of existing facilities needs to be pursued in the interim.

We recommend that as an immediate priority the two principal locations of Garden Island and Port Botany be examined in detail to enable the negotiations and planning required to take place within 12 months from the delivery of the Cruise Development Plan. Consideration of both sites should be conducted contemporaneously to ensure no time is lost. The Government should commence negotiations with the Commonwealth regarding the options at Garden Island and to explore possible further cooperation to enable sharing of this facility through the provision of a dedicated cruise shipping berth and ultimately Terminal.

Contemporaneously a short to medium term option of locating a cruise berth on the eastern end of Hayes Dock at Port Botany should be explored by the Government in consultation with the private landlord and lessee of the existing underutilised container terminal site for a limited period of time to enable a permanent solution to developed in Sydney. To that end studies should be conducted regarding the cost and viability of a permanent terminal in eastern Port Botany near Yarra Bay.

### OVERSEAS PASSENGER TERMINAL

Given the importance of the OPT as the only current facility in Sydney capable of accommodating large cruise ships, it is recommended that every effort should be made to further improve utilisation of the OPT. This includes regular facility upgrades to incorporate the latest technology to improve throughput of passengers, baggage and vessel reprovisioning such as RFID scanning of luggage, 'smart' check in terminals and improved immigration procedures.

### WHITE BAY CRUISE TERMINAL

Given the investment already made in the WBCT it is the recommendation of this report that the WBCT remains Sydney's primary passenger terminal for vessels able to pass under the Sydney Harbour Bridge. Every effort should be made to further improve utilisation of

the facility with routine upgrades to incorporate the latest technology to improve throughput of passengers, baggage and vessel reprovisioning along the same lines as the OPT.

It is further recommended that where feasible, two vessels be berthed alongside at WBCT and an investigation be undertaken into whatever additional facilities may be needed to further enhance the use of WBCT by two vessels simultaneously.

### CONSIDERATION TO UTILISE DOUBLE TURNAROUNDS TO MEET DEMAND

Double turnarounds involve utilisation of the OPT for additional hours throughout the day for ships conducting turnaround calls.

The double turnarounds proposal put forward by PANSW (see attached) is for two vessels to be accommodated at the OPT in each 24 hour period, by changing the current ship arrival and departure times to provide each vessel with a maximum 11 hours alongside. This is compared to the PANSW's calculation of the current average stay of 10.5 hours, (notwithstanding the current berthing slot duration is 24 hours). The proposal involves the first cruise ship arriving at OPT at 4am and departing at 3pm, and the second cruise ship arriving at 4pm and departing at 3am.

The industry representatives within the Reference Group raised a number of concerns with regard to this proposal as a solution to increase capacity for Large cruise ships at OPT. As previously advised in submissions to both the PANSW and the NSW Government through the IPART submissions (see Appendix III) a number of operational and customer service reasons as well as international crewing regulations result in operators of larger vessels not being able to accept double turnarounds slots.

The industry accepts double turnarounds may be an attractive option to some vessels intending to overnight at the OPT, but any accommodation of such ships at OPT should never be to the detriment of any vessels unable to fit under the bridge.

PANSW will continue to work with the industry to see if viable arrangements can be reached over time.

<sup>9</sup> Reports into Sydney Harbour cruise capacity include:

1. 2016 Deloitte "Economic Analysis of Cruise Shipping in Sydney"
2. 2016 Jacobs' Report "NSW Cruise Development Plan Options Review"
3. 2016 WSP | Parsons Brinckerhoff "Cruise Development Plan - Order of magnitude costing"

<sup>10</sup> 2011 Hawke "Independent Review of Enhanced Cruise Ship Access on Garden Island"



## SECTION 5

# THE ROYAL AUSTRALIAN NAVY'S OPERATIONS AND REQUIREMENTS

## SYDNEY HARBOUR AND THE ROYAL AUSTRALIAN NAVY

The Royal Australian Navy (RAN) has a close relationship with Sydney Harbour dating back to the arrival of the Australian Fleet in October 1913. The RAN occupies a number of berths across Sydney, primarily based at Garden Island FBE.

Prior to 1913, Garden Island was the home of the Australian Squadron of the Royal Navy and the Naval Brigade of the NSW Colonial Naval Force.

Under the Commonwealth, the RAN has no obligation to account for its current use of Garden Island FBE or any part of its berthing locations from a legal and operational perspective, except to the Commonwealth.

### The RAN values its presence in Sydney for a wide variety of reasons including:

- Access to support facilities, including the Captain Cook Graving Dock - the largest graving dock in the Southern Hemisphere.
- Technical and industrial capabilities located on Garden Island.
- Close proximity to other operational, command and control bases throughout Sydney Harbour such as Maritime Headquarters.
- The stability offered to serving members families to settle in one place during critical periods due to the ability for RAN personnel to hold back-to-back postings between ships based in Sydney and other, shore-based, postings throughout Sydney.
- The opportunities for serving members families to find meaningful and satisfying education, careers and career progression within the capabilities offered by Australia's largest city.
- The proximity to one of the largest recruitment catchments in Australia.

The RAN bases in Sydney (including Garden Island, HMAS Waterhen, HMAS Watson and HMAS Penguin) was assessed to contribute **\$608 million in value added** and **\$614 million in consumption** per year to the NSW

economy.<sup>11</sup> The NSW Government values the presence of the RAN in NSW and Sydney Harbour and the revenue it contributes to the State's economy, however it is exceeded by the cruise industry's estimated **\$2.9 billion** contribution to the NSW economy.<sup>12</sup>

## CHANGES TO THE ROYAL AUSTRALIAN NAVY FLEET

The RAN is currently undertaking a fleet replacement program, with almost all classes of major surface vessels to be replaced with new vessels including new:

- Destroyers
- Frigates
- Replenishment vessels
- Amphibious ships
- Offshore patrol vessels
- Submarines.

A number of new vessels are already in service, with the remaining program currently being built or planned for construction. Even though the number of vessels in the RAN fleet will not significantly change over the next 20 years, the size, capability and capacity of the new vessels will be significantly larger than the existing fleet being replaced as shown in Figure 6.

### For example, the RAN is replacing:

- Adelaide class guided missile frigates (4,100 tonnes at 124 metres) with Hobart class guided missile destroyers (7,000 tonnes at 147 metres).
- Replenishment ship HMAS Success (18,000 tonnes at 157 metres) with two new ships built to a Spanish design (19,500 tonnes at 170 metres).
- ANZAC class frigates (3,600 tonnes at 118 metres) with a new class of frigate by the mid-2020s. Currently all three replacement designs identified are all significantly larger (in the order of 6,000 tonnes at over 140 metres).
- Two amphibious ships of the Kanimbla class (8,500 tonnes at 160 metres) with two new ships of the Canberra class (27,500 tonnes, at 230 metres).

1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

### GARDEN ISLAND FLEET BASE EAST ACCESS FOR THE CRUISE INDUSTRY

Since 2006, the RAN has allowed the cruise industry to use berths one and two at Garden Island FBE for up to three visits per year, pending RAN operations and approval. Since 2013, RAN operations have prevented the cruise industry from accessing these berths located at the northern end of the FBE wharves, which run parallel to Cowper Wharf Road.

Wharves such as the Cruiser Wharf on Garden Island that can accommodate the amphibious ships docked alongside are used to berth the Landing Helicopter Docks (LHD) during the RAN operational cycle however, due to their age and construction, cannot be used to load and unload vehicles and cargo to and from the amphibious ships. 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

[Redacted]

### RECOMMENDATIONS IN THE SHORT TERM

It is the recommendation of this report that the NSW Government encourages negotiations between the Commonwealth and RAN, and Hutchison Ports and NSW Ports to encourage user trials at the Hayes Dock



Figure 5. Garden Island Fleet Base East (FBE) showing both of the Navy's largest warships - HMAS Adelaide and HMAS Canberra occupying FBE berths one to three. Source Royal Australian Navy.

1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

<sup>11</sup> 2011 KPMGP Economic Contribution of the Naval Bases in Sydney  
<sup>12</sup> Contribution of cruise tourism to the Australian economy in FY2015/16 (www.cruising.org.au)

# SECTION 5



Australia, Canberra Class (MConrads)



Australia, Hobart Class (MihoshiK & MConrads)



Australia, Adelaide Class (MConrads)



Australia, Anzac Class (MConrads)



Australia, Anzac Class (MConrads)



Australia, Huon Class (MConrads)

Figure 6. RAN schematic of different classes of vessels. Source Shipbucket



Figure 7. Indicative size comparison between the cruise ship Britannia (140,000 tonnes at 330 metres) and HMAS Canberra (27,500 tonnes at 230 metres) the largest warship in the Royal Australian Navy. Source Shipbucket.





## SECTION 6

# OPTIONS TO ADDRESS CRUISE CAPACITY AND GROWTH

Since 2011 the NSW Government has undertaken major studies to develop an evidence based assessment of the economic impact of the cruise industry to the NSW economy and the costs and benefits of new cruise infrastructure.

A number of separate studies and reviews have been conducted over the last three decades to address the cruise industry and RAN's use of NSW waterways.<sup>13</sup> The most recent reports completed in 2016 review potential sites for an additional passenger terminal east of Sydney Harbour Bridge.<sup>9</sup>



These preceding reports identified sites based on a varying set of technical feasibility selection criteria and included sites at:

- Athol Bay
- 1(a), 1(d),
- 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)
- Garden Island West / Fleet Base East
- North East Garden Island
- 1(a), 1(d), 1(e), 1(g), 4(c), 4(d)
- 1(a), 1(d),
- 1(a),
- 1(a), 1(d), 1(e), 1(g), 4(c), 4(d)
- Port Botany
- Rose Bay
- 1(a), 1(d),
- Molineaux Point
- Yarra Bay.

Each option was considered separately against set criteria (Appendix I)

Based on these criteria a short list of sites was identified for consideration by the Reference Group:

- Garden Island West
- Garden Island North East
- Port Botany
- Molineaux Point
- Yarra Bay
- Rose Bay
- Athol Bay

<sup>13</sup> Reports into Sydney Harbour cruise capacity include:

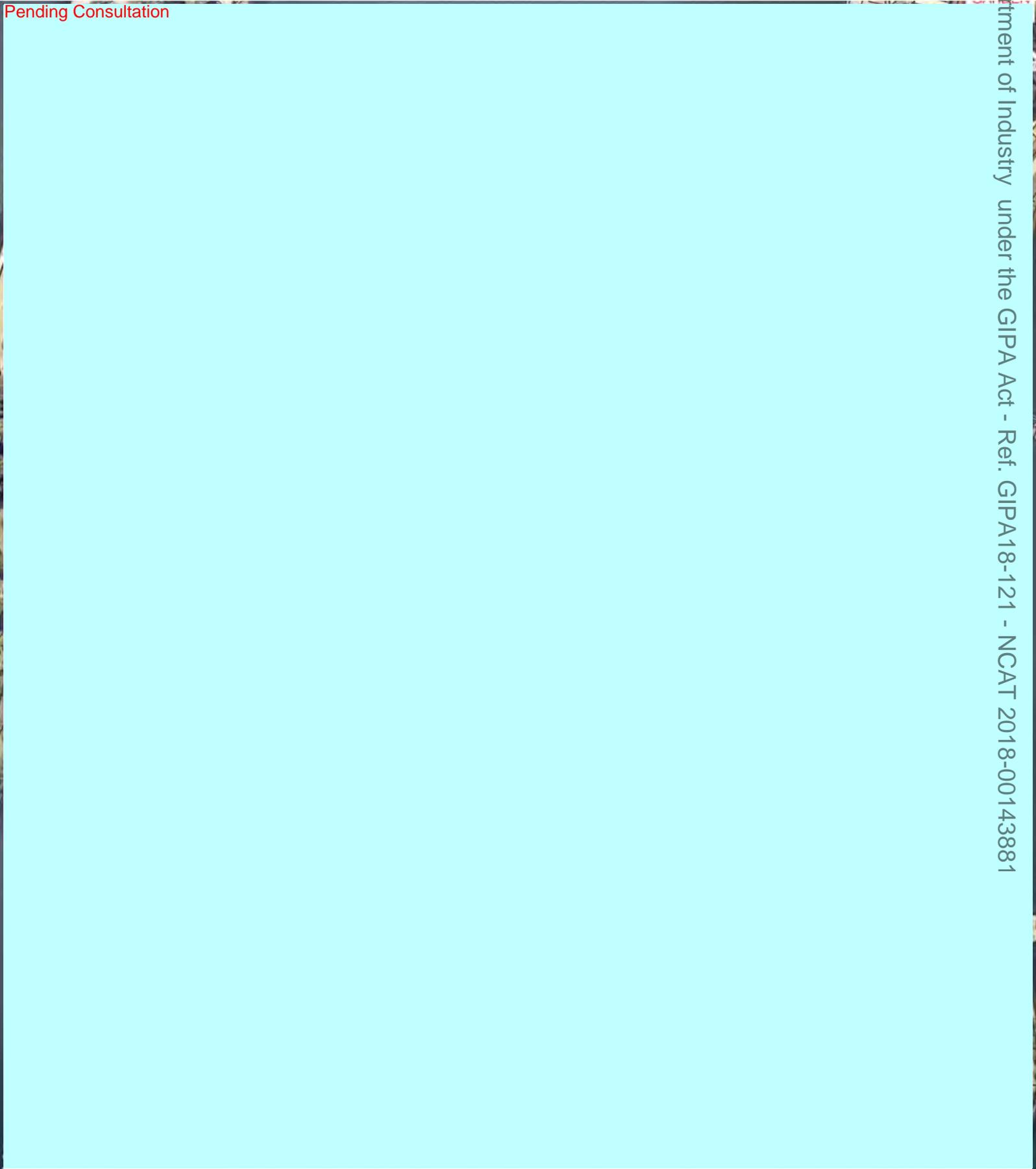
4. 2016 Deloitte "Economic Analysis of Cruise Shipping in Sydney"
5. 2016 WSP | Parsons Brinckerhoff "Cruise Development Plan - Order of magnitude costing"
6. 2011 Hawke "Independent Review of Enhanced Cruise Ship Access on Garden Island" 7.2016 Jacobs' Report "NSW Cruise Development Plan Options Review"

SECTION 6 - SITE 1

# GARDEN ISLAND WEST FLEET BASE EAST (FBE)

Figure 8. Aerial view of Garden Island West FBE. Source Port Authority of New South Wales.

Pending Consultation



## LOCATION

Garden Island is located in Woolloomooloo, at the junction of Cowper Wharf Road and Wylde Street. It forms part of the RAN FBE complex, including the entire Garden Island precinct. The western side of the island (Garden Island West and FBE) is currently used by the RAN east coast fleet.

The base is heavily constrained by high-density residential land use on the Potts Point boundary and residential and commercial development on the Finger Wharf at Woolloomooloo.

## SITE HISTORY

The timeline in Figure 9 outlines the maritime history of Garden Island.

|      |   |
|------|---|
| 1856 | Became an official Royal Navy base.   |
| 1913 | Ownership transferred to the RAN.   |
| 1923 | Courts and Privy Council judge in favour of the NSW Government for ownership of Garden Island against the Commonwealth.             |
| 1939 | Commonwealth resumed occupation and use of Garden Island for naval operations using war powers.                                     |
| 1945 | Commonwealth pays the NSW Government £638,000 financial compensation to resolve title and ownership of Garden Island.               |
| 1945 | Reclamation works at Garden Island connect the island to the mainland as part of the construction of the Captain Cook Graving Dock. |
| 1985 | The Commonwealth acquires the land along the wharves opposite Cowper Wharf Road via lease and commercial activity ceases            |
| 1985 | Construction on the FBE wharf commences.  |
| 1987 | Construction on the FBE wharf completes.  |

Figure 9. Timeline of Garden Island's maritime history.

## CURRENT USES

Garden Island West FBE is the major operational base for the Australian eastern seaboard and one of two major fleet bases for the country in conjunction with Fleet Base West (FBW) in Rockingham, Western Australia.

The site is used for RAN wharf space, vessel maintenance facilities, administration and command and control operations.

1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

[Redacted]

[Redacted]

[Redacted]

[Redacted]

SECTION 6 - SITE 1

# GARDEN ISLAND WEST FLEET BASE EAST (FBE)



Figure 10. Garden Island Fleet Base East (FBE) showing both of the Navy's largest warships - HMAS Adelaide and HMAS Canberra occupying FBE berths one to three. Source Royal Australian Navy.

### Cruise industry agreement with the Commonwealth for use of FBE

The cruise industry and the Commonwealth have had an agreement in place since 2006 that allows up to three visits by cruise ships to FBE per season, contingent on RAN operations and approval. The lack of dedicated cruise vessel facilities such as passenger and baggage terminal facilities, as well as restrictions on accessing the ship from the waterside, significantly limits the use of FBE to an ad-hoc basis.

The RAN is currently undertaking a detailed review of its east Australian base requirements as part of Plan Beacon including an option to construct new facilities on the eastern side of Garden Island (Garden Island East). This option may allow the NSW Government to acquire the Garden Island West FBE precinct for conversion into a permanent cruise terminal capable of accommodating the largest cruise ships expected to visit Sydney.

1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

[Redacted text block]

1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

[Redacted text block]

### EXPECTED COSTS

Table 3 outlines the potential costs associated with redevelopment of the Garden Island FBE 1(a), 1(d), 1(e), 1(g), 4(c), 4(d)

### SITE ONE RECOMMENDATIONS

It is recommended that a management plan, which investigates the option of permanently relocating the RAN fleet from FBE to new facilities at Garden Island East, be created in consultation with the Commonwealth, RAN and NSW Government.

This report also recommends that:

- As a part of the consultation process the NSW Government ascertain whether new facilities at Garden Island East could be greatly accelerated to the near-term with a financial contribution to assist in offsetting the cost of wharf construction to allow the vacation and transfer of FBE back to the State for redevelopment as Sydney's new cruise terminal.
- The Garden Island West FBE redevelopment would require remediation works, bollard strengthening, terminal facilities, improved access, etc.

**BENEFITS**

1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

- [Redacted]

**DRAWBACKS**

1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

- [Redacted]

| Requirement | Description of workw | Potential cost                              |
|-------------|----------------------|---|
| [Redacted]  | [Redacted]           | 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e) |
| [Redacted]  | [Redacted]           | [Redacted]                                  |
| [Redacted]  | [Redacted]           | [Redacted]                                  |
| [Redacted]  | [Redacted]           | [Redacted]                                  |

Table 3. Expected costs to redevelop Garden Island West FBE.

SECTION 6 - SITE 2

# NORTH EAST GARDEN ISLAND

Figure 11. Schematic of proposed passenger cruise terminal at North East Garden Island. Source Port Authority of New South Wales.

1(g), 4(c), 4(d) and 5(e)

## LOCATION

North East Garden Island is located at the tip of Garden Island in Woolloomooloo, at the junction of Cowper Wharf Road and Wylde Street. It forms part of the RAN FBE complex, including the entire Garden Island precinct.

While the greater Garden Island facility is heavily constrained by high-density residential land use on the Potts Point boundary, the proposed location on the north-eastern area of Garden Island is located at the furthest distance from residential development.



Figure 12. HMAS Stalwart moored just off Garden Island's eastern shore tethered to a number of smaller vessels. Source Royal Australian Navy.

## SITE HISTORY

Garden Island's maritime history is outlined in Figure 9.

Specific history relating to North East Garden Island includes the use of buoys off the north-eastern end of Garden Island between the 1960s to 1980s for the destroyer tender HMAS Stalwart. HMAS Stalwart in turn was tethered to a number of associated vessels. HMAS Stalwart displaced six metres, indicating deep-water close by Garden Island's eastern and north-eastern side.

## CURRENT USE

North East Garden Island has not been used to accommodate naval vessels since the late 1980s. Today the area is accessible to the public via a regular ferry service from Circular Quay. The area hosts the Naval Heritage Centre and open-air museum displaying military and naval equipment such as gun turrets and missiles.

## PROPOSED CRUISE FACILITIES

The proposed facility would entail the construction of a single ship wharf and possibly associated terminal facilities on the north-eastern side of Garden Island. The NSW Government may be able to negotiate access to existing buildings located at Garden Island East for conversion into on-site terminal facilities, subject to RAN agreement.

## ENGINEERING CONSIDERATIONS

North East Garden Island meets the criteria for wharf length, water draught and safe manoeuvring for Large and Mega cruise ships. 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

## EXPECTED COSTS

Table 4 outlines the potential costs associated with the creation of North East Garden Island cruise terminal to meet the berthing requirements of Large and Mega cruise ships.



### SITE TWO RECOMMENDATIONS

In order to limit a significant increase in operational costs, the NSW Government should seek the agreement of the Commonwealth and RAN to develop a Large and Mega cruise ships capable cruise terminal in the medium term at the north-eastern end of Garden Island including facilities for:

- The Australian Border Force (ABF)
- Australian Quarantine and Inspection Service (AQIS)
- Passenger processing facilities in areas currently accessible to the public (adjacent to the current Naval Heritage Centre).

It is also recommended by this report that:

- The NSW Government seek to negotiate road access to the proposed North East Garden Island site for passenger arrivals and departures and bringing vessels and trucks alongside.

- The RAN and very large visiting allied vessels would have operational use of the North East Garden Island cruise ship facilities when not being used by the passenger cruise industry.
- That the NSW Government agree, that in the event of the Commonwealth and RAN deciding to develop the Garden Island East for RAN vessel berthing in lieu of the existing Garden Island West FBE facilities, that the existing cruise ship facilities revert to the Commonwealth.

| Requirement | Description of work                         | Potential cost |
|-------------|---|----------------|
| [REDACTED]  | 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e) | [REDACTED]     |
| [REDACTED]  | [REDACTED]                                  | [REDACTED]     |

Table 4. Expected costs to develop North East Garden Island

SECTION 6 - SITE 3

# PORT BOTANY

Figure 13. Aerial photo of Hayes Dock at Port Botany. Source NSW Ports.

1(g), 4(c), 4(d) and 5(e)

## LOCATION

Port Botany is located on the northern side of Botany Bay. The proposed site is operated as a container wharf currently occupied by the Hutchison Ports. The proposed berth, known as Hayes Dock lies parallel to the Sydney Kingsford Smith Airport third runway extension into Botany Bay.

## SITE HISTORY

The timeline in Figure 14 outlines the history of Port Botany.

|       |  |
|-------|--|
| 1960s | The NSW Maritime Services Board recommends that a new port complex be developed in the northern part of Botany Bay adjacent to Sydney Airport.   |
| 1971  | Construction commences on two container terminals to the north of Botany Bay and a separate bulk liquid wharf and storage area to the south of the government approved site.                         |
| 1979  | Construction on the bulk liquid terminal is completed in 1979 as a common-user facility for the import of natural gas, oil, petroleum and chemicals and was progressively expanded during the 1980s. |
| 1979  | Construction of the northern-most container terminal is completed.   |
| 1982  | The Port Botany southern container terminal opens.   |
| 1980s | Port Botany becomes a common-user facility for the import of natural gas, oil, petroleum and chemicals.  |
| 1980s | Port Botany expands to meet common-use and logistics demand.   |
| 2011  | Construction on a third container terminal at Port Botany is completed.  |

Figure 14. Timeline of Port Botany's history

## CURRENT USE

Hayes Dock is bound by container facilities. The site is currently used to store, load and unload containers as a part of the shipping logistics chain.

There is a significant liquid terminal to the south of the proposed site and the third runway of Sydney Kingsford Smith Airport lies adjacent and parallel to the proposed berth some 400 metres to the south-east.

## PROPOSED CRUISE FACILITIES

The most eastern berth on Hayes Dock at Port Botany would be converted from an existing container wharf berth into a temporary cruise ship berth as an interim solution to meet the demand by Large and Mega cruise ships until a longer-term solution is developed. NSW Ports indicated the likelihood of a berth being available on a temporary basis from 2019 to 2021/23, however it is hoped that a longer timeframe up to 2025 could be negotiated to enable capacity demands to be met while the permanent solution is constructed.

The wharf would act as a cruise berth with passenger and baggage processing facilities located in a leased building converted into a terminal within the adjoining suburb.



### ENGINEERING CONSIDERATIONS

The site meets criteria for wharf length, water draught and safe manoeuvring for Large and Mega cruise ships. Access issues would need to be negotiated with Hutchison Ports.

1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

[Redacted]

### EXPECTED COSTS

Table 5 outlines the potential costs associated with a temporary cruise berth at Port Botany to meet Large and Mega cruise ships berthing requirements.

### SITE THREE RECOMMENDATIONS

It is recommended that the NSW Government enter into discussions with Hutchison Ports and NSW Ports to explore the potential of Port Botany being utilised as a short-term 1(a), 1(d), 1(e), [Redacted] passenger terminal. 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

[Redacted]

| Requirement | Description of work | Potential cost                              |
|-------------|---------------------|---|
| [Redacted]  | [Redacted]          | 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e) |
| [Redacted]  | [Redacted]          | [Redacted]                                  |

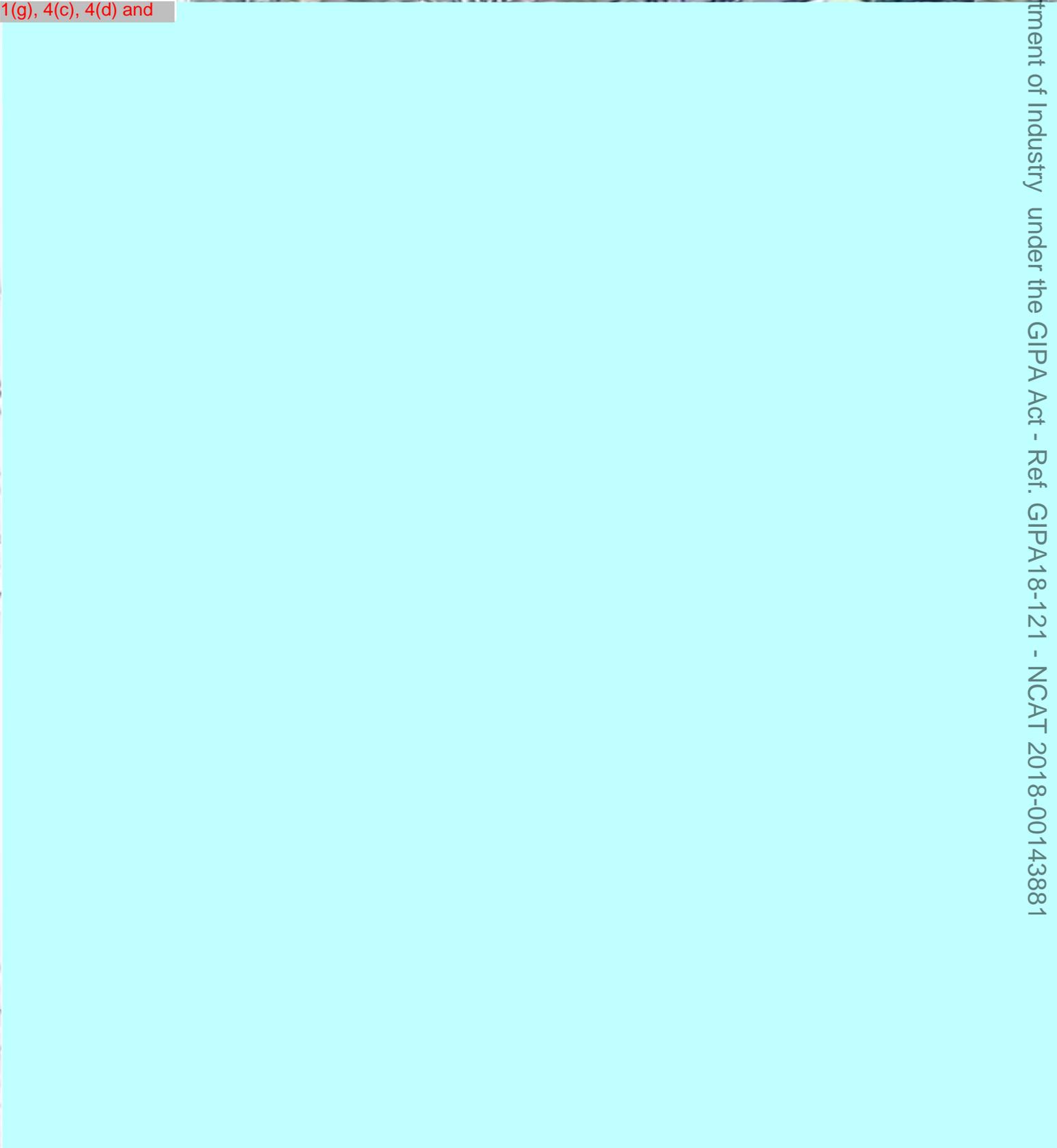
Table 5. Expected costs to develop Hayes Dock at Port Botany

SECTION 6 - SITE 4

# MOLINEAUX POINT

Figure 15. Aerial photo of Molineaux Point. Source NSW Ports.

1(g), 4(c), 4(d) and



### LOCATION

Molineaux Point is located on the northern side of Botany Bay. Molineaux Point is bounded by Bumbora Point and the Eastern Suburbs Memorial Park Cemetery to the north, La Perouse to the East and Molineaux Point itself to the north-west.

### SITE HISTORY

The timeline in Figure 16 outlines the history of Molineaux Point.

|                 |   |
|-----------------|---|
| 18 January 1788 | First Fleet ship HMS Supply carrying Captain Arthur Phillip arrives in Botany Bay and names the anchorage Phillip Bay, now known as Yarra Bay for its Aboriginal name.                                    |
| 20 January 1788 | The Fleet relocates to Port Jackson (Sydney Cove) following the arrival of HMS Sirius carrying Captain John Hunter and examination of the immediate vicinity deems Port Botany unsuitable for habitation. |
| 26 January 1788 | La Perouse is named after Jean-François de Galaup, Comte de La Pérouse who arrives at Botany Bay.   |

Figure 16. Timeline of Molineaux Point history

### CURRENT USE

Molineaux Point is used for freight forwarding, transport and logistics, a tug boat base and is adjacent to a liquid and gas storage facility.

### PROPOSED CRUISE FACILITIES

Molineaux Point would be a purpose built pier structure capable of berthing two ships at a time projected 90 degrees from the shoreline at the south eastern tip of Molineaux Point (the Molineaux Point Lookout). Terminal facilities could be built directly on the wharf or located in converted facilities within the adjacent suburb.

### ENGINEERING CONSIDERATIONS

The site meets the criteria for wharf length and safe manoeuvring for Large and Mega cruise ships. 1(a), [redacted], 1(d), [redacted], 1(e), [redacted].



### EXPECTED COSTS

Table 6 outlines the potential costs associated with design and construction of a purpose built cruise terminal at Molineaux Point to meet berthing requirements of Large and Mega cruise ships

### SITE FOUR RECOMMENDATIONS

To consider Molineaux Point as a potential new purpose built cruise facility as opposed to a new terminal in Sydney Harbour, it is recommended that:

- The NSW Government develop further plans for a cruise ship terminal and wharf at Molineaux Point in consultation with:
  - Local Indigenous and community representatives
  - The Department of Planning and the Environment in accordance with environmental safeguards.
- To ensure the timely delivery of a cruise berth consideration of a new Large and Mega cruise ship capable terminal at Molineaux Point should be conducted concurrently with the Garden Island options.

| Requirement | Description of work                         | Potential cost |
|-------------|---|----------------|
| [REDACTED]  | 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e) | [REDACTED]     |
| [REDACTED]  | [REDACTED]                                  | [REDACTED]     |
| [REDACTED]  | [REDACTED]                                  | [REDACTED]     |

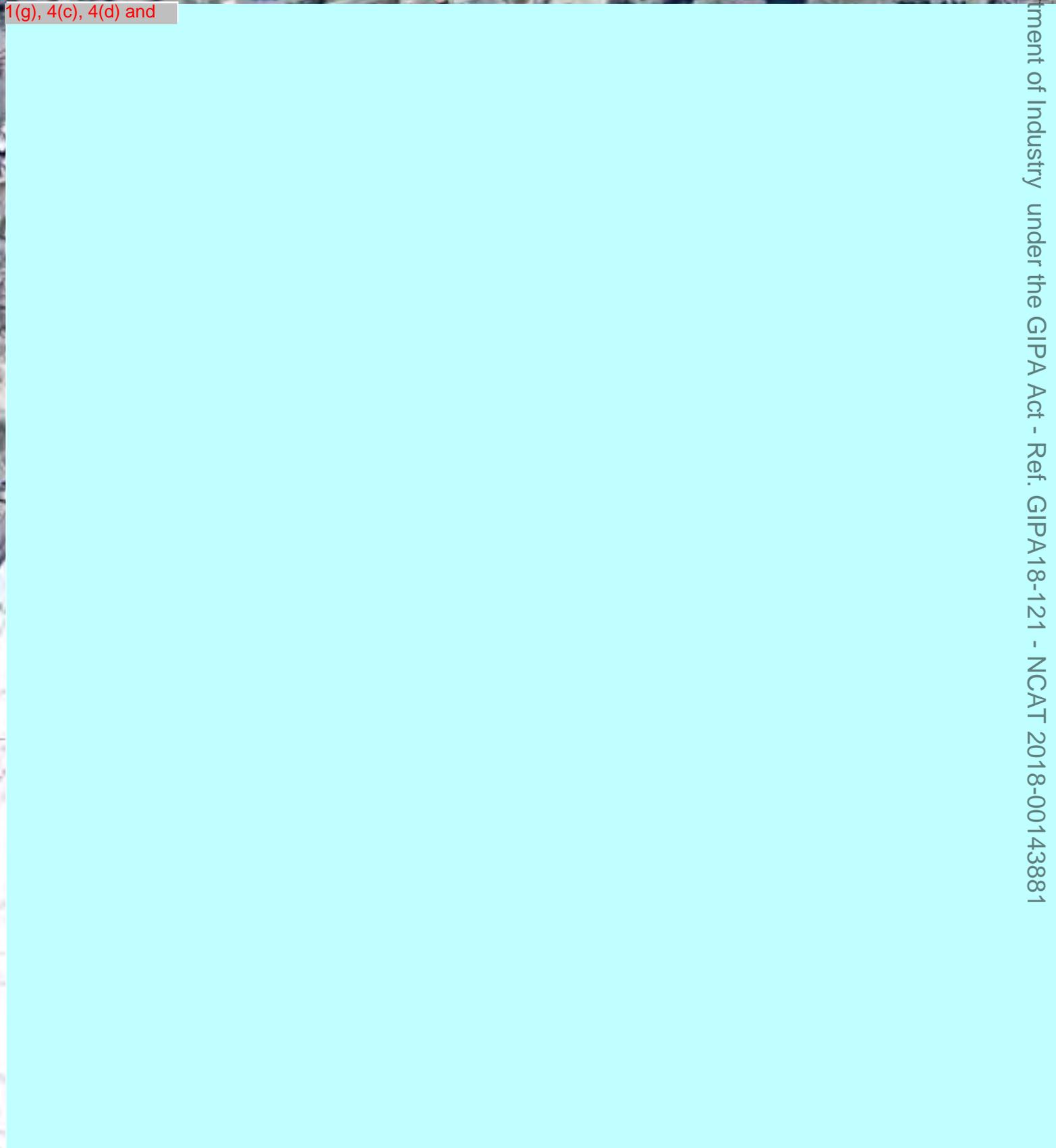
Table 6. Expected costs to develop Molineaux Point

SECTION 6 - SITE 5

# Yarra Bay

Figure 17. Aerial photo of Yarra Bay. Source NSW Ports

1(g), 4(c), 4(d) and



## LOCATION

Yarra Bay is located on the northern side of Botany Bay. It is bounded by Bumbora Point and the Eastern Suburbs Memorial Park Cemetery to the north, La Perouse to the east and by Molineaux Point to the west.

## SITE HISTORY

Yarra Bay's history is outlined in Figure 14.

## CURRENT USES

Yarra Bay is used as a public park and the home of the La Perouse Local Aboriginal Land Council and La Perouse Youth Haven. The Yarra Bay Sailing Club is located adjacent to the northern side of the Yarra Bay promontory while the area adjoining Yarra Bay includes parklands and a residential suburb.

## PROPOSED CRUISE FACILITIES

Yarra Bay is being considered for a purpose built cruise facility capable of berthing two Large or Mega cruise ships at a time. Projecting from the shoreline at the southwest tip of Yarra Bay, terminal facilities could be built directly on the wharf or located in converted facilities within the adjacent suburb.

## ENGINEERING CONSIDERATIONS

Yarra Bay meets Mega cruise ship criteria for wharf length and safe manoeuvring. 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)



### EXPECTED COSTS

Table 7 outlines the potential costs associated with design and construction of a purpose built cruise terminal at Yarra Bay to meet berthing requirements for Large and Mega cruise ships.

### SITE FIVE RECOMMENDATIONS

To consider Yarra Bay a potential new purpose built cruise facility as opposed to a new terminal in Sydney Harbour, it is recommended that:

- 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)
- The NSW Government develop further plans for a cruise ship terminal and wharf at Yarra Bay in consultation with The Department of Planning and the Environment in accordance with environmental safeguards and with Local Indigenous and community representatives.
- Studies at Yarra Bay should be conducted concurrently with the Garden Island site options to ensure the timely delivery of a new Mega cruise ship capable terminal.

| Requirement | Description of work | Potential cost                              |
|-------------|---------------------|---|
| [Redacted]  | [Redacted]          | 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e) |
| [Redacted]  | [Redacted]          | [Redacted]                                  |
| [Redacted]  | [Redacted]          | [Redacted]                                  |

Table 7. Expected costs to develop Yarra Bay

SECTION 6 - SITE 6

# ROSE BAY

Figure 18. Aerial photo Rose Bay. Source Port Authority of New South Wales.

1(g), 4(c), 4(d) and

## LOCATION

Rose Bay is located directly adjacent to Rose Bay and Vaucluse on the southern side of Sydney Harbour. The area is bound to the south and south-east by the shoreline as delineated by New South Head Road. The shoreline includes a small beach (Rose Bay Beach) backed by residential houses.

## SITE HISTORY

The timeline in Figure 19 outlines the history of Rose Bay.

|                    |  |
|--------------------|--|
| Early 20th Century | Seaplane and floatplane base developed.  |
| 1939 to 1960s/70s  | Military and civilian flying boats operate from Rose Bay during World War II and after the war. The port was the home of Sandringham flying boats that served Lord Howe Island and other destinations. |
| Present            | Rose Bay is still the major base for seaplane and floatplane operations today.   |

Figure 19. Timeline of Rose Bay history

## BENEFITS

- 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

[Redacted]

[Redacted]

## DRAWBACKS

- 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

[Redacted]

[Redacted]

[Redacted]

[Redacted]

## CURRENT USE

The main commercial activity undertaken at Rose Bay is the operation of the Sydney Seaplanes services. The area is served by numerous ferry services from Rose Bay Ferry Wharf with the public and residents using the service. Rose Bay Beach is a public beach visited by tourists and residents throughout the year, with attendance peaking in summer. A cruise facility would not significantly impinge on resident and public activity.

The Royal Motor Yacht Club, the Woollahra Sailing Club and several commercial marinas are also located to the south-west and west of the proposed facility.

## PROPOSED CRUISE FACILITIES

Rose Bay was considered for a purpose built off shore cruise facility comprising a floating wharf supported by piers suitable for berthing up to two Large or Mega cruise ships.

A proposed wharf would be approximately 400 metres long by 100 metres wide, providing for the potential for 2 berths and thus for the capability to process up to 12,000 passengers at a time.

The wharf would be connected to the shore by a fixed bridge connected to the local road network at New South Head Road.

## SITE SIX RECOMMENDATIONS

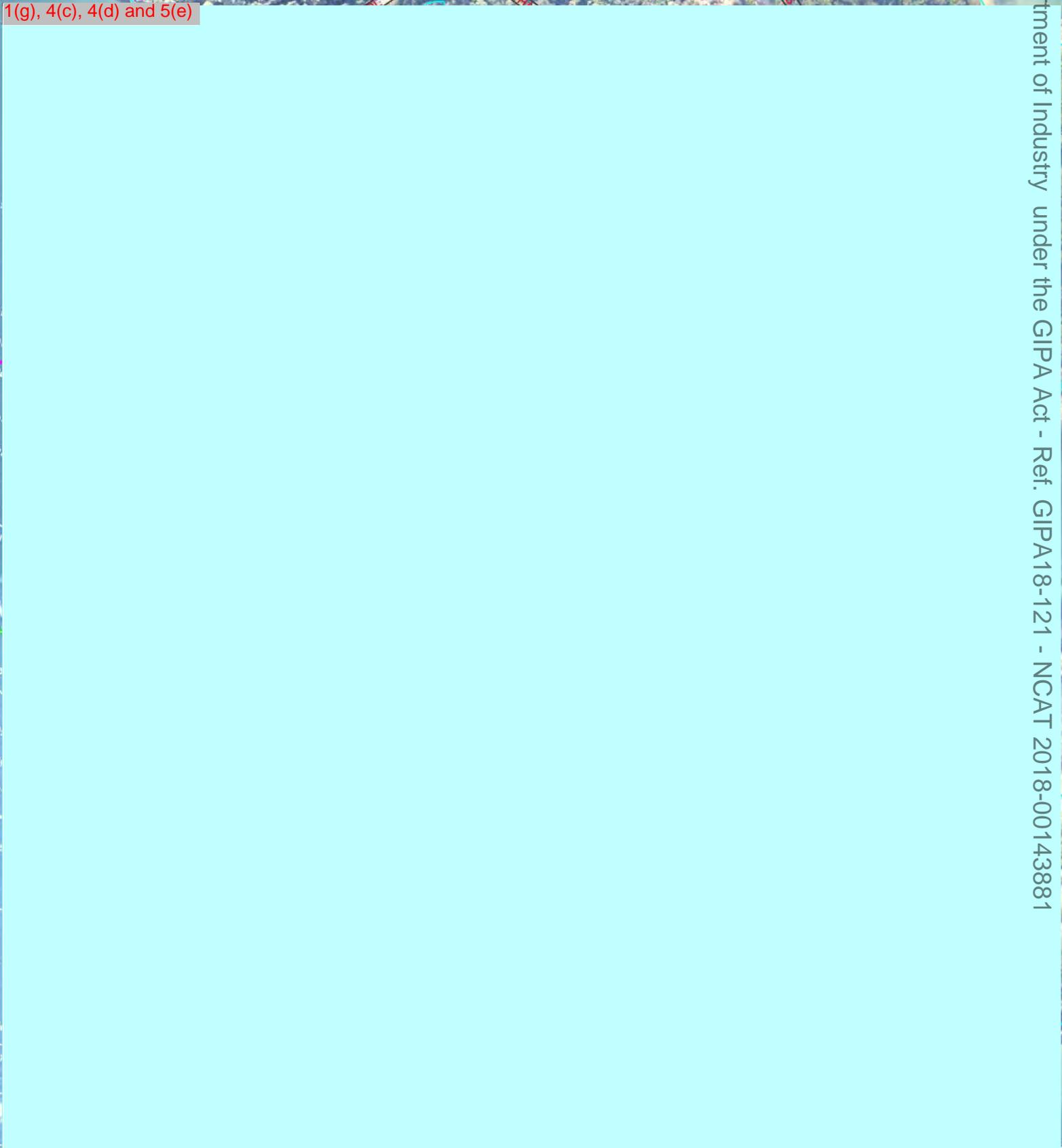
Having reviewed the projected costs, engineering, traffic and other issues that relate to Rose Bay, it is proposed that no further consideration be given to a passenger cruise vessel wharf at Rose Bay.

SECTION 6 - SITE 7

# ATHOL BAY

Figure 20. Schematic of proposed passenger cruise terminal at Athol Bay. Source Port Authority of New South Wales.

1(g), 4(c), 4(d) and 5(e)



## LOCATION

Athol Bay is located directly South of Taronga Park Zoo on the northern side of Sydney Harbour. The area is bounded by Sydney Harbour National Park and the Taronga Zoo precinct.

## SITE HISTORY

The timeline in Figure 21 outlines the history of Athol Bay.

|                    |  |
|--------------------|--|
| Early 20th Century | RAN installs purpose built dolphins to moor vessels returning from World War II.   |
| 1945 to 1980s      | RAN uses then Athol Bight to store post World War II decommissioned war vessels known as the 'Mothball Fleet'. Decommissioned ships stored at Athol Bight were towed for scrapping at other locations. |

Figure 21. Timeline of Athol Bay history

## BENEFITS

- 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)
- [Redacted]
- [Redacted]
- [Redacted]

## DRAWBACKS

- 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)
- [Redacted]
- [Redacted]
- [Redacted]

## CURRENT USE

Taronga Zoo Ferry Wharf, which connects the Zoo to the rest of the Sydney Ferries network, is the only commercial activity at Athol Bay. The proposed cruise facility would not significantly impact on this activity. The area has no direct adjacent residential or commercial activity.

1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

[Redacted]

## PROPOSED CRUISE FACILITIES

Athol Bay was considered for a purpose built off shore cruise facility comprising a floating wharf supported by piers suitable for berthing up to two Large or Mega cruise ships.

A proposed wharf would be approximately 410 metres long by 100 metres wide, providing for the potential for 2 berths and thus for the capability to process up to 12,000 passengers at a time.

The wharf would be connected to the shore by a fixed bridge connected to the local road network at Athol Wharf Road, Bradley's Head Road and through to join Military Road.

## SITE SEVEN RECOMMENDATIONS

Having reviewed the projected costs, engineering, traffic and other issues that relate to Athol Bay, it is proposed that no further consideration be given to a passenger cruise vessel wharf at Athol Bay.

## SECTION 7

# REGIONAL NEW SOUTH WALES AND THE CRUISE INDUSTRY

As a part of this report, the Reference Group considered other port locations along the NSW coast beyond Sydney Harbour including the current and potential capacity of regional ports to accommodate the cruise industry.

Each regional location was considered based on its capability to support both turnaround and transit visits as well as value propositions for passengers such as connecting transport, accommodation, sightseeing, shopping and other tourist-style activities.

The major ports of Newcastle and Port Kembla were examined in detail, as was Eden. Other regional sites were also considered in terms of their current and future potential.

## NEWCASTLE

### Existing port facilities and the NSW Government's existing commitment

The NSW Government has previously indicated its support to increase cruise industry use of Newcastle, with then-Premier Mike Baird announcing \$12.7 million in funding to support construction of a transit call passenger facility within the Port of Newcastle.<sup>13</sup>

The proposed facility is to be built at the Channel Berth within the Carrington precinct. The facility has been described as meeting current and future cruise industry requirements including berthing for vessels up to a maximum of 320 metres in length.

The NSW Government funding will support the construction of a purpose built 3,000 square metre transit call terminal as well as a dedicated car park, enhanced wharf infrastructure and improved accessibility for ship provisioning. This funding is in addition to the \$800,000 previously provided to upgrade mooring bollards for the facility at the Channel Berth.



Figure 22. Proposed Newcastle Cruise Terminal. Source The Newcastle Herald.

The project, which is scheduled for completion in the last quarter of 2018, is considered essential infrastructure to support:

- Day visits by cruise ships, including passenger sight seeing of the city and the Hunter Valley
- The ongoing growth of Newcastle as a transit port and tourist destination.

1(a), 1(d), 1(e), 4(c), 4(d) and 5(e)

[Redacted]

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

### SITE RECOMMENDATIONS

Newcastle is capable of accommodating transit calls by vessels currently serving the Australian market. The facilities being built will enhance the visit experience for transit call passengers, however these facilities are insufficient to accommodate turnaround visits by current and larger vessels.

Infrastructure within the wider Newcastle area, including hotels and the Newcastle Airport, would require significant upgrading and expansion to support cruise ships conducting turnaround visits, particularly those involving significant numbers of international visitors.

1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

[Redacted]

### PORT KEMBLA

Port Kembla Harbour is located 8km south of Wollongong CBD. It is capable of berthing Mega cruise ships, given its use as a working port for RoRo and car import vessels and is adjacent to bulk ore and grain handling wharves.

The port supported its first transit call in October 2016 with a visit by the Royal Caribbean International vessel Radiance of the Seas. Following the success of this transit call, a subsequent four transit visits were conducted in 2016 with another three to take place in 2017.

The previous NSW Government encouraged Port Kembla’s use as a destination for motor vehicle imports, container traffic and general cargo.

Currently local interest groups are lobbying the Commonwealth and NSW Government to consider Port Kembla Harbour as an alternative location to base RAN fleet operations as a replacement to Garden Island West FBE. In the event that there is limited interest from the Commonwealth in this proposal, the lobby group are also seeking to develop the port as a cruise industry turnaround port.

SECTION 7



Figure 23. Radiance of the Seas visiting Port Kembla Harbour. Source Illawarra Mercury.

1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

[Redacted text block]

1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

[Redacted text block]

### SITE RECOMMENDATIONS

Port Kembla is capable of accommodating transit calls by vessels currently serving the Australian market utilising existing commercial facilities.

1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

[Redacted]

[Redacted]

It is recommended that the NSW Government support the use of existing berthing facilities at Wollongong in the short-term as a low cost alternative to provide additional capacity for transit visits, specifically the berth at the Inner Harbour Port Kembla.

### OTHER REGIONAL PORTS

Eden is located on the NSW far south coast, approximately 500km south of Sydney. The town is a small regional centre of approximately 3,000 people with a long maritime history.

Two wharves exist on the southern side of Twofold Bay, principally used for the export of logs and woodchip products. 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

Currently an extension of the existing Breakwater Wharf is underway due for completion in the first half of 2019. The extended wharf will allow cruise ships up to 320 metres to berth and conduct transit calls to Eden.

The total funding for the project is \$44 million including contributions from the Commonwealth and Bega Valley Shire Council.<sup>14</sup>

Consideration should be given to encouraging the expansion of the existing tourist infrastructure within Eden to support increased transit calls by cruise vessels, with significant employment benefits for the local region.

1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

[Redacted]

[Redacted]

[Redacted]

[Redacted]

<sup>13</sup> <https://www.nsw.gov.au/your-government/the-premier/media-releases-from-the-premier/new-cruise-terminal-to-boost-hunter-tourism/>

<sup>14</sup> [http://www.crownland.nsw.gov.au/crown\\_land/coastal-harbours-and-river-entrances/eden/the-eden-breakwater-wharf-extension-project](http://www.crownland.nsw.gov.au/crown_land/coastal-harbours-and-river-entrances/eden/the-eden-breakwater-wharf-extension-project)

## SECTION 8

# RECOMMENDATIONS

## A. Working together

A1 – The Cruise Industry Reference Group unreservedly supports the determination of the NSW Government to encourage the continuation of homeporting RAN ships and other units in NSW and recognises the need to retain existing industrial and logistic capacity necessary to support the RAN in the nation's premier port of Sydney.

A2 – Sydney Harbour is a globally recognised tourist attraction with rapidly increasing appeal – as well as being natural infrastructure entirely capable of meeting the demands of both naval operations and the growing cruise industry.

A3 – The NSW Government offer to assist the Commonwealth and RAN in investigating and determining future needs of the RAN with respect to additional fleet facilities with supporting infrastructure for naval families in NSW.

A4 – The NSW Government encourage negotiations between the Commonwealth and RAN in parallel with Hutchison Ports and NSW Ports negotiations to encourage user trials at the Hayes Dock at Port Botany to investigate the enhancement of RAN logistic capability represented by the RAN's three large amphibious ships (HMAS Adelaide, Canberra and Choules).

## B. Maximising Existing Infrastructure

B1 – Given the importance of the OPT as the only current facility in Sydney capable of accommodating Large cruise ships, it is recommended that every effort should be made to further improve utilisation of the OPT including regular upgrades to facilities incorporating the latest technology to improve throughput of passengers, baggage and vessel provisioning such as RFID scanning of luggage, 'smart' check in terminals and improved immigration procedures.

B2 – Double turnarounds involve utilisation of the OPT for additional hours throughout the day for ships conducting turnaround calls.

The double turnarounds proposal put forward by PANSW (see attached) is for two vessels to be accommodated at the OPT in each 24 hour period, by changing the current ship arrival and departure times to provide each vessel with a maximum 11 hours alongside. This is compared to the PANSW's calculation of the current average stay of 10.5 hours, (notwithstanding the current berthing slot duration is 24 hours). The proposal involves the first cruise ship arriving at OPT at 4am and departing at 3pm, and the second cruise ship arriving at 4pm and departing at 3am.

The industry representatives within the Reference Group raised a number of concerns with regard to this proposal as a solution to increase capacity for Large or Mega cruise ships at OPT. As previously advised in submissions to both the PANSW and the NSW Government through the IPART submissions (see attached) a number of operational and customer service reasons as well as international crewing regulations result in operators of larger vessels not being able to accept double turnarounds slots.

The industry accepts double turnarounds may be an attractive option to some vessels intending to overnight at the OPT, but any accommodation of such ships at OPT should never be to the detriment of any vessels unable to fit under the bridge.

PANSW will continue to work with the industry to see if viable arrangements can be reached over time.

B3 – Given the investment already made in the WBCT, it is recommended that WBCT remain Sydney's primary passenger facility for vessels able to pass under the Sydney Harbour Bridge, and every effort be made to further improve utilisation of the facility including routine upgrades to incorporate the latest technology to improve throughput of passengers, baggage and vessel provisioning along the same lines as the OPT.

B4 – It is recommended that when feasible two vessels are berthed alongside at WBCT simultaneously and an investigation be undertaken into additional facility requirements to further enhance the simultaneous use of WBCT by two vessels be undertaken.

B5 – The NSW Government enter into discussions with Hutchison Ports and NSW Ports to explore the potential of Port Botany being utilised as a short-term passenger terminal at the currently unused eastern most berth on Hayes Dock. Options such as construction of a temporary shelter facility on the wharf, and a leased facility for use as a cruise terminal located within the nearby suburbs are to be undertaken, provided the business case for short term use determines that this is a viable proposal.

B6 – In the immediate to short-term, the NSW Government continue to support the use of existing berthing facilities at Newcastle, specifically the Channel Berth within the Carrington precinct.

B7 – In the immediate to short-term, the NSW Government supports the use of existing berthing facilities at Wollongong, specifically the berth at the Inner Harbour Port Kembla.

B8 – That Australian produce is encouraged to be sourced by cruise lines operating from NSW ports and that cruise lines continue to maximise their intake of Australian produce in preference to sourcing from overseas.

B9 – Consideration should be given to encouraging the expansion of the existing tourist infrastructure within Eden to support increased transit calls by cruise vessels, with significant employment benefits for the local region.

### C. Permanent Solution

The Cruise Industry Reference Group identified the following options in order of priority.

#### Option One: Garden Island West

C1 – That in consultation with the Commonwealth and RAN, the NSW Government ascertain the long-term management plan for Garden Island West FBE and investigate the option of permanently relocating the RANs vessels from their current location at FBE, parallel to Cowper Wharf Road Woolloomooloo, to the eastern side of Garden Island.

C1.1 – The NSW Government ascertain whether the RANs long-term plan might potentially relocate the fleet from FBE, to purpose built wharfs to be constructed on the eastern side of Garden Island, and the impact a financial contribution from the NSW Government in offsetting the cost of wharf construction would have on the timeline for vacating and transferring the FBE to the State for redevelopment as Sydney's next cruise terminal capable of accommodating Large and Mega cruise ships.

C1.2 – That FBE redevelopment would require remediation works, bollard strengthening, terminal facilities, improved access, etc. to be undertaken.

C1.3 – The RAN would have operational tanking use of Garden Island West cruise ship facilities when not being used by cruise vessels.

#### Option Two: North East Garden Island

C2 – The NSW Government should seek the agreement of the Commonwealth and RAN to develop a Mega cruise ship capable cruise terminal on the north-eastern side of Garden Island in the medium term. Facilities would include the ABF, AQIS and other passenger processing facilities adjacent to the current Naval Heritage Centre.

C2.1 – As a priority, the NSW Government should seek to negotiate with the Commonwealth for the availability of a berth and terminal site at north-eastern Garden Island, including secure road access for provisioning and passenger movement.

C2.2 – The RAN would have operational tasking use of the North East Garden Island cruise ship facilities when not being used by cruise vessels.

C2.3 – The NSW Government agree, that in the event the Commonwealth and RAN decide to develop the eastern

side of Garden Island for RAN vessel berthing in lieu of the existing FBE facilities, the existing cruise ship facilities would revert to the Commonwealth.

C2.4 – That in conjunction with the delivery of the Garden Island East cruise facility, the NSW Government would encourage its use by RAN and visiting allied naval vessels of the largest size when such visits do not interfere with cruise vessel operations.

#### Option Three: Molineaux Point/Botany Bay

C3 – The NSW Government (as an alternative to development of a new long-term cruise terminal in Sydney Harbour) develop a cruise ship terminal and wharf at Molineaux Point in consultation with Indigenous and local community representatives and in accordance with environmental safeguards.

C3.1 – To ensure the availability of a berth and terminal capable of accommodating Large and Mega cruise ships in Sydney as soon as possible, preliminary planning studies for such a development be conducted concurrently with the considerations of options one and two.

#### Option Four: Yarra Bay/Botany Bay

C4 – The NSW Government (as an alternative to development of a new long-term cruise terminal in Sydney Harbour) develop a cruise ship terminal and wharf at Yarra Bay in consultation with Indigenous and local community representatives and in accordance with environmental safeguards.

C4.1 – To ensure the availability of a berth and terminal capable of accommodating Large and Mega cruise ships in Sydney as soon as possible, preliminary planning studies for such a development be conducted concurrently with the considerations of options one and two.

#### Option Five and Six

C5 – Having reviewed the projected costs, engineering, traffic and other issues that relate to Rose Bay and Athol Bay, it is proposed that no further consideration be given to a passenger cruise vessel wharf at Rose Bay and Athol Bay.

#### Common to all four options:

E1 – Subject to the technical and operational feasibility of the options being determined, it is recommended the NSW Government explore with the cruise industry and private sector funding models to deliver each infrastructure solution, including potentially on a 'Build, Own, Operate' (model).

SECTION 9

# TIMELINE OF ACTIONS

## SHORT-TERM RECOMMENDATIONS

- 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

## MEDIUM-TERM RECOMMENDATIONS

- 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)
- [Redacted]
- [Redacted]
- [Redacted]

## LONG-TERM RECOMMENDATIONS

- 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

## SECTION 10

# CHAIR PROFILE



**Hon. Peter Collins AM QC**  
**Chair - Cruise Industry**  
**Reference Group**

### HON PETER COLLINS AM QC

In his seven years as a Minister, he was Minister for Health, State Development, Consumer Affairs, the Arts, Attorney General, and Treasurer. He then served as Leader of the Opposition, 1995-1998.

His 37 year naval reserve service included; Intelligence officer in Gulf War 1; Legal officer in Gulf War 2; and, Fleet Legal Officer for five months in Fleet Headquarters. He saw active service leading an ADF legal team in Baghdad, Iraq, in 2007. He left the Navy as a Captain in 2012.

Peter Collins has been a Director of the industry super fund HOSTPLUS since 2006 and Chair of Industry Super Australia since 2013 with sound knowledge of infrastructure investment around Australia. This includes experience with IFM, industry super funds as major investors in both NSW Ports operated Port Botany and Port Kembla.

A barrister and television journalist in his early career, Mr Collins is a graduate of the University of Sydney (BA, LLB) and was awarded the Member of the Order of Australia (AM) in 2004.

Peter Collins was appointed Independent Chair of the Cruise Industry Reference Group by the Hon. Melinda Pavey MP and Hon. Adam Marshall MP in June 2017, responsible for conducting a review prior to NSW Cabinet consideration of the Cruise Development Plan currently in preparation.

## APPENDIX I

# CRITERIA

Note: Options should only be precluded where a specific block (legal, flight path, hazardous materials, security, cost, space available etc.) has been identified, assessed, AND agreed by the whole group to be insurmountable.

| NSW CRUISE REFERENCE CRUISE GROUP EVALUATION CRITERIA   | Garden Island Option One: Eastern Cruise Terminal | Garden Island Option Two: Western Cruise Terminal + New Eastern Navy Wharf | Athol Bay - Offshore |
|---|---|--|----------------------|
| <b>Primary Influences</b>   |   |  |                      |
| <b>Suitable berthing available</b> <ul style="list-style-type: none"> <li>• Meets industry's minimum technical requirements (see CLIA Powerpoint)</li> <li>• Is dredging required (confirm possible/allowed at the site)</li> <li>• Is there a requirement for breakwater, etc, to make site suitable for berthing</li> <li>• Can existing infrastructure be repurposed?</li> </ul> <p style="text-align: right;"><b>Ranking:</b></p>   |   |  |                      |
| <b>Sufficient available land for terminal &amp; ground operations</b><br>Including: <ul style="list-style-type: none"> <li>• Terminal building</li> <li>• Guest arrival/departure transportation areas</li> <li>• Stores &amp; provisioning</li> <li>• Luggage movement</li> <li>• Parking (short term only)</li> </ul> <p style="text-align: right;"><b>Ranking:</b></p>   |   |  |                      |
| <b>Access</b><br>Including: <ul style="list-style-type: none"> <li>• Whether existing road access capable of handling passenger movements</li> <li>• Whether existing road access capable of handling truck movements</li> <li>• Public transport connections</li> <li>• Proximity and ease of access to airport</li> <li>• Proximity and ease of access to city centre</li> <li>• Any security restrictions impacting passenger flow</li> <li>• Any fuel bunkering challenges/considerations</li> </ul> <p style="text-align: right;"><b>Ranking:</b></p>  |   |  |                      |
| <b>Guest Experience</b><br>Including: <ul style="list-style-type: none"> <li>• Ability to access the terminal location quickly and easily with multiple transport options</li> <li>• Effective "kerb to cabin" process (ideally within 15 mins), minimal queuing</li> <li>• Efficient guest services including catering for families/less mobile guests (seating, shade, kerb side pick up, etc.)</li> <li>• Proximity/ease of getting to tourist attractions (transit passengers)</li> <li>• Attractiveness of location and cruise experience</li> </ul> <p style="text-align: right;"><b>Ranking:</b></p> |   |  |                      |
| <b>Expected industry appeal (relating to location ONLY)</b> <p style="text-align: right;"><b>Ranking:</b></p>   |   |  |                      |

| Port Botany Hutchison Terminal | Rose Bay | Yarra Bay | Molineux Point | General Comments                                   |
|--------------------------------|----------|-----------|----------------|--|
|                                |          |           |                | <p>1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)</p> |
|                                |          |           |                | <p>1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)</p> |
|                                |          |           |                |  |
|                                |          |           |                | <p>1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)</p> |
|                                |          |           |                |  |

| NSW CRUISE REFERENCE CRUISE GROUP EVALUATION CRITERIA   | Garden Island Option One | Garden Island Option Two | Athol Bay - Offshore |
|---|--------------------------|--------------------------|----------------------|
| <b>Environmental &amp; Planning Considerations</b> <ul style="list-style-type: none"> <li>Air and noise emissions</li> <li>Aquatic ecology, sensitive biosecurity habitats and other considerations identified in Jacobs Report</li> <li>Planning/Compliance requirements imposed by other parties</li> </ul> <p style="text-align: right;"><b>Ranking:</b></p> |                          |                          |                      |
| <b>Community Impact/challenges</b><br>Including: <ul style="list-style-type: none"> <li>Visual impact to local residents</li> <li>Any indigenous significance/impact</li> <li>Any traffic/congestion impact</li> </ul> <p style="text-align: right;"><b>Ranking:</b></p>  |                          |                          |                      |
| <b>Option for double/multiple berth at future date</b> <p style="text-align: right;"><b>Ranking:</b></p>  |                          |                          |                      |
| <b>Costs</b><br>Including: <ul style="list-style-type: none"> <li>Berth cost</li> <li>Terminal cost</li> <li>Road/transport connectivity</li> <li>Other costs such as dredging, breakwater, power supply, land acquisition costs</li> <li>Ongoing operating costs (e.g. will tugs be required)</li> </ul> <p style="text-align: right;"><b>Ranking:</b></p>     |                          |                          |                      |
| <b>Site not subject to any third party endorsement to proceed</b> <p style="text-align: right;"><b>Ranking:</b></p>   |                          |                          |                      |
| <b>Political considerations</b> <p style="text-align: right;"><b>Ranking:</b></p>   |                          |                          |                      |
| <b>Ranking score (higher is better)</b>   |                          |                          |                      |
| <b>Weighted score (100%)</b>  |                          |                          |                      |

**ADDITIONAL COMMENTS**

1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

[Redacted text block]

1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

[Redacted text block]

| Port Botany | Rose Bay | Yarra Bay Option One | Yarra Bay Option Two | General Comments                            |
|-------------|----------|----------------------|----------------------|---|
|             |          |                      |                      | 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e) |
|             |          |                      |                      |   |
|             |          |                      |                      | 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e) |
|             |          |                      |                      | 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e) |
|             |          |                      |                      | 1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e) |
|             |          |                      |                      |   |
|             |          |                      |                      |   |
|             |          |                      |                      |   |

1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

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1(a), 1(d), 1(e), 1(g), 4(c), 4(d) and 5(e)

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