

CAIRNS & FNO

Becoming the capital of the
Smart Green Economy in Australia

COMMITMENT REQUIRED

Funding commitment towards a multistage strategic planning study to further investigate and develop the concept and support initial establishment. The allocation and release of funding could be staggered to align with the staged approach to engagement delivery.

CAIRNS & FNQ

Capital of the Smart Green Economy in Australia

Leveraging global growth in the 'Green Economy' and the Cairns and Far North Queensland (FNQ) region's existing competitive advantages to position the region as the Capital of the Smart Green Economy in Australia. Pursuing this objective has the potential to secure significant private sector investment which in turn will support economic growth, innovation, diversification and resilience, and also deliver a range of environmental and social benefits for the region, Queensland and Australia as a whole. It is an initiative that will be critical to the region's medium to long term economic recovery from COVID-19.



the opportunity

Globally, social attitudes are changing with environmental and social impacts weighing more heavily in public and private sector investment decisions. Technological advances mean there are also growing opportunities for projects and investment to deliver both a positive commercial return on investment as well as environmental and social dividends. A broad body of evidence, research and public policy settings support a 'Green Economy' objective. It represents a significant opportunity to attract and stimulate private investment, support economic growth, create jobs and deliver economic diversification and resilience. Highlights include:

- Within five years, one in five investors expect to allocate 21%-50% of their portfolio to Environmental, Social and Governance (ESG) Funds.
- Globally, total assets invested in the ESG category were reported at \$US82 billion at the end of May 2020, up from \$US47 billion at the end September 2019.
- The Global Commission on Economy and Climate has posited that a new climate economy, based in part on circular economy principles, could deliver at least US\$26 trillion in economic benefits by 2030, compared with business as usual.
- There is a global move from two-thirds fossil fuels in 2018 to two-thirds zero-carbon energy by 2050. Electricity demand is set to increase 62%, resulting in global generating capacity almost tripling between 2018 and 2050. This is forecast to attract US\$13.3 trillion in new investment, with 77% going to renewables. Renewable power investment in Australia has been forecast to reach more than \$US138 billion (\$186 billion) by 2050 as the rate of new wind and solar entering the market increases to account for 92 per cent of all generation.
- The International Labour Organization estimates that action to limit global warming to 2 degrees Celsius above pre-industrial levels will result in a net increase of approximately 18 million jobs across the world.
- The Climate Council of Australia estimates that a 50% Renewable Electricity (50RE) by 2030 scenario will lead to over 28,000 new jobs, nearly 50% more employment than a business as usual (BAU) scenario.
- Clean Energy Council of Australia estimates that the current pipeline of renewable energy investment could create over 50,000 new jobs, lower power prices, and inject over \$50 billion worth of investment to revitalise economic activity in regional and rural communities in the wake of COVID-19.
- The Australian Government's 2030 Emissions Reduction Target is a 26 to 28 per cent reduction in 2005 emission levels by 2030. The Queensland Government's emissions reduction policy aims for Queensland to achieve zero net emissions by 2050 with 50 per cent of Queensland's Energy to come from renewable sources by 2030. These policy settings will help drive private sector investment in renewable energy and related industries.
- Global waste generation is expected to grow by 70% over the period to 2050 (double the rate of population growth). There is a growing public expectation that governments and the private sector will appropriately manage this waste, including its use as a potential resource.
- Within Australia, analysis of circular economy opportunities in three key sectors alone (Food, Transport and the Built Environment) represent a potential economic benefit of AU\$23 billion in GDP in present value terms by 2025, and that this will rise to a present value of AU\$210 billion and an additional 17,000 fulltime equivalent jobs for Australia by 2047-48.
- Queensland Government's 2050 targets for waste and recycling: 25% reduction in household waste; 90% of waste is recovered and does not go to landfill; and 75% recycling rates across all waste types.
- The Australian Government's recently announced \$1 billion Waste and Recycling Plan aims to generate \$600 million in recycling investment, create more than 10,000 new jobs and divert over 10 million tonnes of waste from landfill.
- Analysis by Ernst and Young (EY) indicates, government investment of \$4 billion in national conservation and land management programs could raise economic output by about \$5.7 billion, reduce welfare costs by \$620 million and generate 53,000 jobs over the next four years.
- As well as being iconic natural assets, the World Heritage Listed Great Barrier Reef (GBR) and Wet Tropics Rainforest are also significant economic enablers with further growth potential. Analysis by Deloitte Access Economics indicates the GBR has an iconic asset value of \$56 billion, supports 64,000 jobs and contributes \$6.4 billion annually to the Australian economy. Independent analysis commissioned by the Wet Tropics Management Authority estimated that the economic value of the Wet Tropics of Queensland World Heritage Area was in the order of \$5.2 billion per annum.

The above statements and information has been obtained from reputable external sources, details of which, are available on request.

“ Respondents (6,446 in total) to Cairns Regional Council’s ‘Our Cairns Survey’ in 2016 were asked to select statements they wanted to describe our region’s strengths in 10 years’ time. The top two responses in this regard were ‘A green, tropical region that values our natural assets’ (47%) and ‘A region with a diverse economy’ (28%).

These results demonstrate the strong alignment of community sentiment with the pursuit of a ‘Green Economy’ strategy. ”

WHY CAIRNS & FNQ?

With a traditional reliance on tourism and aviation connectivity, the Cairns economy has been severely impacted by COVID-19 with those impacts likely to endure for longer in the Cairns region than in other parts of the country. COVID-19 recovery planning is well underway at both the local and regional level. Targeting the ‘Green Economy’ has been highlighted through this planning process as a key initiative that will support Cairns and FNQ’s recovery and also contribute positively to the region’s economic diversification. Pursuing this opportunity also has the potential to attract new private sector investment to the region, drive innovation across a range of industries, provide a fresh selling point for the region’s tourism industry and boost the professional services sector, creating growth, diversity and resilience in the regional economy.

The proposal has support from local representatives of all three levels of government as well as industry and stakeholders more broadly.

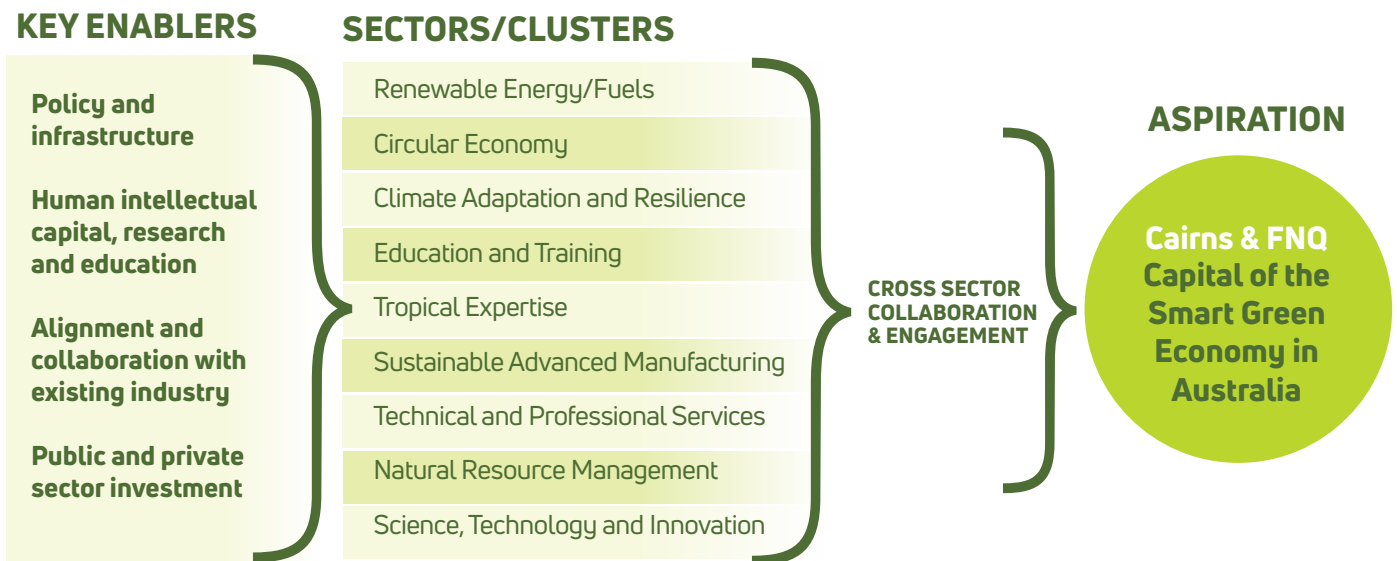
Cairns and FNQ has a range of existing strengths and competitive advantages that would contribute positively to it being recognised as the Capital of the Smart Green Economy in Australia. These include:

- Established international reputation as the gateway to two World Heritage Listed natural assets in the Great Barrier Reef and Wet Tropics Rainforest.
- Pristine natural environment with low levels of pollution/carbon emission.
- Significant First Nations population with proven experience and expertise in natural resource management and other ‘Green Economy’ related sectors.
- Proximity and connectivity to Asia and the Pacific.
- Abundance of renewable energy resources (wind, water and solar).
- Existing skills, capacity, knowledge and technical expertise in ‘Green Economy’ aligned sectors.
- Well established programs and capability in natural resource management including participation and engagement by Traditional Owners (including sustainable use of land and waterways).
- A quality education sector including two world class universities with proven research and innovation capability including in fields relevant to the ‘Green Economy’, and a strong vocational education sector and public/private school sector.
- Established tropical expertise and international connections with tropical economies/countries.
- Strong alignment between existing industry (in particular tourism, international education and agriculture) and the natural environment.
- TTNQ’s ‘See Great Leave Greater’ brand proposition reflects the increasing influence of a destination’s environmental and sustainability credentials on travel decisions.
- Existing keystone industries investing in research and development to reduce environmental impacts, reduce costs and increase production opportunities and diversification (Agriculture, Tourism, Construction, Advanced Manufacturing etc.).
- Enviably quality of life/liveability and a track record of population growth (largest regional population in Northern Australia).
- High value areas which can allow for carbon offset while improving biodiversity and reducing emissions.
- Strong community support for environmental conservation/preservation and an established desire for economic diversification and transformation in response to COVID-19.
- Well demonstrated innovation and ‘start up’ culture with a significant number of small to medium enterprises already operating in region.
- Track record of recent research and investment in ‘Green Economy’ projects in the region.
- Established manufacturing sector with current government and industry commitment to expand including through advanced technologies development.
- Supportive local government with complementary policy and strategy.
- Established freight and logistics capability (including Airport and Seaport).

THE CONCEPT

The aspiration outlined in this paper has been identified through both regional and local (Cairns) COVID-19 economic recovery planning as a critical regional initiative.

The diagram below provides a high level overview of the concept. In order to achieve this aspiration, it is anticipated that opportunities will be identified/pursued across a range of 'Green Economy' related sectors with development underpinned by a series of key enablers. The diagram is preliminary and is included for illustrative purposes only. It would be further developed and refined as part of the multistage strategic planning. This could include the addition/removal/refinement of sectoral pillars and key enablers to ensure the focus is on the opportunities of greatest value. Importantly, the concept is not being 'built from scratch' with key activity already occurring to varying degrees within the various elements. A more strategic framework fostering collaboration, engagement and a cohesive approach to developing 'Green Economy' opportunities is a desired outcome.



STRATEGIC ALIGNMENT

The proposed concept outlined in this paper has strong alignment with, and would support the implementation of, a number of endorsed strategy and policy positions of all three levels of government as set out below:



- Australian Government Northern Australia Agenda and associated policy
- Reef 2050 Plan
- National Waste Policy (2018)
- Renewable Energy Target (RET) Scheme
- The Australian Government's Climate Change Plan
- \$1 billion Waste and Recycling Plan (2020)



- The Queensland Plan: Queenslanders' 30 Year Vision (2014)
- FNQ Regional Plan 2009-2031
- Advancing North Queensland – Investing in the Future of the North (2016) plan
- Queensland Climate Transition Strategy
- Queensland Waste Management and Resource Recovery Strategy
- Queensland Climate Adaptation Strategy (2017-2030)



- Cairns 2050 Shared Vision
- Corporate Plan 2017-2022
- Economic Development Strategy 2018-2022
- Energy and Emissions Policy
- Corporate Sustainability Policy
- Waste Reduction and Recycling Strategy
- Cairns Pathway to Recovery from COVID-19
- Coastal Hazard Adaptation Strategy
- Climate Change Policy and Action Plan

NEXT STEPS

To develop the concept further a multistage strategic planning study is required to refine the concept, coordinate and secure stakeholder support, value the opportunities associated with it, and develop an implementation plan to enable the aspiration to be realised. A high level summary of the proposed stages is set out below.



The approach provides for significant stakeholder consultation and engagement with milestone reporting throughout to assess the findings of each stage and adjust the scope of future work accordingly. Whilst it is expected that Cairns Regional Council would be the proponent that engages the consultant, it is envisaged that a Project Steering Committee would be

established to oversee the strategic planning engagement, review milestone reports and provide direction. The Project Steering Committee is expected to include a range of industry, university and government representatives to bring a broad cross section of skills and experience to the table. Further detail on the proposed scope of work is available on request.



FOR MORE INFORMATION:

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