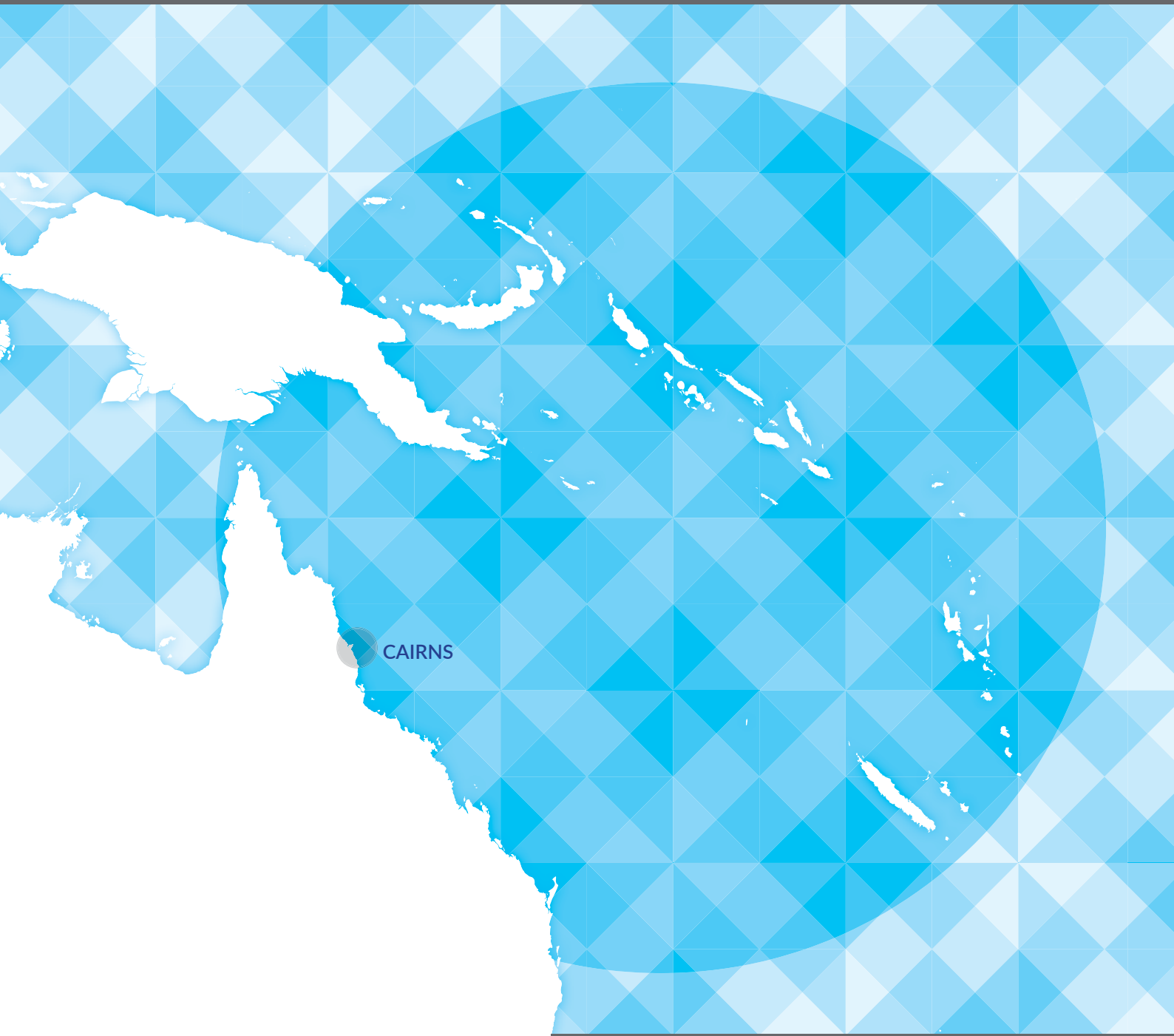


Far North Queensland Export Capability Profile

Servicing the Pacific Region



Far North Queensland Export Capability Profile

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Preface

In 2021 Tradelinked Cairns-PNG-Pacific commissioned Lyn Carlyle-Jacob, Director of the Exchange, Innovation and Information Centre (EiIC) to develop a FNQ Export Capability Profile to Service the Pacific Region. This profile examines the capacity of local businesses and organisations to step up and be part of a broader service centre offering to our Pacific neighbours. Funding for the project has been secured through the Queensland Government, Cairns Regional Council and Tradelinked Cairns-PNG-Pacific.

A crucial component of the Export Capability Profile is the **Survey instrument** designed to capture baseline data about Cairns and Far North region exports to Papua New Guinea and Pacific Island nations.

Acknowledgement of the support generously given to compile this report

- 141 responses to the primary survey instrument, 71 responses to Port Moresby, the short form instrument, and a number of qualitative survey responses from individuals, businesses and government bodies and agencies both in Cairns and from Papua New Guinea and Pacific Island nations.
- Businesses who, through the survey, provided an insight into their operations, future plans and how their transactions and relationships with clients occur. Those who were more comfortable sharing through a qualitative interview process assisted with both data and social and cultural insights.
- Other viewpoints have also been taken into consideration through a series of meetings, consultations and round-table events. Overseas interviews were facilitated via Zoom, while local consultations were undertaken by Tradelinked Cairns-PNG-Pacific and EiIC.
- Local companies who provided a clear picture of 'how business is done' with Papua New Guinea and the Pacific Island Nations through their individual case studies.
- Cummings Economics; Compass Research Services and Arjay Advertising for their industry expertise.
- Support with statistical data was forthcoming from the Offices of the Member for Mulgrave and the Member for Cairns.

Literature searches, database searches and review of previous publications from committees, working groups and businesses also formed part of the project. An extensive communications strategy allowed researchers to gain a 360- degree view of how Cairns and regional businesses interacted with Papua New Guinea and Pacific Island nation in their export activities.

It should be recognised that this report has been undertaken at an unique point in time when the COVID 19 pandemic and subsequent government and civil society responses have caused widespread changes to how business is conducted. Supply chain issues and constraints, freight, fiscal policy and monetary flow and travel restrictions have all impacted on respondents. This is most noticeable in the '**Open Question**' responses in the survey and is reflected in export volumes and values during this period.

Executive Summary

General

The FNQ Export Capability Profile to Service the Pacific Region examined the capacity of Cairns and Far North region businesses and organisations to step up and be part of a broader service centre offering to its Pacific neighbours through a key survey instrument and an extensive consultation strategy.

The results provide an understanding of the current capacity of the Far North region's businesses and organisations to service the Pacific and to highlight the capability to continue to grow its service offering into Papua New Guinea, Bougainville, Solomon Islands and other Pacific Island markets. This information will assist in the development of appropriate Industry sector profiles and a long-term strategic direction to service the Pacific regions of Papua New Guinea, Bougainville, Solomon Islands and other Pacific Island Nations.

The data from the survey has given a clearer picture of the exporters in the region, their size, the types of goods and services sold, and the method of transport used to send goods to buyers. It has also asked exporters for comments and data on what has most affected their businesses during the COVID 19 pandemic and ways in which their businesses could be supported to grow exports, investment and employment.

Also analysed in the report is the framework and context of exports from Cairns and the Far North region to Papua New Guinea and the Pacific Island nations. This is perhaps one of the least understood aspects of improving export capacity and building the trust and relationships with buyers that will support growth in the entire region. Responses to the survey proved that there is a large under-reportage of 'exports' because of the usual definition used to explain what an export is, plus non-reportage of transactions in the informal export sector which includes transnational households, those who send remittances of cash, goods and services to their home country to support either commercial enterprises there, to support church and social enterprise or to support family members and communities.

For this survey we have used very broad definitions of the terms 'export' and 'exporter' to apply to:

- Anyone or any entity that sells or sends goods, services or expertise to a buyer who is not in Australia.
- Investment into Cairns or the Far North for purchase of businesses, real estate and other assets is also 'export' because the money comes from overseas into the Cairns and Far North region economy.
- Someone who sells to third parties who may then sell to an overseas buyer.
- Those in the travel and tourism industries who may sell tours, accommodation and other services.
- Respondents who may be 'incidental exporters' and who may respond to requests from friends and family to buy goods and services for them in Cairns and then send them overseas.
- Those who may sell goods and services via e-commerce to buyers in Papua New Guinea and Pacific Island nations.

The survey also asked for reportage from individuals and businesses who wish to sell goods and services overseas **in the future**.

Methods of collection included both 'quantitative' and 'qualitative' - in order to ensure data from communities and groups identified as survey hesitant by reason of cultural, social, educational or other barriers was included. This 'qualitative' data is accounted for in the outcomes.

Summary of Key Findings

Relationship Based Interactions vs Transactional Interactions

Data produced from the survey provides valuable profiles of exporters in Cairns and the Far North region and their interaction with Papua New Guinea and Pacific Island nations. **It is clear that the success of exporters relies on their relationship with clients, exporters' understanding of clients, social and cultural needs plus the advantages of geographical proximity of Cairns to Papua New Guinea and Pacific Island nations.**

Ease of travel through Cairns to other parts of Australia and other international destinations makes it a foot-print gateway for transnational* operations – whether commercial or familial. (Pre COVID)

The nature of engagement for Cairns and Far North regions to Papua New Guinea and Pacific Island nations is therefore **relationship based** rather than **transactional based**. Which is both a strength and a weakness. Australian Government, World Bank, Asian Development Bank, aid agencies and large business work on transactional models with emphasis on KPIs, risk assessment and defined outcomes. However, Papua New Guinea and Pacific Island nations traditionally favour relationship-based engagement first, before entering into transactional agreements.

* Households that operate across several geographic regions - individuals and households with homes/business/economic ties or other connections to Cairns and either PNG and/or other Pacific nations.

Cairns Already Considered an Established Hub

When asked to explain the attraction of Cairns to Papua New Guineans and Pacific Island nationals, a senior overseas executive said the following:

“Cairns offers a safe haven for families compared to Papua New Guinea. No law and order issues and families don't have to be in gated communities. I think Cairns has a lot to offer; education, health and safety.

It can be a freight consolidation centre. Unfortunately, Townsville seems to have better port facilities but Cairns is much closer to Papua New Guinea and is very cost competitive”.

This is an elegant summation, **emphasising that Cairns is not seen as separate from Papua New Guinea and Pacific Island nations but is already an established hub for the Pacific region** – not only for trade and export but also for transnational families, investment and cultural activities.

The Hidden Value of 'Transnational* Households' and the 'Incidental' Exporter

When considering data given by a range of respondents to the 'qualitative' survey questions it is estimated that the previously hidden value of transnational households to Cairns and Far North exports would be in the order of magnitude of between **AUD \$20-25 million per annum**.

This estimate does not include 'incidental' export of goods by Papua New Guinea and Pacific Island travellers whose expenditure could amount in order of magnitude to be in the range of an additional **AUD \$1.5-3 million per annum**.

Investment into Cairns and the Far North Region

In the Parliamentary inquiry on Australian trade and investment in the Pacific ([refer link](#)) the Cairns Regional Council included the following in its submission: ***In terms of investment, the Regional Council submitted the value of land acquisitions from PNG in Cairns over the 2016/17 and 2017/18 financial years was \$3,793,248, which represents 2.3% of the total foreign land acquisition for that period.***

Transnational households use a number of strategies for their investments in Cairns and Australia including use of commercial entities registered in Australia, employment of professional services to hold the entity or the use of Permanent Resident holders or family members who may hold an Australian or New Zealand passport. Not all investments are recognised as being transnational in origin – thus their value is often under-reported and does not recognise the full extent of commercial and real estate investment, retail investment etc. held by transnational interests in Cairns and the Far North region (or indeed anywhere else in Australia).

Key to Exports from Cairns is the International and Domestic Airport

Key to exports from Cairns is the international and domestic airport – for both freight and passenger movements. The seaport, while valuable, lacks the infrastructure available in Townsville – which is key to that city's exports - but does offer freight options, vessel maintenance and mariner training. Attached to the airport are the extensive maintenance facilities, aviation training by Central Queensland University and Cairns Aviation Skills Centre and knowledge hub to support the Cairns and Far North region in addition to the Papua New Guinea and Pacific Island region.

A new dedicated trade distribution centre facility will be located airside at the Cairns Airport. Construction commenced in late 2021 and the facility is expected to be operational in 2022, targeting fresh export produce including fish and crustaceans (live and frozen), avocados, mangoes, melons, citrus and blueberries, with capacity for future expansion.

This additional capacity will assist exporters to streamline the supply chain, offer improved freight options and allow new opportunities for market development – with an expected positive flow-on to employment and agricultural sector growth. Freight consolidation and transshipping options through Papua New Guinea to Asia and Europe offer expansion options to exports into new markets and will optimise returns for Cairns and the Far North region.

The Queensland Government Statistician's Office reports a higher value of goods was exported from Cairns to Papua New Guinea in 2017-18, 2018-19 and 2019-20 compared with goods exported from Townsville to Papua New Guinea. For example in 2019-20 period -

- **\$51.34 million of goods was exported from Cairns to Papua New Guinea by air, in addition to \$401 677 of goods by ship;**
- **compared with the \$4.12 million of goods exported from Townsville to Papua New Guinea (exclusively by ship).**

The export of goods from Cairns and Townsville to Papua New Guinea is consistent with trends in the export of goods to other countries in the region:

- **By value, Cairns is a larger source of goods overall to the region and these are primarily exported by air; and**
- **Goods exported from Townsville were primarily exported by ship.**

Key Survey Responses/Statistics

Type of Exporter

(Reference page 68)

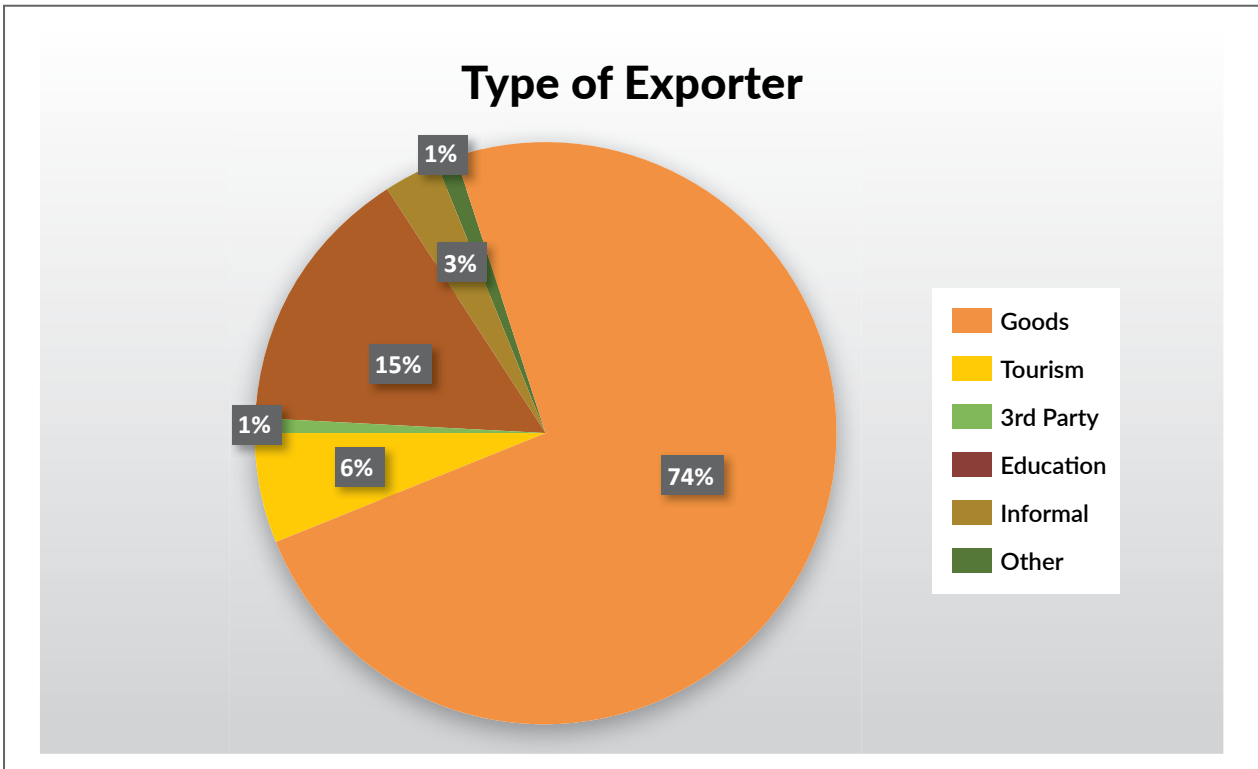


Table 15

Export Destination Countries

(Reference page 77)

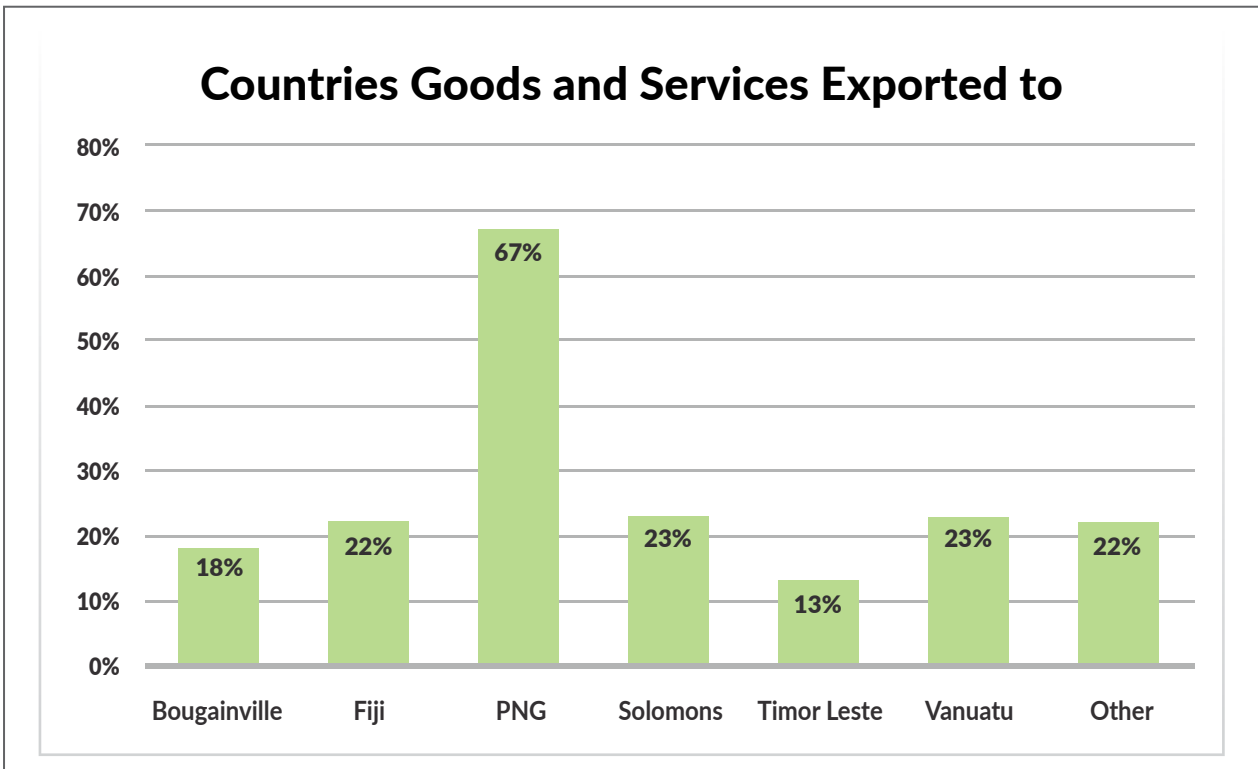


Table 22

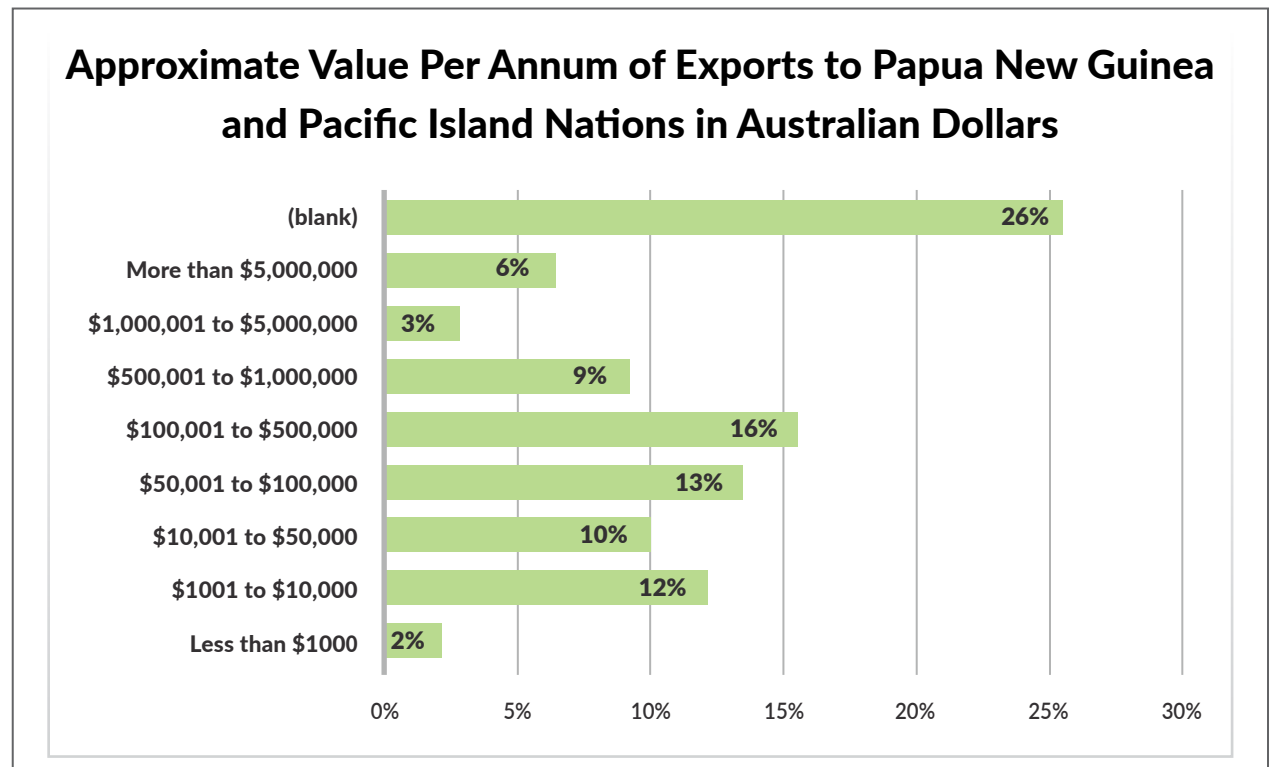


Table 23

Percentage of Annual Turnover Representing Exports to Papua New Guinea and Pacific Island Nations

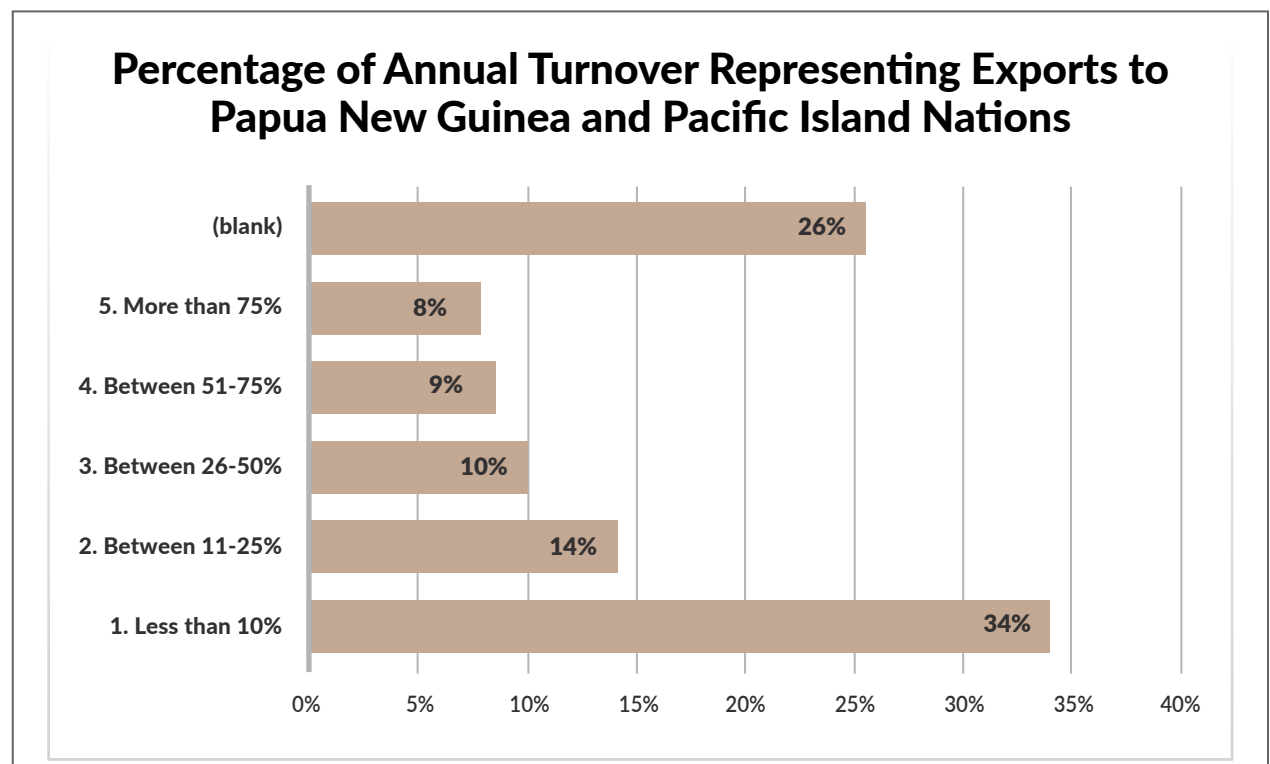


Table 24

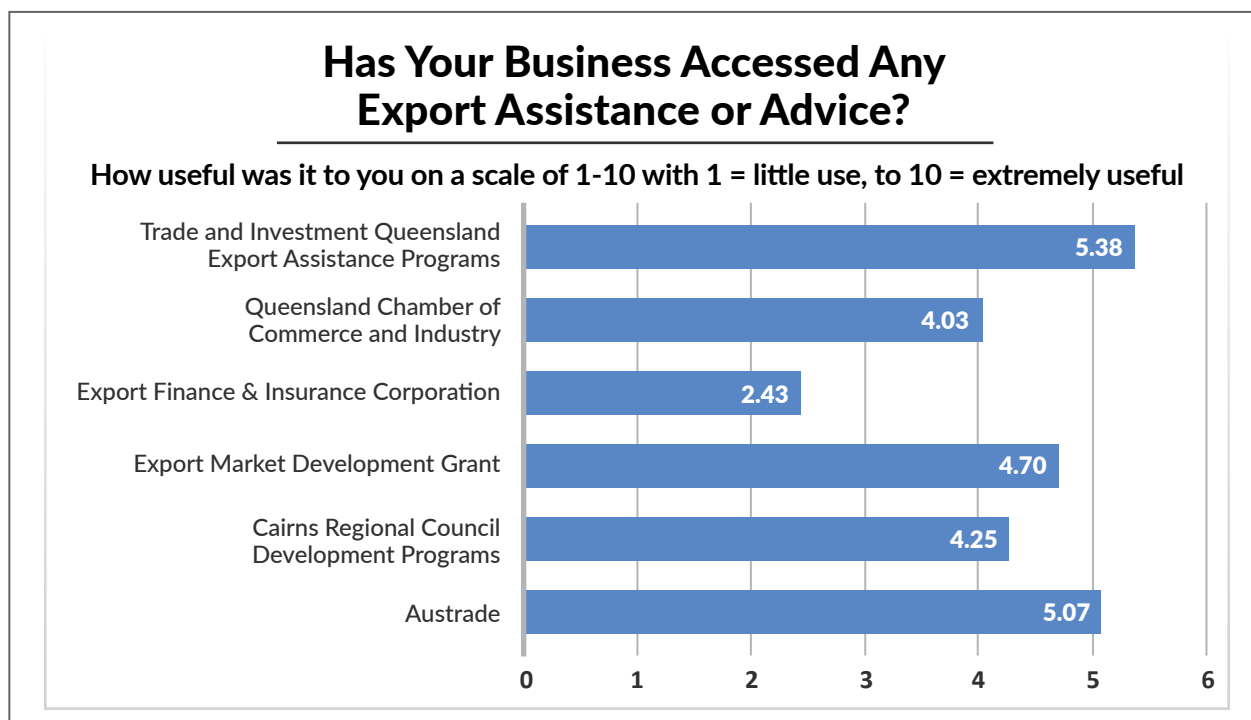


Table 29

The above graph shows programs ranked from highest to lowest as:

Name of entity or program	Ranking in usefulness from 1-10
Trade and Investment Queensland Export Assistance Programs	5.38
Austrade	5.07
Export Market Development Grant	4.70
Cairns Regional Council Development Programs	4.25
Queensland Chamber of Commerce and Industry	4.03
Export Finance & Insurance Corporation	2.43

Table 29a

Largest Perceived Barriers to Export

(Reference page 91)

Barrier	Percentage nominating this as an issue
COVID related travel restrictions and/or disruption of relationships due to COVID restrictions	80%
Payment and currency issues	25%
Lack of knowledge about tax regimes and/or lack of tax incentive for exporters	5%
Visas and Government red tape	15%
Communications and IT difficulties	10%
Freight accessibility and freight costs	21%
Lack of assistance, lack of knowledge of export requirements and need for cultural knowledge to assist with exports	37%
Perceived poor relationships between Australian and Papua New Guinea and/or Pacific Island Governments	5%

Table 39

Change in Business Conditions to best Assist Export

(Reference page 93)

Whilst a variety of responses were given, they can be broadly categorised as follows:

Change to best assist business conditions	Percentage
Open international and/or State borders and allow travel, changes to quarantine requirements (remove or reduce)	37%
Improved banking services, foreign currency transaction improvements and better payment options for exporters and/or customers	10%
Assistance with knowledge of export requirements, cultural knowledge of export markets, knowledge of government grants and assistance available, general help	24%
Improved freight options, reduced freight costs	21%
Changes to visa and permit requirements to make them easier and faster to obtain, improvement in visa processing and less frequent changes to policy, reduction in visa costs	37%

Table 40

Strategic Direction

Moving forward – Long Term Strategic Direction

To move forward is to acknowledge the reality of Cairns as an international gateway hub for not only tourism product but for industry, education and training, marine and defence industries, aviation industry, health care and construction industries. Knowledge and expertise professionals use the international gateway for service delivery and, when that option is unavailable as at present, with a fall back to internet and communications driven strategies to engage with customers and maintain relationships.

Acknowledge and recognise the importance of Prime Minister Scott Morrison's 2019 statement:

"Cairns is a Pacific capital of Australia, a tropical capital of Australia. Cairns is very important to our engagement with the Pacific".

- If it is accepted that Cairns and the Far North region already has a mature bilateral relationship to the Papua New Guinea and Pacific Island nation region this then needs this to be recognised at Federal and State Government level to fund, legislate appropriately and enhance the existing efforts of local level government, particularly Cairns Regional Council, to fully realise the employment, economic and social benefits of the existing relationships.
- Using this as a starting point, work with Local, State and Federal Government to formalise the position of Cairns as a gateway hub into policy and establishing presence of Office of the Pacific in Cairns through existing Tradelinked and EiiC office space and presence. To utilise existing facilities and expertise enable a footprint for Office of the Pacific, DFAT, Austrade and other trade and development representatives to be speedily established.
- As part of this landscape, Tradelinked and EiiC continue to work together to provide a focal point for business-to-business networking, maintain a physical and electronic space for dialogue between individuals, enterprises and government, as well as undertaking direct communication and proactive engagement to develop positive investment economic and employment outcomes for Cairns and the Far North region. Its operation model, although currently maintained by volunteer organisations, could help provide a footprint on which the Office of the Pacific, DFAT, Trade and Investment Queensland and others could leverage off local knowledge and relationships to either establish, or expand, a presence in Cairns to further grow the Pacific Regional Hub concept.
- In order to maximise benefits to all parties there need to be practical steps taken to endorse initiatives in the Pacific Engagement Strategy, Pacific Step-Up Program and other proposals. All levels of Government to endorse and fund strategies that would allow for support of the existing non-partisan, non-political office in Cairns to engage with individuals, businesses, peak body groups, industry sectors and all levels of government. It is essential that curation of relationship-based policies go forward to actively engage Papua New Guinea and Pacific Island entities in dialogue and create pathways for mutual growth in trade, investment and employment opportunities.
- Ideally, this initiative would be actively supported by DFAT, Austrade, Office of the Pacific, Queensland Government departments and all Chambers of Commerce and Economic Development

bodies in all target regions. Staff of those bodies would use the platform to introduce them to appropriate contacts in Papua New Guinea and Pacific Island nations and allow them to form personal and work-based relationships to deepen ties and assist in successful implementation of policy and development strategies.

- Regular engagement with a Cairns based Office of the Pacific and other Government agencies would also offer exporters from Cairns and Far North region the opportunity to access information, training and interaction to assist them to improve export performance as requested by 37% of survey respondents. It would also allow exporters better access to knowledge and assistance to access the opportunities offered by World Bank and Asian Development Bank project work plus other development and aid projects.

Recommendations - Action Plan

1. Establish a '**Brains Trust**' of regional expertise to advise, identify and (in some cases) pursue 'regional' opportunities (on a project-by-project basis) in collaboration with a newly established Cairns based Office of the Pacific supporting direct-action outcomes including exports, employment, growth in investments and expansion of capacity to service aviation, marine technology, education and knowledge industries to service the Papua New Guinea and Pacific Island nations market.
2. Explore **opportunities for downstream processing of raw and agricultural produce** from Australia, Papua New Guinea and Pacific Island nations. Possibly export opportunities for value-added products or distribution in Australia/New Zealand and overseas markets.
3. Encourage exporters to **increase volume exports** from Far North Queensland to better underpin operational capacity and lower unit costs for sea freight from Cairns and Townsville.
4. Develop a '**Connect with Cairns**' campaign focussing on transnational connections showcasing opportunities - sector specific via a series of Podcasts promoting industry sector capabilities. Raise awareness through the dissemination of industry specific profiles created through the *Far North Queensland Export Capability Profile* project.
5. Enhance **regional partnerships** between Cairns and Far North businesses and export sectors in Papua New Guinea and Pacific Island nations through increased awareness of business, social and cultural needs. Develop a schedule of events identifying Business Forums; delegations (inbound and outbound); Sister City programs; business networking events; zoom meetings and other opportunities to connect via Cairns; Papua New Guinea and Pacific Island nations.
6. Raise awareness of specific **marketing strategies** for Pacific export markets. During an audit of websites and marketing collateral it was noted many companies did not demonstrate a credibility of doing business with Pacific markets. Such a failure to engage community, corporate and government levels of Papua New Guinea and Pacific Island nations as valuable export markets rather than domestic adjunct markets may mean new business is lost.
7. **Education and training** – Collaboration to showcase a series of 'specific topic' workshops highlighting the requirements for registering with World Bank/Asian Development Bank and like international organisations. Briefings from Australian Federal and State organisations that assist in the areas of export and business development.

8. **Mining sector engagement strategy** for Cairns and Far North region businesses. Proactively engage with mining projects (LNG and extractive) in PNG to promote Cairns for goods and services, machinery and maintenance, aviation and maintenance plus knowledge and technical skills supply; freight consolidation for sea and air freight; provision of education and skills training both in-country and in Cairns; labour supply through Cairns airport connections; safe secure housing for families and workers; health services provision for mining communities etc.

Recognise opportunity for freight consolidation for mining, food (Ok Tedi) etc. Air freight transit PNG to Singapore/Hong Kong. Reintroduction of the annual mining forum with identified partners such as the PNG Chamber of Mines and Petroleum.

*Note: Key to the successful implementation and adoption of the above **Action Plan** is a recognition and acceptance of the **Strategic Direction** thus supporting direct action outcomes at the Cairns regional level through appropriate funding and collaboration.*

SWOT Analysis of Survey Responses Cairns and Far North Region

STRENGTHS

- Geographical proximity to PNG & Pacific Island nations.
- Strong relationships with clients, government and institutions within the region.
- Trusted provider for quality goods & services, health, education and training.
- Multicultural city seen as a safe and easily accessible location for transnational families.
- International and domestic airports.
- Seaport and companies willing to look at expanding freight/transport operations to PNG/Pacific Island nations.
- Mobile workforce experienced in working in tropical conditions, with many working in PNG and Pacific Islands nations.
- Good local government support from Cairns Regional Council for Sister City – Lae, multicultural programs, export and other training programs.
- QLD/PNG MOU in place and supported by both State Government and PNG Government.
- Established PNG Consulate in Cairns and strong community support groups.

S

WEAKNESSES

- High freight and transport costs in PNG and Pacific Island trade.
- Poor communication infrastructure in target markets adds to cost of doing business and requires travel for important face-to-face relationship building with clients.
- Because Cairns businesses frequently maintain contact with PNG and Pacific Island clients face-to-face they do not have specific information on websites and in marketing material aimed for those markets so may not be capturing new and emerging clients.
 - Difficulties transacting currency and payment from clients – no Kina accounts available in Cairns.
- Red tape surrounding visas, official document requirements, difficulties for transnational households' movement of family members and investments.
 - Need for better export skills and cross-cultural training for Cairns and Far North exporters.

W

OPPORTUNITIES

- Establish Office of the Pacific in Cairns to improve or increase Government engagement with PNG and Pacific Island nations, leveraging off local knowledge and relationships.
- Use strength of B-2-B engagement model of Tradelinked and dialogue and 'think tank' model of EiiC to promote transformational engagement between Australian and counterpart officials in PNG and Pacific Island nations for win-win solutions and relationship building.
- Engage with mining projects (LNG and extractive) in PNG to promote Cairns for goods and services, machinery and maintenance, aviation and maintenance plus knowledge and technical skills supply; freight consolidation for sea and air freight; provision of education and skills training both in-country and in Cairns; labour supply through Cairns airport connections; safe secure housing for families and workers; health services provision for mining communities etc.
- Encourage two-way investment between Cairns and Far North region and PNG and Pacific Island nations.
- Promote agricultural and other goods downstream processing in the region for onwards sale to export or domestic markets.
- Engage World Bank, Asian Development Bank, DFAT, TIQ, Austrade directly with exporters in Cairns and Far North to promote export opportunities.

O

THREATS

- Constant regulatory changes for visas, borders (particularly during COVID 19 pandemic), travel restrictions causing uncertainty.
- Trade and business threat due to perceived poor relations between Australian Federal Government and PNG and Pacific Island nations governments (disconnect in understanding of difference between relationship-based engagement and transactional based engagement).
- Lack of engagement of government staff at grass roots level either in Cairns and the region or PNG and Pacific Island nations.
 - Vaccine hesitancy in PNG and Pacific Island nations.
- Marketplace competition for clients against cheaper imports from Asia.
- High cost of regulatory compliance for businesses working to Australian standards.

T

Table 43

Cairns, Papua New Guinea and Pacific Island Nations



Map.1

The tropical City of Cairns is the 14th largest regional city in Australia, servicing northern Australia's largest regional population, Papua New Guinea and Pacific Island Nations. *(Photographed January 2022)*



1. Introduction

1.1 General

Tradelinked Cairns PNG Pacific and Exchange Innovation and Information Centre (EiiC) have conducted a survey to determine Cairns and Far North Queensland export capability to service Papua New Guinea and the Pacific Island nations market.

The project was based on the need to obtain baseline information to assist understanding the development potential of our region and assisting to identify and grow employment and investment strategies for the region. The data collected from the survey will assist to quantify the volume of trade and importance of that trade to Cairns and the region. It will also examine the value of the trade not only in economic terms but to capture the social and cultural value of the trade to the region through collection of accurate quantitative and qualitative data.

Using an online survey tool as a primary instrument allowed maximum exposure for the survey but also permitted consideration of the difficulties of trade to Papua New Guinea and the Pacific Island nations due to the COVID 19 related Australian government mandated international border closures and the widespread disruptions to global supply chains and general enterprise trading conditions.

Qualitative surveys were used to collect data from communities and groups identified as survey hesitant by reason of cultural, social, educational or other barriers and data from these have also been included in the outcomes.

Literature searches, database searches and review of previous publications from committees, working groups and businesses also formed part of the project. An extensive communications strategy allowed researchers to gain a 360 degree view of how Cairns and regional businesses interacted with Papua New Guinea and Pacific Island nations export activities.

1.2 Background

The region encompassed by the term **Cairns and Far North region** can be considered, for the purposes of this report, to include the area in the ***Far North Queensland Regional Organisation of Councils Area (FNQROC)*** boundaries. These boundaries have been used for statistical purposes as data is available for this area with comprehensive statistical data for the period to June 30, 2020.

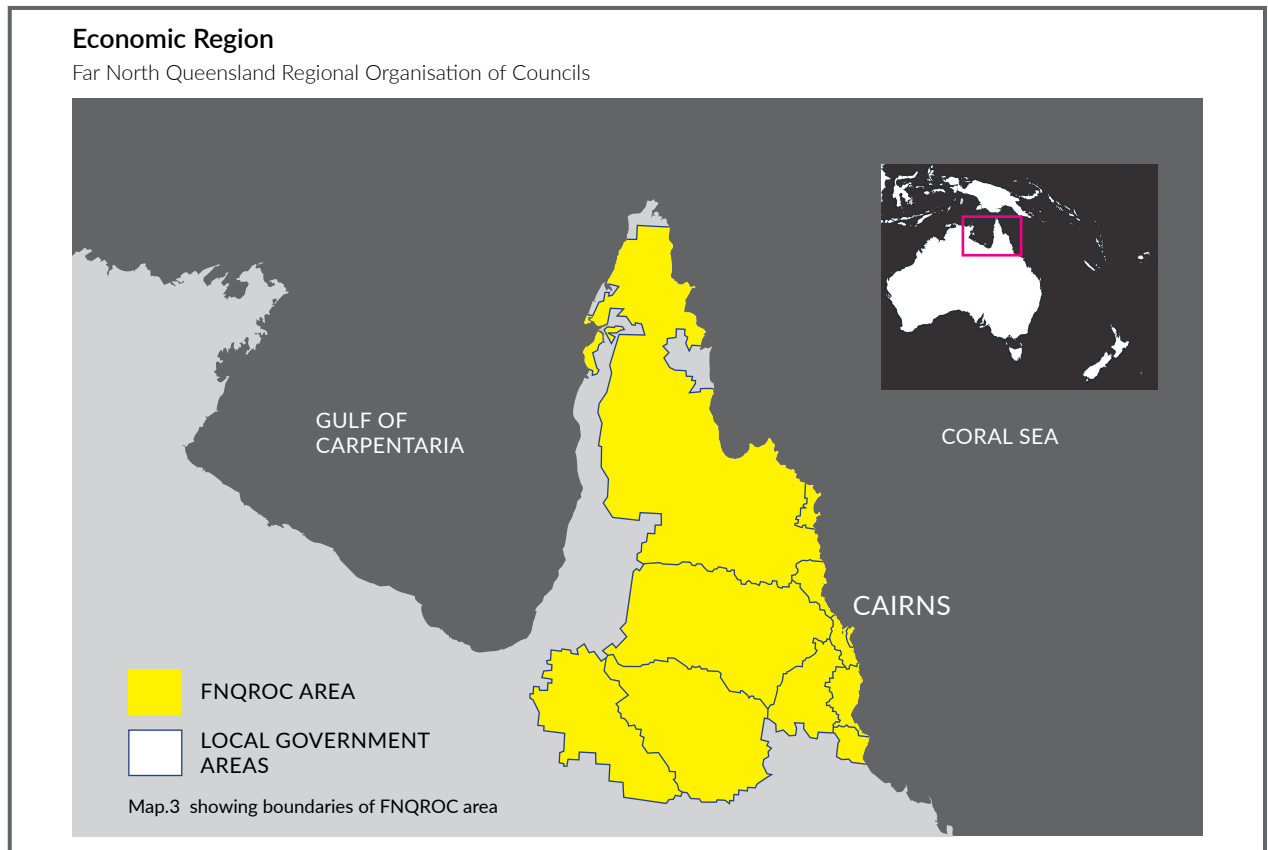
Thus the Far North Queensland area includes thirteen municipalities:

Cairns Regional Council, Carpentaria Shire, Cassowary Coast Regional Council, Cook Shire, Croydon Shire, Douglas Shire, Etheridge Shire, Hinchinbrook Shire, Hope Vale Aboriginal Shire, Mareeba Shire, Tablelands Regional Council, Wujal Wujal Aboriginal Shire and Yarrabah Aboriginal Shire.

1.3 Land Use

This Region includes significant areas of national park and state forest, rural areas and urban areas. The main urban centre is Cairns, with smaller urban areas in the townships of Atherton, Babinda, Cooktown, Croydon, Gordonvale, Ingham, Innisfail, Karumba, Mareeba, Mossman, Normanton and Port Douglas, numerous small villages, and aboriginal communities at Hope Vale, Wujal Wujal and Yarrabah. The Region encompasses a total land area of more than 317,000 square kilometres. Rural land is used largely for cattle grazing, sugar cane farming and banana growing, with some tropical fruit, vegetable, grain, tea and coffee growing and timber production. Fishing and mining are also important industries, along with tourism, with the Region being home to World-Heritage rainforests, beaches, tropical islands, coastal ranges and numerous resorts.

1.4 Economic Region



FNQROC area has an estimated population of 280 330 on 30 June 2020.

There are an estimated 134 704 jobs located within the region with 138 083 employed residents. The largest industry by employment is the Health Care and Social Assistance sector.

Some 25 267 registered businesses are located in the area with the Agriculture, Forestry and Fishing Industry having the largest total number of registered businesses comprising 17% of total regional businesses, compared to 8.8% total in Queensland. *(Figures above sourced from Australian Bureau of Statistics and Economics ID as of June 30 2020)*

The major urban centre of Cairns is a multicultural city with an estimated resident population of 168 448, as of 30 June 2020. This number is growing with internal migration from other Australian States and immigration from overseas, pushing construction to be one of the largest growing industries in the Cairns region.

More than 21% of the Cairns population was born overseas, and 9% of people in Cairns identify as Aboriginal or Torres Strait Islander. Those who were not born in Australia are most likely to have come to Cairns from New Zealand, Japan, Papua New Guinea, United Kingdom, Philippines, India, Germany, South Korea, China and South Africa.

There are 14 000+ registered business in Cairns providing 84 400+ jobs located in Cairns.

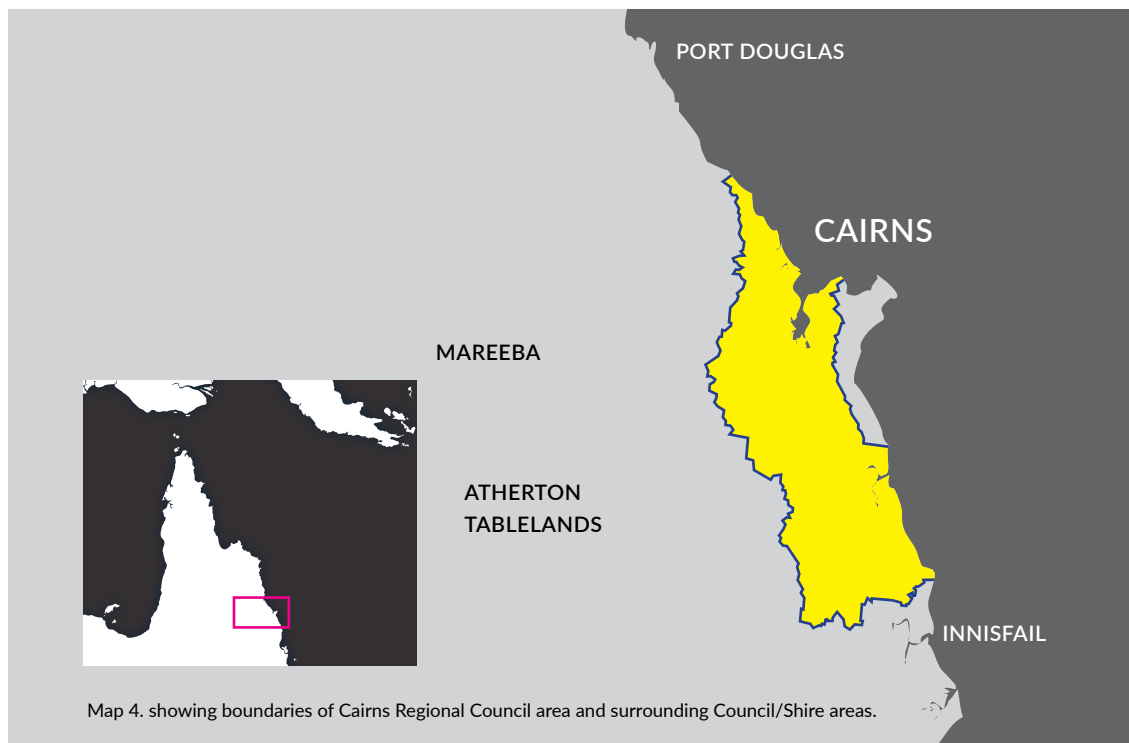
(Figures above sourced from Australian Bureau of Statistics and Economics ID as of June 30 2020)

The Cairns Regional Council has identified the region's seven key industries as:

- Aviation
- Healthcare and Social Assistance
- Construction
- Arts and Culture
- Marine
- Tourism
- Education and Training

Economic Region

Cairns Regional Council



Map 4. showing boundaries of Cairns Regional Council area and surrounding Council/Shire areas.

It is noted that the figures quoted in the Background section are for the Cairns Regional Council area (outlined above in black), however, data from the survey incorporates responses from outside of this area including the Atherton Tablelands, Cassowary Coast and other Regional Council/Shire areas.

Although Cairns has a deserved reputation as a tourist destination it also has a strong manufacturing, agricultural, knowledge-based and professional skills industry and education and training sectors. All of these focus not only on domestic sales but on the export sector as well.

For comparison to Cairns, Townsville City Council region has a population of 196 800 persons and 12 082 registered businesses with 98 018 local jobs and 100 514 employed residents.

Given the geographic proximity of Papua New Guinea and the Pacific Island nations these form a natural extension to domestic marketing. Climatic similarities, cultural alignment and social and cultural ties also form strong reasons for export trade to these regions.

What has not been previously defined however, is the quantitative and qualitative importance of this export market to Cairns and Far North region businesses. The survey, along with statistical data from the Cairns Airport re traffic movement through the international terminal for both passenger and freight numbers and combined with data from the Australian Bureau of Statistics and trade and investment data information and publications from Australian Department of Foreign Affairs and Trade (DFAT), have been used to form a more complete understanding of this topic. Queensland export figures used in this report include export freight movements through the Townsville air and sea ports as this forms part of the export infrastructure for the region.

2. Why Export to Papua New Guinea and Pacific Island Nations is Important to Cairns

Cairns has established international airport and port infrastructures and is the 14th largest regional city in Australia, servicing northern Australia's largest regional population. It has the largest primary industry production, the largest tourism industry, largest marine and aviation services sectors and is the location of Australia's northeast naval base. The city has well developed education, medical and other services and a significant population of Papua New Guinea and other Pacific Island nationals.

The Cairns region has the strongest population growth track record in northern Australia and regional Queensland, with population likely to grow at about 1.5% per annum.

Cairns is located less than 1.5 hours flight time from Port Moresby, capital of Papua New Guinea. Pre-COVID, Australia accounted for 58% of flights overseas from Papua New Guinea with approximately 30% of those to Cairns, accounting for about 16% of passengers. For those travelling from New Zealand to Papua New Guinea, Cairns offered a direct connection transit point.

Cairns had 281 departures a week to major Australian centres on top of numerous regional services so was a connection hub for travellers from Papua New Guinea to Australian destinations.

(Source: Cummings Economics: Business Case Direct Air Services Between Lae PNG and Cairns Australia, October 2019)

Other Pacific destination arrival and departure points are through Brisbane or Sydney making these potentially less accessible by virtue of distance, costs in time and money to transit those cities and transfer to or from Cairns.

Freight options are somewhat more complicated due to the limited nature of the Cairns wharf infrastructure. This requires exporters to use other sea freight ports of loading such as Townsville and Brisbane for export goods.

The survey asked questions directly relating to these topics to quantify exactly how businesses used transport, export freight options and travel within their business strategies. Questions were also asked to determine what businesses exported to these destinations, the size of the businesses and their employment capacity, what export assistance services businesses recognised and utilised, the freight and export transport methods used and volume of exports.

Other questions were more aligned to determining perceived and actual barriers to businesses exporting, COVID 19 disruptions to business operations and how these specifically affected Papua New Guinea and Pacific Island nations' exports from Cairns and the Far North region and asking businesses for suggestions as to changes that would positively impact export and employment capability.

Anecdotal evidence prior to the survey being undertaken also indicated that the informal and private sector could account for significant volumes of exports to Papua New Guinea and Pacific Island nations without this being specifically captured in export statistics. Goods carried by travellers to and from the region, goods sent to family members by sea, air or post, fees and monies paid for education, travel, health and other expenditures both in Australia and the Papua New Guinea and Pacific Island nations region would all fall into this category. The survey attempted to ask questions related to this to enable quantification of this export data to be aggregated into existing 'formal' statistics.

Why all of these are important has become clear during the COVID 19 disruptions. Cairns is not only a tourist destination but derives considerable income from manufacturing, agriculture, education, mining, marine and aviation sectors. This income is not only from domestic but also export sales. However, given close travelling time by air from Cairns to Port Moresby, the Papua New Guinea market is often seen by enterprises in Cairns and the Far North as a natural extension of the domestic market.

The Pacific Island nations are viewed similarly. Although smaller in size for export of goods than the Papua New Guinea market, this market also provides labour under the Pacific Labour Scheme and through private contractors for the agricultural industries. Education, training and professional services export to this market with significant Australian and other development aid budget programs also contributing to exports from Cairns and the Far North region.

Both locations provide inwards investment to Cairns as well as consumption markets for exports and households comprising those whose ancestry is from either Papua New Guinea or Pacific Island nations, tend to be transnational and have fluid travel and income options. COVID 19 disruption to these arrangements has changed household consumption and wealth distribution patterns and caused issues for individuals and households trying to fulfil their social and customary obligations. The effects of these disruptions may last well beyond the initial pandemic response period and into the mid and post pandemic time. It remains to be seen what impact this will have on household decisions regarding employment, education, residence and investment options and what impact these changes will have in the Cairns and Far North region economy.

3. Methodology

Tradelinked, EiiC and other bodies have long recognised the need for accurate baseline data to assist in establishing an Export Capability Profile in Cairns and Far North region for enterprises, businesses and individuals who export goods, services, knowledge and skills to Papua New Guinea and the Pacific Island nations.

3.1 Survey Tool

The primary data collection instrument in this study has been a voluntary survey with the objective that results give accurate and up-to-date quantitative and qualitative data to be used to quantify, highlight and emphasise the value of the Papua New Guinea and Pacific Island nations' trade to Cairns – not only in terms of economic value but also to capture the social and cultural value of trade to the region.

As such the survey had not only closed questions where a range of answers were offered as response options, but also a large number of open questions which allowed respondents to offer more detailed and individual responses.

A link to the survey can be found here: <https://www.tradelinkedsurvey.com/>

For the survey a very broad definition of the term 'export' and 'exporter' was used, applying it to mean:

- Anyone or any entity that sells or sends goods, services or expertise to a buyer who is not in Australia;
- investment into Cairns or the Far North region for purchase of businesses, real estate and other assets is also 'export' - because the money comes from overseas and into our economy;
- someone who sells to third parties who may then sell to an overseas buyer;
- those in the travel and tourism industries who might sell tours, accommodation and other services;
- some respondents who may be "incidental exporters" – those who may respond to requests from friends and family to buy goods and services and then send them overseas; and
- those who may sell goods and services via e-commerce to buyers in the Papua New Guinea and Pacific Island nations.

businesses or individuals who wished to sell goods and services overseas in the future were also encouraged to supply data through the survey.

Respondents were requested to complete the data with pre-COVID figures – as it was recognised that this has been a significant disruptor. Specific questions relating to trading in the time frame where business was COVID-19 affected were included.

It should be noted that respondents were offered options on many questions as to whether they were past, present or future exporters. It is noted that this may have led to some confusion in some respondents but overall this methodology has allowed for nuanced responses to questions, particularly taking into account the disruptor influences of COVID 19 period trading environment.

3.2 Communication Strategy

An extensive communication strategy was developed for the project and promotion of the survey which incorporated individual and group briefings - face to face and over the phone or via zoom; presentations at business and social events, a Ministerial Round Table with key regional stakeholders.

The survey was publicised within Tradelinked and EiiC, via other agency membership lists, within the Papua New Guinea and Pacific Island communities, social media and in the traditional press.

The widest possible range of respondents were encouraged to complete the survey. For those who did not wish to do so or who were unable to do so online, but still wished their data and views to be represented, qualitative interviews were held.

3.3 Qualitative Survey Gathering

In addition to the online survey, qualitative survey responses were also gathered – particularly from the Papua New Guinea and Pacific Island communities who were hesitant to use an online survey or who had difficulty in seeing themselves as “exporters”.

3.4 Short Survey to Selected Recipients in Port Moresby, Papua New Guinea

Prior to COVID 19 issues, Tradelinked had held monthly networking meetings in Port Moresby for business-to-business networking. Attendance was open to all businesses interested in interacting with Cairns and Queensland business partners. During the COVID 19 restriction this activity stopped. However, the database of those who regularly attended these gathering was available, and a short survey was sent to those businesses.

3.5 Short Survey to Selected Recipients in Lae, Papua New Guinea

Cairns and Lae are Sister Cities and, prior to COVID 19 issues, had regular activities (business, social and cultural) scheduled to enhance this relationship. Regular trade missions between the two cities have taken place since the signing of the Sister City agreement in 1984. A short survey, similar to the one sent out to Port Moresby recipients, was sent out through the Lae Chamber of Commerce and Industry (LCCI)

3.6 Summary of Survey Responses used in this Report

Survey type	Number of Respondents
Tradelinked full survey instrument	141
Qualitative survey	30+
Port Moresby short survey	71
Lae short survey	1

3.7 Other Information used in this Report has come from

- Extensive interviews and meetings with individuals, businesses, government representatives (local, State and Federal), discussions with Papua New Guinea government representatives in Australia and Port Moresby.
- Consultations with Chambers of Commerce and Business Associations in Australia, Papua New Guinea and Pacific Island nations.
- A Round Table which was held with peak business and infrastructure bodies in Cairns where the preliminary results of this survey and activities was presented. The round Table was hosted by Tradelinked and EiiC as part of a Ministerial visit program arranged for the former Assistant Minister To The Premier For Veterans' Affairs, Trade and COVID Economic Recovery - Mr Bart Mellish MP. The former Assistant Minister was accompanied by members of staff of the Office of the Premier, and Assistant Minister for Tourism and Local Member for Cairns, Mr Michael Healy MP.

- Literature reviews of past enquiries and activities of committees and tasked individuals in programs aimed at increasing export activity from Cairns and the Far North region to Papua New Guinea and Pacific Island nations.
- Database contact and cleansing activities undertaken by Tradelinked and EiiC on existing contacts for individuals, businesses and entities who undertake engagement and export to Papua New Guinea and Pacific Island nations. This included website and marketing material reviews of database listed businesses as well as targeted reviews of other businesses who had previously expressed interest in undertaking export activities but who may not yet have commenced such activities.
- Data on export activities from Australian Bureau of Statistics, economic profiles using NIEIR data, data from Queensland Government Statistician's office and data gathered from news and other sites including Lowy Institute, Advantage PNG magazine and Business PNG magazine plus publications from Solomon Island Chamber of Commerce, Lae Chamber of Commerce, Australia PNG Business Council and Vanuatu Daily Post, PNG Post Courier and PNG National newspapers. Some data was drawn from official Facebook sites in Papua New Guinea, Autonomous Region of Bougainville (AROB) and other locations in Pacific Island nations.

4. Qualitative Interviews

During the survey process it became clear that the survey tool was not being accessed by the wider Papua New Guinea and Pacific Island nation communities. To ascertain why this issue had arisen, a new communication strategy was used to engage with individuals and organisations. During these conversations it became clear that several factors were in play.

Lack of literacy or digital literacy was a factor. It was seen as “too difficult” to engage with the survey instrument. There was also a lack of confidence that individuals were “important” or “powerful” enough to undertake the survey. Perhaps the largest issue was a concern about privacy and protection of personal data.

All of these are valid concerns and needed more personal interactions rather than via an anonymous survey tool to gather information. Therefore, personal interviews or group information aggregation exercises were undertaken.

The information gained from this process confirmed to a pattern that was noted in the work of Karen Sykes (Professor of Social Anthropology at the University of Manchester) - (refer Appendices page 122-c.)

I began in their households in Far North Queensland, a region of more than 225 000 residents in the Australian state of Queensland. The total number of Papua New Guineans there is unrecorded in the census because their residency is so fluid and their identity unfixed. Many people I knew kept one home in the political jurisdiction of Far North Queensland because of its proximity to PNG's national capital, Port Moresby, a mere one-hour flight away. Often, they also had a home in Port Moresby, where some household members lived; perhaps a third had another home in either a more distant part of Australia or in a PNG province. However, the PNG families I worked with in greater Cairns showed me that the household was transnational because it was defined by how its members related to each other. I came to see that the strength of kinship and friendship connections across distances mattered more to their identity as Papua New Guineans than the location of their residences.

Source reference - A Moral Economy of the Transnational Papua New Guinean Household: Solidarity and Estrangement While 'Working Other Gardens' Karen Sykes (1) an extract from;

(1) The Quest for the Good Life in Precarious Times: Informal, Ethnographic Perspectives on the Domestic Moral Economy, edited by Chris Gregory and Jon Altman, published 2018 by ANU Press, The Australian National University, Canberra, Australia.

Taking this into account, it became clear that questions in the survey relating to ‘export’ of goods and or quantification of monetary support for those overseas was not easily quantifiable by respondents due to the complex nature of their relationships and customary obligations. Many did not regard this expenditure as ‘export’ nor relate to the use of that concept in this framework.

However, once the survey questions became part of a personal conversation the data requests became more relatable, although clear quantification of amounts spent and goods sent by individuals and households was still fluid.

Goods, services and cash are routinely sent to Papua New Guinea and Pacific Island nations from Cairns and Far North based households. These include money for school fees, clothing, health and other essential services in Papua New Guinea and Pacific Island nations. As noted in Sykes, these households tend to be transnational, fluid in composition and location and each have different views of customary obligations.

Inter-marriage and social distance (both in terms of geographic location and time away from source country) also have impact on the 'export' expenditure of households per annum. Households often also support church and other groups in-country.

On average most respondents estimated that they spent between AUD \$10 000 – \$25 000 per household per annum on goods and services to families, relatives and communities.

This amount does not include expenditure by Papua New Guinea and Pacific Island nationals resident in Cairns for education, training, health and other purposes. Such expenditure would usually be for family members or those to whom an obligation is required from their country of origin. An average education 'spend' will also include housing costs for the student and/or family in Cairns, household expenditure etc. This amount is significant and would represent in the primary/secondary schools (both public and private), Vocational Education Sector and University Sector. Expenditure on health and other purposes is difficult to define but could include payment for treatment, accommodation, travel, transport and living expenses while the recipient is in Australia.

4.1 Household expenditure is one instance of 'export' expenditure. Other expenditures uncaptured by official data include

- Purchase of household and consumer goods by visiting Papua New Guinea and Pacific Island nationals while in Cairns and the Far North region. These are either transported in personal luggage or via family members who are travelling to and from their home locations.
- Purchase of goods for sale or commercial purposes which are dispatched to buyers via packing services i.e. Send and Pack. Anecdotal evidence suggests that this is a method used for small quantities (up to a pallet load) that are delivered to the packer and then dispatched via sea or air freight consignment to the buyer.
- Purchase of goods for personal and commercial use that are transported as personal luggage or excess baggage by air. This is a practice of (pre COVID) frequent travellers who would regularly purchase goods while in Cairns and Far North region and then take them back to Papua New Guinea and Pacific Island nation destinations. It has been reported that it is less expensive for travellers in this category to pay for additional household or family members to travel to Cairns, undertake shopping or health or other tourism activities, and then be available to carry maximum permitted luggage allowance back to the source destination country, than to pay freight and customs duty on goods purchased. Regular excess luggage amounts of more than 50-100 kg per visit were reported for more than one individual in this category.

It is impossible to properly quantify the export expenditure figures for Papua New Guinea and Pacific Island nationals resident in Cairns and Far North region to their home countries in exact terms but a figure that was, as stated above, generally agreed by most is approximately AUD \$10 000 – \$25 000 per household per annum. It could be considered an 'under-reported' figure given that it does not include financial support for homes/ mortgages etc that may exist in the home country and which may be supported by employment in Australia.

When considering data given by a range of respondents to the Qualitative Survey questions it is estimated that the value of transnational households would be in the order of magnitude of between AUD \$20-25 million per annum. This estimate does not include 'incidental' export of goods by Papua New Guinea and Pacific Island travellers whose expenditure could amount in order of magnitude to be in the range of an additional AUD \$1.5-3 million per annum.

5. Freight and Transport

5.1 Air Passenger Movements Cairns International Airport

The Queensland Government Statistician's Office figures for freight and export goods movements are extensively documented in the following tables 9-14. Figures below have been sourced from International Airline Activity, City Pairs 2009 to Current and were supplied by Cairns International Airport.

Passenger movements through Cairns International Airport highlight the importance of air travel to and from Cairns and Papua New Guinea as illustrated in the Table 1 below.

Year	Sum of Passengers In	Sum of Passengers Out	Total of all Passengers
2009	14 058	13 011	27 069
2010	35 681	34 327	70 008
2011	49 193	46 868	96 061
2012	47 916	46 392	94 308
2013	53 581	51 555	105 136
2014	51 657	50 650	102 307
2015	44 827	44 074	88 901
2016	47 687	45 789	93 476
2017	41 961	39 982	81 943
2018	33 290	30 660	63 950
2019	31 182	28 639	59 821
2020	28 329	25 298	53 627
2021	1 697	930	2 627

Table 1. Air passenger movements to and from Papua New Guinea/Cairns International Airport 2009-2021

- In all years the sum of passengers arriving in Cairns is greater than the sum of passengers out of Cairns to Papua New Guinea.
- In 2009, 27 069 total passenger movements between Cairns and Papua New Guinea were recorded rising the following year to 70 008 and then rising each subsequent year until peaking in 2013 at 105 136 movements in total.
- There has been a decline in total passenger movements between Cairns and Papua New Guinea from 2014 with 102 307 movements and a further decline in 2015 to 88 901 movements. This decline in passenger movements coincides with the end of intensive mining and extractive industries build phases in-country in Papua New Guinea, particularly for the LNG and gas pipeline projects.
- A small rise in movements was recorded in 2016 to 93 476 but with declines in all subsequent years to 2021.

- 2021 shows the most marked decline to 2 627 movements – although it should be noted that this is a partial year figure only between January and May of that year, which is the latest figures available at this time.
- It should be noted that COVID 19 and Australian border closures have heavily affected passenger air travel to and from overseas destinations to Australia. Air travel between Cairns and Papua New Guinea has been further restricted due to a relatively low number of hotel quarantine places available to arriving overseas passengers. Freight has not been affected in the same manner.
- More passengers travelling to and from Papua New Guinea have been routed through Sydney and Brisbane airports during the 2019-2021 period due to availability of hotel quarantine places in those cities.
- During the COVID 19 pandemic phase there has been a marked decline in outbound traffic from Australia to Papua New Guinea through travel restrictions, lack of access to permission to travel from the Australia Government and need for inbound travel permission from the Papua New Guinea Government. Travel has also required quarantine periods for travellers for between 4-6 weeks duration at different times during the period. Outbound traffic through Cairns International Airport to Papua New Guinea has been for freight, with limited passenger capacity and/or charter flights for mining and corporate entities who have operated under special arrangements.

The lifting of Australian Government travel bans should see a rise in the number of passenger movements between Cairns and Papua New Guinea as more commercial flight passenger seats become available with normal flight resumption in the first or second quarter 2022. Approximately 90% of all respondents to the Export Capability survey nominated need for access to the markets for face-to-face interaction with clients as very important to their businesses.

The expected 2023 completion of Lae Airport (Nadzab) upgrade to International Airport status would also allow the possibility of direct flights between Cairns and Lae – rather than the need to transit through Port Moresby, thus saving time and money for passengers – which may encourage more passenger movement and cross investment and/or export opportunities.

5.2 Transport or Freight Method for Sending Goods to Export Customers

Survey Question: how do you export your product?
Options given: air freight, sea freight, post or parcel transport, other (please describe).
Time options given: past, present, future



Table 2



Table 3



Table 4

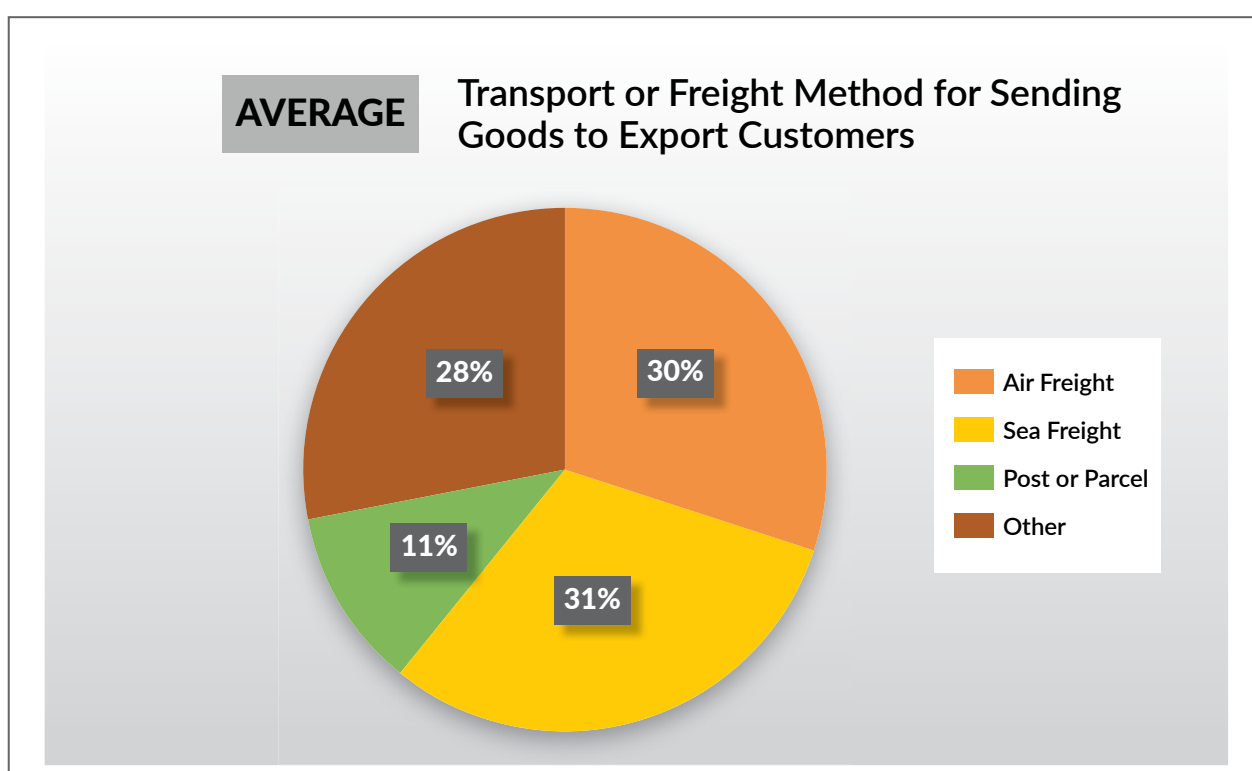


Table 5

It is interesting to note that time reference (past, present or future) produces some variation in the type of freight option answers.

Air Freight shows 19% past actions, 36% present usage and 23% future intention for export of goods. The average figure is 30%.

The variation in air freight figures is probably a response to COVID 19 restrictions. Air freight is used for lower volume but higher price goods. It is also used for time sensitive goods i.e. that have a limited shelf life or goods with special conditions attached which make it important that they be moved quickly to the destination. Supply chain disruptions and freight subsidies for air freight during the pandemic may have contributed to the rise between past and present usage of this form of transport.

In the case of **Sea Freight**, past actions of 31% and present time shows 31% against future intention of 33% of all freight using this method. The averaging of these answers gives a 31% response.

The sea freight figures have remained constant despite COVID 19 and supply chain disruptions of the past 18 months. However, volume of freight may have changed in this time.

Post or Parcel category shows some variation with 6% in past action versus 9% in present usage and increasing to 15% for future intention. The averaging of these responses is 11%.

Anecdotal evidence from qualitative surveys suggests that the rise in usage of post or parcel categories may be related to the informal sector where families and friends are no longer able to travel freely to Papua New Guinea and Pacific Island nations so are now using the postal and parcel services to send small volume goods that they may previously have taken as personal luggage to these destinations.

Other shows 44% for past delivery, 24% present action and 29% response for future intention. The average of the responses is 28%.

It should be noted that **Other** may include in-person delivery or delivery via internet or other electronic means. This figure is subject to COVID 19 variation – where in-person delivery is no longer possible, accounting for the variation between past delivery of 44% and present delivery via **Other** at 24%. As noted in the comments sections for Barriers to Export, some companies are no longer exporting at all or are not delivering the same volume of goods/services until travel restrictions are lifted.

5.3 Port or Point of Departure for Export Goods

Survey question: What is the export departure point or port of departure for your export goods?

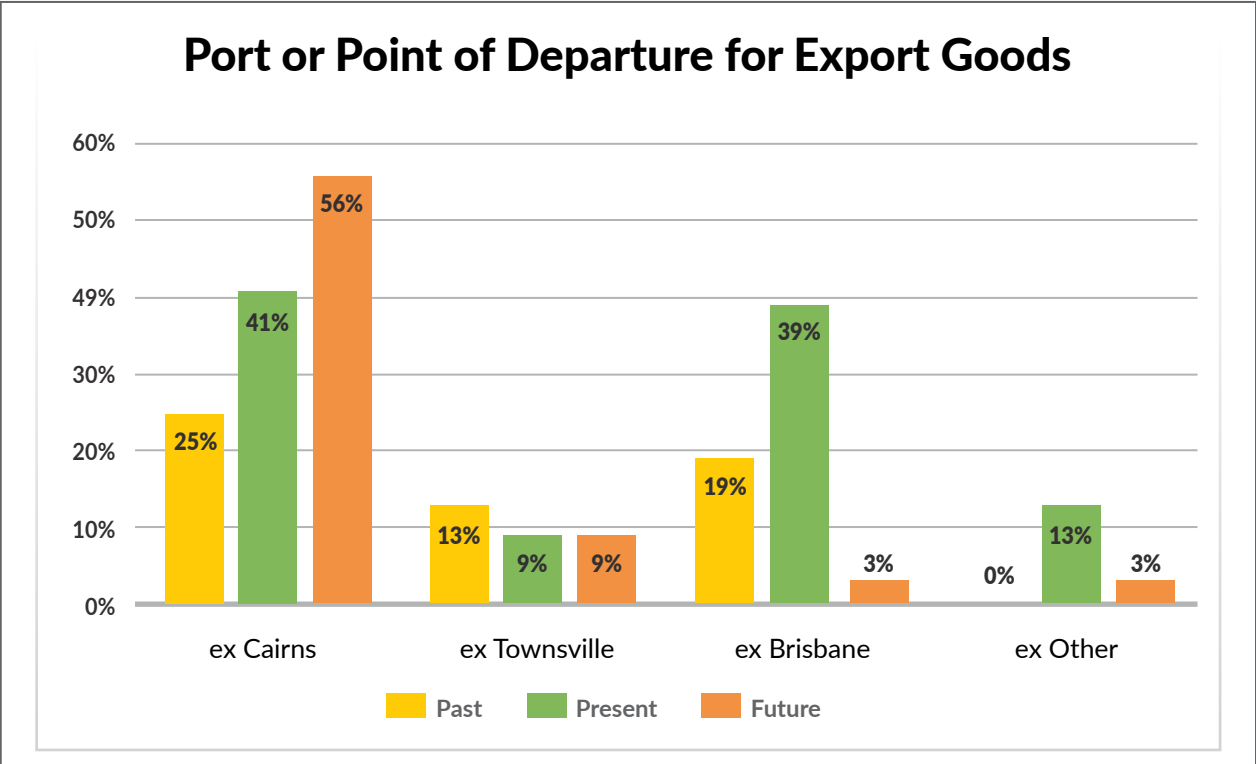


Table 6

Survey responses indicate that historically only 25% of goods for export used Cairns as an export point of departure. Respondents have indicated that at present 41% of all goods depart ex Cairns and that in the future this may increase to 56% of all goods.

Figures for departure ex Townsville are consistent. Historically 13% of goods were exported via Townsville but present and future exports are indicated by respondents at 9% each.

Brisbane is currently being used as a departure point for 39% of goods for export against historical figures of 19%. However, future intentions show respondents estimate that only 3% of goods will be exported via Brisbane in the future.

Respondents have also indicated that at present 13% of export goods are being exported from 'Other' departure points as opposed to 0% in the past and 3% in the future. These changes may reflect supply chain changes i.e. goods being sourced outside of Queensland and then exported from the nearest point of departure.

5.4 Departure Point for Supplying Labour Requirements to Papua New Guinea and Pacific Island Nations

Survey question: If you are supplying labour requirements to Papua New Guinea or Pacific Island Nations, what is the departure point for your workers?

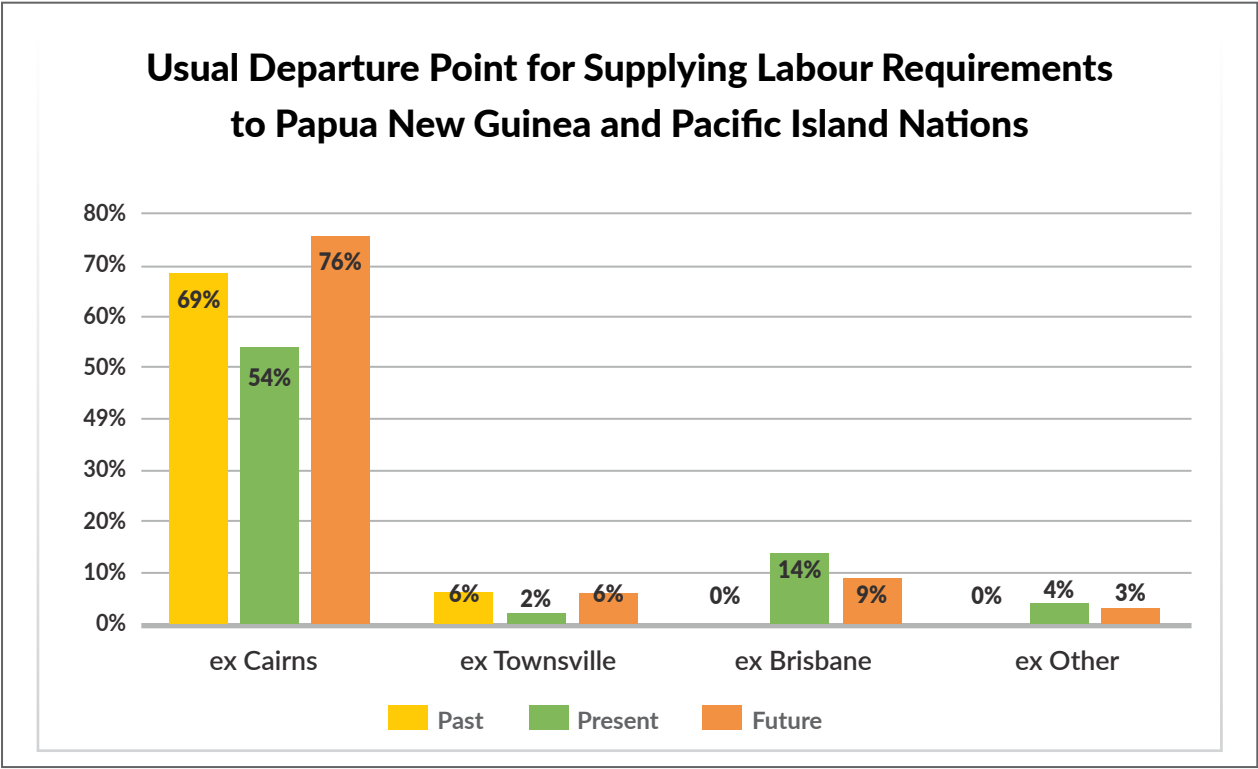


Table 7

As well as goods and services there are businesses in Cairns and the Far North region who supply contract semi-skilled, skilled and professional labour to various companies and projects in Papua New Guinea.

Traditionally this has been possible because of the availability of a skilled and professional labour pool in Cairns and Far North region, also in the wider geographic area of Queensland. Staff for mining and extractive industries, engineering, road building engineers, water and sanitation engineers, machine and mechanical roles plus those who work in a myriad of other professional areas are all included on the employment rosters of such businesses.

As can be seen in the graph above, at present 54% of all those on such labour contracts depart for Papua New Guinea and Pacific Island nations from Cairns. In the past this figure has been as high as 69% with companies predicting it will rise to 76% in the future.

Those departing on contracts organised through Cairns and Far North based businesses reduce to 2% at present from Townsville, down from 6% in the past. It is predicted that it will again rise to 6% in the future.

A slightly higher figure of 14% currently depart through Brisbane, where traditionally there has not been a need for workers to exit through that departure point. Interestingly, it is estimated at 9% will continue to depart through Brisbane in the future.

‘Other’ departure points are currently reported as 4% at present with this expected to drop to 3% in the future.

Departure for contracts is predominantly by air. COVID 19 disruptions have increased those departing from Brisbane, which probably reflects flight and seat availability. Charter flights still make up the predominant means of transport and these have been available ex Cairns as part of negotiated air / traffic movements. Availability of quarantine spaces have also changed travel patterns during the pandemic.

5.5 Method of Delivery / Export for Knowledge or Service Products

Survey question: If you supply professional or other services how are these delivered to clients?

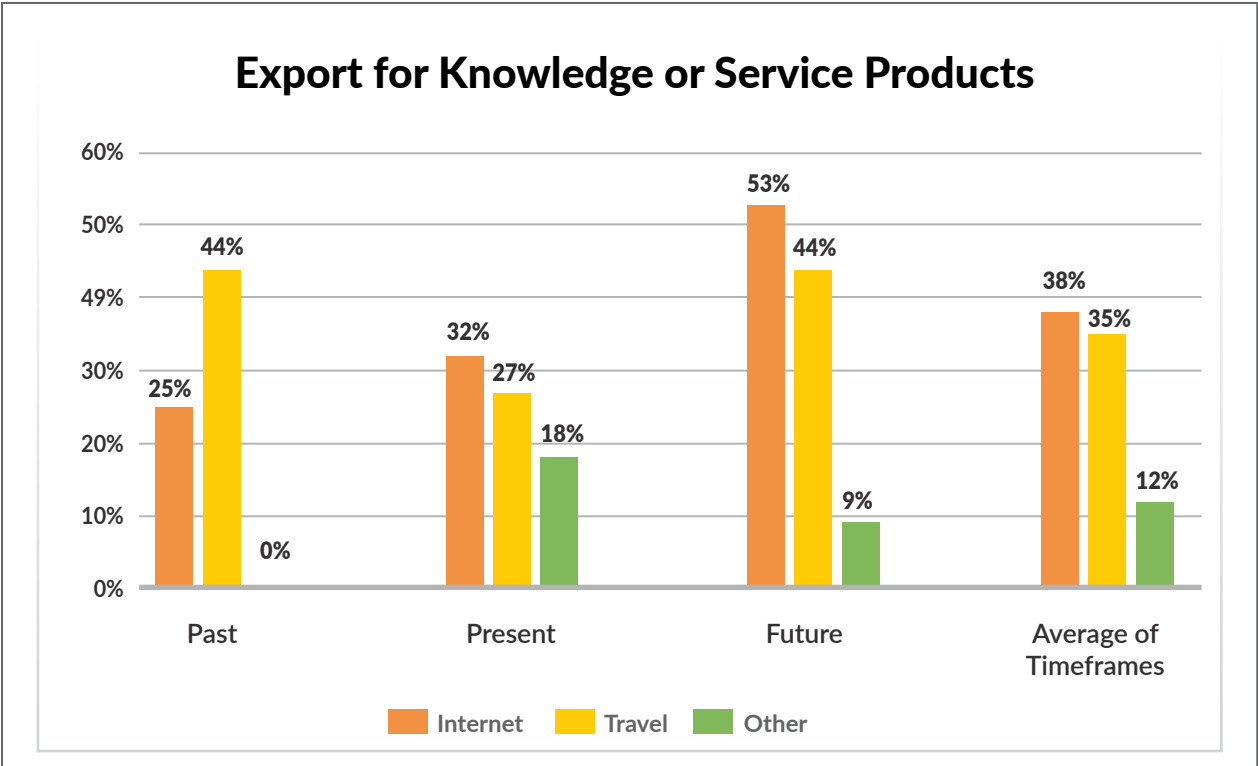


Table 8

This question related to delivery or export method for non-physical goods which may include knowledge products, training, or delivery of services.

Respondents indicated that in the **Past** 25% of such exports were delivered via the internet, while 44% were delivered face-to-face using travel to market as the method. There were no 'Other' options mentioned.

However, this had changed for the responses to the **Present** where 32% were delivered by internet, 27% delivered face-to-face or using travel as a method. 18% were listed as 'Other'.

For the **Future**, respondents indicated 53% would deliver via internet, 44% via travel or face-to-face and 9% listed 'Other'.

When all timeframes were averaged responses became 38% internet, 35% travel or face-to-face and 12% 'Other'.

Queensland Trade and Export Statistics

The graphs and data shown above come from the respondents to the Tradelinked Export Capability Profile survey. Data from respondents to the survey broadly matches the trends shown in official Queensland Government Statistician's Office reports, which are located in the following Tables 9-14. Please note that the survey data does not represent all exporters in Cairns or the Far North region, so may not have direct correlation to all data shown in the official Queensland statistics as shown in the Tables 9-14. Data in these Tables are export statistics that were obtained through the Queensland Parliamentary Library and Research Service. Our thanks and appreciation to Mr Michael Healy and Mr Curtis Pitt for assisting with access to these reports and analysis.

Detailed breakdowns of Queensland exports and with disaggregated figures for the air and sea ports of Cairns and Townsville give a comprehensive picture of exports from the region. It is of little surprise that the significant majority of goods exported from Townsville are exported by ship whereas the majority of exports from Cairns are by air.

What is of note is that although significantly more goods (by value and weight) are exported from Townsville than Cairns to all destinations, the value of goods exported from Cairns to Papua New Guinea, New Zealand and Pacific Island nations was higher than the value of goods exported from Townsville in 2017-18, 2018-19 and 2019-20.

Note: Tables 9-14 on pages 42-67 have analysis attached and should be read as a whole.

Table 9. Queensland Exports by Destination Country, Value and Gross Weight, 2017-18 to 2019-20

Destination Country	2017-18		2018-19		2019-20	
	Value (\$AUD)	Gross weight (KG)	Value (\$AUD)	Gross weight (KG)	Value (\$AUD)	Gross weight (KG)
Papua New Guinea	\$825 955 955	135 842 389	\$912 955 373	153 354 339	\$830 010 942	108 586 792
Cook Islands	\$1 335 326	415 562	\$2 340 007	908 632	\$1 277 640	480 966
Federated States of Micronesia	\$1 300 052	916 119	\$2 021 510	685 741	\$2 061 349	637 528
Fiji	\$56 397 883	13 233 279	\$62 173 333	16 868 562	\$43 432 735	12 825 740
French Polynesia	\$8 921 468	1 736 502	\$9 370 362	1 764 273	\$7 569 634	1 606 670
Kiribati	\$5 753 829	2 499 874	\$5 665 747	2 692 710	\$6 121 112	1 549 647
Nauru	\$34 468 577	12 637 589	\$30 365 129	6 831 074	\$35 857 991	7 483 701
New Caledonia	\$75 599 956	12 518 879	\$76 117 937	18 786 409	\$99 962 550	13 568 803
New Zealand	\$1 021 856 465	798 653 317	\$1 099 263 917	793 082 707	\$1 005 957 629	690 596 264
Niue	\$9719	605	\$143 624	26 393	\$159 795	27 294
Palau	\$392 626	12 753	\$265 568	19 673	\$154 581	20 210
Republic of Marshall Islands	\$121 920	5 388	\$1 034 492	1 007 064	\$4 716 311	4 039 300
Samoa	\$1 173 899	465 425	\$1 655 258	841 242	\$602 657	35 178
Solomon Islands	\$42 985 197	12 040 383	\$41 823 261	8 567 906	\$33 470 642	17 031 500
Tonga	\$1 995 396	602 614	\$3 016 595	429 810	\$2 832 007	641 683
Tuvalu	\$527 304	123 910	\$846 541	51 656	\$1 214 760	92 536
Vanuatu	\$19 936 057	12 968 978	\$20 009 052	5 404 465	\$28 659 316	5 469 350
Total PNG & Pacific Island exports	\$2 098 731 629	1 004 673 566	\$2 269 067 706	1 011 322 656	\$2 104 061 651	864 693 162
Total Queensland exports	\$74 262 005 538	280 585 926 465	\$87 246 843 386	291 024 572 951	\$76 248 235 560	289 477 882 823

Source: Queensland Government Statistician's Office: 'Overseas exports by commodity (5 digit SITC revision4) and country of destination, Queensland and other states and territories, 2017-18 to 2019-20'. International trade, exports, 20 February 2021

Comments Table 9

Table 9 displays the total annual volume (weigh in kg) and value (\$AUD) of Queensland's Trade exports to PNG, New Zealand and Pacific Island nations from 2017-18 and 2019-20. For comparison, the total value and volume of Queensland's annual exports (to all destinations) is also provided in Table 10.

The data in above table indicates:

- ❖ Of the countries listed, Papua New Guinea and New Zealand are the primary destinations for goods exported from Queensland in terms of both value and volume.
- ❖ Queensland goods exported to Papua New Guinea are more valuable relative to their weight than goods exported to New Zealand.
- ❖ In 2019-20 \$830.0 million of Queensland goods were exported to Papua New Guinea with a total weight of 108 587 tonnes, compared with the \$1 billion of goods exported to New Zealand with a gross weight of 690 596 tonnes.
- ❖ Collectively, exports to Papua New Guinea and New Zealand were valued at:
 - \$1.85 billion in 2017-18 (2.5% of the total value of Queensland goods exported to all destinations)
 - \$2.01 billion in 2018-19 (2.3% of Queensland goods exported)
 - \$1.84 billion in 2019-20 (2.4% of Queensland good exported)
- ❖ By value, New Caledonia, Fiji, Solomon Islands, Nauru and Vanuatu were the next largest destinations of Queensland goods.
- ❖ Queensland goods exports to the region generally fell between 2018-19 and 2019-20, consistent with the overall trend in Queensland goods exports over the same period.
 - For example, exports to Papua New Guinea fell from approximately \$913.0 million in 2018-19 to \$830.0 million in 2019-20.

Table 10. Queensland Exports to all Destinations by Port of Loading, Value and Gross Weight, 2017-18 to 2019-20

Port of loading (mode of transport)	Mode of transport	2017-18		2018-19		2019-20	
		Value (\$AUD)	Gross weight (KG)	Value (\$AUD)	Gross weight (KG)	Value (\$AUD)	Gross weight (KG)
Cairns							
	Air	\$130 558 698	4 112 141	\$145 838 187	3 074 506	\$116 116 003	2 707 879
	Ship	\$191 138 183	99 832 005	\$168 324 498	72 188 394	\$9 181 952	71 042 419
	Total	\$321 696 881	103 944 146	\$314 162 685	75 262 900	\$125 297 955	73 750 298
Townsville							
	Air	\$146 644	1 512	-	-	\$1 051 810	255
	Ship	\$5 446 989 465	2 702 198 063	\$6 222 951 577	3 038 635 001	\$6 405 098 726	3 176 098 326
	Total	5 447 136 109	2 702 199 575	\$6 222 951 577	3 038 635 001	\$6 406 150 536	3 176 098 581
All Queensland ports of loading							
	Air	\$2 655 184 024	78 252 013	\$3 107 839 599	80 953 396	\$2 752 575 445	61 874 867
	Ship	\$74 108 577 441	281 017 523 712	\$87 257 021 015	292 014 290 165	\$76 476 859 325	291 510 312 407
	Total	\$76 766 769 998	281 095 776 955	\$90 372 190 770	292 095 244 881	\$79 234 422 937	291 572 189 140

Source: Queensland Government Statistician's Office, 'Overseas exports by port of loading, commodity (3-digit SITC revision 4) and country of destination, Queensland and Australia, 2009-10 to 2019-20', International trade, Exports, 10 February 2021

Comments Table 10

Table 10 provides the value and gross volume of goods exported through Cairns and Townsville to all destinations from 2017-18 and 2019-20. This data is displayed by mode of transport (air and ship).

Please note: the total values provided in the table include the value and volume where the mode of transport is not known.

The data in Table 10 shows:

- ❖ By both value and weight more Queensland goods were exported from Townsville compared with Cairns:
 - In 2019-20, \$6.41 billion of goods were exported from Townsville to all destinations compared with 125.30 million from Cairns.
- ❖ Goods exported from Townsville are nearly exclusively exported by ship:
 - In 2017-18, \$146 644 of goods were exported from Townsville by air to all destinations compared with the \$5.45 billion of goods exported by ship.
 - The value of goods exported from Cairns by air was relatively similar to the value of goods exported from the city by ship in 2017-18 and 2018-19.
- ❖ In 2019-20, a higher value of goods (\$116.12 million) was exported by air compared with the value of goods exported by ship (\$9.18 million).
- ❖ A significant majority of Queensland's goods are exported by ship compared with goods exported by air:
 - In 2019-20, the value of goods exported from all of Queensland's ports of loading by air was \$2.75 billion compared with \$76.48 billion of goods exported by ship; approximately 61 875 tonnes of goods were exported by air compared with 291.51 million tonnes of goods exported by ship.

Table 11. Queensland Exports to Papua New Guinea, New Zealand and Pacific Island Nations by Port of Loading, Value and Gross Weight, 2017-18 to 2019-20

Port of loading (mode of transport)	Mode of transport	2017-18		2018-19		2019-20	
		Value (\$AUD)	Gross weight (KG)	Value (\$AUD)	Gross weight (KG)	Value (\$AUD)	Gross weight (KG)
Cairns							
	Air	\$45 231 887	1 361 106	\$46 023 397	688 964	\$51 429 671	544 949
	Ship	\$9 600 581	67 569 985	\$7 932 300	47 333 333	\$2 754 250	13 843 317
	Total	\$54 832 468	68 931 090	\$53 955 697	48 022 297	\$54 183 921	14 388 266
Townsville	Air	\$146 644	1 512	-	-	\$1 051 810	255
	Ship	\$24 282 256	30 815 154	\$23 547 863	41 830 559	\$20 838 537	59 397 123
	Total	\$24 428 990	30 816 666	\$23 547 863	41 840 347	\$21 890 347	59 397 378
All Queensland ports of loading	Air	\$508 084 055	15 392 855	\$543 928 060	14 424 332	\$541 042 617	12 245 266
	Ship	\$2 203 641 146	1 083 279 596	\$2 419 269 441	1 098 173 447	\$2 318 941 844	929 448 851
	Total	\$2 711 880 866	1 098 672 539	\$2 963 342 556	1 112 597 907	\$2 860 097 488	941 694 400

Source: Queensland Government Statistician's Office, 'Overseas exports by port of loading, commodity (3-digit SITC revision 4) and country of destination, Queensland and Australia, 2009-10 to 2019-20', International trade, Exports, 10 February 2021

Comments Table 11

Table 11 displays the value and gross volume of exports to Papua New Guinea, New Zealand and Pacific Island nations from 2017-18 to 2019-20. This data is disaggregated by port of loading and includes values for Cairns, Townsville and all Queensland ports of loading. This data is not disaggregated by destination country.

The data in Table 11 indicates:

- ❖ Although significantly more goods (by value and weight) are exported from Townsville than Cairns to all destinations (Table 10), the value of goods exported from Cairns to Papua New Guinea, New Zealand and Pacific Island nations was higher than the value of goods exported from Townsville in 2017-18, 2018-19 and 2019-20
- ❖ The weight of goods exported from Cairns to Papua New Guinea, New Zealand and Pacific Island nations was also higher in 2017-18 and 2018-19, compared with goods exported from Townsville but was lower in 2019-20.
- ❖ In 2017-18, 23.1% (by value) of all goods exported from all Queensland ports of loading to Papua New Guinea, New Zealand and Pacific Island nations were exported by air:
 - This is significantly higher than the proportion of goods exported from all Queensland ports of loading to all destinations (3.6%) in the same year

Table 12. Cairns and Townsville Exports by Destination Country, Port of Loading and Mode of Transport, Value and Gross Weight, 2017-18 to 2019-20

Destination Country	Port of loading	Mode of transport	2017-18		2018-19		2019-20	
			Value (\$AUD)	Gross weight (KG)	Value (\$AUD)	Gross weight (KG)	Value (\$AUD)	Gross weight (KG)
Papua New Guinea	Cairns	Air	\$45 149 963	1 359 614	\$45 857 390	687 042	\$51 337 467	541 969
		Ship	\$1 068 940	94 282	\$1 612 972	648 705	\$401 677	128 417
	Townsville	Air	\$146 644	1 512				
		Ship	\$17 185 778	7 062 231	\$9 908 169	4 598 535	\$4 124 336	2 220 803
Cook Islands	Cairns	Air			\$46 283	338		
		Ship						
	Townsville	Air						
		Ship						
Federated States of Micronesia	Cairns	Air	\$40 000	23			\$5 440	73
		Ship						
	Townsville	Air						
		Ship	\$59 576	2 580				
Fiji	Cairns	Air			\$6 377	126		
		Ship			\$242 816	4 730		
	Townsville	Air						
		Ship						
French Polynesia	Cairns	Air	\$17 000	50			\$6 035	61
		Ship						
	Townsville	Air						
		Ship						

Destination Country	Port of loading	Mode of transport	2017-18		2018-19		2019-20	
			Value (\$AUD)	Gross weight (KG)	Value (\$AUD)	Gross weight (KG)	Value (\$AUD)	Gross weight (KG)
Nauru	Cairns	Air						
		Ship						
	Townsville	Air						
		Ship					\$3 420 581	297 900
New Zealand	Cairns	Air	\$13 319	753	\$90 217	675	\$16927	821
		Ship	\$8 180 625	66 746 891	\$6 057 412	46 659 898	\$2 232 573	13 709 900
	Townsville	Air					\$1 051 810	255
		Ship	\$6 947 407	23 737 661	\$11 710 345	36 848 048	\$12 416 886	56 548 100
Palau	Cairns	Air						
		Ship						
	Townsville	Air						
		Ship			\$16 000	6 000		
Republic of Marshall Islands	Cairns	Air						
		Ship						
	Townsville	Air					\$26 315	1 500
		Ship						
Solomon Islands	Cairns	Air	\$3 517	109	\$23 130	783	\$63 802	2 025
		Ship	\$351 016	728 812	\$20 000	20 000	\$120 000	5000
	Townsville	Air						
		Ship	\$89 495	12 682	\$263 349	209 976	\$170 419	68 820

Destination Country	Port of loading	Mode of transport	2017-18		2018-19		2019-20	
			Value (\$AUD)	Gross weight (KG)	Value (\$AUD)	Gross weight (KG)	Value (\$AUD)	Gross weight (KG)
Tonga	Cairns	Air	\$8 088	557				
		Ship						
	Townsville	Air						
		Ship			\$1 650 000	168 000	\$680 000	260 000
Total exports (PNG, New Zealand and Pacific Island nations)	Cairns	Air	\$45 231 887	1 361 106	\$46 023 397	688 964	\$51 429 671	544 949
		Ship	\$9 600 581	67 569 985	\$7 932 300	47 333 333	\$2 754 250	13 843 317
		Total	\$54 832 468	68 931 090	\$53 955 697	48 022 297	\$54 183 921	14 388 266
	Townsville	Air	\$146 644	1 512			\$1 051 810	255
		Ship	\$24 282 256	30 815 154	\$23 547 863	41 830 559	\$20 838 537	59 397 123
		Total	\$24 428 900	30 816 666	\$23 547 863	41 830 559	\$21 890 347	59 397 378

Source: Queensland Government Statistician's Office, 'Overseas exports by port of loading, commodity (3-digit SITC revision 4) and country of destination, Queensland and Australia, 2009-10 to 2019-20', International trade, Exports, 10 February 2021

Comments Table 12

Table 12 displays the value and gross volume of goods exported through Cairns and Townsville by air and ship to Papua New Guinea, New Zealand and Pacific Island nations from 2017-18 to 2019-20. This data is disaggregated by destination country.

The data in table 12 shows:

- ❖ A higher value of goods was exported from Cairns to Papua New Guinea in 2017-18, 2018-19 and 2019-20 compared with goods exported from Townsville to Papua New Guinea:
 - For example, in 2019-20 \$51.34 million of goods was exported from Cairns to Papua New Guinea by air, in addition to \$401 677 of goods by ship, compared with the \$4.12 million of goods exported from Townsville to Papua New Guinea (exclusively by ship).
- ❖ In contrast, the gross weight of goods exported from Townsville to Papua New Guinea was higher in all three years than the gross weight of goods exported from Cairns to Papua New Guinea.
- ❖ The export of goods from Cairns and Townsville to Papua New Guinea is consistent with trends in the export of goods to other countries in the region:
 - By value, Cairns is a larger source of goods overall to the region and these are primarily exported by air.
 - Goods exported from Townsville were primarily exported by ship.
- ❖ From 2017-18 to 2019-20, six nations (Kiribati, New Caledonia, Nuie, Samoa, Tuvalu and Vanuatu) did not receive any goods exports from Cairns and Townsville as per the Queensland Government Statistician's Office reports shown here.

Table 13. Cairns and Townsville Commodity (SITC 1-digit and SITC 2-digit), Value and Gross Weight, 2017-18 to 2019-20

SITC 1-digit classification	SITC 2-digit classification	Value (\$AUD)	Gross weight (KG)
2017-18			
0 Food and live animals	01 Meat and meat preparations	\$562 107	78 383
	03 Fish (excl. marine mammals) crustaceans, molluscs and aquatic invertebrates, and preparations thereof (excl. extracts and juices of fish, crustaceans, molluscs or other aquatic invertebrates, prepared or preserved of SIT 01710)	\$9 891	324
	04 Cereals and cereal preparations	\$328 659	27 105
	05 Vegetables and fruit	\$114 343	13 532
	06 Sugars, sugar preparations and honey	\$9 668 043	79 448 890
	07 Coffee, tea, coca, spices and manufactures thereof	\$732	18
0 Food and live animals Total		\$10 683 775	79 568 252
1 Beverages and tobacco	11 Beverages	\$1160	64
1 Beverages and tobacco Total		\$1160	64
2 Crude materials, inedible, except fuels	26 Textile fibres (excl. wool tops and other combed wool) and their wastes, not manufactured into yarn or fabric	\$3402	1711
	Crude animal and vegetable materials not elsewhere specified	\$49 452	15150
2 Crude materials, inedible, except fuels Total		\$52 854	16 861
3 Mineral fuels, lubricants and related materials	33 Petroleum, petroleum products and related materials	\$2 372 442	4 558 741
3 Mineral fuels, lubricants and related materials Total		\$2 372 442	4 558 741
5 Chemicals and related products not elsewhere stated	52 Inorganic chemicals	\$2 060 638	615 490
	53 Dyeing, tanning and colouring materials	\$92 519	4859
	54 Medicinal and pharmaceutical products	\$149 733	547
	55 Essential oils and resinoids and perfume materials; toilet, polishing and cleansing preparations	\$21 877	1254
	56 Fertilisers (excl. those of group 272)	\$5 070 225	11 000 000
	57 Plastics in primary forms	\$1812	20
	58 Plastics in non-primary forms	\$158 257	16 076
	59 Chemical materials and products, not elsewhere stated	\$200 566	2016
5 Chemicals and related products not elsewhere stated Total		\$7 755 627	11 640 262

SITC 1-digit classification	SITC 2-digit classification	Value (\$AUD)	Gross weight (KG)
2017-18			
6 Manufactured goods classified chiefly by material	61 Leather manufactures, not elsewhere stated, and dressed furskins	\$36 036	296
	62 Rubber manufactures, not elsewhere stated	\$380 865	6 592
	63 Cork and wood manufactures (excl. furniture)	\$379 250	96 150
	64 Paper, paperboard and articles of paper pulp, of paper or of paperboard	\$10 274	408
	65 Textile yarn, fabrics, made-up articles Not elsewhere stated, and related products	\$111 415	2025
	66 Non-metallic mineral manufactures, not elsewhere stated	\$91 923	867
	67 Iron and steel	\$891 222	160 603
	68 Non-ferrous metals	\$8816	600
	69 Manufactures of metal, not elsewhere specified	\$2 513 831	686 746
6 Manufactured goods classified chiefly by material Total		\$4 423 632	954 285
7 Machinery and transport equipment	71 Power generating machinery and equipment	\$1 934 706	43 477
	72 Machinery specialized for particular industries	\$8 850 118	475 064
	73 Metal working machinery	\$100 573	9 727
	74 General and industrial machinery and equipment, not elsewhere specified, and machine parts, not elsewhere specified	\$8 782 668	145 933
	75 Office machines and automatic data processing machines	\$2 978 631	7 235
	76 Telecommunications and sound recording and reproducing apparatus and equipment	\$3 119 381	7 108
	77 Electrical machinery, apparatus and appliances, not elsewhere specified, and electrical parts thereof (incl. non electrical counterparts, not elsewhere specified, of electrical household type equipment	\$4 114 399	57 820
	78 Road vehicles (incl. air cushion vehicles)	\$1 177 990	119 595
	79 Transport equipment (excl. road vehicles)	\$4 874 537	819 119
7 Machinery and transport equipment Total		\$35 933 003	1 685 078

SITC 1-digit classification	SITC 2-digit classification	Value (\$AUD)	Gross weight (KG)
2017-18			
8 Miscellaneous manufactured articles	81 Prefabricated buildings and sanitary, plumbing, heating and lighting fixtures and fittings, not elsewhere specified	\$430 324	15 158
	82 Furniture and parts thereof; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings	\$435 006	58 212
	83 Travel goods, handbags and similar containers	\$45 322	1 158
	84 Articles of apparel and clothing accessories	\$641 393	8 953
	85 Footwear	\$198	1
	87 Professional, scientific, and controlling instruments and apparatus not elsewhere specified	\$4 578 095	10 773
	88 Photographic apparatus, equipment and supplies ad optical goods, not elsewhere specified, watches and clocks	\$171 046	501
	89 Miscellaneous manufactured articles, not elsewhere specified	\$853 226	31 908
Miscellaneous manufactured articles Total		\$7 154 610	126 663
9 Commodities and transactions not classified elsewhere in the SITC	93 Special transactions and commodities not classified according to kind	\$10 855 873	1 197 054
	98 Combined confidential items excluding some of SITC 28099 (exports only) and some of SITC 51099 (imports only)	\$28392	495
9 Commodities and transactions not classified elsewhere in the SITC Total		\$10 884 265	1 197 549
2017-18 total		\$79 261 368	99 747 756

Source: Queensland Government Statistician's Office, Overseas exports by port of loading, commodity (3-digit SITC revision 4) and country of destination, Queensland and Australia, 2009-10 to 2019-20, international trade, exports, 10 February 2021

SITC 1-digit classification	SITC 2-digit classification	Value (\$AUD)	Gross weight (KG)
2018-19			
0 Food and live animals	03 Fish (excl. marine mammals) crustaceans, molluscs and aquatic invertebrates, and preparations thereof (excl. extracts and juices of fish, crustaceans, molluscs or other aquatic invertebrates, prepared or preserved of SIT 01710)	\$1 386	100
	04 Cereals and cereal preparations	\$846 873	19 625
	05 Vegetables and fruit	\$82 128	8 401
	06 Sugars, sugar preparations and honey	\$8 855 521	71 467 898
	07 Coffee, tea, coca, spices and manufactures thereof	\$66	3
	09 Miscellaneous edible products and preparations	\$7	1
0 Food and live animals Total		\$9 785 981	71 496 028
1 Beverages and tobacco	11 Beverages	\$28 861	660
1 Beverages and tobacco Total		\$28 861	660
2 Crude materials, inedible, except fuels	26 Textile fibres (excl. wool tops and other combed wool) and their wastes, not manufactured into yarn or fabric	\$144 534	120 612
	Crude animal and vegetable materials not elsewhere specified	\$117 628	21 363
2 Crude materials, inedible, except fuels Total		\$262 162	141 975
3 Mineral fuels, lubricants and related materials	33 Petroleum, petroleum products and related materials	\$62 319	6 102
3 Mineral fuels, lubricants and related materials Total		\$62 319	6 102
5 Chemicals and related products not elsewhere stated	52 Inorganic chemicals	\$166 452	1 593 106
	53 Dyeing, tanning and colouring materials	\$34 547	321
	54 Medicinal and pharmaceutical products	\$143 238	785
	55 Essential oils and resinoids and perfume materials; toilet, polishing and cleansing preparations	\$7 584	355
	56 Fertilisers (excl. those of group 272)	\$6 884 835	12 000 000
	57 Plastics in primary forms	\$4 718	132
	58 Plastics in non-primary forms	\$107 592	1 328
	59 Chemical materials and products, not elsewhere stated	\$45 652	389
5 Chemicals and related products not elsewhere stated Total		\$7 394 618	13 596 388

SITC 1-digit classification	SITC 2-digit classification	Value (\$AUD)	Gross weight (KG)
2018-19			
6 Manufactured goods classified chiefly by material	61 Leather manufactures, not elsewhere stated, and dressed furskins	\$22 592	155
	62 Rubber manufactures, not elsewhere stated	\$474 221	7 838
	63 Cork and wood manufactures (excl. furniture)	\$8746	40
	64 Paper, paperboard and articles of paper pulp, of paper or of paperboard	\$12 645	625
	65 Textile yarn, fabrics, made-up articles Not elsewhere stated, and related products	\$135 351	5 964
	66 Non-metallic mineral manufactures, not elsewhere stated	\$62 406	759
	67 Iron and steel	\$705 909	129 618
	69 Manufactures of metal, not elsewhere specified	\$3 227 067	496 899
6 Manufactured goods classified chiefly by material Total		\$4 648 937	641 897
7 Machinery and transport equipment	71 Power generating machinery and equipment	\$2 446 990	60 292
	72 Machinery specialized for particular industries	\$6 915 225	431 830
	73 Metal working machinery	\$85 334	1 172
	74 General and industrial machinery and equipment, not elsewhere specified, and machine parts, not elsewhere specified	\$6 942 105	393 869
	75 Office machines and automatic data processing machines	\$2 711 131	8 357
	76 Telecommunications and sound recording and reproducing apparatus and equipment	\$4 544 303	9 680
	77 Electrical machinery, apparatus and appliances, not elsewhere specified, and electrical parts thereof (incl. non electrical counterparts, not elsewhere specified, of electrical household type equipment	\$3 651 804	38 388
	78 Road vehicles (incl. air cushion vehicles)	\$878 812	69 760
	79 Transport equipment (excl. road vehicles)	\$9 245 783	2 374 733
7 Machinery and transport equipment Total		\$37 421 487	3 388 081

SITC 1-digit classification	SITC 2-digit classification	Value (\$AUD)	Gross weight (KG)
2018-19			
8 Miscellaneous manufactured articles	81 Prefabricated buildings and sanitary, plumbing, heating and lighting fixtures and fittings, not elsewhere specified	\$59 271	1 930
	82 Furniture and parts thereof; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings	\$57 967	19047
	83 Travel goods, handbags and similar containers	\$39 809	348
	84 Articles of apparel and clothing accessories	\$234 648	3 146
	85 Footwear	\$7748	77
	87 Professional, scientific and controlling instruments and apparatus not elsewhere specified	\$5 737 523	9 263
	88 Photographic apparatus, equipment and supplies and optical goods, not elsewhere specified, watches and clocks	\$58 672	1 048
	89 Miscellaneous manufactured articles, not elsewhere specified	\$766 476	18 494
Miscellaneous manufactured articles Total		\$6 962 114	53 352
9 Commodities and transactions not classified elsewhere in the SITC	93 Special transactions and commodities not classified according to kind	\$9 836 845	516 493
	98 Combined confidential items excluding some of SITC 28099 (exports only) and some of SITC 51099 (imports only)	\$1 100 236	11 880
9 Commodities and transactions not classified elsewhere in the SITC Total		\$10 937 081	528 373
2018-2019 total		\$77 503 560	89 852 855

Source: Queensland Government Statistician's Office, Overseas exports by port of loading, commodity (3-digit SITC revision 4) and country of destination, Queensland and Australia, 2009-10 to 2019-20, international trade, exports, 10 February 2021

SITC 1-digit classification	SITC 2-digit classification	Value (\$AUD)	Gross weight (KG)
2019-20			
0 Food and live animals	01 Meat and meat preparations	\$5 632	600
	04 Cereals and cereal preparations	\$18 345	9 891
	05 Vegetables and fruit	\$120 264	48 756
	06 Sugars, sugar preparations and honey	\$9 233 736	59 226 919
	07 Coffee, tea, coca, spices and manufactures thereof	\$11 468	942
	09 Miscellaneous edible products and preparations	\$22 841	5 395
0 Food and live animals Total		\$9 412 286	59 292 502
2 Crude materials, inedible, except fuels	26 Textile fibres (excl. wool tops and other combed wool) and their wastes, not manufactured into yarn or fabric	\$105 080	125 742
	27 Crude fertilizers (excl. those of Division 56) and crude minerals (excl. coal, petroleum and precious stones)	\$19 177	97
	Crude animal and vegetable materials not elsewhere specified	\$19	1
2 Crude materials, inedible, except fuels Total		\$124 276	125 840
3 Mineral fuels, lubricants and related materials	33 Petroleum, petroleum products and related materials	\$77 756	18 031
3 Mineral fuels, lubricants and related materials Total		\$77 756	18 031
4 Animal and vegetable oils, fats and waxes	43 Animal or vegetable fats and oils, processed; waxes of animal or vegetable origin; inedible mixtures or preparations of animal or vegetable fats or oils, not elsewhere specified	\$8 696	943
4 Animal and vegetable oils, fats and waxes Total		\$8 696	943
5 Chemicals and related products not elsewhere stated	51 Organic chemicals	\$368	44
	52 Inorganic chemicals	\$225 054	1 687 946
	53 Dyeing, tanning and colouring materials	\$19 868	576
	54 Medicinal and pharmaceutical products	\$589 178	1 306
	55 Essential oils and resinoids and perfume materials; toilet, polishing and cleansing preparations	\$49 980	2 287
	56 Fertilisers (excl. those of group 272)	\$5 274 889	11 000 000
	57 Plastics in primary forms	\$8 695	32
	58 Plastics in non-primary forms	\$202 054	1344
	59 Chemical materials and products, not elsewhere stated	\$831 277	6 985
5 Chemicals and related products not elsewhere stated Total		\$7 201 363	12 700 520

SITC 1-digit classification	SITC 2-digit classification	Value (\$AUD)	Gross weight (KG)
2019-20			
6 Manufactured goods classified chiefly by material	62 Rubber manufactures, not elsewhere stated	\$560 613	3 685
	63 Cork and wood manufactures (excl. furniture)	\$13 718	20
	64 Paper, paperboard and articles of paper pulp, of paper or of paperboard	\$19 984	1 555
	65 Textile yarn, fabrics, made-up articles Not elsewhere stated, and related products	\$400 406	6 730
	66 Non-metallic mineral manufactures, not elsewhere stated	\$165 615	1 321
	67 Iron and steel	\$492 759	63 718
	68 Non-ferrous metals	\$7 605	203
	69 Manufactures of metal, not elsewhere specified	\$1 780 563	96 793
6 Manufactured goods classified chiefly by material Total		\$3 441 263	174 024
7 Machinery and transport equipment	71 Power generating machinery and equipment	\$1 148 587	11 116
	72 Machinery specialized for particular industries	\$8 622 199	404 452
	73 Metal working machinery	\$180 724	774
	74 General and industrial machinery and equipment, not elsewhere specified, and machine parts, not elsewhere specified	\$7 110 508	76 490
	75 Office machines and automatic data processing machines	\$5 274 103	11 799
	76 Telecommunications and sound recording and reproducing apparatus and equipment	\$2 596 269	5 828
	77 Electrical machinery, apparatus and appliances, not elsewhere specified, and electrical parts thereof (incl. non electrical counterparts, not elsewhere specified, of electrical household type equipment	\$2 726 298	32 449
	78 Road vehicles (incl. air cushion vehicles)	\$863 685	58 163
	79 Transport equipment (excl. road vehicles)	\$4 229 017	391 052
7 Machinery and transport equipment Total		\$32 751 390	992 124

SITC 1-digit classification	SITC 2-digit classification	Value (\$AUD)	Gross weight (KG)
2019-20			
8 Miscellaneous manufactured articles	81 Prefabricated buildings and sanitary, plumbing, heating and lighting fixtures and fittings, not elsewhere specified	\$158 035	1 553
	82 Furniture and parts thereof; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings	\$118 309	14 984
	83 Travel goods, handbags and similar containers	\$51 311	384
	84 Articles of apparel and clothing accessories	\$627 100	7 839
	87 Professional, scientific, and controlling instruments and apparatus not elsewhere specified	\$6 895 356	9 954
	88 Photographic apparatus, equipment and supplies and optical goods, not elsewhere specified, watches and clocks	\$402 704	636
	89 Miscellaneous manufactured articles, not elsewhere specified	\$597 210	7 119
Miscellaneous manufactured articles Total		\$8 850 025	42 469
9 Commodities and transactions not classified elsewhere in the SITC	93 Special transactions and commodities not classified according to kind	\$11 626 424	425 247
	98 Combined confidential items excluding some of SITC 28099 (exports only) and some of SITC 51099 (imports only)	\$2 580 789	13 945
9 Commodities and transactions not classified elsewhere in the SITC Total		\$14 207 213	439 192
2019-20 total		\$76 074 268	73 785 644

Source: Queensland Government Statistician's Office, Overseas exports by port of loading, commodity (3-digit SITC revision 4) and country of destination, Queensland and Australia, 2009-10 to 2019-20, international trade, exports, 10 February 2021

Comments Table 13.

Table 13 displays the annual volume and value of Queensland trade exports limited to those from Cairns and Townsville by commodity, to Papua New Guinea, New Zealand and Pacific Island nations in 2017-18, 2018-19 and 2019-20.

This information is derived from the QGSO publication, Overseas exports by commodity (5-digit SITC revision 4) and country of destination, Queensland and other states and territories, 2009-10 to 2019-20.

This information is broken down by STIC 1-digit and 2-digit categories but is not disaggregated by country.

Table 14. Queensland Exports to Papua New Guinea, New Zealand and Pacific Island Nations, by Industry (ANZSIC 2-digit), Value and Gross Weight, 2017-18 to 2019-20

Industry classification (ANZIC 2-digit)	Value (\$AUD)	Gross weight (KG)
2017-18		
01 Agriculture	\$51 506 651	25 241 221
02 Aquaculture	\$24 914	833
03 Forestry and Logging	\$1 857 393	1 745 126
04 Fishing, Hunting and Trapping	\$1 472 831	754 020
05 Agriculture, Forestry and Fishing Support Services	\$244 429	459 796
06 Coal Mining	\$6 150	4000
07 Oil and Gas extraction	\$254 831	268 528
08 Metal Ore Mining	\$100 143	82290
09 Non-Metallic Mineral Mining and Quarrying	\$1 984 419	3 048 647
11 Food Product Manufacturing	\$225 543 850	181 810 572
12 Beverage and Tobacco Product Manufacturing	\$23 116 540	15 697 610
13 Textile, Leather, Clothing and Footwear Manufacturing	\$36 325 438	6 022 808
14 Wood Product Manufacturing	\$19 530 578	8 758 656
15 Pulp, Paper and Converted Paper Product Manufacturing	\$29 614 285	41 676 974
16 Printing (including the Reproduction of Recorded Media)	\$1 942 915	186 744
17 Petroleum and Col Product Manufacturing	\$23 173 819	16 316 900
18 Basic Chemical and Chemical Product Manufacturing	\$141 234 506	81 912 284
19 Polymer Product and Rubber Product Manufacturing	\$109 672 793	16 155 297
20 Non-Metallic Mineral Product Manufacturing	\$25 259 858	53 541 088
21 Primary Metal and Metal Product Manufacturing	\$57 991 187	13 942 154
22 Fabricated Metal Product Manufacturing	\$140 082 364	24 447 259
23 Transport Equipment Manufacturing	\$216 363 372	18 622 274

Industry classification (ANZIC 2-digit)	Value (\$AUD)	Gross weight (KG)
2017-18		
24 Machinery and Equipment Manufacturing	\$581 702 014	31 343 389
25 Furniture and Other Manufacturing	\$41 679 022	3 360 954
54 Publishing (except Internet and Music Publishing)	\$9 067 079	199 546
98 Sum of items not readily classified and those which are confidential and cannot be more specifically classified	\$358 980 248	459 094 594
2017-18 Total	\$2 098 731 629	1 004 673 566

Source: Queensland Government Statistician's Office: Overseas exports by industry (4-digit ANZSIC 2006 edition) and country of destination, Queensland and other states and territories, 2009-10 to 2019-20, International trade, Exports, 10 February 2021

Industry classification (ANZIC 2-digit)	Value (\$AUD)	Gross weight (KG)
2018-19		
01 Agriculture	\$49 870 422	22 136 706
02 Aquaculture	\$47 736	1 880
03 Forestry and Logging	\$2 310 096	1 985 911
04 Fishing, Hunting and Trapping	\$1 089 339	821 390
05 Agriculture, Forestry and Fishing Support Services	\$155 442	16 814
06 Coal Mining	\$6 737	1000
07 Oil and Gas extraction	\$231 027	127 443
08 Metal Ore Mining	\$140 611	75 000
09 Non-Metallic Mineral Mining and Quarrying	1 601 780	3 478 447
11 Food Product Manufacturing	233 363 232	208 155 875
12 Beverage and Tobacco Product Manufacturing	19 521 981	10 490 431
13 Textile, Leather, Clothing and Footwear Manufacturing	\$38 334 913	6 616 666
14 Wood Product Manufacturing	20 196 634	9 117 766
15 Pulp, Paper and Converted Paper Product Manufacturing	29 680 654	37 434 006
16 Printing (including the Reproduction of Recorded Media)	\$1 963 097	150 016
17 Petroleum and Col Product Manufacturing	\$16 043 480	5 542 034
18 Basic Chemical and Chemical Product Manufacturing	\$145 978 496	87 917 430
19 Polymer Product and Rubber Product Manufacturing	\$108 603 277	15 004 996
20 Non-Metallic Mineral Product Manufacturing	\$30 589 790	56 047 945
21 Primary Metal and Metal Product Manufacturing	\$63 700 610	19 452 894
22 Fabricated Metal Product Manufacturing	\$153 140 260	28 897 940
23 Transport Equipment Manufacturing	\$237 482 824	12 767 009

Industry classification (ANZIC 2-digit)	Value (\$AUD)	Gross weight (KG)
2018-19		
24 Machinery and Equipment Manufacturing	\$602 537 461	29 437 775
25 Furniture and Other Manufacturing	\$43 561 674	2 843 542
54 Publishing (except Internet and Music Publishing)	\$8 528 558	219 443
98 Sum of items not readily classified and those which are confidential and cannot be more specifically classified	\$442 387 510	452 582 295
2018-19 Total	\$2 269 067 661	1 011 322 656

Source: Queensland Government Statistician's Office: Overseas exports by industry (4-digit ANZSIC 2006 edition) and country of destination, Queensland and other states and territories, 2009-10 to 2019-20, International trade, Exports, 10 February 2021

Industry classification (ANZIC 2-digit)	Value (\$AUD)	Gross weight (KG)
2019-20		
01 Agriculture	\$46 417 390	17 007 922
02 Aquaculture	\$78 765	2 274
03 Forestry and Logging	\$3 409 685	2 146 072
04 Fishing, Hunting and Trapping	\$728 158	482 817
05 Agriculture, Forestry and Fishing Support Services	\$99 431	107
06 Coal Mining	\$12 452	9 627
07 Oil and Gas extraction	\$126 471	16 561
08 Metal Ore Mining	\$132 969	63 874
09 Non-Metallic Mineral Mining and Quarrying	\$1 967 641	3 998 715
11 Food Product Manufacturing	\$219 224 859	156 872 056
12 Beverage and Tobacco Product Manufacturing	\$20 579 217	13 488 982
13 Textile, Leather, Clothing and Footwear Manufacturing	\$36 404 023	5 432 263
14 Wood Product Manufacturing	\$17 212 504	8 073 647
15 Pulp, Paper and Converted Paper Product Manufacturing	23 739 713	25 253 461
16 Printing (including the Reproduction of Recorded Media)	1 764 205	68 809
17 Petroleum and Col Product Manufacturing	\$24 164 385	11 210 689
18 Basic Chemical and Chemical Product Manufacturing	\$146 373 631	71 399 758
19 Polymer Product and Rubber Product Manufacturing	\$103 618 503	14 824 609
20 Non-Metallic Mineral Product Manufacturing	\$40 533 843	69 491 825
21 Primary Metal and Metal Product Manufacturing	\$77 651 214	15 176 517
22 Fabricated Metal Product Manufacturing	\$134 944 876	17 811 223
23 Transport Equipment Manufacturing	\$275 832 780	11 300 732

Industry classification (ANZIC 2-digit)	Value (\$AUD)	Gross weight (KG)
2019-20		
24 Machinery and Equipment Manufacturing	\$554 646 511	25 415 772
25 Furniture and Other Manufacturing	\$39 301 846	2 789 686
54 Publishing (except Internet and Music Publishing)	\$10 593 853	236 892
98 Sum of items not readily classified and those which are confidential and cannot be more specifically classified	\$324 502 726	392 118 272
2019-20 Total	\$2 104 061 651	864 693 161

Source: Queensland Government Statistician's Office: Overseas exports by industry (4-digit ANZSIC 2006 edition) and country of destination, Queensland and other states and territories, 2009-10 to 2019-20, International trade, Exports, 10 February 2021

Comments Table 14

Above tables show the annual volume and value of Queensland's trade exports, by industry, to Papua New Guinea, New Zealand and the Pacific Island nations from 2017-18 to 2019-20. This information is derived from the QGSO publication, Overseas exports by industry (4-digit ANZSIC 2006 edition) and country of destination, Queensland and other states and territories, 2009-10 and 2019-20.

This information is not disaggregated by country and is not available for goods exported from Cairns and Townsville. It does however show the volume of exports from Queensland as a whole and the importance of exports to Papua New Guinea, New Zealand and Pacific Island nations.

Please note: these figures do not include exports of knowledge or education and do not include the value of labour-based earnings as exports.

6. Company Characteristics and Export Information

Company Characteristics

6.1 Type of Exporter

Survey question: Please indicate your main export activity

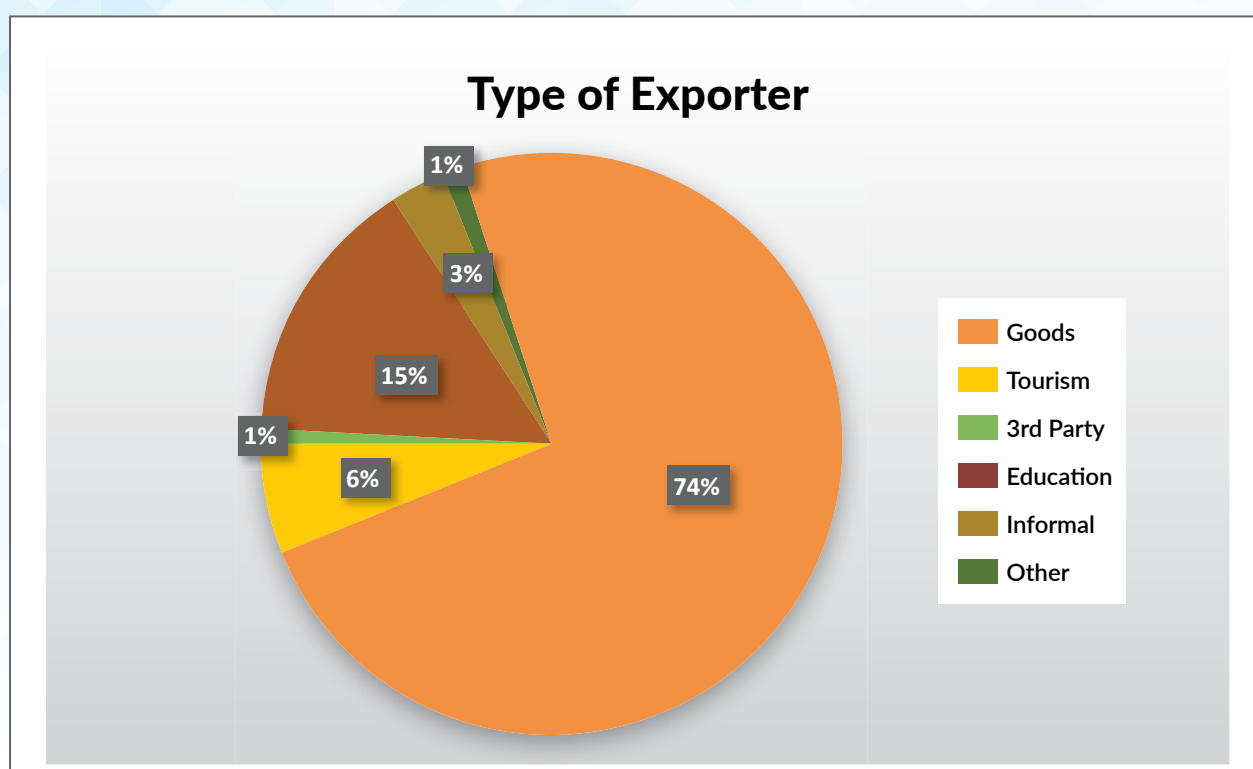


Table 15

Respondents were asked to define their business activity by broad category.

- 74% of respondents identified as Goods and Services sector exporters
- 15% of respondents identified as Education sector exporters
- 5% of respondents identified as Tourism sector exporters
- 3% of respondents identified as Informal sector exports
- 1% of respondents each identified as 3rd Party sector exporters or Other sector exporters

Those who responded to the survey were mainly in the Goods and Services sectors which included:

Construction

Mining – labour supply, hardware and equipment, maintenance and repair

Real estate – property and investment

Consultants and professional services

Retail and wholesale

Agriculture

Manufacturing

Freight and transport logistics

Health

Defence

Those who identified as the Education sector included:

University

TAFE or Vocational Education Training

Private Training Education Institution

Primary or Secondary School

Accommodation or services provider to
education market

Other: (to be specified by respondent)

The Tourism category included:

Accommodation

Tours

Travel

6.2 Number of Employees Per Business

Survey Question: How many employees does your business have?

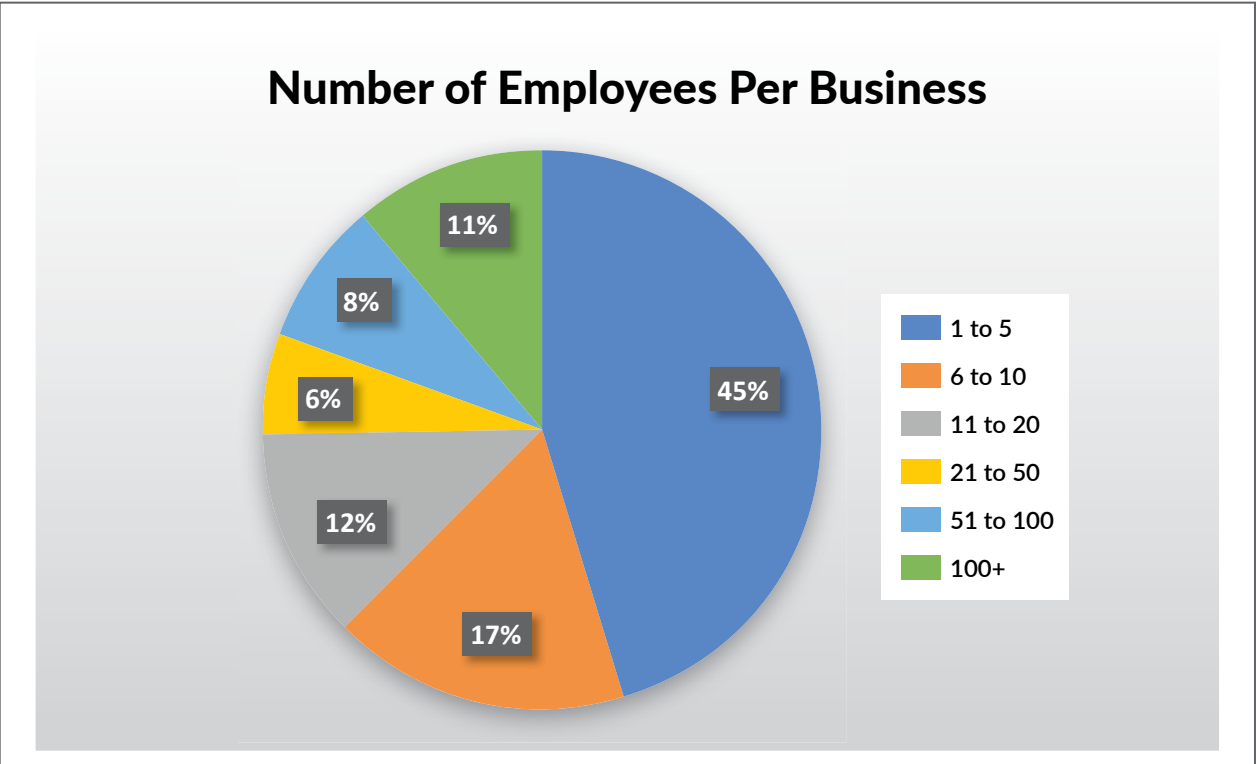


Table 16

Of those businesses who responded to the survey 62% employ between 1 to 10 people. Employees include the owner or management team, so overwhelmingly Cairns based exporters to Papua New Guinea and Pacific Island nations could be considered in the micro-business to small business range.

A further 18% of responding businesses employed between 11- 50 persons, so could be more closely described as Small to Medium Enterprises (SME).

The remaining 19% of businesses reported employing 51 to 100 plus employees.

(2% of respondents did not complete this question. Those who did, identified as 'Informal sector' so could be assumed not to be employers).

Note: The Australian Bureau of Statistics (ABS) defines mirco-business as employing 1-4 people and small business as employing fewer than 20 people.

6.3 Percentage of Respondents who Travel Overseas to Visit Clients

Survey question: Do you visit clients in your export markets?

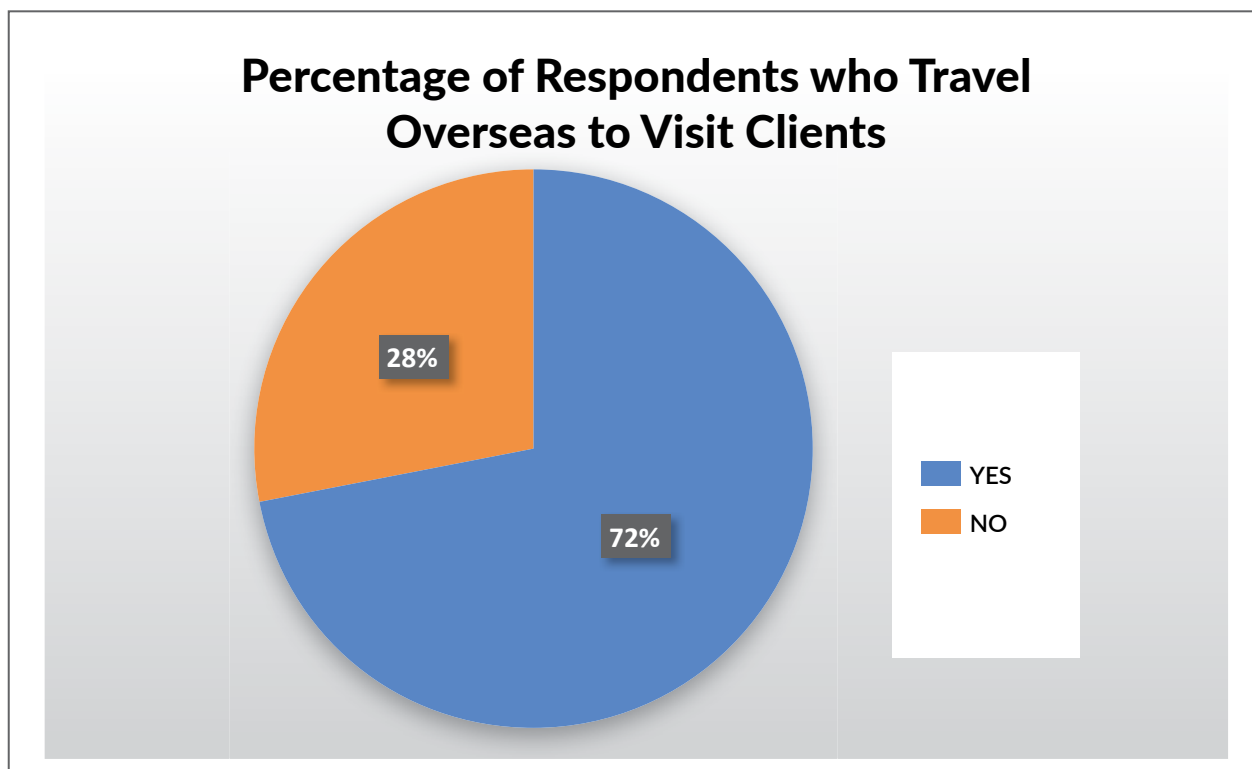


Table 17

The majority of survey respondents travel overseas to visit clients. 72% responded positively to this question.

Respondents were then asked about specific destinations and frequency of travel to those destinations. Multiple answers were permitted as exporters may have clients in multiple markets and may travel to multiple destinations as part of their business and marketing strategy.

What becomes clear is that travel plays an important role in marketing strategy to Papua New Guinea and Pacific Island nations. Whilst 22% reported travel to 'Other' destinations (see list of destinations on following pages), 64% reported travel to Papua New Guinea with other top destinations of Solomon Islands, Vanuatu, Fiji, Autonomous Region of Bougainville and Timor Leste.

When asked about the greatest barriers to trade, effects of COVID 19 and other impediments to trade each response matrix included between 34-37% of all respondents citing border closures and inability to travel as an impediment. 90% of all respondents mentioned inability to travel or difficulties in communications with no ability to access clients for face-to-face contact as causing issues in their business. In extreme cases respondents said that this had caused closure or hibernation of the business until travel was again possible.

We note also that qualitative survey data and anecdotal data from the Papua New Guinea and Pacific Island nation communities given as informal feedback has stressed that disruption to travel has had serious social, cultural and business implications for those communities.

6.4 Number of Visits and Frequency of Visits to Papua New Guinea and Pacific Island Nation Markets

Survey question: Please indicate which markets.

Options included Papua New Guinea, Vanuatu, Timor Leste, Solomon Islands, Fiji, Bougainville and Other

Survey question: How often do you visit each export market per annum?

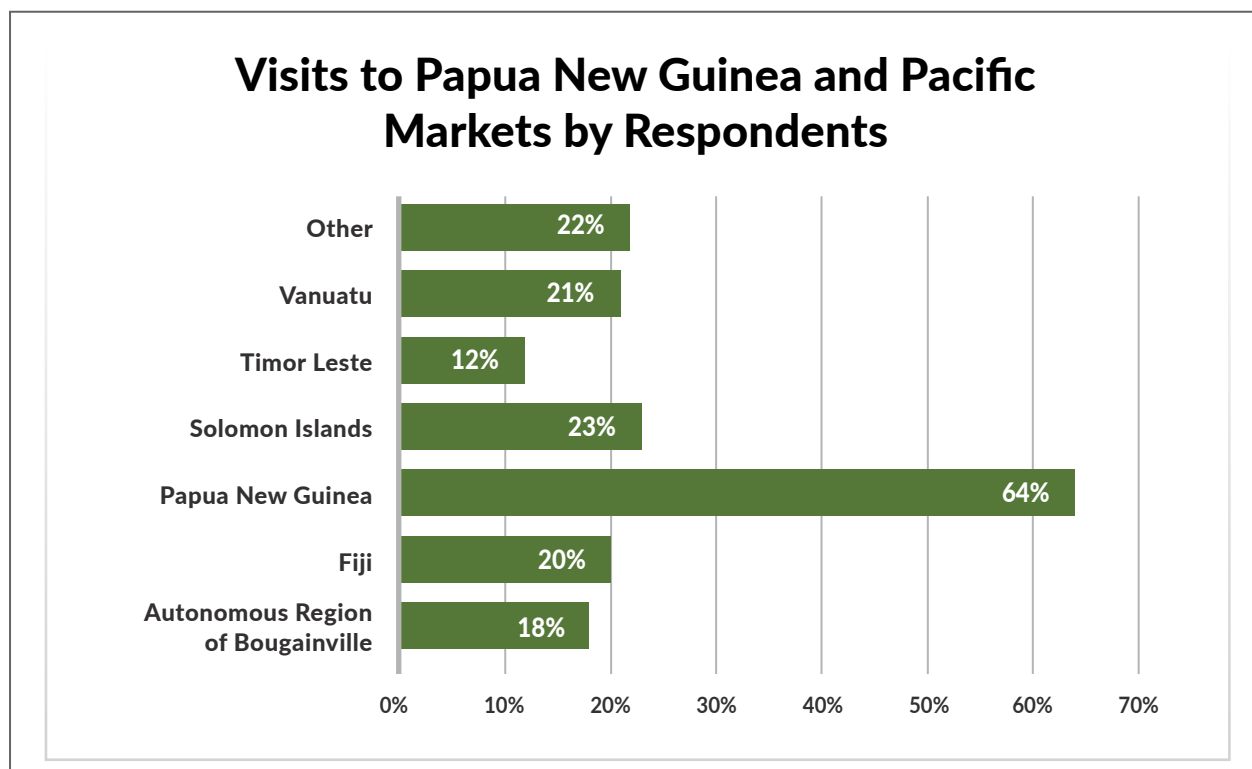


Table 18

Of those 72% of respondents who reported travel did so at the following frequencies:

64% visited Papua New Guinea.

Reported Frequency of in-country travel

15% visited in-country once per annum, 13% twice per annum, 16% 3 to 5 times per annum and 10% reporting travel 6 to 10 times per annum. A further 3% travelled to Papua New Guinea more frequently.

23% visited the Solomon Islands.

Reported Frequency of in-country travel

Of that number, 7% visited once per annum. A further 7% reported travelling between 2 and 5 times per annum. 2% reported travelling to the destination more frequently (between 6-50 times per annum).

21% visited Vanuatu.

Reported Frequency of in-country travel

11% travelled to Vanuatu once per annum and a further 4% reported travelling to the destination twice a year. 3% reported travelling more frequently to the destination (between 6-50 times per annum).

20% visited Fiji.

Reported Frequency of in-country travel

9% travelled once per annum, 7% between 2 and 5 times per annum and a remaining 3% reporting travel between 6-50 times per annum.

18% visited Autonomous Region of Bougainville (AROB).

Reported Frequency of in-country travel

11% reported travelling once per annum, 4% reported travel twice per annum and 3% reported travel 3 to 5 times a year.

12% visited Timor Leste.

Reported Frequency of in-country travel

9% reported travelling to Timor Leste once per annum, with a further 1% reporting travel twice per annum.

In-Country Travel to Other Markets

Of all respondents, 22% reported travel to other markets.

These markets include:

New Caledonia (4%);

Pacific Islands (Tonga, Samoa, Marshall Islands, Niue, Cook Islands, generic descriptions of all PNG and Pacific Island countries, Kiribati, French Polynesia, Palau, Marshall Islands (15%)

New Zealand (2%)

China, Japan, Korea, Taiwan, generic descriptions of South Asia, South East Asia, Singapore, Indonesia, Brunei, Hong Kong, Philippines, Vietnam (8%)

Note: Not all respondents answered the '**frequency of visits**' question, thereby creating an anomaly in the '**report frequency of in-country travel**' when compared with the percentage of '**visits to market**'.

Export Information

6.5 Export Duration for Businesses and Individuals

Survey question: How long have you been an exporter for? How long would you like to export for?
How long did you export for?

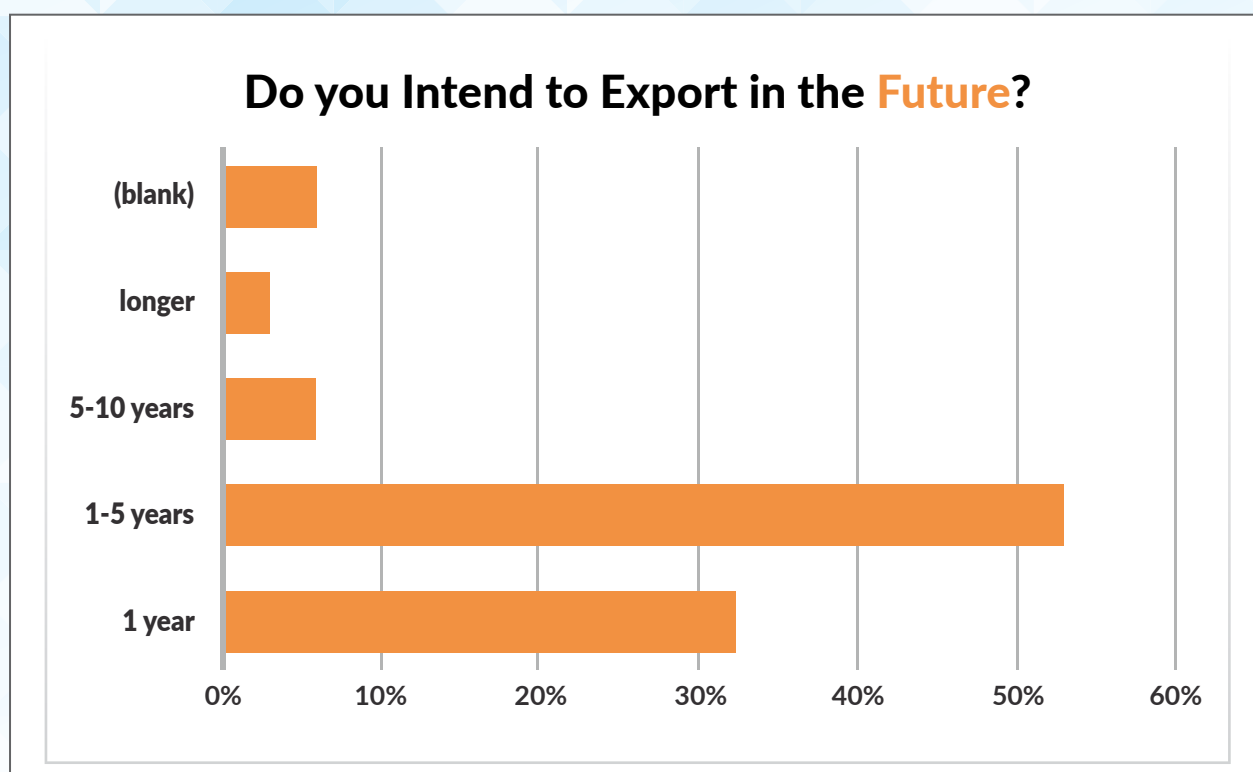


Table 19

When asked future export intentions 32% said they would export within the next year, 53% estimated that they would export in the next 1 to 5 years. 6% of respondents estimated they would export in the next 1 to 10 years with 3% responding intention to export for more than 10 years. 6% left this question blank – which may or may not indicate uncertainty about future intentions or ability to export.

Have you Exported in the **Past** and for what Duration?

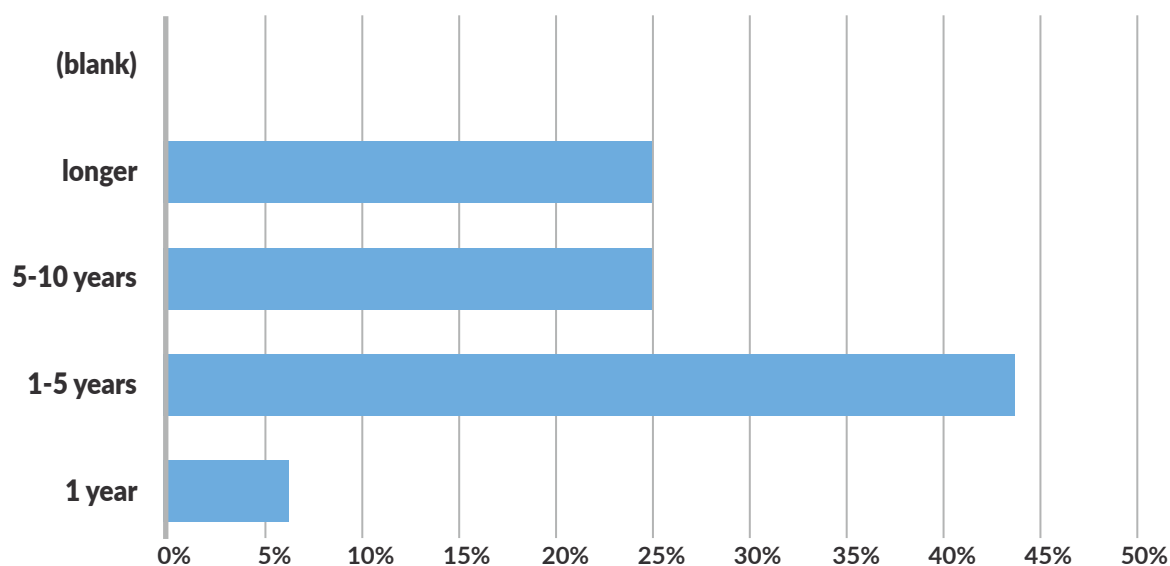


Table 20

All respondents indicated past export experience. There were no blank responses to this question. 50% of all respondents had exported in the past 1 to 5 years, the remaining 50% for 5 to 10 years or longer.

Are you **Currently** Exporting and Duration?

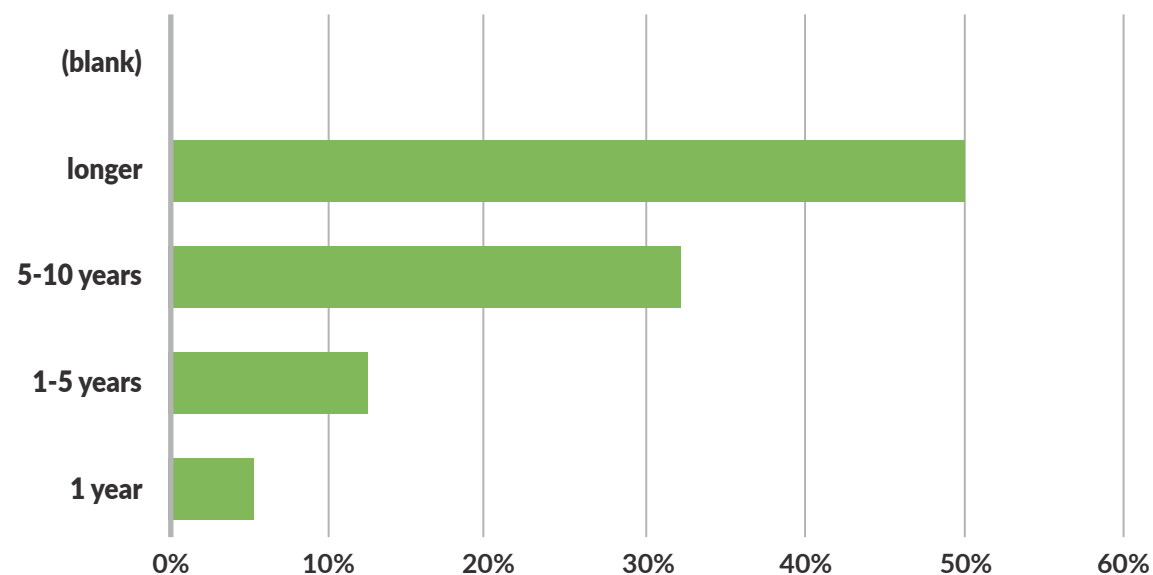


Table 21

82% of respondents had been exporting for 5 to 10 years or longer with the remaining 18% exporting for 1 to 5 years.

Given that there may have been some overlap in response, although the survey format streamed responses by chosen time frame (Future, Past, Present), it is clear that businesses and individuals are making sales of goods and services into Papua New Guinea and Pacific Island nations and that these exports are of long term nature.

6.6 Export Destination Countries

Survey question: Which countries do you export to?

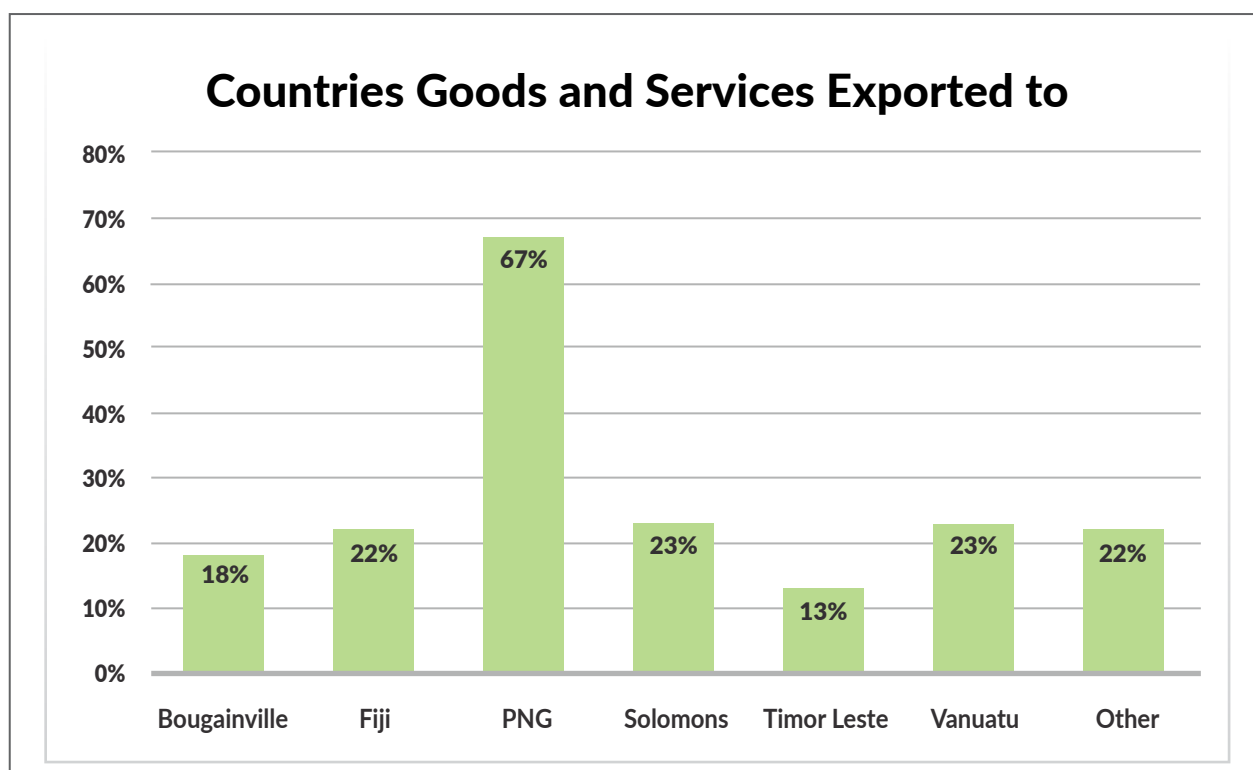


Table 22

Please note: Companies may have multiple export markets so percentages shown will aggregate to more than 100%.

- The largest export destination for goods and services from Cairns and Far North region is Papua New Guinea – with 67% of respondents reporting exports to Papua New Guinea.
- A further 18% reported exports to Autonomous Region of Bougainville (AROB) – which may have significant impacts and implications for Cairns and Far North Queensland in the 2025-27 timeframe indicated for possible political Independence of AROB from Papua New Guinea.
- Vanuatu and Solomon Islands are each reported as export destinations by 23% of respondents and Fiji as an export destination by 22%.
- 13% of respondents export to Timor Leste.
- 22% of respondents export to 'Other' markets which include Micronesia, New Zealand and other Pacific Island nations, Asia (including South East Asia, Singapore, Hong Kong, Malaysia, Indonesia, Mongolia, China, Vietnam), Europe and USA.

When asked to nominate their **largest export market**, companies overwhelmingly nominated Papua New Guinea at approximately 80% in all timeframes (Future, Past and Present).

6.7 Value of Exports in Australian Dollars

Survey question: What is the annual value of exports in Australian dollars?

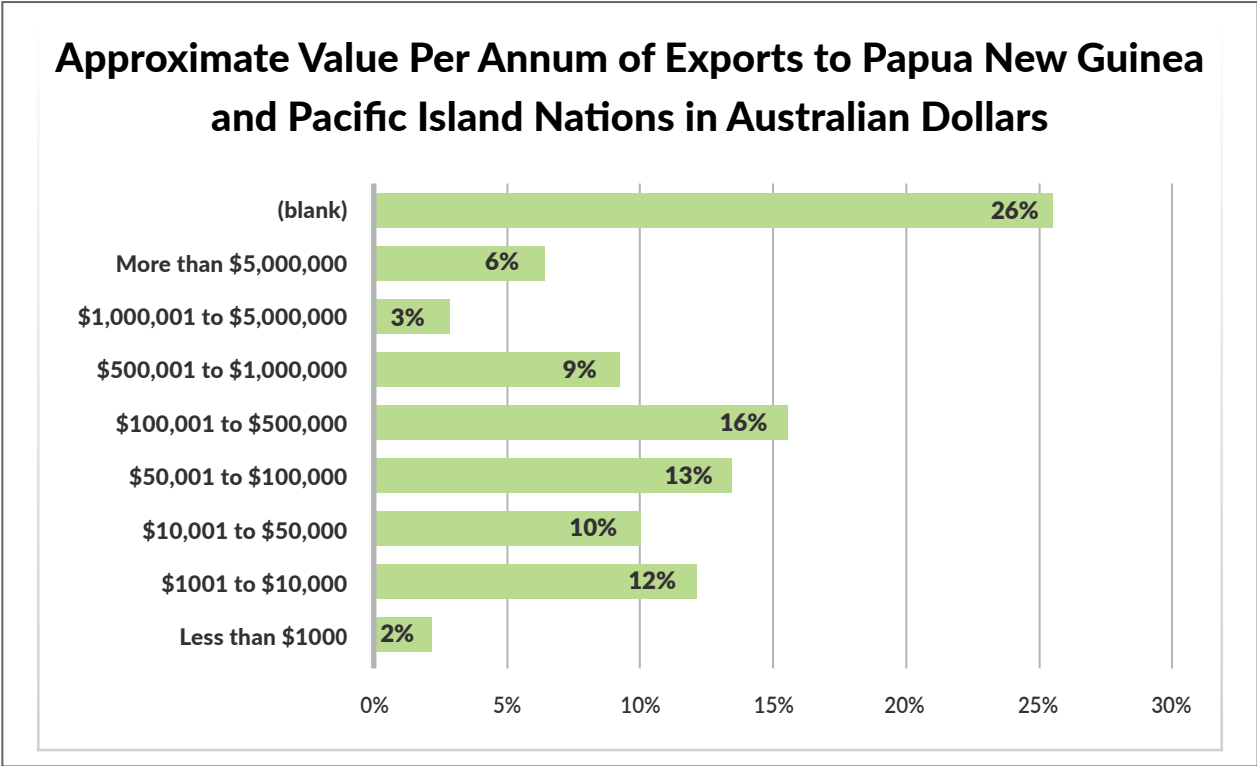


Table 23

An average export income to Papua New Guinea and Pacific Island nations of between \$1000 - \$50 000 per annum was reported by 24% of respondents.

- 13% of respondents reported an average export income in the range of between \$50 001 - \$100 000 per annum.
- 16% of respondents reported an average export income in the range of \$100 001 - \$500 000 per annum.
- A further 12% total of respondents reported average export income in the range of between \$500 001 and up to \$5 000 000 per annum. 6% of the companies reported at \$5 000 000 or more per annum.

Note: It should be noted that 26% of respondents failed to answer this question. These figures represent averaged results over past, present and future options for all respondents.

6.8 Percentage of Annual Turnover Representing Exports to Papua New Guinea and Pacific Island Nations

Survey question: What percentage of your annual turnover is export?

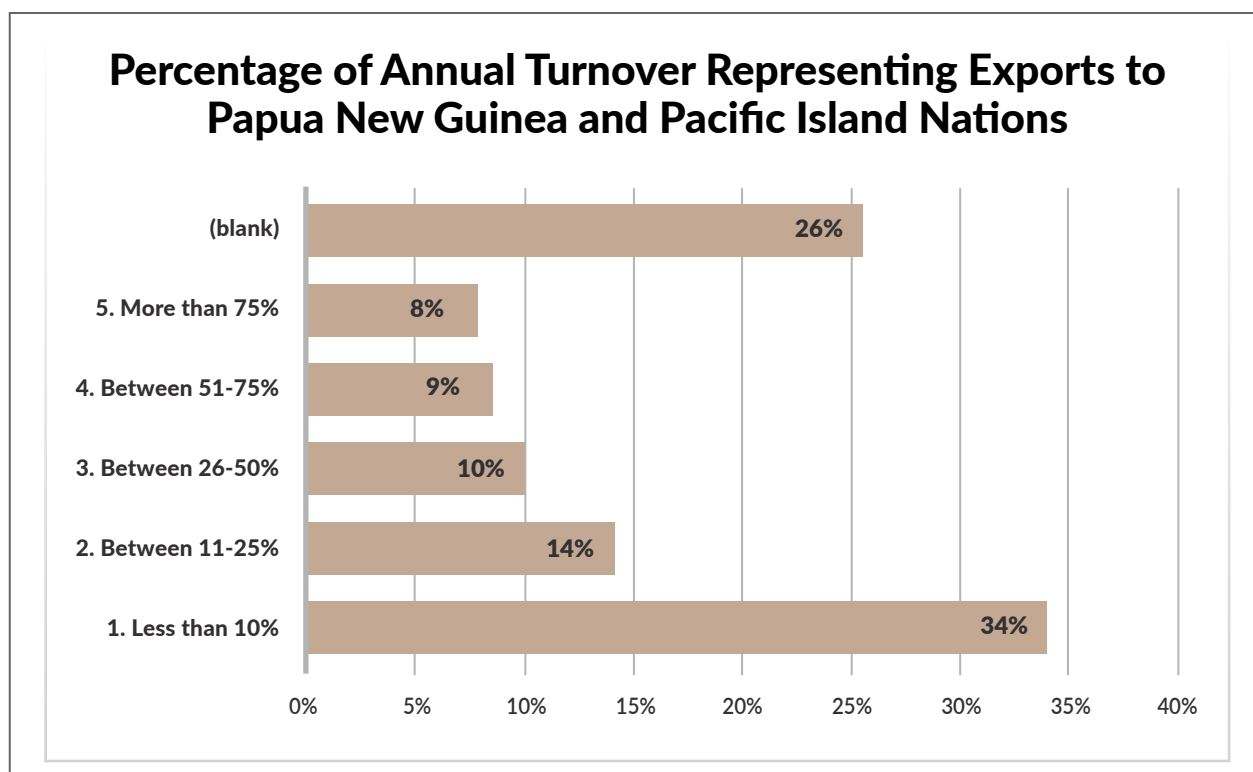


Table 24

When asked about what percentage of turnover was represented by these exports to Papua New Guinea and the Pacific:

- 34% of companies responded, estimating less than 10% of turnover
- 14% of companies estimated between 11-25% of turnover
- 10% of companies estimated between 26-50% of turnover
- 17% of companies estimated between 51-over 75% of turnover

For a total of 58% of all respondents, the estimated percentage of annual turnover representing export sales to Papua New Guinea and Pacific Island nations is 50% or less.

The remaining 17% of respondents estimated their percentage of export turnover to the region as between 51 to more than 75% of total annual turnover for their businesses.

This underscores the importance of Papua New Guinea and Pacific Island nations as markets for Cairns and the Far North region and demonstrates how outward focussed businesses in this region are. Also, how export dependent they are – thus it could be extrapolated also vulnerable to export revenue downturn due to internal or external export disruptions.

Note: It should be noted that 26% of respondents failed to answer this question. These figures represent averaged results over past, present and future options for all respondents.

6.9 Client Billing – Directly or Through Other Parties?

Survey Question: Do you export directly (bill the client directly)?

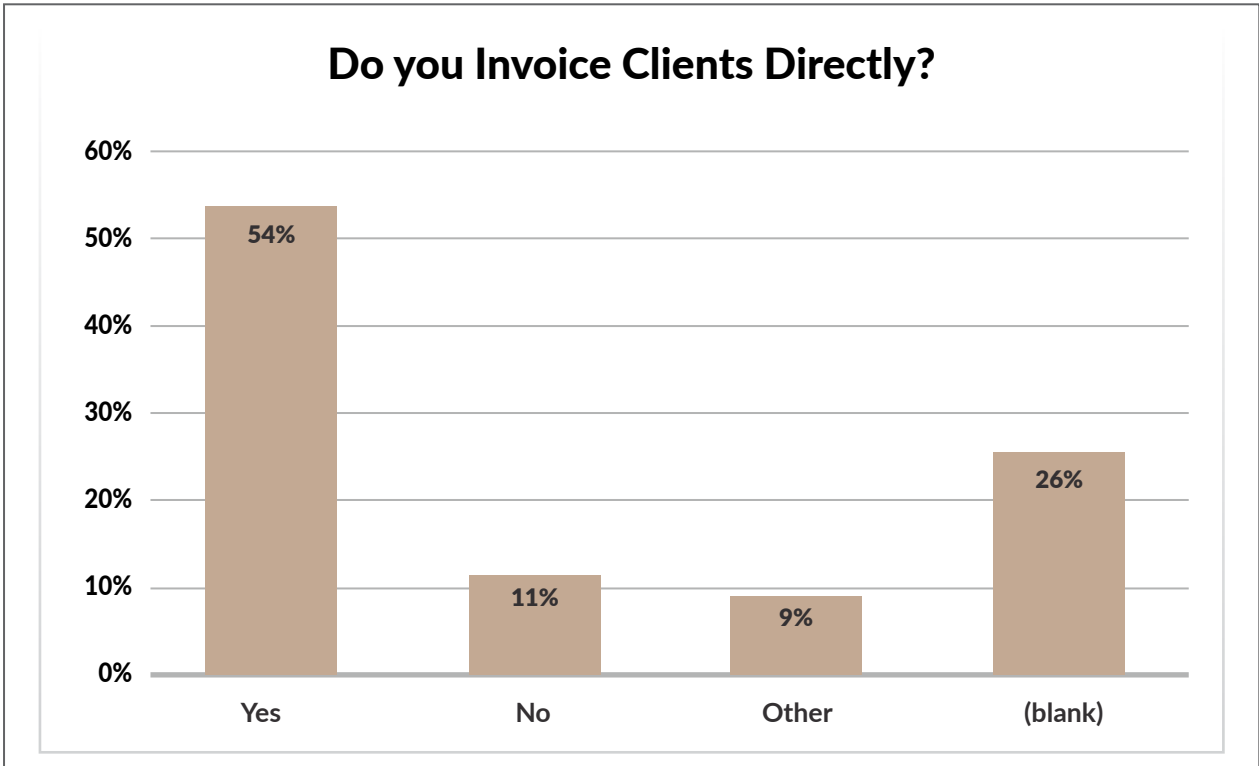


Table 25

- 54% of respondents replied “Yes” that clients were billed directly
- 11% replied “No” to this question
- 9% indicated that other methods were used
- 26% of respondents chose not to respond to the question.

Of the respondents who indicated that they did not invoice directly, comments explain that Cairns or Far North region may not be in charge of this function, even if orders or goods or services are supplied from this region as exports. Head Office or another regional office may be responsible for these functions.

For those who responded ‘Other’, respondents also noted that some goods or services might be supplied as part of larger contracts - so invoicing might be through 3rd Parties such as Head Contractors, Agents etc.

We note that 26% of all respondents chose not to reply to financial aspect questions. This was standard over all such financial questions.

7. Membership of Organisations

7.1 Supplier to Asian Development Bank and World Bank

Survey question: Are you a registered supplier of goods and/or services with Asian Development Bank, World Bank or Other?

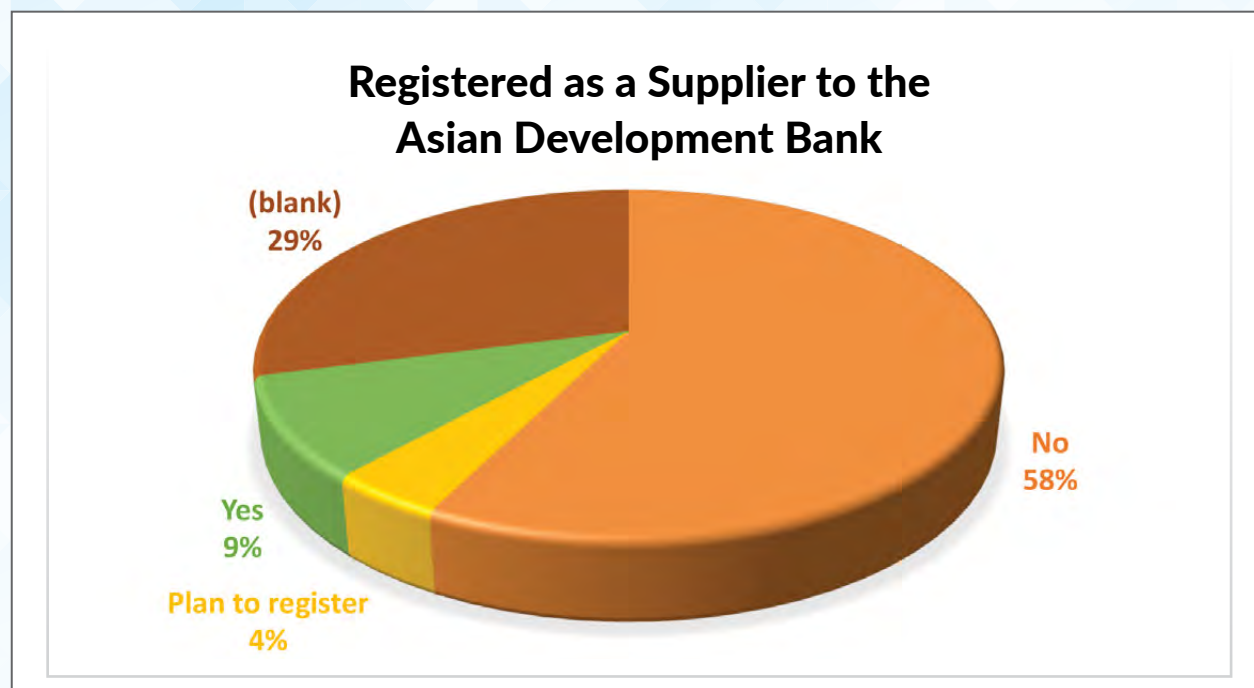


Table 26

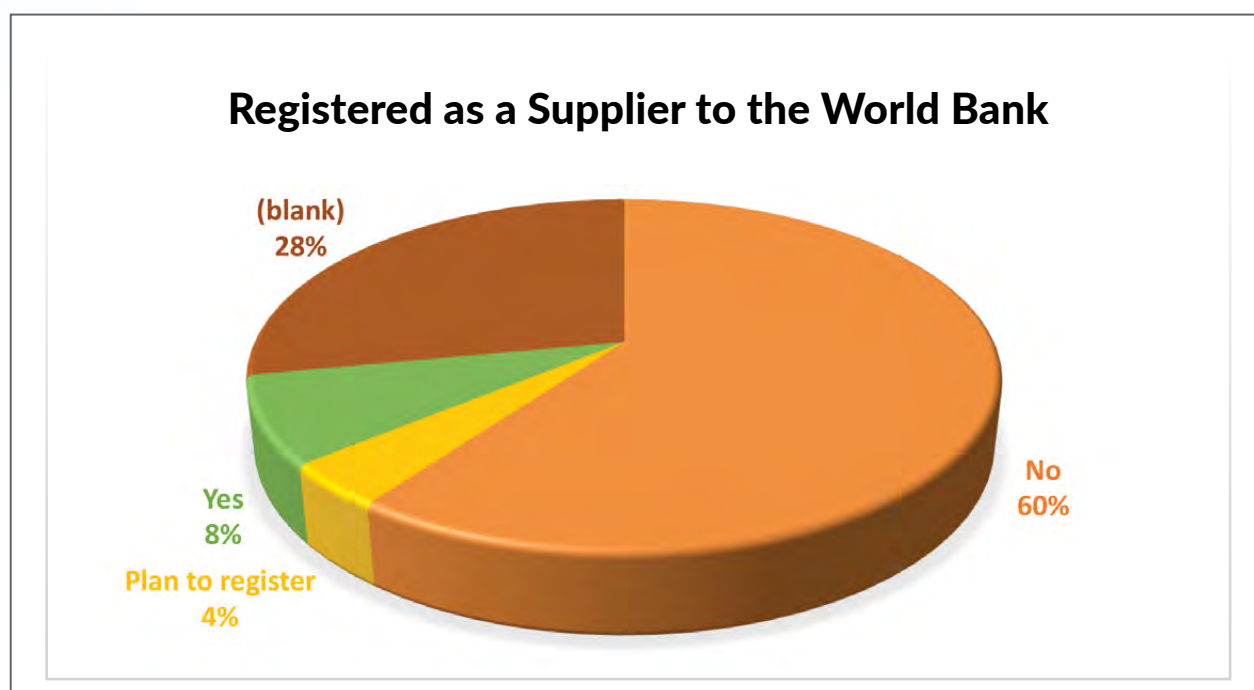


Table 27

Only 9% of respondents are currently registered as a supplier with the Asian Development Bank, with only another 4% intending to register. 29% of respondents left the question blank while 58% are not registered.

It is a similar story with registrations for the World Bank. Only 8% of respondents are registered with a further 4% planning to register. 60% are not registered and 28% of respondents left the question blank.

The responses suggest that either there is a lack of knowledge about the opportunities for supply of knowledge, expertise or services offered by these organisations or that businesses do not see themselves as able to register and access benefits through Asian Development Bank and World Bank opportunities.

There is an opportunity for Austrade and Department of Foreign Affairs and Trade (DFAT) to increase registration of Cairns and Far North region businesses and individuals to supply services to these organisations through workshops about benefits of same, assistance with the registration processes and in assisting Cairns and Far North region businesses pair with larger suppliers to become part of the supply chain for the organisations.

7.2 Membership of Groups or Entities that Assist with Business Training, Knowledge or Skills Acquisition

Survey question: Are you a member of any of the following groups or entities that assist with business training, knowledge or skills acquisition?

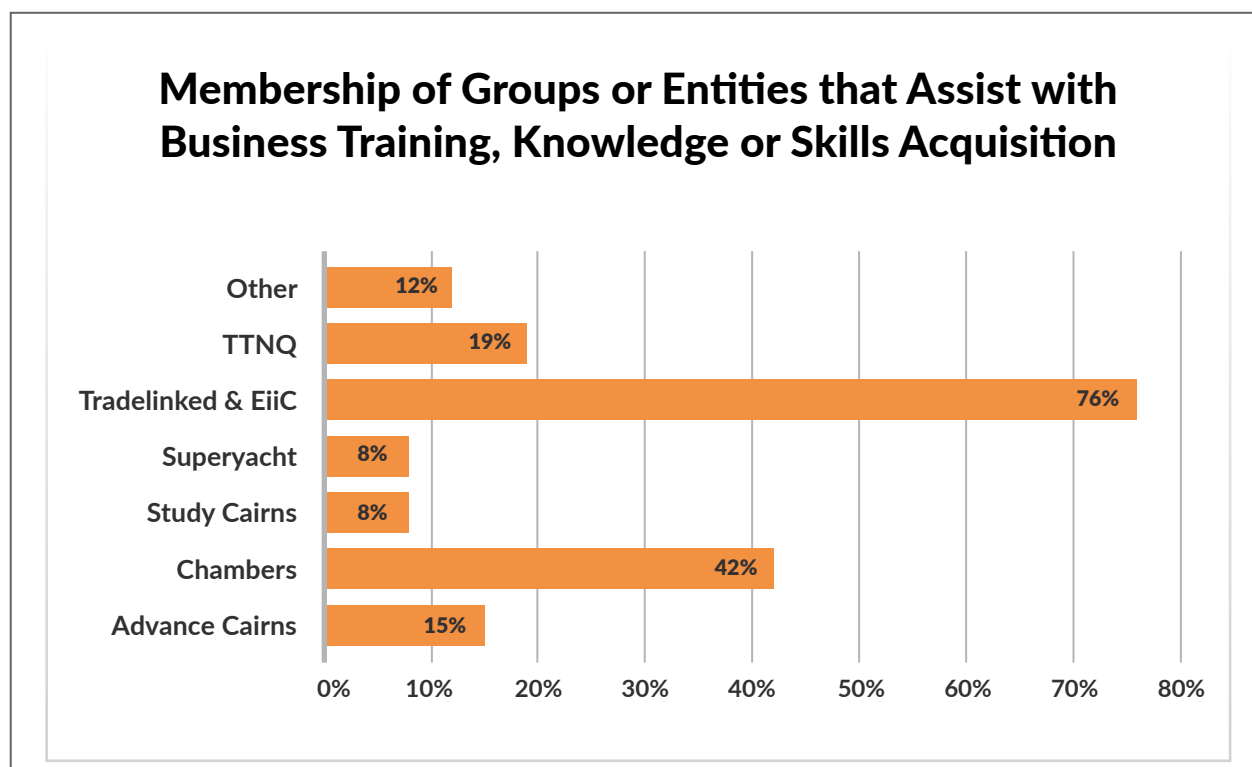


Table 28

In contrast to membership of World Bank or Asian Development Bank when respondents were asked about membership of peak body groups within the region, response rates show that many exporters belong to one or several of these. Multiple answers were possible. This question was based around local providers and so did not include Australia Papua New Guinea Business Council, who may have recognition factor but only has 1-2 paid members in Cairns region, one of whom is Exchange Innovation and Information Centre (EiiC).

As shown above Tradelinked Cairns-PNG-Pacific and EiiC are peak recognition groups when dealing with Papua New Guinea and Pacific Island nation issues. These organisations have a 76% response, while the next largest membership group are the Chambers of Commerce at 42%.

Those groups which have a more targeted base such as Advance Cairns and Tourism Tropical North Queensland (TTNQ) have respectively smaller memberships at 15% and 19% respectively. This may reflect a more domestic services focus from their membership in the case of Advance Cairns and the low response to the survey from the tourism and accommodation sector in the TTNQ response.

The responses show that respondents are involved across a range of organisations that provide business training, knowledge or skills acquisition but that there is room for improvement in these metrics.

8. Export Assistance and Usefulness

Survey question: Has your business accessed any export assistance or advice? How useful was it to you on a scale of 1-10 with 1 = little use, to 10 = extremely useful?



Table 29

Please note: respondents may have had multiple individual responses as they may engage (or not) with one or more of the agencies or entities listed.

Responses rank engagement with the listed programs or entities and averaged all responses within each response category.

The above graph shows programs ranked from highest to lowest as:

Name of entity or program	Ranking in usefulness from 1-10
Trade and Investment Queensland Export Assistance Programs	5.38
Austrade	5.07
Export Market Development Grant	4.70
Cairns Regional Council Development Programs	4.25
Queensland Chamber of Commerce and Industry	4.03
Export Finance & Insurance Corporation	2.43

Table 29a

It is noted that Austrade ranks as an overall usefulness of 5.07 whilst the Export Market Development Program, which is administered by Austrade ranks as 4.70 usefulness. This may indicate that some respondents are either unaware of the program or may not be able to access the program or may not be aware who administers the program.

9. Awareness of Industry Assistance Programs

Survey question: Are you aware of or registered with any of the following?

Below are the graphs showing responses to the survey question for nominated individual entities. Respondents were able to nominate multiple entities in these responses.

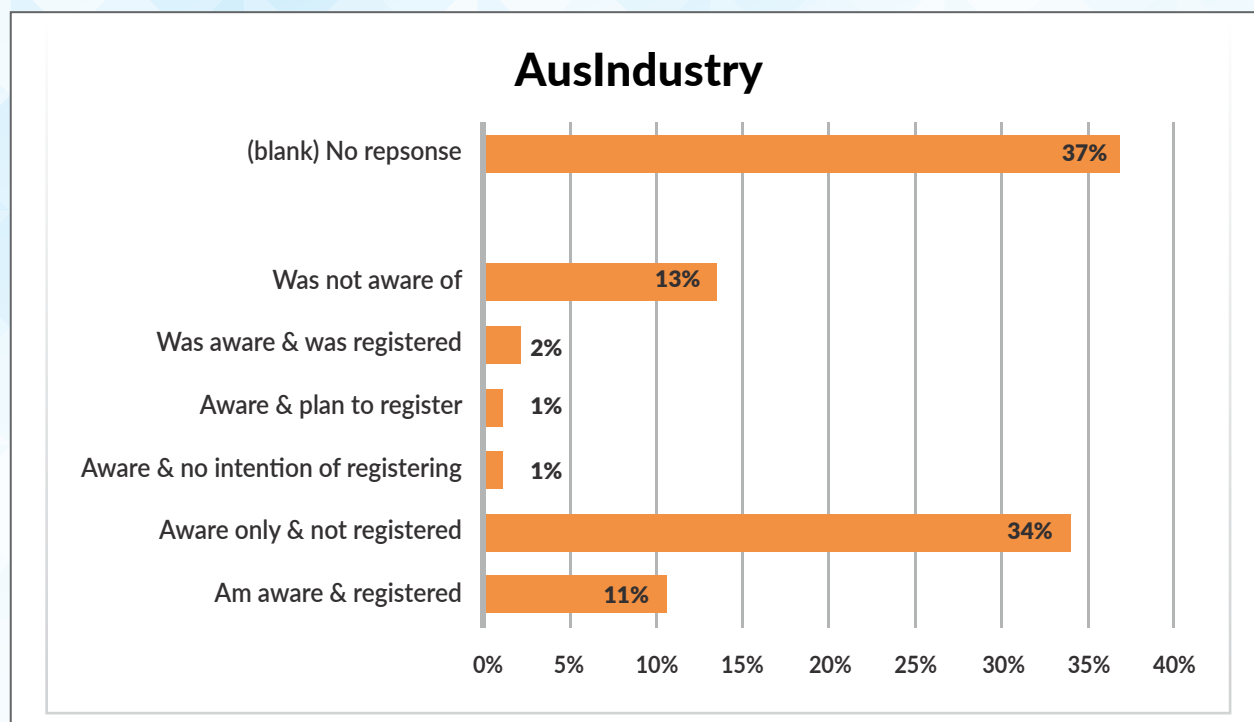


Table 30

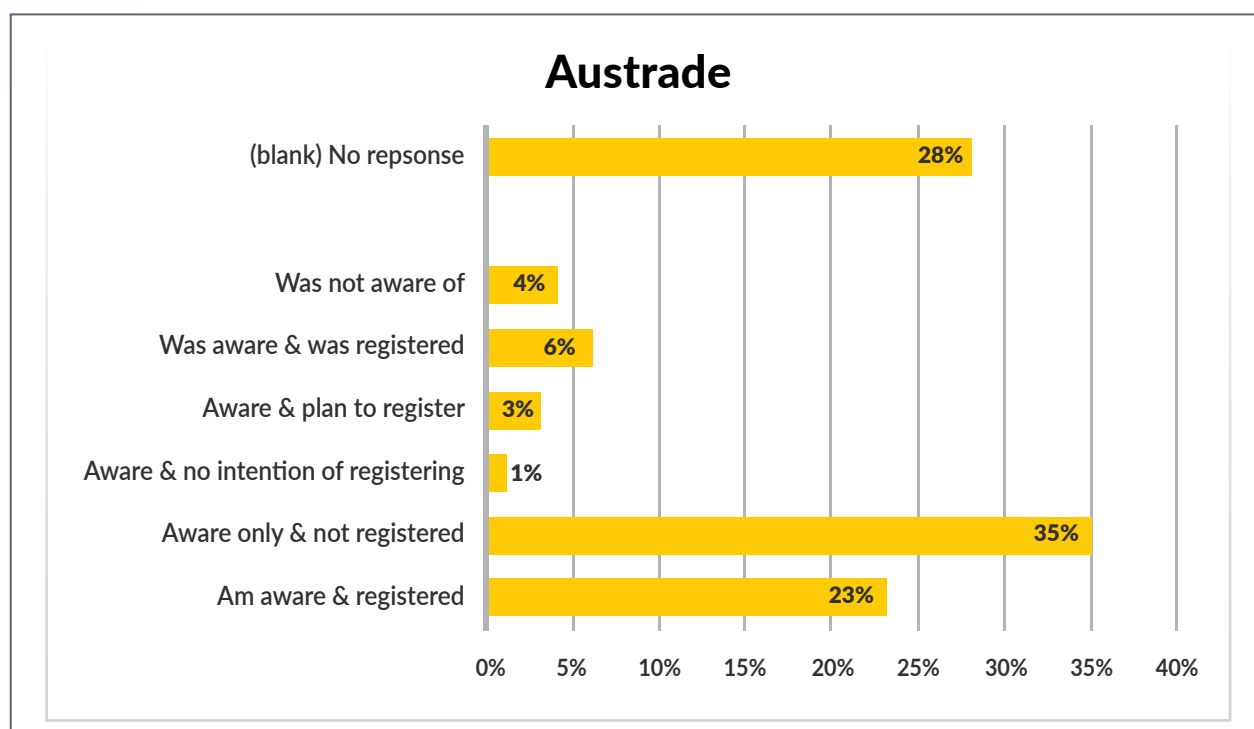


Table 31

Cairns Regional Council Development Programs

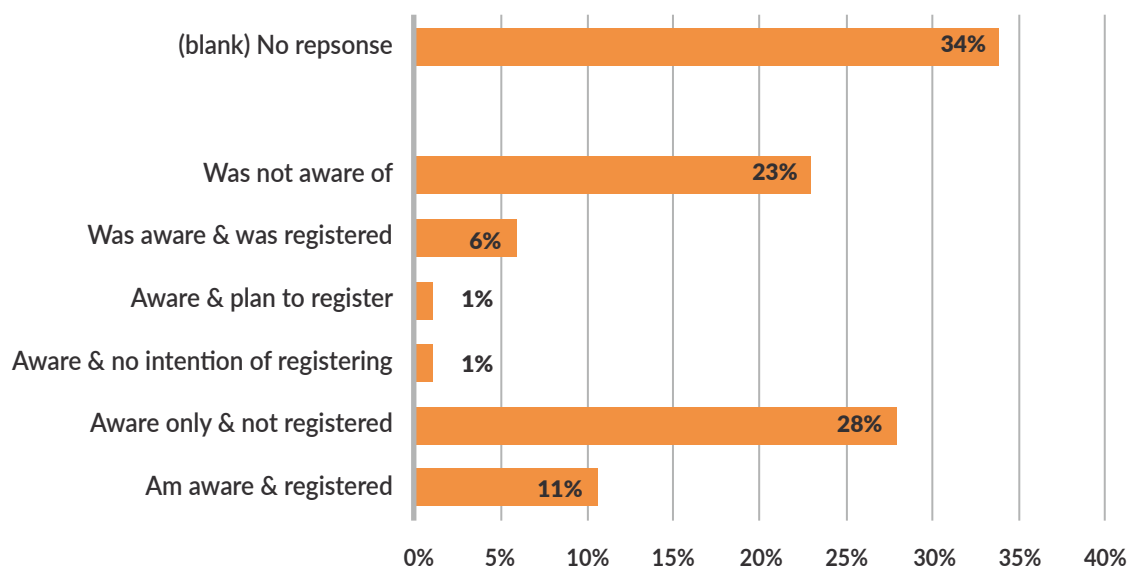


Table 32

Department of Foreign Affairs & Trade

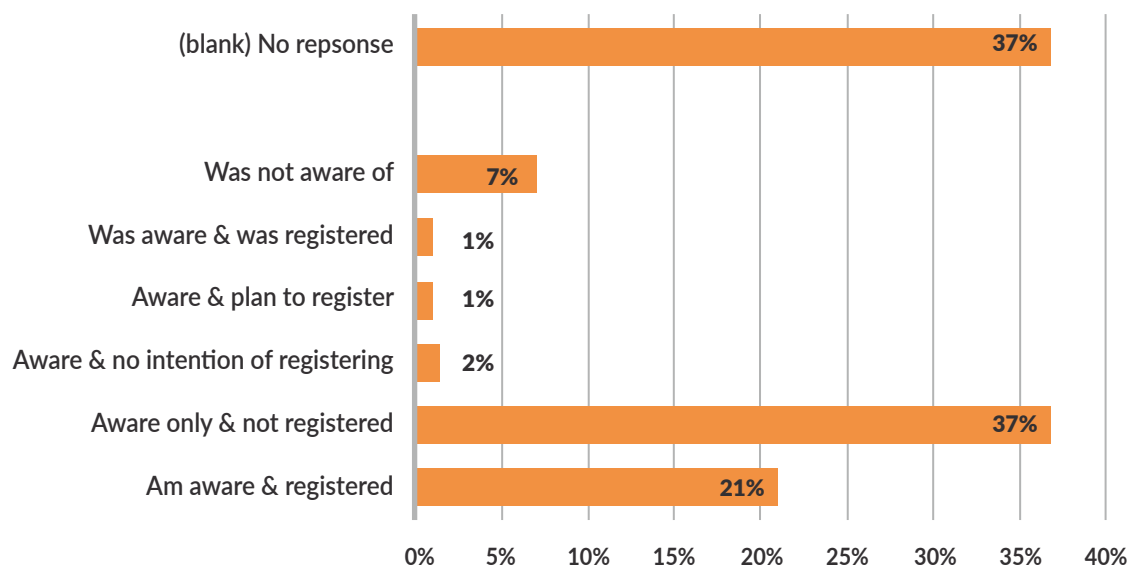


Table 33

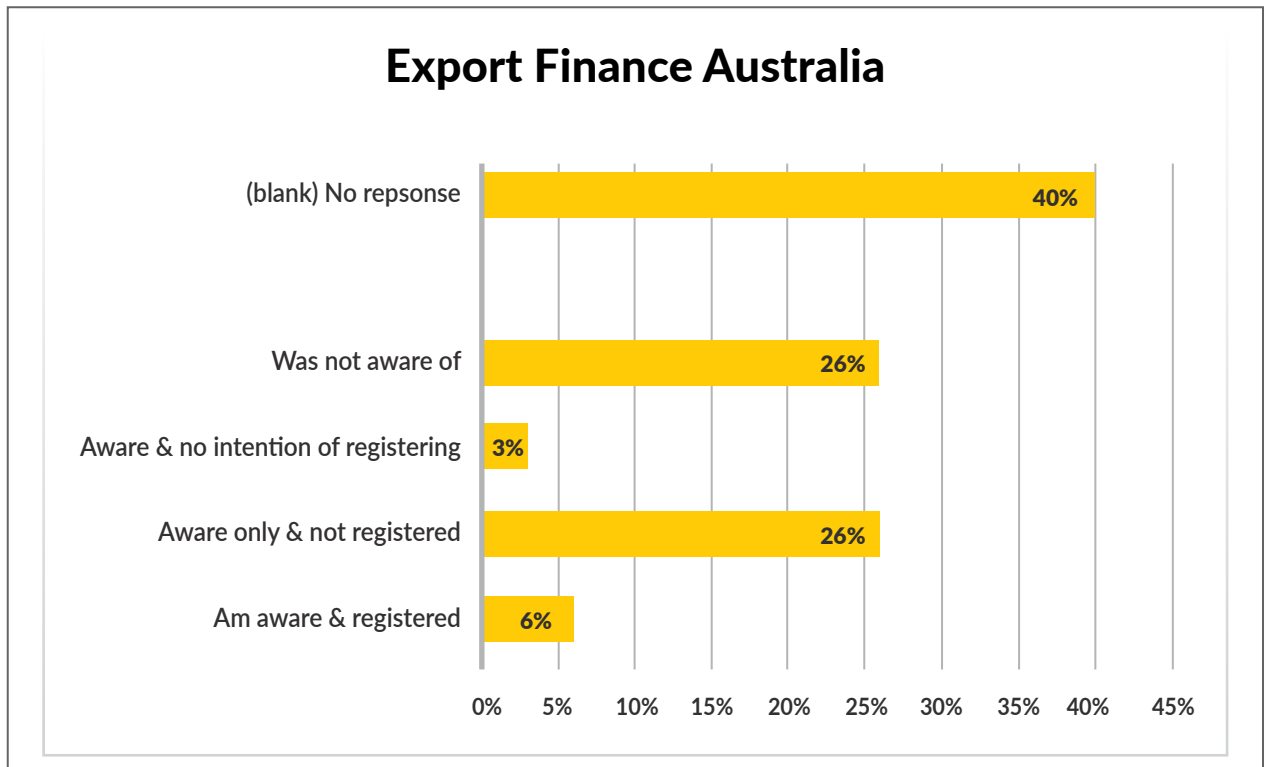


Table 34

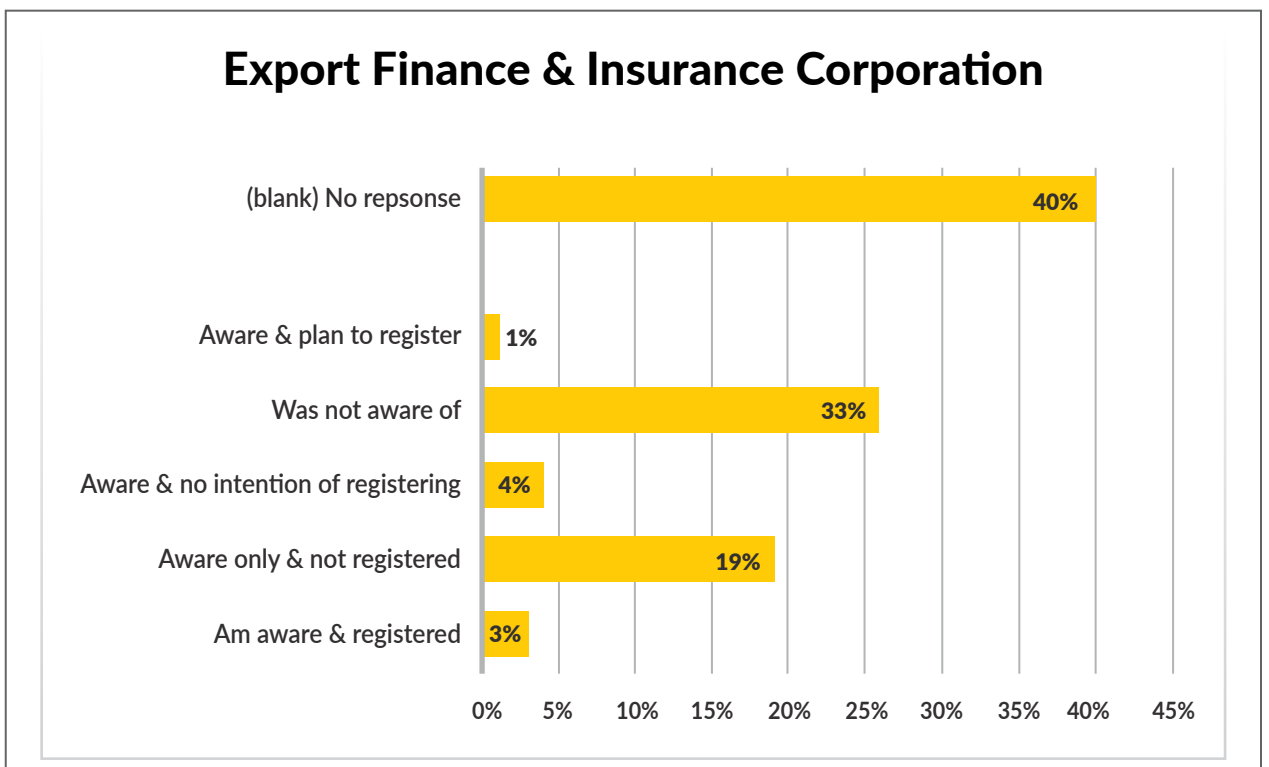


Table 35

Notation: The Export Finance and Insurance Corporation was renamed Export Finance Australia on 1 July 2019. However, there is not a wide recognition of this change with many regional businesses still relating to the former Export Finance and Insurance Corporation hence both iterations being included in the survey and results.

Export Market Development Grant

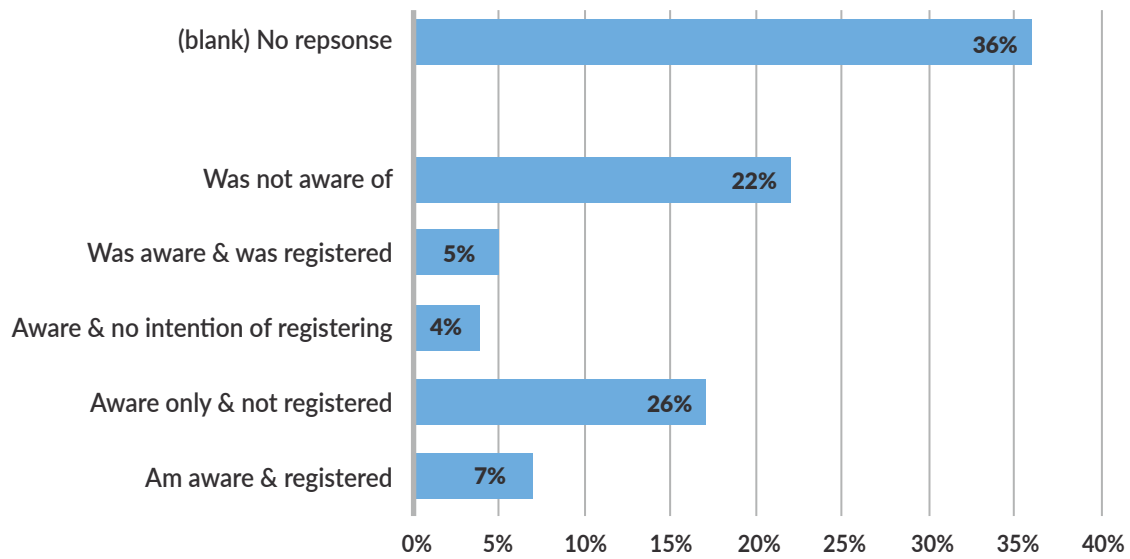


Table 36

Trade & Investment Queensland Export Assistance Programs

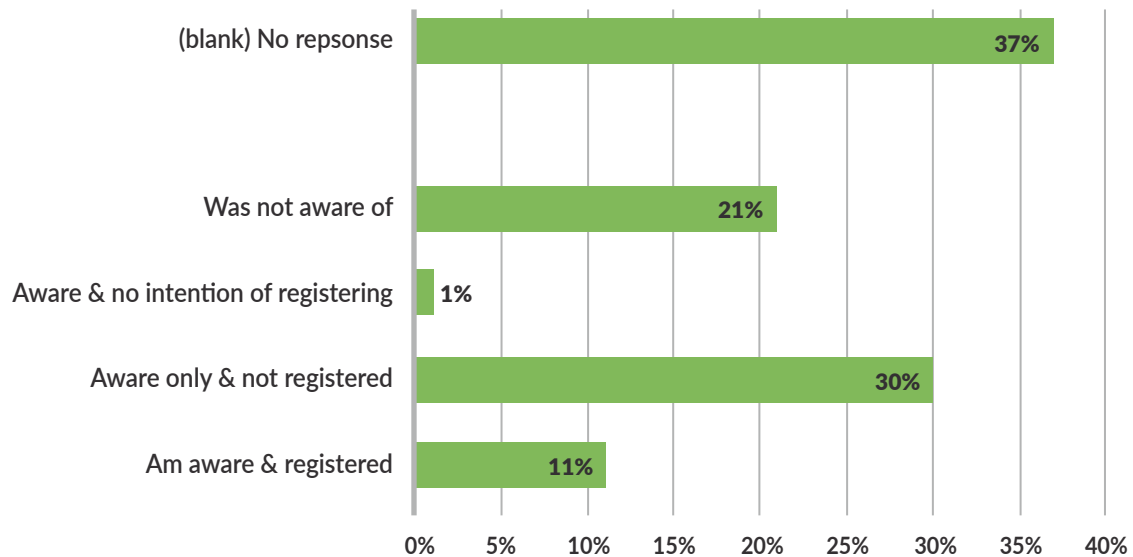


Table 37

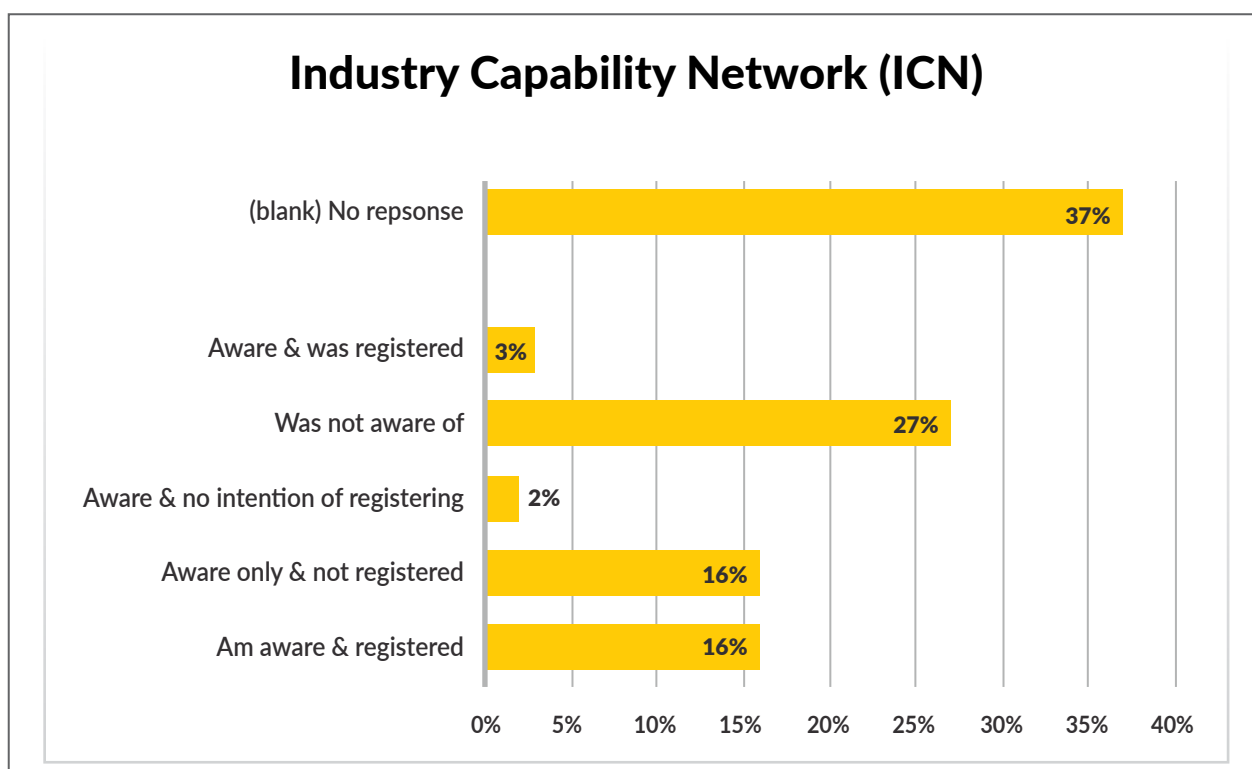


Table 38

In all response graphs there is a high component of blank or no response ranging from 28-40%.

This survey offers no answers as to why respondents do not engage with this question about entities and programs listed, but this high range of no response suggests that there needs to be more awareness and outreach from organisations to typical respondent profiles to lift engagement and perhaps target services and programs to suit those within the profile better.

Overall, respondents report a lack of awareness of programs and/or a disengagement with offered programs, except those that offer immediate benefit to them. Hence Austrade and the Export Market Development Grant (EMDG) score more highly than Industry Capability Network (ICN) or Export Finance Australia. Cairns Regional Council Development Programs and Trade and Investment Queensland programs have high recognition and/or engagement.

For all sectors there is an opportunity for listed entities and program providers to better engage or target focus programs and training to respondents, particularly in the 'aware but not registered' categories. More direct engagement activities targeted at Cairns and Far North region businesses, building relationships with those businesses and providing them with better communication pathways could assist in improving 'usefulness scores'.

10. Open Questions

10.1 Explanation

The survey contained a number of **'open questions'** which encouraged long form response from participants. Questions of this type included asking about:

- Respondents perceived biggest barriers to export in general.
- Changes in business conditions that would best assist improvements in exporting.
- Respondents' perception of biggest barriers caused specifically by COVID 19 restrictions.
- How respondents' business model changed to adapt to COVID 19 conditions.
- What assistance respondents specifically felt would assist them to overcome COVID 19 business restrictions.

Unsurprisingly there was a uniformity in answers between questions. Some respondents failed to answer all questions or answered them with similar responses in each response option.

Border closures and inability to visit clients and markets was a theme raised by all respondents, sometimes in each response option. This is unsurprising as Papua New Guinea and Pacific Island nation markets are seen as face-to-face markets where regular contact and sound relationships are the foundation of doing successful sustainable business with clients.

Similarly, freight, availability and cost of freight options, supply chain impediments and difficulties in goods movements were the trends across all responses.

Communications strategies to replace face-to-face meetings were of high importance to respondents. Barriers around cost of accessing suitable telecommunication and internet options, need for improved technical expertise and loss of business arising from failure to adapt to need for use of alternative communication methods were raised.

Other 'known' export barrier issues such as need for more export related skills training, need for better knowledge and access to Government funding programs, difficulties with 'red tape', delays in document processing, high cost of exporting to Papua New Guinea and Pacific Island nations, market access issues and difficulties in accessing suitable payment options / currency flow issues and risk mitigation strategies were all raised.

10.2 Biggest Perceived Barriers to Export

Survey question: What are the biggest barriers to export for your business?

- This was an 'open question' where respondents were asked to nominate the biggest export barriers to their business.
- The question format allowed a wide range of responses, according to the perception of the individual respondent. If graphed, responses add to more than 100% as multiple areas were nominated by most of the participants. Broadly though, responses could be grouped under the following categories:

Barrier	Percentage nominating this as an issue
COVID related travel restrictions and/or disruption of relationships due to COVID restrictions	80%
Payment and currency issues	25%
Lack of knowledge about tax regimes and/or lack of tax incentive for exporters	5%
Visas and Government red tape	15%
Communications and IT difficulties	10%
Freight accessibility and freight costs	21%
Lack of assistance, lack of knowledge of export requirements and need for cultural knowledge to assist with exports	37%
Perceived poor relationships between Australian and Papua New Guinea and/or Pacific Island Governments	5%

Table 39

- For those within the agricultural sectors, red tape and the time taken to obtain necessary export documentation plus cost of same were significant factors. Changes to regulations with little or no warning were also cited as a barrier.
- High cost of doing business in Papua New Guinea and Pacific Island nations was perceived as an issue – from the cost of freight, cost of flights to visit markets, in-market costs such as accommodation, travel and insurance, safety risk management costs plus costs associated with no direct flights and/or freight options to many markets.
- Lack of travel into markets translated into need to use alternative communication methods to contact and interact with clients, staff and family. Mention was made of poor quality of internet connections, high cost of communications and lack of infrastructure to support digital business requirements – both in Cairns and the Far North region as well as in Papua New Guinea and the Pacific Island nations. Education providers mentioned difficulties with communications as a major business impediment.

- COVID 19 travel restrictions, border closures and difficulties in processing all types of required documents (visas, proof of vaccination etc) were mentioned by over 80% of respondents in this question.
- Issues relating to funding, payment, currency transfer difficulties and general market uncertainties were the trends in responses to this question. This was perceived as a high-risk area of conducting business with Papua New Guinea and in Pacific Island nations.
- 37% of all respondents cited lack of government assistance – both practical skills based and financial assistance to encourage export as an impediment. Also cited was perceived need for more cultural training to improve exporters' understanding of the Papua New Guinea and Pacific Island nation export markets and opportunities plus need for more general training about how to undertake successful exporting functions.

10.3 Change in Business Conditions to best Assist Export

Survey question: What assistance would best help your business to export more?

Whilst a variety of responses were given, they can be broadly categorised as follows:

Change in business conditions to best assist export	Percentage
Open international and/or State borders and allow travel, changes to quarantine requirements (remove or reduce)	37%
Improved banking services, foreign currency transaction improvements and better payment options for exporters and/or customers	10%
Assistance with knowledge of export requirements, cultural knowledge of export markets, knowledge of government grants and assistance available, general help	24%
Improved freight options, reduced freight costs	21%
Changes to visa and permit requirements to make them easier and faster to obtain, improvement in visa processing and less frequent changes to policy, reduction in visa costs	37%

Table 40

Other repeated themes in answers included:

- Need for changes to reduce the high cost of doing business in Papua New Guinea and Pacific Island nations.
- Need for reduction in the costs for customs and import duties in Papua New Guinea and Pacific Island nations.
- Need for more assistance for the education industry to access and deliver onshore and offshore to Papua New Guinea and Pacific Island nations.
- Need for reduction in 'red tape' to facilitate trade at all levels and locations.
- Need for improved relations between Australia and Papua New Guinea and Pacific Island governments.

Strong themes have emerged in all of the '**open question**' answers, with similarity between all needs, wants and desires to improve export opportunities. Whilst many of the themes are not new, and have been discussed in a number of forums, reports (*List of Reference page 123*) and plans, exporters are expressing that these issues have not to date been addressed with perceived positive outcomes.

10.4 Biggest Perceived COVID 19 Barriers

Survey question: what are the biggest COVID 19 barriers to export for your business?

This was an 'open question' so more than one response was possible per respondent. Most respondents noted 2-3 concerns, which broadly fell into the following categories:

Barrier	Percentage nominating this as an issue
COVID related travel restrictions and/or disruption of relationships due to COVID restrictions, health risks to staff	94%
Payment and currency issues Loss of income, inability to access finance	15%
Cost of quarantine and time cost impacts of same	25%
Communications and IT difficulties, need to change mode of goods/service delivery	12%
Freight accessibility and freight costs	12%
Lack of assistance, lack of knowledge of export requirements and need for cultural knowledge to assist with exports	5%
No, or low barrier conditions identified	2-3%

Table 41

Most responses to this question centred on the Australian Government closure of international borders and resultant travel restrictions as a public health issue.

The 'unintended consequences' of this ban have had differing impacts on respondents ranging from a minority of 2-3% who stated:

"Nothing really noted at this stage" and "none"

However, for most respondents (94%) the border restrictions constituted a major impact on their businesses. Quarantine measures were identified as separate but related issues by 20% of respondents.

Comments ranged from:

"Border closures!"

to more comprehensive statements such as:

"Travel and quarantine costs. Time for quarantine mean it is not worthwhile going overseas for our normal duration of 2 to 3 weeks on a project".

"Travel restrictions – even if an exemption is granted to travel overseas for a job – cannot get back to home base in Queensland due to hotel quarantine caps or State border closures – so cannot accept jobs. Business basically shut down for last 18 months".

"We are unable to get any international guests to Hotel"

Loss of income statements included:

“Our core finances due to cancellation of contracts”

“Partnerships affected - financially and through lockdowns”

Those in the education and hospitality industries signalled loss of patronage and inability of clients to access their services as major barriers to business due to COVID 19 restrictions. For education providers there has also been a welfare issue for students who have been unable to travel 'home' to reunite with parents and familial households.

10.5 Business Model Changes to Adapt to COVID 19 Issues

Survey question: Has your business model changed to adapt to COVID 19 responses? If so, please describe the changes and how they impact your business

This was an 'open question' that allowed free form response. Respondents could raise one or more issues per response.

Broadly, most frequent responses were:

Change	Percentage
Use of internet or online options to maintain or establish business export activity	40%
Diversification of business into other client groups (either domestic or international)	40%
Closure or hibernation of business	8%

Table 42

For approx. 3-4% of all businesses there had been no requirement to implement changes, or in rare cases, their businesses had seen improvements due to COVID 19 restrictions.

Responses ranged from:

- "Business in hibernation"
- "Business non-existent in current conditions"
- "Almost bankrupt due to COVID travel restrictions as over 70% of our work requires international travel"
- "With regards to exporting, COVID has 100% stopped my ability to send product to PNG"
- "Down sized operations, focusing on more local, state and Australian requirements"
- "Concentrating more on domestic market as COVID has stalled potential projects in PNG"

Other responses include:

- "Need to pivot and diversify in Cairns/Australia. More Zoom etc to customers"
- "Am now doing business online"
- "Use of webinars daily"
- "All contact with PNG, Fiji and Solomon Islands has been by video link. Quite often this has not been very satisfactory due to their poor internet services"
- "Quarantine services are longer and harder. PNG clients have extreme difficulty in getting funds released in AUD\$"
- "Reduced staff to reduce costs, now work requirements have resumed and we are short staffed and have found it extremely difficult to attract staff"

These responses are typical of those received. It is yet to be determined what the full impact of COVID 19 issues will have on Cairns and the Far North region but, if the above are an indication, there will be profound and severe impacts that have implications for business in the region.

10.6 Assistance Necessary to Overcome COVID 19 Related Issues

Survey question: What would assist your business to export more?

This was an **‘open question’** that allowed for multiple responses from respondents.

Unlike the question framed as ‘what are the largest COVID 19 barriers to your business in relation to exporting’ which received overwhelmingly negative comments and feedback, the question when placed into a more positive frame of asking respondents about what assistance would help most to overcome COVID 19 barriers to export, elicited more positive responses.

Responses were framed in terms of:

- Lifting of travel and quarantine restrictions.
- Clarifying policy decisions around travel and quarantine issues to create more certainty for long term business planning.
- Assistance with connections and contacts to buyers in Papua New Guinea and Pacific Island nation markets.
- Freight subsidies and assistance with more freight options ex Cairns and Far North region (air and sea).
- Establishment of direct access to Papua New Guinea and Pacific Island nations with air connections as well as better freight options.
- Establishment by the Australian Government of business hubs and communication hubs in Papua New Guinea and Pacific Island nations to facilitate business interactions.
- Better engagement of DFAT and Australian State and Federal Governments in this region to improve relationships with Papua New Guinea and Pacific Island nations and assist in better policy decisions to assist business.
- Better engagement of DFAT and Australian and State and Federal Governments in Cairns and the Far North to assist exporters.
- Assistance with government funding and/or understanding of how to access funding opportunities to assist businesses to engage (or re-engage) in export opportunities.
- Assist with vaccination and perceived security/risk issues in Papua New Guinea and Pacific Island nations to assist with engagement. Help ensure staff are safe while engaging in activities in these locations.
- Reduction in ‘red tape’ such as visas, to create more opportunity and easier market access to both exporters and their clients.
- Promoting the benefits of cultural bridging programs to enhance business effectiveness.

Overall sentiment of respondents was optimistic and helpful to overcome the perceived barriers. Direct engagement with decision makers was an overarching theme of the answers, along with the need for certainty around travel, border restrictions and access to Papua New Guinea and Pacific Island markets.

11. Doing Business with Papua New Guinea and Pacific Island Nations

11.1 Views from the Papua New Guinea Community

The survey data from the Tradelinked Export Capability survey focussed on respondents from Cairns, some of whom also have businesses located in Papua New Guinea and Pacific Island nations. Several businesses have also provided Case Studies.

There is however considerable Papua New Guinea and Pacific Island nation investment in Cairns and the Far North region. This includes investment in travel and tourism ventures, accommodation, the aviation and maritime industries. Warehousing, wholesale and retail ventures as well as in real estate and commercial buildings. The level of investment may well be under-reported in all official figures, as noted in Sykes when explaining the nature of transnational households and their fiscal arrangements and flow (*Source reference - A Moral Economy of the Transnational Papua New Guinean Household: Solidarity and Estrangement While 'Working Other Gardens' - Professor Karen Sykes*). Refer Appendices page 122.

To gain greater insight into how Papua New Guinea nationals view Cairns and its importance in the region a survey was sent to businesses that had, pre-COVID 19 restrictions, attended the monthly networking meetings held for Tradelinked in Port Moresby. The short survey included 4 questions, most of which related to the relevance of restarting the Port Moresby networking events – which almost all respondents were positive about, only 3 mentioning that it would need to be within COVID 19 protocols.

However, the fourth question was:

- *What business, if any, are you currently doing with Cairns, Brisbane or Queensland? Tell us your story in no more than 500 words.*

71 responses were recorded for the survey with approximately 50% of respondents replying to this question. Of those who responded, most had strong linkages with Australia or Queensland through corporate affiliation, trade arrangements or similar relationship ties. Brisbane was mentioned most strongly as a linkage point, with Cairns seen as important for family where children went to school in Cairns, family resident outside of Papua New Guinea etc., recreation/health/shopping and fly in-fly out charters. Several businesses also mentioned ordering goods from Cairns or having offices in Cairns.

Clearly for those businesses who responded, Cairns was recognised as important, Tradelinked was seen as an important networking partner but the large companies work through affiliate arrangements, often based outside of Cairns. A conclusion that could be drawn from this is that better marketing collateral and more information needs to be made available to move Cairns from a tourist and recreation focus to a serious business engagement and partnership basis.

This view was reinforced in comments by the Papua New Guinea Consul in Cairns, Mr Kulimbao who, at a recent Tradelinked event, stated that

“it was time to move beyond talking and good relationships and start actively doing business and engaging with businesses to make money. We have had enough of Trade Missions, now we need to make money, grow our investments and positively engage. Stop talking and start doing”.

Mr Kulimbao further stated

“in terms of the level of Papua New Guinea investment in Far North Queensland, especially in Cairns, Papua New Guinea nationals, permanent residents of Papua New Guinea origin and a number of Land-Owner companies have a fair share of investments in the real estate sector (residential/commercial) and these investments stretch from Townsville, Innisfail, Cairns and to the Tablelands”.

He noted that whilst there were a low number of Papua New Guinea industries in the Far North region there are a lot of opportunities for this region to value add to major industries in Papua New Guinea in the agriculture, seafood, timber, cocoa, vanilla, copra and other industries.

Education was also raised as an issue. Mr Kulimbao said that

“training is what Papua New Guinea needs, especially in the trades and upskilling trades. Papua New Guinea parents and sponsors who have the means to send their children to schools in the Far North Queensland region for education do so for better education leading to a good life”.

When asked about the Pacific Labour Scheme and Seasonal Workers Program uptake by Papua New Guinea, Mr Kulimbao said that uptake has been very low and there are not many workers in the region under this program. He noted that Papua New Guinea Prime Minister, James Marape, has called for a gradual increase in the number of Papua New Guinea workers in Australia to 6 000 by the year 2025 and that, in support of the Prime Minister’s call, the Consulate has submitted two proposals for the Papua New Guinea Government to consider and is waiting for feedback on these.

It should be noted that uptake of the Pacific Labour Scheme and Seasonal Workers program is higher by other Pacific Island nations such as Vanuatu, Fiji, Timor Leste, Samoa and Tonga. Workers are present in Far North Queensland and are co-ordinated through a network of approved recruiters, farms working in cooperation with DFAT and the overseeing contractors. Undoubtedly there are also informal arrangements outside the official program where farms, aged care and hotels engage Papua New Guinea and Pacific Island nation labour in employment. This could be through work rights attached to certain visa categories, employment by permanent residents or through other networks.

There has been interest expressed by the aged care and home care, hospitality and other industries outside of agriculture to engage Papua New Guinea or Pacific Island nations labour force. Recently such a request

was raised by a major hotel chain in Cairns who saw this as a possible avenue to address food and beverage, hospitality and housekeeping staff shortages.

A request was also made to the Lae Chamber of Commerce Incorporated (LCCI) asking about their views on the Cairns and the Far North region's relationship with Lae, our Sister City in Papua New Guinea.

Mr John Byrne, the President responded as follows

"LAE is the second largest City of PNG located in the Morobe Province centrally to all shipping from the islands, coastal and international plus the hub of agriculture, produce, livestock and people from the Highlands and Momase Region. We are the commercial hub of PNG.

Our Airport is currently being extended and redeveloped into International standards and the importance of export and import to and from our key-trading partner, Australia, via Cairns will open up opportunities and business links from both sides.

The work the Tradelinked and the EiiC Team is doing from the Australian side is exceptional and warranted, PNG is rich in resources, not specifically non-renewable resources, but people, culture, agriculture, education needs and the connections between Cairns and LAE will open up opportunities for the broader PNG market".

The views expressed by Mr Byrne are echoed in an address that was given to the Australia Papua New Guinea Business Forum in May 2021 by Mr Mark Foxe, Australian Consul-General Lae. In his address Mr Foxe notes that Lae is the second largest city in Papua New Guinea after Port Moresby and is the manufacturing, agri-business and logistics hub of the country.

He goes on to say

"if done right, Morobe Province has an incredible platform from which to grow. The right combination of investment and education could lead to exciting prospects for business in Morobe.

The thriving port, one of only three profitable ports in Papua New Guinea, the redevelopment of the Nadzab airport (a Kina 692 million redevelopment) to expand transport capacity as the second busiest domestic airport and to be the nation's second international airport and the expansion of agri business and mining opportunities offer multiple opportunities to Cairns and Far North businesses. Particularly as Cairns already has a special status as a Sister City to Lae and has engaged in regular Trade Missions to Lae and has hosted multiple in-bound missions from Lae. There are strong social and cultural ties between the cities and strong relationship ties with business and government entities between individuals and corporations".

Tradelinked Cairns-PNG-Pacific commissioned Cummings Economics in 2019 to conduct a review outlining a business case to consider the possible establishment of direct flights to and from Lae and highlight the economic viability of such a direct service between the two Sister Cities, taking advantage of the proposed mining developments within the Morobe Province and Highlands region - based on pre-COVID data.

Executive Summary link

<https://www.tradelinked-cairns-png.com/wp-content/uploads/2019/12/Summary-Direct-Air-Services-Lae-Cairns.pdf>

11.2 Other Points of View

As part of the survey, respondents were given an opportunity to give expanded replies to 'Open Questions' to give their viewpoint. During the qualitative interviews, viewpoints of interviewees were noted.

It must also be acknowledged that, outside the survey process, there have been many views and policies expressed about the importance of Cairns and the Far North region to Papua New Guinea and the Pacific Island nations. Although many pre-date the survey process, or are part of documents which are updated regularly, they are worth noting. Particularly as many of the documents, by their nature and the views expressed in them, help frame understanding of many of the survey responses gathered.

- There is an existing Queensland Papua New Guinea Memorandum of Agreement that outlines cooperation between both governments and acts as a framework for engagement for all parties.

(Refer Appendices page 122-e)

<https://www.tradelinked-cairns-png.com/wp-content/uploads/2022/01/qld-png-mou.pdf>

- In a pre-Asia Pacific Economic Cooperation summit 2018 article by Ian Kemish, then Australian High Commissioner to Papua New Guinea stated

"PNG's prosperity and stability, currently under serious challenge from demographic and other social pressures, is also critical to Australia's security and the broader region".

Interestingly, the title for the article is: 'Australia-PNG: relationships are what matter', with a sub-heading of: 'The size of the aid cheque is nowhere as significant as the personal connections and sustained neighbourly attention'.

Reading the full article (referenced below) it can clearly be seen that Ian Kemish is unequivocally stating that

"Australia's standing in PNG does not rest on how much money it contributes. Influence only comes with a high-quality relationship".

The article goes on to note the decline in relationships as personal links fade and where deep personal interaction between Australians and Papua New Guineans has not been maintained to underpin the social and political relationships between the countries. - (Refer Appendices page 122-f)

<https://www.lowyinstitute.org/the-interpreter/australia-png-relationships-are-what-matter>

In response to the Kemish article the following comment was made on the Lowy Institute website:

This assessment is essentially correct. While PNG and Australia's strategic, political and economic engagement remains extremely important, there is no longer the Australian grass roots engagement that led to lasting personal associations which underpinned the relationship across generations. The didimen-kiap* era, which might be viewed in some quarters as overly patronising or authoritarian, did result in deep genuine mutual understanding and lasting affection across the remotest regions of PNG. It also delivered quality essential services which are now so under-resourced. Opportunities for Australians to learn and understand the very unique social, political and cultural environment of our nearest neighbour, particularly outside urban areas, are increasingly limited. An understanding of the village roots for these influences, which drive Waigani* decision-making, doesn't come through occasional visits from Canberra or engagement in the board rooms of

Port Moresby. While Australia's exposure across PNG has diminished, much of the change is a consequence of PNG's evolving transition to an independent nation - one in which PNG unsurprisingly aspires to being able to choose its associations, opportunities and associated risks. Uncomfortable for Australia, these opportunities often include taking advantage of relationships that boost personal wealth, political capital and demand less accountability under the guise of economic development. This is the 21st Century PNG emerging. To re-establish the relationship for mutual benefit, Australia needs a multi-generational strategy to re-engage provincially across the nation. While the rhetoric around the value of the relationship remains strong, the political will to develop and implement such a strategy is not obvious from either side and the requisite supporting investment from Australia probably unrealistic.

Andrew Wright's 2019 response comment to Ian Kemish article.

***Note on vocabulary in article:**

Didi-man: an agricultural advisor

Kiap: during the colonial era and shortly afterwards a term used to describe an official in charge of an area, district or region. Usually an expatriate although occasionally a Papua New Guinea national.

Waigani: this refers to the geographic location of Papua New Guinea's Parliament House. Generally denotes when one is talking about government decision making, it is undertaken at "Waigani".

- On 9 March 2020 on ABC's Pacific Beat program Evan Wasuka posed the question: Can the city of Cairns become Australia's Pacific hub? It noted that as part of a submission to a parliamentary inquiry on Australian trade and investment in the Pacific, Cairns Mayor Bob Manning replied that Cairns was **"well positioned to be a Pacific Hub"** noting Cairns' proximity to PNG and the large number of PNG citizens living in Cairns.

Mayor Manning indicated that

"the first step would be for Australia's department of Foreign Affairs to set up an Office of the Pacific in Cairns".

He said "their long term plan would include a special economic zone, although details on how that would work have yet to be finalised".

Mayor Manning noted that defence, tourism, sport and other social, economic and community anchors could be used to develop this concept.

In the same article these views are also supported by University of Papua New Guinea economist Maholopa Laveil and John Byrne of Lae Chamber of Commerce Incorporated who said it would be a **"perfect fit"** and that Cairns was well placed to **"understand the demographics and challenges of PNG"**.

The accompanying article and sound clip from the program can be found at the following link:

<https://www.abc.net.au/radio-australia/programs/pacificbeat/can-the-city-of-cairns-be-australias-hub-for-the-pacific/12037916>

The Parliamentary Inquiry mentioned above has also put out a comprehensive document detailing submissions made to the inquiry. (See full document at link below.)

[2. Australia's existing trade and investment relationships with Pacific island countries - Parliament of Australia \(aph.gov.au\)](https://aph.gov.au/2. Australia's existing trade and investment relationships with Pacific island countries - Parliament of Australia)

The section dealing directly with the Cairns Regional Council submission is quoted here:

Cairns as a business gateway to the Pacific

2.30 Cairns Regional Council highlighted the North Queensland city's potential for activating greater trade capacity through Cairns' air and sea ports into the Pacific. These links bolster Cairns' strong business connections with Pacific nations and why it is home to Tradelinked Cairns-PNG-Pacific, a regionally focused network established to facilitate the engagement of businesses trading between Cairns and Pacific neighbours. Furthermore, Cairns also hosts 12 foreign consulates.⁴⁷

*Tradelinked Cairns-PNG-Pacific also hold monthly networking events in Port Moresby, regularly attracting around 150 businesses with an interest in trade with Australia via Cairns. Bougainville and the Solomon Islands are also regions engaging in reciprocal activity between business groups and Tradelinked Cairns-PNG-Pacific.*⁴⁸

2.31 Cairns air and sea ports exported 730,210 tonnes in 2017-18 to countries which are signatories to the PACER Plus, according to the Cairns Regional Council.

*These exports included telecommunications equipment, electrical machinery, aircraft and equipment, ships/boats and floating equipment. Additionally, the figures almost triple to 2,184,106 tonnes in the same period with the inclusion of other Pacific island nations which are not PACER Plus signatories, such as PNG and Fiji.*⁴⁹

2.32 In terms of investment, the Regional Council submitted the value of land acquisitions from PNG in Cairns over the 2016/17 and 2017/18 financial years was \$3,793,248, which represents 2.3% of the total foreign land acquisition for that period.⁵⁰

Notable, the Cairns Regional Council mentioned the strength of relationships as a basis for engagement with Papua New Guinea and nominated regular business and social networking that helps provide a support structure and framework to assist businesses and individuals.

We also note the comment on land acquisitions and their value. This figure is probably under-reported as it will not include permanent residents, those who hold an Australian corporate entity or have an Australian professional entity holding the acquisition or transnational households who have arrangements in place to localise investments.

The Parliamentary report also went on to note the potential of Cairns as an education destination for Papua New Guinea and Pacific Island nation students:

Developing Cairns as an education destination for PNG students

2.99 The Cairns Regional Council submitted that Cairns according to a Deloitte Access Economics, International education and training snapshot, was a 'key destination for international education' pre-COVID-19 with 249 international students from PNG enrolled in education locally, also nine from Fiji and three from the Solomon Islands.¹⁵⁴

*PNG as the third largest source market for enrolments which therefore indicates Cairns is a natural destination for students travelling from the Pacific...The city enjoys an excellent English Language Intensive Courses for Overseas Students (ELICOS) and tertiary offer. With two major universities having a significant presence in Cairns (James Cook University and CQUniversity) there is an opportunity to further grow this sector. Darwin based Charles Darwin University also has a presence in Cairns through the EiiC (Exchange Innovation & Information Centre).*¹⁵⁵

2.100 The Regional Council expected the Pacific Secondary Scholarships program, that commenced in January 2020, to open new opportunities for connections between Cairns and the Pacific.¹⁵⁶

*Building intellectual capacity within Pacific countries (including PNG) is a way to respond to one of the key challenges identified by Pacific leaders and communities themselves, that challenge being to support the growth and promotion of educated populations. Initiatives aimed at addressing this challenge are therefore in direct alignment with the Federal Government's Pacific Step-up policy.*¹⁵⁷

2.101 The Regional Council believed the Pacific's education capability and intellectual capacity would be bolstered by the Australian Government offering Commonwealth Supported Places (CSPs) at North Queensland universities to some Pacific students, in addition to CSP allocations to Australian students.¹⁵⁹

A further opportunity to boost engagement in this regard would be to offer a capped number of Commonwealth Supported Places (CSPs), or equivalent, to prospective students from Pacific nations (including PNG), at universities in Far North Queensland on the proviso they would return to their home countries upon graduation.

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2.102 The Regional Council outlined there was also a strong alignment between Cairns' tertiary institutions and the Australia Pacific Training Coalition, with structures already in place to administer the new Australia-University of the South Pacific partnership worth \$84 million over six years from 2019-24. University research projects with the Pacific already exist and there is scope for further engagement.¹⁶⁰

2.103 James Cook University (JCU)'s Cairns Institute also has established links with PNG via its Twinning Partnership with the University of Papua New Guinea (UPNG).¹⁶¹

*The UPNG-JCU Twinning Partnership is a product of the University of Papua New Guinea and JCU's desire to work together to expand cooperation and the exchange of ideas, knowledge and expertise in areas of mutual interest...JCU's Cairns Institute also has a relationship with the University of Technology in Lae, PNG, as well as relationships with education providers in a number of other Pacific Countries.*¹⁶²

2.104 Cairns according to the Regional Council also offers marine training through its Great Barrier Reef International Marine College, and avionics training through the Cairns Aviation Skills Centre, which provides the '...opportunity to contribute to the development of South Pacific nations' capacities in both marine and aviation capabilities'.¹⁶³

It is enlightening to read the full report – although in parts quite discouraging when the negative language or perceptions are clearly displayed. Overall though, all of the above reinforces the importance of Cairns and the Far North region to Australian and Papua New Guinea and Pacific Island regional interactions and economies.



Case Study

Evolution Bites - Business Software Solutions Cairns

Who we are

Evolution Bites is a consultancy that sells, implements and supports business software, usually Enterprise Resource Planning (ERP) and Payroll.

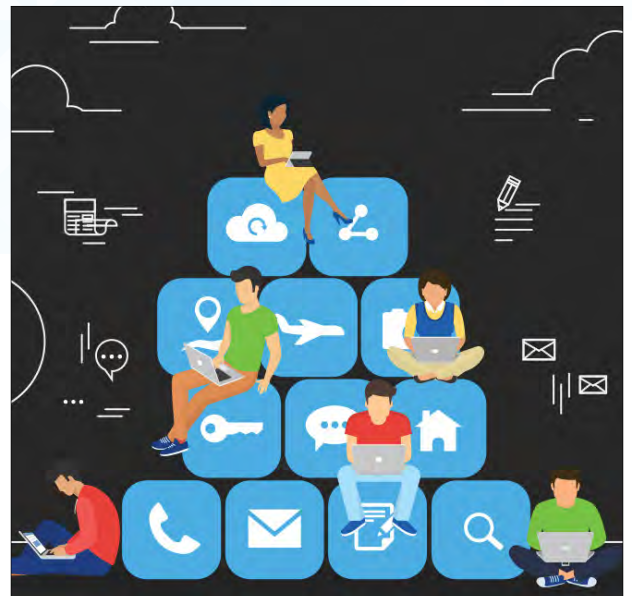
The business is based in Cairns.

I typically sell into the region from Mackay north to Cairns, and Papua New Guinea. PNG works for me because of the number of regular flights between Cairns and PNG, at times that are convenient for business travel.

Doing Business with Papua New Guinea

Evolution Bites has been selling software into the Papua New Guinea market since 1998. In that time, we have worked with various business models as we gained more experience, and the market evolved:

- Direct sales through my own marketing, cold calling likely prospects, etc. Whilst gaining a foothold in a new market, this is an obvious, low cost/low commitment approach
- By leveraging my own in-country contacts and referral sales. This grows naturally from the early approach, and is a comforting sign that the product is suitable for the market. Some of my leads came from PNG Nationals, which was a sign that my levels of cultural awareness was up to scratch.
- Working with sales agents in-country utilising the contacts and marketing experience of local sales agents is an obvious next step, but does depend on the skills and personality of who you choose to work with. At various times, I have had agents who had good business skills, but poor sales skills; good sales skills but poor ethics (this one was a short lived agent!); good sales skills but distracted by other work. Recently, I have started working with an Accounting firm who seems to be professional enough to stay the distance.



I have often considered setting up a PNG based business, and investing directly into the PNG economy. I would only do this, however, with the right local business partner, one who was prepared to commit matching funds to cover setup costs. Until now, I have not found such a partner. I have always had a policy of preferencing engagement with locals, rather than ex-pat Aussies based in PNG, which may have held me back in the short term, but I believe will reap rewards in the long run with my business credibility. I have considered creating marketing and training material in Tok Pisin, but have always been reassured by my local contacts that this is not required in this area – if people are buying or using this software, their English will be excellent. Other products or services in different markets may need a different approach, however.

Covid 19 initially impacted my PNG business because lack of travel meant I fully depended on local Agents for new sales, and made the search for a suitable agent even more urgent. This should have been happening anyway, so in a sense Covid has simply accelerated changes, rather than forcing a complete re-think.

Tradelinked Cairns-PNG-Pacific has been tremendous assistance to me since I became involved. The Business Delegations I join that Tradelinked arrange into PNG have always resulted in new work, and I keenly await their resumption. Less tangibly, the networking events have always been a good source of information and ideas, and of course I get a chance to share my own experiences with others.

Our services include:

- Business Solutions
- Sales & Implementation
- Training
- Help Desk and on-site support



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DATED NOVEMBER 2021

Case Study

Perrott Engineering- Hydraulics and Precision Machining Division

Who we are

Perrott Engineering is a family-owned business that has been operating and supporting the Mining, Marine, Defence, Energy, Agricultural and Industrial sectors for over 40 years.

From the early 2000's when the business was relocated to Cairns close relationships with businesses in PNG in the marine and mining industries created many opportunities to both export product and service product to a range of businesses in PNG.

Doing Business with Papua New Guinea

The products were predominately Hydraulic related products that are used in marine industries for the steering, lifting and lubrication systems and in the mining industries predominantly related to Milling operations and control, filtering, lubrication and preventative maintenance.

Our location at 120 Kenny St, Cairns was an ideal location to provide these services and as a stand-alone entity, a convenient and reliable source for customers in PNG, having access to local airport that had capacity from Cairns to PNG directly and shipping that was quick and efficient. As well as this location proximity our workshop equipment capability is unique to North Queensland and some instance unique to Queensland for our industry that allows us to service and repair plant and components that no other Hydraulics or Precision machining business can.

How we Operate - Perrott Engineering have had several locations over the years but market conditions and changes in significant contracts have always found the bulk of the business to be more reliable from Cairns and having this stability in location and close proximity to shipping both air and sea has proved beneficial to our customers both in Australia



Lihir Cylinders being packed for shipping

and PNG, this has also helped us at times when we have had to provide support to pacific islands such as Fiji and Vanuatu, predominantly in support for Australian Naval defence operations in those areas.

In late 2020 Perrott Engineering identified the need to separate the Machining and Hydraulics processes and setup a new Precision Machine shop in Edmon-ton and approx. 10Klm south of Cairns CBD, this

created a small manufacturing identity that has been growing since its establishment. We have equipped this centre with state-of-the-art CNC equipment along with an EDM wire cutting machine with the largest holding bed outside of Brisbane. This site has produced manufactured items in a fraction of the lead times that global manufacturers can for our customers from Australia and is accessible for PNG and the Pacific islands.

Working in countries such as PNG creates many challenges due to cultural and language differences, Perrott Engineering understands this and has at all times made best efforts to ensure we understand the barriers that may exist and deliver ways to develop strong working relationships between the customer and our employees, supervisors working on site typically have worked in the area before and have existing relationships or have worked in PNG before which has created safe and productive working relationships and results.

The Future - This last year 2021 and most of 2020 since COVID-19 hit the world, the business levels between our PNG customers have obviously been impacted significantly due to the inability to travel and work in the different regions due to lack of flights from travel restrictions, lockdowns in various areas and the significant challenges PNG had with handling the Pandemic. This significantly impacted on our ability to provide physical maintenance product and we have only been able to provide technical support to our mining customers during this period, however with borders starting to open and access to the mine sites showing signs of opening back up there are several trips and works projects in the pipeline for early 2023.

Our ability to grow within PNG will rely on our transportation options which prior to COVID 19 were quite stable and readily available, and whilst signs are indicating this will improve in the coming year it will most likely not be at a quick enough rate for the demand that will occur as borders and international travel open up, this isn't only a problem for PNG and Pacific nations but a global one, and as a business one that will be a challenging problem to address, our proximity to PNG will assist in this matter as long as transportation opens up readily between us.



Perrott Engineering Staff with a team from Lihir Gold

Tradelinked Cairns-PNG-Pacific assist us by bringing likeminded businesses together to share their stories, methods and products or services to develop relationships and interests between all parties, without this option it's very challenging to get in front of relevant business leaders and government representatives for these regions to highlight solutions to businesses in these countries.

Moving forward Perrott Engineering Hydraulics and Precision Machining look forward to re-connecting with our business customers in PNG in the near future and that our capabilities to meet so many ranges of services and products in our areas of specialty that we continue to add value to PNG and the Pacific nations.



Prepared by Ainsley Mirtschin, General Manager,

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DATED NOVEMBER 2021

Case Study

Savcor ART - Advanced Rehabilitation Technology

Who we are

We have a proud history, and having operated in Australia since 1995 and also PNG since 2007, Savcor ART carries forward its achievements of the past and onto the path of an exciting future through its most important asset, its people, by providing its clients total solutions that are both economical and innovative:

We are a stand-alone business that operates solely in PNG at this stage. We have a base established in Cairns and also Melbourne however our operations are PNG based only.

What we do

We export various specialist repair materials ranging from Concrete Repair Mortars and Epoxies; Epoxy Floor Systems; Waterproofing Membranes; as well as specialist equipment such as Concrete Grinding; Rope Access; etc.

We also export various consumables relating to these items. We generally transport by ship due to most items being classified as dangerous goods, however transporting via air freight is possible where circumstances require or allow.

Doing Business with Papua New Guinea

We operate across all parts of PNG from our Port Moresby and Lae bases. We find this approach helps us best service our broad range of clients, as well as the location of their operations.

We understand the challenges and difficulties associated with these, having operated in PNG for 15 years now. This benefits us by way of allowing us to better assess the risk in everything we do in PNG, and quantify/value accordingly. On the flip side, this also means that we have to structure our business to suit, which may slightly differ to that if we were operating solely in Australia.



The inability to travel to PNG, due to COVID 19 restrictions, has meant we have had to make certain adjustments, and push back certain things that we otherwise would have been able to implement such as training of staff and personnel from those off-shore.

I would like to think that these restrictions will in time ease somewhat and that we can resume as per previous.

Possibly further support from the Australian Government that might help us secure larger projects, that would therefore require additional repair materials etc. I.e. This would result in an increase in material exports. To date (since 2007) all projects awarded to our company have received little if not any Government assistance.

Tradelinked Cairns-PNG-Pacific has opened up better networking opportunities as well as introducing us to key people (such as Gary Aylward) that have been able to assist us across various fronts.



Our services include:

- Condition Assessments and Reporting
- Asset Maintenance Planning
- Cathodic Protection (Concrete and Steel)
- Corrosion Monitoring and Scheduled Surveys
- Half-Cell Potential Mapping Surveys
- Coating Inspections
- Concrete Coring, Sampling and Laboratory Testing and Analysis
- Rope Access Inspections and Surveys
- Defect Recording and Reporting
- Crack and Spalling Investigations
- Concrete Delamination Surveys
- Chloride Ion Testing
- Carbonation Testing
- Covermeter Surveys
- Ultrasonic Surveys
- Preparation and Provision of Reports



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DATED NOVEMBER 2021

How should international businesses behave if they want to be successful in the Pacific? asked a recent Austrade survey. Adrian Weeks, Austrade’s Senior Trade & Investment Commissioner for Papua New Guinea and the Solomon Islands, outlines the thought-provoking results.



A view over Port Moresby's Waigani district. Credit: BAI

At the end of 2019, **Austrade** commissioned Tebbutt Research to learn from Australian companies who work with the Pacific how to minimise risk.

The research provided some excellent findings on how to address risk through strong networks and embracing diversity. Here are their insights.

Networks and knowledge

A network of contacts in-country was viewed as fundamental to develop a successful presence. Those organisations with partners or working as a sub-contractor had significant advantages over businesses establishing a market presence for the first time.

Organisations with in-country alliances valued the support of established networks on the ground, which provided the knowledge of local regulations, labour laws, payment systems and assistance in setting up bank accounts.

‘A major mistake by foreign companies is the failure to listen to the needs of the Pacific customer and wanting to push their solution.’

Organisations working in Fiji for the first time spoke about the need to quickly build in-country relationships using ‘old school’ methods such as using telephone directories and cold calling in store.

In Papua New Guinea, it was evident the pathway was much more difficult. The main approach was to rely on formal networks such as business councils, the Australian High Commission, Austrade and **industry conferences** to establish relationships and build local knowledge.

Cultural diversity



Senior Trade Commissioner Papua New Guinea and the Solomon Islands, Andrew Weeks.

The Pacific is a region comprising a diverse range of countries, with different business cultures, beliefs and faiths.

The Pacific experts suggested that new entrants to the region shouldn't underestimate the cultural diversity of the countries. It is imperative that you 'do your research' and be well informed before pursuing business opportunities in the region.

Businesses and key informants indicated that, when operating in the Pacific, you have to approach the market with an open mind. Respondents spoke about the need to treat individuals with respect.

A major mistake by foreign companies is the failure to listen to the needs of the Pacific customer and wanting to push their solution. It is important to partner with organisations to understand local needs. Take the feedback from your customers and look to co-design a solution that works locally.

"The Pacific works on the philosophy of "relationship first and business second"

Adapt your solution to the local supply chains, the customer and, more importantly, the local culture. Be patient.

Relationship first

The Pacific works on the philosophy of 'relationship first and business second'. It is important to spend time forming relationships and respecting local traditions.

This takes time, which is something that Western business cultures, such the Australian, are unfamiliar with.

As Australians, we have a strong cultural desire to be transactional, get the job done and move to the next project.

Taking time to appreciate the diversity of the Pacific workforce, their knowledge and family situation is a skill to be mastered.

It was strongly suggested that the Pacific is all about friendships. In addition networking, knowing the right people, trying to understand your customers requirements and delivering products customised to their needs.

Understanding risk

Understanding the risk profile of customers and opportunities, whether in government or private sector, was viewed as a fundamental aspect of operating in the Pacific region.

This factor was heightened for those businesses operating in PNG. Payment risk was viewed as a significant risk factor when offering credit terms. Payments are slow, with businesses expected to offer standard credit terms of 60 days or more.

‘To operate successfully in the Pacific region, it is critical to gain a level of acceptance from local communities and government authorities. This is not negotiable.’

This risk has increased since the start of the COVID-19 pandemic because of reduced economic activity. Seeking financial advice is critical.

The **foreign exchange (FX) restrictions** in PNG are a significant issue for Australian companies. The excess demand for foreign currency leads to substantial delays in the processing time of FX orders.

The difficulties experienced in transferring monies from countries across the Pacific region back into Australia was an issue that resonated with all businesses interviewed.

Social licence

It was felt that, to operate successfully in the Pacific region, it is critical to gain a level of acceptance from local communities and government authorities. This is not negotiable.

Larger organisations spoke about investing in community programs. Demonstrating that you are not just a foreign investor seeking quick returns, but that you have an interest in making a real difference to the lives of the local people.

Investing in a social license and engaging with the community sends clear messages that you’re a legitimate operator that will be not open to unethical business practices.

Businesses spoke about the importance of mentoring, training and employing local people.

It is important that foreign operators deliver initiatives that will not only have economic but also positive social outcomes.

Austrade assistance

Austrade can help you to succeed by providing practical on-the-ground advice and market insights about doing business in the Pacific to meet your business needs. Together with our partners, we are here to assist Australian companies in the Pacific.

Adrian Weeks is Senior Trade & Investment Commissioner for Papua New Guinea and the Solomon Islands at the Australian Trade and Investment Commission (Austrade).

Strategic Direction

12.1 Moving forward – Long Term Strategic Direction

To move forward is to acknowledge the reality of Cairns as an international gateway hub for not only tourism product but for industry, education and training, marine and defence industries, aviation industry, health care and construction industries. Knowledge and expertise professionals use the international gateway for service delivery and, when that option is unavailable as at present, with a fall back to internet and communications driven strategies to engage with customers and maintain relationships.

Acknowledge and recognise the importance of Prime Minister Scott Morrison's 2019 statement:

"Cairns is a Pacific capital of Australia, a tropical capital of Australia. Cairns is very important to our engagement with the Pacific".

- If it is accepted that Cairns and the Far North region already has a mature bilateral relationship to the Papua New Guinea and Pacific Island nation region this then needs this to be recognised at Federal and State Government level to fund, legislate appropriately and enhance the existing efforts of local level government, particularly Cairns Regional Council, to fully realise the employment, economic and social benefits of the existing relationships.
- Using this as a starting point, work with Local, State and Federal Government to formalise the position of Cairns as a gateway hub into policy and establishing presence of Office of the Pacific in Cairns through existing Tradelinked and EiiC office space and presence. To utilise existing facilities and expertise enable a footprint for Office of the Pacific, DFAT, Austrade and other trade and development representatives to be speedily established.
- As part of this landscape, Tradelinked and EiiC continue to work together to provide a focal point for business-to-business networking, maintain a physical and electronic space for dialogue between individuals, enterprises and government, as well as undertaking direct communication and proactive engagement to develop positive investment economic and employment outcomes for Cairns and the Far North region. Its operation model, although currently maintained by volunteer organisations, could help provide a footprint on which the Office of the Pacific, DFAT, Trade and Investment Queensland and others could leverage off local knowledge and relationships to either establish, or expand, a presence in Cairns to further grow the Pacific Regional Hub concept.
- In order to maximise benefits to all parties there need to be practical steps taken to endorse initiatives in the Pacific Engagement Strategy, Pacific Step-Up Program and other proposals. All levels of Government to endorse and fund strategies that would allow for support of the existing non-partisan, non-political office in Cairns to engage with individuals, businesses, peak body groups, industry sectors and all levels of government. It is essential that curation of relationship-based policies go forward to actively engage Papua New Guinea and Pacific Island entities in dialogue and create pathways for mutual growth in trade, investment and employment opportunities.
- Ideally, this initiative would be actively supported by DFAT, Austrade, Office of the Pacific, Queensland Government departments and all Chambers of Commerce and Economic Development

bodies in all target regions. Staff of those bodies would use the platform to introduce them to appropriate contacts in Papua New Guinea and Pacific Island nations and allow them to form personal and work-based relationships to deepen ties and assist in successful implementation of policy and development strategies.

- Regular engagement with a Cairns based Office of the Pacific and other Government agencies would also offer exporters from Cairns and Far North region the opportunity to access information, training and interaction to assist them to improve export performance as requested by 37% of survey respondents. It would also allow exporters better access to knowledge and assistance to access the opportunities offered by World Bank and Asian Development Bank project work plus other development and aid projects.

12.2 Recommendations - Action Plan

1. Establish a '**Brains Trust**' of regional expertise to advise, identify and (in some cases) pursue 'regional' opportunities (on a project-by-project basis) in collaboration with a newly established Cairns based Office of the Pacific supporting direct-action outcomes including exports, employment, growth in investments and expansion of capacity to service aviation, marine technology, education and knowledge industries to service the Papua New Guinea and Pacific Island nations market.
2. Explore **opportunities for downstream processing of raw and agricultural produce** from Australia, Papua New Guinea and Pacific Island nations. Possibly export opportunities for value-added products or distribution in Australia/New Zealand and overseas markets.
3. Encourage exporters to **increase volume exports** from Far North Queensland to better underpin operational capacity and lower unit costs for sea freight from Cairns and Townsville.
4. Develop a '**Connect with Cairns**' campaign focussing on transnational connections. showcasing opportunities - sector specific via a series of Podcasts promoting industry sector capabilities. Raise awareness through the dissemination of industry specific profiles created through the Export Capability Profile project.
5. Enhance **regional partnerships** between Cairns and Far North businesses and export sectors in Papua New Guinea and Pacific Island nations through increased awareness of business, social and cultural needs. Develop a schedule of events identifying Business Forums; delegations (inbound and outbound); Sister City programs; business networking events; zoom meetings and other opportunities to connect via Cairns; Papua New Guinea and Pacific Island nations.
6. Raise awareness of specific **marketing strategies** for Pacific export markets. During an audit of websites and marketing collateral it was noted many companies did not demonstrate a credibility of doing business with Pacific markets. Such a failure to engage community, corporate and government levels of Papua New Guinea and Pacific Island nations as valuable export markets rather than domestic adjunct markets may mean new business is lost.
7. **Education and training** – Collaboration to showcase a series of 'specific topic' workshops highlighting the requirements for registering with World Bank/Asian Development Bank and like international organisations. Briefings from Australian Federal and State organisations that assist in the areas of export and business development.

8. **Mining sector engagement strategy** for Cairns and Far North region businesses. Proactively engage with mining projects (LNG and extractive) in PNG to promote Cairns for goods and services, machinery and maintenance, aviation and maintenance plus knowledge and technical skills supply; freight consolidation for sea and air freight; provision of education and skills training both in-country and in Cairns; labour supply through Cairns airport connections; safe secure housing for families and workers; health services provision for mining communities etc.

Recognise opportunity for freight consolidation for mining, food (Ok Tedi) etc. Air freight transit PNG to Singapore/Hong Kong. Reintroduction of the annual mining forum with identified partners such as the PNG Chamber of Mines and Petroleum.

*Note: Key to the successful implementation and adoption of the above **Action Plan** is a recognition and acceptance of the **Strategic Direction** thus supporting direct action outcomes at the Cairns regional level through appropriate funding and collaboration.*

12.3 SWOT Analysis of Survey Responses Cairns and Far North Region

STRENGTHS

- Geographical proximity to PNG & Pacific Island nations.
- Strong relationships with clients, government and institutions within the region.
- Trusted provider for quality goods & services, health, education and training.
- Multicultural city seen as a safe and easily accessible location for transnational families.
- International and domestic airports.
- Seaport and companies willing to look at expanding freight/transport operations to PNG/Pacific Island nations.
- Mobile workforce experienced in working in tropical conditions, with many working in PNG and Pacific Islands nations.
- Good local government support from Cairns Regional Council for Sister City – Lae, multicultural programs, export and other training programs.
- QLD/PNG MOU in place and supported by both State Government and PNG Government.
- Established PNG Consulate in Cairns and strong community support groups.

S

WEAKNESSES

- High freight and transport costs in PNG and Pacific Island trade.
- Poor communication infrastructure in target markets adds to cost of doing business and requires travel for important face-to-face relationship building with clients.
- Because Cairns businesses frequently maintain contact with PNG and Pacific Island clients face-to-face they do not have specific information on websites and in marketing material aimed for those markets so may not be capturing new and emerging clients.
 - Difficulties transacting currency and payment from clients – no Kina accounts available in Cairns.
- Red tape surrounding visas, official document requirements, difficulties for transnational households' movement of family members and investments.
 - Need for better export skills and cross-cultural training for Cairns and Far North exporters.

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OPPORTUNITIES

- Establish Office of the Pacific in Cairns to improve or increase Government engagement with PNG and Pacific Island nations, leveraging off local knowledge and relationships.
- Use strength of B-2-B engagement model of Tradelinked and dialogue and 'think tank' model of EiiC to promote transformational engagement between Australian and counterpart officials in PNG and Pacific Island nations for win-win solutions and relationship building.
- Engage with mining projects (LNG and extractive) in PNG to promote Cairns for goods and services, machinery and maintenance, aviation and maintenance plus knowledge and technical skills supply; freight consolidation for sea and air freight; provision of education and skills training both in-country and in Cairns; labour supply through Cairns airport connections; safe secure housing for families and workers; health services provision for mining communities etc.
- Encourage two-way investment between Cairns and Far North region and PNG and Pacific Island nations.
- Promote agricultural and other goods downstream processing in the region for onwards sale to export or domestic markets.
- Engage World Bank, Asian Development Bank, DFAT, TIQ, Austrade directly with exporters in Cairns and Far North to promote export opportunities.

O

THREATS

- Constant regulatory changes for visas, borders (particularly during COVID 19 pandemic), travel restrictions causing uncertainty.
- Trade and business threat due to perceived poor relations between Australian Federal Government and PNG and Pacific Island nations governments (disconnect in understanding of difference between relationship-based engagement and transactional based engagement).
- Lack of engagement of government staff at grass roots level either in Cairns and the region or PNG and Pacific Island nations.
 - Vaccine hesitancy in PNG and Pacific Island nations.
- Marketplace competition for clients against cheaper imports from Asia.
- High cost of regulatory compliance for businesses working to Australian standards.

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Table 43

13. Conclusion

Posing the question of Cairns being developed as a hub for this trade and activity overlooks the fact that, as evidenced by the survey results, Cairns already acts as a hub through its international airport, business connections and the strong existing webs of business, social and community relationships.

There is need at all levels of Government to recognise, access and prioritise development of Cairns as the Pacific capital of Australia. The city has a pivotal role in strategic, economic and geopolitical engagement in the region. As such, Cairns is Australia's natural home for implementing much of the national Pacific Engagement Strategy, providing the Department of Foreign Affairs and Trade's Office of the Pacific with close direct air and sea access to Pacific nations. This enables stronger partnerships for economic growth, regional security, and free trade.

Cairns is home to the Exchange Innovation and Information Centre (EiiC), which works in partnership with PNG Government to promote business and educational links between Cairns, PNG, and the Pacific. The EiiC is unique within Australia and houses the offices of Tradelinked Cairns-PNG-Pacific, and works with Papua New Guinea National and Provincial agencies. Cairns also hosts 12 Foreign Consulates, and through existing business links is engaged with and supports the Pacific Labour Scheme.

Source: www.advancecairns.com/project/pacific-engagement-strategy

As part of this landscape, Tradelinked and EiiC work together to provide a focal point for business-to-business networking, maintain a physical and electronic space for dialogue between individuals, enterprises and government, as well as undertaking communication and proactive engagement to develop positive investment economic and employment outcomes for Cairns and Far North Queensland. Its operation model, although currently maintained by volunteer organisations, could help provide a footprint on which the Office of the Pacific, DFAT, Trade Investment Queensland and others could either establish, or expand, a presence in Cairns to further grow the Pacific Regional Hub concept.

If it is accepted that Cairns and the Far North region already has a mature bilateral relationship to the Papua New Guinea and Pacific Island nation region this then needs this to be recognised at Federal and State Government level to fund, legislate appropriately and enhance the existing efforts of local level government, particularly Cairns Regional Council, to fully realise the employment, economic and social benefits of the existing relationships.

Appendices

- a. List of References 123
- b. A Summary of Direct Air Services between Lae-Cairns (tradelinked-cairns-png.com)
- c. An Extract from [Professor Karen Sykes](#) A Moral Economy of the Transnational Papua New Guinean Household: Solidarity and Estrangement While 'Working Other Gardens'.
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BUSINESS CASE

DIRECT AIR SERVICES BETWEEN

LAE PNG & CAIRNS AUSTRALIA



October 2019 : CE Ref: J3218V2

Preface

Tradelinked Cairns in association with Cummings Economics were provided with funding from Cairns Regional Council in June 2019 to develop a Business Case for the development of direct air services between Lae Papua New Guinea and Cairns Australia.

Research undertaken to develop the following includes:

- Visits to Lae by key representatives of Tradelinked, Cummings Economics and Cairns Regional Council for familiarisations, inspections and discussions.
- Visits to Cairns by representatives of the Lae Chamber of Commerce, Lae Regional Authority and key representatives of the Papua New Guinea Government and Australian Government representation in Lae
- Discussions with the PNG Tourism Authority
- Surveying of departing passengers on flights from Cairns to Port Moresby
- Surveying of relevant businesses in Lae and Cairns communities
- Research assistance from Cairns Airport
- Discussions with airlines
- Discussions with key businesses with a potential interest.

The following presents the Business Case in three parts.

PART A – BACKGROUND INFORMATION

PART B – ANALYSIS & CONCLUSIONS – AVIATION OPERATIONS PERSPECTIVE

PART C – ANALYSIS & CONCLUSIONS – COMMUNITY/ GOVERNMENT PERSPECTIVE

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Disclaimer

The research and figures in this document are intended to be indicative only and aviation operators and others would need to carry out their own detailed independent research before committing to any actions to introduce or support direct services.

Summary of Main Findings

PART A – BACKGROUND

LAE & CAIRNS

- Lae is Papua New Guinea's second largest city, largest port and industrial centre servicing the country's major population in the Highlands, Momase and Islands region. It has a strong growing economy.
- Regional population is growing at about 2% per annum. Its airport is being upgraded to international standard and the proposed Wafi Golpu mine is likely to give a major boost to the economy when it proceeds.
- Cairns services northern Australia's largest regional population, has the largest primary industry production, the largest tourism industry, largest marine and aviation services sectors and is the location of Australia's northeast naval base. The city has well developed education, medical and other services and a significant population of PNG Nationals.
- The Cairns region has the strongest population growth track record in northern Australia and regional Queensland, with population likely to grow at about 1.5% per annum.

AVIATION CONTEXT

- Australia accounts for 58% of flights overseas from PNG and of those about 30% are to Cairns, accounting for about 16% of passengers.
- Cairns has 281 departures a week to major Australian centres on top of numerous regional services.
- Lae airport is PNG's second largest air hub outside of Port Moresby accounting for about a third of all movements outside of Port Moresby.
- Lae has more flights per week to other centres across the north of PNG than to Port Moresby, with over 100 connections a week.

IMPACTS OF DIRECT FLIGHTS

- For Lae - Cairns point-to-point traffic, direct flights bring only small savings in distances but avoidance of time delay transiting Port Moresby.
- For Lae - Brisbane transiting traffic, there are 103 connections per week from Cairns to Brisbane compared with 12 from Port Moresby and likely to be some saving in airfares.
- For Lae - transiting to and from other Australian centres, there is a saving of one transit via Brisbane or Sydney (1 flight per week). There will be flight time savings and airfare savings especially to Darwin, Perth and Adelaide.

- Current passenger numbers over the next 12 months, to/from PNG (Port Moresby) Cairns, are estimated at 65,000 – 70,000.
- Based on City-Pair Sabre data supplied by Cairns airport, estimated pax numbers between Lae and Cairns are estimated at a minimum of 120 per week.
- Based on surveying at Cairns airport of departing pax to Port Moresby, about 12% were travelling to Lae, ie. about 160 passengers per week. Passengers to Lae were split approximately 50% Australian, 50% PNG.

About a third were transiting from rest of Australia. About 25% of PNG origin were not from Lae. About two-thirds were Work/Employment/ Business and one-third VFR Holiday.

- Based on a survey of Cairns businesses/ individuals, indicated increases in trips Cairns Lae with direct flights would be +40% in trips terminating Lae and +6% transiting Lae to other airports.
- Based on a survey of Lae businesses/ individuals, increase in trips Lae Cairns due to direct flights would be Cairns terminating +25%, Transits +50%.

PART B – AVIATION OPERATIONS PERSPECTIVE

- Based on the surveying, overall impact on numbers and passengers per week is estimated to lift total passenger numbers to 200 – 263 per week including diversion of Hidden Valley workers of 40 movements per week transiting through Port Moresby.
- If all traffic between Lae and Australian airports diverted through Cairns and there was a diversion of transits from the Lae catchment area, potential traffic is estimated to be of the order of 540 to 690.
- If Wafi Golpu commenced, likely estimated potential additional traffic Cairns Lae is 300 to 400 per week during the six-year construction period plus impact of the project on general Lae economy.
- Because of distance and aircraft size available to and via Port Moresby, to be competitive, an aircraft of about 70 seats would be needed. Assuming an 80% load factor, this would represent number of services (in/out) of:

Services to/
from per week

As indicated by the surveying.....1.8 – 2.4

Potential with diversion of all traffic between Lae catchment & Australian airports.....4.9 – 6.3

Additional with Wafi Golpu2.7 – 3.6

- Information from surveying about preferred days and time of day indicates preferred days were Mondays and Fridays and then Wednesdays, with peak demand Cairns Lae Monday, Lae Cairns Friday, but with reasonably balanced traffic the other way.
- In terms of time of day, preference indicated was generally morning/ early morning throughout except for Cairns based traffic that had a significant preference for return traffic on Friday and Wednesday late afternoon.

- At present, dominant movement of PNG freight is from/to Brisbane 350 tonnes a month, Cairns 10 tonnes a month, Sydney 3 tonnes a month, mainly carried by Air Niugini. This does not include charter freight services including Hevilift that has a charter freight service weekly Cairns Lae to service the Hidden Valley mine.
- Survey of businesses in Cairns and Lae indicated freight opportunities ex Cairns mainly in machinery and parts, possible workwear and dairy products marine, hospital and education material, tourism gear, bicycles and fresh fruit and vegetables, and ex Lae agricultural products (including coffee, cocoa and vanilla), PNG artisan products and machinery and equipment sent down for repair, reconditioning.

PART C – COMMUNITY/ GOVERNMENT PERSPECTIVE

- For the Lae community, the major benefit is likely to be the reduction of travel time and costs between Lae and Australian cities. It will also include consolidation of Lae airport and Lae as the largest services centre on the northern side of PNG. Direct services to Cairns will help justify the investment in upgrading Nadzab Airport. The direct services will bring opportunities to grow tourism and develop Lae's sister city relationship with Cairns.
- For the Cairns community, the major benefits will be to reduce travel time and costs of links with Lae and the northern side of PNG, help develop business and services delivery, attract residents of Lae and the region to Cairns for recreational breaks and holidays, help develop links with the proposed new naval base at Manus Island, further consolidate Cairns airport hub role, help consolidate the sister city relationship with Lae and benefit the PNG origin community living in Cairns.
- The direct services will benefit Papua New Guinea at a national level. It will help justify the decision to upgrade Nadzab Airport to international standards, help with the PNG government policy of building up strong major regional centres other than Port Moresby, open up further opportunities for the development of tourism on the northern side of PNG and contribute to further strengthening the strong relationship between Papua New Guinea and Australia.
- As the closest Australian city to Papua New Guinea, Cairns already plays a substantial role in Australia's strong business, community and government relationship with PNG. The direct services will help further strengthen this relationship and complement the Australian government's current initiatives to strengthen the relationship at non-government levels including in fields like business, education, culture and sport. The direct services will help with links between Australia's northeastern naval base and the new Australian/US naval base at Manus Island and further assist the development of Cairns in the context of the government's northern development initiatives.

An Extract from Professor Karen Sykes [A Moral Economy of the Transnational Papua New Guinean Household: Solidarity and Estrangement While 'Working Other Gardens' \(anu.edu.au\)](https://www.anu.edu.au/people/Research%20Centres/ANUPNG/Research%20Centres/ANUPNG%20Household%20Solidarity%20and%20Estrangement%20While%20Working%20Other%20Gardens%20(anu.edu.au))

A Moral Economy of the Transnational Papua New Guinean Household: Solidarity and Estrangement While 'Working Other Gardens' - Karen Sykes

Introduction

Transnational Papua New Guinean (PNG) household members provide for each other while making new forms of traditional marriage, often resulting in changes to their access to land in their homelands in PNG. They capture the sense of that experience of migration away from clan lands with the idiom 'working other gardens', by which they mean they have migrated from PNG to 'other gardens'. Although they sustain their household's livelihood as employees of firms and as parents of students, public speculation about Papua New Guineans' reasons for taking up residence in Australia focuses wrongly on their geopolitical demographics rather than this moral economy of the transnational PNG household. Neither the state and its agencies nor the independent service providers, who assume the political economy of PNG-born residents in Australia is precarious given the transience and landlessness of the members of this community, grasp the moral economy of the transnational household. Contrary to the precarious political economy imagined by representatives The Quest for the Good Life in Precarious Times 106 of the state, ethnographic research reveals a moral economy of resilient solidarity within the transnational household. PNG women live at its centre, often having multiple residences in PNG and Australia. Nevertheless, it is one within which disaffected household members might find they are estranged from traditional land.

'Working Other Gardens'

I learned to turn my attention to the experiences of PNG women in Australia, and away from census data and the moral judgements made about their households, during a short fieldwork trip in 2011. I had made a journey with several PNG women from Cairns, in Queensland, to Darwin, in the Northern Territory. Among other plans, we hoped to view the 10,000-year-old petroglyphs in Kakadu National Park and to visit some old friends settled there. We were guests for an evening in the household of a PNG woman whose husband worked in the uranium mine several hours out of the city. Our host had once hailed from Western Province, PNG, as had another family (from the mouth of the Fly River) who had travelled with us from Queensland. Another guest in the house that evening had come to Darwin from PNG to attend a technical education college for a three-month course. He arrived with two other Papua New Guineans from Enga who had been recovering in a Darwin hospital, receiving treatment for injuries sustained on a mining site at their employer's expense. That night, I joined the gathering with my three friends who had been born on the New Guinea islands.

I asked the PNG women and men present that evening how such a disparate group of Papua New Guineans had come to be living in Australia, how they sustained their lives there and what they made of their experience of doing so. I posed my questions to the group over a late afternoon meal, which was served in traditional style: generous amounts of root vegetables—sweet potatoes, taro, cassava and sago—with portions of roast chicken. They were bemused by their realisation that they were eating many of the same foods enjoyed for centuries, and I asked them to clarify their thoughts. My companions answered, but talked more about the deep past than the present. They spoke of their ancestors, the Pacific navigators who had accomplished one of the greatest triumphs over space and time of any migration in global history, moving westward out of South-East Asia to Madagascar and eastwards to Rapanui (Easter Island) over 10,000 years ago. They spoke of seagoing canoes peopled by their ancestors and loaded with bundles of taro and yams, models of which stood in the Northern Territory museum nearby. They spoke of the deep history of their ancestors, who, they believed, had had the ability to make a life wherever they landed—not by marine crafts but by expert horticulture. They also remembered the modern migrations of workers to plantations in Queensland, and recounted stories of meeting the descendants of these men and women. Perhaps the authenticity of these ancient and modern stories rested more on my friends' view of their own peripatetic lives in the present than on the archaeological record? Taking new jobs, moving to a new house and even visiting relatives across many Pacific islands had remained a common habit throughout their history.

In this introductory section, I have described my understanding of a gathering of Papua New Guineans in Australia. How that fieldwork experience reconfigured my research questions follows in the rest of this chapter. I learned that the twenty-first century form of association, the modern PNG household, emerged out of the migration of household members from PNG to Australia, Europe, South-East Asia and the Americas. However, the principal destination for the last four or five decades has been Australia, where increasing numbers of PNG women have settled with their husbands and children. I also learned that many migrant PNG households in Australia are composed of the descendants of two or more generations of marriages across the language or cross-ethnic groups of multicultural PNG. At best, they had complex means of access to their clansperson's land in PNG; at worst, no rights to use it. How they came to migrate to Australia and find other work there arises from their generational histories, rather than only from contemporary, individual motives. Their ancestors' intention to work 'other gardens' wherever they landed to make a good life together in the future appealed to my friends' sense of their current moral reality of making a livelihood in a widely dispersed network of household members; they used the idiom to capture the character of their new livelihoods in Australia, where they now 'work other gardens' because they must do so.

The Limits of Geopolitical Accounts of the PNG Transnational Household

The moral economy of the transnational PNG household was unknown to local government and businesses. When local councils and their business partners in Queensland began to investigate these further it was because they most often relied on the census data, which was too thin to provide a picture of how the transnational PNG household lived. Most often, business and government officials

mistook the particularities of the PNG householder's moral economy for their response to the loss of more general economic rights. The government officials raised the ethical principle that communities must not only survive, but also thrive and flourish. They raised concerns with the PNG householders' rights to thrive within the optical economy of the region, which were based on the assumption that members had a right to make a livelihood based on access to residence, work, and social care. I was encouraged by the agents of local government and business to enrich their demographic picture of the transnational PNG household so that they might assist the PNG community to make a good life together.

Ethnographic fieldwork yields knowledge that is different from the information that methods like census data collection and analysis allow. My research among transnational PNG families had begun simply enough with my inquiry into the PNG community in Australia and how they constituted their relationship with each other there. I began in their households in Far North Queensland, a region of more than 225,000 residents in the Australian state of Queensland. The total number of Papua New Guineans there is unrecorded in the census because their residency is so fluid and their identity unfixed. Many people I knew kept one home in the political jurisdiction of Far North Queensland because of its proximity to PNG's national capital, Port Moresby, a mere one-hour flight away. Often, they also had a home in Port Moresby, where some household members lived; perhaps a third had another home in either a more distant part of Australia or in a PNG province. However, the PNG families I worked with in greater Cairns showed me that the household was transnational because it was defined by how its members related to each other. I came to see that the strength of kinship and friendship connections across distances mattered more to their identity as Papua New Guineans than the location of their residences.

My first acquaintance with the transnational household had been in the 1990s when I broke my travels to PNG in Cairns to visit people I had first met in their PNG village. Often the Australian-residing arm of the household asked me to carry messages to relatives in towns or villages in PNG, but I did not realise that fluidity is deeply characteristic of the PNG household until I settled in Far North Queensland myself in 2012. Beginning in the greater Cairns area, which had a population of about 50,000 people, I mapped those PNG households geographically to other Queensland towns and cities and to Australian cities in different states, as well as to the PNG towns and cities where household members owned or rented other houses. This was daunting at first but became less so as I followed the connections they had already made, thereby coming to see the transnational household in distinctly PNG terms, rather than geopolitical ones.

I found that PNG households typically settled in Cairns for several months, after which their members made longer visits to other homes in PNG and Australia. It can be said that, rather than the physical residence itself constituting the household, it is the PNG women who form the centre point of these large extended households of relatives and 'friends' for whom they choose to care, and who might be called, in Tok Pisin, wantoks. I met with the members of approximately 60 households of this character between 2011 and 2014. All the households in my survey centred upon relationships between a PNG woman, her clanspersons and her in-laws, or affines. Her husband might have been white Australian or European, or identified as Chinese or Malaysian. Comparatively few PNG women were married to men from other Pacific island nations, but many had married a PNG man, often from a different language

group, or an entirely different PNG region. The PNG woman's point of view of the domestic moral economy of the transnational household often encompassed concerns with household and financial debt, as well as 'marriage debt', as I describe in two cases of mortgages held by transnational PNG families (Sykes, 2013). Certainly, a PNG woman might feel challenged to sustain the members of such a household and, in coming to define the ground rules for inclusion in it, she might exclude certain wantoks and relatives from care by the household, thereby limiting the demands made on her and the household.

Just as PNG women were concerned about the resilience of their transnational households, so too was regional government. However, by contrast with the point of view of PNG women, which centred on relations between households (i.e. the domestic moral economy), the perspective of local service providers and regional government was something like 'geopolitical-centric', following the assumption that simple residence in the region is the most significant factor in understanding PNG households. This assumption confounded service providers' ability to acknowledge and report on the transnational quality of these households. They were often heard to say that the PNG population of greater Cairns was 'a very roughly estimated number in the neighbourhood of something between five- and eight-thousand people'. Their geopolitical-centric perspective focused on Cairns being home to the highest concentration of PNG households in Australia, with it being commonly rumoured in business and government that the Cairns-area population represented 'between a quarter or a half of the total number of Papua New Guinean people resident in Australia as of 2011', but there were not official data to show it. The more that officials tried to clarify the census data, the less convincing was their hold on any significant knowledge of Papua New Guineans in Australia. As I learned to be sympathetic to the trials of interpreting the lifestyle and residence patterns of a somewhat mobile form of household, I also realised that census data are not a good guide to how Papua New Guineans thrive in Australia; the data are not even a measure of how many people live in such households. That requires an account of the moral economy of the PNG transnational household, which I describe below.

Closer analysis of census data shows how little value it brings to the clarification of even the geopolitical profiles of people of different ancestries. Despite not providing the solid evidence needed for developing shared political visions or social planning, a powerful moralising discourse emerged around census data. Regional politicians mapped a trend across Australian census years that showed an increase in the absolute number of people declaring themselves to be PNG-born residents of Australia, with the two largest increases coinciding with particular events in immigration policy. Table 6.1 shows that the largest increase in numbers occurred in 1976, the year after PNG independence. This was when Australian families returned to Australia after decades of working in PNG, started new businesses and took up jobs in various Australian states, often in Queensland. The increase in 2006 coincided with shifts in Australian immigration policy regarding the issuing of education visas for PNG children. Whereas in past decades, students had come to Australia on scholarships offered by the Australian Government, in the twenty-first century, PNG children were given visas for study, with one PNG adult offered a guardianship visa to accompany them. The significance of official moralisations about these historical developments is clearer when examined at the level of the household.

Table 6.1: PNG-Born Migration to Australia, 1954–2011

Census Year	Number
1954	1,723
1976	15,562
2006	24,024
2011	26,787

Source: Department of Immigration and Citizenship, Australia (n.d.).

Despite official trust in these figures, they overstate the number of PNG migrants, as many of those PNG-born migrants in Australia are the children of Australians who were working in the former territories of PNG. In addition, many hundreds of people who are recorded in the 2011 census as PNG-born residents were those temporarily visiting (six to 12 weeks) as adult students at Australia's many technical and further education colleges. In short, the numbers do not record merely residents of PNG descent; nor do they distinguish longer term or permanent residents.

To better grasp the aggregate size and significance of PNG-born migration, census data on 'ancestry' was also gathered. Notably, this data were volunteered: it was not required. In the Australian census, a total of 15,460 responses indicated PNG ancestry. However, it must be remembered that this is not the same as saying that 15,460 persons identified as having PNG ancestors. There are several reasons for this. First, by 'ancestry' the census question meant the birthplace of the respondent's parents or grandparents, and not their nationality or 'race'. For example, as I learned during my ethnographic inquiries, a respondent with a parent born in PNG would list PNG ancestry even if that parent were the child or even grandchild of (white) German residents in PNG. Second, the voluntary nature of responses necessarily skewed the results, making them non-representative; many people simply did not respond to the question (i.e. they listed none of their ancestries). Third, those who did respond to this question could identify either two ancestries or one, as they wished. For all these reasons, the Department of Citizenship and Immigration could not clarify just how many people chose to respond with information about both, one or none of their parents and grandparents.¹(see footnote). Hence, those analysing the data were warned not to divide the number of respondents into the aggregate number of responses because it would not determine how many PNG-born people also identify as having PNG ancestry.

Of all the responses to the question about respondents' ancestry, the responses given by people who also identified as PNG-born can be expressed in tabular form. Table 6.2 shows that of the major ancestries named by those who were born in PNG, only 23 per cent indicated PNG ancestry, a raw number of 8,752 out of 37,625 responses. Notably, 'other ancestral responses' has the largest percentage of all responses, being the total number of responses that do not name the top four named ancestries of the PNG-born: Papua New Guinean, Australian, English and Chinese. Table 6.2 shows the aggregate number of responses to this question.

¹ There is no analysis that can reveal how many people surveyed actually listed PNG ancestry, let alone were actually of it. Given that the census counted 26,787 people who identified as PNG-born, their total possible numbers of ancestry responses, at the limit of two per respondent, would have been 53,574. However, the total ancestry responses of the PNG-born were 37,625. Not surprisingly, perhaps, this figure is the aggregate of responses that listed one or two ancestral birthplaces of parents and grandparents.

Table 6.2: Ancestry Responses of PNG-Born Migrants, 2011 Census

Ancestry responses	Number of responses	% all response
Papua New Guinean	8,752	23
Australian	7,313	19
English	6,736	18
Chinese	2,972	8
Other	11,852	32
Total Responses	37,625	100

Source: Department of Immigration and Citizenship, Australia (n.d.).

Quite wisely, the compilers of the data warn against translating aggregate responses into percentages of people, and percentages into absolute numbers of people of PNG descent. Hence, the number 8,750 is neither an absolute nor approximate number of people of PNG descent in Australia. Instead, it represents the aggregation of responses to the category 'PNG ancestry'.

'PNG-born and resident in Australia' is a fuzzy category, one that offers little clarity about those whose lives it describes, except that Queensland is their favoured destination, as Table 6.3 shows.

Table 6.3: Geographical Distribution of PNG-Born, 2011 Census

State	Number of PNG-born	% total PNG-born
Queensland	14,500	54
New South Wales	5,428	20
Victoria	2,534	10
Western Australia	1,763	6
Other	2,562	10
Total	26,787	100

Source: Department of Immigration and Citizenship, Australia (n.d.).

However, it remains as difficult in this as in other tables to understand to whom the figures refer. In the course of my fieldwork, I met many white Australians who invested in Queensland farms and small businesses after the sale of plantations in PNG. By their own account, they preferred to resettle in Queensland because they could more readily gain access to their remaining business investments and personal commitments in PNG.

In the course of my fieldwork, I heard how the Far North Queensland regional government and service providers were increasingly perplexed by the disjuncture between reports of an extensive PNG presence in their region and their actual experience; they simply did not meet as many Papua New Guineans as the census figures suggested they might. At first, they set out to find more PNG people. When they were unable to do that they came to doubt the census figures. Some government officers admitted that they had misread the figure of 26,787 as the measure of PNG migrants in the country, not realising that it was an aggregate that included many more people who were born in PNG but of Australian ancestry and citizenship. Others misread the number of responses identifying PNG ancestry for the number of individuals of PNG descent. The next section shows that the Australian Government Department of

Citizenship and Immigration correctly warned users of their data to take care when extrapolating from it to comment about the PNG community.

Speech to the Australia-PNG Business Forum – 25 May

Good afternoon from Lae, Morobe Province.

In the last year, the Australian Government has committed to elevating our economic relationship with Papua New Guinea, through the Comprehensive Strategic and Economic Partnership (the CSEP) agreed by our two Prime Ministers in August 2020.

The CSEP prioritises free and open trade and stable investment regimes to grow our shared prosperity, and acknowledges the private sector is key to driving economic cooperation and development.

With this mind, engaging with the business community in Lae, the wider Morobe Province and surrounding regions is one of the most rewarding and high-impact aspects of my role as Consul-General.

So, my focus today is on the opportunities for business in Morobe. Central to this question are the investments being made in Morobe in important infrastructure, agricultural productivity, manufacturing, and education for the skills needed for future growth.

Yet we cannot ignore the challenges, which are well-known.

From 2003 to 2015, PNG experienced relatively strong economic growth, assisted by high commodity prices for PNG's exports, supportive macroeconomic policy settings, and developments in the resources sector. This included the construction of the PNG LNG Project and the first gas exports in 2014.

However, growth has flagged in recent times, compounded by natural disasters, lower commodity prices and the impact of COVID-19.

Around 80 to 85 per cent of Papua New Guineans continue to reside in traditional rural communities, and the majority secure their livelihoods from subsistence gardens and small-scale cash cropping.

As PNG's most populous province¹, and with more districts than any other province (nine), Morobe is well aware of the challenges of modernising and diversifying its economy.

But, if done right, Morobe Province has an incredible platform from which to grow. The right combination of investment and education could lead to exciting prospects for business in Morobe.

Morobe is a province of immense, future opportunity. The province is rich in untapped natural resources and potential human capital.

¹ Population estimated at 970,000 in 2018 by the Provincial Government

The capital, Lae, is the second largest city after Port Moresby and the manufacturing, agribusiness and logistics hub of the country.

Historically, Japan, the United States and Australia all recognised Lae's significance for sustaining logistic lines of supply in the South West Pacific theatre of World War II.

This strategic value has endured in modern times and is reflected in the economic opportunities the city holds as a gateway for trade and investment in the Indo-Pacific.

Today, PNG's main road networks (the Highlands, Ramu and Wau Highways) merge near Lae and the city sits at the centre of the Pacific Islands' largest contiguous economic zone outside of Australia and New Zealand.

Industries in the province include mining, manufacturing, food processing, coffee, cocoa, livestock, poultry, plantation forestry, oil palm and fisheries.

Many manufacturing companies have factories established in Lae, including KK Kingston, Coca-Cola, Nestle, Prima Smallgoods, Majestic Seafood, Lae Biscuits, Paradise Foods, SP Brewery, and Frabelle tuna canners, to name a few.

Trukai Industries Ltd (a subsidiary of Australian company Sunrice) operates its major PNG rice importing, blending and enriching operations in Lae, and runs a major farm in Erap in Morobe's Markham Valley.

The Hidden Valley gold mine and the prospective Wafi-Golpu Copper-Gold Project (a 50-50 joint venture between Australia's Newcrest Mining Ltd and Harmony Gold) are also both located in Morobe Province.

As a growing centre of economic activity, Morobe Province is the site of a number of key investments, which aim to boost connectivity, the ease of doing business, and productivity in the province.

For businesses looking for access to the north of PNG, Lae is the logical entry point.

Morobe Province is home to PNG's largest and busiest port, and to logistics companies servicing all of PNG's highlands provinces, connecting them to PNG as well to external markets.

The Port of Lae is one of only three profitable ports in PNG, the others being Port Moresby and Kimbe².

² The ports of Madang and Rabaul are breakeven. The remaining eleven ports are loss-making and are cross-subsidised from the three profitable operations. Diagnostic Report on Competitiveness and Overall Market Structure of Port Industry in Papua New Guinea, March 2017, APEC Economic Committee.

A 2017 APEC report noted that the PNG Ports Corporation Port of Lae handled some 193,000 containers in 2015, compared to 79,000 in Port Moresby. More recently, on 19 April, a Business Advantage PNG article (titled *Papua New Guinea's Lae set to become Pacific hub*) it was quoted that at least 200 to 300 containers a month are transhipped in Lae, with an aim to increase that up to 3,000 to 4,000 a month.

In addition, Prime Minister Marape announced in August last year a 692 million Kina redevelopment of Nadzab Airport in Lae in order to expand transport capacity as the second busiest domestic airport and to be the nation's second international airport (offering short to medium-haul flights up to B737 capacity). This is a co-funded project with the Japan International Cooperation Agency and is scheduled to be completed by 2022.

With an increased capacity to handle goods through air entry, Morobe is likely to see increased transport efficiencies. This should provide downwards pressure on fees to facilitate products through Morobe.

Australia is also making substantial investments in Morobe Province.

We recognise that Morobe will continue to need the combination of investment and education to reach its full potential.

Our investments in transport, education and agricultural productivity, strongly supports the Comprehensive Strategic and Economic Partnership that I mentioned earlier.

Australia is investing in ongoing road maintenance activities with the intention of making it easier and cheaper to transport products.

For example, we funded:

- Multiple ongoing minor contracts on a 111 km stretch of the Wau Highway.
- Ongoing minor contracts on an 18 km stretch of the Highlands Highway approaching Nadzab Airport.
- On the Ramu Highway, a 31 km stretch in the Morobe section has had a Fixed Term Maintenance Contract awarded. On completion (June 2021) we will continue with multiple minor works contracts.
- And a significant, long-term Maintenance Contract (five years) is planned to start in the province Q3 2021.

Australia has also partnered with PNG on the redevelopment of ANGAU Hospital and for health service delivery in Morobe Province. The ANGAU Hospital redevelopment is the largest Australian infrastructure project in Papua New Guinea since independence and will position the hospital as a leading specialist healthcare provider for the country, serving a catchment area of almost two million people.

Lae is also the gateway to the fertile Markham Valley. As one of the most important regions for agriculture in PNG, we recognise the importance of creating efficiencies in this sector.

For example, Australia funds the Grow PNG project, an offshoot of the World Economic Forum's Grow Asia, providing 3million Australian dollars over three years until 2022.

This program brings together business leaders, policy makers, civil society and farmers to unlock growth in the agriculture sector, starting in the Markham Valley and aiming to increase smallholder household incomes by 20% within eight years.

At the same time, Morobe businesses located along the length of the production chain are benefiting from import substitution and from growing populations in the Momase and Highlands regions.

Australia also recognises the important role that education will play in Morobe's economic future.

This development of human capital will lead to increased skills in the region over time, with the proper education.

For example, as a priority of the Marape Government, Australia has agreed to expand support for Technical Vocational Education and Training (TVET) in PNG. Worth up to 45m Australian dollars over six years (2020-2026), the program will strengthen TVET provision in subnational locations and increase the number of skilled graduates with qualifications that respond to industry and the economy.

Australia has also expanded the regional Australia Pacific Training Coalition program for formal TVET skills provision beyond Port Moresby, partnering initially with Mt Hagen Technical College, Highlands Agricultural College, and Bougainville Technical College.

Given its immense potential, Morobe (and Lae more generally) will no doubt garner consideration as a future TVET partner institution location. This will see a scale up of formal TVET skills in priority provincial growth sectors including construction, infrastructure, agriculture, mining, and hospitality to address the shortage of qualified workers and decrease the number of foreign workers.

Programs such as these aim to develop the skills base in Morobe Province so that future industries can source the skills needed to expand and grow the private sector.

In a forum such as this, and in considering future investments into Morobe Province, it is important to highlight that Australia tenders development projects openly, and businesses are encouraged to keep an eye on the AusTender web-site and local media for upcoming opportunities.

One area which can support Morobe's economic corridor is the improvement of digital connectivity.

Across PNG, access to digital infrastructure remains low. Approximately 65% of Papua New Guineans have access to mobile phone coverage (2G) and just 12% of the population is online.

While the foundations for a digital future have been laid – including through the Coral Sea Cable and Kumul Domestic Cable - PNG's Telecommunications Infrastructure remains underdeveloped and expensive to access.

Morobe's development will, in part, depend on its advancement towards a digital future, helping to connect Lae and other Indo-Pacific trade and investment centres where air or sea infrastructure links do not yet exist.

Lae, as home to PNG's University of Technology, could also emerge as a potential site for a digital innovation hub, and another data centre for PNG. If pursued, these could be important future developments for Morobe, but as we know digital investment takes time to mature.

Ladies and gentlemen, I today have outlined the enormous opportunities that lie waiting in Morobe Province.

The Australian Government recognises the huge potential in this area of PNG, and continues to prioritise investments in infrastructure, education, skills, agriculture and human development, to ensure that Morobe can maximise its natural bounty.

It is, after all, why the Australian Government selected Morobe's capital, Lae, as the location for a new diplomatic mission, opened only four years ago. Few other locations in PNG bring together all the elements of Australian interest in the way that Lae does.

In closing, we encourage businesses to see this potential as well. The right combination of investments and education will ensure a prosperous entrepreneurial future in Morobe Province, led by its capital in Lae.

Thank you.

Mark Foxe
Consul-General
Australian Consulate-General Lae



MEMORANDUM OF UNDERSTANDING

between

The Government of the Independent State of Papua New Guinea

and

The State of Queensland

The Government of the Independent State of Papua New Guinea (PNG Government) and the State of Queensland (Queensland Government) (the Parties) have an important, long standing relationship and a history of working together to improve opportunities for individuals, communities, and businesses. The Parties recognise the importance of continuing to cooperate and collaborate for mutual benefit.

The relationship between the Parties is close, not only because of the shared border, but also because of shared interests, including: cultural; business; artistic; and sporting interests. The depth and intensity of these links have their roots in the joint historical heritage of the parties, many of which were forged prior to Papua New Guinea's (PNG) independence.

The rich cultural heritages, current cultural practices, and artistic expressions of the peoples of PNG and Queensland are celebrated and shared, particularly those of the indigenous peoples. Provision of inter-cultural experiences to young people is vitally important to continuing these cultural and artistic connections. The commemoration of events and preservation of sites of significance associated with wartime efforts continues.

Strong government to government, people to people, and business to business links are recognised by the Parties as being at the core of the relationship and are supported and promoted wherever possible. The sister city arrangements between the City of Townsville and the National Capital District Commission of Port Moresby and those between the Cairns Regional Council and Lae City demonstrate the depth of the relationship and provide opportunities to build on shared goals and interests.

The Parties are committed to building on successive Memoranda of Understanding (MoUs) agreed since March 1992, which promoted mutually beneficial relations between businesses, facilitated economic and social development, and enhanced cooperation between the agencies of the Parties.

This MoU will continue to advance relations between the Parties, individuals, communities, and businesses, including through: mutual sharing of knowledge and experience; partnerships in delivering public services; and projects.

The Parties seek to work with appropriate non-government organisations and relevant fora to support the aims and objectives of this MoU. The Parties will use their best endeavours to facilitate each Party's agencies to provide advice and support to achieve that aim where appropriate and as opportunities arise.

The Parties are committed to pursuing sustainable social and economic development. Good governance and equitable participation of peoples in the economic and social activities of Queensland and PNG respectively are shared goals.

The Parties recognise the key roles of the community, individuals, government agencies, the private sector, and non-government organisations in the achievement of these goals.

The Parties agree there are a number of priority areas on which cooperative efforts could be focused over the life of the MoU.

The priority areas may include but are not limited to:

- Business-to-business relations
- Micro, Small and Medium Enterprise (SME) support and capability building
- People-to-people links, including arts, cultural, educational and sporting exchanges
- Tourism
- Agriculture
- Women's participation in governance
- Public administration capacity building
- Education and training, focusing on youth and women
- Disaster resilience and response
- Emergency services
- Infrastructure and construction
- Mining and resources
- Law and justice
- Health.

Key initiatives, activities, and agreements supporting the objectives of this MoU are outlined in the attached Schedule. The Schedule will be refreshed ahead of each year of the term of this MoU and agreed through an annual exchange of correspondence between the Parties.

Highlights for the previous year will be reported in the same annual exchange of correspondence and, if agreed in writing by both Parties, acknowledged publicly.

The Parties recognise that it might be necessary to negotiate and enter into legal agreements or seek the cooperation of third parties to give effect to some cooperative activities and initiatives.

This Memorandum of Understanding:

- will be effective from the date of final execution and remain in force for four (4) years;
- may be modified or extended by agreement in writing between the Parties;
- may be terminated by either Party giving three months' notice in writing;
- will not create a legal relationship between the Parties, demonstrate an intention to enter into a legal relationship, or create any legal, contractual or financial rights or obligations for either Party; and
- is subject to the financial and other resources of the Parties and the cooperative activities identified in the Schedule do not create or represent any specific funding commitment by the Parties.

Any dispute arising out of the interpretation or implementation of this MoU shall be settled amicably by consultation and negotiation in good faith between the Parties.

Termination of the MoU will not reflect dissatisfaction between the Parties but rather a change in priorities for one or both Parties.

This Memorandum of Understanding is signed in Brisbane, Australia on 6 August 2018 in two original copies.

**For the Government of the
Independent State of Papua New Guinea**


**The Honourable Peter O'Neill CMG MP
Prime Minister**

For the State of Queensland


**The Honourable Anastacia Palaszczyk MP
Premier and Minister for Trade**

Australia-PNG: relationships are what matter

[IAN KEMISH](#)

The size of the aid cheque is no-where near as significant as personal connections and sustained neighbourly attention.

Published 10 Oct 2018 – The Interpreter, Lowy Institute

Papua New Guineans tell each other with pride and excitement that the eyes of the world will be upon them 40 days from now, when they host the APEC Leaders Meeting in Port Moresby on 17-19 November. They are not fazed that Donald Trump won't be there.

His representative, Mike Pence, is popular in Christian Papua New Guinea (PNG) because he helped secure a 400-year old bible for the national parliament. And the APEC meeting will still be a very significant gathering, with most of the other 21 APEC member economies to be represented by their national leaders.

As has been widely reported, China has been a key partner in the lead-up to APEC, helping to build key conference facilities and upgrading the roads of the national capital. The Lowy Institute has [shown](#) that China's investment in regional development across the Pacific doesn't come close to that of Australia, but Beijing has been deft in both its political timing and selection of high-profile projects aligned to PNG's own national aspirations.

PNG's prosperity and stability, currently under serious challenge from demographic and other social pressures, is also critical to Australia's security and the broader region.

A narrative has emerged that Australia has allowed its own standing in PNG to slip in recent years, and thus allowed China to extend its influence. In many ways, it's natural that Australia's position has changed, and that PNG is looking elsewhere for support. Prime Minister Gough Whitlam predicted as much at the very start, in his speech at the Independence celebrations in Port Moresby on 16 September 1975, declaring Australia did not seek an "exclusive" relationship with PNG, knowing the country would:

'want to find your own place in the international community, based on your own independent assessment ... a genuine independence not a phoney independence'.

The current leaders of PNG have grown up in an independent country, and are indeed more inclined to take each external relationship on its merits – and to be more assertive and selective in their dealings with Australia. This means Australia needs to work even more deliberately in PNG now to ensure it retains a position of relevance.

PNG's prosperity and stability, currently under serious challenge from demographic and other social pressures, is also critical to Australia's security and the broader region. Australia's broader international standing rests on a belief that it can influence developments in the Pacific, especially PNG, in a positive way.

And despite regular criticism of the Australian aid program in the country, this overlooks the fact that Australian aid now amounts to a very small proportion of the PNG national budget, and it fails to excite serious interest at the political level in PNG.

Australia's standing in PNG does not rest on how much money it contributes. Influence comes only with a high-quality relationship.

So let's consider the relationship. There is a cultural affinity felt on the PNG side that would surprise many Australians – a familiarity with Australian politics, the nuances of society and culture, and sporting heroes. There is an abiding sense of familiarity that is not present in PNG's relationship with other countries. PNG is, generally speaking, a willing partner.

In Australia, there is still a small and well-networked tribe who have deep connections with PNG. There are many Australians, like me, who grew up in the country in the last decades of Australian administration. Personal links were formed which provided the ballast for the bilateral relationship over the first 30 post-Independence years. This is reflected among prominent Papua New Guineans from the era, a strong common thread

of familiarity and affection for Australia, recounting the experience of studying in Australia, or the Australian friends they made along the way.

This is where ground is being lost. This old web of relationships is not being replaced. There are some younger Australians who have a connection to PNG – diplomats, humanitarians, mine workers, and a few business people. But the numbers are much smaller, and for these people, PNG is generally a way-stop in their careers – an interesting but isolated phase in their lives.

On the PNG side, the opportunity to study in Australia is limited to the children of the elite. Those who do visit, after negotiating a visa regime they find difficult to understand, must come to terms with the fact that the vast majority of Australians know next to nothing about their country.

Australia should understand the importance of its historical and personal links with PNG and work actively to rebuild the web of relationships that underpinned our standing there in the first decades after independence.

The Lowy Institute's Australia-PNG Emerging Leaders Dialogue makes an important contribution by promoting dialogue between young people from our two countries and could be a useful model for a larger-scale exercise to build durable links for the future. The Australian Government could be doing more to focus our tertiary institutions on the Pacific region, including PNG, where they are currently under-engaged.

Most importantly, the Australian media need to be encouraged to focus on our nearest neighbour with maturity. I disagree with the PNG watchers who commonly say that the Australian media should report more positively on PNG – the truth is that the country is beset by challenges which should not be glossed over. The media should simply start taking the country seriously.

Relationships at the political level need attention. Prime Ministerial churn in Australia has not helped build a mature, lasting relationship at the most senior level. With some notable exceptions, Australian ministers can come across as either too busy or unenthusiastic about PNG. When the PNG prime minister attends a major bilateral business conference in Australia, the Australian Government is too often represented at best by a junior minister or back-bench parliamentarian. Respect is the fundamental

requirement of any positive relationship, and PNG counterparts sometimes feel it is in short supply.

There are undoubtedly frustrations felt on the Australian side – and that's another story. Yet if Australia is to maintain relevance in PNG in the new era, it is the relationship that will need to be the main focus, not the quantum or detail of our aid program.