

Buyer in wings

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TREASURER Andrew Fraser has revealed the State Government received an unsolicited approach to buy Cairns airport before it decided to put it on the market.

The revelation has effectively allayed industry concerns that the reduction of flights between Japan and Cairns may have lowered the airport's potential sale value, and in turn affected the amount of money to be put aside for a future new hospital for the city.

Speaking at a post-Budget lunch at the Shangri-La Hotel, Mr Fraser said the approach had convinced the Government the airport would bring an attractive price.

Mr Fraser's comments came in response to a question from Cape York Airlines chief executive Arthur Williams about what his vision for the airport's next operator was.

"Some time ago we received an unsolicited offer for the Cairns airport," Mr Fraser said.

"In line with any unsolicited offer we said thanks but no thanks, but if I might take a lesson from that unsolicited offer, people believe this as an asset of very high worth.

"I believe it will provide a strong return to the Cairns community to fund firstly the upgrade of the Cairns Base Hospital and to secure land for the future for a new hospital."

With a goal of finalising the airport sale by the end of the year, Mr Fraser said the Government would be calling expressions of interest by the end of the month.

Because the tender process was about to start, Mr Fraser said he could not reveal who made the approach or what price was offered.

He said surplus from the airport sale and land purchase would be quarantined in the Government's future fund for use in Cairns.

"I'm not going to tell the community what those funds should be used for. That's something we will work through with the community," Mr Fraser said.

Mr Fraser said other vital issues associated with the airport sale were the future of general aviation and protection of land use at the airport.

At a meeting of economic leaders in Cairns on Monday, suggestions were made that general aviation should be moved to Mareeba to ensure there was land for a new operator of the Cairns airport to have room to expand in the future.