

## THE TABLELANDS – ONE BIG ECONOMY – BREAKDOWN OF TOWNS, CURRENT ACTIVITY AND FUTURE PROJECTS

**ppt 1:**

**Address by W S Cummings to the  
Mareeba Chamber of Commerce  
Inaugural Economic Development Forum  
14 August 2008**

**ppt 2:**

Queensland, north of the Tropic, is a large place and realities of areas and distances leads to a series of State sized regions, each with its own major regional city, with a typical capital city relationship to the area it services.

**ppt 3:**

The most northerly of these, the Far North Queensland region alone covers an area 1½ times the size of Victoria and about the same as the British Isles, and from north to south covers half the depth of the State of Queensland.

**ppt 4:**

The Tablelands form a major and vital part of this region covering an area the size of Tasmania and approaching the area of the Mackay region.

**ppt 5:**

These far northern regions are deep into the tropics and posed initial difficulties of adaptation of technology derived from north western Europe. They were late being settled and initially slow to progress. However, they are being increasingly successful and outstripping southern Australia in growth.

**ppt 6:**

The Far North Queensland region is now the largest in population in northern Australia with numbers now well over a quarter of a million and racing up towards the 300,000 mark in total on the ground population.

**ppt 7:**

The Tablelands area is an important part of that success story. While many rural areas of Australia have been declining in population, the Tablelands has been growing steadily at an average of 1.7% per annum in residential population over the past 30 years. A repeat of that growth over the next 30 years, will put its residential population at about 72,000. Capital city media images of stagnant and declining rural economies certainly do not apply to this area.

**ppt 8:**

But the growth has not been smooth and it is vital that the business community remain 'light on its feet' and be ready to adapt to changing circumstances. After growing strongly in the 1980's and early 1990's, Tablelands' growth rate, along with that of the whole region, dropped dramatically in the late 90's.

**ppt 9:**

The Asian economic crisis hit the region hard as mineral and other commodity prices dropped. Mining faded away to very low levels.

Tourism growth stalled. The Tablelands' economy was artificially hit by the loss of the tobacco industry and the effects of dairy industry deregulation. Downward multiplier effects kicked in as construction levels dropped. Despite all these factors however, it is significant that the Tablelands' population did not fall. It still managed to show a small growth.

**ppt 10:**

From about 2002, the region and the Tablelands' economy bounced back, in more recent years, to reach new peaks of activity.

**ppt 11:**

Value of building approvals have soared to record levels.

**ppt 12:**

Median value of allotments rose strongly.

**ppt 13:**

Median house prices have more than doubled.

**ppt 14:**

The growth was underpinned by recovery and diversification of the region's agricultural industries to replace the losses in tobacco and dairying.

Unfortunately, due to delays in figures available from the ABS, I cannot give you a comprehensive figure. The estimates shown are for the MDIA only.

**ppt 15:**

Tourism experienced a further burst of growth in the period 2002 to 2006, due mainly to entry of low cost carriers.

**ppt 16:**

Mining employment has been rising again, including in exploration. Kagara now have a workforce of over 600, mainly in the Tablelands area.

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There has been an obvious increase in further processing in the area over the past decade associated with the region's growing population including growing visitor markets.

**ppt 18:**

The Tablelands has also benefited from decentralisation of some key regional facilities away from Cairns, including the Lotus Glen Corrective Services facility and the major DPI Tropical Research Centre at Mareeba.

Supply of building and landscaping raw materials and items like bricks for a growing Cairns has also been a factor.

The Tablelands also has special features that are highly attractive to lifestyle population movements, not just of older people but of workers like creative artists and 'fly-in' mining workforce.

**ppt 19:**

There are good reasons I believe for optimism that the Tablelands economy will continue to grow.

First, there are a number of factors that are cause for long-term optimism about the future of agriculture in the region.

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In the first place, the range of altitudes and rainfall has given the Tablelands a diversity of micro climates that result in a tremendous diversity of production. The Tablelands agricultural production is not dependent on any single commodity, making it resilient to changing conditions.

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Secondly, at a time when climate changes appear to be impacting on the major farming and pastoral areas of the south, the large and relatively reliable and underdeveloped water resources of the Far North are looking very attractive. It is likely that in recent years, the Mitchell and not the Murray Darling has been Australia's largest river basin in terms of water runoff.

**ppt 22:**

It is evident that global demand for foodstuffs, especially proteins and fats, is likely to continue to accelerate under the influence of global economic growth in previously under developed countries like China and India.

**ppt 23:**

Rises in fuel costs to historic highs and climate change responses are likely to result in a rising market for bio fuels, in parts of the world at the expense of other agricultural production, with impacts on world agricultural commodity prices.

**ppt 24:**

New bio technology is coming available that holds promise for the historic lag in agricultural technology in the tropics being closed at a more rapid pace.

New bio technology capability promises to open the doors for establishment of possible new processing industries in the region.

**ppt 25:**

Although many mineral prices have come off the boil, they are still at historic highs, and given the likely continuing expansion of demand for raw materials from countries like China and India to supply increased demand for goods like motor cars and television sets, the phase of mining expansion we are going through at present, seems likely to continue for some time.

Sharon will talk about this further and its implications for jobs in the region, but I would like to make some points that the new mining situation is also holding out prospects of opening doors to:

**ppt 26:**

- a) Support new infrastructure development in roads, rail, electricity grid and port development, and
- b) Support possible new industrial development opportunities in the region, including in the energy field through possible development of geo thermal energy in the Mt Surprise area, and coal and coal methane gas from Mt Mulligan.

The Tablelands area is in the box seat to benefit from such developments.

**ppt 27:**

Finally, I would not write off prospects of tourism development. While tourism growth has been suffering from a sky high Australian dollar, sky-rocketing fuel costs and aircraft capacity constraints, this situation is not likely to go on for ever and there are some positives in the wings.

High fuel costs are likely to keep the local market at home and the Tablelands has a special position in the growing north Queensland market.

The baby boomer bulge of grey nomads is on its way.

Despite all the talk of a commodities boom, Australia's fundamental balance of payment position has been extremely poor, with the dollar being held up largely by high interest rates relative to the rest of the world and massive overseas borrowings. This can not be sustained indefinitely.

A major correction in the value of the dollar has taken place in recent weeks. World fuel prices have moderated recently.

**ppt 28:**

Part of the aircraft capacity problem has been due to the late arrival of the new generation fuel efficient A380's and Boeing Dreamliners. Although late, they are on their way and will expand aircraft capacity.

**ppt 29:**

Conditions for resumption of tourism growth are looking much better. Eventually, growth of incomes in countries like China and India will see them turn into major sources of visitors as the Japanese did as their incomes rose.

**ppt 30:**

There are of course, very substantial implications in the foregoing for the Tablelands.

There will be continuing intensification of agricultural production in the high rainfall areas of the southern Tablelands area which will remain the major focus of Tablelands' tourism, and the major focus of lifestyle population movements to the area.

**ppt 31:**

However, much of the region's agricultural expansion will need to be through expansion of irrigation in the northern Tablelands area, but also in the Mt Garnet area to the south. Mareeba and the northern Tablelands also seems likely to remain a major focal point for cattle industry services, and mining industry expansion. The Mareeba area also seems likely to develop as an area for industrial type development associated with the mining industry, but also as a beneficiary of any movement of industrial activity from the constrained land situation on the coast.

Its airport is well placed to benefit from any movements in the future generated by constraints at Cairns airport.

Importantly, topographic and environmental conditions in the southern Tablelands constrain road development to take large freight efficient vehicles and Mareeba seems likely to develop further as the major transport hub, in part due to its proximity to Cairns.

**ppt 32:**

However, on this theme, it is absolutely essential to the Tablelands' future economic growth and that of the region, that a major investment takes place over the coming decades in the transport infrastructure, especially roads – that the Kuranda Range road is upgraded to be able to take large freight efficient vehicles to link with Cairns, but also to take freight vehicles dropping northbound freight at Cairns, to pick up southbound freight from the Tablelands.

The feeder roads up Cape York and down the Mitchell need upgrading.

Of key importance is the development of a road train route linking Mareeba to the south via the Petford/Almaden area through to the Kennedy Highway near Mt Garnet.

**ppt 33:**

If the Tablelands is going to develop further as a produce supply area to southern Australia, it is important that the direct short route to Melbourne and Adelaide is opened up through sealing the last remaining unsealed link of the Kennedy Developmental Road from the Lynd to Hughenden.

**ppt 34:**

My final point relates to regional policies and perceptions. The region's heavy dependency on tourism as a source of growth in recent decades has led to an unfortunate mindset, especially in Cairns, that sees nothing else but tourism.

While continuing to grow the region's tourism, there is a need for Cairns to rediscover its hinterland and its other traditional great resource advantage activities like agriculture and mining, and the benefits they can bring to the region's continuing economic growth.