

# CUMMINGS ECONOMICS

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## Research Note

### The Position of Far North Queensland Region in Manufacturing in Regional Queensland

In view of recent comment in the public arena about Cairns' industrial base, the following gives latest data available about manufacturing in regional Queensland and northern Australia.

<b>Manufacturing Composition Far North Statistical Division, 2006/07</b>	
	<u>Locations</u>
Food, Beverages, Tobacco	133
Textile clothing, Footwear, Leather	64
Wood & Paper product	85
Printing, Publishing & Recycling media	59
Petroleum, Coal, Chemical & assoc products	49
Non-Metallic Mineral products	36
Metal products	206
Machinery & Equipment	219
Other Manufacturing	111
<b>Total</b>	<b>962</b>
<b>Total Wages &amp; Salaries</b>	<b>\$311 m</b>
<b>Total Income, Sales &amp; Service</b>	<b>\$3,280 m</b>

### No. of Locations & Income Compared

▪ Far North	962	\$3,280 m	▪ Darling Downs	990	\$2,442 m
▪ North	653	\$4,260 m	▪ Wide Bay/Burnett	1053	\$1,836 m
▪ Mackay	585	\$1,648 m	▪ Northern Territory	506	np
▪ Fitzroy	586	\$3,600 m	▪ Kimberley/Pilbara	197	np

Source: Cummings Economics from ABS Cat 82210).

The figures illustrate that the Cairns region:

- **Leads Northern Australia** in number of manufacturing establishments.
- **Exceeds the Townsville (Northern) region** by almost 50% in number of manufacturing establishments. Turnover is 77% that of the Townsville (Northern) region.
- **Exceeds the Rockhampton/Gladstone region** in locations and is almost equivalent in turnover.

The sector’s gross turnover in the region at \$3.28bn compares with tourism about \$2.4bn.

The Cairns/Far North region’s position in manufacturing activity comes from the fact that:

- It now has the **largest population** of the regions across the north.
- It has the **largest primary industries sector** with important processing and support manufacturing.
- Although not as large as some other regions in the north, it has **substantial mining activity**.
- Cairns has two outstanding ‘skills’ based manufacturing/service type ‘clusters’ with markets across the north and into the Pacific, built around its slipways and **leading role in marine industry activity and a similar role in aviation industries**. In these fields, Cairns leads the north by a substantial margin.

Figures for business numbers give a further illustration.

<b>Counts of Australian Businesses - Manufacturing by Turnover, June 2009</b>		
<b>Turnover</b>	<b>Cairns</b>	<b>Townsville</b>
Less than \$100,000	154	117
\$100,000 – Less than \$500,000	195	99
\$500,000 – Less than \$5m	129	150
\$5m – Less than \$20m	2	27
\$20m & over	6	-
<b>Total</b>	<b>496</b>	<b>393</b>

Source: Cummings Economics from ABS data.

The figures again indicate that Cairns has the larger number of manufacturing businesses.

This lead is especially in small manufacturing businesses with a turnover of less than \$500,000. Townsville leads in manufacturing businesses \$500,000 to less than \$20m. However, this is offset, in part, by Cairns having a larger number with turnover \$20m and over.