

CUMMINGS ECONOMICS

38 Grafton St (PO Box 2148) CAIRNS Q 4870

ABN 99 734 489 175

Tel 07 4031 2888 Fax 07 4031 1108

Email: cummings@cummings.net.au

Website: www.cummings.net.au

Ref: J2563



**ppt 1: THE TABLELANDS MOVING AHEAD –
GROWING OUR RESILIENT ECONOMY – ECONOMIC SNAPSHOT**

**ADDRESS TO THE
MAREEBA CHAMBER OF COMMERCE ECONOMIC FORUM**

By W S (Bill) Cummings

6th June 2012

ppt 2:

Each of the Economic Snapshots in recent years has been prepared to a theme. It was decided this year's Snapshot should go back and concentrate on the Tablelands' resilient economic foundation – its agricultural industries.

It is appropriate for two reasons, one a challenge, the other an opportunity.

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The challenge is that after a strong upward movement over the period from 2004 through to 2009, the last year or so has seen a number of indications of slowing of growth.

While dwelling approvals in 2008/09 were hit by the global financial crisis, they remained much higher in 2008/09 and 2009/10 than much of the rest of the Far North's economy, especially Cairns, but fell back in 2010/11.

The good news however is that on the basis of the first 9 months of 2011/12, they should have held at that level and probably risen a little to about 240 when the annual figures come in.

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In total valued building approvals, Lotus Glen distorted the figure in 2008/09. While the total was down over the next 2 years, the evidence of the first 9 months of 2011/12 is that the figure over this past financial year has held and will also come in at about \$88m, ie. a bit above the previous year.

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Against this background, population growth has slowed, but the average over the past 5 years still remains at 1.8% per annum, and above the long term average of 1.7%.

ppt 6:

In sympathy with the other parts of Australia, median house prices have eased from earlier peaks.

ppt 7:

And allotment prices.

ppt 8:

However, it is appropriate for the Tablelands to remind itself that its strong growth in recent decades has almost doubled its population since 1976, and has given the Tablelands one of the largest population bases across northern Australia outside of the major regional cities of Cairns, Townsville, Mackay, Rockhampton and Darwin.

In fact, the total Tablelands population is now approaching three quarters that of the cities of Mackay and Rockhampton.

ppt 9:

Figures now available for business numbers, 2009 on 2007, reflect strong growth being up by almost 8%.

ppt 10:

Motor vehicle registrations show a growth of almost 16% over the four years 2006 to 2010.

ppt 11:

Which brings us to a second reason for making agriculture a theme this year – the opportunities.

As I have pointed out in previous addresses, we live in a very changed world economic environment to that of a decade ago. Massive industrialization is taking place on a scale not seen since the late 1800's, early 1900's in Europe and North America, although this time in Asia, especially China and India.

While the spotlight has been heavily on impacts on demand for minerals, the industrialization taking place is also creating major new demand for basic agricultural commodities.

ppt 12:

An article in the Snapshot on growing world demand for agricultural products records just how far some of these countries are still behind in per capita consumption levels.

ppt 13:

The article also records the impact rising demand is having on global food prices.

ppt 14:

An article also notes the degree to which the Tablelands along with the Gulf and Peninsula areas, served by the Tablelands' major commercial centres of Mareeba and Atherton, now record very substantial agricultural production of over \$700m in pre and post farm gate production value, an amount of income that flows through the economy in demand for goods and services and employment, and lays the foundation for the Tablelands' \$2bn economy.

ppt 15:

The Snapshot also records that, in an agricultural sector in tropical Australia based on beef and sugar, the Tablelands plays a vital role in diversifying the sector.

The Tablelands leads tropical Australia in production from mangoes, nurseries, fruit crops other than mangoes and bananas, poultry and milk production with those five areas alone contributing a farm gate value of almost \$200m per annum and much more if post farm gate activity is added on.

ppt 16:

Expansion in global demand is not just coming from the major developments taking place in previously underdeveloped economies. An article in the Snapshot records a growing emphasis on renewable energy resources is leading to potential in cost competitive bio fuels. A major Australian Government report identifies Pongamia which is now starting to be grown in the region, as the likely lowest cost source in this field.

Other possible sources are "ligocellulonic" with bagasse already a major potential source, and "tropical algae" being trialled at James Cook University. It is also timely to remind that the Tablelands is already a leader in hydroelectricity and wind power sources of energy generation.

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Importantly, a Sunwater story records that we have the water. The water runoff from the Mitchell basin is only fractionally less than that of the whole Murray Darling basin.

ppt 18:

Joe Moro has reminded us that the Tablelands area also has the land; with 45,000 ha suitable for irrigation cropping, of which only 14,000 ha is currently being used; a further 7,000 ha already cleared and available; but a further 20,000 ha currently subject to tree clearing constraints.

ppt 19:

The proposed Gilbert River irrigation area development presents a further opportunity with some evidence of progress being made.

ppt 20:

Of course, the new interest out of Asia in Australia as a source of food is now clearly evident with the COFCO investment in Tully sugar mill and Mitr Pol in the South Johnstone, Mulgrave and Tableland mills. Last year in an address, I recorded the moves to expand Tablelands' plantings and said that I could see the Tablelands' mill going to 1 million tonnes of cane. Well, it is almost here, with the recent announcement of expanded mill production clearing the way to go to 930,000 tonnes. I am delighted to see that the Tablelands' mill will be addressing you today on their plans.

ppt 21:

A special article in the Snapshot records the development being proposed at Ingham and the Burdekin of new types of mill capable of diversified product output.

ppt 22:

However, although there are issues, the latest big news that again emphasises that growing interest from Asia, is the interaction currently taking place between the Australian and Chinese governments about arrangements to facilitate investment in agriculture in tropical Australia.

I have been aware of Chinese interest in the expansion of the Ord irrigation area but the potential of this area is also now being canvassed.

ppt 23:

However, if the Tablelands economy is to expand, it is vital that it have modern up-to-date infrastructure and an article again hammers and provides evidence to support an upgrading of roads, especially the Kuranda Range Road and its vital link to Cairns seaport and the major railhead and freight hub next to it, not just for transport of products outwards but to keep costs down on vital inputs like fuel and fertilisers and general goods.

Upgrading the road will also to keep costs down for the hundreds of thousands of tonnes of building products and supplies of basics like quarry products, landscaping material and the like transported to Cairns each year..

ppt 24:

On the infrastructure side, the report includes a plan of the \$13.3 million Mareeba Airport upgrade.

ppt 25:

Unfortunately, at the time of preparing the Snapshot, the disappointing troubles with Kagara were coming to the fore, overshadowing positive news from other directions in the mining sector story. Hopefully, new corporate arrangements can be put in place to see operations recommenced.

ppt 26:

Finally, I would just like to say that I believe that changes in policy frame works following the recent State and local government elections hold the prospects of new opportunities, especially from a four pillars policy that recognises the importance of agriculture as well as mining, tourism and construction and also heralds a change in attitude to this region, including Cape York.

ppt 27:

I again congratulate the Chamber on the positive and vigorous role it is playing in this community and the successful hard work put in by Jeanette, Tracey and the Chamber staff in assembling the advertising support for the Snapshot, the editorial, artwork, layout and printing.

ppt 28: End.