

Cummings
Economics

The Cairns Economy

Recent Movements and Short-Term Prospects

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A Record Year

- VALUE BUILDING APPROVALS OVER \$600 m
- VALUE TOURISM TO REACH \$2.5 bn
- VALUE AGRICULTURE TO REACH \$1 bn



Tourism Growth Since 1998 / 99

	Pax Movements Cairns Airport	Takings Hotels / Motels
1998 / 99	2,770 m	\$243 m
2004 / 05	3,689 m	\$314 m (est)
GROWTH	+33%	+29%

* *Estimate based on first 9 months*

Source : Cummings Economics from
- Cairns Port Authority
- ABS. Data



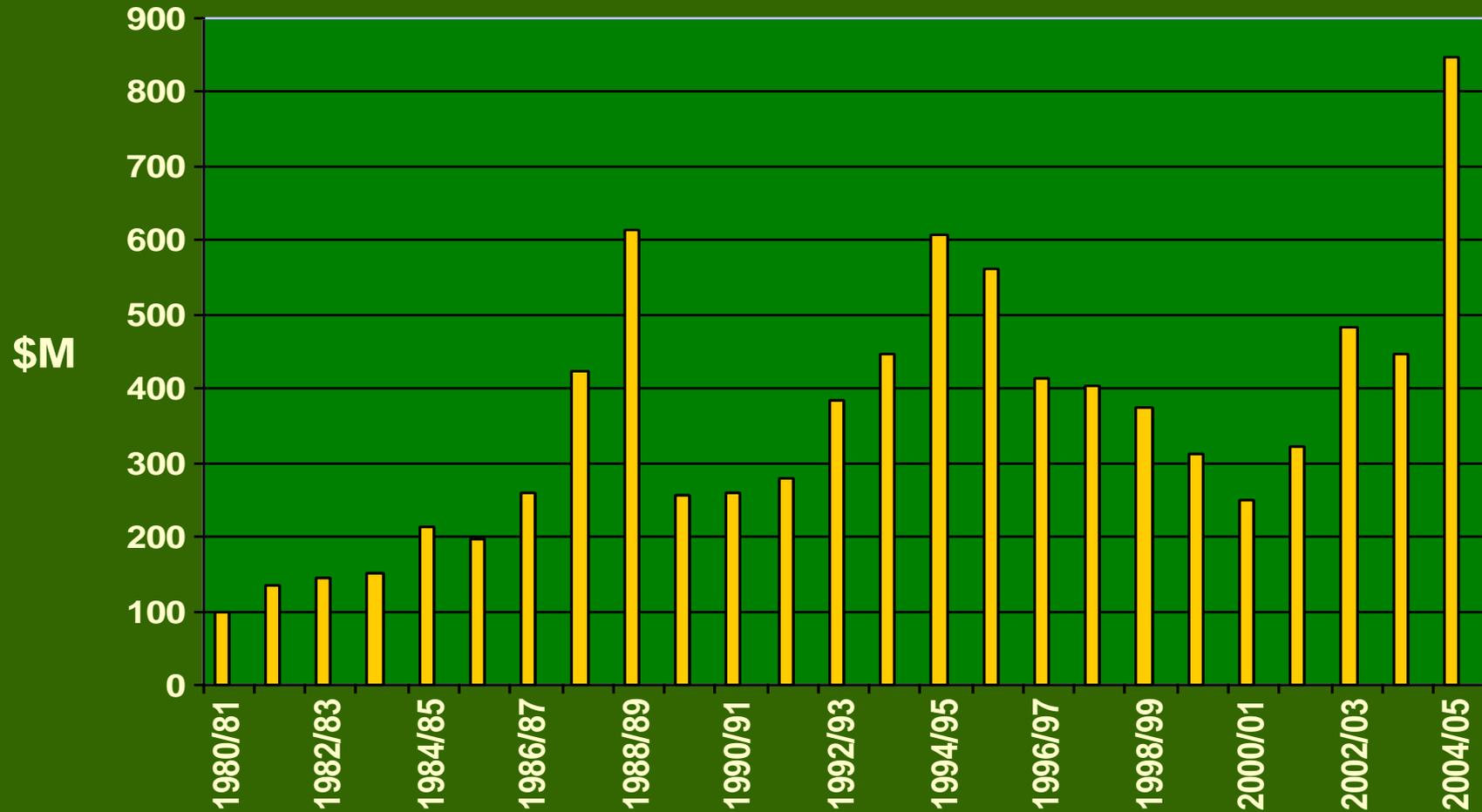
Agricultural Indicators

Gross Value of Production	2002 / 03	\$880 m
Sugar Price	2002 / 03 Current Growth	8.0 ¢ US/lb 10.5 ¢ US/lb +31%
Banana Production	Up in 2004 over 2003 & likely to hold in 2005	

Source : - ABS Data
- ABARE
- Cummings Economics



Value of - Building Approvals Far North Qld Statistical Division



Source : ABS.



Value of Building Approvals 2004/05

	New Dwellings	Total Value
Cairns / Far North	2747	\$850m
Townsville / North	2011	\$665m
Darwin / NT	1388	\$641m
Mackay / Mackay	1521	\$523m
Rockhampton / Fitzroy	1149	\$345m
(cf. Tasmania)	2424	\$852m



Cairns / FNQ in the North

Compared with other northern regions

Est Residential Population		
	2003 / 04	Growth 2003/04
Cairns / Far North	234,849	(3385)
Darwin / NT	199,913	(1369)
Townsville / North	200,909	(3298)
Rockhampton / Fitzroy	187,916	(2562)
Mackay Stat Div	143,699	(1970)

Source : ABS.



Estimated Gross Value of “Base Industries” Tropical (Far) North Queensland 2002/03 (2)

Agriculture		\$890 m	18%
Sugar Cane	\$241 m		
Fruit	\$345 m		
Other	\$302 m		
Fishing		\$200 m	5%
Mining		\$230 m	5%
Manufacturing (3)		\$650 m	15%
Tourism (4)		\$2020m	47%
Other		\$300 m	7%
TOTAL		\$4290 m	100%

(1) “Base Industries” defined as those mainly oriented to earning income from outside the region.

(2) Latest year for which consistent statistics for the different industries are available.

(3) Turnover adjusted to exclude value of Agricultural inputs.

(4) Overnight visitors.

Source : Cummings Economics, Cairns.



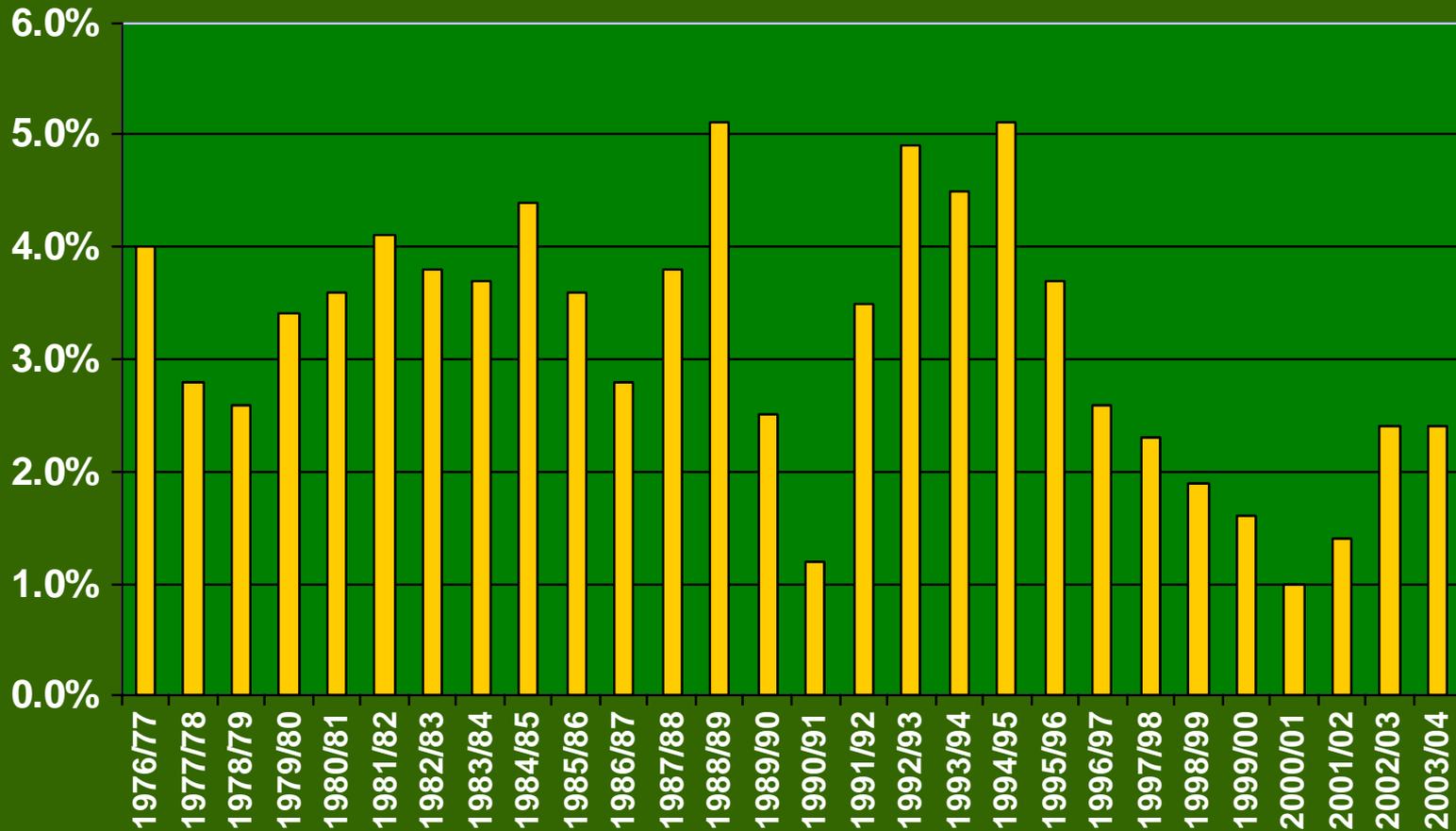
Growth in Jobs – Service Industries 1976 – 2001 (FNQ Stat Division)

	<u>1976</u>	<u>2001</u>	<u>% Increase</u>
Wholesale	2514	3983	+58%
Retail	5863	14970	+155%
Tpt & Storage	2236	6576	+194%
Communications	676	988	+46%
Finance & Business Services	2349	9309	+296%
Public Admin & Defence	2189	8088	+269%
Education	2487	6904	+177%
Community Services	3358	8463	+152%
Total Workforce	42,496	100,930	+138%

Source : ABS Census Data.



Short-Term Fluctuations Population Growth Rates - Cairns



Source : ABS

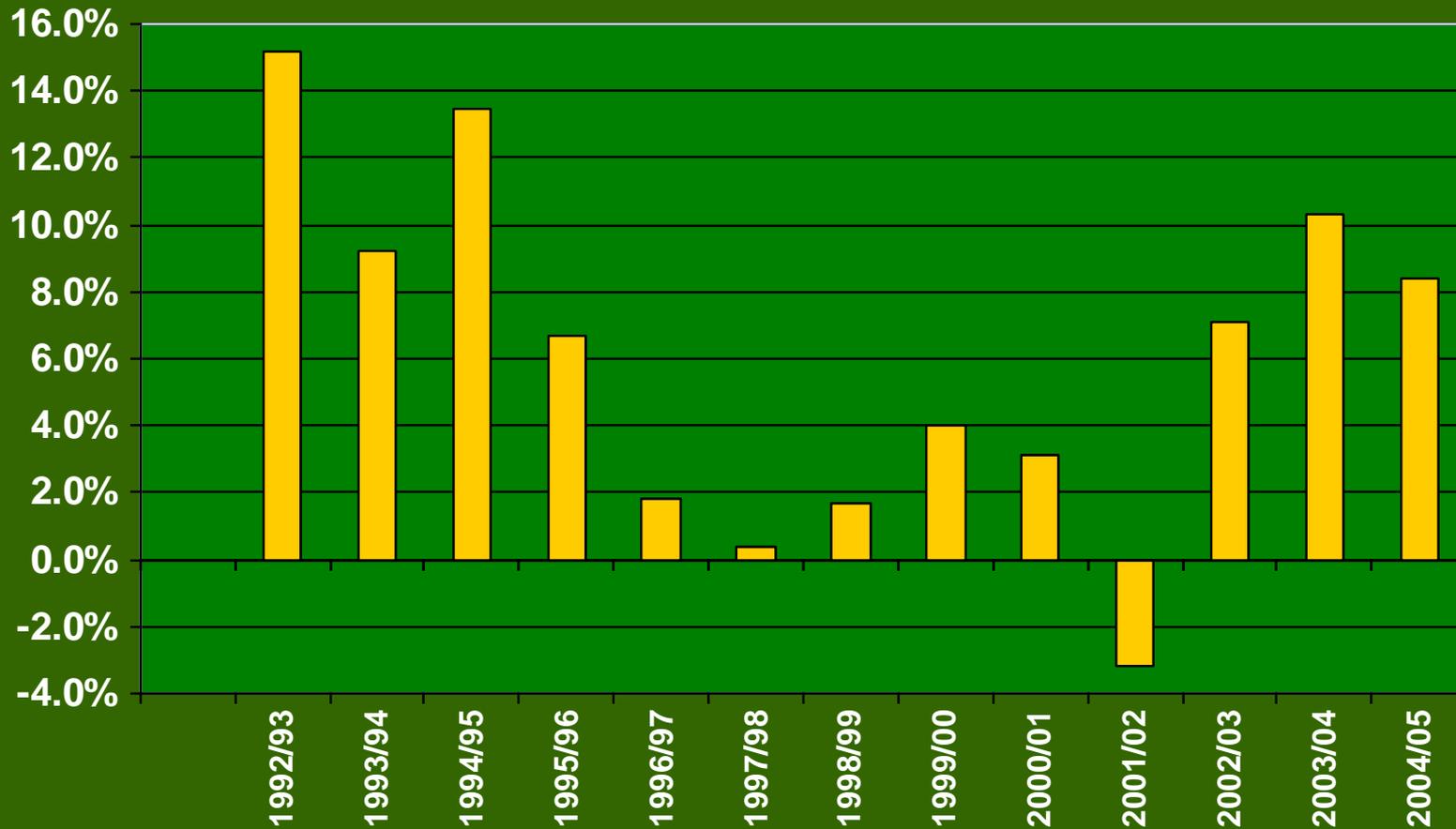


Major Sources of Fluctuations

- ❖ Growth in outside earnings
- ❖ Investment Cycles
- ❖ Consumer Sentiment



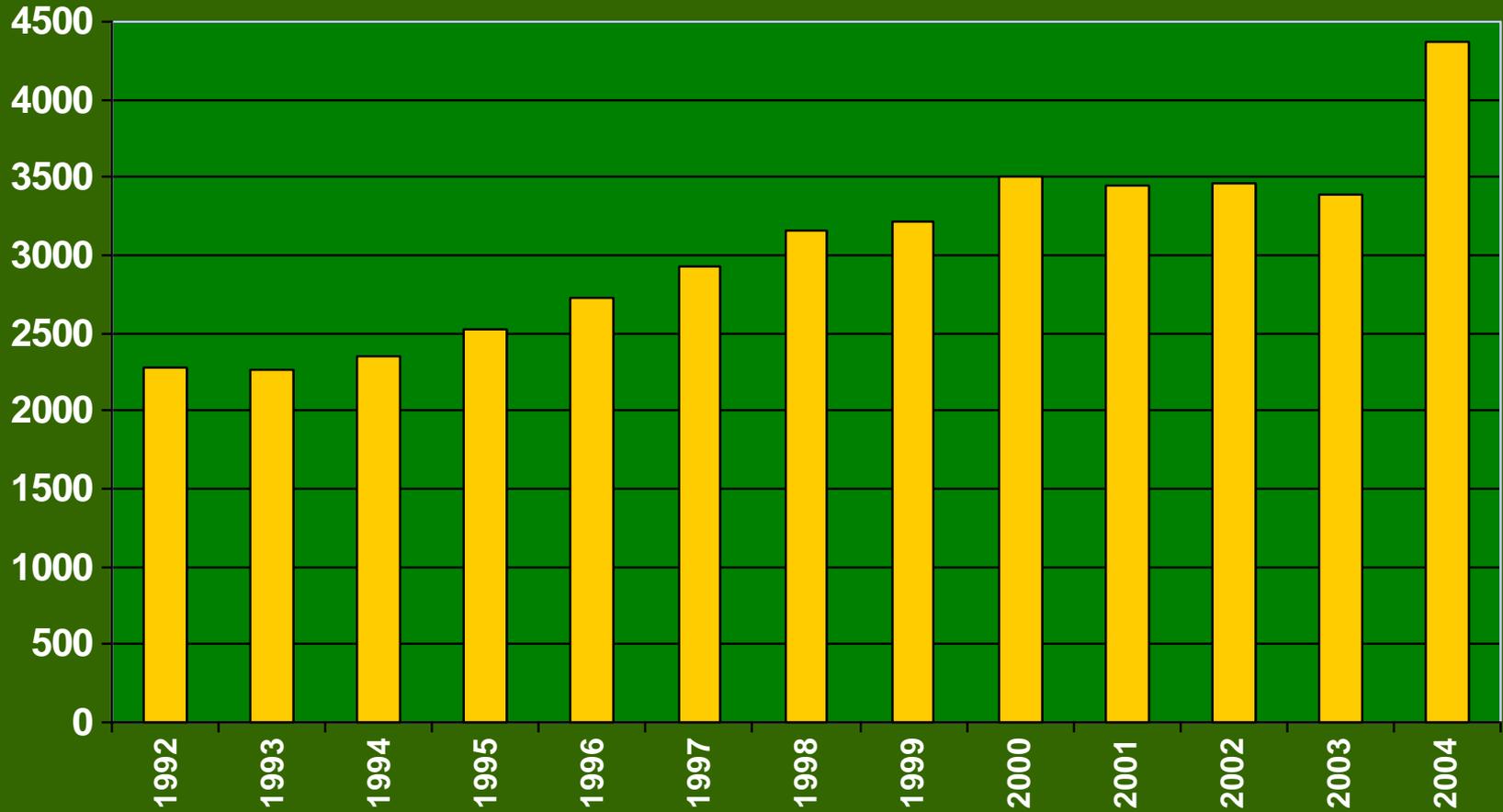
Growth in Passenger Movements Cairns Airport



Source : ABS



Short Term – Overseas Departures from Australia



Source : ABS

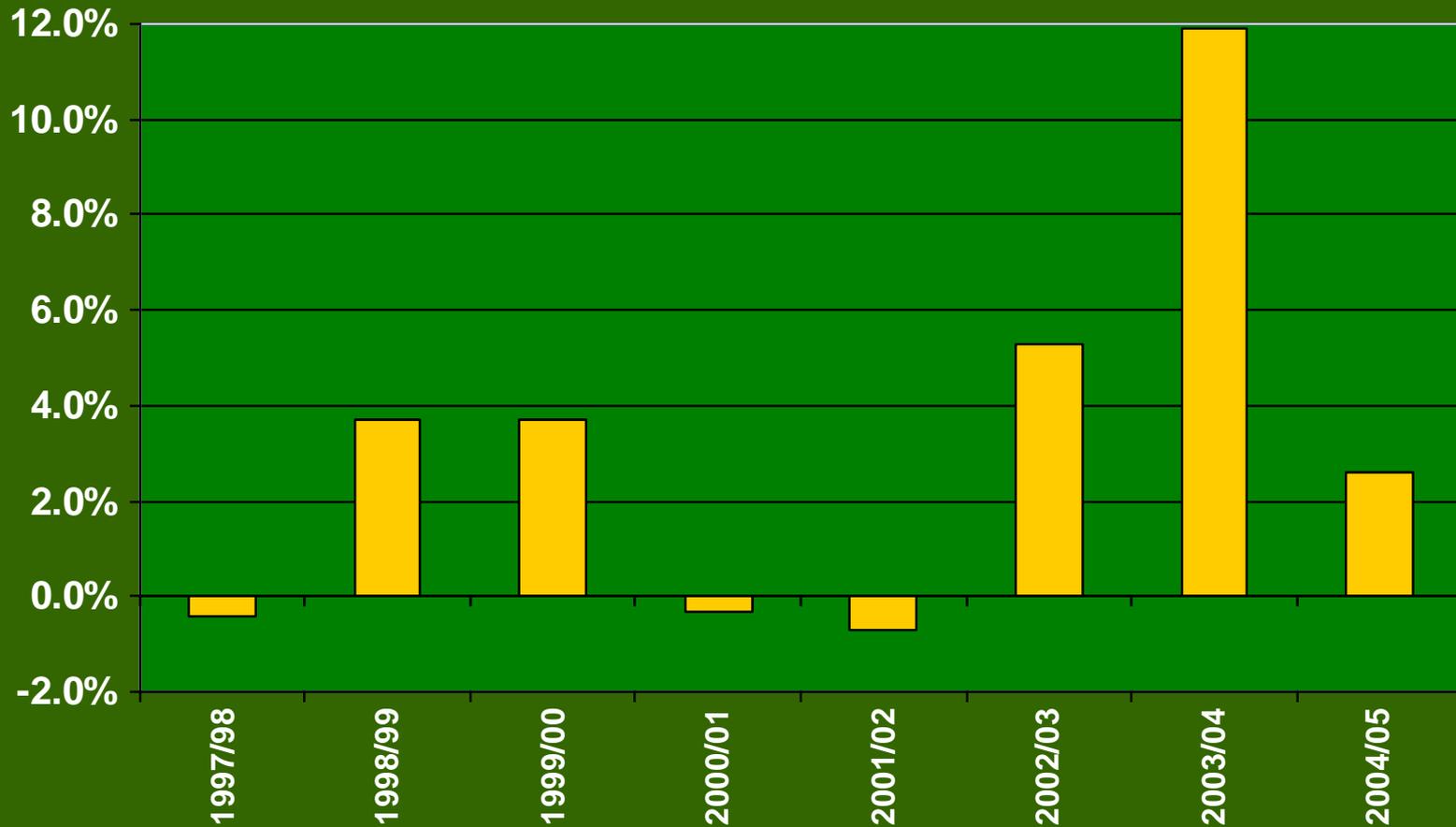
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Cummings Economics

September 2005



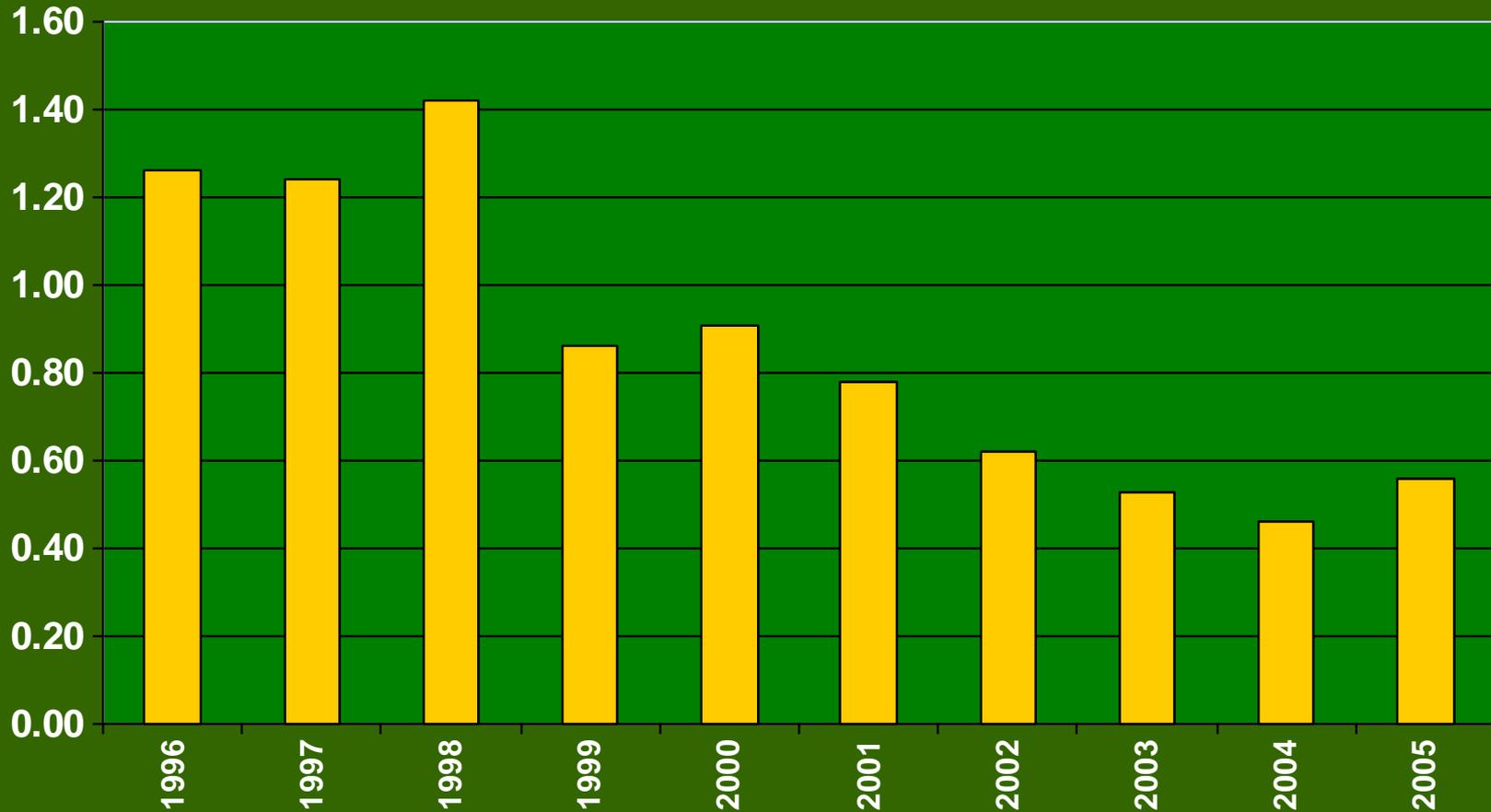
Growth in Room Nights – Hotels Motels



Source : ABS



Brazilian "Real" to Australia Dollar at end June

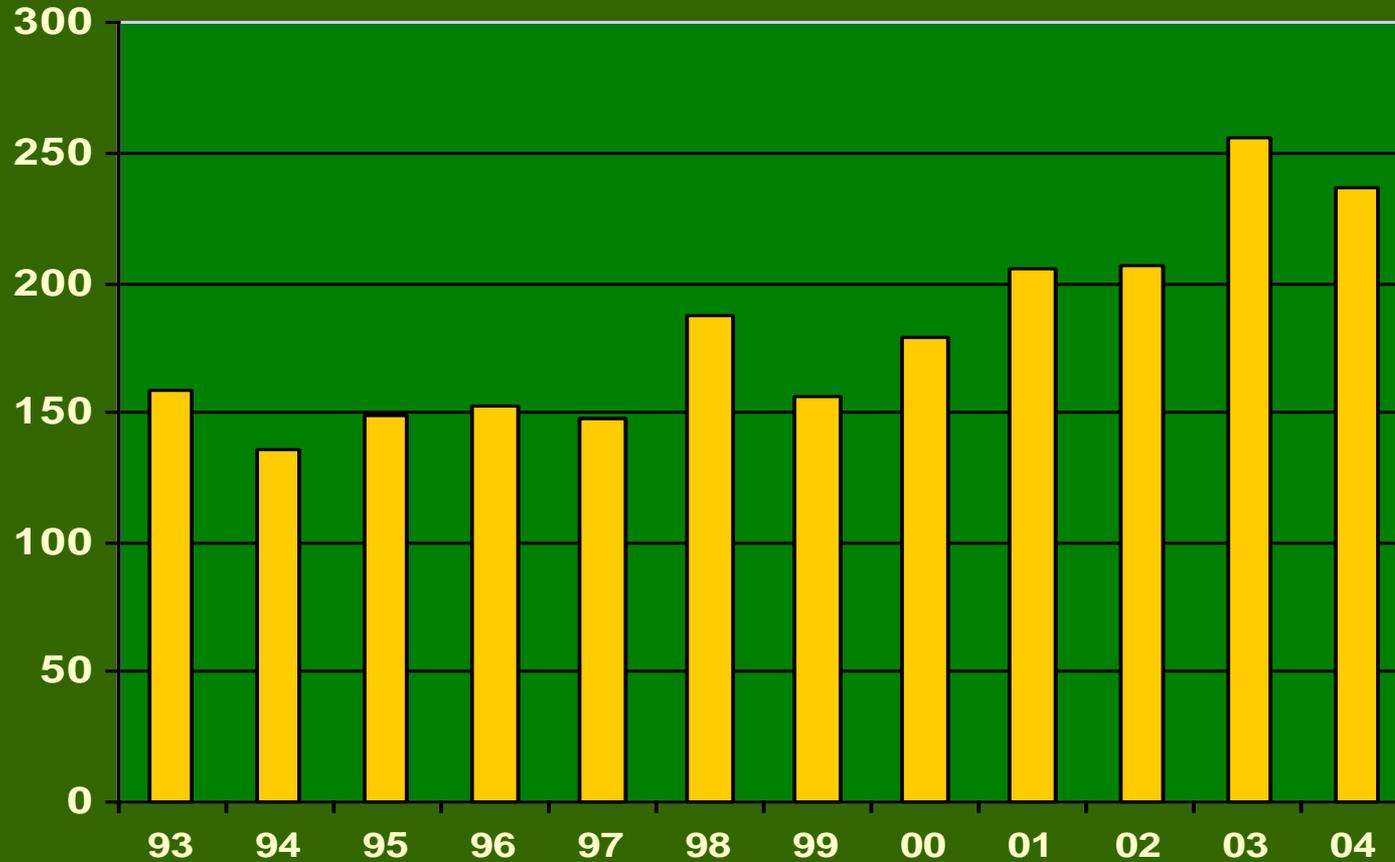


Source : ABS



Banana Production Queensland Sold Through Markets

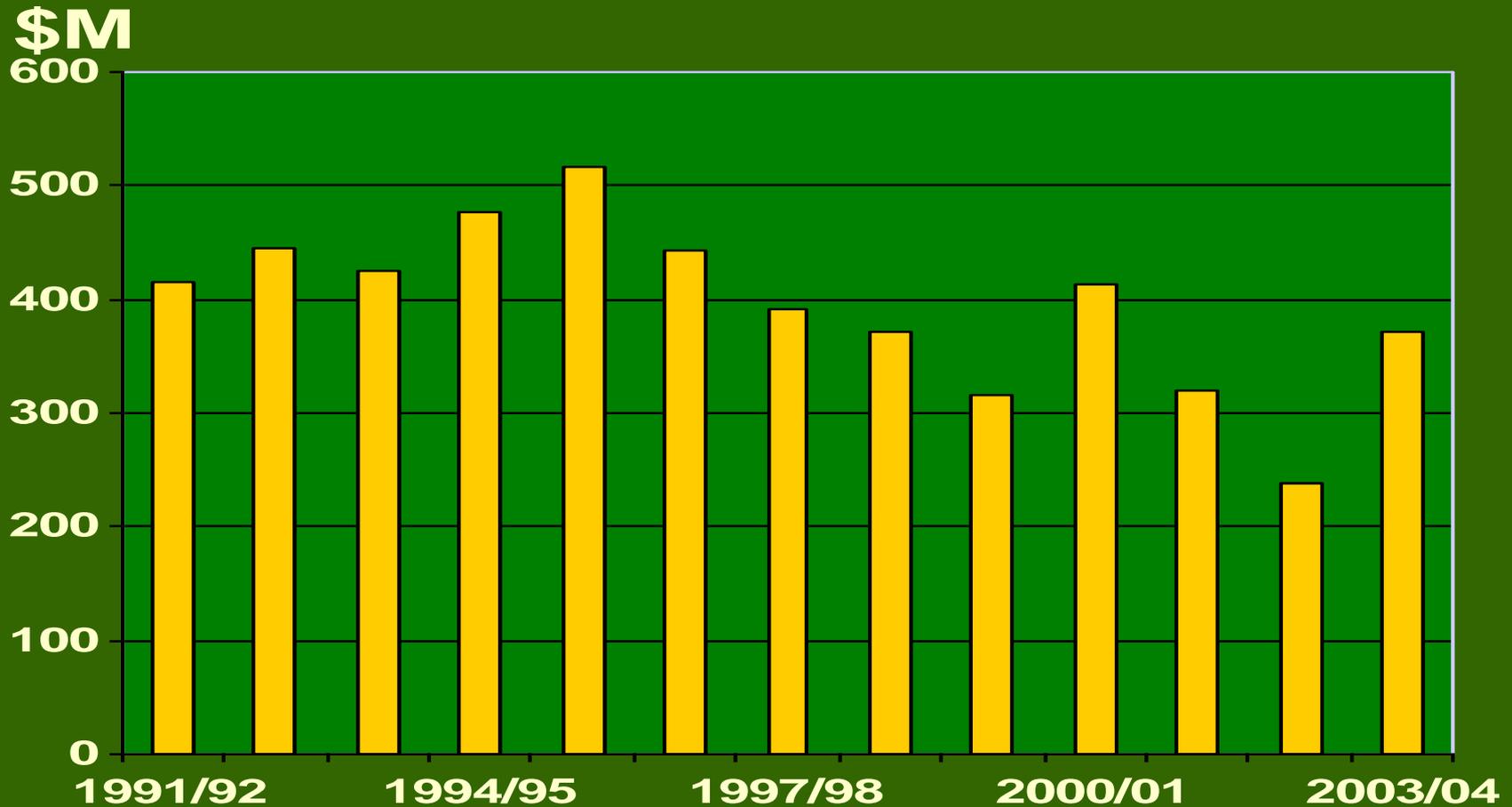
'000 Tonnes



Source : ABGC.



Mining Production Far North Queensland



Source : Q'ld Dept of Natural Resources & Mines.



Other Service Industries

	<u>Recent</u>
International Education	\$50 m
Sports Tourism	\$50 m
Business Tourism	\$190 m
Aviation Servicing	\$50 m
Maritime Servicing (Shipbuilding)	\$115 m
Research	?
Professional Services	?

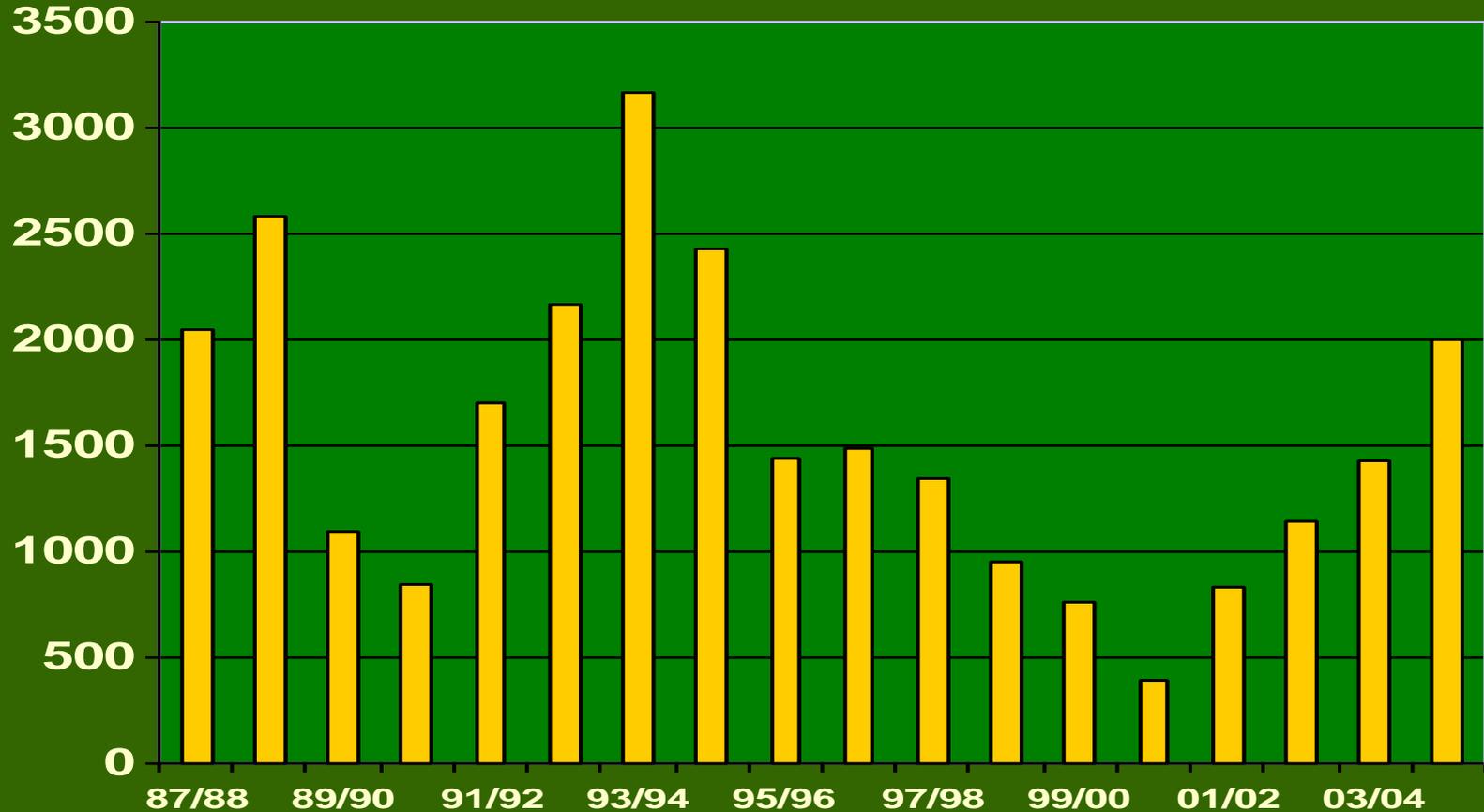
Other Income Sources

General Trade PNG / Indonesia	\$270m
Fly in – Fly out	\$25m
Defence & Surveillance	\$180m
Indigenous Programs (Commonwealth)	\$150m



Dwelling Approvals Cairns

Number

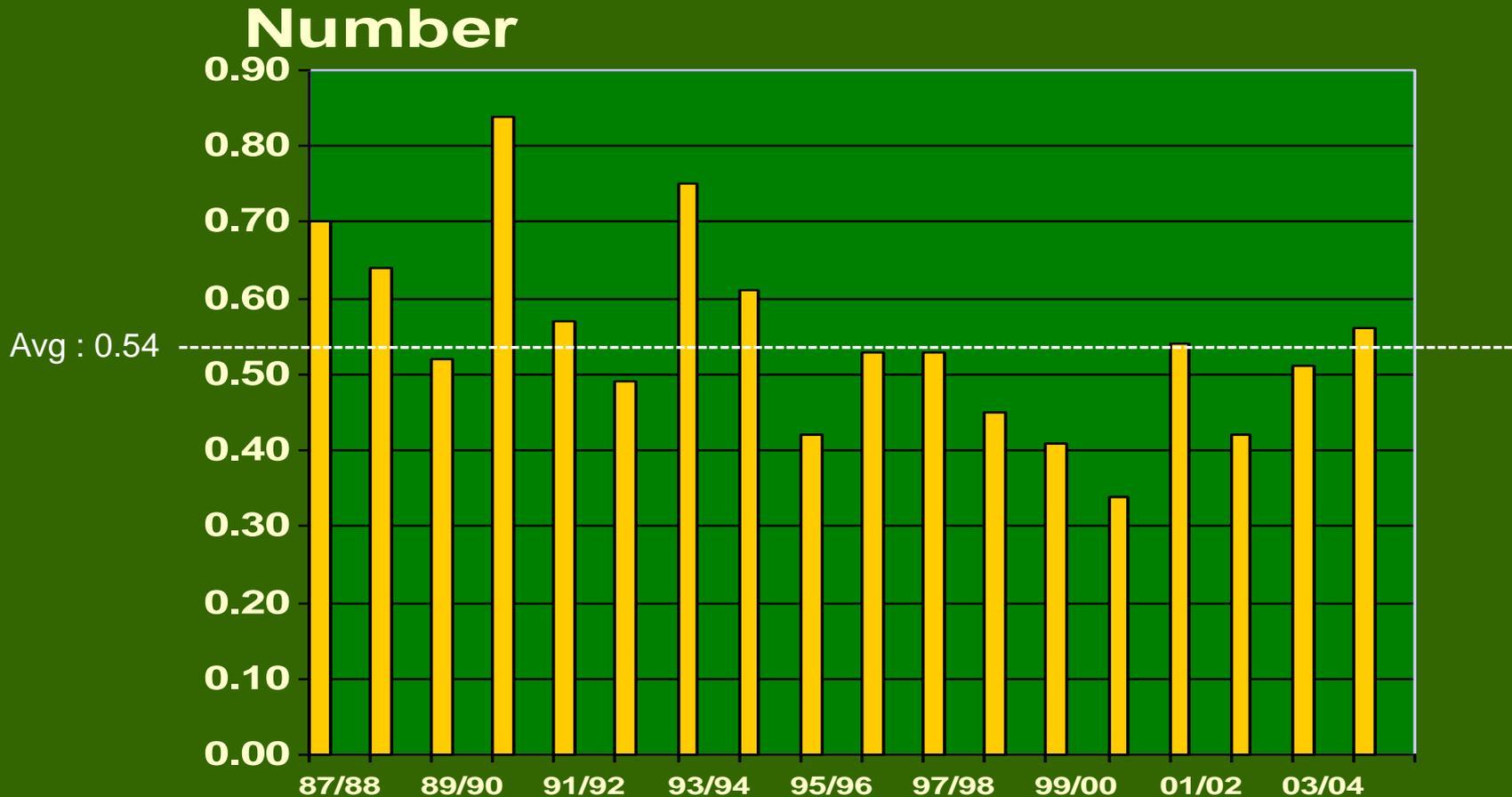


Source : Cummings Economics from ABS data.



Ratio of Dwelling Approvals to Residential Population Growth

Cairns City



Source : Cummings Economics from ABS data.

The Cairns Economy

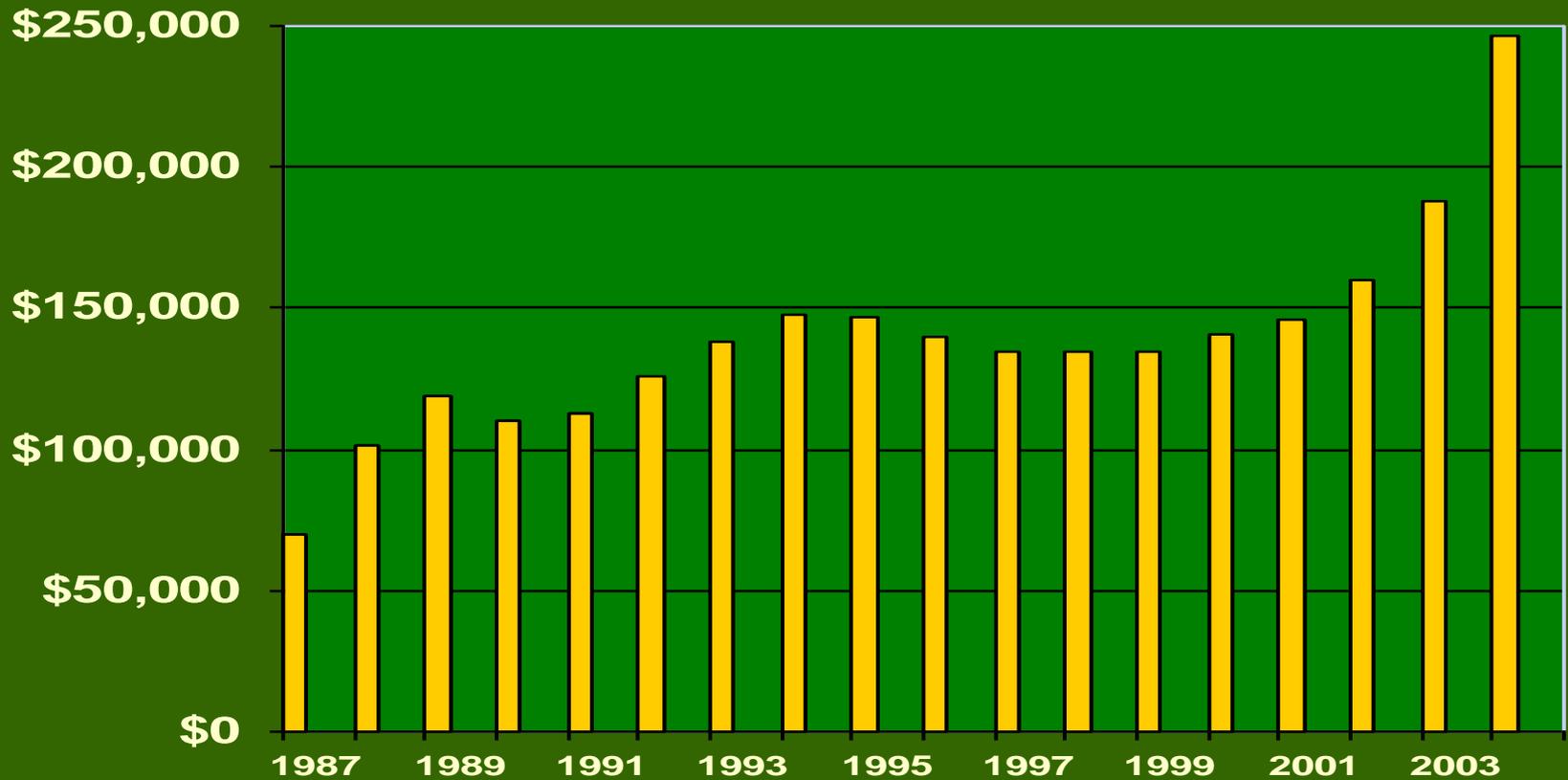
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House Prices

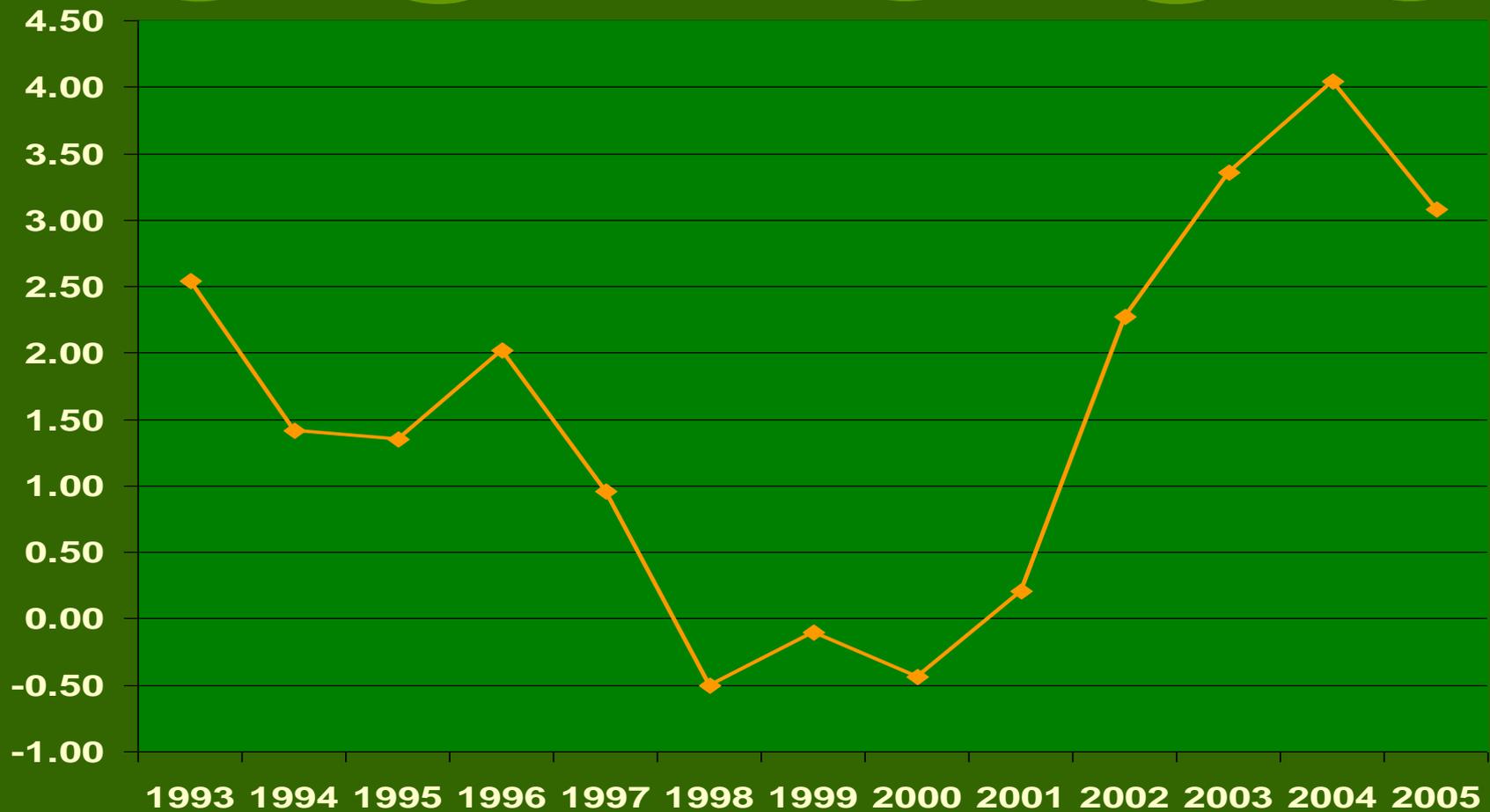
Median Price



Source : Cummings Economics from RP Data.



Interest Rate Differential with US



Source : Cummings Economics
from Reserve Bank of Australia Data

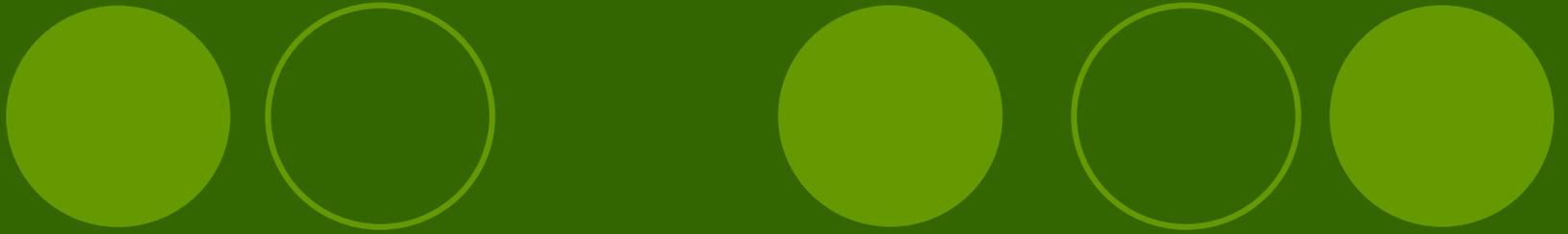


WORLD ECONOMIC GROWTH NARROWLY BASED US & CHINA

THREAT - HIGH OIL PRICES

**AUSTRALIAN ECONOMY
SOUND**





CONTINUING STRONG GROWTH

