

CUMMINGS ECONOMICS

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FNQ ECONOMIC OUTLOOK –

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Comment for CityLife Magazine

Cairns' role as the capital/hub city of the most populous region in northern Australia will be further reinforced in 2021-22 when almost certainly the region it services - south to Cardwell, west to the Gulf and the Northern Territory border and north to the PNG border, will pass the milestone 300,000 population mark.

While there has been a preoccupation, especially in Cairns and Port Douglas, with the impact of the COVID-19 restrictions on tourism, Cairns as a city services a large robust region with plenty of opportunities that have been and are contributing to continuing growth in earnings from agriculture, marine industries, forestry and mining. The city leads northern Australia in the development of skills-based manufacturing and services in the aviation and marine sectors. Its strategic position means that it is playing a growing role in security and defence activity. Its growing population and industry are leading to a catch up in important services like health and education in which it still lags compared to its population.

In 2021-22, there will still be some negatives and uncertainties around, due to lingering impacts of COVID-19 on international tourism and education, including with our important near neighbours PNG and the Pacific and due to side effects of unease and tensions in relations with China. But there will be positives. The impacts of low interest rates and incentives in pumping up dwelling construction seems likely to extend through to 2021-22. The city and region have come through the Covid experience with a positive image as a place to live.

Clearly, government investment in major infrastructure in the region has been lagging. But if past experiences tell us one thing, it is that the city and region does best when it sets its own course to realise its potential and says to government come with us.