

# CUMMINGS ECONOMICS

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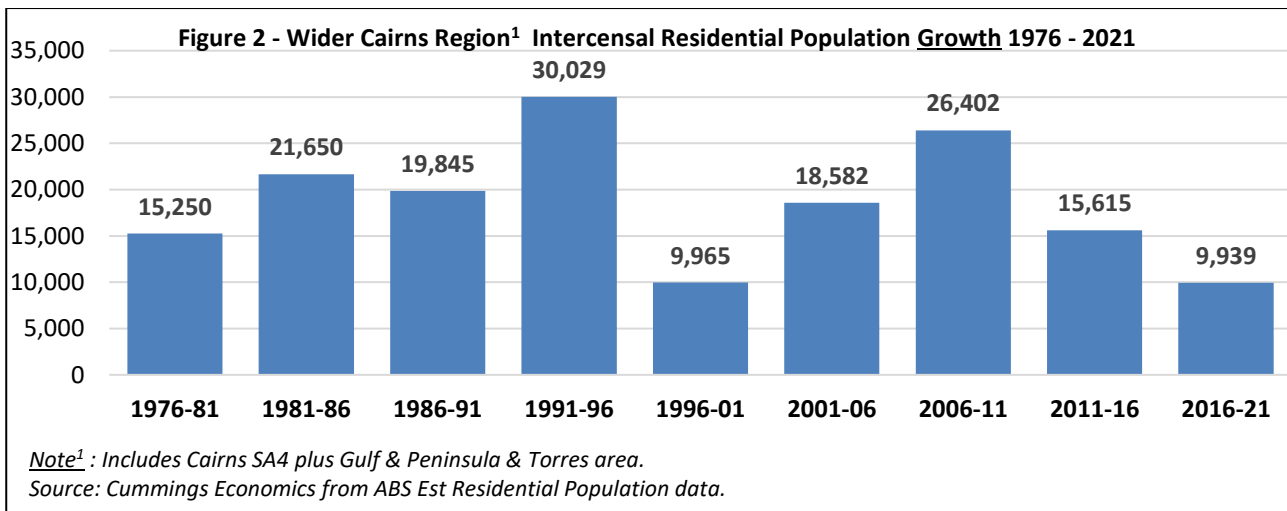
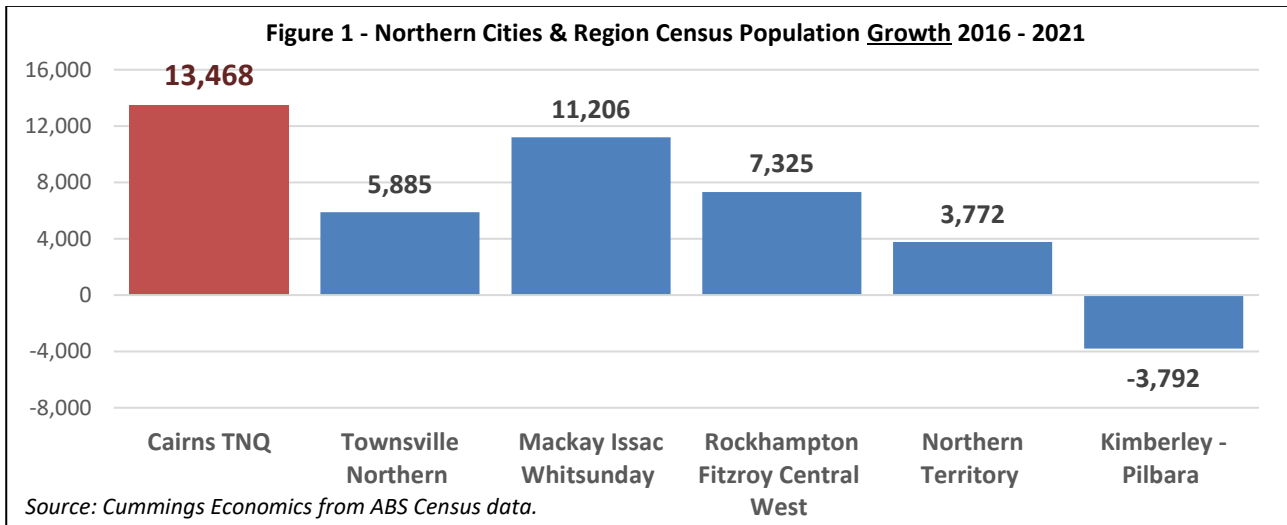
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## A CAUSE FOR CONCERN Article For Connect FNQ Magazine

The 2021 Census results are now available and they are a cause for great concern not only in this region, but also across the whole of Northern Australia.

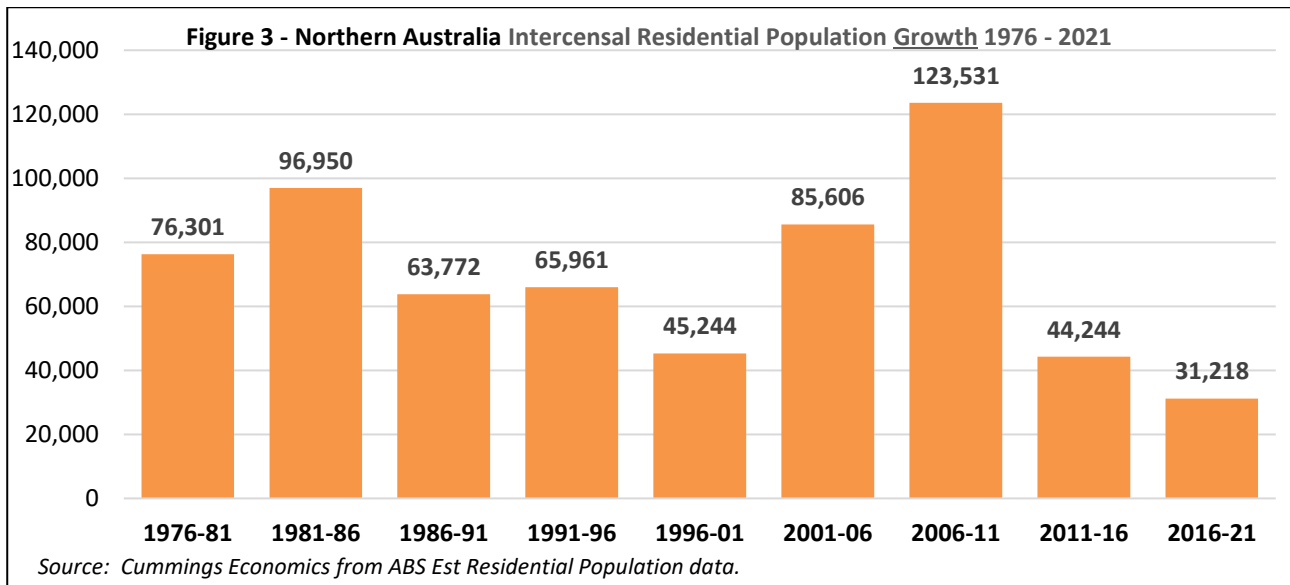
### Growth Lowest for Decades

While Cairns and the wider Cairns region continued to lead population growth across Northern Australia over the 2016 to 2021 intercensal period (see Figure 1) (as has been happening for decades), the intercensal growth recorded in the region was the lowest for decades (see Figure 2), worse than the dip in growth in the late 90s following the Asian crisis and the introduction of the GST in 2000.



In the Cairns region, the fall off has been worse in percentage growth terms than over the past decades with a percentage growth of 9% in residential population in 2011 to 2021 compared with 41,000 in the 1980s (29%), 40,000 in the 1990s (21%), and 45,000 in the first decade of the 2000s (23%).

Across the North, the population growth recorded was way down at a mere 30,000 compared with 120,000 two census periods ago in 2006 to 2011 (see Figure 3).



The collapse in growth was so serious that the State of Tasmania (with a population of 570,000), whose population growth in past inter-censal periods has generally been below that of the Cairns region alone, recorded a growth that exceeded the whole of Northern Australia with a population of 1.3 million.

While some moderation of growth in the North was to be expected following the retreat of the mining construction boom from about 2013 on and in Cairns' case, Covid restraints affecting the 2020-21 growth rates, the very low figures are below the national growth rate and are encouraging a resurgence of past 'black arm band' views of the North's developmental prospects. This view of the North leads to a widespread notion in southern Australia that the North is being subsidised and that investment in the North is not justified.

Looking back on past growth indicates that this view is not warranted.

### Past Growth in Strong Contrast

The fact is that in the 1800s and early 1900s, Northern (Tropical) Australia represented a much greater challenge to a young Australian nation with most of its population and technology derived from cool temperate zones in north-western Europe. However, especially from about the 1960s on, the Tropical North and especially this region, recorded economic progress and population growth faster than the nation's growth overall and substantially much faster than other non-metropolitan regions. For instance, since the 1976 Census, Cairns passed seven other regional cities in size.

Behind this growth has been a massive increase in the North's earnings from the rest of Australia and the world. In 2020-21, Northern Australia accounted for 57% of Australia's merchandise export earnings, thanks especially to the North's minerals and energy wealth.

As I have spelt out in earlier articles, the North has experienced three major breakthroughs in the agricultural sector:

- 1) The mechanisation of sugar,
- 2) The introduction of superior tropical cattle breeds, and
- 3) The development of a major horticultural sector enabled by superior transport vehicles and sealed roads.

Recently released agricultural statistics again confirms that the Cairns region is now Australia's third largest fruit producing region and if you take out grapes (mainly for wine making), the largest in Australia.

Today, the North's gross value of agriculture production accounts for 11% of the nation's total. Davidson's gloomy "Northern Myth" predictions of the 1960s about agricultural potential in the North have been proved wrong.

The North's major natural tourism attractions have figured strongly in Australia's tourism development with the Cairns region leading the way.

The North has played a major role in Australia's fisheries development, with this region a prominent player.

The development of technology suited to the tropics related to everyday living in health, housing and the like has turned the North from being a hardship posting to a desired place in which to live, again with this region leading the way.

### **So What Has Gone Wrong?**

Clearly the drop off in population growth to the lowest growth rate in the past 45 years indicates that we have a problem in this region and across the North.

It indicates that there is a need for some 'soul searching' about how we go about organisation, priorities and performance.

One thing is certain, that if the people of Cairns and the region and across the North do not recognise there is a problem, and act strongly to address it, the problem will continue.