

The Cairns Economy

IN A CHANGED WORLD



WS (Bill) Cummings

The International Economy

- ◆ **FINANCIAL CONFIDENCE**
- ◆ **THE STOCK EXCHANGE**
- ◆ **THE REAL ECONOMY**

An aerial photograph of a coastal city, likely in the Caribbean, featuring a harbor filled with numerous sailboats, a city built on a hillside, and mountains in the background under a blue sky with scattered clouds. The text 'Financial Confidence' is overlaid in the center.

Financial Confidence

The Stock Exchange

Early

Financial institutions and financially exposed companies

More Recently

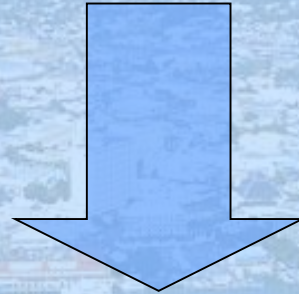
Resources stocks

Changes in 'real' GDP USA

	Jun QTR	Sep QTR
<u>Personal Consumption</u>	<u>+1.2%</u>	<u>-3.1%</u>
Durables	-2.8%	-14.1%
Non - Durables	+3.9%	-6.4%
Services	+0.7%	+0.6%
<u>Private Investment</u>		
Non - Residential	+2.5%	-1.0%
Residential	-13.3%	-19.1%
<u>Net Exports</u>		
Exports	+12.3%	+5.9%
Imports	-7.3%	-1.9%
<u>Government</u>		
Federal	+6.6%	+13.8%
State/Local	+2.5%	+1.4%
<u>Total</u>	+2.8%	-0.3%

Governments Moving

Stabilising Financial Confidence



Pump Priming



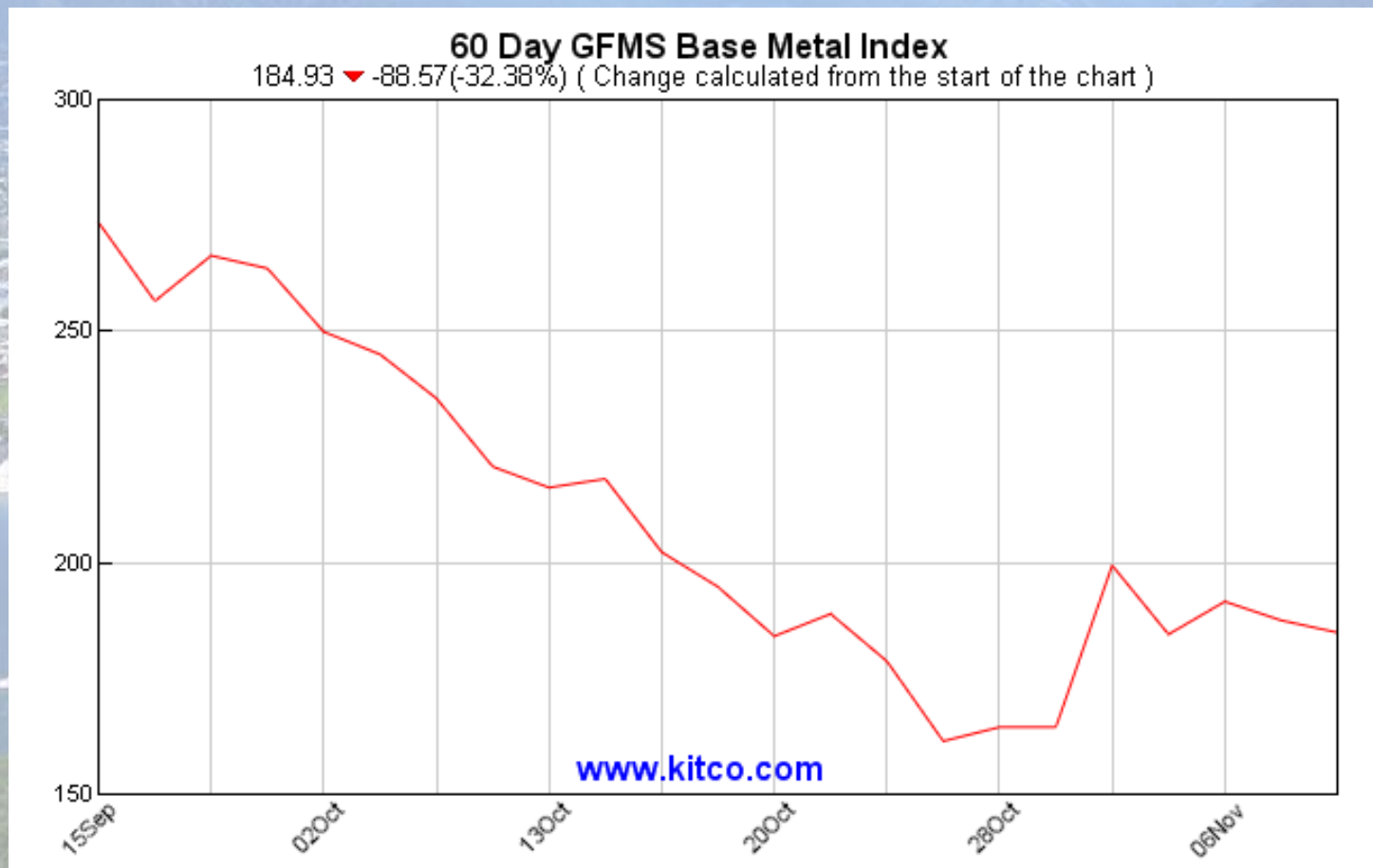
Good Thing!

Governments Acting Together

Bad Thing!

Consumer Confidence Falling

Commodity Prices Falling



Australia

- ◆ **Financial Institutions Stronger**
- ◆ **Room To Pump Prime**
- ◆ **Stock Exchange** → **Big Hit**
- ◆ **Vulnerability** → **High Household Debt**

Australia

- ◆ **Government Lender of Last Resort**
- ◆ **Pump Priming**
- ◆ **Interest Rates Down**
- ◆ **Consumer Spending Falling**
- ◆ **Australian Dollar Down**

Local Economy

◆ Outside Earnings

- ◆ Natural Attribute Based

- ◆ Other

◆ Service Industries Structure

Local Economy

- ◆ **Competitiveness Boost**
- ◆ **Tourism (Worries about travel levels)**
- ◆ **Fisheries Reprieve**
- ◆ **Primary Industries**
- ◆ **Mining (Commodity Prices Down)**
- ◆ **Marine/Aviation Services**

Local Economy

- ◆ **Consumer Durable Spending Down**
- ◆ **Borrowing Conditions Tighter**
- ◆ **Housing Market**
 - ◆ **Government Action**
 - ◆ **Lower Interest Rates**
- ◆ **Other Consumer Spending**
 - ◆ **Pensioners / Families**

Local Economy

- ◆ **Govt Infrastructure Spending**
- ◆ **On Top Of Catch-up Occurring**
 - ◆ **Hospital**
 - ◆ **University**
 - ◆ **Lotus Glen**

Overall

- ◆ **Slide in Financial Confidence Stabilising**
- ◆ **Not All Bad**
- ◆ **Businesses Adapt To Changed Circumstances**

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