Tablelands, Cape & Gulf Economic Challenges & Opportunities.

Mareeba Chamber of Commerce

Economic Development Forum

Cummings Economics

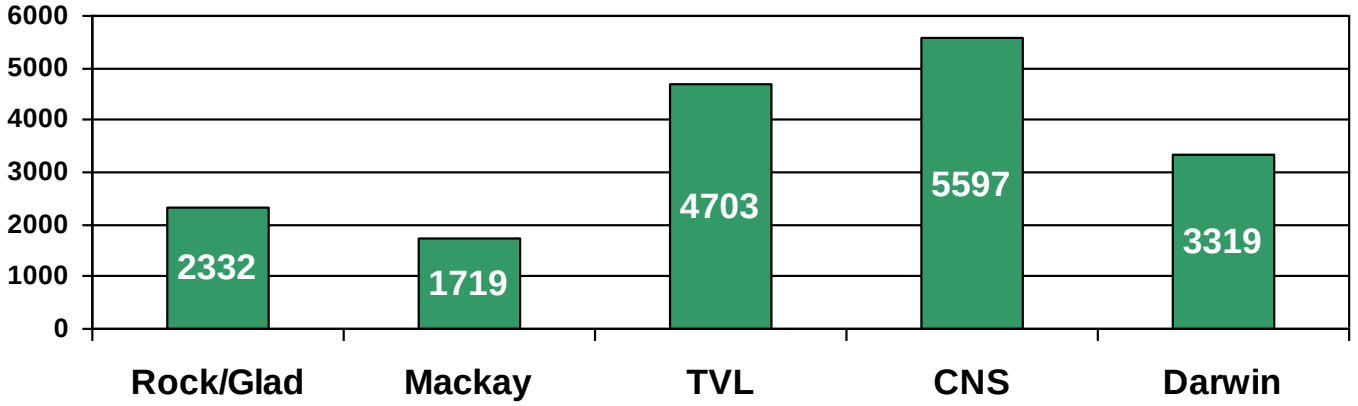
Ref: J2239 | 31 July 2009

A YEAR OF

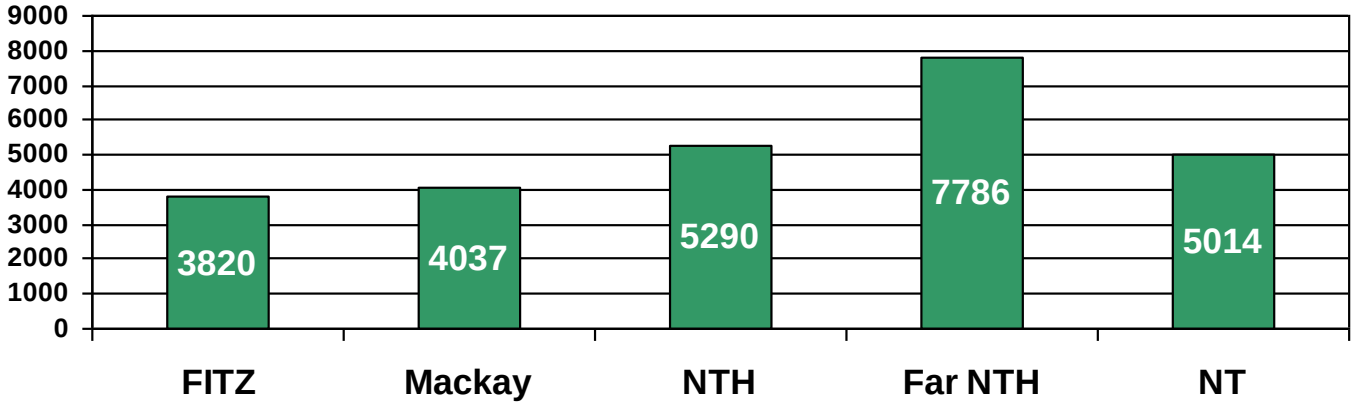
- STRONG CHANGES
- A GREAT DEAL OF UNCERTAINTY
- SOME FEAR

NORTHERN AUSTRALIA RES POPULATION GROWTH 2007/08

CITIES

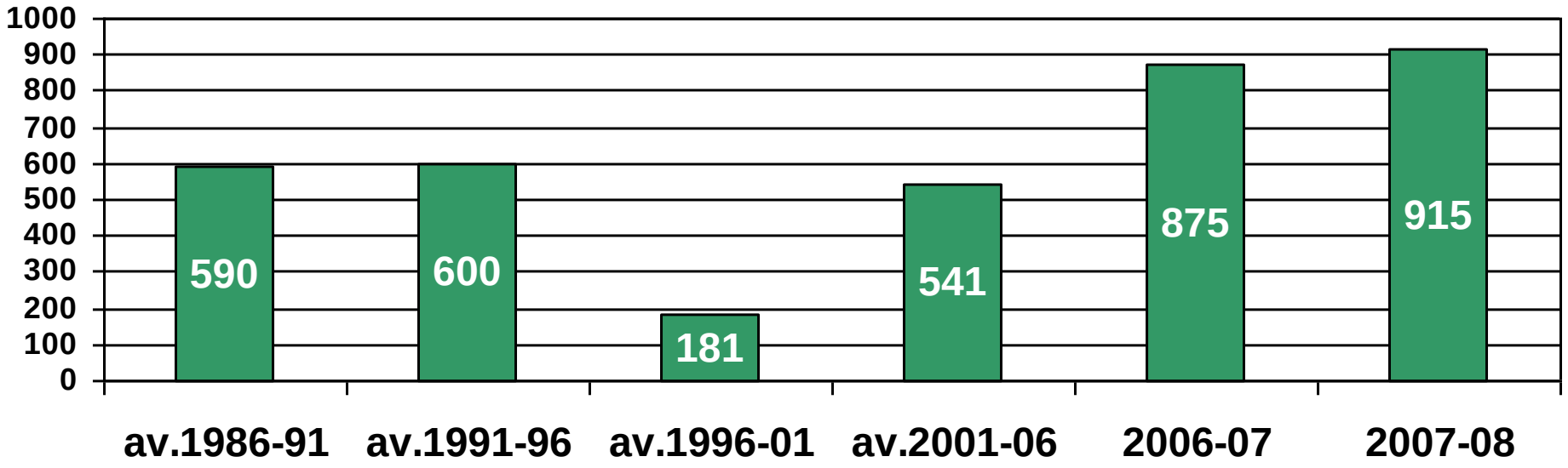


REGIONS



Source: Cummings Economics from ABS Data

TABLELANDS ESTIMATED RESIDENTIAL POPULATION GROWTH
AV.ANNUAL INTERCENSAL GROWTH 1986-2006 + 2006/07 & 2007/08



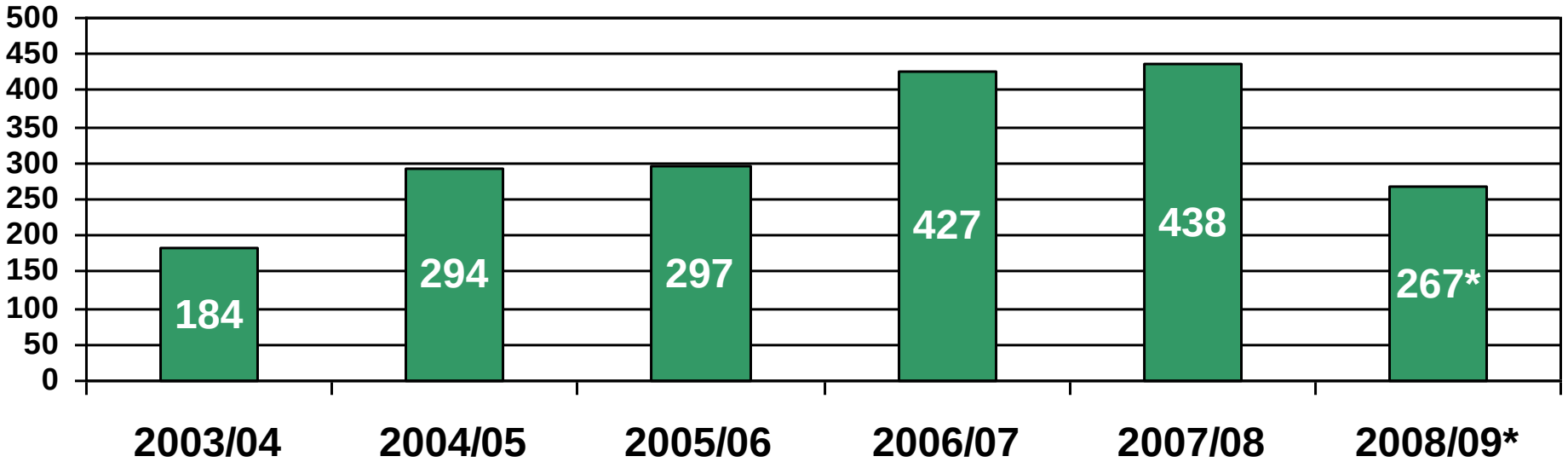
Source: Cummings Economics from ABS Data

TABLELAND MEDIAN HOUSE PRICES

	ATHERTON $	EACHAM $	HERBERTON $	MAREEBA $
2002	122,500	109,000	70,000	98,000
2003	135,000	104,000	78,000	103,000
2004	165,000	138,000	90,000	130,000
2005	205,000	180,000	120,000	163,000
2006	258,250	250,000	175,000	197,000
2007	319,000	285,000	210,000	208,000
2008	347,000	305,000	235,000	261,000

Source: Cummings Economics from RP Data

TABLELANDS BUILDING APPROVALS
NUMBER OF DWELLINGS



** Estimate based on 11 months to May 2009*

Source: Cummings Economics from ABS Data

% Drop in building approvals 3 months Mar / Apr / May 2009 on same period previous year.

	Cairns	Tablelands
Dwellings No.	-63%	-30%
Total Value	-60%	Nil

Source: Cummings Economics from ABS Data

INCREASE IN UNEMPLOYMENT

NUMBERS RECEIVING NEWSTART & YOUTH ALLOWANCES

	June 2008	June 2009	% Change
Mareeba & Atherton	972	1413	+45%
Cairns	2681	4719	+76%
Townsville	2069	3535	+71%
Total Northern & Central Regions	14281	22469	+57%

Source: Cummings Economics from DEEWR Labour Market & Related Payments Monthly Profile

POPULATION

- NO MASS EXODUS
- PROBABLY STILL HOLDING GROWTH

TABLELAND ECONOMY

HOLDING UP WELL

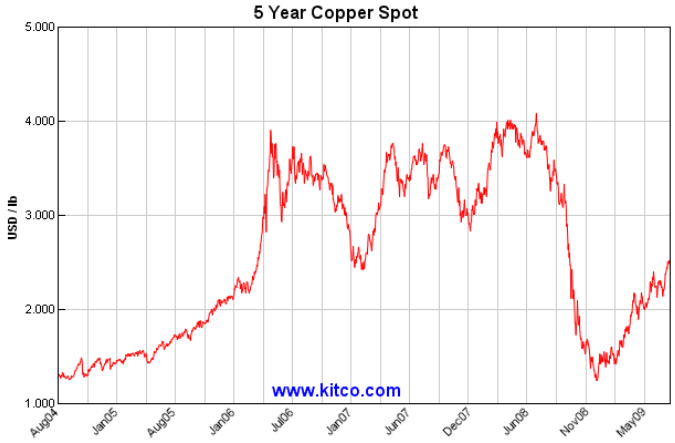
SOME NEGATIVES BUT ALSO POSITIVES

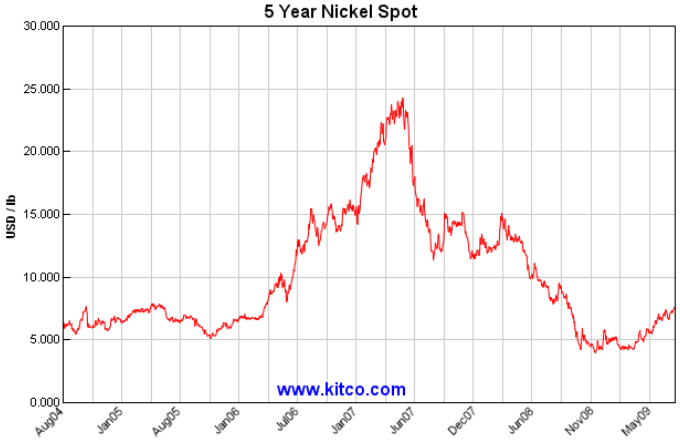
MINERAL SALES – FAR NORTH

	2005/06	2006/07	2007/08
ETHERIDGE / TABLELANDS	$79m	$301m	$373m
COOK / TABLELANDS	$358m	$452m	$465m
TOTAL	**$437m**	**$753m**	**$838m**

Source: Cummings Economics from Queensland Department of Mines and Energy

MINERAL PRICES





MINING AFFECTED

- **WOLFRAM CAMP**
- **CHILLAGOE**
- **WATERSHED**
- **NORNICO**
- **COPPER STRIKE**
- **WEIPA**
- **OTHERS**

CONSUMER SPENDING

NEGATIVE

- WEALTH DOWN
- SOME LOSS OF INCOME
- UNCERTAINTY
- SAVING MORE, BORROWING LESS

POSITIVE

- POPULATION GROWTH
- LOWER INTEREST RATES, PETROL & INFLATION
- GOVERNMENT STIMULUS (About $25m)

TOURISM RESOURCES - TOURISM GROWTH

CAIRNS AIRPORT PASSENGER MOVEMENTS (Excluding international transits)

	No.	%	
1997/98	2,725,000	0.4%	Asian crisis
1998/99	2,770,000	1.7%	
1999/00	2,882,000	4.0%	+6%
2000/01	2,972,000	3.1%	
2001/02	2,878,000	(-3.2%)	Ansett collapse
2002/03	3,083,000	7.1%	
2003/04	3,402,000	10.3%	
2004/05	3,689,000	8.4%	+ 32%
2005/06	3,832,000	3.4%	
2006/07	3,889,000	1.4%	High dollar
2007/08	3,846,000	(-0.8%)	
2008/09	3,703,052	(-4.0%)	Loss of Japanese flights

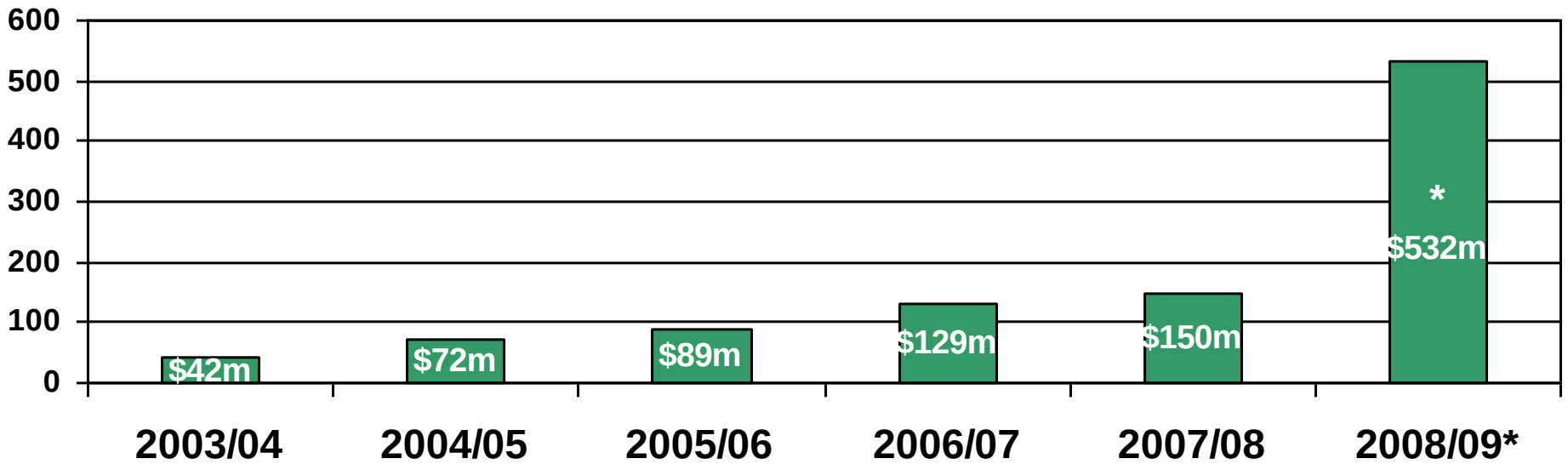
Source: Cummings Economics from CPA & Cairns Airports

ESTIMATED VALUE OF OUTPUT OF MAIN AGRICULTURAL INDUSTRIES TABLELANDS 2008

HORTICULTURE			**$154m**
	MANGOES	$53m	
	BANANAS	$33m	
	AVOCADO'S	$23m	
	PAW PAW	$22m	
	OTHER	$32m	
FIELD CROPS			**$112m**
	POTATOES	$51m	
	SUGAR CANE	$19m	
	SEED	$13m	
	MAIZE	$9m	
FIELD CROPS			**$69m**
	DAIRYING	$38m	
	CATTLE	$23m	
	OTHER	$8m	
TOTAL			**$335m**

Source: Cummings Economics from Queensland DEEDI (Primary Industries)

TABLELANDS BUILDING APPROVALS



** Includes Lotus Glen full value. Without Lotus Glen about $120m.*

Source: Cummings Economics from ABS Data

POPULATION – QUEENSLAND REMOTE REGIONS

GULF, CAPE, TORRES	30,160
MT ISA, NORTH WEST (excl. Gulf)	28,739
LONGREACH, CENTRAL WEST	12,256
ROMA, SOUTH WEST	26,150

Source: Cummings Economics from ABS Data

POPULATION – TABLELANDS & REMOTE 2008

TABLELANDS	45,297
GULF, CAPE, TORRES	30,160
	75,457

Source: Cummings Economics from ABS Data

TROPICAL TABLELANDS | GULF SAVANNAH | TORRES STRAITS
WESTERN CAPE | EASTERN CAPE | COOKTOWN DISTRICT
GREAT BARRIER REEF | WORLD HERITAGE RAINFORESTS | SAVANNAH WOODLANDS

HISTORICAL DEVELOPMENT PHASES

LEADING IMPETUS

Late 1800's to WW1

- MINING

WW1 TO 1960's

- AGRICULTURE

1970'S to 1990'S

- TOURISM

TOURISM DEVELOPMENT

ACTION THAT WAS NEEDED

- AN EFFECTIVE MARKETING ORGANISATION
- AIRPORT INFRASTRUCTURE
- APPLIED TECHNOLOGY

CURRENT NEW MAJOR UNDERLYING FACTORS

- EMERGENCE OF **BRIC*** ECONOMIES
- CLIMATE CHANGE

* *Brazil, Russia, India, China*

CHANGING BALANCE OF OPPORTUNITIES

- TOURISM
- MINING
- BIO INDUSTRIES

TOURISM

NEED TO MAINTAIN & GROW AS POSSIBLE

- GREY NOMADS
- OUTSIDE CNS / KURANDA / DOUGLAS TRIANGLE
- NEW AIRCRAFT TECHNOLOGY

TOURISM

SUPPRESSING FACTORS

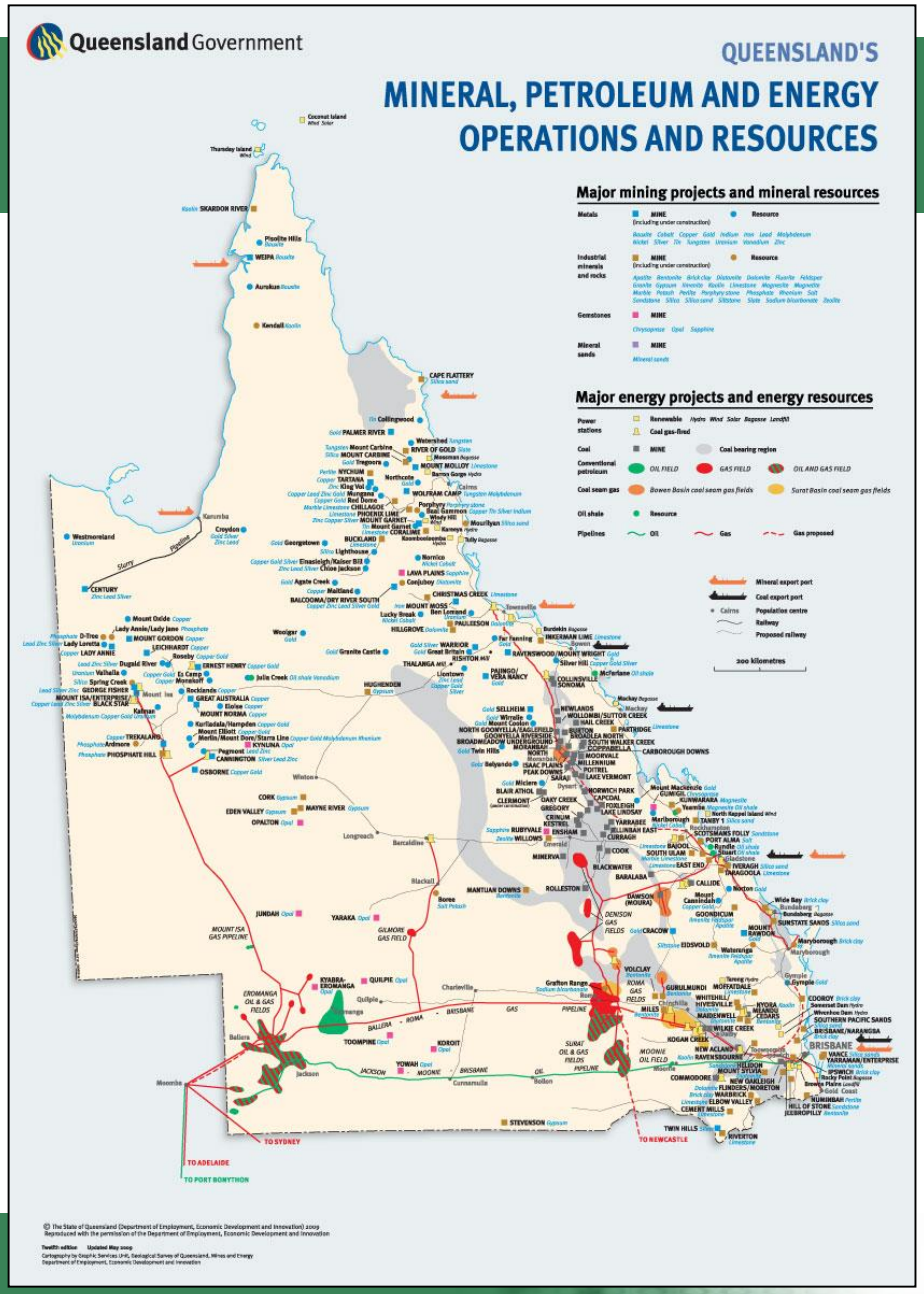
- NO LONGER “SUNRISE” INDUSTRY DEVELOPED ENCONOMIES
- SUBDUED GROWTH DEVELOPED ECONOMIES
- HIGH CARBON FUEL PRICES
- AUST. DOLLAR HIGH / COMMODITY PRICES
- CHINA / INDIA INCOMES STILL NOT HIGH

OTHER OPPORTUNITIES

NEWLY INDUSTRIALISING COUNTRIES

MASSIVE INCREASE IN DEMAND FOR

- MINERALS
- AGRICULTURAL & FOREST PRODUCTS


Queensland Government
QUEENSLAND'S
MINERAL, PETROLEUM AND ENERGY
OPERATIONS AND RESOURCES
Major mining projects and mineral resources
Major energy projects and energy resources
TO SYDNEY
TO ADELAIDE
TO PORT BONYTHON
TO NEWCASTLE
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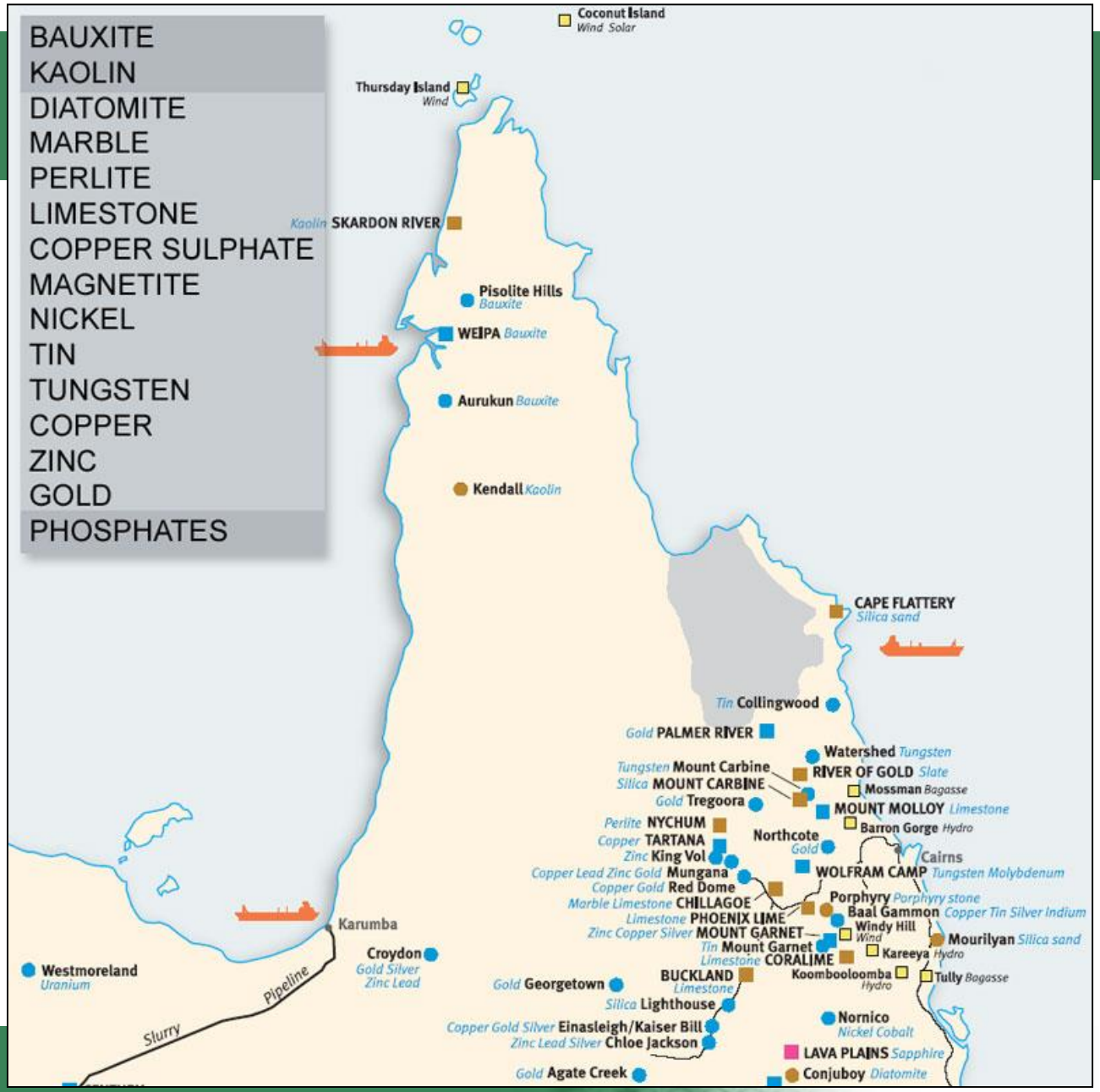
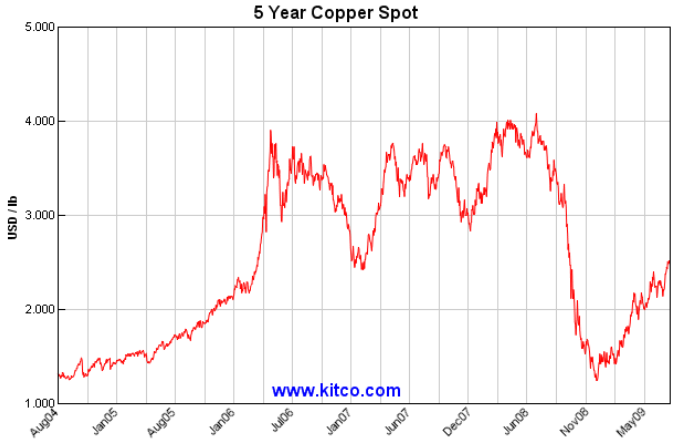
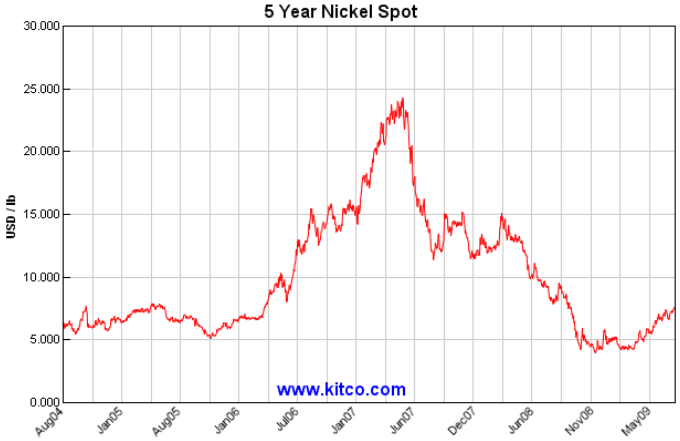

BAUXITE
KAOLIN
DIATOMITE
MARBLE
PERLITE
LIMESTONE
COPPER SULPHATE
MAGNETITE
NICKEL
TIN
TUNGSTEN
COPPER
ZINC
GOLD
PHOSPHATES
Coconut Island
Wind Solar
Thursday Island
Wind
Kaolin SKARDON RIVER
Pisolite Hills
Bauxite
WEIPA Bauxite
Aurukun Bauxite
Kendall Kaolin
CAPE FLATTERY
Silica sand
Tin Collingwood
Gold PALMER RIVER
Watershed Tungsten
Tungsten Mount Carbine
RIVER OF GOLD Slate
Silica MOUNT CARBINE
Mossman Bagasse
Gold Tregoora
MOUNT MOLLOY Limestone
Perlite NYCHUM
Barron Gorge Hydro
Copper TARTANA
Northcote
Gold
Zinc King Vol
Cairns
Copper Lead Zinc Gold Mungana
WOLFRAM CAMP Tungsten Molybdenum
Copper Gold Red Dome
Porphyry Porphyry stone
Marble Limestone CHILLAGOE
Baal Gammon Copper Tin Silver Indium
Limestone PHOENIX LIME
Windy Hill
Wind
Zinc Copper Silver MOUNT GARNET
Mourilyan Silica sand
Tin Mount Garnet
Kareeya Hydro
Limestone CORALIME
Koombooloomba Hydro
Tully Bagasse
Karumba
Croydon
Gold Silver Zinc Lead
Westmoreland
Uranium
Pipeline
Slurry
Gold Georgetown
BUCKLAND Limestone
Silica Lighthouse
Nornico
Nickel Cobalt
Copper Gold Silver Einasleigh/Kaiser Bill
Zinc Lead Silver Chloe Jackson
LAVA PLAINS Sapphire
Gold Agate Creek
Conjuboy Diatomite

MINERAL PRICES





INFRASTRUCTURE BOTTLENECKS

- CAIRNS & MOURILYAN SEAPORTS
- KURANDA & PALMERSTON HIGHWAYS
- THE RAIL LINE TO CAIRNS

INFRASTRUCTURE BOTTLENECKS

CAPE – WEIPA / AURUKUN

- BIGGER PORT
- PENINSULA DEVELOPMENTAL ROAD

GULF NORTHWEST PROVINCE

- KURUMBA SEAPORT CONSTRAINTS

BIO INDUSTRIES

- DECLINING RAINFALL – SOUTHERN AUSTRALIA
- UNUSED WATER RESOURCES IN THE NORTH
- RISING WORLD DEMAND FOR FOOD & FIBRE
- DEMAND FOR BIOFUELS & BIOINDUSTRIAL PRODUCTS

BIO INDUSTRIAL

IMMEDIATE

- CO GENERATION FROM BAGASSE

NEXT STEP

- ETHANOL FROM SUGAR SYRUP / MOLASSES

(KEY TABLELAND ROLE – INFRASTRUCTURE ISSUES)

FURTHER STEP

- ETHANOL FROM BAGASSE

(KEY TABLELAND ROLE)

BIO INDUSTRIAL

OTHER STRAND

- BIO DIESEL CROPS

www.burmanbioenergy.com

www.millettiaplantations.com

www.jatrophacurcasplantations.com

BIO INDUSTRIAL

BIO REFINERIES

- BIO PLASTICS
- PHARMACEUTICALS
- NUTRACEUTICALS etc.

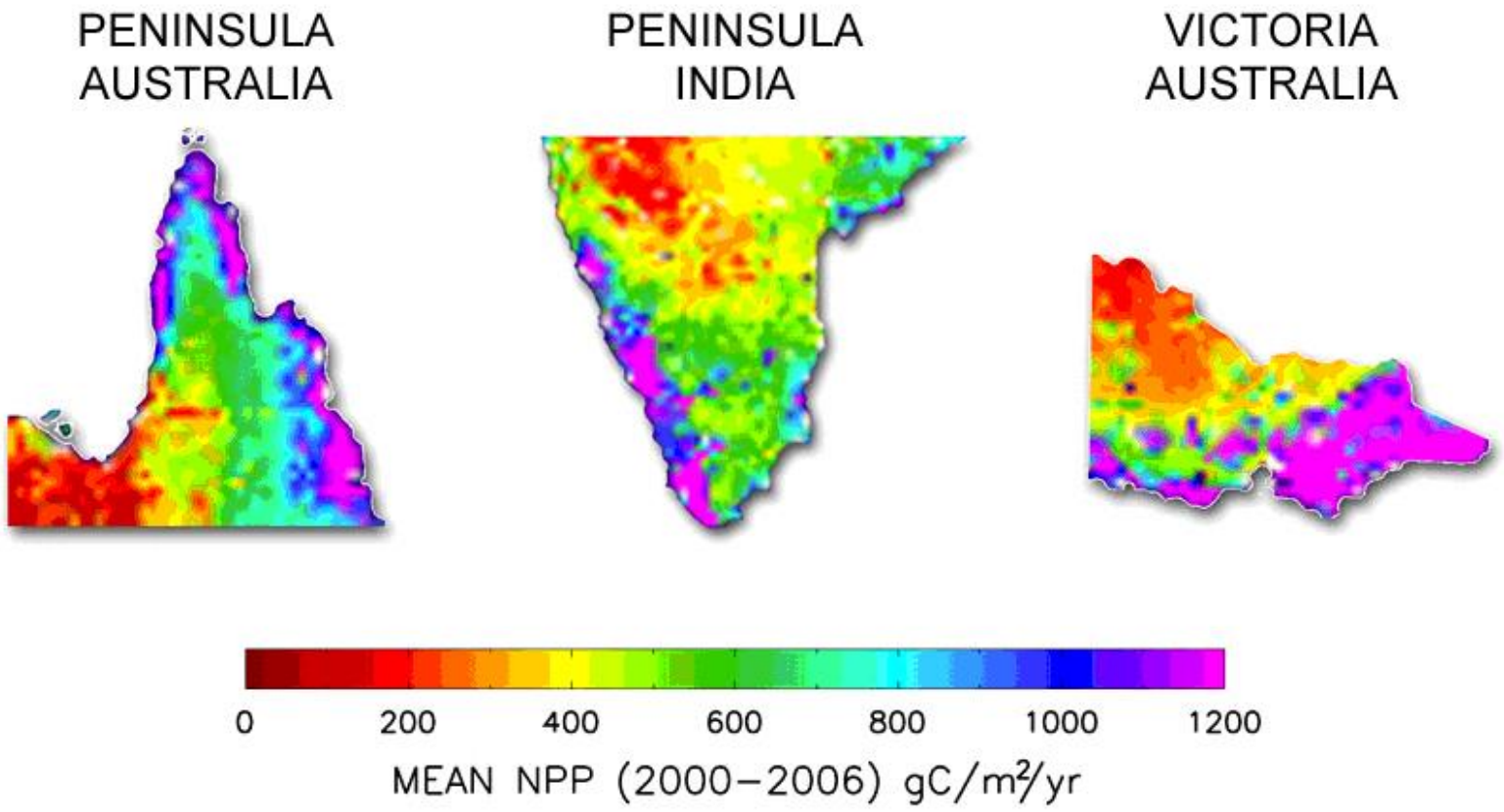
PROPOSAL TO SELL QUEENSLAND TO GLOBAL PLAYERS AS A LOCATION TO SUPPLY ASIA / PACIFIC

BIO INDUSTRIAL

THIS REGIONS COMPETITIVE ADVANTAGE

- UNDERLYING PLANT GROWTH POTENTIAL
- RANGE OF FEED STOCKS – SUGAR PLUS OTHERS

PLANT GROWTH POTENTIAL



OTHER AGRICULTURAL INDUSTRIES

- CEREALS, PULSES, COTTON
- NEW INTEREST IN WATER STORAGES
- ECO BANANA EXPORTS
- CONTAINER TRADE

(MINERAL PRODUCTS, AGRICULTURAL PRODUCTS, FORESTRY PRODUCTS)

FORESTRY

- APPROX 13,000ha PUBLIC (to be sold)
- APPROX 11,000ha PRIVATE

  (SPECIES SUITABLE FOR WET / DRY AREAS)
- IMPLICATIONS FOR TRANSPORT INFRASTRUCTURE

TRANSPORT INFRASTRUCTURE

- HANN HIGHWAY – ROUTE DIRECT TO SOUTH
  (150km ONLY WILL BE LEFT OUT OF 266km)
- PENINSULA DEVELOPMENTAL ROAD

CONCLUSION

- A NEW RANGE OF OPPORTUNITIES DEVELOPING
- TABLELANDS CAPE & GULF IN THE FOREFRONT
- VITAL TO REMOTE TRANSPORT INFRASTRUCTURE BOTTLENECKS

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