THE PRIMARY INDUSTRIES IN THE REGIONAL ECONOMIES OF NORTH QUEENSLAND

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Cummings Economics

AGINVEST FORUM 2010 - CAIRNS

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- HOW IMPORTANT ARE THE PRIMARY INDUSTRIES TODAY?
- HOW IMPORTANT HAVE THEY BEEN TO REGIONAL GROWTH?
- COMPARATIVE IMPORTANCE COMPARED WITH THE REST OF AUSTRALIA & SCOPE FOR GROWTH

STATISTICAL DIVISIONS

PRIMARY INDUSTRIES

- AGRICULTURE
- LIVESTOCK INCLUDING AQUACULTURE
- FISHING
- FORESTRY

MOST AUSTRALIAN REGIONAL ECONOMIES

- BASED ON INDUSTRIES THAT EXPLOIT NATURAL RESOURCES / ATTRIBUTES THAT EARN INCOME FROM OUTSIDE THE REGION
- GENERATE DEVELOPMENT OF SERVICE INDUSTRY STRUCTURES IN TOWNS & CITIES

MEASURING IMPACT OF PRIMARY INDUSTRIES

- TO FARM-GATE
- POST FARM-GATE
- ASSOCIATED ACTIVITIES

DIRECT IMPACTS

FLOW-ON EFFECTS

TOTAL EFFECT

Summary Farm-Gate Output Value				
Industries	**Far North**	**North**	**North West**	**Total**
Agriculture	$911 m	$654 m	-	**$1,565 m**
Livestock incl Aquaculture	$217 m	$122 m	$336 m	**$675 m**
Fishing & Forestry	$178 m	$15 m	$15 m	**$208 m**
Total	**$1,306 m**	**$791 m**	**$351 m**	**$2,448 m**

Summary On-Farm etc. Employment				
Industries	**Far North**	**North**	**North West**	**Total**
Agriculture	4,000	2,300	-	**6,300**
Livestock incl Aquaculture	1,800	1,360	1,400	**4,560**
Fishing & Forestry	410	100	60	**570**
Total	**6,210**	**3,760**	**1,460**	**11,430**

Summary of Post Farm-Gate Value Adding				
	Est Value Added			
Industries	**Far North**	**North**	**North West**	**Total**
Sugar	$140 m	$300 m	-	**$440 m**
Cattle				
Processing	$12 m	$60 m	-	**$72 m**
Transport	$7 m	$6 m	$18 m	**$31 m**
Fruit & Vegetables				
Transport	$62 m	$7 m	-	**$69 m**
Other Livestock	$80 m	-	-	**$80 m**
Fishing & Forestry	$43 m	$7 m	$1 m	**$51 m**
Other	$46 m	$6 m	-	**$52 m**
Total	**$390 m**	**$386 m**	**$19 m**	**$795 m**

TRANSPORT TASK
FRUIT & VEGETABLES TO THE SOUTH

- OVER 400,000 TONNES
- ESTIMATED VALUE : $66M
- ESTIMATED EMPLOYMENT : 405

Summary of Post Farm-Gate Employment				
	Est Value Added			
Industries	**Far North**	**North**	**North West**	**Total**
Sugar	800	1,700	-	**2,500**
Cattle				
Processing	110	850	-	**960**
Transport	60	50	140	**250**
Fruit & Vegetables				
Transport	470	35	-	**505**
Other Livestock	360	-	-	**360**
Fishing & Forestry	309	51	8	**368**
Other	292	50	-	**342**
Total	**2,401**	**2,736**	**148**	**5,285**

Summary of Associated Activities Value Adding				
	Est Value Added			
	Far North	**North**	**North West**	**Total**
Government Services	$35 m	$17 m	$2 m	**$54 m**
Education	$6 m	$26 m	$1 m	**$33 m**
Total	**$41 m**	**$43 m**	**$3 m**	**$87 m**
	Est Employment			
Government Services	308	148	15	**471**
Education	52	156	5	**213**
Total	**360**	**304**	**20**	**684**

Summary of Primary Industries				
	Turnover/Output			
	Far North	**North**	**North West**	**Total**
Pre Farm-Gate	$1,306 m	$791 m	$351 m	**$2,448 m**
Post Farm-Gate Value Added	$390 m	$386 m	$19 m	**$795 m**
Associated	$41 m	$43 m	$3 m	**$87 m**
Total	**$1,737 m**	**$1,220 m**	**$373 m**	**$3,330 m**
Estimated Employment	9,000	6,800	1,600	17,400

ESTIMATED GROSS REGIONAL VALUE ADDED

	2008/09
FAR NORTH	$10.4bn
NORTH	$10.7bn
NORTH WEST	$2.2bn

Source: North Australia Research Group.

ESTIMATED IMPACT ON REGIONAL VALUE ADDED

	FAR NORTH	NORTH	NORTH WEST	TOTAL
ESTIMATED TOTAL VALUE ADDED BY PRIMARY INDUSTRIES	$1756M	$1218M	$314M	$3347M
GROSS REGIONAL VALUE ADDED	$10353M	$10692M	$2196M	$23241M
% OF GROSS REGIONAL VALUE ADDED	17.6%	11.4%	14.3%	14.4%

ESTIMATED EMPLOYMENT

	FAR NORTH	NORTH & NORTH WEST	TOTAL
DIRECT	9,000	8,400	17,400
EST TOTAL WITH FLOW-ON EFFECTS	22,000	16,000	38,000

Source: Cummings Economics from ABS data.

COMPARISON MINING & PRIMARY INDUSTRIES

VALUE OF PRODUCTION

	2007/08	(cf PRIMARY INDUSTRIES 2008/09)
FAR NORTH	$680M	($1,737M)
NORTH	$217M	($1,220M)
NORTH WEST	$7,215M	($373M)
TOTAL	**$8,112M**	**($3,330M)**

AUSTRALIA - COMPONENTS OF MINING OUTPUT & OTHER AGRICULTURE

	NON FERROUS METAL	(OTHER AGRICULTURE)
INTERMEDIATE INPUTS	34%	(33%)
COMPENSATION EMPLOYEES	9%	(18%)
GROSS OPERATING SURPLUS	50%	(43%)
OTHER	7%	(6%)
TOTAL	**100%**	**(100%)**

EXPENDITURES BY VISITORS STAYING OVERNIGHT

	VISITOR EXPENDITURE 2009	(cf PRIMARY INDUSTRIES 2008/09)
FAR NORTH	$2,554M	($1,737M)
NORTH	$577M	($1,220M)
NORTH WEST	NA	($373M)
	$3,131M	**($3,330M)**

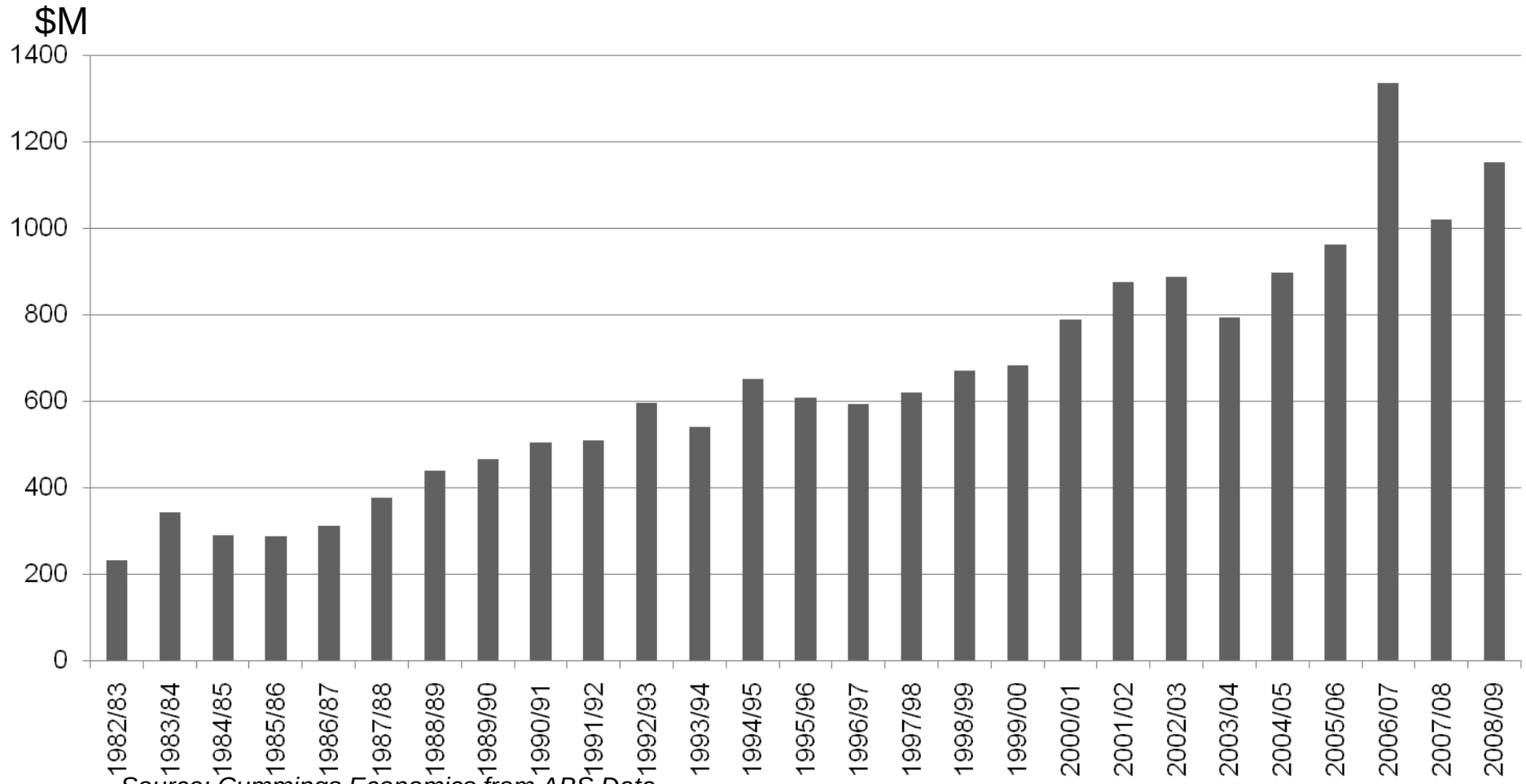
TOURISM

- MEASURED BY CUSTOMER (VISITORS)
- INCLUDES BUSINESS, VISITING FRIENDS AND RELATIVES, EMPLOYMENT, MEDICAL, OTHER
- TRAVELLING MORE THAN 40KM STAYING OVERNIGHT – MUCH LOCAL MOVEMENT
- 19% OF GRP

THREE GREAT BASE INDUSTRY SECTORS

PRIMARY INDUSTRIES	MORE IMPORTANT FAR NORTH
TOURISM	FAR NORTH DOMINATES
MINING	MORE IMPORTANT NORTH WEST

GROSS VALUE AGRICULTURAL PRODUCTION
(LONG TERM GROWTH 1982/83 TO 2008/09)



Source: Cummings Economics from ABS Data

Gross Value of Agricultural Production by Type, $M							
Year	**Crops**				**Livestock Products**	**Livestock Disposals**	**Total**
	Sugar Cane	**Fruit**	**Other**	**Total**	**Total**	**Total**	
1982/83	107	27	48	182	17	34	**233**
1992/93	177	239	81	497	34	66	**597**
2008/09	240	511	100	851	41	261	**1,153**
Av An Gwth	**3.2%**	**12.0%**	**2.9%**	**6.1%**	**3.4%**	**8.2%**	**6.3%**
Av 'Real' An Gwth	**(-0.7%)**	**8.1%**	**(-1.0%)**	**2.2%**	**(-0.5%)**	**4.3%**	**2.4%**

Source: Cummings Economics from ABS Data.

COMPARISON – NORTHERN QUEENSLAND REGIONS & TASMANIA

	NORTHERN QLD	TASMANIA
POPULATION (2009)	530,969	503,292
ABS GROSS VALUE OF AGRICULTURAL PRODUCTION	$2,423M	$1,160M

Source: Cummings Economics from ABS data.

COMPARISON – FAR NORTH QUEENSLAND & TASMANIA

GROSS VALUE OF AGRICULTURAL PRODUCTION

	FNQ	TASMANIA
CROPS	$851M	$557M
LIVESTOCK	$302M	$603M
TOTAL	**$1,153M**	**$1,160M**

Source: Cummings Economics from ABS data.

% OF AUSTRALIA

WATER RUNOFF

FAR NORTH	26%
TOTAL STUDY AREA	31%

GROSS VALUE OF AGRICULTURE PRODUCTION

FAR NORTH	2.7%
TOTAL STUDY AREA	5.8%

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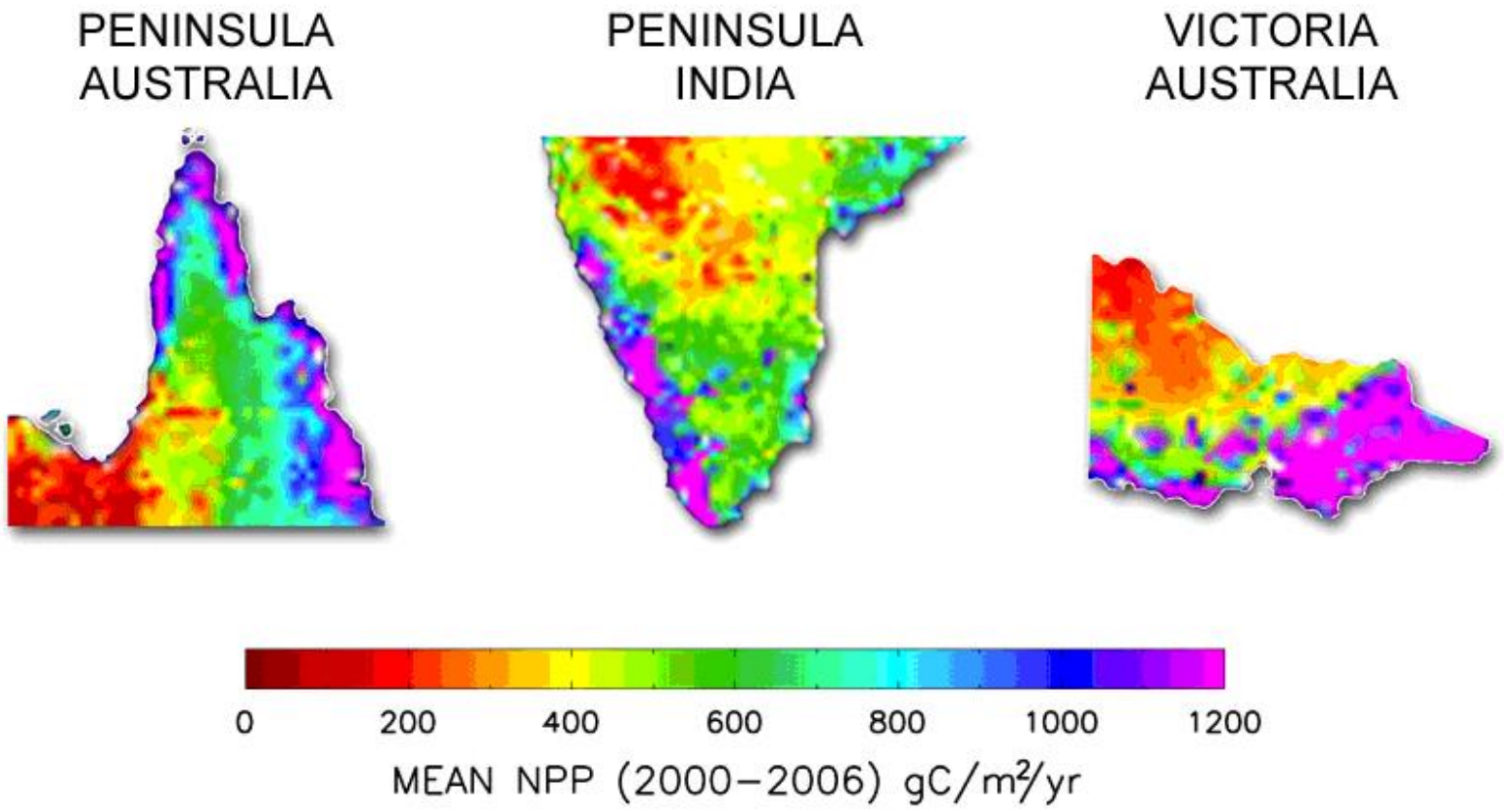
PLANT GROWTH POTENTIAL