MINING, AGRICULTURE, TOURISM, TRANSPORT, CONSTRUCTION, MANUFACTURING, DEFENCE, EDUCATION, ADMINISTRATION, SERVICES

The Cairns Economy
Recent Trends & Prospects

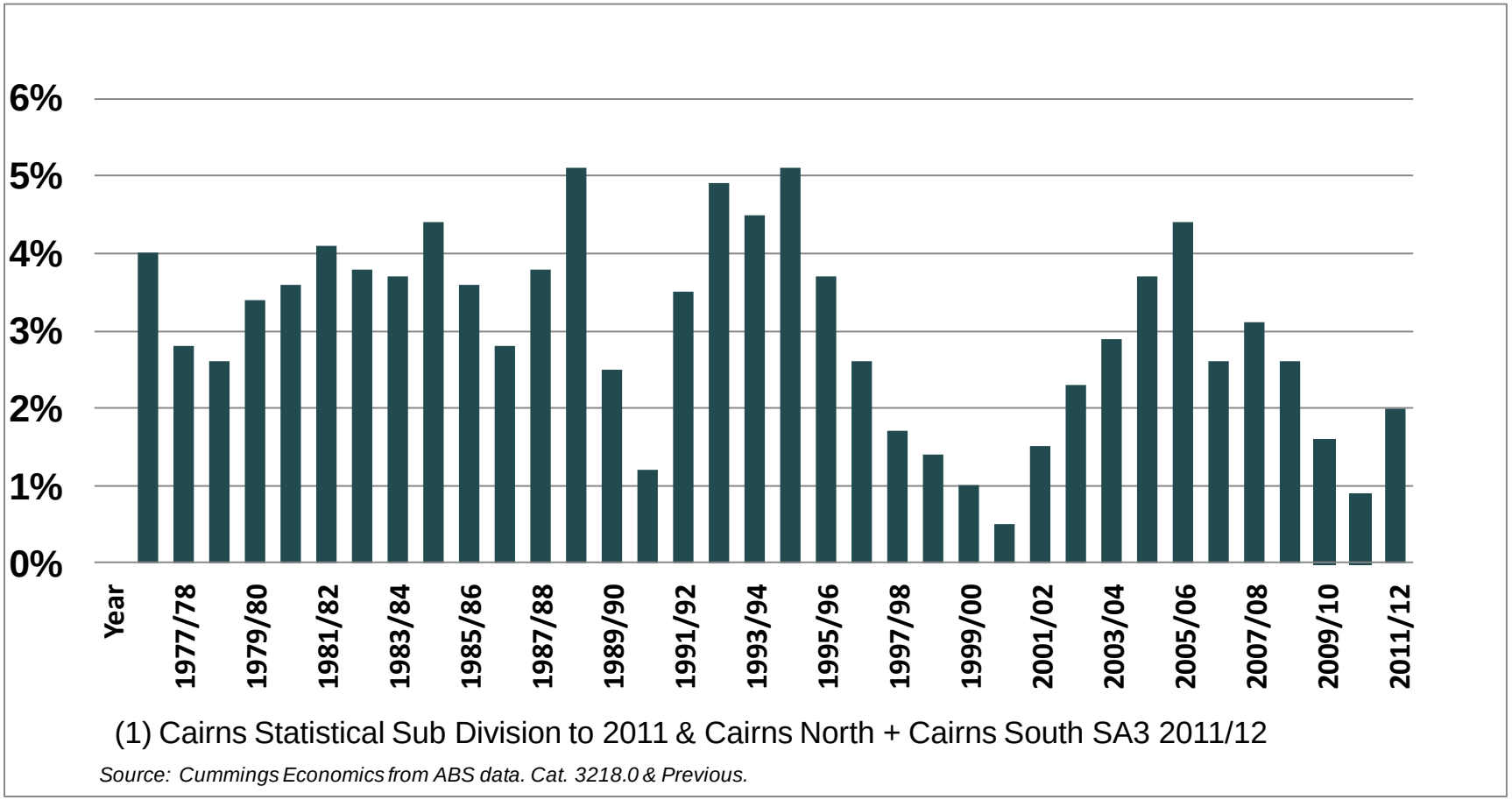
WS (Bill) Cummings

PRESENTATION TO

CAIRNS CHAMBER OF COMMERCE
building business since 1909

Ref: J2683 | 23 July 2013

RESIDENTIAL POPULATION GROWTH : CAIRNS



(1) Cairns Statistical Sub Division to 2011 & Cairns North + Cairns South SA3 2011/12

Source: Cummings Economics from ABS data. Cat. 3218.0 & Previous.

WORKFORCE GROWTH – CAIRNS (1)

	2006	2011	Growth	
			No.	%
BY USUAL RESIDENCE	60,420	67,714	+7,294	+12.1%
BY PLACE OF WORK (2)	54,273	57,289	+3,016	+5.6%

Notes:
(1): Cairns North & South SA3s.
(2) Excludes substantial 'not stated'.
Source: Cummings Economics from ABS Census data, 2006 & 2011.

NUMBER OF CAIRNS & IMMEDIATE REGION RESIDENTS WORKING AT LOCATIONS OUTSIDE THE REGION 2011

PENINSULA & GULF	983
NORTH WEST QLD	702
OTHER NORTH & CENTRAL QLD	664
EAST ARNHEM	239
OTHER NT	131
KIMBERLEY & PILBARA	169
est. PNG?	400?
TOTAL	3,300

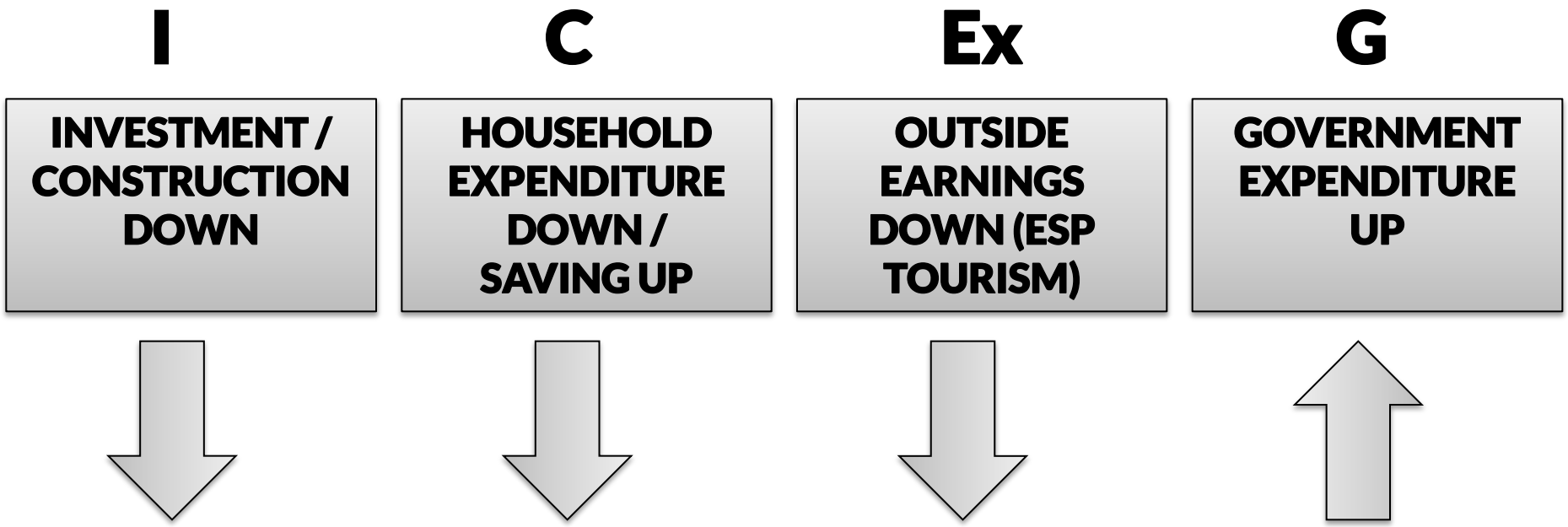
Source: PNG Cummings Economics industry information.
Other ABS 2011 Census data.

WORKFORCE GROWTH 2006 - 2011 BY SELECTED INDUSTRIES (USUAL PLACE OF RESIDENCE) CAIRNS (1)

	TOTAL INCREASE	+12.1%
HIGHEST	Mining	+101.9%
	Health care & social assistance	+46.8%
	Electricity, gas & water	+28.4%
	Education & training	+27.9%
	Public administration & safety	+24.2%
LOWEST	Information media & telecommunications	(-13.8%)
	Construction	(-8.2%)
	Rental, hiring & real estate services	(-7.7%)
	Financial & insurance services	(-3.7%)
	Manufacturing	0.0%

Note (1): 2006 Cairns Statistical Sub Division 2011 Cairns North & South SA3s.
Source: Cummings Economics from ABS Census data, 2006 & 2011.

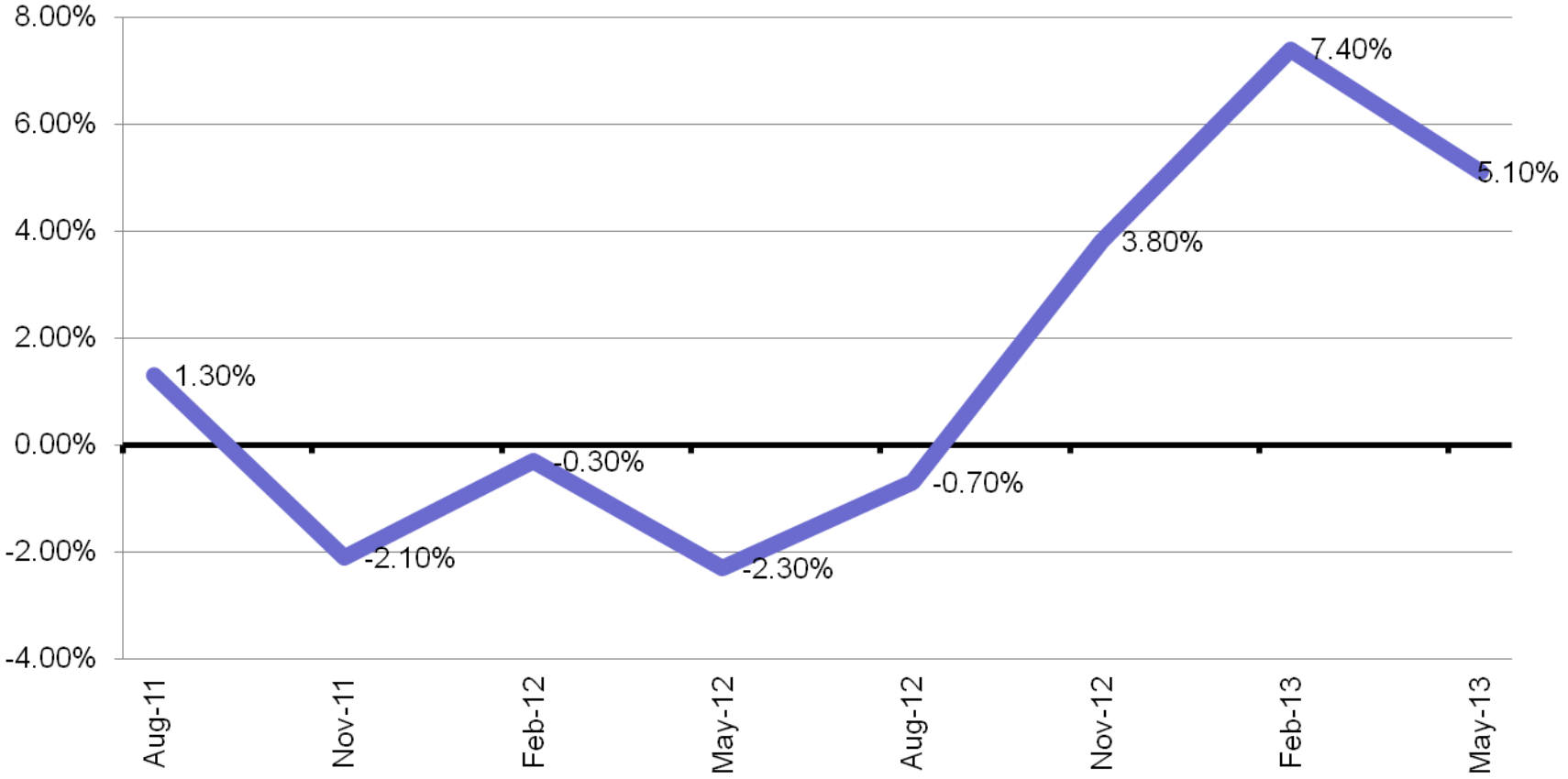
IMPACTS ON THE REGIONAL ECONOMY
GFC & FOLLOWING



“Things have been tough for many businesses since 2009. However, I am rather hopeful that we will be able to record that 2011/12 was the bottom and that 2012/13 will see the growth rate starting to turn upwards again.”

FNQ STATISTICAL DIVISION

CHANGE IN EMPLOYED QUARTERLY WORKFORCE COMPARED WITH SAME QUARTER PREVIOUS YEAR



Source: Cummings Economics from ABS Labour Force Australia 6291.0.55.001.

2012 / 13

TOURISM OUTSIDE EARNINGS UP

HOUSEHOLD SPENDING STILL CAUTIOUS

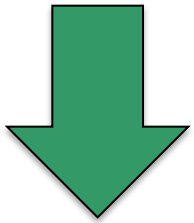
GOVERNMENT SPENDING DOWN

CONSTRUCTION DOWN AGAIN

GOVERNMENT EXPENDITURE

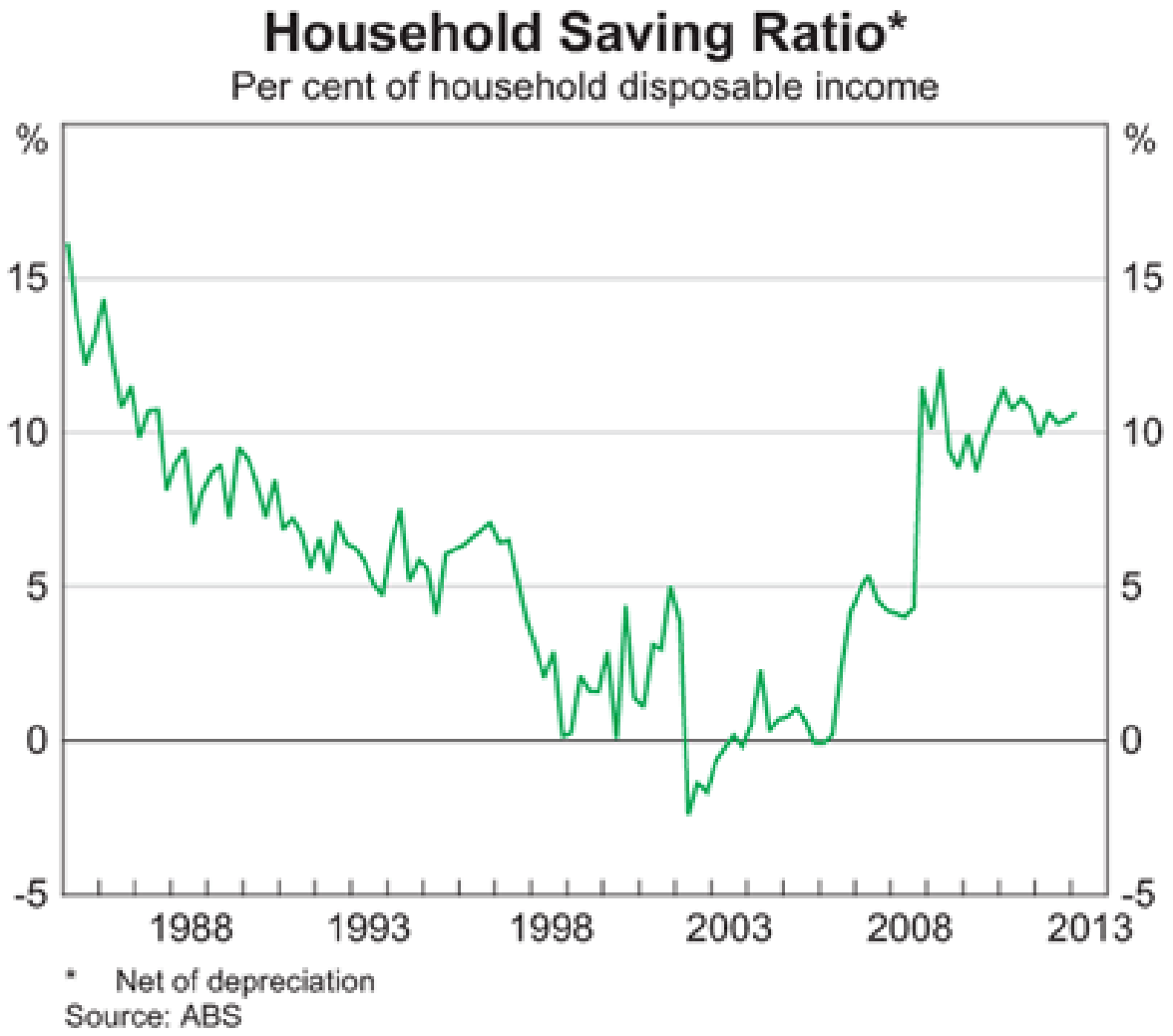
G

GOVERNMENT EXPENDITURE DOWN



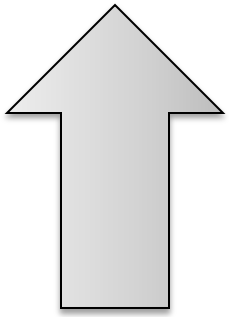
CHALLENGES

- BASE HOSPITAL TO TOP LEVEL FUNDING
- UNIVERSITY STUDENT NUMBERS TO REGIONAL AVERAGES
- CONTINUE ROAD UPGRADING
- SOCIAL INFRASTRUCTURE : SPORT & CULTURAL



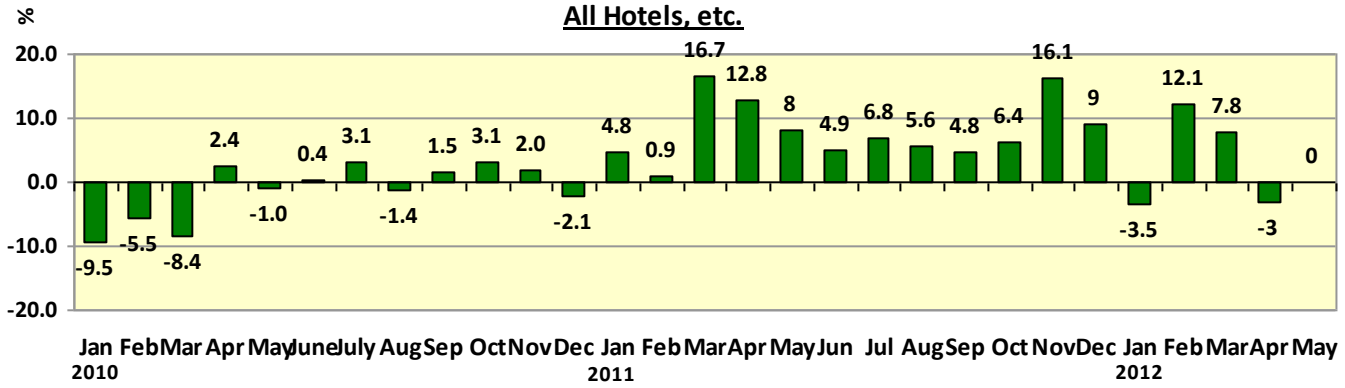
Since 2008 population of Cairns up about 10,000 (7.2%)

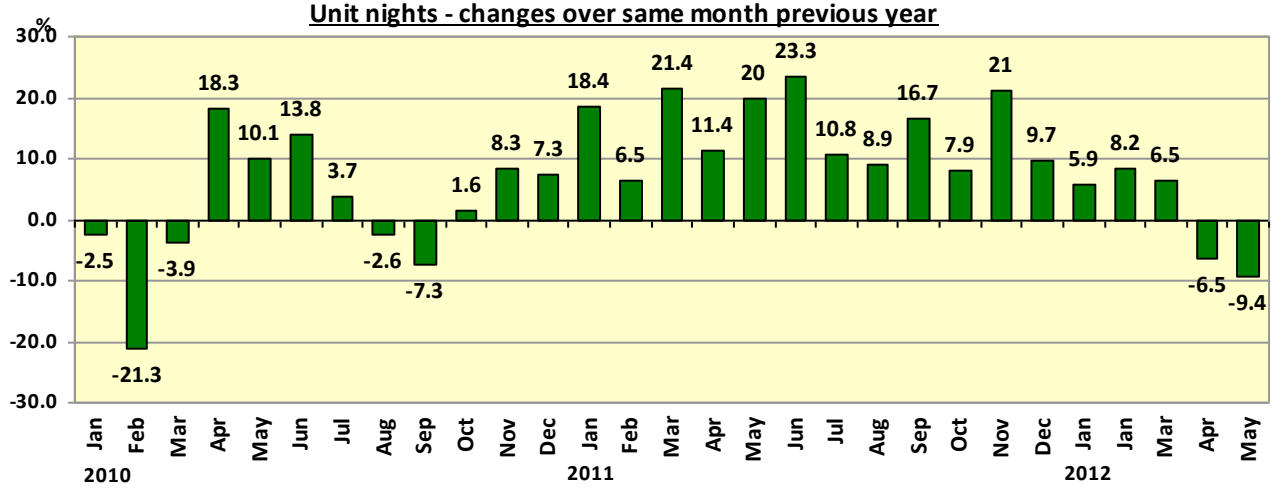
OUTSIDE EARNINGS



TOURISM - $2.3BN

Change Over Same Month Previous Year





Source: Tourism Tropical North Qld – Tourism Monitor series.

TOURISM PROSPECTS

DOLLAR DOWN	BROAD GROWTH
NEW MARKETS	CHINA

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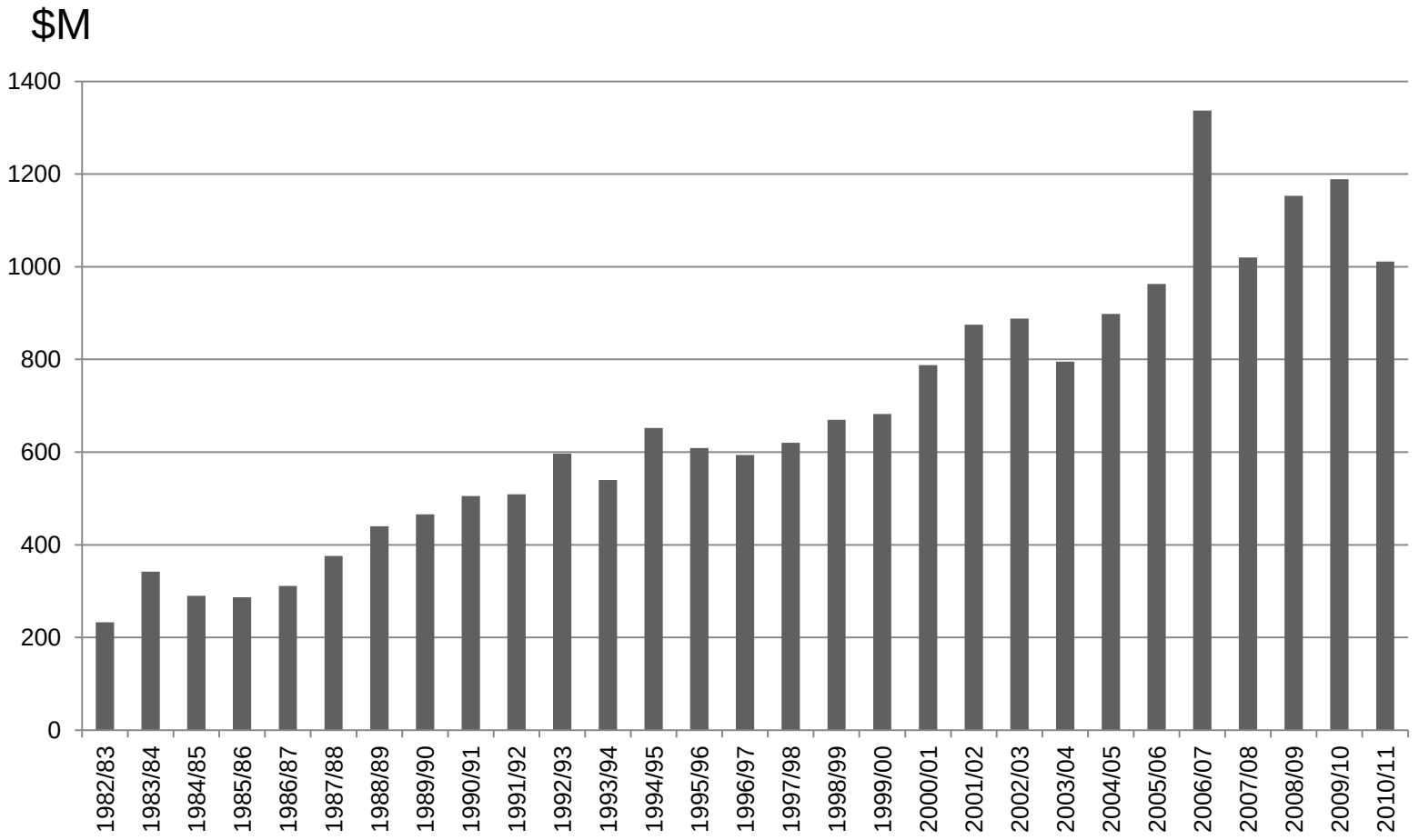
ESTB : 1981 | CAIRNS | AUSTRALIA
CAIRNS CHAMBER OF COMMERCE
building business since 1909

PROSPECTIVE INCREASE IN CRUISE SHIPPING, 2011 DOLLARS

Est Present Value of Economic Efficiency Benefits	**$166 m**
Est Present Value of Additional Gross Regional Product	**$436 m**

GROSS VALUE OF AGRICULTURAL PRODUCTION



Source: Cummings Economics from ABS Agricultural Financial Statistics 7503.0.

Source: United Nations Food & Agriculture Organisation, 2013.

MINING

- Extra BMA FIFO workforce 250 : flights to Moranbah
- Continuing engagement with PNG
- Major Capital Expenditure Weipa $1.3BN with 2000 bed FIFO camp

OTHER OUTSIDE EARNINGS

- AVIATION SECTOR – GROWING
- MARITIME SERVICING – BACK UP
- WEIPA TRADE – UP
- MARINE SERVICES – FIFO LNG PROJECTS
- TRADE EDUCATION – UP
- INTERNATIONAL EDUCATION – FALL IN DOLLAR WILL HELP

CONSTRUCTION

INTER-CENSAL WORKFORCE CHANGES CAIRNS (1)

1996 - 2001	**(-14.66%)**
2001 – 2006	**+71.93%**
2006 - 2011	**(-8.2%)**

Note (1): Cairns Statistical Sub Division, 1996 – 2006. Cairns North & South SA3s, 2006 – 2011.

Source: Cummings Economics from ABS Census data, 2006 & 2011.

BUILDING APPROVALS CAIRNS & IMMEDIATE REGION

	Dwelling No.	Value	Non dwelling value	Total value
2011/12	892	$381 m	$171 m	$553 m
2012/13/11 mths	602	$223 m	$95 m	$318 m

Source: Cummings Economics from ABS Building Approvals 8731.0.

CONSTRUCTION STIMULUS FACTORS

- RENEWAL & RECONFIGURATION
- POPULATION OF CAIRNS UP SINCE 2008 BY ABOUT 9% ABOUT 13,000
- MEETING SPECIAL NEEDS OF NEW MARKETS, EG. CHINESE VISITORS.

PROSPECTIVE DEVELOPMENTS

BABINDA	Former mill site – commercial & industrial
GORDONVALE	Shopping Centre (Woolworths)
	Residential
EDMONTON	Town Centre (Mann's farm)
	Hospital (detailed design phase)
	Commercial industrial & private hospital (Pregno's)
CITY	Drive-in site units
	Bunnings
	Harvey Norman & gas works site
	Central Park retail
	Aquarium

PROSPECTIVE DEVELOPMENTS

AIRPORT	New general aviation
REDLYNCH	Shopping Centre
	Residential
SMITHFIELD	Water Park
	Shopping Centre expansion
	University
NORTHERN BEACHES	Retirement Centres
	Palm Cove/Double Island development
	$4bn Integrated Resort, Yorkeys Knob

LOOKING FORWARD

PROSPECTS FOR CAIRNS REGION'S ECONOMY LOOKING BETTER THAN HAVE BEEN SINCE THE GLOBAL FINANCIAL CRISIS HIT FIVE YEARS AGO IN 2008.

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