CAIRNS & THE NEW ECONOMIC FUNDAMENTALS

GETTING BEYOND THE UNCERTAINTY

PRESENTATION TO CAIRNS CHAMBER OF COMMERCE

WS (Bill) Cummings

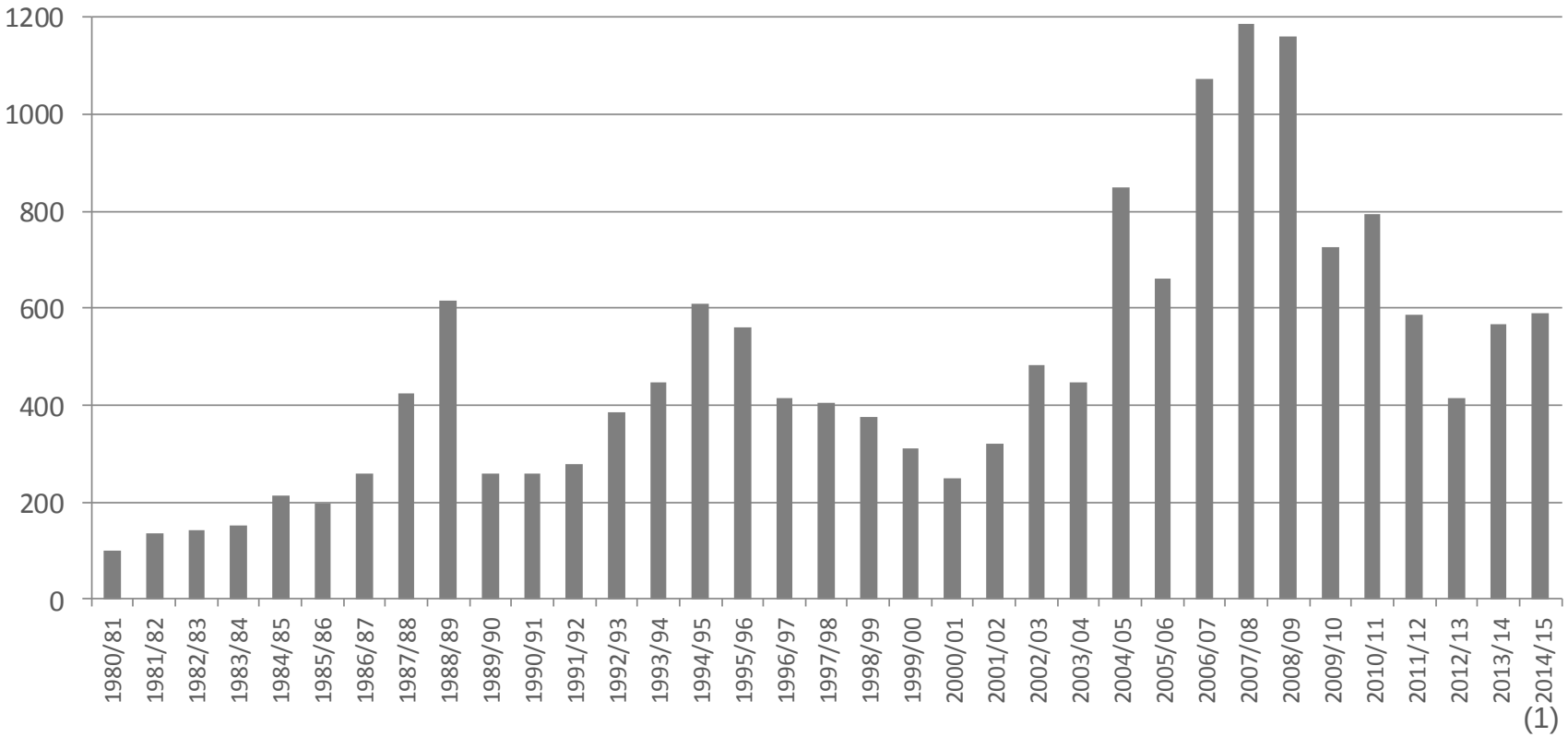
Ref: J2878 | 28th July 2015

JULY : LAST YEAR'S CHAMBER ADDRESS	**PROSPECTS OF MAJOR SURGE IN DEVELOPMENT**
OCTOBER	**AQUIS & SHIPPING DEVELOPMENT PROJECT UNRAVELLING**
JANUARY	**CHANGE OF STATE GOVERNMENT**
RESULT	**MAJOR UNCERTAINTY**

UNCERTAINTY IMPACTS ON MAJOR ELEMENTS OF THE ECONOMY

I	C	Ex	G
INVESTMENT / CONSTRUCTION	HOUSEHOLD EXPENDITURE	OUTSIDE EARNINGS	GOVERNMENT EXPENDITURE
X	X		

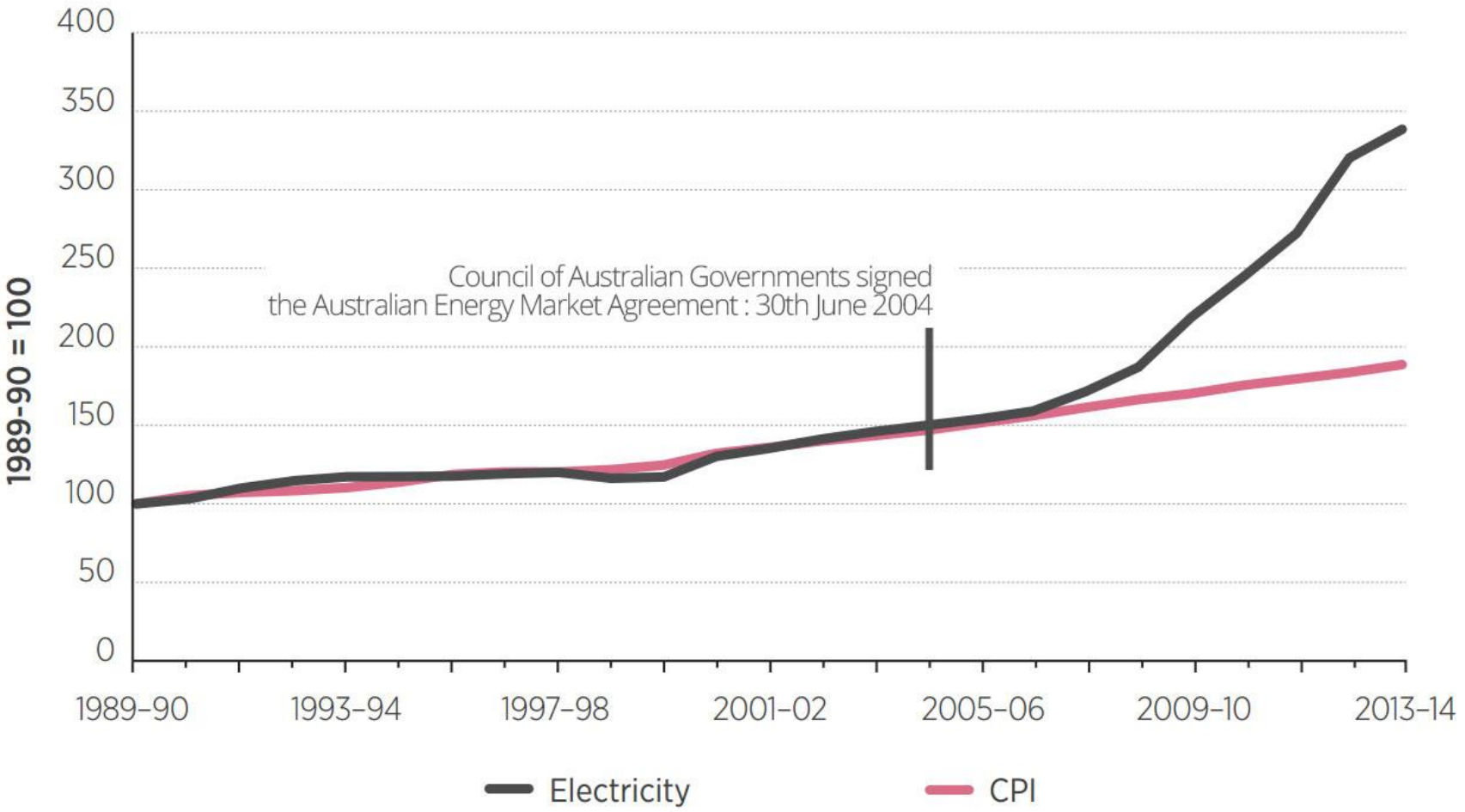
VALUE OF BUILDING APPROVALS
FAR NORTH QUEENSLAND STATISTICAL DIVISION $M



(1) Note – based on 10 months to end April 2015.

Source: Cummings Economics from ABS data.

INDEX OF AUSTRALIAN ELECTRICITY PRICES



WTI Crude Oil

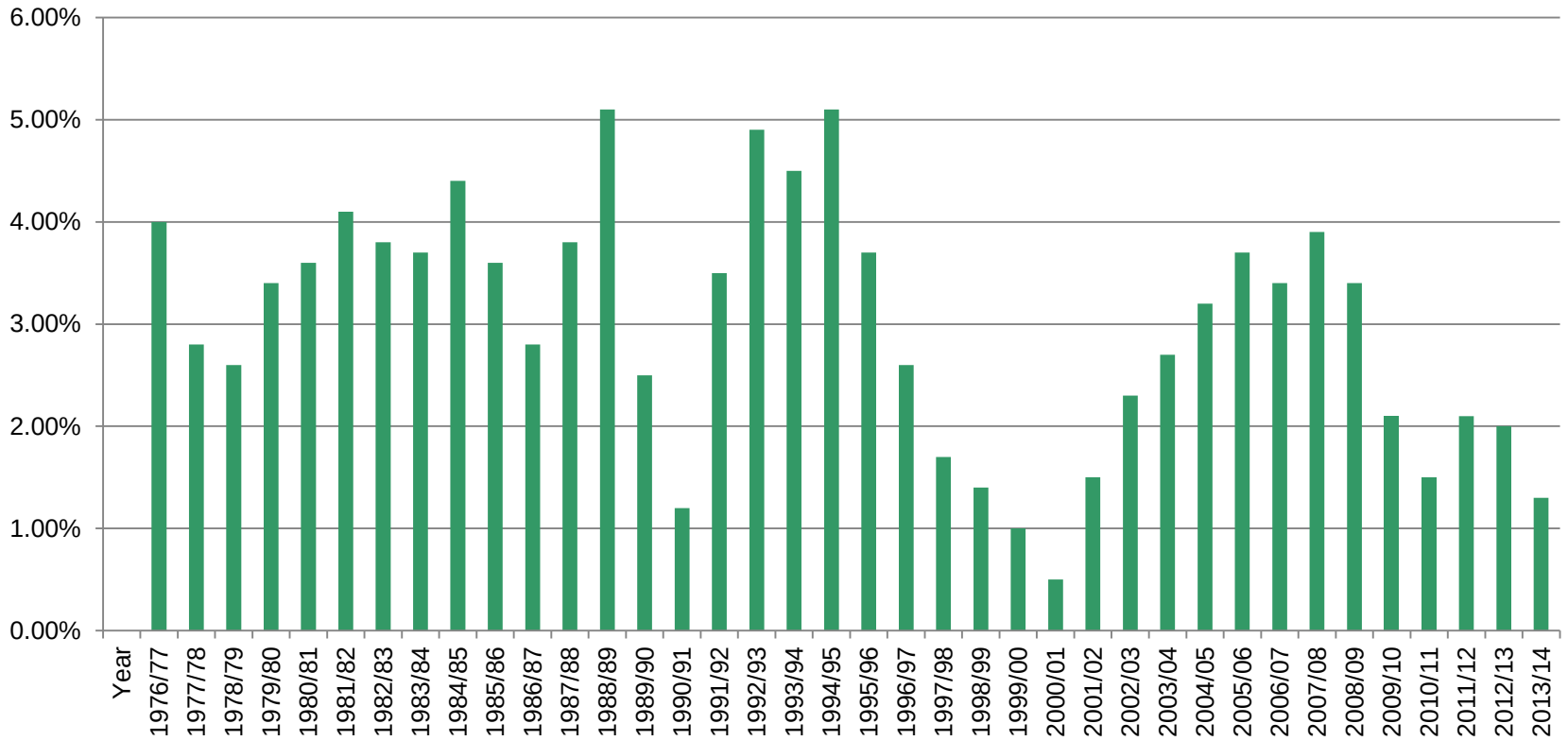
$47.39 ▼-0.75 -1.58%

2015.07.27 end-of-day

1m 1q 1y 5y

cummings.net.au
ESTB : 1981 | CAIRNS | AUSTRALIA
CAIRNS CHAMBER OF COMMERCE
building business and industry

POPULATION GROWTH CAIRNS
STALLED BELOW TREND



ABS NUMBERS EMPLOYED CAIRNS REGION

JUNE QTR	'000
2013	116.6
2014	108.0
2015	109.2

MESSAGE TODAY TWO-FOLD

IN THE BACKGROUND UNDERLYING HIGHLY FAVOURABLE TRENDS

INSPIRATION FROM THE PAST AND FIND WAYS TO RELEASE OPPORTUNITIES

FALLS IN AUSTRALIAN DOLLAR

COMMODITY PRICES DOWN

INTEREST RATES COMPARED WITH THE REST OF THE WORLD LOWER

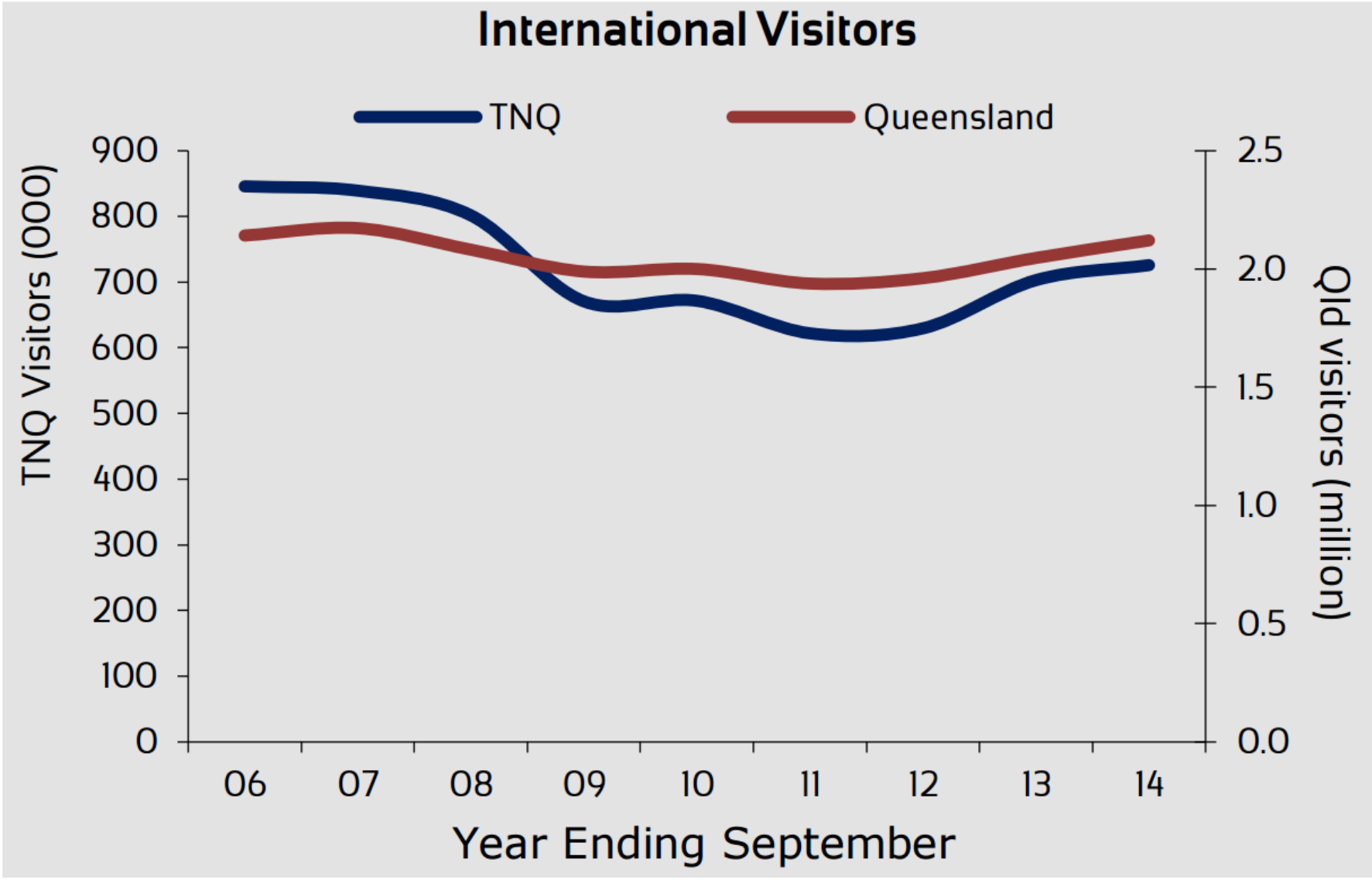
CHANGE JULY 2014 TO JULY 2015

US Dollar	-22.6%
Chinese Yuan	-22.0%
Japanese Yen	-6.1%
Korean Won	-12.4%
Euro	-5.7%
British Pound	-15.3%
Trade Weighted Index	-15.4%

TOURISM EXPENDITURE
YEAR ENDING SEP 2015

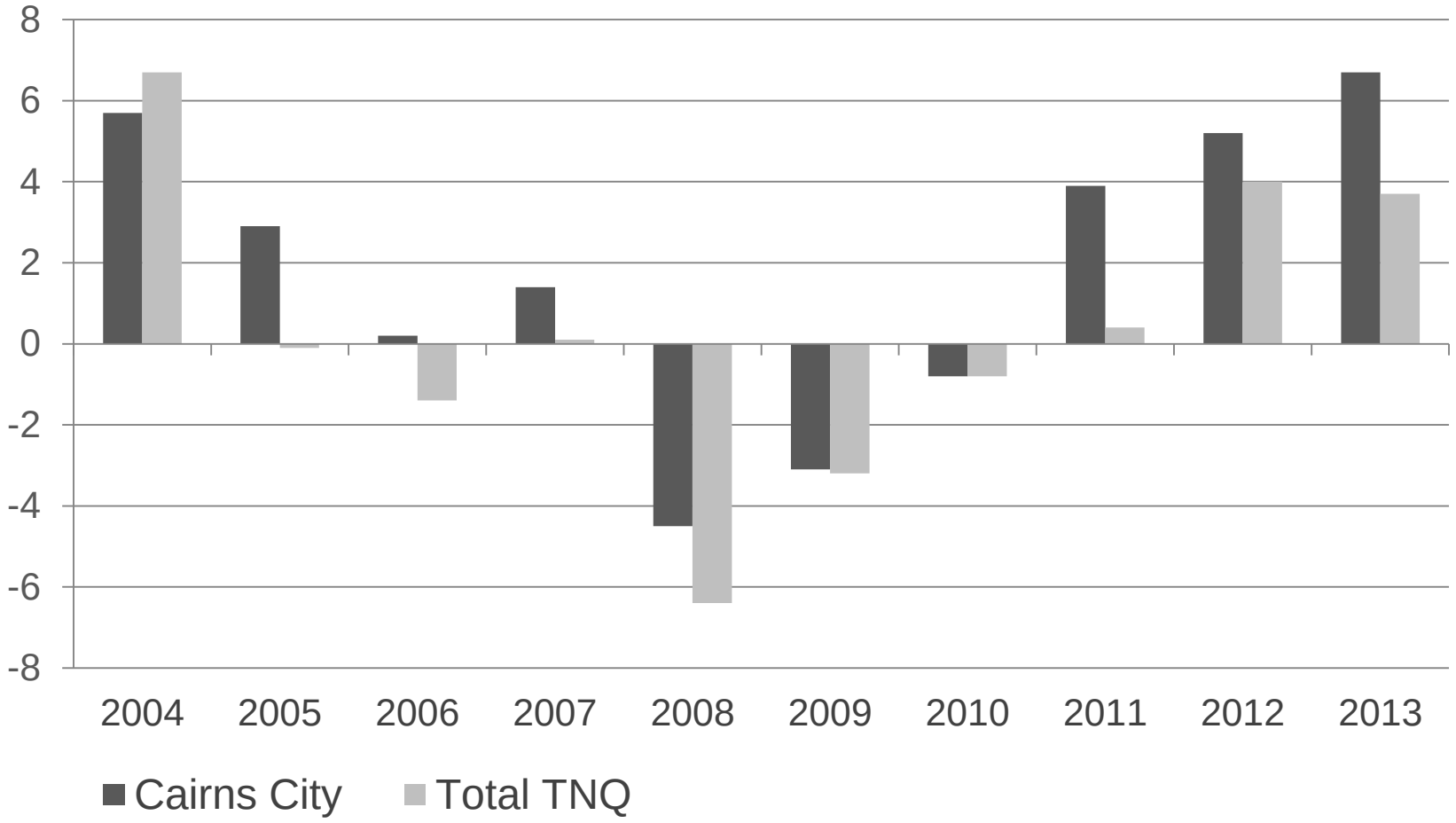
OVERNIGHT	
DOMESTIC	$1.79BN
INTERNATIONAL	$0.91BN
DAYTRIPS	$0.23BN
OUTBOUND	$0.08BN
TOTAL	$3.01BN

Further details see full report on tourism impact in regional economy @ *www.cummings.net.au*


International Visitors
TNQ
Queensland
TNQ Visitors (000)
900
800
700
600
500
400
300
200
100
0
2.5
2.0
1.5
1.0
0.5
0.0
Qld visitors (million)
06
07
08
09
10
11
12
13
14
Year Ending September

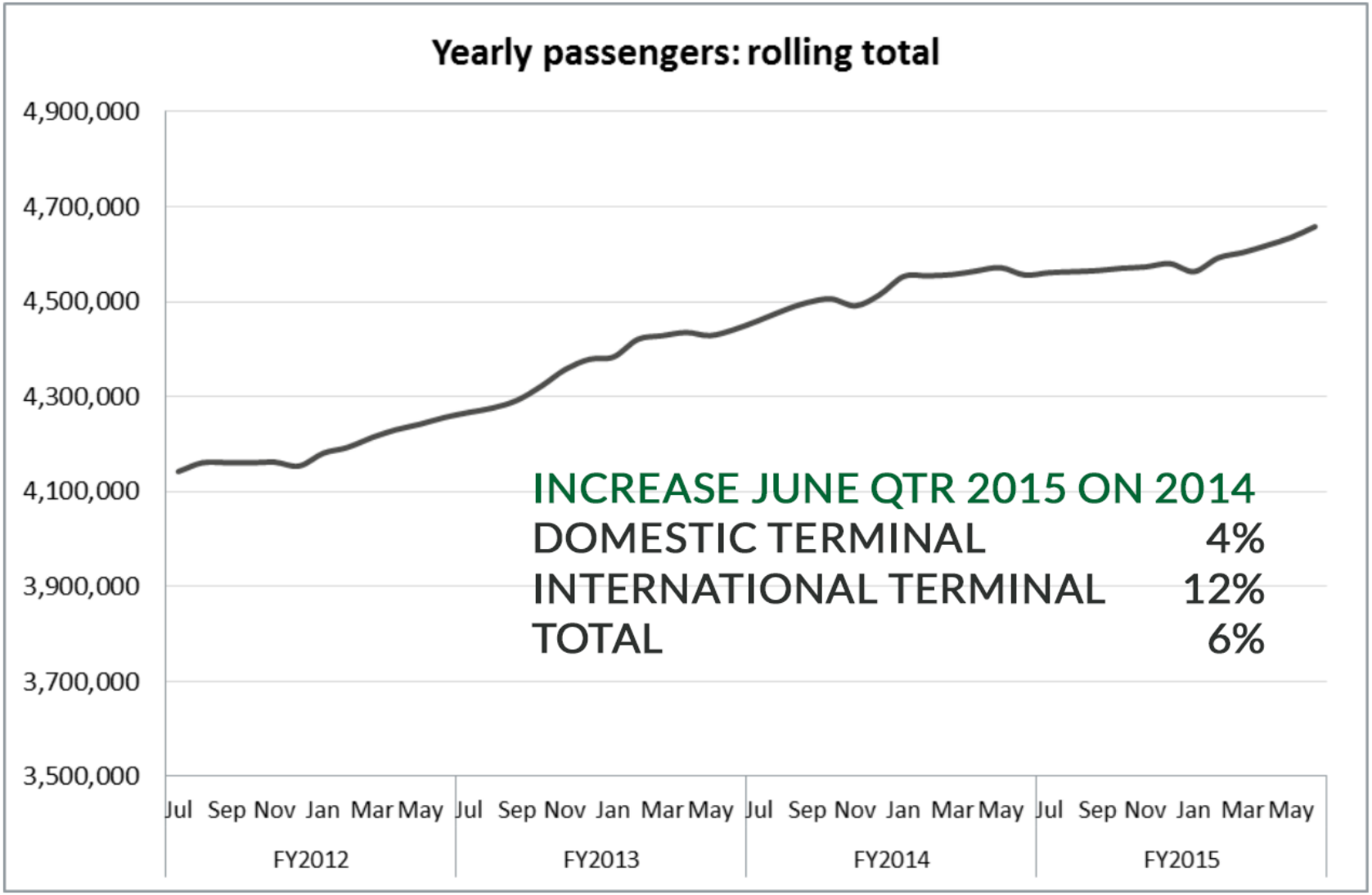
% GROWTH IN ROOM NIGHTS OCCUPIED

HOTELS, MOTELS & SERVICED APARTMENTS 2004 – 2013 (1st HALF)

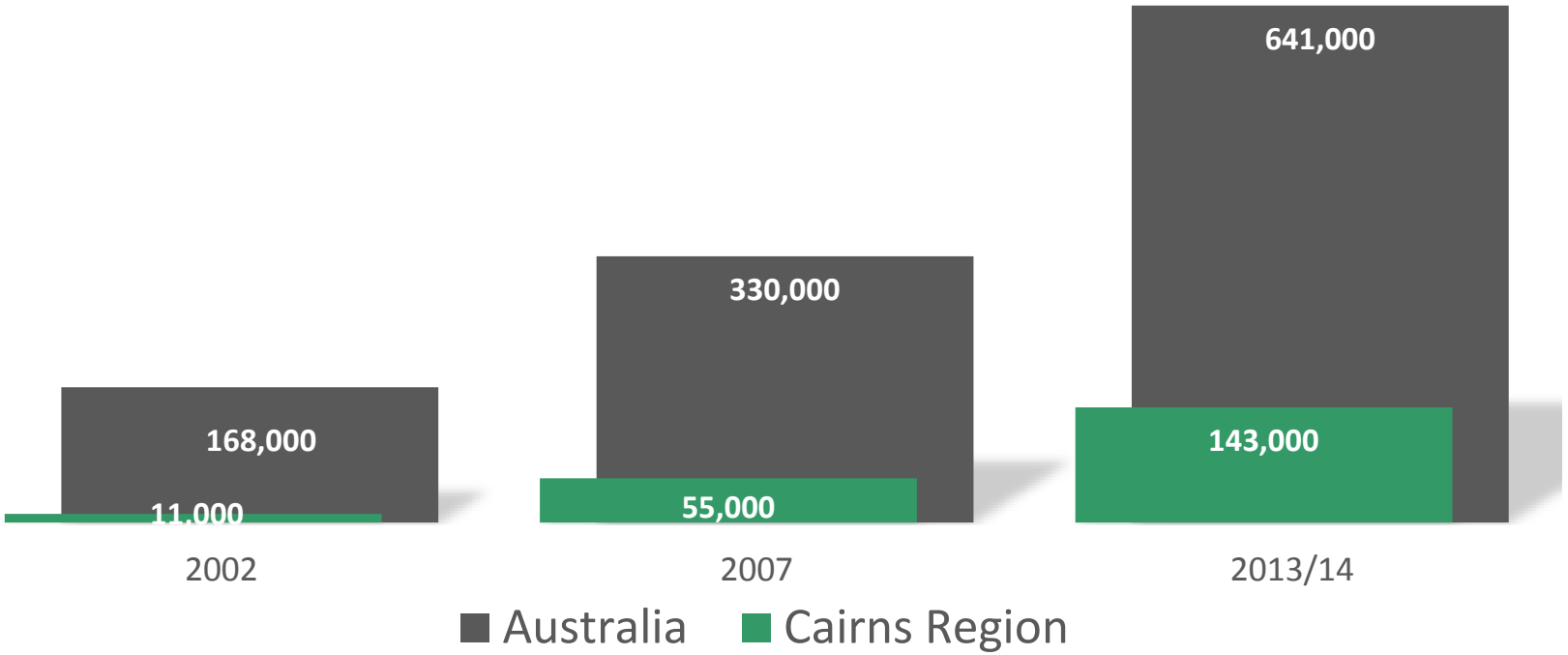


Source: Australian Bureau of Statistics Cat No. 8635.3.55.001

CAIRNS AIRPORT

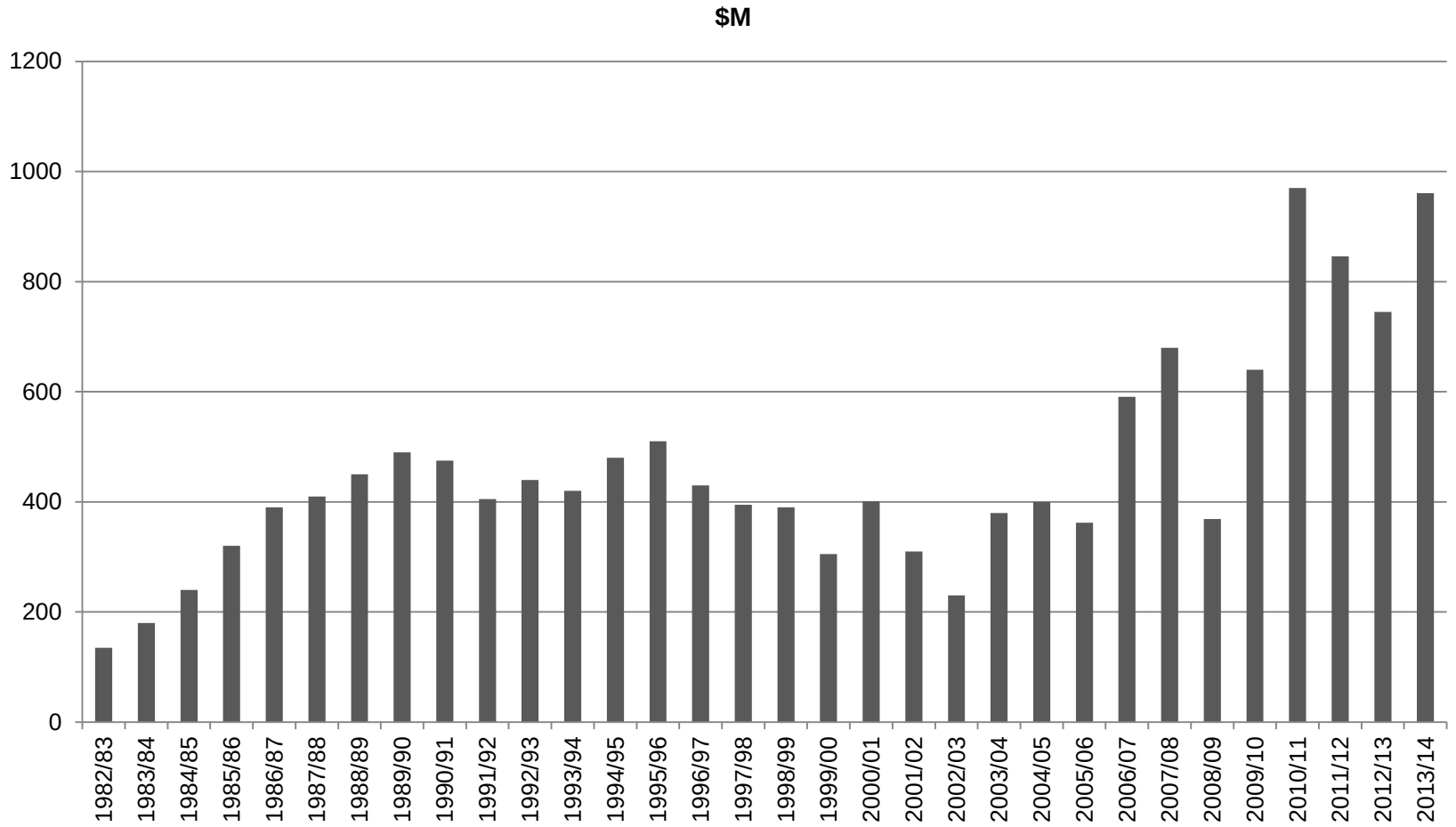


CHINESE VISITORS TO AUSTRALIA & CAIRNS REGION



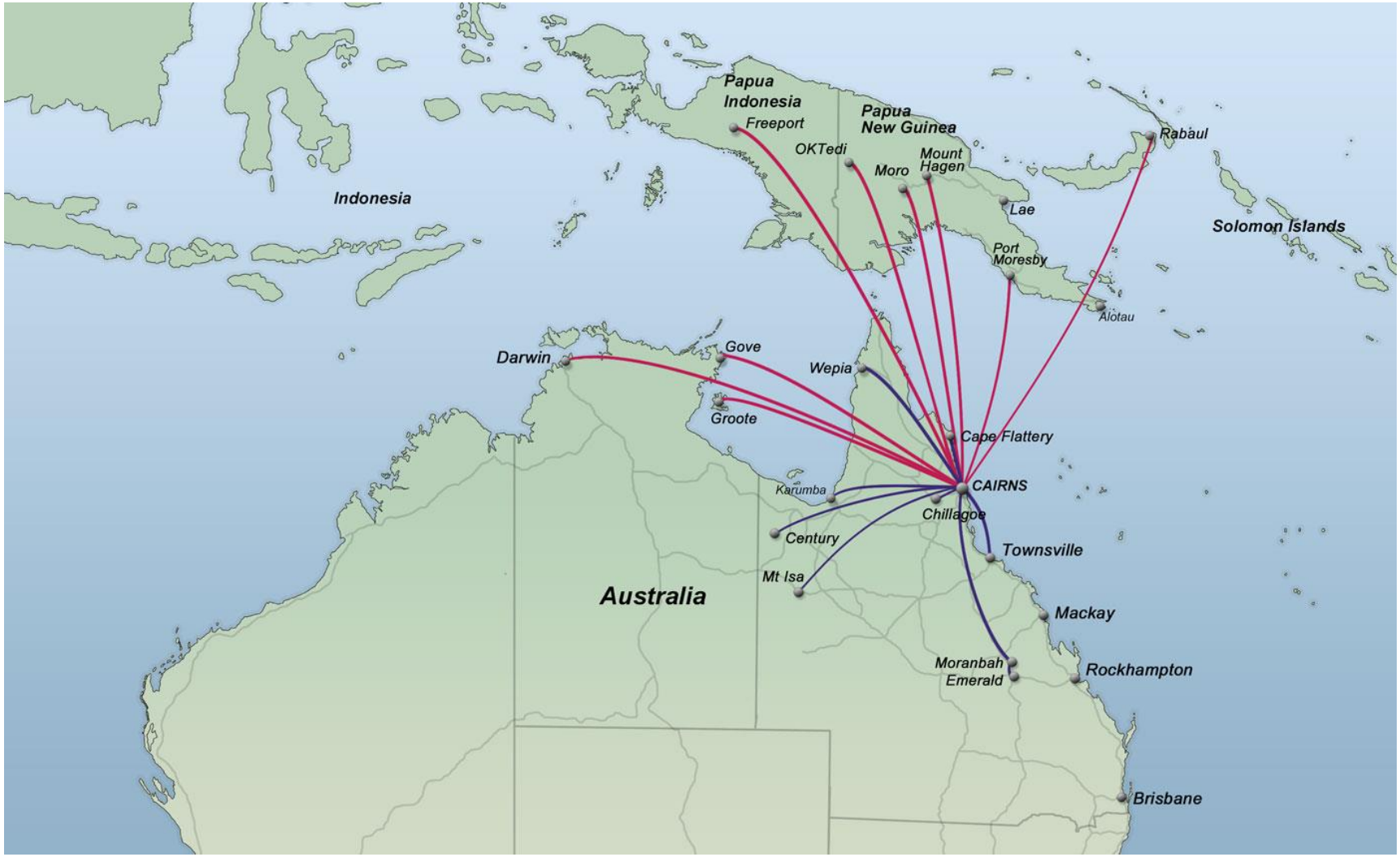
% CAIRNS : 2002 7% : 2013-14 22%

VALUE OF MINING PRODUCTION FAR NORTH QUEENSLAND



Source: Cummings Economics from Queensland Mines & Energy data.

AIRLINKS TO MINING RELATED CENTRES



SECOND FAVOURABLE SHIFT

ATTITUDES TO NORTH : WHITE PAPER

FREE TRADE AGREEMENTS

CAIRNS REGION DOMINATES BIOLOGICAL RESOURCES

RESULTS IN REGIONAL LEADERSHIP

TOURISM

PRIMARY INDUSTRIES

LIFESTYLE

VALUE FRUIT PRODUCTION
AUSTRALIA'S MAJOR FRUIT PRODUCING REGIONS 2013/14

REGION	STATE	TOTAL
NORTH WEST REGION	VIC	$752M
SOUTH EAST REGION	SA	$664M
CAIRNS REGION	**QLD**	**$525M**
MURRY + RIVERINA REGIONS	NSW	$470M
SHEPPARTON REGION	VIC	$355M
WIDE BAY REGION	QLD	$228M

CAIRNS REGION NOW AUSTRALIAS 3RD LARGEST FRUIT PRODUCING REGION

SUGAR PRICES

WATER RUNOFF

MITCHELL RIVER BASIN 22.95 MILLION MEGALITRES

MURRAY DARLING BASIN 23.87 MILLION MEGALITRES

HARVESTED SORGHUM STRATHMORE STATION

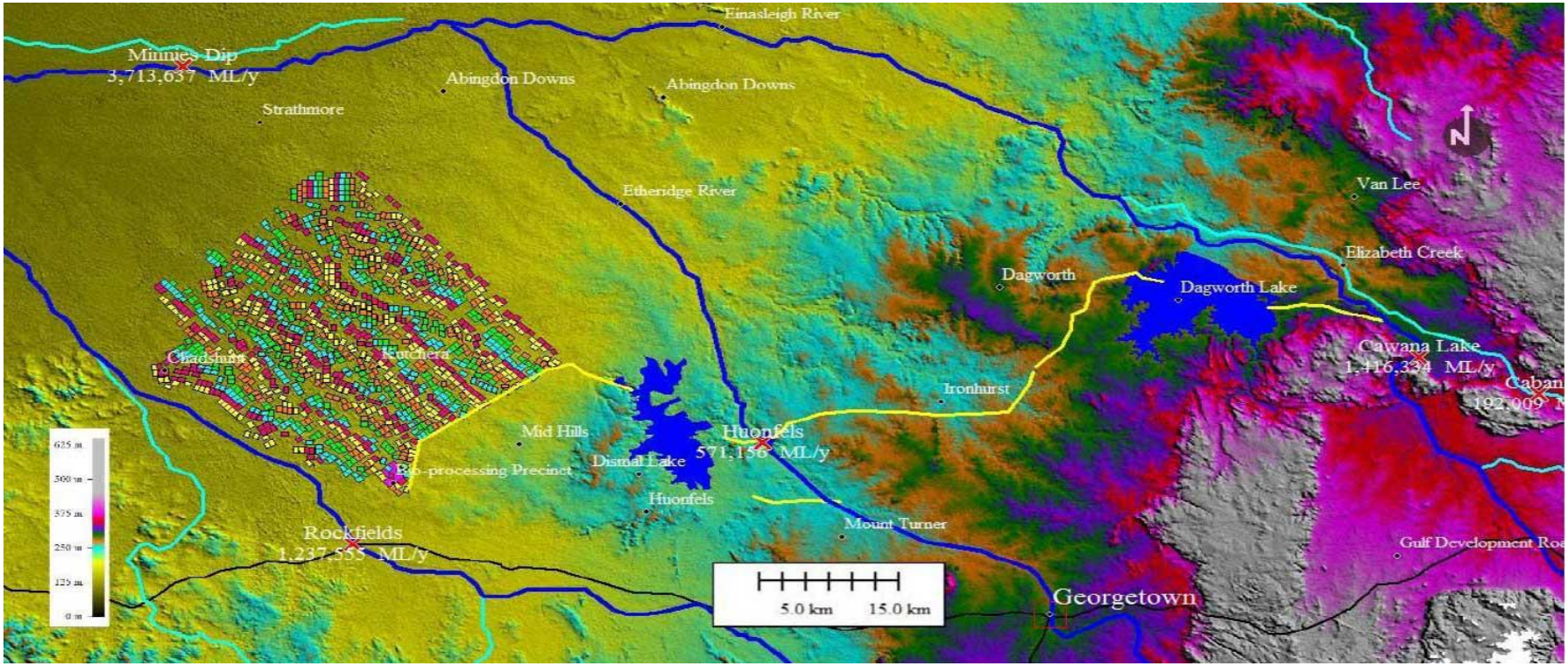
WATER RUNOFF

GILBERT BASIN 4.38 MILLION MEGALITRES

ORD RIVER BASIN 4.7 MILLION MEGLITRES

IFED PROPOSED DEVELOPMENT

GILBERT RIVER BASIN

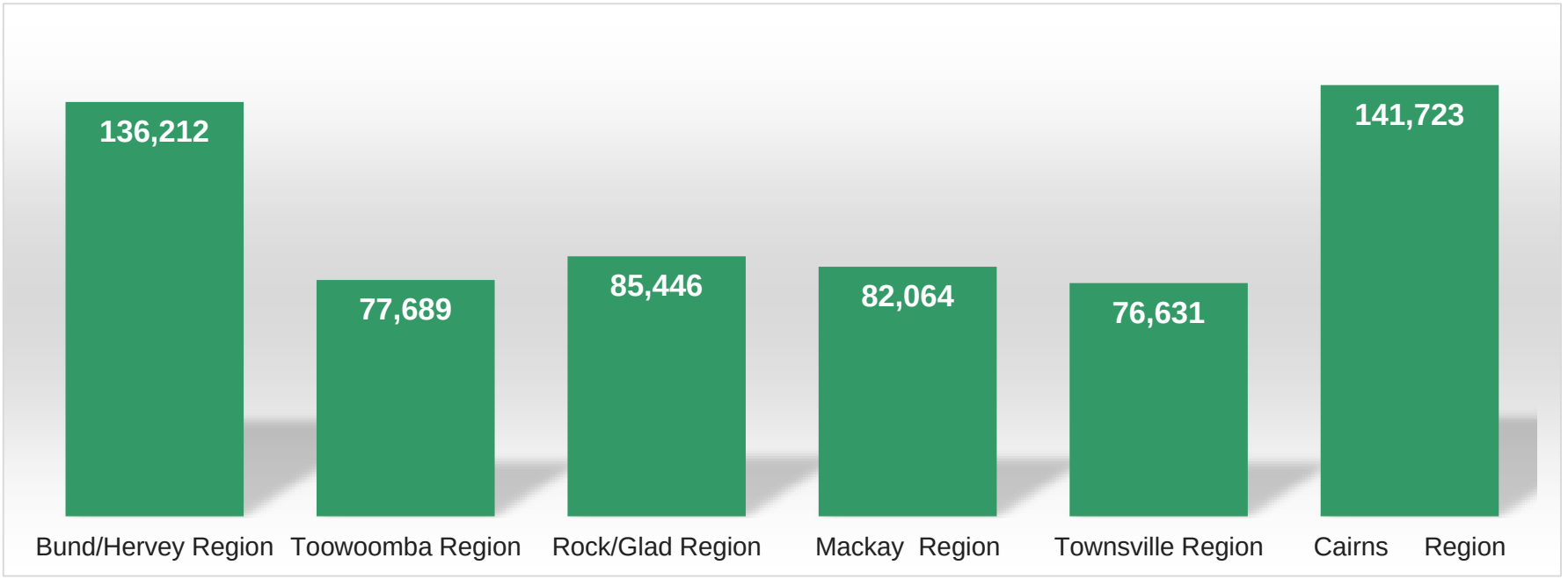


COOKTOWN DISTRICT

CROPPING UP TO $40M

2 MILLION HA AGRICULTURAL SOILS IN PENINSULA

LESSONS FROM THE PAST



CAIRNS REGION HAS LED LONG-TERM
REGIONAL POPULATION GROWTH QUEENSLAND

SUCCESS BREEDS SUCCESS

TOURISM	AQUARIUM & ADVENTURE WATERS
TOURISM & POPULATION	NOVA8 C3TOWERS
POPULATION	JCU & CQU CAMPUSES
HOSPITAL, ENTERTAINMENT & SPORTING	FACILITIES
SMALL SHIPPING	SKILLS & FACILITIES FOR 2BN PACIFIC PATROL BOAT CONTRACT

MAJOR PROJECTS : APPROVED, BEING PROCESSED / PROPOSED
BELL BIRD PARK RESORT PALM COVE 200 ROOMS
PALM COVE 99 HOLIDAY UNITS
BOTANICA RESIDENTIAL 1280 UNITS
ADVENTURE WATERS WATER PARK $45M
MT PETER HIGH SCHOOL
MT PETER RESIDENTIAL DEVELOPMENT
EDMONTON INDUSTRIAL 50HA
GORDONVALE WOOLWORTHS
MOOROOBOOL AGED CARE 144 BEDS
TRINITY BEACH PROFESSIONAL BUILDING
TRINITY BEACH MULTIPLEX BLUEWATER 387 LOTS
TRINITY PARK SHOPPING DEVELOPMENT
GOLDEN LAKES FOREST MOUNTAIN $122M
RETIREMENT VILLAGE KEWARRA 168 UNITS
NQ VILLAS 399 UNITS
AQUIS PROJECT YORKEYS KNOB $8BN
TOBRUK MEMORIAL POOL 22M
PACIFIC PATROL BOAT TENDER $1BN
CAIRNS INTERNATIONAL AIRPORT LONG TERM EXPANSION PLAN $1BN
FLORENCE ST 16 STOREYS UNITS
NEW CIVIC THEATRE $65M
ESP CENTRAL ESPLANADE 200 BEDS
NOVA 8 $400M 1500 UNITS
AQUARIUM $10M
ACACIA COURT EXPANSION 417 ROOMS
C3TOWERS $550M 796 UNITS
CQU UNIVERSITY CAMPUS
EVOCA COLLEGE MCLEOD ST
CITY CENTRE ALIVE UPGRADE $17M
CAIRNS PRIVATE HOSPITAL REDEVELOPMENT $20M
OTHER UNITS : 333
RESIDENTIAL LOTS : 1885

FUNDAMENTALS FAVORABLE FOR REACCELERATION

NEED TO REMOVE THE UNCERTAINTIES

REALISE THE OPPORTUNITIES

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