Cummings Economics

The Cairns Economy

Recent Movements and Short-Term Prospects

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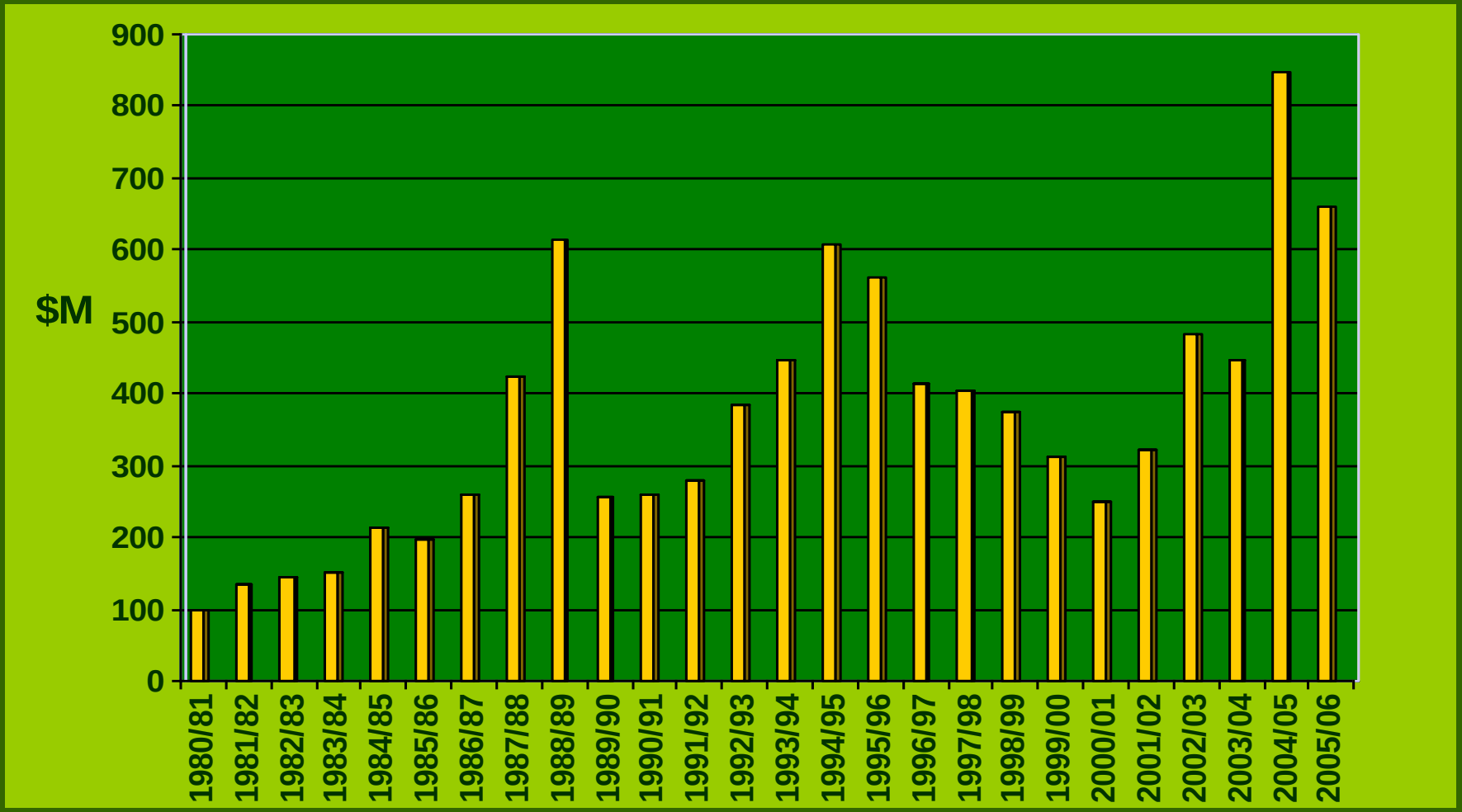
Last Year's Prediction

- GROWTH WOULD MODERATE ON THE RECORD 2004/05 YEAR, BUT REMAIN HIGH.

Value of Building Approvals
Far North Qld Statistical Division

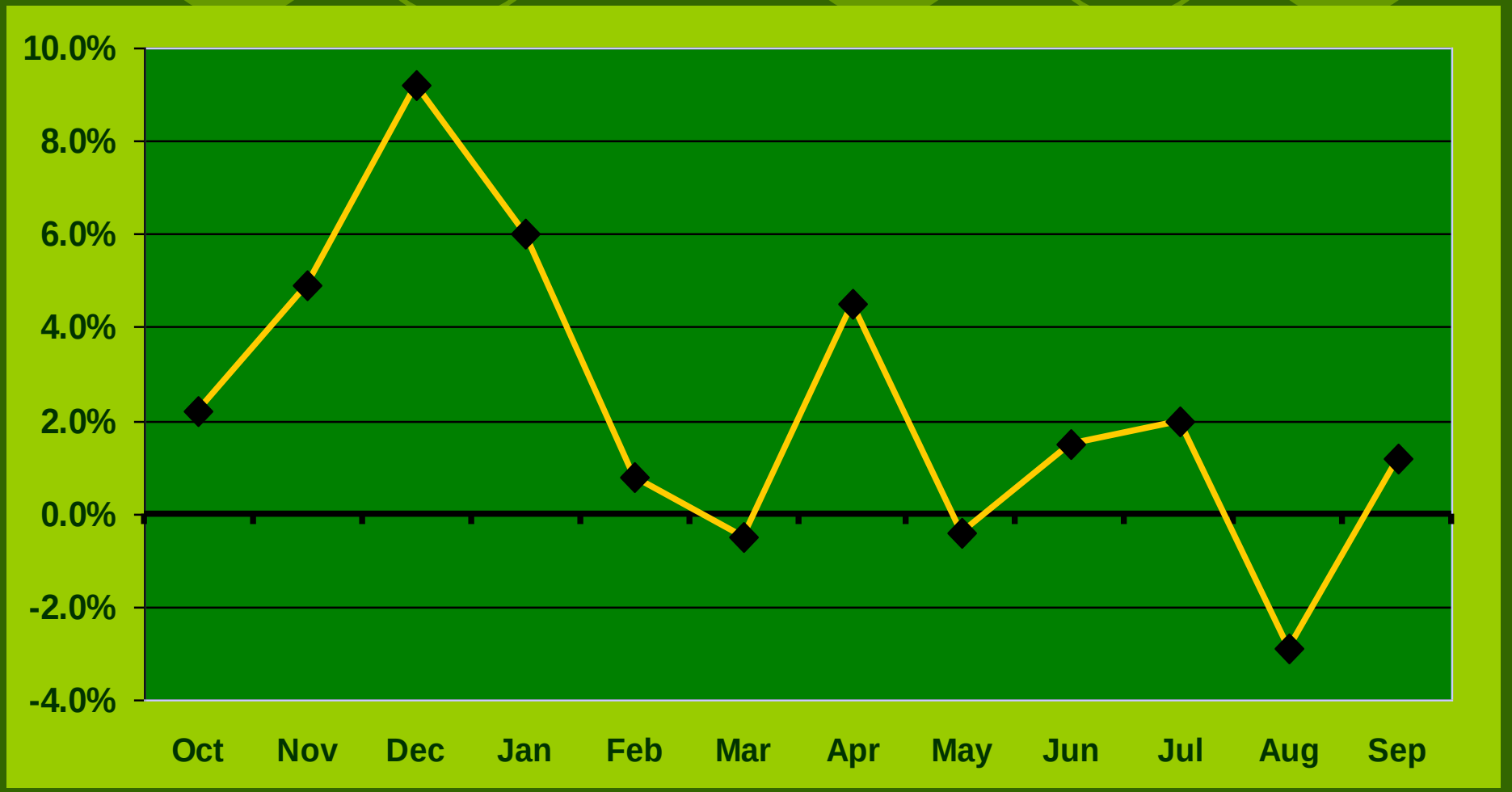


Source : ABS.

Cairns Airport – Domestic & International Terminals

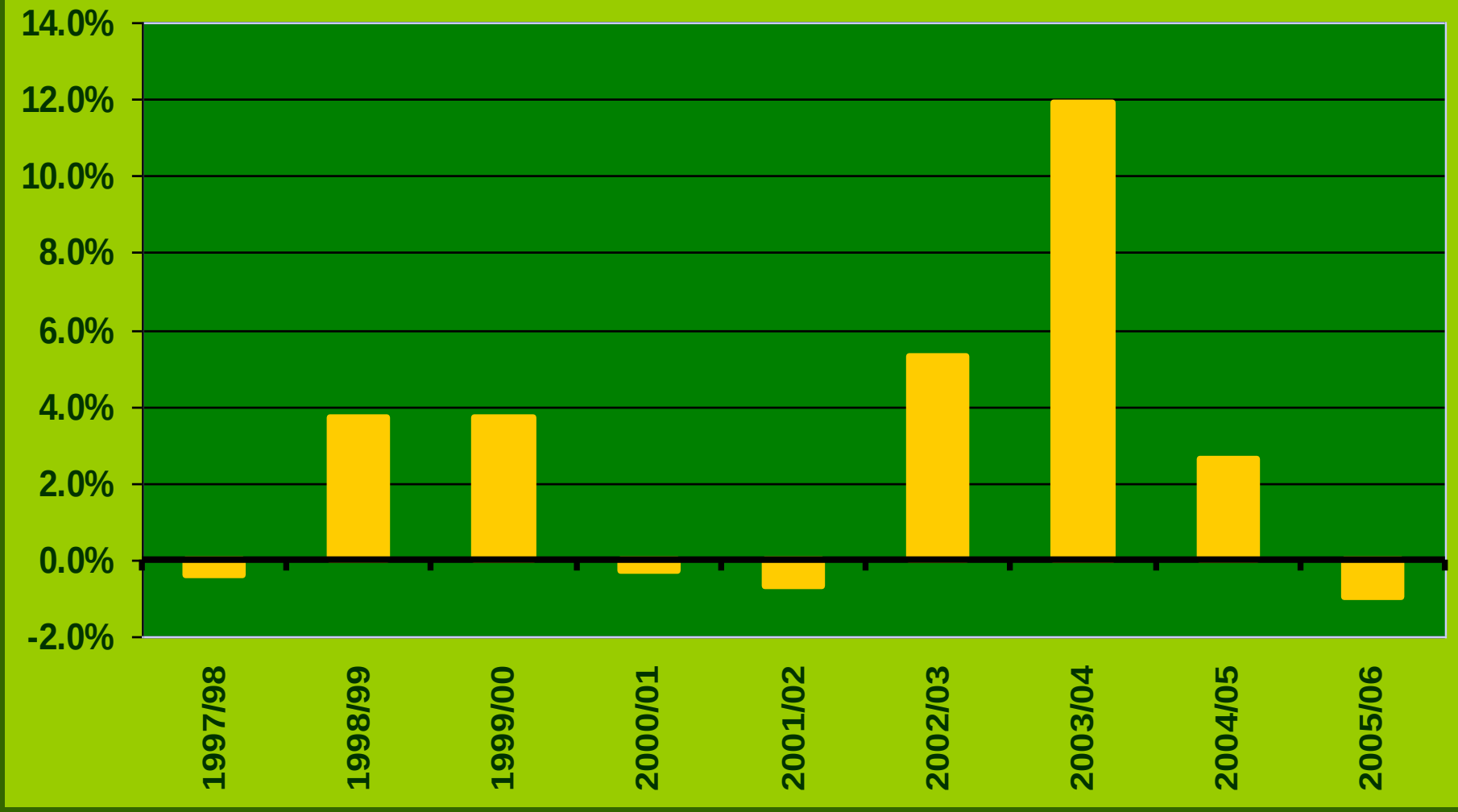
Total Arriving & Departing Passengers

% Increase on same month Previous Year 2005/06



Source : CPA

Growth in Room Nights - Hotels Motels



Source : ABS.

Evidence of Strong Economic & Population Growth

- NEWSPAPER SALES
- HOSPITAL ADMISSIONS
- LOW RENTAL VACANCY RATES
- HIGH JOB ADVERTISING RATES
- WIDESPREAD REPORTS OF LABOUR SHORTAGES

- **NON-TOURISM GROWTH "KICKING IN"**
- **IMPACTS OF "CYCLONE LARRY"**

“Cyclone Larry”

- IMPACTS ON
  STOCK/WEALTH

- IMPACTS ON
  FLOWS
  EXPENDITURE
  EMPLOYMENT

Estimated Primary Industry Losses

Bananas	$283 m
Sugar Cane	$74 m
Sugar Mills	$37 m
Other Tropical fruits & nuts	$58 m
Other (forestry, vegetables, maize, dairy)	$22 m
TOTAL	**$474 m**

Source : DPIF Operation Recovery, Industry Action Group.

Insurance Claims

Domestic Households	$237 m
Commercial & Industrial	$82 m
Rural	$83 m
Motor Vehicles, Aviation & Marine	$8 m
Business Interruption	$5 m
Other	$8 m
TOTAL	**$423 m**

Source : Insurance Council of Aust.

Cyclone Relief

Larry	Centre Link Delivered (to end Sep)	$184 m
	QRAA & DSD - Loans & Grants (to end Sep)	$7 m $4 m
	National Disaster Funds (to end Jun)	(approx) $70 m
Monica		$5 m
TOTAL		**$266 m**
	Say towards :	**$350 m**

Timing of Impacts

Major Negative	- IMMEDIATE
Positive Relief & Reconstruction	- SUBSTANTIAL AMOUNTS STILL TO COME

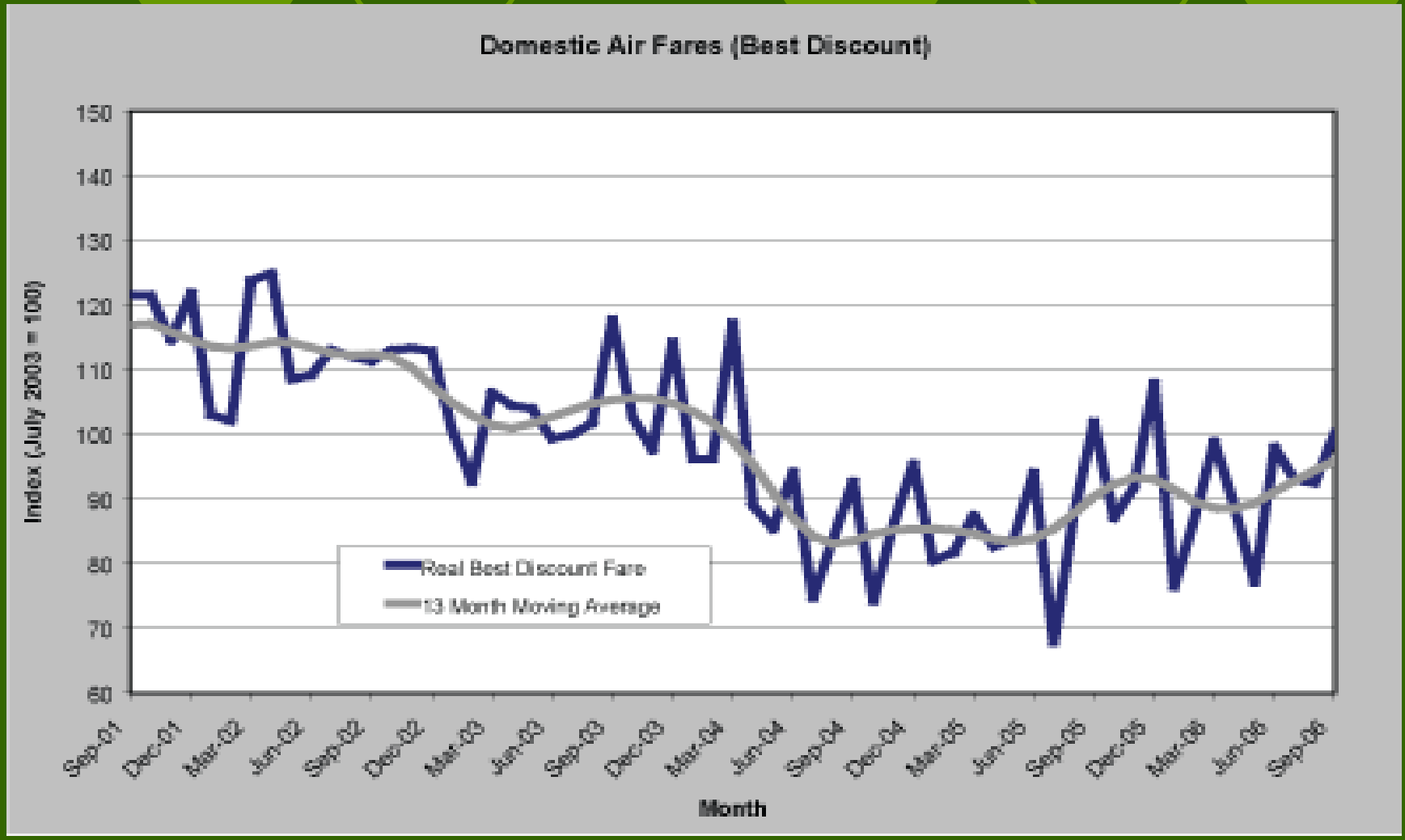
Non-Tourism Growth Favourable

- MARKETS STRONG FOR PRIMARY PRODUCTS
- MINING RISING
- SERVICE SECTOR EXPORTS EXPANDING

Looking Forward

- STRONG TOURISM GROWTH PHASE COMMENCING 2001 - OVER
- BOOSTED TOURISM FLOWS BY ABOUT A THIRD
- EXCHANGE RATES HIGH
- AIRFARE REDUCTIONS OVER

Domestic Air Fare Trends



Current & Prospective New Mining Operations Identified

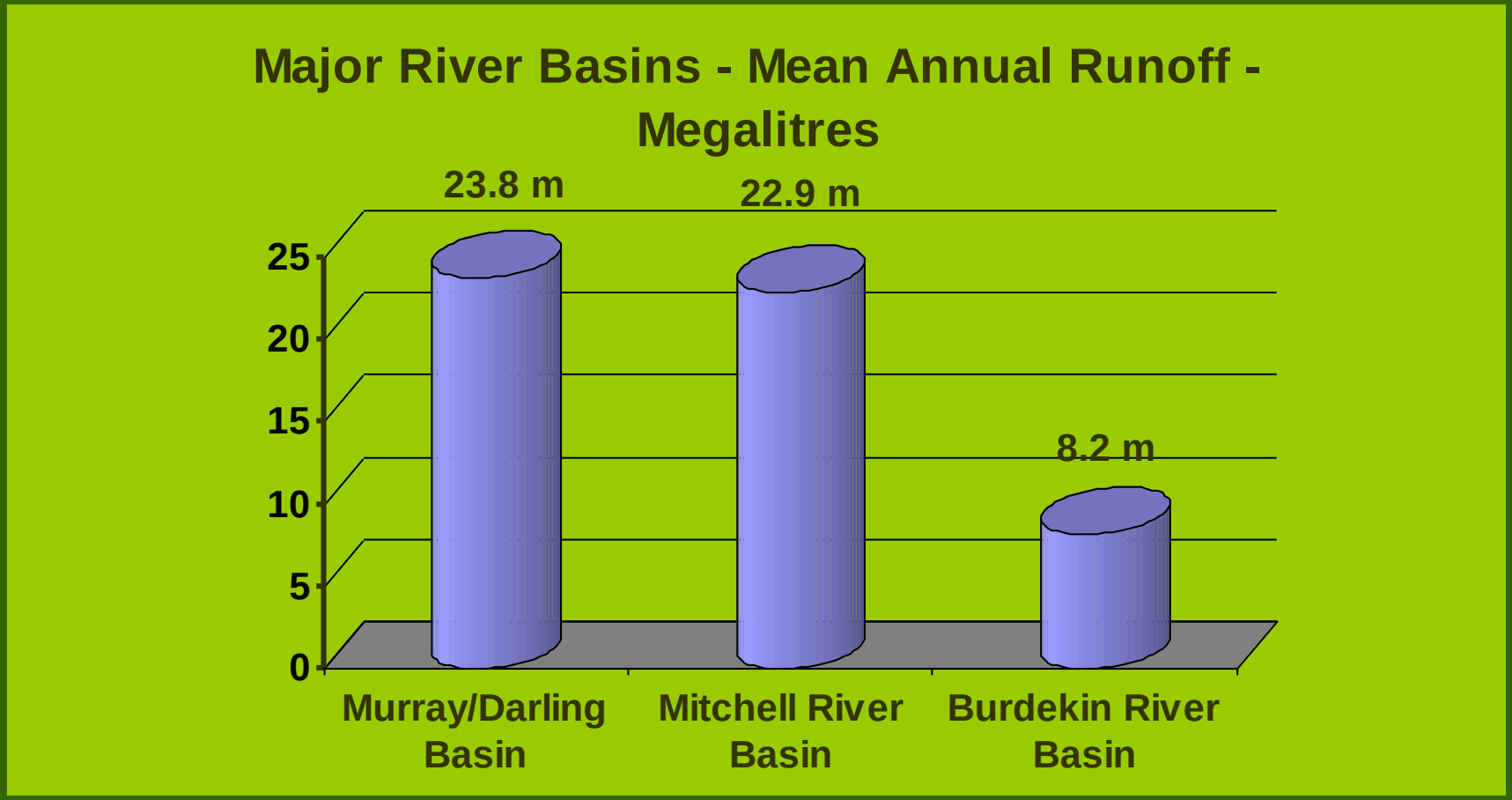
Peninsula/ Cooktown (8)	
Bauxite	2
Kaolin	1
Silica	1
Tin	1
Gold	1
Copper	1
Slate	1

Mareeba/ Chillagoe (10)	
Tungsten	2
Gold	1
Copper/Zinc	2
Tin	2
Perlite	1
L:imestone	2

Mt Garnet (4)	
Zinc Copper	2
Diatomite	1
Nickel	1

Einasleigh/ Georgetown (4)	
Gold	2
Copper	1
Silica	1

27% of Australia's Water Run Off



List Crops Mareeba Dimbulah Irrigation Area

Aquaculture
Barramundi
Freshwater Crayfish
Fruits
Avocado
Bananas Cavendish
Bananas Ladyfinger
Citrus – Lemons
Citrus – Limes
Citrus – Mandarins
Citrus – Grapefruit
Citrus – Oranges
Citrus – Pummelo
Citrus – Tangelo
Custard Apples
Nuts – Macadamia
Nuts – Cashew
Nuts – Coconuts
Dates
Longans
Lychee
Mangoes
Pineapple
Watermelon
Grapes
Passion fruit
Dragon fruit
Vegetables
Potatoes
Sweet potatoes
Asparagus
Zucchini
Onion
Sweet Corn
Pumpkins
Beverages
Coffee
Forestry
African
Mahogany
Caribbean Pine
Fibre Crops
Kenaf
Hemp
Bamboo
Grain Crops
Peanuts
Maize
Navy Bean
Grain Sorghum
Herbs
Stevia
Basil
Chilli
Shallots
Ornamental/ Garden Horticulture
Native Plants/Foliage
Flowers
Nurseries
Turf
Pasture/Fodder Crops
Hay
Seed
Feed legumes
Seed lablab
Lupins
Lucerne
Sweet sorghum
Livestock
Cattle
Cattle – Lot feeding
Chicken meat
Eggs
Pigs
Goats
Horses
Aviary birds
Other
Sugar Cane
Tea Tree

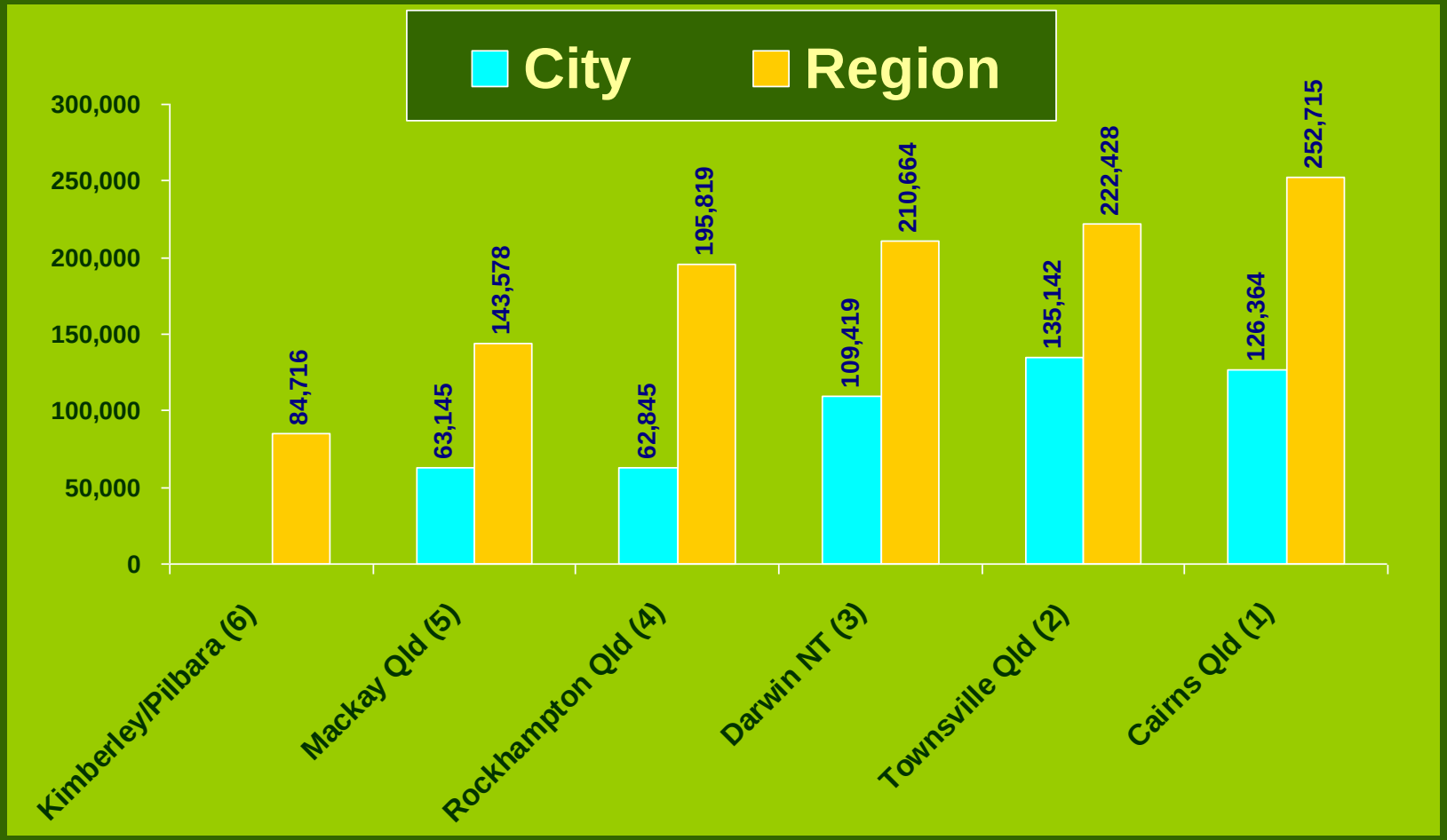
New Bio Products

- *DIETARY FIBRE*
- *CHOCOLATES*
- *LOW G SUGAR*
- *SUGAR JUICE*
- *COFFEE ROASTING*

- *TROPICAL WINERIES*
- *DRIED FRUITS*
- *BIO FUELS*
- *METHANE GAS*
- *BANANA FIBRE PAPER*
- *SAUCES & CONDIMENTS*

Population – Comparative Size

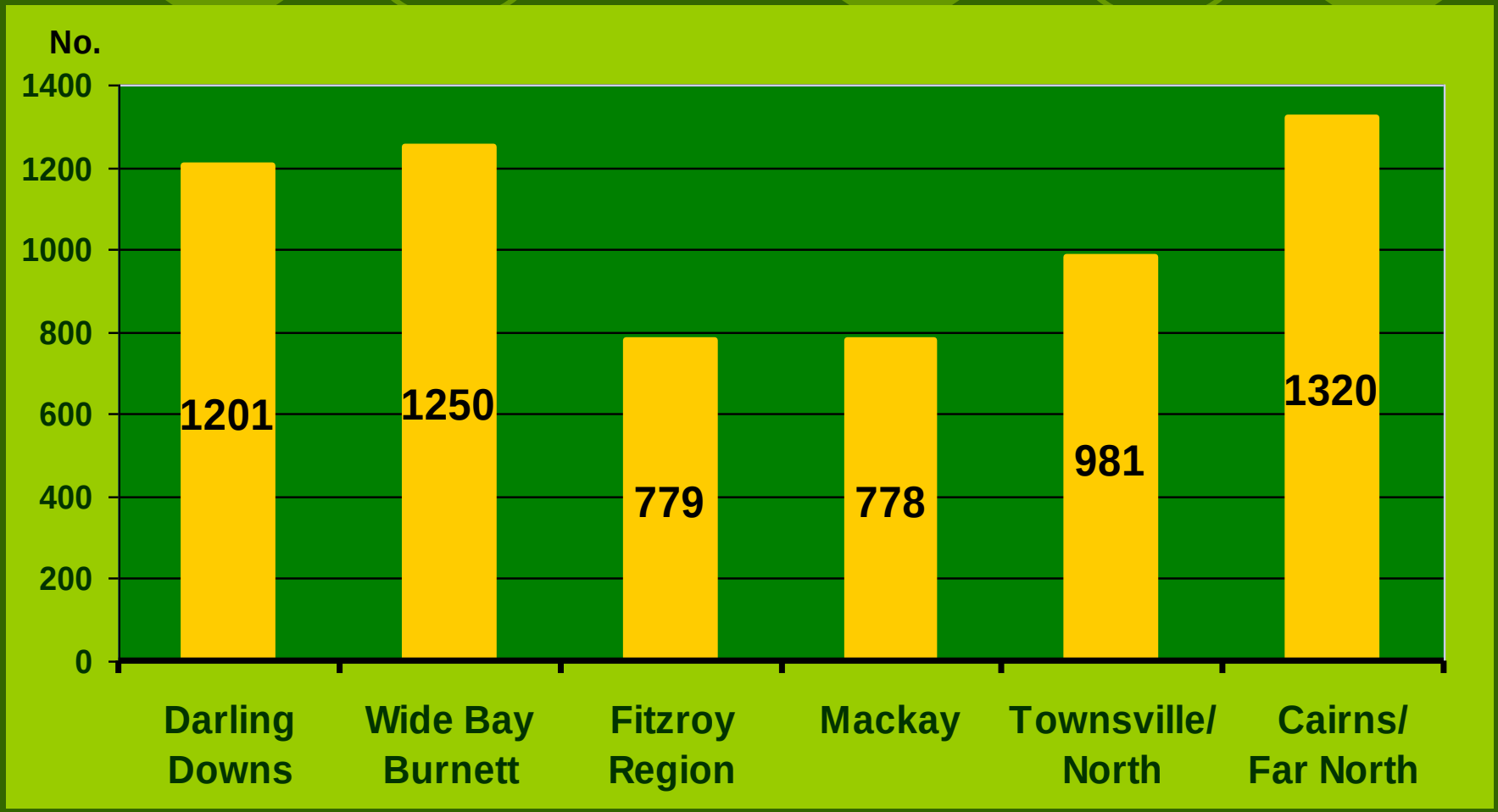
Comparative Populations – Northern Australia
Census Count 2001



Estimated Residential Population Growth 1996 to 2005

Cairns Hinterland (Balance FNQ SD plus Gulf)	+10,242
Townsville Hinterland (Balance Northern SD plus Bowen, plus Mt Isa area)	(-1,854)

Number of Manufacturing Locations Queensland Regions 2001/02



Source : ABS

Services Outside Earnings

- Mining operations rest of Qld, NT, Papua (Indonesia), PNG
- Maritime industries including super yachts
- Aviation services
- Education
- Printing & publishing
- Music & Performing Arts, Visual Arts & design
- Advertising, Marketing, Business services
- Health Services

NON-LEISURE TOURISM

- Conferences
- Sports & Events

DEFENCE & SURVEILLANCE

Roads Expenditure

KENNEDY Hwy (west of Mt Garnet)	$17 m
BRUCE Hwy (Cairns/Townsville)	$220 m
KURANDA RANGE Rd	$500 m plus
PENINSULA DEVELOPMENTAL Rd	$200 m plus

Looking Forward

- SLOWER TOURISM GROWTH
- CONTINUING STRONG ECONOMIC & POPULATION GROWTH

due to

- CYCLONE REBUILDING
- NON-TOURISM GROWTH

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