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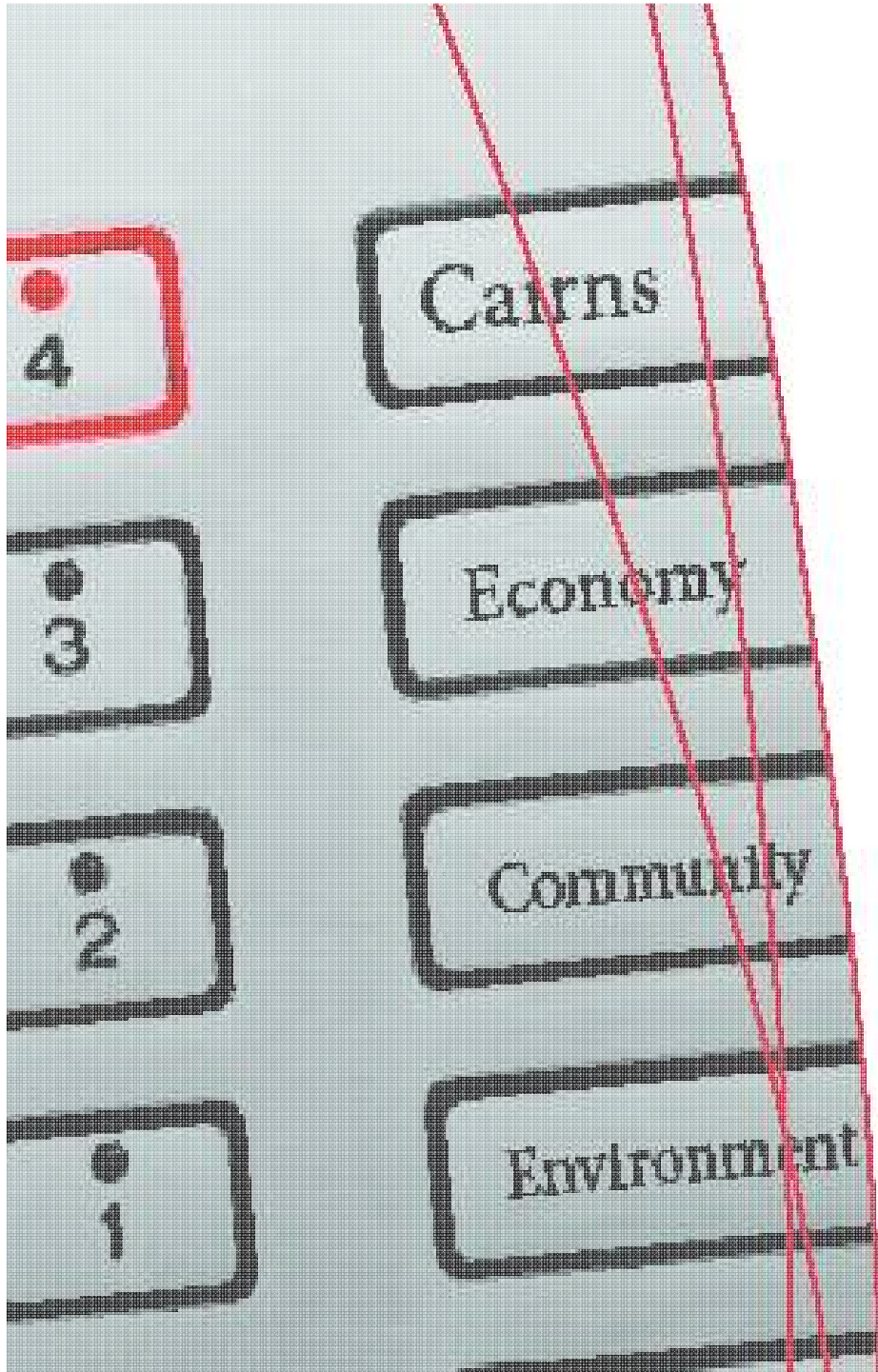
St. George Bank
**STATE OF THE REGION
SUMMIT**

Launch of JCU / IRIS Report

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Executive Director, IRIS





State of the Region

Cairns

Industry Report



Presentation Overview



Cairns

Economy

Community

Environment

- Gross Regional Product
- Employment Growth
- Industry Specialisation
- Tourism
- Agriculture
- Construction
- Mining
- Retail
- Local Business
- Out takes

Gross Regional Product



Cairns

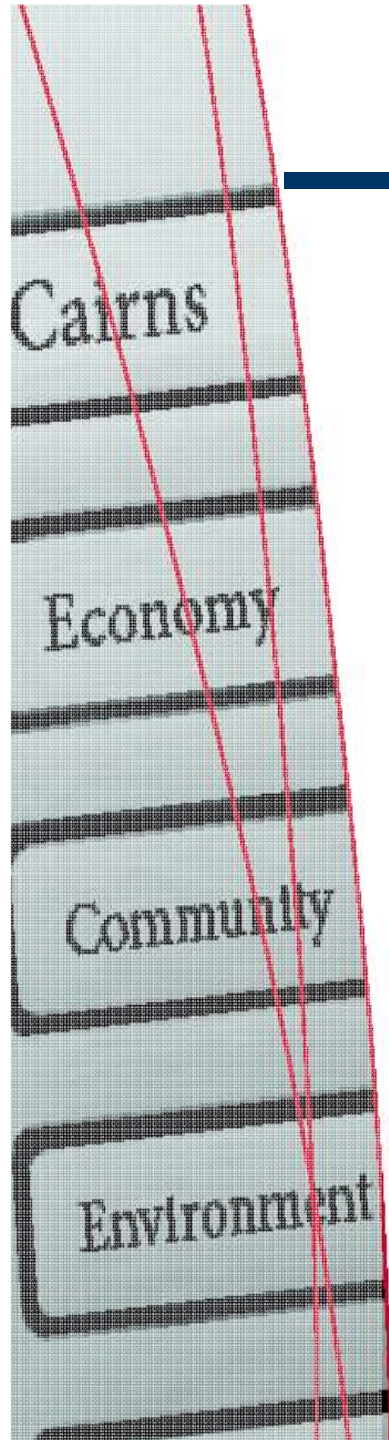
Economy

Community

Environment

- Nominal GRP is estimated to be valued at approx \$10B in FNQ.
- 5th largest of Qld's Statistical Divisions.
- Nominal GRP recorded an average annual growth rate of 6.6% in 5yrs to 2005-06.
 - Below state average of 9.9%.
- Local GVA = Transport & Storage 8.9%, Retail 8.7%, Construction 8.5%.

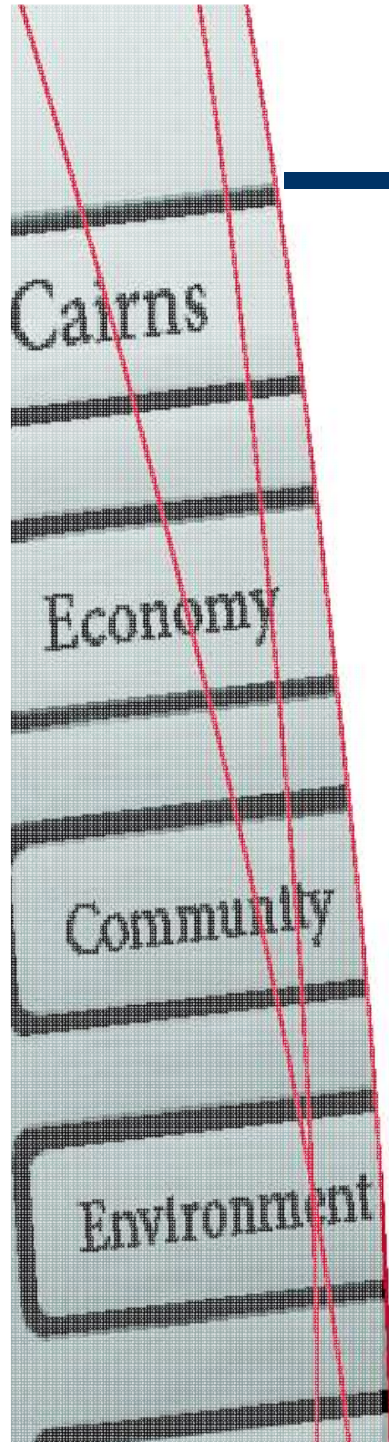
Gross Value Added



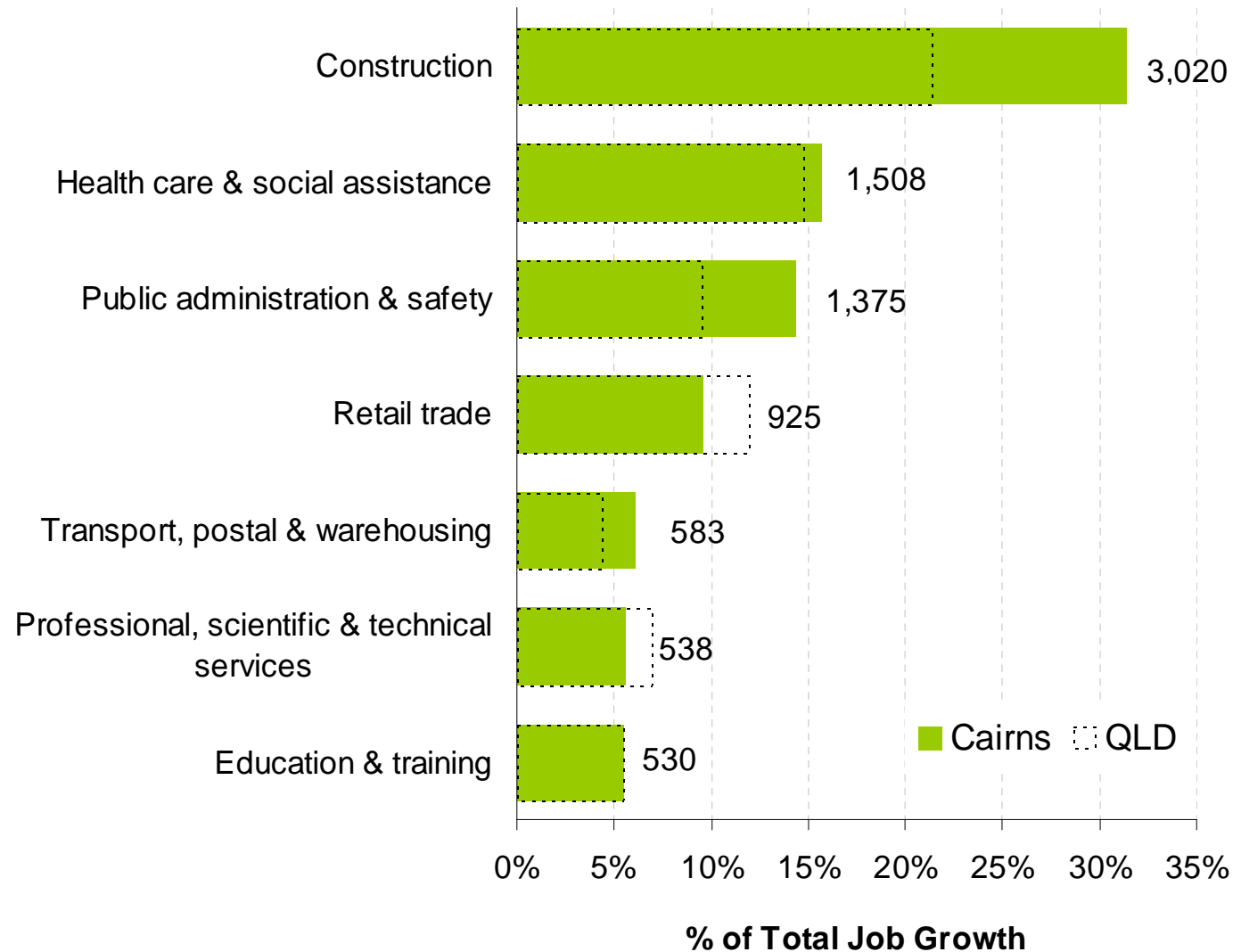
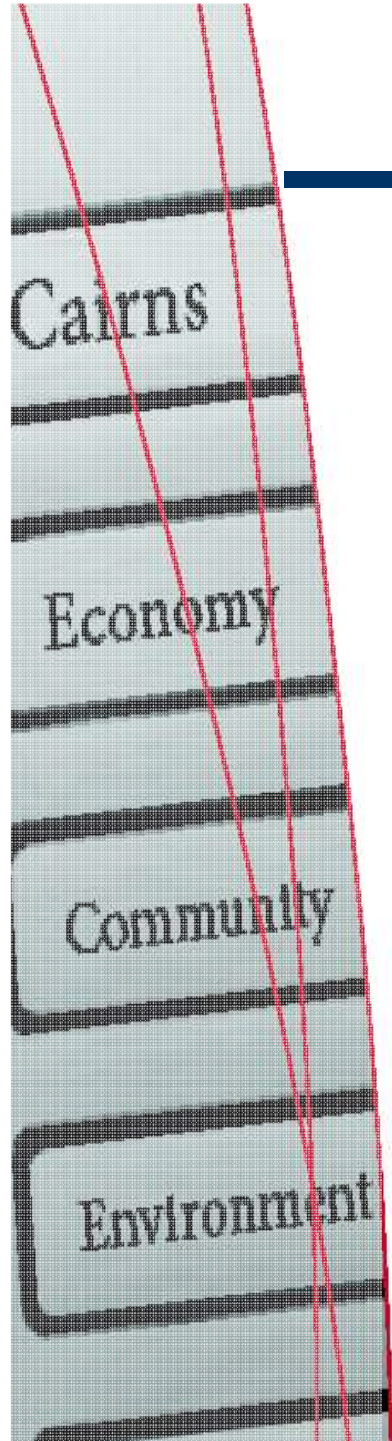
Industry	2000-01	2005-06	(% pts)
Transport and storage	8.7%	8.9%	0.2
Ownership of dwellings	9.3%	8.9%	-0.4
Retail trade	9.2%	8.7%	-0.5
Construction	6.5%	8.5%	2.0
Property and business services	8.0%	8.3%	0.3
Agriculture, forestry and fishing	8.6%	7.8%	-0.8
Government administration and defense	6.2%	7.3%	1.1
Health and community services	5.9%	6.9%	1.0
Accommodation, cafes and restaurants	7.2%	5.9%	-1.3
Manufacturing	5.9%	5.2%	-0.7
Education	5.0%	5.1%	0.1
Wholesale trade	4.8%	3.8%	-1.0
Finance and insurance	3.0%	3.5%	0.5
Mining	4.1%	3.5%	-0.6
Personal and other services	2.5%	2.8%	0.3
Communication services	2.3%	1.9%	-0.4
Electricity, gas and water	1.3%	1.7%	0.4
Cultural and recreational services	1.4%	1.4%	0.0

Employment Growth

- An additional 3,020 people were employed in the Construction industry between 2001-2006, accounting for 31.4% of total jobs growth.
- Strong growth was also recorded in Health Care & Social Assistance (1,508 jobs), Public Administration & Safety (1,375 jobs) and Retail Trade (925).
- FNQ has state's highest unemployment at 8.1%
 - Versus QLD 5.1% and AUST 5.6%.



Employment Growth



Employment Growth

Total Jobs Growth – Census 2001-2006

- Cairns: 62,856 → 72,481 + 15.3%
- Australia: 8.2M → 9.1M + 10.6%

Accom, food etc. Jobs Growth – Census 2001-2006

- Cairns: 8,324 → 8,163 - 1.9%
- Australia: 535,925 → 575,113 + 7.3%

Total Jobs Growth – ABS LFS N06-N08

- FNQ: 126,854 → 133,830 + 5.5%
- Australia: 10.3M → 10.7M + 4.4%

Accom, food etc Jobs Growth – ABS LFS N06-N08

- FNQ : 6,964 → 13,367 + 91.9%
- Australia: 493,887 → 512,219 + 3.7%

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Industry Specialisation

Cairns

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Industry Sector Location Quotients	2006
Accommodation and Food Services	1.99
Transport, Postal and Warehousing	1.66
Rental, Hiring and Real Estate Services	1.54
Administrative and Support Services	1.40
Construction	1.39
Arts and Recreation Services	1.35
Retail Trade	1.21

Tourism

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- With tourism comprising an est. 15.5% of GVA, TNQ the country's most tourism reliant economy - vulnerable to global shocks
- TNQ is 3rd most popular Qld destination for international tourists, with 757,000 visitors in year to December 2008.
- 1.5M Australians visited TNQ, ranking it the state's fourth most popular domestic tourist destination
 - 9% of all domestic tourists in YTE Dec 2008.

Tourism

Cairns

Economy

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- ABS figures suggest that Cairn's tourist accommodation sector is slowing at the moment.
- No. of room nights occupied weakened by 7.1% to 2.14M in YTE Dec 2008.
- Guest arrivals have fallen by 9.6%.
- Cairns accommodation establishments takings of \$294.7M – down 8.7%
- In total, visitors to the region spent about \$1.6 Billion in 2007.

Tourism

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- Cairns international airport recorded 44,448 aircraft movements in 2007.
- Bulk of these (36,421) were domestic, while about 18% were international movements.
- In total about 3.8M passengers passed through the airport.
- Premier Bligh announced earlier this year that several thousand additional seats would be made available to and from Cairns to counteract QANTAS cut backs.

Agriculture



Cairns

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- Cairns is home to a diverse range of successful agricultural industries – from sugar cane and bananas to beef and fish.
- ABS values agriculture production in FNQ at over \$1.3 Billion in 2006/07.
 - QLD's largest provider of agricultural goods.
- 2,893 agricultural businesses in FNQ, with estimated 13.9M hectares of land.
 - Approx. 40% located in Cairns specifically.
 - 1,161 of these businesses graze cattle while 851 grow fruits and nuts.

Agriculture

Cairns

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- Challenges facing local agricultural industry:
 - Severe weather conditions (eg Larry).
 - Sugar and beef exposed to volatility of global market (eg value AUD, oil prices).
 - Changes to bio-security arrangements related to fruit produce could slash up to 4% off GRP.
- Accounts for 7.8% GVA, so downturn is felt in the regional economy.

Construction

- Fastest growing source of jobs.
- Accounts for 7.8% GVA, so downturn is felt in the regional economy.
- In 2008 annual residential building approvals totalled \$525.5M in Cairns.
 - Down slightly on the 2007 figure, but represents 38.9% growth over the last 5yrs.
- Non-residential building approvals were valued at \$380.9M in 2008
 - equates to 205.5% increase on 2007 result.
- Mar 2009 figures showing declines.

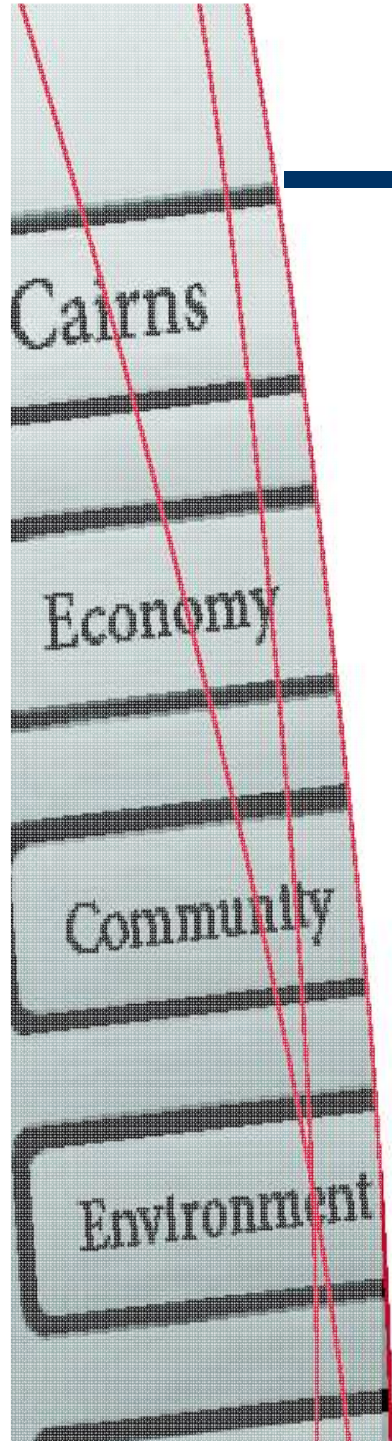
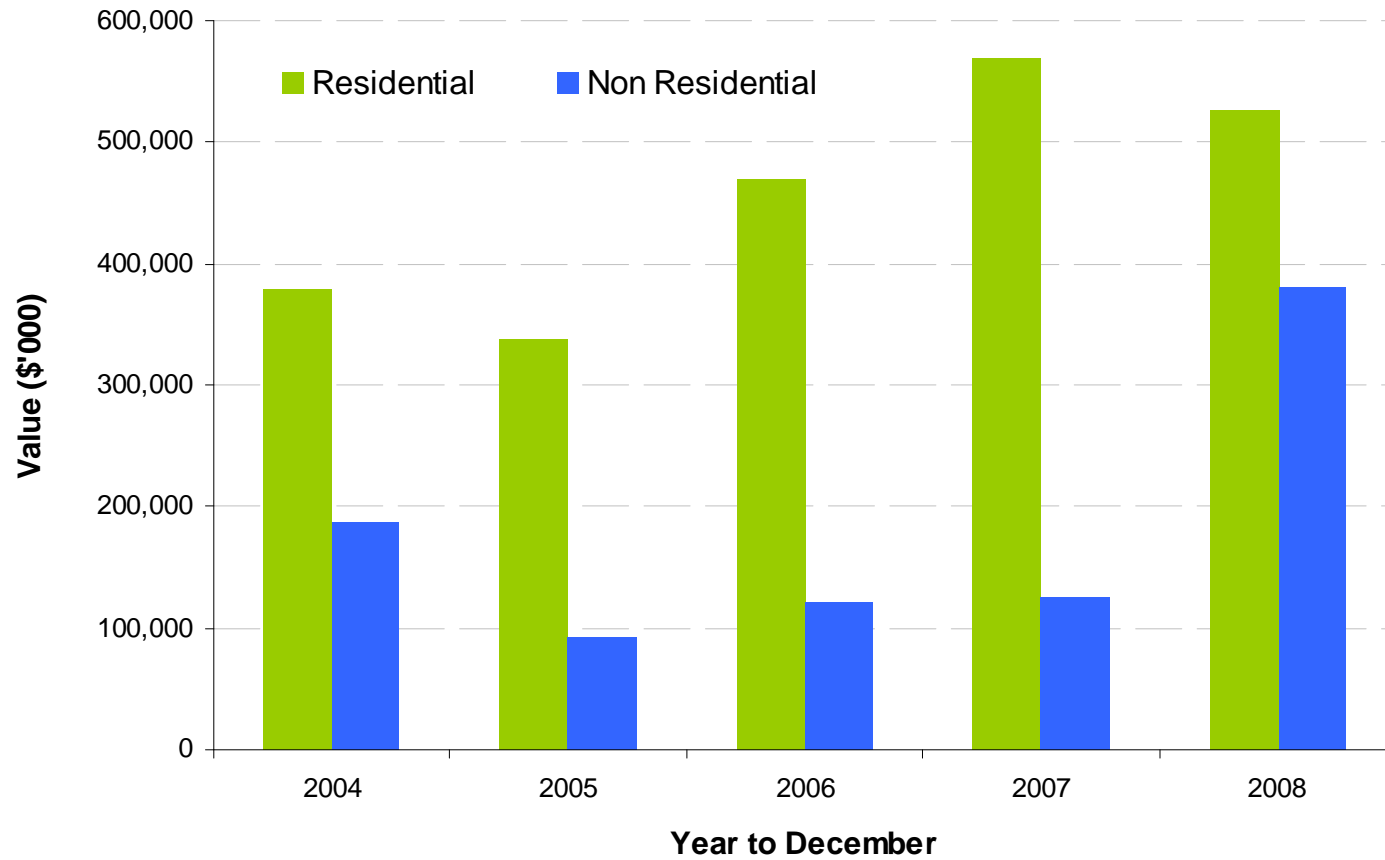
Cairns

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Mining



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- Cairns is a gateway to major mining projects, providing aviation services to 18 mining regions.
- Cairns itself is not a prime source of mining workers.
 - Cummings report suggested approx 700 Cairns/Tableland residents work in the mines.
- Predictions for the next 5 years that 4,100 additional workers will be needed (est. 600 from the Cairns/Tablelands area) may need to be downgraded in wake of global economic downturn.

Retail

Cairns

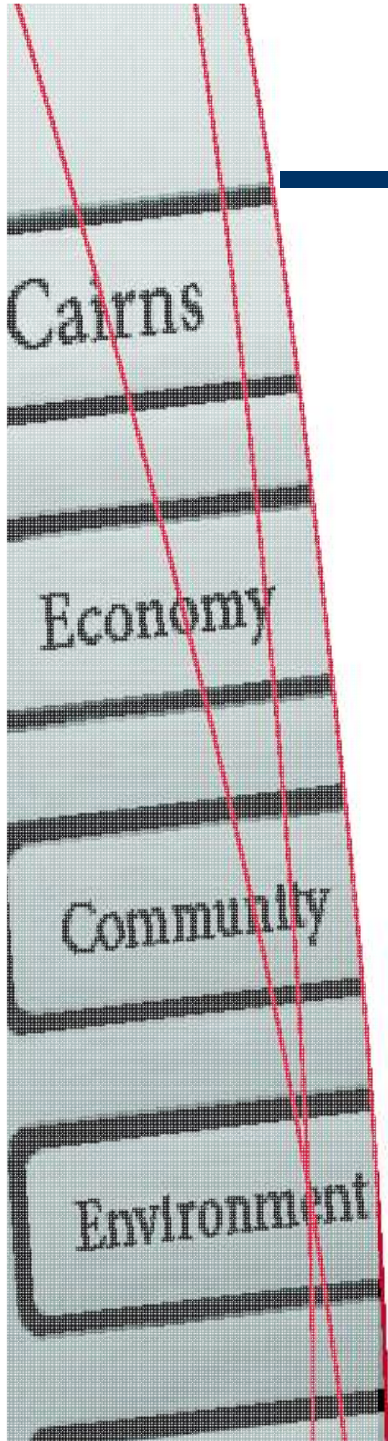
Economy

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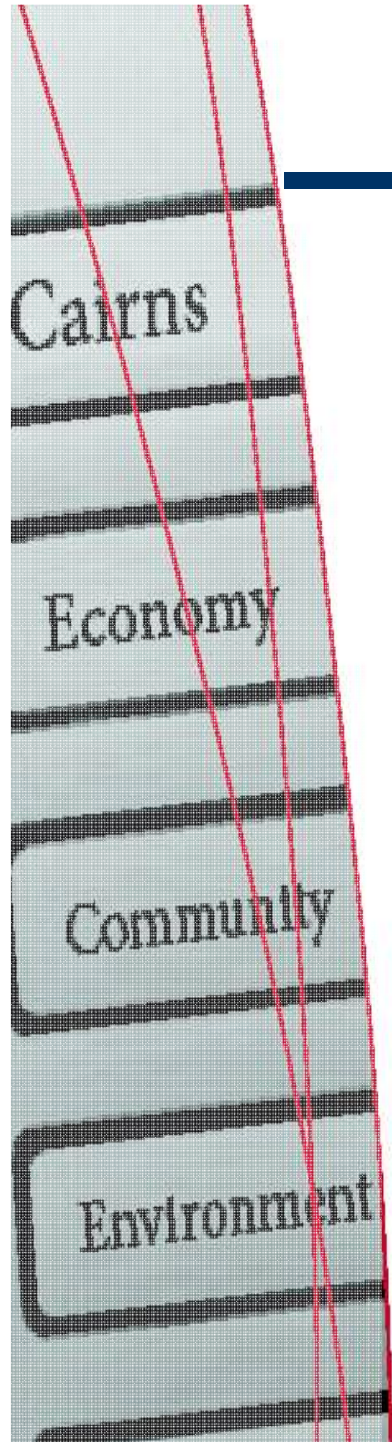
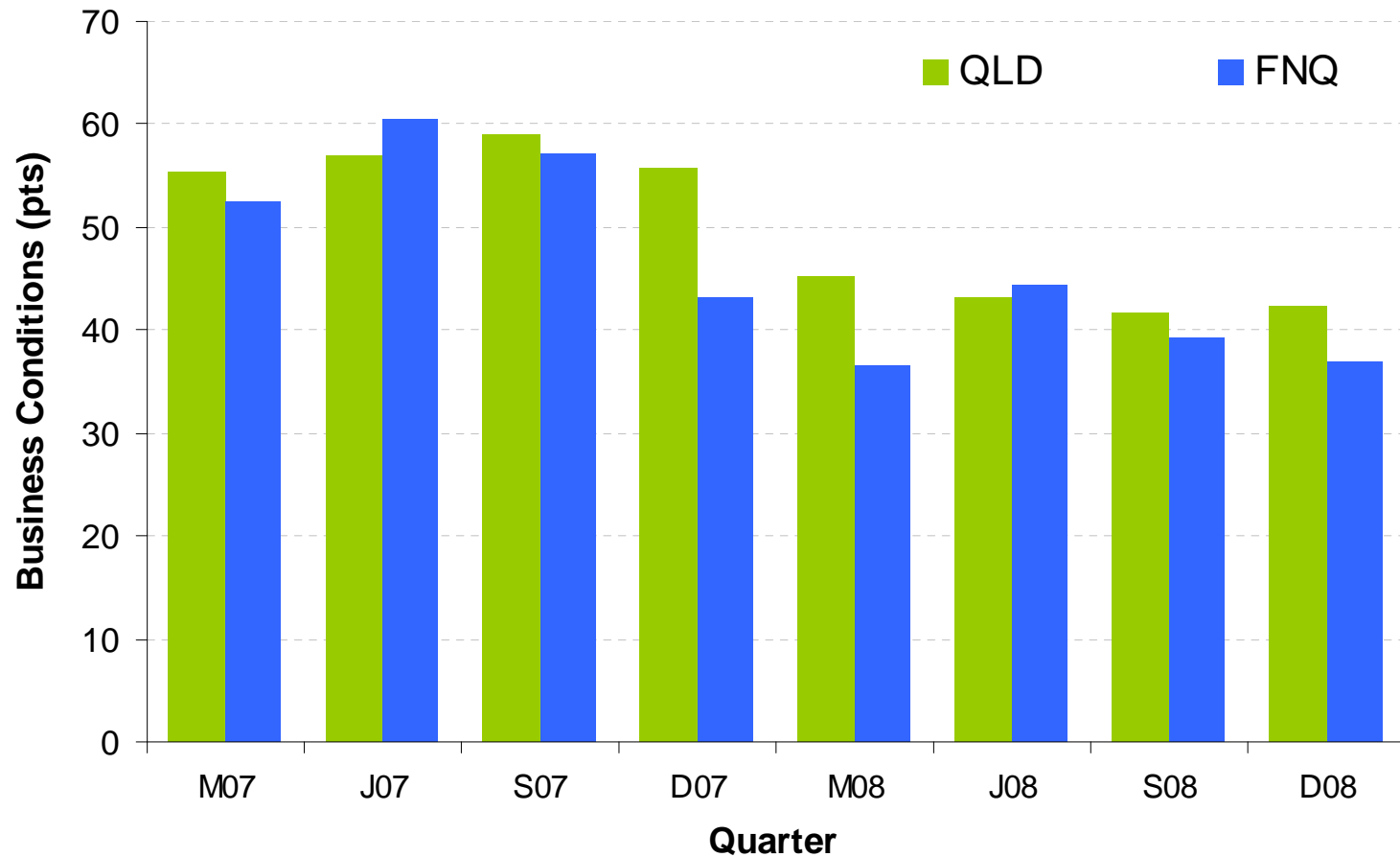
- Accounts for 8.7% of GVA in FNQ, and was the 4th largest source of new jobs between 2001-2006.
- Over 8,000 locals employed at 1,725 registered businesses as at June 2007.
 - Equates to 12.0% of all Cairns businesses.
- The 2M+ tourists that come to Cairns are 2M+ plus additional shoppers passing through local retail businesses each year.
- Retail particularly vulnerable in the current economic climate.

Business Count



Industry Sector	No.	Percent
Property & Business Services	3,384	23.5%
Construction	2,820	19.5%
Retail Trade	1,725	12.0%
Agriculture Forestry & Fishing	1,185	8.2%
Transport & Storage	1,155	8.0%
Finance & Insurance	792	5.5%
Manufacturing	639	4.4%
Accommodation Cafes & Restaurants	636	4.4%
Health & Community Services	504	3.5%
Personal & Other Services	501	3.5%
Wholesale Trade	432	3.0%
Cultural & Recreational Services	309	2.1%
Communication Services	156	1.1%
Education	111	0.8%
Mining	66	0.5%
Electricity Gas & Water Supply	15	0.1%
Total	14,430	100.0%

Business Conditions



Out takes



Cairns

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- Fragile economy in the short term
- Medium term economic boosts
- Recessions create opportunities
 - Small business
- Sustainability to come from within
 - Capitalise on past development and grow from within
 - Asia/pacific
 - Businesses, financial, health and education services



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**STATE OF THE REGION
SUMMIT**

REBUILDING MOMENTUM
from crisis to opportunity

