STATE OF PROCUREMENT REPORT

F&BS | 63/14/3-01 | #7910871

RECOMMENDATION:

That Council notes the State of Procurement Report for 2025/26 financial year.

INTERESTED PARTIES:

Nil

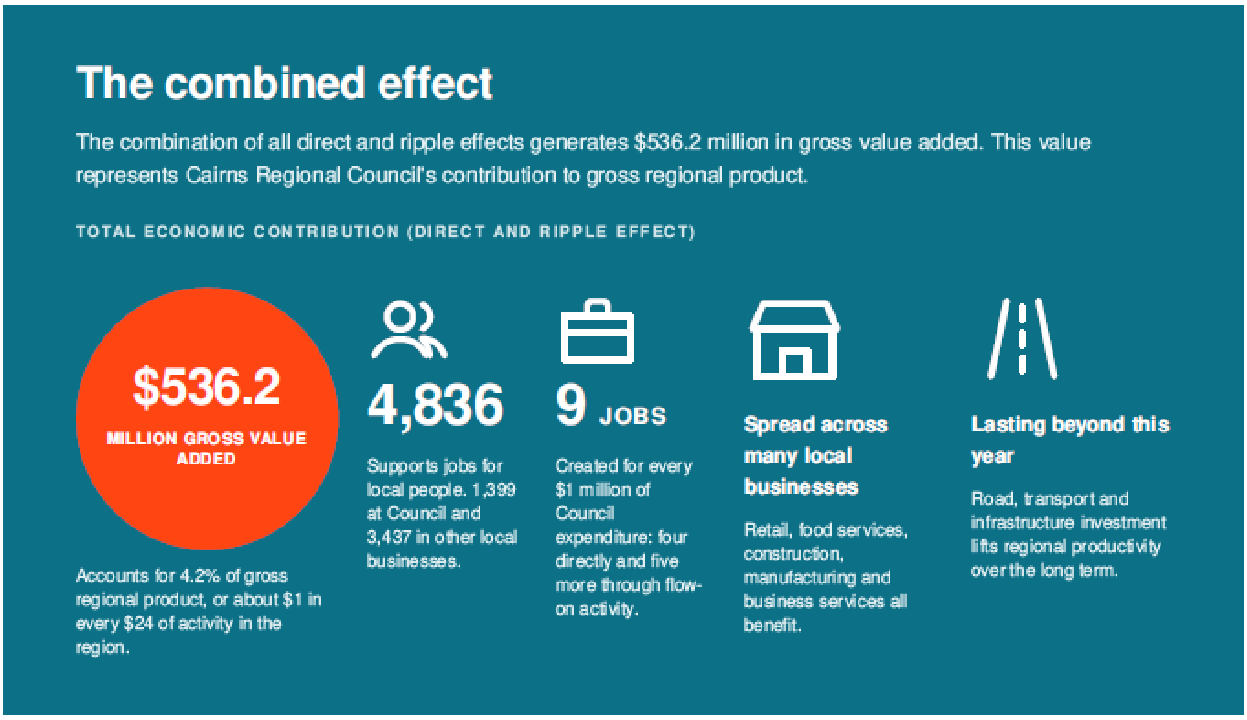
EXECUTIVE SUMMARY:

Council's total expenditure for 2025/26 was $595 Million, with **91% ($539M) being local**. This local expenditure directly creates and sustains local jobs and supports local business and industry.

Of the remaining 9%, there was no local option for 3%, non-local suppliers were used for 4% and the remaining 2% is attributable to government expenditure.

Council's direct expenditure creates a ripple effect through linkages with other businesses and from workers spending money in Cairns, generating an additional economic local impact of $672.1M (the total of indirect or ripple effects). When combined with Council's direct expenditure of $539.1M, this generates a total economic impact of $1,211.2M.

The economic impact of the $1,211.2M generated through direct and ripple effects of Council expenditure contributes $536.2M in gross value add as well as supporting and generating 4,836 local jobs. This value represents Council's contribution to the Gross Regional Product (GRP) of 4.2% for the Cairns region, supporting 9 jobs for every $1M of Council expenditure, as well as benefiting a wide range of local businesses.



BACKGROUND:

Council is committed to creating an economic environment where business and industry can grow and prosper. This is demonstrated by the development of competitive local business and industry being one of the fundamental contracting principles contained in Council's Procurement Policy.

To enhance Council's understanding of the wider economic impact that local expenditure has on the region and to maintain consistency with previous year's reports, I.D. Consulting Pty Ltd were engaged to analyse the economic synergies and benefits that this expenditure generates using their economic impact model.

COMMENT:

This report provides an overview of Council's procurement for the 2025/26 financial year and highlights the economic benefits and impact that it has on Cairns.

2025/26 Council Expenditure Categorisation

Council's total expenditure for 2025/26 was $595M. This expenditure is categorised as employee wages, operational expenditure on goods and services and investment in community infrastructure through Council's capital works program.

Of Council's total expenditure for 2025/26, 91% was local. In terms of the remaining 9%, there was no local option for 3%, non-local suppliers were used for 4% and the remaining 2% is attributable to government expenditure.

Expenditure type	2025/26 Expenditure ($M)	% Spend
Local Supplier	539	91%
Non-Local supplier	21	3%
No Local Option*	19	4%
FNQ and Events	3	0%
Government*	13	2%
Total	**595**	**100%**

*Signifies expenditure where there was no local procurement option.

The expenditure types are further defined below:

Local Supplier: deemed local if they meet the definition of a local supplier as stated in Council's Procurement Policy, this being;

- is beneficially owned by persons who are residents or ratepayers of the Local Government area of Council, or
- has its principal place of business within the Local Government area of Council, or
- otherwise has a place of business within the Local Government area of Council which solely or primarily employs persons who are residents or ratepayers of the Local Government area of Council.

Non-Local Supplier: defined as any supplier that is not local but where there are local procurement options that were not deemed the best option. Main examples of this expenditure were:

- Specialised plant and equipment suppliers
- Dredging
- Piling
- Equipment and supplies for water and wastewater

In many instances, where suppliers external to the rate paying region of Council are engaged, there are associated local benefits not captured in this report, such as:

- Accommodation whilst living in Cairns delivering works
- Food, beverage and other associated costs whilst living in Cairns delivering works
- Materials and services procured in Cairns for the delivery of works
- Local labour hire

No Local Option: defined as any supplier that is not local and where there are no local procurement options. The main examples of this expenditure were:

- Water Infrastructure – specialised piping and accessories
- Specialised IT hardware and Services
- Proprietary IT hardware and software (licences)

Government: defined as payments made to government agencies, the main examples being:

- LGM Liability - Queensland Local Government Mutual
- LGM Assets - Queensland Local Government Mutual
- Workcover
- Department of Natural Resources & Mines, Manufacturing & Regional and Rural Development of Queensland

FNQ and Events: defined as any expenditure made with a supplier within the region of the Far North Queensland Regional Organisation of Councils (FNQROC) but not within the rate paying region of Cairns Regional Council (CRC), and where local procurement options were not deemed the best option. The main examples of this included:

- Tableland drilling company
- Tableland transport company
- Tableland quarries

To enhance Council's understanding of the wider economic impact that local expenditure has on the region, I.D. Consulting Pty Ltd were engaged to analyse the economic synergies and benefits that this expenditure generates.

The reports provided by I.D. Consulting Pty Ltd (Attachment 1 and 2) used an economic impact model that is specifically tailored to the Cairns regional economy by using local input / output tables developed by National Institute of Economic and Industry Research (NIEIR). An input / output matrix describes how the different industries in an economy interrelate, and how supply chains operate in the local area. Using input / output tables, multipliers can be calculated to provide a simple means of working out the flow-on effects of a change in output in an industry on one or more of imports, income, employment or output in individual industries or in total.

Definitions of terminology used in this report are:

- **Direct impacts:** represent the initial change in the industry selected. This refers to expenditure associated with the industry (e.g., labour, material, supplies, capital).

- **Indirect impacts (Industrial):** The direct impact from the initial expenditure creates additional activity in the local economy ('ripple effect'). Indirect effects are the results of business-to-business transactions indirectly caused by the direct impacts.

- **Induced impacts (Consumption):** An increase in revenue (from direct and indirect impacts) means that businesses increase wages and salaries by hiring more employees, increasing hours worked and raising wages. Households will then increase spending at local businesses.

- **Value added:** Value added is the value of sales generated by each industry, minus the cost of its inputs. Estimates are modelled using the NIEIR methodology and presented in constant dollars (adjusted for inflation). It is calculated by subtracting the cost of industry inputs from total sales generated.

- **Output:** Output is the gross sales of an industry, which includes the cost of inputs to that industry. To the extent that outputs from one industry are used as inputs to another, the economic productivity of an industry may be counted multiple times in output, which is why output totals generally appear much higher than value add or GRP.

- **Gross Regional Product (GRP):** Value added by industry represents the industry component of Gross Regional Product (GRP). This is referred to as Industry GRP. It is used to measure the contribution of individual industries to the gross regional product of a region. To complete the GRP calculation to accord with national account standards, ownership of dwellings are added to Industry GRP to produce overall GRP estimates.

Treatment of profits and fees paid outside the region

It is important to note that, not all expenditure with a locally based supplier is retained in the regional economy. A portion may flow out of the region as profit returned to a parent entity located elsewhere, or as franchise fees, head office charges and management fees paid to related entities. This analysis allows for these flows in three ways.

- Expenditure that Council identifies as non-local is excluded before the modelling begins. This mainly covers payments to suppliers located outside the region, payments to other levels of government, and purchases for which no local supplier was available.

- The input-output tables used here are built for the Cairns economy specifically. Goods and services that a local supplier buys in from outside the region are treated as imports and removed at each round of the flow-on calculation.

- Fees paid out of the region for services, including franchise fees and head office charges, are treated as imported services. They do not form part of local value added and do not generate further local activity.

Value added is measured on a production basis. It captures the value generated by economic activity located in the Cairns region, including the operating surplus of businesses operating in the region, irrespective of where ownership sits. The practical implication is that this report measures economic activity generated in the Cairns region, rather than income ultimately retained by locally owned businesses. Where a local operation is owned from outside the region, the wages it pays, the local purchasing it does and the operating surplus it generates are all counted, even though some of that surplus will be returned to owners elsewhere. Measuring the share of income ultimately retained by locally owned businesses is outside the scope of this report.

Results of Economic Impact Analysis

Some of the main findings provided by I.D. Consulting Pty Ltd based upon Council expenditure are as follows:

In 2025/26, Council's total local spend was $539M. This was made up of, $145M on employee wages, $159M on materials and services and $292M on capital works.

Operational Impact

Operational expenditure is the money spent on the ongoing costs of maintaining Council operations and assets and it includes costs such as wages, maintenance and repairs, license fees, utilities etc. In 2025/26 Council's operational expenditure totalled $304M.

Council operations make a direct contribution to the Cairns economy. In 2025/26 Council employed approximately 1,399 staff (FTE) and had local operational expenditure of $276M, making it one of the largest employers in the region. The operation of Council creates a ripple effect to the rest of the local economy.

The operational expenditure of $276M in the Cairns economy supports indirect demand for goods and services across related industry sectors. These indirect industrial impacts are estimated to support an additional 381 jobs. This indirect impact on jobs in the local economy supports wages and salaries, a proportion of which would be spent on local goods and services, supporting a further 657 jobs through consumption impacts. Based upon NIEIR industry metrics, the combination of all direct, industrial and consumption effects support a total contribution of 2,437 jobs located in Cairns.

The combination of all direct, industrial and consumption effects from operational activities generates a total expenditure impact of $521M. This contributes $270M value add to the Cairns economy, equating to 2.1% of GRP.

Summary	Output ($m)	Value-added ($m)	Local jobs
Impacts on Cairns economy			
Direct impact on Public administration sector	275.6	149.8	1,399
Industrial impact	113.0	50.1	381
Consumption impact	132.3	69.6	657
Total impact on Cairns economy	**520.9**	**269.5**	**2,437**

Source: .id analysis; National Institute of Economic and Industry Research (NIEIR)

Capital Works Impact

Council manages a very diverse range of infrastructure assets with a replacement value in excess of $7.7B. In 2025/26 Council's capital works expenditure totalled $292M. This investment in infrastructure such as transport, drainage, water, wastewater, cultural and sporting facilities has an immediate impact on the economy as well as a long-term impact on regional productivity.

The local capital works expenditure of $264M created through construction projects is estimated to have led to a corresponding direct addition of 657 jobs in the local construction sector. This expenditure resulted in flow on effects into other related intermediate industries, creating an additional 843 jobs. This addition of jobs in the local economy would lead to a corresponding increase in wages and salaries, a proportion of which would be spent on local goods and services, creating a further 899 jobs through consumption impacts. Based upon NIEIR industry metrics, the total impact of the capital works program resulted in a total impact of 2,399 additional jobs in the Cairns regional economy.

The combination of all direct, industrial and consumption effects results in local expenditure of $690M. This contributes $267M value add to the Cairns economy, equating to 2.1% of GRP.

Summary	Output ($m)	Value-added ($m)	Local jobs
Impacts on Cairns economy			
Direct impact on Construction sector	263.5	76.8	657
Industrial impact	245.8	94.7	843
Consumption impact	181.0	95.2	899
Total impact on Cairns economy	**690.3**	**266.7**	**2,399**

Source: .id analysis; National Institute of Economic and Industry Research (NIEIR)

Total Economic Impact

Council's direct local expenditure creates a ripple effect through linkages with other businesses and from workers spending money in Cairns, generating an additional economic local impact of $536M (the total of indirect or ripple effects). This when combined with Councils direct local expenditure of $539M generates a total economic impact of $1.2B.

The economic impact of the $1.2B generated through direct and ripple effects of Council's local expenditure contributes $536M in gross value add. This value represents Council's contribution to the Gross Regional Product (GRP) of 4.2% for the Cairns region, supporting 4,836 jobs or 9 jobs for every $1M of Council expenditure, as well as benefiting a wide range of local businesses.

The following table provides an overview of the economic impact of Council's local expenditure. The direct output is Council's local expenditure for the past financial year and the ripple effect outputs are the indirect outcomes that this generates – a total economic impact of $1.2B. The multipliers utilised are based upon industry recognised metrics provided by NIEIR.

Total economic impacts	Output ($m)	Value-added ($m)	Local jobs
Operational impacts			
Direct impact on Local Government	275.6	149.8	1,399
Industrial impact	113.0	50.1	381
Consumption impact	132.3	69.6	657
Operational impact on Cairns economy	520.9	269.5	2,437
Capital works impacts			
Direct impact on Construction	263.5	76.8	657
Industrial impact	245.8	94.7	843
Consumption impact	181.0	95.2	899
Capital works impact on Cairns economy	690.3	266.7	2,399
Total impacts			
Direct impact	539.1	226.6	2,056
Industrial impact	358.8	144.8	1,224
Consumption impact	313.3	164.8	1,556
Total impact on Cairns economy	1,211.2	536.2	4,836

Source: .id analysis; National Institute of Economic and Industry Research (NIEIR).

The Cairns Economy

Cairns' diverse economy continues to be a key strength in a rapidly evolving global environment. In the post-pandemic period, this economic diversity has enabled the region to continue to build resilience, and strategic frameworks such as Council's new Economic Development Strategy 2026-2030 (EDS2030) remain central to guiding sustainable economic development.

Nationally, as noted in the Reserve Bank of Australia's (RBA) most recent Statement on Monetary Policy (August 2026), inflation is still too high and is not expected to return to the middle of the 2-3% target range until early 2028. The RBA notes the Australian economy is likely to slow, with cost pressures from the Middle East conflict keeping inflation elevated in the near term, yet as a mild reprieve the RBA Board decided to leave the cash rate target unchanged at 4.35%. Additionally, as the economy slows, the RBA expects employment to grow at a slower pace, and the unemployment rate to rise gradually.[1]

Despite the national outlook, there is cautious cause for optimism locally given the significant pipeline of major projects to be delivered in the Cairns region, notwithstanding the investment in five precincts outlined in the EDS2030 which will underpin economic growth over the coming years:

- Cairns Aviation precinct
- Cairns Health and Innovation Precinct
- Cairns Major Events Precinct
- Cairns Marine and Defence Precinct
- Cairns South Development Precinct (including the Cairns South State Development Area and the Mount Peter Priority Development Area)

[1] In Brief: Statement on Monetary Policy – August 2026 | RBA

The healthcare industry in particular, which is already the largest contributor in dollar value and accounting for 16% of the Cairns economy, will benefit from the record incoming investment of over $1 billion in the Cairns Health and Innovation Precinct. This investment is expected to deliver significant economic and social impacts for Cairns and the broader region. The city's strategic location also underlies its appeal as an international gateway for the Asia-Pacific region, supporting further opportunities across several sectors such as Marine and Defence, Aviation, Tourism, and International Education.

According to the latest data, the Cairns Local Government Area's Gross Regional Product is estimated to be $12.86 billion, representing 2.43% of Queensland's Gross State Product.[2] Similarly, there is estimated to be 88,958 jobs in Cairns which represents 3% of all jobs in Queensland.[3]

Housing remains a challenge for economic growth in the region, as it does nationally, and Council is supporting the long term delivery of approximately 18,500 homes as part of the Mount Peter Priority Development Area. Council welcomed the recent announcement by the Australian and Queensland Governments of a joint $220 million grant funding package ($110 million each), alongside an $80 million Australian Government concessional loan, to support the first phase of housing-enabling infrastructure including water, sewerage, and road upgrades within the Mount Peter growth corridor. This funding is being managed by Economic Development Queensland.

Comparison of 2025/26 vs Prior Years Expenditure

The following table summarises Council's expenditure over the past four years, showing the area of expenditure and value.

Expense Types	2025/26 Expense ($M)	% Spend	2024/25 Expense ($M)	% Spend	2023/24 Expense ($M)	% Spend	2022/23 Expense ($M)	% Spend	2021/22 Expense ($M)	% Spend
Local Supplier	539	91%	463	89%	384	88%	339	87%	338	88%
Non-Local Supplier	21	3%	21	4%	24	5%	16	4%	14	5%
No Local Option	32	6%	32	7%	30	7%	31	9%	29	7%
FNQ and Events	3	0%	3	0%	1	0%	2	0%	2	0%
Total	**595**	100%	**519**	100%	**439**	100%	**388**	**100%**	383	**100%**

Overall, Council expenditure increased by $76M, from $519M in 2024/25 to $595M in the 2025/26 financial year. Comparatively, local expenditure by Council increased by $76M from $463M to $539M over the same period. This is an overall increase in local expenditure of 2%.

Expenditure outside the rate paying region of Council has remain unchanged in dollar value at $21M.

Expenditure where there was no local option has also remained unchanged at $32M, this expenditure relates mainly to government procurement.

[2] Gross Domestic product | Cairns | economy.id
[3] Local employment | Cairns | economy.id

The economic impact model used to determine the ripple effect of Council expenditure is updated each year to take account of changes to the local economy. Multipliers for a region, or industry, may change over time in response to changes in the economic and industry structure as well as price changes. Productivity changes (i.e. relationship between jobs and output) can have a large impact on the economic multiplier.

Upon review of this data, it is evident that Council has developed and continues to maintain robust policies, procedures and business practices that have continued to support, develop and encourage local business and industry.

OPTIONS:

Option 1 (recommended):

That Council notes the State of Procurement Report for 2025/26 financial year.

Option 2:

That Council requests further information from Council Officers.

CONSIDERATIONS:

Risk Management:

To mitigate risk in the Procurement process, Council has an adopted Procurement Policy that meets all legislative requirements and provides direction and guidance on best practice procurement. The Procurement team are active in the communication of the requirements of this policy and in training activities in generating outcomes in the best interest of Council and its communities.

Council Finance and the Local Economy:

This report highlights the benefits that Council's procurement has on the local community. The local expenditure documented in this report contributes an estimated economic value of $1.2B to the Cairns region and $536m of gross add value or 4.2% of GRP.

Supporting and promoting local businesses and industries serves as a key economic driver in the region, helping to sustain stability during challenging global financial conditions.

Corporate and Operational Plans:

This report provides clear linkages to Council's Corporate and Operational plans. Council's Corporate plan 2025 to 2030 has five key focuses and this report, and its associated activities supports:

- *Council contributing to a robust economy*
- *A focused Council providing leadership regionally and to its communities*

ATTACHMENTS:

Attachment 1: Economic Contribution of Cairns Regional Council 2026 – Summary/Infographic (#7925065)
Attachment 2: Economic Contribution of Cairns Regional Council 2026 – Detailed Report (#7925068)

Geoff Burdon
Executive Manager Procurement and Payables

Lisa Whitton
Chief Financial Officer

STATE OF PROCUREMENT REPORT 2025/26

Economic contribution of Cairns Regional Council

Council is one of the region's largest employers and largest buyers of local goods and services. In 2025/26 that activity supported **4,836 jobs** across the Cairns economy and added **$536.2 million** in value, 4.2% of gross regional product.

COUNCIL AS AN EMPLOYER

Generating jobs for the region

Council employs across a wide range of occupations, from technical and trade roles to professional and administrative work.

1,399
People employed
Full-time and part-time headcount. About 1.6% of the region's 88,958 local jobs.

99%
Wages earned locally
Council wages are almost entirely earned by residents, so they recirculate through local businesses.

85%
Employed full time
A significant full-time employer in an economy weighted towards part-time work.

29%
Degree qualified
Hold a bachelor degree or higher, against 27.5% across the Cairns workforce (Census 2021).

WHERE COUNCIL SPENDS

Total local spend, 2025/26

$539.1m

91% of Council's spend is captured within the Cairns Regional Council area, supporting local businesses and local jobs. It splits three ways.

EMPLOYEE WAGES	LOCAL GOODS AND SERVICES	INVESTMENT IN INFRASTRUCTURE
$144.5m	**$131.1m**	**$263.5m**

The ripple effect

Council's economic and investment activities create a ripple effect through linkages with other businesses and from workers spending money in Cairns.

RIPPLE EFFECT, OUTPUT (2025/26)

DIRECT, OUTPUT
$539.1 MILLION
Money spent directly on local wages, goods and services and infrastructure.

eg. Council engages a local business to build a new facility. This business buys supplies.

INDUSTRIAL
$358.8 MILLION
Direct spending drives output and employment for related businesses.

eg. Hardware wholesaler purchases inventory.

CONSUMPTION
$313.3 MILLION
Employees spend money locally, creating more demand for local services.

eg. Hardware wholesaler employee buys food and clothing and goes to the dentist.

TOTAL ECONOMIC IMPACT, OUTPUT
$1,211.2 MILLION

The combined effect

The combination of all direct and ripple effects generates $536.2 million in gross value added. This value represents Cairns Regional Council's contribution to gross regional product.

TOTAL ECONOMIC CONTRIBUTION (DIRECT AND RIPPLE EFFECT)

$536.2
MILLION GROSS VALUE ADDED
Accounts for 4.2% of gross regional product, or about $1 in every $24 of activity in the region.

4,836
Supports jobs for local people. 1,399 at Council and 3,437 in other local businesses.

9 JOBS
Created for every $1 million of Council expenditure: four directly and five more through flow-on activity.

Spread across many local businesses
Retail, food services, construction, manufacturing and business services all benefit.

Lasting beyond this year
Road, transport and infrastructure investment lifts regional productivity over the long term.

Sources: National Institute of Economic and Industry Research (NIEIR) ©2026; ABS Census of Population and Housing 2021; Cairns Regional Council. Expenditure estimates refer to local spending only and exclude depreciation and interest paid. Contribution to gross regional product is based on headline GRP at market prices.

.id informed decisions

Economic contribution of Cairns Regional Council 2026

August 2026

Table of contents

1. Introduction

1.1 Overview

Cairns Regional Council have requested an economic analysis of the economic contribution made by Council. The aim of this analysis is to highlight the important role Local Government plays in the local economy.

To meet this request, .id has undertaken a quantitative analysis of key impact indicators to illustrate the economic contribution made by Cairns Regional Council. This report estimates the annual contribution of Cairns Regional Council on the Cairns Region economy during the 2025/26 financial year.

The report presents the following information:

- An explanation of the methodology
- Industry and worker profile of the Cairns Regional Council
- Impact of operational expenditure
- Impact of capital works program

This report has been prepared as a reference document to the infographic provided to Cairns Regional Council.

1.2 Methodology

.id have used an economic impact model that is specifically tailored to the Cairns Regional economy by using local input-output tables developed by NIEIR. An input-output matrix describes how the different industries in an economy interrelate, and how supply chains operate in the local area. Using input-output tables, multipliers can be calculated to provide a simple means of working out the flow-on effects of a change in output in an industry on one or more of imports, income, employment or output in individual industries or in total.

The economic impact model is updated each year to take account of changes to the local economy. Multipliers for a region may change over time in response to changes in the economic and industry structure as well as price changes. Some reasons for a multiplier to change include:

- overall size and economic diversity of the region's economy
- changes to industry structure (e.g. export/import, mix of labour/capital inputs, productivity changes)
- household income and household spending patterns

For example, if the retail industry takes 15 jobs to produce $1 million of sales in 2025, and productivity increases by say 50% through 2026, then only 10 jobs are required to produce $1 million of sales. The job multiplier falls from 15 to 10 jobs per $1 million of sales.

The economic contribution and impact analysis for the period 2025/26 were based on the following inputs obtained from Cairns Regional Council:

- Operational: $303.6 million of output. Of this, $275.6 million is captured in Cairns Regional Council and mapped to the ANZSIC industry code - Public Administration (the sector that most closely resembles Local Government).
- Capital expenditure spent: $291.5 million. Of this, $263.5 million is captured in Cairns Regional Council and mapped to the ANZSIC industry code – Construction (given that most of the capital works program is construction and repair related).

Other methodology points to be noted are:

- Non-local expenditure by Council has been excluded from this economic impact analysis. We have also excluded depreciation costs or interest payments.
- While attempts have been made to avoid double counting, there may be some double-counting with respect to the jobs generated through the construction impacts.
- Contribution to Gross Regional Product (GRP) is based on Headline GRP at market prices.
- Dollar values are rounded to one decimal place and totals are shown as the sum of the rounded components, so that each column and row adds. Totals may therefore differ from the total of the unrounded values by up to $0.1 million.

1.3 Treatment of profits and fees paid outside the region

It is important to note that, not all expenditure with a locally based supplier is retained in the regional economy. A portion may flow out of the region as profit returned to a parent entity located elsewhere, or as franchise fees, head office charges and management fees paid to related entities. This analysis allows for these flows in three ways.

First, expenditure that Council identifies as non-local is excluded before the modelling begins. This mainly covers payments to suppliers located outside the region, payments to other levels of government, and purchases for which no local supplier was available.

Second, the input-output tables used here are built for the Cairns economy specifically. Goods and services that a local supplier buys in from outside the region are treated as imports and removed at each round of the flow-on calculation.

Third, fees paid out of the region for services, including franchise fees and head office charges, are treated as imported services. They do not form part of local value added and do not generate further local activity.

Value added is measured on a production basis. It captures the value generated by economic activity located in the Cairns region, including the operating surplus of businesses operating in the region, irrespective of where ownership sits. The practical implication is that this report measures economic activity generated in the Cairns region, rather than income ultimately retained by locally owned businesses. Where a local operation is owned from outside the region, the wages it pays, the local purchasing it does and the operating surplus it generates are all counted, even though some of that surplus will be returned to owners elsewhere. Measuring the share of income ultimately retained by locally owned businesses is outside the scope of this report.

1.4 Terminology

- **Direct impacts**: represent the initial change in the industry selected. This refers to expenditure associated with the industry (e.g. labour, material, supplies, capital).
- **Indirect impacts (Industrial)**: The direct impacts from the initial expenditure creates additional activity in the local economy ('ripple effect'. Indirect effects are the results of business-to-business transactions indirectly caused by the direct impacts.
- **Induced impacts (Consumption)**: An increase in revenue (from direct and indirect impacts) means that businesses increase wages and salaries by hiring more employees, increasing hours worked and raising wages. Households will then increase spending at local businesses.
- **Value added:** Value-added is the value of sales generated by each industry, minus the cost of its inputs. Estimates are modelled using the NIEIR methodology, and presented in constant dollars (adjusted for inflation). It is calculated by subtracting the cost of industry inputs from total sales generated.
- **Output**: Output is the gross sales of an industry, which includes the cost of inputs to that industry. To the extent that outputs from one industry are used as inputs to another, the economic productivity of an industry may be counted multiple times in output, which is why output totals generally appear much higher than value add or GRP.

1.5 Disclaimer

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In relation to ABS Data ID accepts no liability with respect to the correctness, accuracy, currency, completeness, relevance or otherwise of the ABS Data.

In relation to the economic model, as this is only a model of the real world, it is likely that real-world results would differ from what is shown in this report. .id and NIEIR take no responsibility for the use of this information.

2. Local Government profile

2.1 Economic and investment activities

In 2025/26, Cairns Regional Council's total spend was estimated at $595.1 million ($539.1 million captured within Cairns Regional Council Area). This was made up of:

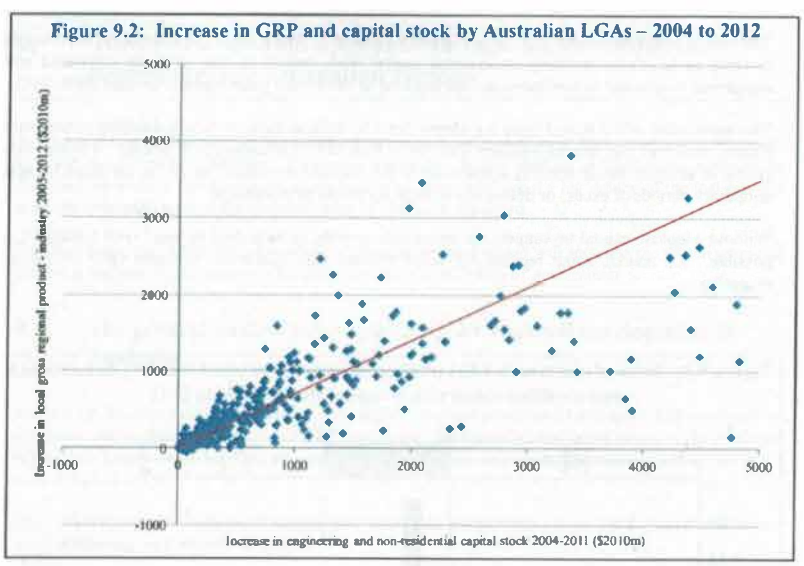
Operational expenditure: $303.6 million ($275.6 million captured within Cairns Regional Council Area)

- $144.5 million on employee wages
- $159.1 million on materials and services

Capital works: $291.5 million ($263.5 million captured within Cairns Regional Council Area)

Much of Cairns Regional Council's expenditure is spent locally (91%), including all employee wages, which are treated as local operational expenditure in this analysis. This expenditure supports other industries in the economy and help support a vibrant economy.

This investment in roads, infrastructure and transport has an immediate impact on the economy as well as a long term impact on regional productivity. The figure below is drawn from research by NIEIR. NIEIR analysis has demonstrated the relationship between increases in capital stock within an LGA and changes in levels of economic activity. This means that infrastructure deficiencies make it difficult for regions to increase productivity. Council therefore has a major role in supporting the long term economic productivity of the region.



Source: NIEIR (extracted from the State of the Regions report)

2.2 Direct economic contribution

The table below summarises the direct economic contribution of Cairns Regional Council to the local economy. In 2025/26, the total direct economic contribution of Cairns Regional Council was estimated at $226.6 million (value added terms). This contribution represents 1.8% of Gross Regional Product and only includes expenditure captured in Cairns.

Table: Direct economic contribution of Cairns Regional Council, 2025/26

	Operational	Capital works	Total
Output $m	$275.6	$263.5	$539.1
Value add $m	$149.8	$76.8	$226.6
Jobs	1,399	657	2,056

Source: .id analysis; National Institute of Economic and Industry Research (NIEIR)

Section 3.1 and 3.2 estimates the economic impact of Councils direct expenditure.

2.3 Worker profile

Employment levels in 2025/26

In 2025/26, Cairns Regional Council employed 1,399 staff, of which 85% were engaged on a full time basis.

Worker characteristics 2021

The table below shows some key statistics for the workforce in this industry. This is based on the 2021 ABS Census of Population and Housing.

As the table shows, the Local Government Administration workforce is a little older than the total Cairns workforce. This may be due to the number of professional and technical roles within Council that require higher levels of qualifications and work experience that takes time to accrue. The workforce in this industry has a higher level of post school qualifications than Cairns overall.

Table: Workforce key statistics –Local Government Administration, Cairns LGA 2021

Name	Number	%	Cairns total workforce %
Workforce			
Total workforce (Census)	1,219	100	100
Males	735	60.3	47.5
Females	484	39.7	52.5
Age structure			
15 - 24 years	49	4.0	14.3
25 - 34 years	183	15.0	19.9
35 - 44 years	274	22.5	21.5
45 - 54 years	381	31.3	22.4
55 - 64 years	279	22.9	16.7
65 years and over	53	4.3	5.2
Indigenous status			
Indigenous	113	9.7	6.5
Non Indigenous	1106	90.3	93.5
Hours worked			
Full time	1044	85.6	62.0
Part time	175	14.4	38.0
Qualifications			
Bachelor or higher degree	347	28.5	27.5
Advanced diploma or diploma	186	15.3	12.8
Certificate level	403	33.0	28.8
No qualifications	283	23.2	30.9

Source: ABS Census of Population and Housing 2021

3. Economic impacts

3.1 Economic impact of operations

The operation of Council makes a direct contribution to the Cairns economy. In 2025/26, Cairns Regional Council employed 1,399 staff and local operational expenditure of $275.6 million (made up of $144.5 million in wages and salaries and $131.1 million in goods and services), making it one of the largest employing businesses in the region. The operation of Council creates a ripple effect to the rest of the economy.

The operational expenditure of $275.6 million in the Public Administration sector of the Cairns economy supports indirect demand for intermediate good and services across related industry sectors. These indirect industrial impacts (Type 1) are estimated to support 381 jobs (in addition to the 1,399 jobs in Cairns Regional Council). This indirect impact on jobs in the local economy supports wages and salaries, a proportion of which would be spent on local goods and services, supporting a further 657 jobs through consumption impacts. The combination of all direct, industrial and consumption effects supports a total contribution of 2,437 jobs located in Cairns.

This means that 9 jobs are created through every $1m of Council operational expenditure: 5 in Local Government sector, plus 4 more jobs in areas like retail, Professional, Scientific and Technical Services and Accommodation and Food Services.

This ripple effect arises from linkages with other businesses and from workers spending money in the region. The combination of all direct, industrial and consumption effects from operational activities generates Value-added of $269.5 million in Cairns economy, equating to 2.1% of Gross Regional Product.

Impact Summary – Cairns Regional Council - Operations ($275.6m) – 2025/26

Summary	Output ($m)	Value-added ($m)	Local jobs
Impacts on Cairns economy			
Direct impact on Public administration sector	275.6	149.8	1,399
Industrial impact	113.0	50.1	381
Consumption impact	132.3	69.6	657
Total impact on Cairns economy	**520.9**	**269.5**	**2,437**

Source: .id analysis; National Institute of Economic and Industry Research (NIEIR)

3.2 Economic impact of capital works program

Council manages a very diverse range of infrastructure assets with a gross value exceeding $7.7 billion[1]. In 2025/26 Cairns capital works program totalled $291.5 million. Of this, it is estimated that $263.5 million was spent with local businesses. This investment in roads, infrastructure and transport has an immediate impact on the economy as well as a long term impact on regional productivity.

The capital works expenditure (local) of $263.5 million created through construction projects is estimated to lead to a corresponding direct addition of 657 jobs in the local Construction sector. This expenditure results in flow on effects into other related intermediate industries, creating an additional 843 jobs. This addition of jobs in the local economy would lead to a corresponding increase in wages and salaries, a proportion of which would be spent on local goods and services, creating a further 899 jobs through consumption impacts. The total impact of the capital works program results in a total impact of 2,399 jobs in the Cairns Regional economy.

This means that 9 jobs are created through every $1m of spending on the capital works program: 2 in the construction industry, plus 7 more in areas like retail, manufacturing and business services. This ripple effect arises from linkages with other businesses and from workers spending money in the region.

The combination of all direct, industrial and consumption effects, results in a contribution of $266.7 million of Value-added in Cairns economy, equating to a 2.1% of Gross Regional Product.

Impact Summary – Cairns Regional Council - Capital Works ($263.5m) – 2025/26

Summary	Output ($m)	Value-added ($m)	Local jobs
Impacts on Cairns economy			
Direct impact on Construction sector	263.5	76.8	657
Industrial impact	245.8	94.7	843
Consumption impact	181.0	95.2	899
Total impact on Cairns economy	**690.3**	**266.7**	**2,399**

Source: .id analysis; National Institute of Economic and Industry Research (NIEIR)

Note: Direct construction employment is shown as 2 jobs per $1 million of capital works expenditure. The 2024/25 report showed 3 jobs per $1 million from a materially identical underlying estimate (2.49 jobs per $1 million in both years); the difference reflects rounding only, not a change in construction employment intensity.

[1] Source: https://www.cairns.qld.gov.au/__data/assets/pdf_file/0006/736476/2026-27-Budgeted-Financial-Statements.pdf

3.3 Total economic impacts

The combination of all direct and ripple effects results generated $536.2 million in gross value added to the local economy in 2025/26. This value represents Cairns Regional Council's contribution to Gross Regional Product (4.2% of total GRP).

This results in a total impact of 4,836 jobs in the Cairns Regional economy. This means that 9 jobs are created through every $1m of spending.

Impact Summary – Cairns Regional Council – Combined impacts ($539.1m) – 2025/26

Total economic impacts	Output ($m)	Value-added ($m)	Local jobs
Operational impacts			
Direct impact on Local Government	275.6	149.8	1,399
Industrial impact	113.0	50.1	381
Consumption impact	132.3	69.6	657
Operational impact on Cairns economy	520.9	269.5	2,437
Capital works impacts			
Direct impact on Construction	263.5	76.8	657
Industrial impact	245.8	94.7	843
Consumption impact	181.0	95.2	899
Capital works impact on Cairns economy	690.3	266.7	2,399
Total impacts			
Direct impact	539.1	226.6	2,056
Industrial impact	358.8	144.8	1,224
Consumption impact	313.3	164.8	1,556
Total impact on Cairns economy	1,211.2	536.2	4,836

Source: .id analysis; National Institute of Economic and Industry Research (NIEIR).

Note: The economic impact model is updated each year to take account of changes to the local economy. Multipliers for a region may change over time in response to changes in the economic and industry structure as well as price changes.

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