



CAIRNS REGIONAL COUNCIL

MANUFACTURING INDUSTRY

2021/22



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Industry Snapshot - 2022



\$1,231M

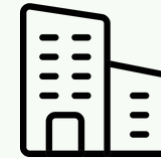
Output / Total Sales



3,190

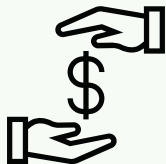
Local Jobs

3.8% of total local jobs



522

Local Businesses

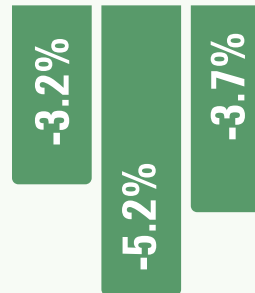


\$364M

Gross Value Added

4.2% of total industry value added

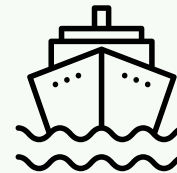
**5YR
ANNUAL
GROWTH**



Output
Value Added
Local Jobs



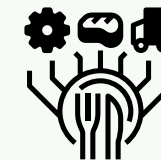
KEY SUB-INDUSTRIES



Transport Equipment

\$111M Value Added

790 Jobs



Food Product Manufacturing

\$61M Value Added

571 Jobs

Sources: NIEIR, 2023; ABS, 2022

Industry Size and Composition



Output/Sales



Value Added



Employment

Direct

\$1,231M

\$364M

3,190

Indirect/Flow-on Impacts

Industrial

\$547M

\$245M

1,805

+

+

+

Consumption

\$252M

\$131M

1,420

Total Impact

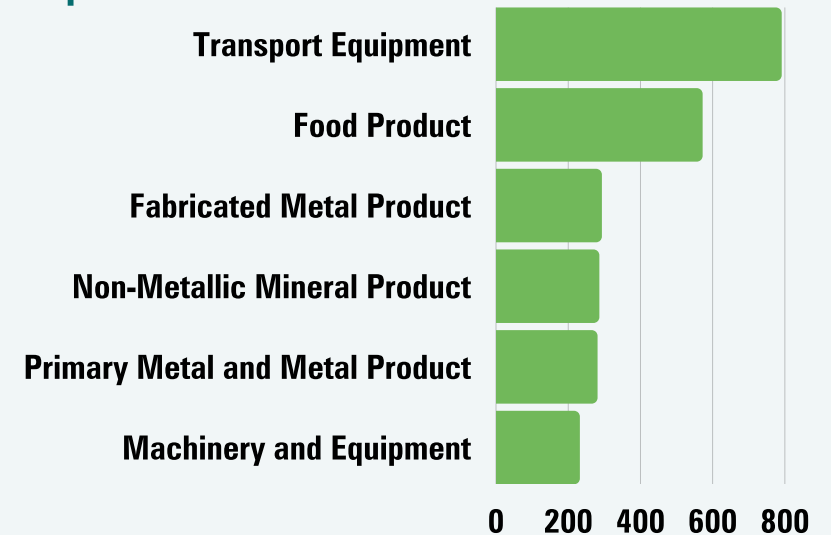
\$2,030M

\$740M

6,415

In 2021/22, the Manufacturing in Cairns was estimated to have generated \$364M in direct plus an additional \$376M in indirect impacts for a total contribution of \$740M in Value Added. The industry supported 3,190 jobs directly and an additional 3,225 in indirect employment. The largest sub-industry for direct employment was estimated to be Transport Equipment Manufacturing with 25% of the total sector's employment.

Share of Total Sector Employment, 2021/22 Top Sub-Industries

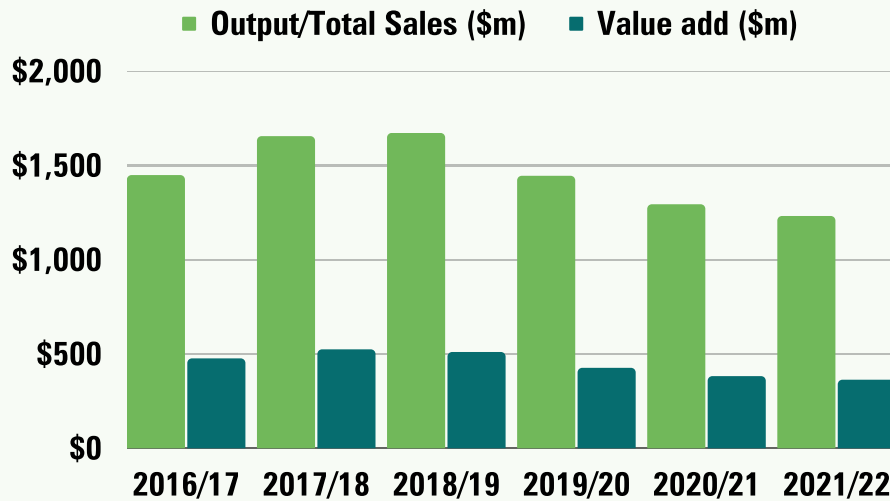


Sources: NIEIR, 2022

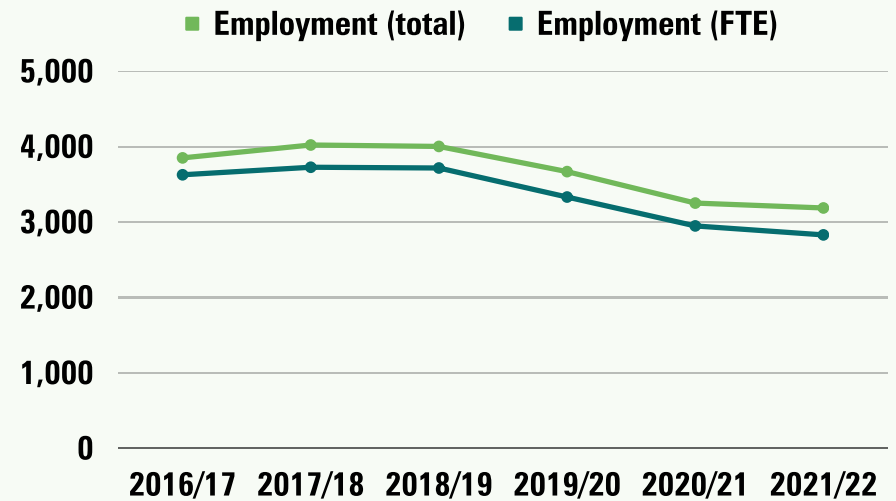
GROWTH TRENDS

In 2021/22, there was an estimated 3,190 employees working in the Manufacturing Industry in Cairns and 2,830 full-time equivalents. The industry generated \$364M in direct Value Added, or \$114,214 per employee (\$128,622/FTE). Change in the industry has averaged -3.7% p.a. for employment over the last five years and -5.2% p.a. for value added in contrast to growth at the state level. Most of the decline has occurred in recent years after a peak in 2018/19.

Economic Value, Cairns Region, Financial Year



Average Employment, Cairns Region, Financial Year



**5 YEAR
AVERAGE
ANNUAL
INDUSTRY
GROWTH**

-3.2%

Output/Sales

2.9% p.a.

-5.2%

Value Added

0.4% p.a.

**5 YEAR
AVERAGE
ANNUAL
INDUSTRY
GROWTH**

-3.7%

Employment

2.1% p.a.

-4.8%

FTEs

1.2% p.a.

Sources: NIEIR, 2022

COMPETITIVE ANALYSIS



Cairns has a strong specialisation in shipbuilding supporting 45% of QLD's jobs in this industry. The world-class marine precinct services 15% of all Australian and close to 80% of all North Queensland registered vessels longer than 15 metres.



Cairns continues to win major Defence contracts due to its service role for the HMAS Cairns Naval base. It has recently been designated as one of four Regional Maintenance Centres for the Navy in the country.



Cairns is also over-represented in Aircraft Manufacturing and Repair Services supporting three times the state average employment. This is enabled by Cairns Airport being a regional aircraft maintenance hub.



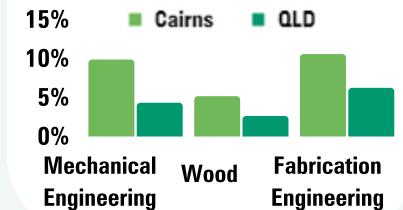
Cairns has an over-representation in sugar manufacturing due to large sugar cane plantations and MSF Sugar's Corporate Head Office being located in Gordonvale, 30mins drive south of Cairns city.



Cairns has a State Government supported Regional Manufacturing Hub which provides a place for local manufacturing businesses to receive expert advice and support to develop advance manufacturing capabilities.



Cairns manufacturing workers specialise in a number of roles including mechanical engineering which is >2 times the state average.



Sources: PwC, 2020; ABS census 2021; NIEIR, 2022

WORKFORCE PROFILE

Workers in the Manufacturing Industry in Cairns in 2021 were slightly older than the state as a whole with a median age of 44 and more male orientated (76% compared to 72% for QLD).

Approximately 66% of the workforce had Certificate III or above qualifications and 19% were working in professional or managerial roles.

In 2021, the FTE median income of the local workforce was just below the state median. The region had a higher share of business owner/managers (16%) than the QLD average.

KEY CHARACTERISTICS OF THE MANUFACTURING INDUSTRY, 2021 - CAIRNS REGION



44 years

Median Age

QLD - 42 years



\$65,663

Median Income FTE

QLD - \$66,246

♂ 76% **♀ 24%**
Male **Female**

QLD - 72%/28%



82%

Full Time

QLD - 82%



22%

Born Overseas

QLD - 32%



16%

Owner Manager

QLD - 11%



10%

**Degree or
Above**

QLD - 15%

56%

**Certificate III to
Advanced Diploma**

QLD - 44%



19%

Professionals/Managers

QLD - 23%

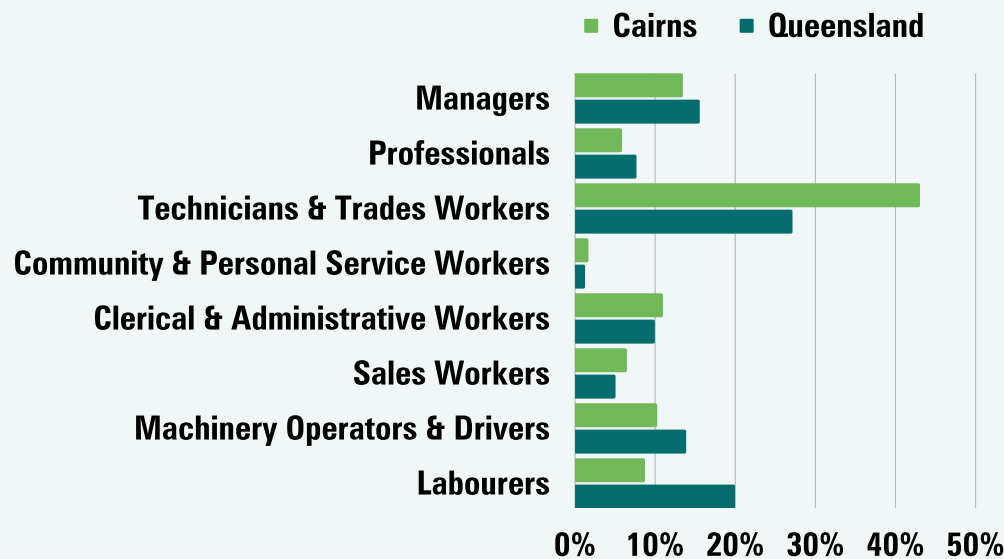
Sources: ABS Census of Population and Housing, 2022

EDUCATION & SKILLS

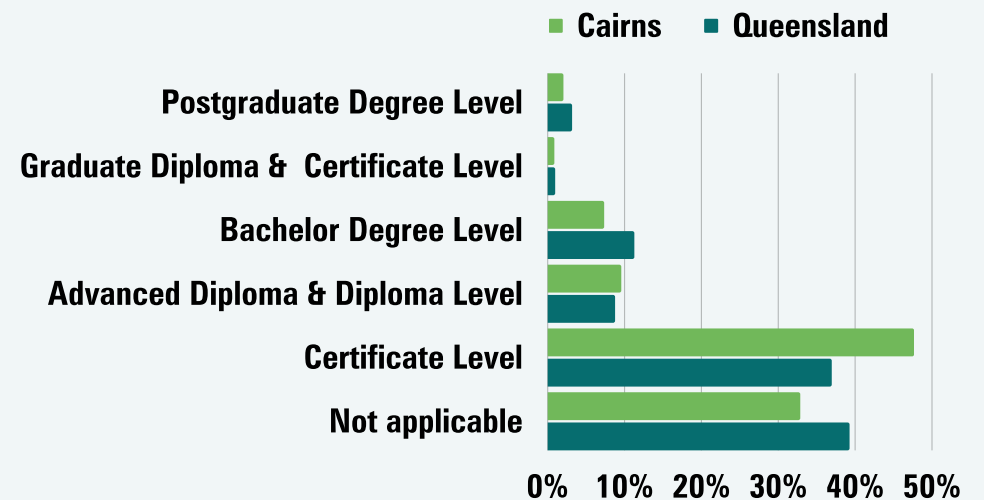
The Manufacturing Industry in Cairns had a lower share of workers in professional occupations in 2021 (6%) compared to the QLD average (8%), but a much higher share of technicians (43%). The top occupations were Structural Steel and Welding Trades Workers and Aircraft Maintenance Engineers.

The industry had a higher share of qualified workers (67%) than the QLD average (61%) with most having certificate level (trade) qualifications).

Local Workforce Occupations, 2021



Local Workforce Qualifications, 2021



Top Occupations

- Structural Steel and Welding Trades Workers
- Aircraft Maintenance Engineers
- Cabinetmakers
- Metal Fitters and Machinists

Top Study Fields

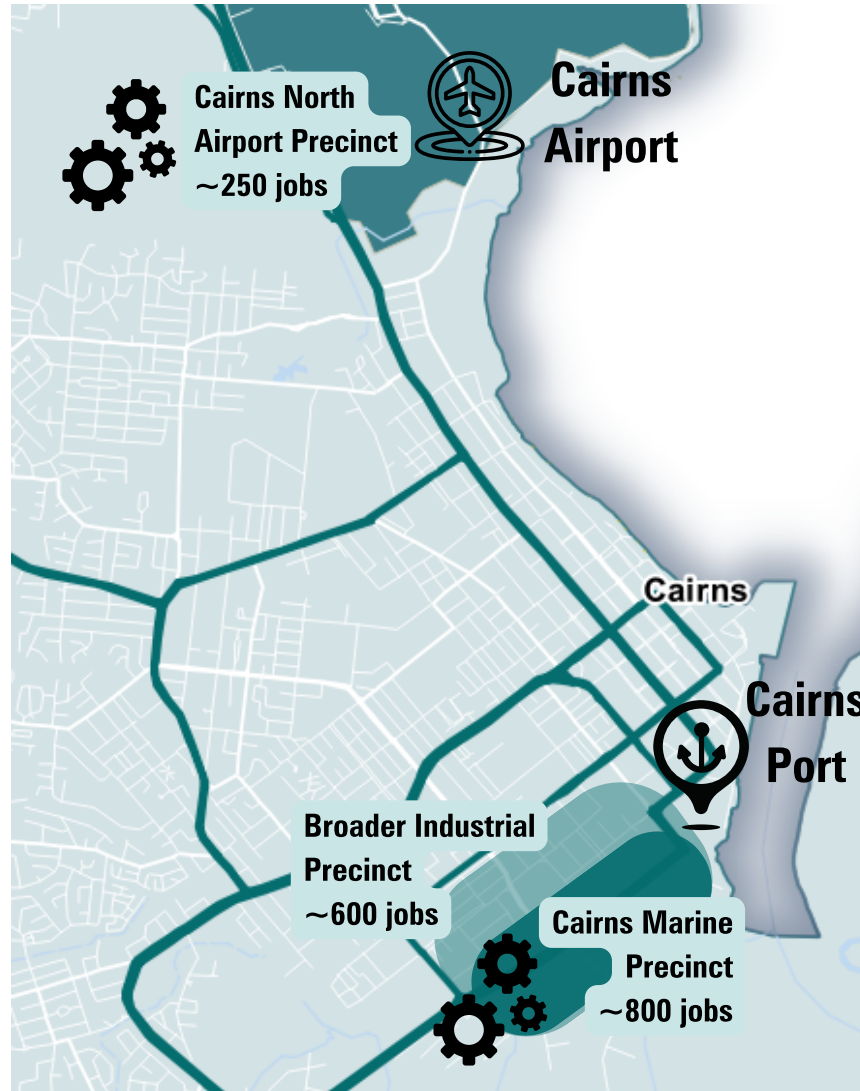
- Boilermaking and Welding
- Engineering and Related Technologies
- Metal Fitting, Turning and Machining
- Cabinet Making

Sources: ABS Census of Population and Housing, 2022

Main employment precincts



Estimated Industry Jobs, 2021



Sources: ABS Census of Population and Housing, 2022

Key employers

- Austal Cairns
- CSF Industries
- Jet Aviation
- MSF Sugar
- Norship
- Norweld
- Seaswift
- Skytek
- TNQ Hydraulics
- Tonkin Steel
- Tropical Reef Shipyard

PROJECTS & TRENDS SHAPING THE FUTURE



Expansion of Cairns Marine Precinct

Federal and State Governments have committed \$300M for a major expansion to the precinct through a new marine common user maintenance, repair and overhaul facility in a move to capture more large defence and maritime contracts. This will allow much larger ships to be repaired and maintained.



Advanced manufacturing facilities

There is an early stage proposal for an Advanced Fibre Composites Maintenance and Repair Facility and access to 3D printing technologies in Cairns. If realised, this would assist local aviation businesses specialise in maintenance and repair work, particularly for small to medium-sized aircraft.



Regional networks and grants

Cairns is one of the designated State Government Regional Manufacturing Hubs which means funding will be available for specialist training, business development and network development for local manufacturers. Key focus areas are marine, aviation and food manufacturing.



Cairns South State Development Area (SDA)

The 1159-hectare Cairns South State Development Area provides land for regionally significant industrial development over two separate areas. It can support growth of manufacturing and potentially bio-industrial development that can use by-products from Mulgrave Mill.

SWOT Analysis

STRENGTHS

- Large specialisations in marine and aviation manufacturing areas with major complementary facilities
- Ongoing navy investment that provides secure employment
- Major education facilities that can target industry needs
- Cairns designated as a Regional Manufacturing Hub which supports training, upskilling and access to government grants



WEAKNESSES

- Shortage of adequate industrial land space has been cited by some local businesses
- Some specialist skills needs in short supply due to under-provision in local training market
- Small population base and distance to larger markets can impact expansion of some businesses
- High input costs impact profit margins



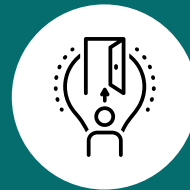
THREATS

- The expansion of the Navy base, while having flow on economic benefits, may add to the skills shortage faced by smaller businesses
- Energy and fuel cost rises to impact profit margins for some time
- Supply chain constraints/weaknesses may continue to see Cairns businesses not reap export potential



OPPORTUNITIES

- Major marine precinct investments will support shipbuilding and maintenance
- Investment in shared facilities for advanced manufacturing can have multiplier effects
- Cairns South SDA and a potential Airport Industry Precinct can address land supply needs
- Growth opportunities for clean energy projects
- Cairns Regional Trade Distribution Centre can enable more air freight opportunities





For more economic data on the
Cairns Region, visit economy.id



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