



APRIL 2013

Mining Initiatives

MINING

Industry value

Northern Queensland's resource sector has experienced significant growth over the past ten years, with extensive expansion in coal mining, minerals and LNG. More than 31,000 people, 7 per cent of the region's employees, are now directly employed in the mining sector. (OESR, 2013)

Coal

The Northern Queensland region is home to one of the largest coal mining deposits in Australia, the Bowen Basin, which supplies about half of the state's total coal production and approximately three quarters of its total coal exports.

The Galilee Basin also contains vast quantities of shallow thermal coal, which is used for electricity generation. Around nine "mega" mines are proposed to dig out the coal through both open-cut and underground extraction. This has the potential to significantly impact on regional Queensland's electricity supply.

Continued expansion and increased coal production has also lead to heightened activity in rail and ports which provide the efficient transport of coal to Northern Queensland's six coal export terminals.

Minerals

Northern Queensland is also one of the largest producers of lead, zinc and silver and Australia's leading copper, lead silver and zinc producer, second largest bauxite (used in aluminum) producer and the third largest gold producer. Many areas of the state are still highly prospective, with opportunities for further exploration.

Queensland Dept Natural Resources and Mines DNRM, 2012

The Queensland Government has announced that it will recommence uranium mining in Queensland, as part of its strategy to strengthening the resource pillar in our economy. Further exploration and mining development opportunities will see increased investment and export potential balanced with environmental, cultural and social needs expressed by local communities.

Coal Seam Gas

Exploration expenditure for the petroleum industry - including coal seam gas (CSG) - increased significantly in 2009-10 with an expenditure of A\$480.5 million compared with A\$288.2 million in 2008-09.

Since the mid-1990s, CSG has grown to become a significant source of gas, supplying approximately 80 per cent of the Queensland market. It has retained its status as a standout sector, which will enable Queensland and the world to move towards cleaner energy sources.

In the past five years there has been a growing interest in using Queensland CSG to produce liquefied natural gas (LNG) for export, taking advantage of increasing global demand for gas. Three export LNG projects are currently under construction on Curtis Island near Gladstone with first cargos expected in late 2014. A further five proposals to develop export LNG projects are under also consideration. (DNRM, 2012)

Benefits of a Tropical Knowledge Economy

The economic benefits of Queensland's resources sector to the state economy:

In 2010-11 the sector delivered one in every five dollars to the state's economy through spending in Queensland.

In 2010-11 the sector offered a \$25.2 billion stimulus, an increase of 13 percent from 2009-10.

In 2010-11 the sector accounted for one in eight jobs by using 0.09 per cent of the state's land mass.

Data sourced from Queensland Resource Council - www.queenslandeconomy.com.au





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Regional Priority

The strong resource sector in Northern Queensland has provided enormous economic wealth and job opportunities for regional communities. While this growth brings many benefits, it has placed significant pressure on transport infrastructure including road, rail, port; water, sewerage, electricity supply and essential social infrastructure including health and community services, and affordable housing.

Local, State, and Federal Governments, along with the private sector have struggled to keep pace with infrastructure demands and service provision as increased populations grow in resources communities including significant amounts of FIFO/DIDO workers.

The key challenges arising from the pressure of the rapid growth of the resource sector include:

- Social wellbeing and lifestyle*
- Affordable Housing*
- Infrastructure planning and transport issues*
- Workforce development strategies, education and skilling*
- Governance and the lack of coordination of mining approvals
- Post mining futures

*Research undertaken by RDA and Central Queensland University, 2013. 'The Impacts of Resource Sector Growth in Regional Communities'

Not all regions within Northern Queensland have benefited from the resources boom. Some have experienced a loss of skilled workers affecting productivity in foundation industries such as construction and agriculture. An innovative and collaborative approach will be required to leverage benefits for the entire region, for example through skills training, and workforce development strategies.

Consistent with the recommendations of the House of Representatives Committee on Regional Australia FIFO report (February 2013), more can be done to sustain livability in resource regions as well as those regions that supply mining services and workers.



Where to from here:

Strategic initiatives which span Northern Queensland and will support mining initiatives include expanded aviation, upgrading of road infrastructure and increasing the capacity of human services:

AVIATION		
Action	What's needed	Benefits to our communities and regional economies
Aviation expansion across Northern Queensland	Expansion of the regional airports in Northern Queensland. Development of Northern Queensland Aviation Strategy (\$200k).	<ul style="list-style-type: none"> • Support mining exploration and development • Strengthening resource communities by increased economic activity • Increased FIFO traffic and choice • Increased tourism • Increased agricultural export opportunities • Better links between North Queensland and Asia for export opportunities • Connecting remote and rural communities with a east west link, strengthening transport hubs such as Mackay, Gladstone, Townsville and Cairns • Better social services to resources communities through increased routes • Better freight opportunities and tourism links

Examples of projects that would support the wider aviation strategy include:

- **Expansion of Whitsunday Coast Runway and Airport upgrades**
- **Cloncurry Airport Terminal Upgrade**
- **Thangool Airport Expansion**
The expansion and upgrade of Thangool Airport to comply with Federal Aviation regulations, alleviate existing capacity constraints and to accommodate future growth

ROAD INFRASTRUCTURE		
Action	What's needed	Benefits to our communities and regional economies
Road infrastructure to support growth of mining industries including flood proofing and upgrades to the Bruce Highway and key resource community roads	Essential upgrades and flood mitigation to resource community roads is critical to the ongoing expansion of the mining industry and to ensure community safety and livability. NB: See infrastructure fact sheet for specific road investments	<ul style="list-style-type: none"> • Greater opportunity for economic development, social connectiveness and personal safety of all road users • It will help to address the high risks associated with the flow of goods and services, and rapid response teams during wet weather events and natural disasters • Enable the long term growth and development opportunities to be fully recognised; and • Reduce the incidence of serious injuries and fatalities





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HEALTH AND COMMUNITY SERVICES		
Action	What's needed	Benefits to our communities and regional economies
<p>Secure Health and Community Services</p> <p>Rapid increases in the capacity of the Northern Queensland human services sector to plan and coordinate responses to combined effects of regional growth and decline.</p>	<ul style="list-style-type: none"> Federal and State Government investment in building human and community services sector capacity in resource communities Federal, State and Local Governments to partner with Regional Universities/JCU/ Central Queensland University to establish enhanced regional data and social impact assessment capacity Federal and State Governments to develop strategic human services delivery strategy for Northern Queensland Social Infrastructure planning as part of the Northern Queensland Infrastructure Plan 	<p>Provision of health and community services for the growing population requires investment in doctors and health services in regional and remote communities.</p> <p>House of Reps, Standing Committee on Regional Australia Recommendation 20 – Feb 2013</p>

Examples of projects that will support the strategic initiatives for mining and resource communities include:

- **Workforce development, skilling and education**
CQU Dual Sector merger
Whitsunday Industry Workforce Development Initiative

Source of Statistics and Data:

- Extracts from Queensland Dept of Natural Resources and Mines, Geological Survey Qld – Qld significant mineral mines, advanced mineral projects and new intersections July 2012
- Queensland Resource Council www.queenslandeconomy.com.au
- OESR Qld Treasury and Trade Feb 2013 'North Qld Super Zone Region'
- House of Representatives Committee on Regional Australia (Feb 2013) FIFO report
- Tourism Qld., 2013 www.tq.com.au/research/index.cfm
- RDA MIW, RDA Fitzroy and Central West, RDA Wide Bay Burnett and CQU, 2013. 'The Impacts of Resource Sector Growth in Regional Communities'

WHO WE ARE

The role of Regional Development Australia Committees is to work across all three levels of Government, local industry and their regional communities to enhance the growth and development of regions across Australia. This includes the identification and advocacy of agreed regional priorities; and working in collaboration with regional partners to strengthen each region's long-term sustainability for the long-term benefit of future generations.

www.rda.gov.au

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An Australian Government Initiative



Queensland Government