

QUESTION ON NOTICE

No. 489

asked on Wednesday, 16 April 2008

MRS ATTWOOD ASKED THE MINISTER FOR MINES AND ENERGY (MR WILSON)—

QUESTION:

Would the Minister provide details on how the current mining boom is affecting our economy?

ANSWER:

Queensland is well endowed with significant mineral and energy resources and as a consequence is well placed to benefit from the current global mining boom. Our mining and petroleum industries are recognised as being among the major drivers of economic growth and regional development in this State.

In 2006-07, the at-mine value of Queensland's mineral and petroleum production was \$26.3 billion. This was an increase of approximately 11 per cent from the previous year, due largely to buoyant commodity prices.

In addition, the State, and particularly regional Queensland, benefits from an industry directly employing approximately 33,800 people, with many more employed indirectly. Indirect jobs include a wide range of service and support industries, mineral processing, and in the provision and operation of infrastructure such as roads, rail lines and ports.

Importantly, all Queenslanders are benefiting from the income the State receives from mining. This income comes in the form of royalties paid on coal, mineral and petroleum production, rents on exploration and mining tenures and returns from rail freights and port charges. Royalties alone comprised \$1.329 billion in 2006-07. These funds are used to provide for state services and facilities in areas such as education, health and law and order.

Most mines and petroleum and gas operations are located in regional Queensland. The monies spent by mining companies and mine workers in their local communities are important in maintaining strong regional economies. Mining companies also support their local communities directly through the construction of facilities and through cultural and social activities.

Exploration is important as it is the pathway to new discoveries, new projects, new mines, and new petroleum and gas operations which result in new jobs and additional income to the State. In Queensland, 2006-07 was a boom year for exploration, with an increase of over 30 per cent in expenditure to \$464.2 million, led by base metals and petroleum exploration.

Additionally, the Australian Bureau of Statistics reports that new private capital expenditure in the mining industry remains high at \$3.68 billion for 2006-07, representing approximately 24 per cent of the state's total new private capital expenditure.

The Government recognises that the mining and petroleum industries depend on infrastructure provision and are drivers of infrastructure development across the State. Local communities benefit from new water, power and transport infrastructure which flow from new mining and petroleum projects.

While most know that the central and north-west regions of the State are important mining centres, it should be pointed out that South East Queensland also produces significant quantities of coal, gold, mineral sand, silica sand and brick clay as well as kaolin, limestone, dolomite, diatomite, perlite and dimension stone. Much of the clay used in the production of bricks and tiles in Queensland is mined in the South East.

Apart from direct production of minerals, South East Queensland is also home for many of the firms that provide services to the mining industry. These range from technical, engineering and scientific services, through equipment and maintenance services, to transport and logistics. Included in these are companies such as Industrea, Minemech Services (Qld) Pty Ltd, Blast Control Pty Ltd and Sardik Engineering located in the member's own Mount Ommaney electorate.

Brisbane is also the primary location for head offices of mining firms operating within the State, and several major accounting and legal firms have their National resources business lives based in Brisbane. .

The mining and petroleum industries continue to be the engine room of Queensland's prosperity.

I thank the Member for her question.