

QUESTION ON NOTICE

No. 1910

asked on Thursday, 28 November 2019

MR J MADDEN ASKED THE MINISTER FOR NATURAL RESOURCES, MINES AND ENERGY (HON DR A LYNHAM)—

QUESTION:

Will the Minister outline the importance of the Queensland mining industry for the state's economy and providing jobs for Queenslanders?

ANSWER:

Queensland's mining industry is critical to the economic success and future of our state.

The resources sector is a significant contributor to the state's economy through direct investment, employment, royalties and flow-through industry development. In the year to September 2019, Queensland's resources exports reached over \$73 billion – that is \$9 billion more than the previous year.

In the 2019-20 State Budget, revenue raised from royalties for this financial year are estimated to be \$5.5 billion. This dividend to Queenslanders for the use of their resources provides funding for schools, hospitals, roads and other vital infrastructure.

The resources sector is also a major Queensland employer. According to data from the Australian Bureau of Statistics to August 2019, more than 66 000 people are employed in Queensland's resources sector.

Since 2015, resource companies have invested or committed more than \$20 billion in Queensland, supporting more than 7000 jobs, many of which are in regional communities.

This past year has been an exciting time for Queensland's resources sector. Queensland continues to do the heavy lifting when it comes to ensuring that gas flows to domestic users in the east coast gas market. Senex Energy was granted a petroleum lease with an Australian Market Supply Condition in March 2018 for its Project Atlas, which includes construction of a \$140 million gas processing facility and pipeline.

Not only has Senex Energy's Project Atlas supported the creation of 150 direct jobs, it is supporting Queensland's manufacturing sector as well. Senex Energy has recently announced gas supply contracts with a range of domestic users including: Australian building products manufacturer, CSR Limited; packaging company, Orora; and glass packaging manufacturer, O-I. Senex Energy has now produced first gas from this project in just 18 months. This is an outstanding achievement.

The future of Queensland's resources sector is bright, with many new projects commenced in 2019 and expansions on the way. In March 2019, the Premier officially opened Rio Tinto's \$2.6 billion Amrun bauxite mine, on the Cape York Peninsula – the mine supports hundreds of jobs in the region.

The Coordinator-General is progressing environmental impact statement approvals for the \$1 billion Olive Downs metallurgical coal mine, which is located 40 kilometres south east of Moranbah and will support 1000 operational jobs and 500 construction jobs, as well as the \$1 billion Winchester South coal project near Moranbah that will support another 500 construction jobs and 450 operational jobs.

On 22 August 2019, the Palaszczuk Government also announced the first Royalty Deferral and Repayment Agreement with Century Zinc mine, to restart the \$150 million mine. This project will support 260 construction and 240 operational jobs, and the deferral agreement is an important step in the Palaszczuk Government's commitment to open up the North West Minerals Province.

But the Palaszczuk Government is not finished and it will continue to encourage the growth of the State's resources sector. On 19 November 2019, the Palaszczuk Government committed a further \$13.8 million, over five years, to the State's North West Minerals Province. This five-year package aims to encourage new exploration, re-investigate old mines and examine the geological information government already holds.

The \$13.8 million package includes:

- \$4.8 million to re-examine old mine tailings and core samples for new age minerals; and
- \$9 million to unearth geological information to help industry identify new projects, including \$3.5 million for industry grants, over five years, for new and innovative exploration activities.

This new funding for the North West Mineral Province builds on previous commitments, including \$39 million in the 2017 budget for the North West Queensland Economic Diversification Strategy, \$380 million of previous funding commitments for the Mount Isa Rail Line and \$80 million to reduce rail access charges on the Townsville to Mount Isa Rail Line. This brings the total commitment to initiatives that support the North West Minerals Province and economic diversification to \$557.3 million.