

OPENING ADDRESS

Cairns Annual Mining Roundup

AusIMM FNQ Branch

27 May 2021, 0830 hrs

Cairns Sheridan Hotel (295 Sheridan Street, Cairns Queensland)

20 minutes: 2659 words

TOPIC: QRC perspective of mining in North Queensland, current and future, Relevance of QRC to small ASX listed companies and private companies

Well thank you very much Brett and thank you for inviting me here today.

It's always good to come a little further north in the Autumn months, particularly from frosty Toowoomba.

But before I go on, I wish to acknowledge the traditional custodians of the land on which we meet today.

PAUSE....

I'd also like to acknowledge

Dave Clark President of AusIMM and Steve Durkin CEO AusIMM

Ladies and gentlemen, well what an exciting time to be in the resources sector in Queensland and in particular its northern regions.

This mineral rich region, with its established minerals operations, emerging critical minerals, renewable energy sources and rich potential for hydrogen ventures will help provide the feedstock for the vital infrastructure necessary for the world's low-emissions future.

Already, the resources sector makes a giant contribution to Queensland's **northern regions**. In 2019-20, resources companies paid \$960 million in wages to almost 9,000 resources workers in the far north, northwest and northern Queensland. And, \$1.3 billion was spent by resources companies **in** these regions on **local** goods and services.

If you add the flow-on effect, another 17,000 jobs are supported by resources in these districts and the sector was responsible for about \$4 billion in gross regional product across the three regions.

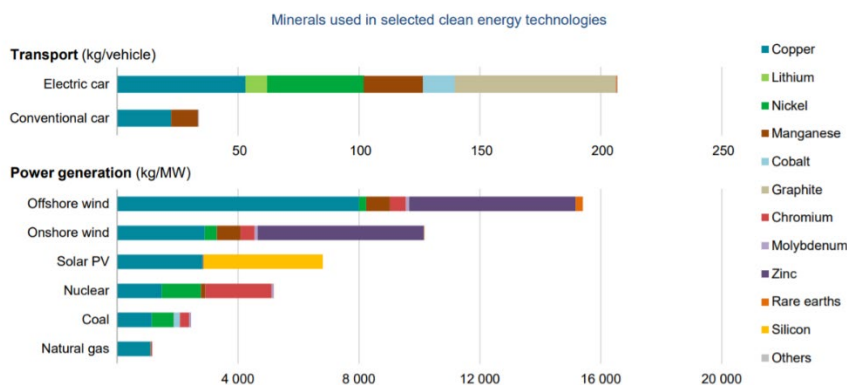
They are big numbers and are only going to get bigger as we build on north Queensland's traditional commodities of minerals such as copper, zinc, and bauxite, further develop our critical minerals endowment needed for renewable energy infrastructure and technology, and expand into low-emission energy opportunities such as hydrogen.

To illustrate the importance of Queensland’s critical minerals resources to world supply, the latest International Energy Agency minerals report says current supply and investment plans for many critical minerals fall **well short** of what is needed to support an accelerated deployment of solar panels, wind turbines and electric vehicles.

The report points out that geographical concentration, long lead times to bring new mineral production on line, declining resource quality in some areas, and environmental and social impacts, all create concern around reliable and sustainable supplies of minerals to support the transition to low emissions energy.

The report also highlights the significant increase in demand for minerals because of the rapid deployment of clean energy technologies.

The rapid deployment of clean energy technologies as part of energy transitions implies a significant increase in demand for minerals



Notes: kg = kilogramme; MW = megawatt. Steel and aluminium not included. See Chapter 1 and Annex for details on the assumptions and methodologies. IEA. All rights reserved.

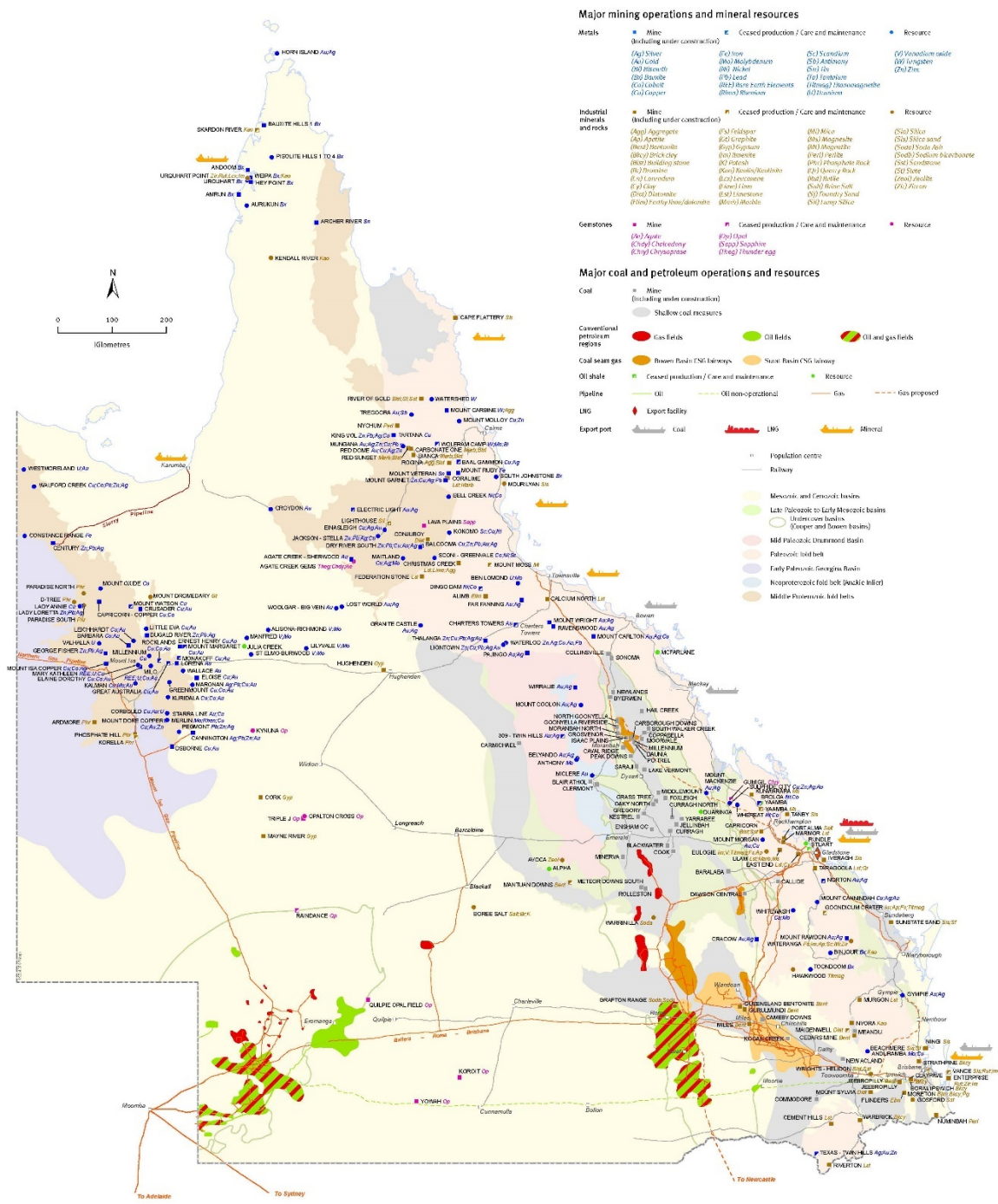
The IEA Sustainable Development Scenario [SDS]) would mean quadrupling of mineral requirements for clean energy technologies by 2040. An even faster transition, to hit net-zero globally by 2050, would require six times more mineral inputs in 2040 than today.

In November, the UN Conference of Parties will head to Glasgow for the 26th meeting since the 1994 convention on Climate Change was signed. It's likely that these discussions will aim to accelerate global ambitions to reduce emissions.

The good news is, Queensland has lots of these 'new economy' minerals— from Bauxite to Zirconium. And large volumes will be needed – for example, electric cars need four times as much copper as standard vehicles. Queensland produced 220.5 kilotonnes of copper in 2019-20 according to the Queensland Office of the Chief Economist and that's enough copper for around 2.75 million EVs.

You can see from all the blue dots on this map they are mostly concentrated in the state's North West and North East mineral provinces.

Queensland's major mineral, coal and petroleum operations and resources



Nineteenth Edition, updated November 2019
 Prepared by Spatial and Graphics Services, Divisional Support
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<https://www.dnr.qld.gov.au/>



I'll just highlight a few of them:

- Glencore and Mitsubishi Development's joint venture Aurukun Bauxite Project with its 400 new jobs.
- Saint Elmo Project near Julia Creek, which is focused on producing vanadium for batteries in the residential energy storage market.
- Walford Creek project north west of Mount Isa, which is home to one of the highest-grade cobalt sulphide deposits in Australia.
- Capricorn Copper Project, north of Mount Isa, which is an operating mine producing copper, and has also commenced resource definition for the extraction of cobalt.
- Sconi Project located at Greenvale, north-west of Townsville, currently in construction phase. It will produce cobalt and nickel.
- And Australian Mines Ltd recently upgraded their project resource to more than 75 million tonnes after finding consistent high-grade nickel and cobalt across their project area.

And I just want to congratulate the Queensland Government here for its ongoing investment in pre-competitive resource exploration, which encourages and provides incentive for our exploration sector to take the enormous risks involved in searching for new mineral deposits.

Now to hydrogen, which seems to have been hogging the limelight lately and it's certainly front of mind with the Queensland Government, which as you'd know has appointed its own Hydrogen Minister in Mick de Brenni.

Minister de Brenni has also appointed three 'Hydrogen Champions' – including the Member for Rockhampton Barry O'Rourke - to back the state as a hub for an Australian hydrogen industry.

So what's the QRC's view of this emerging industry? Well, I have two very simple messages on hydrogen.

Firstly, we see hydrogen as a resource – so we welcome hydrogen producers, users, and suppliers into QRC membership.

Secondly, hydrogen is a tremendous opportunity for Queensland. We have the land, the expertise, a first-class regulatory framework, the determination, and the infrastructure to show the world how to produce hydrogen safely, cleanly, and economically.

The CSIRO says the mining sector is set to be an early adopter of hydrogen and this is confirmed by QRC's latest State of the Sector survey, which also found that more than half of our member CEOs were considering hydrogen development opportunities in their business.

While the export potential for hydrogen is likely to be large, we are likely to see most of the early hydrogen projects in Queensland developed for local use – to reduce emissions locally. There's no better example than the work that Anglo American are doing on their hydrogen haul truck.

The Queensland Government estimates that by 2030, the hydrogen industry will be worth about \$1.7 billion a year in exports to the state.

Confidence in north Queensland's renewable energy future is also demonstrated by the Northern Australia Infrastructure Facility or NAIF, which provided a loan of \$610 million to Genex Power Limited's 250MW Kidston Pumped Storage Hydro Project. I'm pleased to say this project recently reached financial close.

It is the NAIF's largest investment decision to date and the project is forecast to create more than 500 construction jobs.

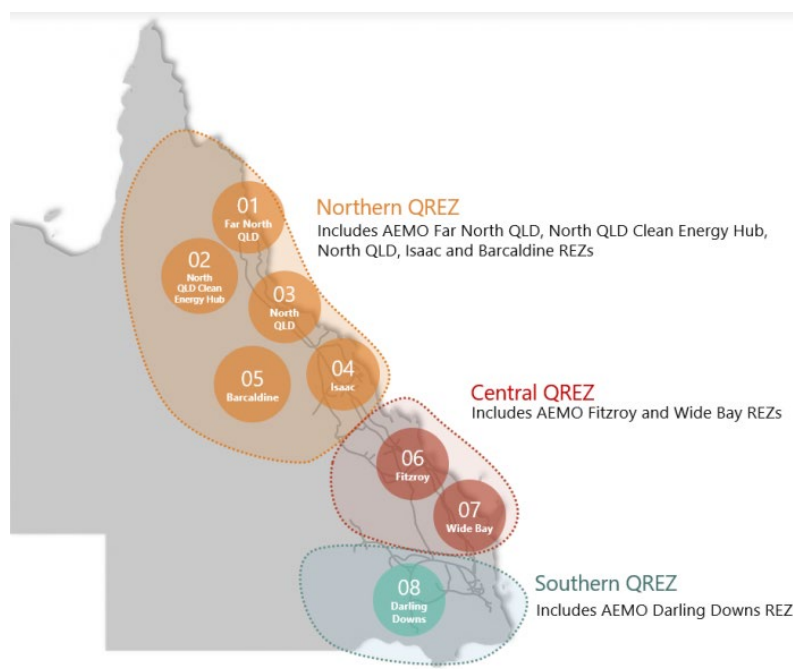
It's expected to deliver affordable, reliable electricity for north Queensland, which is vital to the region's economic growth.

And the **Queensland** Government also recognises the importance of emerging renewable energy opportunities with the announcement just last week of its \$145 million commitment to establish three Queensland renewable energy zones (QREZ) – one here in the north, a central, and a Southern zone.

QREZ aims to develop strategic network investments, streamline the development of new renewable energy projects, and match new and existing industrial energy demand with renewable energy.

The development of QREZ aims to bring together coordinated investment in transmission and generation infrastructure with industrial demand in a way that complements and benefits Queensland communities.

The Northern, Central and Southern QREZ cover areas identified by the Australian Energy Market Operator as having good quality renewable resources and other characteristics suitable for renewable energy.



I agree with the government's assessment that long-term development of these zones will be complex and will need to support existing industries and emerging opportunities like the hydrogen economy.

As a first step, the Queensland Government is working with state-owned transmission network service provider Powerlink Queensland to identify potential renewable energy investments and lower the cost of connecting new projects.

QREZ has attracted registrations from almost 200 projects demonstrating the appetite among investors to explore renewable energy opportunities.

The Australian Government's Productivity Commission report of November 2020 says investments in power and energy infrastructure by resources companies have also been used by the community for other future projects. For example, investments by the coal seam gas and LNG industry to upgrade transmission networks and substations in the Western Downs region of Queensland have facilitated the development of wind and solar energy projects.

So, ladies and gentlemen you can see that the resources sector in the north of the state is not only vast, but also diverse and becoming ever more so with the development of new prospects and indeed new industries.

And this is one of the reasons why, now more than ever, a strong and consistent industry voice is needed to ensure that government policy settings continue to make Queensland attractive to resources investors.

I mention this because I was asked to communicate in my talk today QRC's relevance to small ASX listed companies and private companies.

QRC is a broad church, consisting of 72 full members and 107 service members, from small to large and covering coal, metals, oil, gas and hopefully in the future renewable energy members.

Now, naturally, outside of our board room, these are companies in fierce competition, but we are fortunate to have Board members who can leave their differences at the door and agree on industry policy positions to take to the government and other stakeholders.

The QRC is that strong voice for of the Qld resources sector and has the respect of both the Queensland and Federal Governments as well as the community at large.

From my own experience as Federal Resources Minister I know that governments look to industry bodies for whole-of-industry positions on important legislation and regulation and that is what the QRC continues to provide, with the input of our member companies large and small. If you're a company wanting to explore membership with us, I'm sure our Membership Manager will be happy to hear from you.

The QRC also has a reputation of not just talking about problems but rolling up its sleeves and doing something about them.

Cases in point are our Women in Resources Action Plan to improve the gender balance of our sector, our Queensland Minerals and Energy Academy to encourage more young people to consider resources careers, and our Indigenous program to increase participation of our first peoples in our resources workforce.

Through membership of the QRC, companies can take an active role in these initiatives and benefit from the skills pipeline that they create.

These programs are more than just lip service. They are all kicking goals and achieving results for Queenslanders.

Since 2006 when we started our women in resources initiative, female participation has increased from just 6 percent to 19 percent today.

According to the latest QRC data, the number of women working in the sector increased by 25 percent - from just under 5,500 in 2018-19 to almost 7,000 in 2019-20.

The increase in female participation in non-traditional resource sector roles was even more significant - rising 30 percent from just under 5,000 in 2018-19 to more than 6,000 in 2019-20.

But we realise we still have a way to go, and that's why we're again rolling up our sleeves to develop a new five-year plan to ensure even more women take up well paid and highly skilled employment with us.

I'm also enormously proud of our work to ensure Indigenous people take up the opportunities available in our sector.

In 2019-20, the Queensland resources sector achieved a 24 percent increase in direct Indigenous employment and since 2016-17, Indigenous employment in the Queensland resources sector has increased by 47 percent.

The QRC will be celebrating the achievements of Indigenous Queenslanders working in our industry at a special function next week. COVID meant we had to present our Indigenous Awards online last year, so we are looking forward to celebrating our 2020 award winners and finalists' achievements in person in Brisbane on June 2.

QRC's highly successful Queensland Minerals and Energy Academy, (QMEA) is another initiative helping to grow our skills pipeline and opening pathways for young people into our sector.

Now in 80 schools around Queensland - supported by our members, sponsors and the Queensland Government through the Gateway to Industry Schools Program - the work of the QMEA is having an enormous impact on attracting young people into our sector.

In 2020, 25 percent of QMEA students entered post-school study or employment in engineering and related technologies compared to 15 percent from non-QMEA schools.

And, 13 percent of female QMEA students entered a mining-related apprenticeship or traineeship, compared to 2.7 percent of non-QMEA female students.

In addition, 33 percent of Indigenous QMEA students were employed in mining compared to 16 percent from non-QMEA schools.

Initiatives such as the QMEA/Women in Mining and Resources Queensland (WIMARQ) Girls Mentoring Program, and the QRC/WIMARQ Women's Mentoring program are also making their mark.

More than 300 women have benefited from the women's program since 2014, and almost 90 percent say it has benefitted their career, or was directly responsible for a promotion. The program, which would not have been possible without additional funding provided by QRC member companies, has attracted a record 70 mentees for this year who as I speak are being matched with high-achieving volunteer mentors from our sector.

Our girls program is again in full swing with 20 young women matched with mentors from our sector. Results are outstanding. Of previous cohorts, 88 percent entered STEM-related careers including trade careers. Of those, 86 percent entered resources-related education or training or a health field that can support regional communities.

Ladies and gentlemen, this is all good news, and the other good news is that the outlook for our sector remains positive.

QRC's latest State of the Sector report shows that a quarter of QRC member company CEOs expect to increase employment across their Queensland operations this year.

When the industry is hiring – that's good news for all Queenslanders.

This will build on the past 12 months of employment growth, with the resources sector defying the global pandemic by adding more than 10,000 jobs, or more than one extra job every hour over the 12 months to February this year.

Australian Bureau of Statistics data showed a 15 percent increase in direct jobs in the resources sector in Queensland during this period to bring direct employment to almost 77,000.

Importantly, these results covered the period when COVID-19 was declared a global pandemic, which of course had an impact on how our industry operated and how our markets responded.

As we now know, this challenging period in world history has presented an opportunity for the resources sector to demonstrate its resilience and strength under pressure.

Adding more than 10,000 direct jobs in these circumstances is an extraordinary outcome and a tribute to the companies and their hard-working people, as well as our supportive suppliers and communities across Queensland.

These fantastic jobs figures are at least partly testament to the extraordinary efforts of our sector to keeping workers, their families and communities safe during COVID, with the industry able to continue to operate, diversify and innovate to meet emerging global minerals and energy needs.

The whole of industry approach to COVID led by the QRC was invaluable to our members.

It's with great pride that I can say that Queensland's resources sector supports more than 420,000 jobs across the state – this includes people employed in all the businesses, large and small, that provide goods and services to the sector - from the mum and dad coffee shops to the global mining equipment suppliers. And there are plenty more opportunities out there for more people to work in our sector, with around 1,000 resources-related job vacancies across the state right now.

That's 420,000 reasons why the QRC and its members work hard every day to keep our sector resilient and strong.

So, ladies and gentlemen, to conclude, the resources sector in Queensland's northern regions will drive the production of critical minerals that are vital to produce low emissions energy infrastructure.

The fledgling hydrogen sector will be a new source of wealth for Queenslanders while helping to drive down global emissions.

And the Queensland Resources Council with its diverse membership will continue to provide a strong and united voice for our resources sector in this state.

Thank you.

(ENDS)