THE IMPORTANCE OF MINING TO CAIRNS

ADDRESS TO THE

CAIRNS & MINING CONFERENCE

W S (Bill) Cummings
Cummings Economics

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CAIRNS: MAJOR ECONOMIC ROLE

CAIRNS: REGIONAL CAPITAL SERVICING QUEENSLAND’S NORTHERN HALF 9°S - 19°S

SERVICES HUB
- Transport
- Distribution
- Manufacturing
- Retailing
- Communications
- Government administration
- Education
- Health
- Business & professional services
LARGEST REGIONAL POPULATION (ESTIMATED RESIDENTIAL) IN NORTHERN AUSTRALIA

- Cairns (1): 236,992
- Townsville (1): 229,543
- Fitzroy (1): 227,089
- NT Top End (2): 186,932
- Mackay (1): 175,702

Note (1): SA Level 4
Note (2): Darwin SA Level 4 plus Katherine, East & West Arnhem
Source: Cummings Economics from ABS data.
BY FAR LARGEST NUMBER OF REGISTERED BUSINESSES (INCLUDING MANUFACTURING)

Source: Cummings Economics from ABS data.
STRENGTHS IN SERVICING
MINING ACTIVITY FURTHER AFIELD

- Size of workforce
- Number, diversity, range of businesses
- North’s major air hub
- Northern terminus Australia’s east coast rail, road & air services
- Major coastal shipping & marine industries base
- Lifestyle advantages
TROPICAL, PREVIOUSLY UNDER DEVELOPED AREA (RESOURCE POTENTIAL JUST BEING REALISED)
Source: Cummings Economics from Queensland Mines & Energy data.
CAPE YORK BAUXITE

AURUKUN & CAPE ALUMINA
DEPOSITS WORTH ABOUT $20 BILLION

RIO TINTO
CURRENT – $500M PA (1)
STAGED INCREASE TO - $1300M PA (1)
(1) NOT INCLUDING TRANSPORT.

CONSTRUCTION
FIFO – 2,000 BED CAMP
DIRECT EXPENDITURE TOTAL APPROX $1.3BN
FNQ APPROX $500M

HINTERLAND
## Workforce in Mining in Far North Queensland 2006-2011

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2011</th>
<th>GROWTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>By Place of Residence</td>
<td>1313</td>
<td>2759</td>
<td>+110%</td>
</tr>
<tr>
<td>By Place of Work</td>
<td>694</td>
<td>1318</td>
<td>+90%</td>
</tr>
<tr>
<td>Difference</td>
<td>624</td>
<td>1446</td>
<td>+132%</td>
</tr>
</tbody>
</table>

Source: Cummings Economics from ABS Census data.
<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL CAIRNS RESIDENTS SAYING PLACE OF WORK OUTSIDE CAIRNS REGION ACROSS THE NORTH</td>
<td>2916</td>
</tr>
<tr>
<td>ESTIMATED FIFO/DIDO WORKFORCE ASSOCIATED WITH MINING</td>
<td>2000</td>
</tr>
<tr>
<td>ESTIMATED FIFO WORKFORCE INCOME OF ORDER OF</td>
<td>$200 M</td>
</tr>
<tr>
<td>PLUS AVIATION INDUSTRY IMPACT</td>
<td>UNKNOWN</td>
</tr>
<tr>
<td>Description</td>
<td>Amount</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>Estimated expenditure in Cairns LGA by QRC members</td>
<td>$146 M</td>
</tr>
<tr>
<td>Estimated total in Cairns region including Tablelands &amp; Cassowary Coast plus other mines</td>
<td>APPROX $200 M</td>
</tr>
</tbody>
</table>
## Tonnages Shipped through FNQ Seaports 2009/10

<table>
<thead>
<tr>
<th>Region</th>
<th>Tonnage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mackay Region (including Abbott Point)</td>
<td>99M tonnes</td>
</tr>
<tr>
<td>Fitzroy Region (includes Gladstone)</td>
<td>79M tonnes</td>
</tr>
<tr>
<td>Brisbane/South East Queensland</td>
<td>32M tonnes</td>
</tr>
<tr>
<td>South Australia</td>
<td>25M tonnes</td>
</tr>
<tr>
<td>Cairns/Far North Region</td>
<td>22M tonnes</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>21M tonnes</td>
</tr>
<tr>
<td>Tasmania</td>
<td>19M tonnes</td>
</tr>
<tr>
<td>Townsville/Northern Region</td>
<td>10M tonnes</td>
</tr>
</tbody>
</table>

Source: Cummings Economics from Bureau of Infrastructure, Transport & Regional Economics..
GENERAL CARGO SHIPPING TO MINES

SEASWIFT, PERKINS, FREEPORT MCMORAN; EST 100 CONTAINERS A WEEK; EST VALUE OF CARGO $300M
- CORPORATE OFFICES – CAPE FLATTERY
  SILICA, FREEPORT, BARRICK, INTEROIL
- EDUCATION & TRAINING
- EXPLORATION
BASE METAL PRICE MOVEMENTS: 5 YEARS

5 Year Copper Spot

5 Year Lead Spot

5 Year Zinc Spot

www.kitco.com
CAIRNS’ ADVANTAGE NOT DEPENDENT ON ONE MINERAL OR ONE AREA.

GOOD PROSPECTS OF A POSITIVE STIMULUS IN FORESEEABLE FUTURE
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