THE TABLELANDS & A CHANGED WORLD ECONOMY

ADDRESS TO THE ATHERTON CHAMBER OF COMMERCE

17 November 2011

BY WS (Bill) CUMMINGS CUMMINGS ECONOMICS

www.cummings.net.au

A PERIOD OF RAPID INDUSTRIALISATION
(IN CHINA & INDIA)

ON A SCALE NOT SEEN SINCE THE RAPID INDUSTRIALISATION OF EUROPE & NORTH AMERICA IN THE LATE 1800'S/EARLY 1900'S

REGIONAL ECONOMIES

SERVICES STRUCTURE

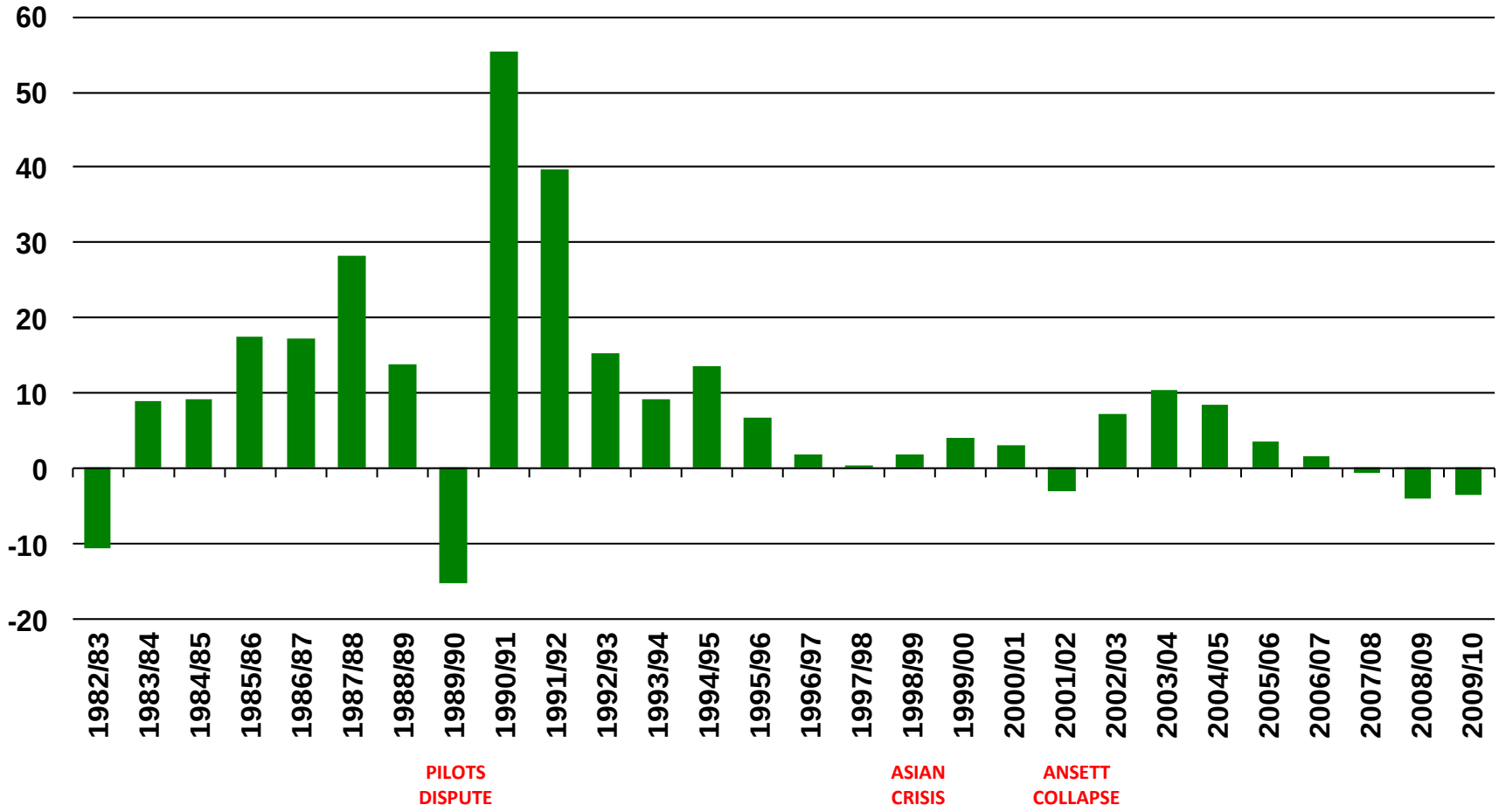
BASE INDUSTRIES

LOOKING FURTHER FORWARD CHALLENGES

"But China's emergence also presents challenges. If commodity prices do stay at their current relatively high levels on the back of strong emerging world demand, the mineral extraction sector and all those parts of the Australian economy that service it and feel its flow-on effects, will expand. Other sectors will, relatively, contract over time..... These sorts of adjustment in the economy have industrial, geographical and social dimensions. "

Glen Stevens, July 2009, Reserve Bank of Australia

YEAR-ON-YEAR GROWTH IN PASSENGER NUMBERS CAIRNS AIRPORT



Source: Cummings Economics from ABS data.

ESTIMATED TOURISM EXPENDITURE FNQ

	DOMESTIC $M	INTERNATIONAL $M	TOTAL $M
2003/04	$1,424	$1,020	**$2,444**
2004/05	$1,319	$1,106	**$2,425**
2005/06	$1,468	$1,110	**$2,578**
2006/07	$1,545	$1,041	**$2,586**
2007/08	$1,546	$1,030	**$2,576**
2009 (YE DEC)	$1,741	$813	**$2,554**
2010 (YE DEC)	$1,440	$795	**$2,235**

Source: Cummings Economics from Tourism Research Australia, NVS & IVS data.

TOURISM

CHINA & INDIA

INCOMES STILL LOW

DIRECT FLIGHTS

DON'T EXPECT TOO MUCH

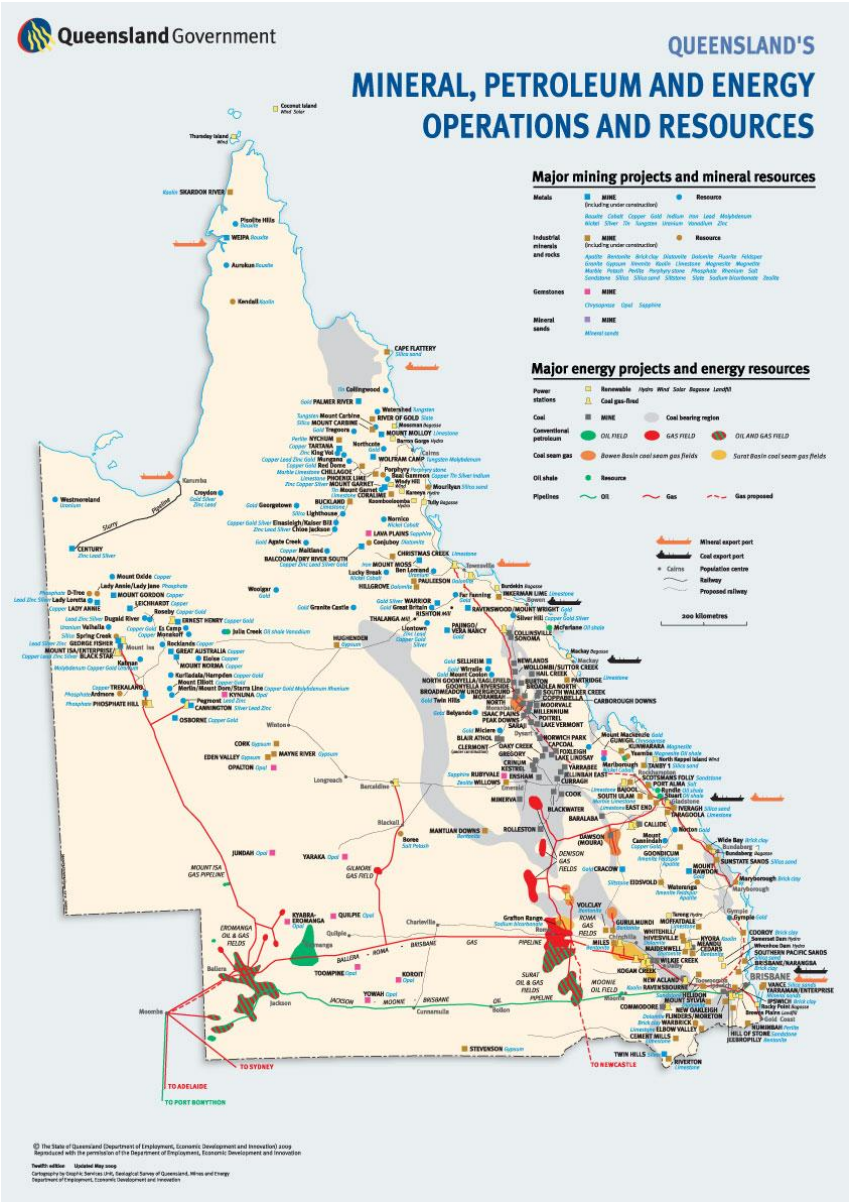
JAPAN - THREE PHASES

- MINERALS, ENERGY, BASIC AGRICULTURAL PRODUCTS.
- HIGHER VALUE & HIGHER PROTEIN AGRICULTURAL PRODUCTS
- TOURISM

MASSIVE DEMAND FOR MINERALS & BASIC AGRICULTURAL PRODUCTS

- CAN THE REGION TAP INTO?
- WHAT DOES IT NEED TO DO?

PARALLELS WITH LATE 1800'S/EARLY 1900'S


Queensland Government
QUEENSLAND'S
MINERAL, PETROLEUM AND ENERGY OPERATIONS AND RESOURCES
Major mining projects and mineral resources
Major energy projects and energy resources
TO SYDNEY
TO ADELAIDE
TO PORT BOWYTHON
TO NEWCASTLE
BRISBANE
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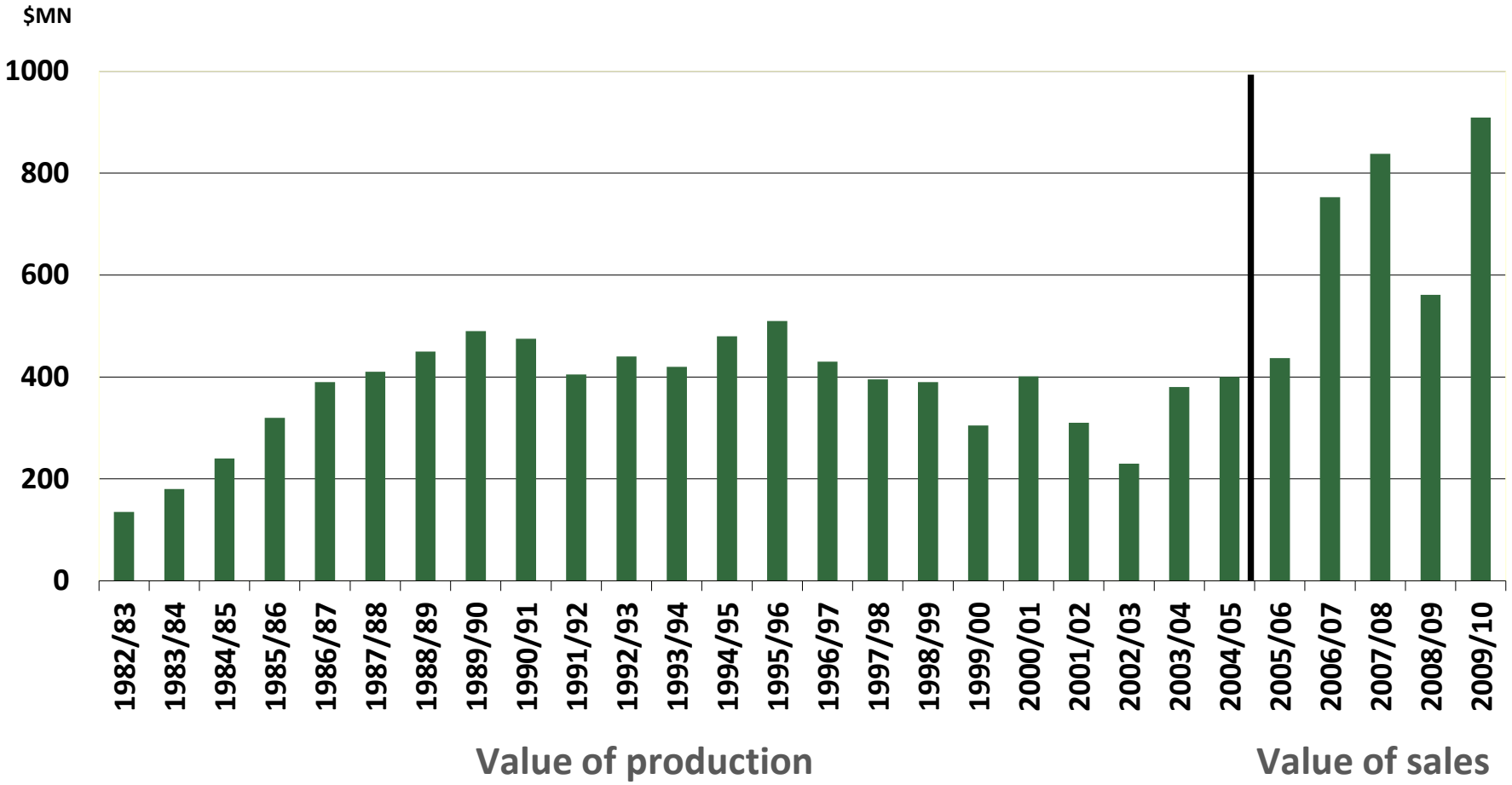
INCREASING VALUE OF MINING IN THE REGION



VALUE OF MINING

REGIONAL SALES	$900M
FLY IN, FLY OUT	$240M
SHIPPING TRADE	$600M

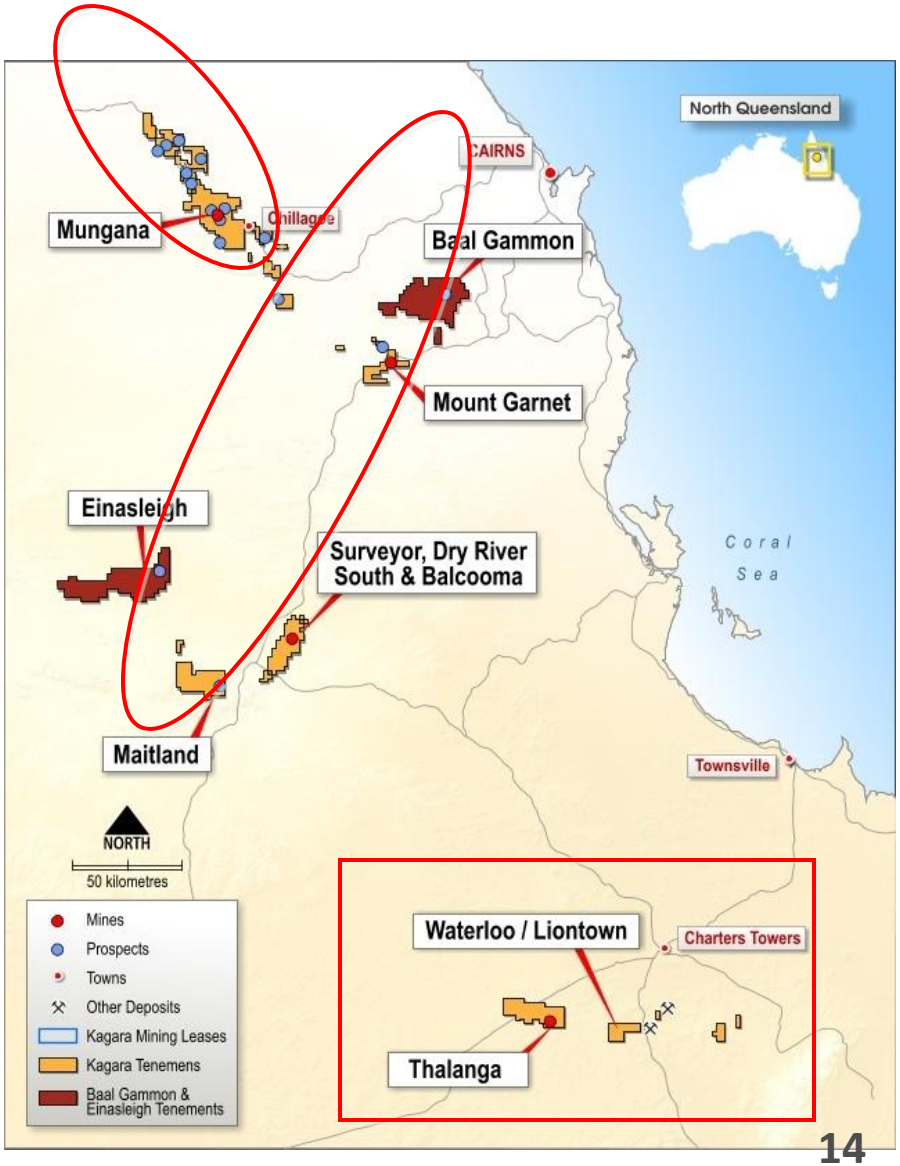
www.cairnsandmining.com.au

KAGARA LIMITED

Queensland - Three Regional Production Hubs

An outstanding asset base to underpin the growth strategy

- Chillagoe Region
  - Mungana Underground Mine
  - Mungana Polymetallic Processing Plant
- Central Region
  - Baal Gammon Open Cut Mine
  - Mt Garnet Underground Mine
  - Mt Garnet Polymetallic Processing Plant
  - Mt Garnet Copper Processing Plant
  - Balcooma Underground Mine
- Southern Region
  - Vomaka Open Cut
  - W45 Underground Mine
  - Thalanga Polymetallic Processing Plant



MUNGANA GOLD MINES

MUNGANA GOLDMINES

Outcomes of Scoping Study

Studies

- Potential production of approximately 120,000oz of gold, 20,000t of copper and 1.5Moz of silver per annum achievable
- Mine life of at least 10 years
- Cash costs of A$600/oz.*
- Potential throughput rates of 4mt per annum
- Large open pit at Red Dome (23mt) to generate significant upfront cash flow
- Additional underground operations at both Mungana and Red Dome

Bankable Feasibility Study Underway

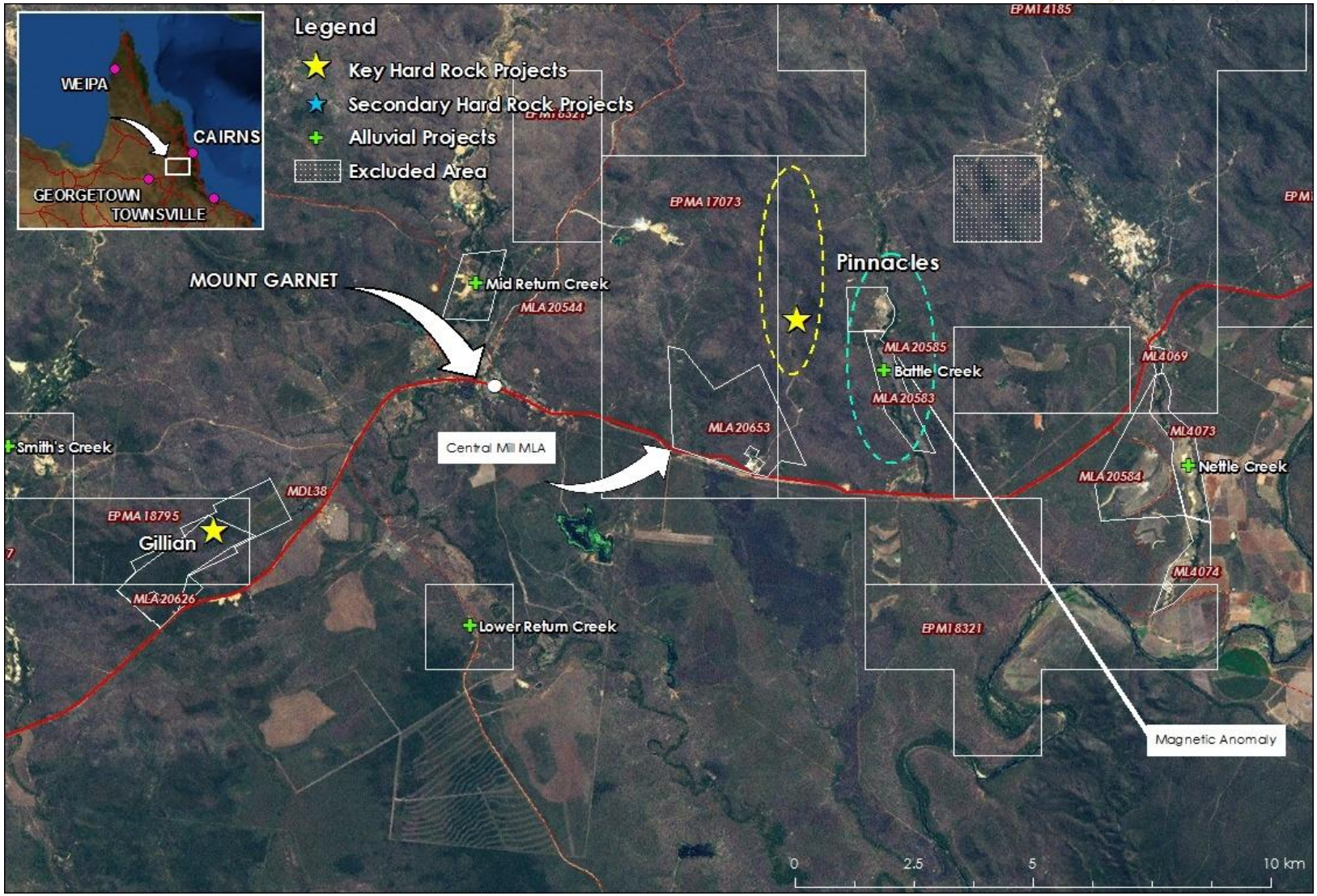
*Cash Costs are Net of by-product (copper and silver) credits
Metal Price assumptions ,Copper US$4/lb. and Silver Price of US$30/oz.

CONSOLIDATED TIN LIMITED

Project Location

CONSOLIDATED TIN MINES LIMITED

Mt Garnet proposed Central Mill location:



VALUE OF SALES

TABLELANDS HINTERLAND

Over $1 BN PA

CURRENT $300M

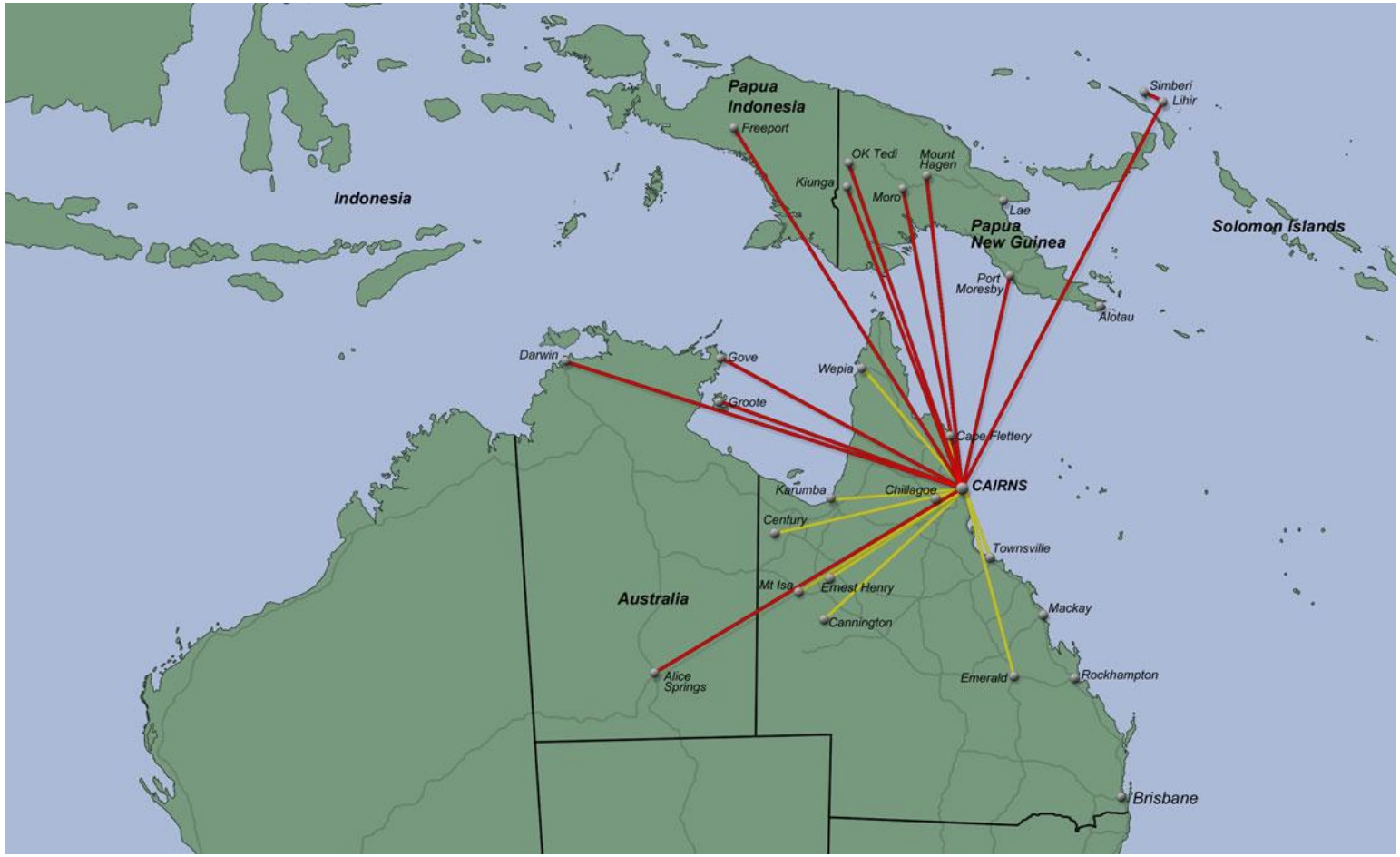
PROSPECTIVE INCREASES HINTERLAND

- BAUXITE
- IRON ORE
- GOLD
- RARE EARTHS
- GEO THERMAL
- COAL GAS
- COAL
- DIATOMITE
- PERLITE
- MARBLE

EST VALUE MINING SURROUNDING REGIONS

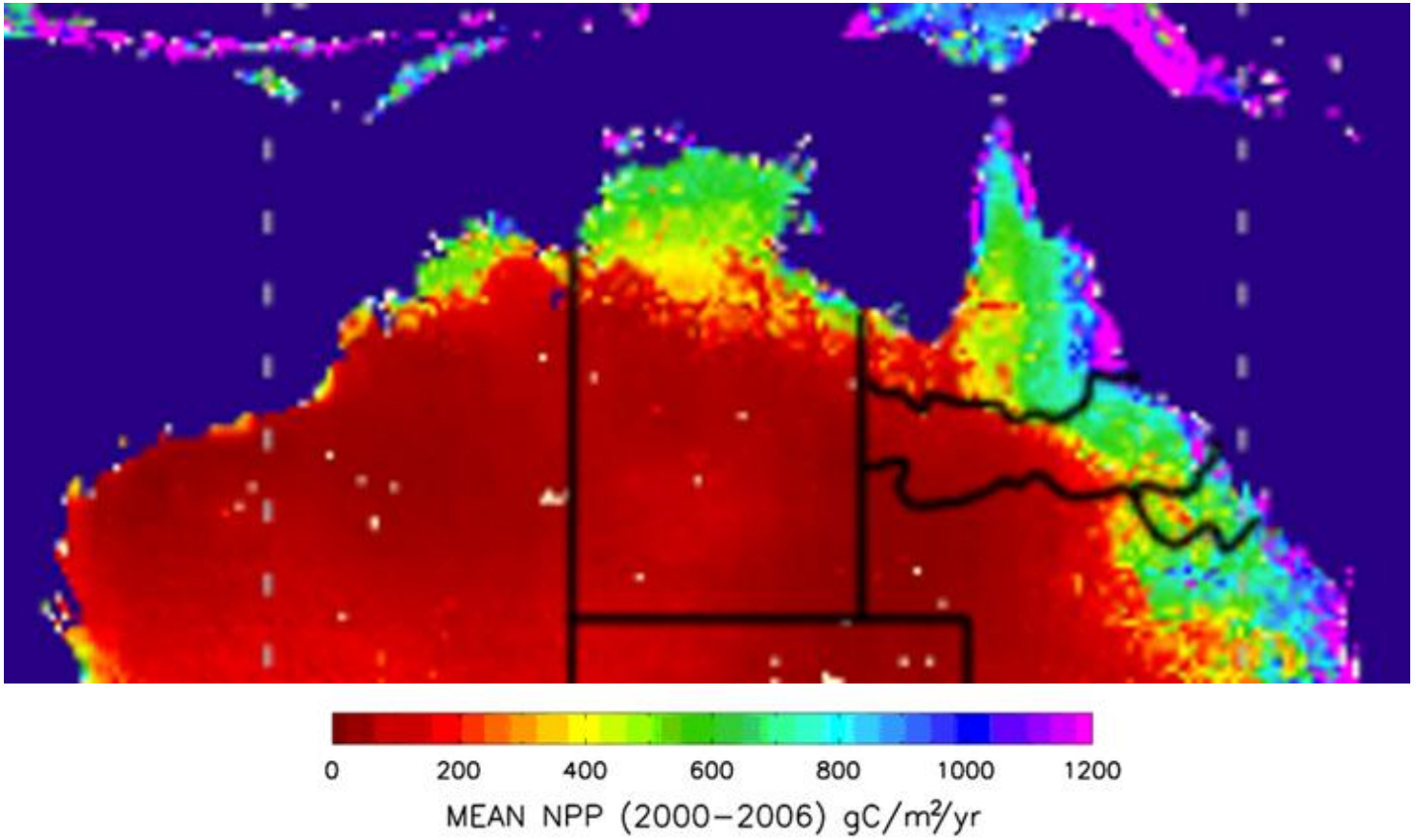
PNG, FREEPORT, NT, OTHER NORTH CENTRAL Q'LD : $42 BN

AIRLINKS TO MINING RELATED CENTRES



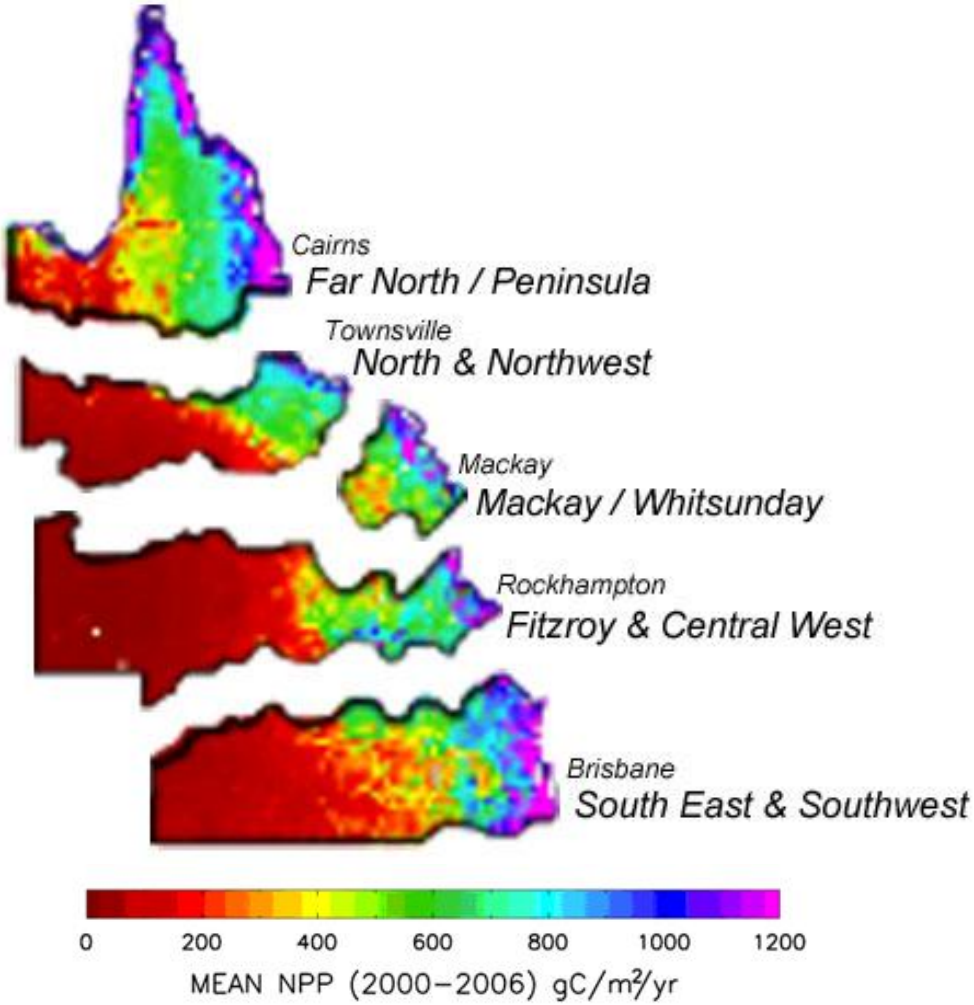
AGRICULTURAL POTENTIAL

MEASURES OF NET PRIMARY PRODUCTIVITY



Source: NTGC University of Montana from Modis Satellite Data.

AGRICULTURAL POTENTIAL



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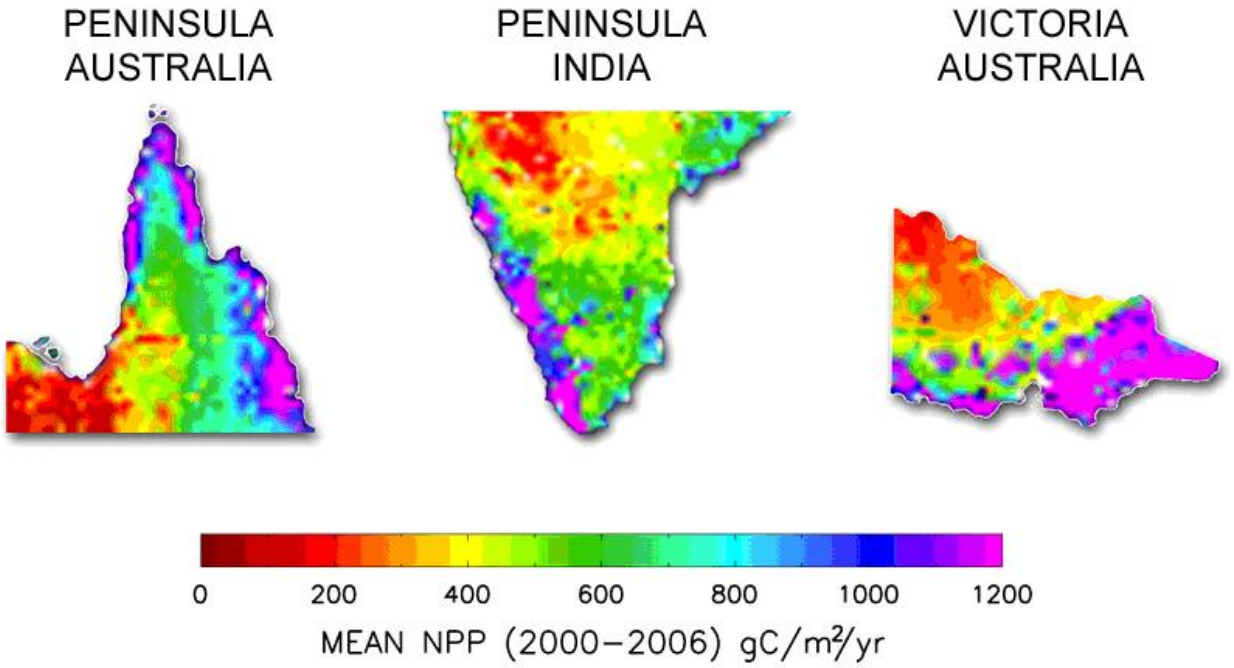


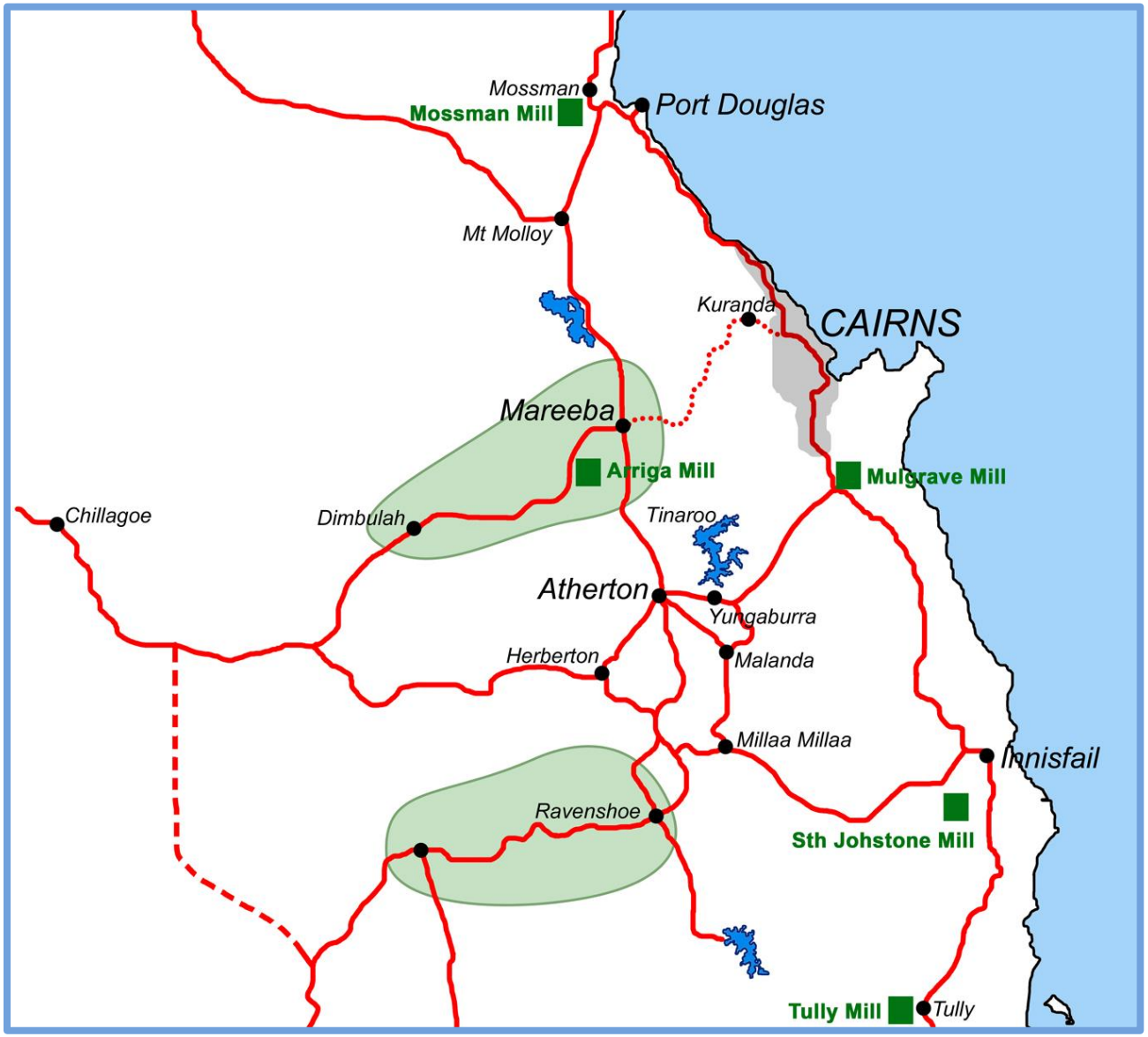
Source: NTGC University of Montana from Modis Satellite Data.

VALUE OF AGRICULTURAL PRODUCTION (FARM GATE)

FAR NORTH	$1.2bn
VICTORIA	$10.3bn
SE & SW QLD	$4.4bn

STRANDS OF DEMAND FOR INCREASED AGRICULTURAL PRODUCTION

- AUSTRALIAN MARKETS (REDUCED TRANSPORT COSTS)
- BASE AGRICULTURAL PRODUCTS – CHINA & INDIA
- BIO FUELS
- BIO TECHNOLOGY (EG. BIO PLASTICS ETC.)
- EXTENT OF WATER RESOURCES



Agricultural Development

NEW CROPS

- CASSAVA
- TROPICAL WHEAT
- UPLAND RICE
- PULSE CROPS
- COTTON
- PONGAMIA

INFRASTRUCTURE IMPLICATIONS

TOURISM

AIRPORT	

MINING & AGRICULTURE

SEAPORT	CAIRNS & MOURILYAN
LAND TRANSPORT	KURANDA RANGE
	PALMERSTON
	MINING ROADS
	HANN LINK
	PENINSULA ROAD
	RAILWAY?

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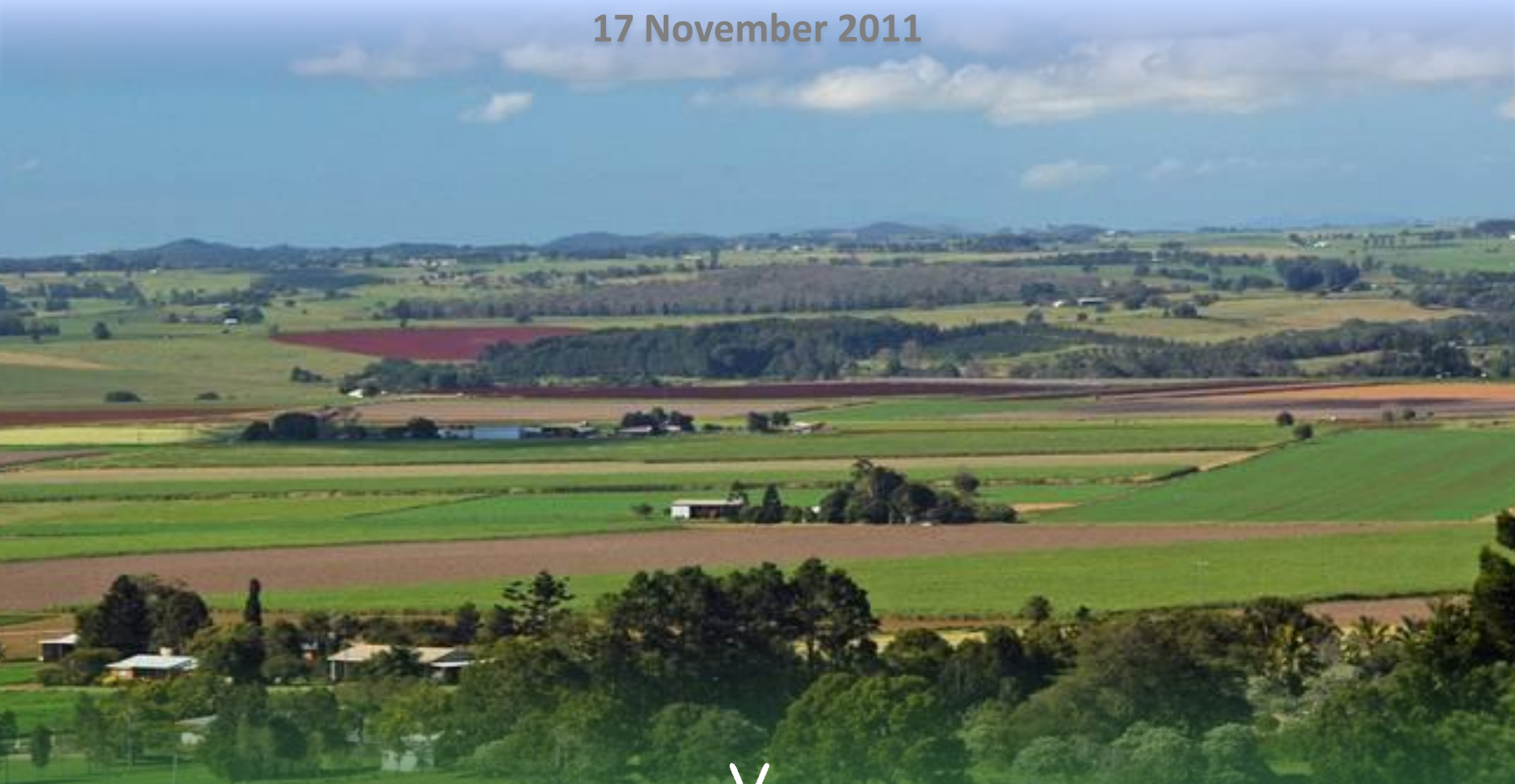

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