SUPPLY CHAIN PERSPECTIVE

MINE INPUTS

QUEENSLAND TRANSPORT
AND LOGISTICS COUNCIL

Overview

Mining is a significant contributor to the Queensland economy. At 10.7% of Queensland's gross value added (GVA), it is slightly ahead of construction (9.3%) and manufacturing (8.1%)[1].

The above industries are interdependent, as mining requires manufactured items and generates ongoing construction activity in both greenfield and brownfield mine sites.

Dimensions

A Queensland Resources Council[2] survey identified that, out of a total of $37.9b in direct spending for mining inputs, $30.9b was in purchases with local business and community contributions. A further $67.4b was spent indirectly, including $45.7b with local business.

1 Experimental Estimates of Gross Regional Product 2010/11, Queensland Treasury and Trade March 2013
2 Economic Impact of Minerals and Energy Sector on the Queensland Economy 2012/13, prepared by Lawrence Consulting for the Queensland Resources Council Nov 2013

Table 1: Mineral and energy sector overview

Direct impact of minerals and energy sector by commodity type, 2012/13					
Commodity type	Direct employees (FTEs)	Associated salaries ($ million)	Business purchases & community contributions ($ million)	Total direct spending ($ million)	% of total spend
Coal	28,624	5,381	14,672	20,054	53%
CSG/LNG	2,628	360	11,391	11,751	31%
Metaliferrous	10,179	1,034	4,370	5,404	14%
Other	1,891	192	503	695	2%
Total Queensland	43,322	6,967	30,936	37,903	100%

Source: Economic Impact of Minerals and Energy Sector on the Queensland Economy 2012/13

The survey identified that $8b was spent on transport, warehousing and postal services.

➲ People working in mine inputs

A total of 436,042 direct and indirect full-time equivalent (FTE) jobs were identified during the 2012/13 survey[2], which equates to 18.6% of the total employed in Queensland.

➲ Businesses involved in supplying mine inputs

$81.2b was spent in direct, indirect and supply chain purchases from 961 businesses in Queensland[2]. The business profile is[3]:

- 761 businesses with 1-19 employees
- 158 businesses with 20-199 employees
- 42 businesses with more than 200 employees
- 335 have a turnover of more than $2m a year.

3 ABS 816501 Number of Australian Businesses 30 June 2012

Points of origin

There are five key mining clusters or basins in Queensland[4]:

- North West Mineral Province
- Weipa and Cape York
- Bowen, Surat and Galilee Basins
- Charters Towers district
- Cooper and Eromanga Basins.

4 ResourcesQ Foresight Study June 2014

The mine inputs to support these operations are provided by:

- local towns, if they are within a reasonable distance and offer the required range of products and services
- onsite mine facilities, including accommodation for workers, critical spares and consumables
- major regional locations, if the product or service is of a unique nature
- international expedited services for high value critical spares, in the event of major service interruptions.

A mix of transport modes are involved in each channel, including road, air and sea freight. While rail has a critical role to play in the movement of mine outputs, it currently does not play a significant role in mine inputs in Queensland, other than on the Townsville to Mount Isa line.

Points of value add, transformation and consumption

Direct and indirect activity in each of the regions occurs as shown in Tables 2 and 3.

Table 2: Direct spend, minerals and energy sector

Direct impact of minerals and energy sector by region, 2012/13				
Statistical division	Residing employees (FTEs)	Associated salaries ($ million)	Business purchases and community contributions ($ million)	Total direct spending ($ million)
Brisbane	9,006	1,682	14,823	16,505
Central West	63	6	14	20
Darling Downs	1,181	160	1,824	1,984
Far North	2,214	214	358	572
Fitzroy	10,935	1,473	6,455	7,928
Gold Coast	804	129	302	431
Mackay	8,822	1,966	3,655	5,621
North West	4,561	438	1,443	1,881
Northern	3,185	503	1,273	1,776
South West	102	13	312	325
Sunshine Coast	976	154	320	474
West Moreton	237	32	23	55
Wide Bay-Burnett	1,236	198	133	332
Total Queensland	43,322	6,967	30,936	37,903

Source: Economic Impact of Minerals and Energy Sector on the Queensland Economy 2012/13

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Table 3: Indirect spend, minerals and energy sector

Indirect and consumption impacts of minerals and energy sector by region, 2012/13				
Statistical Division	Indirect fulltime employees (FTEs)	Associated salaries ($ million)	Supply of goods and services ($ million)	Total indirect spending ($ million)
Brisbane	173,585	10,944	24,081	35,025
Central West	169	6	9	15
Darling Downs	18,159	841	1,951	2,792
Far North	6,970	261	564	825
Fitzroy	78,173	4,066	8,273	12,339
Gold Coast	5,066	222	494	716
Mackay	67,074	3,498	6,674	10,172
North West	10,185	398	633	1,031
Northern	20,622	958	2,021	2,979
South West	3,177	107	200	308
Sunshine Coast	5,347	229	508	736
West Moreton	677	21	44	65
Wide Bay-Burnett	3,515	132	286	418
Total Queensland	392,720	21,683	45,738	67,421

Source: Economic Impact of Minerals and Energy Sector on the Queensland Economy 2012/13

Freight movements, transport mode, main routes, key nodal infrastructure and change in the supply chain

The data for transport movements generated by mine inputs has not been captured separately.

Other Perspectives prepared for this project - relating to TEU, general freight, OSOM and fuel movements - include mine inputs information.