

Calculating Queensland state government subsidies to the minerals and gas industries

Submission to the Australian Senate Select Committee on
Certain Aspects of Queensland Government Administration

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Author statement

I have worked in Commonwealth and State agencies as a policy and research specialist for over 15 years in areas of commodity analysis, policy and commissioned research services. This has encompassed a wide scope of knowledge relating to Commonwealth and State government accounts, international trade and domestic industry analysis. Prior to this, I was employed as an associate lecturer at James Cook University, while completing a thesis in the field of economics. Over the past eight years I've also studied philosophy and political science part-time at the University of Queensland.

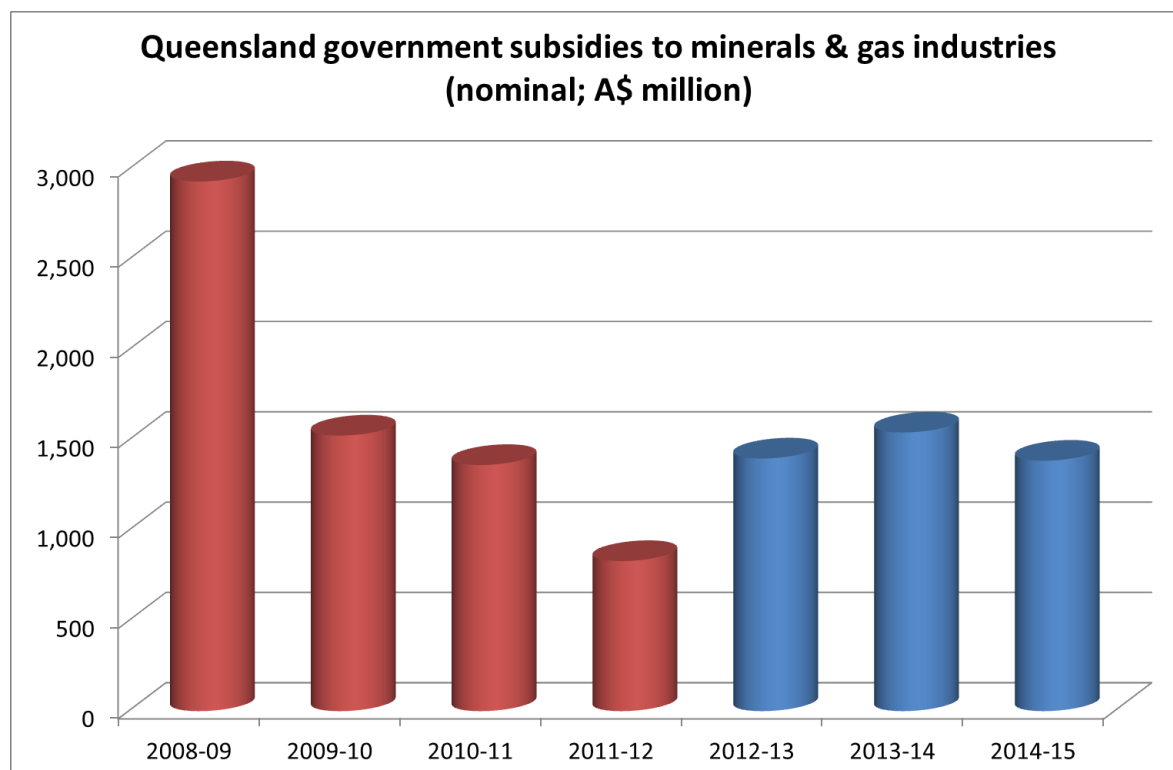
Some of the data contained in this submission were originally paid for and subsequently used by *The Australia Institute* based in Canberra, ACT (see: TAI Technical Brief No. 31; June 23, 2014).

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Summary

This report analyses the scale of spending by Queensland state governments, directly or disproportionately flowing to assistance for private mining, minerals processing and petroleum companies. Over the seven year period from 2008-09 to 2014-15 the Queensland government budget papers show that direct concessions, administered expenditure, and capital expenditure related to the mining industry totalled a combined \$10.98 billion for the period (Fig A).

Fig A: Queensland minerals & gas subsidies (7 years to 2014-15 total = \$10.98 billion)



The above data, contained in state budget papers, is derived from government expenditure providing operational and infrastructure assistance to mining-related activities beyond reasonable degree of provision. Red bars indicate Labor budgets, while LNP budgets are coloured as blue.

In the State of Queensland during the last three years' budget papers there have emerged significant direct concession payments to mining-related activity within the Concessions Statements. In Queensland's 2014-15 Budget, \$866.9 million is allocated as direct concession payments to reduce the private cost of port leases, electricity, and rail charges, and to directly provide the mining industry with training development programs (see Table A). The concession payments provided in the budget Concessions Statement is traditionally (and in every other state) used for social payments to the community to meet equity obligations for social externalities and disadvantage.

Table A: Queensland State Budget – Concessions Statements (nominal; \$million)

| | 2012-13 | 2013-14 | 2014-15 |
|--|--------------|--------------|--------------|
| | \$m | \$m | \$m |
| Rail infrastructure concessions | 503.7 | 546.9 | 556.7 |
| Gladstone Power Station subsidies (IPPA)(a) | 233.6 | 233.6 | 233.6 |
| Fixed Water Grid Contracts (Tarong & Stanwell) | | 16.0 | 16.4 |
| Gladstone Port charges concessions | 44.7 | 47.3 | 49.4 |
| Gladstone Port lease concessions | 3.5 | 3.4 | 3.2 |
| NQ Bulk Ports lease concessions | 1.5 | 1.5 | 1.6 |
| Mining industry training subsidy | 0.3 | 3.0 | |
| Port of Townsville Limited | | 5.3 | 5.4 |
| Far North Queensland Ports Corporation Limited | | 0.6 | 0.6 |
| Total | 787.3 | 857.6 | 866.9 |

Source: Queensland State Budget Papers 2012-13 to 2014-15.

(a) Average of Queensland Treasury estimates provided in 2012-13 to 2014-15 Budget Papers, plus external market intelligence.

Industrial activity in China has been the major driver of growth in demand for mineral and energy commodities exported from Australia over the past decade. However, the current restructuring of the Chinese economy, away from investment-led growth and towards a mature services and consumption-based society, is likely to see Australia ill-prepared for the 'China adjustment' with excess capacity and stranded investment. This raises serious consideration for reforms in the assessment of public benefit objectives, and in the governance structures of public institutions and enterprises, including government-owned corporations.

Basis of mineral rights

In Australia, ownership of minerals generally lies with the Crown (in practice State, Territory and, in the case of uranium and offshore oil and gas, Commonwealth Governments), regardless of whom owns the land on the surface. This 'regalian' system reflects a widely held belief that mineral deposits are a fortuitous 'gift of nature' and that any net benefits flowing from their exploitation should accrue to the community as a whole rather than to whoever happens to own the surface rights.

However, in early British settlement the common law – *Cujus est ejus est usque as coleum, et ad inferos* (whosoever has the soil, also owns to the heavens above and to the centre beneath) – applied to land in Australia. Thus, under common law, all minerals (except the 'royal' minerals of gold and silver) belonged to the land owner. Governments in Australia have gradually reversed the common law position by progressively adopting a practice of reserving minerals from land grants – this now applies to all minerals.

The Australian pattern of public ownership of mineral resources and separation of mineral rights from surface land rights is not a universal one. For example, significant private ownership of minerals occurs in other countries, such as the United Kingdom, the United States, Canada and South Africa.

The abovementioned details on uranium and offshore oil and gas aside, State and Territory Governments own and control mineral resources on behalf of the people they represent. However, the Governments do not explore and develop these resources themselves, but confer the right to do so on others. Typically, these rights are not transferred outright; rather, temporary ownership is effected via the granting to private-sector interests of exploration and mining leases for specified periods. In order to compensate the community for the exploitation of the publicly-owned resource, a royalty is paid by the mining agent.

Mineral rights are usually allocated on a first-come-first-served basis, to which an administration fee applies, with charges (royalties) levied at the time when the mineral resource is exploited. Correctly interpreted, royalties are not an unwarranted impost on miners, but are a charge analogous to access to other 'gifts of nature', such as broadcasting licence fees for the right to use part of the electromagnetic spectrum or payments for fishing quotas which represent a right to take a certain quantity of fish from a fishery.

History of government involvement in mining

Coal was first found by runaway convicts at Newcastle in 1791, and became the first mineral to be mined in Australia. After Governor King declared all coal and timber to be Crown property, mining began at Newcastle using convict labour in 1799. The first shipment was exported a year later. After a report by Commissioner Bigge in 1821 suggesting that private companies run the Newcastle mines instead of the government, convicts were supplied to private ventures. This, along with a 2,000 acre land grant, enabled the Australian Agricultural Company to gain a monopoly on coal mining in Australia.¹

From first settlement until the mid-nineteenth century, control over natural resources in Australia had remained with the British Government. However, it was not long before the colonies demanded control over the 'waste-lands of the Crown', realising they represented a major potential source of revenue. In responding to these demands, Britain decided to grant responsible government, and control over Crown lands, to eastern Australia in the mid-1850s. This enabled the colonial Parliaments to adopt a policy toward the ownership of minerals whereby the Crown retained ownership in all subsequent grants of freehold title.

¹ Industry Commission (1991), *Mining and Minerals Processing in Australia*. Inquiry Report, Canberra.

Royalties were first included in Western Australian legislation in the *Mining Act 1904* (WA). The initial royalty scheme did not cover all minerals and others were later included in 1958. In Queensland, the Department of Mines and Energy indicated that it has collected royalty receipts dating back to 1956-57. Since that time, the *Mining Royalties Act 1974* (Qld) was implemented and later superseded by the *Mineral Resources Act 1989* (Qld).

Across Australian states, overall, iron ore and coal royalties make-up the bulk of royalty rent revenue, having risen in recent years as a result of increases in the value of these minerals. Royalties from base and precious metals also rose, with the global demand for commodities also affecting the value of these minerals. The recent global economic downturn, however, saw prices fall considerably in line with slowing demand for mineral commodities.

Exceptions to Crown ownership

Queensland's *Mineral Resources Act 1989* and the *Petroleum Act 1923* provide the current framework for the reservation of minerals in the State of Queensland. Gold, coal and all other minerals are stated to be the property of the Crown. The Acts also specify exceptions to this framework of reservation; s.8 of the *Mineral Resources Act 1989* is particularly extensive. Where land was alienated in fee simple by the Crown before 1 March 1910 without coal being reserved, the coal remains in private ownership. Likewise, minerals in land alienated in fee simple under s. 22 of the *Crown Lands Alienation Act 1860*, s. 32 of the *Crown Lands Alienation Act 1868*, or s. 21 of the *Mineral Lands Act 1872* continue as private property.

Landholders under the 1860, 1868 and 1872 land legislation (mentioned above) own minerals in their land except for gold and coal. As mentioned above, some landholders who acquired title from the Crown before 1910 are entitled to royalties from coal extracted from their land. In 1982, when the then Attorney-General asked the Minister for Mines and Energy a question on notice about the area and situation of such lands, the Minister declined to provide details on the basis that assessment would require a complete search of all Titles Offices.² Presumably the number of landholders with these titles is not insignificant. In fact, the Queensland Parliament amended the *Mining Act in 1971* to ensure that these landholders were compensated for the value of minerals as well as land in the event of acquisition.³

Capital expenditure by governments benefitting mining

State governments since federation have had both an interest and public duty in development of mineral resources, on a sustainable basis, which maximises returns to the community. This imperative of government business in Australia is linked to the minerals ownership regime outlined above. Indeed, the 'public good' aspects of state development (usually bounded by natural monopolies in the supply of infrastructure) are such that it has historically been more efficient for governments to construct hard infrastructure to enable transportation and exports of mineral and energy commodities.

Since the late 1970s Australian governments and public corporations have undergone a wave of structural and operational changes associated with the market-oriented policies collectively referred to as 'microeconomic reform'. According to Prof John Quiggin, the era of microeconomic reform in Australia may be divided into three main phases, with a degree of overlap.⁴ In the first, deregulatory, phase, the main focus was on rationalising public intervention in private sector markets, with the object of 'getting prices right'. In the second

² Queensland Parliamentary Debates, vol 287, 5057-35, 24 March 1982.

³ See also <http://www.austlii.edu.au/au/journals/AILR/1997/28.html>

⁴ Quiggin, J. (2001), 'Economic governance and microeconomic reform', paper presented at conference on economic governance, Brisbane

phase, referred to here as the 'privatisation' phase, attention shifted to market-oriented reforms of the public sector, including corporatisation and competitive contracting as well as privatisation. In the third 'competitive regulation' phase, the idea of deregulation was replaced by regulation designed to produce, or simulate, competitive market outcomes.

At the state government level this involved the separation of the General Government sector from Public Trading Enterprises (PTEs), financial sector operations of bond issuance and financial investment activities, and regulatory determinations and benchmarking. Free-market economists and other reformers initially hoped that the process of public-sector reform would be accompanied by the rapid emergence of competitive markets for infrastructure and other services previously provided exclusively by the public sector. In this context, corporatised or privatised public enterprises would operate just like other companies, requiring only general regulation regarding consumer protection, trade practices and the like. However, a spate international mergers in the late 1990s, many of which took place in the infrastructure sector, made it clear that monopoly, natural or otherwise, would be the outcome of unregulated markets.

In more recent decades the emergence of China's massive investment-driven economic growth, increasingly global scale of corporate mining interests, as well as neoliberal models of infrastructure delivery and third-party access regimes, have meant that state governments have increasingly become peripheral actors in terms of overall mineral exploitation (beyond land allocation and coordination). It is against this background that capital subsidies and direct concessions to the mining industry have been increasingly questioned on the basis of public value-for-money, particularly from the viewpoint of the 'opportunity cost' of those subsidy payments.

Perhaps most concerning is the encroachment in the State of Queensland of significant direct concessions to mining activity within the Concessions Statements of the last three years' budget papers. In Queensland's 2014-15 Budget, \$866.9 million is allocated as direct concession payments to reduce the private cost of port leases, electricity, and rail charges, and to directly provide the mining and gas industry infrastructure (Table 1). The concession payments provided in the budget Concessions Statement is traditionally (and in every other state) used for social payments to the community to meet equity obligations for social externalities and disadvantage. This is now not the case for Queensland.

Table 1: Queensland State Budget – Concessions Statements (nominal; \$million)

| | 2012-13 | 2013-14 | 2014-15 |
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Source: Queensland State Budget Papers 2012-13 to 2014-15.

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Subsidies in the form of capital expenditure projects are the usual method of explicit state government assistance to the mining industry. These can take the form of either administered expenditures and grants from the General Government sector, or through capital works undertaken by public non-financial corporations (PNFCs). While some return on capital expenditure is captured through commercial receipts, tax-equivalent payments and dividends from the PNFCs to the General Government sector, the focus of this report is entirely the expenditure side of state budgets and the capital works from which the mining industry derives a significant material benefit.

Of the figures in related to rail transport, it is important to note that on 1 July 2010 the Queensland Government separated QR National (coal and freight haulage) from QR Limited (passenger and network infrastructure services). The former was privatised through an IPO listing in November that year. The incoming LNP administration then reduced the government's ownership stake from around 34 per cent to 16 per cent in October 2012. QR National was rebranded as Aurizon in December 2012. Just over one-third of mining-related public expenditure in Queensland for the years 2008-09 to 2010-11, almost \$3 billion, was sunk into the coal rail network prior to privatisation. Major projects during this period were the Goonyella-Abbot Point Expansion (Missing Link Project) at \$831 million, the Jilalan Yard Upgrade (\$468 million) and the procurement of 1,190 New VCA 106T coal wagons (\$156 million).

By way of comparison, Western Australia's state capital expenditure in the mining-related sector is dominated by projects connected to the iron ore ports of Dampier and Port Hedland, as well as new infrastructure servicing the Oakajee Port and Rail Project and the Browse LNG Precinct. The West Australian Government also committed significant capital outlays at the Kwinana Bulk Jetty and Kwinana Bulk Terminal facilities over the period, benefiting the petroleum and alumina companies operating at the port.

Public spending for the mining industry in context

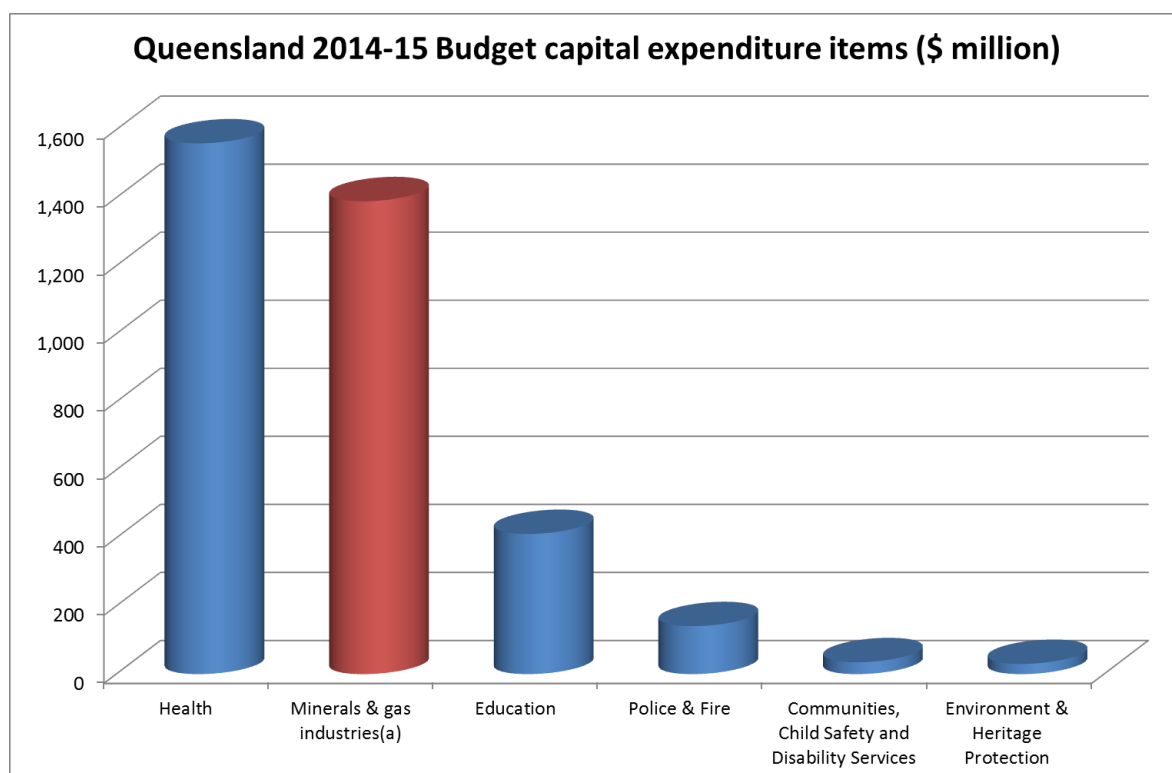
Governments are not a private companies investing to make a return. Their role is to protect the interests of their citizens. The purpose of public infrastructure is not to maximise operating profit on assets. It is to create a piece of infrastructure that will provide a critical service for businesses and society in order to maximise social returns. These social returns are very hard to quantify, but that doesn't mean they don't exist.

Port, rail and water assets almost certainly create more economic wealth for the country by driving productivity gains in industries like mining and petroleum, which in turn creates more tax and royalty revenue. The very fact that the private sector can and does invest in peak infrastructure capacity means that the scale of public spending on mining-related capital works is sometimes questionable. In the case of Queensland's direct concession payments flowing through to the mining industry, any justification for public expenditure from 'social concessions' is tenuous.

Major expenditures in the 2014-15 Queensland Budget

Given that the State of Queensland has allocated \$1.39 billion in mining-related concessions and administered and capital subsidies in 2014-15, how does this compare to other major capital and service delivery functions? The total capital budget for Queensland Health for this year is \$1.56 billion. Capital expenditure in the other 'big ticket item' for states, education is worth \$412 million. Other capital expenditure items comparable to spending directed at mining-related activities: police & fire service (\$141 million); Communities, Child Safety & Disability Services (\$35 million); and Environment & Heritage Protection (\$30 million).

Figure 1: Queensland State Budget 2014-15 – selected items (nominal; \$million)



(a) Includes relevant concessions and grants appearing in the Queensland 2014-15 Budget's 'Concession Statement' and 'Capital Statement'.

Macroeconomic perspective: mining boom and bust

Australia's recent past has been guided by a fascination with dogmatic neoliberal prescriptions. These were undertaken largely on the basis of *ad hoc* assumptions exogenously programmed into ORANI-type modelling, the subsequent empirical analysis of which remains unclear and open to much debate.⁵ More specifically, on the subject of structural change and the retreat of the state in dealing with industrial upheaval, Dr Gary Banks, Chair of the Productivity Commission, in delivering the 2008 Colin Clark Memorial Lecture entitled *Industry Policy for a Productive Australia*, stated:

[J]ust as the expansion of mining has seen the (relative) contraction of manufacturing, its ultimate contraction could be expected to favour the competitiveness and growth of non-mining sectors again, irrespective of government assistance. The only remaining question, then, is whether there is a case for government to seek to prevent the loss of industry capacity from legacy investments of the past decades that just might become economically viable in future decades. Few these days would claim that a government would possess the market intelligence and economic foresight necessary to effectively plan an economy in this way.

In openly asserting that active and direct public policy has a no role to play in the industrial structure of the economy, nor that the government should play a concerted part in structural

⁵ Quiggin (1996) provides an excellent insight on the issues of modelling the effects of, and the findings from, microeconomic reform.

adjustment, Dr Banks provides his assessment of the current state of industry policy in Australia as follows:

Overall then, there has been a shift in emphasis away from industry-specific support to more general measures, aimed at supporting particular activities rather than particular industries. This has been a positive development.

In assessing the merits of Dr Banks' claims (and more generally, those of the Productivity Commission) against recent experience and less ideologically enthusiastic (neoliberal) thinking, the comparisons could hardly be more stark. The above example is intended to highlight the divergence of dominant neoliberal policies and the concerns of other sections of the economy in relation to industry policy.

Australia's experiment with neoliberal ideology and market-driven policies over the past 30 years or more has resulted in the abandonment of significant institutions in the name of 'competitiveness', yet the supposed benefits are open to debate and, more importantly, the costs are largely ignored by apologists of vested interests. Paradoxically, however, the widespread belief in microeconomic reform has resulted in widespread complacency about the relative decline of industries such as manufacturing, tourism and agriculture. Any concern about potential de-industrialisation has been offset by naïve optimism in a rosy future for the Australian economy. A massive trade deficit in value-added manufactures is seen as temporary, or as Dr Gary Banks espouses, a step on the path to more efficient future production. Evan Jones (2006) mockingly suggests, "resources exports will be our perennial salvation; even greater scale is achievable by better infrastructure... tourism revenue will bring up the rear... the science and technology sector, should anything of substance eventuate, will be icing on the cake."

In an annual address to the Australian Business Economists gathering on 18 May 2010, then Secretary of the Australian Treasury Dr Ken Henry discussed a number of issues relating to the state of the Australian economy. In terms of the impacts of mineral booms and the broader economy outside of the resources sector, he discussed the constraints and challenges facing Australia in the decades ahead. One aspect mentioned was the so-called 'Dutch Disease' – the experience of uneven growth and productivity across sectors and the potential economic and social consequences.⁶

Economic commentator and respected journalist Ross Gittins, speaking at the Australian National Conference on Resources and Energy on 3 October 2013, delivered this broadside to the gathered industry leaders and policymakers in a keynote address titled The Political Outlook for Reform:

When I got into the economic commentary business 40 years ago it was the farmers and the manufacturers who were always trying to tell us they were special, that the rest of the economy rode on their back and that this entitled them to special consideration. It was self-serving self-delusion then, and it still is. What's changed is that, these days, we also have the miners trying to tell us they're special, that the rest of the economy rides on their back and that they're entitled to special consideration. Sorry, not buying that one, either.

Gittins went on to say that he believes the mining industry's lobbying success is "reaching its zenith as we speak". The business media made little mention of the address at the time – perhaps a prescient illustration of Gittins' very point.

⁶ This is also referred to as the 'Gregory effect', posited by ANU economics Professor Bob Gregory in the 1970s.

Concluding comments

Australian governments – comprising both elected and tenured officials – and private interests were ill-prepared for the ‘China boom’ in the late 1990s and are looking increasingly ill-prepared for the ‘China adjustment’ that is currently underway. The nature and extent of demand growth exerted by Chinese industry was not well understood, and the increase in mining investment and exports continuously played catch-up to the scale of demand. Steel (comprising iron ore, metallurgical coal, nickel and other alloys), aluminium, copper, lead and zinc were consumed in rapidly increasing volumes in fabrication, building construction, electricity network expansions and other major engineering works. It was because of Australia’s lack of understanding of Chinese political economy that private interests in the mining industry were able to leverage a campaign encouraging governments to distribute expenditure that effectively offset private expenditure in the exploitation of mineral commodities.

China now has a new Politburo and the Third Plenary has signalled the shift away from heavy industry investment-led growth towards an internal services and consumption-driven economy. Real reform – already underway – that pushes China away from investment-led growth will be harsh for an Australia wedded to bloated resource allocation towards mining capacity.

A response to these challenges will require innovations in the formulation and assessment of public benefit objectives and in the governance structures of public institutions and enterprises, including government-owned corporations.

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Appendix A: Calculation of Queensland government subsidies

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | Total |
|--|---------|---------|---------|---------|---------|---------|---------|-------|
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m | |
| INFRASTRUCTURE AND PLANNING | | | | | | | | |
| Targinie Precinct (Gladstone Infrastructure Corridor) | 49.4 | 2.3 | 5.3 | 4.3 | 7.4 | 5.8 | 4.0 | 78.5 |
| Stanwell to Gladstone Infrastructure Corridor | | 8.1 | 0.1 | 0.5 | 0.6 | 0.2 | 0.2 | 9.7 |
| Materials Transport and Services Corridor | | | | | 14.5 | 5.0 | 4.5 | 24.0 |
| Callide to Gladstone LNG Corridor | | 15.0 | 4.5 | 6.4 | 3.3 | 2.8 | 4.4 | 36.3 |
| Abbot Point State Development Area (Land) | 4.0 | 5.0 | 5.5 | 5.0 | | | | 19.5 |
| Abbot Point State Development Area (service infrastructure) | | 0.3 | 0.3 | 0.3 | 10.8 | | | 11.5 |
| Abbot Point Indigenous Land Use Agreement | | | | | 1.9 | 3.4 | 0.6 | 5.9 |
| Gladstone State Development Area (land) | 11.0 | | | | | | | 11.0 |
| Gladstone State Development Area (service infrastructure) | 0.5 | 25.0 | 10.0 | 6.0 | 21.5 | | | 63.0 |
| Surat Basin Rail Land Acquisition | | | 5.3 | 4.5 | 4.5 | 0.3 | 4.2 | 18.8 |
| Aurukun Barge Landing | | | | | 0.1 | 1.2 | | 1.3 |
| Curtis Island LNG Water Pipeline Project (Gladstone Water Board) | | | | 39.4 | 8.2 | | | 47.6 |
| MINES AND ENERGY | | | | | | | | |
| Abandoned Mines | 3.4 | 2.9 | 0.3 | 0.8 | | | | 7.5 |
| Mining Tenure 'Streamlining' | | | 1.0 | 4.2 | 6.9 | 3.8 | | 16.0 |
| Automated Titles System Modification | | | | | 2.5 | 3.4 | | 5.9 |
| Drill Core Facility (Mt Isa) | 0.8 | 1.6 | 2.4 | 0.4 | | | | 5.1 |
| Zillmere Core Library Extension | | | | | | | 5.0 | 5.0 |
| Systems Development | | | | | | | 5.5 | 5.5 |
| Explosives Reserves | 1.0 | | | | | | | 1.0 |
| Electricity PNFCs | | | | | | | | |
| Mica Creek Power Station (CS Energy) | 12.4 | 32.4 | 20.0 | 18.9 | 26.2 | 6.7 | 20.9 | 137.5 |
| Kogan and Calide power stations (CS Energy) | | | | | | 74.6 | 92.2 | 166.8 |
| Kunioon Mine (Tarong Energy) | 61.5 | 64.5 | 4.6 | 2.7 | | | 64.0 | 197.3 |
| Meandu Mine Project (Tarong Energy) | | | 38.4 | 5.9 | 110.1 | 55.6 | 0.1 | 210.0 |
| Mine Void Ash Disposal Project (Tarong Energy) | 22.0 | 9.4 | | | | | 6.0 | 37.4 |
| Glen Wilga Mine Review (Tarong Energy) | 9.3 | 8.0 | 7.8 | 1.2 | | 11.6 | 15.1 | 53.0 |
| Stanwell Power Station | | | | | | | 38.0 | 38.0 |
| Swanbank Power Station | | | | | | | 0.7 | 0.7 |
| Larcom Creek Substaion (Powerlink) | 37.6 | 36.6 | 0.1 | | | | | 74.3 |
| Reinforce Gladstone Electricity Supply (Ergon) | | | | 0.1 | 0.4 | 22.7 | | 23.2 |
| Reinforce Goonyella Electricity Supply (Ergon) | | | | 1.4 | 4.0 | 28.2 | | 33.6 |
| Reinforce Bowen Basin Broadlea Elec Supply (Ergon) | | | | 19.1 | 8.0 | 14.8 | | 41.9 |
| Reinforce Boyne Island Electricity Supply (Ergon) | | | | | 1.1 | 12.6 | 4.5 | 18.2 |
| Moranbah Supply Augmentation (Ergon) | | | | | 1.1 | 10.2 | 29.7 | 41.0 |
| Collinsville Substation Upgrade (Ergon) | | | | | | 0.5 | 2.0 | 2.5 |
| Gladstone Substation Replacement (Powerlink) | | | | 86.8 | 31.7 | 7.8 | 43.9 | 170.2 |
| Collinsville Substation Replacement (Powerlink) | | | | 0.7 | 23.0 | 32.3 | 1.4 | 57.4 |
| Gladstone Power Station Upgrade (Powerlink) | | | | | | 127.4 | 3.2 | 130.6 |
| Braemar - Secondary System Replacement | | | | | | 17.8 | 4.6 | 22.4 |
| Dalrymple Bay-Hay Point supply (Ergon) | 38.0 | 20.1 | 2.3 | | | | | 60.5 |
| Abbot Point supply (Ergon) | | 30.2 | 2.1 | | | | | 32.4 |
| Miles Generator (Qld Gas Co) | 27.0 | 7.0 | | | | | | 34.0 |
| Arrow Energy Generator Connection (CS Energy) | 18.3 | 4.3 | 1.0 | | | | | 23.6 |
| NATURAL RESOURCES AND WATER | | | | | | | | |
| Nathan Dam - Northern Bowen Basin supply | 33.9 | 21.7 | | | | | | 55.6 |
| Connors River Dam - Northern Bowen Basin supply | 8.0 | 12.0 | 48.2 | | | | | 68.2 |
| Yarwun Industrial Water Treatment (Gladstone) | 0.3 | | | 1.5 | 1.5 | | | 3.3 |
| Lake Julius gas electricity distribution lines (Cloncurry) | 0.0 | 0.2 | 0.2 | 0.2 | 1.4 | 1.7 | 0.2 | 4.0 |
| Collinsville Pipeline | | 0.4 | 0.6 | | 0.5 | | 0.9 | 2.4 |
| Awoonga-Calide Pipeline | | | | | | | 3.3 | 3.3 |
| Burdekin-Moranbah Pipeline | | 0.3 | 0.5 | | 8.8 | | 1.1 | 10.7 |
| Moranbah to Lake Vermont Pipeline | | | | | | | 10.2 | 10.2 |
| Eungella Dam Water Pipeline | | | | | | 0.4 | 0.4 | 0.8 |
| Aldoga Reservoir Site | | | | | 0.0 | 1.1 | | 1.1 |
| Nathan Dam (Prefeasibility and Business Case) | 7.1 | 3.5 | 0.2 | | | | | 10.8 |
| Connors River Dam (Prefeasibility and Business Case) | 8.0 | 2.3 | 0.3 | | | | | 10.5 |

| TRANSPORT | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | |
|--|---------|---------|---------|---------|---------|---------|---------|-------|
| Rail Network | \$m | \$m | \$m | \$m | \$m | \$m | \$m | Total |
| Jilalan Yard Upgrade | 287.9 | 178.3 | 19.5 | | | | | 485.6 |
| Northern Minerals Provenge: Driver activated points | 10.0 | 97.0 | | | | | | 107.0 |
| Dalrymple Bay Coal Terminal 3rd Loop | 101.0 | 15.4 | 2.3 | | | | | 118.8 |
| Broadlea-Mallawa-Wotonga Duplication | 66.4 | 1.2 | | | | | | 67.6 |
| Stanwell to Wycarbah Duplication | 64.1 | 7.4 | | | | | | 71.5 |
| Mt Isa Line Concrete Relay & works | 2.0 | 19.0 | 66.7 | 15.4 | 14.0 | | | 117.2 |
| Goonyella-Abbot Point Expansion (Missing Link Project) | 10.7 | 8.0 | 502.2 | 309.8 | | | | 830.7 |
| Goonyella-Abbot Point Expansion (Long Lead Time Items) | | 41.0 | 1.1 | | | | | 42.1 |
| Callemonda 3rd Spur | 30.8 | 4.0 | 1.0 | | | | | 35.8 |
| Westwood to Wycarbah Duplication | 26.0 | 4.2 | | | | | | 30.2 |
| Bolingbroke Electricity Feeder Station | 27.1 | 2.8 | | | | | | 29.9 |
| Raglan Electricity Feeder Station | | 5.9 | 25.5 | 20.6 | | | | 52.0 |
| Duaringa Electricity Feeder Station | | 8.3 | 13.9 | 25.3 | | | | 47.4 |
| Wycarbah Electricity Feeder Station | | 13.7 | 27.4 | 6.2 | | | | 47.3 |
| Bluff Electricity Feeder Station | | 8.6 | 15.0 | 21.8 | | | | 45.5 |
| Vermont Spur and Balloon Loop | 38.4 | 21.5 | 6.8 | 5.0 | | | | 71.8 |
| Coppabella Yard Upgrade | 7.3 | | | | | | | 7.3 |
| Coppabella-Ingsdon Duplication | 20.9 | 44.4 | 10.2 | | | | | 75.4 |
| Grantleigh to Tunnel Duplication | 27.9 | 21.1 | | | | | | 49.0 |
| Moura Line Passing Loops/Turnout Replacements | 1.9 | 2.4 | 10.9 | 7.4 | | | | 22.6 |
| Moura Link (Prelim Design) | | 3.8 | 16.2 | | | | | 20.0 |
| Wiggins Island (Gladstone) Balloon Loop | 14.2 | 6.2 | 2.6 | | | | | 23.0 |
| Central Qld Coal Rail Formation Strengthening | 9.8 | 5.2 | 4.3 | | | | | 19.4 |
| Kinrola Branch Relay (Rolleston) | 16.0 | 0.6 | | | | | | 16.6 |
| Mindi Substation | 16.0 | 2.5 | | | | | | 18.5 |
| St Lawrence River Bridge Replacement | 10.1 | 17.2 | 1.5 | | | | | 28.9 |
| Harrow Passing Loop (Peak Downs) | 8.1 | | | | | | | 8.1 |
| Sonoma Balloon Loop | 2.3 | | | | | | | 2.3 |
| Goonyella System Upgrade (Electrification) | 7.6 | 3.8 | | | | | | 11.4 |
| Aldoga to Wiggins Island Upgrade | | 6.0 | 9.8 | | | | | 15.8 |
| Banana to Wooderson Track Upgrade | | 9.6 | 4.4 | | | | | 14.0 |
| Columboola to Fishermans Island Project (Surat Basin) | | 12.8 | 18.6 | | | 2.0 | 12.9 | 46.3 |
| Corridor Integrity Strategy & Land Requirements | 10.5 | 2.7 | 8.7 | 4.0 | | | | 25.9 |
| Rollingstock | | | | | | | | |
| Electric Loco Fleet Upgrade (Stages 1&2) | 155.2 | 20.9 | 7.6 | 18.7 | | | | 202.4 |
| 1,190 New Coal Wagons (VCA 106T) | 142.5 | 13.2 | | | | | | 155.7 |
| 370 New Coal Wagons 106T | | 10.0 | 53.5 | | | | | 63.5 |
| Electric Loco Upgrade Program | 111.0 | 26.0 | 9.2 | | | | | 146.2 |
| 10 x 4100 Class Diesel Electric Locomotives | 14.9 | 54.0 | 5.9 | | | | | 74.8 |
| 15 x 4100 Class Diesel Locomotives | | 15.8 | 79.5 | | | | | 95.3 |
| 12 & 16 Cylinder Loco Overhauls | 23.0 | 13.5 | 14.3 | | | | | 50.8 |
| 4000 Class Loco E Inspection Program | 14.5 | 6.9 | 2.7 | 1.9 | | | | 25.9 |
| 510 VCA Coal Wagons | 14.8 | | | | | | | 14.8 |
| VNQ Coal Wagon Overhauls | 4.2 | | | | | | | 4.2 |

| Port Authority PNFCs | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | Total |
|---|----------------|----------------|----------------|--------------|--------------|--------------|--------------|-----------------|
| RG Tanna Coal Terminal Expansion (GPA) | 776.9 | 3.1 | | | | | | 780.0 |
| RG Tanna Coal Terminal Ongoing Project (GPA) | 15.5 | 38.2 | 40.2 | 59.0 | 85.5 | 31.6 | 50.6 | 320.5 |
| RG Tanna Coal Terminal Dust Control (GPA) | | 2.5 | 3.1 | 0.7 | 0.5 | | | 6.8 |
| Wiggins Island Feasibility (GPA) | 5.0 | | | | | | | 5.0 |
| Gladstone Ports General Projects (GPA) | 2.3 | 27.4 | 30.3 | 47.4 | 131.3 | 75.2 | | 314.0 |
| Fishermans Landing Project (GPA) | 3.4 | 14.2 | 62.0 | 2.8 | 1.8 | 2.8 | | 86.8 |
| Barney Point Project (GPA) | 2.7 | 2.4 | 2.7 | 3.7 | 6.7 | 1.7 | | 19.8 |
| Auckland Point Project (GPA) | | 7.0 | 5.0 | 4.6 | 3.9 | 1.5 | | 21.9 |
| Wiggins Island Project (GPA) | | | | | 5.0 | 5.0 | | 10.0 |
| Channel Duplication Investigations (GPA) | | | | | | 2.2 | 13.0 | 15.2 |
| New Tug Facility (GPA) | | | | | | 23.3 | 11.0 | 34.3 |
| Commercial Projects (GPA) | | | | | | 11.4 | 9.7 | 21.0 |
| Eastshores Development (GPA) | | | | | | 1.2 | 5.1 | 6.4 |
| Wiggins Island Operational Readiness (GPA) | | | | | | 0.3 | 4.7 | 5.0 |
| Clinton Bypass Channel Dredging (GPA) | | | | | | 54.7 | 3.7 | 58.4 |
| Port Services Projects (GPA) | | | | | | 2.0 | 3.6 | 5.5 |
| Plant, Equipment and Minor Works (GPA) | | | | | | | 14.9 | 14.9 |
| Fisherman's Landing Projects (GPA) | | | | | | 1.1 | 3.1 | 4.3 |
| Abbot Point Expansion X50 (NQBP) | 382.6 | 287.9 | 53.5 | | | | | 724.1 |
| Abbot Point Expansion X21 (NQBP) | 2.0 | 18.0 | | | | | | 20.0 |
| Abbot Point Expansion X25 (NQBP) | 78.0 | 17.0 | | | | | | 95.0 |
| Abbot Point Expansion SR1 & SR2 (NQBP) | 7.9 | 23.5 | 39.6 | | | | | 71.0 |
| Abbot Point Expansion X110 - Prelim. (NQBP) | | 14.0 | 3.7 | 19.8 | | | | 37.5 |
| X230 Masterplan (NQBP) | | | 1.0 | 3.0 | | | | 4.0 |
| Abbot Point Terminals 2 & 3 (NQBP) | | | | 10.1 | 11.9 | 1.6 | | 23.6 |
| Abbott Point Common User Infrastructure (NQBP) | | | | 0.5 | 1.0 | 0.2 | 4.4 | 6.0 |
| Louisa Creek Land Acquisition (NQBP) | | 8.7 | 1.3 | 8.0 | 9.3 | 9.3 | 4.2 | 40.7 |
| Hay Point Masterplan and EIS NQBP) | | | 1.6 | 8.6 | 14.5 | 6.0 | 2.0 | 32.7 |
| Abbot Point Port Development (NQBP) | 4.4 | 11.7 | 11.2 | 0.2 | 1.4 | | | 28.9 |
| Hay Point Port Development (NQBP) | 1.2 | 2.2 | 4.2 | 0.3 | 1.6 | 0.7 | 3.7 | 13.9 |
| Weipa Port Development (NQBP) | 0.0 | 0.0 | 0.0 | 0.0 | 6.4 | | | 6.6 |
| Relocation of Tugs (NQBP) | | | | | | | 2.6 | 2.6 |
| Townsville Berth 8 (Xstrata Cannington) Upgrade | | | 1.4 | 15.9 | 17.1 | | | 34.4 |
| Value of capital spending 2008-09 to 2013-14 (\$m) | 2,932.7 | 1,525.8 | 1,362.9 | 831.1 | 611.6 | 685.4 | 519.6 | 8,469.1 |
| Concessions Statement (\$m) | | | | | | | | |
| Rail infrastructure concessions | | | | | 503.7 | 546.9 | 556.7 | |
| Gladstone Power Station subsidies (IPPA) | | | | | 233.6 | 233.6 | 233.6 | |
| Gladstone Port charges concessions | | | | | 44.7 | 47.3 | 49.4 | |
| Gladstone Port lease concessions | | | | | 3.5 | 3.4 | 3.2 | |
| NQ Bulk Ports lease concessions | | | | | 1.5 | 1.5 | 1.6 | |
| Mining industry training subsidy | | | | | 0.3 | 3.0 | | |
| Fixed Water Grid Contracts (Tarong & Stanwell) | | | | | | 16.0 | 16.4 | |
| Port of Townsville Limited | | | | | | 5.3 | 5.4 | |
| Far North Queensland Ports Corporation Limited | | | | | | 0.6 | 0.6 | |
| Total Concessions (\$m) | | | | | 787.3 | 857.6 | 866.9 | |
| Government expenditure on Minerals & gas (\$m) | 2,933 | 1,526 | 1,363 | 831 | 1,399 | 1,543 | 1,387 | 10,980.9 |