

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Supplementary Budget Estimates

19 October 2011

Question: SR40

Topic: Minerals and Energy Forecasting

Proof Hansard Page: Written

Senator Colbeck asked:

Minerals and resources boom

1. The record commodity earnings projected for 2011-12 are largely due to increases in earnings from energy and minerals (ABARES media release 21 June 2011), what forecasting has ABARES done regarding the longer term horizon for this boom?
2. What are the likely longer term impacts on infrastructural developments and the impact of infrastructural developments focussing on mining?

Answer:

1. On 20 September 2011, the Bureau of Resources and Energy Economics (BREE) released its Resources and Energy Quarterly, which replaced the minerals and energy commodity forecasts previously undertaken by ABARES. BREE forecast record Australian minerals and energy export earnings in 2011-12 of A\$ 215 billion, an increase of 23 per cent from 2010-11. In March 2012, BREE will release medium term forecasts for world minerals and energy commodity markets (out to 2017) and Australian export volumes and volumes minerals and energy commodities (out to 2016-17).

BREE is also undertaking a study into regional export infrastructure requirements (port and rail) to support coal, iron ore and liquefied natural gas (LNG) exports out to 2025. Included in the study will be analysis and projections for regional and world consumption and import demand of these commodities. This study is scheduled for release in the first quarter of 2012.

2. BREE has a regular publication *Mining Industry Major Projects* that provides data (number, location, type and reported \$ value) on advanced and less advanced projects in the mining industry. The latest version of this report will be published on 29 November, 2011. At present, there is significant activity being undertaken to expand minerals and energy commodity export infrastructure, particularly for the coal and iron ore industries. There are a number of projects in New South Wales, Queensland and Western Australia that are under construction that will support increased exports. For example, at present there is 131 million tonnes of coal port capacity under construction which is equivalent to just under a third of Australia's existing coal port capacity. Currently there is around 131 million tonnes of iron ore port capacity under construction, which is equivalent to 28 per cent of existing iron ore port capacity.