03 ECONOMIC AND SOCIAL CONTRIBUTION

In FY21 the gas industry's **direct contribution** to Queensland Gross Regional Product

$9.3B

For the same period, the gross value of production of Queensland's agriculture sector was

$18.47B

4,200+

direct jobs in the gas industry

74,000+

direct jobs in the agriculture sector

$3.51B

spent by the gas industry on local goods, services, community contributions and government payments benefiting:

2,500 **local businesses**

279 **community organisations**

Agriculture exports equated to

$8.54B

complementing LNGs export value of

$9.51B

PETROLEUM AND GAS, AGRICULTURE SECTOR BENEFITS TO QUEENSLAND

The onshore gas industry is not a short-term guest in the shared landscape with agriculture and rural and regional communities.
The development curve of the gas sector is not fixed, it is constantly evolving; not only within existing areas, but also expanding into new greenfield areas.

The onshore gas industry has grown to become a major contributor to Queensland's economy and provides an increased and diversified range of economic development opportunities in the rural and regional communities in which it operates. This complements the traditional role and significant contribution of agriculture to these communities. The upward trajectory of the gas sector is evolving and expanding, raising new issues for receiving communities. Additionally, the agriculture sector is continuously evolving and adapting to the changing landscape and environment. Both sectors need to grow and interact together, sustainably.

Queensland's agricultural sector and the petroleum and gas industry are world renowned and contribute substantially to the state's function and economy. Both sectors provide essential goods and services to the state.

The agricultural sector provides food, textiles and numerous other products. The gas sector produces fuels that are used for cooking, heating, manufacturing and electricity generation. Agricultural landholders are stewards of the land, with stringent and successful biosecurity risk management programs. These sectors support regional communities through jobs and expenditure. Both sectors are largely export driven, with markets primarily in Asia.

Queensland has the largest area of agricultural land (83%) of any Australian state or territory and the highest proportion of land area in Australia dedicated to agriculture.[16] Petroleum and gas tenures cover 8.6% of the state, but the surface footprint of the sector is much smaller. Petroleum and gas tenures exist in 27 local government areas (LGAs), while commercial agricultural activities occur in almost all LGAs except for some in Cape York.[17]

The coexistence between the agricultural and gas sectors fundamentally supports the Queensland economy. The gross value of production (GVP) for agriculture in Queensland was $14.74 billion in FY21.[18] First round processing for agricultural products added a further $3.73 billion.

[16] Queensland AgTrends 2019–2020
[17] Department of Agriculture and Fisheries – Queensland Data Farm (Agricultural Exports)
[18] Department of Agriculture and Fisheries – Queensland AgTrends

The Gross Regional Product for gas in Queensland was $9.3 billion in FY21 according to Queensland Resources Council (QRC).[19] It is noteworthy that a number of LGAs with the highest gross value of agricultural production also support Queensland's most productive gas fields.

In FY21, Queensland had the third highest value of agricultural commodities produced of all Australian states and territories.[20]

In FY21, Queensland had over $8.54 billion of agriculture exports and $9.51 billion of LNG exports.

SURAT BASIN POPULATION

Local residents vs non-residents

Sharp increases in non-resident workers can place strains on regional communities. This was previously experienced during the initial CSG development[21] as a result of CSG workers residing in regional towns that hosted gas development activity. In the current landscape, housing shortages in the Surat Basin local government areas are being attributed to people such as non-resident solar farm construction workers and people moving to the regions due to higher cost of living in cities. Local communities have reported that this is making it difficult for local businesses to secure workers.

A general measure of potential load upon regional communities can be inferred by looking at local residents vs non-residents. Statistics from the Queensland Government Statistician's Office include non-resident workers from all relevant sectors, not just the petroleum and gas industry. The non-resident population is the number of fly-in/fly-out or drive-in/drive-out workers who are living in the area of their workplace at a given point in time and whose usual place of residence is elsewhere. Statistics from the Queensland Government Statistician's Office therefore refer to the number of non-resident workers on-shift at a given point in time, not the total non-resident workforce.

Queensland Government Statistician's Office INSIGHTS

"The non-resident population of the Surat Basin was estimated at 3,625 persons at the end of June 2021, around 365 persons or 11% higher than in June 2020 (Table 10).

Most of the region's non-resident population was located in Western Downs (2,640 persons or 73%) as of June 2021. Around 25% was in Maranoa Regional Council (865 persons or 24%), with the remainder in Toowoomba Regional Council (120 persons or 3%).

The non-resident population of Western Downs Regional Council grew by 585 persons or 29% in FY21, driven by a significant increase in renewable energy project construction and supported by CSG development and operations activity. In Maranoa Regional Council, the non-resident population fell by 210 persons or 20%, with fewer non-resident workers engaged in CSG activity.

The non-resident population of Toowoomba Regional Council was almost unchanged, falling by 10 persons or 9% between June 2020 and June 2021. Compared with the other LGAs, Toowoomba Regional Council has a much smaller non-resident population, which largely comprised workers engaged in CSG activity and power station maintenance, as well as road and rail workers." [22]

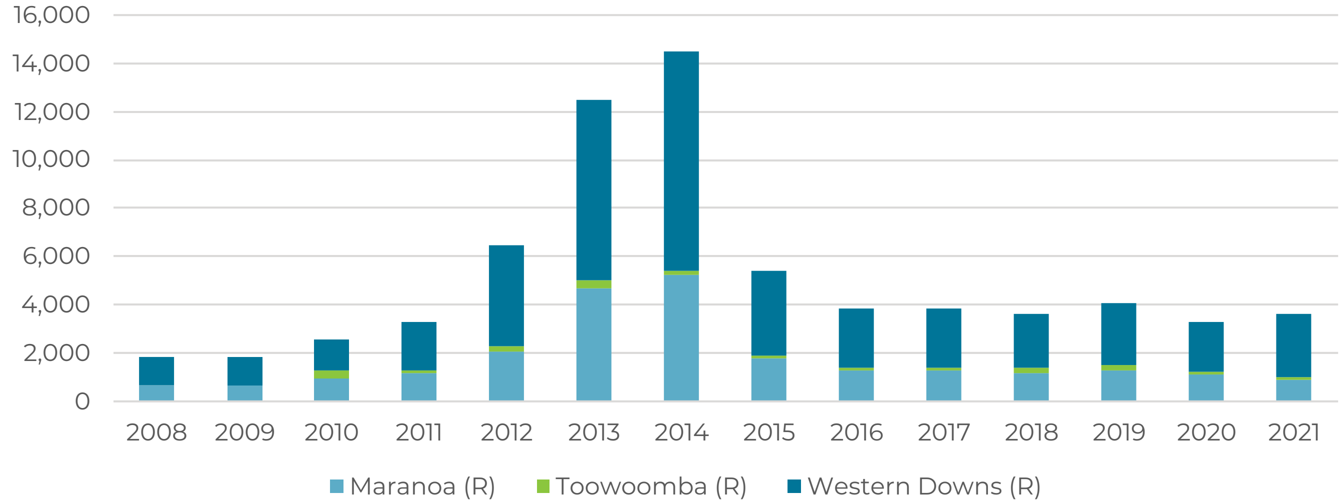
[19] Queensland Resources Council
[20] Australian Bureau of Statistics – Value of Agricultural Commodities Produced, Australia
[21] CSIRO publication – Local economic impacts of an unconventional energy boom
[22] Surat Basin population report, 2021

Table 10. Local Residents and non-residents in the Surat Basin LGAs, as of FY20 and FY21

	2020			2021			Non-resident Change	
	Resident	Non-resident		Resident	Non-resident			
LGA	Persons		%	Persons		%	Persons	%
Maranoa	12,615	1,075	8.52%	12,695	865	6.81%	-210	-20
Toowoomba	170,375	130	0.08%	171,425	120	0.07%	-10	-9
Western Downs	34,750	2,055	5.91%	34,660	2,640	7.62%	585	29
SURAT BASIN TOTAL	**217,740**	**3,260**	**1.50%**	**218,780**	**3,625**	**1.66%**	**365**	**11**

Source: Queensland Government Statistician's Office estimates
Figures in tables have been rounded to the nearest five.

Figure 21. Non-resident population, Surat Basin LGAs as at June



Source: Queensland Government Statistician's Office estimates
Estimates for 2008 do not include Toowoomba (R). Data for the Surat Basin was not collected in 2009 and estimates are extrapolated from 2008 data.

AGRICULTURAL SECTOR CONTRIBUTION TO QUEENSLAND

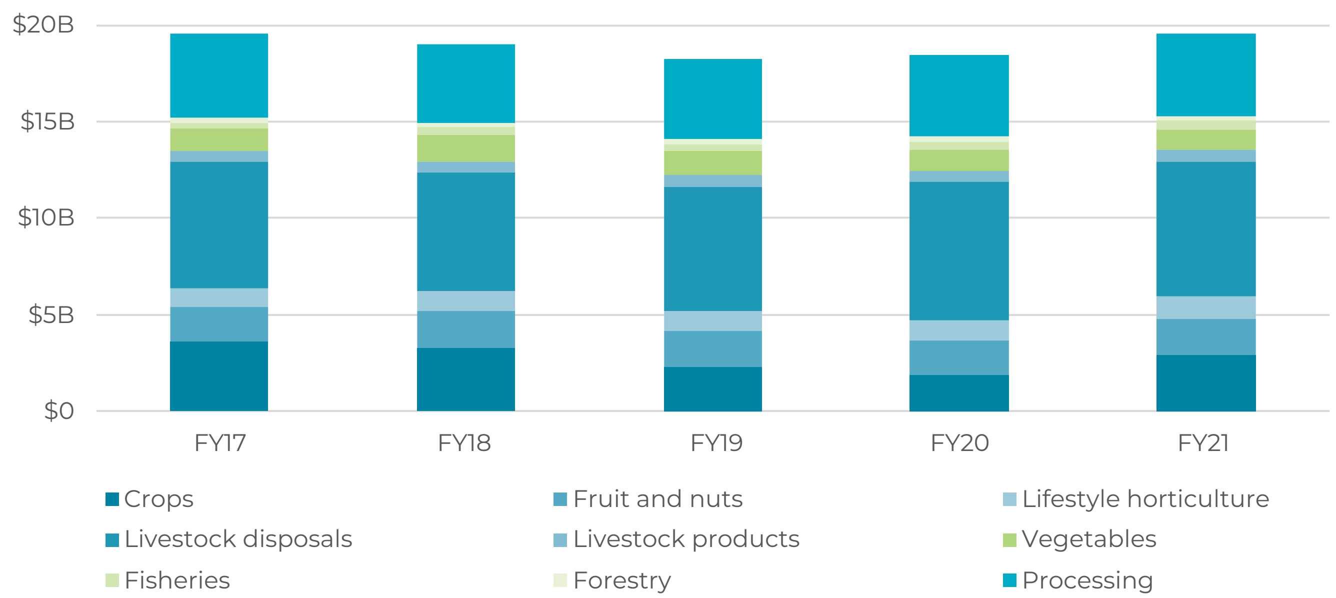
The total value of Queensland's primary industry commodities is made up of two components, the GVP for unprocessed primary commodities, and value of first-stage processing (value-added production). The GVP is the value of recorded production at wholesale prices realised in the marketplace (e.g. cattle sold at saleyards, sugarcane at the mill door, fruit and vegetables at the wholesale market). It is derived by multiplying the output from each primary industry by the average wholesale price paid to producers. The Department of Agriculture and Fisheries (DAF) 'Queensland AgTrends 2020-21 Report' specifies that GVP only relates to the output of primary industry commercial operations.

For simplicity, the following sections of Shared Landscapes specifically focus on GVP for unprocessed primary commodities that are within the agricultural sector, i.e., livestock disposals, livestock products, vegetables, fruit and nuts, lifestyle horticulture, and crops.

In FY21, the GVP to the farm gate in Queensland was $14.74 billion. First round processing which includes meat processing, sugar processing, fruit and vegetable processing, flour milling and feed processing, cotton ginning, and milk and cream processing adds a further $3.73 billion in production value for Queensland.[23]

The Department of Agriculture and Fisheries (DAF) recorded FY21 as the second consecutive year on year growth in total value of production following declines after the sector experienced one of the worst droughts in over 100 years. Agriculture to the farm gate employed approximately 74,300 people in FY21. While this represented a modest decrease from FY20, the annual average growth rate over the past 5 years is 20.7%.

Figure 22. Gross value of production



[23] Department of Agriculture and Fisheries - Agricultural exports

Every Queensland resident benefits from the resources sector. Resource royalties help pay for government services like schools, hospitals and roads, as well as police, teachers and healthcare workers. This is in addition to supporting thousands of regional businesses and jobs, and generating export revenue that grows our economy. The people who work in Queensland's resources sector also spend a portion of their wages/salaries purchasing such things as produce that is farmed in Queensland.

It is not possible to track where every dollar generated by the gas industry is spent, but this chapter provides an overview of the gas industry's economic contribution to the State. Queensland's petroleum and gas industry is a significant contributor to the State's economy.

Queensland's Gross State Product (GSP) is an aggregate measure of the total economic production of goods and services, including international and interstate trade, that is reported quarterly.

Much of the data that informs this section has been sourced from the Lawrence Consulting report Economic Impact of Minerals and Energy Sector on the Queensland Economy 2020/21, which was prepared for Queensland Resources Council. In this report, data is reported for commodities according to groupings: coal, coal seam gas/liquefied natural gas, metalliferous, and other (non-metallic mineral mining, including mineral sands, energy generation and magnesia operations). Where data is sourced from the Lawrence Consulting report, the industry referred to is "CSG/LNG" rather than "petroleum and gas".

QUEENSLAND PETROLEUM ROYALTIES

Compared to coal, petroleum royalties make up a smaller share of total royalties, though petroleum royalties have grown strongly as the export industry has matured. Most of the LNG produced in Queensland is sold under long-term contracts linked to oil prices, while the production level of the three major LNG plants is expected to be relatively stable.

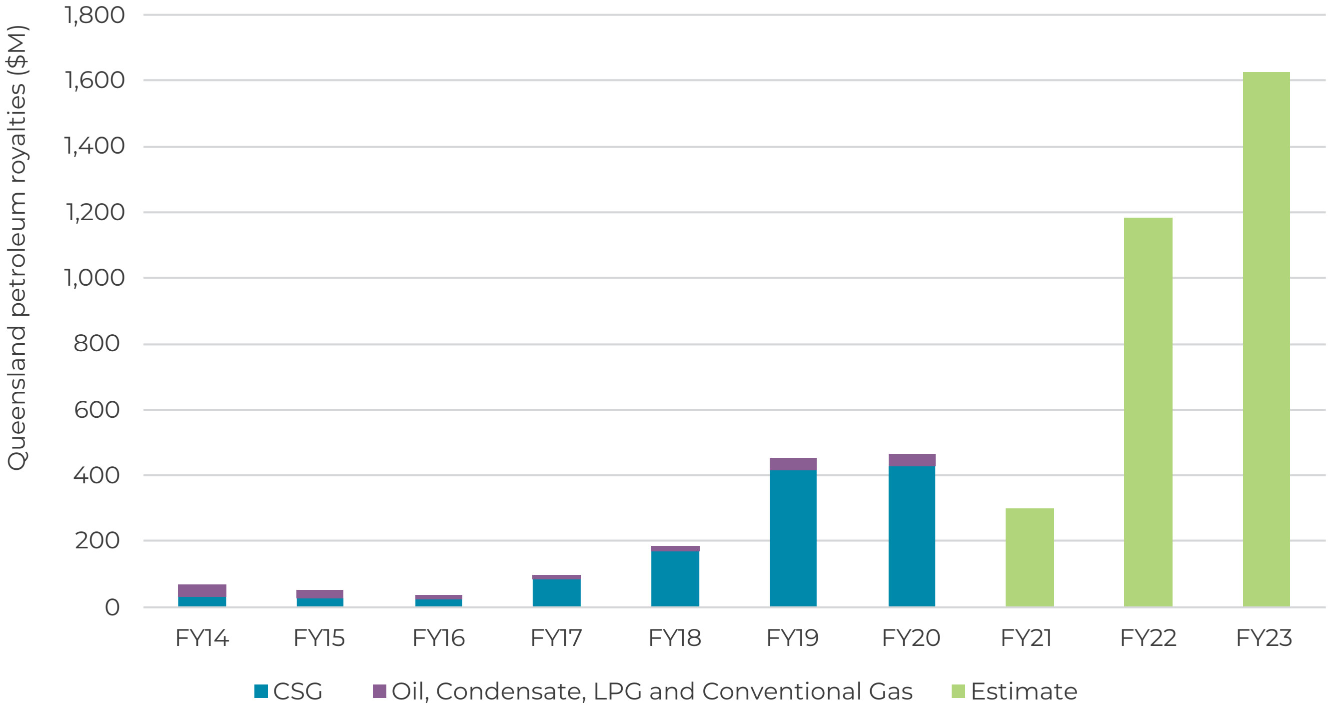
Petroleum royalties (which include CSG, oil, condensate, LPG, and conventional gas) represent approximately 10% of the total royalties collected in Queensland. These royalties are then shared across Queensland's education, health, transport and roads, and policing sectors.

INSIGHTS

From 1 October 2020, Queensland's petroleum royalties transitioned to being calculated based on applying a tiered royalty rate to the volume of petroleum produced (rather than the previous system of royalties being calculated as 12.5% of the determined 'wellhead value' of petroleum disposed of), with a rate based on the reference price for the producer.

As the industry transitioned to the new royalty calculation method, there was a short term decline in royalties earned from the petroleum sector. Royalty revenue for the FY22 is a total of $1.184 billion, this is driven by the recent surge in oil prices, which rose from a low of US$6 per barrel on 21 April 2020 to over US$100 per barrel in 2022.

Figure 23. Queensland Petroleum Royalties



DIRECT VS INDIRECT JOBS IN THE PETROLEUM AND GAS INDUSTRY

Lawrence Consulting were contracted by the Queensland Resources Council to compile the contribution statistics for Queensland's oil and gas industry in FY21.

It was established that the gas industry employed 4,246 direct FTEs in FY21, equating to 0.2% of total state employment and $730 million in wages. Indirect employment was estimated to be 23,044 FTEs, bringing the total direct and indirect employment to 1.1% of total state employment and an additional $1.99 billion in wages and salaries. It is estimated that the total direct and indirect gas industry wages and salaries for FY21 were approximately $2.72 billion.

Table 11. Gas industry employment, wages and salaries Queensland in FY21

Employment	Employment (FTEs)	Wages and salaries ($ million)
Direct	4,246	730
Indirect	23,044	1,993
Total (Type I)	**27,290**	**2,723**

Source: Lawrence Consulting 'Economic Impact of Minerals and Energy Sector on the Queensland Economy 2020/21'

COMMUNITY CONTRIBUTIONS

The petroleum and gas industry invests in the communities in which they operate, and relationships have evolved over the years. In addition to local jobs, spending and procurement, the petroleum and gas industry seeks innovative ways to add value. From the LifeFlight Surat Gas Aeromedical Service, to the Heart of Australia mobile medical program, and the camel races, resource tenure holders support their local communities through various avenues.

However, as previously mentioned, it is not always possible to track and see where every dollar is spent across the State. The data provided below is a summary of where the gas industry is making direct contributions to the LGA in which they operate.

Whilst it has always been an important aspect of the gas industry's social licence to operate, the data below is intended to demonstrate a wholistic and cumulative representation of the economic contributions the gas industry makes to the LGAs across the State.

Petroleum and Gas Industry – FY21 Direct Expenditure by Region

Queensland's petroleum and gas industry direct expenditure included $3.1 billion spent on local goods and services, benefiting 2,497 local businesses and 279 community organisations across Queensland.

Table 12. Direct impact of gas industry by region

Region	LGAs mentioned in this report within the region	Residing employees (FTE)	Associated salaries ($ million)	Number of Businesses	% of total	Business purchases, community & government payments ($ million)	Total direct spending ($ million)
Brisbane		2,546	457.7	1,454	58.23%	2,025.4	2,483.1
Central West	Barcoo	n/a	n/a	254	10.17%	8.9	9.2
Darling Downs	Toowoomba, Western Downs	446	72.8	51	2.04%	523.1	595.9
Far North		17	2.4	22	0.88%	10.5	12.9
Fitzroy	Banana, Central Highlands	502	87.7	327	13.10%	181.9	269.6
Gold Coast		131	22.1	3	0.12%	80.7	102.8
Mackay	Isaac	37	5.5	41	1.64%	5.9	11.4
North West		n/a	n/a	62	2.48%	0.1	0.1
Northern		18	3.1	8	0.32%	22.6	25.8
South West	Balonne, Bulloo, Maranoa, Quilpie	115	17.4	44	1.76%	183.9	201.3
Sunshine Coast		233	38.8	182	7.29%	13.1	51.9
West Moreton		33	5.4	47	1.88%	10.6	16
Wide Bay-Burnett		78	13.2	2	0.08%	28.6	41.8

Only for those companies that provided supplier details (n.p. not publishable data). Duplicates were removed to the best extent practicable to ensure an accurate estimation of the number of businesses supported at both state and regional level.

Petroleum and Gas Industry – benefits to local businesses and community organisations

In FY21, the CSG/LNG industry supported 2,497 businesses in Queensland. By far the largest number of these (1,454 businesses supported) were in Brisbane. This was followed by the Darling Downs Region (327), Fitzroy Region (254), and South West Region (182).

The CSG and/or LNG industry made a total of approximately $3.51 billion in business purchases, community and government payments in FY21.

CASE STUDY: QGC HELPING COMMUNITY GROUPS IN THE WESTERN DOWNS

For the past three years Kate Bradley has helped 157 community groups across the Western Downs region of Queensland gain access to various grants and funding in her role as Community Grants Writer.

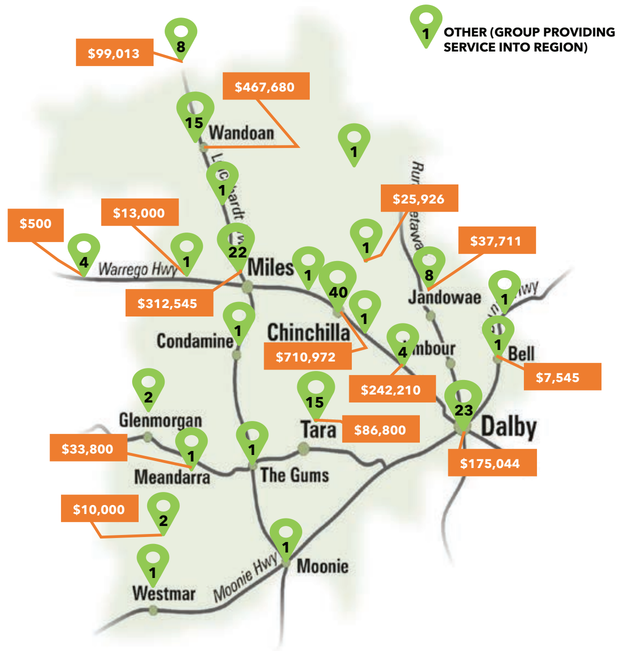
Kate's role is funded by Shell QGC's business[24] and delivered by the Murilla Community Centre.[25] Kate is based across the region's community centres, helping to research, identify and access funding opportunities. She also works with community groups to build their grant-writing capabilities so they can secure additional investment.

Since August 2019, Kate has helped the region reach a significant milestone, with almost $4.5 million in community grants achieved for the Western Downs region. Some of the successful grants include:

- upgrades to facilities for the [Wandoan Show Society];
- a new administration building for the [Chinchilla Polocrosse Club];
- securing a ride-on mower for the [Dalby Pioneer Park Museum];
- Community Drought Support Program for the [Tara Neighbourhood Centre], [Murilla Community Centre] and [Chinchilla Family Support Centre]; and
- traineeship program by [Chinchilla Community Centre] for the long-term unemployed and marginalised groups.

$ Geographic distribution of community groups' successful funding

Number of community groups who have received advice (total = 157)



Kate's focus is on helping community centres/groups identify how to turn priorities into activities, prepare documents, manage budgets and detail what's needed to ensure successful delivery of a project. She has more than a decade's experience developing funding proposals and managing projects from conception through to delivery, most recently at the Queensland University of Technology.

"To be able to help community centres and community groups and contribute to the growth of the region, I couldn't pass it up," she said.

Murilla Community Centre's, Cecily Brockhurst said having access to someone with Kate's experience and expertise was a huge positive.

[24] Shell's QGC – KATE'S READY TO HELP COMMUNITY GROUPS IN THE WESTERN DOWNS
[25] Murilla Community Centre – Community Grants Writer

"The need for a grants writer came out of community discussions with Shell's QGC business and it's great to see them listen and work with us to respond to that need," Cecily said.

"Community groups are made up of volunteers who often aren't sure where to start when looking to access funding to support their project. To have Kate available to help build up that capacity is a real win for our region."

If you're from a community group from the Western Downs region and are needing some extra help finding a grant opportunity or getting your funding application across the line, contact Kate via: mccmgrants@bigpond.com.

Community Grant writer, Kate Bradley assisting a community group member with their grant application

Table 13. Breakdown (includes community groups and community centres)

26 August 2019 – 30 June 2022	$ Amount	# Applications
Submitted	$7,528,075	324
Successful	$4,499,405	195
Unsuccessful*	$1,883,261	82
Pending	$1,145,769	47
CURRENT SUCCESS RATE IS 77%		

**Includes 23 applicants that were unsuccessful due to external factors (e.g., COVID-19, applicant unknowingly ineligible, advised disregarded). These are not included in calculated success rate.*

COEXISTENCE VIDEO CASE STUDIES

Ali Davenport — CEO Toowoomba and Surat Basin Enterprise

▶ Play video

Trevor Kehl — Property Owner

▶ Play video

Rob Fraser — Property Owner

▶ Play video