



MEDIA RELEASE

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Townsville riding high on resources wave

A Townsville Enterprise report on the North Queensland Economy for 2006/07 released today shows a 7.8% increase in Gross Regional Product (GRP) to \$11.8 Billion making Townsville the second fastest growing economy in regional Queensland. The report produced by AECgroup found the region continues to benefit from unprecedented demand for mineral resources.

North Queensland remains the 3rd largest economy by Statistical Division (behind Brisbane and Moreton) and with the second best percentage growth outside of the South-east of the State for 2006/07.

The AECgroup's latest North Queensland report shows the Mining and Manufacturing (the majority of which is minerals processing) sectors continue (not continues) to drive economic growth in the region – accounting for 33% - or \$3.97 billion dollars of our annual output.

There was major growth in service industries related to the Mining and Minerals Processing sector in 2006/07 with Transport and Storage up by 20.2%. The growth in these sectors highlights our economy's increasing links with the vast mineral resources in North West Queensland.

Other areas of outstanding growth were Construction, up by 17.4% and Property and Business Services up 18.2%.

Government Administration and Defence continues to be a major contributor to the economy despite a diminishing share in the overall figures – the sector grew by 5.4% to \$953,000,000.

Townsville Enterprise Chief Executive Officer Glenys Schuntner said the report paints a healthy picture of the region's economy.

“When you have so many sectors represented in the one region it is good news for the economy. We have a stable base of industries driving the region which is important for sustainable growth,” Ms Schuntner said.

“A diverse economy is great for attracting investment and skilled migrants – those looking to establish a business in North Queensland can do so with confidence because of the wide range of services and facilities available to those operating in the region.”

“The growth in minerals processing is a reflection of the ongoing demand for resources – and reflects the expansion of local refineries. QNI, SunMetals and Xstrata continue to play a vital role in the region's economy – along with the Port of Townsville.”

The figures show that North Queensland's strong growth is contributing to the overall improvement of the region's lifestyle with the Retail sector increasing by 5.6% to almost \$600 million and the Cultural and Recreational Services sector growing by a whopping 26% to \$172 million.

Similarly, there was growth in important areas such as Health and Community Services, up 15.4% and Education, up 3.6%.

Two sectors of the economy experienced sharp declines over the year. The Agriculture sector contracted by 16.6% with the downturn attributed to lower sugarcane yields and a low sugar price. The Electricity, Gas and Water sector also shrank by 19.9% with the contraction attributed to projects completed the previous reporting period.

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