

CopperString & NQ Minerals – the best bet to power Queensland’s economic recovery

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Every \$1 invested in the CopperString 2.0 power transmission project to connect Queensland’s North West Minerals Province (NWMP) to the national electricity grid, is forecast to quadruple in value and deliver \$4.54 in benefits for Australia.

CopperString 2.0 is a proposed 1,100km high voltage transmission network that will integrate the NWMP into the national transmission grid via connection near Townsville, representing the largest geographic expansion of the National Electricity Market (NEM).

By connecting the NWMP to the NEM, CopperString will provide cheaper and more flexible electricity supply, facilitating new investments in minerals production, industrial manufacturing and agriculture and new export opportunities from the Port of Townsville.

Mr Joseph O’Brien, Director, CuString Pty Ltd, the CopperString 2.0 project proponents, said ACIL Allen had recently completed economic modelling which estimates the CopperString project’s Benefit Cost Ratio (BCR) to be 4.54 with total project net benefits of \$9.2 billion, using a 7% discount rate.

Like other common-use infrastructure that has dramatically improved the economics of resources provinces in Australia, CopperString 2.0 is expected to sustain much higher levels of production and export and therefore deliver exceptionally large economic benefits.

Global demand can sustain minerals mining and processing in the NWMP and Townsville driven by new economy minerals and essential commodities used in clean energy, batteries, technology, smart phones, and defence technology. To be globally competitive the NWMP must have the cheaper and more flexible electricity supply that CopperString can deliver.

“The significance of this analysis is that CopperString’s BCR of 4.54 highlights the critical importance of the Townsville - NWMP industrial economy to our jobs and national income because this infrastructure compares very favourably to other Australian infrastructure projects,” Mr O’Brien said.

Relative to other nationally significant infrastructure projects, investments totalling more than \$20 billion have been made with much lower BCRs, including Inland Rail with a BCR of 1.1, Brisbane’s Cross River Rail with a BCR of 1.21, and Western Sydney Airport with a BCR of 1.9. This is shown in **Figure 1** below.

“It is clear that Queensland’s best bet to repower the economy is backing the North West Minerals Province and Townsville’s industrial manufacturing sector with major infrastructure investment such as CopperString,” Mr O’Brien said.

The BCR is a key indicator for the strength of an infrastructure project with a figure greater than one showing the benefits exceed the costs and the project provides a net economic benefit. A project with a higher BCR provides a greater benefit per dollar invested and should receive priority in the allocation of funding and the efficient use of capital to maximise economic benefits.

“By providing access to cheaper and more flexible electricity supply the CopperString transmission line will be a catalyst for the increased production of mineral resources that are not economically feasible and likely to remain in the ground if we do nothing and are stuck with expensive energy,” Mr O’Brien said.

The ACIL Allen report identified that CopperString’s key benefits include the efficiency benefits of electricity generation (principally associated with lower fuel and variable operating costs per unit of electricity generated), additional electricity generation, including increased production of renewable energy, reduced carbon emissions, increased mineral production and increased employment and prosperity for Queensland.

Previous independent studies by specialist resources consultants have found that by connecting the North West Queensland Power System (currently isolated from the national grid) to the NEM, the NWMP would be a sustainable source of employment and national income for decades to come with a forecast aggregate growth in minerals production of \$154 billion over 30 years from a known resource inventory of \$680 billion.

ACIL Allen has also undertaken economic impact analysis with a forecast period out to 2050 which show:

- \$139.4 billion aggregate increase in Queensland’s Gross State Product (Real Economic Output)
- \$54.3 billion aggregate increase in Real Income (Economic Welfare) in Queensland
- 3,560 FTE jobs sustained on average out to 2050 in North and North-West Queensland.

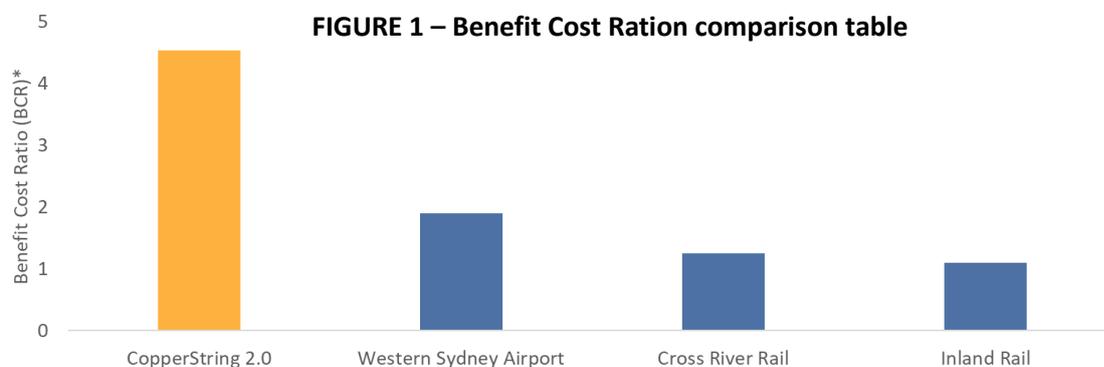
Mr O’Brien said these compelling results highlight the critical importance of continued support from both the Queensland and Australian Governments to realise the employment and economic growth opportunity in the NWMP and Townsville industrial zone if we make this strategic transmission investment in CopperString.”

“CopperString’s common use energy infrastructure can sustain global-competitiveness through lower prices and lower emissions intensity for our minerals and fertiliser manufacturing industries supporting thousands of jobs and adding billions to regional Queensland’s economy for decades to come,” Mr O’Brien said.

CopperString’s immediate priorities are to sign an Implementation Agreement with the Queensland Government and secure financing support from the Australian Government and the Northern Australia Infrastructure Facility. By hitting these milestones over the next two months CopperString will continue at pace with approvals process and engineering work to remain firmly on track to commence construction work in mid-2021 kicking off a 3 year construction program with 750 direct jobs.

“Expanding our minerals industry through CopperString is exactly what the Queensland and Australian economies need right now, a catalytic infrastructure project that will help unlock our minerals resources and drive job creation to assist with a strong economic recovery from the global coronavirus pandemic that continues to make prosperity for our country harder and harder,” Mr O’Brien said.

ACIL Allen’s report and other studies will be released in coming months as part of the Environmental Impact Statement process for CopperString 2.0.



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