



Statement of cooperation

Working together to unlock more opportunities for central Queensland; our industrial and advanced manufacturing future



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Context for cooperation

This Statement of Cooperation between the stakeholders of Central Queensland is to unlock more opportunities for Central Queenslanders as an industrial and advanced manufacturing powerhouse.

There are a diverse range of opportunities for Queenslanders along the entire value chain of the economy as the world's energy needs change. To seize those opportunities, the State is pursuing an ambitious jobs creation, infrastructure and regional development agenda that takes advantage of a decarbonising world through moving toward 50 per cent renewable energy by 2030, and Net Zero Emissions by 2050.

The State has recently boosted funding to the Queensland Renewable Energy and Hydrogen Jobs Fund, taking the funding to \$4.5 billion, as a further step in pursuing this agenda.

The focus on the Central Queensland region builds on a strong history of industrial development in this region and recognises its importance to both Queensland and Australia as an industrial powerhouse. Central Queensland is a globally recognised industrial powerhouse with a natural deep-water harbour and Queensland's largest multi-commodity port. Some of the key industries and businesses which are parties to this agreement and call Central Queensland home are outlined below.

Rio Tinto is a key pillar of the regional economy. It has more than 50 years of history in Central Queensland, directly employing over 5,000 Queenslanders and is also committed to net zero carbon emissions by 2050. Rio Tinto shares the State's goals for decarbonisation, job creation and a vibrant industrial future for Central Queensland. Rio Tinto wants to contribute to building a sustainable future for the Central Queensland region and is offering its support to catalyse the evolution to a low carbon industrial future.

Orica has serviced the Central Queensland economy for more than 30 years. With more than 600 permanent employees and contractors in the Gladstone and broader central Queensland area, its operations supply critical products to the mining and infrastructure, agriculture, and other industrial sectors. Orica is accelerating its decarbonisation by targeting at least 40% by 2030 reduction in operational emissions, on the path to net zero emissions by 2050. Orica shares the Queensland Government's vision and is committed to advancing a planned, inclusive regional transition towards low-carbon manufacturing.

Alpha HPA supplies materials to de-carbonise supply chains. It is naturally motivated to de-carbonise its own operations through the use of renewable energy and has committed to sourcing 100% renewable energy for its operations. Alpha HPA has identified a number of downstream production opportunities in the high purity alumina sector, which could be unlocked with larger scale renewable energy generation in central Queensland.

Stanwell is a Queensland Government owned corporation and a major provider of electricity to Queensland, the National Electricity Market, and large energy customers along the eastern seaboard of Australia. While providing reliable and affordable energy for today, Stanwell is also developing a portfolio of renewable energy, hydrogen and energy storage projects that will help reduce emissions for tomorrow.

Cement Australia is a proud and longstanding member of the Central Queensland Region pioneering operations in the Mount Larcom and Yarwun Districts. Local cement manufacture is critical to Queensland and Gladstone's ongoing economic development. Cement Australia's operations have evolved and expanded as new challenges, technologies and opportunities have emerged.

*[Placeholder for **biographies** of future signatories]*

Existing contractual relationships of, or between, stakeholders, the State or State-owned entities are not the subject of, or affected by, this Statement of Cooperation and this Statement is not intended to create binding contractual arrangements.

Purpose of this statement

This Statement of Cooperation sets out the commitment of the State and Central Queensland stakeholders to work towards a common vision for the evolution of Central Queensland into a zero net emissions industrial and manufacturing powerhouse.

The partners will work together to secure the future competitiveness of Queensland - adding value to a natural energy advantage to drive employment and economic outcomes for the State, while maintaining system security and reliability as the energy system decarbonises.

The vision will be realised through three **areas of focus**:

- **Committing to industry** by establishing certainty for current industry and growing demand, potentially through electrification of existing processes over time in an orderly and least-cost fashion. This will catalyse demand growth and spur long-term investment, while ensuring these industries are cost-competitive.
- **Delivering a globally competitive energy solution** that is centred around firmed, low-carbon electricity for industry. The solution will require an orderly decarbonisation of energy generation, an affordable transmission network, and flexible energy consumption from heavy industrial users.
- **Growing the industries of the future** in Central Queensland by creating an enabling regulatory environment, strengthening regional skills and employment to lower capital intensity, and planning for the infrastructure to enable industry development to ensure industries of the future are built in Central Queensland.

Background

Queensland is navigating the shift in the global economy towards value-adding low carbon industry, under-pinned by Queensland's globally competitive renewable resources.

Queensland is also the natural home for heavy industries in a low carbon future. Our people are our greatest asset, with an existing skilled regional workforce (35% of workers in heavy industry) and Queensland is also home to significant export infrastructure (20% of Australian throughput). This is supported by high quality renewable energy resources. The Central Queensland Renewable Energy Zone (REZ) has high renewable energy capacity factors that compare favourably with leading regions in the Middle East, China and the USA. Coupled with fair wages, high safety standards, and just dealings with traditional owners, Queensland industry is well-placed to thrive in an ESG conscious world.

The creation of new industries including green aluminium, green iron and other green minerals processing and manufacturing and the decarbonisation and renewal of existing industry (such as electrified manufacturing) can create a sustainable future for Queensland and the region by creating more jobs and value-adding export industries. The new manufacturing industries have the potential to transition from an importer of commodities to support the mineral processing industry to a local processor, manufacturer and exporter of green commodities. As these industries are energy intensive, regions capable of providing low-cost and low-carbon energy systems will retain existing heavy industry and attract new industrial investment including in the new economy minerals processing and advanced manufacturing sectors.

As energy transformation accelerates globally, there is an opportunity to create a competitive advantage for Queensland through low-emissions natural resources. Unlocking this advantage requires the State and industry to work in partnership to reduce emissions at the scale and pace required to compete globally - integrating Queensland's assets and natural advantages into a globally competitive system.

The Queensland Government released the *State Infrastructure Strategy* in June 2022, providing for a more contemporary infrastructure agenda that catalyses economic recovery and growth. Realising Queensland's

potential as a Renewable Energy Superpower is one of the key priorities of this strategy. As part of this infrastructure agenda, the government is developing new *Regional Infrastructure Plans* that will identify regional priorities to drive local economic recovery, boost regional productivity and resilience, and sustain jobs. The Central and Western Queensland Infrastructure Plan will be instrumental in delivering the industry development ambitions through this Statement of Cooperation, by framing regional priorities and the infrastructure responses for their realisation.

Stakeholder capabilities and contributions:

Central Queensland's heavy industry and the State are in the unique position to catalyse delivery against this vision. For example:

- **Rio Tinto** is experienced at building integrated, value-adding supply chains globally and in Queensland (e.g., Gladstone aluminium smelting from locally refined alumina and Cape York sourced bauxite). This value chain makes Rio Tinto the largest consumer of electricity in Queensland, representing over 10% of the State's demand, in addition to the gas required for alumina refining and future potential for industrial hydrogen demand. In delivering future green industry for Queensland, Rio Tinto can draw on its strong balance sheet to underwrite long-term green offtake for existing industrial assets; move to electrify alumina refineries; and bring in its international partners to create the industrial demand required to catalyse the development of a globally competitive energy solution and additional processing and manufacturing activity in Central Queensland.
- **Orica** can accelerate low-carbon manufacturing in the region by drawing on its international experience to deploy low-emissions technology for nitric acid production, enable new renewable generation assets in the region through electricity and ammonia offtake, and advance clean energy based circular economy manufacturing business models through strategic partnerships.
- **Alpha HPA** is developing the HPA First Project within the Gladstone State Development Area. The HPA First Project is the commercialisation of Alpha HPA's world-first aluminium purification technology to manufacture a range of high value, high purity aluminium products for application in key de-carbonising technologies including LED lighting and lithium-ion batteries for electric vehicles. The HPA First Project already leverages off the Gladstone area aluminium industry for feed material and has partnered closely with Orica Yarwun on the supply and recycle of process reagents and by-products.
- **Stanwell** owns and operates a diversified energy portfolio including power generation, retail electricity and trading functions. Over the last three years, Stanwell has made significant progress in renewing its portfolio, including executing nearly 400 MW of renewable energy power purchase agreements, and developing a broader pipeline of 1,800 MW of renewable energy, 300 MW of battery storage and the 3000 MW Central Queensland Hydrogen Project. With its growing renewable energy and storage portfolio, Stanwell is well-placed to support industrial decarbonisation, electrification, and renewable hydrogen development in Central Queensland.
- **Cement Australia** is committed to achieving a carbon reduction of 40% by 2030 and net zero emissions by 2050. To achieve this, we will be further expanding our use of recycled products such as Flyash and Slags as well as increasing the use of waste derived fuels including tyres and construction wastes. Importantly Cement Australia is also looking to further decarbonise through the use of CO₂ as input into new and green industries being proposed for the CQ region. We welcome the ability to work with Government, Industry and the Community to accelerate decarbonisation, grow the circular economy and to secure a strong and sustainable cement industry for the future.
- *[Placeholder for **capabilities and contributions** of future signatories]*
- **The State of Queensland** brings a natural and built advantage, with an existing manufacturing base, situated among world class renewable energy endowments in the Central Queensland REZ, and alongside a network of ports and export infrastructure. The highly skilled workforce in these locations provides a critical mass of capability to deliver an energy transformation. Coupled with the State's ownership of generation (CS Energy, CleanCo, Stanwell), transmission (Powerlink) and active Central Queensland hydrogen proponents (e.g. Stanwell), the State is in a unique position to deliver a coordinated large-scale renewable energy solution, at an optimal cost, while maintaining system security and creating new employment opportunities.

A formal mechanism will be established to support the implementation of this vision and foster the participation of new parties including:

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- Industrial participants and developers whose ongoing investment and new ventures in the region will create jobs for Queenslanders
- International trading partners aligned to the decarbonisation agenda and able to support the growth of competitive, low carbon value-adding industries in Australia
- Regional and local associations able to provide a local voice to the vision and support the growth of these communities around the industrial vision.

The stakeholder engagement (regional framework) will be developed in consultation with and be reviewed by the parties to this Statement of Cooperation over time.

The **State of Queensland** will actively engage with the **Australian Government and its agencies** on how the Australian Government is able to support technological and skills development required to deliver the vision.

Actions

Moving quickly to formalise this Statement of Cooperation over the coming months will be pivotal to the vision for Central Queensland as industrial and advanced manufacturing powerhouse. The delivery stages are:

- Establish a regional framework to enable signatories to this Statement of Cooperation to deliver on the intent of this Statement of Cooperation and a pathway for escalation to ensure continued momentum for delivery. Parties to this Statement of Cooperation must be prepared to act in accordance with the ideals of collaboration, transparency and openness and tangible actions.
- Parties to consider specific commitments under the framework agreement; identifying further commitments (within specified timeframes). It is acknowledged that any sub-agreements under the broad framework agreement may need to be confidential between the State and individual parties.
- Promote the vision for Central Queensland as a zero net emissions industrial and advanced manufacturing region; socialising with an expanded group of potential partners and using inbound and outbound trade missions and delegations to promote the vision on the world stage, attracting potential interest and investment from international partners.
- Confirm the initial commitments that will catalyse the evolution of Central Queensland into a net zero emissions industrial and advanced manufacturing region by 2050; creating a flagship solution to attract new partners and drive a vibrant economic and employment future for Queensland.

Signatories

Name: The Honourable Steven Miles MP
Title: Deputy Premier, Minister for State Development,
Infrastructure, Local Government and Planning and
Minister Assisting the Premier on Olympics Infrastructure

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Name: *Rob Davies*
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