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China's hunger drives talk of boom up north

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Catalyst Increased production of silica could be the spark to revive tourism and agriculture in the region, writes Andrew Clark.

Take a boat ride up Cooktown's magnificent Endeavour River estuary, and you're likely to spot a croc basking in late afternoon rays on one of the narrow beaches separating water from rainforest.

You may catch the seemingly sleepy croc suddenly roll over and speed off into the current. This could serve as a dramatic metaphor for a boom about to hit Far North Queensland.

The croc's deadly bite may also underline how a nascent boom in the north could be crushed in the jaws of US-China tensions.

But increased availability of key minerals in the region involved in securing the energy transition, a food bonanza in the area, more tourist demand, plus savvy marketing, should drive a deep north makeover.

The boom will involve explosive growth in the mining – and possible high-end processing – of renewables-friendly minerals such as silica and tungsten, more tourism, and a complementary expansion of overnight-delivered farm produce from the Atherton Tablelands into Asian markets.

We have been there before – a fact reflected in the region's historical DNA, and, less directly in the early development of WA's Pilbara iron ore province nearly 60 years ago.

While majors such as BHP and Rio Tinto might scoff at comparing the revenue from silica with the Pilbara's iron ore mountain, that is underselling the downstream potential; or, if you want to get lost in the thickets of economic

jargon, the "multiplier" effect. The Pilbara-FNQ comparison becomes closer when it is understood that the primary impetus for both is increasing wealth in North Asia.

And the historical context is also important.

This year marks the 90th anniversary of the English Bodyline cricket tour of Australia, 80th anniversary of the Battle of Stalingrad, 70th anniversary of the coronation of Queen Elizabeth II, 50th anniversary of the opening of the Sydney Opera House, and 40th anniversary of Australia II's America's Cup victory.

Few know it also marks the 150th anniversary of the Palmer River Gold Rush which transformed Far North Queensland.

A good point to start examining the link is Cooktown, a picturesque port about 200 kilometres north of Cairns on Cape York Peninsula's east coast. Arguably more than Botany Bay, Cooktown is the place where the first significant white settlement in Australia took place.

Captain James Cook's ship, Endeavour, limped into the Cook-named Endeavour River in June 1770, 10 days after being holed on the Great Barrier Reef. Captain and crew, and figures such as naturalist Joseph Banks and Daniel Solander, remained for seven weeks, before sailing north to Batavia, which corresponds to modern-day Jakarta, for further repairs.

A century later and Cooktown was barely a settlement. This changed almost overnight in 1873, with the discovery of gold in the nearby Palmer River. Four years later there were 18,000 Chinese miners in the area,

making 1870s Cooktown more populous than the rest of northern Australia. The population of the Cooktown area expanded each month as another ship from Hong Kong disgorged a load of miners contracted to Cantonese merchants. The local paper, the *Cooktown Herald*, was dominated by Chinese language advertisements, and the Cooktown cemetery established a separate Chinese section.

In this anniversary year, Cooktown seems to be living more in its past than pondering a more dynamic future. This is partly the result of remarkable efforts by locals in preserving its colourful history.

Cooktown has wonderful botanical gardens and its museum is housed in the meticulously restored old double-storey red brick "Queenslander" style Sisters of Mercy boarding school building. It contains collections devoted to mining, the original locals, the Chinese community and Cook's expedition, including one cannon and the anchor from the Endeavour.

Currently, Cooktown has fewer than 3000 people, with a wharf, tourist launches, fishing boats and an airport. The main street bears the hallmarks of glory days long past, with sprawling pubs and impressive Victorian build-

ings that once housed bank branches but now feature for sale signs.

"Cooktown is an amazing diamond in the rough," says Mark Olsen, head of Tropical Tourism North Queensland. It "has got a really great opportunity".

The genesis of this "opportunity" is less than 50 kilometres north of Cooktown at Cape Flattery. It is abuzz with plans to more than double silica min-



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ing to 6 million tonnes a year. Starting in 2026, this planned expansion is a response to a global frenzy in the manufacture of solar panels, a market dominated by China.

For more than 40 years, Cape Flattery silica mining has been led by Mitsubishi. Current expansion plans are driven by Diatreme, a Brisbane-based mining company, which also has a "shovel ready" zircon mining prospect in the Eucla Basin.

Potentially capitalising on the silica boom, there are also plans for high-end downstream processing, involving solar panels and even batteries, at Townsville, 750 kilometres south.

As discussions take place with Chinese companies, another set of talks with the Chinese about sharply increasing FNQ tourist numbers are progressing. Prospects have brightened with China's recent agreement to streamline visa processing for

Australia-bound tourists after Australia regained its so-called "approved destination" status.

"We understand travel agents in Greater China will be able to assist their clients to plan and book their trips to Cairns and the Great Barrier Reef with much less paperwork, which will speed up this process," Tropical Tourism North Queensland's Mark Olsen says.

China is reopening direct flights from southern China to Cairns. Direct Cairns-Japan flights now land at three separate airports in Japan, and Singapore is increasing capacity by 50 per cent for flights to Cairns next year.

Asian-sourced tourism into Far North Queensland is rapidly returning to, and even exceeding, pre-pandemic levels, Olsen says. Currently, one third of the visitors are international, and just 5 per cent of these are from China, compared with a pre-pandemic one quarter share.

"We're really excited that we have some great growth opportunities," Olsen says, with a current offshore booking bulge presaging a surge of visitors around the end of February and early March, coinciding with the Chinese New Year.

Regarding US-China geopolitical tensions, Olsen counters: "There's a lot of soft diplomacy in trade to create those opportunities."

However, just days after his comment, US Secretary of Commerce Gina Raimondo said in Beijing on August 29 that American companies were com-

plaining that China had become "uninvestable", pointing to fines, raids and other measures that have made it risky to do business there.

Two days later, Country Garden, China's largest private property developer, reported a record \$US6.7 billion (\$10.37 billion) loss for the first half of the year as it sinks under the onslaught of a liquidity crisis afflicting China's real estate sector.

But concerns about China's geopolitical ambition in the region and deflationary problems are not thwarting preparations in Cairns.

The region's second-biggest city, with a population of 150,000, was on a pandemic-enforced lacuna. But now the Cairns Convention Centre is undergoing a \$176 million expansion, a new "Ports North Master Plan" is being implemented, and Cairns-area RAN facilities are being expanded.

Olsen says there are "significant opportunities for food tourism" in Cairns and other destinations such as Port Douglas, similar to southern "foodie" centres such as the Hunter Valley in NSW and Daylesford in Victoria's western district.

Increased international tourism will foster growth in the region's fishing, prawning and agricultural industries by pushing up local demand and providing more economical air freight options. Restoring direct, wide-bodied jet services between North Queensland and China, Japan and Singapore opens up the prospect for more overnight fresh food exports.

Under FNQ's regional export 2030 strategy, the aim is to double high-value food exports by 2030.

Much of this will come from the beautiful Atherton Tablelands, about 80 kilometres west of Cairns. It's an area that covers "some of the richest agricultural lands in Australia", points out Marjorie Gilmore in her 2019 PhD thesis at North Queensland's James Cook University.

Settled from the 1880s, following the Palmer River gold strike, the Atherton Tablelands area was "seen not so much as a food producing venture (but) as a means of closer settlement and strategic defence in accord with the White Australia Policy," Gilmore writes.

"Maize, dairy and tobacco industries were set up, opening crown land for selection under conditions which inevitably caused destruction of thousands of acres of valuable rainforest, with consequent land degradation, erosion, and invasions of weeds.

"In order to keep unviable industries alive, successive Queensland and Commonwealth governments intervened with a plethora of schemes which had the effect of subjecting farm families to years of poverty and despair. In the process, the industries became subject to ever-increasing regulation which stifled enterprise, and led to overproduction of commodities."

But no longer. When the Keating and Howard governments adopted more open market economic policies, industries such as tobacco growing and dairy sharply contracted on the Atherton Tablelands, but since then, "foodie" tourism and heightened Asian interest are changing the area into a rich food bowl.

The Atherton Tablelands have tree crops, field crops, animal industries and lifestyle foods. Growing Asian demand is dramatically reflected in avocado production, which has doubled in the past decade and is now worth \$150 million a year.

Driving through the area, the observer is struck by the carefully manicured sloping green verge on either side of the road, and signs for peanut farms, macadamia plantations, fresh flowers, strawberries, platypus look-outs, and believe it or not, mango wine.

The vista is rich, with plantings of sugar, potatoes, tomatoes, strawberries, mangos, macadamias, avocados, mandarins, bananas, a northern variety of lucerne hay, and many others. For the "foodie" tourist there's a cornucopia of tastes, including the traditional Devonshire tea and scones on the balcony of a lakeside tea house.

The area's contemporary image of rich agricultural diversity is reflected nationally. The value of Australian horticultural exports grew rapidly in the 20 years to 2018-19, increasing by nearly 3 per cent a year to \$3.4 billion, according to a 2020 ABS report.

Australia exports horticultural products to more than 30 countries, including 14 in Asia. "Strong Asian demand growth for high quality fresh fruit and vegetables and Australia's increasing international competitiveness in recent years underpinned this export growth," an Australian government report says.

The healthy, nutritious food vibe of the Atherton area also reflects wider international food trends. According to Euromonitor, sales of vegetables



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reached 504 million tonnes in 2021, up from 475 million tonnes in 2019. Fruit sales also grew from 333 million tonnes in 2019 to 350 million tonnes in 2021. Sales of nuts with health benefits, such as almonds, also increased from 29 million tonnes in 2019 to 31 million tonnes in 2021.

Moving from the rich farmlands which are supporting these trends into lush rainforest, you can take the spectacular 33-kilometre scenic railway from Kuranda to Cairns. Built in the 1880s to provide supplies for miners, and bring gold down to Cairns for shipping, it's a marvel of 19th century engineering and endurance.

The railway journey itself is a time warp, with elegant Edwardian carriages featuring pressed tin ceilings, burgundy leather seating and spectacular views of the Barron River Gorge, waterfalls with 250-metre plus drops, and a sharp descent into Cairns.

But it's also a sign of the times that separate commentaries are broadcast in English, Chinese and Japanese, along the way. A breathless publicity brochure attests to the "enthraling chapter in the history of North Queensland" that "stands as testimony to the splendid ambition, fortitude and suffering of the hundreds of men engaged in its construction".

Defying, once again, the deep north stereotype equating the backwardness of America's deep south, the train passes Australia's first underground power station. Completed in 1935, it still generates 60 megawatts of renewable green energy.

For the final 10 kilometres the train descends to Cairns. The first suburb is Redlynch, named after a fiery Irish foreman on the railway's construction back in the 1880s. His surname was Lynch, and, in keeping with another stereotype, he was a copper top. **AFR**

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Mark Olsen, Tropical Tourism North Queensland





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James Cook named the Endeavour River when he stopped for repairs, main; an avocado farm in the Atherton Tablelands, below; silica mining at Cape Flattery.