

Coal and the Regional Economy:

Greater Whitsunday Scenario Modelling



February
2026

GW3 ▶
GREATER WHITSUNDAY ALLIANCE
MACKAY ▶ ISAAC ▶ WHITSUNDAY

Executive Summary

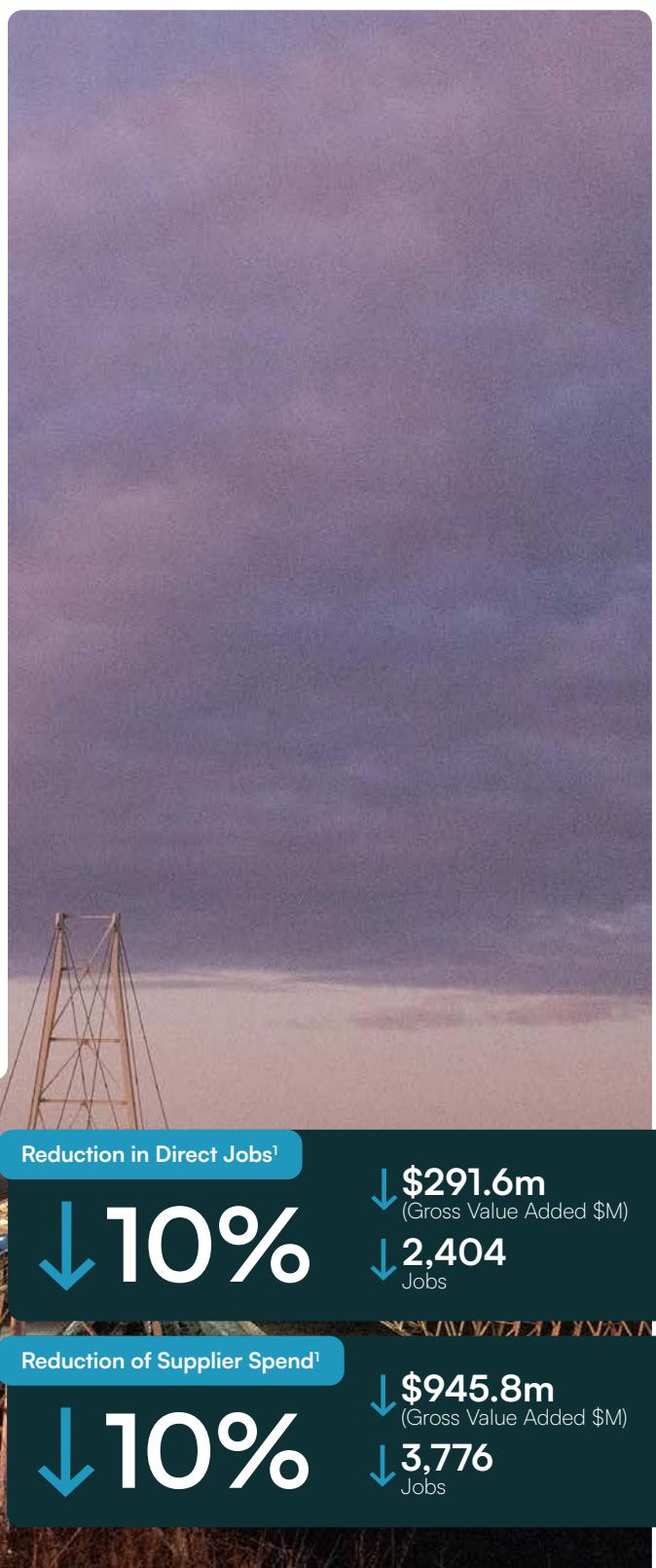
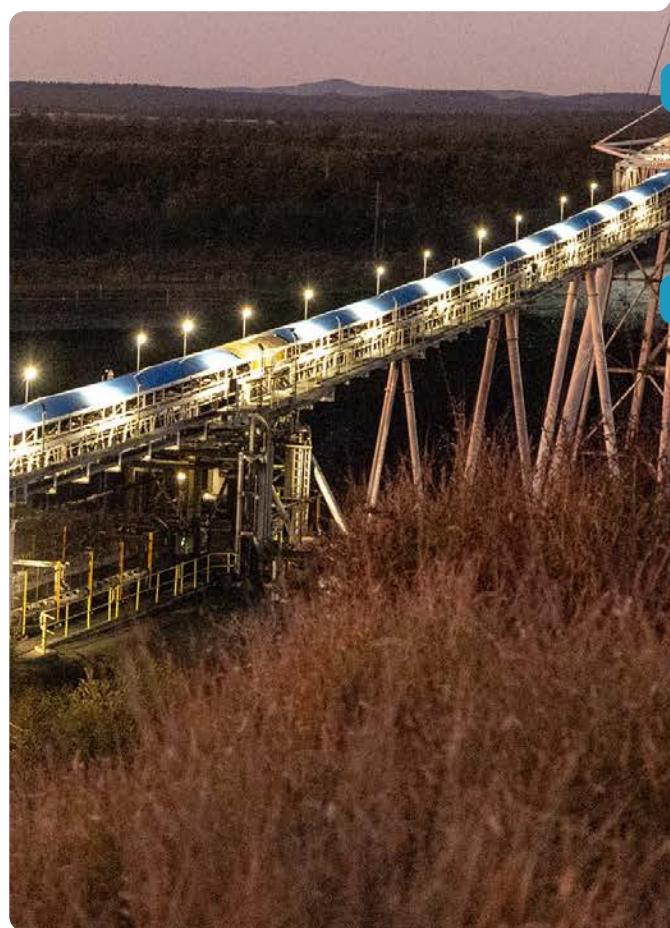
The coal sector is a significant contributor to Queensland's prosperity

In FY 2025, the sector delivered \$7.1 billion in direct spending locally and supported over 62,000 jobs when flow-on effects are included¹. This equates to almost half of the region's Gross Regional Product (GRP) and underscores the sector's importance to businesses, communities, and households.

However, recent trends signal growing challenges. The *Queensland Resources Sector Economic Contribution Study 2024/25*² shows that direct spending fell by 18.2% compared to the previous year, with supplier expenditure down 25.1%.

In addition, exploration activity, a leading indicator of future investment, has also declined sharply in Queensland, dropping by 16–21% for minerals and 24–34% for coal in early 2025. At the same time, Private New Capital Expenditure and Expected Expenditure in mining in Queensland contracted by 10.3% in Q1 and 7.1% in Q2, while other states recorded growth³.

To understand potential longer-term impacts on the regional economy should this contraction trend continue, Greater Whitsunday Alliance (GW3) commissioned analysis of the impact of recent contraction in spending and exploration and some additional forecast modelling.



The above scenario modelling highlight the significant potential impact of a decline in direct employment and supply chain spending on the Greater Whitsunday regional economy, and the importance of taking proactive action that maintain competitiveness and encourage investment, while ensuring communities benefit from sustainable resource development. The decline in exploration suggests confidence in Queensland's mining future is weakening — a trend that, if unchecked, could have long-term consequences for jobs and regional growth.

¹Economic Impact of the Coal Sector on the Mackay Region Full Report 24/25

²<https://www.qrc.org.au/wp-content/uploads/2025/11/Economic-Impact-of-Resources-Sector-on-Qld-Economy-2024-25.pdf>

³<https://www.abs.gov.au/statistics/economy/business-indicators/private-new-capital-expenditure-and-expected-expenditure-australia/jun-2025#data-downloads>

About GW3

The Greater Whitsunday region has the scale, capability and diversity to drive long-term sustained economic growth.

Unlocking this potential requires coordinated effort, evidence-led advocacy and a unified regional voice that influences decisions and attracts investment. Greater Whitsunday Alliance (GW3) exists to lead that voice.

GW3 delivers its purpose through four integrated roles:

Advocate by representing the region's economic interests with a strong, credible and evidence-based voice.



Collaborate by convening decision-makers and partners to align investment, policy and effort.



Attract funding, investment and business growth by clearly demonstrating the region's capability and readiness.



Inform by building a robust regional evidence base to guide strategy and decision-making.



The Greater Whitsunday Region: Greater Possibilities

Encompassing the Mackay, Isaac and Whitsunday local government areas, the Greater Whitsunday region is one of Queensland's most productive and strategically important economic engines.

With an annual economic output of \$79 billion, a skilled workforce of more than 97,000 people, and more than 90,000 square kilometres of resource-rich land, the Greater Whitsunday underpins traditional industries while actively shaping emerging ones⁴.

From resources, agriculture and manufacturing to tourism, technology and services, the region's strength lies in the way its traditional industries and emerging sectors work side-by-side, combining endurance with industry-led change.

This strength is clearly reflected in the contribution of the mining sector. Mining is the region's largest industry by economic output, contributing some \$49.7 billion, or 62.29⁴ per cent of total regional output. Mining underpins employment, supply chains, infrastructure investment and regional prosperity.



⁴ <https://app.remlan.com.au/greater-whitsunday-alliance/economy/summary>

About this Report

This report is intended as an evidence base to inform stakeholders and guide future conversations and engagement.

Given recent commentary on coal royalties and shifts in market conditions, GW3 identified the need to strengthen the evidence base around the coal sector's outlook and its implications for regional jobs, investment and economic stability. Clear, credible analysis is essential to informed advocacy.

To support this GW3 commissioned Lawrence Consulting to undertake further analysis and scenario modelling based on the *Queensland Resources Sector Economic Contribution Study 2024/25*⁵.

Drawing on this dataset, the report sets out the economic contribution of the coal sector to the region and assesses the possible implications of reductions in direct employment and supply chain activity.

While GW3 continues to champion a broad-based economic agenda that supports industry diversification and long-term regional prosperity, we recognise that the coal sector will remain a vital contributor to the Greater Whitsunday economy for the foreseeable future. Regional planning must therefore both support this contribution and prepare for what comes next.



Report Methodology

The Lawrence Consulting modelling covers several geographic levels, including the state, regions, local government areas, and both state and federal electoral divisions.

Focus is placed on the Mackay Isaac Whitsunday SA4 area and the local government areas of Mackay, Isaac and Whitsunday.

To measure the direct impact of coal mining companies, the analysis incorporates detailed information on:

- Employee salaries and wages (by place of residence), including full time direct employees and contract workers, and the number of full time equivalent (FTE) roles by place of operation
- Goods and services purchased from suppliers, with separate identification of operational (opex) and capital (capex) expenditure

- Voluntary community contributions made by companies to local organisations
- Local government payments, such as council rates and infrastructure charges
- State government payments, including royalties, payroll tax, stamp duty and land tax

For full detail on the modelling framework, assumptions and technical parameters, please refer to the accompanying technical report here.



To read the full report
scan the QR code.

⁵ <https://www.qrc.org.au/wp-content/uploads/2025/11/Economic-Impact-of-Resources-Sector-on-Qld-Economy-2024-25.pdf>

The Coal Sector's Role in the Greater Whitsunday Region

The coal sector underpins Greater Whitsunday's Gross Regional Product (GRP), employment and investment.

Whilst the region is committed long term to exploring economic diversification, the influence of mining extends well beyond mine sites, sustaining local businesses, contractors, service providers and communities.



According to the Lawrence Consulting report in FY 2025 coal contributed:

Direct spending:

\$7.1 billion

was injected into the regional economy

Employment:

10,593

direct employees and 1,849 contract workers (12,442 in total)

Since 2011/12, the Queensland coal sector has generated \$85.8 billion in direct spending in the Greater Whitsunday region, comprising \$18.5 billion in wages and salaries and \$67.3 billion in business purchases, community contributions, and government payments⁶.

See Table 1 and Figure 1 for more information.

Table 1: Direct Impact of Coal Sector on Greater Whitsunday Region, 2024/25⁶

Region	Direct Employees (FTEs)	Associated salaries (SM)	Total workforce (FTEs)	Local suppliers (no.)	Business purchases, community and govt payments (SM)	Total direct spending (SM)	Annual % change
Mackay	5,688	919.2	6,369	1,118	3,834.1	4,753.2	-21.9%
Isaac	3,554	605.5	4,597	413	1,196.7	1,802.2	17.4%
Whitsunday	1,351	204.4	1,475	334	310.9	515.3	-49.9%
Greater Whitsunday Region	10,593	1,729.1	12,442	1,865	5,341.7	7,070.7	-18.2%
Annual % change	11.6%	13.9%	19.0%	0.7%	-25.1%	-18.2%	

Figure 1: Direct Expenditure of Coal Sector⁶

Greater Whitsunday (\$ billion, real)

Supplier spend, community and local govt payments

Direct salaries



⁶ Economic Impact of the Coal Sector on the Mackay Region Full Report 24/25

Warning Signs

Emerging trends point to a noticeable decline in Queensland mining spending and investment, indicating a shift with implications across the broader regional economy.

For the Greater Whitsunday region, these changes matter.

While coal production continues and the demand outlook remains steady⁷, declining capital expenditure and investment in coal and other minerals activity, point to emerging structural signals that warrant close attention. Understanding the scale of these trends is critical to informed regional planning and sets the context for the data that follows.



Recent data shows a clear **downward trend** in local spending:

- In FY 2025 **direct spending fell by \$1.6 billion (18.2%)** compared to FY 2024⁸.
- In FY 2025 **supplier spending dropped 25.1%**, impacting local businesses and contractors.

As outlined in Table 2, exploration data also shows **recent decline**⁹:

- **Minerals: -16.7% (Q1), -21.2% (Q2).**
- **Coal: -24.4% (Q1), -34.3% (Q2).**

Private New Capital Expenditure and Expected Expenditure has also **reduced** in Queensland¹⁰:

- **Queensland: -10.3% (Q1), -7.1% (Q2).**
- **New South Wales: +17.3% (Q1), +6.7% (Q2).**
- **Western Australia: +7.5% (Q1), +7.0% (Q2).**

Exploration is a discretionary investment that signals confidence in future mining activity. Declines in exploration and capital expenditure suggest Queensland maybe becoming less competitive compared to other states, which could lead to fewer new projects and long-term structural impacts.

Table 2: Private New Capital Expenditure and Expected Expenditure¹⁰

	Australia	Queensland	New South Wales	Western Australia
Q1 2025 YoY(%)	6.0%	-10.3%	17.3%	7.5%
Q2 2025 YoY(%)	3.2%	-7.1%	6.7%	7.0%
Q3 2025 YoY(%)	5.2%	-4.2%	4.0%	6.1%

⁷ <https://www.industry.gov.au/sites/default/files/2025-10/resources-and-energy-quarterly-september-2025.pdf>

⁸ Economic Impact of the Coal Sector on the Mackay Region Full Report 24/25

⁹ Australian Bureau of Statistics, Mineral and Petroleum Exploration, Australia, Latest release. Compares Q1 & Q2 2025 to 2024 for total mineral and petroleum exploration expenditure and for the coal sector (Queensland).

¹⁰ Australian Bureau of Statistics, Private New Capital Expenditure and Expected Expenditure, Latest release. Compares 2025 to 2024 for Mining (Total) by State.

Potential Future Impacts

To plan effectively for the years ahead, it's important to understand what further contraction in the coal sector could mean for the regional economy.

Using the spending and employment profile outlined in Figure 1, GW3 asked for modelling of potential impacts under two sets of scenarios:

- A 10%, and 15% reduction in direct and contract jobs; and
- A 10% and 15% drop in operational spending on local goods and services¹¹.

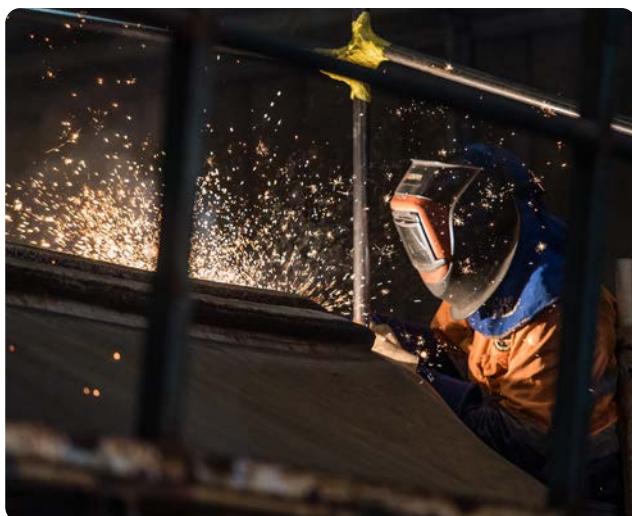
Scenario modelling, as shown in Table 3 and 4, demonstrates the potential economic consequences if current trends continue:

Table 3: Impact of Direct Job Loss

Scenario	Jobs Lost	Gross Value Added (\$M)	% of GRP	% of Total Employment
-10%	2,404	-\$291.6M	1.1%	-2.3%
-15%	3,606	-\$437.3M	1.7%	-3.5%

Table 4: Impact of Supplier Spend Reduction

Scenario	Gross Value Added (\$M)	Jobs Lost
-10%	-\$945.8M	-3,776
-15%	-\$1.4B	-5,664



What's at Stake

The coal sector remains the foundational pillar of the Greater Whitsunday region's economy, underpinning almost half of Gross Regional Product and 60% of all employment¹².

As such, continued declines in investment and expenditure have implications that extend well beyond the sector itself. Without strategic response, these trends risk:

- **Structural economic contraction**, driven by reduced capital investment and long-term activity levels.
- **Lower business confidence and community investment**, particularly across local suppliers, contractors and service industries.
- **Significant employment impacts**, affecting both mining operations and the broader regional workforce that depends on the sector.
- **Constrained ability to pursue diversification opportunities** in a timely manner, impacting the future sustainability of many regional communities.

Understanding and responding to these risks is critical to protecting regional economic stability and supporting a managed transition over time.

Why Policy Matters

Policy settings can influence investment decisions across capital intensive industries such as coal.

While recent regulatory improvements have supported greater certainty, Queensland's royalty structure remains one of a range of elements that investors evaluate when comparing jurisdictions in a competitive global market.

While government revenue remains essential, achieving the right balance in policy settings is important to:

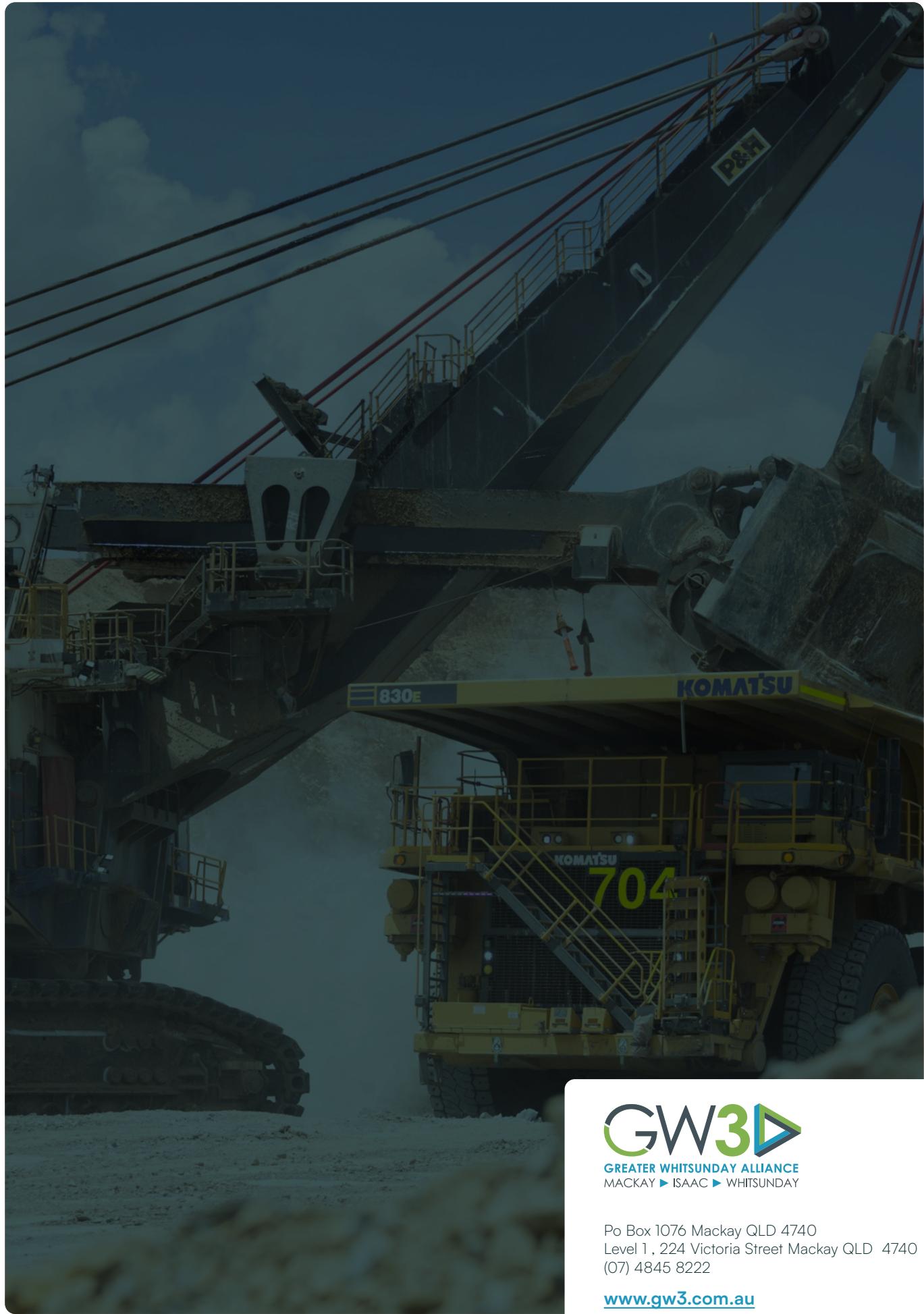
- **Maintain** investor confidence and support long-term capital commitments.
- **Sustain** regional jobs and supply chains that rely on ongoing operational activity.
- **Preserve** economic contribution while the region continues to prepare for future diversification and transition pathways.

Clear, stable and regionally informed policy settings are a key mechanism for helping manage economic risk for regions like the Greater Whitsunday.

Ensuring future prosperity will require deliberate, coordinated action from all parties.

¹¹ 20% model can be found in the Economic Impact of the Coal Sector on the Mackay Region 24/25 Full Report.

¹² <https://app.remplan.com.au/greater-whitsunday-alliance/economy/industries/gross-regional-product>



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