

ACTING GENERAL MANAGER

Local News

WEEKEND EDITION

Three Bowen Basin mines to generate 4000 new jobs

By Natalie Dixon

AS debate rages whether its boom or bust for our mining industry, it's not all bad news in the Bowen Basin with construction of three new mines – to create some 4000 jobs – well underway.

BHP Billiton is pushing ahead with its Daunia and Caval Ridge mines and the joint Vale and Aquila Resources Eagle Downs project is also gaining traction, boosting the local economy during construction phase.

The \$977 million Eagle Downs project, south of Moranbah, is still about three years from completion with two years of driving drifts and a long wall installation ahead before production commences in late 2015.

But Daunia, an \$800 million open cut mine south west of Coppabella, is just months away from starting up, creating 1000 jobs during construction and 450 roles once operational.

Caval Ridge, a \$4.2 million project south-east of Moranbah, is due to start production in early 2014, offering 1200 jobs while it is created and 500 operational jobs once it goes online.

A BHP Billiton spokeswoman said the company had been hiring contractors

as early site works at Caval Ridge went ahead.

"Diversion road works have begun and works continue on the temporary construction intersections at the entrance to the mine," she said.

"The construction of Raw Coal Handling Facilities, a Coal Handling and Preparation Plant and Product Coal Out-Loading Systems at Daunia, is also progressing well. "Work on haul roads, dams, powerlines, substations, workshops, maintenance facilities and office buildings are well underway."

The three mines, worth a combined \$1.78 billion are just a handful of the 36 mines in the pipeline for Queensland, according to CFMEU district president Steve Smyth.

He said some, like the \$1.8-billion Grosvenor mine, were just months away from kicking off after gaining State Government approval.

"There are a number of mines that will be coming alive in the next few years," Mr Smyth said.

"The mining companies like to scream poor, but the reality is the Bowen Basin is as great investment and they are not going to back off anytime soon. Yes, they overloaded the mines with

EHS Manufacturing managing director Steven Lawn says new mines such as Caval Ridge and Daunia, have offered new projects to tender for. Photo: Amanda Bammer



too many people and they are trimming the fat, but they are still making huge profits off Queensland coal and they won't be leaving. People should stop worrying so much."

The construction phase of the three mines is already boosting the region's economy with manufacturing firms like EHS Manufacturing reporting up to 12 months steady work ahead.

EHS Manufacturing managing director Steven Lawn said the company had

been supplying equipment for both Caval Ridge and Daunia, with several new projects coming in since the new financial year.

He said the new mines were great for business, offering new projects to tender for over the coming months.

"We have been working on everything from maintenance to welding equipment and servicing equipment so far," he said.

"We have a lot of work ahead of us, enough so that we don't have to cut staff and

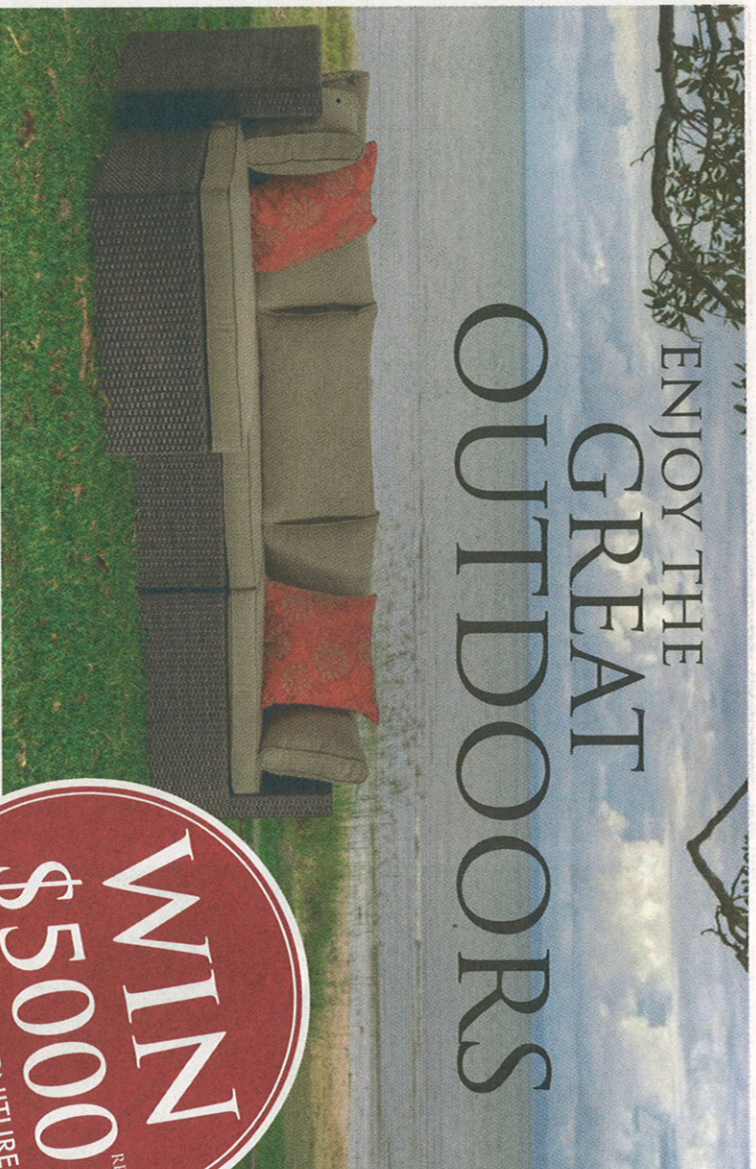
we recently received more orders, so I am feeling pretty confident in the future."

It's an opinion echoed by Prime Minister Julia Gillard, who this week declared reports of the mining boom's death have been greatly exaggerated, just days after resources minister Martin Ferguson said "anyone with half a brain" knows the good times were over.

"I know investment decisions are becoming more complex, but let's be clear, reports of the mining boom's

death have been exaggerated," Ms Gillard said.

Pressure from shareholders worried about poor returns in weak global markets has resulted in miners putting the brakes on capital spending, with BMA, Rio Tinto and Xstrata already axing jobs to cut costs. The move has forced companies that supply the mines, including ABC Heavy Engineering to slash staff, and more job losses are expected unless China starts spending and coal prices pick up.



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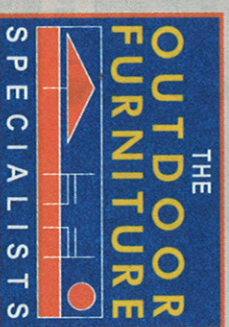
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