



Steady Progress for Bowen Basin Coal Projects

by Tony Grant-Taylor

Peak Downs Mine, Bowen Basin

Photo courtesy: BHP Billiton Minerals Alliance (BMA)

While the global financial crisis is starting to impact on commodity prices and demand from key international markets has slowed, and in the face of rising costs, major miners are taking a cautious approach to some of the planned projects being proposed for future development. That caution is likely to see investment for some proposed coal projects put on hold until the markets show more positive signs.

Nevertheless, new projects which are already underway by Queensland's coal miners across the prime Bowen Basin coking coal province are continuing to make steady progress ensuring their long term position for coal production.

The BHP Billiton Mitsubishi Alliance (BMA) is well underway with expansion projects, through its Daunia, Broadmeadows and Caval Ridge projects, and its upgrade of its Hay Point coal terminal south of Mackay. Caval Ridge and the Daunia mines are significant projects currently under construction. The company will continue to focus on successfully delivering all projects that are currently under construction.

BMA, of course, is not the only operator expanding. Leighton Holdings group subsidiary, Thiess has just signed a large contract with their joint venture partners in the Jellinbah Group-controlled Lake Vermont mining operation near Dysart. Jellinbah, in which Anglo Coal has an interest, will pay Thiess some

\$2.3 billion over six years under a deal which will see Thiess lift Lake Vermont's production from four million tonnes per annum to eight million tonnes.

Lake Vermont – in which Japanese groups Marubeni and Sojitz and US investor AMCI are minor partners – is located 20 kilometres from Dysart. The Thiess contract will bring increased employment adding to the more than 350 currently employed at the mine as the extra production capacity is brought on stream.

Thiess executive general manager Australian mining, Michael Wright, reckons the new contract – Thiess has been the contract miner at Lake Vermont since its development was begun in 2007 – was a solid vote of confidence in his team there. "The contract is reward for their performance, their daily commitment to the safety of our people and to meeting our client's objective," he said when announcing the deal.

The Jellinbah contract is good for Thiess, and the increased tonnage of hard coking, PCI and soft coking coal will make Lake Vermont a large mine by past standards in the Bowen Basin.

Again, leaving aside the plans for the Galilee – where most proponents are talking about production of 30 million tonnes of coal a year – BMA's Caval Ridge project, will produce up to 8 million tonnes a year.

BMA Initiates Local Buying Program in Bowen Basin



Peak Downs Mine, Bowen Basin

PHOTO COURTESY: BHP BILLITON, MITSUBISHI ALLIANCE (BMA)

BHP Billiton Mitsubishi Alliance (BMA) is Australia's largest exporter of seaborne metallurgical coal, the two companies having formed an alliance back in 2001 for the operations of their Bowen Basin mines including Blackwater, Broadmeadow, Goonyella Riverside, Peak Downs, Saraji and Gregory Crium.

With a combined workforce of some 12,000 (including contractors), BMA is one of Queensland's largest regional employers. The company has played a major role in the development of mining communities within Central Queensland and adding to that role BMA recently announced their Local Buying Program in support of small businesses in the host communities of Blackwater, Dysart, Emerald and Moranbah.

The Local Buying Program is aimed at ensuring the sustainability of small local operators, with a workforce of 25 employees or less, by giving these businesses greater opportunities to competitively supply goods and services to BMA operations in the region. The Program is being delivered through economic development body REDC with their subsidiary Community Resourcing (C-Res) and since its launch in July this year more than 120 businesses have registered as suppliers by visiting the Program's website.

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Information sessions have been held across the communities. BMA Asset president, Stephen Dumble commented at the Program's launch, "Not only will the Local Buying Program address the barriers for local businesses in engaging with us; it will also offer pathways for them to develop their skills and capabilities, so that they can grow their business and achieve their own goals."

REDC Chief Executive Officer, Narelle Pearse said, "The region has a wealth of industry related products and services, and this partnership enables smaller organisations to showcase their capabilities under a more simplified system."

For more information on BMA's Local Buying Program or to register as a supplier visit www.localbuying.com.au