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New rail and port proposed under coal expansion

The first new Australian coal port in 25 years could be built in Queensland under a trifecta of proposals which could deliver a 40% coal export increase for the State.

Premier Anna Bligh said the three proposals – for the Bowen, the Galilee and Surat coal basins - could deliver a “quantum leap” for Queensland’s coal industry.

“These projects could see this State fully harness the opportunities the resources boom can offer by delivering a 40% increase in our coal exporting capacity,” she said.

The first and largest of the three projects under consideration by the State Government is the \$5.3 billion Galilee Coal proposal by Waratah Coal.

“This extraordinary project consists of a new mine near Alpha with the potential to produce 25 million tonnes of thermal coal for export per annum,” said Ms Bligh.

“A new Australian coal port – the first in a quarter of a century - would be built near Shoalwater Bay between Rockhampton and Mackay with a capacity of up to 100 million tonnes of coal per annum.

“A new 500 km rail line - reaching from the Galilee Basin to the new port at Shoalwater Bay - would open this region to coal exports for the first time.”

The Premier said Defence Force land was being targeted for the project so that adjacent Byfield National Park would not be affected.

The second proposal is the Bowen Basin Growth Project consisting of two new mines at Daunia and Caval Ridge and an expansion of the existing Gooyella Riverside Mine north of Moranbah.

“This BHP Billiton Mitsubishi Alliance proposal would boost coal exports in the area by about 20 million tonnes,” said the Premier.

“Both these major coal mining proposals have been declared ‘significant projects’ by the Coordinator-General and will now undergo a rigorous environmental assessment process.”

The Premier said the third proposal - for a 30 million tonnes-a-year open cut coal mine near Wandoan by a consortium led Xstrata Coal - was declared a significant project in December last year.

“My government is determined that this state should be in a position to take advantage of our abundance of natural resources. That is why our work with industry, searching for clean coal solutions, is so important,” she said.

“Between State Government initiatives and private industry investment we have committed \$900 million to develop clean coal technologies. The projects I have outlined today can make sure Queensland is ready to harness all the energy of a future of clean coal.”

The Coordinator-General expects to release draft terms of reference for the environmental impact statements for the new proposals by late September.

The three private sector proposals are:

Galilee Coal Project proposal

The Galilee Coal Project proposal incorporates a large scale mine near Alpha in Central Queensland with the potential to draw 25 million tonnes per year of thermal coal for export.

- This is a Waratah Coal project which aims to start exporting coal by 2012 and ultimately has the potential to expand its production to 50 million tonnes per year.
- Associated infrastructure includes a new 500km rail line from the Galilee Basin to a new port at Shoalwater Bay between Rockhampton and Mackay.
- This \$5.3 billion project has the potential to create 2200 jobs during the construction phase and a further 760 jobs when it becomes operational.

Bowen Basin Coal Growth Project proposal

The Bowen Basin Growth Project proposal consists of two new mines at Daunia and Caval Ridge, south of Moranbah and an expansion of the existing Gooyella Riverside Mine, north of Moranbah.

- The proposal by BHP Billiton Mitsubishi Alliance (BMA) has the potential to increase the coking coal exports of Queensland’s largest producer by about 20 million tonnes per year.
- Expansion of the open-cut and underground operations at Goonyella Riverside Mine would account for about 40 per cent of this increase.
- As part of the proposal, BMA is looking at an option to relocate and upgrade the existing Moranbah airport.
- This project has the potential to generate 2450 new jobs during construction and an operational employment of 1240 jobs.

Wandoan Coal Project proposal

The Galilee and Bowen Basin proposals come just seven months after a consortium led by Xstrata Coal’s proposed to develop a 30 million tonnes-a-year open-cut operation near Wandoan, about 350km north-west of Brisbane.

- The draft terms of reference for the environmental assessment phase of the Wandoan project will be released for public comment by the Coordinator-General shortly.
- This project has the potential to rival the size of the state’s largest coal projects and account for about a quarter of Australia’s annual thermal coal exports.
- The proposed mine would employ 1000 people during the construction phases and between 500 and 600 people during operations.
- The ability to meet the water and energy needs for this operation are critical to its success and a number of possible solutions will be covered as part of the environmental assessment process.