

# Boom II is here and \$1b mine project highlights how region will cash in

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A \$1.1 BILLION mining project near Moranbah that will create up to 1000 jobs has this week moved one step closer to construction.

Almost 400 permanent jobs for engineers, specialist tradespeople, truck drivers and machine operators will be created at the mine as well as about 600 construction jobs as the infrastructure is built.

Anglo American Metallurgical Coal (AAMC) announced yesterday its Grosvenor project, an underground coal mine that will produce up to five million tonnes per annum of coking coal, had moved into the feasibility stage and construction would begin in mid-2012.

The announcement came as analysts declared mining's Boom II had begun and forecast record growth for construction in the resources industry over the next four years.

AAMC chief executive officer Seamus French said the company's objective was to develop a high-quality operation adjacent to its existing Moranbah North facility.

"Grosvenor will use the longwall mining method to mine coal and will have an anticipated mine life in excess of 30 years," Mr French said.

"Establishing the Grosvenor project demonstrates AAMC's commitment to Queensland and focus on growing its metallurgical



Mackay-based CQ Field Mining Services director Jason Holt, front, and boilermaker Daniel Hempseed are preparing to expand as new business is created.

PHOTO: TONY MARTIN 200410/111

coal business in this state."

And it is that commitment, on which numerous resource companies are aligned, that will drive the state's forecast surge in construction of coal and coal seam gas projects over the next few years.

## Growth forecast

According to a recent Macromonitor report, Australian Construction Outlook - Mining and Processing, construction in the industry across Australia is set to soar, peaking at \$35 billion per annum in the 2013/14 financial year.

Macromonitor director Nigel Hatcher said the financial crisis provided a short-lived interruption to resources investment, but the preceding strong growth in the sector over the last decade would now resume.

"In the 2009/10 financial year in Queensland, construction totalled just under \$6 billion," Mr Hatcher said.

"We forecast that going up to a peak of about \$8 billion in the 2013/14 year.

"Construction in Queensland is driven largely by coal but coal seam gas will also become a significant driver as well with the development of coal seam

gas fields. Of that \$8 billion, coal will account for around \$5 billion and gas, which includes liquefied natural gas, will be \$2-2.5 billion."

Macromonitor credits the forecast surge in construction and investment in resources to renewed demand from China, a recovery in commodity prices and increasing port capacities. "These factors will release the next wave of the mining and investment boom over the next few years as new projects and capacity expansions proliferate," Mr Hatcher said.

Queensland Resources Council chief executive

Michael Roche said AAMC's announcement and the forecast growth were strong evidence of a sector that was confidently striding forward.

"The new jobs and wealth created will benefit all Queenslanders," he said.

## Businesses prepare

As the sector strides forward, Mackay's mining-related businesses are poised, waiting for the effects of Boom II to affect the whole industry.

Mackay-based CQ Field Mining Services, which

## BOOM II RESOURCES CONSTRUCTION PROJECTS

- Anglo: \$1.1 billion Grosvenor underground coal mine
- BMA: \$1 billion expansion of Peak Downs Mine
- BMA: \$1 billion expansion of Goonyella-Riverside
- Aquila/Vale: \$892 million new Eagle Downs underground coal mine
- Macarthur Coal: \$150 million new Middlemount Coal Project
- \$1 billion Dalrymple Bay Coal Terminal expansion
- \$845 million Abbot Point Coal Terminal expansion
- Arrow Energy: Multi-billion dollar exploration and development of coal seam gas fields near Moranbah

provides construction, related services and labour hire to the resources industry, is ready to expand as new business is created.

"At the moment we are running at about a quarter of what this company's capacity has been in the past," director Jason Holt said. "We cut back to bare minimum staff to ride through the financial crisis but now we're hoping to get back up to having about 150 staff out in the field; at the moment we've got about 45."

"The growth is coming. It's going to happen, it's just a matter of how hard this Boom II is going to hit."

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