

140 NEW JOBS IN MINE EXPANSION

\$330 million investment in Bowen Basin mine ■ STORY P3

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Mine expansion shows confidence in region

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JUST when Mackay thought the mining industry was enroute to demise, Carborough Downs coal mine has announced a \$330 million expansion which will almost double workforce numbers.

The longwall expansion – which will boost employee numbers from about 160 to 300 – will begin with the arrival next week of 30 massive hydraulic roof supports.

The hydraulic roof supports, manufactured in Poland and weighing up to 45 tonnes each, will be conveyed 180km to the north Bowen Basin mine later this year after being assembled and tested at a Paget workshop.

The Carborough Downs coal mine is an underground operation 20km from Moranbah which is operated by Carborough

Billion-dollar mining deal to save jobs

MORE than 2000 jobs earmarked to be slashed by Rio Tinto as part of a major cut may be saved thanks to a \$19.5 billion deal with major shareholder Chinalco.

In December last year Rio Tinto announced it would slash 12,000 jobs from its global workforce to reduce rising debt but the mining giant is "very confident" it will win federal government backing for

the \$19.5 billion deal.

Under the deal, Rio will sell stakes in key Australian iron ore and aluminium operations and issue convertible bonds to the state-backed Chinese company to help pay \$US38 billion (\$A57.9 billion) in debt incurred through buying aluminium producer Alcan Inc in 2007.

It will be China's biggest investment in Australia so far, requiring approval of

the Foreign Investment Review Board and the government.

Rio and Chinalco had been "extremely careful" in applying the six principles for foreign investment set down by federal Treasurer Wayne Swan last year.

Rio Tinto's managing director strategy Doug Ritchie said: "We are very confident that what we have put together is something that will stand not

only the test of the ... board and treasurer, but also the strong test of time".

Mr Ritchie said Chinalco would be taking a minority stake in most of the company's assets.

"This transaction is a clear winner."

He said it offered a series of strategic advantages, allowing Rio to invest in projects in Australia and the rest of the world.

Downs Coal Management Pty Ltd and 80 per cent owned by Vale.

Shane Summers, general manager of the project's controlling contractor Inbye Mining Services Queensland, said the Carborough

Downs longwall project would increase capacity from 0.6 million tonnes to 4.8 million tonnes by 2011, with commissioning of the project scheduled for the second half of 2009.

Mr Summers said Inbye

had been involved in the planning of Carborough Downs since the feasibility stage about five years ago and the longwall tender itself was submitted in late 2007.

"The mine is currently

hiring additional trades personnel to supplement existing staff," Mr Summers said.

It is at Inbye's Paget workshop that the new roof components will be assembled and tested.

Vale's director of Australian coal operations, Michael Mapp, said Carborough Downs' production of hard coking and semi hard coking coal began in August 2006.

"The current operations are focused on the development of the gate roads for the longwall panel ahead of the scheduled installation later this year," Mr Mapp said.

"The project will include ventilation upgrades, electrical works, civil infrastructure and conveyor installations, including a 4.2km overland conveyor system."

Mr Mapp said the new longwall system included the first commercial installation of CSIRO's advanced longwall automation system.

The system is said to boast a number of significant benefits including improved safety.