



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard 18 October 2001

MINISTERIAL STATEMENT

Coal Industry

Hon. P. D. BEATTIE (Brisbane Central—ALP) (Premier and Minister for Trade) (9.32 a.m.), by leave: The announcement of a major new coal opportunity in Central Queensland is the trifecta of positive news for the state's resources sector in recent weeks. Macarthur Coal Ltd announced yesterday that it is set to exploit another growth segment of the international coal market with the acquisition of the advanced Monto thermal project. The announcement outlines the intention to investigate the mine. Stage 1 involves a feasibility study for the development of a mine with a capacity of 500,000 tonnes to one million tonnes a year. Upon acceptance, production at Monto could start as early as 2002-03. Stage 2 is based on a longer-term plan to extend the mine to 10 million tonnes a year. This stage would require an upgrade of the railway line, which Macarthur intends to contract out or use infrastructure providers for.

This is about jobs, investment and opportunity. I am delighted to see the coverage of this announcement in the *Gladstone Observer* of this morning. What a great headline: 'Coal Bonanza'. I table the article for the information of the House. While the resulting jobs will exist mainly in Central Queensland, the potential is there for all of the state to win from more export income. The mine is adjacent to the Monto township. The mine will produce an ultra-low nitrogen coal with a nitrogen content of 1.1 per cent. This makes it the lowest of any Australian coals on the export market. Of additional appeal is that the Monto coal has a comparatively low ash content. This makes it most appealing to power utilities, especially in Japan. It is good quality coal.

This announcement sits well with the Australian Magnesium Corporation's release of a new public offer seeking to raise \$525 million to help fund construction of the \$1.3 billion Stanwell refinery. This is an exciting time for the export potential of Central Queensland and indeed all of Queensland. The first of the three positives for Central Queensland's resources sector came on Friday, 15 September, when Deputy Premier and Treasurer Terry Mackenroth and I detailed how a consortium led by international investment bank Babcock and Brown had successfully bid \$630 million for the long-term lease of the Dalrymple Bay Coal Terminal. Dalrymple Bay, at Hay Point south of Mackay, is one of the largest terminals in the world, handling almost 25 per cent of the coal exported from Australia. The lease to the Babcock and Brown consortium will be for 50 years, with an option of extension for a further 49 years. The consortium made an up-front payment to the state government to secure the payment of lease rentals over the term of the lease.

This is a win for the coal industry as well as for all Queenslanders. This is a sensible use of resource. On the one hand we receive a strong return for the state from this asset—the money raised can be used now in schools, hospitals and roads—while on the other hand we help to ensure the long-term efficiency of the coal supply chain and the sustained competitiveness of the Central Queensland coal industry. This is indeed smart thinking in the Smart State. Under the existing management of the government owned Ports Corporation of Queensland, the Dalrymple Bay Coal Terminal had achieved growth rates in excess of similar terminals elsewhere in the world. By leasing it, however, we free government capital tied up in the facility and foster private sector participation in Queensland infrastructure while retaining state ownership in the long term.

Not surprisingly, when expressions of interest were sought for the lease the proposal attracted wide market interest from Australia and overseas. Mines currently supplying the terminal include Blair

Athol, Goonyella, Riverside, German Creek, Oaky Creek, North Goonyella, Burton, Moranbah North, Foxleigh and Coppabella. The new \$425 million Hail Creek mine and the Moorvale mine south of Coppabella will also export through the terminal. In order to meet this demand, the Ports Corporation of Queensland is currently undertaking stage 5 of an expansion to the terminal to increase the current capacity of approximately 40 million tonnes per year to around 44 million tonnes per year.

Work has also commenced on stage 6 to expand the terminal to approximately 54 million tonnes per annum. This will be completed by the lessee by mid 2003. This expansion will make the Dalrymple Bay Coal Terminal the third-largest coal export terminal in the world and will make the port of Hay Point, which also includes the privately owned BHP facility, the largest in the world. Dalrymple Bay Coal Terminal Pty Ltd, a consortium of six users, will continue to operate and maintain the terminal, while the Ports Corporation of Queensland will remain the port authority. Monto, AMC and Dalrymple are a genuine trifecta of success for the whole state.

When the community cabinet meeting goes to Mackay in the next few weeks I will be visiting the facility at Dalrymple Bay. An opening will be performed at that time to show the government's commitment to this project. While I am talking about things happening in this can-do state by this can-do government, I tell the House that tomorrow Tony McGrady, the local member, and I will travel to Delta Downs property via Normanton to participate in an announcement of a training initiative for Aboriginal youth with Peter Holmes a Court and Noel Pearson. This is about ensuring jobs and opportunities for young indigenous Queenslanders.
