

Galilee Basin Development Strategy

Department of State Development, Infrastructure and Planning



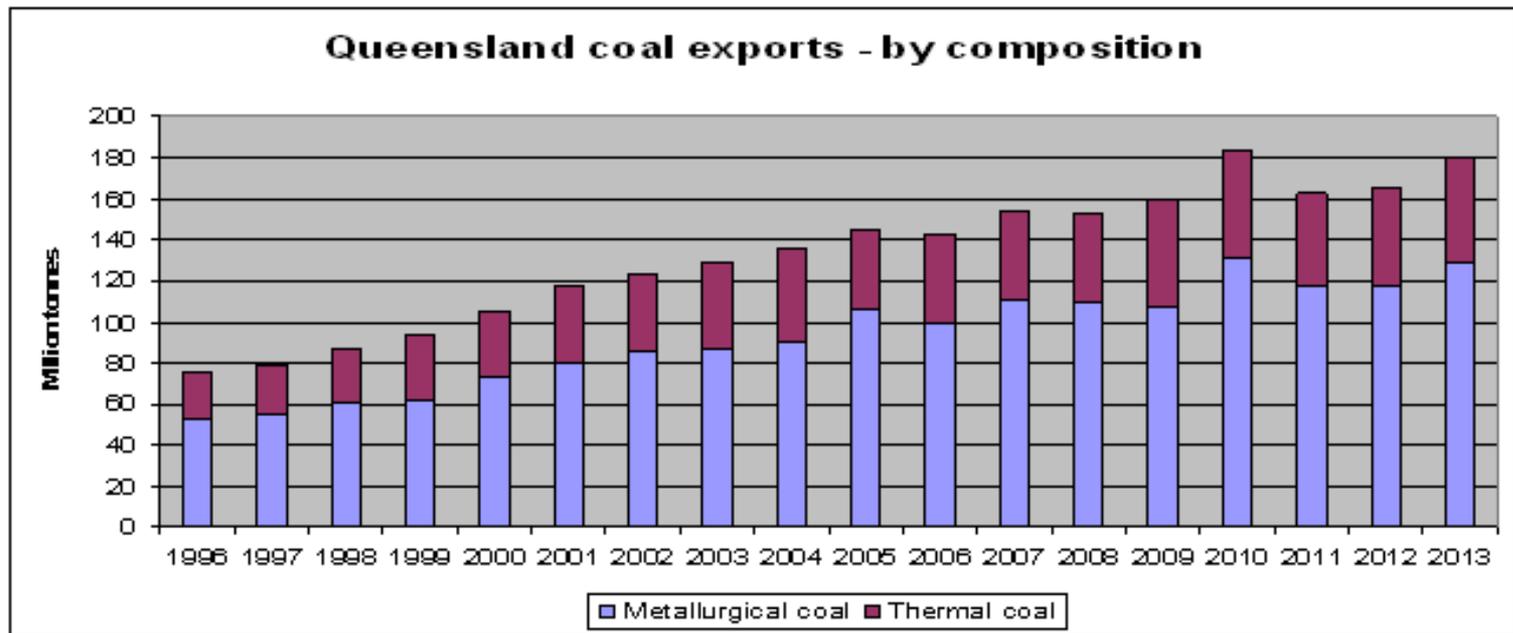
Department of State Development, Infrastructure and Planning (DSDIP)

DSDIP exists to drive Queensland's economic development through five key strategies.

1. Championing the interests of business and industry in Queensland and removing regulatory bottlenecks and impediments to investment.
2. Fast tracking the delivery of major resource and industrial development projects.
3. Diversifying the economies of the state and the regions and enhance access to global supply chains.
4. Streamlining planning, assessment and approval processes to allow the property and construction industries to grow and flourish.
5. Re-empowering local governments and their communities to plan for their futures.

Queensland Coal

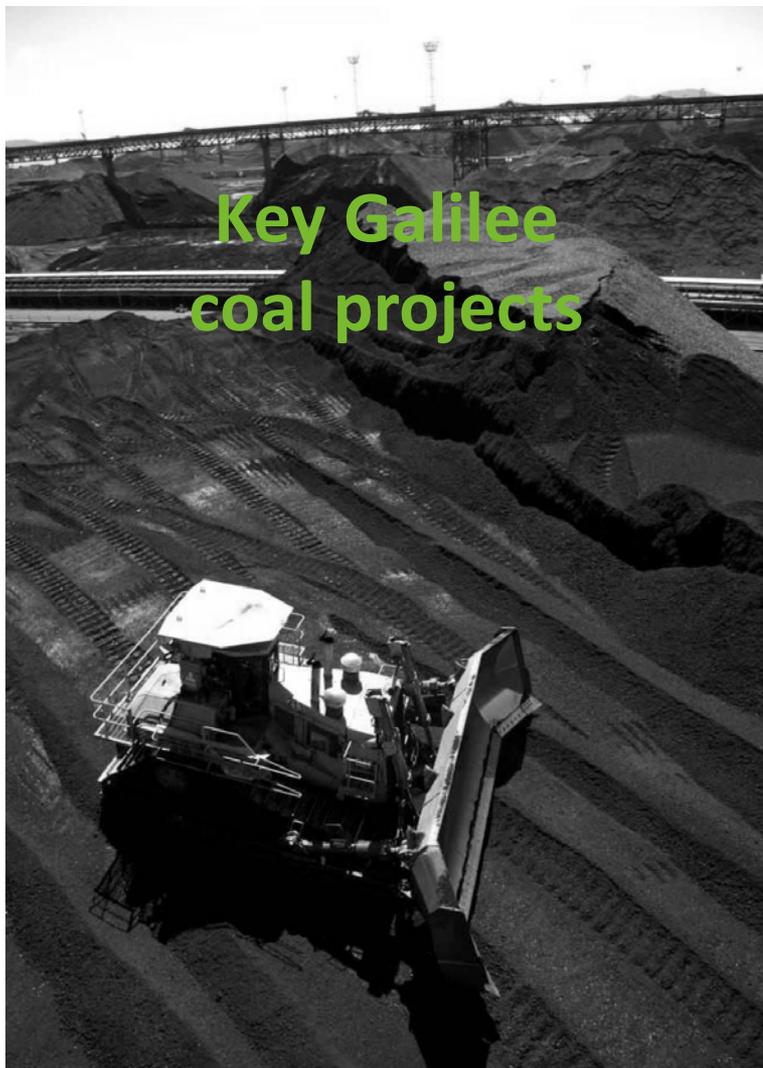
- In 2012–2013 Queensland coal exports totalled 180.2 million tonnes.
- This is a 9.8 per cent increase from 2011-2012, now exceeding pre-GFC levels.
- On target to achieve a further 11.5 per cent increase this year, taking throughput to 200.5 million tonnes.



Galilee Basin

- The Galilee Basin is located approximately 200 kilometres west of the Bowen Basin, covering an area of approximately 247 000 square kilometres. The basin contains a very large inferred resource of mostly high-volatile, low-sulphur thermal coal.
- Opening up the Southern and Central Galilee Basin has the potential to create an economic windfall for Queensland.
- Proposed projects in the basin could invest 28.4 billion dollars in the economy and create more than 15 000 construction and 13 000 operational jobs
- The further development of the basin is reliant on a rail corridor, providing access to coal ports.





Key Galilee coal projects

Hancock Coal

- “Alpha” and “Kevin’s Corner” projects (GVK)
- Each project comprises 30 Mtpa mine
- 495 kms standard gauge railway to Abbot Point

Waratah Coal (Mineralogy)

- “Galilee Coal Project” or “China First” Project
- 40 Mtpa mine (2 x 20 Mt Longwall)
- 453 kms standard gauge railway to Abbot Point
- New port facilities at Abbot Point

AMCI/Bandanna

- “South Galilee Coal Project”
- 15 to 20 Mtpa open cut, progressing to underground
- Utilise proposed common user rail and port facilities

Adani Mining Pty Ltd

- “Carmichael Coal Mine and Rail Project”
- 60Mtpa coal mine and rail facilities
- Potential mine life of 150 years
- Initially 2Mtpa (2014), to 60Mtpa (2022)

Other projects:

- **Vale** “Degulla Coal Project”
- **Macmines** (Meijin) “China Stone Project”
- **Guilford Coal** “Hughenden Project
- **AMCI** “South Galilee Project”
- **Aurizon** “Central Queensland Integrated Rail Project”

Planning for growth in the Galilee Basin

Galilee Basin Development Strategy

- Launched by the Queensland Government at the Major Projects Conference in November.
- Offers initiatives to private sector companies and infrastructure providers to help significantly lower start-up costs and fast track development.
- Aimed at first movers, the initiatives include streamlined solutions for planning, land acquisition, water, power and rail.
- The optimal development of the state's mineral and coal resources will require significant investment in infrastructure by the private sector and industry, not government, will be expected to be the prime driver and investor in mining industry infrastructure.
- The Queensland Government will consider declaring the Galilee Basin State Development Area in early 2014. Successful proponents will need to provide open access arrangements so that later projects can access rail infrastructure already developed on a shared, multi-user basis.

Rail projects in the Galilee

- The strategy identifies rail as the most cost effective way to haul large quantities of coal.
- Last year the state government announced it supported the development of two common rail corridors from the basin to the Port of Abbot Point.
- These corridors would run from west to east to service the central area; and south to north to service the southern end of the basin.



Abbot Point

Abbot Point

- \$818 million expansion from 25 to 50Mtpa capacity completed September 2011.
- \$1.105 billion Goonyella-Abbot Point Rail Expansion (GAPE) Project to 50Mtpa capacity commissioned in August 2012.
- The Abbot Point expansion project (AP-X Project) aims to maximise the export of coal and facilitate the continued economic development of Queensland and will provide direction for the timely development of port infrastructure to support future mining projects and other large-scale industry in the Abbot Point SDA.
- Registrations of Interest for the project sought between 21 December 2012 and 20 February 2013.
- The proposals were evaluated and two proponents, Anglo American and Northhub (a joint venture between Aurizon and Lend Lease), shortlisted as preferred proponents.
- Anglo American has now withdrawn as a preferred proponent.
- Under the Galilee Basin Development Strategy released in November 2013, the government is reserving the Terminal (T2) development site for a proponent, who the government considers to be a credible first mover, to develop coal stockpiling and handling infrastructure at the Port of Abbot Point for the benefit of opening up the Galilee Basin to mining.

Galilee Basin the next 20 years



- The Galilee Basin has the potential to bring enormous economic benefits to Queensland.
- The Queensland Government is determined to assist the industry, while maintaining a balance with the needs of the wider community, other industries and the environment.
- Queensland will continue to work with the industry and the wider community to ensure a great future for the state.
- The Galilee Development Framework is being developed to guide decision making on the provision of infrastructure to meet the needs of the coal mining industry.

Bowen Basin

Coal from the Bowen Basin is currently exported from five coal terminals located at three ports: Abbot Point north of Bowen, Hay Point near Mackay, and the Port of Gladstone.

The Bowen Basin contains almost all of the state's hard coking coal resources and is the most important source of coal currently exported from Queensland.

Coal export capacity in the Bowen Basin is currently expanding with a number of infrastructure projects underway or planned.

Current expansion plans could increase port capacity from approximately 270 Mtpa to 370 Mtpa, with further expansion possible.

There are 43 open cut and 13 underground operating mines in the Bowen Basin.



Queensland coal exports

Port		2013-2014 Year-to-Date Exports (to 31 October)
<i>Port of Abbot Point</i>	7.54Mt	↑ 57% on the same period in 2012-13
<i>Dalrymple Bay Coal Terminal</i>	22.62Mt	↑ 19.4% above that achieved in the same period in 2012-13
<i>Hay Point Service Coal Terminal</i>	12.79Mt	↑ 27% above that achieved in the same period in 2012-13
<i>Gladstone Coal Terminals</i>	22.47Mt	↑ 19.4% increase on that achieved in the same period in 2012-13
<i>Brisbane Coal Terminal</i>	3.21Mt	↑ 9.5% increase on the same period in 2012-13

Queensland Ports

- Draft Queensland Ports Strategy released in October 2013.
- Accelerated and consolidated development will be enabled and encouraged through the creation of five Priority Port Development Areas (PPDAs) at the long-established major ports of Brisbane, Gladstone, Hay Point/Mackay, Abbot Point and Townsville.



Other Queensland ports projects

Hay Point

- \$185 million Goonyella Rail Expansion Project - Aurizon project add 11Mtpa of rail capacity on the Goonyella System.

Gladstone

- Wiggins Island Coal Export Terminal (WICET) – \$2.5 billion Stage 1 now approximately 77 per cent complete. A full feasibility study is underway for WICET Stage 2 to 59Mtpa capacity.
- Major Rail Upgrades – On 5 September 2011 Aurizon Limited signed an agreement with coal mining consortium to construct the \$900 million Wiggins Island Rail Project (WIRP), subject to Queensland Competition Authority approval and financial close for the WICET. WIRP includes 13 kilometre balloon loop, upgrades to sections of the North Coast Line, Moura System and Bauhinia Branch Line, and 42 kilometre of track duplications on the Blackwater System. The WIRP project is scheduled for completion in March 2015.

More information

www.dsdip.qld.gov.au