



## Appendix L: Minister of Mines and Energy Speech

RESPONSE TO CAVAL RIDGE EIS

ATTACHMENT A

Extracts from the second reading speech of the Minister for Mines and Energy, Geoff Wilson MP –

“The Government accepts that the land currently held by Cherwell Creek under Exploration Permit for Coal 545 and its application for Mineral Development License 364 is the optimal location for the infrastructure needed for the Caval Ridge Mine.

If BMA is unable to locate its expansion infrastructure off the mining lease and in this particular area, most of which I understand it owns freehold, the infrastructure would need to be placed within Mining Lease 1775. This would be problematic firstly because operating costs would generally be significantly higher because of the geophysical features of the land.

Secondly, it would require the placement of infrastructure on top of reserves of premium hard coking coal. BMA has suggested that approximately 52.5 million tonnes of coking coal would be sterilised by this, which could have a revenue value of approximately \$2.2 billion and a royalty value to the State of approximately \$146 million.

Thirdly, while BMA might be able to avoid sterilising some coal by progressively relocating its infrastructure, this would further increase operating costs and lastly, the placement of infrastructure on the eastern boundary would move the infrastructure closer to the Moranbah Township, which might require significant steps to be taken (and higher costs incurred) to reduce the noise, dust, vibration and visual impact on the local community and township.

... Cherwell Creek has had 13½ years to prove up and develop any coal resource within the area of its exploration permit, but has been unable to do so.

... Cherwell Creek has defined only a relatively small coal resource in the area subject to its application for Mineral Development License 364 which is at a very preliminary stage of assessment and which it is considered might only be marginally viable.

In the absence of any sizeable, economically viable coal resource, the most appropriate and economic use of the land subject to the application for Mineral Development License 364 is for infrastructure to support the Caval Ridge Mine.

... My Department has also recommended that if Cherwell Creek’s two mineral development licenses are rejected, the land currently covered by those applications be made available to BMA to apply for a mining lease over any of that area within a prescribed period. This would ensure the best and most productive use of this land for the benefit of Queensland.

As BMA does not hold the prerequisite tenure to apply for mining leases under the Mineral Resources Act 1989 for any of this land, a legislative solution is required.



BHP Billiton Mitsubishi Alliance

The continued successful operation of the Peak Downs Mine and the development of the proposed Caval Ridge Mine present a very substantial economic opportunity for the State. The tenure dispute with Cherwell Creek has now reached a critical point and resolution of this matter is crucial to both the current operations and the expansion plans for the Peak Downs Mine, which is the better and more valuable resource for the State.

Resolution of the dispute will have significant flow-on benefits for the State, through the payment of royalties, rents and rail freight and in relation to employment.

Because the potential consequences for BMA, the local community and the State are so significant, it is imperative that the Government act now to legislatively resolve the dispute and to secure appropriate mining tenure for BMA.”