

ICN – All the Right Connections

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Australian International
Airshow

27th February 2013



Agenda

- Overview of the mining sector.
- Management drivers and future of the mining sector.
- Overview of some key projects in Australia & ICN Gateway.
- Considerations



Overview of Mining Sector – Coal

Under Construction	Committed	Under Consideration	Possible
\$13.6 billion	\$17.4 billion	\$16.9 billion	\$27.9 billion

- Projects under construction = work has commenced on the project
- Committed = decision to proceed has been announced but yet started
- Under Consideration = decision to proceed with project is expected in near future
- Possible = projects announced but where no early decision on whether to proceed with the project is likely

(Deloitte Access Economics Investment Monitor Report – December 2012)



Overview of Mining Sector – Metal Ore

Under Construction	Committed	Under Consideration	Possible
\$13.6 billion	\$1.5 billion	\$42.9 billion	\$26.7 billion

- Projects under construction = work has commenced on the project
- Committed = decision to proceed has been announced but yet started
- Under Consideration = decision to proceed with project is expected in near future
- Possible = projects announced but where no early decision on whether to proceed with the project is likely

(Deloitte Access Economics Investment Monitor Report – December 2012)



Overview of Mining Sector – Other

Under Construction	Committed	Under Consideration	Possible
\$1.7 billion	N/A	N/A	\$954 million

- Projects under construction = work has commenced on the project
- Committed = decision to proceed has been announced but yet started
- Under Consideration = decision to proceed with project is expected in near future
- Possible = projects announced but where no early decision on whether to proceed with the project is likely

(Deloitte Access Economics Investment Monitor Report – December 2012)



Overview of Mining Sector – Oil & Gas

Under Construction	Committed	Under Consideration	Possible
\$201.5 billion	\$2.5 billion	\$68.0 billion	\$42.6 billion

- Drawing resources from the mining sector
- Value of definite mining projects is \$62.4 billion higher than this time last year
- Significant quantity of mining investment projects in the pipeline - not as many “mega projects”

(Deloitte Access Economics Investment Monitor Report – December 2012)



Mining Sector – Projects by Region

	Publicly Announced		Feasibility Stage		Committed		Completed	
	No.	Value A\$m	No.	Value A\$m	No.	Value A\$m	No.	Value A\$m
NSW	14	2 180–5 430	30	24 569	16	9 535	3	784
Qld	28	23 204– 31 629+	75	128 094	22	78 400	10	7 048
WA	43	42 476– 66 726+	47	113 475	40	141 084	6	3 311
NT	5	1 801–2 301	8	6 419	4	34 080	1	30
SA	7	7 664–9 414+	5	4 687	2	298	2	112
Vic	4	1 185–2 185	2	532	2	4 300	1	97
Tas	2	0–500	2	203	0	0	1	490
Other*	3	12 500– 15 000+	3	16 412	1	680	0	0
Total	106	91 010– 133 185+	171	291 891	87	268 378	24	11 872

Australian Government Bureau of Resources and Energy Economics October 2012

Management drivers, decisions & risk

- Mining has to be separated into two groups and managed differently
- Initial infrastructure – Project with a beginning and an end with a different management style traditionally run by a project manager
- Operating Mine – No definitive end date, need companies in close proximity to the asset to prevent down time.
- A fifty cent fuse can cause a \$5,000,000 problem.



The Future of the Mining Sector

- Australia faces a shortage of skilled workers, which is projected to become more severe in the future
- By 2015, according to BAE Economics, a shortage of 70,000 workers nationally; 45,000 in Western Australia & 15,000 in Queensland
- This has led to innovations throughout the industry such as automation – Driverless trucks, control rooms.



The Future of the Mining Sector

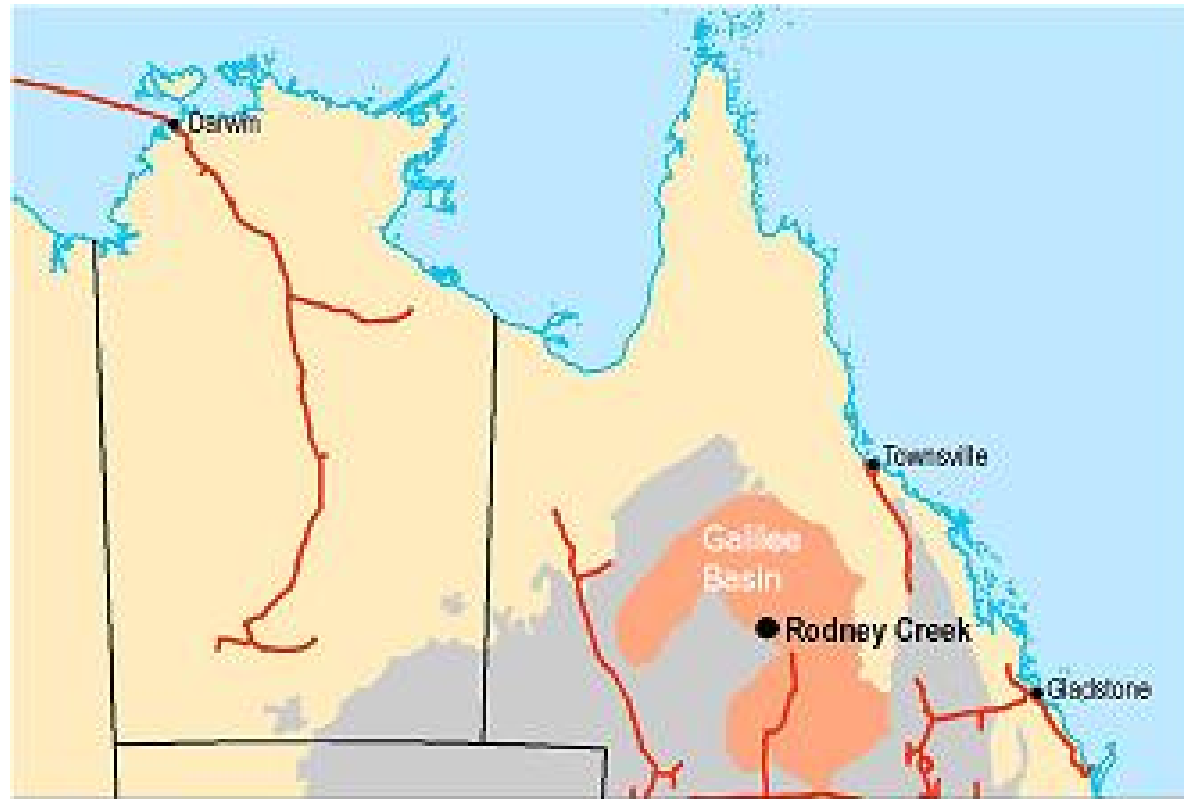


The Future of the Mining Sector

- The centre has been designed to control and monitor, on a real time basis, the entire operations across the Pilbara:
 - 14 mines
 - 1,400 Km of rail
 - Three ports and power generation facilities
- Coal mining is becoming increasingly computerised- where there used to be 14 people on a long wall now there are only 3.



Key Projects – Galilee Basin – Coal



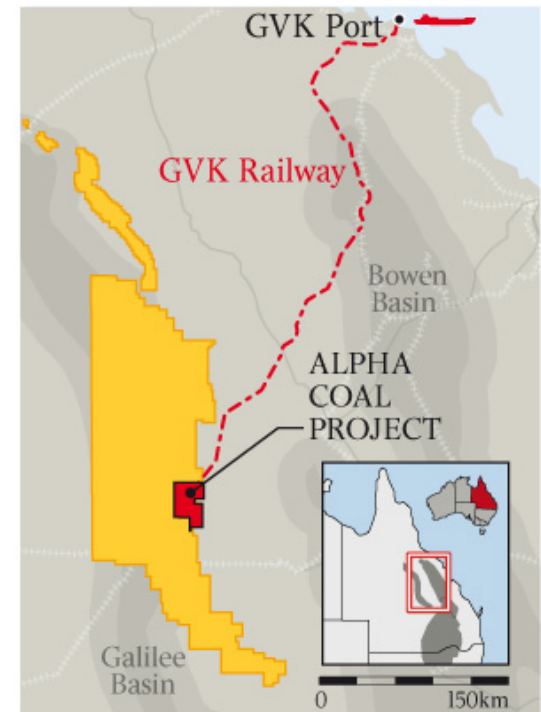
Key Projects – Galilee Basin – Coal

- The Galilee Basin is 200km west of existing coalfields in the Bowen Basin
- There are five major projects worth collectively about \$25bn, under which 180 million tonnes of coal would be mined each year
- Overview of two companies
 - GVK / Hancock
 - Adani



Overview – GVK/Hancock

- Two projects under development – Alpha Coal & Kevin's Corner
- Mines similar in scale each to produce 30 million tonnes per annum
- First integrated coal pit to port supply chain in Australia
- Most advanced Project in the Galilee Basin



Overview – GVK/Hancock

- Recently announced Samsung C and T Corporation and Brisbane based Smithbridge Group have signed a JV to build T3 port terminal
- Successful test pit
- Port –
 - 2 x 30 Mtpa export capacity
 - 2 x ship berths
 - Coal stockyard, stacking & reclaim facilities



Overview – GVK/Hancock

- Rail – Galilee Basin to Abbot Point
 - 495 km standalone rail link , standard gauge
 - 80 Million tonne per annum capacity
 - 25,000 tonne trains
 - Semi or automated rail system



Overview – Adani

- Adani, founded in India in 1988, employs 9000 people globally.
- Carmichael Coal Mine and Rail Project - Greenfield open cut and underground mine - Production 60 million tonnes per annum
- Operational plan for 90 years
- Project is not dependent on global pricing



Overview – Adani

- A mine village & airstrip
- 190 Km of rail between mine and Moranbah in turn connecting to Port at Abbott Point
- Abbot Point Port – redevelopment / loaders etc
- Coal handling and preparation
- Associated project infrastructure



Overview – Cobbora Coal NSW

- Cobbora Coal Project to supply 9.5 million tonnes of coal per annum to three power stations on central coast of NSW.
- Cobbora is a state owned company – energy security for NSW
- Mine industrial area and coal handling and prep plant
- 28km rail spur line / balloon loop and train loading facilities



Overview – Cobbora Coal NSW

- Pumping station and 26km water supply pipeline
- Raw water storage dam and numerous sediment and flood control structures.
- 66kV power lines and an electricity substation
- Temporary construction accommodation camp for up to 400 workers



Overview – Cobbora Coal NSW

- Major project packages
 - Site enabling works
 - River water supply
 - MIA facilities
 - Construction camp
 - Spring Ridge Road (new “upper” section)
 - Bulk earthworks
 - HV electrical works
 - Coal handling and preparation plant
 - Communications / IT / controls
 - Water management (dams, pumps, pipes).
 - Rail spur and loop

Overview – Roy Hill Iron Ore WA

- World class iron ore mine 105km north east of Newman in the Pilbara - operation for 55 million tonnes per annum
- Crushing, screening and processing lump and fines products
- Stockpiling and train loading – 370km standard gauge, single line dedicated heavy haul railway from site to Port
- Port facility for receiving stockpiling & screening
- Automated operations centre in Perth



Overview – Roy Hill Iron Ore WA

- Additional infrastructure to support mine construction and operations
 - Construct and operate an airport
 - Accommodation for 3,600 construction workers and approx 2,000 operational staff
 - Site access roads
 - Mining and processing support facilities



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Expressions of Interest

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Contact Details

Industry Capability Network

ICN - QLD
Ph: (07) 3364 0670
Email: [\[click to email\]](#)

Moranbah Region Expansion Project

Project Owner: ANGLO AMERICAN METALLURGICAL COAL PTY LTD
Project Value: N/A
Project Status: Construction Start Q1 2012
Location: QLD, Australia



The Moranbah Region Expansion Project (the Project) involves the expansion of Anglo American's existing Moranbah coal deposits. The Project involves the development of new mines adjacent to its current Moranbah North operations.

Specifically, the Project will involve the construction and operation of two new underground mines which will produce more than five million tonnes per annum of coal for export.

Located approximately two hundred kilometres south-west of Mackay in Central Queensland, the existing Moranbah North mine currently produces four and a half million tonnes per annum of high-quality hard coking coal mainly for export to Japan, Korea and Taiwan.

The current Moranbah project began operating in 1998 with resources expected to facilitate a mine life of around 20 years.

The Project will involve significant investment in the upgrade and development of facilities and could potentially double production to around eight million tonnes per annum by 2016.

Broadly, the Project will include:

Work Packages

Currently Listing 147 Work Packages:

Tier 1: Complete package or service for this work package required. Tier 2: Partial package or service for this work package allowed.

Work Package	Status	Applications Open	Tier 1 Closes	Tier 2 Closes	PDF
Earthwork					
CC016 - Haulage and Crushing of Excavated Material	Open	19 Jan 2012	21 Jun 2012	1 Mar 2013	
Civil Concrete Earthworks Architectural					
AC025 - Gas Drainage Plant and Booster Station including Vacuum Pumps	Open	22 Jun 2011	1 Mar 2012	1 Feb 2013	
AC026 - Mine Cooling System	Open	22 Jun 2011	21 Jun 2012	1 Feb 2013	
AC030 - Gas Drainage - Surface Reticulation Piping Supply	Open	22 Jun 2011	21 Jun 2012	1 Feb 2013	
AC031 - Gas Drainage - Supply of UG Reticulation Victolic Piping	Open	22 Jun 2011	21 Jun 2012	1 Feb 2013	
AC032 - Gas Drainage - Installation of Surface Gas Drainage Pipe Reticulation System	Open	22 Jun 2011	21 Jun 2012	1 Feb 2013	
CC010 - Sewage treatment plant	Open	22 Jun 2011	1 Mar 2012	1 Mar 2013	
CC011 - Potable water treatment plant	Open	22 Jun 2011	1 Mar 2012	1 Mar 2013	
CX001 - MIA - General Works (Buildings & Associated Services)	Open	22 Jun 2011	1 Apr 2012	1 Mar 2013	
PC014 - Gravel & Crushed Rock Supply	Open	22 Jun 2011	31 Jan 2012	1 Mar 2013	
PC012 - Fuel handling & storage equipment	Open	22 Jun 2011	21 Jun 2012	15 Mar 2013	
PC013 - Lube handling & storage equipment	Open	22 Jun 2011	21 Jun 2012	15 Mar 2013	
AC028 - Diesel and Lubrication Supply	Closed	22 Jun 2011	21 Jun 2012	1 Jul 2012	
CC005 - Civil - MIA (Mining Infrastructure Area)	Closed	19 Jan 2012	21 Jun 2012	1 Jul 2012	
CC006 - Civil - Crushing & ROM Area	Closed	19 Jan 2012	21 Jun 2012	1 Jul 2012	

⊕ PE021 - LV Switchgear Assemblies (Temporary power distribution)	Open	18 Jan 2012	21 Jun 2012	1 Mar 2013
⊕ PE026 - Low Voltage VSDs	Open	19 Jan 2012	21 Jun 2012	1 Mar 2013
⊕ PY027 - HV Reticulation Design	Open	19 Jan 2012	21 Jun 2012	1 Mar 2013
⊕ CE003 - 66kV OH line Installation to Perminant Substation	Awarded	22 Jun 2011	21 Jun 2012	1 Jul 2012
⊕ CE019 - Temporary power distribution installation (11kV)	Awarded	19 Jan 2012	21 Jun 2012	1 Jul 2012
⊖ CE020 - Temporary power installation contract	Awarded	19 Jan 2012	21 Jun 2012	1 Jul 2012

Tier one has been awarded to:

O'DONNELL GRIFFIN Pty Ltd
 42-50 BAKEHOUSE ROAD
 LLOYD STREET BUSINESS ESTATE
 KENSINGTON, VIC
 Australia 3031
 Phone: +61 03 82900000
 Fax: +61 03 82900099
 Email: cneville@odg.com.au
 Web: www.odg.com.au

Temporary power installation contract

⊕ PE013 - Provision of Temporary Power (TRX & Sub-hire)	Awarded	18 Jan 2012	21 Jun 2012	1 Jul 2012
⊕ PE014 - Temporary Power Cables (11kV)	Awarded	18 Jan 2012	21 Jun 2012	1 Jul 2012
⊕ PE018 - 11kV- 415v distribution transformer (Temporary Hire)	Awarded	18 Jan 2012	21 Jun 2012	1 Jul 2012

⊖ Mechanical Platework Tanks

⊕ CM025 - Thickeners	Open	22 Jun 2011	21 Jun 2012	1 Mar 2013
⊕ PM003 - Conveyor Pulleys	Open	22 Jun 2011	21 Jun 2012	1 Mar 2013
⊕ PM007 - Weightometers	Open	22 Jun 2011	21 Jun 2012	1 Mar 2013

Considerations

- Mining decisions have changed very quickly from production at all costs to cost minimisation and efficiencies
- Understand your value proposition – where and why are you competitive ?
- Think long term – 80% of mining expenditure is spent over the lifecycle of the mine and production.
- The service component of the product or service is as valuable as what you are supplying.
- Prequalification is vital for all mining sites - this can be a different process for every mining entity.

Considerations

- Mining is about the *relationship*
- Mining companies are *risk adverse* if you have not supplied a mine before it is unlikely you will be successful
- Companies have to start developing relationships in key mining regions with companies already supplying the sites.
- Network with national organisations such as MESCA, AUSTMINE.

Considerations

- Education – through programmes such as Enterprise Connect, Buy Australian's Resources Connect & understand of the drivers in the industry
- ICN has appointed a mining specialist in each state, collectively they have a fantastic cross section of skills that cover all facets of mining and production
- Visit and revisit ICN Gateway for opportunities, look for awarded contracts as well – will show winning company so you can undertake your own business development activities.

Contact Details & Advocacy

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