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Queensland Coal Company Collapse Threatens 500 Jobs

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More than 500 jobs are at risk after Queensland-based coal company Bowen Coking Coal appointed administrators amid mounting financial pressure and industry headwinds.

The company announced on Wednesday that Mark Holland and Shaun Fraser from McGrathNicol Restructuring would oversee its administration. The decision follows unsuccessful negotiations with lenders and an inability to secure a necessary cash injection to sustain operations.

Bowen cited high operating costs and falling global coal prices as major contributors to its financial troubles. The company also pointed to the Queensland government's progressive royalty structure, introduced in 2022, as having significantly impacted its bottom line.

Efforts by Bowen to delay royalty payments were recently rejected by the Queensland Revenue Office, leaving the company with limited options.

Bowen's Burton Mine Complex, situated approximately 160 kilometres east of Mackay, began operations in 2022. Despite recent operational improvements, the site may now be sold to recoup losses.

"The Burton Mine Complex is a quality asset," the company stated in a filing to the Australian Securities Exchange (ASX). "Management has worked hard to make it one of the most productive and low-cost metallurgical coal mines in the country."

The administration process is expected to offer time for a potential sale or recapitalisation, according to the company's statement.

McGrathNicol confirmed that it has taken control of the company and will continue operations on a business-as-usual basis during the transition.

"The Administrators have assumed control of the BCB Group's operations," McGrathNicol said. "This includes ongoing operations at the Burton Mine Complex in Queensland's Bowen Basin."

Bowen ceased trading on the ASX in June, with its share price falling from nearly \$40 in early 2022 to just seven cents at the time of the trading halt. In the same month, the company warned it may need to stop operations entirely if market conditions did not improve.

Bowen's collapse is part of a broader trend affecting Australia's heavy industry. Soaring power prices have forced several major producers to request financial assistance from governments to avoid closure.

In recent months, Glencore's nickel smelter, employing 17,000 workers, has also warned of a potential shutdown. Tomago, Australia's largest aluminium smelter, owned by Rio Tinto, is reportedly seeking billions in support from the federal and NSW governments. Two

Australian facilities owned by global producer Nyrstar are facing similar difficulties, with losses reportedly reaching tens of millions each month.