

Plans for \$1b project

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COAL exports out of the Gladstone region look set to ramp up another notch with a \$1 billion terminal proposal announced yesterday.

The Xstrata Coal Queensland Pty Ltd proposed \$1 billion coal export terminal on Balaclava Island, at Port Alma, was declared a significant project by the co-ordinator general Colin Jensen.

Balaclava Island, 40km north of Gladstone, is owned and managed by the Gladstone Ports Corporation and is designated as strategic port land.

Corporation chief executive officer Leo Zussino said it was a win-win situation for the corporation and Xstrata with the coal company getting the port facilities it needed for its Surat Basin, Wandoan project, and the port getting the most significant port in Queensland.

"Currently, Port Alma handles 0.25 million tonne a year," he said.

Mr Zussino said this project would result in the channel being deepened.

If approved, about 800 jobs could be created during construction with 100 full-time jobs planned once the site is fully operational, according to infrastructure and planning minister

Stirling Hinchliffe. "This announcement signals the start of a robust assessment process across the whole of government by subjecting the project to a rigorous environmental impact statement (EIS)," Mr Hinchliffe said.

"If approved, the project could export up to 35 million tonnes of coal per annum from the Bowen and Surat basins."

The proposal also involves the construction of a 13.5km rail spur from the North Coast Line, just north of the township of Raglan to the proposed coal stockpiles. Due to the tidal nature of Balaclava Island, proposed coal stockpiles would have to be stored on high ground about 5km from the ship loader.

Mr Jensen said a significant project declaration was not an indication of approval or support for the project.

Mr Zussino said the corporation offered Xstrata the opportunity in 2008 to build, own and operate a coal terminal at Port Alma.

He said the corporation's board had indicated a willingness to work with both the state and federal governments to limit the port development to a small area of the available strategic port land at the site.