

Boulder confident in Gladstone

STEEL industry sources believe building steel mills in Australia is generally found to be uneconomic.

They say the high costs and a potential carbon tax means steel mills are unlikely to stack up.

The reports have raised concerns in Gladstone as to the viability of the Boulder Steel Project at the Aldoga Precinct.

Boulder Steel General Manager Carl Moser said Boulder Steel disagrees with the

comments since their internal costings show that the plant will still be a low cost producer by global standards.

"The steel project is on track and the company is confident that the project will qualify for exemptions in accordance with the Emissions-Intensive Trade-Exposed (EITE) assistance

program introduced by the Rudd government," Mr Moser said.

"In this case the impact of a carbon tax on Boulder's operations would be minimal."

Gladstone Economic and Industry Development Board chief executive Dr Ken King said new project development for the industry is a challenge and

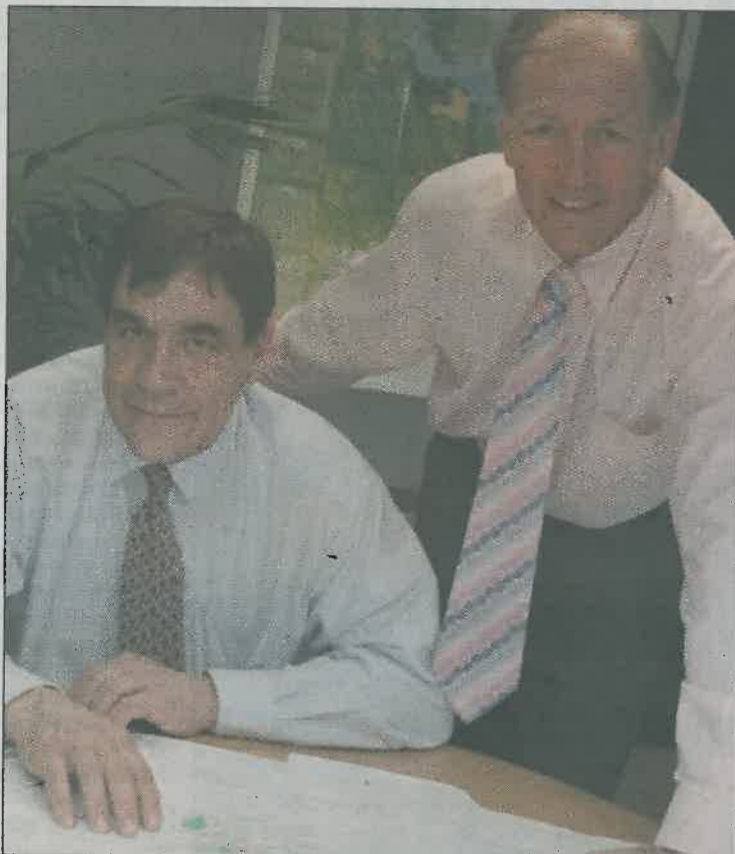
any proposed carbon tax would need to be factored in to the complex economic equation

by industry.

"Global economics will continue to vary and individual corporate decisions both in Australia and overseas will reflect that," Dr King said.

"The Gladstone region will continue to be a viable option for a range of large scale industrial developments."

“The steel project is on track.”
GM CARL MOSER



MOVING FORWARD: Boulder Steel General Manager Carl Moser with Boulder Steel's Chairman Richard Martin.

Military truck accident closes highway at Bajool

TWO men were in a serious condition in hospital after two trucks collided and burst into flames on the Bruce Highway yesterday afternoon.

The crash happened at the intersection with Upper Ulam Rd in Bajool at 2.45pm.

Rockhampton Police District Inspector Marcus Hill said an army truck with semi-trailer and two passengers heading north had crashed into a truck travelling south which appeared to have swerved to avoid a van turning right from the intersection.

Mr Hill described the scene as a "mangled mess" with the wreckage blocking the highway and backing up traffic for 1km from the police roadblock.

A 40-year-old man, who may have been thrown from the truck that was heading south, was airlifted to the Rockhampton Hospital with multiple injuries, including a fractured pelvis, and was in a serious condition.

The two military personnel were taken by ambulance to hospital with one in a serious condition.

Mr Hill said the forensic crash unit was investigating the accident and its cause was unknown.

Initial reports suggested the military truck was carrying explosives, but this was not the case, Mr Hill said.

Smoke could be seen 10km south of the accident. Police expected the highway to reopen by 8pm yesterday.

Turtles stop desal plant

By **ROB BLACK**
AGNES WATER

THE community couldn't stop the desalination plant going ahead at Agnes Water, but the turtles have - albeit temporarily.

Work has stopped on the controversial desalination plant on Springs Road as the official turtle breeding season begins on Friday and runs to February next year.

The Great Barrier Reef Marine Park Authority (GBRMPA) permits and approvals for the construction of the reverse-osmosis desalination plant only allow for work on the beach outside the turtle nesting season.

Endangered loggerhead turtles nest on The Discovery Coast beaches each year and builders of the desalination plant, United Utilities

Australia (UUA), had to take this into account when submitting applications to GBRMPA.

UUA are contracted to build the plant as part of the integrated water project commissioned by the Gladstone Regional Council.

The State Government is funding most (about \$27 million) of the \$40 million plus project which was expected to be completed before the new turtle breeding season commenced.

Protest group Community Over Desalination (COD) claimed the plant was not needed and would devalue the tourist destination's pristine environment and reputation.

COD lobbied local, state and federal politicians long and hard to stop the construction of the desalination plant - but to no avail.

Preliminary preparations started in January, with works on the beach starting after the last turtle nesting season.

State Member for Burnett and former LNP MP now Independent Rob Messenger, a strong advocate for stopping the plant, promised it would be abandoned if the LNP got up at the last state election.

The environmental mitigation measures which govern the project, as stipulated by GBRMPA, prevent drilling work being conducted during the nesting season from October 1 to February 28, 2011.

Gladstone Regional Council's infrastructure services director, Ross Paroz, said no adverse impacts were expected as a result of leaving the HDD works where they are.

All aboard new energy wagon

THE emerging coal seam gas (CSG) to liquefied natural gas (LNG) industry has got practically every Australian state scrambling to jump on the gas bandwagon.

From Gladstone in Queensland to Newcastle in New South Wales, the north-west shelf in Western Australia and Darwin and the Kimberleys in the Northern Territory, the move from coal energy to gas energy is moving faster than anyone expected.

What makes things interesting is that new supplies are still being discovered.

The former Soviet Union is anticipated to have huge supplies, up to 10 times as much as the US, especially in Siberia. Major finds have been discovered recently in Indonesia, Mexico, North Africa and elsewhere.

Estimates of worldwide gas reserves range from 120 to 175 years of supply, but some predict that with improved extraction methods, it could be three times longer.

Now coal seam gas player Metgasco is considering developing an LNG plant in Brisbane and a floating LNG plant offshore in NSW.

Metgasco is currently in talks with LNG Ltd (Fisherman's Landing) to supply gas, and yesterday in a statement Metgasco said that Brisbane may be a more viable and cheaper option than Gladstone.

As competition intensifies in Australia and around the world, concerns are being raised as to the viability of the LNG industry in Gladstone.

Gladstone Economic and Industry Development Board chief executive Dr Ken King said market forces will determine outcomes for Metgasco and others. "The industry has made a huge commitment to Queensland and the Gladstone region evidenced by a high level of investment in current projects," Dr King said.

"The Gladstone region will continue to be a viable option."

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