



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard Thursday, 30 March 2006

MINISTERIAL STATEMENT

Gladstone Pacific Nickel Ltd, Environmental Impact Study

Hon. PD BEATTIE (Brisbane Central—ALP) (Premier) (9.36 am): The Coordinator-General has approved the terms of reference for an environmental impact study for a significant project proposed by Gladstone Pacific Nickel Ltd. The company proposes establishing a modern nickel and cobalt laterite mine in Marlborough and a high-pressure acid leach plant in the Gladstone state development area. The project is aimed to fill a widening gap between existing global nickel metal production and worldwide demand. The estimated capital cost of the proposal is \$2.5 billion, with employment to be provided for up to 1,200 direct employees during construction and 400 during operations. These projects involve the development of major infrastructure to further enhance Queensland's mining, processing and export capabilities and capacities.

The company's stage 1 will initially produce approximately 64,000 tonnes of nickel and nearly 5,300 tonnes of cobalt per annum sourced from both Marlborough and imported ore from Pacific rim countries such as New Caledonia. I seek leave to have the remainder of my ministerial statement incorporated in *Hansard*.

Leave granted.

About 2.5 million tonnes of ore per annum from the Marlborough mine—approximately 45 kilometres north west of Rockhampton—will be transported to Gladstone via a dedicated 175 kilometres of ore slurry pipeline.

The development of the Wiggins Island Terminal—to be operational by 2010—will additionally cater for its wharfing needs, along with that of the State's booming coal industry.

The Terms of Reference for the Environmental Impact Study set out requirements under section 29 of the State Development and Public Works Organisation Act 1971.

Gladstone Pacific Nickel Ltd will now commence preparation of the Environmental Impact Study. It will include baseline studies to establish the qualities of the existing environment, and specific studies to determine the potential impact of the proposed development on them.

Once the Environmental Impact Study has been prepared to the satisfaction of the Coordinator-General, it will be released for public review and comment. Community consultation, of course, forms an important part of this process.

The company has scheduled completion of the Environmental Impact Study for late 2006, with a construction target start date of mid-2007 and the plant being commissioned in 2009 using only Marlborough ore initially.

On a related matter, the Coordinator-General is currently considering the merits of securing a multi-use infrastructure corridor between Gladstone and Rockhampton.

This is part of a Statewide review to identify the need for and possible locations of multi-use corridors. It will increase certainty for infrastructure providers and reduce disruption to land owners.

In recent times, there has been increasing interest in providing these corridors between Gladstone and Rockhampton to provide water, gas and slurry pipelines.

The review of the Gladstone-Rockhampton multi-use corridor is expected to be completed by the Coordinator-General by the end 2006.

The Gladstone Nickel project represents one of a large number of mining projects underway in the State. Demand for both metallurgical coal (primarily used in steelmaking) and thermal coal (primarily used for electricity generation) has experienced

substantial growth over the last two years. The emergence of rapidly growing markets in China, Brazil and India are expected to ensure on-going strong growth of coal exports. Queensland coal production and exports are predicted to increase by between 5% and 13% per annum in the five years to 2009-10, and more recent predictions show growth to 2015.

The north-west mineral province is one of the richest in the world and has significant future potential especially with the high prices for copper, lead and zinc again prompted by hungry demand from China and India to fuel their industrial development. This buoyant situation is expected to be sustainable in the medium to long term.