

Fertiliser plant to create 1500 jobs

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Plans for a \$3.5 billion fertiliser plant in the South-West town of Collie, which would create 1500 jobs during its construction, are set to be announced tomorrow.

Premier Colin Barnett said he and Regional Development Minister Brendon Grylls would announce plans for a new 246ha industrial park, about 7km out of the coal mining town.

The West Australian understands North-West Chemicals and Fertilisers representatives will be joining Mr Barnett in Collie, where the company will be announcing its urea project, believed to be worth more than \$3 billion.

The project comes as economists said Australia had probably plunged into recession for the first time since the early 1990s.

Australian Bureau of Statistics figures released yesterday showed that national gross domestic product unexpectedly shrank 0.5 percent in the December quarter.

Annual growth fell to a snail's pace of 0.3 percent.

Mr Barnett confirmed interest from the private fertiliser company.

"The proposed industrial park has already created interest with North West Chemicals and Fertilisers Pty Ltd who has sought to utilise up to 140 hectares of the area for the development of a urea plant using gas-fired coal as a feedstock," he said.

"This will leave more than 100 hectares available for other coal related industries."

The West Australian understands the company is in talks with coal giant Griffin to buy more than two million tonnes of coal a year to fuel its urea plant, planned to start production in 2013.

Coal will be converted into urea, using coal gasification, a process where coal is broken down and the carbon extracted.

The company has remained tight-lipped on the plan but if it comes to fruition, the project would be a major boost for the coal mining town which has fought to reinvent itself

since the State Government chose gas over its coal reserves in 2005 as the fuel for WA's next base-load power station.

The fertiliser plant would top Worsley Alumina's \$2.5 billion expansion of its Collie refinery and bauxite mining as the single biggest investment in the region.

Griffin, which was forced to find alternative markets for its coal, has nearly finished its Bluewaters 208MW coal-fuelled power station, with a second 208MW power plant is set to be completed later this year.

The plants will supply power to Newmont's Boddington goldmine and Synergy, while a third and fourth plant are awaiting approvals.

Mr Barnett said the State Government would assemble, rezone and subdivide Government-owned land to create the park.

"This decision will provide a boost to the area and help secure Collie's future as an industrial and employment centre," he said.