

SE News
HD **West Australia government considers sale of coal shipment facilities**

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Fremantle port's Kwinana bulk terminal, which is used for coal exports, and the Port Hedland's Utah Point shipment facility, which is used for iron ore exports, are possible candidates for privatization, Mike Nahan, the treasurer for Western Australia, said in a budget statement Thursday.

"We are considering selling Kwinana bulk terminal and the Utah Point facility at Port Hedland, and some Water Corporation assets such as wastewater plants," Nahan added.

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The Western Australian government is also looking at selling individual power stations including the Muja power plant in the state's Collie coal field, Nahan, who is under pressure to recapture the state's credit rating and reduce the government's A\$25 billion (\$23.4 billion) debt.

"The sale of assets that the state does not need to own is a key measure in regaining our triple-A credit rating and paying down debt," he added.

Kwinana bulk terminal handled 5.2 million mt of trade in the fiscal 2012-2013, up 55% on the previous year, mostly due to increases in iron ore exports which totaled 3.5 million mt in the year, the Fremantle port authority said in its 2012-2013 report.

The Indian Ocean terminal also shipped 690,000 mt of thermal coal originating from Lanco Infratech's Griffin Coal mines in the Collie coal field, according to the Fremantle port authority's annual report.

Cargo handlers at the port, including the Kwinana bulk terminal, went on strike in December 2012 over concerns that their terms of employment could change if the port was sold off though the Maritime Union of Australia called off the action after a day following mediation talks.

State-owned Fremantle port's operations yielded a profit of A\$53 million on revenue of A\$205 million in fiscal 2012-2013, according to the port authority's annual report.

Utah Point is a multi-user facility at Port Hedland with a capacity for exports of 18 million mt/year and its shipments include iron ore, manganese and chromite, according to information on the port authority's website.

Other state governments in Australia have recently sold off port and rail infrastructure, the most recent being New South Wales.

On Wednesday last week, the New South Wales premier Mike Baird announced the sale of a 98-year lease on Newcastle port for coal exports for A\$1.75 billion (\$1.6 billion) to a group comprising Chinese state-owned China Merchants Group, and Australia-based Hastings Funds Management.

Mike Cooper

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