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Expanding port capacity



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EXPORT capacity at Esperance Port may increase by up to 20 million tonnes per annum.

The State Government made the announcement this week of a staged plan for expansion of the port, to be funded by the private sector.

Transport Minister Troy Buswell said the next step was to carry out a market-sounding exercise to gauge private-sector interest in expanding the port for iron ore exports.

He said significant research had already been done on how port capacity could be increased at both Esperance and Kwinana.

"The study showed 11 out of 12 miners preferred Esperance over Kwinana for their export needs," Mr Buswell said.

"This is a very exciting time for Esperance, but we need to act fast if Western Australia is to reap the rewards of current high iron-ore prices."

Using the private sector would minimise costs for the State Government.

There have been reports the project could cost up to \$300 million.

"We will assess the proposals put forward to ensure WA receives best value for money and remains the owner of vital assets," he said.

"The cost will depend upon the type of developments put forward, but by adopting a landlord approach, the State Government will ensure the best outcome for the State."

Discussions with the private sector, regarding their willingness to invest in new bulk loading and storage facilities, should start early this year.

EPSL chief executive officer Shayne Flanagan said Mr Buswell's announcement helped provide some clarity on future port development.

He said EPSL would carry out the market sounding to determine private sector interest in funding the expansion.

Yilgarn Iron Producers Association secretary David Utting hailed the announcement as a major development in opening up the South Coast as an iron ore province.

He said YIPA chairman Greg Bromley had been instrumental in addressing the port upgrade.

"The Yilgarn iron province is now poised for significant growth, with economic benefits flowing to Esperance, the Goldfields and WA," Mr Utting said.

"Importantly, Golden West, Mindax and Cazaly can rapidly progress to mining with the likes of Legacy, Radar Iron and FE Limited following two to three years after them."

Chamber of Minerals and Energy of Western Australia chief executive Reg Howard-Smith said the commitment would see Esperance develop into a vital strategic export route for WA resources.

"Investment in port capacity and operations is essential if we are to fulfil the region's development potential," Mr Howard-Smith said.

"The industry's preference is for Esperance port to be a bulk export facility.

"We must ensure a fair and open process for potential resource exporters to access increased port capacity."