



Rivals to fight for \$1.5 billion tender

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The WA Government yesterday gave warring mining companies in the Mid-West nine weeks to prove they have sufficient iron ore resources to justify building a \$1.5 billion port at Oakajee, 20km north of Geraldton.

Outlining the timetable for Oakajee's long-awaited development, Planning and Infrastructure Minister Alannah MacTiernan told bitter rivals Murchison Metals and Midwest Corp to submit tenders to build the port by May 9.

The successful tender should be announced by June 30, which Ms MacTiernan says should ensure construction to start by late 2009 and the port to be in operation by 2012. The Minister expects Oakajee to be shipping 45 million tonnes of iron ore a year over 20 years, in a move that is

likely to ensure the rapid development of the Mid-West's largely untapped iron ore industry.

The formal request-for-tender documents will be sent to Murchison and Midwest today but not released to the public. Both Murchison and Yilgarn Infrastructure, the Chinese-Government-backed group proposing to build the port for Midwest, welcomed Ms MacTiernan's timetable and said they were confident of being able to meet the May 9 deadline. Importantly, the rivals said they were confident of having sufficient iron ore resources to justify the huge capital expenditure.

Ms MacTiernan has long claimed the Government's ability in advancing the Oakajee project was contingent on the mining companies proving they had enough iron ore to justify the development.

"It's not going to go ahead if there's not enough iron ore there of sufficient quality in them there hills and that's not something we can affect, they have to go out there and do that," she said yesterday.

The successful party will pay for and construct Oakajee. Ownership of key aspects of the port will revert to the Geraldton Port Authority, which will also become the port's operator. The successful party will retain ownership of its own berth as well as recap a capital user fee from other companies that use Oakajee to export their commodities.

Ms MacTiernan has made clear her desire for the Mid-West proponents to work together but said yesterday the tender process was the next best option in the absence of a truce among the iron ore aspirants.