



Oakajee port and rail deadline pushed back

State to wait on funding from federal government.

■ Rebecca Lawson

THE state government says it will wait for an indication of federal funding for the \$1.5 billion development of the Oakajee port and rail project before finalising its plans.

Premier Colin Barnett said the government and the project proponent, Oakajee Port & Rail, would wait to see whether the project would receive funding through the Building Australia Infrastructure fund.

As a result, the agreement finalisation date has been pushed back from November 30 to February 28 next year.

The nature of the project changed substantially after Mr Barnett's decision to invest directly in what had previously been a purely private sector project.

He said recently that his main goal was to secure control.

"We do need to be careful to make sure that, whether it's China, Japan or anyone else, that no overseas country or group of companies gain control of the Mid West," Mr Barnett told a press conference.

"That is why I've been so insistent that the state builds the harbour."

In October, Mr Barnett nominated five priority projects for possible federal funding from the Rudd government's Building Australia fund, with an interim list of projects expected at the end of this year.

Mr Barnett said while the state government was pleased with the progress it had made in negotiating the terms of the development agreement, awaiting a federal decision on its potential level of involvement through the fund was a prudent move.

"The development of Oakajee Port is a priority for the Liberal-National Government and I am hopeful the federal government will see it as a crucial nation-building project and provide some funding through Building Australia," Mr Barnett said.

Last month, Murchison revealed that the state government required OPR to include Chinese suppliers in the development of the project, which is viewed as critical to several iron ore projects in the Mid West region.

However, rival bidder Yilgarn Infrastructure stated that its Chinese partners, which it cultivated alliances with over the past few years, had indicated they would only develop the port with Yilgarn.