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Ministerial Media Statements

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Multi-user iron ore facility for Esperance

Thursday, 31 January 2013

Transport Minister Troy Buswell has given the go-ahead for the next stage of developing a new iron ore export facility at the Port of Esperance.

The State Government has accepted an Esperance Port Authority board recommendation to start a procurement process to identify a private sector consortium to design, finance, construct and operate a multi-user iron ore facility (MUIOF).

Mr Buswell said potential proponents are invited to apply for pre-qualification to participate in a Request for Proposal (RFP) process.

"Following this initial step, potential proponents will be shortlisted and invited to participate in a RFP process. It is expected the preferred proponent will be identified later this year," he said.

"All project funding and associated costs will be the responsibility of the private sector proponent ultimately selected through the RFP process."

Last year the Liberal National Government indicated its preference for Esperance Port as the site for additional port infrastructure to cater for demand from iron ore producers in the Yilgarn region.

The Minister said the proposed facility would lead to an expansion of Esperance Port's iron ore export capacity. The size of the new facility will be determined by the proponent building the new infrastructure after entering into contracts with miners.

Recent market sounding conducted for the Esperance Port Authority indicated that initially it may be commercially viable to develop a facility for an additional 10 to 12 million tonnes per year.

Currently the port has an operating licence to handle 11.5 million tonnes a year.

"Today's decision will facilitate growth of the Yilgarn region's iron ore sector," Mr Buswell said.

"Investors interviewed during the market sounding considered the Yilgarn region to have reasonable prospects of generating additional financially viable iron ore projects which are required to support investment in the new MUIOF."

The market sounding exercise also confirmed previous industry studies that iron ore production in the Yilgarn Region could significantly grow in the next 10-15 years.

The MUIOF would be designed in such a way so as not to preclude the development of additional iron facilities in stages as justified by demand.

Interested parties have until 5pm on Friday March 1, 2013, to register their interest

Fact File

- MUIOF would be located within the Esperance Port boundary, but would be financed, built and operated by the private sector under a lease arrangement with Esperance Ports Sea and Land
- Further information on the project and procurement process can be obtained from the Esperance Port Authority's website: http://www.esperanceport.com.au/muiof.asp

Minister's office - 6552 6400