

Tuesday, February 14, 2006

\$45m HARBOR DREDGING FINISHED

The Rann Government's channel deepening project was completed last night with the Pearl River dredge leaving Outer Harbor.

Infrastructure Minister Patrick Conlon said the massive dredge has removed 3 million cubic metres and moved it into the Gulf since October last year.

"We promised to deepen the shipping channel at Outer Harbor ahead of planned upgrades at the Port of Melbourne and, with Flinders Port, we have delivered," he said.

"The dredge left last night for its next project in North Asia and Flinders Ports will now continue with some minor works before the channel is surveyed and declared a 14.2 metre deep harbour."

Mr Conlon said works included deepening the Outer Harbor shipping channel by two metres, lengthening the channel by approximately 3kms out into the gulf and widening parts of the channel.

The State Government committed \$15 million and Flinders Ports – the private operators of the Port of Adelaide - \$30 million.

Mr Conlon said the dredge completion came as latest figures show export values rose 19 per cent in the last six months – compared with a 15.5 per cent national rise.

"This followed a 2.6 per cent rise in volume figures in the September quarter, against a national fall of 0.1 per cent," he said.

"And export volumes have grown by 3.9 per cent in the 12 months to September 30, almost double the 2.2 national average.

"The long-term future of Outer Harbor has been secured and we have taken away the risk of becoming a backwater for the world's largest ships.

"This again shows the commitment of this Government to the Port of Adelaide to ensure it has an integrated plan to remain competitive in a world climate.

"Work is underway on the Port River Expressway project and this Government will also deliver the Le Fevre Peninsula rail freight corridor upgrade, Headworks at Outer Harbor and a Deep-Sea Grain Wharf at Outer Harbor. Construction works for a new grain terminal at Outer Harbor have also commenced.

"We are also working with the Federal Government on the \$300m Northern Expressway – another vital piece of the wider freight jigsaw."

Mr Conlon said economic studies showed that for 20-years, the present value of direct gain in increased profits and lower costs to South Australian industry resulting from the channel deepening is around \$465 million.

The studies also showed that, without the deepened shipping channel, some \$2.8 billion worth of State trade would be under threat.

Under its development approval and dredging licence, Flinders Ports is required to carefully monitor and manage the environmental impact of the dredging operations.

Mr Conlon said he was also pleased by news today that Rail group Genesee and Wyoming Inc would be moving its head office to Adelaide from Western Australian

The company this morning told the ASX they had acquired the remaining 50 per cent of SA operations from Wesfarmers Ltd.

“This is another vote of confidence for South Australia,” Mr Conlon said.

“The deal means that Queensland Rail will have more involvement in the state. The head office will mean more jobs in SA and we have already had discussions with the company about increased investment.

“While Rob Kerin and the Liberals keep running around talking down our wonderful state, more and more companies from around the world and the nation are choosing to come to SA.”

In his announcement, GWI President John C. Hellman said:

“We are pleased to have structured a transaction that simultaneously unlocks tremendous cash value for our shareholders and enables us to increase our investment in a solid regional railroad based in South Australia. Our local customer base is strong and we see good opportunities to increase our business in the South Australian market, particularly in the natural resources sector. We believe that the transaction is especially beneficial for the State of South Australia, which will be gaining a committed local rail operator in Genesee & Wyoming, as well as a strong national competitor in Queensland Rail which is seeking to expand its transcontinental service coverage through its new facilities in Adelaide.”

Note:

GWI is a leading operator of short line and regional freight railroads in the United States, Canada, Mexico, Australia and Bolivia. The Company operates over 9,300 miles of owned and leased track and more than 3,000 additional miles under track access arrangements.

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