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DEEPER CHANNEL BOOST FOR ECONOMY, SAYS FLINDERS PORTS

A STATE Government study into the cost of dredging Outer Harbor's main channel is believed to have been completed.

Flinders Ports chief executive Vincent Tremaine said after viewing the report the company believed the economic benefits to SA of dredging the channel "far outweighed the cost of the dredging".

But the government has not yet released the report to the public. In a press release issued last week, Mr Tremaine said "the State Government is believed to be considering the substantial economic benefits to the State of deepening this main channel".

He said dredging would provide for "larger container ships now operating on the Australian coast, but which have restricted access to the State's flagship port".

Flinders Ports said it would commit \$20 million to the dredging project, estimated to cost \$55 million.

But the company "did not have access to funding to cover the \$35 million balance", the release said.

Mr Tremaine would not comment further on the report, saying its release was still being negotiated.

He said the company was able to commit \$20 million to the dredging operation after deciding to locate a planned new grain berth north of the existing grain terminal, instead of at Pelican Point.

If the new berth had been proposed for Pelican Point, it would have cost Flinders Ports \$45 million.

A spokesman for acting infrastructure minister Kevin Foley said he could not comment other than to say the government was "still negotiating the feasibility of dredging the main channel with Flinders Ports".