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Stanvac deep water port defies Outer Harbor plans

THE state's largest grain exporter says it will build a deep-sea port at Port Stanvac in defiance of a State Government-backed upgrade at Outer Harbor.

The decision by the Australian wheat and barley boards throws into chaos a Flinders Ports and Ausbulk venture at Outer Harbor - expected to be endorsed by State Cabinet today.

Eleven of the state's largest grain growers said they were not satisfied with the Outer Harbor venture after meeting Enterprises Minister Patrick Conlon last week.

The boards and growers were opposed to potential port fees and transport tolls associated with an Outer Harbor deep-sea port.

They also said the harbour depth of 12m to 14m would not be sufficient to handle so-called Cape-size vessels, which would dominate the grain shipping industry within a decade.

Wheat board managing director Andrew Lindberg said he was disappointed the Government would not reserve its decision on a preferred site until examining a detailed business case on Port Stanvac. The board's proposal is for a \$100 million grain terminal and 17m-deep berth at Mobil's Port Stanvac oil refinery and a standardised rail link along the existing line between Goodwood and Noarlunga.

"We believe the Port Stanvac proposal is a far superior option and Outer Harbor will potentially undermine the future viability of the SA grain industry," Mr Lindberg said.

"There is no point developing a harbour that is not going to be fit for our future needs and could soon be out of date."

But Flinders Ports and grain handler Ausbulk said the cost of a southern suburbs rail link, noise abatement and intersection crossings had been "wildly underestimated".

Outer Harbor project manager Rob Taverner said heavy seas would frequently prevent loading at Port Stanvac and the combination of oil and grain was a potentially 'explosive' mix.

He said of the 88 Panamax vessels loaded at Port Lincoln in the past two years, none had a sailing draught of 14m and most had less than a 13m draught.

Mr Taverner said that at high tide the Outer Harbor channel depth would rise an additional 2m to 3m.

The State Government has contractual obligations to back a deep-sea port at Outer Harbor - inherited through the previous government's sale of the Ports Corp to Flinders Ports for \$130 million last year.

Mr Conlon said the proceeds of the sale belonged to the taxpayer and the Government had to ensure "maximum benefit".

Industries other than the grain industry needed to be considered, including car making, wine and container shipping interests, which would benefit from an upgrade of port facilities at Outer Harbor.

"We believe we are going to be able to put together a plan that takes into account all interests," he said.

"What remains outstanding is to resolve the dispute between the various members of the grain industry."