

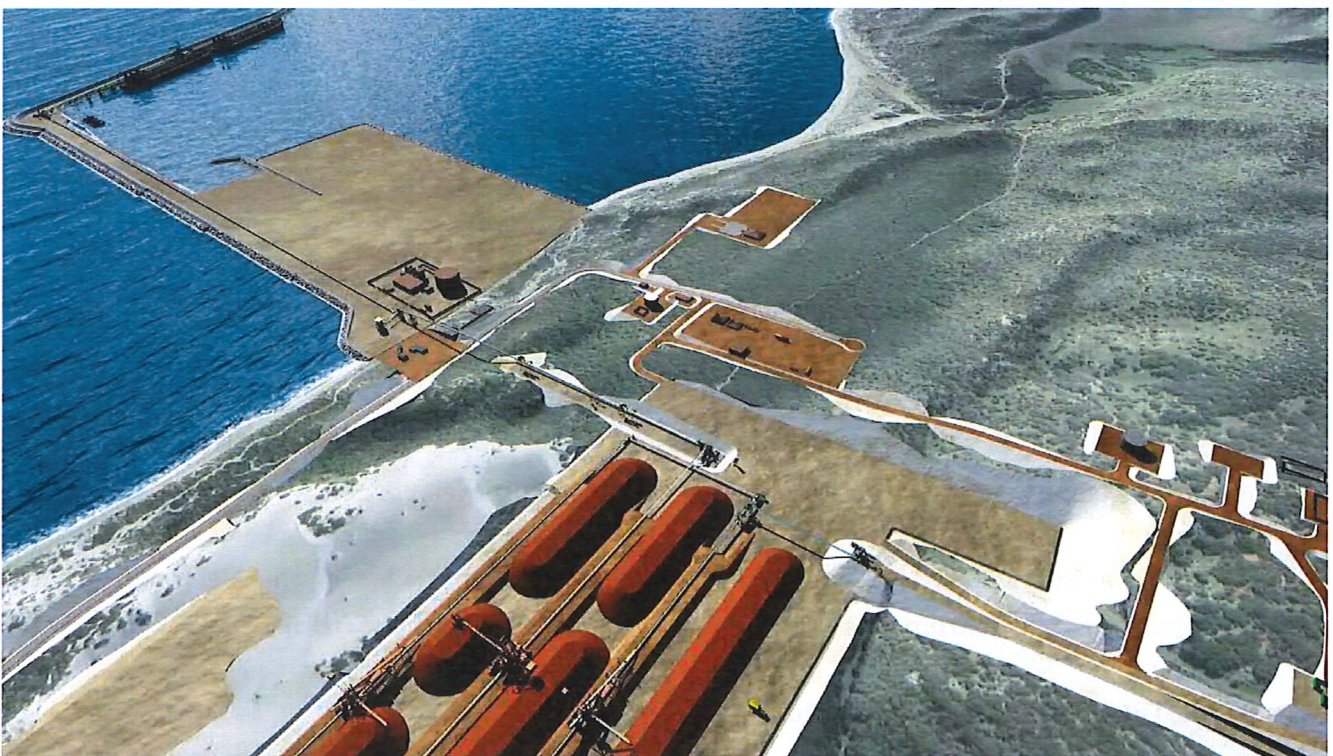
# The West Australian

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## Numbers behind plans to develop Oakajee deep water port near Geraldton don't stack up, says Alannah MacTiernan

**Geoff Vivian and Joanna Delalande** Geraldton Guardian  
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[📷](#) An artist's impression of the Oakajee Port and Rail project. Credit: Supplied



The long-awaited Oakajee Port and Rail complex is unlikely to be developed in the near future, according to WA Regional Development Minister Alannah MacTiernan.

She was responding to former Geraldton Iron Ore Alliance chief executive Rob Jefferies' statement that Sinosteel's acquisition of the \$3.7 billion Jack Hills iron ore project near Meekatharra late last week could make the plan feasible.

"It's being fronted around the \$9 billion mark and we think the sort of volumes that are being talked about are not sufficient to underwrite that," Ms MacTiernan said.

Her comments came after she launched the Mid West Ports Authority Master Plan, which showed plenty of capacity to ship more iron ore.

"It is quite feasible for us to move from 16 million tonnes, which we are at now, to 50 million tonnes over the next 15 years," she said.

"The Geraldton Port is much more tailored in terms of size and cost to the scale of the deposits that we've seen. That is economically a much more feasible proposition in our view."

The Australian Financial Review reported this morning that Sinosteel has also bought Mitsubishi's interest in the port and rail project but noted the company has no current plans to build the deep water port, which has been on the cards for almost half a century.

The paper reported that documents suggest that two Sinosteel subsidiaries paid a peppercorn \$3 each for their respective 50 per cent stakes in Oakajee Port and Rail, the company that owns the studies and intellectual property for the railway network and deep water port.

One of the subsidiaries was also handed all shares in Crosslands Resources, the company that had tenure over the Jack Hills project.

Jack Hills was mothballed in 2013, two years after Sinosteel shelved plans for its \$2 billion Weld Range venture over port tariffs driven higher by the cost of the port and rail development.

Ms MacTiernan was WA Planning Minister last time Labor was in office, and she said when her party came to power in 2001, they decided to progress the Geraldton Port expansion instead of Oakajee.

"That enabled us to kickstart the iron ore industry back in 2003-2004," she said.

"We're not stopping anyone looking at Oakajee if they want to, but I think the history is that no one has ever been able to make this stack up."

Ms MacTiernan said rather than a new rail or road link, some resource companies were exploring the possibility of transporting ore to the port via a slurry pipeline.

Oakajee was expected to deliver an economic bonanza to Geraldton and the Mid West, but stalled in 2013 after iron ore prices started their long decline.

Premier Mark McGowan said if the arrangement resulted in some activity, the WA government would welcome it.

“The project itself has been talked about for decades so I don’t want to dampen expectations but I don’t want to elevate expectations too much,” he said.

“If it results in a good outcome we would welcome that.”

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