

2010-2011 Project Assessment Brief¹

Current Status:	Threshold
Initiative Name and IA ID No.:	Oakajee Port
Location (State/Region/City):	Oakajee (Geraldton) Western Australia
Proponent:	West Australian Government
Project Description:	<p>Construction of basic new port infrastructure including a common user berth. The Australian Government has announced an equity contribution to match that of the West Australian Government (\$339m each), subject to advice from Infrastructure Australia. (Maps attached)</p>
Capital Cost by Proponent Outturned (\$M):	\$4,000M
Contribution sought by Proponent including requests for project development funding (\$M):	\$339M (In the 2009-10 Budget, the Australian Government allocated this amount to be provided as equity, subject to further Infrastructure Australia assessment.)
Start/Completion by Proponent (month/year):	To be determined.

PROFILING

Infrastructure Australia Profiling Assessment Summary:

- *National Significance:* The project is nationally significant in terms of scale and in terms of policy design of an 'access regime' for bulk port infrastructure constructed by a private party.
- *Alignment with Infrastructure Australia's strategic priorities:* As the proposal is for a major international port, it aligns with priorities around 'Build on Australia's global competitive advantages', and is part of the national freight network.
- *Application of Infrastructure Australia's Reform and Investment Framework:* At present, there is no integrated published plan for ports in Western Australia. Potential export volumes and distances imply Oakajee is the most practicable option for relevant mine produce, though this needs to be confirmed in the business and economic cases. The Australian Government contribution is proposed as an equity injection and in principle is therefore recoverable. Details of the pricing regime for recovery of these costs are yet to be settled.
- *Conclusion:* Project is worthy of further consideration. Awaiting updated information from the West Australian Government, which officials advise is imminent.

¹ **The West Australian Government has subsequently provided a draft business case, including economic appraisal. West Australian government officials advise that the final business case is imminent. An updated assessment will be provided once the proponent formally submits this information.**

APPRAISAL

Infrastructure Australia Appraisal Assessment Summary:

- Appraisal information was not submitted to Infrastructure Australia at the time this brief was prepared in February 2011. The 'bankable feasibility study' is expected in the near future.

DELIVERABILITY

Infrastructure Australia Deliverability Assessment Summary:

- Deliverability information was not submitted to Infrastructure Australia at the time this brief was prepared in February 2011.

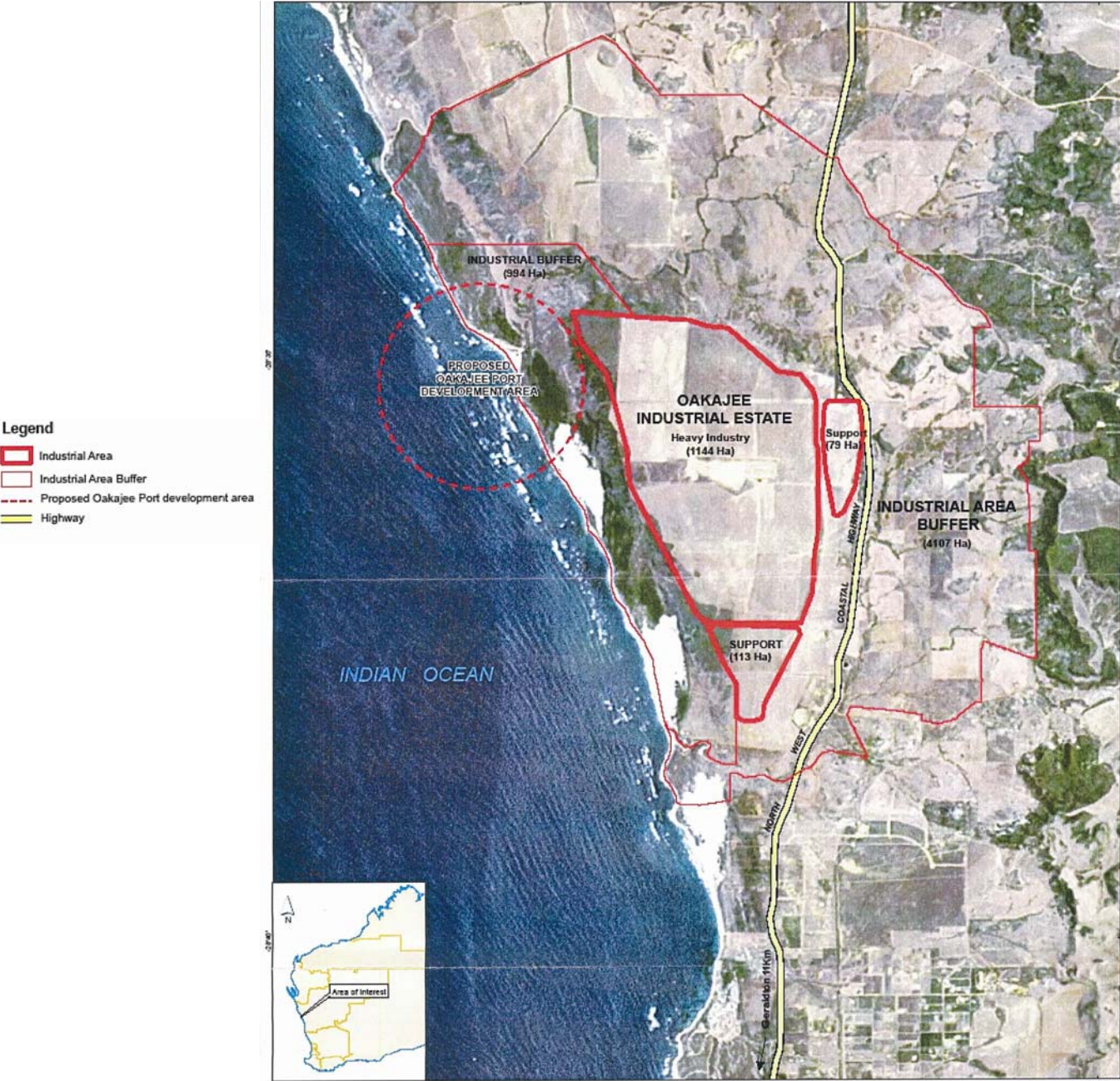
OVERALL RECOMMENDATION

Infrastructure Australia Priority List Recommendation:

The initiative is recommended to remain in the infrastructure priority list at 'Threshold' status. Since the publication of Infrastructure Australia's June 2010 report to the Council of Australian Governments, no new information has been received in relation to this initiative that would alter its relative priority in the infrastructure priority list.

The next step is Infrastructure Australia consideration of appraisal and deliverability information (from the 'bankable feasibility study'), once it has been received.

OAKAJEE PORT AND RELATED DEVELOPMENT



This assessment was prepared by the Office of the Infrastructure Coordinator in February 2011 for the 2011 Infrastructure Priority List.