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## **MEDIA RELEASE**

### **ADELAIDE BRIGHTON CONCERNED OVER PORT FEES**

The South Australian Government has recently called for expressions of interest in the South Australian Ports Corporation, which has reported earnings before interest and tax of \$14.1 million in 1999-2000.

Adelaide Brighton Cement Limited ("ABCL"), a wholly owned subsidiary of Adelaide Brighton Ltd, and a major contributor to the Ports Corporation earnings, is legally challenging the charges levied by Ports Corporation.

Mr Phil Wright, Managing Director of Adelaide Brighton Limited, said "The State Government is seeking to maintain the Ports Corp monopoly position through this privatisation even though this damages local manufacturers.

"We have a situation where we have been independently advised that our port charges are two to three times fair market value and we are therefore vigorously challenging them.

"Not many people realise that we will become one of South Australia's largest exporters in July following the closure of our cement plant in Geelong.

"What with the high cost of energy and the excessive charges we are levied through the Port, there is a real concern over the longevity of South Australia's large manufacturing and export industry," Mr Wright said.

The Company stated that two separate indicative valuations carried out for ABCL, by a local valuer and by international consultants specialising in port operation and assessment, indicate that ABCL is being charged 2 to 3 times fair market rental.

ABCL is claiming, against the Ports Corp and the State of South Australia, that the port charges paid and payable by ABCL for the movement of limestone between Klein Point and Birkenhead are invalid because they constitute excises which neither the State nor Ports Corp has the power to levy.

Put very briefly, ABCL claims that the Port charges are taxes and not fees for services because:

- (a) the amount ABCL pays Ports Corp is grossly disproportionate to the value of the services and facilities provided;
- (b) the amount ABCL pays Ports Corp bears no relationship to Ports Corp's costs, and is grossly disproportionate to the expenses Ports Corp incurs in relation to the facilities used by ABCL
- (c) Ports Corp raises revenue for the State.

The Company indicated that that every endeavour has been made to resolve this issue however it now appears likely that this will be settled through the Courts.

Adelaide Brighton Ltd is South Australia's only producer of cement and lime with operations in the State dating back to 1882.

For further information please contact:

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