

GERALDTON IRON ORE ALLIANCE LAUNCHES STRATEGIC TRANSPORT PLAN FOR THE MID WEST

ALLIANCE OFFICIALLY LAUNCHED IN GERALDTON

At its official launch in Geraldton today (**Monday**), the newly formed Geraldton Iron Ore Alliance announced it had reached agreement on commissioning a study into developing a **Strategic Transport Plan** for the Mid West region's southern corridor.

The Strategic Transport Plan would be designed to accommodate the rapid growth of the iron ore industry over the next five years.

Alliance members Gindalbie Metals Ltd, Midwest Corporation Ltd and Mt Gibson Iron Limited, in conjunction with WestNet Rail and the WA Department of Planning and Infrastructure, have commissioned independent economic, transport and infrastructure consultants, Strategic design + Development (Sd +D), to undertake the study.

Alliance Chair, Clive Brown, said the development of a Strategic Transport Plan represented an opportunity to develop a clear and comprehensive approach to managing the rapidly emerging land transport requirements associated with the rapid growth of the Mid West iron ore sector.

"Alliance members are committed to developing port and rail infrastructure to cater for projected increased tonnages of iron ore," Mr Brown said. "However, in the short term there is a requirement for a carefully planned and integrated approach to managing the growth of the industry, including the various Stage 1 start-up projects scheduled to commence production in the next 18 months."

"The purpose of the study is to enable the industry to work closely with Government and WestNet Rail to develop a regional transport plan that optimises existing port, road and rail systems with minimum community impact," Mr Brown added. "By undertaking the study, the Alliance is demonstrating a strong desire to achieve a transport strategy that is pragmatic and compatible with community expectations."

Mr Brown said the rapid growth of the Mid West iron ore industry, and its potential production over the next 10 years, will create challenges requiring considerable cooperation and forward thinking amongst industry participants and the community at large.

"Utilisation of the existing transportation network and the development of an integrated rail and port network for the future is one such challenge," he added. "The companies seeking to develop iron ore projects in the region will continue to work with local communities to build an industry that provides significant economic and financial benefits for the region."

"There has never been a better opportunity to build a substantial iron ore industry in the Mid West, with current strong demand and reasonable prices for iron ore," Mr Brown noted. "The challenge we face is to build an industry while that opportunity lasts, and it will not last forever."

"The study will focus in particular on the short-term impacts of new start-up and growing hematite projects, which are aiming to capitalise on the current window of opportunity in the market, while at the same time laying the foundations for a long-term strategic transportation network in the Mid West region."

The Strategic Transport Plan will involve an integrated approach in accordance with an agreed Terms of Reference.* (*See below*).

"The opportunities for Geraldton and the Mid West region are enormous, and the benefits both to the region and the economy of Western Australia from a properly managed expansion of the many different iron ore projects currently planned or under feasibility study can not be underestimated," Mr Brown said.

“The commencement of this study demonstrates the Alliance’s commitment to work with Governments and all stakeholders to unlock the full potential of the iron ore industry in the Geraldton region,” he added.

The resources sector is now the single most important contributor to the economy of the Mid West region, with the value of minerals and energy production in the region reaching \$2.3 billion in 2003. Resources development employs approximately 15% of the region’s working population.

* The Strategic Transport Plan will involve an integrated approach to:

- Urgently address the need for an investment program for the existing Westnet rail track system under conditions of uncertainty
- Sequencing of other supply chain initiatives against short, medium and long term infrastructure investment milestones, linked to tonnage projections, acknowledging limited cash flows and low start-up investment in infrastructure by Alliance mining companies
- The role of WestNet and ARG in the delivery of a rail-based transport capability in time to meet short-term needs
- Seamless integration with new transport infrastructure plans and proposals as they arise
- Supporting the Port of Geraldton with staged strategies and investments to integrate land transport to/from its hinterland
- Management of road maintenance impacts and funding issues
- A policy on the regulation of road use

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**On behalf of:
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