



Carpentaria Rail

ABN 91 505 310 272

14 February 2014

21 Second Avenue,
Mount Isa, QLD, 4825

W www.carpentariarail.com

Carpentaria Rail, Northern development submission.

Carpentaria Rail proposes the Port Carpentaria Railway project, a railway from the North Western minerals province to the Gulf of Carpentaria with a new port on the Gulf.

The Port Carpentaria Railway is a \$1.5B project aimed at increasing export productivity and lowering export costs from the North West minerals province in an increasingly competitive global market. Carpentaria Rail is an alliance between the local aboriginal native title owners and MIEPCO Pty Ltd. As part of the project the company will undertake an extensive ongoing indigenous training and employment program. MIEPCO is undertaking design and feasibility evaluation works to get the project “shovel ready” prior to seeking major project investment.

Our aim is to bring together government and private industry to directly stimulate the four pillars of the North Queensland economy, directly benefiting Resources, Agriculture, Tourism and construction. This project will directly support the development of the region’s mineral, energy, agricultural, tourism, defence and other industries with enhanced trade and other investment links with the Asia-Pacific. It will address impediments to growth with critical economic and social infrastructure needed to support the long term growth of the region and drive future linkages and infrastructure connections across states and territories.

Carpentaria Rail seeks to build a vertically integrated port and railway business that is optimised for capacity and return on capital. The project has a design capacity of 10MTpa and at this capacity the project gives a return of 8%, at 5MTpa the return is 4%. Above 10MTpa the return will be capped at 8% with higher internal investment in growth capacity.

It is anticipated that this port will start as a small 10 MTpa port and grow to be the largest bulk minerals and general access port in Australia with considerable export cost efficiencies to Asia. It will be an open access model with proportionate capacity rights and cost recovery that rewards the investors and still provides competitive capacity for all players.

A port on the Gulf of Carpentaria is 450 km closer to Mt Isa than the port at Townsville. Without any additional new rolling stock the Gulf line would have twice the capacity and half the carbon footprint of the Townsville line. Better loading and unloading technologies and a shorter distance give a turnaround time from mine to the gulf port of 24 hours as opposed to the current 4 days to Townsville. A port on the Gulf of Carpentaria is three or four days closer to Asia than Townsville with savings in demurrage and shipping costs.

Vessels would not have to traverse the Torres Strait or Great Barrier Reef reducing environmental risk with savings in navigational and piloting costs and removing the current 12.2m draft restriction. The cost of this project is less than what is required to bring existing infrastructure up to acceptable capacity and reliability standards. Even with major expansion and investment Townsville will remain a small harbour, close to the CBD, constrained by area and requiring constant dredging to remain in operation.

Key technical details:

- \$1.5B design, for central option
- 10 MTPa design capacity
- Constant 80 km/hr running
- 10 km passing loops
- GPS real time dynamic CTC
- 3 hr slots, 2 km trains
- 8 trains per day in each direction
- Narrow gauge on Dual gauge sleepers
- Crewing from Cloncurry and Normanton
- 49% - 93% Foreign owned
- Minimum 7% local and indigenous owned

Recommendations:

1. Carpentaria Rail proposes the development of a new non Great Barrier Reef bulk minerals port on the Gulf of Carpentaria to service the North West and North East minerals provinces and Galilee basin. This will provide a more efficient, more direct export route to Asia and India from Northern Queensland. Carpentaria Rail seeks support and cooperation from the Queensland State, local and Australian Federal Governments in progressing this project. This modern design will be able to cater for all future expansion without compromising environmental protections or community amenity and will provide major opportunities to regional and indigenous communities.
2. Carpentaria Rail proposes the amalgamation of the Port of Townsville Ltd and Ports North to create a single entity covering all exports from the North West Minerals Province. This would create a more efficient, streamlined and consistent environment for customers in the North West and lead to increased economic development with an orderly transition from East coast to Gulf shipping options. This would also allow the complementary development of facilities in Cairns and Townsville to foster an eco tourism and cruising marine environment to the benefit of the entire region.
3. Carpentaria Rail proposes the relocation of the Port of Townsville from its current historic location to a more modern off short facility in deeper water off Cape Cleveland which will eliminate regular dredging requirements within the Great Barrier Reef Marine area. This will allow it to handle larger vessels and operate more efficiently. With the cooperation of environmental groups, current operational permits would be exchanged for less invasive ones.
4. Carpentaria Rail proposes the redevelopment of the current Port of Townsville area into an eco marine leisure precinct with a world class golf course, high density housing and year round tourist facilities, potentially also including a new Townsville stadium and transport hub. Funds coming from the sale of this development could fund new infrastructure like the new port and stadium and increase the development of the CBD and strand with a new bridge across Ross Creek connecting the strand to Archer Street and the new southern access road.

Yours Faithfully,

David Fletcher,
CEO Carpentaria Rail

www.carpentariarail.com