

Public Hearing - JSCNA Inquiry - Brisbane 30 May 14

Project Iron Boomerang (submission 6)

Opening Statement by Shane Condon Managing Director / Founder - EWLP Ltd

Thank you for the opportunity for East West Line Parks Limited on behalf of Project Iron Boomerang for allowing me to make this important submission and specifically address the Terms of Reference of your Inquiry.

Our Nation must capitalise on its assets and be more than a mine and farm. We need a new productive direction and Project Iron Boomerang will catalyse and transform the northern region of Australia, and the Nation. We hope this submission is the spark that stimulates the Nations interest.

Iron and steel have been made the same way for the last two and a half thousand years. Due to the abundance of iron ore and coal, Australia is uniquely positioned to manufacture and deliver an economically sustainable source of first stage steel to Asian destinations.

Project Iron Boomerang ("PIB") links the Pilbara iron ore mines in Western Australia with the Bowen Basin coking coal mines in north Queensland via an east west Transcontinental Corridor. Accommodated in the Transcontinental Corridor is an Australian designed heavy haul railway the most efficient way to take full payloads each way over a three thousand three hundred kilometre journey to value adding first stage steel manufacturing Steel Parks at Abbot Point Qld and Newman WA.

Value adding iron and coking coal by making and exporting 44 million tonnes annually of first stage steel here for export to Asian destinations doesn't impede Australia's current massive coal and iron ore mining production. The reality is Australia's future depends on being more than a mine and a farm, and the idea of value adding iron ore and coal to produce steel emerged in the 1930's.

EWLP has spent the last seven years researching and refining the economic and business case to produce first stage steel at a price up to 10% cheaper for consumption in the rapidly developing Asian markets. PIB's plan is to value add and export to Asia 44 million tonnes annually of first stage steel which is 3% of the world's steel production in 2013. Nine times more than Australia's current production. In economic terms for Australia this would stimulate by 2023 a 22 Billion dollar export market.

All of us here are fully aware that 4.7 Billion people in Asia are rapidly modernising and are rushing to enjoy the standard of living that the developed western world has enjoyed since the 1900's. The Asian century is now creating unprecedented forecast demand for steel. India alone is expected to consume upto 300 million tonnes annually within the next 15 years.

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At Financial Close Project Iron Boomerang (PIB) will by far - be Australia's largest infrastructure and industrial project. An enduring asset whose life is 75+ years. Its' longevity is key to enabling supporting industries to flourish. These are numerous, export power co-generation, for instance plus cement ten million tonne and refractory bricks - a billion dollars annually to name just a few.

An example of this giant scale is the Boomerang class roll on roll off ship, purposely designed by PIB and one being patented worldwide. These ships will carry freight both ways unlike the current iron ore and coal ships that mostly return 100% empty. PIBs' steel mills will produce steel that will reduce present cargo rates by much more than 50% - likewise for the Australian container trade we expect sea freight reductions by 40% for our importers and exporters.

First and foremost PIB is a global steelmaker's project. A steelmakers lead consortium will fund the entire project including the transcontinental railway corridor and Steel Park industrial lands. Our Financial Model has been developed with the world's major steelmakers and verified by Tata Steel Consulting UK, a premier global steel consultant and is accepted by the steelmakers as innovative and economically compelling.

As Asia modernises global steel production is set to increase demand for cost effective, technologically and environmentally advanced steel production facilities. Our project epitomises a profitable, efficient, sustainable solution for global steel production.

Asian steelmakers are currently requesting and considering proposals to take up positions. The steelmakers are naturally waiting for the Australian government to affirm support bringing PIB into reality.

For PIB to move forward and enlist the steelmakers the Australian Government needs to be seen to visibly support the Project. Firmly identified as one that has great national promise for inclusion in the White Paper Policy on Northern Australia.

I have now concluded my opening submission and await questions from the Committee.