

Keith Derek Kerr

██████████
Craigieburn,
Victoria, 3064

11th October 2022

Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House,
Canberra,
ACT, 2600

Re; Project Iron Boomerang

My name is Keith Kerr as a concerned citizen I felt compelled to write my submission to you in support of this long term project of National Significance. I for a very long time have asked myself why we have been denied this opportunity to grow as a nation and raise our living standards when Australia has so much to offer.

a) The employment likely to result from the project during construction and once completed;

World demand for steel is increasing at a rapid pace and we have the opportunity to capitalize on the economic growth with this project that will create 75,000 jobs at the peak of the construction stage. 25,000 of these jobs will be overseas where they would construct and build the components of the modular steel mills whilst the remaining 50,000 jobs would be involved in the construction of the 3,300 km long double track heavy axle freight rail line and providing the corridor with the necessary services to support the project. .

When completed there will be a permanent workforce of 35,000 people 20,000 at Abbott Point, 12,000 at Newman and 3,000 Administrative jobs in Queensland and Western Australia. There will also be an extra economic benefit workforce of 100,000 people working in directly associated Secondary / Tertiary industrial and services jobs. In ten years after the completion of this project it is estimated that 500,000 jobs would be created due to the competitive reindustrialisation of Australia.

b) The effect on Australia's gross domestic product and balance of payments from this significant change in Australia's productive capacity;

When you build infrastructure projects that will deliver a significant increase in employment and the productive capacity of the nation you will increase the gross domestic product which will actually lift the living standards for all Australians whilst increasing the tax revenues for the government without creating inflation. Your economists should realise this as there are also many spin off benefits to the rural and remote communities along the route.

Economic trade benefits of eighteen billion dollars in trade, seventy billion dollars in investment, and seventy billion dollars in exports. As a result of building this project there will be significant increase in demand for materials and services that will generate increased revenue streams through GST and Pay as You Go Tax that will contribute to strengthen the budget's bottom line.

This project will allow the government to double its \$23 billion in sovereign government taxable revenue by doubling the value of Australia's No 1 and 2 exports iron-ore and coal.

If we take into account the added value derived from the conversion of exported iron ore which currently sells for US \$98.71 per tonne as at 28th Sept 2022 in to steel that is currently selling for neat US \$600 per tonne it will greatly improve the balance of payments in Australia's favour when exporting steel overseas whilst reducing our dependence from overseas steel mills...

When GDP rises due to effects of this project on the expanding economy, that is producing more goods and services will increase demand for real money due to transaction demand effect by consumers. Increased productivity leads to higher incomes, more consumption of goods and an improved quality of life that will increase the living standards for all Australians across this country.

c) Capital, energy and resources required to build and operate the proposed 10 steel plants, 5 at Port Headland, Western Australia and 5 in the Bowen Basin, Queensland;

Shane Condon (Managing Director) of the East West Line Parks Limited publicly stated that the Sovereign Fund entities of our five major trading partners have all indicated that they are prepared to buy Australian ten year government bonds for a return of 2 to 3% for 100% of the equity needed to fund the project. That means NO DEBT to fund and build the project. In turn the sovereign fund entities would lease out to steel and shipping companies who would build and operate two of the steel mills and eleven of the specially designed ships that would export the steel slabs to overseas markets and bring back containers on the return voyage.

The consortium requires a deposit of \$240 million in the form of ten year government bonds that equates to 0.35% of the total cost from the West Australian, Northern Territory, Queensland and the Federal government's bankable approval for a feasibility study phase of the project and the purchase of the land for the rail corridor and steel parks which will be owned by the government but leased to the consortium (Project Iron Boomerang Consortium) on a 99 year lease.

In Western Australia water and electricity would come from Lake Argyle and in Queensland water from the Burdekin Dam and electricity from a LNG / coal power plant to be built at Abbott point. New Guinea is offering 10,000 Megawatt of hydro electricity to power the steel mills in Queensland.

d) The feasibility of the proposed clamshell design and electric/diesel propulsion to safely transport iron ore and coal across the 3,000 kilometre route;

For propulsion the consortium will be using 4,300 horse-powered dedicated Liquid Natural Gas (LNG) locomotives. LNG is 50% more fuel efficient than diesel and 50% more carbon efficient than diesel. LNG is a much cleaner fuel to use than diesel or gas fuel derived from fracking and because of this it will reduce the cost of maintenance of the locomotives by 50% whilst the cleaner exhaust is better for the environment. Using LNG would save the consortium \$200 million a year in fuel costs just for the locomotives

A mini LPG plant and locomotive maintenance workshop will be built at Tea Tree in the Northern Territory employing three to four hundred people to maintain and refuel the fleet of locomotives and rolling stock ensuring that they all comply with strict safety standards.

e) The environmental benefit of the reduction in bulk ore exports in regard to marine pollution and energy consumption.

The proposed dual purpose Iron slab / container ships are six times more efficient than the current bulk ore carrier ships' which means one new ship will replace six of the existing bulk ore carrying ships. The new ship will have a pay load each way and would not return empty it will be back-loaded with containers for the return trip to Australia. Iron ore consists of 60% iron and 40% dirt.so once processed into steel slabs it consolidates three times and takes up 65% less space. Because of the efficiency fewer ships are required therefore there is less traffic going in and out of the ports meaning there is less risk of pollution at the ports and less chance of damage to the marine environment. Since the new design ship are more efficient and will always be back-loaded there would be less diesel (energy) being consumed or waisted on empty ships returning. Reduction in energy consumption relate to a huge cost savings for the consortium.

These new breed of ships have four dual track gantry cranes on board that significantly reduces loading and unloading times of the vessel. Currently the existing shipping fleet take six days to load up and six days to unload. The new ships will take two days to load up and two days to unload the vessel. This means less time in port and again less chance of polluting the marine environment. But more importantly a big saving of eight days out of twelve days is another huge cost saving for the consortium.

The project would reduce the number of iron ore and coal cargo ships from leaving the respective ports again meaning less risk of pollution to the marine environment due to the reduction of shipping traffic. During the first stage fifty five specialty ships will replace two hundred of the current bulk iron ore / coal cargo ships and when the consortium gets to stage four two hundred of the specialty ships will replace one thousand of the inefficient current bulk iron ore / coal carrying cargo ships. This is beneficial to the environment whilst providing huge savings for the consortium.

f) Any environmental impacts from the proposed alignment;

The proposed alignment would mean roads along with creek and river crossings will need to be made along the route to service and maintain the rail line. This construction would have minimal impact on the environment and in some areas the rail line will need to be elevated to prevent flooding from seriously impacting the usability of the rail line. The world's best practices would be used for the entire construction so as to minimise any environmental effects. The consortium would also be using the world's best practises in making Australian green steel so that it will be very competitive on the world market.

Once the rail line has been built there would be a minimal footprint left in these arid parts of the continent where the rail line is built. If in the event of a spillage was to occur from a train derailment looking at a worst case scenario. Coal, iron ore and LNG are all naturally occurring materials that would have little to no impact on the environment should a spillage occur due to a derailment. However if diesel fuel was used in the locomotives then diesel oil would have an impact but the impact would be localised and very limited.

All water used at the steel mills will be recycled and reused so there is no pollution and no used water would be released back into the environment. All slag produce as a result of smelting of iron ore would be recycled and sold off as a by-product to be used in concrete. It is a project that has no waste and no pollution.

g) Any impacts of the rail line or steel parks on the Aboriginal community.

The rail line would provide employment opportunities for people living in Aboriginal communities close to the corridor as a number of base camps will need to be built along the proposed route to house, feed and accommodate the work forces required to build the project. Supply chains will need to be established storage areas for materials and supplies

also need to be built along with roads and essential services such as water, communications, NBN, and electricity will need to be provided along the route. As an additional benefit the essential services could be extended to nearby aboriginal communities which would significantly improve their living standards by reducing costs and help to alleviate poverty.

h) The relevance of the Iron Boomerang project to our national security.

Steel is like the life blood of any developing nation you cannot develop without it. The project would provide competition to other steel producing nations, lowering the cost of steel and provide our trading nations independence of steel whilst accelerating their economic growth which will satisfy political, social and economic needs of those nations. They say that prosperity kills war and they are right. The economic links and partnerships with the sovereign states of Korea, Japan, Germany, China, India, Indonesia, Thailand and Vietnam will all benefit and prosper from the project providing this nation with security through co-operation and development whilst making Australia steel independent nation.

i) Any other related matters.

The government needs to **Think Big**, have a vision for the future, look at the long term big picture and the benefits to Australia and all Australians. Not just the short sighted political cycle as we are currently doing and going nowhere as a nation as a result of narrow minded thinking. **We the people of Australia are sick and tired of being sold out by political parties that have adopted the Mount Pelerin Society set agenda that has transferred the nation's wealth from public hands into the hands of greedy private individuals that have clearly shown no respect for common good of the people you supposed to represent.** Every day we continually feel the pain that privatisation and deregulation has caused all of us.

Today we are in a crisis situation with a government that has no money other than GST and Pay as you go taxes and is clearly in a significant amount of debt. You have no more income producing assets so you are totally reliant on taxes. Here you have an opportunity to show some real leadership to turn things around for our economy and reduce the national debt whilst raising the living standards for all us.

As far as funding goes for infrastructure, you the government needs to take a look outside the box and learn from history. **You can fund all infrastructure builds needed for this nation by issuing national credit through a National Infrastructure Bank.** This is not rocket science so pull your collective heads out of the sand and give us a National Infrastructure Bank to deliver low cost financing for the common good of Australia. **By doing this you would be relieving the budget of infrastructure costs allowing that money to be repatriated to where it is needed in essential services.**

There are a number of ways to fund a National Infrastructure Bank. I think it is about time that all Australian Superannuation Funds contributed to the building of this nation. You could pass a law forcing them to use a set ten or fifteen percent of their equity to buy ten year government backed bonds.

We cannot afford to borrow money from overseas and be held hostage to their higher interest rates as that would work against our nation's interest. **Any interest paid out on the government bonds sold to finance the National Infrastructure Bank should be repatriated here in Australia not overseas. We must be very clear on this point.** The government needs to take control of the financing from within Australia to retain our sovereignty over fiscal and monetary policies.

By using a National Infrastructure Bank to finance this project it would cost very little money from the government other than the initial setting up costs. Therefore the National Infrastructure Bank would have minimal effect on the budget as it would become self-funding.

The government is not being asked to fund the whole of the project. You are only being asked to fund 0.35% of the project. The consortium will finance the rest but in return you will be given the land that the rail corridor and the steel mill parks occupy that you will lease to the consortium on a ninety nine year lease. **This is a win, win, win situation.** I urge you to do the right thing for the common good of all Australian's you must act in the best interest for the country and the people you represent. Time is running out so step up approve this project and help fund it through national credit. **I firmly believe that if you approved and funded your part of the project using a National Infrastructure Bank then bragged to the Australian public about the long term benefits that they and the country will receive. You would never be out of office.**

If you have any questions on what I have written then give me a call on 

Kindest regards Keith Kerr – Citizen of the Year 1992 for the Shire of Bulla.