


Authorised 6/3/06 in
Geraldton
Alby Schultz.



**House of Representatives Standing Committee
on Transport and Regional Services**

presentation by

**Mid West Development
Commission**

6 March 2006

Mid West Development Commission

A State Government statutory authority

Overseen by a Board of Management

**Report directly to the Minister for the Mid
West, the Hon Kim Chance**

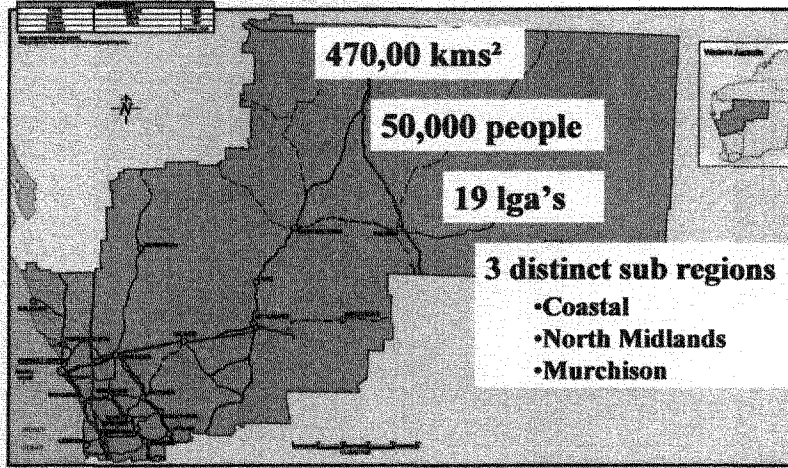
**Aim - promote the economic and social
(sustainable) development of the Mid West
region**

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Mid West Region



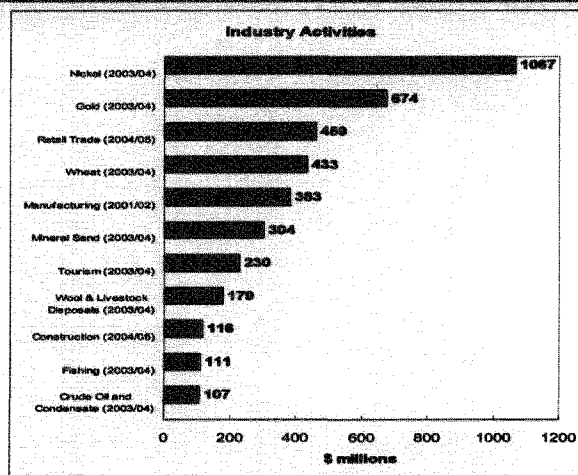
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 GENERAL



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Mid West economy - 2003/04



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Exports per capita 2004/05

- **Australia** **\$ 6,310**
- **Western Australia** **\$19,619**
- **Mid West** **\$46,400***

** Assumes 80% of MW GRP is exported*

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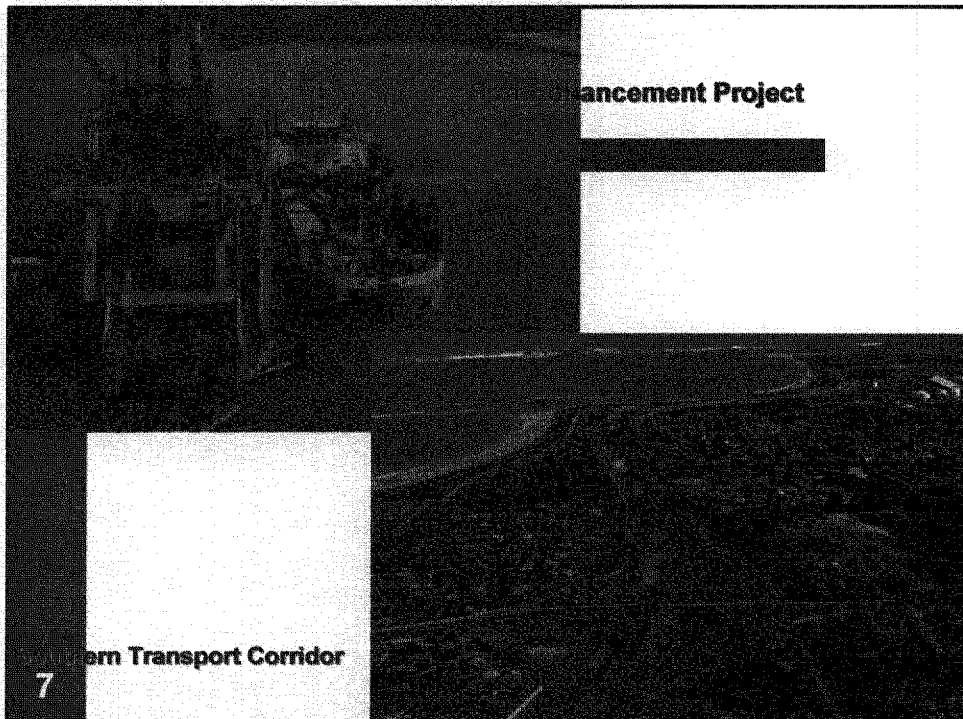
Infrastructure Enhancements

- **\$70M sealing of Mt Magnet – Leinster Rd – completed 2001**
- **\$100m Port Enhancement Project - completed 2003**
 - **Deepened harbour to 11.5 m at zero tide**
 - **Capacity to accommodate fully laden handimax ships (up to 55,000 dwt)**
- **\$88m Southern Transport Corridor Stage 1 to provide more efficient access to Port – completed late 2005**
- **\$35M Berth 5 upgrade to a dedicated iron ore berth – expected completion mid 2007**
- **\$25M STC Stage 2 – 2007/08 - committed**

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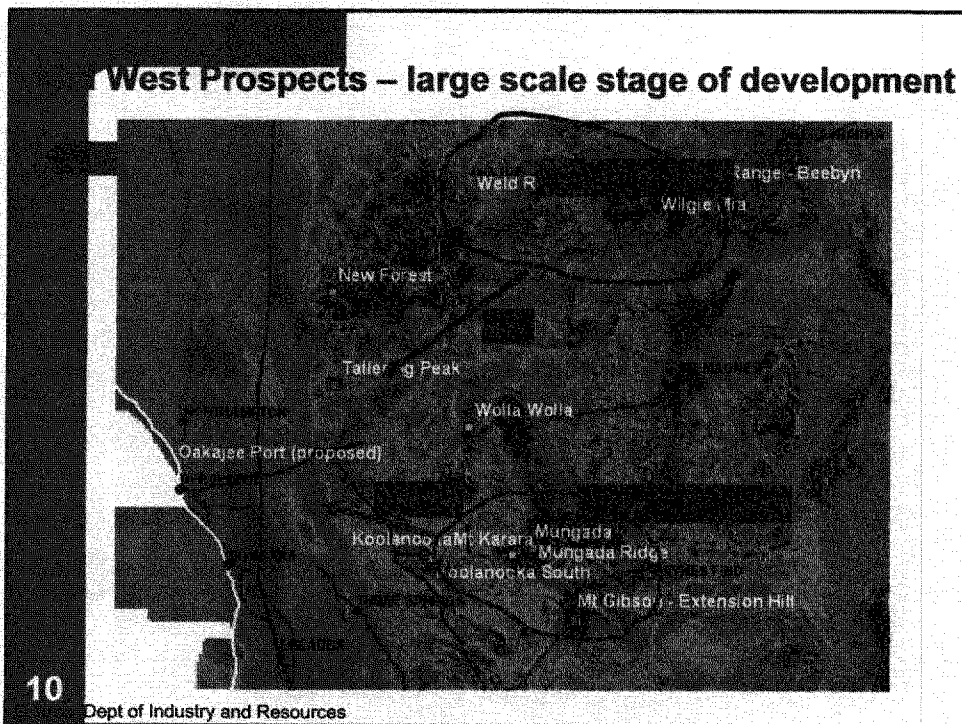
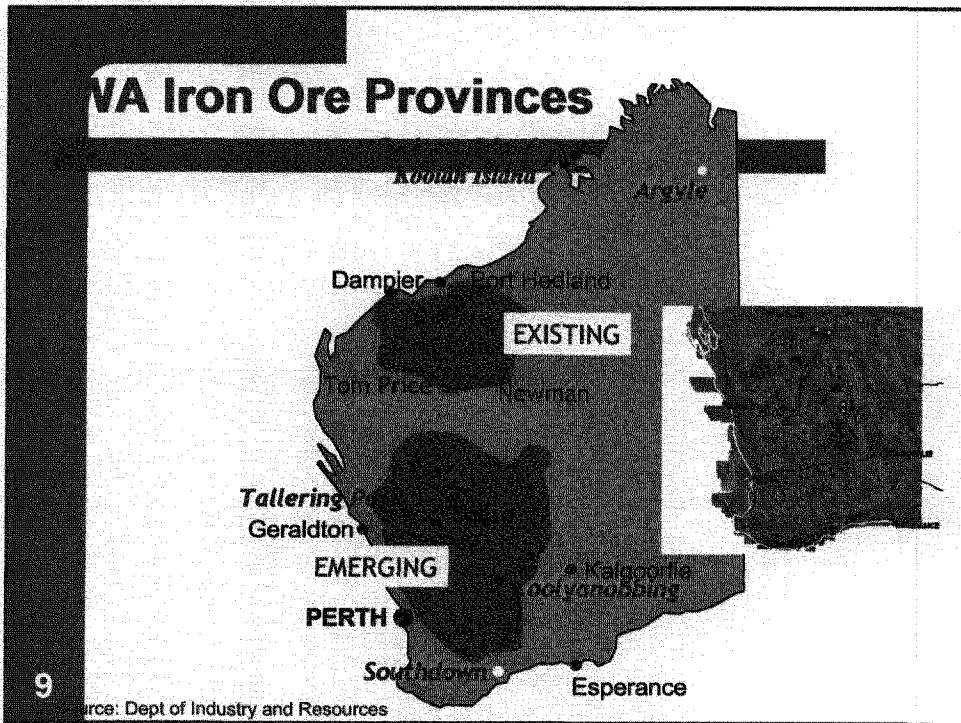
MW iron ore projects - proposed

- 8 companies - 14 projects
- 1 project scheduled to commence in Q2 2006
- 4 projects are likely to start in 2007
- 8 projects - planned to commence 2008 - 2010
- Collective capital - \$4.9 - \$6.5 billion
- Est construction employment - 4,500 - 5,500
- Est permanent employment - 2,000 - 2,500
- Approx 80 mtpa and \$6.2 BN in iron ore exports pa by 2013
- Another 10 projects investigating: mineral sands, lead, vanadium, gold, manganese and kaolin clay

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Early Stage development of hematite projects

- Selective mining of surface hematites & dumps
- Limited resource base (2-8 Mt)
- Support 1-3Mt/a operation (4-7 years)
- Simple crushing & screening
- Small capital (\$20-40M)
- Use existing infrastructure, where possible
- Early cashflows fund large scale hematite or magnetite developments

Tallering Peak
Koolanooka dumps
/ Koolanooka - Blue Hills hematites

Mt Gibson hematite
Mt Karara hematite
Jack Hills Stage 1

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Source: Dept of Industry and Resources

Large scale hematite projects

- Major mines, with significant waste dumps
- Exploration for large tonnages (200 – 500Mt)
- Large output (10 – 25Mt/a) over +20 years
- Crushing & screening, with perhaps some beneficiation (gravity) to maintain quality
- Large capital \$300-400M, plus transport & port infrastructure making \$1 – 1.3 billion projects
- **BUT** no rail exists; tonnage and distance too great for road haulage

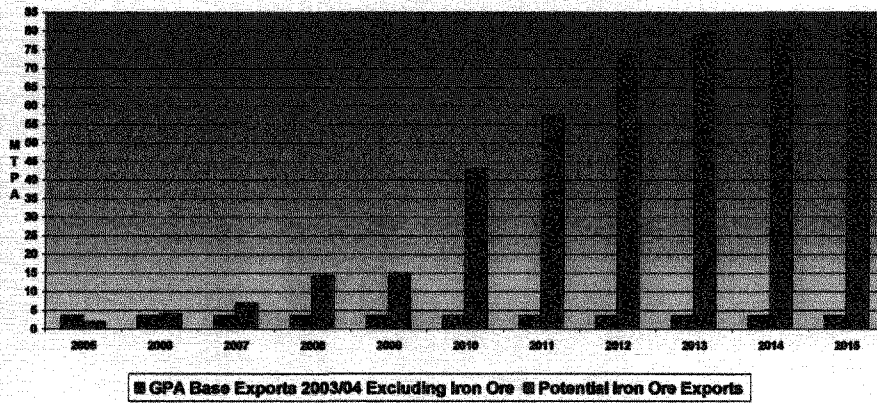
Jack Hills stage 2
Weld Range

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Source: Dept of Industry and Resources

Proposed iron ore exports

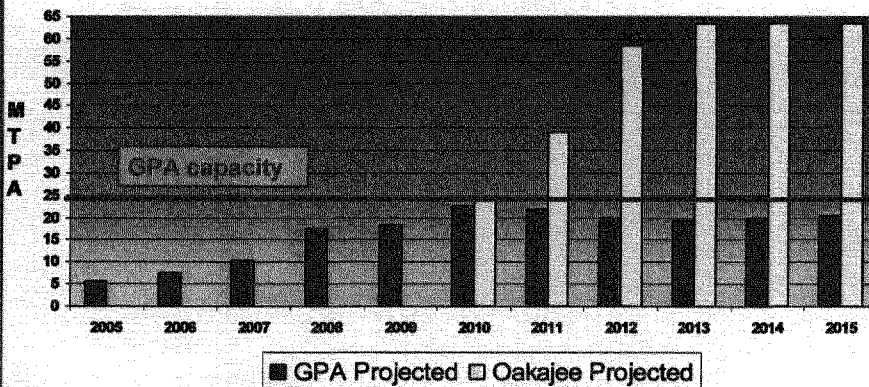
Mid West Region Projected Exports



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Port needs / capacity

GPA & Oakajee Projected Tonnages

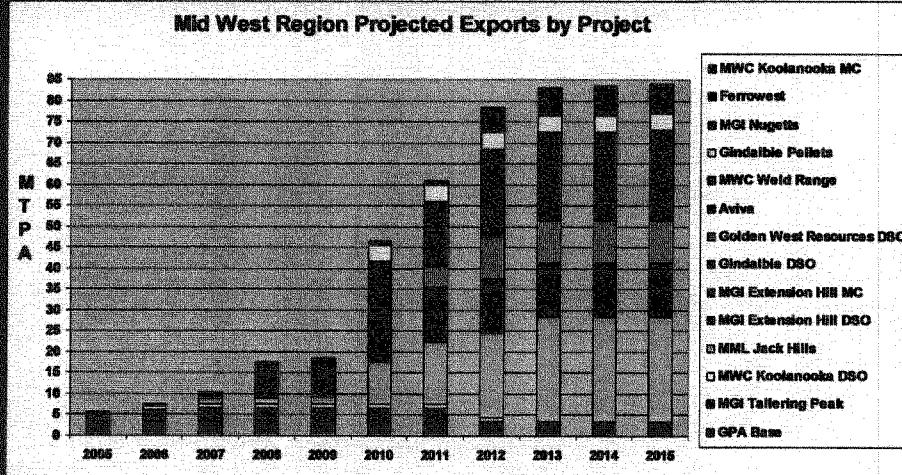


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Iron ore exports by project



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Other transport tasks

- Oil / gas from Dongara
- Increased road freight transport to Pilbara and beyond via Brand Highway / NWCH and Great Northern Highway
- Pull of resources – need for strong east-west transport and services corridor
- Grain transport task
- Tourism
- Community

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Strategic transport infrastructure

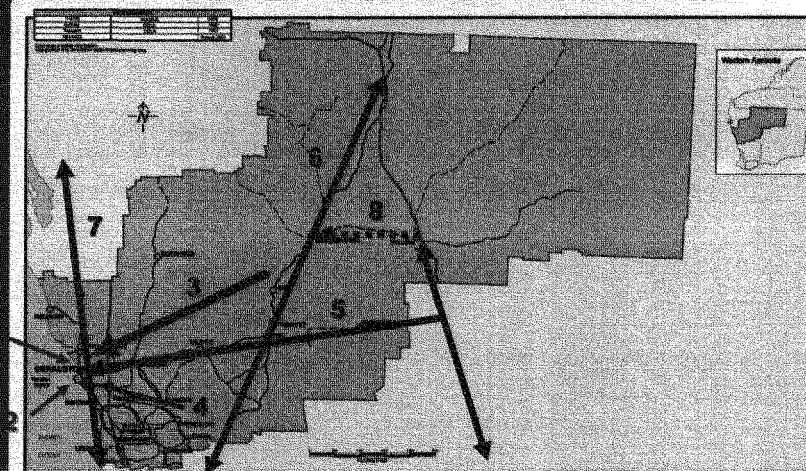
- **Ports**
 - 1 New deep water port at Oakajee adjacent to new Oakajee industrial estate
 - 2 Upgrades to existing port of Geraldton
- **Rail**
 - 3 New heavy duty standard gauge rail spine with capacity for extension and expansion
 - 4 Upgrade to existing rail network
- **Roads**
 - 5 East-west transport and services corridor (Geraldton - Leinster)
 - 6 Great Northern Highway
 - 7 Brand Highway and NWCH
 - 8 Meekatharra – Wiluna Road

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Strategic transport infrastructure



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Concluding remarks

- MW experiencing tremendous growth and is poised for further substantial exports of iron ore
- Existing transport infrastructure is struggling to cope
- New investment (dwp, rail, road) is required
- AusLink
 - is too narrowly defined
 - needs to be far more responsive to areas of major economic activity and change
 - needs to consider regional ports and transport links to them
 - needs to consider social and regional outcomes
 - needs to consider unique circumstances of WA and the Mid West in respect to distances, isolation and small population base
 - Needs to consider the contribution of the State and the Mid West region to Australia's exports – support us in providing the infrastructure capacity to let us get on with the job.