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Submission to the Joint Standing Committee on Trade and Investment Growth

Project Iron Boomerang (PIB).

Project Iron Boomerang is a Steelmakers led project and Australia's own Belt & Road National and Major Trading Nations inclusive plan relevant to all of the terms of reference for this inquiry into diversifying Australia's trade and investment growth profile.

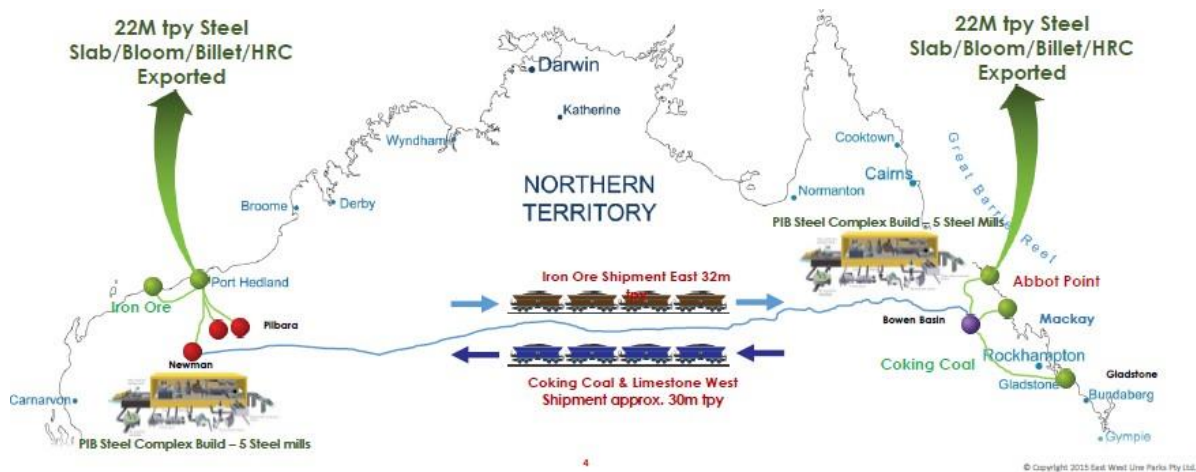
PIB is a fully developed shovel ready tested worldwide visionary model, a once in a century or lifetime Australian nation building project now Pandemic Crisis heightened developed opportunity for Australia to decisively diversify lead and anchor its major associated trade markets and foreign investment profile, as proposed USD\$70Bn commercial project, that delivers \$23billion pa in Australian Sovereign Governments collective economic benefit tax revenues, but it requires decisive bipartisan Federal Government PM and National Cabinet led commitment support and recognition to achieve this. As would apply to any national interest defense or health issues of importance.

PIB's immediate call for action is that this committee commend the project to the PM and his Cabinet the PM&C Dept to be decisively implemented and declared as a "Project of National Significance" by all participating Governments; Western Australia, Queensland, Northern Territory and Federal Governments in national growth planning interests, and that it fund the final bankable approval stage of the project in securing the necessary land assets and in providing the national commitment and investment confidence required by third party investors.

Investment in PIB hinges on a show of leadership support federally and no less by the states and Territories. We suggest that several further committee PIB meetings be accommodated to address the various key detailed aspects of the project which cannot be fully covered in this 40 minute committee meeting, maybe consider a sub-committee with a dedicated agenda that can be formed to accommodate this process?

PIB is a national and regional economic building opportunity formed in 2005 by the founder Shane Condon and his business partner Jim Hanford and declared by the Queensland Government as a pro forma "Project of State Significance" appointing a Government facilitation team of three, followed by the incorporation of East West Line Parks Pty Ltd (EWLP). EWLP registered in April 2006 with the sole purpose of bringing PIB to fruition.

PIB is facilitating the global steelmakers manufacture of cost efficient, environmentally sustainable first stage green steel production in Australia through the establishment of 2 steel complex parks, associated Transport Infrastructures, Ports, Ships and an open access Transcontinental Heavy Haul 3,300km's E-W Rail link.



The concept is to link the world class assets of coking coal on the east coast, to high-grade iron ore on the west coast with a state-of-the-art open access rail link as core infrastructure for first stage steel production and energy production that will enable secondary and tertiary environmentally sustainable industries across northern Australia. The list of opportunities that this will create is extensive and expanding with the promise of new technologies. Including carbon capture and Hydrogen generation. **PIB's competitive steel will sustainably compete, anchor and lead the automated future reindustrialisation of Australia.**

EWLP, the proponent, is not a miner or steel manufacturer. Global Steel makers will build, own or lease and operate their 1st stage steel plants at each end of the transcontinental line and purchase their steel making resources as they do now, from their long-term Australian mine third party suppliers ex mine gate delivered to a PIB Train. EWLP and its selected partners will lead the projects design approvals process teams and build, own 10-20% of EWLP and eventually operate and administer the whole project operations for the consortium clients, transcontinental line and steel mill parks and ports/ships on behalf of the PIB consortium under the usual commercial administration and management party performance terms.

PIB Currently

EWLP has completed the prefeasibility (profit) viability study along with the fully developed IP suite of fully integrated unique purpose designed assets, in delivering the projects innovative design phases incorporating 5 key project elements.

The future global steel market fundamentals are patently clear under the PIB Australia Steel base resource supply Model is that Australia is the best place on this earth (including China at a current 52% of steel production) to make globally competitive sustainable 1st stage green steels.

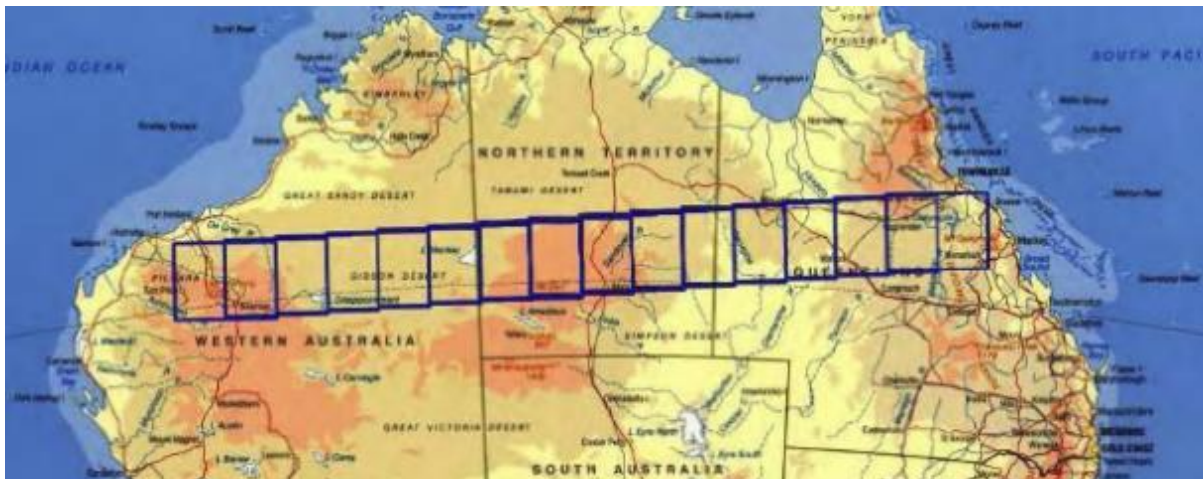
- **\$20Bn Continental Multi-Purpose Heavy Haul Multi-Purpose Rail, Rollingstock and Communications/Water/Gas Corridor. A preferred corridor has been surveyed and determined using the QUANTM/TRIMBLE Preliminary Survey Technology systems for rail corridor identification and alignment optimisations.**

This system has identified viable corridors to optimise best alignments for rail carriageways taking into consideration; foundation, land use constraints, environmental and aboriginal sensitivity and avoidance where possible, unit costs, design geometry, and linear features such as roads, rail lines and rivers. (100-200-year flood costs etc.) Good relationships with some traditional land owners have been established and we have briefed the Central Land Council.

PIB's NT Rail construction of 1,600km 800km east and west of Ti-Tree in the Northern Territory will provide 3-4 thousand jobs with an eventual permanent skilled operations permanent workforce of 300-400 employed in fuel services, environmental management and the maintenance breakdown center. Ti Tree NT will be home to PIB's Centralian Hub Centre along with operating a 20 petajoule per annum Mini LNG fuel plant to fuel the locomotives. This will replace 500,000 tons p.a. of diesel and deliver 40-50% freight cost gain as well as reducing CO² emissions by over 40%. PIB's permanent contribution to the NT Budget Economy will be second only to Governments. *New Mines Remote Communities & Tourism E-W Continental Ghan Train etc.*

The Ti Tree NT renewable 10 year LNG fuel supply security for the PIB LNG dedicated Loco's is a huge project investor security risk mitigation investment incentive for this transition fuel at half cost and emissions to the current mine and farm tax concession diesel fuels.

PIB's 50k Aust jobs construction will support the Australian Steel Industry with some of their biggest ever steel orders in their history on a competitive commercial tender basis where freight delivery should be a huge profitable cost advantage. Ie: 520k t's of case hardened 68kg to metre rail; 7m sleepers 1t ea. (1m t of rebar and cement); +500kt's of general steels bridges, steel complex's, ports, infrastructure etc.



PIB's open access rail freight Corridor delivers compelling economic cost benefits. The entire Corridor incorporates advanced train safety control and communications signaling on a common shared platform optimising freight efficiency. The line provides access to previously stranded resources and remote community regions across the continent in NT, WA and QLD. The Rail corridor will enable world class cable communications and we have been advised that the department of Defense will support and utilise the major infrastructure that Project Iron Boomerang delivers, including Ports, Rail and Shipping. The list goes on with the potential for tourism and horticultural industries to utilise this network of open access infrastructure. We estimate 20-30 major mines will emanate from the PIB HH Rail!

- **Above and below rail engineering and design.** Poised to be one of the biggest construction challenges in the nation's history, PIB will link the Pilbara iron ore mines in Western Australia with Bowen Basin coal mines in North Queensland via a 3,370km rail line which runs heavy haul trains fully loaded both ways producing 20-30% Under Rail efficiency/productivity gains above current World's Best Practice (WBP) on comparable HH Rails, most return empty!

The PIB Phased Consortium Global Steel-mills will each build own/lease and operate their 1st stage steel plants at each end of the continental line to manufacture slab bloom billet or HRC steel. 5-mills x 4.4Mtpy each = 22Mtpy at each Steel Mill Park. PIB's two parks will produce 44Mtpy slab steel. These outputs will augment, not take away from, current IO Pilbara production as *PIB Phase-1 consumes only 8% of total IO Pilbara production. PIB is not ambitious therefore in this overall Australian or world context!*

- **\$30bn Design of steel mill parks.**

The development of PIB Steel Mill Park's will allow PIB to achieve "world's best" productivity benchmarks for slab steel production. A PIB Study Report prepared by PIB long-term UK Steel Consultants indicates sustainable efficiencies of 15-20% above WBP (*including China currently at 52% of world steel production*).

- *Note to service the PIB 10 steel mills this will create one of the world's biggest ever industrial personnel technical transfers in history with the permanent transfer of Hi Teck management operations specialists and chemical engineers of more than 12-15 years' experience etc.*

- **\$3.5Bn – 55 PIB RORO Dual-Purpose Slab Steel and Container Ships. (*replacing 200 ships of the world fleet*)**

A uniquely designed ship to service, and vastly reduce, the empty ship returns in two key sea freight sectors, Resource Bulk Carriers and Dry Container Ships, to and from Australia.

- For the 10 - 1st Stage Steel Mills producing 44Mtpy of slab, the ship and PIB bulk slab rate efficiency reduces present cargo rates by more than 50% against the current practice (mostly unprofitable). Likewise, for the Australian container trade we can expect a sea-freight reduction of 20-30% for importers and exporters from \$1,250 box to \$750 box at a 30% ship return profit.
- Currently the world's biggest bulk carrier ships export Australia's two primary iron and steel making commodities (iron ore and coking coal) from both ends of the continent to industrialised developing world markets and major trading nations, mostly returning 100-80% empty to the world's biggest bulk loading ports at each end of the Australian continent. Enabling loading into Panamax/Handymax ships which can access the much shorter return sea journeys through the Suez and Panama Canals and access the majority of world's ports opens up new industrial market development opportunities such as placing second stage rolling mills in smaller regional ports such as Thailand, Indonesia, Port Moresby, PNG etc., this strengthens our regional economies and partnership relationships.

- **PIB State of the Art, Smart Cities.**

During construction job numbers will peak at 75,000 jobs. This will settle to 35,000 primary permanent jobs, so PIB presents a unique global scale affordable greenfield state-of-the-art opportunity to fully integrate industry with adjacent social living. Smart Cities will deliver a quality standard of living with low-cost shared services.

- Bowen Town extension, 42,000 people to service the eastern steel complex.
- Shared Water Treatments at 3-4 primary re-use levels.
- Power - Co-generation will provide low cost power and reduce environmental impacts.
- Bio-fuel plants will utilise secondary/tertiary heats and sewage.
- Light Rail from Steel Park to town (20-30km) will save 5,000 car movements a day.
- Town of 15,000 people established at Newman WA to service the western steel park.
- **PIB's Economic Benefit Jobs standard steel industry development forecast modeling will reach an estimated 100,000 additional jobs within years of reaching the full 44m tpy of steel.**

Economic Benefits (Prefeasibility).

Prefeasibility study figures show

- \$18Bn p/a in steel production from 44Mtpy of steel (\$12Bn in Value Adding 116Mtpy of primary ores consumed – 2017 p/a adjusted market figures) “TSC/NRI”
- Economic Benefit of 3:1 – In dollar terms, every dollar spent on PIB will generate another 3 dollars. \$18bn in steel equates to \$54bn in economic benefit.

Jobs – Construction & Permanent

- Construction at Peak 75,000 (including 15-20k over-seas steel plant supply)
- PIB Steel Operations/Production & Logistics primary permanent Jobs 35,000 – (20,000 Abbott Point & 15,000 Newman 3,000 Admin Qld & WA)
- Secondary/Tertiary industrial and service jobs expected 50,000+.

Governments - Tax Revenues

- Expected Governments Tax Revenues \$23bn p/a in full by 2028 if the bankable approval (final feasibility) study commences in 2020.

Sovereign Governments

- Sovereign Governments are the biggest PIB beneficiaries with an expected conservative 30% taxable revenue (from income & commercial taxes) on a generated total standard model economic benefit \$72bn p/a at the full production rate of 44Mtpy steel.

EWLP financial model

- **Project Total Capital cost: US\$70Bn** = 55xShips / 2x 4 berth Dock Lock Ports / 2 x 1st stage Steel Complexes of 22m tpy each / 1 x 3,300 km Continental Heavy Haul Rail
- **Return on Equity: 24.7%** at 25% capital 75% debt
- **Required US\$240m 10-year Government Bond** for PIB Bankable Approval study – fully repaid at end of term.

Our Agenda and Commitment

EWLP has completed the positive prefeasibility study that requires government a decisive commitment to complete the final bankable approval study necessary to fund PIB’s implementation programs. What we request of government is:

- Fund the \$240M (including 20% project contingency) required to complete the project design approvals land (99yr lease) acquisitions Transcontinental E-W Rail; 2 22m tpy Steel Complex sites; 2 x 4 dock Lock Ports. EWLP propose that a 10-year Government Bond be issued at an appropriate Govt market rate in support that will be fully repaid upon EWLP securing the already identified Sovereign Fund SF Investment Finance, or similar, to execute the project.
 - Note: Our PIB finance team stands ready to negotiate with Government!
 - Our early SF talks indicate a 100% PIB equity commitment on the \$55Bn or the preferred \$70Bn package.
 - They have indicated that they would wish to go to 4 PIB phases up to 176m tpy of PIB steel. With each PIB extension the steel cost efficiencies improve exponentially at minimal risk!
 - ***Note: It is interesting to note that both the 3rd and 4th world economies Japan and German 10 year Government Bonds are currently at even lower sub-zero percentage rates than the pre-virus epidemic sub-zero interest rates!***
 - ***It is expected that the SF Governments in their own national steel interest will take up their PIB position in 10% lots up to 20% maximum and tender lease the steel mills, ships etc to their national steel and ship companies lease from 20 years to 5 years at say 2-3% return (as a demonstration model).***

- ***Once a major first mover international AAA SF commits to the PIB investment program PIB will then become a rated AAA international and national investment freeing up the early risk adverse nearly \$3 trillion Aust Super funds to invest in PIB infrastructure as the toted 4th biggest fund in the world!***
- Elevate ASAP the new working National Cabinet support (past COAG) status of the project to a 'Project of National Significance' "for national fast track" facilitation.
 - Please note: that PIB has called for national project legislation as has previously occurred with the successful construction of the Darwin to Alice Springs Rail 1,440 km's, completed by 2004 under budget and on time and with the giant national interest NW Gas Shelf projects facilitation with the world's biggest commercial contracts as signed and photographed in the Kimberley Coast by both PM John Howard & Treasurer Peter Costello and then again later with PM Kevin Rudd and Treasurer Wane Swan. We can do it when required, no more Red Green and Black tape impost time restraints but with full mutual conditional compliance. PIB's environment corrections against current operating practices offer outstanding leading worlds best practice green steel credentials.
- Once the PIB Government commitment is secured we, PIB, plan and expect to host the identified first mover Sovereign Funds to represent themselves to The Joint Standing Committee on Trade and Investment Growth as a first open public transparent process, offering a first stage open public entry clearance towards the usual international investment FIRB investment approval procedures.

These early steps will clearly identify and show Federal Government State and Territories joint national interest and leadership commitment to the Australian Public for the once in a century project and provide an immediate economic goal commitment stimulus package, delivering immediate well-planned public **HOPE & VISION for our future.**

Our various and recent discussions with Sovereign/Pension/Investment Funds at this crucial time and place has necessarily refocused our global/national and individual survival instincts, which will clearly indicate that this demonstration of Federal lead support will necessarily welcome their participation and enable them to commit major funding, in turn facilitating EWLP's goal of securing finance and assist in securing the national rail E-W 99yr lease corridor under a joint COAG process. EWLP will run the process of securing title and licensing over the corridor, Steel Mill Parks and Ports. The completed Bankable Approval Study will see a clear path to a fully permitted, shovel ready project.

Few projects can emulate the environmental global and national development growth leadership plan credentials of PIB, whilst leading and anchoring the reindustrialisation of the nation. PIB will be producing the greenest steel on the globe at a competitive and sustainable costs for the next 75 years or more.

The project will provide sustainable jobs in regional areas and our cities for generations. It has the potential to reverse the decline of the population and economy of regional Australia and deliver permanent economic growth stimulus along the full length of the rail corridor over and above the business plan for the steel mills. PIB is a Nation Building project worthy of government assistance. PIB meets the committee's terms of reference and needs its recommendation.

Yours Faithfully,



Stewart Hagan General Manager Business Development



Shane Condon-MD & Founder

Contributing partners and shareholders in East West Line Parks Pty Ltd.

EWLP- PIB Corp Shareholders



EWLP- PIB Major Contributing & Contract Corp Associates 5-9 years



EWLP-PIB CA Signed (24 in total) - Leading & Contributing Steel Mills (7- 8 years)

