



Hon Anastacia Palaszczuk MP
Member for Inala



Minister for Transport
and Multicultural Affairs



Media Release

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New contract brings big dollars and jobs to North Qld

A new export deal struck between Queensland Rail, Pacific National and Xstrata will deliver export dollars and 160 new jobs to North Queensland, Transport Minister Anastacia Palaszczuk said today.

Queensland Rail and Pacific National have agreed to terms on a 10 year Access Agreement to transport magnetite concentrate produced at Xstrata's Ernest Henry Mining (EHM) operation from Cloncurry to the Port of Townsville starting 28 April, 2011.

Ms Palaszczuk said the multimillion dollar agreement paved the way for increased efficiency and business growth on the Mount Isa Line, which services the North West Queensland minerals province.

"The magnetite will be moved by longer, more efficient trains, increasing tonnage capacity on the Mount Isa Line," she said.

"The key to increasing the efficiency are Pacific National's new 1000m bulk mineral trains with up to 90 wagons at 65 net tonne capacity. These services can carry more than 1000 tonnes per service compared to the current standard 750m trains.

"These arrangements will pave the way for business growth along the Mount Isa Line and enable the creation of employment opportunities in North Queensland."

Ms Palaszczuk said Queensland Rail has already invested an estimated \$1 million to upgrade Partington Yard in Stuart to accommodate the 1000m long trains.

"A facility is required to break up the trains into smaller lengths of 750m or less, allowing for rail access through to the Port of Townsville," she said.

Pacific National Rail Director Chris Keast said the company will leverage its extensive experience in hauling bulk products across Australia to deliver a number of firsts on the Mount Isa Line.

"In addition to increasing the length and tonnage capacity of the trains through the use of purpose built rollingstock, Pacific National will introduce a range of new technologies and innovations such as wired distributive power and ECP braking to help deliver a safe and reliable rail service.

Pacific National has invested more than \$80 million in new rolling stock and infrastructure to support the new rail haulage task.

“We look forward to actively supporting Xstrata Copper as it becomes the first in Queensland to export this product as well as creating employment opportunities in the region,” Mr Keast concluded.

Xstrata Copper North Queensland Chief Operating Officer Steve de Kruijff said the new magnetite processing facility at Ernest Henry Mining will make a significant contribution to the local and state economies.

“In 2010 Xstrata Copper contributed around \$1.34 billion to the Queensland economy and our magnetite processing operation will provide further opportunities to strengthen the state economy,” Mr de Kruijff said.

“We will produce approximately 1.2 million tonnes of magnetite concentrate per annum at full capacity for export to Asia, making us Queensland’s first magnetite concentrate exporter.

“With the support of Queensland Rail and Pacific National, the magnetite project has been important in increasing the efficiencies of bulk transportation on the western rail corridor.”

Ms Palaszczuk said the announcement follows a \$100 million investment program to improve the reliability of the 1030km long Mount Isa Line, which was completed in December.

“The upgrade delivers a more stable and reliable track structure with improved safety outcomes for freight services by replacing steel sleepers with concrete and light rail with heavy rail,” she said.

“By having more stable infrastructure the line can operate at full capacity with reduced disruptions to the mining companies and freight operators which rely on the line to run their businesses.”

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