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Logistics trial to reduce freight costs in north-west Queensland

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JOINT STATEMENT

Treasurer and Minister for Trade and Investment

The Honourable Cameron Dick

Minister for Transport and Main Roads

The Honourable Mark Bailey

The Palaszczuk Government is funding a \$1.8 million trial aiming to reduce costs and increase efficiencies for commercial freight users on the Mount Isa Line rail corridor.

Treasurer and Minister for Trade and Investment Cameron Dick said the freight coordinator service trial, to be undertaken by TransBulk Logistics, will help unlock new investment and more jobs in north west Queensland.

"Queensland's economic powerhouses of resources and agriculture helped us weather the storm of COVID," the Treasurer said.

"Now we're determined to put these industries in pole position to create jobs and attract new investment as part of our COVID-19 economic recovery plan.

"Major resource companies in the north-west are heavy users of the rail line between Mount Isa and Townsville.

"It is a critical link from the North West Minerals Province to the Port of Townsville and export markets beyond.

"However, many smaller mining operators still rely exclusively on road transport.

"We want junior miners and potential new ventures, including in agriculture, to have access to the same efficiencies through freight trains that larger resource companies enjoy.

"TransBulk Logistics will use their technology and business model to establish a six-month proof-of-concept logistics coordination trial in the North West Minerals Province.

"This would open up the potential for smaller operators to access rail transport by combining movements, reducing costs and making rail a more cost effective and attractive option."

Transport and Main Roads Minister Mark Bailey said higher utilisation rates should then reduce the costs for all users.

"Taking more freight off our roads and onto the Mount Isa Line rail corridor would boost the productivity of our existing rail assets in the north-west and reduce road maintenance costs in the region," Mr Bailey said.

"If this initial trial proves successful, TransBulk Logistics will seek to develop and implement an expanded freight coordination service prototype, providing greater access to export markets for junior miners and primary producers.

"The Mount Isa line runs along some of the world's largest deposits of copper, lead, zinc, silver and phosphate rock.

"That's why we continue to invest in the line to ensure the continued safety, reliability and uptake of rail freight along the line to support this vital supply chain.

"This month we completed a \$49 million upgrade on the Mount Isa line to replace 66,500 steel sleepers with new concrete sleepers, as part of an ongoing \$344 million investment in the line.

"It's through our record \$27.5 billion road and transport plan that we can undertake major projects like this on our road and rail, to the benefit of all Queenslanders."

Resources Minister Scott Stewart said the trial would support Queensland's burgeoning new-economy minerals sector.

"This trial is a positive step towards helping our smaller enterprises to make use of our rail infrastructure," he said.

"It's so important for Queensland's strong economic recovery that we make transporting product from pit to port as viable as possible.

"The Palaszczuk Government is backing exploration for new-economy minerals in the North West Minerals Province, including through Collaborative Exploration Initiative grants.

"Queensland has rich endowments of new-economy minerals like copper, cobalt and vanadium that are needed to power the global renewable energy revolution, and we want to make sure Queenslanders benefit."

Member for Thuringowa Aaron Harper said the trial will support Townsville jobs through the Port.

"The Port of Townsville is a major hub for minerals exports, and it's fantastic to see this new initiative to bring in those minerals by rail," he said.

Member for Mundingburra Les Walker said any initiative that brings more goods through Townsville is a positive.

"A prosperous mining sector means a prosperous Townsville, so I welcome this trial that will support smaller operators, get trucks off the road, and support local jobs.

Queensland Government support for this project will complement the [Mount Isa Line Incentive Scheme](https://www.tmr.qld.gov.au/business-industry/Transport-sectors/Freight/Mount-Isa-Line-Incentive-Scheme) (<https://www.tmr.qld.gov.au/business-industry/Transport-sectors/Freight/Mount-Isa-Line-Incentive-Scheme>), part of an \$80 million Queensland Government commitment over four years to incentivise more freight on rail on the Mount Isa line and encourage a shift from road to rail.

The objective of the scheme is to make rail freight more competitive, with the intention to provide operational and financial benefit to the customers of rail services. These customers include existing mining operators; however, the scheme is open to new freight, including mining and intermodal services.

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