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**POWERING GROWTH**



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# POWERING GROWTH

*ABB's Markus John discusses the vital role the company has in bringing Rio Tinto's iron ore expansion plans for its Pilbara project to fruition*

**WRITTEN BY: WILL DAYNES**  
**RESEARCH BY: WILL KIRBY**

Against a backdrop of low, weathered mountains and the scorched desert of north Western Australia lies the Pilbara, the closest sizeable reserve of iron ore to the rapidly expanding Chinese and Indian markets. It is here amidst some of the oldest rocks found on Earth that Rio Tinto is mining some of the planet's largest iron ore deposits.

At present, system capacity of Rio Tinto's iron ore's assets in the Pilbara, consisting of a network of 14 iron ore mines, rail and ports, is 230 million tonnes per annum. With an on-going multi-billion dollar expansion programme to increase production capacity to 290 mtpa in Q3 2013, Rio Tinto hopes to further increase this production to 360 mtpa by early 2015.

Playing a prominent role in this expansion project is ABB, one of the world's leading engineering companies. ABB specialises in helping its customers to use electrical power effectively and in a sustainable way. ABB's operations in Australia include engineering and manufacturing facilities in Perth, Brisbane, Darwin, Sydney and Melbourne, as well as a network of service centres throughout the country.

"Over the last five or more years," explains local business unit manager for substations, Markus John, "we have evolved from being a core product supplier for Rio Tinto to a power system supplier for some of its largest and most complex undertakings in the Pilbara." The relationship between the two companies grew significantly when Rio began embarking on a project to expand the electrical infrastructure in the Pilbara.

“ORIGINALLY A SMALL BRISBANE BASED UNIT, ABB AUSTRALIA’S SUBSTATION BUSINESS HAS GROWN INTO A SUBSTANTIAL BUSINESS EMPLOYING MORE THAN 50 PEOPLE”



ABB substation at Rio Tinto Pilbara

“At the time,” John continues, “we developed a small number of proposals on how to improve Pilbara’s electrical network. These were based on our expertise in electrical transmission and distribution. From here we graduated to providing comprehensive power infrastructure solutions that included turn-key substation projects from design to commissioning, service and consultancy.”

Originally a small Brisbane based unit, ABB Australia’s substation business is now based in Perth where the existing team of four people has grown into a substantial business employing more than 50 people.

In March 2012, ABB announced that it had won orders worth approximately \$100 million from Rio Tinto for 17 distribution substations to support increased production at its Pilbara iron ore mines. The upgrades and installation of new power infrastructure here will help raise the voltage level of the existing distribution substations and increase the power supply in order to support the expansion of Rio Tinto’s existing mines in the region.

“Rio Tinto has a very clear goal for what they want this expansion project to achieve,” John states, “and that is to significantly expand their production levels in the coming years. This is something they will do by not only exploring and developing new mining areas in the Pilbara area, but also expanding their existing operations.” In doing so, Rio Tinto will considerably increase their levels of electrical consumption, which will require an expansion to their existing transmission and distribution network and power generation capacity.

“Production at Rio Tinto’s mines in the Pilbara is heavily dependent upon the



Juna Downs substation

reliability of its electrical network,” John enthuses. “Naturally this makes the issue of electrical network reliability one of the foremost concerns for Rio Tinto. We are supporting them in every way we can, either by installing new substations or by retrofitting older facilities with new power and automation technology.”

At the heart of this massive undertaking is an established contractor framework agreement between ABB and Rio Tinto and, as John concludes, it is ABB’s intention to build on this in the future. “ABB remains fully committed to its operations in Australia, particularly those in Perth that support the work taking place in the Pilbara.” **BE**

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