



Local businesses benefit from increased iron ore exports.

BOOST FOR LOCAL ECONOMY

Economic modelling of Esperance Port's record \$82.592 million revenue for the 2013-14 financial year shows a significant increase in the Port's contribution to the local regional economy.

The revenue is \$12.992 million more than the previous year's record, and resulted in a \$3.389 million after tax profit.

Regional Economic Modelling Software (REMPLAN) developed by the La Trobe University in Victoria and licensed for use to the Goldfields Esperance Development Commission shows that the Port contributes to the local economy in a number of ways.

These include the services provided to industry sectors that import and export their products through the Port; other uses of the Port's services and facilities; and by the goods and services purchased in the Esperance Region in order for the Port to do its business.

REMPLAN shows the annual flow-on impacts or benefits that are potentially earned in the Esperance region as a direct result of local employment and expenditure associated with earning \$82.592 million in revenue for the year.

Modelling for the year across 21 businesses and industries shows

the results for four major economic indicators: output (or finals sales revenue), employment, wages and salaries and value added.

The table below summarises the key impacts.

It shows that the Port's output for the year has a combined industrial and consumption flow-on effect of between \$117.53 million and \$137.54 million. (Flow-on impacts are those that occur as every dollar of regional investment is multiplied as it is "on spent" within the region.)

The table also indicates the potential employment of between 259 and 330 positions, wages and salaries of between \$25.12 million and \$29.67 million, and value added earning of between \$57.79 million and \$69.44 million.

Local industries benefitting most from the Port's activities during the year included rental and hiring services, transport support services, administration and support services, and construction services.

Additional benefits from the Port's activities enable industries such as mining and agriculture to also contribute to the local economy. These are not included in this modelling information.

REMPLAN Summary of key impacts allied to the Esperance Port's \$82.592 million annual earnings in the Transport Support Services and Storage sector in the Esperance Region

Impact Summary	Direct Effect	Industrial Flow On Effect	Minimum impact	Consumption Flow On Effect	Total
Output (\$M)	\$82.59	\$31.94	\$117.53	\$20.01	\$137.54
Employment (Jobs)	158	101	259	71	330
Wages and Salaries (\$M)	\$17.27	\$7.85	\$25.12	\$4.55	\$29.67
Value-Added (\$M)	\$43.42	\$14.36	\$57.79	\$11.65	\$69.44

SPA's New Identity



The Southern Ports Authority (SPA) was established on October 1, 2014, following the merger of the Bunbury, Albany and Esperance Port Authorities.

A distinctive logo has been developed to brand the Southern Ports Authority with a clean and modern corporate identity.

The logo is comprised of two elements that work together to form the Southern Ports Authority identity: the SPA symbol and the principal logotype (SOUTHERN PORTS AUTHORITY).

To identify each of the three ports individually a secondary logotype is added, that is Port of Bunbury, Port of Albany, Port of Esperance.

The SPA symbol is made up of three overlapping ship shapes, a number chosen to symbolise the three ports that operate under the Southern Ports Authority.

The forms of the ship shapes are indicative of the wide range of vessels that work and trade across the three southern ports - from smaller Handysize or Handymax ships (blue), through to Panamax, woodchip carriers, smaller tankers or container ships (cyan), up to Capesize ships (teal).

The colours represent the hues of the ports' maritime environs, with overlapping tints suggestive of the translucent qualities of sea and sky.

Berth Three Shutdown

Corrosion problems that continue to bug the Port's iron ore circuit were the focus of a 16-day shutdown that started on Saturday, October 11, the fourth extended shutdown of berth three since major repair work started in 2013.

One such project was the October shutdown, the first of three stages required to complete works identified by consultant engineers that are necessary for the continued use of the berth three shiploader. The other two stages will be undertaken in early 2015.

The works concentrated on grit blasting the corrosion and painting the affected areas, while the worst affected areas were cut out and replaced with new steel sections. The Port's Electrical Department had to remove all the cable ladders in CV35 to enable access to the worst affected areas.

These are the first major maintenance shutdowns of the iron ore circuit since it was commissioned in 2002. Since then nearly one million tonnes of iron ore have run down its belts, including a record 11.288 million tonnes during the 2013-14 financial year.

The October project concentrated on conveyor 35 (CV35) where some intricate scaffolding needed to be erected to encapsulate the site before the work started to capture blasting material and protect the marine environment from debris.

The Port acknowledges the support of a number of dedicated local companies that worked together to achieve this result required to keep this infrastructure in service.

The project was completed on time and within budget.

The Port of Esperance and Cliffs cooperated to enable this work to be undertaken without impacting on their shipping and rail delivery operations.

The shutdown also gave the Maintenance Department time to carry out other vital repairs to the iron ore circuit.

Note: Work has already started in preparation for the next shutdown, which is expected in mid-January 2015. This will be the fifth in the current series of shutdown and another will be necessary to complete this work.

Major works being carried out on the iron ore circuit.



EMERGENCY TRAINING EXERCISE

Preparation and planning are ongoing activities for any major organisations, particularly for a busy port.

One important duty is to prepare employees for a significant event, something that no-one hopes will ever happen.

A significant event is one that results in catastrophic and tragic natural disasters, such as the many bush fires, floods and storms that Australia has experienced over the past few years.

For the Port of Esperance, such an event may be a major oil spill impacting on the pristine Recherche Archipelago or a storm resulting in severe infrastructure damage and flooding or having to deal with a sinking ship.

Employees, who may have a management role in the event of such an emergency at the Port, participated in a two-day training exercise in mid-October.

The training was carried out under the guidelines of the Australasian Inter-service Incident Management System (AIIMS), which is used by major agencies across Australia to manage incidents in an integrated and effective manner.

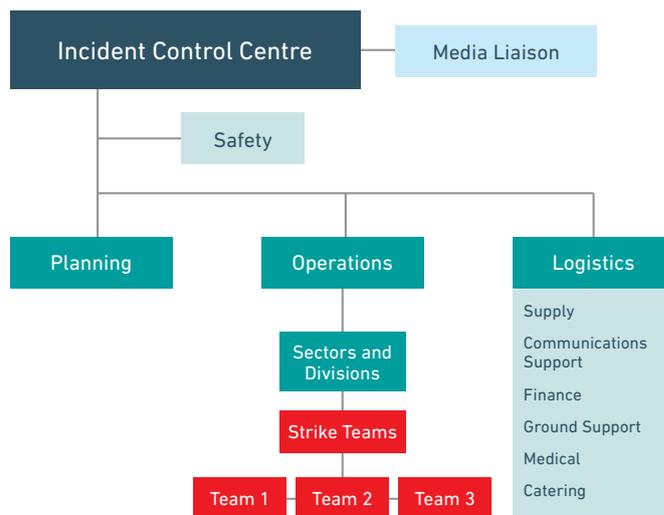
It was developed in Australia in the 1980s and has been adapted to reflect Australian legislative and jurisdictional arrangements.

Participants learned about the key functions of incident control which manages all activities necessary to resolve an incident.

These include planning of objectives and strategies, intelligence gathering, public information requirements, operations required to resolve the emergency, investigations to determine the cause, logistics to provide resources and finance requirements.

Key Port managers and Supervisors took part in the training exercise.

AIIMS Incident Control Structure



The Port of Esperance is required under the Marine Safety Plan to train and exercise our people in emergency response and evacuation procedures. The Port Authorities Act requires that we have a Safety Plan approved by the Minister for Transport.

SPOTLIGHT ON PROJECTS

The Port of Esperance Port has established a Project Management Office (PMO) to deal with the increasing number of major works that will be undertaken over the next few years.

A Program Manager has been appointed, a project selection and prioritisation process implemented and a Project Steering Committee established.

This has delivered greater visibility of current works, improved alignment between projects and business objectives, established a more collaborative project environment, and a more robust capital budgeting process.

In the past, all capital works were carried out by the Port's diverse divisions, but without the benefit of an organisation-wide, consistent project management method to prioritise, plan and implement the works.

This left the Port exposed to project risks such as conflicting objectives, resource shortages, cost and schedule overruns and an inability to systematically prioritise our asset management activities.

The Project Management Office will be involved specifically in the areas at risk and major investment.

Nearly 50 projects, ranging from \$10,000 to \$10 million in value, are scheduled in the 2014-15 capital works program.

The majority of these projects don't pose any financial risk, but the next few years of capital plans indicate a number of initiatives that should be closely managed to improve individual project performance to ensure delivery is on budget and on time.

This will be achieved by establishing new project roles, responsibilities and accountabilities distinct from operational duties and a higher level of direct involvement in project planning and involvement by the project management office.

PMO's Jenny Walsh and Matt Devenish inspect the Jetty Island



Jetty Island Pylons to be Marine Habitat

The head of the Tanker Jetty served Esperance Port shipping for nearly 80 years, but for 30 of those years stood as isolated and lonely as a Recherche Archipelago island, home only to a colony of breeding Pied Cormorants.

Its only occasional visitor has been maintenance people from the Esperance Port to check on a navigation light attached to its deck that's been blinking away for all those years, until recently.

The structure has stood the ravages of the Southern Ocean and vagaries of the local weather since 1935, and served the many ships that have traded through the local port, until now, for the jetty head is capsizing and deck planking falling into the ocean.

While the deck will be removed, the pylons that have long been habitat for a myriad of sea life, colonised by encrusting animals and plants, will be cut three metres below low water mark to become an integral part of the artificial reef that was created when the 100 metres of jetty was dismantled in 1980 after it fell into disrepair, isolating the head.

The removed pylons back then were laid on the ocean floor between the

existing jetty structure and the head and along with used tyres created a dive trail on the doorstep of Esperance that over the years has become popular with both local and visiting recreational divers.

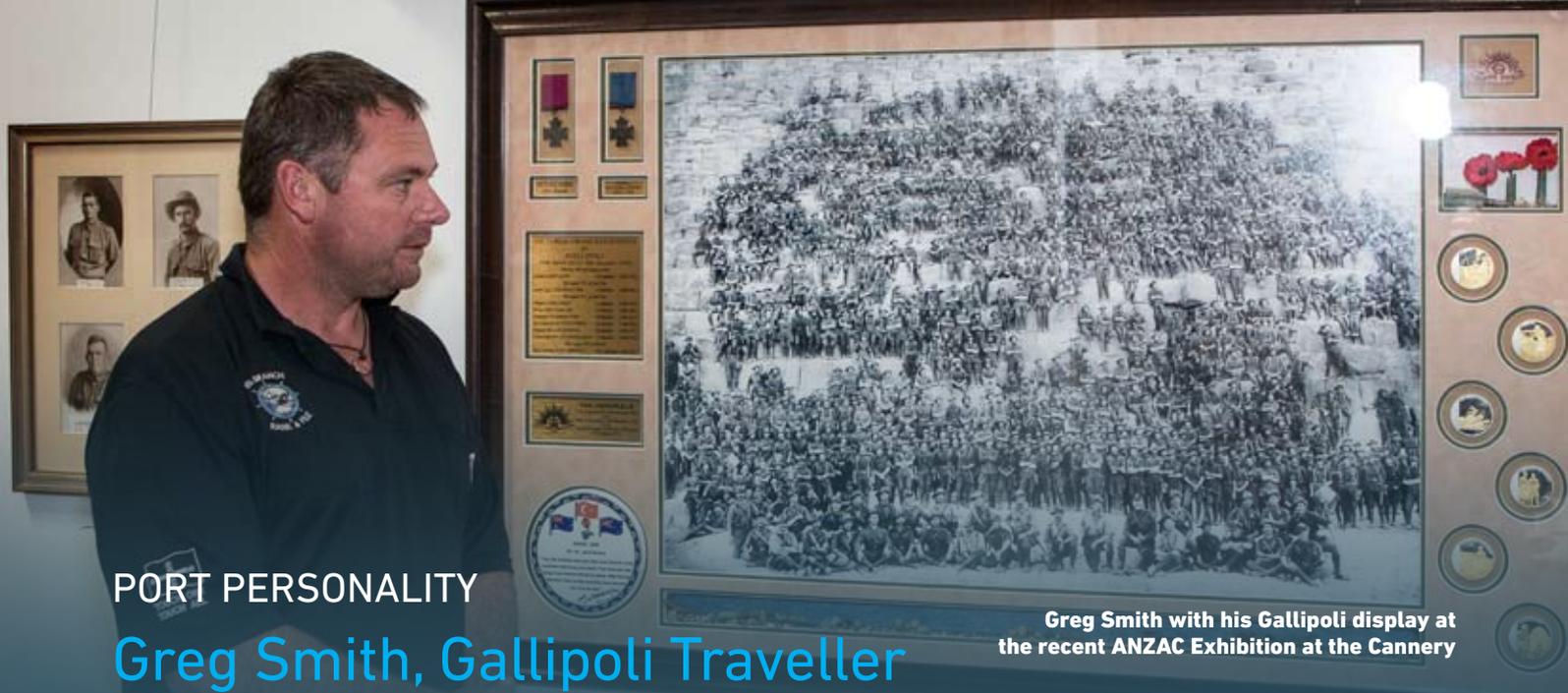
The decision to demolish the remains of the tanker head, which was supported by the State Heritage Office and the Esperance Shire Council, was not an easy one to make, but deck planking was either being recovered from local waters or after being washed up on town beaches. These planks were a navigational hazard; a danger to boats and people.

The structure had also become too dangerous for Port maintenance people to climb onto to do their work.

Before the jetty island could be demolished, other arrangements had to be made for the navigation light, and a new floating spar buoy fitted with a sector light was moored to the ocean floor nearby to continue to serve vessels entering and leaving the Port at night.

Work to demolish the jetty island deck and remove the top three metres of pylons is expected to be completed by the end of the year. The deck timber will be donated to Men in Sheds.





PORT PERSONALITY

Greg Smith, Gallipoli Traveller

Greg Smith with his Gallipoli display at the recent ANZAC Exhibition at the Cannery

Greg Smith's travels as a young man took him to not only many new and exotic locations but also provided him with many new opportunities, and a lasting interest in Turkey and the ANZAC's Gallipoli campaign.

Now a 10-year veteran fitter and Cargo Supervisor at the Esperance Port, his journey started back in 1993-94 when a holiday overseas landed him in Istanbul and, inevitably, ANZAC Cove.

Greg fell in love with Turkey, with the people and with Turkish culture, and the chance to wander the battlefields at Gallipoli and soak up the past at places like Lone Pine, Shrapnel Valley, The Nek and Chunuk Bair where the cemetery has 856 ANZAC graves, but only 10 of them are marked.

Accompanied by his brother on his second trip in 1997, the second of several more he was to make over the next 16 years, he met with people from a company called Fez travel and landed a plum job as a tour guide working out of Istanbul. For 12 and 13 days at a time he took groups of up to 42 around the Mediterranean and Aegean Seas and along the Black Sea coast to Russia, and to ANZAC Cove, the place often considered to be the birth of a national consciousness for both Australians and New Zealanders.

It was during this time he met his South African wife Mel, who was also working as a tour guide, and when they returned to Australia went to work in Kalgoorlie in the mining industry before moving to Esperance in 2005.

He also continued his trips to Turkey during this time, taking personalised tours, the most recent last year when a party of ten, including some of his Esperance Port workmates, went on a 28-day, 3500 kilometres journey through the country. This visit included five days snorkelling and wandering the battle fields at ANZAC Cove at their leisure looking for war relics that can still be found nearly 100 years after the conflict ended.

One of his favourite places is the beautiful cemetery at Shell Green, built on a flat, open stretch of land considered the most dangerous on the Peninsula as it was visible from the front line. It is where the ANZACs played a cricket match during a cease fire in the fighting.

When he isn't busy with his Port duties or organising or running personalised tours to Turkey, Greg is actively working for a number of local organisations, including the Castletown Primary School P & C where his eldest daughter Anna is head girl, the Newtown / Condingup Football Club, and as a carer for his youngest daughter Ella who last year was diagnosed with type one juvenile diabetes.

Emissions Report

E sperance Port's National Pollutants Inventory (NPI) Report for 2013-14 showed a significant reduction in emission from the Esperance Port. The Report has been submitted to the Department of Environment Regulation (DER).

NPI reports on emission to the air of 93 listed substances such as heavy metals, volatile compounds, fuel and fine dust.

Reporting improvements by Esperance Port staff during the year enabled all

fuel consumption emissions to be easily calculated within a two-day period compared to a two-week period during 2012-13.

This was due to the Smartfill key system and database implemented in July 2013 that reduced data entry from hand written sheets directly to the computer system.

Increases in volatile organic compounds (VOCs) were reported and was due to better reporting of paint and

solvent usage onsite.

This was partly assisted by the improvements to ChemAlert which catalogues paints and chemicals onsite that may contain NPI reportable substances and the ability of ChemAlert to automatically generate a report as well.

Nickel emissions also declined once the export of bagged bulk nickel ceased during 2013-14.



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