



rePort

a community newsletter from **Esperance Ports Sea & Land**

CONSORTIA TO TENDER FOR MUIOF

Two of five consortia that registered an interest in participating in a Request for Proposal (RFP) to design, finance, build and operate a new Multi-User Iron Ore Facility (MUIOF) at the Esperance Port have been short-listed to tender for the project.

They are Qube Bulk Pty Ltd and Brookfield Infrastructure (Australia) Pty Ltd, and Yilgarn Esperance Solution (YES) consortium. YES consortium comprises McConnell Dowell Constructors (Aust) Pty Ltd, Asciano and Marubeni Corporation Ltd.

the RFP will determine the scope and capital cost of the project

The two selected consortia had best addressed the project objectives in their proposals to be considered as the preferred proponent for the project and clearly demonstrated that they met the evaluation criteria required to proceed.

The criteria included experience in bulk port operations, a clear understanding of

Timetable

First Quarter 2012:	Demand Study of potential Yilgarn exports
Last Quarter 2012:	Market Sounding to determine private sector interest in project
First Quarter 2013:	Prequalification Phase of project attracted five consortia
Second Quarter 2013:	Two consortia short-listed to proceed to RFP
Last Quarter 2013:	Short-listed consortia to present tenders
First Quarter 2014:	Preferred proponent to be selected

the MUIOF project, the financial capability and capacity, and design and construction experience in similar types of projects.

Both have significant experience in infrastructure investment as well as designing, financing and operating major projects related to the movement and handling of large volumes of bulk products.

During the RFP the scope and capital costs of the project will be identified based on the level of commercially sustainable demand for iron ore export capacity through

the Port.

A market sounding was undertaken by the Port in 2012 to determine private sector interest in the project.

This followed a demand study which indicated a need for new iron ore export infrastructure to cater for proposed miners wishing to develop their tenements in the Yilgarn Region of Western Australia.

The market sounding indicated the MUIOF can cater for up to 12 million tonnes of iron ore annually if developed.

From My Desk



Shayne Flanagan
CEO

Welcome to the August edition of the Esperance RePort. We are resuming publishing of the RePort to keep our community informed about what is going on at this very important time in our history.

In this issue you can read about the latest developments in relation the Multi-User Iron Ore Facility (MUIOF) that is proposed for the Port. Two companies have been appointed

to prepare competing tenders to determine the viability and the scope and cost of the project. We will be in a position to know more about this later in the year.

We are also undertaking a major capital works program that includes dredging the harbour to its design depth, upgrading Hughes Road to cater for the expected increase in road traffic entering and leaving the Port, and upgrading the internal Port rail network, also to meet the extra demand on the network.

The Black Swan Shed that has served us well for many years has reached the end of its life and is currently being demolished to provide extra container storage space as that part of our business grows.

We have also ordered a new state-of-

the-art \$2.2 million pilot boat to replace the faithful old Spitfire that served the Port well over more than 20 years, but suffered severe structural damage while on duty in May this year. The new vessel will be built in Melbourne and should be delivered in April next year.

The Port is one of Esperance's major employers, and we are proud of the dedication and expertise of our people, and also the role that many of them play in serving our community. In this edition we feature one of our very best – Shane Rothnie.

We hope you enjoy reading this edition of the RePort and future editions, which we plan to publish and distribute throughout Esperance every two months.



DREDGING WORKS

E sperance Port's annual hydrographical survey of harbour waters in March showed a build-up of sediment within the shipping channel and adjacent to berth three that needs removing. Berths one and two are also affected, but not to the same degree.

Sediment can affect the required under keel clearance of vessels entering and leaving the Port, particularly loaded vessels such as the large cape size iron ore carriers that are currently restricted to tidal movements.

Because of its isolation and the relatively small amounts of sediment to be dredged to return the Port to its design depths, the Port does not have a firm schedule to undertake the work. However, permits are currently being sought from Federal and State Government agencies to secure maintenance dredging approvals.

The Federal Department of Environment has determined that the required works will not pose a significant risk to any marine plants and animals or their habitat, but the Port is waiting for a Sea Dumping Permit

from the same department and the go ahead from WA's Environmental Protection Authority for the work to be undertaken.

Once approvals have been received, the Port will call for tenders.

It will be the first dredging of the Port since 2001-02 when the dolphin berth was installed and the harbour deepened to enable cape size vessels to load iron ore and berths one and two deepened to enable Panamax vessels to berth.

HUGHES ROAD UPGRADE

T he significant increase in road transport moving cargo into and out of the Esperance Port that pre-empted the \$120 million upgrade of Harbour Road requires major works to be carried out on Hughes Road to accommodate the increase.

Hughes Road lies along the Port's southern boundary in the lee of Dempster Head and has been the main entrance for grain carrying vehicles for many years.

On completion of the Harbour Road works next year, the current main entrance to the

Port will be closed and all cargo carrying traffic entering and leaving the Port will use Hughes Road.

With vehicle movements expected to rise to an estimated 90,000 annually over the next few years (that's in's and out's) carrying grain, fertiliser, containers and sulphur, a reliable road capable of handling the anticipated volumes of traffic is vitally important for the flow of these commodities.

Earlier this year, Esperance Port engaged consultant engineers GHD to identify, assess and review suitable options for the

upgrading of Hughes Road to meet the expected demand.

Eight options were identified and the Port asked that two of these be advanced to a preliminary concept stage so that a final decision can be made to select the best option that meets the current and future requirements.

A decision on the way forward is expected before the end of the year and the upgrade will start in early 2014 and be completed about the same time as the Harbour Road works.

BLACK SWAN SHED DEMOLITION



Work has been progressing since early May on the demolition of the Black Swan bulk concentrate storage facility located adjacent to berth one.

A \$2 million contract will see the 40,000 tonne capacity shed and associated conveyor structures and connecting towers cleaned, dismantled, packaged and sent to an approved receival facility.

Before demolition work started, the inside of the shed was cleaned, which included scrubbing 5400m² of floor to remove residue material and sealing the surface.

This was followed by the removal of the purlins, roof and wall cladding, and the crib walls and concrete footings.

Work is expected to be completed in August.

During the internal operations the shed's dust extractions system remained operational, but this has since been removed and will be relocated to the iron ore circuit.

The space freed up by the removal of the shed will be used for container storage and handling.

PORTS MERGER ON TRACK

In 2012 the State Government announced that seven of the State's eight Port Authorities would be merged to form four new regional Authorities.

Under this scenario, Esperance Port will become part of the Southern Ports Authority, merging with the Ports of Albany and Bunbury. The merger is earmarked to be finalised by mid-2014.

Legislation will be introduced to establish a new Act and the State Government will appoint a single Board to replace the three existing Boards to oversee the new Authority. The number of Board members will rise from the current five on the existing

Boards to seven, which will include regional representatives.

Although the new Authority will have a single Chief Executive Officer, each Port will have a locally based Port Manager, and each Port will operate as a separate business unit.

The new Southern Ports Authority will bring a new regional focus to each Port's functions, including strategic and port development, planning, policy and priority setting, financial planning and budget allocation.

This streamlining of functions will enable each port to respond to the demands of growth, undertake broader responsibilities,

and meet the growing demand for export infrastructure while continuing their primary role of facilitating trade.

Benefits expected from the merger include the optimum use of existing port infrastructure across the region, improved investment decisions, private sector involvement and enhanced corporate governance.

With trade rising significantly and new projects on the drawing board, Esperance Port looks forward to continuing to serve existing and new customers and playing a major role in the new Southern Ports Authority.

Rail Network Upgrade

The Port's internal rail network is getting a much needed upgrade. With increased tonnages of cargo coming into the Port by rail, reliability of the rail network is vital to maintain cargo handling operations.

A \$2 million contract is seeing new heavier duty rail laid and new ballast and concrete sleepers installed. The work is expected to be completed by the end of August.

Esperance Canola for China

Esperance was in the International news recently when the **Ace Century** sailed from the Port on May 7 with a cargo of canola for China – the first shipment to the country since 2009.

China banned Australian exports for fears of blackleg spreading to local crops, but lifted restriction in March this year. Fears allayed, the Australian Oilseed Federation has arranged contracts to supply 450,000 tonnes of canola, a multimillion dollar arrangement with the likelihood of more deals to follow.

NEW PILOT BOAT ORDERED

Esperance Port has ordered a state-of-the-art pilot boat to replace the aging Spitfire that was badly damaged in May when she was hit by a squall while transferring a pilot to a ship.

The yellow-hulled Spitfire, which has served the Port for more than 20 years, suffered severe structural damage when she fell off a wave in the storm and pumps had to be used to keep her afloat after she limped back into Port.

The \$2.2 million 16 metres long French designed vessel on order is built from lightweight resin infused fibreglass with carbon frames: she is light but super strong, and is powered by two 500 horsepower motors that deliver a top speed of 29 knots and a cruising speed of 25 knots.

She will be built in Melbourne and after sea trials on Port Phillip Bay will be delivered to Esperance in around April next year.

The vessel has some outstanding features: she is self-righting if capsized, has

excellent sea-keeping performance with a break bow to reduce the vertical motion when going through waves, is extremely manoeuvrable, and has a suspended wheelhouse that absorbs the vessels movement when under way for the comfort of the crew.

Her wide decks not only provide safety for the pilots leaving or returning to the vessel from a ship but also provide space to work.

Apart from piloting duties, the vessel will be equipped to conduct long range sea rescues and she will be fitted with a forward looking night vision camera making it easier to find anyone who has fallen or been swept overboard.

A sister vessel is currently operated by the Albany Port Authority and the Geraldton Port has one on order.



CORROSION A PROBLEM

Consultant engineers identified corrosion that required remedial action during their annual inspection of Port infrastructure in January. Of particular concern was the berth three iron ore ship loader.

A 10-day shutdown of the berth in mid-April enabled some of the work to be carried out on the lower levels of the loader, but a further shutdown will be required.

The berth will be closed for 16 days in October or November when the weather improves which will enable sandblasting and remedial painting to be carried out on the loader's boom.

This work will require 110 tonnes of scaffolding to be erected on the berth to carry the weight of the boom while the work is undertaken.

Ship loading on the berth will be suspended while the work is carried out.

PORT PERSONALITY

EPSL employs 140 people, most of whom are highly skilled and dedicated to operating and maintaining the Port's infrastructure as well as undertaking the stevedoring and cargo handling duties for the 200 plus trading vessels that arrive each year.

Many of our people are also involved with organisations that serve the community: some are members of a Bush Fire Brigade unit, St John Ambulance, State Emergency Service and the Marine Rescue Group, or are members of local service clubs.

One of our most valuable and popular employees, Shane Rothnie, is involved in a number of organisations and he is committed to going the extra yards for the community.

During working hours, Shane is a member of the Port's Civil Team and is responsible for the care and maintenance of our parks and gardens among many other things.

He is also a member of the State Emergency Service and the Esperance Bay

Rotary Club. He is on regular call-out with the SES to deal with emergencies such as bush fires, storm damage, accidents, rescues and searches.

As a Rotarian he is involved in the club's annual Handicamp program, a venture for disabled young people that gets them together at various locations around the south west of WA to take part in activities that might not normally be available to them. Shane fund raises vigorously for this event.

Earlier this year he participated in Rotary's Ride to the Other Side, a fundraising venture for Mental Illness and Prostate Cancer Research. The venture raised \$60,000, with Shane's personnel fundraising contribution being \$6000.

The venture required a team to ride a lawn mower across the Nullarbor, from Kalgoorlie to Adelaide, a journey that will continue next year with the ride from Adelaide around Tasmania and finishing in Sydney.

We are proud of Shane's contribution to the Port and the community.



ENVIRONMENTAL MONITORING PROGRAM

EPSL conducts the most vigorous Environmental monitoring program of any Port in Australia to protect both its employees and the community from impacts from its operations.

Although many of the programs are required by legislation, the Port also goes further with internal audits of its operations to avoid impacting on the environment, including the marine environment, in which we work and live.

These monitoring and measuring programs relate to dust, wastewater, water use, noise, odour, fuel consumption and waste generated by the Port's operations.

We also measure the amount of moisture in the products entering the Port; moisture being a requirement of the exports as it minimises the potential of dust escaping from the loading circuits. The levels of other metals and minerals in these products, such as iron ore, are also measured, while auditing of the iron ore and sulphur handling operations provides an early warning of any potential dust problems.

Noise and odour monitoring are ongoing exercises to maintain levels according to approved regulations, and to ensure that they do not intrude on the community. Odour has not been an issue for the Port since the mining companies started exporting nickel concentrates in containers, and noise levels are expected to diminish significantly once work on the transport corridor into the Port is completed.

The Port also monitors its wastewater, scheme water and groundwater. Wastewater is measured at stormwater outflows and at the Port's wastewater treatment plant from where captured water is recycled.

Sampling of marine sediment is carried out annually to determine any potential impacts our operations may have on the marine environment, while photographic imaging is used to monitor the health of seagrass surrounding the Port.

All of the monitoring samples collected by the Port are tested at an independent laboratory and results are provided to the Department of Environment and Conservation.



Environmental Officer Caroline Aylott recording monitoring data.

What do you think ?

We are interested in your comments on this RePort, please send feedback through to:

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