



# rePort

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

## Port's Exciting Year

**The 2012-13 financial year proved to be a watershed for the Esperance Port following a number of years of financial and operational instability caused by the lead issue.**

That is now behind us. In the past 12 months we have reviewed our business requirements and committed to a raft of operational and capital works projects.

At the same time we returned record trade and revenue growth (see stories inside this edition of the RePort), although a small trading loss was recorded, which could be attributed to a number of abnormal expenditure items. Overall, the Port is in a very sound financial position.

The projects earmarked to be completed in the current financial year will put us in a strong position to meet current and future needs.

These include upgrading Hughes Road to improve the safe and efficient movement of goods into and out of the Port from the Port Transport Corridor; dredging of the Port harbour to its design depth; upgrading of the internal rail network to cater for increased rail movements; implementing a container handling management plan to streamline this line of business; and purchasing critical spares to improve the reliability and productivity of the container crane.

Work has already begun on all of these projects. The rail project will be completed this month and the Black Swan mineral concentrate storage shed has been demolished to make way for much needed container hard stand space.

*Esperance Port's container trade grew significantly during the 2012-13 year*



Significant improvements also have been made in cargo handling rates, particularly the inloading of increased tonnages of iron ore, and the discharge of sulphur and exchange of containers on berth two, which has resulted in visiting ships being turned around more quickly and freeing up berth space.

We have also restructured both the Operations and Maintenance Departments to meet the increased cargo handling commitments and to maintain the infrastructure.

Recently the two consortia selected to prepare competing tenders for the proposed Multi User Iron Ore Facility at the Port inspected our operations, and a preferred proponent for the project is expected to be selected in the first quarter of 2014.

2013-14 promises to be an exciting year for the Esperance Port.

## FROM MY DESK

**Shayne Flanagan**  
CEO



**Thank you for the positive feedback we received from the August edition of the RePort. We endeavour to keep the Esperance Community informed of what is happening at the Port, and it is encouraging to know that you enjoy reading about our activities.**

This edition features highlights from the 2012-13 financial year, a year of steady progress as we dealt with a number of legacy issues and introduced productivity and reliability improvements in our operations and maintenance activities.

At the same time I am pleased to be able to report a record year in relation to the cargo handled and also a record in the revenue received from the services we provide.

Unfortunately we recorded a small after tax trading loss of \$469,000, but this was attributed to a number of abnormal expenditure items required to ensure the Port's long-term sustainability. Notwithstanding this, the Port is in a very

sound financial position and we look forward to returning a profit in the near future.

This month we also feature one of our many loyal and reliable employees, Electrical Supervisor Tony Leeson, who doubles up as a volunteer St John Advanced Ambulance Carer to serve the local community.

And we inform on a voluntary exercise that we are carrying out with the Fisheries Department to identify if we have any foreign marine pests lurking in our waters.

I hope you enjoy this edition of the RePort.

Happy reading.

# Trade Record Recorded

**ESL handled a record 13.875 million tonnes of cargo during the 2012-13 financial year, an increase of 18 percent over the previous year.**

Iron ore continued to dominate Esperance Port trade with exports totalling 11.045 million tonnes for the year. This represents 80 percent of Port trade and a 24 percent increase over the previous year.

Grain exports remained steady at 1.690 million tonnes. Wheat exports were broadly in line with the previous year at 728,213 tonnes and Canola exports increased by 65 percent to 363,828 tonnes. This offset the 24 percent decline in barley exports from 640,213 tonnes in 2011-12 to 485,115 tonnes.

Nickel hydroxide exports from the Ravensthorpe nickel mine were more than doubled during the year to 169, 597 tonnes

as First Quantum Minerals ramped up the mine to full production. Total nickel concentrate exports, however, fell from 299,987 tonnes the previous year to 216,422 tonnes, which can be attributed to BHP Billiton and Xstrata Minerals deciding to export their concentrates through Geraldton as a bulk product rather than through Esperance in containers.

The growth in exports generated by the Ravensthorpe nickel mine contributed to a record 32,815 containers being handled by the Port during the year. This was an increase of 21 percent on the previous year's total of 27,154, and continues the rapid rise in this trade area since the Port started handling containers in 2008.

Imports for 2012-13 grew to 841,071 tonnes. Sulphur imports were up from 294,494 tonnes last year to 367,591 tonnes,

and there was a small increase in fertiliser imports, up from 71,927 tonnes to 94,090 tonnes. Petroleum imports fell from 350,814 tonnes to 308,559 tonnes.

The number of trading vessels visiting the Esperance Port last year declined from a record 204 last year to 192.

However, the gross tonnage of the vessels that berthed at the Port rose from 8.136 million tonnes last year to 9.106 million tonnes this year, an increase of 12 percent.

This reflected the significant increase in the number of Cape sized vessels loading iron ore, the larger dedicated container ships to cater for the increase in this trade, and an increase in the number discharging sulphur.



*Sulphur imports increased for the Ravensthorpe Nickel mine during the year*

## MUIOF MEETINGS

**Personnel from the two consortia shortlisted for the Request for Proposal (RFP) phase of the Multi User Iron Ore Facility (MUIOF) project, Qube-Brookfield and the YES Consortium, visited the Port in August.**

They spent a day looking over the existing iron ore export handling facilities and talking to Port employees about a range of cargo handling matters.

The RFP will determine which of the two shall be the preferred project proponent. The consortia are expected to submit their tenders by the end of 2013, and the successful proponent will be announced early in 2014.

The proposed MUIOF will provide iron ore infrastructure to enable Yilgarn mining companies to export their product.

## FUEL SHIPS

**ESL has started work on the preliminary design for a fuel discharge facility to be located on berth one.**

Currently, fuel is discharged from berth two, which is nearing its capacity with increased imports of sulphur and a significant rise in the number of containers going across the berth.

Once the new facility is installed, the berth two line will only be used when berth one is not available.

This new facility has the potential to increase berthing capacity on berth two by about eight percent, and reduce the fuel supply risk for farming and mining communities in the Goldfields Esperance Region.

The new discharge facility is expected to be constructed in 2014.

# REVENUE RISES

**E**PSL recorded a small trading loss of \$469,000 during the 2012-13 financial year, which could be attributed to a number of abnormal items contained within the operating expenditure.

These included Multi User Iron Ore Facility costs, impairment charges on the Mineral Concentrate Circuit, arbitration expenses and the write off of the Port's internal railway infrastructure.

Without these abnormal expenses the Port would have made a profit of more than \$4 million during the year.

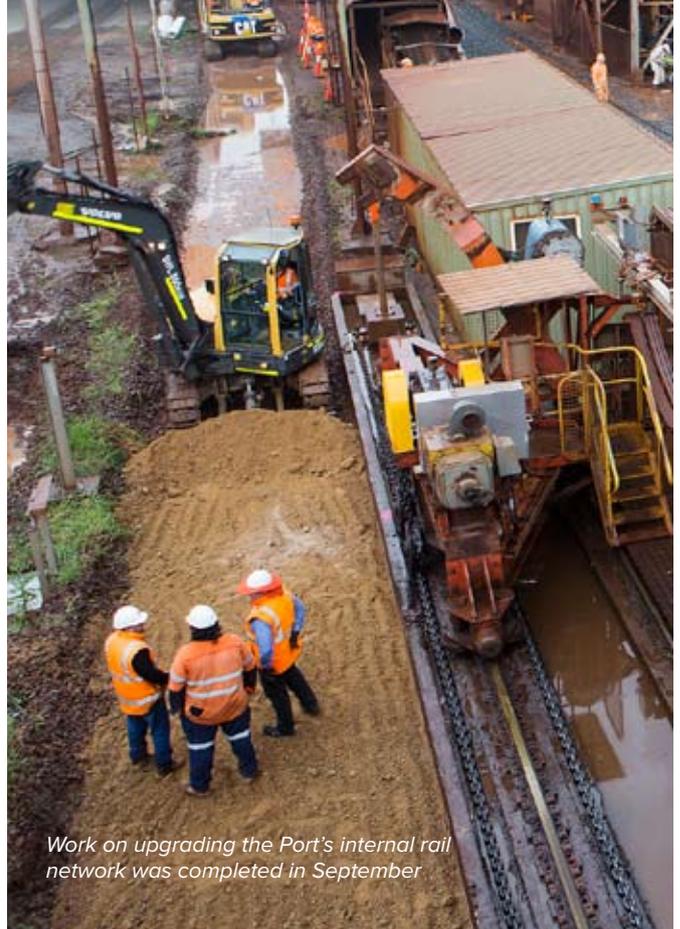
Despite the small trading loss, revenue for the year rose to a record \$69.225 million, which was more than \$12 million over the previous year's figure.

Expenditure, however, also rose significantly from \$58.920 million in 2011-12 to \$70.612 million this year, mainly as a result of the abnormal expenses and a program of upgrading and renewing infrastructure, plant and equipment.

The main sources of revenue for the year were from services provided by the Port, and from handling vessels and cargo.

Growth from vessel charges was driven by increased iron ore exports, sustained high berth two occupancy and increased pilotage charges.

Salaries and wages were up from \$14.071 million in 2011-12 to \$15.530 million this year, the increase attributable to an increase in the number of employees at the Port.



*Work on upgrading the Port's internal rail network was completed in September.*

# Shipping Milestones

**O**ne hundred and ninety-two trading vessels berthed at the Port during 2012-13, eight less than the previous year.

While the number was down, the total gross tonnage rose from more than 8.136 million tonnes to a record 9.106 million tonnes. This indicates the larger iron ore carriers, and sulphur and container ships visiting the Port.

Of the total, 68 vessels exported a record 11.04 million tonnes of iron ore; 51 carried 1.69 million tonnes of grain; 16 unloaded 94,090 tonnes of fertiliser; 12

discharged 308,559 tonnes of petroleum; and eight discharged 367,591 tonnes of sulphur.

The Shin Koho, which berthed in Esperance in March 2013, and loaded 176,301 tonnes of iron ore, was the largest vessel loaded for the year. The largest Gross Registered Tonnage (GRT) vessel to visit was the cape-sized iron ore carrier STX Orchid, which berthed in August 2012. She had a GRT of 95,047 tonnes.

For the record, the MV Cape Rose loaded 200,972 tonnes of iron ore for

Japan in November 2006. This was the first vessel to load more than 200,000 tonnes of cargo in Esperance.

The MV IVS Merlot loaded 73.500 tonnes of wheat for the Middle East in the same year, a record for this grain, and the MV Coronis was on her maiden voyage from China in 2006 when she loaded 66,000 tonnes of barley also for the Middle East.

The sister ships, MV Azul Integra and Azul Cielo, are the largest vessels to berth at the Esperance Port, both being 299.95 metres long and 50 metres wide.



*One of 68 Cape sized vessels that loaded iron ore during 2012-13*

# Tricky Problem, Creative Solution

**The discharge of a record 1903 containers from the Pontresina that sailed on Sunday, September 1, created an unusual problem for EPSL's Operations' staff, and resulted in a creative solution.**

With a hard-stand capacity of up to 1100 containers, it looked like the vessel would be delayed at the Port for some considerable time while the discharged containers were inspected and cleared by the Australian Quarantine Inspection Service (AQIS).

While this inspection was being carried out there was not enough space in the hard

stand area to continue discharging empty containers.

With the significant increase in container trade through the Port (more than 32,000 containers were exchanged during 2012-13), hard stand space is a problem that is being addressed. The Pontresina looked like being alongside for up to three to four days more than expected, and ships were queuing up in the bay.

However, some creative thinking by Port personnel working with its clients came up with an effective solution.

The Operations' stevedores discharged

full bays of empty containers from the ship at a time, creating the opportunity to then back load the same bays with full containers.

This operation had not been done before, and it took concentration and diligence from all involved to implement safely and effectively. It also saved a potential four days delay for the vessel.

AQIS inspections were then completed during the back loading providing space for the empty containers and for discharging operations to continue.



*Pontresina along side berth two*

## NEW BUSINESS ENQUIRIES

**A number of new trade enquiries were received during the year, ranging from woodchips to cold meat exports and liquid fertiliser imports.**

Defence Procurement is in preliminary discussions with EPSL regarding a proposal to export about 220,000 tonnes of bluegum logs a year in parcels of 22,000 tonnes for a period of between three and five years.

Sirius Resources approached EPSL regarding the future export of sulphide nickel and copper concentrate after announcing the discovery of nickel deposits in July 2012.

Their Nova-Bollinger tenements are located north of the Eyre Highway, 100 kilometres east of Norseman within the Fraser Range Joint Venture.

It is envisaged that the product may be trucked in containers and exported across berth two either directly in containers or via a "rotainer" system.

Defence Procurement is in preliminary discussions with EPSL regarding a proposal to export about 220,000 tonnes of logs a year for a period of between three and five years.

There are about 50,000 hectares of blue gums plantations within 100 km of the Esperance Port.

Numerous other trade enquiries were received during the year, ranging from woodchips to cold meat exports and liquid fertiliser imports. A small amount of liquid fertiliser has been imported through the Port. EPSL continues to take a strategic and planned approach to managing all new trade enquiries.

# MONITORING MARINE PESTS

**E** sperance Port is working with the Department of Fisheries to develop an early warning system to detect marine pests in local waters.

Pests can be transported by ballast water or on the hulls of visiting vessels.

Settlement trays and 'Opera House' crab traps will be strategically placed in the harbour, at Bandy Creek and the Taylor Street Jetty to provide habitat for potential pests.

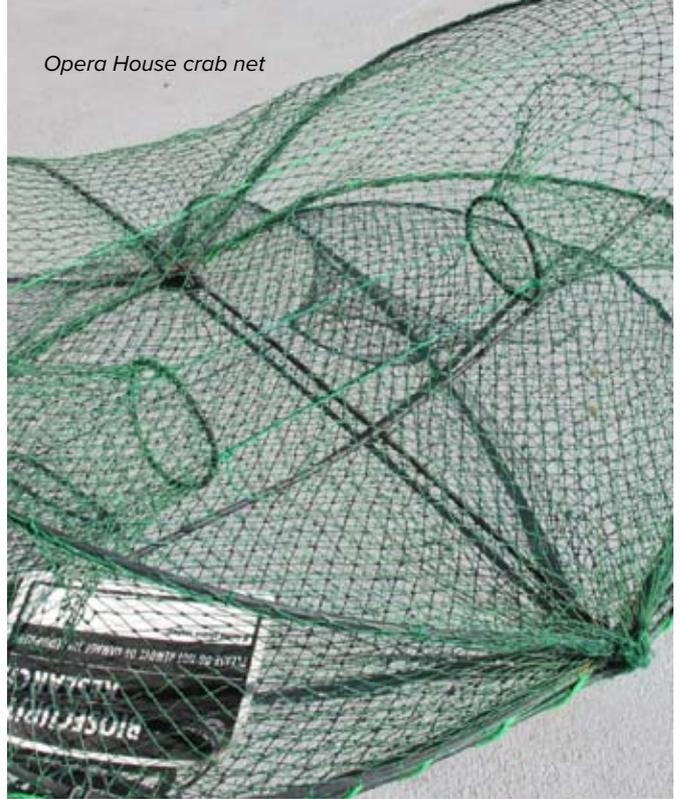
The trays and traps will be checked every three months and samples collected will be sent to taxonomists at the West Australian Museum to be identified.

Early detection of marine pests is critical for a successful eradication program.

This program supports the Port's role in proactively managing risks to the unique marine environment of the Recherche Archipelago.

The detection system is used at the Ports of Port Hedland, Dampier and Fremantle.

Opera House crab net



## Community Support Grows

**E** sperance Port provided about \$60,000 in sponsorship and donations to local organisations during the 2012-13 financial year.

EPSL's Sponsorship and Donations Policy support projects and initiatives that benefit the wider community.

The main benefactor this year was the Esperance Chamber of Commerce and Industry which received a total of \$11,347 for among other things the Chamber's annual Business Awards and the annual Over the Horizon Forum.

EPSL has been a member of the ECCI for many years and has provided financial and other support to maintain a viable local Chamber and assist with the viability of local businesses.

The Port continued to support the local Apex Club which undertakes weekly tours of the Port for local residents and visitors to the Esperance. This year's funding totalled \$10,920. The Port and Apex has a relationship that spans more than 10 years.

Sporting clubs in Esperance received more than \$16,000 during the year, and local arts groups \$9785, with the biennial

Festival of the Wind receiving \$5000.

Schools also benefitted from the sponsorship and donations program receiving total of \$3890, including \$2000 for the Wongutha CAPS School to enable students to participate in outdoor recreational work activities.

More than \$30,000 was provided to 14 other diverse community organisations, including the RFDS, Bush Fire Brigades, Esperance Aged Care Facility and Bay of Isles Community Outreach, all of which provide valuable community services in the town.



Esperance High School Year 9 students visit the Port

# African Visitors Impressed

**E** sperance Port recently hosted a visit by 14 African Government officials from five different nations.

They were members of a party of 42 from 16 countries that came to Australia to participate in a study tour organised by the University of Western Australia's International Mining for Development Centre.

The group was split into three sub groups that looked at mining and agriculture; taxation, financial management and public expenditure, and occupational, health and safety.

The mining and agriculture sub group visited the Port to look at the infrastructure used for the export of mining and agriculture products, and later talked to the Esperance Shire Council about the impact the handling of these products has on the local economy and services.

The purpose of the study tour was to strengthen the understanding of the framework governing Australia's mining industry to enable the officials to apply what they learnt in their own countries.



African visitors at the Port in August

## PORT PERSONALITY – TONY LEESON

**L**ivewire Port Electrical Supervisor Tony Leeson is a trouble-shooter.

At the Esperance Port he is in charge of a team that keeps the Port working 24/7/365 days a year. Without a reliable and constant power supply everything stops.

A day doesn't go by when his 20 years of experience and knowledge of the Port system isn't tested in one way or another.

His efforts in keeping things ticking over were recognised when he was named the Port's Employee of the Year in 2012.

Tony is also one of Esperance Port's many highly skilled and dedicated employees who provide essential services to the community.

In his case, he's a volunteer St John Advanced Ambulance Carer (AAC), a highly trained health care professional who is called on to respond to all types of medical emergencies, treat the sick and injured, administer advanced life saving support, and convey those patients requiring specialist treatment safely to hospital.

As an AAC he is also a trouble-shooter.

Tony has been involved with St John ambulance service since his years eight and nine at High School when he was

a cadet, and he became involved as an adult about five years ago when he realised someone with medical training was required at the local speedway and motocross.

These were his sporting interests, and participants who had a tendency to bang themselves up rather seriously when things go wrong on the race or bush track needed someone present to care for them.

He is now rostered on AAC duties five days, four nights and a weekend once a month, and is involved with a wide spectrum of the community health care: from the elderly to accident casualties.

And he continues to improve his knowledge and treatment of the sick and injured - two nights a month he works with others to advance his qualifications and become an assistant paramedic.

Tony's dedication to St John was recognised last Year when he was awarded St John's Community Paramedic Award for his "dedication, determination, tireless efforts, commitment and positive attitude." The citation added: "What you bring to St John is recognised and admired."



## What do you think ?

We are interested in your comments on this RePort, please send feedback through to **Esperance Ports Sea and Land:**

(08) 9072 3333    admin@epsl.com.au    PO Box 35, Esperance WA 6450  
www.epsl.com.au    www.epsl.com.au/map-port.asp

