



SOUTHERN PORTS AUTHORITY

Port of Esperance

MINUTES OF MEETING
SOUTHERN PORTS AUTHORITY, PORT OF ESPERANCE (SPA PoE)
PORT CONSULTATIVE COMMITTEE

Date:	Thursday, 27 October 2016	
Venue:	SPA PoE - Large Admin. Meeting Room Corner Bower Avenue and The Esplanade ESPERANCE	
Time:	16:05 hours	
Attendees:	Brett Thorp	Chamber of Commerce and Industry and PCC Chairman
	Nicolas Fertin	SPA – CEO
	Alan Byers	SPA - General Manager Ports, Port of Esperance (PoE)
	Alex Leonard	SPA PoE – Environmental Manager
	Debbie Storm	SPA PoE – Executive Officer
	Shayne Flanagan	Goldfields Esperance Development Commission – Chief Executive Officer (CEO)
	Terry Sargent	Shire of Esperance – Director External Services (and Acting CEO)
	Kevin Hall	Shire of Esperance – Shire Councillor
	Wayne Halliday	Tourism Esperance
	Anna Morcombe	Local Environmental Action Forum (LEAF)
	John Richardson	Esperance - WA Farmers Federation (WAFF) and Locals for Esperance Development (LED)
	Christiane Smith	Representing Graham Jacobs – Member for Eyre <i>(joined meeting at 16:10 hours)</i>
Apologies:	Phil Chalmer	Southern Ports Authority (SPA) – Director
	Matthew Scott	Shire of Esperance – CEO
	Basil Parker	Shire of Esperance – Shire Councillor
	Dr Graham Jacobs	Member for Eyre

1. Opening

The meeting was opened and Attendees were welcomed to the meeting by Brett Thorp as Chair of the SPA PoE Port Consultative Committee (PCC). Brett Thorp introduced Terry Sargent as the Shire of Esperance – Acting CEO during Matthew Scott's absence on leave.

Apologies:

Apologies were noted.

Pecuniary Interests:

Brett Thorp called for a declaration of pecuniary interests by Attendees. He reminded Attendees that information discussed at these meetings was confidential and not to be discussed with the Media, with any media enquiries or press releases to be handled by the SPA PoE PCC Chairman.

Minutes of Meeting:

The Minutes of the PCC meeting held Wednesday, 24 August 2016 were unanimously adopted, with the exception that the adoption of Amendments to the SPA PoE Charter had not been captured in the Minutes.

Amendments to Charter

For good order, the proposed amendments to the SPA PoE PCC Charter as presented at the Wednesday, 24 August 2016 meeting were unanimously adopted at the Thursday, 27 October 2016 meeting. The amended SPA PoE PCC Charter will now require ratification by the SPA Board of Directors.

2. Galaxy Resources (GR) – Mt Cattlin Spodumene (Lithium)

Alex Leonard provided an update on the proposal by GR (who acquired General Mining) to export spodumene through the SPA PoE.

The Department of Environmental Regulation (DER) has approved the trial export of spodumene through the Port, subject to stringent product quality testing on its mica content. The DER will allow a Mica content of 7.25% initially, but will require this to reduce to less than 5% shortly thereafter. Respirable dust must be less than 1%.

Alex Leonard will be travelling to the Mt Cattlin mine shortly to view the Mica removal plant and check on product testing being conducted by GR, prior to the first shipment anticipated in December 2016.

Alan Byers advised that GR has appointed Qube as its Mine to Port Logistics Provider, including stevedoring arrangements at the Port using its rotating container technology (RCT) and SPA PoE's Berth Two crane.

Bulk product will be delivered to the Port using trucks and (covered) end tippers, although side tippers may be used in the future. Product will initially be unloaded into Shed 6, from where it will be reloaded into half-height containers (HHC). The HHCs will then be used to transport the product to the vessel and unloaded by the RCT. The methodology adopted is more cost effective than trucking (full) HHCs from the minesite to the Port, primarily due to the number of HHCs required to be used.

Brett Thorp spoke on the previous proposal by GR to export spodumene, which did not eventuate due to the high mica content in the product and indicated that he felt comfortable with the proposed storage and loading of the product into HHCs within a shed, and export using the RCT.

3. Southern Pacific Fibre (SPF) - Woodchips

A short DVD (taken utilising drone technology) was shown of the recent woodchip shiploading activity on Berth One, utilising SPF's new shiploader. It took seven (7) days to load the vessel, resulting in a good compaction rate of the woodchips.

The product loaded was dryer than initially anticipated. A discussion was held on the application of water to the product to reduce dust. To minimise dust exposure, skirts will be placed on the conveyor connection points for the next shipment due in November 2016. Alex Leonard confirmed there were no dust or noise exceedances during the shiploading activity.

SPF has been in discussion with CBH and will not undertake a shipment during the peak grain harvest period.

It is anticipated that SPF will have sufficient product to continue export for a period of five (5) to seven (7) years.

4. Update on Independence Group (IGO) and use of Rotating Container Technology

Indications are that export of the nickel and copper from IGO's Nova Mine is on schedule. The first 10,000 tonne nickel shipment is scheduled to be exported in January 2017, to be followed by a 5,000 tonne copper shipment. Qube has been appointed by IGO as its Mine to Port Logistics Provider, again using RCT.

A discussion was held on 50% of the nickel from the Nova Mine being sent to the Kalgoorlie Nickel Smelter. Once this commences, the BHP Billiton Nickel West will cease importing nickel from Brazil to keep the facility viable.

5. Dust Monitoring Results

Alex Leonard advised that no dust exceedances had occurred in recent months, assisted by the wet weather conditions.

The Port is currently monitoring for lithium, and has established a good baseline, prior to the commencement of export of spodumene.

The licence amendment allowing the upgrade to the SPA PoE's Dust Monitoring Equipment has been postponed by the DER pending the outcome of the new Operating Licence. The Port is hiring equipment at present, until DER is ready to approve the amendment.

6. Media Articles

Alan Byers and Nicolas Fertin spoke on recent articles appearing in the media, being:

- *Container Grain from Esperance – 7 September 2016 – The West Australian (Business)*
- *Grower options opened – 14 September 2016 – Esperance Express*

These articles refer to potential export of grain in containers through Port of Esperance.

- *Nickel trade down at port on otherwise solid profit result – 3 October 2016 – Kalgoorlie Miner*
- *Forestry exports drive SPA results / SPA posts consecutive record volumes – 14 October 2016 – ABC South West WA Regional News*
- *Local port celebrates record year – 14 October 2016 – Esperance Express*
- *Sound returns for port authority in trying conditions – 19 October 2016 – Lloyd's List Australia*

These articles relate to SPA 2015-16 financial year end results. Alan Byers spoke on the award of the SPA Ports of Esperance and Bunbury Towage Tender to local Esperance service providers, Mackenzie Marine and Towage (MMT). Approx. 60 tenders were received for this contract. Nicolas Fertin spoke on the \$2 million cost savings achieved on behalf of its Customers and the use of new tugs at the Port of Bunbury.

- *Tommy Windich's grave confirmed – 19 October 2016 – Esperance Express*

Alan Byers spoke on the location of Tommy Windich's grave site approximately 20 metres east of the previously known site. A SPA PoE Employee located what is believed to be the base of the headstone while clearing away bushland in the region. The headstone is located at the Esperance Museum. He outlined some of the (improvement) work being undertaken in the area around Tommy Windich's grave site, including drainage, removal of non-native plants, erecting of a viewing platform and placement of sand taken from Tommy Windich's homeland area to his gravesite.

The Port recognises the significance of this gravesite to WA. In February 2017 an unveiling ceremony will take place of the gravesite.

- *Harvest 2016 kicks off – 21 October 2016 – Esperance Express*

CBH were originally forecasting a 2.5 million tonne harvest of grain for the 2016/17 season, however frost has affected crops in the Salmon Gums region and many coastal farms have been affected by too much rain. It is anticipated that the season will yield 2 million tonnes of grain.

A discussion was held on 2015/16 grain still held in storage due to global surplus of grain which has resulted in very low prices for Australian grain.

It was noted that farmers are delivering grain direct to the Port or Shark Lake Industrial Park to avoid over capacity at the various bins.

- *Galaxy to ship spodumene through port of Esperance – 27 October 2016 – Kalgoorlie Miner*

Already discussed.

7. Other Business

- *Hughes Road* – Alan Byers spoke on Stage Two work being undertaken by the Port on Hughes Road, following completion of Stage One. Work on the remaining section of road will be undertaken in two parts. SPA PoE is in discussion with CBH and Summit Fertilizers on a change in traffic flow which will make Hughes Road one way traffic. Loaded trucks would travel through land currently leased to CBH with empty trucks exiting via Hughes Road. This will reduce noise and improve safety within the Port precinct. A queuing section will be designed for CBH grain trucks. Summit Fertilisers will need to alter their traffic flow also.
- Shayne Flanagan congratulated the Port on the significant successes it has achieved in enabling facilitation of trade to occur, through innovative solutions. Shayne Flanagan advised that Mineral Resources are currently in discussion with GEDC on their export options.
- *First Quantum Minerals (FQM)* – In response to a query raised by Shayne Flanagan, Alan Byers advised that negotiations with FQM have progressed, and the Port anticipates receiving a shipment of containers from them shortly. The Port has a good relationship with FQM, albeit it has been dealing with old contract issues, which are close to being finalised.

Meeting Closed: 16:45 hours

Date of Next Meeting: Wednesday, 21 December 2016
Time: 17:00 hours