



## ENCLOSED ORE SYSTEM To Handle Exports Boost

The construction of a new \$14 million, 300 000 tonne capacity shed to handle increased iron ore exports from Portman Mining's Koolyanobbing mine will increase storage capacity at the Port and maintain Esperance's status as being the only harbour in the world with a fully enclosed iron ore handling system.

Construction of the new shed, to be located adjacent to the existing 300 000 tonne ore storage shed on the Port reclamation area, is scheduled to commence in February 2005 – subject to receiving the necessary regulatory approvals from the Department of Environment.

With construction expected to take at least five months and, subsequently, activity within the Port increasing, the local economy is expected to receive a boost through both growth in direct employment and associated increased economic activity.

Portman Mining recently announced a \$55 million expansion of its Koolyanobbing operations to increase

production from five million tonnes to eight million tonnes per year – about six times the amount when iron ore exports started from Esperance 10 years ago.

Production from the Portman Mining operations, west of Kalgoorlie, are planned to increase from January 2005 with an interim production upgrade to six million tonnes a year. The new long-term production rate of eight million tonnes per year is expected to be achieved by the last quarter of 2005.

Esperance Port Chief Executive Officer Colin Stewart said a workforce of up to 70 was expected to be onsite for the five-month construction phase at the Port, injecting extra spending in local goods and services purchases. Longer

term, he said, the increased iron ore shipments were expected to boost jobs at the Port Authority from the current 65 to about 90.

Mr Stewart said the existing loading berth and facilities would more than adequately meet the increased tonnages of iron ore and number of ships moving through the Port.

"During 2003-2004, 48 iron ore vessels exported some 5.1 million tonnes of iron ore from the Port," Mr Stewart said. "It is expected that from 2005 the number of vessels visiting Esperance will rise by 25 to 30, to a total of 80 a year. They will primarily be the larger Cape Class vessels, each capable of carrying up to 150,000 tonnes of ore.

"The visiting ships will also create some more local spending by visiting crews."

The expected mine-life at Koolyanobbing is about 13 years, with iron exports through Esperance expected to cease in about 2018.

### CHAIRMAN'S REPORT

While Esperance may be a long way from China, we are not so isolated from China's booming economy. An economy whose current requirement for resources has resulted in an unprecedented level of enquiries at the Port recently.

The most obvious impact has been with Portman, which is working flat out to lift its iron ore exports to China.

A number of smaller operators are also evaluating export opportunities to China, one of which is Lynas Corporation.

Lynas control the Mount Weld rare earth deposit just south of Laverton, which CSBP were originally planning to develop as a phosphate mine back in the 1970s and 1980s.

However, it is the rare earths contained in the deposit that are likely to be exported to China. Rare earth can be best described as a variety of elements that are part and parcel of today's modern technology. They are used for the colours

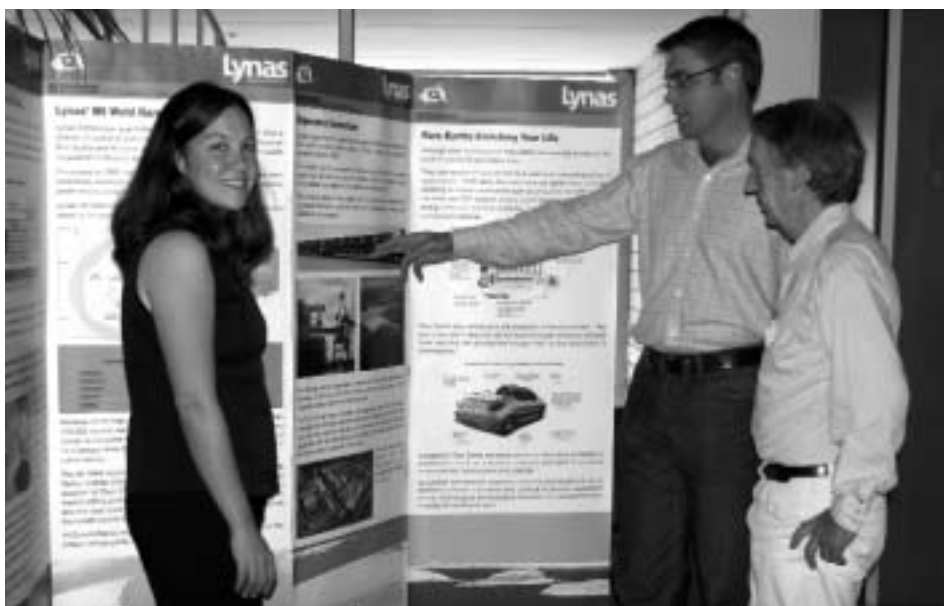
in TV screens, the hardening of glass in vehicle windscreens, miniaturisation technology and many other applications within the IT and electronics industry.

While we are expecting an increase in activity at the Port we will ensure that community and stakeholder consultation, strict environmental controls, the use of the world's only fully enclosed iron ore handling system and a dedicated focus on safety and security remain at the forefront of any planning that we undertake.

**Richard Nulsen**

# PORT LOOKS AT RARE EARTH PROPOSAL

More than 30 people took the opportunity on Saturday, November 27, to learn about a proposal by Lynas Corporation to ship up to 125,000 tonnes annually of Rare Earth ores through the Esperance Port from late 2005.



*Esperance Port Authority Environmental Consultant Shelley Grasty, together with Lynas representatives Mike Vaisey (Project Director) and Rob Duncan (Project Geologist) inspect the displays at the Rare Earth Open Day*

The Port Information Day was organised to allow Esperance residents the opportunity to learn more about the proposed project and to discuss any concerns they might have had with both Port Authority and Lynas staff.

Lynas Corporation owns the richest deposit of rare earths in the world,

located at Mt Weld, 35 km south of Laverton in the Northern Goldfields.

Rare Earths are a group of 15 elements which are used to produce such things as fuel cells, plasma display panels, X-ray screens, batteries, catalytic converters for cars and magnets for electric motors.

They are higher in natural levels of radioactivity than the average rocks and soils found in the Earth's crust but are safe when handled correctly.

Lynas plans to truck the product to Leonora and rail it to Esperance on existing rail services where it will be stockpiled before being shipped to China for processing.

Esperance Port Authority CEO Colin Stewart said the Port would develop a management plan that would control the stockpiling and loading of the Rare Earth ores at the Port. Before any agreement with Lynas was made, the Port Authority wanted to consult with its employees and the community.

"Our main issue in handling this material is to control the workers' exposure to dust," Mr Stewart said. "The high standards we have established for handling iron ore at the Port will be applied to the handling of the Rare Earth ores.

"It is important to note that Rare Earth ores are a natural product mined directly from the earth and the low levels of radiation are due to the natural elements present in the ground."

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**Esperance Port Authority has taken delivery of a new 'jet powered' \$150,000 Port Support Vessel, nicknamed the "Work Cat".**

Built in Henderson by Alucraft Boats Pty, the vessel will be used for a range of tasks including assisting as a lines boat to moor berthing ships and for general duties around the harbour.

The new craft was based on an existing design but has been modified to suit the working conditions at Esperance.

The vessel, with a top speed of 23.5 knots and a cruising speed of 21.5 knots, will replace the 38-year timber pilot boat retired earlier in the year.

Harbourmaster Captain Ian Harrod said the replaced timber pilot boat will now be part of an exhibit at the Esperance Museum.

"The new Port Support Vessel will enhance what we can do out on the water and we have already been able to undertake a number of tasks that may not have been possible or as easy to do with the old boat," Captain Harrod said.



*Harbour Master Ian Harrod and Deputy Harbour Master David Jones aboard the Port's new Work Cat*

# ORE TRAINS TO BOOST LOADS but not numbers

Portman Mining's plans to expand its export tonnages to eight million tonnes a year will lead to a significant increase in the iron ore being transported by rail to Esperance from the mine site at Koolyanobbing.

While the extra tonnage will also lead to an increase in the number of ships passing through the port from 48 to 80 per annum, the number of trains entering the Port will be maintained at current levels.

The eighteen trains per week required to move the ore – the number which has operated since the beginning of 2002 when exports rose to four million tonnes per year – will be maintained.

The increased ore will be handled by longer trains and with each wagon carrying extra tonnages.

Ore trains currently have about 84 wagons. This will be increased to up to 120 wagons per train.

Trains are currently split at the Esperance marshalling yard and brought into the Port in two sections. This practice will continue.

Train movements at night will not increase and the current train schedule will not change.

Esperance Port Authority CEO Colin Stewart said: "Australian Railroad Group (ARG) is to be commended for the increase in their efficiency over the past two years, allowing the Port to receive more tonnages without an increase to rail schedules. The longer trains will mean an extra delay at crossings of about 30 seconds."

The Esperance Port Authority has been actively working with ARG to

assist in managing train movements within Esperance. Outcomes to date include:

- The port and ARG have signed an operating protocol covering rail movements within Esperance.
- All local drivers have been trained in the correct driving methods to minimise noise.
- The Port has set up a complaints procedure to investigate and address noise complaints quickly.
- All locomotives currently in use between the rail yards and the port are the quieter "Q" class locomotives.

Mr Stewart said the Port would work with the rail operator to ensure that local trains continued to operate with minimum impact on the community.

## PORT PEOPLE : First Security Manager Appointed

John Stuart has been appointed to the newly created position of Inductions and Security Services Manager at the Esperance Port Authority. The position was introduced as part of a security upgrade program to bring Esperance into line with new Federal maritime transport security provisions.

The upgrades, which cover ship's agents, stevedores, cargo owners, transport companies and other third parties that access Port facilities, ensure that Esperance has security provisions in line with international maritime standards which became law on July 1 this year.

Compliance with the new standards was also necessary to permit vessels to use Australian ports when transferring goods to the US and other locations overseas, as part of global anti-terrorism measures.

Before undertaking the new job, John (aged 50) had worked for the Port Authority in a variety of roles over the past 22 years, ranging from general hand to stevedoring. He came to Esperance from South Australia with his farming parents in 1957.

John's extended family with his partner Shirley include three grown sons and two daughters from a previous marriage who now live outside of Esperance. Outside work, he enjoys fishing but says most of his spare time is taken up with their 5-acre plot of land on the outskirts of town.

"Having lived in Esperance for over 45 years, I have seen a lot of changes — not just in the town but also at the Port," John said.

"As a young fella I used to roam around the Port area but since then a lot has changed with safety and security demands.

"Esperance was a small town when we arrived but has not stopped growing since then. I love living in Esperance and could not imagine being anywhere else. It is far enough away from Perth but close enough to get there should I need to."



John Stuart, the Port Authority's new Security Manager

As part of his new job, John is responsible for the induction and issuing of security passes for all personnel entering the Port, including liaison with the crews of ships calling at Esperance. Since July, the Port Authority has conducted over 1,000 security inductions.

The security upgrade program at Esperance has included:

- Installation of site-wide security cameras.
- Photographic identification for all port users.
- 24 hour-a-day security arrangements on site.

# RESEARCH TEAM GIVES MARINE ENVIRONMENT Thumbs Up

An international marine biology research team has found the waters around Esperance to be in very good condition.

The 28 marine biologists from seven countries worked over 17 days earlier this year at the *Twelfth International Marine Biological Workshop: The Marine Flora and Fauna of Esperance, Western Australia*. During the workshop, scientists from USA, China, Thailand, Singapore, Germany, UK and Australia, researched marine plants and animals and explored beaches, rocky shores, sea grass beds and other marine habitats around Esperance.

The research undertaken significantly increased scientific knowledge of the Recherche Archipelago and Esperance Bay. The last major survey of the marine region was undertaken in 1950 by the Australian Geographical Society when a total of 55 species of marine algae (or seaweeds) were recorded. The latest findings revealed that 260 separate species, including a number of new species not recorded previously, exist in Esperance waters. The number of molluscs recorded in the area increased from 157 to 293, with more new species discovered.

Dr Fred Wells, Senior Curator of Aquatic Zoology at the WA Museum, said that the research team found Esperance waters to be healthy and clean and supporting an impressive variety of marine life around both the bay and the Recherche Archipelago.

"The number of people in the marine environment down there is small and while there's no heavy industry, there is the Port. Once you get out of Esperance Bay you'd be battling to find any effect from humans upon the marine environment," Dr Wells said. "If you're talking about water quality, in general that's very good."

He said the international scientists had gone back to their home institutions to study the materials. To date some 14 papers had been submitted as a result of the marine research at Esperance. These would be reviewed and were expected to be published by the end of next year.

An article in a WA Museum newsletter said: "The Esperance coastline has long, clean beaches of white sand which shimmer in the sun and squeak when you walk on them. Majestic headlands extend into the sea...Imagine...what scientists from heavily populated countries of China and Thailand thought as they saw the unspoiled coast and wide-open spaces of Cape LeGrand National Park."

Dr Wells said the Esperance research workshop received considerable assistance from a number of people and businesses in the Esperance area, all of which was highly appreciated. They included Outokumpu (Black Swan Nickel Pty Ltd), and Alan and Joy Longbottom together with their staff at The Blue Waters Lodge.



*Waters off the coast of Esperance photographed during study (Photo courtesy of WA Museum)*

## HISTORIC MONTH'S TRADE

Esperance recorded a historic milestone in August when trade through the Port exceeded one million tonnes for a month for the first time.

Port Authority Corporate Services Manager, Bill Cutten said: "While shipments have been increasing steadily for years, August tonnages were unusual. Average monthly exports are usually around half a million tonnes."

August's shipments included:

- 731,000 tonnes of iron ore
- 215,000 tonnes of grain
- 39,000 tonnes of nickel
- 57,000 tonnes of petroleum products.

Shipments from the Esperance Port have increased steadily since iron ore exports were introduced in 1993-94. Before 1994 the annual trade figures for the year exceed one million tonnes on only two previous occasions. During 2003-04 the total trade through the Port was more than 7.2 million tonnes.

These figures will rise further following Portman Mining's recent announcement that it will increase its iron ore exports to eight million tonnes a year from the end of 2005.

A further significant rise is expected when sulphur and nickel hydroxide is shipped through the port in 2006 following the start of the Ravensthorpe Nickel Project.

## TALK TO US

We encourage feedback from our local community. For further information or queries, please contact the Esperance Port Authority Chief Executive Officer, Colin Stewart on:

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