



SOUTHERN PORTS AUTHORITY

Port of Esperance

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

Date:	Wednesday, 4 November 2015	
Venue:	SPA PoE - Large Admin. Meeting Room Corner Bower Avenue and The Esplanade ESPERANCE	
Time:	18:35 hours	
Attendees:	Brett Thorp	Chamber of Commerce and Industry (Chairman)
	Phil Chalmer	Southern Ports Authority (SPA) - Director
	Nicolas Fertin	SPA – Chief Executive Officer (CEO)
	Neil Pearson	SPA PoE – A/General Manager Ports (GMP) / General Manager Operations.
	Alex Leonard	SPA PoE – Environmental Manager
	Debbie Storm	SPA PoE – Executive Officer
	Matthew Scott	Shire of Esperance – CEO
	Shayne Flanagan	Goldfields Esperance Development Commission (GEDC) – CEO
	Lindy Shipard	Local Environmental Action Forum (LEAF)
	Wayne Halliday	Tourism Esperance
	John Richardson	Esperance - WA Farmers Federation (WAFF) and Locals for Esperance Development (LED)
	Michelle Crisp	LED
	Clarrie Green	Department of Environment and Regulation (DER)
	Dr Graham Jacobs	Member for Eyre (<i>from 18:55 hours to 20:20 hours</i>)
Apologies:	Phillip Jeffries	DER
Guests:	Geoffrey Wedgwood	Mineral Resources Limited (MRL) – Group Manager Internal / External Affairs
	David Geraghty	Process Minerals International (PMI) – Executive General Manager
	Dominic Wong	PMI - Rolling Stock Manager

1. Opening

The meeting was opened and Attendees were welcomed to the meeting by Brett Thorp as Chairman of the SPA PoE Port Consultative Committee (PCC).

Matthew Scott advised that Shire Council elections have been held recently. The new Shire Council is yet to elect its Representatives on the PCC from the Council.

Brett Thorp spoke on the conduct of Members and their Representatives within the PCC. He reminded Attendees of correct protocol, that if anyone has a particular issue it should be brought to the attention of the PCC first, rather than through the media or through Government. Representatives are free to call Nicolas Fertin, Brett Thorp or Shayne Flanagan to discuss an issue or a meeting can be convened with the full PCC if an issue concerns the Community. Media statements on behalf of the PCC need to be made through the Chairman.

Brett Thorp spoke on the recent passing of Ron Taylor who was a valued member of the Community and the PCC Representative for LEAF. He placed a Condolences Notice in the Esperance Express on behalf of the PCC.

Nicolas Fertin spoke on the Port Authorities Act 1999 under which the PCC is defined and the PCC meeting scheduled for Thursday, 15 October 2015 at 18:30 hours which was cancelled at very short notice due to the last minute unavailability of Attendees. MRL/PMI was to have presented at that meeting.

2. Pecuniary Interests

In response to Brett Thorp calling for a declaration of pecuniary interests by Attendees, Phil Chalmer advised of his interest in woodchips and blue gum trees in Esperance. No other pecuniary interests were declared.

3. Charter for PCC

Attendees confirmed receipt of an Email dated Tuesday, 3 November 2015 which contained an amended Charter. A discussion was held on various queries, and changes proposed, including:

Clause 2 – Role and Responsibilities

Clarification was sought on what would be construed as “confidential” information. A discussion was held and Brett Thorp indicated that this point would be raised at each meeting to clarify what information was considered as confidential to the PCC and not for outside dissemination.

Clause 3 – Terms of Reference

It was agreed to include the words “*or other methods of dissemination as deemed appropriate*” at the end of Clause 3.9 – “Discuss methods of dissemination of information Website”.

Clause 4 – Membership

In response to a query by Shayne Flanagan, Nicolas Fertin confirmed that the inclusion of “*The Chairman cannot have been employed or contracted by SPA in the previous two years of their appointment*” does not apply to the appointment of the Deputy Chair. It also does not preclude the Deputy Chair from assuming the role of Chairman at a PCC meeting, if the Chairman is unavailable.

A discussion was held on the number of Members of the PCC and the difference between Members and Representatives. It was noted that there are a maximum of 12 Members of the PCC. Each Member is represented by a Delegate and a Deputy Delegate (referred to as Representatives). The Shire of Esperance is represented by the CEO and a Councillor, in compliance with legislation. The Port has more than one Representative. Each Member has one vote, irrespective of the number of Representatives present at a meeting.

Debbie Storm was asked to amend the Charter to ensure the terminology “Member” and “Representative” is distinguishable. The amended Charter is then to be recirculated.

4. Presentation by Mineral Resources Limited

MRL/PMI joined the meeting at 18:50 hours

Two slideshow presentations were given by MRL/PMI. Hard copies of these presentations were given to each Attendee, with a request by MRL/PMI that the presentations are not posted on the Port’s Website.

Iron Ore Export Options

Geoffrey Wedgwood provided background information on MRL and their existing export operations through the Kwinana Bulk Terminal 2 (KBT2). It was noted that MRL exports from an open stockpile at KBT2 and have done so for four years without incident. There are nine air quality monitoring stations at this location.

MRL is interested in exporting up to a maximum of 5.6 million tonnes per annum through PoE. This is due to the ability of Cape Class Vessels to berth in Esperance, which will provide MRL with cost savings. MRL is in the process of obtaining the necessary approvals to export through Esperance and outlined two options being examined.

MRL is in negotiation with Brookfield Rail for rail access. It already has its own rolling stock and for Option One is in discussion with CBH to build a Bottom Car Dumper on CBH's leased land at the Port. Bottom Dump Wagons (BDWs) are quicker at unloading iron ore than the rotary dumping as used in Esperance. BDWs are not used in the Pilbara due to mud in the wet season making operation of these wagons hazardous.

Nicolas Fertin was asked to comment on negotiations between MRL and the Port's existing iron ore customer, Cliffs Asia Pacific Iron Ore, to which he advised that the Port still need to further discussions on the Options with MRL.

MRL indicated that it was early days, and their objective was to talk to the PCC early in negotiations. The iron ore product to be exported is a single grade of coarse fines, no lump. It is a coarser product than the fines currently exported through Esperance. The stockpile of product at PoE is envisaged to be 300,000 tonnes, but would be determined by the storage available at the Port.

Noise Modelling was undertaken through Lloyd George Acoustics on both options proposed. One option passed the current criteria while further site testing and potential development of noise controls are required on the other option before it could be considered compliant.

A question was raised on whether Option Two (balloon loop) would interfere with future development of the Port, as it proposes using the reclaim area near Berth 3. Nicolas Fertin reiterated that the Port was still in discussion with MRL on the Options proposed.

Lithium Concentrate Export Options

MRL is the operator of the Mt Marion Lithium Project and a (30%) Joint Venture Partner with Jiangxi Ganfeng Lithium Co Ltd (25%) and NEO Metals (45%). An Off-Take Agreement has been entered into with Jiangxi Ganfeng Lithium Co Ltd for 100% of the production from the mine.

It was noted that 200,000 tonnes of Lithium Concentrate (Spodumene) is proposed to be exported through SPA PoE. Export of the product would involve six trucks per day, and one ship a month.

In respond to queries raised, it was noted that the Mt Marion Spodumene differs to that from the Mt Cattlin mine. The Spodumene at both locations contains Silica. However, the Mt Cattlin product contains Lepidolite (Mica) and is crushed to a much smaller size, being approx. 1.5 mm. Mica is very airborne due to its shape and weight. In contrast the Mt Marion Spodumene does not contain Lepidolite and is crushed to a minimum size of 5 mm (similar in texture to blue metal). No chemicals are added during separation.

A discussion was held on three export options proposed through PoE, including Option C – which was an open stockpile near Shed 6 and export using a temporary shiploader over Berth 1. A discussion was held on each of the Options proposed.

Attendees advised that the expectation of the Community is that no open stockpile of product would be allowed at the Port, given the close proximity of the town, previous history and strong onshore winds. There would be strong opposition to Option C – Open Stockpile concept. A discussion was held on whether sea containers were a viable alternative. If not, it would be the Community's expectation that the product would be contained in a shed and exported through an enclosed circuit to the vessel. The possibility of using rotainer technology was raised.

Geoff Wedgwood was asked whether the Spodumene could oxidise. He does not believe this to be the case, as it is not brine sourced lithium, but will advise.

In response to queries raised, it was noted that:

- o No special safety training was required to handle Spodumene at the Port, given the product does not contain Mica.
- o Side-tipper trucks, which have a hydraulic lid, are proposed to be used.
- o The product does not produce a hazardous waste, and as such there is no danger that any such hazardous waste will need to be returned to Esperance.
- o Loaders may be required to be used, depending on the export option selected.
- o No Community Consultation has taken place at present, as MRL/PMI need to consolidate their export plan. However, they have met with the Shire of Esperance, ECCI and GEDC.
- o Alex Leonard advised that dust monitoring for Silica may be required to be undertaken.

MRL were requested to provide Material Safety Data Sheets (MSDSs) on both of the products to be exported (Iron Ore and Spodumene) for circulation to the PCC.

Any further queries from PCC Members are to be directed to Debbie Storm, who will forward these to MRL for a response, and circulated to the full PCC.

Clarrie Green indicated that as Spodumene was a different product through the Port, an application will need to be made for a license amendment, which will require Public Consultation. This is not the case with iron ore, as the Port is already exporting this product.

MRL/PMI left the meeting at this point (20:05 hours).

5. Retainer Assessment

A presentation was given by Neil Pearson which included photos taken during the assessment of retainer technology by the Port. Brett Thorp had accompanied the Port to Flinders Ports, Adelaide and Mid West Ports, Geraldton as the PCC Chairman. Following the assessment, the Port has developed a stringent Operating Procedure, which will be utilised for any trial held in Esperance. A discussion was held on how the retainer and misting systems operation.

It was noted that:

- The lid of the retainer is not removed, nor the product tipped into the hold of the vessel, until the unit is located well below the level of the ship's hold, and close to the top of the stockpile;
- The lid of the retainer was replaced before the unit was removed from the ship's hold;
- Because of the density of the product, the vessel is only filled to approx. one third capacity, therefore there is minimal displacement of air within the hold of the vessel; and
- The misting system used is very effective in suppressing the dust in the hold.

Concern was expressed by Attendees that the wind in Esperance could create significant dust issues even with the use of this technology. Attendees noted that the Port's Wind Arc Protocol could be utilised if required. However, the critical factor is that dust would need to be able to escape from the ship's hold before it would be affected by any wind factors. The basis of the retainer technology and misting system being proposed is that dust does not escape the vessel's hold.

A discussion was held on the next steps to be undertaken, should approval be given by the DER to trial this technology. Ambient background data is available for comparative purposes.

Michelle Crisp also queried whether the nickel emissions would be compliant to the WHO guideline on nickel exposure. Alex Leonard responded by indicating that if the PM10 (respirable dust <10um) was measured, which is what the WHO guideline is meant to be applied to, not total dust (TSP) which is how the Port currently measures nickel concentrations, then there is a good chance of exposure being under the WHO guideline.

Michelle Crisp expressed concern that the trial of rotainer technology at the Port would set precedence for it to be introduced on a permanent basis. She requested raw data on concentrations of nickel be provided by the Port on its website, and Real Time Monitoring be undertaken during the trial.

Alex Leonard indicated that the raw data on concentrations of nickel should already be on the website. Note: It was later confirmed the raw data was already on the Port's Website and that the design of the Website may need attention to aid navigation.

Nicolas Fertin assured the PCC that the trial would be held under very controlled criteria, and in as many wind conditions as possible, but no commitment will be given by the Port for its continued use.

6. Dust Monitoring Results

A discussion was held on the Dust Monitoring Results since the last PCC meeting. It was noted that the Port had reported two (2) dust exceedances to the DER, both relating to grain dust from CBH operations. The Port met with CBH recently to discuss grain dust issues, as well as noise. CBH is now looking to trial the use of a mineral oil on grain to suppress dust, as the fogging system proved to be ineffective.

A discussion was held on the treatment of grain as a 'prescribed product' by the DER, which may necessitate a licence being issued to CBH in the future to enable export of this product.

7. Noise Emission Action Plan

Alex Leonard outlined the Port's Noise Emission Action Plan. The previous strategy adopted was to purchase property close to the Port, to provide a noise buffer zone. PoE is now looking at the source of the noise within the Port and looking into possible engineered noise controls, such as the enclosure of Iron Ore Transfer Tower TT02 and installation of silencers on dust extraction fans. A cost-benefit analysis is being re-conducted using the Port's new noise model to determine if engineered noise reduction is both practical and effective.

A discussion was held on the introduction by the Shire of Esperance of a Noise Attenuation Policy on properties located in close proximity to the Port. Matthew Scott indicated that this was problematic, not the least being who would compensate property owners for the introduction of this measure.

8. Other Business

• Timing of future PCC Meetings

A discussion was held on the timing of future PCC meetings, both length of meeting times and the time held. Attendees generally considered that the 18:30 hours meeting time was too late, for a variety of reasons. It was noted that Michelle Crisp was not able to attend the PCC meetings before 18:30 hours, due to work commitments. Michelle Crisp indicated that a Representative from LED would attend the meetings in her stead and report back to the Group.

It was agreed to trial meetings being held at 17:00 hours for a maximum duration of one (1) hour. Meetings would be held more frequently, with the agenda to include General Business and a maximum of two (2) specific topics.

Nicolas Fertin offered to meet with any of the PCC Representatives, outside of the PCC forum, should this be required.

• Hazardous Waste through SPA PoE

In response to a query raised, Nicolas Fertin advised that the Port had not been approached to handle hazardous waste material through SPA PoE. Shayne Flanagan indicated that discussions had been held between the Shire of Leonora and the GEDC on this topic, but this did not involve the Port. Matthew Scott advised that the Shire of Esperance has not approved for any such material to be transported through Esperance.

- **General Manager Ports (GMP), Port of Esperance**
Nicolas Fertin advised that Alan Byers has been appointed as GMP for SPA PoE.
- **50 Year Anniversary of the Opening of Berth 1**
It was noted that SPA PoE will be celebrating the 50th Anniversary of the Opening of Berth 1 on 19 November 2015.

Meeting Closed: 21:00 hours

Date of Next Meeting: To be advised
Time: 17:00 hours