

ESPERANCE PORT — MINERAL CONCENTRATE INFRASTRUCTURE

Statement by Minister for Transport

HON SIMON O'BRIEN (South Metropolitan — Minister for Transport) [10.04 am]: I would like to update the house on the current status of the upgrade of the mineral concentrate infrastructure at the Esperance port. In May 2009, the cabinet approved an initial expenditure of \$38 million for the Esperance Port Authority to undertake the urgent upgrade of existing port facilities for the export of bulk mineral concentrates at Esperance port. This upgrade is now virtually complete. It has enabled repairs and modifications to all galleries, conveyors, transfer points and sheds, installation of new dust collection systems and a boom chute to minimise product emissions during handling and shiploading. A new tipper system has been installed for unloading in-going containers to the port. The transition to a fully enclosed container in-loading system remains to be fully implemented. This upgrade has been achieved under the initial budget estimate.

At the time of the approval by government for stage 1, it was also envisaged that a business case would be brought before government for stage 2, for a new purpose-built, bulk-handling facility at the Esperance port. The timing for that further submission to government was initially set at 30 June 2009. The government has decided to postpone consideration of stage 2 until June 2011. The reasons for that postponement are as follows. Firstly, the performance of stage 1 of the upgraded system is currently being evaluated. Nickel emissions at the port have improved significantly since the upgrade was initiated and further improvements are likely to be achieved with the implementation of the containerised in-loading system. Nickel emissions are consistently below the specified daily target in the Esperance Port Authority's licence. Compliance with the annualised guideline for nickel emissions will not be known for some time as the recommended method for determining the annualised guidelines requires additional monitoring stations to be established and operational in the Esperance community. Secondly, the volume of nickel sulphide concentrate exports in bulk has reduced considerably; on the other hand, the volume of nickel sulphide concentrate exported in containers has increased.

Members will be aware that a requirement for completion of stage 2 of the upgrade was incorporated into the licence of the port authority. The licence specifies that the new purpose-built bulk metal concentrate facility will be installed by 6 January 2011. The decision to postpone stage 2 means that this time line will not be met. I have advised the Minister for Environment accordingly. The Esperance Port Authority will subsequently seek an amendment to this licence provision.

Consideration of the statement made an order of the day for the next sitting, on motion by **Hon Ed Dermer**.