



**House of Representatives Standing Committee on Transport and Regional Services  
Esperance 9 March 2006**

**The Ravensthorpe Nickel Project**

The Ravensthorpe Nickel Project is a \$1.8 billion investment to construct a new mine and processing facility near Ravensthorpe, which will produce a mixed nickel and cobalt hydroxide product (MHP) for approximately 25 years.

Up to 220,000 tonnes of MHP from Ravensthorpe will be shipped through the Port of Esperance each year, to the Yabulu Refinery in Queensland, for refining into high value nickel metal and cobalt products for export to world markets.

There is no rail option between Ravensthorpe and Esperance, so all transport is via the South Coast Highway.

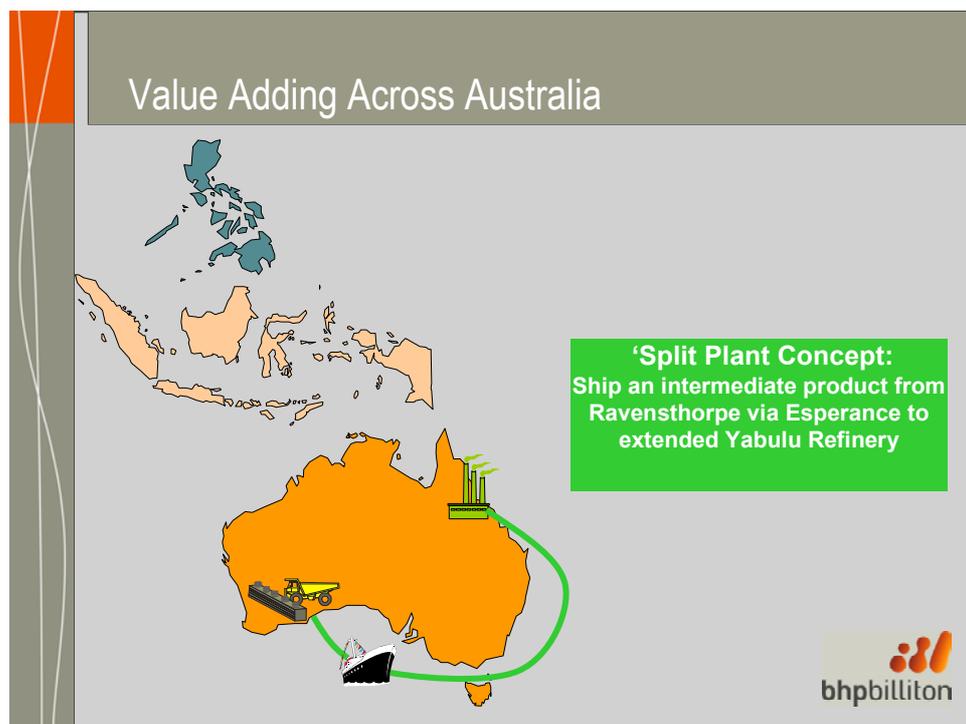


Figure 1: Product from Ravensthorpe, WA is transported to Townsville, Qld.

**What is being Sought?**

RNO believes there is a strong case for the Federal Government to allocate funding towards maintaining the South Coast Highway as a road of strategic national and economic importance.

## Road Haulage between Ravensthorpe Nickel and the Esperance Port

Ravensthorpe Nickel Operations will use the port of Esperance for the import of bulk consumables and the export of MHP in purpose-built containers. For this, expansion of the port facilities is underway, including a dual purpose crane for handling bulk and containers.

The following materials are transported through the port of Esperance and along the south coast highway to the RNO site;

- approximately 500,000 tonnes per annum of sulphur, in the form of prill, sourced from Vancouver Canada and, from 2010, possibly from the Middle East;
- 40,000 tonnes per annum of magnesia (MgO) in purpose-built sealed containers from Queensland;
- approximately 220,000 tonnes per annum of MHP in purpose-built, sealed containers en route to Queensland.
- Approximately 9,500 empty MHP and/ or MgO containers either returning to Queensland or to the RNO site.

## South Coast Highway

The South Coast Highway between the Ravensthorpe Nickel mine site and the port of Esperance is a road of economic importance and national importance.

The highway, together with the Port, combines to provide an essential transport route between Ravensthorpe Nickel and North Queensland.

Not only does the road provide the direct link between Ravensthorpe Nickel and the port, it also links the Ravensthorpe Project in WA to the Yabulu Refinery in Queensland, thereby establishing its strategic importance as a road that enables “value adding across Australia”.

Main Roads WA have identified key sections of South Coast Highway that require long term upgrading to ensure that the additional traffic associated with a Ravensthorpe Nickel locally-based workforce and the increased (multiplier) population is managed effectively and safely, especially given the mix of tourists, local traffic and heavy haulage associated with the grain and mining industry.

The proposed road upgrades will cover items such as passing lanes on South Coast Hwy, and a new main road junction where the Hopetoun-Ravensthorpe Road meets South Coast Highway.

However, there remains the issue of ongoing maintenance and inspection of the South Coast Highway to keep the road in a safe useable condition for all forms of users.



Figure 2: The 200km South Coast Highway between Ravensthorpe and Esperance

## A Locally Based Workforce Increases Road Usage

RNO employees who are recruited from outside the region will be given a choice of living with their families in either the Shire of Ravensthorpe or Esperance. To support a locally based workforce, RNO is supplementing the existing housing market by arranging for the construction of 178 new dwellings in the Shire of Ravensthorpe. In addition, in early 2005 RNO commenced to leasing up to 60 existing dwellings in Esperance for its workforce.

The population will also increase as a result of non-RNO families moving to the Shire of Ravensthorpe and Esperance. This is referred to as the “multiplier effect”.

The effect of the “multiplier” is estimated to be an additional up to 370 families. This does not include natural population growth following an impetus to coastal living.

The effect is that all families who move to the region (RNO and non-RNO), and the new businesses that will emerge to support Ravensthorpe Nickel will increasingly use the South Coast Highway.

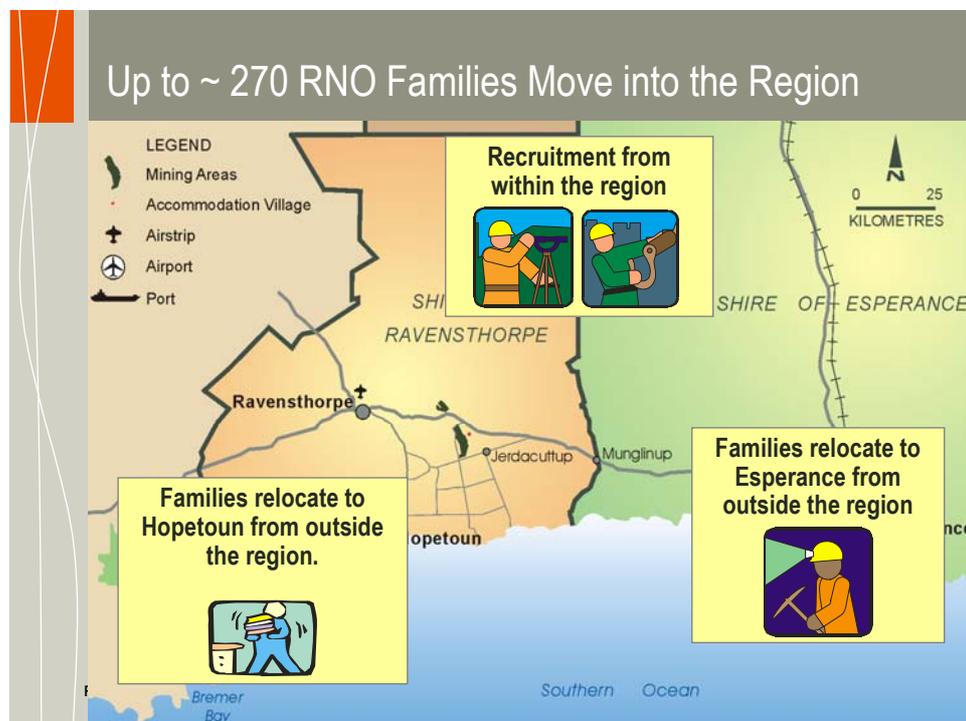


Figure 3: RNO is establishing a locally-based workforce for the 25 year operation

## Community Safety

RNO has formed a Regional community liaison committee (CLC) that comprises members nominated from local government and local NGO's.

Road safety on the South Coast Highway regularly arises at meetings with particular concern about the poor condition of the road surface on the highway within the Shire of Ravensthorpe and the inadequate amount of maintenance to cope with a mix of road trains, school buses, light vehicles, freight trucks and caravans.

These concerns are not unfounded. The history of the South Coast Highway is punctuated by traffic accidents including numerous fatalities over the years.

## Ford Murray

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