

**Kimberley Ports Authority —**

Mr P. Lilburne, Chair.

Mr D.R. Michael, Minister for Ports.

Mr L. Westlake, Chief Executive Officer.

Mr C. Nganga, Chief Financial Officer.

Ms R. O'Toole, Chief of Staff, Minister for Ports.

[Witnesses introduced.]

**The CHAIR:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available online as soon as possible within two business days. Questions must relate to the operations and budget of the off-budget authority. The chair will allow as many questions as possible. Questions and answers should be short and to the point.

The minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information he agrees to provide and will allocate a reference number. Supplementary information should be provided to the principal clerk by noon on Friday, 31 May 2024. If the minister suggests that a matter be put on notice, members should use the online questions on notice system to submit their questions.

The Leader of the Opposition has a question.

**Mr R.S. LOVE:** I refer to page 635 and the significant issues impacting the Kimberley Ports Authority. Paragraph 2 states that the authority will work with the commonwealth government on the requirements for the first point of entry status. How long will it take to work through those issues in order to gain that first point of entry status? Following on from the member for Cottesloe's question about container traffic, what opportunities would that open up for the Kimberley Ports Authority going forward from, I assume, just the port of Broome for the whole of the Kimberley?

[2.30 pm]

**Mr D.R. MICHAEL:** Obviously for the whole of the Kimberley, we recognise that the first point of entry is incredibly important. There are a lot of examples, at Broome especially, of industry having to bring in equipment or materials via Darwin, Port Hedland or sometimes Fremantle. Things have sometimes been trucked up from Fremantle because they have not been able to come up otherwise. We have had cruise ships dock in Broome and passengers' luggage has had to be sent via Fremantle. In the East Kimberley, around the Ord, some of the horticulture, cotton and fruit and vegetable producers have had to bring in fertiliser from a port in Queensland or the Northern Territory because Wyndham does not have a first point of entry. A year or so ago, the Fremantle Port Authority put an application in to the commonwealth government for first point of entry. Minister King wrote to the FPA late last year to say that the commonwealth had agreed to work with it to have first point of entry at Broome. That required more information from Wyndham. For the purposes of this conversation, we will set Wyndham aside for a second, but I am very pleased about that. There is \$6.9 million in this budget to do some of the work required at Broome port to have first point of entry—the wash-down bays and those kinds of things. We are continuing to talk to the commonwealth; I know these things take a little time from this point on. Although the commonwealth has agreed to it, it still needs to be worked up. Only a few months ago, I met Minister Watt in Canberra to thank the commonwealth government but also impress upon it that it is very important for this process to move along.

I might ask Mr Westlake whether there is anything else he would like to add.

**Mr L. Westlake:** On the question of timeframe, we are talking only about import cargo; that is what the first point of entry is in reference to. Exports are able to be exported, containerised or otherwise. On the first point of entry process that we are working through, we have already started engagement with the federal Department of Agriculture, Fisheries and Forestry and the Australian Border Force. We are really working to their timeframes. They have given us some guidelines in respect of their processes, but it comes down to a project execution plan that we will provide to them, and then they will review that. We have no set timeframes at this stage, but we expect that we will progress fairly quickly through that over the next 12 to 18 months and get agreement on what needs to be constructed. It is not a major construction, but there is a wash-down facility and some services that need to be relocated, and things like that.

**Mr R.S. LOVE:** In respect of the ongoing arrangement, the minister spoke of the construction of some facilities, but presumably the commonwealth government would have to authorise some level of officer to be stationed there to take care of Border Force issues. What would that mean for the port? Will that be a cost for the port or is it an arrangement with the commonwealth? How will that be structured?

**Mr D.R. MICHAEL:** The cost of having staff to do this—biosecurity staff or customs and the like—is federal government resourcing, so it will be on the federal government once this gets going. With regard to the cost to the port to have somewhere for staff to work from, the good news is that there is already something there, because Border Force is at a location they will be able to use. I do not know whether the member has been to Broome port, but it is on the left-hand side as you go out to the jetty. It is already there with the federal government logo up on the wall, so it is mainly the staffing costs of having someone located there.

**Mr R.S. LOVE:** Has any modelling been done as to the types and volumes of cargo that may be able to be imported through the port at Broome? If that is available, could the minister perhaps provide it as supplementary information?

**Mr D.R. MICHAEL:** The types of trade we think it would allow, other than regular containerised commercial or industrial goods, would be kit for the oil and gas industries and fertiliser.

**Dr D.J. HONEY:** I recall three or four years ago talking to a private sector proponent in Broome who indicated that they were well advanced with a project to build a container port. This was when freight costs were a lot lower than they are now, and they told me that it would reduce freight costs by something like \$6 000 per container, which would have a huge impact on our mining industry and others. The old sorghum shed—because at one stage we were going to be a massive exporter of sorghum—was identified as an appropriate facility for that. It seemed like that was a well-advanced idea; is the minister or his staff aware of what the barriers were to that project going ahead? Was it simply that the commercial side fell away for the proponent, or were there regulatory and other hurdles that prevented it from going ahead?

**Mr D.R. MICHAEL:** By way of clarification, can the member remember whether it was a floating —

**Dr D.J. HONEY:** Yes, it was going to go with the tides.

**Mr D.R. MICHAEL:** Okay; that is the Kimberley Marine Support Base. We are hoping it will go into construction later this year; the pre-drilling work has been done. It is going to be located directly to the right of the current jetty—is that the one the member is talking about? Yes? As far as we know, it is all go. The contractors are leasing an area from the Kimberley Ports Authority on Gubinge Road to get ready for construction. It is going through its final approvals and, as far as we know, it is good to go.

**Dr D.J. HONEY:** Will that facility be able to be used for importations, subject to the authorities being in place to check things?

**Mr D.R. MICHAEL:** Absolutely, as long as we have that first point of entry.

**Dr D.J. HONEY:** Beautiful; okay. Thank you.

**Mr R.S. LOVE:** I refer to page 636 of budget paper No 2, volume 2, and the line “Berthing availability”, about three down in the table under “Outcomes and Key Performance Indicators”. I would just like to have some explanation of the figures indicated there. There is a budgeted figure of 62 per cent berthing availability in 2023–24, with an estimated actual of 32 per cent and a budget of 35 per cent going forward. Can the minister explain what those figures represent, and why that very low figure of 35 per cent is seen to be acceptable?

[2.40 pm]

**Mr D.R. MICHAEL:** I ask the CEO to take this one.

**Mr L. Westlake:** The answer to that is that “utilisation” was mistakenly used instead of “availability” during the budgeting process. The member will see that last year’s budget figure is very similar to the estimated actual and next year’s budget figure. During the budget process, “utilisation” was used instead of “availability”.

**Mr R.S. LOVE:** Is the figure in the budget of 35 per cent accurate?

**Mr L. Westlake:** Yes.

**Mr R.S. LOVE:** That is the accurate one and not the incorrect one.

**Mr L. Westlake:** Absolutely.

**Mr D.R. MICHAEL:** Note 1 tries to explain it as well.

**Mr R.S. LOVE:** It sort of does, but I did not understand what it actually meant when I read it.

I move on to the asset investment program outlined on page 637. This is interesting. The Wyndham port has had some money spent on it in the past, but I note that there is now some concern about its future. Can the minister explain what is happening regarding the future of the Wyndham port? I believe its major export has stopped. I am just trying to find a way to talk about Wyndham.

**Mr D.R. MICHAEL:** Obviously, the electrical works were just a minor upgrade to make sure that things are safe and that sort of stuff. As I said, the Kimberley Ports Authority, going for the first point of entry, put in an application

for both Broome and Wyndham. Although Broome has been approved and we are going through that process, the federal minister wrote a letter about Wyndham—I do not have the words with me—that was not a flat out no; it stated that we needed more information about future trade. It has now fallen back on the KPA and the state government. We are working on going back to the commonwealth government to try to talk about what we think are the trade opportunities in having the first point of entry in Wyndham.

We know there are some proposed mining and resource projects in the East Kimberley that would very much be able to use Wyndham port. We obviously know that there is agriculture and horticulture. There are simple things like bringing in fertiliser that it cannot do at the moment, even on an ad hoc basis, which is unfortunate. With my other hat on as the Minister for Mines and Petroleum, a lot of project proposals come to me that could use Wyndham port if it had first point of entry. It is now on us—we are working on this—to go back to the federal government to prove why we think it makes sense to have Wyndham as the first point of entry. Once we do that, we will know what kinds of upgrades will be needed.