

Mid West Ports Authority —

Mr P. Lilburne, Chair.

Mr D.R. Michael, Minister for Ports.

Mr D. Tully, Chief Executive Officer.

Ms S. Pigdon, 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.

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

The Leader of the Opposition has the call.

Mr R.S. LOVE: I turn to page 644 of the *Budget statements* and the heading “Relationship to Government Goals”. Desired outcome 3 is to be a sustainable port. I ask about the dust that has raised itself a little around the area. I am talking about the port of Geraldton, not any other port in the midwest area. Can the minister explain a little about the dust situation? Are there any known issues and programs to address it?

Mr D.R. MICHAEL: It is important to know that the Mid West Ports Authority holds and complies with its environmental licence conditions as issued by the Department of Water and Environmental Regulation. The member is probably aware that since late 2021, the port authority has been actively working to reduce dust generation and migration resulting from port operations. It has made a significant investment of over \$2.3 million in dust improvement measures in the time since. That includes wind and dust dispersion modelling to better understand discrete dust sources and their transportation paths. The construction of the DustTamer fence has seen a reduction of 50 per cent in the dust carried from a leased talc site into the fishing boat harbour next to the port. There has been the acquisition and installation of a dry fog system for the iron ore shiploader on berth 5 to contain dust within the holds of iron ore ships when loading; dry fog systems through the berth 5 iron ore handling circuit to contain any dust within the enclosed facility; dust hoods on the berth 4 truck unloader to prevent the movement of mineral sand dust when unloading trucks; and an enclosure of the berth 4 truck unloader in order to reduce the influence of wind while unloading trucks. There has also been acquisition and commissioning of cascade chutes for the berth 4 shiploader to reduce dust generated while loading mineral sands.

I am told that the above measures and the heightened surveillance have seen a downward trend in the particulate matter 10 daily average from July 2021 to February 2024. I know that the team at the Mid West Ports Authority continues to work closely with core users to ensure compliance with live monitoring of dust levels through approved air-quality monitoring stations, and it continues to communicate dust performance and improvement actions through numerous community forums. I am told a meeting was held quite recently—about a month or so ago—regarding that matter. If the member goes to the heading “Retained Dividends” on page 646, he will see under paragraph 6.2 that \$6 million has been allocated in this budget for the recladding and dust extraction system for the state-owned shed 88 storage facility. This is something that we know is an issue and has been for some time. The member can see that since 2001, the government has applied all those measures, and now has more measures and increased monitoring. The government will continue to work with the local community to mitigate any impacts.

Mr R.S. LOVE: I refer to paragraph 2 under the heading “Significant Issues Impacting the Government Trading Enterprise” and the opportunities that might exist for new mining projects and wind turbines. Are there any restrictions or issues about bringing larger wind turbines into the port? I know some wind turbines being built in the midwest are to a much smaller standard than some of the proposed future wind turbines that we hear about. Is there a point at which it would not be possible to import those larger wind turbines into the area? Is there any thinking about how that could be achieved using the current Geraldton port?

[2.50 pm]

Mr D.R. MICHAEL: I will ask the CEO to answer.

Mr D. Tully: At the moment, we are importing up to 85-metre wind turbine blades through the port. That is the result of some recent roadworks. Before the upgrades, we were able to import only 68-metre blades. As part of the port

maximisation program, we are looking to upgrade the road network to cater for up to 105-metre wind turbine blades. The advice is that shore-side wind turbine blades will not get much larger than that size.

Mr R.S. LOVE: I refer to the port maximisation project, which is the subject of paragraph 3 under significant issues. Can the minister give me an update on that project and the eventual tonnages that the minister hopes to achieve through the port?

Mr D.R. MICHAEL: The *Port of Geraldton master plan* was endorsed by the state government in 2020 and part of that looked at new trade and possible new customers in the midwest. There was a proof of design in the 2021–22 midyear review and construction is ongoing from the 2022–23 budget. Some of the multi-user multiproduct facilities will include the expansion of port facilities, incorporating a new berth 1; expansion of existing berth 6; new materials-handling facilities on Ocean Street; a shiploader on berth 6; construction of a new berth 1; construction of fuel loading upgrades to berths 5, 6 and 11; dredging of new berths 1 and 6 and a tug harbour; construction of a new truck unloader to allow for the quicker and safer direct loading of vessels at berth 4; construction of new pilot boat facilities; construction of a long-period wave breakwater and associated tug harbour; and the construction of a number of road realignments within the port. There is some further construction scope for some other parts of the PMax project that I will not read out or we will be here all afternoon.

I will ask the CEO to talk about some of those future trade volumes. The main part for me in this budget was the long-period wave breakwater, so maybe the CEO will be able to give a quick explanation of that project as part of the PMax project.

Mr D. Tully: The PMax project will allow trade volumes to expand from 25 million tonnes to 35 million tonnes a year. At the moment, we are trading around 18 million tonnes a year, so we still have some volume left there. There are things independent from that, such as the environmental approvals that we will have to seek to expand our licences to do that. As the minister referred to, as part of the design process that is proceeding with Pmax, we are currently at 85 per cent across the entire project. Our consultants, along with our own design team, have essentially designed in a mitigation against our long-period wave issue at the port of Geraldton. We are confident that the expansion of a tug harbour and a northern breakwater should see an up to 50 per cent reduction in our port closure days across the year. Effectively, we will move from 32 days to around the 16-to-20-day mark. We are currently in design and still doing modelling on that and we will confirm that through the design process.

Mr R.S. LOVE: Still on the developments around the port, what is the status of the old Mt Gibson Iron assets at the port? Are they being utilised? Is there a plan for them?

Mr D.R. MICHAEL: They were transferred to a company that already owned one of the sheds, so that company now has three sheds and shed 88 is still managed by the port.

Mr R.S. LOVE: Are they being fully utilised, to the minister's knowledge?

Mr D.R. MICHAEL: Utilisation of those three sheds has increased since that private transaction happened.

Mr R.S. LOVE: I wanted to talk about the port's involvement with Oakajee. Page 644 refers to Oakajee and other port developments. Can the minister give me a quick run-down on the state of any planning or discussions that the port authority has had around further developments at Oakajee and other potential port developments listed in that area? The member for Cottesloe and I were in Carnarvon talking to people about hydrogen, for instance, in the Gascoyne area and the potential need for port facilities there. How much discussion is going on and to what level is the port involved in those types of ongoing discussions?

Mr D.R. MICHAEL: Mid West Ports Authority is an active participant in the Oakajee industry reference group, which comprises some industry representatives as well as state government agencies and government trading enterprises. They have been working together to facilitate the activation of the strategic industrial area. Significant work has progressed in the past 12 months on a trilateral study between Mid West Ports Authority, the Department of Jobs, Tourism, Science and Innovation and the Port of Rotterdam and Fraunhofer Institute to investigate and report on a feasibility and technical assessment for a fast-track solution to export green hydrogen from Oakajee to Germany via Rotterdam. Early indications demonstrated a single-point mooring capable of exporting ammonia at Oakajee as feasible. The study is expected to conclude at the end of this year. Mid West Ports Authority is working with Development WA and consultants to undertake spatial planning of the port of Oakajee site to incorporate emerging industries such as the export of hydrogen alongside traditional resources exported from the midwest region. That planning is expected to conclude towards the end of the year.

Dr D.J. HONEY: When we had an opportunity to talk about this last time, the view was that we would not expect to see a port at Oakajee in the foreseeable future. Obviously, things have moved on since then, but is there any thought about a potential timeline for the Oakajee facility? I take it from what the minister just said that there are parts to it and there is the idea of having a mooring point, if you like, but more particularly a bulk goods jetty at Oakajee as well. I assume they are now separate plans. I have seen the original plans that the port authority had

put together in conjunction with the previous—I think it is still going in name, at least—Court-led iron ore export terminal. Are there separate timelines for those two things; and, if there are, what are the likely dates?

Mr D.R. MICHAEL: I do not think I can give the member any firm timeline. Those things will be a decision of government. As I read out, there are a couple bits of work and I think, as the member can imagine, there is other work across government on strategic industrial areas. The member would be well aware of the \$500 million strategic industrial areas fund in the budget. It would be possible for that to be used for a project like this if it stacked up. Again, we are expecting those two bits of planning work towards the end of the year and then a decision by government will have to be made.

Dr D.J. HONEY: If the decision were made to progress with, for example, a mooring point for discharge of hydrogen or ammonia, or whatever, what sort of timeline would it take for that facility to progress? I assume there would be some reasonable approvals phase because we are working in the marine environment, but also there is a just straight construction phase. If the minister said we were going to do it today, for example, how long would it be before that facility were progressed—approximately? I am not going to hold people to it, but approximately.

[3.00 pm]

Mr D.R. MICHAEL: It is a difficult one to answer, as the member can imagine. I think the member is right, though. With some of the approvals, it could not be built overnight. A lot probably depends on key initial players that might want to use the port in their work. JTSI is the lead and has a working group on this. Earlier today, I heard some of the discussion about the work Main Roads is doing on the road into a future Oakajee. There is work being done across government, but, unfortunately, in terms of a timeline, it is difficult to answer the member without knowing the proponents involved and those kinds of things. I think the member is generally quite right. It would take a little while because anything waterside or concerning water—as I am finding as Minister for Ports—takes a little while to get from go to whoa.

The CHAIR: That completes the examination of the Mid West Ports Authority.