

Mid West Ports Authority —

Ms J.M. Freeman, Chair.

Mr D.A. Templeman, Minister for Local Government representing the Minister for Ports.

Dr R. Macdonald, Chief Executive Officer.

Ms S. Pigdon, General Manager, Trade and Corporate Services.

Mr C. Thurley, Chief of Staff, Minister for Ports.

Mr G. Hamley, Chief of Staff, Minister for Local Government.

[Witnesses introduced.]

The CHAIR: Member for Moore.

Mr R.S. LOVE: Thanks very much for coming along. I am just going to start off with a similar question I asked the Fremantle Port Authority. I refer to “WA Recovery Plan and Other COVID-19 Related Spending” under “Mid West Ports Authority” on page 153 of the *Economic and Fiscal Outlook*. It is quite topical, I guess, with the recent situation in Geraldton in terms of a COVID-affected crew. What expenditure was involved in putting in place the necessary protocols for the protection of the port workers and the community? How regularly are those protocols reviewed? And what information sharing with other ports takes place in making it happen, through the minister of course?

Mr D.A. TEMPLEMAN: I will ask the chief executive officer to respond shortly. The ongoing reference to constantly updated health advice, appropriate advice and directives are of course a responsibility of all of us, including those responsible for major infrastructure such as ports. I will ask the CEO to respond to the member’s question.

Dr R. Macdonald: We have spent approximately \$100 000 on preparation, including some technology that we needed. We had some quite manual systems that now we do electronically. We have developed very strict protocols in our ports, in consultation with Health advice and also industry members, in particular the ports.

Mr R.S. LOVE: With regard to the protocols that were put in place, I think there was an expectation that there would be shipborne quarantine of crews. Has there been any adjustment to any of the protocols since the fairly recent phenomenon of the changeover of those crews who were somewhat stranded for a long time, and now we are seeing fresh crews coming on board who have not been stranded at sea on their own for months and months? Has that led to a review of those protocols in any way, or will that, or the recent events, lead to such a review?

Mr D.A. TEMPLEMAN: I think there is constant, ongoing review of a whole range of practices and procedures and refinement based upon the advice that is given with regard to the health and wellbeing and also directives related to the State Disaster Council, for example. I will ask the CEO to respond specifically with regard to the Mid West Ports Authority.

Dr R. Macdonald: We review our procedures regularly and in response to any event or learning, whether it is in our region or throughout Australia or internationally.

Mr R.S. LOVE: Minister, what interaction takes place between this port authority, or indeed any other port authority, and that wider state emergency response task force that looks after setting the parameters for the state’s response generally, such as the Commissioner of Police and the Chief Medical Officer et cetera?

[9.00 pm]

Mr D.A. TEMPLEMAN: In a broader context, of course, you would be aware of the flowchart of conversations that take place at the formal meetings of the national cabinet, which influence state-based decision-making. The states, through the State Disaster Council, and information provided by such authorities as the health authorities, including the Chief Health Officer, and feedback from the Commissioner of Police, a range of ongoing directives are framed. The dissemination of that information is primarily but not only confined to the Department of Health. The Department of Health of course plays a critical role in the dissemination of the information, including guidelines, that quite often sit with the directives and determinations that are made. And ports, our transport authority, our hospitals, our schools, all of that important community infrastructure is of course required to respond to those directives, and the same would be expected of our ports. That would be of course the same situation with regard to the Mid West Ports Authority. That is the flow, if you like, of decision-making and, indeed, the dissemination of information. The Mid West Ports Authority plays a critical role in ensuring that the spirit of those directives is adhered to and responded to in a timely way. As we have moved through various phases and restrictions have either been put in place or, indeed, restrictions have been lifted or removed, there are guidelines that essentially sit alongside those particular directives. Being a minister who sits on the State Disaster Council, those council meetings are important in terms of reflecting on the current and ongoing outdated status of the COVID-19 challenge, and Western Australia has been particularly successful, as we know, in responding to that challenge.

Mr R.S. LOVE: I do not think it is getting to the nub of it, so, minister, the management of a busy port is a specialist occupation. What interaction takes place between the State Emergency Management Committee when it is formulating the guidelines, and how does that interact with the knowledge of the port authority in setting up its protocols to ensure that the community is kept safe and the port can continue its vital function of keeping the exports from the state going? There must be a little bit more than just reading the directions of the Chief Medical Officer on the internet, I would have thought.

Mr D.A. TEMPLEMAN: As I have explained, there is a process that ensures that the intentions of the directives are clearly explained and disseminated for implementation, and, in the case of schools, there are directives that relate to schools. In terms of the important work that ports do and the impact they have, obviously, on ensuring that goods are safely received and embark, those processes are important protocols. The chief executive officer may wish to make some comment specifically to the Mid West Ports Authority, but the dissemination of information is important for it to respond to in the context of a working port. I would ask the CEO whether she would like to make any additional comments.

Dr R. Macdonald: We work very closely with the regional response team and we have done so since COVID first began. We have a very strong relationship with them.

Mr D.A. TEMPLEMAN: The Minister for Ports is also a member of the State Disaster Council, so issues associated with port function and threats are, of course, detailed and discussed, and decisions made because the Minister for Ports sits on the State Disaster Council.

Ms L. METTAM: Given the minister's comments, we can assume, then, that the protocols that are in place are consistent across all of the ports in Western Australia. We can make the assumption, then, given all of the work that the minister is undertaking, including her role on the State Disaster Council, that the protocols in place are consistent, whether it is Mid West Ports Authority, Fremantle Port Authority or Southern Ports Authority, those protocols are consistent across the board.

Mr D.A. TEMPLEMAN: The Minister for Ports is a very important and crucial player in the context of decisions made at the State Disaster Council, and her advocacy and, indeed, highlighting of issues as they impact on ports in the COVID-19 context is very strenuously put and based upon information, intelligence and expertise that is fed to her from all of our ports, and indeed she articulates that very clearly. Let me just say this: in order to ensure that we best protect those people who work on the ports and those people who traverse through the port in terms of the work that they do, or the reasons why they are required to be there, their health and safety is certainly of the highest priority. That is one of the reasons why the Premier quite rightfully, in the last few days, articulated that we need to be very mindful that it is through various means or measures or arenas, such as our ports, that that could be a link we need to be very conscious of in terms of the potential spread of COVID-19. The protocols and procedures are constantly reviewed and revised for that very reason: to keep Western Australians safe and to keep those people who operate our ports and move through our ports safe as well.

Mr C.J. TALLENTIRE: Minister, my question relates to paragraph 2.1 on page 642 and projections around growth at the port of Geraldton and the very interesting issue of the wharf 4 deck slab in the replacement of the shiploader rails. I notice that there is an anticipation of growth. I do not believe that will be in grains this year. Could the minister comment on what preparations are being made for general growth in trade.

Mr D.A. TEMPLEMAN: I am happy to do that, and then I will ask the chief executive officer if she wishes to add to this. Obviously, the government of Western Australia sees the port of Geraldton as a very important and vital economic connection for the midwest region. It is a magnificent region of WA. I used to live in the midwest, and I am also aware of the stories that our current upper house member Hon Laurie Graham tells of his experiences, of course, as a port authority—what was he? He is a former CEO of the port authority.

To develop an understanding of the importance of the midwest region through our port of Geraldton, the port recently launched its master plan. Its master plan and development strategy is expecting considerable growth in trade over the next 18 months, especially in iron ore, silica sand and building sand. To support this, a major \$10 million commitment through a deck-strengthening project at wharf 4 is being progressed. My understanding is that will be the primary export wharf for mineral sands, talc from Three Springs—my old town that I taught at—and concentrates from Geraldton port, and shipping totalling some 1.2 million tonnes of mineral sands and concentrates in the 2018–19 period. That is worth around \$1 billion to the midwest economy; so not insignificant. Member, the works on the strengthening of wharf 4 is timely given that the original wharf was constructed in 1965, the year that I was born! So lots of issues here. The \$10 million improvement program is designed to extend the service life of that wharf by another 25 years. It is very important and it is a major commitment by the government to invest in the confidence of what that port can deliver in the future. I am sure that the CEO would like to make some very brief additional comments.

[9.10 pm]

Dr R. Macdonald: Berth 4 is a very strategic asset for us. It is a multi-user facility, so we have a number of proponents and a number of commodities, which the minister has just mentioned. This work really needs to be done so that we can continue doing the current trade and also increase the strength and capacity so the throughput can be increased as well.

Mr C.J. TALLENTIRE: Is the minister anticipating a reduction in the volume of grain going out through the port this coming harvest?

Mr D.A. TEMPLEMAN: I am happy for the CEO to respond to that question.

Dr R. Macdonald: We are actually expecting to see an increase in trade compared with last year.

Mr C.J. TALLENTIRE: Specific to grains?

Dr R. Macdonald: To grain this year. Not through berth 4, though; through berth 3.

Mr C.J. TALLENTIRE: My understanding is that the grain harvest is considerably down, so is Dr Macdonald saying the midwest is —

Mr R.S. LOVE: Not in that area.

Mr C.J. TALLENTIRE: Not in that area.

Mr R.S. LOVE: Not a bumper, but it is a pretty good year.

Mr C.J. TALLENTIRE: We are down to 11 million tonnes statewide, though.

Mr R.S. LOVE: Not in that area. It is better off than —

The CHAIR: All right. Let us move on. Member for Nedlands.

Mr W.R. MARMION: I have a further question on the question.

The CHAIR: Further to that question. We have got an interest up. Okay, let us go.

Mr W.R. MARMION: Yes. I am ready to come in when required!

I am interested in the design of the wharf, it being an old wharf. Is the authority taking advantage of the current deck; will it be used as the formwork for a thicker deck? That is probably the first question because there are a number that follow on this.

Mr D.A. TEMPLEMAN: I am happy for the CEO to respond to the member for Nedlands' question.

Dr R. Macdonald: We are not putting an additional deck on top; we are actually strengthening underneath the current deck. Also, we are putting some additional topping beams on top as well.

Mr W.R. MARMION: Does the authority envisage extra piling being required to support the strengthened deck?

Mr D.A. TEMPLEMAN: I am happy for the CEO to respond.

Dr R. Macdonald: No additional piling.

Mr W.R. MARMION: Does the authority anticipate any disruption to current operations during the construction procedure?

Dr R. Macdonald: We are currently out to tender for the berth 4 deck strengthening and rail replacement works. We are working very closely with our customers to ensure that the impact on our customers is kept to an absolute minimum.

Mr W.R. MARMION: The wharf was, I think, \$10 million of the \$11.6 million that is in the WA recovery plan, which I got from the table below. A quick calculation shows that \$1.6 million to \$1.58 million is to do with the fishing boat harbour for various aspects. Will the authority receive any revenue that offsets that from the fishing boats moored at the fishing boat harbour, minister?

Mr D.A. TEMPLEMAN: I am happy for the chief executive officer to respond.

Dr R. Macdonald: We do charge a small pen fee for the actual pens themselves, but not for the facilities such as lighting, toilets and fuel bunkering.

Mr W.R. MARMION: In relation to the pen fee, how does that compare with the pen fees at the marina?

Dr R. Macdonald: It is less than the pen fees at the marina.

Mr W.R. MARMION: Has the port considered it probably has over many decades—moving the fishing boat people to the marina? The port would not, then, have to worry about the expenditure and those people could make use of the marina rather than the Geraldton port facilities.

Mr D.A. TEMPLEMAN: I am wondering where the member is going with this.

Mr W.R. MARMION: I think this is about as far as I can go!

Mr D.A. TEMPLEMAN: The member has reached the end of the leash! Chair, I am happy for the CEO to respond to that line of inquiry.

Dr R. Macdonald: When the marina was originally constructed, some of the smaller boats —

Mr W.R. MARMION: In 1990?

Dr R. Macdonald: Yes. Some of the smaller boats were moved; however, the dimensions of the vessels that we have in the fishing boat harbour will not fit in the marina—it is restricted to 25 metres.

Mr R.S. LOVE: I see there is an amount of \$9.758 million for miscellaneous works, which seems to be considerably more than previous years. I just wondered whether there is any further detail about what some of those major components of the miscellaneous works might actually be. That is still a considerable amount of money.

Mr D.A. TEMPLEMAN: I am very interested to know about the miscellaneous works that will cost a significant amount, so I am happy for the CEO to respond.

Dr R. Macdonald: Back when we did the port expansion projects, some of the beacon tops needed to be reinstated. That was approximately \$3.4 million. Some cladding of a number of our sheds need to be redone. We also have some maintenance on our roads and some other pieces of infrastructure that is in line with our normal \$5.5 million that we do annually.

Mr R.S. LOVE: Going back to “Miscellaneous Works”, and basically the operation of the port. The minister mentioned an increase in the tonnage of mineral sands. Are any of those commodities exported in containers? Are containers something that the Mid West Ports Authority sees as an area of investment in the future?

Mr D.A. TEMPLEMAN: I am happy for the CEO to respond.

Dr R. Macdonald: We have had a number of inquiries about some smaller container trades. At the moment our facilities would not fit the larger container vessels that go to other ports, and also the draft and windage is an issue coming into port; however, some proponents are looking to do some containers out of the port. We are looking at break-bulk cargo in particular and containers for the smaller parcel size, but not a significant liner service.

Mr R.S. LOVE: Are there any firm plans for investment in that area in the port or a firm plan of action that has been put in train to make that happen?

Dr R. Macdonald: We have just delivered a master plan. We are looking at increasing trade to up to 48 million tonnes. That is basically the capacity of the port under the current footprint, and includes some break-bulk facilities to facilitate containers—small trades of containers, certainly not large volumes.

Mr R.S. LOVE: What sort of tonnages? Give us an idea of what that actually means in small trade.

Dr R. Macdonald: At the moment we are looking at about 200 boxes per month.

Ms L. METTAM: Would that offset some of the trade that currently comes through Fremantle?

Dr R. Macdonald: Not significantly. It would be trade that currently either goes in rotainers or bulk.

Mr D.A. TEMPLEMAN: One quick question. Am I allowed to ask you a question?

Mr R.S. LOVE: No. You are the answerer of the questions!

Mr D.A. TEMPLEMAN: I am just interested in the volume of talc. Has that declined?

The CHAIR: General discussion! Member for Moore.

Mr R.S. LOVE: I refer to the paragraph headed “WA Recovery Plan—Other Initiatives” on page 642, specifically the waiver of rent and boat pen leases for small business and commercial vessels. How has that been apportioned? Is that a flat waiver? Is it a percentage of the total cost? How is the port applying that relief?

Dr R. Macdonald: We are not increasing the tariffs with CPI, as we proposed to do. We also applied that in line with government policy about rental relief for small businesses.

The CHAIR: Thank you very much. That completes the examination of the Mid West Ports Authority.

[9.20 pm]