

**Kimberley Ports Authority —**

Mr T. Healy, Chair.

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

Ms C. Wallace, Executive Director, Freight, Ports, Aviation and Reform, Department of Transport.

Mr K. Schellack, Chief Executive Officer.

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

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

[Witnesses introduced.]

**The CHAIR:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. Members may raise questions about matters relating to the operations and budget of the off-budget authority. Off-budget authority officers are recognised as ministerial advisers. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point.

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 31 May 2019. I caution members that if the minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

I give the call to the member for Scarborough.

**Mrs L.M. HARVEY:** Can the minister provide an update on the channel-dredging project that involves \$15.3 million total expenditure? I want an update on where the government is at with the project. Is the channel dredging complete?

**Mr D.A. TEMPLEMAN:** The Kimberley Ports Authority has appointed Jan De Nul to conduct the port of Broome approach channel dredging works, which has reduced dredge mobilisation costs by following the Pilbara Ports Authority's dredging program, which is also being undertaken by Jan De Nul. Kimberley Ports Authority currently plans to conduct dredging works in July this year, depending on the finalisation of Pilbara Ports Authority's dredging project at Port Hedland, but it will be in time for the 2019–20 cruise season, which commences in October 2019. The contract with Jan De Nul has a clause seeking to have works completed by 1 October 2019. Total AMS has been selected to remove the channel rock beacon and piles, with works scheduled to be finalised in early June this year. Four of the six piles have already been removed and this work is dependent on neap tides and weather conditions. The pile removal is required before dredging commences to reduce the risk of delay to the dredge program. However, once completed, the dredging project will enable 24-hour access to large vessels and cruise ships to berth alongside the wharf subject to weather conditions.

**Mrs L.M. HARVEY:** I seek further clarification on this. I understand that a chunk of rock pretty much needs to be blown up before the dredging can proceed. Is the same company that is removing the rock also doing the dredging?

**Mr D.A. TEMPLEMAN:** Yes, but I am going to ask the chief executive office to confirm.

**Mr K. Schellack:** Yes, Jan De Nul will do all the dredging and remove the rock.

**Mrs L.M. HARVEY:** In his response, the minister said that there was a link to Pilbara Ports Authority's dredging program. Can the minister explain what that link is? Is it the same company using the same equipment that needs to be moved around or is it a workforce link?

[9.40 pm]

**Mr D.A. TEMPLEMAN:** It is the same dredger, and has been timed to follow on from the work at Pilbara port.

**Mrs L.M. HARVEY:** To be clear: the expectation is that the dredging will be completed in time for the cruise-shipping industry to start its season in October this year?

**Mr D.A. TEMPLEMAN:** A contractual clause requires the completion of works by 1 October.

**Mrs L.M. HARVEY:** Further to infrastructure works at the port, the gangway at Broome port was another requirement, I believe, to facilitate the cruise-shipping industry. Where is that project currently at?

**Mr D.A. TEMPLEMAN:** The Kimberley Ports Authority is finalising the design and construction of an above-deck gangway, which will improve passenger transfers from large cruise vessels visiting the port of Broome. The gangway should be commissioned by October 2019.

**Mrs L.M. HARVEY:** I have an administrative question. The budget presents as though all this expenditure will occur by 30 June 2019, but, clearly, if the dredging and other projects will not be complete until October 2019, some of that expenditure will have to be carried forward to the next financial year. Can the minister provide an estimation of how much of this funding has already been expended for the two projects—the channel dredging and the gangway project?

**Mr D.A. TEMPLEMAN:** I am happy to see whether the chief executive officer is able to respond.

**Mr K. Schellack:** Approximately \$1 million has been spent, and will be spent, during this financial year. It is mainly because of the delay in getting the dredge up from Port Hedland. We understand that the dredge has incurred weather problems. We were hoping that the dredge would arrive in Broome earlier, but it has been delayed because of the weather. The expenditure for the main dredging project will be in July or whenever it actually arrives.

**Mrs L.M. HARVEY:** Is there any explanation why the budget papers do not reflect that the expenditure will mostly occur in the next financial year?

**Mr K. Schellack:** It is because of what I just said; that is, when this budget was prepared, it was expected that the dredging would be complete. The member would understand that the dredging program in Broome is only 11 days. It was very much expected that the dredge would come before the end of the financial year and all the dredging in Broome would be finished.

**Dr M.D. NAHAN:** I ask this question out of curiosity: after the dredging has finished, will cruise ships of all sizes be able to berth at the jetty and on all tides, or is that restricted to certain tides?

**Mr K. Schellack:** The dredging has been done in particular for Princess-class vessels, which are the large vessels that had the impediment with the rock. The other vessels that go into the port were not impaired by the channel; it is really the large cruise vessels. Carnival required that because it would like to come in and go out on all tides so that it gets the benefits of the Staircase to the Moon, the races and all things good in Broome. That is predominantly the reason the dredging is being done. The other vessels—the mid-size vessels and what we call the boutique vessels; the expeditionary vessels that sail between Broome and Darwin—are not affected by the channel optimisation.

**Mrs L.M. HARVEY:** Looking at the future of the port, I seek the CEO's advice about the future of live exports through the Kimberley Ports Authority. Are any live exports going through the Broome terminal?

**Mr K. Schellack:** Live exports are very important to the port of Broome. We average between 80 000 and 100 000 head per year. This year, in particular, live exports started very early, in March. The expectation is that it will meet similar quantities of about 90 000 this year. The live export industry wishes to continue to bring cattle through the port and we are keen to encourage that.

**Mrs L.M. HARVEY:** Obviously, that is going to cause some conflict between the live export industry, I suspect, and the cruise-shipping industry. What will the management regime be around those two conflicting uses?

**Mr D.A. TEMPLEMAN:** Both products are live! One is human and one is not. Sorry, it is getting late!

**Mrs L.M. HARVEY:** Different sorts of animals, minister!

**Mr D.A. TEMPLEMAN:** A bit like the old *Fairstar*! Anyway, we will not go into that. I am sure that the chief executive officer will be able to respond.

**Mr K. Schellack:** The process of live cattle and the cruise industry has certainly been progressing for a long time. It is not uncommon for a live cattle ship to come in one day, the port is cleaned, and a cruise ship comes in the following day. As far as the management regime and the clean-up goes, it is done very effectively and very quickly. We do not see any issue with more cruise ships and cattle ships coming because they do not come in at the same time, obviously. When the cruise ships come in, they take most of the wharf. We do not have a live cattle vessel working at the same time.

**Dr M.D. NAHAN:** Does the chief executive officer also have responsibility for Derby? Is that part of the port?

**Mr K. Schellack:** Not at this stage. As the member would know, legislation has gone through to enable that process to begin. We had a meeting this week on the amalgamation process. That is now well underway. For the ports of Derby, Yampi Sound and Wyndham, that will be progressed through the Department of Transport, most likely over the next 12 to 18 months.

**Dr M.D. NAHAN:** In past years, particularly in the development of Gorgon and others in Browse, there was a substantial increase in the throughput of oil and gas support vessels in the port of Broome. Is that still underway?

**Extract from Hansard**

[ASSEMBLY ESTIMATES COMMITTEE B — Tuesday, 21 May 2019]

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Mr David Templeman; Mrs Liza Harvey; Dr Mike Nahan; Chair

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**Mr K. Schellack:** Yes. We have gone through quite a process. As the member would be aware, the Browse Basin has developed well and we now have two of the majors—Shell and Inpex—in production. We are doing the main drilling program for Inpex and we are able to start the Shell drilling process, and, of course, we are hoping to hear good news from Woodside. A final investment decision is planned for next year. Woodside is telling us that if that happens, it will start using the port of Broome from September 2021. We are hoping that that will be the case.

**Dr M.D. NAHAN:** Is the *Prelude* facility serviced from Broome—not the workers, of course, but are the vessels based in and out of Broome?

**Mr K. Schellack:** We provide a full service to the oil and gas industry. We have our own stevedoring arm. We provide all those services to the oil and gas industry, to their great satisfaction. We will continue to do so.

**The CHAIR:** That concludes the examination of the Kimberley Ports Authority.

[9.50 pm]