

PORTS LEGISLATION AMENDMENT BILL 2013

Second Reading

Resumed from 8 April.

HON COL HOLT (South West — Parliamentary Secretary) [7.48 pm]: I made my introductory remarks last night, and I will probably get a bit more focused with my questions for the parliamentary secretary tonight.

As I said last night, we are obviously taking a variety of smaller authorities, rolling them into a larger regional authority, and a board will manage that expanded port structure. I am seeking some information from the parliamentary secretary about the make-up of that board, how its members will be appointed and how the board will accommodate the various amalgamated smaller port authorities into the larger system. The briefings have been pretty good, but I would like to get on the record some direction from the parliamentary secretary on how the minister will deal with that to satisfy our keen desire to have local input and local decision-making preserved at the board level, or at least have some local input into board-level decisions.

One of the pleasing provisions in the bill is the requirement for community consultation committees. Obviously, if we are to amalgamate smaller ports and their boards we have to find a mechanism for feeding them back into the decision-making process. With community consultation committees providing that input, that will be one attempt to do that. It is not spelt out in the structure of the bill and we would like some information from the parliamentary secretary on how those community consultation committees will feed into the board decision-making process. What will be the make-up of those committees; how will membership be recruited; will local government play a role; will local community nominees play a role; and will the local manager of the port authority play a role on the consultation committee? We obviously see consultation committees as an important link between the local community level and the board decision-making.

I will digress a little to talk about an example of a role that I think the committee can play in looking at the bigger picture of community involvement. It involves the potential to export coal from the Bunbury port. A series of steps need to be taken to ensure that any coal that goes through the port is done in an environmentally sustainable and secure way. That is obviously usually done through the Environmental Protection Authority approvals system. I would have thought that the EPA approvals system would look at what it means to have coal exported out of Bunbury port without looking beyond that remit. The EPA may well say that it will set the parameters of what we can export that coal over and, as long as we meet those parameters, it sees no problem with the export of coal. I personally have some faith in the rigour of that system. We have seen it work well in the past. As a government, I think we set up that system to provide that rigour. That is fine. For that local export the environmental concerns, the capacity of the port and the role of the EPA would need to be ticked off. The Bunbury Port Authority board would make decisions about what sort of configuration the port would need, what sort of berths and what infrastructure we would need if, indeed, coal exports ever happen across that port. I have an opinion around how to get to that point. I think there are some real challenges for the port at a local community mining level in how to get to the point of exporting, and that is why I think the community consultation committee will be so important. I have some suggestions for the parliamentary secretary and the minister, and maybe we can get some feedback. Obviously, if we are talking about coal exports out of Bunbury, the Collie coal industry will be the main focus of that coal. If we take some reports that Griffin Coal Mining Company Pty Ltd will potentially triple the amount of resource it exports out of Collie, that could, effectively, reduce the Collie coal reserves from a potential 200-year life—set at the current extraction rates by a third—to about 67 years' worth of coal life in Collie. That has some serious implications for the community of Collie and I suggest some serious implications for the state given the importance of Collie as the energy-producing hub of the state.

If the port, through the EPA, were given some approval around exporting coal—I know this cannot happen in isolation—I think the community consultation committee could play a vital role. The port could say, “Yes, we want to export coal, we've set the parameters; no worries, away you go.” However, I would have thought that as a state and as a community of the south west, we would want further input on how the potential decision around a particular community infrastructure such as a port will have an effect on the greater hinterland around the port.

I would like some information about the membership of the proposed community consultation committees, how the members will be identified and nominated, and the specific role they will play to feed into the broader decision-making process for the ports. I understand that the government wants to move away from a local board, and more community consultation is a great idea, but let us discuss how it will work in reality so that we can maintain the integrity of local input and local decision-making. The bill makes it compulsory to establish a community consultation committee, but it also provides exemptions where a port does not have an associated community. That makes complete and perfect sense, but I would like some assurances that those exemptions will

Hon Col Holt; Hon Stephen Dawson; Hon Robin Chapple; Hon Dave Grills; Hon Darren West; Acting
President; Hon Simon O'Brien; Hon Jacqui Boydell; Hon James Chown

not be applied in a broader context to other ports that have towns and communities associated with them, such as those bigger port hubs of Esperance, Albany and Bunbury. It would be good to get a response from the parliamentary secretary along those lines.

The final point I make concerns transition arrangements for employees, especially senior management, under the current port authority structure. Obviously, once the ports have been amalgamated, each of the new ports will potentially have only one CEO and the remaining ports will need new management structures if the CEO is not housed or stationed there. What are the transitional contractual arrangements for those existing employees? It was identified last night that the port authorities are an important employer in our communities and we want to ensure that those employees have some assurances about their employment. The points I am interested in are: local decision-making, the make-up of the community consultation committees, and preservation of existing contracts through the transition period. The National Party would like some assurances from the parliamentary secretary on those issues, but is happy to support the bill.

HON STEPHEN DAWSON (Mining and Pastoral) [7.58 pm]: I rise to make some brief comments on the Ports Legislation Amendment Bill 2013. Members in this place know that as a member of the Mining and Pastoral Region, a lot of these ports are in the area I represent. The communities that I represent have an interest in this bill, just as I do.

Previous speakers have mentioned that, essentially, these are structural changes that will make four new port authorities. The Geraldton Port Authority will be renamed the Mid West Ports Authority. The Port Hedland and Dampier Port Authorities will merge and be renamed the Pilbara Ports Authority. The Broome Port Authority will be renamed the Kimberley Ports Authority, and the Bunbury Port Authority will merge with the Esperance and Albany Port Authorities into the new Southern Ports Authority. I do not have concerns about what this legislation will mean for the ports in the Pilbara, as those ports are big enough and will always succeed regardless of this legislation. I want to focus my brief comments tonight on Esperance port. A fair amount of concern has been voiced in the Esperance community about the Southern Ports Authority and what the merger will mean to the ports of Esperance, Albany and Bunbury as they currently stand. I mean no disrespect to Albany port or Bunbury port, but they are not in my electorate, so I am not as concerned about those, but I am concerned about Esperance.

Members may not know, but Esperance Ports Sea and Land, as it is officially named, plays a big role in the Esperance community and is one of the biggest employers in the town. It has been a big sponsor of the local community—it sponsors local sporting and community activities—and, as I said, there is a fair bit of concern about this issue across the local community, and across what we traditionally regard to be the left and right of the political divide. This issue has brought together both the business community and the trade union movement in Esperance. The Esperance Chamber of Commerce and Industry and the Maritime Union of Australia have both expressed their concerns about this amalgamation and what it means to Esperance.

Members who are unfamiliar with that part of the state and have never driven there may be unaware of the distances involved, but the distance between Esperance port and Bunbury port is roughly about an eight-hour drive, which in a European context is similar to the distance between Paris and Milan. We think of the competition between France and Italy and the different issues between those countries, but there are also different issues between Esperance port and Bunbury port. Different products go through those ports and the communities have different views about that, but it is fairly universally clear that the Esperance community values its port and the role that it has played in the community in providing jobs and ensuring that local businesses benefit from the port. One of my great fears, and a fear that indeed has been expressed to me by members of the community, is what the amalgamation of these three ports will mean for jobs in the Esperance community. When the parliamentary secretary replies to our comments later, the first guarantee I would like from him is that the Esperance community will not lose jobs as a result of this amalgamation. The second guarantee I would like from the parliamentary secretary relates to procurement. I do not want to see the Esperance community miss out on business opportunities as a result of this amalgamation. At the moment, we know that if Esperance Ports Sea and Land buys, for example, uniforms for staff, they are bought locally in Esperance shops. When we move the headquarters of this new port authority from Esperance to Bunbury, what will that mean for the business that produces those uniforms, and for the products of other local businesses? Will the government guarantee that local businesses in the Esperance community will not miss out? Hon Col Holt last night talked about local decision-making being preserved. I hope the parliamentary secretary is in a position to guarantee to us tonight that, as a result of this amalgamation, local decision-making in Esperance will be preserved and that it will not be people in Bunbury, eight hours away, making all the decisions for Esperance port and the Esperance community without any local say on those issues. The third guarantee I seek from the parliamentary secretary is that the Esperance community will not be worse off as a result of this new plan.

I mentioned earlier that the Esperance Chamber of Commerce and Industry and the MUA have been vocal on this issue and expressed concerns about the Southern Ports Authority amalgamation. I will put on the record why both organisations have expressed concern about this port reform. I will quote from the *Kalgoorlie Miner* of 26 October last year, which states —

“The MUA is opposed to port amalgamations, because we believe they are a step towards privatisation,” MUA WA secretary Christy Cain said.

“Privatisation will mean job losses and lower safety standards.

“We are also disappointed Troy Buswell has announced his amalgamation plans without any consultation with workers.”

I have to say that I too am concerned that the government did not consult with local workers on this issue. I think the second reading speech referred to consultation having occurred in those communities and to the government having consulted with a range of organisations and stakeholders. However, I have to say that it is a shame that the government did not consult with the workers who are down there every day ensuring that this port continues to grow and to thrive. In fact we need only read the chairman’s report in the “Esperance Ports Sea and Land Annual Report 2013” to realise how important this port is to the community of Esperance. I quote from page 2 of the chairman’s report in the annual report —

The Port continues to be a major economic driver to the growth and development of the local and surrounding communities. Based on the Ports2012–13 revenue base, economic modelling recently completed by the Goldfields Esperance Development Commission indicates that demand for goods and services in the Esperance Region directly attributable to the Port totalled \$110 million and that the multiplier effect on local wages and salaries external to the Port was a further \$12 million.

That is from Bob McKinnon, the chairman of the port. That is \$110 million directly related to goods and services demand and another \$12 million to local wages and salaries. I am not saying that Esperance will lose all of this, but I am concerned that the Esperance community will lose some of this. I hope that is not the case.

I come back to the article in the *Kalgoorlie Miner*. I quoted the Maritime Union of Australia and will now quote the Esperance Chamber of Commerce and Industry. The article states —

ECCI chief executive officer Grant Shipp said the chamber was concerned about the impact on the procurement of services from local business and what it could have on the economy.

He was concerned that the new authority would be Bunbury-centric.

I have to say that it is a concern for me that this new authority will be Bunbury-centric if all the senior staff of this new entity are based in Bunbury. That is not to say that Esperance will not have local managers and a certain number of local staff, but Bunbury is a great distance away from Esperance and I cannot imagine that the people of Bunbury will always know that the decisions they make for Esperance will actually be in Esperance’s best interests.

These are the main points I want to raise about this legislation. I note that the government has plans at a later stage for these new regional port authorities to eventually include a range of other ports in the Kimberley and the Pilbara. As I have said, at this stage I do not have concerns about what this legislation means for the Pilbara and Kimberley ports, but I do have concerns about what it means for the Esperance community. Those concerns are that the government needs to make sure that local decision-making is preserved, it needs to promise that local jobs are preserved, and it needs to promise that the local community in Esperance will not be worse off under this plan.

HON ROBIN CHAPPLE (Mining and Pastoral) [8.09 pm]: I rise to speak on the Ports Legislation Amendment Bill 2013. The Greens will support the bill but we have a number of concerns on which I hope the parliamentary secretary and/or his advisers can advise us. If I am not particularly satisfied, we will need to go into Committee of the Whole to try to get some of those issues resolved.

The bill proposes to introduce structural reform to WA’s eight statutory port authorities by amending the Port Authorities Act 1999. The reform is that with the exception of the Fremantle Port Authority, port authorities will either be merged or renamed to create four new regional port authorities—the Mid West, Southern, Kimberley and Pilbara Ports Authorities. I would like the parliamentary secretary to advise me whether the Derby port will fall under the Kimberley Ports Authority. Hopefully, he will be able to advise me about what is happening there.

The Geraldton Port Authority will be renamed the Mid West Ports Authority. The Bunbury Port Authority will be renamed the Southern Ports Authority. The Esperance and Albany Port Authorities will merge into the

Southern Ports Authority. Port Hedland Port Authority will merge with Dampier Port Authority and will be renamed the Pilbara Ports Authority. The Pilbara Ports Authority will also control the port of Ashburton, which is currently part of the Dampier port. I assume that the new port to be developed at Anketell will be part of that structure as well. I also require clarification from the parliamentary secretary about that.

The Broome Port Authority will be renamed the Kimberley Ports Authority. I assume it will take over the management or the structure of the Wyndham port as well. As the honourable member before me indicated, the Mining and Pastoral Region seems to contain most of the significant ports. This bill will establish port authority boards and empower board members to plan for amalgamation. I would like to know how this transition will work. Will the new ports authority boards run parallel to the existing boards until such time as the new ports authorities come on board? The interim planning powers of the new boards are clearly defined in this bill to avoid any potential confusion or conflict during the restructure. I want to drill down into how that will occur. New boards can be appointed in advance and will be able to deal with a range of planning matters and incur costs; for example, they can seek external expertise or advice. The new boards will have a cost structure. Will the existing cost structure of the existing port authority boards run in parallel to this until the new boards come on board? What are the cost implications of those two potentially conflicting fiscal levels? To support merging port authorities with the transition, this bill will establish that the termination of boards of the Dampier, Albany and Esperance Port Authorities will be constituted as reporting boards for a period of three months from the merger date to assist merging port authorities to comply with state financial reporting requirements following the merger date.

I digress for a minute in terms of the Esperance Port Authority and its relationship with Albany and Bunbury. Given that most probably Esperance is the larger of the ports and is a more industrial and commercially operating port, I wonder how much of its direction and control will potentially be lost through the merger. Also, in that particular merger, there will be a lot of travel, as the previous speaker mentioned. Dampier and Port Hedland are a couple of hours' travelling time apart; Esperance to Bunbury is a significant distance apart. When talking about CEOs and others commuting between those areas, an immense amount of time will be consumed. One wonders whether that is good value for money.

The bill also provides for the addition of new ports, other than existing Shipping and Pilotage Act ports, at schedule 1 of the Port Authorities Act 1999 through regulations. Again, that is something that I have always been concerned about. It appears that under this legislation, a large number of regulations will facilitate future developments. It is always a concern when a lot of the eventualities are outside the scope of the bill that we are dealing with. The purpose of this reform is to provide flexibility for the timely creation of future new ports, subject to the approval of the Governor in Executive Council and monitoring by the parliamentary Joint Standing Committee on Delegated Legislation, on which I serve. Again, we will deal with those matters, and one hopes that, given the current paucity of regulations going to that committee, those regulations will be up and running fairly quickly. Port authorities will not be created or abolished without parliamentary approval.

The bill introduces mandatory requirements for port authorities to establish a community consultation committee for each port under their control, with local government representation insofar as the local government has electors who are or may be affected by port operations. I want to question some of the make-up around that area. The purpose of these committees is to facilitate communication, information sharing and consultation between the port authority and members of the public living in the vicinity of the port who are affected by port operations. The deliberations of these committees will be transparent and their minutes made public. Again, I need to make sure what level of information will be made available through not only the minutes, but also other deliberations that the local authorities might have to deal with.

Some amendments are also made to the Shipping and Pilotage Act 1967 to extend harbourmaster governance powers to fishing boat harbours and mooring control areas. Again, I would like to know which areas in Esperance and other areas around the state will be included in those harbourmaster governance powers. The bill also extends the indemnity provided to harbourmasters and government for actions in good faith.

The bill introduces a standard provision that will provide statutory recognition that port authorities can operate 24 hours a day, subject to compliance with the Environmental Protection Act 1986, including noise and other licence requirements. We know that many of the current ports have special provisions or dispensation in relation to noise. I would like to know whether the increased dBA limits that apply to one port authority will apply to the various authorities. The Esperance port is industrial in nature and works hard, but Albany is far less of an industrial port. I would hate for the noise limitations that apply to the Esperance port to be applied to the Albany port. There are some areas there.

I will come to the coal shipments from Bunbury in a moment. The Esperance Port Authority is renowned for having established the cleanest environmental standards in any port anywhere in the world. It has a licence

condition that no dust or particulate matter is allowed outside the port authority boundary. This does not apply to other ports within the ambit of the new authority covering the southern ports. Because these port authorities will become one authority, will the conditions established in other port authorities be reflected in Esperance or will the Esperance authority's conditions be applied to the Bunbury and Albany authorities? Those are some of the things that I would like to understand.

The bill provides, at schedule 1, for the addition of new ports to occur through regulation rather than through the primary legislation. Fundamentally, that causes me a great deal of concern, because that should be done by the passage of legislation through this chamber in terms of the principal act. It should not be done through a regulatory framework. That is not the normal process.

The purpose of this reform is to provide flexibility for the expedient creation of new ports, subject to the approval of the Governor in Executive Council and the parliamentary Joint Standing Committee on Delegated Legislation. When the Joint Standing Committee on Delegated Legislation deals with a matter, it can confirm only whether it is within power or out of power under the act. It has no parliamentary oversight role in the way that we deal with matters in this house. We can create a new port anywhere, and although it will go before the delegated legislation committee, that committee can look only at whether it was within power under the act; and, if the act states it is within power, community aspirations and community concerns cannot be dealt with by that committee. Port authorities cannot be created or abolished without parliamentary approval. That also will not come before the delegated legislation committee, because that committee has no approval ability. Its role is not to approve. Its role is merely to establish that the principal act enables the regulation-making power.

I refer to the comment made in the other place by the then Minister for Transport, Hon Troy Buswell, in his second reading speech on this bill, in which he states —

Growth in the resources sector has spurred substantial investment in our ports, with a number of projects being investigated to expand the capacity of Western Australia's port infrastructure. For instance, a \$50 million upgrade of mooring systems and planning for a multi-user iron ore facility at Esperance port and the development of berth 14A at Bunbury port to enable 15 million tonnes per annum of coal exports is being investigated.

There are two components to that. Currently, the licence conditions that exist for the existing iron ore shipments at Esperance port provide that there is to be no dust; all transfer points are to be hermetically sealed and there is to be a negative displacement of air in the region; and all the stockpiles in the sheds are to be hermetically sealed and are to operate at around 13 pounds per square inch, which is one and a half PSI below ambient air pressure. In the new make-up of these port authorities, I am concerned about whether the licence conditions that exist currently in Esperance port will apply automatically to the new developments for iron ore export at Esperance port, and, by the same token, whether Bunbury port, which will enable 15 million tonnes per annum of coal exports, will be of the same standard as Esperance port, because the same authority will be operating a number of ports under its jurisdiction. I want to have it confirmed how the dust issues at both Bunbury port and Esperance port will be dealt with.

I also have some concern that one of the four new regional port authorities will be the Kimberley Ports Authority, which will comprise the port of Broome and the proposed port at James Price Point.

We know that we do not have a proponent for James Price Point. The government could not afford to build a port there because it is totally outside its economic capabilities. Clearly, Woodside has said that it will not use that area for its materials offloading facility. It is interesting that we are putting a new authority in place to cover a port that, after talking to industry ad nauseam, to a large degree will never eventuate. If it will never eventuate, then comes the question: if we can add ports by regulation, can we remove ports by regulation? I would like to hear from the parliamentary secretary on that matter.

Again, we deal with the issue of the proposed port of Oakajee. It can be added at any stage by regulation but, no, we are putting it in with the Mid West Ports Authority. Again, if it never comes to fruition, can it ever be removed? We are creating ports. I am surprised to see in the notes that I have been presented with that Anketell and Ashburton North are going into the Pilbara Ports Authority. Given that Anketell is slightly changing, if we change a location or a boundary of a port, does that also alter? The original proposal for the Anketell Point port was for it to go off Dixon Island. That has now been scrapped and it is going off a deepwater port in that area. Are we just including ports by name rather than specific location? Obviously, Cape Cuvier, Useless Loop and many others are coming in. I would really like a detailed list of exactly which small ports are included. Does it extend down to the fishing boat harbour at Carnarvon or the fishing boat harbour at Esperance? How far down will all these named ports go or will we add those later by regulation?

I might attempt to deal with a number of other issues. According to the government, the Australian Competition and Consumer Commission has given favourable consideration to the proposed ports amalgamation under section 50 of the commonwealth Competition and Consumer Act 2010. The proposed consolidation is not a breach of the anti-competitive provisions of the act. Obviously, the industries in the Pilbara that use ports at Port Hedland, Dampier and Wickham are very competitive. Originally, the relationships between the port authorities and the major corporations were significant and at times in the past have been anti-competitive. It would be really good to clarify how the new port authorities will work at one level with BHP Billiton, Fortescue Metals Group and Roy Hill at Port Hedland while on the other hand working with Rio Tinto and FMG down in that neck of the woods. I believe some issues involving port charges might come up because it will now be one amalgamated body rather than independent port authorities.

In essence, the key issue that I come back to, especially for Esperance, is the distance between Esperance, Albany and Bunbury ports and how the service to the hinterland of those three areas will be properly contemplated by one authority that does not necessarily have local knowledge. As my honourable colleague mentioned, what about ensuring the long-term needs and the aspirations of those disparate communities?

I refer to the selection and appointment of people to the boards of the new entities. It is vital that those people have some regional connection and it is important that the communities of Esperance and Albany have representation on the proposed Southern Ports Authority. I really would like to know the conditions and requirements for regional representation on these new boards. How will the mergers and structures of the board impact on the day-to-day operation of each port? Will the harbourmaster, the person in control of each port, still have the autonomy to deal with matters that may face him or her over time? My problem with a centralised system is that if the oversight is too great, we might end up with a situation in which a ship needs to be moved for all sorts of reasons and, if the harbourmaster has to go back to the authority in a crisis to deal with those things, problems might arise. I need to know about those relationships and to ensure that the harbourmasters still have the independent authority to deal with matters of crisis that they may face.

Given the nature of the amendment bill and the nature of the mergers and centralisation of decision-making, will the proposals in the bill increase the likelihood of an event such as the lead contamination in Esperance? Without that local oversight and local input, we might find ourselves in that situation again. How can the government allay fears that may exist in those communities that some centralised authority will not have the ability to manage things at a local level? As a corollary, I briefly deal with the report that came out of the Queensland floods, which discerned that the amalgamations of local authorities into larger local authorities had removed the capacity of people to deal with crises at a local level. That was certainly one of the findings of the inquiries into the floods in Queensland. Although this is not that situation, it is still a centralised authority that will have less connection and discourse with its regional communities.

Again, as was mentioned by my honourable colleague, will the merger of these ports potentially lead to the privatisation of these ports? Although we are hearing it will not, I really want to hear that repeated for the benefit of the house.

We are looking at many new developments coming our way. I have been around a long time and I have heard many of these projections in the past and, unfortunately, very few of them come to fruition. I remember in 2001 we reviewed eight new giant gas plants and downstream processing plants in the Pilbara. One of those eventuated and it eventually went broke. Sometimes our grandiose thinking about where we are going in the future is not grounded in reality.

I have talked about the dust, in particular in Esperance, and how the licence conditions apply. I would also like to know, with the proposed advent of the export of the 15 million tonnes per annum of coal out of Bunbury, whether the conditions on dust and particulate matter will be established by the Environmental Protection Agency or by some process using the authorities. Quite clearly, coal is carcinogenic. It also contains significantly high levels of uranium, and many port authorities from where coal has been exported have suffered as a result of what was referred to as black lung disease. In that context I would like to know whether the parliamentary secretary can advise how this coal will be managed going out through the port of Bunbury.

Then we come back to the eventual authority of the board and the manager under the board's control, the CEO. How much hands-on activity will that one person have with the various port authorities or ports under his control given that they will be many ports 1 000 kilometres away, and that applies to both the Kimberley and the south west. It will be interesting to see how that will work. It would also be interesting to know what economies of scale are anticipated in terms of administration, whether there will be a duplication or a reduction in staffing and how that will pan out in the long term. With that, I conclude my remarks.

HON DAVE GRILLS (Mining and Pastoral) [8.38 pm]: I have not been around a long time.

Hon Jim Chown: Here!

Hon DAVE GRILLS: All right, so I have; I am old! I have not been in this place for a long time though, let me say that. However, I know that I have come to learn quite a bit. I know that we usually have a briefing and Sue McCarrey, the deputy director general of Transport, has been very good in those briefings; all the questions I have I ask in those briefings. Therefore, I do not necessarily share the concerns of the two members who talked about ports and I especially do not share the concerns about Esperance. I have an office in Esperance and I spend a bit of time there. I have seen the things that have happened and I talk to the constituency, and I am not sure that what is raised in the concerns will happen, but I acknowledge that members have some concerns. I thank Hon Col Holt for talking about Collie and how that town will prosper. I think change is a constant and development is optional.

I have received correspondence from a number of constituents who are concerned that local issues and concerns will no longer be heard under the new centralised port authority model, and that is particularly the case in communities that will be contained under the Southern Ports Authority. We heard Hon Robin Chapple talk about the harbourmaster. The harbourmaster for those ports has been the harbourmaster in Perth and there are individual harbourmasters in each port, which seems to have worked well so far.

During debate in the other place, the former Minister for Transport advised that although there is no requirement in the bill to have representatives from each port on a port authority's board of directors, he did have a desire to ensure that there will be representatives from each port; therefore, in the case of the Southern Ports Authority there would be representatives from Esperance, Albany and Bunbury. I have received correspondence from the new Minister for Transport's office that confirms that he intends to honour the former minister's commitment to have some level of continuity in local port representation. I also attended a briefing yesterday with Sue McCarrey, the deputy director general of the Department of Transport. She too reiterated that local representation on the new port authorities will be a priority. I now take the opportunity to seek an assurance from the parliamentary secretary to confirm that the former minister's assurances that the composition of the Southern Ports Authority board will continue to comprise representatives from Esperance, Albany and Bunbury. This assurance will ensure that the affected communities' interests are represented on the newly formed boards. On the subject of the new board of directors, I would like to welcome cabinet's endorsement of the current joint chair of the Bunbury and Albany Port Authorities as the chair-elect of Southern Ports Authority. That is a positive appointment and will ensure that appropriate continuity and knowledge of local issues is represented on the new Southern Ports Authority board. Again, this will give the community confidence that local representation is encompassed in the new centralised model.

I have also received correspondence concerning the new centralised port authority model resulting in a brain drain from individual ports. Again, I sought advice on this matter from the newly appointed minister's office, which explained that the need to retain and build on existing local enterprise and skills is fundamental to the success of the amalgamation of the ports. The amalgamation structures will provide increased scale to allow port authorities to benefit from the engagement of senior specialists whose skills and knowledge is assessed by multiple ports. Opportunities, therefore, may arise for current staff to branch out and provide their expertise across a wider port authority network. In that case, we are not just hibernating and losing; we are looking to get some cross-pollination and cross-sharing that may result in the ports benefitting from new ideas. This will be a positive move and will provide the opportunity for people who are currently in senior roles at local ports to further their careers. It is heartening to receive confirmation from the minister's representatives that the need to retain current local expertise is regarded by his staff as paramount to the success of the merged port authority. It is a people thing. Things can be built and all the best things put in place, but the best people are needed to achieve the best bang for the buck. I think this bill will provide that.

I ask the parliamentary secretary once again to elaborate on the importance of maintaining professional staff at all local ports to ensure a smooth transition to the new centralised port authority model. That will be greatly appreciated by my constituents. I support the bill and appreciate the thorough briefings and supplementary advice provided by the newly appointed minister's office.

HON DARREN WEST (Agricultural) [8.43 pm]: I rise to concur in part with many of the previous comments about the Ports Legislation Amendment Bill 2013, although I must say that the comments of Hon Col Holt and Hon Dave Grills leave me a little confused about the National Party's position. Given that the National Party is a coalition partner of the government and its members have been to all the briefings, they are still seeking assurances.

Hon Jacqui Boydell interjected.

Hon DARREN WEST: With three members in cabinet, it makes the National Party, by definition, a coalition partner in government. There is either a minority government or a coalition government, and we have a coalition government.

Several members interjected.

The ACTING PRESIDENT (Hon Simon O'Brien): Order! The house is considering the complexities of the Ports Legislation Amendment Bill 2013, so let us not complicate it with other matters.

Hon DARREN WEST: Thank you, Mr Acting President, but I do find it somewhat confusing that National Party members seem to be confused about a government bill and are seeking assurances from the government about a bill to which they are a party. I would have thought that would have been done well before we came into the chamber. But I digress, and I apologise for that.

Several members interjected.

The ACTING PRESIDENT (Hon Simon O'Brien): Order! Hon Darren West has the call and will be heard in silence.

Hon DARREN WEST: Of course Geraldton port, which is in my electorate, is the port of greatest importance to me, and, as pointed out by Hon Ken Travers, it may be the least affected by the Ports Legislation Amendment Bill 2013. I was in Geraldton last week at the opening of the Esplanade, which is the final part of the magnificent foreshore development, and I was able to go out to the end of the Esplanade and look back into the working port of Geraldton. Going up for the opening of that project, which the Premier and several members of Parliament attended, gave me an enormous sense of pride about that port. Clearly, the City of Greater Geraldton and Geraldton port have benefited enormously from Labor initiatives; later, I will elaborate on those a little more and perhaps reflect on how this bill will affect the port.

The port was deepened and modernised under the former Labor government to the tune of more than \$100 million to enable this port to take carriage of approximately 16 million tonnes or so of cargo. The port is very well run and managed. There are some issues in the port with the long-wave swell, or the surge as it is known, but under the stewardship of the chief executive officer of the port authority, Peter Klein, and chairman, Ian King, we have a really well run port. When I go out to the Esplanade and watch, in operation, the port of Geraldton that was so enhanced during the time of the Gallop and Carpenter Labor governments, I see that it is not broken at all. It is working particularly well, and I wonder why the government wants to bring in legislation that aims to fix something that is not even broken in the first place. There is now a tremendous facility in Geraldton and a lot of people work there. A lot of jobs have been created, and I think one of the previous speakers touched on the importance of having a large employer in town that, first and foremost, goes to local suppliers and businesses for its input. I think that may well come under question with this legislation. We heard about the southern ports and perhaps the Pilbara ports, and will there be a guarantee that local workers will retain their jobs and be employed in the first instance, and that local businesses will be supported? They are questions I and other members have; I think we will get into that a little further later on. We know that Geraldton is an enormously successful port. It is a great supporter of the midwest community and the community is clearly very, very proud of it.

Looking back in time, the port was clearly in need of an upgrade because it was antiquated and old. A \$103 million port enhancement project that went ahead just before 2005 was coupled with a \$90 million project to bring the freight in around the southern transport corridor and take the railway line away from the Geraldton foreshore to make the port more efficient; that also had the added benefit of giving the City of Greater Geraldton access back to the foreshore. With that, of course, went security measures and the like for the port. As part of that, I did some research today into a quite humorous incident that happened when Barnaby Joyce came to Western Australia, which he seems to do only in an election phase. We have not had him over here as agriculture minister at any time there has not been an election, but that is another issue. He came over to Western Australia and remarked that regional centres such as Geraldton were being neglected. I remember the government of the day was able to go on the front foot and suggest that Barnaby Joyce check his facts. I think the minister of the day said, "Barnaby Joyce has just demonstrated the dangers of fly in, fly out Senators and clearly had his speech prepared before he left Canberra." Of course, it is not the case at all that Geraldton was neglected. We now have a world-class port operating out of that city. I touched on that because it was a bit topical. Also, in 2007 government invested \$49 million in a ship loader that has opened up an iron ore industry in the midwest. There are very exciting times ahead for that. I think once the industry builds even further, the Oakajee port will be constructed. However, it is a long way off; I am told export figures have to get up to in the order of 50 million tonnes before we can expect a sufficient level of investment to build a port.

On top of that, associated with the port is the installation of a heavy boat lifter. It must be remembered that the figures I am quoting are 10 years old, so, in today's figures, they have probably increased by a factor of 20 or 30 per cent. They are significant investments. I looked back through some of the performance indicators for the port and, clearly, it is a very important industry in my electorate. As of 2013, nearly 68 000 tonnes of iron ore have been shipped from the Geraldton port, which is a great effort. I looked back through all the cargos that have been carried through the port. A 66 000-tonne wheat shipment went through that port. As mentioned, there was a 68 000-tonne iron ore shipment, a canola shipment of almost 58 000 tonnes, and a 53 000-tonne lupin shipment. There has been a very diverse range of products, including barley, ilmenite and a 32 000-tonne talc shipment out of the Geraldton port, and petroleum and fertiliser have come into the port.

I would like to hear a little more about the legislation. I do not know why we would fix something that is not broken, given the government has made a bit of a meal of many things since it has been in office. I do not think amending the ports legislation should be one of the government's priorities. I wonder what is behind this. Is it the scourge of privatisation? The former Treasurer made some unfortunate comments to the media about how he proposed to privatise some of our port arrangements. Is this a precursor to a broader agenda for the privatisation of ports? That is of concern to me. As I pointed out, the Geraldton port is of enormous benefit to my electorate and the midwest region. Of course, along with the port, there are many jobs. A lot of training is attached to work at the port and a lot of skills come out of the training that goes with that facility. The Maritime Union of Australia has some concerns about this legislation and what it might mean for its members—good working people—who work all hours of the night to work in with the tide, which dictates when ships can move in and out of the harbour. We need to know a little more about what guarantees there might be of jobs for local people after these changes. We should employ local people and support local businesses. In my mind, there are still a lot of questions to be answered about what this will mean for the major port in my electorate. We do not want excessive numbers of 457 visa workers coming to work in our ports. We want local people to have the opportunity to work in significant local industries. Promises and assurances are easy, but we need actions to support our port cities and our ports.

Hon Jim Chown: Do you support the bill?

Hon DARREN WEST: I will be all ears when it is Hon Jim Chown's turn to speak. I am really looking forward to his contribution. This is clearly of concern to me and to the Labor Party. I have an open view on this, but like a lot of the legislation that is introduced, the more we find out about it, the more I think we have to fear. Under Labor, the port was significantly improved and revitalised, and that provided immense value to the district. Not much has happened since, and I look forward to any improvements, if there are to be any, as a result of this legislation.

HON SIMON O'BRIEN (South Metropolitan) [8.55 pm]: I want to take the opportunity to make a couple of points about the Ports Legislation Amendment Bill 2013 that relate in part to all of the legislation that comes before us in machinery of government-type bills that this house considers from time to time. When members are in opposition, and I have been in opposition for a couple of terms—it was not eight years, but it was seven and a half very long years—inevitably they start looking for things that might be wrong with the plans that are put before them and they might search for conspiracy theories, or, heaven forbid, even develop some type of —

Hon Jim Chown: Paranoia?

Hon SIMON O'BRIEN: Opposition members might establish a view that the legislation before the house that the evil government opposite wants to bring in represents a fundamental threat to their community that needs to be viewed with extreme suspicion and should be the subject of very critical comment in public and generally may be clutched at like some straw by some opposition backbencher who is desperate to achieve a degree of relevance. I have not seen that happen in this place, least of all today, and I would not want anybody in subsequent proceedings to start going down that path. With your cooperation for only a few minutes, Mr Acting President, I wanted to have a word on this bill, using it as a template for the sort of legislation that I am talking about, so I can reassure members about what this sort of machinery-of-government bill is all about. I would hate to see members going out into a country shire, a regional centre in the south east or the midwest of the state and embarrassing themselves by talking a whole lot of old—what is the word for a retired bootmakers' convention?—cobblers! That is the word I am looking for, Mr Acting President. I am coming from the point of view of someone who has had a look at all of these ports and how they operate, and I have appointed a few of the directors and others who are involved in them around the state in my time. I am now a former transport minister once removed, and hopefully that gives me some prospect to comment on these matters and have the comments taken in the constructive way that they are offered. I was listening, because I was in the position that I had to listen, to some of the things that were being said. I can recommend heartily to members in this place, particularly

Hon Col Holt; Hon Stephen Dawson; Hon Robin Chapple; Hon Dave Grills; Hon Darren West; Acting President; Hon Simon O'Brien; Hon Jacqui BoydeLL; Hon James Chown

if they think they might feel a conspiracy theory coming on, to read the bill—that is a good start—so they might know what it is they are talking about.

Hon Ken Travers: It is what is not in the bill that is a conspiracy!

The ACTING PRESIDENT (Hon Brian Ellis): Order, members! I am sure Hon Simon O'Brien does not need any help.

Hon SIMON O'BRIEN: Thank you for your protection, Mr Acting President. Members should not think for a moment that I am not delighted that Hon Ken Travers' urgent parliamentary business outside the chamber has now concluded; it is great to have him here, because he would concur, I am sure, with what I am saying, because he has read the bill and he knows what is in it. He apparently also knows, by interjection, what is not in it! That is what all members need to know.

After that brief preamble, I place it on record that the answers to certain matters are contained in the black and white legislation before us now. In no way does it say that places like Esperance or Geraldton will lose their ports. There will still be an entry in, I think, column 3 of schedule 1 of the amended act, that will record the ports of Esperance, Geraldton, Albany and all sorts of other places. Those ports will still exist. Although there are some who may choose to characterise this machinery-of-government change as forced amalgamations, the fact of the matter is that those entities will still exist and will still function as ports, serving their local communities and the hinterlands around them. The intention of this legislation is to do so in a more efficient way that meets the needs of the future. The ports that we are talking about, the regional ports, have served their respective communities very well for a very long time and will continue to do so; but the mechanisms contained in this bill are intended to take our regional port structure to the next level, to meet the challenges of the future.

I point out to one previous speaker that Geraldton, in particular, is seen as the capital port, if you like, of ports throughout the midwest into the future. If anything, that is an endorsement of the port of Geraldton and those who run it—a recognition of the skills and capabilities contained within that particular organisation. Yes, that port—as with other ports, in other regions—will continue to be able to work closely with its community and to be involved in sponsorship deals and so on.

Also contained in this legislation are provisions that by law empower ports to form local committees to make sure that locals are involved in the decision-making processes that affect them; that they have information; and that they have avenues of liaison and so forth. I think a lot of those liaison committees already exist, but this legislation provides for that by law.

Those are the safeguards for some of the matters that have been discussed. I would not want anyone to think—this has already been raised during the course of this debate—that somehow ports like the port of Geraldton are to be done away with—that their infrastructure is suddenly going to disappear.

Hon Ken Travers: No-one's said that!

Hon SIMON O'BRIEN: With respect, my friend, the member was not present just a moment ago.

Hon Ken Travers: Doesn't mean I don't know what happens in this place!

Hon SIMON O'BRIEN: All right. The fact of the matter is that we have it on record, if anyone wants to look it up.

I am concerned to make sure that that sort of silly falsehood is not peddled. I am therefore delighted to receive the interjection, unruly as it might have been, of the shadow Minister for Transport when he rejects as nonsense any idea that Labor members would suggest this sort of thing. That reassures me greatly that we will not see this nonsense peddled outside the chamber. It would be a poor reflection on Labor members but it also would have the effect of undermining community confidence in some of the great institutions that are the regional ports that service their respective communities. So, let us just make sure that we are not —

Hon Darren West: Let's leave that alone. If they're doing such a good job, why don't you leave them alone?

Hon SIMON O'BRIEN: My friend opposite has all the advice that I can give him in my friendly, avuncular, hail-fellow-well-met manner, and I can only repeat it in these words: if he has those concerns that he articulated earlier, read the bill or get a briefing, because that is where the answers are and he should not raise the sorts of questions that he has raised outside this place. But at least having raised them here, I have had the opportunity to correct him on the record, so I am sure he will not do anything when he gets back home.

I support the bill, Mr President.

HON JACQUI BOYDELL (Mining and Pastoral) [9.06 pm]: It is with interest and delight that I rise tonight to support the Ports Legislation Amendment Bill 2013. I will put a couple of things on the record that I am sure

the Parliamentary Secretary to the Minister for Transport will answer in due course. I thank in particular Hon Col Holt and Hon Dave Grills for their contributions to the house today, and certainly Hon Simon O'Brien as well. Hon Col Holt and Hon Dave Grills have outlined some of the concerns about this bill that we as the National Party talked about. Also, during our deliberations on whether we supported the bill, we thought it really important to raise these issues so that they could be elaborated on and clarified. That is the reason that we raise them tonight.

I acknowledge that the intention of this bill is to streamline activities and to create efficiencies for ports in regional areas. There are trade-offs, though, to centralising services and they are especially felt at the local regional level. I agree with Hon Simon O'Brien wholeheartedly that these ports at the town centres we are talking about will continue to grow; will assist those communities to continue to grow and prosper themselves; will continue to employ local people; and will continue to support an industry that is proudly represented by the people in which the port is established, whether it be Geraldton, Esperance, Bunbury or Albany. Therefore, unlike the concerns raised by the opposition, I have no concern about that whatsoever.

The house heard from Hon Dave Grills about concerns expressed by the Esperance community. As members representing the Mining and Pastoral Region, we both heard about the impending merger between Esperance, Bunbury and Albany and for it to be renamed as the Southern Ports Authority. The locals there are especially fearful about what will happen to the existing professional skill sets that they feel are provided by the professional people working at the port; how local representation can be accounted for on the board; how that will happen; and how the local community can be assured of having input into the operational requirements of the port. As a result of outlining our concerns to the former and current Ministers for Transport, and certainly in the conversations we had with people from the department—who I must say were extremely helpful in clarifying some of the immediate concerns we had about the bill upon reading it for the first time—I am very pleased to see that the bill will now have a greater community focus, greater representation and an orientation towards genuinely wanting to engage with the local community so that the regions will not be disadvantaged by this move.

The only point that I would like to raise, which I am sure the parliamentary secretary will clarify, relates to clause 9 of the bill. I would like the parliamentary secretary's clarification on the record. Clause 9 requires the establishment of community consultation committees. These committees are necessary as a way to promote and facilitate ongoing communication, information sharing and consultation between the port authority and members of the public from local communities that are, or may be, affected by port operations. The requirement for consultation committees is fundamental. It provides reassurance that the voice of local residents will continue to be heard under the new centralised ports model that the bill will adopt. I strongly believe that the community consultation process will determine how successful these port amalgamations are. I am assured from my conversations with the former Minister for Transport and members of the Department of Transport that that will be the case.

There seems to be an exemption, however, in clause 14A of the bill. I believe that also requires further clarification and elaboration. Clause 14A(5) provides that a community consultation committee does not need to be established "if the regulations exempt the port from the operation of this section". As the bill has yet to pass this house, I recognise that there are no regulations at this point. As I was informed yesterday in conversations with the department, this exemption is likely to encompass locations where the port is not in close proximity to a community or town site. I can understand some of the reasons for that exemption, such as it might be difficult when there is no population base to get members onto the board to have that community consultation. I fully recognise that.

Hon Jim Chown interjected.

Hon JACQUI BOYDELL: That is right. I recognise that, but I would like the parliamentary secretary to address that so community fears can be allayed about how that might potentially work by way of regulation. However, in the spirit of social responsibility and the practice of good faith, open community consultation should be attempted at all costs. I imagine that that would be the case. I am sure this government, given its strong commitment to regional communities, would be doing that at all costs.

In closing, I support any efforts to create efficiencies in service provision on the proviso that regional areas are not unfairly disadvantaged as a result. I share the concerns that were raised about amalgamations of ports and its impact on local communities and economies. We have an opportunity to ease those concerns through this debate. I look forward to that being the case. To find an appropriate balance point, however, between community requirements and the port is something that I know this government is absolutely committed to. The bill's focus on local representation and community consultation is fundamental to the process being successful. I support the bill and I look forward to the parliamentary secretary's response.

Hon Col Holt; Hon Stephen Dawson; Hon Robin Chapple; Hon Dave Grills; Hon Darren West; Acting President; Hon Simon O'Brien; Hon Jacqui Boydell; Hon James Chown

HON JIM CHOWN (Agricultural — Parliamentary Secretary) [9.13 pm] — in reply: I would like to thank the members who made second reading contributions to the Ports Legislation Amendment Bill 2013: Hon Col Holt, Hon Ken Travers, Hon Stephen Dawson, Hon Dave Grills, Hon Robin Chapple, Hon Darren West, Hon Jacqui Boydell and, of course, Hon Simon O'Brien. I would like to give special thanks to Hon Simon O'Brien, the Minister for Transport once removed, for his contribution. I feel that his contribution and knowledge on this matter settled a fair bit of dust in this house about some issues that arose. I remind members that this bill was second read on 4 December last year, the last sitting day of this house in 2013, after a fairly horrendous year comprising two elections and of course ongoing parliamentary and electorate business. Considering that was five months ago, I will take the opportunity to give a brief summation of the second reading contributions that came mainly from the other side so that everybody is up to speed with what this bill is about. Before I do that, I will —

Hon Sue Ellery: Respond to the questions raised.

Hon JIM CHOWN: I will respond to the questions raised in due course.

There is no intention for this bill to cast any aspersions in any manner on any operating board that currently looks after the ports under their jurisdiction. In fact, I think the community of Western Australia owes those boards a particular vote of thanks for the fantastic work they have done on behalf of the community at large and, in particular, the communities that they represent. This bill is about the future, as Hon Simon O'Brien said. It is about moving something that is critical to this state. I will go through a few figures later to show how important exports are for the community at large, our standard of living, our commercial enterprise and our primary industries. They are absolutely critical. The boards will be amalgamated on a regional basis so that a regional perspective can be put on the operation of ports. It is as simple as that. The proposal in the bill was not a whim. It has evolved over a number of years. There was the five-year review of the Port Authorities Act and the Western Australian Education and Health Standing Committee's report on the inquiry into the cause and extent of lead pollution in the Esperance area, which I think was a joint standing committee of this Parliament.

Hon Ken Travers: What was its name?

Hon JIM CHOWN: Hon Ken Travers would probably know. It was the inquiry into the cause and extent of lead pollution in the Esperance area.

Hon Ken Travers: I think that was a lower house committee.

Hon JIM CHOWN: Some of the recommendations in that report have been taken on board in this amendment bill. I remind Hon Robin Chapple that that period at the Esperance port was probably one of the greatest sources of pollution from an industrial project that has ever afflicted a community. This bill codifies 24-hour operations of ports and their responsibilities under the Environmental Protection Act. The Council of Australian Governments review of Western Australian ports was also taken into account in this amendment bill.

As I have said before, ports are critical. I have given a speech in this place on a previous occasion about how critical ports are in Western Australia. We are a big state. I think of an hourglass; everything comes in and it is all funnelled through these ports. Wherever the new ports may be, the more efficient they are, the better we are as Western Australians and the better we are in supporting the nation through our exports.

Western Australia's port infrastructure has featured prominently in the "Western Australian Regional Freight Transport Network Plan", which found that by 2030, one billion tonnes per annum—that is growth of 140 per cent from 2012—will go through our ports. The focus of this bill, which came from the ports governance review, is to ensure that the ports of Western Australia, including the customers of ports, state agencies and key industry stakeholders have a reasonable perspective of what happens at our ports.

Hon Ken Travers: So are you going to table the ports governance review?

Hon JIM CHOWN: As I said earlier, I will get to the specific questions asked by members in their contributions to the second reading debate.

A number of amalgamations will take place, and that has already been stated by various members. To answer Hon Robin Chapple's question about Derby, the four new regional port authorities will eventually include places such as Derby. Does that answer his question?

To answer Hon Darren West's question about Geraldton's amalgamation, in reality Geraldton is amalgamating with itself because Geraldton is the prime port in the midwest.

Hon Darren West: You said that; I didn't say that.

Hon JIM CHOWN: The member said that. I am responding to his question. It will also include the proposed port of Oakajee and the non-port authority facilities at Cape Cuvier and Useless Loop.

Hon Robin Chapple: Can I go back to Derby? Derby is run by a shire. How will that be managed under this system? A number of questions have been asked in the last few weeks about its management, and the shire says that basically it is cash strapped and cannot do anything about it. I want to know how ports such as Derby will be managed under this process.

Hon JIM CHOWN: Is Hon Robin Chapple sure that it is managed by the shire? My notes say that it is managed by the Department of Transport, and it will eventually become part of these port authorities in due course.

Hon Robin Chapple: I have been asking questions about that port, and the responsibilities are reflected on the shire, and I do not know why.

Hon Ken Travers: You need to understand that there is a difference between the ownership and the operation of the port, in the same way as Wyndham is a state government port, but it is operated by the Kununurra cooperative, if I remember correctly.

Hon Robin Chapple: The point I am trying to get to is how that is going to work.

Hon JIM CHOWN: This bill will also remove company directorship entitlements, which currently apply at the ports of Dampier and Port Hedland. I think everyone in this house would support that, because regardless of how nonpartisan a company director may be, on a port board, as is always the case with human beings, self-interest always comes first. The removal of port customer directors will avoid future conflicts of interest and eliminate the perception of unfair advantage by other port customers. All port customers will continue to have opportunities for dialogue with port authority executives, including through port user groups.

Hon Robin Chapple: This is a question that you might need to answer later, but because Port Hedland and Dampier ports deal in the main with different multinationals, they may for different reasons set different demurrage rates and different port mooring rates and all those sorts of things. How will they deal with that as one board, with two competing entities, and genuinely justify different charge rates for different ports based on the costs of running those ports? Will they not find themselves at some time in conflict because of perceived disadvantage to one major player or another major player, because the same entity will be managing both?

Hon Ken Travers: I move that the member be given leave to make his contribution to the second reading debate for a second time!

Hon JIM CHOWN: I cannot answer the question, but I hope the member will bring it up when we go into committee. With regard to Derby port, the member is right; it is leased by the local shire from DOT.

Hon Ken Travers: I told you that a minute ago!

Hon JIM CHOWN: All right. I was not listening to Hon Ken Travers.

Hon Ken Travers: That is your problem!

The ACTING PRESIDENT (Hon Simon O'Brien): Order! I am trying to listen, and so is Hansard.

Hon JIM CHOWN: The change in the second tranche will change the Department of Transport as lessee to the Kimberley Ports Authority, and all rights will be transferred through that.

I have some interesting figures about the increase in trade and what that is worth to the state. Since 2000, state exports have increased from \$25 million per annum to an estimated \$101 million in 2013, or last year. This growth has translated to a near doubling of Western Australia's contribution to the nation's exports by value. That value of exports is greater than that of Queensland, New South Wales, Tasmania and Victoria combined. That gives some indication of the importance of these ports to Western Australia, and in a de facto way to the nation as a whole.

I will come now to some of the issues that were raised during the second reading debate. Most of them, as Hon Simon O'Brien stated, are made fairly clear in the amendments. Nevertheless, I am more than happy to stand here and set the record straight on a couple of things that have been spoken about.

As Hon Ken Travers was ranging over transport issues in general, from his perspective as the opposition spokesperson for transport, he said something along the lines that this government, in particular, as opposed to any other government, treats ports as cash cows with a 65 per cent dividend. I am happy to inform Hon Ken Travers that the dividend ratio is set in policy under legislation; it is section 84 of the act. Those powers that are not being changed under the provisions in clause 21 of this bill for payment of interim dividends are the same as in private enterprise.

Another question related to privatisation and fly in, fly out workers to ports under this proposal. As Hon Simon O'Brien and a couple of other members mentioned, ports are fairly static assets. We cannot move them. We are talking about the amalgamation of the boards that operate the ports. There are no provisions in the act on how port staff are employed, and that is not changing. Port staff are increasingly required to be available for work to service vessels 24 hours a day at relatively short notice. Staff availability and knowledge of individual ports and port infrastructure makes fly in, fly out virtually impractical for the reasons just stated compared with repetitive activities on mining and production projects. In effect, staffing of these ports will remain the same once this bill goes through the house.

Hon Ken Travers asked me twice about the ports governance review. It is part of a cabinet submission and it is confidential. The government has released "A vision for Western Australia's Ports", which summarises the findings and recommendations of the review, as well as the government responses.

I cannot remember who asked this but there was a question about how the government will deal with demand and expansion in the future, giving examples of bottlenecks in Geraldton. This amalgamation will ensure that ports have the capacity and broader capabilities to take a strategic regional focus—I think I have already stated that—for trade facilitation, which will increasingly enable port developments to be well planned and take into account the whole region. The risks associated with the operation and interactions of ports and shipping will be appropriately managed by a regional board.

There is a large number of stand-alone ports and boards at the moment. Some confusion exists amongst proponents about what their responsibilities are and how they can acquire space at their nearest port. Members representing regional Western Australia would have had people knock on their door and come to their office asking for their support to get access to the boards or the port facilities, as have I. It is reasonably hard for new players in the field who do not have the experience to know who to talk to on a local port basis as opposed to a regional basis, which will have a broader perspective of the issues involved.

One of the other questions was: how will the government ensure the close connection between the current regional ports and their communities? This question was asked a number of times by a number of members. Each port within the new authorities will operate as an individual business unit and will continue to require senior locally based staff to manage the day-to-day operations of the port and to ensure the port authority facilitates trade through the port for the economic benefit of the region and the state in terms of the port authority's legislated functions. The minister has indicated that he will ensure that at least one member from each existing port authority is appointed to the new port authority boards to achieve continuity and provide corporate knowledge of what takes place and what has taken place at the ports that they come from. This bill introduces mandatory requirements for port authorities to establish a community consultation committee for each port under its control, with local government representation insofar as local governments have electors who are or may be affected by port operations. The purpose of these committees is to facilitate communication, information sharing and consultation between the port authority and members of the public living in the vicinity of the port who are affected by port operations. The deliberations of these committees will be transparent and their minutes made public. I am not sure whether that happens today with the community consultation committees. I have seen these committees work reasonably well; I am talking about when Bunge Australia built the new facility down at Bunbury port. In consultation with the port authority, before it gave approval for the build to commence, Bunge had to meet with the community group and listen to its concerns. The community group's main concerns were noise-related because many concrete piles had to be driven many metres into the bedrock. I think the parameter set by the Environmental Protection Authority was something like 55 decibels, which is normal. Bunge had to bring in muffled pile drivers, which only two companies in Australia operate. Bunge found a company in Melbourne. The muffled pile drivers had the ability, while they were working, to emit 61 decibels. Bunge got environmental approval to use those pile drivers on that location. That is a very good example of port authorities and private enterprise accommodating the requirements of the community, and that will not change at all; that will be ongoing.

Will there be a head office for the Southern Ports Authority? How will it be decided? How do we ensure that head office is not moved to Perth in the future with the subsequent loss of support staff? The location of the head office for the new ports has not yet been determined. There is no need for boards to have only one base and they may choose to meet in numerous locations. That makes sense because they are regional boards. The location of a board is not a driver of effectiveness. Rather, effectiveness is driven by the board's capacity to respond to customers, stakeholders and port management. Many boards alternate meeting places according to customer needs and many port customers have multiple locations. The Southern Ports Authority will assess its needs as the current three boards do now. Staff are unlikely to be moved from regional Western Australia and centralised in Perth. However, in recent years several regional port authorities have had offices in Perth as well as in the regions and people have been appointed to necessary positions.

The minister has the authority to appoint board directors and is not restricted to choosing people who live in the respective port region. However, local representation is one of the many criteria the minister will use to select board members. Selection criteria of equal importance include relevant knowledge, skills and experience and continuity. The minister also has discretion to select directors with particular expertise to ensure that the skills mix of the boards is appropriate for the governance of the whole port authority business.

I cannot remember who it was last night, but I will pick on Hon Ken Travers again because he is a big target!

Hon Ken Travers: Oh, you hurt me!

Hon JIM CHOWN: I said it in a very nice way! There was an assertion that there is more synergy between Bunbury and Fremantle ports rather than the current southern ports grouping. A question was asked about how the southern ports grouping came about. The grouping of the ports is aimed at providing a regional focus to customers wishing to access port services and facilities. Fremantle port is based in the metropolitan area and is the state's major container port; it has a completely different operational and strategic focus than that of regional ports, which are largely commodity-driven. The Australian Competition and Consumer Commission has assessed the amalgamation process and it concludes that the amalgamations would not adversely affect competition for the provisions and access to port services.

Hon Jacqui Boydell, along with other members, raised some questions about community consultation committees. I think Hon Jacqui Boydell mentioned proposed section 14A. This proposed section deals with port authorities and community consultation arrangements. The new port authority boards will determine the most effective way for the consultation committees to operate at each port. The purpose of these committees is to facilitate communication, information sharing and consultation. Deliberations of these committees, as I have said before, will be transparent. Proposed section 14A deals with the provision for regulations to be developed to exempt specific ports from being required to establish a committee. Hon Robin Chapple has already asked me a question about that. Obviously, if a port is located in an area that does not have an established community, there is an exemption from the need to have community consultation. There is no need to have that consultation until a community grows around the port, which I assume would happen in time anyway with some of these ports.

Hon Robin Chapple: Say, for example, James Price Point, would the regional Aboriginal communities be involved?

Hon JIM CHOWN: I do not see why not.

Hon Robin Chapple: Because there is no community as defined. There is no town there, but there is certainly a community there.

Hon JIM CHOWN: My interpretation of a community is something that is established around the port that provides services and staff to it, whose members actually live within the vicinity of the port and can be impacted adversely by port operations if they are not carried out correctly and where access roads and rail lines have to go through private property et cetera to a port.

Hon Ken Travers: That is the point. An Aboriginal community can be impacted on in all of those ways, but because there is not a township, you will not recognise it.

Hon JIM CHOWN: To answer the question, why should they not have a community consultation committee?

Hon Ken Travers: So you guarantee they will?

Hon JIM CHOWN: I do not guarantee anything. I think it is totally reasonable that they have a community consultation committee.

Hon Robin Chapple: You do for a European community that has a town around it, but not necessarily for an Aboriginal community.

Hon JIM CHOWN: For the reasons I just stated, I do not see why they would not have a community consultation committee.

Hon Robin Chapple: Let us sort that out in committee.

Hon JIM CHOWN: Fine.

One of the things this bill states is that these committees must have a local government representative on them.

Hon Robin Chapple brought up some issues about Environmental Protection Authority requirements. As I said earlier, a number of recommendations in the Ports Legislation Amendment Bill 2013 were taken from the response to the disaster that happened in the port of Esperance. They are virtually codified by the fact that 24-

hour operation of ports, rather than being policy, will now be part of this bill. In particular, I think section 35 states that they have to comply in their operational status with environmental acts that are currently in place.

Hon Robin Chapple: Section 35 deals with dividends; I just thought I would point that out.

Hon JIM CHOWN: I am referring to the amended section 35 of the principal act that is referred to in the bill.

Hon Robin Chapple asked the question about how the current boards will operate during the transition period while the new boards come into being. I think there is a three-month transition period in the bill and prior to the transition, the new boards will only have the power to set up administrative arrangements.

Hon Robin Chapple: My concern is about the costs of the new boards running at the same time as the old boards. I really want to know what that cost implication will be.

Hon JIM CHOWN: The existing boards will continue to operate the ports until the merger date and will be consulted by the new board to ensure a smooth transition. The cost will run in parallel, but because the power of the new board is restricted, it is not anticipated that the cost will be high. The new boards will be limited to only recruitment and administration. As intended, there will be a member from each merging authority appointed to the new board to assist with continuity. I think the costs of the transition will be self-funded out of each board.

Hon Robin Chapple: So there is no revenue set aside by the government for this. The money will be taken from the current authorities to help establish in the interim the decision-making authority.

Hon JIM CHOWN: That is correct.

Hon Robin Chapple: Do you know how much it is going to be?

Hon JIM CHOWN: It is estimated to be around \$3 million by 1 July 2014, across the state.

A number of members have spoken about the Esperance port, a key port and the only port located between Albany and Kalgoorlie. There are not expected to be any changes in the staff or the number of people working at the Esperance port and that port is expected to grow into the future. As I said last night, \$120 million is to be spent on improving access to that port by rail and road.

Hon Stephen Dawson: Is that a guarantee that they are not going to lose staff down there?

Hon JIM CHOWN: It is difficult for me to stand here and guarantee anything, but I can say that there is no intention in this bill for staff to be taken away from the Esperance port.

Hon Ken Travers: You won't release the ports review and won't guarantee anything and you wonder why we think you have a secret agenda.

The PRESIDENT: Order! The normal proceeding is that the minister or the parliamentary secretary handling the bill makes their statement in reply and then questions are posed during the committee stage about various aspects of the bill. Let us adhere to those forms of debate.

Hon JIM CHOWN: The amalgamation is not expected to change any employment conditions in any of the ports in Western Australia. Even today, ports access specialised skills outside the areas in which they are located. That is standard business practice. If skilled people are needed to attend to something and they are not locally available, they come from elsewhere. The Esperance port will also have a senior port manager running the port on a day-to-day basis and he will be in control of local decision-making.

A couple of members on the other side have raised the issue of privatisation. I do not know why they raised it because the bill does not relate to any issue of potential privatisation. The current legislation and this bill do not prohibit it, but that is something for a future government. Even a possible future Labor government at some stage in the distant future may wish to privatise a port for reasons that it may not even be aware of today. To raise the issue of privatisation on this amendment bill is at the very best grasping at straws.

The transition was also raised by members. I assure all members that there has been a great deal of consultation with existing board members. All port staff have been consulted over the last number of months on what is going to take place.

Hon Ken Travers: All staff?

Hon JIM CHOWN: My understanding is that all port chief executive officers, board, chairs and their relevant staff have been consulted.

Hon Ken Travers: "Relevant staff" now, is it; so it is not all staff?

Hon JIM CHOWN: What does Hon Ken Travers mean by all staff?

Hon Ken Travers: All staff. You said “all staff”.

Hon JIM CHOWN: I correct myself, I mean relevant staff.

A number of steering committees have been put in place to ensure the transition is reasonably smooth. I was in Geraldton the other day and spoke to a couple of board members, including the chair, and they are looking forward to the transition. In fact, they are concerned that this bill may not go through in time, by 1 July. That concern has been expressed by other board members as well. I would hope that some time tomorrow we will get through the committee stage and have this new development for Western Australian exporters underway in the new financial year.

Hon Robin Chapple raised the issue of harbourmasters; the Ports Legislation Amendment Bill 2013 will not change the role of harbourmasters. It will allow for more than one harbourmaster for each port authority. Albany, Esperance and Bunbury will have their own harbourmasters, as they have today.

A number of things that have been spoken about in this place will remain the same. Members should not be concerned in regard to the operation of their ports. As I have said previously, this bill codifies a number of issues that have been policy in the past that we can discuss in the Committee of the Whole, and it is also intended to form regional boards as opposed to local boards.

Debate adjourned, pursuant to standing orders.