

ALBANY HARBOUR

Grievance

MR P.B. WATSON (Albany) [9.08 am]: My grievance is to the Minister for Planning and Infrastructure. In 2001, the Albany woodchip wharf, which is capable of handling the largest woodchip carrier ships currently in use, was opened. The construction of the wharf was a key step in the development of plantation forestry in the great southern region. The wharf supports the great southern region's blue gum plantations, which are predicted to reach an annual output of 2.5 million tonnes of woodchips. Plantation forestry is an important new industry for the region, providing about 1 200 jobs and income for people across a range of industry sectors. During the process of dredging the Albany harbour between November 2000 and May 2001 to construct the wharf, the Albany Port Authority discovered a large amount of explosive ordnance in the harbour. Research undertaken by the Albany Port Authority has established that between October 1947 and April 1948, Australian Navy and Army personnel loaded ordnance onto a Royal Australian Navy landing craft berthed at a jetty in the port of Albany known as deep water jetty. The ordnance was meant to be dumped off the continental shelf. In the course of loading the ordnance, large quantities were dropped overboard around deep water jetty and were not retrieved at the time.

The construction of the berths involved dredging areas around the berths, including the jetty area. In the course of dredging in the jetty area some of the ordnance was dug up by the dredge. I can just imagine the look on the operator's face when a bomb was lifted out of the water. When the dredging machine dug up the ordnance, WorkSafe closed the dredging operations because of safety issues. With the full knowledge and concurrence of the Australian Army bomb disposal experts the method of work was altered. This caused the dredging work to be slowed, and extended the time for completion of construction of the berths. In addition, dredging was able to recommence only after substantial modifications had been made to the dredge to make it safe. Those modifications severely limited the dredge's efficiency and resulted in the Albany Port Authority incurring substantial additional costs. The additional costs incurred in the construction of the berths as a result of the presence of the ordnance have been extensively analysed by engineering and costing experts. Albany's port experts believe a fair and reasonable amount of compensation is almost \$4.5 million. In addition, the Albany Port Authority will be required to dredge the jetty areas in the future, and additional costs will be incurred because of the continued presence of the ordnance. The additional costs are yet to be quantified but are expected to be considerable. The Albany Port Authority has argued that the commonwealth is responsible for the ordnance in the port and is liable for compensation to the Albany Port Authority for the additional costs incurred with the construction of the berths and for future dredging. The Albany Port Authority commenced a mediation process with the commonwealth in September 2003 in an attempt to avoid court proceedings. Since that time, a number of mediation meetings have been held with the commonwealth but the matter is still unresolved. I have significant concerns about the commonwealth's refusal to resolve this matter. Firstly, I am concerned that the state government, through the Albany Port Authority, is carrying the cost for something that is clearly a commonwealth responsibility. The Albany Port Authority has done the right thing and tried to resolve the issue without the need for costly litigation. Secondly, I am concerned about the impact that the commonwealth's position will have on the ability of the port to grow and attract new business.

I have sent a personal letter to all members on both sides of the House of Representative and of the Senate about this issue. The most interesting answer was from Senator Ross Lightfoot, who said that I should keep my nose out of business like that and try to do something about getting a police and justice complex in Albany! The new police and justice complex in Albany will be opened soon. I thank Senator Lightfoot -

Mr J.J.M. Bowler: Hear, hear! Well done member.

Ms A.J.G. MacTiernan: He's been spending too much time in Iraq!

Mr P.B. WATSON: Well, yes. I would like to thank Senator Lightfoot for his concerns about Western Australia, especially my electorate. I am also concerned for the National Party in Western Australia whose constituents have used the port extensively to transport their grain. Many farmers use the port also for shipping woodchips. I am very disappointed because I have approached the National Party local member in the area, but I have not received a response.

Ms A.J.G. MacTiernan: There are no Barnabys there.

Mr P.B. WATSON: There are no Barnabys here. I think the word the minister used with reference to the opposition was "Judas". It is a disgrace when Western Australian federal government representatives just roll over and always do as John Howard asks.

I seek from the minister an update on negotiations between the Albany Port Authority and the commonwealth. I also seek her advice on the potential impact of the commonwealth's position on proposed developments at the port.

MS A.J.G. MacTIERNAN (Armadale - Minister for Planning and Infrastructure) [9.07 pm]: I thank the member for the grievance. He is rightly aggrieved, as is Western Australia rightly aggrieved, by the commonwealth's disgraceful conduct. An extraordinary position has arisen in which the federal Minister for Transport and Regional Services is racing around the country pontificating about "bottlenecks at ports" because the states are not doing the right thing and saying that he will institute a study. A study was instituted and one port was found to have a problem. The commonwealth government was embarrassed further when it had to acknowledge that it has invested \$3 million in port infrastructure over the past four years in Western Australia and that the state government has invested \$420 million. The differential speaks for itself. Not only is the federal government not contributing to the port infrastructure but also it is refusing to accept the problem in Albany that was generated by the disposal of unexploded ordnance after the Second World War and that is stifling development at the port. The member for Albany has rightfully described the history of the creation of a woodchip berth in 2000-01 and the additional expenditure involved. At the very least, in excess of \$3 million was incurred by the Albany Port Authority and the state government in dealing with that ordnance to enable construction of the berth. A very large project is now waiting to be developed through the Albany port. Given you preside over an iron ore port, Mr Speaker, you will be very pleased to hear that the Albany port has the potential to become an iron ore port. Grange Resources wants to move iron ore from a deposit in the Wellstead area and then ship it out through Albany. That project will involve the movement of around 6.5 tonnes of ore per annum. It is a mere bagatelle, Mr Speaker, compared with the iron ore shipped through your port. However, it will more than double the volumes through the Albany port. More dredging will be required to accommodate this expansion. One can only describe as negligent the loading of the ordnance onto the shipping from the jetty in 1947-48. I have spoken to people in Albany who remember seeing it happen. Bombs were falling left, right and centre as they were being wheeled onto the ships. In addition, an issue has arisen because of firing practice that occurred in King George Sound. We are very keen for the Grange Resources project to proceed, but for that to happen dredging will need to be done further out in King George Sound. As a result, the problem of the unexploded ordnance will again emerge. Can we get the commonwealth government to take responsibility?

Dr K.D. Hames: Here we go again.

Ms A.J.G. MacTIERNAN: Yes, here we go again, and we will keep going. While the member for Dawesville acts as a poodle, a lap-dog and an apologist for the Howard government, we on this side of the house will not be scared to stand up for Western Australia.

Dr K.D. Hames interjected.

Ms A.J.G. MacTIERNAN: The member for Dawesville can say, "Here we go again." Too right, mate, we will go again and again and again.

Dr K.D. Hames interjected.

Ms A.J.G. MacTIERNAN: Does the member for Dawesville reckon it is acceptable for the federal government to walk away and say that the state must pick up the tab for the unexploded bombs in Albany harbour?

Dr K.D. Hames interjected.

Ms A.J.G. MacTIERNAN: He thinks it is right. What an apologist he is. The government wants to get on with this job but the issue has been in litigation since -

Several members interjected.

The SPEAKER: Order!

Ms A.J.G. MacTIERNAN: We have been attempting to negotiate with the commonwealth government since 2002 and we have been involved in mediation conference after conference since 2003. The commonwealth has behaved appallingly. In the first instance, it tried to deny the bombs were the commonwealth's bombs - it said that they might have been America's or someone else's bombs. Consequently, we have spent a year trying to establish whose bombs they were. The commonwealth has finally accepted ownership of the bombs and now it is claiming that we might have been able to get rid of them more cheaply. Expert after expert has examined the issue. This is a classic situation in which, rather than accepting its responsibility and trying to reach a reasonable arrangement through mediation with the state government, the commonwealth is spending a vast fortune on a legal process - it has been tying up the port in knots year after year, mediation after mediation - that is going nowhere. We have been in negotiation with the federal government for four years and in formal mediation for two years, yet we have been unable to negotiate a reasonable offer from the commonwealth that goes even half-way towards the expense that has been incurred by the Albany Port Authority and will be incurred in enabling

the Wellstead development to proceed. I put on record that I have said to the Albany Port Authority that we are not surrendering again on this point. We will not accept this obfuscation on the part of the commonwealth government. The bombs belong to the commonwealth government; it is its responsibility. The commonwealth government is blocking the development of Albany, and we will take it to the wire on it.