

PILBARA PORT ASSETS (DISPOSAL) BILL 2015

Discharge of Order and Referral to Standing Committee on Legislation — Motion

Resumed from an earlier stage of the sitting.

HON ROBIN CHAPPLE (Mining and Pastoral) [5.10 pm]: I will continue my remarks in support of referring the Pilbara Port Assets (Disposal) Bill 2015 to the Standing Committee on Legislation. The cost of the development of Finucane Road and what we call the Utah Loop coming off the North West Coastal Highway need to be identified as part of the values associated with the proposed sale. I touched on the fact that 360 trucks a day haul along that particular road. All of the other ports in that area have rail to them. The only facility that has significant truck movements down it is what we classify as Finucane Road. Let me be clear: the original Finucane Road was split into two—one Finucane Road goes down one side of the rail line; the other Finucane Road goes down the other side.

Hon Peter Collier: This is a referral motion.

Hon ROBIN CHAPPLE: But I am raising issues that I want the committee to look at.

In 1988, that road and the rail line were washed away by a rainfall event of 360 millimetres, which is not an unusual rainfall event up there. When the Goldsworthy rail line was built, BHP Billiton installed bridges in that area. The road was rebuilt as a sacrificial road; that is, it has no culverts or roads over it. If another flood occurs—there have been floods up there of 570 millimetres—and the road is again washed away, what will be the state's liability in terms of a private investor's port facility that relies on road access? It is designed as a sacrificial road. There is no problem in it going across South West Creek. That is something else the committee needs to look at.

The facility was developed as a result of a project referred to as the "Port Hedland inquiry by design". It was initiated by Alannah MacTiernan. Part of the reason for that inquiry was the problems with manganese dust close to the town. Part of the proposal was to remove 1.5 million tonnes of export capacity from the Gibson Street area in Port Hedland over to Utah Point, which put it in a different windage pattern. We know from Mr Bush, who was the CEO of the Port Hedland Port Authority, that there was a 20 per cent reduction in dust in what we call the west end of Port Hedland. If this goes into private hands, the two lay-down areas that are currently used—one for magnetite and one for iron ore—may be able to be used for other commodities. If magnetite was still to go out through the port, will the port authority have to use the Gibson facility and put that dusty element back in the west end area? The local member up there, Hon Brendon Grylls, has been very concerned about the dust associated with the west end of town. I hope the committee will look at that component of the sale.

I also hope the committee will look at the value of the asset that was eventually developed; I think it was \$350 million or \$380 million. To date, how much has been paid off? I understand it is about \$170 million —

Hon Ken Travers: I think there is \$170 million less.

Hon ROBIN CHAPPLE: Maybe it is that way around.

Hon Ken Travers: It was \$340 million in the first place; \$170 million has been paid off.

Hon ROBIN CHAPPLE: How long will it take to pay off that \$170 million? Once it is paid off, what will be the asset return to the state into the future? Are we cutting off our nose to spite our face? I hope the committee will look at those components.

Hon Ken Travers: In the answer I got today, the government has no idea what revenue it expects from the facility over the next five years.

Hon ROBIN CHAPPLE: There is an interesting point there. The other point is it is a capesize ship; it is a very small ship. The harbour cannot be dredged any further because a tunnel was built underneath there before the facility was built on top of it. No dredging can be done there. In terms of the way the industry is going at the moment—larger and larger ships and greater amounts of commodity—I suppose the issue then becomes: will it be viable even for a smaller miner into the future? Those are my points about referring this bill to the committee.

HON RICK MAZZA (Agricultural) [5.17 pm]: I rise to make a few comments in support of referring the Pilbara Port Assets (Disposal) Bill 2015 to the Standing Committee on Legislation. I must say that I support privatisation. I think that governments should make the rules and be the umpire, but not actually be in the game. I have no problem with the privatisation of the facility. I had some reservations in the briefing about the no take, no pay clause that Hon Jacqui Boyde had pointed out at length. On two or three occasions I asked the people who gave the briefing how that would operate and I never really got a satisfactory answer. I welcome the motion to refer this bill to the committee. I look forward to the report.

Question put and passed.