

**PORTS LEGISLATION AMENDMENT BILL 2013**

*Second Reading*

Resumed from 23 October.

**MR D.A. TEMPLEMAN (Mandurah)** [11.04 am]: I do not wish to speak for very long on the Ports Legislation Amendment Bill.

**Mr P. Abetz:** I've heard that before.

**Mr D.A. TEMPLEMAN:** The member should not have a go at me. I did not get much sleep after last night's marathon effort and the effort of the past couple of days.

I recognise and acknowledge that the bill seeks to merge the regional ports into four new entities. It will create the Mid West, Southern, Pilbara and Kimberley Ports Authorities. During the second reading debate there has been some discussion about maintaining the identities of the communities that those ports serve. The merging of the Albany, Esperance and Bunbury ports into the Southern Ports Authority, which is what this bill seeks to establish, gives rise to some important considerations. In his second reading response and during consideration in detail, the Minister for Transport must alleviate concerns about a potential loss of identity and connection, particularly given that the Albany, Esperance and Bunbury ports service very important communities and hinterlands. It is proposed that the Southern Ports Authority's head office will be in Bunbury. I can see why the communities of Esperance and Albany may have concerns about what that will mean in ensuring the longer-term needs and aspirations of the communities served by the Albany and Esperance ports. There is concern that there will be no guarantee that while the new Southern Ports Authority head office will be located in Bunbury it will not eventually be relocated to Perth. The chance that it could be relocated to Perth in the longer term is a valid concern.

Ports throughout the state identify with their local communities. The concern about services and contracted services with the port authorities that currently exist may change when the three entities are merged into the Southern Ports Authority. I have been to various regional cities at which the local port is seen as a very important and integral part of the local economy and local employment. Ports advertise themselves as an important corporate citizen within a region. I hope that the amalgamation proposal will not reduce the involvement of ports under the new badging of the Southern Ports Authority. I hope, too, that local sponsorship of community activities and events and local support of community initiatives will not diminish with the amalgamation. I would like the minister to address that concern.

The issue of buying local and local support is important. Some amendments will be proposed—I am not sure whether they will be moved in this or the other place—that will focus on the people who are selected or appointed to the boards of the new entities having some regional connection. It is important that the communities of Esperance and Albany have representation on the proposed Southern Ports Authority. I am interested in the minister's comments about how that might be influenced because it is considered important to have regional representation on the board.

Clearly, the board's role is to deliver a quality port operation. Economic factors and suchlike will require the people selected to be on the board to have broad or specific expertise, but I think that a connection with the local community is important. An example of that local perspective is contained in the provisions relating to Horizon Power. That is all I want to mention. This bill creates four new entities and collapses a number of ports into one entity that will represent the broader regional perspective. Again, I would like my concerns alleviated in the minister's second reading reply. We need to ensure that places such as Esperance, Bunbury, Broome and Wyndham are still at the table when important decisions affecting their particular ports are made.

**MR P. PAPALIA (Warnbro)** [11.11 am]: I rise to comment on the Ports Legislation Amendment Bill 2013 and I welcome interjections from across the chamber as I ask questions of the minister; otherwise, I look forward to his reply. I say at the outset that, on the face of it, the concept of consolidating management and creating synergies in the operation of ports in different regional areas makes sense. The biggest question I have of the minister is whether this pathway he is taking is based on the recommendations of the 2011 Western Australian ports governance review.

**Mr T.R. Buswell:** Yes, in part.

**Mr P. PAPALIA:** I was not expecting to speak on this bill today as I thought we were going to talk about local government, so this has caught me a little off guard. I understand that this report has not been made public; is that correct?

**Mr T.R. Buswell:** I cannot remember.

**Extract from Hansard**

[ASSEMBLY — Thursday, 28 November 2013]

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**Mr P. PAPALIA:** Regardless of whether it has been made public, I see the benefit in making public the report and its findings, particularly if that is driving this proposal. I am not necessarily saying I would object to its recommendations, but I would like to see some transparency, particularly in light of the lack of transparency with other port activities in the state, such as those revolving around James Point.

One further thing I am interested in and seek the minister's response on is an issue that is not necessarily confined to Esperance, but Esperance is the perfect example. The minister was aware from the early days of this government that a few months before he took office, there was an inquiry into the Esperance lead fiasco. It was concluded by an absolutely bipartisan committee that was chaired by the now Deputy Premier. I think it was the Education and Health Standing Committee. I was seconded to it for the purposes of the inquiry, as was the member for Eyre. On that inquiry the numbers were in favour of the now government, but regardless of that, we were completely bipartisan and, I must say, profusely critical. Upon reflection, I would consider some of the comments I made about the board and its responsibilities at the time a little harsh. The chief executive officer clearly wore a lot of the responsibility for what occurred, but so did some other departments that the minister would be aware of. I was quite critical during the course of the inquiry, being that they were my early days in Parliament and I was full of ginger.

**Ms R. Saffioti:** And naive?

**Mr P. PAPALIA:** No, not naive; I was probably a bit aggressive in my questioning of some of the board members and harsh in some of the observations that I made. Nevertheless, some of the things we concluded about the port board not being as locally focused as it could have been were quite critical. There certainly were local members but there were also people appointed who only came to the area—I think it was four to six times a year—when the board met, but I may be wrong as that is just a vague recollection. We were critical of the structure of the board and the way it went about its work of providing its oversight role, and of the CEO, the operations at the port and critical factors such as community safety and the consequences of things that happened because of lead exports.

My concern with the proposal that is advocated in the amendment bill is that it could increase the likelihood of that sort of event happening again. I am not saying that the bill will necessarily do that, but I ask the minister to assure the house and, in particular, people living near south west ports, where there is a fair geographical spread between ports —

**Mr T.R. Buswell:** One of the reasons we need to have the capacity to get the right people onto boards is for that very reason. And one of the reasons that we need port organisations with some scale and substance is for that very reason.

**Mr P. PAPALIA:** I am not disputing that that is not necessarily a good outcome for this proposal, but I would be interested to see the minister flesh that out a little in his response. I think it likely that concerns will be raised, and of all the ports, Esperance is certainly one where the community would be concerned. The community would feel that it has been shifted a little away from the focus of the new board and the management structure of its port. At that time there were some good things about the operation of Esperance port. It was directly involved in supporting the community and it still is.

**Mr T.R. Buswell:** Would the member like to list them?

**Mr P. PAPALIA:** I am talking about the relationship with the community. That is certainly the case with Albany and I am assuming with Bunbury as well.

**Mr T.R. Buswell:** Geraldton?

**Mr P. PAPALIA:** They are strong community-centred organisations that have a degree of capacity to financially support community activities. They are focused on their local area. I am concerned that the minister also addresses the issue of ensuring that that locally focused nature and effort of port boards and the organisational structure of the ports is not removed or diminished. I would also like to hear about the benefits that the minister can assure the community will be realised through this process. A lot of that may come through the release of the ports governance review from 2011. I am assuming that that review did an analysis of the current benefits of ports being operated by a local board and compared that with the potential consequences of implementing a centralised board and the coordinated management of three ports. I would assume that is the case, but if it is not, then one would have to question the value of the report. If it is the case, it should be made public and it may do away with community concerns. I think there are concerns. I missed the member for Eyre's contribution but I understand that he voiced some concerns on behalf of his community. I am sure that the member for Albany would have. I do not know whether the member for Bunbury said anything because he is probably thinking that they are the winners in this.

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**Ms R. Saffioti:** The member for Geraldton did.

**Mr P. PAPALIA:** Member for Geraldton, did you raise concerns?

**Mr I.C. Blayney:** Because it will be headquartered in Geraldton and the other ports that are going into —

**Mr P. PAPALIA:** Yes, because ports in your area are still kind of stand-alone.

**Mr I.C. Blayney:** They are two very minor ports and Geraldton Port Authority is involved in a little bit of training work and safety work, but other than that, they pretty much run themselves.

**Mr P. PAPALIA:** For the member's community, it is not as controversial as Esperance and Albany.

**Mr I.C. Blayney:** The Geraldton Port Authority was always going to run Oakajee anyway.

**Mr P. PAPALIA:** Yes. I think Esperance and Albany will clearly be the ones the minister has to talk to in his second reading response and perhaps in the consideration in detail stage, assuming that we go there. The real issue will be whether there has been a good benefits analysis comparing the current structure and seriously assessing and weighing the local community benefit from having a port not only operated, but also managed and overseen from within that local area. These are my concerns that I request the minister to address. I assume our lead speaker said that we would seek to perhaps impose some restrictions on the make-up of the board to ensure that it still —

**Ms R. Saffioti:** Perhaps in the upper house.

**Mr P. PAPALIA:** Perhaps that will be in the upper house. Subject to what we hear, it may be necessary to ask for some sort of minimum contribution from locally based individuals on the board with respect to the location and home of chief executive officers and other senior management staff. That may be something that we look at as well, because there are real concerns, particularly in Albany and Bunbury, that must be addressed. I urge full transparency with regard to any analysis that has been done on the ports and the justification for this move. I am not inclined to say it is a negative move. It may well be a good outcome, but we must see the justification, the analysis and the work done to ensure that we can support it and to allay the fears that may exist in those communities.

**MS S.F. McGURK (Fremantle)** [11.22 am]: While we are discussing the Ports Legislation Amendment Bill 2013, I take the opportunity to echo some of the sentiments already expressed by members. They are primarily concerns that any amalgamated port authority groups continue to have a presence in the towns where the port authority operates. In any of the regional towns to which this bill refers where there are port authority operations, employment is an important part of the port authority's operations. I would imagine that employment will continue; in fact, I hope that the plan of bringing together the authorities into overriding authorities will increase the capacity and viability of those ports and, therefore, employment. But the community engagement and the relationship of those regional port authorities with their local councils and the local community in general are very important. I spent some time living in Albany, where the port authority was very active in a range of different civic issues such as sponsoring local community issues or engaging on a range of different fronts. I can only imagine that that is replicated in the other towns where a port authority is in operation and which this bill will affect. I add my voice in support of continuing to have a presence in those towns, and some local representation on the boards, if that is at all possible, will be very important. We must ensure that the ports keep an eye on the community in which they are placed, and not just on their own commercial operations.

The member for Warnbro quite rightly raised the question of lead contamination through the Esperance port. I do not think we could get a more stark example of a port authority's operations hitting up against the interests of the local community. Obviously, the state government had a responsibility, but the port authority played a crucial role in the lead-up to that contamination, and afterwards, in how it dealt with the community in giving it confidence about the clean-up. Obviously, the state government had a responsibility there, but the port authority played a crucial role in ensuring that the then Magellan Metals fulfilled its responsibilities after the contamination in ensuring locals had confidence in the future operations of the Esperance port.

**Mr C.J. Barnett:** The Liberal–National government funded it to the tune of \$30 million.

**Ms S.F. McGURK:** I am not saying that that did not occur, Premier; I am saying that the port authority's role and its presence in that community was crucial in giving people confidence that their concerns were being listened to and acted upon.

As the member for Fremantle, I have a lot of experience, with the state's only container port and the largest port in the Fremantle Port Authority within my electorate. There are many examples in which the port authority is called upon to not only be cognisant of what the community wants in relation to its operations, but also have an eye to what the community wants in terms of future opportunities for development. For instance, the Victoria

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Quay waterfront development is the possible expansion of commercial and recreational buildings on Victoria Quay. This proposal has been around for a long time. Initially, ING was the developer being considered for the development of the E Shed. That proposal is no longer on the table, but the port authority is now looking at an alternative proposal for the waterfront, which I understand is now with the City of Fremantle. The speed at which the port authority has moved on this project concerns me a lot; it has been very slow. I know it has to get this project right. The community is interested in many sentimental and important heritage considerations on the port, but it is also a fantastic development opportunity for Fremantle. It would be great to see that project move along sooner rather than later. I know there must be consultation, and that consultation has taken place with the port authority and it is working with a port stakeholder group. But I hope it happens in my lifetime. I do not know whether the minister is listening to this point about Victoria Quay. He is making notes, which is good, to follow it up and see where the port authority is at with the Victoria Quay development. I am not saying that the community wants just any development; it wants a suitable development that is sensitive to heritage needs and to a built environment. It wants a development that connects the port and that area with the rest of Fremantle, and it wants the Public Transport Authority to play a part in this process as well. This is an opportunity for the Fremantle train station to be open on both sides. This is a good example of an area in which a port authority has an active role in the community, and can provide some real benefits to the local community. Fremantle needs that sort of development in its current economic rejuvenation. Those sorts of developments are crucial.

Another example of the port authority's operations hitting hard against the community relates to the amount of freight on rail. The minister will not be surprised to hear me talk about the desire to increase the amount of freight on rail, which I understand is around 14 per cent to 15 per cent. The minister is working on the assumption that this year it will be about 16 per cent. We would welcome any opportunity to increase the amount of freight that goes onto rail. I know that the minister has a target of 30 per cent. However, people are concerned, because they are not sure how the minister will be able to reach that 30 per cent target. We welcome the capital development that is occurring at the port, funded partly by the state government, and also by the federal government, to increase the rail frontage of the port. However, we need to continue to look very closely at how we can increase the amount of freight that goes onto rail.

While I am on that topic, I hope that next week we will be able to draw the minister's attention to the community concerns about the High Street–Stirling Highway upgrade. We want that proposal to go ahead. However, as the minister would know, there is a variety of views in the community about that proposal. The current proposal by Main Roads for that road upgrade is for only four lanes. However, the upgrade will allow for six lanes in the future. People are concerned about the width of the current proposal. If the road upgrade was built to only four lanes, the community would welcome that. Sure, there will always be some people who do not want any change to occur in that area. However, I do not think that is the majority view. People know that that road needs to be upgraded. However, they do not want that upgrade to result in a super highway that will cut a huge swathe through their community. People also want some east–west pedestrian access to be provided on that road upgrade if possible. However, the main concern is the width of the proposed road upgrade.

**Mr T.R. Buswell:** Is that east–west from Holland Park?

**Ms S.F. McGURK:** That is right. Under the current proposal, it is near Muzz Buzz, just east of the corner, near the golf course. People want some pedestrian access between High Street and Marmion Street.

**Mr T.R. Buswell:** Is that between Holland Park and the other side?

**Ms S.F. McGURK:** That is right. There is a primary school there—East Fremantle Primary School.

**Mr T.R. Buswell:** And some soundproofing as well.

**Ms S.F. McGURK:** That is right. If we had an announcement from the government that it would stick to building only four lanes, that it would provide some east–west pedestrian access, and that it would provide noise attenuation, that would be very welcome, minister.

**Mr T.R. Buswell:** You might get two out of the three!

**Ms S.F. McGURK:** It would also redeem the stocks of the current government, and maybe even the minister's reputation, in the Fremantle community.

**Mr P. Papalia** interjected.

**Ms S.F. McGURK:** I do not know, but it might go some way towards doing that. I put that challenge to the minister. It would be very welcome, because people have a lot of concerns about the width of the road in particular.

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I have raised some issues that are important to the port. We obviously need to make sure that freight is moved to the port efficiently. People in the community get that. The people in the community of Fremantle like living around a working port.

**Mr T.R. Buswell:** Except for the live export people; they are not too keen on that.

**Ms S.F. McGURK:** The minister and I might differ on that policy point as well, minister. But they do not want it moved south, out of sight and out of mind, either. I think the majority of the people in my electorate want the live export trade to be gone altogether. I guess that is a matter for another debate, but I did notice an article in *The West Australian* this week about the abattoir that is operating in the Kimberley for the domestic processing of livestock. It is good to see that there is now a functioning abattoir in the Kimberley. We should support that type of development wherever we can, because it creates jobs for Western Australians, it is a much more humane way of dealing with the animals, and we can be confident about the quality assurance that applies in those operations.

I digress. I was speaking about the logistical issues that surround a working port. It is important that port authorities engage with their local communities on those issues. Ports are commercial enterprises. We understand that. We understand there is an imperative for ports to operate efficiently. However, ports operate within their local communities, and whether that is the metropolitan community of Fremantle and its surrounds, the towns of Esperance and Albany, or any other regional town that has a local port authority, those authorities need to engage with their local community. People in my electorate regularly raise the issue of the plans for the Fremantle outer harbour. They are concerned that there has been a lack of direction and planning from the government on the outer harbour. I have spoken before in this house about the south west group of metropolitan local councils. That is a group of local councils that has been working cooperatively to identify key strategic issues and to ensure that infrastructure is in place to enable their local economies and communities to operate more effectively and efficiently. That group is concerned about the lack of decision and direction for the outer harbour. It knows that the lead time that surrounds that sort of project is massive. It is estimated that Fremantle port will reach capacity by 2025 and that the outer harbour will then be necessary.

**Mr R.H. Cook:** What year was that?

**Ms S.F. McGURK:** It is 2025. That is the government's own estimation. That is a conservative estimation. I have spoken to people in industry who think it will occur a lot sooner than that. I understand that one of the deciding factors in how quickly Fremantle port will reach capacity is how much freight we can get onto rail. It is more efficient to put freight onto rail than it is to put it onto road. Valuable land is being taken up at Fremantle port to provide access to trucks to get into and out of the port, and even though there has been an expansion of North Mole, that is all land that could otherwise be used for freight. That is yet another argument for why we need to increase the amount of freight that goes onto rail.

I am in the very early stages of my relationship with the Fremantle Port Authority, but I hope that will continue to grow. We are about to have some discussions with the port authority, and perhaps the federal member for Fremantle and other stakeholders in my area, about how we can ensure that Fremantle is on the map for next year's centenary Anzac celebrations. Fremantle was very important in Australia's early war efforts. We need to make sure—I will take the opportunity to say this while the member for Albany is not in the chamber—that a range of places around the state are given the opportunity, during those centenary Anzac celebrations, to recognise the history and contribution of their local community. We have had some initial discussions with the Fremantle Port Authority about how we might cooperate on that point.

I was recently part of a group called Fremantle Foundation. That is a business group that encourages local employers to engage in philanthropic activities that will benefit local Fremantle causes. Fremantle Foundation recently raised \$100 000 through a project called Impact100, and that funding has been awarded to a Fremantle group called Dismantle, which engages local young people who are perhaps not attending school and are at risk and gets them involved in servicing and putting together bikes that are donated to local kids, and the young people also get to keep a bike for themselves. That group was successful and was awarded the \$100 000 grant from Impact100 WA. The Fremantle Port Authority and I contributed to that fundraising effort. These are some of the ways that we can work with the authority on local community issues and broader logistics issues, such as those I drew the house's attention to today.

**MS W.M. DUNCAN (Kalgoorlie — Deputy Speaker)** [11.40 am]: I rise to support the Ports Legislation Amendment Bill 2013, but I have reservations that I would like to put on the record. This bill creates four new port authorities: the Kimberley Ports Authority, the Pilbara Ports Authority, the Mid West Ports Authority and the Southern Ports Authority. The aim is to fill positions on the boards of those new authorities by 1 January 2014 and to have them commence around the same time. The briefing with officers from the Department of Transport advised that each port authority will have a chief executive officer and a chief financial officer, board

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members will be responsible for the day-to-day running of the port authority and there will be no redundancies at this stage. During the briefing we were told of the benefits of this merger: the economies of scale, the ability to cope with increased export demand, the increased regional focus and interlinking with road and rail in the Pilbara.

My interest in this bill is as the member for Kalgoorlie and a former resident of Esperance, where there is Esperance Ports Sea and Land. As mentioned in the debate this morning, the Esperance port has been through a very difficult time. I was in Esperance at the time of the lead contamination and worked with the member for Eyre, Graham Jacobs, to get a satisfactory response to the lead spillage. I met with the previous Minister for Planning and Infrastructure, Hon Alannah MacTiernan, to get her agreement for a study of what had happened in Esperance and for a remediation plan. We are forever grateful to the Premier. One of the first things he did when he took office was to get us all on a plane—the Minister for Transport, himself, myself, Dr Jacobs and the Minister for Environment—to go and have a look. He really took this matter seriously. It is gratifying to know that the team that cleaned up the Esperance port has won state and national awards for its work. It is well deserved; I have never seen a program in which the community has been so fully engaged, informed and satisfied with the process. The Esperance port has a few residual issues from that event: the cost of the litigation and the clean-up. The port also faces challenges in relation to existing contracts and the management structure of the port of Esperance. That is where my concerns lie, and I sought assurances from the government officers at the briefing that this merger would not interfere with the important work happening at the Esperance port.

The Esperance port handled a record 13.875 million tonnes of cargo in 2012–13, which was an increase of 18 per cent on the previous year. This has contributed to a significant rise in the port's revenue, but has put significant pressure on the port's capacity. Iron ore continues to dominate exports at the Esperance port. Exports of iron ore totalled 11.045 million tonnes for 2012–13. It makes up 80 per cent of the port's trade. Obviously, grain is pretty important and we are looking at a record year this year, which places additional pressure on the port. This year there was the first shipment of canola from Esperance to China following the lifting of the 2004 embargo on China's canola imports. Ravensthorpe Nickel Operations exports its product and imports the sulfur used in the beneficiation process through the Esperance port.

We are assured that each new port authority will have a single chief executive officer, and each port will have a locally-based port manager and will operate as a separate business unit. I think that is absolutely critical. The Esperance port is just starting to get on its feet. It has a huge task ahead of it renegotiating the contracts on its books and realising the proposed multi-user iron ore facility, which the government committed to last year—maybe even before. The market-sounding process for that has taken place and I believe that a decision will be made on the consortia to construct the facility in the first quarter of 2014. As the member for Kalgoorlie, this is important to me because there is an area of prospective iron ore production west of Menzies, in the Yilgarn iron ore region. Mindax Limited, Golden West Resources, Radar Iron and Macarthur Minerals have projects there that are dependent on the Esperance port, particularly as it may be some time before the Oakajee port is realised. This is coupled with PortLink, the intermodal hub in Kalgoorlie. There has been a lot of discussion about upgrading road, rail and other transport linkages in that region and it means the Esperance port is so important and cannot be distracted from the tasks at hand.

Esperance port is pretty special in that it takes Cape-class vessels; it is the only port in the southern half of Western Australia that can. We need to make sure that that capability is well used and that the prospect of iron ore exports from the port comes to fruition as soon as possible. In the Yilgarn iron ore region, mining companies work together to iron out logistical and transport issues and those with the port. They work with the Shire of Menzies—my home town—on how benefits can flow back to the town through locating an industrial hub and some transport there. It bodes well for the goldfields if there is a strong and viable Esperance port. That is what I want to say today. I congratulate the government for its commitment to the port of Esperance and particularly the excellent work it has done on the port transport corridor. The railway has been upgraded into the port and everything is in place for Esperance to take its place as a major exporting port in Western Australia. On the record I want to congratulate the CEO of Esperance Ports Sea and Land, Shayne Flanagan. He arrived at a time of incredible difficulty—after a couple of false starts endeavouring to find a new CEO—and after an incredibly steep learning curve, he has done an amazing job. I would just like to put on record my congratulations to him. I trust, minister, that we will look after him and the Esperance port.

**MR R.H. COOK (Kwinana — Deputy Leader of the Opposition)** [11.49 am]: I saw the member for Fremantle's name on the speaking list, so I thought I should take out a bit of insurance and make sure that I also got on the speaking list for the Ports Legislation Amendment Bill 2013, because I know the issues around Fremantle port and its propensity to want to shift things such as sheep exports elsewhere, primarily down to Kwinana. I thought I had better get on the list just in case. I listened carefully to what the member for Fremantle

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had to say. I am very pleased that she did not wade into that territory, because the Kwinana community has a very strong view on the issue of live sheep exports and the proposal for them to go out of the Kwinana area.

As the amount of development and the commercial pressures on Victoria Quay continue to progress, there will be further need to integrate areas of the Kwinana industrial strip into the machinery of Fremantle Ports. The bill provides a good opportunity to talk about some of those issues and to continue to highlight the role that the Kwinana sea frontage, as part of the outer Fremantle port, plays as an important piece of economic infrastructure. This bill consolidates a range of port authorities around the state. That is a very important development, as we understand that ports are increasingly dynamic and integrated pieces of infrastructure that must undertake a range of responsibilities and roles to continue to provide the services needed to drive our economy. That is very much the case in Kwinana, where there is a range of berthing facilities at the Alcoa and BP refineries and whatever may or may not come out of the James Point proposal, all of which need to be coordinated in a manner that provides further economic development for not only the state, but also, obviously, the Kwinana area. That is why this legislation, which recognises the roles of these large integrated port authorities, is an important step for the government to take.

One of the reasons we have been so successful in Kwinana, particularly with the mitigation of the environmental impacts on Cockburn Sound, is the joint work undertaken by organisations such as the Kwinana Industries Council. Through an integrated process, it has managed to allow the industry players in that area to go about their business in a way that is increasingly sustainable and is having a less and less detrimental impact upon the environment. That can be achieved only if there is unity, or a solidarity of goals and objectives, and a common purpose amongst the players on the industrial strip. I am certainly supportive of the concept that Fremantle Ports, as a consolidated coordinating agency, will continue to play an important role in that area to make sure that all the economic infrastructure in that area is used in a manner that provides benefits to the community.

One of my main concerns about the James Point proposal is that we will lose that capacity to have integrated economic infrastructure in the area. An important aspect of the development of the Fremantle outer harbour in the Kwinana area is the development of Latitude 32. Latitude 32 is a large section of land that has been set aside for future development to play an important role, particularly in bulk cargo exports. A large section of Latitude 32 is for the development of the intermodal transport hub. I would like Latitude 32 to continue to be developed so that it can meet the needs of the Kwinana area and the Fremantle outer harbour. I was interested in what the member for Fremantle had to say when she said that the Fremantle harbour will reach capacity by 2025. It will be good to get the minister's views on that.

**Mr T.R. Buswell:** I think that is loosely in line with our predictions, although trade growth obviously has an impact. If trade growth is below the anticipated or estimated growth rate, that will have an impact. If it is above it, it will have an impact. My advice is that it will be around 2025.

**Mr R.H. COOK:** One of my anxieties with Latitude 32 is that a lot of heat has come out of the market in what can or cannot be done in that area. I think that has continued to hold back the development of the intermodal transport hub, which in turn slows the capacity to develop a proper bulk handling facility in Kwinana as part of the Fremantle outer harbour. The intermodal transport hub is an important catalyst for the ongoing economic development in that area, and if we do not put our foot to the pedal in developing these things, we will continue to see pressure on the ageing transport infrastructure in the Fremantle port, we will continue to see the struggle in shifting container transport off roads, and we will miss the opportunity that the Fremantle outer harbour and Latitude 32 will provide to the state. That is important—the member for Cockburn and I have spoken often about this in this place, and the Premier is very aware of it from the visits he has made to the Kwinana strip—because the nature of the industry that takes place in Kwinana is starting to shift as a lot of the mining services companies have to change their style of operation to meet the changing nature of the mining industry. Therefore, Latitude 32 and the emergence of Kwinana as an integrated transport hub become more and more important to the people who live in and around the electorate of Kwinana.

About 60 per cent of the people who work on the Kwinana strip live in Kwinana or Rockingham or the surrounding districts. The economic health of the Kwinana industrial strip is very much tied to the economic health of the people who live in my electorate. If we see a new style of economic activity in the Kwinana area that is more focused on transport infrastructure, as opposed to the heavy industry that has typified the area for so long, we will need to develop the physical infrastructure to meet that challenge. That obviously includes the development of the intermodal transport hub. It also includes the further development of roads such as Anketell and Rowley Roads to make sure that they can feed the district with its transport challenges. From time to time, we hear people call for the realignment of the goods railway lines that feed that area. If the Fremantle harbour is going to start to bump into capacity by 2025, the need to continue to develop the transport infrastructure around the Kwinana area and to develop Latitude 32 becomes all the more important.

**Extract from Hansard**

[ASSEMBLY — Thursday, 28 November 2013]

p6877b-6890a

Mr David Templeman; Mr Paul Papalia; Ms Simone McGurk; Ms Wendy Duncan; Mr Roger Cook; Mr Dave Kelly; Mr Troy Buswell; Mr Ben Wyatt; Acting Speaker; Mr Chris Tallentire

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Members will be aware, of course, that there was a rally of largely Cockburn residents at the front of Parliament House today. I was collared at that rally today by one member of the community who was keen to know about the future of Wattleup and what LandCorp is doing in that area to continue to buy the remaining land so that Latitude 32 can be rolled out. It may be beyond the direct scope of this particular legislation, but it is obviously pertinent to it. If the minister wanted to provide the house with an update about some of the transport infrastructure in the area, I would be grateful, because clearly from what we have heard in the debate today there is a need for the government to get moving on that.

Some members today talked about the importance of continuing to see port authorities play an active role in their communities. It is important that we do not see a winding back in the consolidation of the Albany Port Authority, for instance, and the involvement of port authorities in the community through the sponsorship of community groups and so forth. Members might be interested to hear that the Fremantle Port Authority extends its community engagement right down to the Rockingham area because it sees the area as an important part of its overall footprint of coordinating the harbour activities both in the Fremantle inner harbour and the outer harbour. For instance, the port authority provides a maritime award once a year to a student at Hillman Primary School, which until recently was in my electorate, but is now in the electorate of the member for Rockingham. Fremantle Port Authority sees that award as an important part of its community engagement.

It is important that we appreciate the role that larger port authorities play and that it is important, if ports are to continue to be integrated, dynamic and modern pieces of economic infrastructure, that they have the size and the coordinated capacity for them to be able to continue to be so. I drew the house's attention earlier in my speech to the threat to that integration that the James Point proposal may pose in Kwinana in undermining the capacity to coordinate and integrate the economic activity of the Kwinana region. In fact, the representatives from the BP refinery showed me an overlay of stage 2 of the James Point proposal indicating how it would impact on BP's berthing facilities at the Kwinana refinery. The two do not sit on top of each other, but members will understand that there will be significant jamming in relation to how stage 2 of the James Point proposal will impact upon the operations of the Kwinana refinery. BP has concerns, I guess, about that. This integration and coordination is achieved by having large port authorities able to make sure that the development of this sort of infrastructure continues to go forward in a manner that is coordinated and long term, and to make sure we achieve the best efficiency and economic return from the infrastructure.

Recently I was reminded, in relation to port activities, that this year marks the fiftieth anniversary of the establishment of the Alcoa operations in Kwinana. Alcoa might be called the foundation tenant on the Kwinana strip, after the BP refinery, and so this represents a significant milestone for Kwinana. For members' information, and to give them an idea of the level of activity in the Kwinana region, at the Alcoa jetty alone, Alcoa has approximately 115 ships of alumina each year leave its facilities. Kwinana refinery's annual production of alumina is equivalent to 15 000 jumbo jets, one billion recyclable drink cans or eight million four-metre dinghies. Alcoa employs over 1 000 people and is a significant contractor of the local workforce.

Several members interjected.

**Mr R.H. COOK:** I suspect a significant number of those eight million dinghies are actually ploughing down Cockburn Sound as we speak!

As I said, Alcoa employs over 1 000 people and it has a significant contractor workforce, with approximately 60 per cent living in the neighbouring townships of Kwinana, Cockburn and Rockingham. How we develop the Kwinana port facilities is very important, and although this legislation does not relate strictly to Fremantle port, it is underscored by the legislation's intent, which is to have port authorities large enough to have the governance, planning and oversight of activities to ensure our ports operate efficiently. Port authorities need to be large enough to have the coordinating capacity to make sure that when there is a development on not only the immediate seaside, but also in the hinterland of the ports, it is done in a manner that is economically efficient and provides proper development. Also, a benefit or a dividend needs to continue to be returned to the local community by port authorities maintaining active engagement in their local community, so the community benefits not only from employment, but also the economic and social advantages that accrue from these entities. With that, the opposition supports the legislation and we look forward to hearing from the minister about how he sees the Kwinana area continuing to develop and benefit from the economic burden; how we can continue to see greater integration of the transport arteries in the area with the port; how we can see an acceleration of development of the Latitude 32 industry zone, and in particular the intermodal transport hub; and how we will continue to benefit from these large, integrated, coordinated port authorities.

**MR D.J. KELLY (Bassendean)** [12.06 pm]: I rise to make a few comments on the Ports Legislation Amendment Bill 2013. I start by laying a challenge to the Treasurer as he gets himself a glass of water. I apologise if he has already done this in his second reading speech, but I doubt he has. My challenge to the

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Treasurer in this debate is for him to say something positive, not sarcastic but truly positive, about the role of the Maritime Union of Australia. Obviously, there cannot be functioning, efficient ports without a workforce that is skilled, trained and motivated, and part of that, in a modern democracy, is their entitlement to be represented by a union. My challenge to the Treasurer is to say something positive—I hasten to say, not sarcastic but truly positive—about the role of the MUA before this bill passes through the lower house. I can see the Treasurer is already thinking!

**Mr T.R. Buswell:** I tell you what, I went to one of the WorkChoices rallies held outside the art gallery—remember that one? It was back in 2008 or 2009 in that complex.

**Mr D.J. KELLY:** Yes.

**Mr T.R. Buswell:** At that rally, the MUA were the best marchers!

**Mr D.J. KELLY:** That is a good start!

**Mr T.R. Buswell:** That is a fact; they were very impressive.

**Mr D.J. KELLY:** I congratulate the Treasurer for so readily being able to compliment the MUA for the standard of its marching. Now that the Treasurer has satisfied my first challenge, I will offer him a second challenge. I ask him to say something positive about the MUA that relates directly to its role in ports, not peripheral activities like marching or maybe singing.

**Ms S.F. McGurk** interjected.

**Mr D.J. KELLY:** That is right.

**Mr D.J. KELLY:** Before this debate is over I want the Treasurer to say something positive about the role the MUA plays in the functioning of the ports.

**Mr T.R. Buswell:** I think I am going to have to resign!

**Mr W.J. Johnston:** That's positive!

**Mr D.J. KELLY:** That is positive!

**Mrs G.J. Godfrey:** I get plenty of complaints in Belmont about them holding up everything that's on the port.

**Mr D.J. KELLY:** I am glad the member for Belmont interjected because I was just going to say that I issued the same challenge to the Premier during debate on the Workforce Reform Bill 2013. I asked whether he could say something positive about United Voice. He did not say a positive word throughout that whole debate but the member for Belmont chirped up and said that unions had their place. She said nothing more. I asked her whether that place was in a corner, behind a cupboard or in jail. She did not elaborate. I give the member for Belmont credit that she did say something about the role of the unions and United Voice. I am not sure whether it was positive but it was one step further than the Premier, who could not bring himself to say anything positive about unions in that debate.

I want the Treasurer to say something positive about the role of the MUA in ports. I say that for a very good reason. Ports are important because of the role they play in the supply chain—getting goods in and getting goods out. We are an export nation. Most of our exports go through our ports. We need good functioning ports. They serve that purpose without a doubt. They also provide employment. As a modern economy, we should be striving to maximise the number of good paying jobs in our community. Yes, ports provide a function of moving goods in and out of the country, but people are employed by them; ports are significant employers. We can argue around the margins but at the moment we would say that ports are a good source of employment as they offer good paying jobs. Some members in this chamber and some people in the community may think that that was always the case. Not that long ago, people who worked in a port did not know whether they had a job from one day to the next. They stood by the side of the road in somewhere like Fremantle. Employers drove along, looked at who was standing by the side of the road, picked people out of the queue and said they can have a day's work.

**Mr P. Papalia:** With asbestos.

**Mr D.J. KELLY:** If they were lucky, they did not get a job that involved asbestos. If they were unlucky, they did.

The fact that we have moved ahead somewhat in our employment practices in the ports is not because employers miraculously woke up one day and said that the system is not fair. It happened because the workers in those ports got themselves organised, bargained with their employer and secured better wages and conditions. Surprise, surprise; that has not stopped Australia from becoming a prosperous country. In fact, many would argue that the

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process of workers in places such as the ports negotiating with their employer and securing better wages and conditions has been crucial to us becoming the society that we are today.

The Treasurer has obviously given a lot of thought to this legislation. I urge him to say something positive about unions during his opportunities to speak to the house. He does not have to be gushing. He does not have to say that he thinks they are the best thing since sliced bread.

**Dr G.G. Jacobs:** How desperate are you for positive reinforcement?

**Mr D.J. KELLY:** I am not desperate for positive reinforcement.

**Dr G.G. Jacobs:** Why do you keep asking us to say something positive?

**Mr D.J. KELLY:** When we come into this house, whatever side of the fence we are, it is good to be given a challenge. We should never sit in the same position in this place spouting the same position that we always do. I just think that it is good to extend ourselves and try to see an argument from both sides, not just our own side. I have heard plenty of disparaging comments in this place from members on the government side of the benches about the role of unions.

**Mr C.J. Barnett:** Not frequently but whenever it has been appropriate, I have met with unions as Premier. I have done so on a significant number of occasions, as has the Treasurer. We do not have a “no unions” philosophy at all—the teachers’ union, United Voice and others along the way.

**Mr D.J. KELLY:** I am just trying to think.

**Mr C.J. Barnett:** Don’t try to suggest we don’t respect proper approaches by unions; we do.

**Mr D.J. KELLY:** I was secretary to the union for 10 years. I am not sure whether the Premier ever met with me during that time.

**Mr C.J. Barnett:** Did you ever ask for a meeting?

**Mr D.J. KELLY:** Yes, I did actually.

**Mr C.J. Barnett:** Apart from a placard out the front.

**Mr D.J. KELLY:** No, no. When the Premier first got elected back in 2008, I wrote him a letter saying that we had an agreement with the former Labor government to increase rates of pay for cleaners who worked in government buildings and were employed by private contractors.

**Mr C.J. Barnett:** You know I met with United Voice before the last election on a couple of occasions.

**Mr D.J. KELLY:** The Premier should let me answer his question.

**Mr C.J. Barnett:** I didn’t ask a question.

**Mr D.J. KELLY:** The Premier asked me whether I ever asked for a meeting. I was just saying that he had recently been elected when I wrote to him and asked to meet with him because we had an agreement that the government would pay minimum rates of pay for cleaners who worked in government buildings employed by private contractors. I had heard a whisper that he was going to put the kybosh on that agreement. I wrote to him and asked for a meeting. He said it was not his responsibility and I should speak to the Treasurer. I wrote to the Treasurer and asked to meet with him to talk about this agreement. The Treasurer wrote back and said he was not going to meet with me as the government was not going to honour the agreement, the cleaners were not employed by the government and they were not the responsibility of the government. That set the tone —

**Mr C.J. Barnett:** I met with your union.

**Mr D.J. KELLY:** I ask the Premier to let me finish. That set the tone of the relationship that the Premier had with the union when I was the secretary. One of the first decisions he made was to stop cleaners in CBD buildings getting a pay rise. Those big towers down there are occupied by lots of mining companies. During that time, their profits went through the roof and rents went through the roof. We tried to ensure that the cleaners who cleaned those buildings shared a little bit of the benefits of the boom. It has not happened.

**Mr C.J. Barnett:** But that’s the private sector; that’s not government. We don’t own the building.

**Mr D.J. KELLY:** I am getting distracted by the Premier’s interjections.

One of the things that this bill does is consolidate a number of the existing ports. Geraldton port will become the Mid West Ports Authority, Bunbury Port Authority will be renamed the Southern Ports Authority, the ports of Esperance and Albany will merge with the Southern Ports Authority, Broome Port Authority will be renamed the Kimberley Ports Authority and Port Hedland Port Authority will be renamed Pilbara Ports Authority, et cetera. That will be done so there are greater economies of scale and the ports are big enough to basically do their job.

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One of the issues that has been raised with me is whether the merger of these ports is being done, at least in part, to facilitate the future privatisation of those ports—the argument being that the existing structural arrangements of the ports are not big enough to be attractive to a private operator. By merging them into bigger entities, they will be big enough to be attractive to a private operator for the government to then sell them off. From a range of comments that have been made by the government, we know that the government is looking for assets to sell because of state debt being somewhat out of control. One of the concerns that has been raised about this bill is that it is one step on the road to privatising the ports. I would be interested if the Treasurer could give us some guarantees in this debate that he will not either sell or lease—or something of that nature—these new merged entities to get some fast cash to address state debt. Plenty of other proposals are out there, and people have raised these concerns. Plenty of other things are on the Treasurer's mind that would indicate to people that they are right to be worried. Only this morning there was the report that the Perth desalination plant and the southern desalination plant are both potentially to be sold. There are lots of reasons why the community would be concerned about the sale of the desalination plants, not the least of which is the issue of future water security. Lots of arguments have been run for many years by many people about the sale of essential assets in general, but the new issue in respect of the desalination plants, which is, I suppose, an argument that has arrived only with the recognition of global warming and our drying climate, is that water security is going to be a real issue for Western Australia, including Perth. We have effectively droughtproofed Perth and much of the south west by the introduction of desalination plants, and the idea that we are now going to put that water security in jeopardy by privatising those desalination plants really concerns a lot of people.

**Mr C.J. Barnett:** What difference does it make who owns the plant?

**Mr D.J. KELLY:** I beg your pardon, Premier? What difference does it make who owns the plant?

**Mr C.J. Barnett:** In terms of water security.

**Mr D.J. KELLY:** It is an interesting thing that the Premier says. If he went out and spoke to people in Western Australia and said, “We have droughtproofed Perth by building two desalination plants. They are currently owned and operated by your government, so the government is directly accountable to you for how those plants are operated and what cost you have to buy your water at. We are thinking about selling those desal plants to the highest bidder, and that could be either an Australian corporation or a corporation based overseas. Do you feel as though your water security is better served by having those desal plants owned locally or by having them owned potentially by a corporation based overseas?”, I think the vast majority of —

*Point of Order*

**Mr T.R. BUSWELL:** This debate has gone on for a fair while. I am happy to canvass issues around the bill. The ownership or otherwise of water assets in the state is not part of the bill. Just so that we can get through the remainder of the debate, I am pretty keen that we stick to the matters canvassed, which everyone has done pretty well. But I have just checked the index, and it does not mention water assets.

**Mr B.S. WYATT:** Further to that point of order, the member for Bassendean was responding to a direct interjection from the Premier. If there is a problem with that, Mr Acting Speaker, I suggest that you call the Premier to order to stop these interjections. But, ultimately, I dare say we will get through it quicker if the Treasurer lets the member for Bassendean finish what he was going to say.

**The ACTING SPEAKER (Mr I.C. Blayney):** Member for Bassendean, I would appreciate it if you would just go back to the subject of the bill.

*Debate Resumed*

**Mr D.J. KELLY:** Sure. I was referring to, I suppose, community attitudes to the prospect of essential services such as the desalination plants and the ports being privatised. The government could be of the view that the community just does not understand the economic benefits of privatisation and that the average person in the street is not intelligent enough to understand the benefits of having services such as the desalination plants or the ports privatised. I think that sells the community short. If we ask the average person in the street what they think about having these sorts of assets privately owned, potentially by interests overseas, or whether they think they are better off or the community is better served by keeping them in government ownership, the overwhelming majority of the community would say that it is better if these things are owned locally.

[Member's time extended.]

**Mr D.J. KELLY:** I think it is incredibly patronising for members on the government benches to just dismiss that.

**Mr C.J. Barnett:** Who dismissed it?

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**Mr D.J. KELLY:** The Premier's other interjection was, "What does it matter if the desal plants are owned overseas?" The Premier should go and ask members of the community whom he is supposed to represent what their opinion is. I think he will find that the vast majority of citizens of Western Australia, including the vast majority of people who vote Liberal, think that these assets are better held in government ownership. I challenge the Premier to present any research to the contrary. It is not just a question of ownership, so that the interests of the operators may be different from the interests of the community here in Western Australia; it is also the complexity of the contractual arrangements that are often entered into to privatise these facilities. The contractual arrangements that are entered into are often so complicated that enforcing the protections that governments believe are there is almost impossible. Yesterday we heard debate in Parliament about the complexities that have arisen in the contract between Serco and the government to operate the new Fiona Stanley Hospital. Serco is the sort of company that would love the opportunity to operate ports in Western Australia. Mind you, it will do almost anything for a price, but ports would be —

**Ms S.F. McGurk:** It's not dissimilar to running a hospital after all.

**Mr D.J. KELLY:** That is right—a port, a hospital or a prison. It is all due to the bottom line. Serco would love to operate our ports, and if these new merged assets are ever privatised by the current government, I am sure that a company such as Serco would be interested. It never ceases to amaze me that many people on the government benches make comments about the problems that arise when companies such as Serco provide essential services, yet the government keeps engaging it or companies similar to it. This morning we had a report from the Public Accounts Committee, I think it was—one of the committees —

**Ms M.M. Quirk:** It was the Community Development and Justice Standing Committee.

**Mr D.J. KELLY:** Yes; it was the Community Development and Justice Standing Committee. One government member stood and expressed some concerns about Serco's contract for prisoner transport, I think it is called, or court security. They were very valid comments. I will not name the other government member who was elected in March this year and with whom I had a casual conversation in Parliament—at that time that member had not been in this place for very long. This person—I will not say whether it was a man or a woman—said, "Have you heard about this company called Serco and what it is doing?" Blah, blah, blah. This member gave me quite a speech about this company Serco, and spoke to me as though Serco was not known to many people in the house. It never ceases to amaze me. There is evidence out there of the difficulties that governments around the world get into when they engage these types of companies, which are expert at turning taxpayers' money into private profit. It never ceases to amaze me how much evidence there is around the world of the difficulties that arise, yet governments still seem more than ready, more than eager, to enter into contracts with them.

I congratulate the Minister for Transport on one provision in the Port Legislation Amendment Bill 2013. It is not an understatement to say that I am chuffed that he has included it in the bill. The second reading speech states —

This bill provides that references to the port authorities in existing agreements, instruments and documents are to have effect as references to the new ports authority from merger time. Similarly, if the authorities were parties to existing agreements or instruments, this bill separately provides that, from merger, the new ports authority will be the party to those arrangements. Provisions have also been included to ensure that the rights and obligations of parties to state agreements are not affected by the Ports Legislation Amendment Bill 2013.

It was very wise of the Minister for Transport to turn his mind to ensuring that the rights and obligations of existing ports in agreements to which they are already party flow on to the new merged entities. It would be terrible if the merging of the entities resulted in the state evading, obfuscating or dodging any of its obligations under existing agreements. The second reading speech specifically refers to state agreements. I congratulate the Minister for Transport for ensuring that private sector parties that are party to agreements with the existing port authorities will have their rights and obligations protected. It is a shame that the Premier did not take the same attitude with the Workforce Reform Bill 2013, which has just passed through this house. In contrast with this bill, the Premier deliberately included a provision in the Workforce Reform Bill to avoid the obligations of existing awards and agreements as they relate to issues of redundancy. I spoke at length during debate on that bill about how poor it was of the Premier to do that, and how poor it was that cabinet and every member of the backbench fell in behind him to support those quite atrocious provisions. Having said that, I again congratulate the minister for ensuring that the same poor administration and poor respect for agreements entered into by the state have not been repeated. It would be rash of me to claim credit for the minister doing that. I am not sure whether the second reading speech for this bill predates the beginning of debate on the Workplace Reform Bill. It would be a bit rash of me to say that the minister has taken on board my comments and remedied that deficiency in this bill. Perhaps the minister holds that view because of the residual values he gained after his short period as a member of the Labor Party.

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**Mr T.R. Buswell:** I'm now aspiring to join the metal workers—that is my new goal!

**Ms M.M. Quirk:** Why the metal workers?

**Mr T.R. Buswell:** I like the members for Collie–Preston, Cockburn and Mandurah.

**Mr D.J. KELLY:** On the basis of that provision alone, I would be prepared to give the Minister for Transport a reference. Clearly we share the value that when the state enters into an agreement, it should honour that agreement. Clearly that view is not shared by other government members. I can only conclude that the minister included that provision in the bill without my prompting because of the tiny bit of DNA that has survived his time as a member of the Labor Party.

There are many good provisions in the bill, which is why the opposition will support it, but there are issues of concern, which I have raised. I look forward to hearing from the Treasurer during the course of this debate.

**MR C.J. TALLENTIRE (Gosnells)** [12.36 pm]: I rise to speak about the Ports Legislation Amendment Bill 2013, and begin by noting my support for the legislation. I will raise some concerns about how we will proceed with the creation of larger port authorities and talk about a couple of other problems as well. It is important to note that our ports are critical pieces of infrastructure; indeed, they are vital to our national sovereignty and we should not let that national sovereignty be compromised. Western Australians expect our “sovereign borders”—to use a Liberal Party expression—are protected. Our ports are a major entry and departure point for people and goods. It follows that maintaining a democratically elected governance control over the activities of ports is absolutely essential. I am concerned when I see a move that has the potential to privatise our ports. I believe that would be undermining.

[Quorum formed.]

**Mr C.J. TALLENTIRE:** I am pleased to speak in the chamber with members present.

The Ports Legislation Amendment Bill has many commendable features, but I have expressed my concerns about privatisation being an option for the larger, more profitable port authorities. Before going into that further, I cast my mind back to only a few years ago when I looked at the accounts of the Port Hedland Port Authority, which was losing money.

**Mr T.R. Buswell:** Not anymore!

**Mr C.J. TALLENTIRE:** That is good. How amazing that at a time when the port would have had 300 million or 400 million tonnes of iron ore going out each year, it was losing money. It strikes me as a huge problem if port authorities are losing money when they deal with such enormous tonnages.

**Mr T.R. Buswell:** Not anymore.

**Mr C.J. TALLENTIRE:** The Minister for Transport assures me that that is no longer the case. However, it shows that if port authorities are not correctly managed, if the levy or the service fee per tonne that is placed on iron ore or whatever commodity is exported out of a port is not properly calculated and if the work has not been done to examine the necessary financing of the capital costs that have been incurred in developing a port, they can get into serious financial strife. It is understandable that people look at different financial models for the funding of capital works in ports. But I come back to the point that if the government goes down the path of privatisation to the extent that private companies are wholly and solely responsible for what goes on in a port, we are, in effect, handing over sovereignty to those companies. That is of concern when we think about the strategic values of a port. In any further discussion around the issue of the potential privatisation of ports, I would want to see that the state has the capacity to regain full sovereignty, or full ownership, of a port at a given moment. The state would have to have the capacity to direct how a port is used and what vessels are allowed to come into it, and it would have to determine what goods are to be transported through the port. All of those sorts of things must be properly determined by the democratically elected government of the day, not just by the shareholders of a body owning a particular port. If we were to go down the route of privatisation as the sole decision-making route for a port, it would be particularly dangerous, and I do not think that is what Western Australians want at all.

**Mr T.R. Buswell:** How many private ports are there in WA?

**Mr C.J. TALLENTIRE:** There are a couple.

**Mr T.R. Buswell:** Are they good or not good?

**Mr C.J. TALLENTIRE:** As I say, there is an issue around sovereignty. If the government hands over the ownership of a port to a private company and there is no capacity for the state to step in and take control when the state feels it is required, that is a poor decision. The issue of sovereignty must be in our minds when we look

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Mr David Templeman; Mr Paul Papalia; Ms Simone McGurk; Ms Wendy Duncan; Mr Roger Cook; Mr Dave Kelly; Mr Troy Buswell; Mr Ben Wyatt; Acting Speaker; Mr Chris Tallentire

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at the various ownership models for ports. It is all very well for a port to consider different financing models, but a number of historical events show us that ports of different ownership types can get into trouble. In this place members have talked a lot about the Esperance lead situation. It is interesting to know that back in 2004 the Esperance Port Authority experienced another significant event. It was found that the port authority had expanded and had significantly filled in an area and had not disclosed how large that area was. In 2004, it had sought permission through a public environmental review process for about eight hectares of expansion, of infill, for lay-down areas, marshalling areas and the like. In actual fact, the area of marine environment that was filled in and destroyed for that particular phase of the Esperance Port Authority expansion was double the amount that had been indicated; it expanded into the marine environment by more than 15 or 16 hectares. This shows that the port authority at the time not only had scant regard for its commitments under the Environmental Protection Act and the public environmental review, but also was oblivious to any commitments or obligations that it might have under the Town Planning and Development Act. The fact is that that land was to be used for industrial purposes, yet it was not in the town planning scheme. Effectively, the port authority had acquired an extra area of land without going through the due planning process. That is the sort of problem we get when an organisation does not respect the rules and is not up-front with the public, and it is a shame when that sort of thing happens.

Whenever a port expands, there is a degree of controversy. In 2005 or 2006, Champion Bay underwent a degree of expansion. There was a desire to increase the port's capacity to suit capesize or panamax vessels, but it involved a lot of dredging, and seagrass meadows were impacted upon in Champion Bay because of the dredging spoils. Modelling was done to predict which way the dredging spoils would go, but, unfortunately, that kind of modelling is an inexact science. In this case, errors were made and the amount of damage was greater than had been anticipated. The idea of regional port authorities has merit, but not if it leads to a handover of ownership.

I will say a little about the historical legacy of many of the ports in Western Australia, which is typical of ports around the world that have evolved or developed organically. People have naturally wanted to have a port located close to a settlement and then to build upon it, but then ports have become industrialised. Ports are operational 24 hours a day, seven days a week and they use big machinery—stevedoring equipment, gantries and containerisation equipment—that makes them major pieces of industrial infrastructure in their own right in which there is a lot of activity and noise. At the same time, people like the idea of living near a port and have perhaps thought of a port as more akin to a fishing boat harbour, but they then find they are next to a major industrial area, which is a conflict. I acknowledge my good friend and colleague the member for Albany, and the port of Albany and its constraints on expansion for grain silos. Constraints have been imposed on the port of Geraldton because of the town's configuration. It is a difficult situation when there is a need to expand but the dominant characteristics of a town are the actual constrictions on the port's future expansion. It is worth noting that some of the goods that might go through a port are not appealing to people who are resident in or around a port. The port of Fremantle exports sheep and live animals in general, which is of concern to many people who live nearby. They are concerned about the animal welfare aspects—seeing the animals arrive and then getting onto a ship—and also about the odour and the impact that that might have on their quality of life.

We must consider how we allow ports to expand when they have a historical legacy and are located in places that are otherwise very attractive places to live, or very popular towns for holidays and such like. For that reason, these days when ports are proposed, it is generally in locations away from settlements. That is understandable. When it is possible to avoid the sort of constraints that come from settlements, then naturally one would take that option. That especially works for the sort of ports that are going to handle commodities—it works particularly well there. But when there is port activity that is much more labour intensive —

Debate interrupted, pursuant to standing orders.

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