

GERALDTON PORT AUTHORITY, RESIGNATION OF BOARD MEMBERS

51. Mr C.J. BARNETT to the Minister for Planning and Infrastructure:

I refer the minister to her media statement today demanding the resignation of two board members of the Geraldton Port Authority over their failure to declare share interests in Mt Gibson Iron Ltd and ask -

- (1) Given the Geraldton Port Authority has recently entered into service and lease agreements with Mt Gibson Iron, can the minister guarantee that the share ownerships in no way influenced the outcome of negotiations between the port authority and Mt Gibson Iron?
- (2) As the Government has also committed \$100 million to deepen the port of Geraldton contingent on the Mt Gibson project, on what basis can the minister claim that the Government is “confident that the arrangements with the Mt Gibson project were sound”?

Ms A.J. MacTIERNAN replied:

- (1)-(2) I must correct the first part of the Leader of the Opposition’s question. I did not issue a press release demanding anything; I issued a press release explaining that I had asked for the resignations of the two board members.

It is the Government’s grave concern that poor standards of corporate governance have led to this situation. I understand that neither gentleman was directly involved in negotiations with Mt Gibson Iron and that, in any event, those negotiations went to the full board. The Department for Planning and Infrastructure’s maritime adviser and a legal officer will arrive in Geraldton tomorrow to undertake a full probity audit of all the issues associated with the arrangements with Mt Gibson Iron.

In relation to the broader issue; namely, the port enhancement project, of which many members opposite are strong supporters, members will know that the project had been an issue for many years before the Mt Gibson Iron opportunity was presented.

Dr G.I. Gallop: Who held up the development of the Geraldton port?

Ms A.J. MacTIERNAN: I think we can safely say that it was the former Minister for Resources Development, now the Leader of the Opposition.

For many years, this port enhancement project has been strongly supported by the member for Greenough, not only as a member of Parliament but also in his previous incarnation as Shire President of the Greenough Shire Council. The Leader of the National Party and, indeed, his colleague the leader of the National Party in the Legislative Council have long been frustrated supporters of the port enhancement project. The port enhancement project stacks up economically purely on the basis of the cost benefit it will provide to grain exporters. It is important to understand that the Geraldton port is the second largest grain exporting port in Australia. This project will enable ships to be loaded in a single session rather than having to be partially loaded in Geraldton before moving on to Fremantle. The cost saving to each of the grain exporters is \$2.70 a tonne. This project was to be funded -

Mr C.J. Barnett: I did not ask about wheat; I asked about iron ore.

Ms A.J. MacTIERNAN: I know that the Leader of the Opposition is a grumpy fellow; nonetheless, he asked the question. I am therefore very interested in educating him, although it will be a pedagogic challenge to introduce him to some basic business principles.

Several members interjected.

Ms A.J. MacTIERNAN: I know that offends the gentleman from the western suburbs because he is supposed to know all about business. However, that is not what businesspeople think. Businesspeople think he is behaving like a complete and utter mung bean. This is a serious issue and I will not sit down until I have had an opportunity to explain it. In return for the \$2.70 a tonne advantage to each grain grower, the grain exporters have agreed to pay a charge of \$2 a tonne. That charge is sufficient to amortise and completely pay back the cost of this project and to provide a viable rate of return to government on that investment. There are many projects all over the State like that. If the Government invested in them, it would be able to generate positive advantage to industry and a positive return to government. However, we have a limit on our borrowing capacity, so we must work out how to prioritise these projects. The port enhancement project received a fillip last year with the announcement that Mt Gibson Iron might be able to export hematite from the Geraldton port if the port enhancement were undertaken. Given the opportunities for growth within the mid west region that will arise from this project, this port enhancement project is now in a different class. It has pushed up through the ruck and attracted government support among a wide variety of competing and worthwhile projects.

We were always well aware that the Geraldton Port Authority was a passionate advocate of this project, as indeed was anyone in the Geraldton community who was not a supporter of the Leader of the Opposition. The Government understood that it was necessary to get independent advice on this project. Indeed, it was absolutely rigorous in doing that. Maritime experts from the Department for Planning and Infrastructure, Treasury and the Crown Solicitor's Office were very much involved in all those negotiations and their finalisation. We have no reason whatsoever to believe that this most unfortunate incident has undermined the basic credibility of the project. The Leader of the Opposition is a bitter man. He wasted \$20 million of taxpayers' money chasing the Kingstream fantasy.

Point of Order

Mr R.F. JOHNSON: This is the first question of the day and we are nearly 10 minutes into question time. Much of what the Minister for Planning and Infrastructure has said has no relevance whatsoever to the question. Her comments have been nothing but a diatribe.

The SPEAKER: I understand the point of order. The answer is getting to the point that it is too long. However, the number of questions that the Opposition is able to ask will be the same as if the answers were of five minutes duration, and the government ministers basically will determine how long question time goes.

Questions without Notice Resumed

Ms A.J. MacTIERNAN: I know that the leader of opposition business has the concentration span of a housefly, but some issues cannot be described in 25 words or less.

Withdrawal of Remark

Mr R.F. JOHNSON: Being a very sensitive member of Parliament, I take it as an adverse reflection on me as a fellow member when the minister, about whom I always say pleasant and very nice things, refers to me in that manner. I ask her to withdraw.

The SPEAKER: I urge members to think imaginatively and not to impugn the character of other members in this House. I do not think that remark impugns the character of the member. However, that sort of language should not be used in this place.

Questions without Notice Resumed

Ms A.J. MacTIERNAN: It was something that was said more in sorrow than in anger. I would like that not to be the case.

The Leader of the Opposition cannot accept that he got it absolutely wrong and we got it absolutely right. That is the way it is. There has been a serious breach of probity. We have acted decisively and quickly to resolve that issue and to ensure that there is a full and thorough investigation of the activities of the port authority.

The SPEAKER: I acknowledge the presence in the Speaker's Gallery of Lord and Lady Evans from Parkside. Lord Evans is a current member of the House of Lords.

[Applause.]