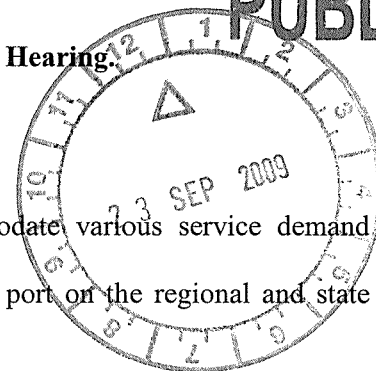


Geraldton Port Authority Response

Additional Questions from the 2009/10 Estimates Hearing

PUBLIC



Hon Lilianna Ravlich MLC

1) External Consultancies

- 1.1 Total expenditure to 30 June 2009 was \$22,049.50.
- 1.2 i) Mid West rail network's capacity to accommodate various service demand scenarios.
- ii) The Economic Impact assessment of Geraldton port on the regional and state economy.
- 1.3 Yes.
- 1.4 The findings were factual and in the case of the train unloader has identified upgrade triggers. The upgrade will be delivered subject to customer requirements.

2) Oakajee development?

- 2.1 GPA has many documents relating to the Oakajee development and these include the RFP Tender package, State Development Agreement and incidental documents relating to GPA's involvement on the Oakajee Implementation Group and relevant committees.
- 2.2 Minister to advise.
- 2.3 Minister to advise.
- 2.4 GPA has not consulted with the DTF or the Treasurer's office in relation to the Oakajee port development.

3) GPA Dividends 2009/10 – 2012/13.

- 3.1 The dividend calculations were based on the following: inputs-
 - a) Proposed Capital Investment

	2009-10	20010-11	2011-12	2012-13
	'000	'000	'000	'000
<u>Project Description</u>				
Customer Service Obligation - Foreshore				
EIP - wastewater	1,947			
EIP - CV4 cover	700			
* Minor Capital Works - 'Cost Pressures' & Approved	3,195	2,670	2,500	2,500
Sub Total 1	5,842	2,670	2,500	2,500
Land Purchase CBH Site	7,099			
Admin Building	1,286			
Sub Total 2	8,385	0	0	0
Berth 5 Additional funding				
Upgrade Train Unloader Project	31,782			
Berth 2 Upgrade	9,030			
Berth 6 Upgrade	21,542	53,252		
Sub Total 3	62,354	53,252	0	0
TOTAL	76,581	55,922	2,500	2,500
<u>Proposed Funding Sources</u>				
Capital Contribution				
Borrowings (surplus cash used for PEP reduction)	72,743	53,252	0	0
Asset Sales				
Internal Funds and Balances	3,195	2,670	2,500	2,500
Customer Contributions	643			
Total	76,581	55,922	2,500	2,500

* NB - All Minor Capital Works are internally funded

b) Assumed Trade Volume

Trade Volumes	2009/10	2010/11	2011/12	2012/13
	1,218,00			
Wheat	0	1,318,000	1,318,000	1,318,000
Lupins	150,000	250,000	250,000	250,000
Barley	100,000	100,000	100,000	100,000
Oats	2,000	2,000	2,000	2,000
Canola	30,000	30,000	30,000	30,000
Total Grain	1,500,000	1,700,000	1,700,000	1,700,000
DAP	30,000	30,000	30,000	30,000
Urea	30,000	30,000	30,000	30,000
Other Fertilisers	80,000	80,000	80,000	80,000
Mineral Sands	824,000	1,112,000	1,138,000	1,212,000
Talc	105,000	120,000	140,000	150,000
Copper Concentrates	160,000	165,000	95,000	95,000
Zinc Concentrates	305,000	305,000	305,000	305,000
Garnet	230,000	230,000	230,000	220,000
HPM	10,000	10,000	10,000	10,000
	2,500,00			
Iron Ore MGI	0	6,000,000	6,000,000	6,000,000
	2,656,00			
Iron Ore Other Customers	0	3,656,000	3,656,000	3,656,000
Fuel	170,000	170,000	170,000	170,000
Livestock	10,000	10,000	10,000	10,000
				12,300,00
Iron Ore Magnetite	0	2,200,000	8,100,000	0
General	10,000	10,000	5,000	3,000
TOTAL TRADE	8,620,000	15,828,000	21,699,000	25,971,000

c) GPA Port Charges

	2009/10	2010/11	2011/12	2012/13
Wharfage (per tonne / cubic metre)	1.0417	1.0677	1.0944	1.1218
Ship Loading Charge – Iron Ore (per tonne)	3.1294	3.2076	3.2878	3.3700
Ship Loading Charge – General (per tonne)	2.1993	2.2543	2.3107	2.3684
Train Unloading Charge – General (per tonne)	0.4223	0.4329	0.4437	0.4548
Wharf Sweeper (per hour)	158.5800	162.5445	166.6081	170.7733
Wharf Wash (per wash)	47.0625	48.2391	49.4451	50.6812
Ship Charge - incorporates pilotage, mooring & security (per GRT)	1.3771	1.4115	1.4468	1.4830
Ship Charge - Passenger vessels Berthed				
Ship Charge - Passenger vessels Anchored only				
Port Enhancement Charge (PEP) (per tonne / cubic metre / passenger)	2.1789	2.2334	2.2892	2.3464

Commonwealth & Australian Defence Vessels				
Fresh Water (per kilolitre)	2.0917	2.1440	2.1976	2.2525
Weighbridge Hire (Per 8 hr shift)	202.0468	207.0980	212.2754	217.5823
Shift Ship Charge (per GRT) per movement excluding towage	0.1602	0.1642	0.1683	0.1725
Mooring Cancellations (per cancellation)	883.3735	905.4578	928.0943	951.2966
Pilotage boat hire outside normal shipping movements (per hour)	659.9603	676.4593	693.3708	710.7051
Pilotage Detention (per hr) / Cancellation	607.1185	622.2965	637.8539	653.8002
Ancillary Charges				
Non Commercial Vessels up to 50 metres LOA (per 12 hrs or part thereof)	266.5000	273.1625	279.9916	286.9914
Non Commercial Vessels between 51 – 100 metres (per hour)	85.2800	87.4120	89.5973	91.8372
Non Commercial Vessels over 100 metres (per hour)	179.8870	184.3841	188.9937	193.7186
Commercial Vessels	179.8870	184.3842	188.9938	193.7186

- 3.2 Estimate for 2009/10 remains accurate but accuracy is uncertain regarding 2010/11 – 2012/13.
- 3.3 Revision of estimate subject to Government guidance on implementation of Geraldton port's iron ore export cap.
- 3.4 Yes.
- 3.5 Transport Minister Simon O'Brien MLC in conjunction with Treasurer Troy Buswell MLA has requested that GPA revise its SDP to reflect the approved 2009/10 budget financial parameters for the GPA and resubmit for their approval.
- 3.6 The current capital works estimate is \$143.1M.
- 3.7 Refer table above.
- 3.8 Refer table above.
- 3.9 Only works approved have been included in the GPA Asset Investment Program Forward Estimates.

4) Train Unloader.

- 4.1 GPA has not submitted a final business case seeking funding approval for this project due to delays associated with Mt Gibson Iron's development of its Extension Hill mine proposal. GPA has however achieved agreement with facility users on the project scope and has completed a preliminary design study that was undertaken by Maunsell Australia. The estimated cost of the train unloader project based on the resultant preliminary design is \$31.7M. +/- 30%. Project cost will be made more accurate with value engineering to be undertaken during the detailed design phase of this project.
- 4.2 GPA is well positioned to initiate the train unloader project subject to user requirements being confirmed.
- 4.3 Funds have not yet been allocated for this project.

5) Minor Capital Works.

	09-10	10-11	11-12	12-13
<i>Project Description</i>	\$'000	\$'000	\$'000	\$'000
New Weighbridge				500
Bulk Handling Facility Upgrades (B4)	150	150	150	200
BHF Maintenance Workshop				200
BHF fire systems (B4 & 5)	40			
Sweeper		100		
B 4 Shiploader Equipment modifications (inclu.Shiploader)	80	60	25	25
Berth 5 Modifications				
Berth 5 Lighting	50	50	100	
EIP Investigation				
Underground High Voltage Cables Connel Rd				
HV Cables Marine Tce	200			
CBH mains replaced (sub 3 to sub 1)	150	50		
2007/08 MWP (Jorg\$23,CasC\$29,Pat\$45)				
Berth 6 Fire Fighting Equipment				250
Critical Spares	500	200	200	100
Critical Spares Store inside MSIC zone		130		
TT3 & B4 shiploader chute modifications				
TT4/501 wastewater controls				
Sub 8 - sealing				
Replace Sub Station 4 & 6		200		250
FEL attachment for tractor				
New Security Gatehouse				150
Gindalbie facilitation (eg road, rail, gatehouse, TT701)				
Storm Drain Interception (commercial harbour)	130			
Street Lighting			200	
Storm water upgrade (commercial harbour)		200		
Storm Drain Upgrades & Interception (FBH)			150	
FBH Upgrades (power)	100	200		
HBL				
CBH Power Feeder	400			
Car Parking FBH			500	
Upgrade North Pens		600		
Civil Works Northern Reclaim Area			800	
GFC Hardstand Relocation			500	
Replacement Forklift		100		
Securing the minerals area				200
Small craft Jetty	100			
Franna crane - 25 Tonne		450		
Slewing Crane for Brow deployment		200		
Ancillary Workshop Equipment	50	75	75	75
IT Hardware				
Ancillary Office & Computing Equip	100		500	50
Ancillary HSE Equipment	50	30	30	30
Mobile crane pads	15			
Cascade chute stand	40			
BHF dust extraction upgrades	120			

Upgrade drives to VSD				150
Fireproof storage	5			
Berth 5 landing platform	60			
Gangways	40			
Power management (meters, and central reader)	120	120		
Total	2,500	2,915	3,230	2,180
Approved Total Budget for Agency	2,500	2,500	2,500	2,500

6) GPA's Iron Ore Trade.

6.1 No.

6.2 GPA acts as a landlord in respect to its land holding and a current limitation on Geraldton port's ability to export 12M tpa is storage capacity. Storage capacity will be the responsibility of exporters meaning that no GPA / Government investment is required on this component. If new trade is delivered to Geraldton by slurry pipeline then funding is only likely be required to enhance GPA's power distribution network and for site preparation. However if product is to be delivered by rail then above mentioned train unloader upgrade project would need to be delivered.

7) Redirection of Capital Works Expenditure.

No. GPA is not redirecting any capital works expenditure.

8) Sale of Assets.

GPA has no surplus land or assets.

9) Service Provision.

GPA is not proposing to privatise any of its functions or contract out any services not already contracted out.

10) Staffing.

GPA is undergoing a period of significant trade growth, business development and is actively participating in planning for the development of Oakajee port. Consequently it is not intending to reduce its staff numbers.

11) Public Sector Wages Policy.

Yes we are aware of the Public Sector Wages Policy that aims to limit wages escalation after 1 July 2009 to 3% or less however the GPA operates outside of the Public Sector Management Act.

Hon Ken Travers, MLC

12) GPA Accounts.

12.1 Accounts held

National Bank of Australia	
Corporate cheque account	637586440
National Term Deposit	823353368
National Term Deposit	831122156
National Term Deposit	567309922

12.2	Corporate cheque account	637586440	\$7,951,182.15
	National Term Deposit	823353368	\$6,749,813.29
	National Term Deposit	831122156	\$1,017,627.17
	National Term Deposit	567309922	\$ 30,000.00

12.3	National Term Deposit	567309922	\$ 30,000.00
	(Shipping Agents Guarantee)		

12.4 Nil

13)	13.1	Corporate cheque account	637586440	\$9,186,969.21
		National Term Deposit	823353368	\$6,816,386.80
		National Term Deposit	831122156	\$1,031,344.23
		National Term Deposit	567309922	\$ 30,000.00
	13.2	National Term Deposit	567309922	\$ 30,000.00
	13.3	Nil		
14)	14.1	Corporate cheque account	637586440	\$7,951,182.15
		National Term Deposit	823353368	\$6,749,813.29
		National Term Deposit	831122156	\$1,017,627.17
		National Term Deposit	567309922	\$ 30,000.00
	14.2	National Term Deposit	567309922	\$ 30,000.00
	14.3	Nil		
15)	15.1		<u>2007/08</u>	<u>2008/09</u>
		i)	\$17,000.00	\$23,813.00
		ii)	\$13,482.00	\$14,187.00
		iii)	\$13,729.00	\$22,049.50
	15.2		<u>2009/10</u>	
		i)	\$21,000.00	
		ii)	Nil.	
		iii)	\$45,400.00	
	15.3			
		i)	Staff Recruitment, Marine notices, Notice of tenders	
		ii)	Port Information Brochures and Sponsorship	
		iii)	Advice on technical issues, corporate governance and risk management	
	15.4	No		

Question on Notice

The Hon Ken Travers asked “In terms of the previous work you have done on Oakajee, have you got an estimate of what that it has cost the port authority?”

Answer:

Since 30 January 2009 GPA has incurred costs totalling \$16,133.04 in fulfilling its obligations to the state in respect to the Oakajee development.

22 September 2009