

Monday, 21 September 2009

**PUBLIC**

Questions on Notices – Legislative Council

### **1. External Consultancies**

*Question No 1.1: What did the Bunbury Port Authority (BPA) spend on external consultancies throughout the past year?*

Answer: In 2008/09 the Bunbury Port Authority (BPA) spent the following amount on external consultancies: \$625,416.

*Question No 1.2: What recommendations were made by the external consultancies?*

Answer: The external consultancies were mainly to provide technical advice to the Authority but included the following:

- a) Estimated costs of berth options for the next phase of the Inner Harbour expansion including Berth 14 and the "squaring off" of the Inner Harbour.
- b) Inner Harbour expansion dredging and blasting studies to determine volumes and types of material to be dredged and estimated cost of the dredging.
- c) Acid sulphate soils sampling and analysis for the Inner Harbour expansion at Berth 14.
- d) Assessment of collected long wave data (seiching) for the Berth 14 options study.
- e) Geotechnical investigation around Point Hamilla and old power station for Berth 14.
- f) Proposed Preston River diversion environmental scoping document.
- g) Acid sulphate soils, groundwater and geotechnical investigations for Preston River realignment.
- h) **Harbour siltation** investigation to determine effectiveness of sand trap and maintenance dredging which provided recommendations on how the BPA might deal with future management of dredging maintenance for the siltation of the Outer Harbour and shipping channel.
- i) Peer review of Berth 3 dolphin structure assessment. Technical advice on the options for future repairs or replacement of the mooring dolphins.
- j) Peer review of proposed design of the Berth 8 waste water management system. Recommendations for amendments to the design were provided for the design of the system.
- k) **Long term dredging** approvals technical study was the development of a long term dredge materials management plan was a specific condition contained within the BPA's Commonwealth issued sea dumping permit. The recommendation was that the BPA should look to applying for a 10 year sea dumping permit.
- l) **Dust modelling** for buffer zones around the port. The recommendations from the report were for the BPA to continue to dust modelling to confirm buffer requirements around the Port boundary.

- m) **Community involvement** program provided recommendations on how the BPA could best engage with the local community.
- n) **Aboriginal heritage** survey and section 18 report was provided to the BPA with a recommendation to apply for a Section 18 consent to allow continued operations in the Inner Harbour.
- o) A study was undertaken for the deployment of a wave monitoring instrument which provided data on current patterns in Koombana Bay. This data is to be used for the technical analysis of currents and the impact of those on the future development of the Inner Harbour.

*Question No 1.3: Do you agree with these recommendations?*

Answer: (The ones highlighted are those with recommendations)

Yes. The BPA agrees generally with the recommendations.

*Question No 1.4: Have you implemented these recommendations, or do you plan to implement these recommendations in the coming year?*

Answer: Yes. Where appropriate the BPA will implement the recommendations.

- Harbour siltation – the BPA is considering the recommended options to manage the future maintenance dredging.
- Long term dredging – the BPA is in the process of applying for the 10 year sea dumping permit.
- Dust modelling – The BPA intends to continue with its extensive dust monitoring and modelling work.
- Community involvement – the BPA has implemented the strategies including; bi-monthly Port Community Liaison Committee meetings, Portal community newsletter, the biennial Port Open Day and local media articles.
- Aboriginal heritage – the Section 18 consent approval was obtained.

***2. I refer to Page 451, Volume 2 of Budget Papers, Line Items Capitalised Dredging and Capitalised Dredging 2009/10, and ask -***

*Question No 2.1: Would the cost for 2009/10, \$4.5m, be considered an average annual expenditure for dredging?*

Answer: No. The capitalised dredging for the BPA is a cost which occurs every three years (on average) not annually. As the last capitalised dredging occurred in early 2008 at a cost of \$8.3 million the amount is then depreciated over three years and the \$4.5 million for 2009/10 may be deferred until next year. The BPA is considering annual dredging maintenance to reduce the cost.

*Question No 2.2: If yes to (2.1), why is the Estimated Expenditure to 30 June 2009 so much higher?*

Answer: The estimated expenditure total cost in the budget papers is the total cost of the last few capitalised dredging projects (from previous years).

*Question No 2.3: Has the BPA been in contact with the Port Hedland Port Authority (PHPA) in relation to the PHPA's proposal to purchase or lease a \$50m dredge for sharing between other Western Australian ports as a means of saving on annual dredging costs?*

Answer: Yes. The BPA has had preliminary discussions with the PHPA regarding the proposal to purchase or lease a dredge.

*Question No 2.4: If yes to (2.3), at what stage has any proposal reached?*

Answer: The proposal is currently under consideration by the BPA but a commitment will depend on the final cost of the proposal.

**3. I refer to Line Item Container Facilities (Hardstand) and ask -**

*Question No 3.1: Does the BPA have plans to purchase the multi-purpose Portainer crane, mentioned in previous budgets, now that the hardstand is completed?*

Answer: No, not at present. Although shown as completed in the budget Asset Investment Program the construction of the hardstand is still pending and has been delayed. Plans for the multi-purpose Portainer crane have therefore also been delayed.

*Question No 3.2: If yes to (3.1) has funding been allocated?*

Answer: No funding has not been allocated. The multi-purpose Portainer crane is under consideration.

*Question No 3.3: If no to (3.2), has the BPA made a submission for funding from the Government?*

Answer: No.

*Question No 3.4: What are the roadblocks to getting container trade through Bunbury Port?*

Answer: Industry support including container service providers to dedicate adequate volume of containers for the Port to establish a dedicated liner service. A shipping company needs to dedicate a weekly service of imports and exports to Bunbury to ensure the service is viable before the Authority can prepare a sound business case for the Portainer crane investment.

***4. I refer to the proposed Perdaman urea plant in Collie and the proposal to begin shipping through Bunbury Port by 2013, and ask -***

*Question No 4.1: Has funding been allocated for the berth, road and rail upgrades necessary for this shipping to happen by 2013?*

Answer: Funding has not been allocated for the berth, road or rail for this project.

The rail upgrade within the Port is expected to be financed by agreement between WestNet Rail and Perdaman as it will be a dedicated line specifically for Perdaman.

*Question No 4.2: If no to (4.1) has the BPA made submissions to the Government for funding to achieve these infrastructure upgrades in time?*

Answer: The BPA originally submitted a business case for funding of the new shiploader at Berth 5 for the urea but it has now been agreed that funding for the shiploader will be provided by Perdaman.

*Question No 4.3: If yes to (4.2), what was the Government's response?*

Answer: Not applicable.

*Question No 4.4: Has the BPA made comment to or representations to the Government regarding the withdrawal in this year's Budget and Forward estimates of the promised funding for an upgrade of the Collie Highway?*

Answer: No.

*Question No 4.5: If yes to (4.4) what was the Government's response?*

Answer: Not applicable.

*Question No 4.6: Will the Government restore the funding for the Coalfields Highway, as promised by the Liberal Party during the 2008 Election, in light of the further progress made by Perdaman towards completion of their urea plant in Collie?*

Answer: Not a question the BPA can answer as is outside the BPA's control.

*Question No 4.7: If no to (4.6), why not?*

Answer: The response is required by the Minister.

*Question No 4.8: If yes to (4.6), when will this promised funding be restored?*

Answer: The response is required by the Minister.

**5. I refer to the BPA Port Structure Plan and ask -**

*Question No 5.1: Has the Port's Structure Plan been finalised and approved by the Board and the Minister?*

Answer: The final drafting of the Structure Plan has been completed and the Structure Plan is now being considered for approval by the Board on 18 September 2009.

*Question No 5.2: Is funding in place to begin implementation of the Structure Plan?*

Answer: No. The Structure Plan is a long term planning policy document. Funding for individual port expansion projects that may emanate from the Structure Plan concepts will be implemented on a case by case basis when the infrastructure is needed and not as a result of the Structure Plan itself.

*Question No 5.3: If no to (5.2), has the BPA made submissions to the Government for funding?*

Answer: No. Funding for the Structure Plan is not required as such. Refer to 5.2.

*Question No 5.4: If yes to (5.3), what was the Government's response?*

Answer: Not applicable.

**6. I refer to the potential coal exports from Bunbury Port and ask -**

*Question No 6.1: What are the main difficulties to establishing coal exports from the Bunbury Port?*

Answer: The main difficulty is commodity compatibility if coal exports were to be loaded over existing infrastructure. The BPA does not have a current dedicated loading facility for coal.

*Question No 6.2: Has the BPA made submissions to Government for funding to establish coal-loading facilities?*

Answer: No. The BPA is still planning for coal exports subject to a firm commitment from the coal companies to support any business case that may be put forward to Government. The BPA is undertaking a prefeasibility study which will include establishing the estimated cost of developing Berth 14 which is planned for coal exports.

*Question No 6.3: If yes to (6.2), what was the Government's response?*

Answer: Not applicable.

**7. I note a number of cruise ships are beginning to use Bunbury Port and ask:**

*Question No 7.1: Are there proposals to improve facilities for cruise ship trade?*

Answer: Yes. The BPA does have proposals to improve facilities for cruise ships including footpaths to and from the cruise ship berth area within the BPA's boundary. Part of the footpath was completed in the 2008/09 financial year.

*Question No 7.2: If yes to (7.1), has funding been allocated for these facilities?*

Answer: Yes. The BPA plans to utilise funds from within its Minor Works approved budget allocation of \$3m.

*Question No 7.3: If no to (7.2) have any submissions been made to Government for funding to accommodate cruise ships in a way that enhances the attractions of Bunbury to passengers?*

Answer: Not applicable.

*Question No 7.4: If yes to (7.3), what was the Government's response?*

Answer: The BPA will use funds from its approved Minor Works capital expenditure budget.

***Question No 8: Is the BPA redirecting any capital works expenditure? If so, can you provide details including value.***

Answer: No.

***Question No 9: Is the BPA selling surplus government land or assets, and if so can the Minister provide a list of land or assets earmarked for sale?***

Answer: No.

***Question No 10: Is the BPA proposing to privatise any of its functions or contract out any of its services? If so, which ones?***

Answer: No. The BPA is not proposing to privatise or contract out of any current functions or services.

***Question No 11: Is the BPA intending to reduce staff numbers over the next 4 years and if so what ceiling has the Authority set and how many staff will be shed?***

Answer: No

***Question No 12: Is the BPA aware of the Government's new responsible public sector wages policy? If so, what is it?***

Answer: Yes, the BPA is aware of the Government's new public sector wages policy. The policy establishes the general framework that is to apply for all public sector wage negotiations. The policy applies to all public sector agreements expiring after 1 July 2009, and remains in force until replaced.

By definition, under the Port Authorities Act 1999, the BPA staff are not public servants as the BPA is not an agent of the Crown. It is therefore the BPA's opinion that the policy does not apply to BPA staff. Refer to sections 5 and 6 of the Act.

***13. As of last date you reported to Treasury on your finances:***

*Question No 13.1: Can you please identify all accounts held by your agency?*

Answer: The BPA last reported to Treasury on 30 June 2009 in the Treasury Information Management System (TIMS).

The accounts held were as follows:

- BPA Operating Bank Account (Bankwest)
- Term Deposits at Call (at Bankwest and NAB)
- Sinking Funds held at Treasury

*Question No 13.2: How much cash is held in each of these accounts?*

Answer:

- |   |              |
|---|--------------|
| • BPA Operating Bank Account (Bankwest)       | \$3,573,000  |
| • Term Deposits at Call (at Bankwest and NAB) | \$20,138,000 |
| • Sinking Funds held at Treasury              | \$1,197,000  |

*Question No 13.3: How much of this cash is restricted or subject to approval or control?*

Answer: The cash held in the bank account and term deposits is not restricted as such as can be used for the internal operations of the BPA for ongoing operating expenditure. Ministerial approval is required however for a capital works project if it is valued over \$2 million before the funds can be spent.

Operating expenditure is subject to the BPA Board's internal control procedures and policies.

The sinking funds are restricted in a manner whereby they are held at Treasury to pay for inscribed stock loans of varying amounts. When the loan matures the principal is paid out in full by the corresponding sinking fund

which is transferred from Treasury to the BPA bank account and any surplus funds held in the BPA's bank account.

*Question No 13.4: As of this date, what is your estimated annual average cash as a percentage of your appropriation?*

Answer: The BPA does not have an appropriation for funding as it operates by way of generating its own revenue in a commercial manner.

**14. As of the date you internally monitored each account your agency has:**

*Question No 14.1: How much is held in each of these accounts?*

Answer: The BPA last monitored each account held by it on 31 August 2009.

- |   |              |
|---|--------------|
| • BPA Operating Bank Account (Bankwest)       | \$4,517,966  |
| • Term Deposits at Call (at Bankwest and NAB) | \$20,506,647 |
| • Sinking Funds held at Treasury              | \$1,191,000  |

It should be noted that the above amounts for the term deposits include accrued interest calculated as at 31 August 2009.

*Question No 14.2: How much of this is restricted or subject to approval or control?*

Answer: (Refer 13.3) The cash held in the bank account and term deposits is not restricted as such as can be used for the internal operations of the BPA for ongoing operating expenditure. Ministerial approval is required however for a capital works project if it is valued over \$2 million before the funds can be spent.

Operating expenditure is subject to the BPA Board's internal control procedures and policies.

The sinking funds are restricted in a manner whereby they are held at Treasury to pay for inscribed stock loans of varying amounts. When the loan matures the principal is paid out in full by the corresponding sinking fund which is transferred from Treasury to the BPA bank account and any surplus funds held in the BPA's bank account.

*Question No 14.3: As of this date, what is your estimated annual average cash as a percentage of your appropriation?*

Answer: The BPA does not have an appropriation for funding as it operates by way of generating its own revenue in a commercial manner.

**15. Please provide, for each question below, for each account held by your agency the figures as of 30 June 2009?**

*Question No 15.1: How much cash is held in each of these accounts?*

Answer: Refer to answer to 13.2 above.

*Question No 15.2: How much of this cash is restricted or subject to approval or control?*

Answer: Refer to answer to 13.3 above.

*Question No 15.3: As of this date, what is your estimated annual average cash as a percentage of your appropriation?*

Answer: Refer to answer to 13.4 above.

**16. For the following categories -**

- i) Media and Marketing;**
- ii) Advertising; and**
- iii) Consultants**

*Question No 16.1: Please provide how much was spent on the above in the 07/08 and 08/09 financial years.*

Answer: The amount spent in each category for those two financial years were as follows:

	2007/08	2008/09
i) Media and Marketing;	\$ 26,757	\$ 22,127
ii) Advertising; and	\$ 13,461	\$ 7,923
iii) Consultants	\$849,581	\$625,416

*Question No 16.2: How much is budgeted to be spent in each area in the 09/10 financial year?*

Answer:

	2009/10
i) Media and Marketing;	\$ 9,000
ii) Advertising; and	\$ 18,000
iii) Consultants	\$930,000

Note:

Item ii) increase from 2008/2009 \$7,923 to 2009/2010 \$18,000 due to increased number of Portal newsletters.

Item iii) increase from 2008/2009 \$625,416 to 2009/2010 \$930,000 due to consultants required for a number of important development projects including Berth 14 design and dredging, Preston River relocation and future development of rail and other Port infrastructure including preparation of environmental approvals for such projects.

*Question No 16.3: Can you please define what activities you include in each of these areas?*

Answer: Media and Marketing – is mainly used for promoting the port at exhibitions, preparing any induction DVD for port users and staff (safety, health and security) and for placing tenders in papers.

Advertising – is used for preparing and publishing the BPA's community newsletter the Portal which is distributed free every four or six months of the year through a local editor and newspaper and is also used for advertising vacant staff positions and public notices and has been used to advertise the Port Open Day on local radio in 2007.

Consultants – includes contractors or companies engaged to carry out a task or perform a service which involves the provision of specialised professional or technical advice at a management level which cannot be provided in house.

*Question No 16.4: Are there any activities that could be included in the ordinary meaning of the words that are not included in the above figures and if yes, please detail?*

Answer: No.

Bunbury Port Authority  
21 September 2009