
Minutes of meeting held in Sealanes Centre, Richardson Road
Thursday, 3 March 2016

ITEM 1 WELCOME AND INTRODUCTION OF MEMBERS

The Chair welcomed all present and declared the meeting open at 4.10pm. As there were a few new people (sent as proxies for sitting members) and guests present, the Chair asked all those present to introduce themselves.

ITEM 2 RECORD OF ATTENDANCE/APOLOGIES

PRESENT:

Chair	John Finch (JF)
Committee Members:	
Port Hedland Ratepayers Association	Dr Roger Higgins (RH)
Port Hedland Seafarers Association	Gary South (GS) (for Alan Mower)
Port Hedland Chamber of Commerce	Arnold Carter (AC)
Town of Port Hedland	Mal Osborne (MO)
Care for Hedland	Melissa Wood (MW)
South Hedland Business Association	Brad Young (BY) (for Gloria Jacob and Brent Rudler)

PPA Staff:

CEO (Guest)	Roger Johnston (RJ)
GM Development and Trade (Guest)	Lyle Banks (LB)
Harbour Master Regional Ports (Guest)	Myron Fernandes
Director Corporate and Government Affairs	Richard Barrett (RB)
Environment and Heritage Manager	Belinda Parker (BP)
Corporate and Government Affairs Specialist	Amy Hill (AH)

Apologies

Pip Short (Greening Australia), Michelle Scott (PH Chamber of Commerce), Natasha Fry (Port Hedland Visitors Centre), Gloria Jacob and Brent Rudler (South Hedland Business Association), Alan Mower (Seafarers), Cr Julie Arif (Town of Port Hedland), and Garry Madson (Madson Mechanical Maintenance)

General Business:

ITEM 3 RATIFICATION OF PREVIOUS MEETING MINUTES

Members ratified previous meeting minutes as a true and accurate record.

ITEM 4 MEET THE TEAM

General Manager Development and Trade, Lyle Banks

JF introduced LB to the committee:

- LB provided an overview of his background and experience
- LB outlined his role and responsibilities at PPA including key projects and priorities

ITEM 5 ACTION ITEMS

Action Item 1: Wedgefield land use planning update

- LB provided an update on the status of PPA land in Wedgefield that will be returned to the Crown, and outlined where the Port land boundary sits and where the Main Roads WA road reserve is.

Questions

BY The area still looks quite untidy and I have been liaising with the Town of Port Hedland regarding the dust issue, however it still appears to be a problem?

LB PPA has been talking to lease holders to ensure the area prone to rubbish dumping is cleaned up prior to the land transitioning to the Crown. Leaseholders are under obligation to meet certain environmental standards under the agreement they hold with PPA. I encourage you to call PPA to advise about the dust issue if this persists.

RH What will Main Roads WA do with the land once it is handed over?

LB PPA is not aware of Main Roads' plans after transition to the jurisdiction of Main Roads WA.

BY Who is responsible for the houses? (on the land adjacent to the Great Northern Highway).

MO It is a Department of Lands licensed site.

Action Item 2: Heritage Specialist to present to Port Hedland Historical Society (PHHS)

- AH advised PPA has been in liaison with Julie Arif (PHHS Vice President) to arrange a suitable time for Heritage Specialist, Rob Brock, to present to the PHHS. AH is hopeful this will take place in the next month.

ITEM 6 OPERATIONS UPDATE

General Manager Operations, John Finch

JF discussed the following topics:

- Recent monthly port statistics (Nov/Dec/Jan)
- Significant incidents - involving vessels in the harbour and shipping channel, including two recreational boating incidents
- Safety update – no Lost Time Injury (LTI) in the period November 2015 to February 2016, resulting in a dropped LTI Frequency Rate from 2.30 to 1.69
- Livestock exports – overview of what actions PPA are undertaking to prepare for livestock exports out of Port Hedland including an overview of the Livestock Exports Forum held in December 2015. LB also provided an update on PPA's recent visit to Port of Darwin to observe and learn from their livestock operations.
- Ex-Tropical Cyclone Stan – overview of PPA's response and impact to operations, including Port of Port Hedland closure of 44.5 hours

Questions

RH At what speed was the Evershine travelling (when it experienced engine problems)?

JF Around 11 – 12 knots.

AC Is it expected that a dual loading ramp would reduce loading time for livestock?

LB Yes. We observed the Port of Darwin load 3,200 head in just six hours, which is a very efficient operation.

AC What stage are PPA's plans for livestock exports up to?

LB We are in the process of adapting the Port of Darwin's loading ramp design to suit Port Hedland. Then we intend to go back to industry to seek feedback on the proposed plans to ensure they meet industry requirements. Then once funding approval is received, we will proceed to manufacture.

RH Is a dual loading ramp common or is Port of Darwin unique?

LB Yes, it is common. Dual loading ramps are used at ports across Australia including Darwin and Townsville.

RH Where in the Port is PPA planning to export livestock from?

LB From Berths 2 and 3, however we are looking at designing something flexible to use at any Berth. The long term plan is to establish a livestock export facility at Lumsden Point.

ITEM 7 ENVIRONMENT AND HERITAGE UPDATE

Environment and Heritage Manager, Belinda Parker

BP discussed the following topics:

- Utah Road clean-up - involving 80 industry representatives and resulting in 1.14 tonnes of rubbish collected in one hour
- Early warning system – overview of PPA's system for detecting marine pests
- Environmental Licence split and amendment – update on the process PPA is undertaking in conjunction with the Department of Environment Regulation, to assist with the asset sale of the Utah Facility

Questions

RH Why would there be a greater risk of marine pests in Adelaide and Perth compared to Port Hedland (given the large number of shipping movements in Port Hedland)?

BP Port Hedland does have a high risk of being invaded by introduced marine pests, due to receiving a large number of vessels that include high risk vessels (slow movers like dredgers).

RH What's the bigger contributing factor to introducing marine pests – number of ships arriving at the Port or where the vessels have come from?

BP There are a number of factors that contribute to the risk, not necessarily the number of vessels that arrive to a Port. For example, the type of vessel (whether it moves slowly in the water), the time a vessel will stay at the port, when the vessel hull was last cleaned and/or painted and if the vessel is visiting from a destination with a similar climate.

ITEM 8 COMMUNITY UPDATE

Director Corporate and Government Affairs, Richard Barrett

RB discussed the following topics:

- Recreational boating safety campaign – overview of post-campaign feedback including recent water safety advertising undertaken by PPA in light of recent recreational vessel incidents
- Community Support Initiative update - including discussions with Town of Port Hedland to strategically plan ahead for sponsorship opportunities

ITEM 9 PROJECTS / SPECIAL ISSUES

General Manager Operations, John Finch

JF discussed the following projects and special issues:

- Towing services update – including an update on the Teekay/Rivtow transition; the second towage licence; and Tug Haven construction at Hunt Point
- Utah Point asset sale – update on the sale process and expected next steps
- Integrated Marine Operations Centre (IMOC) project update – including Request for Tender submissions have been received and are being evaluated for the Design and Construct (D&C) contract
- Channel Marker Replacement Project (CMRP) – project overview and indicative timeframes for completion
- Port Development Strategy (PDS) 2030 – LB provided an overview of what the PDS and associated guidelines aim to achieve and advised where members can find both documents on PPA's website

Questions

AC What differences are there between the two tug licenses?

JF Should a second licence be awarded, both licenses would operate under the same conditions. It is market driven and would provide a second operator for tug services at the Port.

AC Will it affect the Rivtow operation?

JF Should the second licence be awarded, I expect there would be some rationalisation over time.

RH The new tugs arriving at the end of the year that were mentioned in your update; are these the tugs that will be part of the second towage service?

JF No. BHP has a non-exclusive license to operate towage services at the port, which they have appointed Rivtow to carry out this service. Rivtow will be operating 18 tugs for BHP. The second operator will operate its own fleet, which has nothing to do with the BHP operation.

RH I saw in recent media coverage that PPA returned a \$164.5 million dividend to the State. What profit will not be generated if the asset sale of the Utah Facility proceeds?

RJ Last year's return to Government was an anomaly because we paid the year prior and 75 per cent of the forecast for the following year at the same time. PPA pays 65 per cent of its operating profit after tax to the State Government. In the last two years, the Utah Facility has earned \$65 million profit before tax. Taking out tax, approximately \$50 million less profit will be taken from PPA's operations if the Utah Facility is sold (estimation only and based on rough figures).

RH Can PPA advise Government how much the Utah Facility should be sold for or if it should be sold at all?

RJ We do not have the mechanism or information, nor are we in a position to provide that advice.

AC Is PPA anticipating to award the IMOC D&C contract this year?

RJ We are aiming to award the D&C contract following approval from our Board on the preferred contractor in May this year.

AC Will the CMRP be delivered by a contractor or by PPA staff?

JF By a contractor. PPA does not have the specialised equipment to deliver the program, such as barges and jack-up equipment.

AC What is the CMRP project budget?

JF The whole project has a budget of \$40 million. We have spent \$6 million on replacing the beacon tops (early works).

RJ You will also see improvements to landside infrastructure as part of this project. The wooden structures you will be familiar with will be replaced with more modern structures, so there will be some landside improvements as well.

AC Will PPA be considering the health issues identified in the recent report regarding dust (Department of Health, Port Hedland Dust Risk Assessment)?

JF We will be reviewing that in light of what has been released.

ITEM 10 AOB

BY What is the expected tonnage of the Port?

JF Port capacity was 495 million tonnes per annum (mtpa), however following further modeling undertaken by PPA, this has increased to 577mtpa.

BY Is the outer harbour project going ahead?

JF I would say that project is currently on hold.

BY What about Boodarie Estate and the stockpiles from BHP?

LB The outer harbour is the long-term plan. The land BHP were going to use will be coming back to the port.

MW This Sunday is Clean Up Australia Day and I invite you all to come along to Care for Hedland's event. We are also hosting a Shore Birdlife Workshop on 19 – 20 March 2016.

BP I encourage everyone to coming along to the Care for Hedland clean up event.

RH I refer to the Spoilbank marina. What is PPA's official position on the proposal?
JF PPA is not supportive of a marina on the western side of the Spoilbank.

RH Has this position changed and if so, why?
JF Around 2008/09 an early concept for a marina was proposed including 74 pens and two boat ramps. In 2012 the former Port Hedland Port Authority (PHPA) advised in a letter to the Town of Port Hedland (ToPH) that PHPA were supportive of a marina for the Town, however PHPA had not been officially consulted and once concept plans were developed, PHPA would review and raise any concerns or questions at that time.

RH Was that concern expressed to the Marina Committee at that time?
RJ Yes it was. My chief concern is safety in port waters. Our position has been very consistent and has been expressed consistently to the ToPH. The risk assessment report was given to PPA in December 2015. PPA reviewed the report in detail and it was provided to our Board. I met with the ToPH and MO to talk through our concerns with the report. Currently, the existing boat ramp sees between 60 – 70 vessels launched per day. If you support the Pilbara Cities Vision and anticipated population increase, PPA faces a potential increase to more than 560 vessel launches a day. With our current challenges with recreational craft in the shipping channel, the risk of just double the amount of launches let alone eight times the amount; PPA cannot support that due to the safety risk it poses.

RH What is the implication for the existing boat ramp?
RJ If it becomes unmanageable then PPA can and would close the boat ramp as it is located within Port waters. As Harbour Master, JF manages the risk and can make the decision to shut it down if safety is at risk. That position is fully supported by PPA's Board, who were quite firm when reviewing the risk report.
JF We live and work here too. PPA is supportive of a facility but it has to be in the right location.

AC What is the status of plans for Lumsden Point?
JF It is still in the planning stage. Livestock exports out of Lumsden Point is the long term vision, which has to be proven in a Business Case.

RJ The Board has just approved \$120 million to spend on the Channel Risk Optimisation Project (CROP) which will involve the construction of refuge lanes alongside the shipping channel to mitigate the risk of disruption to exports from the port in the event of an incident.
JF We provided a brief overview of the CROP at our November 2015 meeting and can provide a further update at our next meeting.

RJ The Board also recently approved \$4.5 million in funding on maintenance facilities here in Port Hedland. As soon as engineering drawings are complete we will look to roll that out, which is likely to generate some revenue in the Town through local spending. Upgrades and replacement of the Berth 3 deck to the value of \$29 million was also approved by the Board and \$10 million to replace the western fenders on the Dampier Cargo Wharf (DCW) at the Port of Dampier. Both the Berth 3 and DCW

projects still require approval from Treasury, however we are trying to bring as much local spend as possible to the local economy.

AC Do you provide incentive or encourage local suppliers through your procurement process?

JF Yes, we favour contractors who demonstrate the use of local suppliers or suppliers who are based in Port Hedland. Weighting is 10 per cent if contractor is based here; 5 per cent if based in Western Australia; and no advantage is given if based interstate.

LB In addition, the second towage services operator will be required to build a tug haven in the Port, so that is more local spend that can be anticipated.

MO I would like to add to RJ's comments in regards to the marina. First I would like to say I respect the decision of PPA's Board. ToPH still hold aspirations for providing safe boat launching facilities and acknowledge the strong position of PPA. I think the key difference between our points of view is that the ToPH believe the identified risks can be mitigated. ToPH is committed to providing this project; we have \$112 million in State funding and a Cabinet minute stating there will be a marina at the Spoilbank. I think our next steps are to revisit all the issues to come out of the risk analysis and economic analysis. We are good neighbours of the Port and we will continue to work together in the future.

The second issue I would like to raise is the Port Hedland Dust Risk Assessment conducted by the Department of Health and the implications the report could have to our West End. ToPH is committed to planning for the West End. We have a lot of work to do as a community as to what the West End could look like and there are a myriad of recommendations. It is my view there is not enough focus on the reduction of dust. I realise it is not just the result of industry; certainly the Spoilbank is also a cause of dust with the dirt road and the use of that area with recreational quad bikes etc. Credit should be given for what PPA has done in working with the resource industry to reduce dust. The ToPH wants to look at what else can be done, including the investigation of greening corridors. There needs to be further discussion on the report and an agreed set of actions.

JF Thank you all for your comments and contribution during today's meeting. The next meeting is scheduled for 21 July 2016. If agreeable to members, we would like to suggest the meeting is held at PPA's offices in the Port and include a tour of the Shipping Control Tower at the conclusion of the meeting. AH will seek feedback from all members with the circulation of the meeting minutes (given not all members are present today).

ITEM 11 ACTION ITEMS

Action No.	Action	Who
1	AH to arrange PPA's Heritage Specialist to present to Port Hedland Historical Society on Cultural Heritage Management Plan and Heritage Action Plan. AH to provide update on progress at next meeting.	AH

Date of next meeting: 21 July 2016

Close of meeting: 5:47pm