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LEGISLATIVE COUNCIL
Question On Notice

Tuesday, 12 May 2020

2933. Hon Robin Chapple to the Minister for Ports

I refer to the Port of Broome, and the Kimberley Marine Support Base (KMSB), and I ask:

(a) how much profit, after tax, has the Port of Broome made in each of the last ten financial years, given by year;

(b) would the Minister please break down this income for the Port of Broome by the following industries, per year, over the last ten years:

(i) oil and gas;

(ii) live cattle export;

(iii) the cruise ship industry;

(iv) petroleum; and

(v) other;

(c) is there an estimate of future income for the Port:

(i) if no to (c), why not; and

(ii) if yes, how far into the future do the estimates go and will the Minister table them;

(d) how much has the Western Australian Government spent on the recent dredging operations at the Port of Broome:

(i) where were the costs of the dredging allocated from;

(e) if, as per question on notice No. 427 answered on 6 December 2017 by the Premier, the cost of the dredging was \$7 million, why did the costs more than double;

(f) according to question on notice No. 427 answered on 6 December 2017, the Premier stated the dredging would "...allow for all-hours access for cruise liners...", is this now the case:

(i) if no to (f), can the Minister please explain the change;

(g) has the Port modeled future berth unavailability in relation to the oil and gas industry with particular reference to the potential development of the Browse Basin by the Woodside Joint Venture:

(i) if no to (g), why not; and

(ii) if yes to (g), is it anticipated that the Port would increase business;

(h) has the Port identified a lack of berth availability if the Browse proposal goes ahead;

(i) has the Port of Broome identified the need for increased capacity into the future;

(j) given that the Minister for Ports stated that the KMSB would pave the way "...for export opportunities for the emerging agricultural and resources sector projects in the hinterland...", could the Minister give further information on:

(i) emerging agricultural projects in the hinterland; and

(ii) emerging resources projects in the hinterland;

(k) given the Port of Broome made a loss in 2018-19, if the KMSB was built, would this compete for business from the existing Port;

(l) can the Minister explain why jobs at the project are guaranteed for only seven years;

(m) has the Minister or the Western Australian Government had discussions with the relevant unions over the guarantee of jobs at the existing Port:

(i) if yes to (m), what was the nature of the discussions and was any agreement reached;

(n) has the State Government or the Port Authority imposed any other labour conditions on the KMSB leaseholder after the expiry of the initial conditions in the first five years of the lease;

- (o) which oil and gas companies are currently using the Port of Broome;
- (i) how long are the contracts with these companies;
- (p) will the Minister table the business case which details the assumptions behind the estimated job numbers:
- (i) if no to (p), why not;
- (q) are there any restrictions on foreign ownership of the company who owns the KMSB, or on the operator; and
- (r) did the KMSB, or anyone associated with the KMSB, make any representations to the Western Australian Government in relation to the dredging at the Port?

Answer:

a.

	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Profit/(Loss) after Tax	1,193	(106)	758	3,995	2,182	2,291	3,940	(2,980)	95	(1,713)

b.

	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Oil and Gas	6,802	5,159	5,712	13,295	10,692	11,097	12,561	9,204	9,705	6,222
Livestock	1,265	1,395	1,484	985	1,564	1,321	1,710	1,089	1,270	1,955
Cruise	844	632	1,193	539	599	691	1,073	1,194	833	1,155
Petroleum	1,778	2,120	2,349	3,181	2,962	2,995	2,713	2,005	2,309	2,646
Other	3,793	3,867	4,489	6,135	4,997	6,047	6,495	4,479	5,050	5,881
Total revenue	14,482	13,173	15,227	24,135	20,814	22,151	24,552	17,971	19,167	17,859

c. Yes

i. Not applicable

ii. The estimates are for 2020-21 to 2023-24 and are subject to Government budgetary approval. The Statement of Corporate Intent is then tabled in Parliament.

d. The dredging project cost was \$14.035 million.

i. Costs were allocated through the Royalties for Regions program, Tourism WA, the Department of Transport and the Kimberley Ports Authority (KPA).

e. Following the completion of detailed design and vessel simulation work the decision was made to remove approximately 40,000m³ of additional dredge material compared to the original estimates.

f. Yes.

i. Not applicable

g. KPA has a demand analysis and vessel forecast analysis extending to 2036 looking at low, base and high case scenarios. Berth utilisation and Port Master Planning is based on this demand analysis.

i. Not applicable

ii. Yes

h. Based on the demand and vessel forecast analysis and assuming the base case scenario, additional berth capacity will be required in the future.

i. Yes

- j.
 - i. Agricultural produce moving from road to sea for example: meat from the abattoir, the companies about to start growing grapes and asparagus and from vegetable producers located south of Broome.
 - ii. Resource companies such as Buru Energy Ltd, and Sheffield Resources Ltd.
- k. The Kimberley Marine Support Base (KMSB) construction project is scheduled to be finalised in 2022, at which time it will compete with KPA for trade, in a growing market.
- l. The guarantee of jobs covers the construction period and stevedoring for the first five years after practical completion of the facility. We would expect that period could be extended if the services provided by KPA stevedores meets the needs of the KMSB operator.
- m. KPA regularly engages with employees and their representatives on economic and industrial relation matters.
- n. No
- o. INPEX and Shell.
 - i. The companies do not have a contract with KPA.
- p. No.
 - i. The business case was commissioned by KMSB and provided by a third party, it contains market sensitive information and was provided to KPA as a commercial-in-confidence document.
- q. There are provisions within the agreements requiring approval from KPA and the Minister for Ports, in regard to a change of control in Kimberley Marine Support Base and/or the appointment of an operator.
- r. No

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