

31 January 2018

Ms Nicole Lockwood
Chair,
Westport Taskforce Steering Committee
GPO Box C102
Perth WA 6839

Dear Ms Lockwood

WESTPORT: PREPARING FOR THE STRATEGY

The Chamber of Minerals and Energy of Western Australia (CME) welcomes the opportunity to provide comment on the Westport: Preparing for the Strategy discussion paper.

CME is the peak resources sector representative body in Western Australia, funded by its member companies, which generate around 95 per cent of the value of all mineral and energy production and employs around 80 per cent of the resources sector workforce in the state.

The resources sector is a major contributor to the state and the Australian economy. In 2016-17, the value of Western Australia's mineral and petroleum industry was \$105 billion. The estimated value of royalties the state received from the resources sector composed of \$5.7 billion, which accounted for around 19 per cent of the state government's revenue.

The discussion paper sets out the expectations of what the Westport Strategy is aiming to achieve, this includes:

- Plan for the Outer Harbour at Kwinana as part of the long term integrated transport plan for the state;
- Position Western Australia as an attractive international investment opportunity, capable of capturing trade globally but particularly between Australia and the expanding economies in South East Asia and around the Indian Ocean;
- Protect as far as possible, environmental and cultural heritage;
- Make the best use of Fremantle, Kwinana and Bunbury ports and their environs to support growing population and create jobs; and
- Provide for efficient transport connections and intermodal hubs between port facilities and users.

CME supports in-principle the Westport Strategy aims outlined above.

Although the discussion paper put forward a number of high level questions to elicit input from interested stakeholders, CME's members have provided input which has been categorised into the following four areas: port design, maritime considerations, land access and freight corridors and transport infrastructure.

CME believes the information in this submission should be regarded by the Steering Committee as it will assist highlight a number of matters that should be considered in the development of the long term plan for the Outer Harbour.

Port design

In designing the new port facilities the following will need to be given serious consideration:

- Understanding the weather conditions around the port facilities is key to ensure sufficient protections for vessels and the port are put in place.
- Vessel size – Early determination of the largest vessel size that will be able to utilise the port facilities is key to early planning for a number of port aspects i.e. location, shipping lanes etc. Determining the largest size of the vessel should be done in consultation with current and potential future port users.
- Impact of both the port and land side design on existing user rights, especially those who have State Agreements in place.
- Understanding what the interplay between existing port infrastructure means for the development of the Outer Harbour.
- Commodity price cycles – the export of commodities is reliant on the prices being globally competitive, when the price of a commodity drops consideration may be given to placing a mine site into care and maintenance until the price of the commodity increases. As a result of care and maintenance, the volume of exports can decrease significantly and this will in turn have an impact on the number of vessels utilising the port. This also has the reverse implication; when commodity prices are high production may increase and therefore export volumes could increase.

Maritime considerations

While there are a significant number of state related matters to be considered in the development of the Westport Strategy, there are a number of Federal and international issues that also require some thought, including:

- Transshipping issues – the interaction of shipping requirements with Federal Government maritime legislation and coastal shipping obligations.
- Maritime security issues – noting where the majority of WA's exports are currently transported and growing uncertainties in the Asian region, potential security issues should be given serious consideration.
- Shipping lanes – current port users are concerned new shipping lanes will have an impact on their current shipping lanes.

Land access

While the port facilities are critical, access to surrounding land for infrastructure, freight and logistics to service the port and port user facility requirements, including storage, is just as critical. The Steering Committee need to put some thought towards:

- the current and future land use requirements, including all government approvals, that will need to be obtained, and the potential timeframes for the approvals processes.
- industrial buffer zones must be maintained to ensure urban encroachment does not cause a significant risk to the unfettered use of the land around and at the port. Many of Western Australia's existing buffers and key industrial areas do not have adequate planning protection. This threatens long-term economic prosperity for Western Australia.
- The need for appropriate zoning of buffer areas to allow for compatible land use development that will allow economic benefits to be realised without leading to production restrictions or forced closure of the industrial assets that these buffers were intended to protect.

Freight corridors and transport infrastructure

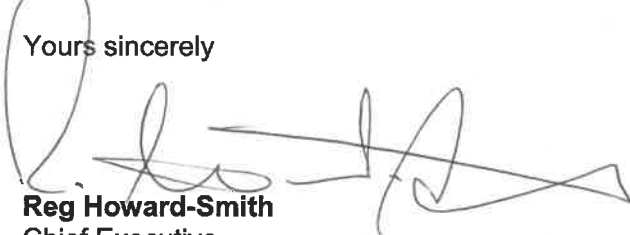
Freight corridors and associated transportation infrastructure to service the port and its users is essential for both importation and exportation of cargo.

- Consider the current modes of transportation being used to service each of the port facilities and understand what constraints they are currently facing and determine if there are ways to ease those constraints.
- Need to look at what lessons can be learnt from the freight and logistics issues surrounding current ports and take these into consideration in the design of the freight routes and corridors for the Outer Harbour.
- In developing freight routes and transport corridors, access to and interplay of third party infrastructure, for instance rail networks, needs to be given serious consideration in the planning phase.
- If Bunbury Port is being proposed as an alternative to reduce the export pressure on Fremantle Port, extension of the current freight rail network to assist in movement of export materials could reduce the number of trucks transporting cargo loads via the road network.

CME welcomes the opportunity to provide input to the considerations of the Westport Strategy Taskforce and various working groups.

For further information, please contact Caroline Cherry, Manager Economic Competitiveness at c.cherry@cmewa.com or on 9220 8514.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Reg Howard-Smith', written over a faint circular stamp.

Reg Howard-Smith
Chief Executive

