1. **Background**

The State Government announced on 2 February 2012 that the State’s seven regional port authorities would be consolidated into four regional port authorities, and 12 smaller ports currently controlled by the Department of Transport under the *Shipping and Pilotage Act 1967* (SPA) would come under the jurisdiction of the new regional port authorities. Fremantle would remain a stand-alone port authority.

2. **Establishment of a steering committee**

A steering committee to oversee the regional port authorities consolidation has been established and first met on 15 March 2012. Steering committee members from key strategic policy agencies were appointed by the Minister for Transport and selected for the skills and experience they would bring to the committee. Members are:

- Ms Sue McCarrey, Department of Transport (Chair);
- Ms Neema Premji, Bunbury Port Authority;
- Mr Ken Pettit, Port Hedland Port Authority;
- Mr Steve Lewis, Dampier Port Authority;
- Mr Brad Williamson, Albany Port Authority; and
- Ms Nicky Cusworth, Department of State Development.

The Department of Transport (DoT) provides secretariat support to the steering committee. The steering committee’s role is to:

- ensure good corporate governance of working groups being established for each proposed new port authority;
- review the working groups’ recommendations and outcomes; and
- ensure the outcomes are delivered on time.

Meetings are scheduled quarterly, or as deemed necessary.

3. **Objectives of the consolidation**

The primary objective is the successful consolidation of existing port authorities and SPA ports into four new regional port authorities that will improve outcomes for port customers by:

- Optimising utilisation of port infrastructure.
- Improving investment decisions.
- Enhancing corporate governance, via
  - strategic, operational and financial planning;
  - risk management;
  - human resource and skills management;
  - stakeholder management;
  - safety management; and
  - environmental management.
- Reducing expenditure through efficiency gains and reduced duplication of effort.
- Improving commercial practices and skills, acumen and capability.
- Providing consistency of port views on regional issues.
- Extending economy of scale benefits for service provision.
Consolidation of port authorities will be undertaken with minimal or no disruption to current operators and existing rights to operate will be preserved.

4. Reporting structure of working groups

<table>
<thead>
<tr>
<th>Port Governance Steering Committee</th>
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<tbody>
<tr>
<td>1. Kimberley Working Group (Broome, DoT, DSD)</td>
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<tr>
<td>2. Pilbara Working Group (Dampier, Port Hedland, DoT, DSD)</td>
</tr>
<tr>
<td>3. Midwest Working Group (Geraldton, DoT, DSD)</td>
</tr>
<tr>
<td>4. Southern Working Group (Albany, Bunbury, Esperance, DoT)</td>
</tr>
<tr>
<td>5. SPA Amalgamation, Legal &amp; legislation Working Group (DoT, Ports, DSD, Treasury, DMP, RDL, SSO, PCO)</td>
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</tbody>
</table>

5. Regional port authority working groups

Working groups are being established for each proposed new port authority and will be jointly chaired by the CEOs of the relevant port authorities.

Members will include:

- CEO and nominated staff of each affected port authority;
- Chairs of relevant port authorities (optional);
- Department of Transport; and
- Department of State Development (except for the Southern Working Group).

Working groups’ terms of reference are to include the determination of:

- Organisational intent, structure and strategy.
- Scope of operations.
- Location of staff and the head office.
- Corporate functions such as finance and budgeting, administration, human resources, information technology.
- How technical operations such as common user berth management, harbour master powers, and how marine safety and port environmental protection will be managed across port authority sites.
- How risks to the consolidation process will be managed.

The reform principles will be based on the Port Governance Review and will include:

- Standardisation of organisational structures of each new port authority while providing flexibility to reflect operational differences between the port sites.
- Statutory framework to remain similar to what is currently in place:
  - Statutory authority,
  - Board,
  - CEO,
  - Board reports to Minister,
  - Government is shareholder, and
  - Chief Operating Officer at each large port site.
- Each port will report as an individual business unit to ensure accountability and transparency.
- Management structure to ensure strong linkages to local community.
- Avoid unnecessary layers of decision making and bureaucracy to business between staff at each site and customers.
- Clear community engagement with stakeholder communication regarding the work of the working groups to be through existing port authority chair/CEO.
- Acknowledgement of existing agreements to use port infrastructure.
- Precise role of the port authority (and variations) will be determined in consultation with private sector interests and stakeholders at each site.
- Port authorities to assume broader regional perspective and undertake strategic planning.
- The port authority has harbour master responsibilities for marine and navigational safety across all sites under its jurisdiction.
- Traffic management at each site to be managed locally at or near the site under delegated authority of the harbour master.

The primary focus of the steering committee will be the consolidation of existing port authorities, with SPA ports being brought in to new amalgamated ports authorities as appropriate and in a staged process. The first task of the working groups will be to develop its terms of reference, implementation plan, timelines and key performance indicators for consideration by the steering committee.

6. SPA Amalgamation, Legal and Legislation Working Group

The steering committee has appointed Ms Alison Coates, ED Major Transport Projects, DoT to chair the SPA Amalgamation, Legal and Legislation Working Group. The group will be responsible for:
- reviewing and advising on the administrative and legislative changes required to bring SPA ports under the control of the new regional port authorities;
- reviewing and advising on the impact of existing state agreements and current contracts on the establishment of the new regional port authorities; and
- managing the legislative process to amending the Port Authorities Act 1999, the Shipping and Pilotage Act 1967, the Marine and Harbours Act 1981 and other relevant acts and regulations.

Members include officers from DoT, port authorities, Department of State Development, Treasury, Department of Mines and Petroleum, Department of Regional Development and Lands, State Solicitor’s Office and Parliamentary Counsel’s Office.

7. Proposed workshop to discuss transition issues

To ensure that working groups are clear on what is expected in the consolidation, the steering committee will organise an independently facilitated workshop for steering committee and working group members to be held as soon as possible to discuss and resolve implementation and transition related matters.

8. Implementation timelines

Timing of the reforms is planned as:
9. **Communications Plan**

A communications plan is being prepared and will be forwarded to all working groups for comments before it is finalised for Ministerial approval.

The steering committee agreed that ports would have responsibility for communicating with their stakeholders on the work of their working group. All media requests are to be directed to DoT, however, and there will be coordinated consultations with stakeholders to be facilitated by DoT and the Minister’s office.

A summary of the Port Governance Review recommendations and Government’s response, titled *A Vision for WA Ports* is available on the DoT website.

10. **Contacts for more information**

Contact the following if more information is required:

- Ms Alison Coates, Executive Director, Major Transport Projects, Department of Transport
  (email: alison.coates@transport.wa.gov.au, phone: 6551 6128)
- Mr Bruce Chan, Project Director, Major Transport Projects, Department of Transport
  (email: bruce.chan@transport.wa.gov.au, phone: 6551 6508)

Refer media enquiries to:
- Mr Peter Beard, Media Manager, Department of Transport
  (email: media@transport.wa.gov.au, phone: 0411 269 835)