1. **Minister’s approval of the proposed steering committee and working groups, and implementation plan**

In late March, the Minister for Transport was briefed on the establishment of the steering committee and working groups, their reporting structures, the project implementation timelines and key performance indicators. A copy of the 15 March Communiqué, which contains the details of the implementation plan, was also provided to the Minister. The Minister approved both the proposed structure and implementation plan and asked the Department of Transport to provide the implementation plan to Cabinet and seek approval to draft the required legislative changes.

2. **Report from the steering committee**

At its 11 May meeting the steering committee was briefed on the progress of four of the five working groups that have met to date. Committee members endorsed the proposed changes by the working groups to their terms of reference as well as their suggested changes to the steering committee’s proposed project timeline, key performance indicators and communication plan. A summary of the changes will be provided to all working groups when the steering committee has considered the comments and recommendations from the Kimberley Port Authority working group, which has yet to meet.

Committee members were advised of the Minister’s support to expedite the required legislative changes to remove specified customer representation on port authority boards. However, the Committee recognised that it was unlikely Parliament would be able to consider an amendment bill this calendar year. It is important that the steering committee and working groups work with the Department of Transport to ensure the amending legislation is ready for introduction into Parliament as soon as possible in 2013.

The activities of the regional port authority working groups will be influenced by the progress of the accompanying legislative work. A staging of works diagram was considered by the steering committee. The diagram identifies work that can be undertaken before the legislation is finalised, after the legislation is assented and when the legislation is proclaimed. This information will be provided to the working groups for their consideration.

The steering committee agreed that an offer by the Public Sector Commissioner for his department to support the working groups be forwarded to the working groups for their consideration and for each group to contact the Public Sector Commission for advice when and as required. Although port authorities, as government trading enterprises, are not governed by the Public Sector Management Act 1994, the Port Authorities Act 1999 provides the Public Sector Commissioner powers in the appointment of port authority board directors, minimum standards of merit, equity, and probity applicable to the management of port authority staff, and preparation of port authority codes of conduct.

Members noted the request by the Department of Transport to port authority CEOs for comments on a draft replacement to the 1995 ‘Role of Ports’ policy paper, titled ‘Ports Direction’. The development of this paper was a recommendation of the Port Governance Review.
3. **Report from the Southern Port Authority working group**

The working group, comprising the CEOs of Albany, Bunbury and Esperance ports and representatives of the Department of Transport, met on 27 April to finalise its terms of reference, comment on the steering committee’s indicative timelines, performance indicators and communication strategy, and discuss its approach to develop and deliver an implementation plan for the new port authority.

The group agreed that its immediate task was to define the structure and purpose of the Southern Port Authority and scope out a pathway to implement this structure. It is now seeking for a facilitator to run the next working group meeting scheduled for 31 May.

4. **Report from the Mid West Port Authority working group**

The working group’s first meeting on 2 May was attended by both the Chair and CEO of the Geraldton Port Authority, and representatives of the departments of Transport and State Development. As the new port authority comprises only one existing port authority, the focus of the meeting was on port operations under the State Agreement Acts and relevant agreements.

The group will focus on the review of the current arrangements that underpin the operation of Useless Loop and Cape Cuvier, the roles and responsibilities of the State Government for the Port of Oakajee.

5. **Report from the Pilbara Port Authority working group**

The working group is jointly chaired by the CEOs of Port Hedland and Dampier ports. Membership consists of a number of representatives from the two ports and supplemented by other members of the corporate structure. The departments of Transport and State Development are also represented.

Discussion at its 2 May meeting centred the need to determine what areas were within the scope of the task and what can be ring-fenced to be addressed outside the work of the group. A scoping workshop has been scheduled for 21 May and members were asked to undertake preliminary work to produce subsets of issues for consideration.

6. **Report from the Kimberley Port Authority working group**

The working group’s first meeting is scheduled for 17 May.

7. **Report from the SPA amalgamation, State agreement and contractual review, and legislation working group**

The working group, chaired by the Department of Transport and comprising representatives from the departments of Transport, State Development, Treasury, Mines and Petroleum, Regional Development and Lands, the State Solicitor’s Office and Ports WA, held its first meeting on 8 May. Members discussed how the range of tasks could be assigned to the different sub-groups and their memberships.

The nominated chairs of the sub-groups are as follows:

- Shipping & Pilotage Act Amalgamation sub-group – Ms Donna West, DoT;
- State Agreement and Contractual Review sub-group – Ms Milka Klobucar, DSD;
- Legislation sub-group – Mr John Morris, DoT.

The group also suggested the need for a dedicated group to examine the financial implications of the Shipping and Pilotage Act ports coming under the jurisdiction of the new regional port authorities. It was agreed that a workshop would be held to examine the financial issues and how they are to be addressed.
8. **Outcome of the risk assessment workshop**

Port authority chairs and CEOs, and officers from DoT and DSD attended a workshop on 20 April to discuss port governance transitional issues and risks. Attendees worked through a list of critical success factors for the project, identifying the likely risks, causes, controls and treatment action plans.

The steering committee will now complete the risk management assessment based on the workshop discussion. It is envisaged that control strategies identified by the steering committee to manage the identified risks will become an integral part of the project plans for each of the working groups.

9. **Contacts for more information**

Contact the following if more information is required:

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