1. Report from the Steering Committee

The Steering Committee convened in March, April and May 2013 to consider the progress of the working groups and discuss ongoing issues.

Steering Committee members include the Chairs of the Port Hedland and Bunbury port authorities, Chief Executive Officers (CEO) of the Dampier and Albany port authorities, and Deputy Directors General of the Department of Transport (DoT) and the Department of State Development.

Appointment of dedicated project managers

In undertaking the “next steps” activities, the Steering Committee noted that all four regional ports working groups have appointed a dedicated project manager for their work. The option of a single project manager was considered but rejected because of the different amalgamation issues faced by each of the four regional ports working groups. In explanation:

- the work of the Southern Ports working group involves the merger of the Albany, Bunbury and Esperance port authorities which differ in their geographical environment, port operations and trade;
- the work of the Mid West Ports working group involves the transfer of State Agreement Shipping and Pilotage Act (SPA) ports;
- the work of the Kimberley Ports working group involves the transfer of non-State Agreement SPA ports with significant State assets; whilst
- the work of the Pilbara Ports working group involves both the merger of the Dampier and Port Hedland port authorities, which are the world’s two largest bulk export ports, and the transfer of a number of State Agreement SPA ports.

Re-assessment of strategic and operational risks

At its 11 April 2013 and 15 May 2013 meetings, the Steering Committee revisited the risk register to update the risk mitigation measures for the ports amalgamation work.

Following from the Steering Committee’s re-assessment of strategic risk, all regional working groups are to work to re-evaluate their operational risks of consolidating the existing port authorities.

2. Financial issues

On 3 April 2013, officers from DoT, Department of Treasury (Treasury) and port authority CFOs/finance managers met to discuss some of the financial issues associated with the ports amalgamation.

Topics discussed at the meeting included:

- an explanation of the transitioning process from the existing to the new port authorities;
- State Treasury budget timeline and requirements; and
- the work being done to seek separate Australian Taxation Office (ATO) rulings on
whether the ports amalgamation will have implications in terms of the National Tax Equivalent Regime (NTER) and the Goods and Services Tax (GST).

In relation to Treasury’s budget and mid-year review process, the following timeframes and actions were confirmed:

| Oct 2013 | Mid-Year Review (MYR) process – all existing port authorities to individually submit updated financial information based on their draft 2014-15 Statement of Corporate Intent (SCI) and Strategic Development Plan (SDP) for their current port authorities. |
| Dec 2013 | MYR published showing the financial information of current port authorities.  
As part of the 2014-15 budget process, Treasury, DoT and the respective port authorities to prepare consolidated financial information, SCI and SDP for the new port authorities in readiness for publication in the 2014-15 budget papers. |
| Jan 2014 | Pre-bilateral starting point – all non-policy issues need to be considered for all existing and amalgamated port authorities. |
| Feb to Mar 2014 | Port authorities to advise of any changes since the MYR process to existing and amalgamated port authorities financial information.  
Port authorities to also consider new initiatives as part of the budget deliberations.  
The information will be reflected in the draft 2014-15 SCIs and SDPs once the budget process has been finalised. This will be submitted to the Treasurer for approval upon completion of the 2014-15 budget process. |
| May 2014 | 2014-15 budget is published. |

The Steering Committee noted the timing of the Treasury budget process and will work towards the 2014-15 budget timeline and requirements.

3. **Commonwealth tax implications on asset transfers in the amalgamation**

On 29 April 2013, DoT submitted to the ATO separate applications for omnibus rulings by the ATO Commissioner on the extent of any NTER and GST ramifications at the whole-of-project level.

4. **Legislation to facilitate port authority amalgamation**

Legislation is progressing on schedule in the drafting of the *Ports Legislation Amendment Bill 2013* by the Parliamentary Counsel’s Office. This work is managed by the Legislation Sub-group of the SPA Amalgamation, Legal & Legislation Working Group.

All port authorities and affected Government agencies will have an opportunity to provide comments as soon as there is a completed draft of the bill.

On 10 April 2013, the Premier announced changes to a number of Government departments to improve the delivery of services to the Western Australian community. The following is what he said about the port authority amalgamations:

“The legislation which will see the reform of ports management, including the consolidation of the seven of the State’s eight port authorities into four regional port
authorities, announced last year, will also be introduced into Parliament this year.”

Below is a link to the full media statement:

5. Contacts for more information

If more information is required, please contact:

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