



**Port Hedland Industries Council**  
Community Industry Meeting

**Minutes**

Wednesday 12 August 2020  
3.00 pm

**VENUE**

The WEB Business Hub, Port Hedland  
& Zoom, Videoconference

<b>Attendees</b>	<b>Organisation</b>
Kirsty Danby (Chair)	PHIC
Deirdra Tindale	PHIC / Pilbara Ports Authority
Morag Lowe	Community
Kieran Lawler (Dep Chair)	Care For Hedland
Tracey Garbin	Community
Roger Higgins	PH Progress Assoc
Michelle Kivits	Ashburton Aboriginal Corp
Fred Riebeling	Town of Port Hedland
John Carter	North Regional Tafe
Claire Boyce	Community
Joel Schreiber	Community
Georgia Wells	Community
Jaylan Smith	PHIC / Fortescue
Jeanette Hasleby	PHIC / Roy Hill
Clinton Smith	Community
Patrik Mellberg	PHIC / BHP
Chantel Cullen	PHIC

<b>Apologies</b>	<b>Organisation</b>
Kevin Michel, MP	Member for Pilbara
Trish Barron	PDC
Jim Henneberry	Community

<b>Invitees</b>	<b>Organisation</b>
Jan Ravn, GM Commercial, Logistics & Projects	Consolidated Minerals
Lyle Banks, GM Development & Trade	Pilbara Ports Authority
Karlene Bylund, GM Port Hedland Maritime Precinct	Pilbara Ports Authority

<b>Item</b>	<ul style="list-style-type: none"> <li>• Meeting opened by Kirsty Danby 3.06pm</li> <li>• Acknowledgement of Country and recognition of the Kariyarra people as the Traditional Custodians of the land on which the CIF meets.</li> </ul>
<b>1.1 Introductions</b>	<ul style="list-style-type: none"> <li>• CIF members provided an introduction of themselves and who they are representing (if applicable). <ul style="list-style-type: none"> <li>- Introduction of new members representing community: Claire Boyce, Georgia Wells &amp; Joel Schreiber</li> </ul> </li> </ul>
<b>1.2 Confirmation of Minutes</b>	<ul style="list-style-type: none"> <li>• Confirmation of PHIC CIF Minutes 12 February &amp; 13 May 2020 confirmed by Commissioner Fred Riebeling and seconded by Kieran Lawler</li> </ul>

Unconfirmed

## 2.0 The Economic Significance of the Port of Port Hedland

- Ms Kirsty Danby provided an overview of the ACIL Allen report:
  - The Resources Sector was deemed an essential service as State and national restrictions were imposed in response to the COVID-19 crisis — and the reasons for that are readily apparent.
  - With iron ore prices hovering around \$US110 a tonne and export volumes maintained, royalties flowing into the State Budget will provide a buffer in what otherwise will be a tough economic environment.
  - The State Treasurer has forecast the State will be in recession next year – with one of the few positives being the contribution of not only royalties but the continued employment of workers throughout the mining industry.
  - The industry has been able to deliver strong results while implementing strict and comprehensive health and safety protocols to protect workers, families, and local communities.
  - The Port of Port Hedland is recognised as one of the most important pieces of economic infrastructure in the nation.
  - All of which means economic benefits locally, in WA and in Australia.
  - In 2019, PHIC commissioned ACIL Allen to update and broaden the 2017 report, taking in more producers and port users and expanding the commodities to include lithium, manganese, copper, and salt as well as iron ore.
  - To develop the report, ACIL Allen was provided with production and financial details from PHIC members Pilbara Ports Authority, BHP, FMG, and Roy Hill — and port users Atlas Iron, Rio Tinto (salt), Sandfire Resources, Pilbara Minerals, and Mineral Resources.
  - ACIL Allen examined the income, expenditure and employment of the Port of Port Hedland and associated entities that use the Port for trade to develop a single group called the Port Hedland Port Supply Chain.
  - How would the Port Hedland Supply Chain compare with other sectors in the WA economy in terms of economic contribution:  
Almost four times the value of the manufacturing industry, five times the size of education, training and industry, and seven times the size of the output of the agriculture industry.
  - **The Port Hedland Port Supply Chain supports one in every 12 jobs in WA. That is an extraordinary figure and underpins why the mining industry is as an essential service.**
  - **And in Port Hedland, for every full-time job with the Port and its supply chain, two more full-time jobs are created in the Port Hedland’s economy.**
  - This multiplier effect is one of the many unseen benefits of the Port and its supply chain. If the Port grows steadily and sustainably, the direct and indirect benefits flow through to the entire community.
  - **In Port Hedland:**  
The Port Hedland Port Supply Chain contributed nearly \$1.1 billion and supported almost 3600 FTE jobs — 44 per cent of all jobs in the Town of Port Hedland.  
The economic multiplier of local expenditure by the Port Hedland Port Supply Chain is estimated to be 1.99, meaning every dollar of expenditure in the area generated flow-on expenditure of \$0.99.
  - **In the Pilbara:**  
The Port and its supply chain directly contributed \$41.1 billion into the economy — 45 per cent of the economic output produced in the Pilbara in the financial year.  
It contributed \$1.7 billion indirectly — for a total of \$42.8 billion, which was 47 per cent of total economic output produced in the Pilbara region in the year.  
And it supported 10,178 FTE jobs, accounting for 29 per cent of total employment.
  - **In WA:**  
\$44.5 billion in direct economic contribution to the WA economy in 2018/19. This was more than 17 per cent of the State’s GSP.  
\$10.2 billion in indirect economic contribution.  
Total economic contribution of \$54.7 billion, accounting for more than 20 per cent of WA’s GSP in 2018-19.  
Supported 75,302 (21,428 direct and 53,874 indirect FTE jobs) FTE jobs; that’s the breakdown of the one in 12 jobs.
  - **Nationally:**  
While most of the economic and employment benefits were realised in Western Australia, there were still significant benefits accrued across Australia.  
\$45.7 billion direct contribution.

\$18.4 billion indirect contribution.  
Total \$64.1 billion contribution to the Australian economy in 2018/19. This is equivalent to 3.4 per cent of GDP. Of this amount, 85 per cent was realised in Western Australia. Supported 133,349 direct and indirect FTE jobs.

- The benefits also come in the form of wages and salaries and in 2018/19 these were the figures:  
Nearly \$500 million in indirect and direct wages and salaries in Port Hedland  
\$1.33 billion in wages across the Pilbara region  
\$9.1 billion across WA  
\$14.2 billion across Australia
- It is the workers employed by a range of mining companies, port users and support businesses, with their skills and expertise, who make growth and profits possible. They contribute to innovative ideas and realistic solutions.  
As we know, so many of these workers live in Port Hedland with their families and also contribute to the vibrance, prosperity and culture of the community.  
These workers benefit directly, as we have seen in the earlier slides, but many other people and parts of the community benefit indirectly through the creation of jobs and the multiplier effect of spending
- The study found that, to 2028/29, the Port and its supply chain had the potential to contribute:  
An extra \$26.2 billion of gross regional, State and domestic product above a 2018/19 baseline of \$64.1 billion.  
An increase of \$27.3 billion in real output in the Pilbara.  
An increase of \$3.1 billion in in real output in the Rest of Western Australia.
- Stable, sustained employment opportunities are expected over the next 10 years — a powerful signal those companies that contributed to the report hold a positive view of their longer term prospects in the Region. It means, on average, an extra 5,587 FTE jobs a year across WA. And an extra 1072 FTE jobs on average a year in the Pilbara
- The report looked at real income – income adjusted for inflation – and found:  
\$32.1 billion in potential increase in real income over 10 years (Pilbara \$14.9 billion, Rest of WA \$14.4 billion, \$2.9 billion Rest of Australia).
- Taxes and royalties:  
An extra \$21 billion over the 10 years to 2028/29, or an additional \$2.1 billion per annum over and above the baseline contribution of \$6.8 billion in 2018-19.
- Nearly half of that is Australian company taxation receipts.
- The rest includes:  
WA royalty receipts potentially \$2.3 billion higher.  
WA payroll tax receipts \$789 million higher.  
Personal income taxes potentially \$6 billion higher.  
Other taxes are potentially \$1.7 billion higher.
- Today, a report was released by Regional Australia Institute, called the Big Movers, draws from previous Census data and states there has been a shift towards people choosing to leave cities and move to the regions. This is a major trend that we can positively contribute to – to promote the positive aspects of Port Hedland to others in our State and across the Nation to attract people to work

**Question and Answers from Members:**

- Member & PHIC CEO Discussion around the projections at the time being quite conservative and with recent COVID events they would have increased
- Member raised a concern around the dominant mining industry creating tough competition against the smaller industries for needs in the town such as housing and labour. Queried how this would be managed at a community level.
- PHIC CEO explained it was not the first time the town will be competing for talent. People are having those conversations. Noted that the Premier has asked talent / labour to relocate to WA and while the issue hasn't been resolved during previous upswings, there are learnings to be drawn upon, including anticipated active campaigns (industry and State Government funded) to position the Pilbara as an attractive place to live and work.
- Member concern that key decision makers in industry are not part of the community and mining booms come at a cost to certain industries while the benefits to industry are immense. Noted that in 2012 infrastructure and housing stretched and became unsustainable in town. PHIC CEO

	<p>acknowledged concern and noted that many GMs of Port and Rail all residing in Port Hedland, as is CEO PPA. Advised that Port Hedland remains a high priority for decisions makers.</p> <ul style="list-style-type: none"> <li>- Member raised concerns around the Hedland Senior High School being the biggest driver of people leaving town.</li> <li>- Other members commented: <ul style="list-style-type: none"> <li>- that Industry has been supporting the school. Parents should also be helping to improve education opportunities. There are some social issues and the community need to be helpful.</li> <li>- Industry plays a significant role in making sure year 12 students have the highest rates of employment in WA after leaving school.</li> <li>- Ultimate success for industry is that you do provide stability in education and training and work within the community.</li> </ul> </li> </ul> <p>PHIC CEO recognised that it is outside’s PHIC’s terms of reference, however noted that industry is keen to generate a greater level of understanding on the education landscape in Hedland and asked members if this was a topic for continued discussion. Noted that industry’s aim is to attract talent to live and work in Port Hedland and that the talent pipeline from Port Hedland is part of that.</p> <ul style="list-style-type: none"> <li>- Noted by a member that Industry and the ToPH have made a considerable effort to increase day care positions by around about 100 places. There is allocation of land for more and private industry taking up these opportunities would be smart economically</li> </ul>
<p><b>3.0 Port User’s Presentation – Growth</b></p>	<ul style="list-style-type: none"> <li>• Presentations from: <ul style="list-style-type: none"> <li>- Jan Ravn, GM Commercial, Logistics and Projects, Consolidated Minerals</li> <li>- Lyle Banks, GM Trade and Development, Pilbara Ports Authority</li> </ul> </li> </ul>
<p><b>4.0 An overview of the PHVBS</b></p>	<ul style="list-style-type: none"> <li>• Presentation from Karlene Bylund, GM Port Hedland Maritime Precinct, Pilbara Ports Authority.</li> <li>- Discussion following the presentation: <ul style="list-style-type: none"> <li>- Member’s concern around the Pilbara Ports Authority handling the PHVBS, Karlene’s response: A number of WA Government agencies are responding to the issues and there will be some agencies that will be able to nominate for the SPV board. Karlene noted that DWER retains responsibility for dust and environmental issues, supported by advice from Department of Health. The PHVB is being implemented in response to potential impacts on property values as a result of the Port Hedland West End Improvement Scheme 1.</li> <li>- Karlene stated that activities being conducted by the PHVBS special purpose vehicle will not impact on government or industry’s ongoing responsibility for dust mitigation.</li> <li>- Advised that a mail out to owners would be going out this week to start the process.</li> <li>- Advised that the process to purchase properties will be outlined in an attachment to the letter, including the terms on which the PHVBS offer will based in their letters. The mail out will formally start the process, and intends to understand what information owners are seeking. It is anticipated that an EOI will begin next late August early September</li> <li>- Stated that the valuations will be based on certain criteria ie, date for valuations and indexation, but indicated that the valuer’s instructions would include a requirement to value the property with improvements in place at the date of inspection. There will be a panel of valuers. One panel for the SPV – PHVBS administrator to use, and one panel for the sellers to use (if the wish to).</li> <li>- Karlene stated that they key terms of the PHVBS are set by Government and not able to be changed. However the PHVBS administrator would have some flexibility in how the offer and settlement is structured, to accommodate for individual circumstances and needs but the date is not flexible, it’s valued at market value and indexed yearly.</li> </ul> </li> </ul> <p>Members asked if Karlene could continue to update Community Industry Forum as the PHVBS continues to progress, and agreed to invite Karlene to the next meeting for an update on progress.</p>

## 5.0 Taplin Street

- Kirsty Danby presented a summary of the close out of the investigation:
  - At previous Community Industry Forums, PHIC shared news that the Taplin Street monitor confirmed inconsistent readings from 23 January and has been part of an ongoing investigation by Ecotech.
  - As a recap, Ecotech manage the network on behalf of PHIC. Ecotech are a qualified and experienced independent specialist air quality consultants who also generate fully validated monitoring data for PHIC.
  - PHIC commissioned a series of four separate checks of the Taplin Street monitoring unit from April 2019 after the Taplin Street monitor had not recorded any exceedances above the 24-hour average interim guideline. Those checks, undertaken from April 2019 – October 2019, found no faults or anomalies.
  - Given no faults or anomalies had been identified, the 2018/19 AAQMN annual report was published in November 2019.
  - PHIC subsequently installed a parallel monitoring unit at Taplin Street – which was the final investigation that confirmed the monitor had inconsistent readings (23 January 2020).
  - In February 2020, PHIC launched a formal investigation in a bid to:
    1. determine the cause of the inconsistent readings
    2. revalidate data from the Network
    3. assess Ecotech’s management of the Network.
  - The monitor was sent to Perth where Ecotech undertook an investigation and were unable to find the reason for the inconsistent readings. Ecotech liaised with the US manufacturers but a fault was unable to be determined.
  - The monitor was then sent to the US manufacturers for further testing. The US manufacturers found no faults with the Taplin Street equipment.
  - PHIC asked Ecotech to instal secondary monitoring to validate Taplin Street datasets (via hi volume testing – an accredited Australian Standard method of testing).
  - PHIC asked Ecotech to instal secondary monitoring to validate all 7 other monitor datasets (via hi volume testing – an accredited Australian Standard method of testing)
  - PHIC engaged independent consultant GHD, a peer to Ecotech, to audit Ecotech’s management of the Network. GHD found that Ecotech had met or exceeded Australian Standards in its management of the Network.
  - PHIC also asked GHD to audit the installation of the hivol testing and assessments of Taplin Street. GHD found that Ecotech had conducted the hivol testing within Australian Standards and the results complied.
  - Given no faults could be found with the monitoring equipment, it is not possible to determine with certainty the correct readings for Taplin Street during 2018/19.
  - PHIC’s CEO stressed the complexity of retrospective analysis, however advised that PHIC undertook a commitment to generate a scientific-based insight into any potential exceedances.
  - A preliminary analysis of the Network data has estimated that exceedances of the 24-hour average guideline for PM10 of 70  $\mu\text{g}/\text{m}^3$  at Taplin Street were between 9 and 13. PHIC noted that it was a high background year with between 5-7 potentially attributed to background dust from Yule and BOM monitors, and that the guideline includes an allowance of up to 10 exceedances a year for natural events.
  - PHIC believes that the Taplin Street monitor has been recording accurate data since 1 January 2020, when replacement monitor was installed.
  - PHIC CEO said she was disappointed the inconsistent readings had occurred, but she was pleased that it through PHIC’s insistence on investigating the issue that PHIC was able to uncover the anomalies.
  - PHIC CEO stressed that PHIC takes its role in providing data from the Ambient Air Quality Monitoring Network seriously, and will continue to take the role seriously.
  - Member raised a concern about a screen shot from Kingsmill which member believed was well over the dust levels from PHIC monitoring page.
  - PHIC CEO explained that there will be a number of spikes during any given day on the live monitoring website, but that exceedances are recorded if the level remains greater than 70  $\mu\text{g}/\text{m}^3$  on average for 24 hours.

	<ul style="list-style-type: none"> <li>- Member raised the issue of Cyber Security as a possible reason. PHIC CEO explained that PHIC had asked Ecotech to investigate if a cyber breach was possible, and that Ecotech had provided a report to state that there no chance of a cyber security attack through their system. Noted that this issue was reported in the previous meeting.</li> <li>- Member raised concern that industry needed Taplin St Monitor as part of their license conditions to operate.</li> <li>- PHIC CEO explained that Taplin Street monitor site readings are not a license condition but used for trends and analysis. It is used for industry to take a proactive response to dust mitigation.</li> <li>- Ambient Air Network handover to DWER update requested by Member:</li> <li>- PHIC advised it had received DWER's draft Memorandum of Understanding, Draft Regulatory Strategy and the Tender Specifications for the network operator on 10 June and responded to all between 10-17 July and is now awaiting response from DWER.</li> <li>- Noted that the process has been more complex than anticipated but PHIC understands the Network Handover remains a priority for DWER.</li> <li>- A Member asked about the use of LiDAR in the new Regulatory Strategy when DWER take control of the Network.</li> <li>- PHIC CEO explained that PHIC will not be in a position to determine what mechanisms will be used for monitoring however PHIC are requesting DWER consider consistency in location to provide data trend analysis given PHIC have been gathering datasets for 10 years. DWER will determine the best technology to monitor air quality across Port Hedland.</li> </ul>
<b>Future Agenda Items</b>	<ul style="list-style-type: none"> <li>• Part 3 Port Users Growth and Community Update series</li> <li>• West End / PHVBS Update with Karlene Bylund, GM Port Hedland Maritime Precinct</li> </ul>
<b>5.0 Action Items</b>	<ul style="list-style-type: none"> <li>• No Action Items</li> </ul>
<b>6.0 Other Business</b>	<ul style="list-style-type: none"> <li>• Agenda item suggestions - members to provide agenda items of interest for next meeting</li> <li>• Next Meeting: 11 November 2020</li> </ul>