



Submission to the State Government  
Port Hedland Dust Taskforce  
6/10/2017

## About PHIC

The Port Hedland Industries Council (PHIC) is a cooperative industry group formed in 2009 to provide a collaborative approach to cumulative industry issues in Port Hedland and to working with all stakeholders to manage and minimise the impact of industry on the community.

PHIC provides a single industry point of contact and coordinates inter-industry responses to cumulative issues impacting the community such as air quality (dust and noise). In doing so PHIC brings substantial expertise in terms of dust mitigation, health and environmental knowledge, as well as collectively advancing investment in new technology and innovations, and proactively sharing information, experience and knowledge to ensure continuous improvement of dust management in Port Hedland.

PHIC members have comprehensive environmental controls in place, strong engagement with the Port Hedland community, and a commitment to sustainable development for the benefit of Port Hedland.

Port Hedland Industries Council Inc. membership includes BHP Billiton, Fortescue Metals Group, Roy Hill Infrastructure, Pilbara Ports Authority, Atlas Iron and Minerals Resources Limited.

Further information about PHIC can be found at <http://phic-hedland.com.au/>.

## About Port Hedland Port

The Port of Port Hedland is the world's largest industrial bulk export port. The Pilbara Ports Authority has estimated that with further infrastructure investment, the Port could reach an export capacity of 700MT by the 2026-2027 financial year.

PHIC recently commissioned ACIL Allen to conduct an economic study of the Port Hedland Port to better define the value of the Port of Port Hedland to the Pilbara, Western Australian and Australian economies. Some key highlights from this report include that the key economic outputs from the Port Hedland Port Supply Chain in 2015/16 contributed:

- \$30 billion in economic output to the Australian economy;
- approximately 5,000 FTE jobs in Port Hedland; and
- direct payments of \$2.2 billion in taxation receipts to the WA Government

Please see *Appendix 1* for a comprehensive summary of the findings of this report as well as a link to the actual report.

In summary, PHIC members have a long-term commitment to Port Hedland and believe that getting the right framework in place to facilitate the Port's future potential growth will result in significant benefits for the town, region, State and nation.

## Dust Taskforce

PHIC was established in 2009 as a forum to collectively address emerging issues around dust and noise management within the port precinct and town of Port Hedland. At the same time,

the Premier of Western Australia established the Port Hedland Dust and Noise Taskforce (Taskforce) to address the government's concerns around dust and noise.

PHIC was invited to be a member of the Taskforce together with representatives from industry, the Town of Port Hedland (ToPH) and relevant government agencies. In 2010 the Taskforce prepared a Management Plan, with several actions tasked to PHIC that have since been completed including:

- The establishment and funding of a regional ambient air quality monitoring network (publicly accessible via PHICs website);
- Support for the completion of the Port Hedland Health Risk Assessment (HRA); and
- The development of both cumulative air and noise models for Port Hedland.

PHIC has supported the Port Hedland Dust Management Taskforce since it was established, and supports the continuance of the Taskforce as the appropriate mechanism to implement the final Taskforce recommendations.

PHIC reiterates its commitment to working collaboratively with the community, government and industry through the Dust Management Taskforce.

#### [Response to Dust Taskforce Report](#)

PHIC broadly supports the recommendations of the recently released "Port Hedland Dust Management Taskforce Report to Government" as an essential foundation to addressing competing priorities and allowing the port and the town to continue to grow and prosper.

#### **Specific comments on recommendations:**

##### ***Recommendation 1: Health Risk Assessment - Interim Guideline***

*The Taskforce recommends that the current interim guideline of 24-hour PM<sub>10</sub> of 70 µg/m<sup>3</sup> (+ 10 exceedances to accommodate natural events) continues to apply to residential areas of Port Hedland and that measures should be introduced to cap (and if possible, reduce) the number of permanent residents in dust-affected areas of Port Hedland.*

PHIC broadly supports this recommendation.

It is important to note that placing unreasonable regulation on industry, that requires increasingly expensive dust abatement, will have diminishing returns in terms of cost versus impact on overall air quality.

In PHIC's 2015/16 Annual Report to the Taskforce (completed by an independent consultant), the Taplin Street monitoring station recorded 10 exceedance days above the 24-hour average for PM<sub>10</sub> of 70µg/m<sup>3</sup>. A detailed analysis showed that industry alone was responsible for less than 30% of the 10 exceedances.

Naturally occurring dust is a significant contributor to overall dust in Port Hedland and PHIC encourages broader dust management and exposure reduction opportunities that are not isolated to industry.

### **Recommendation 2: Air Quality Monitoring**

*The Taskforce recommends that the Port Hedland Industries Council continue operating and maintaining its air quality network, with responsibility for oversight of the network, including data verification, storage and publication, transferred to the Department of Environment Regulation. The Taskforce notes that the Department of Environment Regulation will consider a number of options, including regulations, to implement this recommendation.*

PHIC notes that in line with the Dust Taskforce's 2010 recommendations, PHIC has established and funded the maintenance of the Port Hedland Ambient Air Quality Monitoring Network (the Network) and made this data available in real time to industry and the public (via PHIC website [www.phic-hedland.com.au](http://www.phic-hedland.com.au)).

PHIC broadly supports this recommendation however would like to suggest that:

1. The Air Quality Monitoring network is rationalised from the current eight ambient air quality monitors by removing redundant monitors or those with non-compliant siting. A recent independent ambient network review identified redundant monitors such as those which were installed to quantify emissions during expansion projects and those with non-compliant siting resulting from community developments e.g. Dome Café.
2. While the Network is independently operated and maintained by Ecotech (specialist dust monitoring provider), the community and stakeholders have indicated concerns with the independence of the data.

PHIC remains committed to working with government to ensure stakeholders trust the monitoring data of the air quality monitoring network, however PHIC suggests that this objective may be more achievable if the Department of Water and Environmental Regulation operate and maintain the network. This could include an agreed transition period for funding arrangements.

### **Recommendation 3: Industry Regulation**

*The Taskforce recommends that:*

- *The Department of Environment Regulation implements a coordinated risk-based review and assessment approach to managing dust and noise in Port Hedland through a review of all port premises licences under Part V, Division 3 of the Environmental Protection Act 1986.*
- *Where premises are subject to Ministerial Statements, the Department of Environment Regulation will provide the findings and recommendations of its risk-based review and assessment to the Environmental Protection Authority and the Office of the Environmental Protection Authority.*
- *The Environmental Protection Authority and the Office of the Environmental Protection Authority will consider the Department of Environment Regulation's assessments, and the appropriateness of conditions in Ministerial Statements.*
- *Where the Environmental Protection Authority inquires under section 46 of the Environmental Protection Act 1986 into the conditions within Ministerial Statements, the Environmental Protection Authority will provide the Minister for Environment with a report on whether the conditions in the Statement/s should be changed.*

- *The Department of Environment Regulation finalises and implements dust management guidelines for bulk handling port premises, outlining its expectations in relation to the assessment of dust impacts, dust control and monitoring requirements from these premises.*

PHIC supports these recommendations however wishes to ensure reasonable risk based regulation for its members. In assessing and implementing regulation, there must be regard for local conditions including the high level of background dust, and other non-regulatory levers to reduce the exposure of sensitive receptors over time in the West End.

PHIC member companies are meeting licence requirements and remain committed to continuous improvement of dust and noise emissions.

#### **Recommendation 4: Noise**

*The Taskforce recommends that:*

- *The Department of Environment Regulation assesses unacceptable noise levels and assesses whether additional controls can be introduced as part of its review of all port premises licences under Part V, Division 3 of the Environmental Protection Act 1986.*
- *The Town of Port Hedland uses the Port Hedland Cumulative Noise Study to inform its land use planning for the West End of Port Hedland.*

PHIC supports this recommendation and requests that consideration is given to the long-term protection of both the Port precinct and the associated transport corridors to ensure no new land use conflicts are created.

#### **Recommendation 5: Land-use planning**

*The Taskforce recommends that:*

- *The Minister for Planning asks the Town of Port Hedland to implement a Special Control Area westwards from McGregor Street as part of its Town Planning Scheme No. 5.*
- *The Special Control Area prohibits new permanent residential development and other sensitive land uses, including aged care and child care premises, west of Taplin Street.*
- *Low-density (R20) residential development be permitted in the predominantly residential area between Taplin and McGregor Streets, but higher-density residential development and other sensitive land uses be prohibited.*
- *The zoning in the Special Control Area aligns with the Town of Port Hedland Local Planning Strategy's Precinct 1, taking into consideration the findings of the Health Risk Assessment.*

PHIC broadly supports this recommendation. Appropriate planning is crucial to the future development of Port Hedland and for the long-term prosperity of both community and industry in Port Hedland.

PHIC supports the separation of industry and sensitive land uses adjacent to the Port through the introduction of appropriate land use planning controls, however requests that the WA Planning Commission implements the Special Control Area through an appropriate State government controlled mechanism such as an Improvement Plan and Improvement Scheme. The rationale for this is to recognise the critical importance of dealing with the land use conflict,

and to recognise the challenge that Local Government has to date, and will continue to face, in consistently and effectively implementing such a locally contentious recommendation.

PHIC supports commercial development in the West End and its use as a commercial, historical, cultural and community centre. PHIC members have and continue to make substantial investments in the West End to support this objective.

PHIC members support the diversification of the Port Hedland economy and are keen to work with authorities to maintain and foster the co-existence of industry and community.

### ***Recommendation 6: Local Government and Community***

*The Taskforce recommends that:*

- *The Town of Port Hedland works with key stakeholders to identify and mitigate dust from non-industry sources, with a focus on:*
  - *Identifying and implementing dust mitigation options for the spoil bank;*
  - *Sealing unsealed roads and undertaking regular and effective street sweeping operations;*
  - *Considering greening options, including coastal dune revegetation and the establishment of a green belt around the port; and*
  - *Reviewing and improving the efficacy of municipal services associated with dust control.*

PHIC supports this recommendation.

All non-industry related dust sources, not just the spoilbank, should be identified and relevant controls implemented. For example, naturally occurring dust and local dust sources such as unsealed roads, eroded ground, the Wedgefield industrial area, the Spoilbank and sea salt contribute to general dust levels in Port Hedland.

PHIC therefore encourages broader dust management and exposure reduction opportunities that are not isolated to industry.

### ***Recommendation 7: Governance***

*The Taskforce recommends that:*

- *The Taskforce continues to operate, with a focus on sharing information and co-ordinating agency activities when needed.*
- *The Taskforce reports annually to the Minister for State Development on progress in implementing the recommendations in this report and on the overall status of dust and noise management in Port Hedland.*

PHIC supports this recommendation and the continuance of the Taskforce as the appropriate mechanism to implement the Taskforce recommendations.

### **Conclusion**

PHIC reiterates its support for the recommendations made in the Taskforce Report. The future of the mining industry in the Pilbara region and Port Hedland is strong and the latest resources sector data demonstrates that the sector has the potential to continue to drive expansion and growth for the State and local economy for at least the next decade. The ACIL Allen report

highlights substantial future value in employment, real income and state and national tax receipts if the Port Hedland Port can reach its full potential.

PHIC is committed to proactively engaging with all key stakeholders and working with the community to deliver mutually beneficial outcomes and continue sustainable co-existence into the future.

The Port Hedland Port is one of the most significant pieces of infrastructure in the State, and the resources industry in the Pilbara is the powerhouse of economic growth for Western Australia. Ensuring the sustainability of industry and the community of Port Hedland is vital for the ongoing economic growth of the State and the Port Hedland community.

## **Appendix 1: Acil Allen “The Value of Port Hedland Port” Report Summary**

<http://phic-hedland.com.au/wp-content/uploads/2017/10/port-hedland-port-economic-study-final-report-september-2017.pdf>

### **Contribution to the Port Hedland Economy**

- The Port Hedland Port Supply Chain accounted for \$418.4 million in direct economic output in the Town of Port Hedland in 2015-16. This was approximately 8.7 per cent of the economic output produced in the town of Port Hedland in the financial year. The activities of the Port Hedland Port Supply Chain in Port Hedland generated \$585.9 million of indirect economic output in the region.
- The total economic contribution exceeded \$1 billion (\$1.004 billion) in 2015-16. This represented approximately 21 per cent of total economic output produced in Port Hedland in the year.
- This level of activity supported approximately 5,000 FTE jobs (4,905) in the Port Hedland region, which in 2015-16 was just under half of total employment (10,989) in the region.

### **Contribution to the Pilbara Economy**

- The Port Hedland Port Supply Chain accounted for \$16.9 billion in direct economic output in the Pilbara region in 2015-16. This was approximately 45 per cent of the economic output produced in the Pilbara region in the financial year. The activities of the Port Hedland Port Supply Chain in Port Hedland generated an additional \$1.2 billion of indirect economic output in the region.
- The total economic contribution of the Port Hedland Port Supply Chain is estimated to be \$18.3 billion, or 47 per cent of total economic output produced in the Pilbara region in the year.
- The Port Hedland Port Supply Chain supported 10,510 FTE jobs in the Pilbara region in 2015-16, accounting for 16 per cent of total employment.

### **Contribution to the WA Economy**

- The Port Hedland Port Supply Chain accounted for \$18.5 billion in direct economic output in the Western Australian economy in 2015-16. This was 7.6 per cent of the economic output produced by the Western Australian economy in the financial year. The indirect economic contribution of the Port Hedland Port Supply Chain to the Western Australian economy was \$7.8 billion.
- The total economic contribution of the Port Hedland Port Supply Chain to the Western Australian economy is \$26.4 billion – almost as much as the State’s entire construction industry.
- This level of economic contribution supported just over 59,000 (59,015) FTE jobs in the Western Australian economy – or around one in every 20 FTE jobs in the State.

### **Contribution to the Australian Economy**

- The Port Hedland Port Supply Chain contributed \$30 billion in economic output to the Australian economy in 2015-16. This is equivalent to 1.9 per cent of GDP. Excluding WA, the Port Hedland Port Supply Chain directly contributed \$193.9 million to the national economy, and contributed a further \$3.4 billion on an indirect basis.



- This level of economic contribution supported a total of 86,240 FTE jobs, with 12,850 of these direct and 73,390 of them indirect. The Port Hedland Port Supply Chain contributed \$8.1 billion in wages and salaries, with the vast majority of this (73 per cent) on an indirect basis.

### **Contribution to Taxes and Royalties**

- In total, ACIL Allen estimates that the Port Hedland Port Supply Chain directly paid \$2.2 billion in taxation receipts to the WA Government and a further \$2.4 billion to the Commonwealth in 2015-16.
- The majority of taxation receipts flowed to the State through royalties (\$1.9 billion) and to the Commonwealth through company taxes (\$1.8 billion) and personal income tax (\$606 million).

### **Future Value of the Port**

PHIC members believe that it is critical to put in place a sustainable plan that will pave the way for the long-term growth and development of the port and the town. Acil Allen examined the potential opportunity to the local state and national economies if the port can reach its full potential over the next decade as follows:

#### **Real Output**

- \$30bn potential GRP increase over the study period
  - Average of \$3bn per annum
  - Equivalent to 7.4% of Pilbara GRP in 2015-16
- \$33bn potential GSP increase over the study period
  - Average of \$3.3bn per annum
- \$32bn potential GDP increase over the study period
  - Average of \$3.2bn per annum

#### **Real Income**

- \$12bn potential increase in real income across the Pilbara region over the study period
  - Average of \$1.2bn per annum
- \$24bn potential increase in real income across WA over the study period
  - Average of \$2.4bn per annum
- \$37bn potential increase in real income across Australia over the study period
  - Average of \$3.7bn per annum

#### **Employment**

- Potential workforce boost of 1,500 FTE jobs across the Pilbara per annum over the study period
  - Equivalent to 3% of current workforce
- Potential workforce boost of 5,377 FTE jobs across Australia per annum over the study period
- Potential workforce boost of 5,338 FTE jobs across WA per annum over the study period

#### **Real Exports**

- \$33bn potential increase in Australian exports over the study period

- Average of \$3.3bn per annum
- Equivalent to just over one per cent of Australia's total exports over the past 12 months
- For Western Australia, the average potential increase in exports over the study period represents approximately five per cent of WA's total exports in 2015-16

#### **Real Taxation**

- \$21bn potential increase in tax receipts across Australia over the study period
  - Average of \$2.1bn per annum
  - Direct and indirect company tax receipts potentially \$13.3bn higher over 10 years
  - Other Australian tax receipts potentially \$2.2bn higher over 10 years
- \$5bn potential increase in tax receipts across WA over the study period
  - Average of \$516 million per annum
  - WA royalty receipts potentially \$4.6bn higher over 10 years
  - WA payroll tax receipts potentially \$508 million higher over 10 years

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