

October 5th 2017

Port Hedland Dust Management Taskforce
Department of Jobs, Tourism, Science and Innovation
Level 6, 1 Adelaide Terrace
East Perth WA 6004

To the Port Hedland Dust Management Taskforce,

RE: PORT HEDLAND DUST SUBMISSION

Please find attached my submission with regards to the Port Hedland Dust Management Taskforce – 2016 Report to Government.

Dust levels have long been a contentious issue for the local community in the Pilbara; it has been acknowledged that there is a problem, which requires a government and industry response. This issue has become critical and is costly for business and therefore the response needs to be appropriate, with enforceable conditions created to ensure that there are no unacceptable risks or further costs to business as a result of the dust levels in the town.

I look forward to a response from the taskforce in the near future that will hopefully be a positive result for those affected by this issue.

My office can be contacted on (08) 9173 2006, should you have any queries.

Thank you and kind regards,



HON JACQUI BOYDELL MLC
Member for Mining and Pastoral Region



Hon. Jacqui Boydell MLC
Member for Mining and Pastoral Region
Deputy Leader of the National Party of Australia (WA)

**Response to the Port Hedland Dust Management Taskforce – 2016 Report to
Government**

Submission
6 October 2017

Introduction

As The Nationals Member for Western Australia's Mining and Pastoral Region, which incorporates Port Hedland, I welcome the opportunity to respond to the Port Hedland Dust Management Taskforce's Report to Government, released for public comment in August 2017.

It is my view that the dust problem associated with the export activity at Port Hedland must be addressed and minimised by the companies which operate at the port.

Port Hedland was established 121 years ago – the town site which is now referred to as the West End has survived multiple cyclones, floods and economic downturns. It must continue to survive and thrive as the cultural heart of the town, not undermined by a special control zone.

The West End is a vital aspect of Port Hedland, home to a range of businesses and landmarks. It also serves as the town's symbolic heart and attracts the bulk of tourist dollars due to the existence of cafes, shops, bars, accommodation and the port itself. The revitalisation of the West End, including the Spoilbank Marina project, is necessary to deliver a critical boost to the town's economic and social development.

It is important to note that Port Hedland was a community long before the first tonne of iron ore was exported, and before it became the world's largest bulk export port. This is not an example of poor government planning where community development has occurred in close proximity to industry as in the case of other dust-community conflicts (eg: Cockburn Cement). The port's proximity to the West End has always been a known factor and therefore an industry-led solution is required to minimise the amenity, aesthetic and liveability impacts of the dust problem.

Port users must take ultimate responsibility for their operations. The need for a Special Control Zone to exclude particular people and activities in the heart of Port Hedland, and undermine the cultural centre of the town, shows the major port users are not taking responsibility for their externalities.

This year, BHP - a major user of the port, albeit not the only one - reported an underlying EBITDA of \$US20.3 billion, almost half of which was generated from its Pilbara operations. It is my view that a company deriving such substantial revenue from the region must show leadership in managing the dust problem. This is a core aspect of their social licence to operate, and involves investigating all options to manage the dust problem including investing in world-leading dust suppression technology to ensure Port Hedland's economic and social development continues.

Similarly, other major port users such as Fortescue and Roy Hill have a responsibility to address the dust problem and deliver a better outcome for the Hedland community.

In this submission, I have identified five key areas of concern with the report's recommendations.

1. Excessive restrictions

The Taskforce proposes a government-led solution for an industry-generated problem. I submit that the dust problem is created by industry and therefore requires an industry-led response. The recommendation of the Taskforce to extend planning controls to prohibit high density residential development in the area between Taplin and McGregor Streets does not deliver a solution that meets the needs and aspirations of the community. This is an attractive area of Port Hedland with considerable opportunity. Such a heavy-handed approach will curtail development in Port Hedland, particularly in an area where there has been strong demand for residential housing. The amenity of the town will continue to suffer if further restrictions are placed on this area without a strong and effective response by industry to manage the dust problem. This may also lead to litigation on both the port users and the State Government for impacts to business and property values.

2. Health concerns for employees

I am concerned about worker exposure to dust particles given the identified detrimental effect it can have on the health of West End residents. Employees at the port operations, and indeed further upstream at the mining coalface, are exposed to particulate matter (PM) in greater concentrations and for longer periods than residents in the West End. Have the companies carried out similar health assessments for employees on-site? Similarly, towns such as Newman, which are in close proximity to iron ore mining operations, must also be assessed. What are the differences in the level of exposure for residents in Newman compared to that of the West End of Port Hedland?

3. Lack of community trust in industry

BHP last year produced 231 million tonnes of iron ore. Converted into steel, that's enough of Western Australia's finite red dust to build a railway to the moon. The average price received for each one of those tonnes was US\$58 (\$73), while the cost of production was US\$14.60 (\$18). That's an average margin of US\$43.40 (\$55) per tonne – or 297 per cent. No one should question how important the Pilbara is to BHP considering that 44 per cent of the company's underlying EBITDA of US\$20.3 billion was generated in the region. I acknowledge the suspicions of the community regarding the credibility of the air monitoring network given that industry funds, maintains and provides the data from the network. There is also a general lack of trust in big mining companies permeating throughout Western Australia and this distrust intensifies in mining towns such as Port Hedland.

BHP has previously stated in the media (North West Telegraph, 18/1/2017) that information from the company's dust compliance monitor is used each morning, in conjunction with weather forecasts, to determine each day's activities on a case-by-case basis — “the company will change or reduce operations of equipment where it may be materially contributing to an increase in dust emissions”. I find it difficult to believe BHP would alter its ship loading schedule or halt car dumpers due to dust concerns given the strict deadlines and profit targets the company works to.

BHP's strident opposition to the Spoilbank marina proposal because it had the potential to impinge on ship movements is just one example of how the company has a tendency to place profit before community development and aspirations. I, therefore, support the Taskforce's recommendation to have oversight of the dust monitoring network, including the

verification and publication of monitoring data, transferred to the Department of Environmental Regulation.

4. Port expansion

I submit that granting of licence amendments to allow the port users to increase tonnage through Port Hedland needs to be linked to each company's commitment to dust minimisation. BHP is currently seeking approval to increase exports through Port Hedland from 270 million tonnes per annum to 290 million yearly. This expansion approval must be conditional on BHP's commitment to not only limit dust emissions from the company's port operations, but also reduce those emissions.

Recently, as reported by the North West Telegraph, Canadian firm NTI Nanotechnology Corporation claimed to have the answer to Port Hedland's dust problem. BHP indicated the company have had discussions with NTI about the technology, stating that: "We have requested further information from the company and will consider that in line with current technologies being used for dust management". NTI's potential solution, which involves "weigh[ing] down" dust particles in Hedland with microscopic particles of iron and zinc sprayed onto the roads, is not a cheap solution with a pilot study to determine its effectiveness estimated to cost \$100,000.

NTI Nanotechnology Corporation chief executive Andre Voskuil told the North West Telegraph in April 2017 that although the company was confident it had a solution, it needed to be embraced by mining companies and government. There seems to be a level of reticence to deliver an industry-led solution, with Andre Voskuil noting that "we can't do it on our own... if everybody is truly interested in resolving the issue, we can come a far and long way with this technology."

Other solutions to the dust problem include the companies enclosing their stockpiles and conveyor systems. These are also expensive options but would deliver a more appropriate balance between the development aspirations of the community in the West End and the industry's desire to expand.

I recommend that as a part of each port user's licence to operate, these companies need to demonstrate they are actively seeking to address the dust problem.

5. Tourism

For the long term development of Port Hedland beyond mining, tourism has been identified as a key industry sector for diversification of the economy. A key component of Hedland's tourism strategy in the future will be continuing to attract cruise ships to the town. Cruise ships dock in the West End and therefore the area provides the crucial first impression passengers form of the town. Attractions in the West End to lure passengers off the ships will be essential to develop the tourism potential of the town. However, by restricting development and not addressing the dust problem, Port Hedland is at risk of losing the cruise ship market.

Furthermore, the dust problem is already impacting the town's tourism businesses. A 2017 study commissioned by Port Hedland's Esplanade Hotel, which is located in the West End, found that dust resulted in the tourism industry losing out on \$23 million per year. The study also noted that the dust problem has cost \$300 million in missed opportunities and 280 jobs per year in Port Hedland.

Conclusion

As the report's summary noted, the Hedland community aspires to live in a growing and vibrant town with a high standard of economic and social infrastructure and services, and improved amenity. The revitalisation of the West End is key for the future development of the town, and this must not be adversely impacted by this dust problem. I submit that the dust problem demands an industry-led solution, with BHP as the major port user showing leadership in this space.

I suggest that for a company of this size, externalising the dust problem onto the community in Port Hedland is unacceptable. It undermines future development and potential diversification opportunities, such as tourism and the cruise ship industry, as well as a vibrant retail and cultural centre in the West End.

In this submission, I also cited concerns about the long term impacts of mine workers who are exposed to high levels of dust, and question the response of government and industry to investigate exposure of workers at the port and surrounding operations.