

From: [Committee, Northern Australia \(SEN\)](#)
Subject: FW: Wyndham Port
Date: Wednesday, 19 June 2024 3:51:36 PM
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From: Tony Chafer
Sent: Friday, 22 March 2024 2:25 PM

Subject: Wyndham Port

Dear Marion,

Thank you for meeting with me and other representatives of the East Kimberley at the public hearing in Kununurra on 24 August 2023.

I spoke on a number of topics, including the Port of Wyndham where I specifically noted;

- Trade levels – nearly out trading the Darwin Port in 2021 for tonnage of imports and exports.
- First Point of Entry Status (FPOE) – outcome of application pending with the Federal Minister for Infrastructure.
- The indigenous participation rate in our workforce - currently 70% to 80% depending on trade levels in highly skilled and senior positions.

You and I spoke specifically meaningful and long term employment being the most impactful way to bring about change in behaviour and improved outcomes for families in northern Australia.

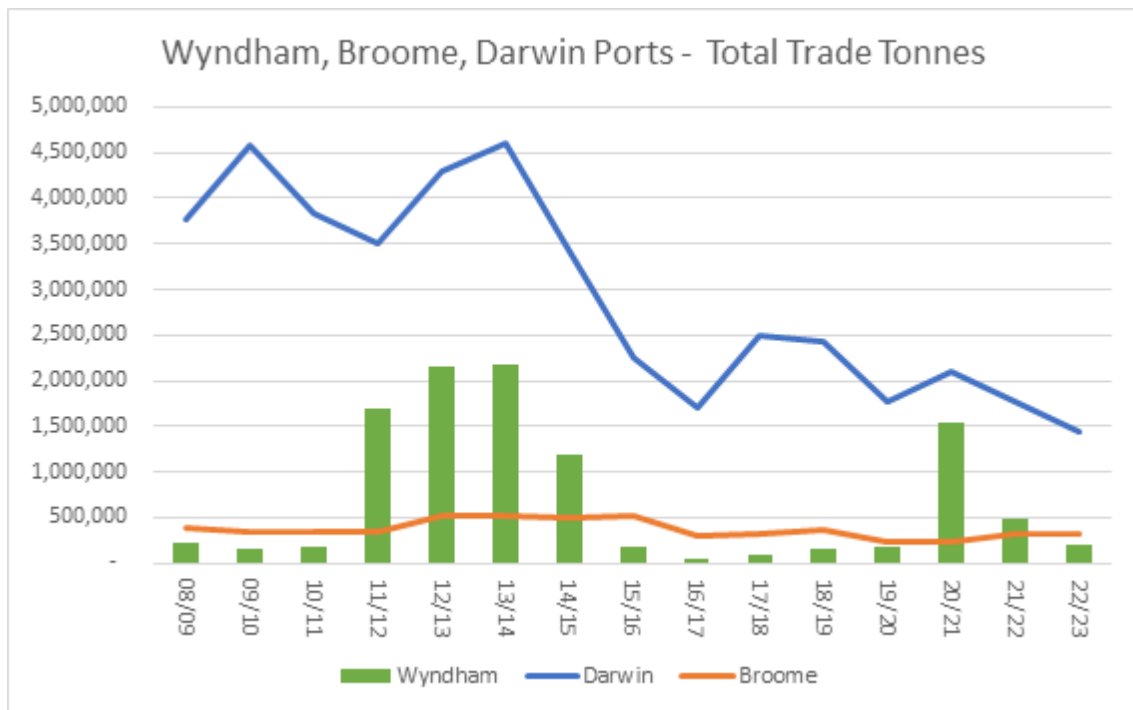
I am writing to notify you of a very alarming outcome with the FPOE application that will;

- **result in a significant loss of employment for our indigenous workforce – please refer**
- **challenge the viability of the emerging Ord cotton industry – the largest cotton grower on the Ord has written separately to Minister Watt raising this concern, and**
- **put at risk the \$600M invested since 2009 by the State and Federal Government in Ord Stage 2 - please refer to the letter of support from the Shire of Wyndham East Kimberley.**

I am advised that the Federal Minister for Infrastructure will not be considering the Wyndham Port for FPOE status on the basis of her department's advice that the level of trade in Wyndham hasn't been consistent enough to warrant it.

They are wrong to make this the sole basis of their decision.

Over the 15 year period shown in the graph below, Wyndham has had double the trade tonnage of Broome and has also come very close to out trading Darwin Port.



The reason for the inconsistency in the Wyndham Port trade profile is the Port primarily services the mining industry whose fortunes are entirely reliant on each mine's respective commodity market.

The news on our FPOE application couldn't have come at a worse time for the Port, its indigenous employees and the industry that the Port supports. We have had a number of mines go into care and maintenance due to unfavourable market conditions.

- The Ungani crude oil operation has just gone into care and maintenance for the second time.
- The Panoramic Nickel Mine has just gone into Administration after going into care and maintenance on two previous occasions.
- The Argyle Diamond Mine (the most significant importer of inputs through Wyndham) recently closed after market conditions made the progression into the next stage of the underground operation uneconomical to proceed with.
- The Ridges iron ore project has gone into care and maintenance twice (but is scheduled to recommence in April this year all going well with the market).

The Wyndham Port has some exciting prospects in the short to medium term including;

- Boab Minerals Sorby Hills lead and silver project,
- Agrimin's Lake McKay potash project,
- Northern Mineral's Browns Range heavy rare earths project,
- Rarex's Cummins Range rare earths and phosphate project,
- Green Critical Minerals McIntosh Range graphite project,
- Allup Silica's Cabbage Spot silica project,
- Tivan's Speewah vanadium and fluorite project, and
- Pollination's Aboriginal Clean Energy Partnership green hydrogen project.

All of these projects are either on the critical minerals list, required for EV batteries/green energy or critical agricultural inputs.

The majority of these will require importation of containers to export their products. They will need FPOE infrastructure in place at the Port with FPOE status either in place or pending in the short term. Without this, they will not get investor support and the projects will likely fail in the FID process.

All of these projects will also require that the Wyndham Port has a viable workforce.

The one project that will definitely be export ready in 2025 is the Ord cotton industry.

The following time lapse photos show just how fast this is progressing and this project is supported by the Federal Government through NAIF.





This project requires the importation of empty containers for the export of lint and the cotton seed.

If there is any doubt about the Wyndham Port's ability to receive empty containers through the FPOE process, the proponents will initiate their plan B which is to construct a storage and handling facility in Katherine and rail the lint and seed to Adelaide or truck it to Brisbane for export. This will seriously challenge the viability of the project on two fronts.

1. Return on investment – they will need to recover the cost of this additional investment as well as the cost of double handling the products by loading them off of trucks into storage then out of storage onto the rail and the cost of the unnecessary 3,000kms of additional road and rail transport.
2. Marketing and carbon reporting – the resurgence of cotton is attributed to consumer desire to move from synthetic to natural fibre. The requirement for carbon reporting will better inform manufacturers and, ultimately, consumers. This additional 3,000kms of road and rail travel will impact the value of cotton grown in the Ord.

The farming community in the Ord is resilient and they will most likely bounce back if they are able to get the government to rethink the position on FPOE and facilitate a better trade route at some point in the future.

This will be too late for our workforce at the Port.

We have spent the past 25 years developing a workforce of skilled and proud local indigenous people and I would suggest that our indigenous content is unmatched by any commercial workforce in Australia in terms of content, skills, criticality of roles and our ambition to achieve a 100% indigenous content in the next 5 to 10 years.

Many of our aboriginal employees started their employment at the Port without any formal qualifications (even a driver's license) and low levels of literacy and numeracy. Once we established their genuine desire to be long term and productive members of our Port team, we put considerable effort into developing and assisting them through the process of obtaining the qualifications and experience necessary to undertake the myriad of complex tasks that are required to operate and maintain a port.

We have aboriginal foremen. We have aboriginal employees who are capable of operating the ship's cranes, skippering the pilot boat, driving road trains, operating and maintaining a varied fleet of plant and equipment as well as undertaking all of the other operations and maintenance tasks that come with running a port. A number of our aboriginal employees are competent in all of these tasks.

Our Port Manager is a woman whose ambition is to replace herself with one of her aboriginal employees and eventually have a 100% aboriginal workforce. She and her protégé (our


aboriginal foreman) are both undertaking a management course through TAFE. She is doing this with him so he feels supported through the process.

In 2023, the largest cargo ever loaded across the Wyndham berth was a cargo of corn bound for South Korea that was loaded by a 100% aboriginal stevedoring crew from the foreman down.

I have included some photos below.



This is the predominantly aboriginal stevedoring workforce that we employ to load iron ore vessels when that trade is operating.

 **Kimberley District - WA Police Force**
2 h · 🌐

Community Crime Stoppers.
Early Friday, Wyndham residents Kurt HUNTER and Quaylin MACAULEY observed a vehicle driving erratically in Wyndham. They located and secured the vehicle which was stolen from Kununurra, preventing further dangerous use, and contacted Police.

This update came from Wyndham Police on Twitter



This is two of our employees on the WAPOL Facebook page after they assisted Police in recovering a stolen vehicle and saving the driver (a child) and other community members from serious harm. I can't begin to tell you how proud we are of these two men.

With the support of our partners at the Kimberley Port Authority, we can keep our workforce in meaningful but non-revenue earning employment for the next 12 months but if the decision is made to export cotton out of another port, we will have no choice but to significantly reduce our workforce.

This is a really disappointing outcome as we have an operation in Wyndham that should be an inspiration for others who are serious about closing the gap, yet it will be taking a significant step backwards purely because of no support from the Government.

In fact, Federal Government agencies appear to be hell bent on accelerating the decline of our Port operation by refusing approvals for long standing import trades through the Port with no plausible explanation – I can provide further details on this.

What is most disappointing is that the support we need from Government comes at no cost,

represents no risk in terms of biosecurity protection and eliminates the need for thousands of kilometres of unnecessary road and rail transport and the carbon emissions that come with that.

I am seeking your support to request that the Minister for Infrastructure urgently review this decision.

I will also provide a copy of this correspondence to your Committee members.

Best regards

Tony Chafer
Chief Executive Officer
Cambridge Gulf Limited

Po Box 238 Kununurra WA 6743

www.cgltd.com.au





SHIRE OF WYNDHAM EAST KIMBERLEY

Enquiries: V Lawrence 9168 4100

7 March 2024

Dear Honourable Minister David Robert Michael,

PORT OF WYNDHAM – FIRST PORT OF ENTRY.

I am writing to express deep concerns regarding the recent decision made by the Federal Minister for Infrastructure concerning the First Point of Entry (FPOE) status for ports. Specifically, the decision to support Broome Port while declining the same status for the Port of Wyndham has raised significant issues for the Shire of Wyndham East Kimberley.

It is evident that the decision was based on the assumption that trade through Wyndham Port lacks consistency, especially compared to Broome. However, data over the past 15 years indicates that Wyndham has handled double the tonnage of imports and exports compared to Broome, emphasising its importance as a trade hub.

The trade through Wyndham is primarily driven by the mining industry, which is inherently subject to international market fluctuations and operational limitations due to mine life cycles. Recent closures and periods of care and maintenance at significant mines have further highlighted the volatility of this sector. With the closure of the Argyle Diamond Mine, one of the region's largest contributors to port traffic, the need for diversification becomes even more important.

Agriculture, particularly with a focus on bulk crop production, offers a more stable and consistent trade base for the region. The combination of cotton lint, cotton seed, and corn presents a promising avenue for sustainable trade growth. There are also opportunities to further develop cold chain facilities to expand export of high value horticulture products. However, the denial of FPOE status to Wyndham Port on the grounds of inconsistent trade could ironically hinder the development of this potentially lucrative sector.

Since 2009, the investment in the Ord River Irrigation Area has been over \$600M. This represents a significant commitment from both Federal and State Governments towards agricultural development in the region. The recent contribution from the Northern Australia Infrastructure Facility (NAIF) towards establishing a cotton gin further underscores the potential of the cotton industry in the East Kimberley. This investment can be leveraged through the further development of Wyndham Port.

The success of the cotton industry hinges on efficient export routes and access to necessary imports. The proximity of Wyndham Port to the cotton gin presents a clear advantage over alternative ports such as Darwin and Broome, which are significantly farther away. Considering alternative ports located thousands of kilometres from the gin is not only economically unsustainable but also jeopardises the viability of the cotton industry in the region.

While efforts are underway to address issues related to bulk fertiliser imports at Wyndham Port, challenges remain regarding export infrastructure. The initial allocation of funds for port infrastructure upgrades, primarily aimed at supporting sugar exports, may have overlooked the specific needs of other commodities like cotton and cotton seed, which require container handling facilities.

It is imperative that the Federal Government reassesses its stance on FPOE status for Wyndham Port, considering the substantial investments already made in agricultural development in the region. Informing Minister King of the State's commitment to funding the construction of FPOE infrastructure in time for the first cotton gin production will not only demonstrate the State's dedication to completing its investment in Ord Stage 2 but also urge the Federal Government to recognise the significance of its contributions to the region's economic growth.

The East Kimberley region has faced numerous challenges, including the impacts of COVID-19, infrastructure limitations such as the Fitzroy Crossing bridge, and closures of major mines. Adding unnecessary hurdles to the agricultural and mining industries further exacerbates these challenges. Therefore, I urge you to advocate for a review of the Federal Government's position on FPOE status for Wyndham Port during your upcoming visit to Canberra.

Thank you for your attention to this matter. Your support in addressing these concerns is crucial for the economic prosperity and resilience of the East Kimberley region.

Many thanks

David Menzel,
Shire President.