

Introducing

James Point Pty Ltd

ABN 87 077 624 956

**Appointed by the
State of Western Australia**

**to Build, Own and Operate
a New Third Party, Common User,
Private Sector Port**

**to provide competition
with existing Government facilities
at the Inner and Outer Harbour
at Fremantle, Western Australia.**

October 2006



JAMES POINT

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Contact Us

For further information on the JPPL proposals please direct your enquiries in the first instance to

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Background

In November 1997 the Western Australian Government advertised internationally for *expressions of interest* from the private sector to build, own and operate new port facilities at Kwinana. This important initiative was designed to improve the services for bulk and container traffic through the Port of Fremantle and so allow Western Australian importers and exporters a choice of facilities and services in anticipation of the continuing growth of the Western Australian economy.

For the first time it was proposed that port users would have a choice between traditional but evolving Government owned facilities and new private sector owned purpose built modern container handling facilities and associated bulk handling facilities for smaller cargo quantities.

James Point Pty Ltd (JPPL), formed to specifically respond to the *expression of interest*, represented a consortium of local business interests that have the ability to design, construct and operate these proposed facilities.

The Western Australian Government appointed JPPL as

- the *Preferred Tenderer* in May 1999, and
- signed a *Memorandum Of Understanding* with JPPL in October 1999.

This was followed with the signing of the formal *Operating Agreement* in December 2000.



The Brief

Excerpt from the

Government of Western Australia

Request for Proposal

To Build, Own and Operate a Multi Trade Port

July 1998

“The State is seeking to establish an arrangement with a private sector port owner which will achieve the following fundamental objectives:

- Facilitate the development of the Naval Base/ Kwinana Port through a BOO (Build, Own and Operate) procurement process;
- Maximise the operational efficiency of the Port and the opportunities for innovative workplace and management practices through the application of best practice port management and operational procedures;
- Guarantee continuity of service at the Port;
- Development of a new multi trade port which will compete with the existing Port of Fremantle;
- The continuous development of all necessary Port infrastructure and the procurement of all necessary Port services, to meet the needs of Port users in an efficient and cost effective manner and at least cost to Port users;
- Ensure that the Port owner treats all Port users in a fair and equitable manner;
- Consistently achieve agreed performance indicators for Port operations; and
- Appropriately encourage the Port owner to successfully market and further develop the Port facilities and thereby contribute to the economic growth of the State of Western Australia.”

LEGEND

- Stage 1 development
- Stage 2 development
- Further stages

Cockburn Sound

Proposed Fremantle Ports Island Port

James Point Pty Ltd Port Limits

HENDERSON

Cockburn Road

Rockingham Road

Jetty

NAVAL BASE

HOPE VALLEY

Jetty

Jetty

Leath Rd

Anketell Rd

Mason Rd

Rockingham Road

KWINANA BEACH

Thomas Rd

Jetty

MEDINA

NORTH





The JPPL Port

The JPPL Port will be located in the heart of the KIA (Kwinana Industrial Area) between the BP Refinery and the Kwinana Power Station. It will abut existing freehold industrial land on a 3.5 kilometre stretch of coast.

When fully developed the Port will have a water area of approximately 240 hectares and a reclaimed land area of approximately 120 hectares.

The JPPL Port is to be developed in stages, and in accordance with the concept plan attached to the Operating Agreement.

The completed Port as shown in the Operating Agreement will have a total berth length in excess of 4,000 metres. The port, when fully operational will be able to service 15 vessels simultaneously.

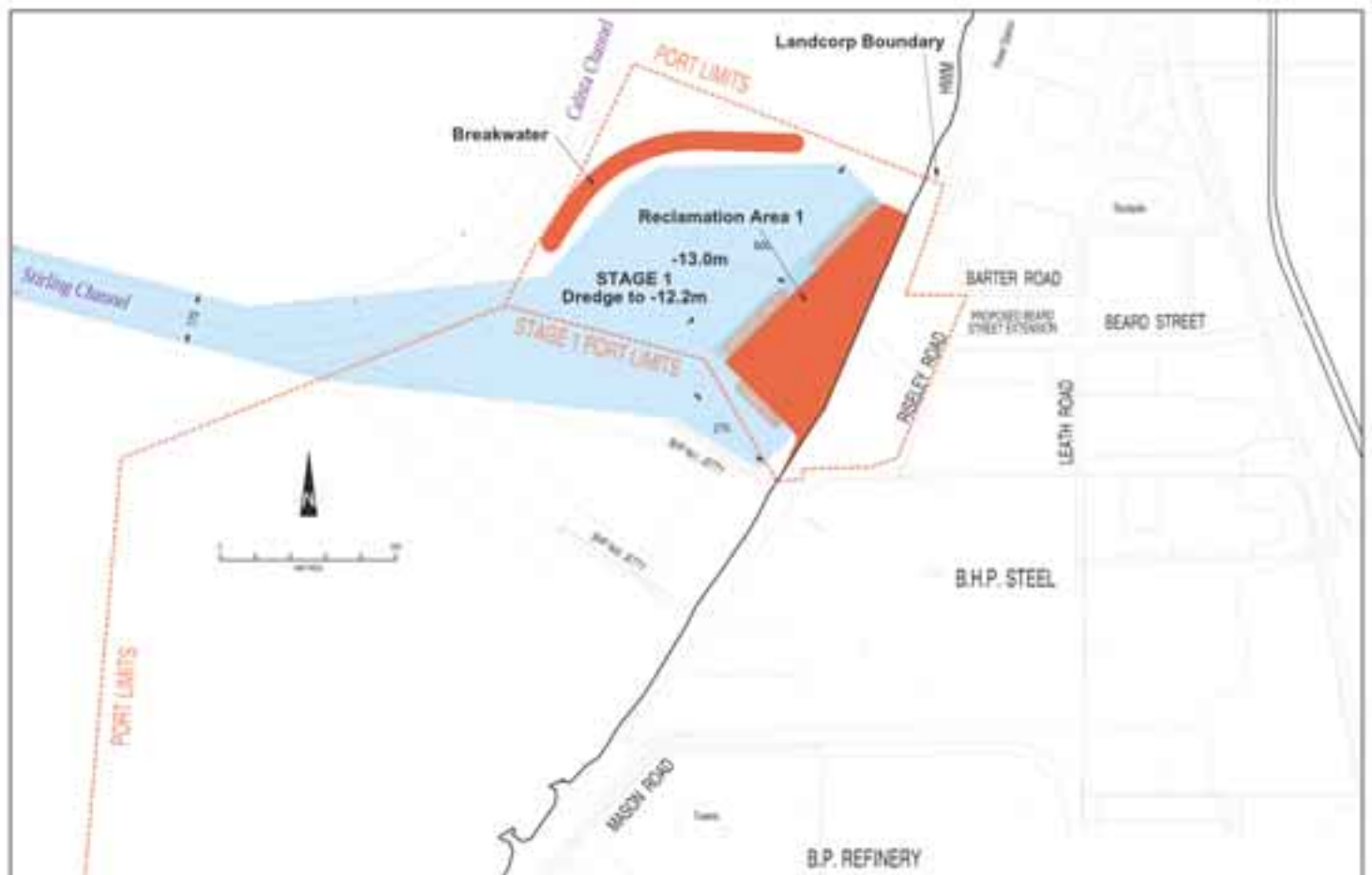
The Port will be capable of a true 24 hour operation as it is located approximately 3 kilometres from the nearest residential property.

Both the road and rail corridors that will service the Port also have significant buffer zones from residential, tourism and recreational facilities.

The Port will be constructed in the waters of Cockburn Sound restricted to authorised vessels only, and no waters that are presently available for recreational purposes will be lost as a result of the JPPL Port development.

Land will be created by reclamation of part of the Port water area and will be available for port related storage and to accommodate service industries. The ability to aggregate and distribute cargoes direct to port users will provide significant efficiencies that will benefit exporters and importers.

These efficiencies will allow lower charges to consumers and producers.



The JPPL Port Stage One Development

The Operating Agreement describes the JPPL Stage One Port development, which is to be constructed in the Northern part of the JPPL Port Area.

The Stage One development will create a 14 Hectare land backed development to deliver 875 metres of berth face to service the livestock export trade and a number of bulk and break bulk trades.

JPPL received Environmental Approval and Conditions for this development in November 2004 and is currently awaiting planning approval.

Under the terms of the Operating Agreement, this development was required to be delivered and operational in early 2003. The Operating Agreement allows for that date to be extended where additional time is required to enable any native title issue, or statutory approval process to be concluded.

The Government has provided an extension of time to have the JPPL Stage One development operational by January 2007, and has indicated that this date will be further extended as required. JPPL is not able to confidently predict when the planning approval will be granted, but has the capacity to complete this development in the middle of 2009 if approvals can be expedited.

The Stage One development, although modest in size, will make a significant difference to how cargoes are handled at Fremantle. The most significant change will be the transfer of the livestock export trade from the heart of the Fremantle residential, commercial and tourism district to the more appropriate locality in the heart of the Kwinana Industrial Area.

The livestock export industry is strongly supportive of the JPPL project and has lobbied the Government to expedite the approval process to enable the trade to transfer to this new location at the earliest possible date.

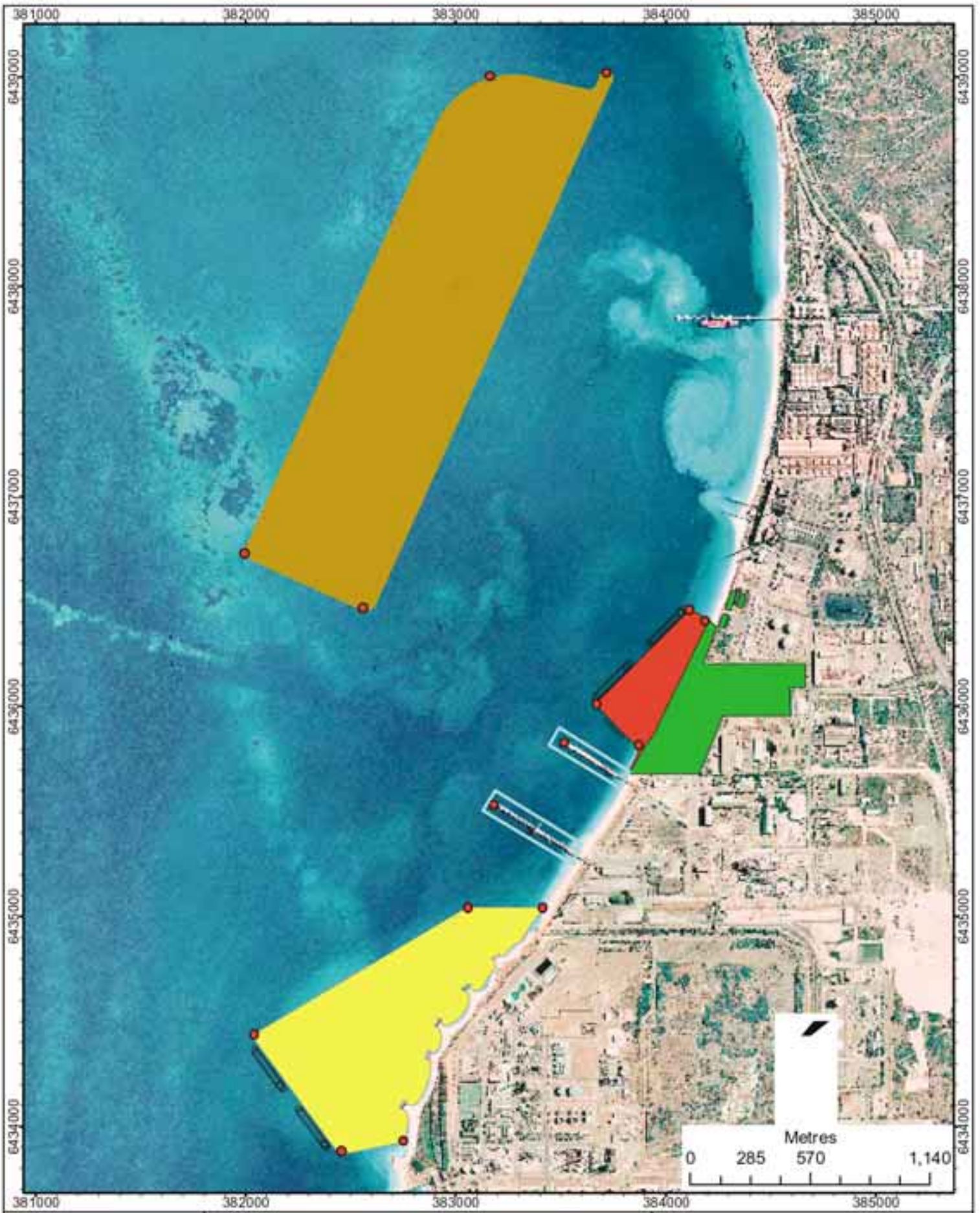
The livestock feedlots, where livestock are required to be quarantined prior to shipment, are located at Baldivis 20 kilometres south of Fremantle. These facilities are conveniently connected to the JPPL Port location with an existing road system that does not pass through residential areas. The traffic route to the JPPL Port is a much shorter distance than presently travelled to the Fremantle Inner Harbour where the trade is currently serviced.

The use of the JPPL Port by this trade will avoid the need to travel through built up areas in heavy commuter traffic, providing a significant improvements in transport costs, social amenity, road safety and animal welfare.

Environmental management plans to be approved by the Environmental Protection Authority will include requirements to considerably reduce and minimise adverse environmental impacts.

The Stage One development will also target dangerous goods and scrap metal and other trades that are incompatible with residential and tourism activities and currently serviced at the Fremantle Inner Harbour.

JPPL is of the view that the bulk and break bulk trades are presently constrained by a lack of berth capacity and the JPPL Stage One development will partly alleviate this situation.



JPPL-ST2/FPAIsland
20050919

Legend

- Stage One Development
- Stage Two - Container Port
- LandCorp Land
- HiSmelt Lease
- FPA Island Port

James Point Pty Ltd
Proposed Port Developments
(Plan View)



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JPPL Port Stage Two Development

Container Terminal

In August 2005, JPPL unveiled the second stage of its proposed port, which will incorporate the initial Container Terminal berths. This development will compete with existing facilities at the Fremantle Inner Harbour and the proposed Government backed Island Port to be constructed immediately north of the JPPL Port Area.

The JPPL Stage Two will be capable of handling at least half of the existing trade at the Fremantle Inner Harbour. Expansion of the JPPL Container Terminal can be planned in a sensible manner to handle additional trade well into the foreseeable future.

Design Attributes

The initial development will include a 700 metre land backed Wharf and create approximately 71 hectares of reclaimed land.

This footprint, while within the JPPL seabed lease area, is a variation to the footprint shown in the concept plan attached to the Operating Agreement. The Operating Agreement has specific provision for the Department for Planning and Infrastructure to approve such a variation where the variation will provide an improvement to the overall development.

JPPL is of the view that the modified design has a number of features that will deliver an improved outcome on operational, environmental, economic, social, and planning grounds.

Improved navigation and vessel handling features

By utilising the existing bathymetry and siting the wharf on the southern end of the JPPL port area, vessels servicing the port will access directly from Cockburn Sound without the need to use Stirling Channel. This will remove any potential conflicts with vessels using the KBB 1&2 (HiSmelt) jetties, Alcoa jetty and JPPL Stage One facilities.

Preliminary advice is that the wave climate characteristics are such as to allow efficient handling of vessels of the type intending to use the port. JPPL expects that this advice will be confirmed when the Department appoints an independent civil engineer to verify the practical feasibility and suitability for purpose of the marine facilities. There is adequate separation from the BP Refinery Jetties to allow proper management of vessel movements without conflict of operations.

Environmental Impacts

The JPPL Stage Two development will minimise environmental impacts due to the proposed location and design.

In particular:

- no dredging will be required to create navigation channels or basins to support the facility,
- the wharf will be constructed in water having a natural depth of 14+ metres, which is suitable for existing and proposed vessels that call at Fremantle,
- the area to be reclaimed will be recovered by the placement of imported fill, and

JPPL Port Stage Two Development

- the location of the reclamation at the southern end of a natural embayment will minimise the potential for interference with coastal processes, thus cumulative environmental impacts.

Economic considerations

JPPL is confident that it can deliver this proposal at a fraction of the cost of competing container port proposals for this area. The proposed reclamation is in the relatively shallow waters of James Point, and the required amount of imported fill is minimised. In addition, the need for extensive sea wall construction cost is minimised by again constructing in shallow water and by constructing against the coast. The significant savings compared with alternative designs and proposals will enable JPPL to reduce costs to users of the port and by so doing provide benefits to the State, Industry and local communities.

Road and Rail Access

The State has acknowledged that it is required to provide an acceptable road and rail improvement to the proposed development.

JPPL is aware that Landcorp and Fremantle Port Authority have acquired the BHP property and business, which is located within the JPPL Port Area. The rail asset, included in that purchase, terminates at the border of the JPPL Stage Two development. By utilising this existing facility the cost to the taxpayer of providing rail access to the JPPL Stage Two development will be minimised.

JPPL is advised that the Western Australian Planning Commission is currently examining various options for road improvements to the Naval Base Kwinana area. These investigations are understood to include

planning for an adequate road improvement to the JPPL Stage One development. When negotiating the Operating Agreement there was recognition that access to Stage Two could be provided along the shoreline in front of the HiSmelt lease. This access route is drawn in the concept drawings attached to the Operating Agreement.

Social and community impacts

JPPL are aware of the significant public interest in Cockburn Sound and the need to maximise public access to the area for recreation purposes. The local community are particularly concerned with any loss of beach or loss of beach access. The shoreline adjacent to the reclamation is not presently available for access to the public for recreational or other purposes. In recent years the beach could be accessed via Mason Road, which is a private road to the BP Refinery. BP Refinery has now closed this road to the public.

The local and broader community is also resistant to any loss of water area for marine based recreational activities. The JPPL Stage Two development is located within an area shown on the navigation charts as "Restricted Area". Unauthorised vessels and boats are not permitted to access that water area.

Development of alternative proposals for container facilities outside of the JPPL area will be sited in waters presently available for marine based recreational use and will result in a loss of public access to water area in Cockburn Sound.

The JPPL Stage 2 development will not result in a further loss of public access to the shoreline or the water areas of Cockburn Sound.

Why the JPPL Port should be expedited

JPPL believes that there is an urgent need for the development of new port facilities. We are of the view that pressure from urban development at North Fremantle and Fremantle will impact on the efficiencies and viability of the container facilities at Fremantle Inner Harbour. We are aware of the concerns of the local Fremantle community as to the capacity of the road system to accommodate the increase in non-port traffic and the additional impacts of imposing heavy vehicles on the traffic system. The proposed shift of a higher proportion of containers to the rail system will also create adverse impacts on the tourism, commercial and residential areas of Fremantle and outlying suburbs with rail trafficking through the heart of the Fremantle tourism district.

Fremantle Ports are committed to maintaining the Inner Harbour as a working port and have indicated that container trade at the Inner Harbour can operate at nearly three times the present throughput. Whether or not it is technically feasible to operate at that level, the impact

on Industry and local communities is seen as a major concern for port users, residents and local business interests alike.

Provided JPPL can obtain statutory approvals in a timely manner it will be able to provide a fully funded private sector alternative to accept overflow trade and relieve the pressure on existing facilities before those facilities become unacceptably constrained by non-port influences.

This terminal can be constructed at a fraction of the cost of the FPA proposed container terminal due to the attributes of the JPPL site. The Minister for Planning and Infrastructure has announced that the indicative cost of the Island Port will be A\$1.3 billion. The JPPL Port will be entirely funded by private sector investment.

The JPPL Stage Two will be capable of handling at least half of the existing trade at the Fremantle Inner Harbour. Expansion of the JPPL Container Terminal can be planned in a sensible manner to handle additional trade well into the foreseeable future.



*Providing statutory and other
approvals can be obtained,
JPPL would seek to develop its
Stage One and Stage Two Port
developments concurrently,
with the first of the berths being
available for service in 2009.*

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Copies of this document can be downloaded in PDF format from the JPPL website:

www.jamespointport.com.au





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