

PILBARA CITIES DEVELOPMENT — STRATEGY AND PLAN

Motion

HON JON FORD (Mining and Pastoral) [2.10 pm]: I move —

That the Legislative Council calls on the Minister for Regional Development and the Premier to explain to the people of Western Australia the strategy and plan to develop the Pilbara Cities policy including —

- (a) how water will be supplied and how much it will cost;
- (b) how power will be supplied and how much it will cost;
- (c) how many new schools will be built and how the staff will be housed;
- (d) how many new ancillary health providers are required and how they will be housed; and
- (e) what the government will do to ensure there is adequate affordable housing.

I will move away from the motion for a second, because I cannot help but take the opportunity to speak briefly on the last petition that Hon Lynn MacLaren presented to the house. The general public might be confused when the Greens (WA) and conservation groups always say that all sorts of developments and projects should be moved to the Pilbara, yet we now hear them argue that they should not go to the Pilbara and that they are not against development provided it is in the most appropriate place. I would be interested to know where the appropriate place might be, and I look forward to an investigation by the appropriate committee into that.

If we are going to expand projects into an area in the Pilbara, particularly areas like Karratha and Port Hedland that are targeted in the so-called Pilbara Cities vision, we need a process that identifies what the endgame is likely to be. I will give members some examples of this. My argument is that there is no plan, and I have yet to hear it explained to me by the government in any of its press releases or in anything that is read into the Parliament in either this place or the other place. The only thing we hear about is a vision for 50 000 people per city. In answers to questions I have asked in this place, the figure varies from 50 000 to 70 000 in one potential city, and most recently it is 50 000 in Port Hedland and 50 000 in Karratha by around 2035. All of that tells me that it is actually a sham, and I will give members some examples of what we have heard and what are the actual outcomes.

Today's WestBusiness segment of *The West Australian* has a great example. It is commentary by Neale Prior with the subheading "Premier's Browse dream starts to unravel". It starts off by highlighting one of the Premier's traits, which we are all aware of. The article reads —

Premier Colin Barnett has stepped up his threats against the developers of the Browse gas project amid uncertainty about his favoured option of an LNG processing plant at James Price Point.

Speaking after Royal Dutch Shell confirmed it was the buyer of Chevron's 17 per cent Browse stake, Mr Barnett warned the remaining partners could lose gas rights if they delayed developing Browse and chose to use existing North West Shelf processing facilities.

We are back to the Premier threatening and cajoling companies that they will lose an investment opportunity. The fact is that the state is not in a position to develop these projects itself, so it wants companies to come in and invest in this state, and it has to allow them to go through a process to work out whether it is something that is viable. Neale Prior's commentary continues —

Colin Barnett needs the James Price Point LNG development far more than the Browse partners need Colin Barnett.

The Premier's legacy so far looks set to be little more than waterfront projects and sunken railway tracks, as opposed to genuine wealth-generating projects.

His dream of a port at Oakajee and a linked rail network have come to nothing and there is significant doubt about the development of new iron ore export infrastructure including in Esperance and Port Hedland.

Mr Barnett has made the development of a gas processing precinct at James Price Point a priority of his minority government.

Big oil companies such as Shell work on 10-year-plus investment profiles and deploy their capital where they can get the best return on investment.

The time frame for this decision of hard numbers is the first half of next year, not necessarily the first quarter: Which is unfortunate for Mr Barnett, because he faces voters in March next year.

Unfortunately, it seems that the Premier's threats are more about politics and appearing to be tough in exerting his vision than being able to deliver it. I am not saying that I agree with everything in the commentary, but it tells members what is going on in the industry. Do we really have a Browse project, and will threatening the proponents really work? What is the government doing in planning for Broome to be a city? I know that we are not talking about Broome, because that is a particularly sensitive issue; however, we do not know what the overall effect of the Pilbara Cities vision will be. One of the issues that is binding the pro-development and the anti-development people is that so far they have not seen anything done in concrete terms in social impact mitigation; the jury is still out on that. It will not take long for the pro-development people to turn against that project. That all adds to our sovereign risk. What relevance has Broome got to this? Is the Pilbara Cities vision nothing more than a pipedream—the Premier's canal project—and what is it based on?

For as long as I have been living and knocking around in the Pilbara—since 1981—people have been talking about rationalising service delivery in the Pilbara. As part of that we saw what was called the normalisation of the mining towns. That was supposed to be a step forward, and the idea was to take responsibility for maintaining these small isolated communities away from companies and to give it to local government. The government would give money to the local government at the start and slowly wean them off that as their rate base increased and they would be able to maintain that. What we have seen over time is that none of those local governments can afford that. What are we doing to replace that when they do not have the rate income?

In 2001, the Labor government came in with the regional infrastructure fund that helped fund projects that local government could not afford to fund, such as maintaining and refurbishing swimming pools. We now see that funding continuing through royalties for regions. It has been ramped up, of course, with a lot more expenditure, which I am sure we will hear about in this debate, because there is a need. That does not mean we are heading towards a vision of a city.

As I said, everybody in the Pilbara has been talking about whether there should be one big city or two towns—they have mainly talked about a city—or a large centre and maybe a satellite centre based in Newman or Paraburdoo, depending on the developments in the Pilbara. Of course, when the Labor Party came into government in 2001, it was talking about shutting those towns down, so the debate waxes and wanes. Now what we hear in some general commentary—I am yet, in my own mind, to work out whether it is just the resource sector trying to cool the market—and what certainly is feared within the contracting sector is that all of a sudden companies such as BHP Billiton are pulling away from some of the project forecasts and there is a rationalisation that jobs could be lost or at least transferred around the place. So it is very much a moving feast. That is quite important in this debate because the government has to have a relationship with the business community in working out what we need in the future to derive a plan of what the government needs to spend and where it needs to spend it.

How does a contemporary planning process work? It needs a goal, which in this case is Pilbara Cities. A contemporary planning process starts with the identification of all the constraints—that is, resources—what physically has to be done, what sort of workforce and skill sets are needed to develop the project, what can be afforded and over what time frame it can be built. The most important thing that needs to be done is to identify all the tasks to work out what the end date is, what needs to be spent and what tasks are derived out of that. We have had none of that. We do not know what the water requirement is going to be because we do not actually know where industry is going. In fact, industry does not really know; it has a mindset of where it might go but, because it is in a competitive environment, it is not going to tell too many people in detail. That is why it is so important for government to have a good working relationship with those partners in Western Australia's developing economy. I do not know whether telling them "You'll do as I tell you" goes far, especially when government starts threatening them about specific projects. That does not bode well for a relationship in which industry partners can start telling the government in confidence what their plans are so that government can respond.

What have we identified? We have built a multistorey building in Karratha and put in a dual-lane highway, which I think was mainly commonwealth funded, out to the Burrup Peninsula. We have not seen an end date or the detail about health services, particularly the hospital, and the library. It has taken a long while for any reaction regarding the library in the town, yet having a multistorey building in the middle of Karratha somehow is an important part of attracting investment. The government has not constructed a legitimate plan of how we train and bring Indigenous people—in what should be a great opportunity—into that economy. We have seen companies mandate target levels for Indigenous employment, but we have not seen the government do that. I would like this government and future governments to have mandated targets, particularly in regional areas, that represent Indigenous demographics in that area, much the same as Rio Tinto does—50 per cent targets in the Kimberley, 13 or 14 per cent targets in the Pilbara. Whatever is the demographic mix in the local community is the mix that we should have in the public sector.

We have not seen plans for, and have not heard the government talk about, what we will do about housing. We know that there is a huge housing issue, both with existing stock and future stock. That impacts on Indigenous participation when we get people into jobs. When people get a job, all of a sudden they are forced out of public housing, because it is discovered that they have a job, and they have to go into a housing market with anywhere between \$2 000 and \$4 000 a week in rent or with a \$1 million-plus mean housing price. So they give up their job because they would rather have a house and be around their family. We have not heard the government talk about particular plans for those people. If the government actually had a plan for Pilbara Cities, it would already have the answers for that. How can the government talk about 50 000 or 60 000 people coming into an area when it has not dealt with the issue of affordable housing? The government cannot talk about that. If the government wants to talk about rents of \$3 000 and \$4 000 a week and comparable cities, it might start talking about New York, Oslo or Tokyo. When we start talking about \$1 million mean prices, that does not seem like something that is good for regional development; that seems to be something we would be talking about in Perth. In fact, we see that Karratha and Port Hedland is being advertised as an investment haven for people. I have seen the advertisements at the airport and we can see them in the paper—"Become an investor in the north west boom". But we have not seen or heard about strategies from this government, particularly the National Party—let us talk about divisions. I will get to some of its announcements a bit later in the debate. The National Party likes a good headline but there is no substance. We hear announcements being re-announced and re-announced in different formats, sometimes by the same minister over and again and sometimes Minister Grylls joins in.

We see massive developments in new industrial estates and new mines. All around the north west there is new prospectivity outside iron ore. One of the big problems for them is participating in a relatively super-hot economy, especially in trying to attract money. Where will they go? They will keep their costs down. They will not move people to live in Karratha and Port Hedland, because that is an extraordinary cost. The government needs to introduce some sort of competition. I am not saying that any of this is achievable; I am just saying that the government, particularly the Nationals, keeps talking about the Pilbara Cities vision. The question is whether it is actually a vision or some sort of election scam.

Once I heard Minister Grylls demand that we build an Army base, I think it was, in the Pilbara. If an Army base or Air Force base in the Pilbara were to become a reality, it would be a great thing for those communities. But it will not be because we want to diversify the economy or because somebody announced a Pilbara Cities dream or any cities dream; it will be because the government of the day created a white paper on defence and has a plan of the defence requirements, in a contemporary sense, for Australia as a whole. We might be able to argue the case, if we had a shipbuilding capacity like the Australian Marine Complex, that some work should be done on military vessels that are quite often up there, but then that would be the government announcing that it was going to build such a facility for the service vessels and for any military vessels that came into the port—in fact, any fishing vessels, such as a super-trawler or two—because it wanted to develop a capacity within the Pilbara city and diversify the economy away from just extractive measures.

The only thing that I have seen to date in that respect has been the result of an attempt by Sir Charles Court for downstreaming. Unfortunately, that turned into a bit of a flop with hot-briquetted iron, but at least it was some foresight from that very important figure in Western Australia's history, who literally opened up the north west. We are not seeing that in the case of Pilbara Cities. We have not yet had an explanation, other than that it will make the amenity better and people will come. We have heard arguments from Queensland about why people should come to WA, and we have heard arguments from Queensland about why people should not come to WA. We have heard ministers say, "Come over here; it's not as bad as you think it is." It is as bad as they think it is. Unless people work for a company that has accommodation for them, they cannot afford to live in these places. We see no plan to drop the price to make housing affordable. What do we need in affordable housing? Are we saying that we do not want young people to live up there? I have said this before. Unless their parents live up there, young people cannot afford to live there. The result is that not that much training is provided. There are problems for not only local Indigenous kids, but also kids of European heritage. If they are unemployed and live in a house with their folks or in public housing and they get a job, all of a sudden there is a tap on the door and they are told that they have to get private accommodation because there has been such a leap in their salary, and they are out on the street. As I have said, Indigenous workers in particular end up dropping out of the workforce and moving out of the region. Very few end up with fly in, fly out work; others just move out of the region, such is the cultural importance of their family ties.

Let me now talk about the multistorey building, which I will call "Grylls' Folly", because it is a folly. If the government is going to have a city, what is its solution for reticulated gas? A huge amount of gas is available. When I lived in Karratha, there used to be an argument about having reticulated gas in town, which would at least have brought down some of the power bills. People could have been encouraged to do that, and I know they could have because we looked into it in some detail. Some deregulation was done to encourage companies to bid to supply, but the costs were so prohibitive that it was unlikely that a company would do that. If there are to be Pilbara Cities at Port Hedland and Karratha, the towns will need a reticulated gas supply and there will need to

be some competition for energy. The government might have to invest some money in assisting to get that infrastructure up and running. What a vote winner that would be, because the price to have a gas bottle at the back of the house is prohibitive; the prices are sky high.

What about electricity? There is a mishmash of electricity policies. Private operators—whether that be Horizon Power or other companies—essentially operate resource companies' assets and supply power to the general population. We have not heard the government enunciate how it will deal with that issue in the long term. Clearly, if there are to be a couple of cities, the government will need to have a comprehensive policy to supply power in an integrated way, but we have not heard about that. In fact, electricity, along with transport, is a major cost-of-living concern in the north west. When I first went to Karratha, I was responsible for paying the electricity bill in my company home, but the electricity bill for the air conditioning was paid for by the company because it could not attract people to the area. There was a seasonal cost to the company—this was back in the late 1980s—of about \$3 000 for one quarter in the hottest months of the year. If people had young children, they were restricted to the house. It was even harder for businesses, because they had to supply electricity and lighting continuously. The buildings are designed to lock the weather out; they are not designed to take into account natural variations in air temperature. Interestingly, some early public housing in the area took that into account, and there were some quite good designs. People cannot leave the doors open in a BHP house or a Woodside house because there is no flow through the house. We do not even hear debate about the structural design of houses and energy efficiency to at least bring down utility prices. I do not want this to turn into an argument about price rises, but people feel that any upwards adjustment in price is very significant. That means that even if the price drops just a little, it is very significant because they are, of necessity, much larger net users of power than anybody else.

Drinking water is an interesting issue. Water is a very important thing. We know even to this day that the constraint on the expansion of housing projects is based on water. It is basically—pardon the pun—drip-fed. The Department of Water in the end has to approve whether a housing project can go ahead, basically down to how many toilets and taps are in the house because it is that tight. We hear the government talk about desalination plants, but then it says that it will not have desalination plants. There are industrial allocations of water for Rio Tinto and there are allocations for other resource companies that are looking for ways to drop that down. But that is all an afterthought. We must remember that the government is talking about a Pilbara vision of 50 000 or 60 000-plus. We are talking about 50 000 people a city for Port Hedland and Karratha, so there will be 100 000-plus people, because I imagine there will still be a big swag of fly in, fly outers, if, indeed, future development up there keeps on developing and there is not a massive rationalisation in the world. It is a bit hard to predict where the world is going at the moment.

I will give an example of what we hear about water allocation and the repetitive nature of that discussion. I have with me a media statement from Hon Bill Marmion, Minister for Environment, released on Friday, 17 February 2012. It is headed “Industry to investigate Port Hedland water source” and states —

Major industrial companies in the Port Hedland area will fund a \$6million drilling investigation program for a fit-for-purpose water supply scheme.

BHP Billiton Iron Ore, Fortescue Metals Group, North West Infrastructure and the Water Corporation have joined forces to establish the viability of a 10 billion litres per year water supply from the West Canning Basin, 120km east of Port Hedland.

...

“If the investigation results are positive, the next step would be to enter into commercial negotiations for the development of a new scheme. Existing borefields that supply the town would be prioritised for residential and community amenity developments.

“The results are expected by the end of 2012 ...

Remember, we have already been told with regard to Pilbara Cities that it is already there and the population of each of town will be 50 000-plus. The fact file states —

- **10GL/yr reserved from West Canning Basin for industrial fit-for-purpose use in Port Hedland area**
- **Drilling investigation program majority funded by major industrial companies**

That is all predicated on the investigation results being positive. Another statement by the Minister for Environment, Hon Bill Marmion, dated Friday, 6 July, is headed “Drilling for water under way in West Canning Basin”, and reads —

A multi-million dollar drilling program to establish if the West Canning Basin in the Pilbara can support a major industrial use water supply will begin next week and is expected to be completed by December this year.

It is basically the same media release. In fact, hardly anything has changed except for the date. The government is saying a lot and giving the impression that something is going on, but it is not. It will be interesting because, even if the results from the drilling program start off positive, we do not know what they will be overall. I will give members a good example of that, when even the best technology in the world is used. I worked for a project that designed a \$1.6 billion floating production, storage and offloading facility because we had proved up half a field that contained a huge amount of gas condensate. We took a bet and guessed that the other half would be the same. In fact, it was a duster. Had we known that, we would have built a project only half the size. The only thing that saved us was a war in the gulf.

On 17 February our library's media watch unit forwarded us a report by Esmarie Swanepoel, of miningweekly.com, which refers to the same thing, and states —

“PERTH—Miners BHP Billiton and Fortescue Metals, along with several other major industrial companies in the Port Hedland area would fund a \$6-million drilling investigation programme for a water supply scheme.

This is the industry talking about it. It goes on to say that the minister noted that the results are expected by the end of 2012. I have real concerns when we do not have a plan for power and we do not have a plan for water. What do we actually have a plan for? I feel that we have a sham; there is no substance. If I presented a plan—my profession before I became a member of this place was project planning—with no derived figures and no substance in it, I would have been laughed out of the room and would become unemployed.

There are some other hints of what is going wrong here. Population forecasts in Newman are somewhere between 10 000 and 15 000 people over the next five or 10 years, but what do we see in the town of Newman? We see a revitalisation program through the middle of the town. Why is that? Basically, the shire was told, “Here's a heck of a lot of money, so you need to come up with an idea for spending it over X period.” That is a good plan! “Here's the money; tell us what your project will be, otherwise you'll lose it.” So they came up with that scheme. When we doorknock, sit in the pub or sit and have a cup of coffee, we hear people talk about it quite a lot. Politically, I am quite happy about it because nothing much positive is said. In the same breath, they talk about their journeys to Port Hedland under the patient assisted travel scheme and the services they do not have. Anyone in Newman who needs a specialist will get in their car and drive to Port Hedland, but the fact is they cannot stay there because they cannot get a room. Every member of Parliament from the Mining and Pastoral Region will know the difficulties of that. It does not matter, of course, if one is a minister because they get the jet up and get the jet out. That is not being fair to the ministers, because that is what I can do. Luckily, I can get a jet up and get a jet out.

People who live in Newman have to drive to Port Hedland and then drive back to Newman. What for? Obstetrics. Obstetric is not a disease. I argued this with Jim McGinty years ago, so I am quite happy to argue the case now. Where is the plan? Why can we not have a permanent obstetric service in Newman? In fact, Mark McGowan announced an early election promise to revitalise the hospital in Newman, bearing in mind that we all had to sit around the table without government resources to work out what we needed, based on some nebulous projected growth figures, for double the number of beds and an obstetric service.

It seems to me that if we are planning a city, we need to plan those basic services first. We need utilities; we need to know what we are doing about water, power, sewerage and health. We cannot talk about the hospital in Port Hedland because we said from the start—a bit late, but we did—that the government had not committed. I am sure it talked about it, but we hear so many different announcements about what is happening in Karratha that I am not quite sure, especially when we compare the health services available there with those in similar sized cities such as Bunbury or Geraldton—or how Geraldton will be—and ask: where is the priority in the planning? One of the problems is that the government has not done the work. It is still investigating to see what the water supplies are. If members spoke to the pastoralists around Port Hedland, they would find that they are in dismay. They are watching the viability of their land diminish due to the impact of the drop in the water table. They are concerned about the impact of the draw on even the non-potable water supply—industrial-use water that can be used for dust suppression and process work—if there is to be another effect on the drawdown of their potable water sources. Things such as sheep flows that supply water to their grazing and pasture have been continually affected by changes in the rail lines and roads and the simple drawdown on those aquifers. When we talk about 50 000 people in a city, the pastoralists are worried about whether they will have a viable business and whether they should get out now while the going is good.

When we are talking about the vision of Pilbara Cities, why are we undertaking town site revitalisation projects? Why are we building multistorey buildings when we have not dealt with the fundamentals? I touched on “Grylls”

Folly”, which is the multistorey building in Karratha. I am advised by our Fire and Emergency Services volunteers that they do not have the equipment to fight multistorey fires. So we have multistorey buildings going up in Port Hedland and Karratha, but the Fire and Emergency Services do not actually have the equipment to do that. In fact, emergency service volunteers are worried about the water pressure and water delivery, even if they had the equipment that would allow them to get up there, and they have not got the training, so it is going way ahead. Also, how do they get people down out of those multistorey buildings, and what is the emergency plan? If somebody falls over and has a heart attack, how do they get people out? That goes broadly for people from the ambulance service. They are very concerned about not only the overall capacity of service delivery in regard to emergency services and training, but also equipment supply.

How can we have a vision for Pilbara Cities when we have rental prices of \$3 000 or \$4 000-plus? How can we have a vision for Pilbara Cities if we have mean property values of over \$1 million? What are the solutions for that? Will we hear after the next election that that needs to be reviewed and that we could not deliver on that? Why are we building town revitalisation projects rather than dealing with the fundamentals of health services and education services? What is the predicted number of kids and what do we need to supply over the next 10 or 15 years?

I will tell members why we are concentrating on marinas, swimming pools and multistorey buildings. It is because they are trophies and they can be built in a relatively short time to give the impression that the government is doing something. Unfortunately for the government, it has its hands tied—I am talking about the Liberal part of the government. It is in a real quandary because the National Party, like it is already doing, will blame all the problems of delivery on the Liberal government. I know this, because it has already done it, and members will have heard me say it before. The National Party will point to all the lollies—the nice waterfront, the walks, the community amenity and say, “There’s the evidence of what we are doing, but on the rest, our hands are tied.” That is the game that is going to be played.

I am looking forward to the election, because it is going to be a great opportunity to test the debate in those communities. Unless someone has actually lived there for a long time and understands what it has been like and where it has come from, they do not know from experience how these people will react. There are enough people who have lived in these areas who have seen it all; they have seen all the projects and know what is achievable. They are not going to argue against the lollies, because they are all good, but the fundamentals are, when I or our candidates stand on a doorstep and ask someone, “What’s important to you?”, they will not say a multistorey building or a community centre. They talk to me about the journey it takes for them to get to Port Hedland for a simple ear, nose and throat specialist. We are talking about 800-kilometre return trips. They will talk about those sorts of trips and what they have to do in one day and ask why, if the Pilbara City vision is true, that cannot be delivered. They ask, “Why can’t we have reticulated gas?”, “Why can’t I leave town and my kids stay here to finish their training?” Nobody can ever afford to do this.

I look forward to hearing not a reiteration of all the promises, but what is the actual plan—the actual figures and predictions of what this government is working on in this “vision” for Pilbara Cities.

HON WENDY DUNCAN (Mining and Pastoral — Parliamentary Secretary) [2.54 pm]: I thank Hon Jon Ford for this motion because it gives us the opportunity to report to the house and to the people of Western Australian on the work that has been happening in the Pilbara. It also gives us the opportunity to note that it has really been three and a half or four years that we have been endeavouring to redress the neglect of that area and the lack of planning and response to the incredible growth that has happened in the Pilbara prior to this Liberal–National government coming to power.

Something I often have to do as I go around the regions is explain to people that the time that we have had in government is insufficient to redress the neglect of the previous decades. In fact, it is the lack of planning that led to the situation that we found in the Pilbara by the time we came into government in 2008.

As members know, the Pilbara is the economic powerhouse of Australia due to its strengths in the mining and resources industry. It covers an area of 508 000 square kilometres, and its population is currently 60 000, which is 0.3 per cent of Australia’s population.

Mr President, I note that the attendants are distributing a document. I was at a later stage going to seek your permission to do that. Perhaps they could wait, or do I have to do that now? I am not sure what the procedure is.

The PRESIDENT: If the member tables the document, I think it is —

Hon WENDY DUNCAN: I have not quite got to the point at which I am tabling it. Perhaps if the attendants can just wait till I get there, that would be good. Thank you.

The PRESIDENT: I think we have just jumped the gun a little.

Hon WENDY DUNCAN: Members will not have to wait long. I am just concerned about the protocol, Mr President. I am quite happy if it is distributed now. I just thought I needed to seek your permission.

The PRESIDENT: I think it is in order if it is a public document and the member has asked for it to be distributed. That is all in order.

Hon WENDY DUNCAN: Thank you, Mr President.

Three of Australia's largest ports are located in the Pilbara region, all of which are planning for exponential growth over the next five to 10 years. Port Hedland port is the biggest bulk export commodities port in the world, with plans to expand its capabilities by 600 per cent. Iron ore, crude oil and liquefied natural gas are Pilbara's major exports. The majority of Pilbara's population live in the western third of the region in Port Hedland, South Hedland, Karratha, Newman, Tom Price, Paraburdoo, Roebourne, Wickham, Dampier, Pannawonica, Onslow and Marble Bar.

The Pilbara Cities initiative was launched in November 2009 as part of the state government's royalties for regions initiative, which is administered by the Department of Regional Development and Lands. As members know, royalties for regions invests 25 per cent of the state's mining and onshore petroleum royalty revenue in regional Western Australia each year.

The Pilbara Cities vision is to transform the Pilbara region by building sustainable, attractive communities that are well serviced by modern infrastructure and amenities to support the continued economic growth in this area. With an allocation of around \$1 billion to implement Pilbara Cities over four years, the aim is to grow the population to 140 000 by 2035 with targets of 50 000 for Karratha, 50 000 in Port Hedland and 15 000 in Newman.

We need to note that the predictions are that the population of Western Australian will double in the next 30 to 40 years. We also need to note that it is actually going to be very difficult to have that population all in the metropolitan area. The Perth metropolitan area is already feeling the stresses and strains of traffic congestion, urban sprawl and resistance to high-rise. So we need to plan for these big cities in our regional areas. We also need to have the courage to plan in spite of perhaps the cyclical nature of commodity prices. I draw members' attention to the City of Kalgoorlie–Boulder, where I was born. I have seen periods of time in Kalgoorlie–Boulder when the price of gold was low and the shops were closed and people were leaving the town, but they came back when the commodity prices turned around. The City of Kalgoorlie–Boulder is a sustainable, large, substantial and well-balanced city, and that is what we need to see more of in regional Western Australia.

Hon Jon Ford asks: where is the vision and where is the planning? I am really pleased that Hon Jon Ford has asked that question, because I can tell him that there has been a lot of planning. Obviously the planning has had to be in conjunction with immediate remedial action for the neglect that the previous government allowed to happen in that part of the world. The planning has taken place in a collaborative effort with local government, the development commissions and the resources companies. The planning had four key focus areas. The first was infrastructure coordination—that is, looking at energy, water, waste water, roads, ports and marinas. The second focus was land availability and development, something that was scandalously neglected under the previous government. That focus was particularly on land preparation, planning, developer attraction and retention, and housing. The third focus was the provision of community facilities. That is the fruit—or the lollies, as Hon Jon Ford talks about it—but it is very important. Our towns need to be places where people want to live and work and government officers want to undertake their jobs to service the community. The community projects that will be undertaken in these towns include health, education, community facilities and Indigenous participation. The fourth focus was economic diversification—that is, industry development, supply chain development, business attraction and development, and transformational projects.

In order to implement this vision, the Pilbara Cities office has been established. The purpose of this office is to ensure that government, industry, businesses and community objectives are aligned. As I have mentioned, this vision has been achieved through collaboration with stakeholders to identify priority issues, to identify interrelated factors that need to come together in project packages, and to leverage private buying. This centralised strategic approach has been brought together in the Pilbara planning and infrastructure framework, which is just the sort of document that Hon Jon Ford is asking for us to have. That document was completed in January 2012 and it provides the strategic direction for the future development of the region over the next 25 years. It focuses on schools, health centres, roads and educational areas. The framework defines the Pilbara Cities vision and the regional planning principles, together with the goals, objectives and actions for the region. Most critically, this document brings together not only the local governments in the region and the regional development commission, but also the other agencies, which until now were not working together in the planning process—that is, the Department of Health, the Department of Education, and the utilities, such as Horizon Power and the Water Corporation—and also, of course, the private companies that play such a great part in the development of the Pilbara.

At the same time as the Pilbara planning and infrastructure framework was developed, work was also undertaken on an economic diversification framework. Hon Jon Ford has expressed concern about the dependence totally on the iron ore industry in that part of the state. That is exactly why this document has been prepared. It is a mechanism to support job creation beyond the expansion of the minerals and petroleum industry. It aims to foster economic development in the Pilbara by facilitating major capital investment in new projects, and products and services, to ensure that the economic development of the Pilbara is considered in the wider economic development context of the state.

As I have mentioned, this work has been undertaken in collaboration with the private sector and government agencies. As part of the work that has been done for the economic diversification planning, there is the establishment of the Onslow community development fund, in conjunction with Chevron, to fund critical infrastructure projects. There is the Pilbara bottled water project, which is a partnership with the local traditional owners to supply bottled water in biodegradable containers, thereby offering a new and innovative drinking water supply. There is the Hamilton precinct, in which the Department of Housing is overseeing the development of a 100-hectare site for new residential homes. The Department of Housing is currently negotiating, in conjunction with a third party, stage 1 of that project, under which 450 homes will be constructed. The state government's land developer, LandCorp, and the Department of Housing, are also working with private developers to create quality, accessible accommodation for workers and families in the regions. This includes the release of more than 200 hectares of land on the western edge of South Hedland. Once complete, this master-planned community will accommodate about 5 000 people, or 10 per cent of Port Hedland's projected population growth. A development package in Karratha is combining the development of a 2 000 home master-planned community at the coast, with a substantial town centre and mixed-use development. That development is being led by Mirvac, in partnership with LandCorp. This project will constitute some \$1.5 billion in investment once completed. There is also the Pelago West Apartments project in Karratha, which Hon Jon Ford seems to have taken particular exception to. That is a \$125 million project, and it is being built in recognition of the fact that people's housing requirements are changing over time. There are now many people who live and work in Karratha and Port Hedland who are not that interested in living in a mansion or a four-bedroom home with a garden and a pool to manage and would be far happier living in an apartment complex where they do not have a garden to manage, and where they can use a pool that somebody else has to clean, and also where there are coffee shops and amenities, which is something that people in metropolitan Perth would expect as a normal standard available to them.

I will talk about power in a bit more detail later, but the state government is working with Horizon Power and is providing \$100 million to fund the underground power project. Of course there is still work to do there, but that is a promise to provide greater security of power in an area that is prone to cyclones.

In November 2009, the Premier, the Minister for Regional Development and Lands, and I, and a group of government agency representatives and senior representatives from the mining and resource companies in that part of the world, plus land developers, flew to the Pilbara to look at its potential and its immediate needs. That was a very visionary action, which the Premier and the Minister for Regional Development and Lands supported. All of us were in the one Skywest plane, and I know that they made very sure that the plane had been well and truly serviced before we flew to the Pilbara, because if the plane had been lost, it would have put a pretty big hole in the state of Western Australia. Out of that move by the Premier and the Minister for Regional Development and Lands, there has been significant investment in the Pilbara community. Work was then undertaken to realise the vision that the people of Pilbara saw for themselves and that we owed to them. This area of Australia produces the greatest wealth and yet here people were living in containers, and here they are, due to lack of planning, unable to obtain land or housing to even move their families there. They are forced to enter into the fly in, fly out lifestyle, when in fact many of them would not want to do that.

The planning and infrastructure framework is quite a substantial document and goes into a fair bit of detail about water priorities, waste water and the need for waste water management, energy and power generation and where the gaps are, and telecommunications. The plan also discusses implementation and the fact that it needs to be endorsed by the WA Planning Commission, which I think is also a major breakthrough—that is, to have the WA Planning Commission working in concert with the regional development commissions, local government and the Pilbara Cities office to produce a plan that has all the agencies feeding into it and committed to it. It will mean that once we get this period behind us of having to try to catch up on the previous neglect, the development of these cities will be more measured and planned, and we will not end up with horrendous rents and shortages. I totally agree with Hon Jon Ford. He talked about having been a project manager in his past life. I was a strategic planner in my past life and I know perfectly well how important planning is for the development of areas like the Pilbara. The trouble we got into under the previous government was due to lack of planning.

The other thing is, of course, that in the planning framework there needs to be a commitment to governance—that is, to have a decision-making regime to ensure that the planning is fair by providing an overarching policy

framework within which local governments will prepare their local planning strategies and schemes. There will be an infrastructure coordinating committee of the WAPC and, when assigning priorities to infrastructure and development, it will have this plan to refer to, and the Pilbara Cities office will have the economic development plan to help it attract investment and planning permission.

There is more work to be done—there always is. Further work planned at the moment is to map the storm surge and flooding in the various areas, to prepare the Port Hedland growth plan and to undertake investigations for the potential Karratha to Wickham link road, and that sort of work is ongoing. The plan also mentions a utilities gap analysis and there is no doubt that if we do move towards the population predicted in that part of the world, this essential work needs to be done, and it is being done. I recommend to members—I think they have had it distributed to them—the Pilbara Cities document, which outlines the planning that has been undertaken, informed by the local governments using local priorities, local decision making and local stakeholder forums. Hon Jon Ford needs to keep that in mind when he talks about where the funding has been expended in the various local government authorities, because a lot of the decision making has been very strongly informed by local government and local stakeholders.

Moving on to more detail of Hon Jon Ford's motion, he asked specific questions about utilities and how they will be provided, and I will give some information on that in a moment. The first question he asked is: how will water be supplied and how much will it cost? He of course quoted from the government's media statements and made some comment about the fact that the same information was delivered six months apart, although I think we really should view these media statements as progress reports to a certain extent. We need to keep the people of the Pilbara, and of Western Australia in general, informed about the progress of the work we are doing. One of the biggest challenges for us here in Western Australia, and in Australia actually, is that people do not get to the Pilbara to see what is happening. I wrote down a quote of Hon Jon Ford's. He said, "Nothing is going on." Hon Jon Ford spends time in the Pilbara; I spend time in the Pilbara, and I cannot find how he could possibly substantiate his comment that nothing is going on, when a lot of people who go to the Pilbara are absolutely blown away with the transformation that this Liberal-National government has been able to achieve in the four short years that we have been in government. If Hon Jon Ford talks about nothing going on, I can tell him that nothing was going on under the previous Labor government and that is why we have the difficult circumstances we have now in the Pilbara. I can also tell him that it is virtually impossible to repair the damage of the neglect of the previous government in four short years.

Several members interjected.

The PRESIDENT: Order, members!

Hon WENDY DUNCAN: Returning to water, the state government is planning for water infrastructure investment to support the Pilbara Cities office vision of a population growth each in Karratha and Port Hedland to 50 000 by 2035. The West Pilbara water scheme supports Karratha and the surrounding areas, and Water Corporation is licensed by the Department of Water to extract a combined 15 gigalitres a year from the Harding River Dam and the Millstream bore field. This has been temporarily increased to 16 gigalitres a year until 31 March 2013. Additional water is also being sourced through increased water efficiency. Something we all need to think about quite seriously is the need to look at not only supplying extra demand, but also the demand itself, not only with water, but also with power, particularly when it comes to electricity. When supply has to be matched to the peak requirement and not the average requirement, it is very important when it comes to electricity and water supply to deal with those peak demands. Total water demand projections, following the Pilbara Cities office's envisaged growth, sees the demand on the West Pilbara water supply scheme growing to 21.5 gigalitres a year in 2016 and to 36 gigalitres a year by 2031. Under its state agreement, Rio Tinto has agreed to develop 10 gigalitres a year at the Bungaroo bore field to supply water to the West Pilbara water supply, which will result in Rio Tinto accessing up to 10 gigalitres a year at Bungaroo in return for relinquishing its entitlement to Millstream of 5.4 gigalitres a year. This is an excellent outcome and we really need to congratulate the Minister for Regional Development, the Premier and Rio Tinto for coming to this agreement. I think it really shows that everyone is working together for the long-term benefit and longevity of those communities in the Pilbara.

The future town water supply projects will be triggered by increasing demand and the state government is planning ahead and looking at a range of potential options. The Department of Water is also undertaking an investigation of the Hamersley Range to identify other water sources. The Bungaroo project would meet demand from 2014 until between 2017 and 2021, with additional investment required for the expansion of Bungaroo and other water sources post-2017.

The Port Hedland water supply scheme supports Port Hedland and South Hedland and the Water Corporation is licensed by the Department of Water to extract a combined 13.5 gigalitres a year from the De Grey and Yule River bore fields. This was recently increased by the Department of Water to 20.5 gigalitres per year. Additional

water is also being sourced through increased water efficiency. Total water demand projections following the growth envisaged by the Pilbara Cities Office will see demand for Port Hedland's water supply scheme growing to 25 gigalitres a year by 2016 and 48 gigalitres a year by 2031.

The Water Corporation is expanding its existing bore fields to provide an additional five gigalitres a year, with the De Grey and Yule expansion completed by the end of 2014, providing a water source until 2020. Funding of \$68 million for the De Grey and Yule expansion will come from the Water Corporation. The Water Corporation is investigating with iron ore company partners a 10-gigalitres-per-year west Canning Basin source as a potential future supply for Port Hedland. The Pilbara Cities Office and the Department of Water are working together on the larger west Canning Basin–Sandfire investigation project, with \$12.5 million of royalties for regions funding. That will potentially identify a source of 50 gigalitres or more a year for Port Hedland in the long term.

Hon Jon Ford's motion also asks how power will be supplied and how much it will cost. Major planned investment in the resources industry in the Pilbara, combined with the need for a higher number of workers and the expansion of Pilbara towns to service this growth, is creating increased demand for the supply of energy. The most recent forecast by Horizon Power has identified a generation capacity shortfall in the Pilbara of up to 110 megawatts by January 2016. Horizon Power has secured \$40 million of government funding to provide an interim 20 megawatts solution. Commencing in March 2012, the public utilities office has hosted a number of meetings between government stakeholders to consider issues, problems and options for Pilbara's power supply. The Pilbara power board comprises senior representatives from the Pilbara Cities Office and the Department of Regional Development and Lands, State Development, Treasury, Premier and Cabinet and Horizon Power. An agreed framework for the procurement of additional power generation has been developed. The Pilbara power board will consider and make recommendations to the government on options for both temporary and permanent generation capacity in the Pilbara. The Pilbara Cities Office has co-funded a study with Horizon Power to analyse future energy demands in the Pilbara, and a final report is expected to be completed by September 2012.

Hon Jon Ford also asked how many new schools would be built in the Pilbara and how the staff would be housed. According to the Pilbara Planning and Infrastructure Framework, the infrastructure requirement to meet the population target of 140 000 by 2035 includes 38 new primary schools, 11 new senior high schools, four new district high schools and eight new TAFE campuses.

Hon Ljiljanna Ravlich: Is any of that in the budget?

Hon WENDY DUNCAN: I thank Hon Ljiljanna Ravlich for asking. There is \$21.5 million allocated to build Baynton West primary school in Karratha, which will be a full-standard generic primary school with 13 classrooms, two pre-primaries, one kindergarten, an administration block, a dental therapy, a covered assembly area with a canteen, a music room, an art and craft room, storage, toilets and hard courts.

Hon Ljiljanna Ravlich interjected.

Hon WENDY DUNCAN: We are talking about these schools being needed by 2035, and the planning that is being undertaken will ensure that the schools will be provided in a timely manner, unlike under the previous government when everything was done after the event.

Hon Ljiljanna Ravlich: We built 40 schools in our time. I wonder how many you have built. It is certainly nowhere near 40.

Hon WENDY DUNCAN: The redevelopment that Hedland Senior High School is undergoing was partly funded from Pilbara Cities and is costing \$17.35 million. Works are being undertaken in two stages, with \$7.35 million in committed funding from Pilbara Cities. Stage 1 of the works for the high school will include the construction of a new administration building, the partial refurbishment of Hardy House and the construction of two general learning classroom blocks. The funding sources for the project are \$7.35 million from Pilbara Cities and \$4 million from BHP Billiton, and the completion date is expected to be December 2012. The \$6 million allocated for stage 2 of the works will go towards a new cafeteria, including an enclosed air-conditioned eating area. Other works include fire service upgrades and facade enhancement. Royalties for regions is the funding source for the \$6 million for that project under the Regional Schools Plan 2010–2014, and the completion date is expected to be December 2013.

Housing for government officers will be provided by Government Regional Officers' Housing under the umbrella of the Department of Housing. GROH supplied the Department of Education with 52 additional or replacement properties in the Pilbara over the past three years. Ten of those were located in Karratha, 18 in Newman, 17 in Tom Price and seven in Port Hedland and South Hedland. Provision of housing for government workers will be addressed through the government's investment in the Government Regional Officers' Housing initiative. I will cover more of this under paragraph (e) of Hon John Ford's motion.

Paragraph (d) of the motion asks: how many new ancillary health providers are required and how will they be housed? According to the Pilbara Planning and Infrastructure Framework, the infrastructure required to meet the population target of 140 000 by 2035 requires five new general practitioners and one new dentist. Provision of housing for government workers will be addressed through the government's investment in the GROH initiative, which is a three-strand approach. Turning to paragraph (e) of Hon Jon Ford's motion—what the government will do to ensure there is adequate affordable housing—strand 1 is to facilitate land development. That funds essential planning studies through the \$40 million allocated for the northern towns development fund into the Pilbara Planning and Infrastructure Framework, Pilbara's port city growth plan, the Karratha coastal vulnerability study, the Onslow structure plan and the Newman omnibus scheme amendment. It also funds dedicated positions in key agencies. Two of those positions are in the Environmental Protection Authority and six are in the Department of Planning to expedite the planning and approval process to get this land released. If I have time, I might go into more detail about land availability.

Strand 2 is to develop land for residential purposes to bring land to the market to stabilise house prices generally across the Pilbara. For example, there is sufficient land in various planning stages to provide over 14 000 new dwellings in Port Hedland—14 000! That is an amazing achievement for this term of government. There is sufficient land in various planning stages to provide over 7 000 new dwellings in Karratha—7 000—and over 1 300 dwellings in Newman.

Strand 3 of the housing availability strategy is to provide affordable housing for those not able to access resource companies' homes. Hon Jon Ford made a point about this matter, but in fact this government has done a considerable amount of work to provide housing for those who are not receiving as high an income as those in the mining industry. An example of this is the Warrambie Estate service workers' housing estate in Karratha, which has approximately 100 homes completed. Those homes are available at a lower rent for eligible service workers. There is also the Osprey service workers' housing site in South Hedland that provides 293 homes, the tender for which has been awarded to Fleetwood. There is also a project to identify lazy lands. Any land in the ownership of a government agency that has been assessed as not being used and is not required will be used to provide affordable housing. Karratha was recently awarded seven sites, with a proposal showing 195 dwellings. Affordability was a key evaluation criterion. The government has also approved \$355 million of royalties for regions funds to support the development of affordable housing in regional areas of the state, which will be heavily focused in the Pilbara. There will be announcements specifically about that shortly. Of course, in Newman, a program recently released one site with a potential for 61 dwellings, with affordability as a key criterion. As members can see, the issues that Hon Jon Ford has been lying awake at night worrying about are in hand. An incredible amount of planning, consultation, collaboration and research have gone on in the development of the Pilbara Cities vision. This Liberal–National government should be very proud of the work that it has managed to achieve under the auspices of the Pilbara Cities vision.

Hon Jon Ford also raised a couple of issues that I might be able to assist him with. One was about education and the fact that there does not seem to be much planning happening on that front. I can assure him that in 2010 the Pilbara Development Commission formed the Pilbara education partnership working group with the Pilbara Cities office, the Chamber of Minerals and Energy, the Department of Education, the Catholic Education Office of Western Australia, the Association of Independent Schools of Western Australia and the Department of Training and Workforce Development to identify mechanisms to build capacity and improve the quality of education and training services in the Pilbara. Complete Community Solutions Strategic was engaged to undertake this study and to identify and prioritise projects that would improve education outcomes across the region. During the course of the study, which was completed in November 2011, cabinet approved an allocation of \$50 million from the Pilbara Cities fund to support improvements in education. The study is informing the distribution of the \$50 million, which will be done through the Department of Regional Development and Lands Pilbara Cities office.

Cabinet has recently approved the expenditure of the education fund in line with the priorities identified in the study. The Pilbara Development Commission has been working with the Pilbara Cities office to assist education providers to finalise business cases to be considered by the Pilbara Cities strategic directions group. The group has also supported nine business cases put forward by the University of Western Australia, Curtin University of Technology, the Pilbara Institute and the Catholic Education Office, with a further three from the Department of Education to be considered. The Pilbara Cities office, in consultation with the Chamber of Minerals and Energy, is working to leverage funds from the resource sector for these selected projects. That should satisfy Hon Jon Ford that in fact planning is occurring in the area of education.

Hon Jon Ford also raised health issues and the fact that obstetric services are very important in that part of the world and that we should not be beautifying main streets whilst neglecting our hospitals and the provision of health services. I could talk for another three-quarters of an hour on what we have done in health in the Pilbara, but I will pick on just a couple of issues that are of particular importance. One is that in Karratha, which is a

town of a substantial size, there were no obstetric services under the previous government. One of the first decisions that this government made was to commit \$7.7 million to upgrade the Nickol Bay Hospital in Karratha. That was partly to provide priority staff accommodation. As I mentioned earlier in my comments, it is all very well to spend money on hospitals, schools and so on, but if in our regional cities and towns we do not have the amenity, the availability of housing and the lifestyle that our wonderful government workers expect in the metropolitan area, it becomes very difficult to attract the necessary professional people that we need to service those Western Australians who live in that part of the world. Under this Nickol Bay Hospital upgrade, there was a particular focus on obstetric services. In fact, funding of \$2 million was provided to improve obstetric services in Karratha. Obstetric registrars and nursing staff from King Edward Memorial Hospital were rotated through the Nickol Bay Hospital to provide a fully functioning obstetric service so that pregnant women in Karratha were not forced to travel long distances to deliver babies. We all remember the days when people were having babies in smaller hospitals in small country towns. It is a time, I think, that a lot of us look back on with some whimsy in that it certainly is very important to be able to have your child near to your family and your home. Unfortunately, with the increased technology involved and the cost of that technology, to say nothing of the increased predisposition to litigation, it is important to have these high-quality obstetric services in the major hospitals, and then work our way towards the smaller ones once we have that fully established. The WA Country Health Service is also planning for additional workforce support from King Edward Memorial Hospital to go into the Nickol Bay and Port Hedland hospitals in the Pilbara region to strengthen the obstetric services.

The other thing that I thought I would do is talk more about the availability of land. In the last few minutes of my speech, I will pass on to members the latest that we have about land availability. It is something that should give us the ability to see a light at the end of the tunnel with this mess that the previous government left us in the Pilbara. An incredible amount of work has been done, including work in conjunction with the local traditional owners. One of the biggest impediments to land release in the Pilbara and also, in fact, in the Kimberley was native title. The negotiations that have taken place and the commitment to ensure that the traditional native title owners have the ability to benefit from the development of land in the Pilbara and in the Kimberley have gone a long way to assist in freeing up land and ensuring not only that we will be able to bring land prices, rental prices and house prices down, but also that the traditional owners in the Pilbara and in the Kimberley will benefit from that development.

In the Pilbara, we are aiming to bring 1 000 development units a year to the market, as opposed to 300 a year, which is what we inherited under Labor. The service workers project in Karratha is providing subsidised rent to small businesses and non-government organisations and already has its first tenants. We are working to grow Karratha to a city of 50 000 people and, as part of that, we have produced about 2 000 residential lots. The latest release of 450 lots in one stage of the subdivision at Baynton West has largely been consumed. We have an 18-dwelling display village, and that brings me to the point that Hon Jon Ford made about no recognition given to the climate there and the need to produce sustainable housing that is suitable to the climate. In fact, I have to say to Hon Jon Ford that we have an 18-dwelling display village in Karratha, and it is a first for the Pilbara. Part of that process was to ask the developers to develop houses that are specifically designed for the climate and the vagaries of the weather in Karratha. I also had the opportunity to look at housing in Broome North; housing built for Broome people, taking into account their lifestyles. It is fantastic to see local and metropolitan developers starting to think about where houses are built.

I trust I have managed to answer Hon Jon Ford's queries in this motion. I thank him again for giving me the opportunity to provide this report to Parliament on the progress we are making with the Pilbara Cities initiative. I assure him the work has been done in consultation and collaboration with local stakeholders.

HON HELEN BULLOCK (Mining and Pastoral) [3.40 pm]: I would like to thank Hon Jon Ford for moving this timely and pertinent motion. It is pertinent because notice of this motion was given on 17 May 2011. According to Hon Wendy Duncan, the Pilbara Cities initiative was launched in 2009. This motion was moved three years after this government commenced governing this state. Hundreds of millions of dollars has been spent on the Pilbara Cities initiative. At the time notice was given of this motion there was no planning and no infrastructure framework in place for this initiative. Nobody knew what was going on except the Minister for Regional Development himself. It was not until January 2012—seven months after notice of this motion was given—that the government finally released the planning and infrastructure framework for the Pilbara Cities initiative. Even so, not all the questions in this motion were answered by this framework. It is just another example of this government putting the cart before the donkey. It is not new. Having said that, I personally think the development of Pilbara Cities is long overdue. I hope, after more than \$1 billion has been spent on various projects over the next three to four years, it will transform the Pilbara region.

This motion is also pertinent because the royalties for regions program is still a debatable topic. What is debatable is the true purpose of the royalties for regions program. Over the past three years we have witnessed reckless spending through the royalties for regions program for political gain, under the pretext of developing

regional Western Australia. Just two weeks ago, Mannkal Economic Education Foundation and the Institute of Public Affairs released a report titled “Project Western Australia: A Growth and Productivity Agenda for the Next Government”. The report was written by former federal Liberal member John Hyde and Mannkal foundation senior fellow Andrew Pickford. Nothing is new in this report. The report merely echoes what we already know. The opening remark of the report states —

The so-called Royalties for Regions ... program has formalised pork barrel politics on a massive, perhaps unprecedented scale.

That is true when we think about it. Every year, \$1.5 billion must be spent only in regional Western Australia. It is such a luxury for any government. It is the sort of luxury that no government can afford. I have spoken on this topic many times. I will not repeat today the points that I have made previously. I would like to point out to members today that the Minister for Regional Development, firstly, has a fiduciary duty to Western Australian taxpayers to spend taxpayers’ money wisely, cautiously and accountably. He should not use taxpayers’ money for his personal political gain. Secondly, the Minister for Regional Development has a duty to all regional local governments, not only the local governments in his electorate. The minister, however, these days seems very content with the fact that his electorate received more funding from the royalties for regions program than electorates with small numbers of local governments, despite the proportion of population in those local government areas. Thirdly —

Several members interjected.

The PRESIDENT: Order, members!

Hon Mia Davies interjected.

Hon HELEN BULLOCK: My dear child —

The PRESIDENT: Obviously other members want to contribute to the debate. There are only 22 minutes left today, but this debate will continue for a period of time later on. I am sure other members can make notes about what to respond to.

Hon HELEN BULLOCK: I have to respond to that interjection —

Hon Mia Davies: Would Hon Helen Bullock like to withdraw that comment? Say it again, louder!

Point of Order

Hon ED DERMER: The member may want to take advice of the requirement that if a member wants to make a point of order, they should stand up and not interject. It is also appropriate not to interject across the President when he is speaking.

The PRESIDENT: All points taken. Hon Helen Bullock will address her comments through the Chair.

Debate Resumed

Hon HELEN BULLOCK: Thanks, Mr President. I promise I will be good and I will address only you. I have my eyes only on you today!

Thirdly, at the moment the Minister for Regional Development is running for the seat of Pilbara after all the money has been spent in the Pilbara region. He decided to claim it by running for the seat of Pilbara. He wants to be the king of the Pilbara region. To anybody, it is an obvious case of conflict of interest. There is no doubt it is a billion-dollar vote-buying exercise.

Hon Mia Davies: Is it the Pilbara or the Central Wheatbelt that we are pork-barrelling? You can’t have it both ways!

Hon Ljiljanna Ravlich: Yes, you can. Of course you can have it both ways.

Hon Mia Davies: Are you upset that they are spending money in your electorate?

The PRESIDENT: Order, members! We have a debate going around and around the chamber at the moment. That is not the way it should operate. Only one member has the call.

Hon HELEN BULLOCK: Mr President, I heard that the last sentence was about me objecting to money being spent in my region. No, I do not object to that, but I object to no money being spent in the Kalgoorlie region. Mr President, have you ever been to the town called Norseman, which I believe is where Hon Ljiljanna Ravlich comes from? Go there and look. I will not say any more. We are debating the Pilbara Cities initiative. The Pilbara is lucky, but Norseman is a completely forgotten town. Let me continue.

As I pointed out, the Minister for Regional Development will run for the seat of Pilbara and has spent \$1 billion in the Pilbara region. In my view and in anybody’s view, there is a conflict of interest. Anybody can see that. As Minister for Regional Development, he has not only the right to direct funds from general expenditure funds to

any program that he thinks might attract votes in his region, but also the discretionary right to spend royalties for regions on his election campaign. At the moment it seems he can do nothing wrong. He can spend taxpayers' money in the way he likes, how he likes, when he likes and where he likes as long as the money is spent in regional Western Australia. The whole thing is just so wrong!

As parliamentarians, every year we are so careful about this conflict of interest issue. We do not want to be caught in this issue. Every year we fill out a form and declare our interests in some nitty-gritty things just because we are so afraid to be caught by this "conflict of interest" term. There is a very blurred boundary. What is a conflict of interest?

The PRESIDENT: Order! I have had another read of the motion and the motion refers to things such as water, power, schools, health and affordable housing. I ask the member to bring her comments around to the sorts of issues contained in the motion rather than things that are perhaps not as directly relevant.

Hon HELEN BULLOCK: I object to your notion that my comments are irrelevant, because this motion is about Pilbara Cities. The minister will run for the seat of Pilbara and this motion concerns Pilbara Cities. Also, the Pilbara Cities initiative is to do with the royalties for regions program and I am talking about the Minister for Regional Development.

Hon Peter Collier: What about Norseman?

Hon HELEN BULLOCK: Mr President, it seems your authority —

Several members interjected.

The PRESIDENT: Member, if you direct your comments through me, I guarantee I will not interject on you and I will call any members who do.

Hon HELEN BULLOCK: I do that all the time. It seems that today someone in this chamber decided to defy your authority.

Hon Peter Collier: Who? Who did that?

Hon HELEN BULLOCK: You, for instance, now.

Several members interjected.

Hon HELEN BULLOCK: Mr President, should I continue?

The PRESIDENT: Yes, you should.

Hon HELEN BULLOCK: I am glad to see that you have resumed your authority.

Several members interjected.

The PRESIDENT: Order! One member is on her feet. We will let her have the opportunity to make her own speech.

Hon HELEN BULLOCK: I have been speaking about disclosing things that might be caught by the term "conflict of interest", but the Minister for Regional Development is not afraid of that as clearly he has a conflict of interest. The minister is spending billions of dollars of taxpayers' money for his personal political gain. I think an inquiry is needed to look into his position in terms of a conflict of interest. I will stop here as I think I have made my point.

HON NORMAN MOORE (Mining and Pastoral — Leader of the House) [3.55 pm]: This motion is directed to the parliamentary secretary representing the Minister for Regional Development and also to the Premier. I have the honour of representing the Premier in this place, so I will make a few comments on this motion. I will begin by congratulating Hon Wendy Duncan on her very excellent summary of what royalties for regions and Pilbara Cities is all about in the Pilbara. I think she has answered very clearly and in great detail the issues that have been raised in the motion moved by Hon Jon Ford. However, I will begin by reflecting on some comments Hon Jon Ford made about the Browse Basin at the beginning of his speech, which he acknowledged had nothing to do with the motion but he felt the need to say something anyway. He suggested that the Premier has this view that he is going to try to force these oil companies to bring their gas onshore at James Price Point and that somehow or other that is interfering with the commercial decisions being made by the various companies, which somehow or other is an offensive thing to do. It needs to be understood that the government has a view about the development of an LNG precinct in the Kimberley, and it would like to see that happen, if it is at all possible, because of the significant economic benefits the development will provide to the Kimberley and the significant potential growth in employment in the Kimberley region that would result from having a diversification of industry in an area that needs some economic growth. It is the view of the government that the best place for this particular LNG precinct is James Price Point. The government chose that site after an extensive period of assessment and is working with Woodside and its joint venture partners to deliver on that outcome. There is no

suggestion that the Premier is forcing anybody to do anything. My understanding is that Woodside is very comfortable about the James Price Point site.

I want to compare this situation with what we inherited when we became the government in 2008. During the election period in 2008, we were made aware by Inpex Corporation, which is the company wishing to development the Ichthys project in the Browse Basin, that it was going to build a pipeline from the Ichthys gas project to Darwin, where it would build an LNG plant. I have to say that I could not believe that was going to happen, bearing in mind it is an 800 or 900-kilometre pipeline from the Ichthys reserve to Darwin. We were told in no uncertain terms that the reason for doing that was the previous government could not make up its mind about a site in the Kimberley for an LNG plant, and that it had been procrastinating to the point where the company completely lost confidence in the ability of the government to deliver an outcome that it needed. So when we became the government we tried very hard to convince the company to change its mind, but it had gone too far down the path for that to happen. Now what we see is in fact the development of an LNG plant in Darwin, which should have been in the Kimberley, all because of the incapacity of the then Carpenter government to make a decision about a site in the Kimberley. So, enough said about that!

The Pilbara Cities program is a project that I think is long overdue and something that I have hoped for a very long time might happen. Like a couple of other members, I have in fact lived in the Pilbara. I lived in Karratha before it was even a town, let alone a city. There were about three rows of houses and a school. It grew and grew very rapidly in the time I was there to the point that it had grown so quickly that the school was upgraded to the next level—and I had to shift. Karratha in those days was just really a construction site, and a school and a couple of other facilities; there were no shops—nothing. Everything was in Dampier.

Hon Wendy Duncan: And Red Dog!

Hon NORMAN MOORE: He came much later than that. This was well before Red Dog.

Hon Simon O'Brien: This was back in the Dreamtime!

Hon NORMAN MOORE: In fact, it was 1971, that Dreamtime—yes, the member is right about that!

We were talking about having a four-lane highway from Dampier to Karratha, but in those days it was a dirt road. It was pretty primitive, so I have seen Karratha grow from virtually nothing to what it is now. Indeed, the other day I went to the opening of the new multistorey building that Hon Jon Ford describes as “lollies”, and I have to say it is magnificent. I talked to a lot of people at that function, many of whom have been living in Karratha for a very long time, and they were very, very positive about what it reflected about the future of Karratha. Instead of being a dormitory suburb for the iron ore, liquefied natural gas and Dampier salt operations, Karratha is becoming a city in its own right with a variety of different accommodation options, and the confidence of the private sector to invest in what is a very, very spectacular building, certainly by Pilbara standards.

To see Karratha go from what it was to what it has become and what it is going to become, in my view, is absolutely fantastic. I am just sorry that I did not think of a royalties for regions program 20 years ago to get available in those days funds of the sort that are being invested in the Pilbara now because the problem with the Pilbara, as Hon Jon Ford well knows, is that all the development in the, if I can call it, modern Pilbara, which began in the 1960s, was around iron ore, then salt and then gas. Most of the fundamental infrastructure was a result of the iron ore projects of Hamersley Iron and Mt Newman Mining. They all began at the same time, and the problem, therefore, is that all the infrastructure that was built in the Pilbara, which is still fundamental to its operations these days, was built 40-something years ago never with the intention that it would last 40 years. Although in those days the standards of construction were very high, I do not think anybody ever imagined that we would get the sort of growth that is taking place at present. The problem for the Pilbara is that everything is wearing out at the same time. There is significant demand for improved infrastructure because it is all wearing out. Unlike other parts of Australia where things have grown sequentially, this all grew at the same time; therefore, all the infrastructure is wearing out at the same time, which is putting enormous demand on local government, state government and on the companies to provide the sort of living conditions that people would regard as appropriate at this time in our history. When I first went to the Pilbara, the quality of the housing, shopping centres, schools and hospitals was first-class, but 40-something years later, it is second-class by a long way. People’s expectations and so on have significantly increased over that time. When people went to, say, Tom Price, where I spent four years in the 1970s, they thought that the houses were really very good and the best they had ever lived in, but they are now no longer adequate when we look at what is available to people elsewhere in other parts of Australia. This has created enormous demand all at the same time to overcome these deficiencies of the infrastructure that is available in the Pilbara.

At the moment there is just massive growth. The Mt Newman Mining and Hamersley Iron operations were built in the 1960s on the basis of five million tonnes of iron ore per annum each. As a result of the Japanese demand

for iron ore, we saw the fundamental development of the Pilbara as we know it today. We are now looking at 200 million tonnes a year each, growing to 300 million tonnes and maybe more than that. When new companies such as Fortescue Metals Group Ltd, Atlas Iron Ltd and BC Iron Ltd are brought in, with increased tonnages coming out of those operations, it bears no relationship these days to the situation back in the 1960s, yet the fundamental infrastructure was built in the 1960s and has been added onto over time. Of course, the companies that are developing these mine sites, ports and railway systems have the money and the resources to continue to upgrade them to meet the growth in demand and the growth in their production levels, but there has been no source of revenue to upgrade the social infrastructure to the level that people want at this time. With enormous growth comes enormous demand for improved facilities and infrastructure. One of the problems in the resource sector these days is that because of the difficulty in providing a level of amenity in mining towns, people prefer fly in, fly out work. There are literally thousands of workers in Western Australia who fly into and out of mine sites in the state every week. I do not think that is a good situation to have if we can avoid it. The only way we can avoid that is to make sure that the amenity we provide for people to live in the remote parts of the world is such that they find them attractive and will therefore agree to live in those towns without being fly in, fly out workers.

The Pilbara Cities program is an attempt by this government to improve the quality of living for people in the towns of Karratha and Port Hedland, initially with additional work being done in the inland towns of Newman, Tom Price and Paraburdoo. I commend the Premier and the Minister for Regional Development on the decision to invest very significant sums of money in the Pilbara. It is long overdue. It will take vastly more than has already been spent to achieve the outcomes that I think people would regard as appropriate. It is a beginning that will continue as we go forward, bearing in mind that the Labor Party has already told us that it will support the continuation of the royalties for regions program. Hon Helen Bullock gave me the impression that she was not all that fussed about it. Either Labor members support it or they do not. If they support it, the idea is that that money will get spent in the regions and it has to be prioritised. In my view, the priority being given to the Pilbara is appropriate because that is where the wealth is being generated. I agree that we could spend a lot more in Kalgoorlie, but we could also spend a lot more in the Pilbara and the Kimberley, and in Geraldton and Albany. A lot more money could be spent in a lot of regional centres. This is a beginning. A billion dollars or thereabouts a year is being invested in regional communities for the first time in as long as I can recall. Having been in government when we did not have this sort of program, it was always difficult to make decisions about how much money could be spent in the regions, bearing in mind the demands of the capital city and the metropolitan areas of Western Australia. This particular program is working exceptionally well. People will argue about some issues and where some of the money is spent—that is understandable—but, as a fundamental government policy, royalties for regions, and its child Pilbara Cities, is a positive step forward and will play a very important role in ensuring that the future of the Pilbara is one that we can all be very proud of. Indeed, we can compare Western Australia with Queensland, where there are significant regional centres. We need to look at doing the same thing in Western Australia, and Pilbara Cities will give us a chance to begin that process.

Debate adjourned, pursuant to standing orders.

The PRESIDENT: Noting the time, I will leave the chair until the ringing of the bells.

Sitting suspended from 4.09 to 4.30 pm