

RAILWAY (TILLEY TO KARARA) BILL 2010

Third Reading

MR M.J. COWPER (Murray–Wellington — Parliamentary Secretary) [10.21 am]: I move —

That the bill be now read a third time.

MR C.J. TALLENTIRE (Gosnells) [10.21 am]: As has previously been said, we have seen a good degree of cooperation in the discussion of this bill, such that clause 8 was negated during consideration in detail. It was pleasing to see that both sides of the house supported that amendment to the bill. We touched on a few interesting areas in yesterday's debate. I would like to pick up on one. We had a situation in which supporting information—a very good report that underpins the bill—was quite late in coming forward. A report entitled “Oakajee Rail Corridor Strategic Rail Network Study” was presented to us later, so detailed consideration of that is still going on. During the debate the member for Geraldton challenged a comment that was made in the report about the potential for uranium to be transported along the rail line. Perhaps he had a chance to read the report overnight. When members read section 5.8 of the report, it is certainly apparent that there is the potential for uranium to be transported on these rail lines. It is important that members have an additional degree of clarity about that and that we are able to properly consider that. It is probably worth quoting a couple of sections of the report that make that situation apparent. Page 2 states —

Analysis of the Midwest and Northern Goldfields areas suggests that there is the potential for additional resource development given ready access to rail and port facilities. The following resources could also provide a secondary source of products for the rail and port:

- Nickel;
- Manganese;
- Copper/Lead/ Zinc; and
- Uranium

For the benefit of the member for Geraldton and others, that is worthy of note. I direct members to section 5.8 of the report, where more detail is given.

We support the bill and the construction of the 74 kilometres of rail line. We look forward to the phasing in of the general upgrade of the rail services in the Mid West region and anticipate that various resource development projects in the area can go ahead. We on this side of the house are opposed to uranium mining. Other mineral extraction activities can be looked at so long as they are conducted in a manner that is consistent with the provisions of important pieces of legislation such as the Aboriginal Heritage Act 1972 and the Environmental Protection Act 1986. It is very important that those activities and resource development projects are conducted with due respect to those pieces of legislation.

Yesterday I mentioned the very important work that had been done looking into the dilemma we have of resolving a situation in which so often in the Mid West region we find that the biggest mineral deposits happen to coincide with areas that have the highest amount of biodiversity. The Mid West has a fairly flat landscape. I gather from comments made by the Premier that he had been in the Mid West and had the opportunity to experience that environment. He would appreciate that it has a fairly flat landscape but these islands—these hill formations within that landscape—stand out. They are the banded ironstone formations, containing the iron ore deposits that the companies are so keen to get into. Some of the extraordinary biodiversity that is located in these islands is rather like what we might find in coral atolls in the Pacific Ocean. There is a challenge for us to ensure that development proceeds while protecting its unique biodiversity values. That is why it is incredibly important that we ensure that reports such as the “Strategic Review of the Conservation and Resource Values of the Banded Iron Formation of the Yilgarn Craton” are respected, and that the advice presented is fully heeded. A very rigorous study was conducted by the Department of Environment and Conservation and the former Department of Industry and Resources on how to resolve this seeming dilemma.

THE ACTING SPEAKER (Mrs L.M. Harvey): Member for Gosnells, can I just check with you that you are not introducing a new report into this debate?

Mr C.J. TALLENTIRE: Not at all, Madam Acting Speaker.

The ACTING SPEAKER: That report was part of the previous debate.

Mr C.J. TALLENTIRE: Indeed it was. I was very pleased to mention the report in my speech during the second reading debate. I did note, however, that the parliamentary secretary did not make direct reference to it. Perhaps the government ranks are still digesting it and still contemplating how this information should be used when it comes to considering the construction of the rail line, with all the challenges that that rail line poses in

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the cost that will be incurred by the mining company, Karara Mining Ltd, and how its viability may be affected by the true application of the Environmental Protection Act. A whole series of things have to be resolved. There is no doubt that it is a complex business. How do mining companies manage to pay for rail lines when they would wish to have every bit of iron ore taken out of a particular region? How do we manage to temper their enthusiasm for that level of iron ore extraction when we have a state and national imperative to protect areas of high conservation value? That is why this report is so useful. I urge members with an interest in this area to ensure that the recommendations that come through in this report are fully respected.

The bill has the support of both sides of this house. We realise the significance of this particular section of rail line in ensuring that the development of the whole Oakajee rail corridor proceeds. It is especially important that we work out how we make that connection between the southern arm and the northern arm, and that the dual gauging is properly done so that we can proceed from the narrow-gauge rail to the standard-gauge rail that will be essential to the development of the region.

I conclude my remarks there. I look forward to hearing of progress with the development of the rail network in the Mid West region.

MR D.A. TEMPLEMAN (Mandurah) [10.30 am]: I will be brief because I know that the member for Geraldton, quite rightly, wants to make a contribution to the third reading stage of the Railway (Tilley to Karara) Bill 2010.

During the third reading stage, I want to first of all congratulate the member for Gosnells for his carriage of this piece of legislation as lead speaker for the opposition. The member for Gosnells brings some very important views to this debate—not only from a conservation aspect, but also from a sustainability aspect. There is no doubt that the Mid West is a very important part of the state economically, socially and, of course, environmentally. One of the first things I did on becoming the Minister for the Environment in the Carpenter government was to fly over the areas mentioned by the member for Gosnells today and the parliamentary secretary yesterday in their contributions. As the member for Gosnells said, the Mid West of Western Australia is a unique part of the state, and infrastructure such as the rail line we are debating today will have a significant impact on the capacity to access the resources in the area.

If members get the opportunity to visit places like Mt Gibson and Jack Hills—a number of these places are scattered about the Mid West—they will find that it is worth going to look at them because, as the member for Gosnells has said, many of these deposits are found on these remarkable islands, if we like, and many of them are banded ironstone formations. It is a very interesting experience to walk on or around areas such as Mt Gibson and Jack Hills, and others, and see the amazing landscape. As the member for Gosnells said, these amazing islands of banded ironstone formations contain significant ore deposits that communities in the Mid West are keen to exploit. However, if we are to allow exploitation of these deposits, we must acknowledge that—this is probably the unfortunate thing in some respects—these banded ironstone formations also have some unique fauna and, in particular, flora on them.

The Oakajee strategic rail network study highlighted by the member for Gosnells is a very, very important report, and is one that I am pleased to have been a part of as the then Minister for the Environment. I worked with the minister then responsible for industry and resources. I have to say that it was a great process because the then Department of Industry and Resources, which focuses on the core business of ensuring access to resources important to industry, worked closely with the conservation side of government, in this case the Department of Environment and Conservation. As the minister, I attended a number of meetings along with the then minister for resources. We had our arguments. We had our debates. But both the resources minister and his departmental staff and the Department of Environment and Conservation generally understood that we were in a unique situation; that is, these banded ironstone formations are unique and important.

If any members have the chance to look through this report and the tabled documents, they will notice the mapping of some of the species that has been done. I remember the one in Mt Gibson very, very well, because I had to make determinations on that one. As I have said, it is often quite unfortunate that the area of the greatest concentration of mineral deposits also happens to be exactly where the most vulnerable species are. There was a lot of discussion, debate and, if one likes, byplay between the various stakeholders about not only what could be allowed and what could be exploited in terms of the resource, but also what areas needed to be protected to ensure that we protected these species. When we are talking about these particular species, we are talking about some very vulnerable numbers. Some of these sites are the only home for some of these particular species, particularly the plant species. I support the member for Gosnells' cautionary tone in ensuring that as the government moves through the process of allowing the exploitation of mineral resources in the Mid West, it recognises this report and the work that went before, as well as the environmental biodiversity values of that area.

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I also pay tribute to the former member for Geraldton. I know that the new member for Geraldton is as passionate about his region, the Mid West, as was the former member. However, I want to pay tribute to the former member, Shane Hill. Shane was elected to the seat of Geraldton in 2001, quite unexpectedly. He was not expected to win the seat; in fact, to be honest, it was a surprise, because we did not expect that seat up. However, I know that for the eight years that he was the member for Geraldton, he was—and continues to be—a passionate advocate for the Mid West. He argued very strongly to cabinet and to the Premiers of the day—both Premier Gallop and Premier Carpenter—about the need to ensure that the Mid West economy was both sustainable and rigid, because, as I think the current member for Geraldton will agree, there have been periods in the history of the town, and now city, of Geraldton in which the economy of the regional city has been under strain due to some unfortunate circumstances.

Mr I.C. Blayney: I have lived there all my life and know all about that.

Mr D.A. TEMPLEMAN: Absolutely; the member would know better than I! However, both the Carpenter and Gallop governments—members on this side are very proud of this—assisted the council to reinvigorate the City of Geraldton, and also to look at what needed to be done in the Mid West to ensure a more sustainable economy. The Mid West, particularly around the Geraldton–Greenough area, is a part of the state in which a greater part of the population should be living, and mining projects can play a crucial role in the ultimate sustainability of the area into the future.

As these mining operations commence or gear up, we have to be careful to ensure that genuine benefit is delivered to the region, including the City of Geraldton. I remember flying over Mt Gibson when I went to meet the then shire president—I think that he may still be the shire president—of Perenjori. He was a great bloke, but I cannot remember his name—it is terrible! We walked through the Mt Gibson area together. He was wonderful. He had lived there all his life. The Shire of Perenjori has suffered a rapid decline in population, particularly over the past 20 or 30 years. He saw the mining operations in the Mid West as being almost a silver bullet. I kept saying to him that it would only be so if we make sure that these mines genuinely deliver and that we do not have fly in, fly out people living in camps and not making great contributions to the towns of Perenjori, Three Springs, Morawa, Geraldton et cetera; we must make sure that if these operations take place, genuine and lasting benefits are delivered to those communities. He was confident that it could happen. However, I think he also recognised that he would also, as a leader in his community, need to work closely with the mining operators and the mining interests to ensure that lasting benefit. The last thing we want is the extraction of these minerals and resources with no lasting benefit for those people who live there and want to see their communities reinvigorated. That is what I think the shire president really wants to see through operations such as that at Mt Gibson. He wants to see more young people in town rather than young people leaving in droves and schools closing et cetera.

This is an important piece of legislation. It provides for an important piece of infrastructure in the Mid West. Elements were highlighted particularly by the member for Gosnells of the uniqueness of the area and the uniqueness of the flora and fauna that just happens to be located in the areas earmarked for significant mining operations. We support these sorts of operations in the Mid West, but we should not allow the decimation of some very important unique species, which are unique not just to Western Australia, but also to Australia and the world. Many of the species are found only in Western Australia. I must say that some of them are pretty ugly. I remember that I was trudging around Mt Gibson, and there was one particular plant—I think the *darwinia* something. I could not see any to start with until the botanist from the Department of Environment and Conservation told me that I almost trod on one. It is not always a good look for an environment minister who is wandering around trying to look at all these wonderful species to find out that he is actually treading on them! As a result of the harshness of the environment and because many of these species have evolved in these island ecosystems, as it were, they are unique and in their own way very beautiful.

Mr M.J. Cowper: You said they were ugly.

Mr D.A. TEMPLEMAN: In some people's eyes they would be ugly and in some people's eyes not, but they are amazing. They are not the sort of thing that the parliamentary secretary would have as a pot plant in his palatial dwelling.

This project is extremely important for the Mid West. Let us make sure that we get it right. Let us make sure that it is sustainable. Let us make sure that the people of the Mid West derive genuine benefit from this socially and economically. But we must also recognise the tremendous environmental values in that area as well.

MR I.C. BLAYNEY (Geraldton) [10.43 am]: I would like to briefly say a couple of things. I get a bit tired of the uranium issue being endlessly raised. I have spoken to the potential producers. The uranium that will be produced in Western Australia will be exported through Adelaide or Darwin. There are a number of reasons for that. Only a limited number of ships in the world actually carry uranium, so it requires a fair amount of tonnage

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before there is any point in bringing a ship into another port, even were we wanting to export from Western Australia. For that reason, the uranium will be exported through one of those two ports, as it is now. It nearly all goes out through Adelaide or Darwin. In February I visited a working uranium mine in South Australia. The product there goes into sealed drums, into containers and then onto semitrailers that are driven on normal roads to Adelaide. If a Labor government in South Australia is prepared to do that, I start to wonder why the Labor Party here in Western Australia continues to have this policy against uranium mining. I would also point out that there are no container handling facilities at the existing Geraldton port or at the proposed Oakajee port. Without container handling facilities, which are quite expensive, the ports would not be able to handle uranium.

As a final point on this issue, on the morning that I was elected to represent the seat of Geraldton, I started going around the booths. On the fences were enormous posters saying that if people voted Liberal, they would end up with road trains that looked as though they would usually be carrying wheat, but they would be driven up Brand Highway loaded with uranium. That was the intellectual depth, as it were, that was put into this issue to try to stop us getting the seat of Geraldton. It was a ridiculous scare campaign that, I am pleased to say, did not work.

I acknowledge that the former government deepened the port of Geraldton, which I think was a good idea. As a farmer, I supported it. We farmers agreed to continue to pay a two-port loading charge, if necessary, even though, with a deeper port, we would not need to. We agreed to continue paying that charge if it was needed to underwrite loans that the port authority took out to deepen the port. We have never received any credit for that. We stood behind the project for deepening that port, because the port authority had to borrow the money to do it and then repay it. Members opposite made a bit of that environmental study that they have. Many of the people to whom I have spoken do not have a very high opinion of that environmental study. The study can be combined with the environmental approvals process. If members want to see how bad an environmental approvals process can be, they should look at the process that Mount Gibson Iron Limited was having to go through to try to open its mine at Extension Hill. It was on the verge of walking out and giving up, because three and a half years after it started, it appeared to be no closer to getting approval. I suppose the study has some value, but I think members opposite are giving it far greater value than it actually deserves.

Mr D.A. Templeman: Have you been out there, member?

Mr I.C. BLAYNEY: I have been a number of times.

The ACTING SPEAKER (Mrs L.M. Harvey): Parliamentary secretary. Member for Rockingham, I have called the parliamentary secretary.

Mr M. McGowan: I was just going to make a brief speech.

Mr M.J. Cowper: If the member wants to speak briefly, Madam Acting Speaker —

The ACTING SPEAKER: Member for Rockingham.

MR M. McGOWAN (Rockingham) [10.47 am]: I want to speak briefly to the bill. I did not speak in the second reading debate. One could argue that this legislation is part of my portfolio responsibility to some degree anyway.

The opposition supports the reservation of this area for a rail line. We think that it will be a welcome addition to the economic activity of the Mid West. There has been a lot of argument about these areas and about the environmental approvals to allow mining for iron ore in these areas of the Mid West. A couple of issues are involved. First, there are issues surrounding the approvals processes for the various components of what are known as banded ironstone formations. When I became environment minister in January–February 2006, I did not know what a banded ironstone formation was. I had it brought to my attention that there was this issue related to banded ironstone formations. I made myself aware of what they are. Essentially, they are islands in the rangelands where particularly threatened flora, not so much fauna, often have a refuge. As they have been established there for millions and millions of years, they have developed their own ecosystems on each formation. We should not downplay the fact that those ecosystems are unique and have developed over millions of years. This state has been established now for about 180 years and these ecosystems have been there for millions of years, so we need to treat seriously the fact that these are important when considering the environmental heritage of the state. I treated seriously as environment minister, and I treat seriously now as shadow Minister for State Development, the fact that these ecosystems are important.

I do not downplay the importance of the environment of Western Australia in the way that some people wish to. The previous government came up with a study arrangement; I think that is the one the member for Geraldton was referring to. A study arrangement was negotiated between me and the then Minister for Resources Development, the member for Kalgoorlie, John Bowler, and we proceeded forth with the study. Of course, the study is complex. As the seasons go, we have to study what happens throughout the course of time with different ecological communities and different ironstone formations. That study arrangement was a difficult process. The

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member for Kalgoorlie was very keen on it when we committed to it perhaps back in mid-2006. As I understand it, he is not as keen on it any more, but he was very keen when we committed to that process back then. The subsequent Minister for Environment and member for Mandurah proceeded out there to have a look at these areas and brought it all to fruition.

My point is that we should not knock over these areas without some reservation for the environment in the future. Just because it is not old-growth forest—which again I support—and just because it is not a magnificent reef system off the coast of Western Australia does not mean that we should not take these forms of life that have developed in this state over thousands and millions of years as important issues of our state heritage. They are. Of all the things that are important in this world, they are the things that people are most remembered for—preserving parts of the planet that otherwise would be lost. I understand that some of the mining companies, particularly those with overseas interests, do not regard these environmental issues as important. In some countries that they come from, there is no environment; there is nothing left. They have different cultural issues from ours. I think we as a state should take the view that we need to preserve some of our state's environment. That process, therefore, went through. I hope that some of these areas are preserved for the future, and I hope that the mining industry is successful; at the same time I think both can be accommodated.

I understand that the iron ore will initially go through Geraldton before it hits Oakajee port, which will probably be constructed some years from now. The deepening of the Geraldton port was a good thing. However, the imposition of the cap on Geraldton port has caused some consternation in the mining industry. I have some very good information to that effect that I might bring out at some time. I think the Premier has backed off from that cap on Geraldton port. That is also a good thing, as there was considerable consternation among those who want to transport their ore through that port. We must bear in mind that this is a very small amount of ore compared with the amount of ore mined in the Pilbara. We need to ensure that Geraldton port continues to be available for that purpose—and it is, because it was deepened. That was one of the many good things that the former government did for the Geraldton community, as the member for Geraldton would know if he has lived there his whole life. It enabled the port to be viable for these purposes. This product will therefore go out through that port. Fortunately, the whole cap issue now seems to be on the backburner. That issue will transfer to Oakajee when Oakajee is operational, if indeed it becomes operational.

I come to my final point. The success of Oakajee will depend upon a range of factors, including the need for electrical power. There is no electrical power there now. Geraldton and the Mid West will need electrical power. The government is spending \$339 million of taxpayers' money on a port that was going to be constructed by the private sector, while we need a power transmission line there at a cost of \$318 million. This will not be constructed by the private sector, but will be funded by a state government trading enterprise. That is a shocking use of taxpayers' money. The government has used taxpayers' money for a project that the private sector was going to pay for, when it should have used that money for a project that was necessary for the public to pay for; that is, the transmission line. That is an issue the government will have to resolve. It is a project for which taxpayers will have to bear the burden. It is an issue that will have to be resolved before all these issues surrounding the port north of Geraldton can be resolved.

MR M.J. COWPER (Murray-Wellington — Parliamentary Secretary) [10.54 am] — in reply: I congratulate members on the other side of the chamber, particularly the member for Gosnells, for their diligence in progressing this bill. The Tilley to Karara line will be of the order of 74 kilometres travelling east-west just north of Morawa at a place called Tilley. It will interconnect with the existing rail system there, and it is on that line that Karara Mining Ltd will be moving ore to the port of Geraldton, and later, as Oakajee is built, out through the port of Oakajee.

The very interesting thing about this mine is that, hopefully, it will be the catalyst for many more mines throughout that Mid West region. As we said during the second reading debate and at the consideration in detail stage, there have been some false starts over the years in relation to growth in the Mid West. I know that members of this place are keen to see the potential of the area met, because it means there will be great prosperity for not only the people who live in the Mid West region, but also those people in the eastern states and perhaps overseas who will make Western Australia their home. I do not think it can go unsaid that there is a cloud hanging over the whole state of Western Australia in respect of the federal government's super profits tax. That is something that needs to be sorted out sooner rather than later. I encourage those members opposite who have any sway over the federal government to make it fully aware of the impost and the impact that the tax will have not only on these new mines such as Karara and the ones at Jack Hills, but also on the existing mines that have been the engine behind the Australian economy for many years.

Construction of the line from Karara to Tilley is ready to go. Land has been acquired and much of the materials required to build the railway line have been accumulated. There is an eagerness for this line to be activated in the

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third quarter of 2011—that is, a mere 12 months away. Obviously there is an urgent need for the green light to be given for this construction to commence so that the mine can achieve its goal of getting ore through the port of Geraldton in the first instance.

I appreciate the contributions of members to the second reading debate and also to the consideration in detail process. Without further ado, I would like to see this bill passed as expeditiously as possible so that the members of the other place can look at the bill with a view to passing it and having it assented to as early as possible; therefore, the vision that has been set out and detailed by the Liberal–National government in this state can be achieved. Thank you, Mr Acting Speaker, and members.

Question put and passed.

Bill read a third time and transmitted to the Council.