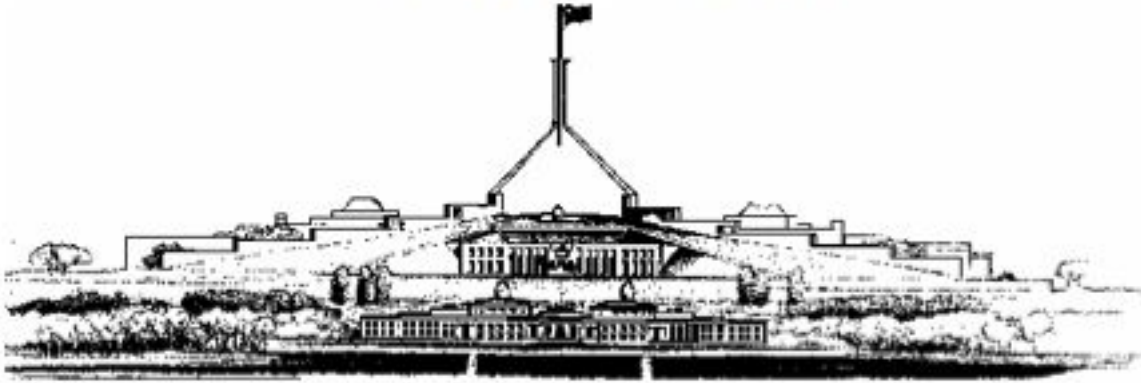




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE
PROOF
ADJOURNMENT
The Pilbara Region
SPEECH

Tuesday, 13 May 2008

BY AUTHORITY OF THE SENATE

SPEECH

Date Tuesday, 13 May 2008
Page 63
Questioner
Source Senate
Type Speech

Database Senate Hansard
Proof Yes
Responder
Speaker Eggleston, Sen Alan (LP, Western Australia, Opposition)
In Main Committee No

Senator EGGLESTON (Western Australia) (8.29 pm)—The Pilbara Area Consultative Committee recently held a conference in Karratha entitled ‘Riding the Boom’, designed to find solutions to the local problems created by the so-called China boom in the resources industry in the Pilbara and the towns around there. Whether this objective was achieved is a moot point but overall some interesting discussions occurred. Tom Senti, from the Tweed area of New South Wales, spoke about the success that had been achieved in Tweed Heads in introducing new industry to the area, while Paul Pisasale, the Mayor of Ipswich in Queensland, gave an inspiring speech entitled ‘Leadership, Vision, Passion: Making economic development programmes work and building communities’.

However, the contemporary Pilbara is a different kind of area to any other part of regional Australia. For a start, with the exception of Port Hedland, which was established in 1896, most of the towns are regarded as being new. Considering such places as Karratha and Dampier, and the inland mining towns of Paraburdoo, Tom Price and Newman were established in the 1960s, and so are now around half a century old, ‘new’ is not really an apt description of them. Perhaps their supposed newness should not be used to excuse deficiencies in community facilities.

As John Nicolau, the chief economist of the Chamber of Commerce and Industry WA, pointed out, the small business sector in the Pilbara towns is very small and the local economies of the Pilbara towns are dominated by large mining companies, such as BHP in Port Hedland and Rio and Woodside in Dampier and Karratha. This means that the life of the Pilbara towns very largely revolves around the interests of the big mining companies. Especially since the adoption of 12-hour shifts and a fly-in fly-out workforce, the companies seem to regard the Pilbara towns as mere dormitories for their workers, who are flown in for a two- or three-week period from their home bases scattered around Australia. By contrast, the permanent residents of the Pilbara towns want to see their communities develop into what might be described as ‘normal’ towns in regional Australia.

I lived full-time in Port Hedland from 1974 to 1996. In those years Port Hedland was a very vibrant town with many active sporting and service clubs and

community groups. However, today in Port Hedland, along with other Pilbara towns, sporting associations and clubs are in decline. For example, Rotary, which had a membership of over 30 in the 80s and 90s in Port Hedland, now has a membership of fewer than 10. On Anzac Day a St John Ambulance volunteer told me it was very hard to find volunteers for that very important community service.

The same story of community decline is repeated in the other Pilbara towns, and it is largely due to the fact that fly-in fly-out workers on 12-hour shifts do not have the time to devote to local community activities in the Pilbara towns. A commonly heard theme in the Pilbara towns is that, given the huge amount of wealth that is taken from these towns in the form of royalties and taxes, some should be returned to provide better community facilities and amenities. While the argument has some validity, particularly in terms of the provision of community infrastructure such as roads, when one compares the shopping malls, aquatic centres, libraries and day-care centres in the Pilbara towns with those found in some of the small towns found in the wheat belt of WA such as Pingelly, the Pilbara towns are not too badly off, I have to say. One of the differences is, however, that the residents of the Pilbara towns are mostly displaced suburbanites from the capital cities of Australia and New Zealand rather than real country folk. Accordingly, their aspirations are different—but, nonetheless, should not be lightly dismissed.

Regrettably, the Rudd government representative at the meeting, Gary Gray MP, the Parliamentary Secretary for Regional Development and Northern Australia, who heads the newly established Northern Development Agency, was anything but sensitive when he described the request for extra funding for community amenities and infrastructure as ‘whingeing’—a bad call by Mr Gray, who showed nothing but his lack of understanding of the very real issues facing the communities in the Pilbara in their sincere efforts to develop the region on a long-term, sustainable basis.

In the opening forum of the conference a delegate said that conferences, such as this one on ‘riding the Pilbara boom’, were often mere talkfests that seemed to achieve little in terms of practical outcomes. Regrettably, I have to say that the Pilbara boom confer-

ence achieved less than I for one hoped it might, for there was no list of problems and possible solutions drawn up.

Having been associated with the Pilbara from the mid-70s, and having been in local government there for nine years—for three of which I was the mayor of Port Hedland—and having been on the board of the Pilbara Development Commission, which is a state agency concerned with promoting regional growth, I have some views about the hurdles that need to be overcome to develop sustainable communities in the Pilbara. I would like to put some of those on record in the Senate tonight.

The high price of housing is a major issue in the Pilbara, with rentals reaching \$2,000 per week for a house in both Karratha and Port Hedland, and house purchase prices mostly being in excess of \$1 million for quite ordinary houses. Ordinary people and small businesses cannot afford housing for their employees or match the terms and conditions offered by the mining companies. As a consequence small businesses are having a very tough time in the Pilbara, and many are closing down and leaving the area. There are a lot of empty shops in the South Hedland Shopping Centre for this reason.

An important part of the solution to the housing problem is speeding up the release of land, which seems a curious problem to have for the Pilbara towns when one considers they are surrounded by millions of hectares of vacant land. However, native title is an issue in some places and development is slow in others. Undoubtedly, some lateral thinking is needed. Rather than developing single homes on single blocks, particularly given the shortage of land, high-rise apartments should be considered as they would provide accommodation for a large number of people. For years there has been such a high-rise development in South Hedland, but more are needed.

FIFO—fly in fly out, as it is commonly known—is destroying the sense of community in the Pilbara towns. This is, as I said, because FIFO workers, as they are called, do not regard the Pilbara towns as their home. As detailed already, local clubs and organisations such as Rotary and others, which depend on volunteers, are collapsing. Fly in fly out was originally introduced as a cheaper option for the mining companies than building towns for a local residential workforce. However, FIFO has proved to have some serious adverse social consequences, such as a high incidence of stress, marital disharmony, alcoholism and drug abuse. I was told by a mining company executive in the Pilbara last year that the benefits of FIFO operations were, increasingly, regarded as marginal. Given that, I would like to see the mining companies consider reviewing the overall cost effectiveness of FIFO operations versus returning to a residential workforce, with local FIFO to regional mining operations, say, out of Karratha and Port Hedland,

which would do much to contribute to the stabilisation of the established Pilbara towns. Mr Acting Deputy President, I am running out of time, so I seek leave to incorporate the remainder of my speech in *Hansard*.

Leave granted.

The remainder of the speech read as follows—

Local Government in the Pilbara is chronically short of funding to service the communities largely because the exemption the mining companies were given from paying rates on their tenements under the State Agreement Acts of the 1960s are still in place. However as the Mining Companies operations are now well established and highly profitable there is a case to be made for them to voluntarily make contributions to local councils in lieu of rates. Such contributions I am informed might amount to five or six million dollars per year which is a very small amount by Pilbara standards but which would be very helpful to local government endeavours to improve community facilities.

In the Pilbara there is a strong sentiment that the State and Federal governments should allocate a small percentage of the billions of dollars in royalties and taxes drawn from the Pilbara for infrastructure, services and amenities.

Of course the federal Government can only allocate funding as part of an Australia wide program and the previous government announced a \$200 million “growing regions plan” shortly before the last federal election which was designed to provide for regional Australia’s future needs in infrastructure, health and telecommunications.

A program such as that which was targeted at fast growing regions would have provided a vehicle for funding the desires of the local Pilbara residents for improved facilities and infrastructure in those towns.

The Indigenous people of the Pilbara are largely bystanders amidst the wealth of the area and deserve better housing, health and education services. It is encouraging that the Mining Industry is now committed to employing Indigenous people, led by Rio Tinto in its various operations, but there is still a long way to go.

As I have remarked the “new Pilbara” towns and ports were established 50 years ago and perhaps now a psychological shift is required to regard them as a permanent part of regional Australia where increasingly people who grew up there are happy to remain. It is obvious that an overall plan is needed for the Pilbara, however, and one can only hope that the state and Federal governments will have the vision to develop such a plan for the Pilbara region which contributes so much to the Australian economy.