

ORD RIVER IRRIGATION - STAGE 2

432. Hon SHELLEY ARCHER to the Minister for Agriculture and Food:

- (1) Can the minister provide an update on what the state government is doing to support the development of Ord stage 2?
- (2) Is the minister aware of any support the Australian government has provided for the development of Ord stage 2?

Hon KIM CHANCE replied:

I thank the member for some notice of this question.

- (1) As all members will be aware, the state government is very much aware of the immediate and past difficulties surrounding the expansion of the Ord River irrigation area. The government's policy has always been to support the future development of the Ord River irrigation area. We have taken that policy forward in terms of addressing the key issues that challenge the expansion and that caused the expansion of stage 2 to effectively be dumped in 1999-2000. The key issues were native title and environmental approval. Members will understand that the government is very much aware of the current crisis in the sugar industry and that it is working to try to resolve that crisis, which has its genesis in a commercial issue between growers and the current mill owner, Chiel Jedang. The fundamentals of that dispute relate to prices. Low sugar prices worldwide has meant that these issues would have arisen in any event, regardless of the status of the development of Ord 2. These two issues are totally unrelated. To make any sense of the matter, it is necessary to clearly separate the two issues and to deal with them independently. The state government will consider propositions to address the difficulties that the sugar industry faces. However, it is unhelpful in the extreme to both growers and other players in the industry - the millers and contractors - for people to make political mileage out of what is effectively a contractual dispute.
- (2) No. I am not aware of any assistance from the federal government for Ord stage 2. Members will be aware that the federal member for Kalgoorlie has been highly critical of the state government about what he sees as our role in the current sugar industry crisis, although how he believes the state government has influenced the world sugar price is somewhat obscure.

Hon Norman Moore: You claimed credit for the Chinese economic miracle!

Hon KIM CHANCE: Yes, but that was true! Indeed, the federal member for Kalgoorlie has been sufficiently helpful by writing to me about what he calls stalling on Ord stage 2, an issue that is totally unrelated to the crisis facing the sugar industry. The federal member for Kalgoorlie does not seem to realise that there is a need for due process in industry development, or a need for integrity in the competitive tendering process. However, having said that, it is hard to say exactly what the federal member for Kalgoorlie does believe in because, for all the political rhetoric in his letter, he did not promote one single solution. The state government would welcome constructive input from the commonwealth. If the commonwealth government wishes to help, then rather than taking the default position of blaming state and territory governments for everything that goes wrong in Australia, perhaps it could be proactive and offer some real support. Previous federal coalition governments have been tremendous in their support for the Ord but it is regrettable that infrastructure investment in Western Australia is simply not a priority for this federal government. Net per capita spending by the commonwealth on infrastructure development in Western Australia is somewhat less than \$240 per annum. The state spending on infrastructure per capita is almost \$3 000. Unless it is an east coast marginal seat, an area just does not get federal infrastructure spending. We would welcome a change in attitude, but the kind of constructive relationship I look forward to forming with the commonwealth on the Ord - I do enjoy very constructive relationships with the commonwealth in other parts of my portfolio area, particularly natural resource management - is hindered rather than helped by the comments of the federal member for Kalgoorlie.