

MID-WEST IRON ORE INDUSTRY

1086. Hon MURRAY CRIDDLE to the parliamentary secretary representing the Minister for Planning and Infrastructure:

Given the minister's comments at the Mid West Economic Summit in Geraldton on Thursday, 8 November 2007 -

- (1) Is the minister's caution over the future of the iron ore industry in the mid-west an indication of the government's inability to commit in any real way to the development of the Oakajee industrial site and to streamline the commissioning of a deepwater port at Oakajee?
- (2) What are the terms of reference for the report on the adequacy of government planned infrastructure for the mid-west, and will the government commit to building the required infrastructure immediately if the report indicates it is required?
- (3) If the minister would like the mid-west to diversify its economy and pursue jobs in manufacturing and tourism etc, will the government commit to finishing Indian Ocean Drive at an earlier date than 2011?

Hon ADELE FARINA replied:

I thank the honourable member for some notice of this question.

- (1) The premise of the question is incorrect. There is no inability of the government to commit to development of the Oakajee industrial estate or the associated deepwater port. In relation to the Oakajee deepwater port, the member appears not to understand that the private sector rather than the government will be responsible for developing port infrastructure. To date, neither of the companies involved has proved up its project or the resources to the extent necessary to be able to build the facility. The government has developed a request for proposals process that will timetable for a provider to be selected once the companies have a bankable project and are able to commit to build the infrastructure. LandCorp is proceeding with structural planning of the industrial estate. The development of the industrial estate will be triggered when a major company emerges that needs to use the estate. In the interim, the Carpenter government, through LandCorp, has been fast-tracking the subdivision of an old abattoir site at the Narngulu industrial estate in Geraldton. Four 10-hectare parcels of land are anticipated to be released to the market in early 2008.
- (2) The Department for Planning and Infrastructure is developing an infrastructure plan for the mid-west region based primarily on assessment of major growth areas in the mining sector. The government is aware of a number of plans for significant new mining developments for the mid-west, with associated secondary activity that could occur as a result of these major new projects. Information available at this time involves relatively predictable elements, such as scale of development, investment, job creation etc. It is important for the government to examine the full range of consequences associated with this new mining activity. As a result, DPI has engaged GHD Pty Ltd to assist with initial development of the plan. Government service agencies will subsequently be requested to provide advice on the findings of the plan. The following areas are to be covered: new infrastructure investment required to meet provision of services under development scenarios; any unmanageable gaps in the supply of infrastructure that will limit the ability of services to be provided; any outstanding policy issues to be resolved or areas where policy will impact on the ability of government or the private sector to meet requirements; and cost of providing new infrastructure. Areas that need to be covered are transport, water, energy, communications, social and community services, land supply, and land settlement factors. GHD is nearing completion of a draft report that DPI will use as a basis for further analysis and discussion with service agencies. It is not appropriate for the state government to be making any specific commitments prior to the completion of this work and prior to formal input from government service agencies.
- (3) The state government is committed to completing the final section of Indian Ocean Drive between Lancelin and Cervantes. This will be done in two stages. A contract for the first stage from Lancelin to Ocean Farm Estate was awarded earlier this year, and construction is progressing well. Funding for the second stage will be considered as part of the development of the 2008-09 budget process, and every endeavour will be made to complete the works at the earliest possible time.