

[Thursday, 4 August 1977.]

**THE HON. N.F. MOORE** (Lower North) [3.26 p.m.]: Mr President, it gives me a great deal of pleasure to be speaking in this House for the first time. May I take the opportunity afforded by the debate on the Address-in-Reply, which was so ably moved by the Hon. R.G. Pike, to congratulate you on your election to the position of President of this House. The diligence and sincerity displayed in your parliamentary life to date indicate to me that this Chamber has a very worthy President.

May I also take this opportunity to express my thanks to the parliamentary staff and those members of the House who have given me a great deal of assistance and encouragement since I was elected to this Parliament. The responsibilities of being a member of Parliament are considerable and it is gratifying to know assistance is always forthcoming when it is sought.

I wish to congratulate other members who, like myself, are in this House for the first time. Further, my best wishes go to the members who have retired since the last session of Parliament. Unfortunately one of those members, the Hon. Jack Heitman, did not live to enjoy his richly earned retirement. Jack Heitman was a man who represented his electorate with dedication and honesty and his passing has left a deep sense of sorrow among those who knew him.

I believe I would be remiss if I did not use this speech to convey to members the hopes, aspirations, and problems of the people of the Lower North Province. As all members are probably aware, my province covers an area of just under half the total area of Western Australia. Naturally, in such a huge area there is a great diversity of industries and occupations. I intend today, therefore, to concentrate my remarks on four of the main industries in the province - those industries being the pastoral industry, the mining industry, irrigated agriculture, and the fishing industry - and then consider some of the sociological aspects of living in remote areas.

Unfortunately, at this time the pastoral industry, which covers a significant part of the Lower North Province, is experiencing a very difficult time. In fact, the whole economic viability of the industry is being seriously questioned. The problem is not difficult to find; unfortunately the solutions are much harder to come by. The devastating cost-price spiral in the last five years has had an enormous impact on the pastoral industry. Costs have risen at such a rate that returns are becoming insufficient to enable economic feasibility.

Unlike those in many industries which are caught in this cost-price or inflationary spiral, the pastoralist is unable to pass on his costs to the consumer. The price he receives for his wool is determined at auction, and most of the wool is exported overseas. Therefore he receives for his wool only the price the world market is prepared to pay. In 1951 the price received for wool was 263.5c a kilogram, yet in 1976 it was only 177c a kilogram. During this 25-year period the price has fluctuated from the 1951 high of 263.5c to 74.9c in 1972, 215c in 1974, and 177.17c in 1976. In effect, the pastoralist did not receive as much for his wool in 1976 as he did in 1951. And bear in mind that 263c in 1951 was worth a lot more in real terms than the same amount in 1976.

The tremendous increase in costs over that 25-year period is obvious to all. For the pastoralist, the cost increases in the fields of fuel, transport, labour and shearing have been particularly severe. Thus, the pastoralist will find that his industry will become uneconomic unless there is a reduction in his costs or an increase in the price he receives for his wool.

The economic problems of the pastoral industry do not affect only the pastoralist himself. The population of the Murchison region has declined by 17.5 per cent in the five years from 1971 to 1976. Whilst part of the reason for this fall can be attributed to a decline in the goldmining industry, a significant factor has been the inability of the pastoral industry to employ labour, particularly in recent years. The high cost of labour, especially in remote areas, is prohibitive to the pastoralist at this time.

An unfortunate result of this problem has been unemployment amongst Aborigines in the area. The pastoralist now is spending much less money in the service towns in the pastoral areas, resulting in a diminishing of the goods and services available in these regions. In fact, during the period 1971-1976, the number of unoccupied buildings in the Murchison area alone increased by 40 per cent, indicating a rise in the level of unemployed resources in the region.

On top of all this, the pastoral areas of the Gascoyne and Murchison now are experiencing a very serious drought, as a result of which this year's wool clip has been reduced considerably, thus reducing still further the income of the pastoralist.

Many pastoralists are considering walking off their properties, in some cases leaving investments amounting to hundreds of thousands of dollars. Some people would say that is the only solution to the problem. Yet the

pastoral areas contain something like 10 per cent of the State's sheep, and the Murchison area alone in 1976 produced 3.5 million kilograms of wool, a significant contribution to our export earnings. To me, the industry obviously is worth saving.

Solving the problems resulting from the cost-price spiral is essential if the pastoral industry again is to become economically viable. This seems to me to be the only long-term solution to the problem. Hopefully, the Government's initiative in establishing the Rural and Allied Industries Conference will provide more detailed answers as to how this can be achieved. In the meantime, I would urge the Government to consider all possible means of assisting pastoralists through the present drought.

Another industry in my province which also is experiencing difficulties because of inflation is the mining industry. Fortunately, this industry is much better able to cope with the situation than are the pastoralists. Yet we find that at the present time, projects such as the Windarra nickel mine and the Texada salt project are only just economically viable, and there are several other major mineral deposits in the area which cannot be exploited at the moment due to the present economic situation.

Examples of mineral deposits in this category are the Weld Range iron ore deposit, the Golden Grove copper deposit, the Barrambie ferrovanadium deposits, and the Mt. Keith-Yakabindi nickel deposits. Fortunately, Agnew Mining Company currently is developing its nickel deposit at Agnew and the new town of Leinster is in the process of being built. Also, it is hoped that the Teutonic Bore copper-zinc deposit near Leonora will be rich enough to enable exploitation to take place in the near future.

However, Mr President, I would like to concentrate my remarks about the mining industry on the Yeelirrie uranium deposit. Here we have a deposit of uranium located in an area which, as I have mentioned, is suffering economic depression. I should like to explain the economic significance of the development of this deposit. As members no doubt are aware, approval for the mining and export of uranium has yet to be given by the Federal Government. This applies to the Yeelirrie deposit, contrary to what was stated in the *Daily News* the day before yesterday. So, my remarks concerning Yeelirrie in a sense are hypothetical. However, I mention them because it shows what can be done if approval is given.

Western Mining Corporation envisages that an expenditure of some \$200 million to \$300 million will be necessary to develop the Yeelirrie deposit. This would represent a huge investment, even when that is compared with the investments in the Pilbara. Included in this figure would be some \$40 million to \$45 million to build a township at Yeelirrie. It is expected that a population of approximately 2 000 would be necessary, with a work force of about 800. It is significant that a township of this size would increase the population of the entire Murchison area by 50 per cent.

As a completely new town would have to be built, the provision of a wide range of services and facilities would be necessary. Thus, the company would have to provide housing, shops, medical and education facilities, sporting facilities, a town hall, a police station, a court-house, churches etc. This would represent a tremendous boost to the immediate area, and it could be expected that if a town such as this were established, telecommunications and roads in the district would be substantially upgraded.

Together with the development of Leinster, which as I have mentioned is the proposed township for the Agnew Mining Company, and possibly Mt. Keith in the future, this would represent a considerable move forward in the East Murchison and north-east goldfields area. Should all three new towns be built, the population in that area would be in the vicinity of 8 000 people, a significant move towards decentralisation.

As these developments take place, the people already living in the area, particularly the pastoralists, would benefit from the facilities provided. Further, the Aboriginal desert farms at Wiluna would receive a much needed boost, because there would be an increased demand for their products in the immediate vicinity. One of their major problems now is the high cost of transport from a remote area such as Wiluna to the Perth metropolitan markets, and development in this area will help alleviate this situation.

Western Mining Corporation purchased Yeelirrie Station in 1972, and since then no stock has been grazing on the property. This has given the Department of Agriculture a much needed model on which to study pasture regeneration. Also, the department has been able to study the effect of kangaroos on pastures, hoping in the long term to solve the age-old question of whether sheep and kangaroos can live side by side in pastoral areas. These studies will be of tremendous importance in enabling the Department of Agriculture to determine the best methods of land use in pastoral areas and, hopefully, this will benefit the entire pastoral industry.

Should Yeelirrie be given the green light, it is expected that Geraldton would receive a boost as the supply centre for the development of the deposit. To date, Western Mining Corporation has spent some \$5 million in exploration and feasibility studies on the Yeelirrie deposit, which is the only proven major deposit of uranium in Western Australia.

Unfortunately, many people who are opposed to the mining of uranium do so because they oppose the profit motive of the so-called multi-national mining companies. It should be pointed out that Western Mining Corporation is an Australian company, employing some 4 500 Australians. In 1975-76, the company made a profit of \$13 million, based on a total investment of \$439 million. This represented a return to shareholders of 4 per cent on their investment. It does not take an expert to realise that this does not represent exploitation. There are 85 000 shareholders in Western Mining Corporation, of whom 68 000 hold less than 1 000 shares each, and received \$50 or less in dividends in 1975-76.

It is time that shareholders in companies such as Western Mining Corporation - companies which have made significant contributions to the development of Western Australia over the years - are given some hope in the future of a better return than 4 per cent on their investment.

My province needs development such as the Yeelirrie uranium deposit. I am certain the whole State, if not the whole nation, at the present time needs developments such as the Yeelirrie deposit. In this State, development of the magnitude of \$200 million to \$300 million would generate employment right throughout the economy and the increased demand for goods and services would be felt by people in all walks of life. To me it is not a matter of should we allow Yeelirrie to be developed but rather a matter of how quickly we can get it started.

The largest centre in Lower North Province is Carnarvon. An important facet of the economy of Carnarvon is based on irrigated plantations which provide a significant proportion of the State's bananas and vegetables. Water is obtained from bores in the bed of the Gascoyne River. The aquifers from which the water is obtained are replenished each time the river flows. Unfortunately, the river has not flowed for 15 months and the situation with regard to water supplies is critical.

To supplement the water supply, the Government spent \$1.5 million in the last financial year to increase the size of the bore field. I would point out that prior to the 1974 State election the Whitlam Government promised to fund the project, but as soon as the election was concluded the finance was not forthcoming. The State Government has since accepted responsibility for this project and hopefully this will ensure a much more assured water supply in the future. We can only hope that in the meantime sufficient rain will fall to enable the aquifers to be replenished.

The continued development of Carnarvon is essential, particularly when we consider the population increase which must occur in the Pilbara when the North-West Shelf gas deposit is exploited. The Government is committed to continued evaluation of viable prospects for additional water supplies in the Carnarvon area.

Another major commitment of the Government is to develop the full potential of the fishing industry. This commitment is of great significance to Lower North Province as one of the State's major fishing grounds is located in the waters around Shark Bay, Carnarvon, and Exmouth. The Government has undertaken to provide a slipway at a cost of about \$250 000. This \$250 000 together with the \$2 million spent in the last financial year on the fishing boat harbour, adds up to a significant contribution to the fishing industry in Carnarvon.

When the 200-mile limit is declared it can be expected that further investment by fishing companies will be forthcoming and that, in this part of the State, we will be able to justify the extension of the offshore limit. A subcommittee of the Lower North Regional Development Committee estimates that approximately 120 Taiwanese fishing vessels are operating in the north-west waters with an annual catch of 60 000 tonnes of fresh fish. As a comparison the Western Australian industry catches 7 000 tonnes per annum. It is obvious, Sir, that the local industry could be expanded considerably.

I would now like to turn to some of the sociological aspects of living in isolated areas. Some of the people living in my province are among the most isolated people in the entire nation, but isolation cannot be gauged solely by the distance from a capital city. Other factors such as telecommunications, transport links, air services, medical facilities, and the availability of education must be considered. In recent history tremendous improvements in these facilities have been made in isolated areas where major mineral deposits have been developed.

Unfortunately, not all isolated areas have been blessed with iron ore deposits and so areas like most in Lower North Province, which are already suffering from economic depression, have not benefited from mining company investment. May I give one example of the situation in relation to television, which is a facility taken for granted by most people in the metropolitan area. There is only one town in my area which has television, and that is Carnarvon. Exmouth is believed to be the largest town in Australia which does not have television.

One answer to effect the provision of improved facilities in isolated areas is to encourage mineral exploration and development. This should be encouraged in areas such as the Gascoyne, Murchison, and the north-eastern goldfields. Hopefully, the Premier's attempts to raise loan funds to enable the Government to assist companies in providing infrastructure for such development will be successful, because without it the projects which I have mentioned which are not viable at the moment will never become viable.

Mr President, whilst my remarks today indicate all is gloomy in my province, in reality I believe the region is on the threshold of a tremendous developmental era. I am optimistic enough to believe that we will soon cross this threshold. I envisage expansion of agricultural industries around Carnarvon; great progress in the fishing industry; benefits to the pastoral industry as development helps to reduce costs; and the establishment of new mining towns extending from Golden Grove in the West Murchison to Mt. Keith in the north-eastern goldfields.

I see as a result of this development the provision of better roads; better medical and educational facilities; better education links; and finally, a far better standard of living for people in the isolated areas of Lower North Province. This can be achieved only by encouraging the private sector to invest money in projects in the region and I believe, with the positive policies of this Government, this encouragement will continue to be forthcoming.

I do not advocate development for development's sake. I trust I have been able to demonstrate the absolute necessity for development to take place in my province. This will enable the people in the region to enjoy a standard of living which is often taken for granted by those who live in the metropolitan area.

Probably the most contentious issue in my province involves the Mullewa-Meekatharra railway line. Questions asked in both Houses this week indicate the interest in this issue. I would like to give a little background to this problem. The line was constructed between the years 1908 and 1910 in a period when the Murchison goldfield was being developed. The line was built with 45lb rail which is by modern standards very light. The foundations on which the line was built were not very well made as the line was basically built to be utilised over a short period of time. Since it was completed it has steadily declined. As recently as 1973 expenditure of \$1 million was outlaid on special maintenance. Westrail found that even by spending that money and by the use of modern equipment it was not possible to rehabilitate the line. Therefore, special maintenance was abandoned.

We find now that the line is in a particularly bad condition. I congratulate the Minister for taking the time to look at the line and drive along it to find out just what condition it is in. Westrail has given three solutions to the problem. The first is to rehabilitate the line - in other words, to build a new line because, in fact, we cannot rehabilitate the present one. It is estimated the cost of a new line would be \$23 million. The second alternative is to have a combination road-rail system which is recommended by Westrail as the cheapest form of transport in the region. The third recommendation is to have an all-road system without any rail.

There are several arguments in favour of the retention of the line. One of the main ones is the possibility that all these mineral developments about which I have been talking today will result in a demand for a railway; but approximately 550 000 tonnes per annum would have to be transported on the line to make it economically feasible.

*Sitting suspended from 3.50 to 4.06 p.m.*

The Hon. N.F. MOORE: Before the afternoon tea suspension I was referring to the arguments submitted in favour of the retention of the Meekatharra-Mullewa railway line. I said that one of the reasons was the possibility of the development of the mineral deposits to which I referred earlier and which I hope will be developed in the near future. However, a railway line will not be required in respect of those deposits. As I mentioned, 550 000 tonnes of material per annum would be necessary in order to make a railway the most economical means of transport. It would seem that even if all the deposits were developed, this amount of tonnage would not be forthcoming.

Another argument in favour of the retention of the line is that it is on the way from the Pilbara to the south. However, should a line to the Pilbara ever be constructed it would be of 4 ft. 8½ in. gauge and would connect Geraldton and Newman. The present line from Meekatharra to Mullewa is of 3 ft. 6 in. gauge and, as I mentioned earlier, it is in a very poor condition. Therefore if a line were constructed from the Pilbara to the south it would be a new 4ft. 8½ in. gauge line.

It would seem to me that from a practical point of view little justification exists for the continuation of the Meekatharra-Mullewa railway line. At present it carries 90 000 tonnes per annum and Westrail has indicated that this is the most expensive way to cart this tonnage.

The people living in the area adopt a somewhat emotional attitude. As I have already explained, the region is suffering from economic depression and the people in the area find it very difficult to accept that they may lose their railway line. Therein lies the problem. As a member of Parliament I have consistently told people in the electorate that my duty is to ensure that if the railway line is discontinued some alternative transport system, as good as, if not better than, the present system will be provided.

I conclude by thanking members for their indulgence and consideration during this my maiden speech to the House.