



# Carpenter needs to encourage development

INDEPENDENT research commissioned by the Geraldton Iron Ore Alliance shows that nine out of 10 people in Western Australia's Mid West region support the expansion of their local iron ore industry.

And why shouldn't they?

As alliance chairman Clive Brown put it this week, "direct employment opportunities, positive flow-on effects to other business, retaining young people in the region, training programs, employment opportunities for indigenous people and helping make rural communities more sustainable" were the major positives cited by the 300 people surveyed.

The alliance represents seven companies that have either started iron ore mining in the region or hope to have a substantial future role, either in mining or the provision of infrastructure.

Together these companies expect to commit at least \$5.5 billion in capital infrastructure — not huge by Pilbara standards but not insignificant, either.

That is, of course, if the state government lets them.

The alliance did not commission the research out of a spirit of pure altruism.

It took the unusual step because of a perception among the companies that the Carpenter Government had put its foot on the hose of iron ore development in the Mid West.

Aside from mining there are three key issues, all involving infrastructure provision — a port, railways and electric power.

Without a port the industry cannot expand, as the export outlet currently used, the Port of

## **NIGEL WILSON** THE WESTERN FRONT



Geraldton, is substantially overstretched with customers claiming they are paying hundreds of thousands of dollars a month in demurrage.

It has been accepted for nearly two decades that a port should be built at Oakajee, north of Geraldton, to meet the growing needs of the resources sector.

But just who will build it is moot.

The State Government certainly doesn't want to have to spend money on a port, but it does want to control how the private sector might.

It also doesn't want to build and run a railway servicing the mines and the Oakajee port, but it is stipulating how the companies should go about providing this infrastructure.

And in power supply, government policy seems to be encouraging three competitors for around 400 megawatts of new generation required by regional iron ore operations, which can only deliver a wasteful outcome.

Mr Brown, a former Gallop government mines minister, is not alone in arguing the Carpenter administration appears to have lost its way in dealing with the largesse provided by the resources boom and the opportunity it provides for the development of a sustainable WA economy for future generations.

This week the lobby group for minnows in the mining sector, the Association of Mining and Exploration Companies (AMEC), called for an urgent summit to address the long-term sustainability of the mining industry in WA.

AMEC said the government should not take the boom for granted and suggested it needed to look very seriously at several key problem areas.

These included government policy to buy up pastoral leases for inclusion in the conservation estate — thus potentially denying the mining sector access — a lack of incentives to promote mineral exploration, and environmental "over-regulation".

At the core of industry concern is that there is no discernible WA Government strategy to achieve long-term benefits from the boom nor apparent Cabinet-level interest in achieving such a co-ordinated policy result.

The Government's attitude appears to be that it can go along for the ride and doesn't have to be an active participant.

In the Mid West there are clearly competing commercial interests and probably some overlay of resources geopolitics between Japan — without which the iron ore industry in the Pilbara could not have been developed — and China, which wants to ensure that it has a say in the way its burgeoning steel industry, the world's biggest, is supplied.

None of this precludes the Government having a position, but as things appear at the moment neither Premier Alan Carpenter nor ministers with resources portfolios are prepared to engage with business to secure the best outcome for the state.

Approaches by business to have corporate executives brief ministers on issues are routinely rebuffed as lobbying, which suggests either arrogance or a fear at Cabinet level about the transparency of the emperor's clothes being exposed.