

ADJOURNMENT
East Kimberley Region
Speech

[Senator MURRAY](#) (Western Australia) (7.12 p.m.)—During July I visited the East Kimberley area in the far north of my state of Western Australia. Quite apart from the magnificent, rugged landscapes of this area, the economic and social development to date is often impressive. More impressive though, is the potential for further economic take-off. That the region is primed for economic expansion became very evident from detailed briefings I received from key organisations in the area, including the Kimberley Development Commission, the Wyndham-East Kimberley Shire, Ord River Irrigation Scheme participants and Rio Tinto's Argyle Diamonds.

Ord stage 2 would contribute meaningfully and beneficially to the further development of the still underdeveloped East Kimberley, and to Australia's further agricultural development. Stage 2 of the Ord River Irrigation Scheme is essentially project ready but appears to be caught as a political football between the state and federal governments. Needless to say, there is considerable frustration, even anger, in the East Kimberley over the ongoing delays.

The recent threatened collapse of the region's sugar industry was partly due to its small scale. What is desperately required is the overall scaling-up of the Ord's relatively small irrigated farming industry. Ord 1 has successfully proven itself over three decades, so any notion that Ord 2 is inherently risky is not credible. Much of Ord 1's infrastructure is underutilised and is available for Ord 2. This is not a greenfields project because much of the start-up cost of Ord 2 has already been covered by the investment in Ord 1, and the detailed assessment of Ord 2 has been done.

The quantity of water that can be delivered on a long-term sustainable basis is known, and available and experienced investor irrigators are available to take up new land. The land use assessment has been done. WA has appropriate processes for resolving any environmental concerns. On the WA side the native title hurdles have been cleared. Ord Stage 2 would be the first major expansion of the scheme since the Ord was dammed more than 30 years ago, forming the massive and beautiful Lake Argyle. The area earmarked for this expansion is about 30,000 hectares, which is just over double the existing irrigation area, stretching from WA into the Northern Territory.

The 14,000 hectares on the WA side is primed for development. It has long cleared two major hurdles: environmental clearances were conditionally given in 2002, and native title was settled in 2005. Based on the great advances made in water use technology, I am of the view that new irrigated land allocation should be influenced by who proposes to make the most efficient and productive use of the finite water quantity available. I believe that priority should be given to investors who can efficiently service the greatest amount of land or crops with the least amount of water. Local labour is available, as the East Kimberley's Argyle mines have shown. Approximately 57 per cent of their large workforce is local, and 25 per cent is Indigenous and also mostly local, which not only is an impressive achievement but is an example that others should emulate.

Given the significant work already undertaken and the project readiness, in September 2006 the WA state government released a document seeking expressions of interest from private investors to develop stage 2 on the WA side. At last, the long delayed expansion appeared to be on the WA government's agenda. However, hopes were dashed when on 14 June this year the state development minister, Mr Eric Ripper, announced a grander vision for the Ord. In doing so, the process the state government had begun months earlier was abandoned. This 'grander vision' means delay. This delay is a result of the Commonwealth's new interest in Northern Australia as a key agricultural region, and it involves a new process to select private developers. It would include the Northern Territory side of stage 2, not just the WA side, and would involve the state government and the federal government working together.

To quote Mr Ripper:

The expansion of the Ord involved governments at all levels in various complex matters which, when resolved, will provide the nation with the prosperous and sustainable project that we all want to embrace.

There has been other talk of delay. I have heard that the chair of the Commonwealth Northern Australia Land and Water Taskforce has suggested that it will be four years before his task force can conclude its assessment and proposals.

While I might be able to accept that time frame in terms of their larger task, with respect to the Ord stage 2 no further delay is necessary. Why should the WA Ord 2 project, which is ready to go, have to wait for new unrelated, undeveloped potential agricultural areas hundreds of kilometres away—areas that will still have to clear environmental, native title and other hurdles—to be assessed? A decision at least on the WA side of the Ord can and should be made in the near future and should not have to wait for the much bigger task of the Commonwealth Northern Australia Land and Water Taskforce to be concluded.

It appears that the federal government is unwilling to contribute big money unless the development that goes ahead is economically optimal. This includes deciding what crops should be grown. I disagree with that approach. The decision as to what crops should be grown should be left to the market—namely, to the farmer irrigators and their assessment of domestic and export potential. The only government decision about crops should be whether Western Australia does or does not support genetically modified crops such as cotton. Although the Office of the Gene Technology Regulator approved the commercial release of GM cotton for Northern Australia in October 2006, the WA state government has a moratorium on all GM crops until 2008.

Recent trials by the department of agriculture in WA showed that GM cotton produces better than average yields and that it can be grown profitably in the region. The particular GM cotton being proposed apparently uses much less water than other types of cotton notoriously used to and, I am told, significantly reduces the need for intensive pesticide spraying, even well below levels presently used for other crops in Australia. If the WA government do not support GM crops generally, or do not support GM cotton crops specifically, let them tell the farmers so. Farmer-irrigators

need certainty, and, if the decision is made not to support GM cotton, they will just have to make their investor decisions based on other crops.

This further delay of Ord stage 2 has exasperated all concerned in the East Kimberley. All the social indicators of the East Kimberley region attest to just how vital it is for Ord stage 2 to go ahead sooner rather than later. Although mining is a major contributor to the region, mines come and go. For instance, the exciting \$1.2 billion expansion of the nearby Argyle diamond mine has an expected operating life of 20 years at the most. In contrast, investment in an irrigation scheme like the Ord is for many decades at least. Given the current frantic focus on problems in remote Indigenous communities, it makes little sense to further delay a project that could deliver employment. Employment was clearly identified as a troublesome issue in the *Little children are sacred* report. It stated:

Of greatest concern is the contribution unemployment makes to the general malaise and hopelessness experienced by Indigenous people in some communities.

With a large young Aboriginal population coming through in the Kimberley region, employment drivers are certainly a major issue for the region.

The further delay of Ord stage 2 has not only put off the opportunity for investment in the East Kimberley but also continued keeping its Indigenous population reliant on welfare. Think of the employment stage 2 could deliver. It should also facilitate infrastructural development in the form of roads, bridges, updated port facilities at Wyndham and an extended runway for the Kununurra airport, which would allow for the export of fresh produce direct to overseas markets. The East Kimberley community feels let down and deserves to have the Ord stage 2 project prioritised. In my view, the remaining task of the WA government is to make a positive and early decision, and I urge the federal government to provide them with maximum support in doing so.