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PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Federation Chamber

BILLS

**Defence Legislation Amendment
(Woomera Prohibited Area) Bill 2014**

Second Reading

SPEECH

Wednesday, 16 July 2014

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Ramsey, Rowan, MP

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Mr RAMSEY (Grey) (11:28): I thank the member for Brand for his comments and welcome the fact that this bill, the Defence Legislation Amendment (Woomera Prohibited Area) Bill 2014, has bipartisan support. I would suggest that perhaps the member for Brand might read Senator Fawcett's speech on the hitches to the progress of this bill in the Senate. I do not think you will find they were of a partisan nature; in fact, it was more about Senate mechanisms than about any particular intent to hold this legislation up—because you are right, Member for Brand, this is very important for South Australia.

Unfortunately, South Australia leads the charge as the worst-performing state economically in the Commonwealth at the moment. As a South Australian, that is a great concern to me. I remember well when a number of the top 20 companies in Australia had their headquarters in South Australia. There was a time when South Australia was looked to for innovation and leadership throughout the nation. Unfortunately, our population growth has declined—and, in fact, in 2004 we lost another federal electorate. We went from 12 to 11. Unless population predictions change, we will lose another one in the next 15 years. That is not because our population is not growing; it is just not growing as fast as the rest of Australia.

You have to ask yourself why this is. Largely, we had industry based around manufacturing, where it is increasingly difficult for us to compete around the world—and when I say 'us' I mean Australia generally—and we relied on our agricultural products. Our agricultural industries are going well and still expanding and I think they offer great opportunity for the future. But it is in the mineral industries where South Australia, until relatively recent times, remained an unknown quantity. The geologists tell us now that the bulk of South Australia is covered by about 500 feet of sand and that has made it rather difficult to see what lies below. With the advent of magnetic surveys and other modern mineral detection methods we have found that in fact South Australia has a large number of very important resources. Quite often they are difficult to mine and expensive to get to because we have that overburden. The member for Brand mentioned the shelving of the expansion at Roxby Downs as an example of the impact that has had on South Australia and the disappointment it has caused, and that is true. Part of the reason for that is we have the best part of a kilometre of dirt to shift before we get to the ore body at Roxby Downs and that makes it a very expensive operation.

Roxby Downs is adjacent to the Woomera Prohibited Area—it is very close indeed. All the geologists believe there will be another Roxby Downs within the confines of the Woomera Prohibited Area. Already we have successfully mined Prominent Hill and three other iron ore mines with a significant upgrade at the moment of Southern Iron's, or Arrium's, northern province. About six million tonnes a year is currently being mined there and shifted by rail to Whyalla, where it is placed on barges and taken out to Cape-size vessels, adding to the six million tonnes that Arrium currently mines out of the Middleback Ranges.

I was very pleased when Dr Allan Hawke came to me, as the local member for the Woomera area, about two years ago and asked my advice on how we should open up this area for exploration and mining. I had met him and spoken to him about the review. He was very thankful that I was able to bring to the table, for the first time, the concerns and operations of the local pastoralists. We think about mining and sometimes forget about the people who are already making a living out of the land. In fact, he said some of the best advice he had came from the local pastoralists, who were able to tell him things about the land usage that others had not. So I was very pleased to be able to get their side of the argument into the equation.

The review sets up three different areas, which I think is a civilised and responsible way to give us an opportunity to open up new wealth for South Australia. As I said, we certainly need them. It seems that Defence has reached a very comfortable position in this area. There will, of course, be ongoing negotiation between those that choose to first explore the resource and then mine the resource, but we have a working paper from which we can launch ourselves forward. I hope it is going to lead definitely to more iron ore, because this is one of the keys to South Australia's future. I have mentioned the Arrium barging operation at Whyalla, but what we really need in South Australia is a genuine deep-sea port and we do not have one. Currently there is a large proposal on the Eyre

Peninsula which has the ability to produce 20 million tonnes of ore a year and there is a proposal to build a port there. The rail system already runs past the Woomera region and the Braemar region, which is back up towards Broken Hill, all on the standard rail. If we can hook that back down to a new port development on the southern Eyre Peninsula we may have an iron ore industry in South Australia capable of producing between 60 million and 80 million tonnes a year. That is not the Pilbara, but let me tell you it is a seriously big pile of iron ore.

The opening up of the Woomera area actually feeds into that greater possibility for South Australia. As I said right at opening, it is difficult to see where South Australia is going to expand its economy if it is not going to come from the resources sector. Certainly we will continue to grow our aquaculture and agricultural sectors and we will learn to make more money out of what we already do. In fact, we will be able to downstream process and further add value to our agricultural products, but there is no doubt that the resources sector will play a very important part in South Australia's future. It is my belief the Woomera Prohibited Area will play a very important part within that.