



Part 6: Future of the Pilbara

Summary of proceedings

Wednesday, 7 October 2015
8.00am to 4.30pm
Karratha Leisureplex, Karratha

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Regional Overview

The Pilbara is the major resource region for Western Australia and the nation, exporting a wide range of mineral and petroleum commodities. The region has enjoyed the most rapid expansion of iron ore production in history, in addition to hosting the construction of some of the largest gas projects in the world.

In 2014, the region's population was estimated at 67,500 residents, and is expected to increase to 200,000 residents by 2050 (ABS ERP and Pilbara Blueprint). Its resident labour force is approximately 52,000 people, which represents a 77 per cent participation rate in June 2015. The current unemployment rate of 3.1 per cent is the lowest of any region in Western Australia, including Perth (Department of Employment).

The Mean Taxable Income (MTI) for the Pilbara reinforces the perception of the region as an economic powerhouse, as it has had the highest average income of any region in WA in the 15-year period to 2012-13. In 2012-13, the MTI for the Pilbara was \$83,423, which was significantly higher than the regional average of \$60,000 and the Perth average of \$66,680.

The economy of the Pilbara

- The gross regional product (value of commodity production) was \$19.1 billion in 2013-14, which was 7.2 per cent of output for the state. However, a significant amount of service sector output (Head Offices) in Perth can be attributed to Pilbara mining.
- Mining contributed 76 per cent of the Pilbara's gross product, with construction contributing an additional 10 per cent.
- The regional economy was growing continuously until 2011-12, before it fell by 10.4 per cent in 2012-13. However, the region's economy recovered, growing by 13.9 per cent in the 2013-14 period.
- The agriculture sector is relatively small in the Pilbara, but nevertheless is important to the region, growing by 0.8 per cent annually. It is dominated by the cattle industry, which is export oriented.
- Mining in the Pilbara grew at an average annual rate of 23.1 per cent per year, over the 10 years to 2013-14. In 2013-14, the value of mining in the Pilbara was \$96.1 billion as compared to \$12.0 billion in 2003-04.
- In 2013-14, the Pilbara accounted for almost 80 per cent of the State's mineral production.
- Tourism is important to the region. For the year ending December 2014 there were 820,700 visitors, of which 80 per cent were from other parts of Western Australia.
- Retail trade in the Pilbara was valued at \$772.6 million in 2013-14, representing a growth rate of 7.4 per cent over the previous 10 years.

Summary of Proceedings

Session 1: Vision for the Pilbara region

Blueprint for the Pilbara region

Terry Hill, Chief Executive Officer of the Pilbara Development Commission, compared Karratha in 2009 to today, illustrating the massive changes and improvements in liveability that have occurred in the Pilbara in the past six years achieved by local and political commitment. The Port Hedland interchange was used as an example of the major reconstruction that had occurred in the region over three years.

Mr Hill said that the Pilbara is transitioning from high economic growth and construction of new infrastructure, to increased mineral production – which is not an economic downturn.

State Government's vision

The Hon. Terry Redman MLA, Minister for Regional Development; Lands, observed that the Pilbara has an image problem – it provides 36 per cent of the nation's exports, it has coastal assets, aquaculture, tourism and aboriginal culture – but the region has suffered criticism because of high expenses, such as property rentals and the price of a cup of coffee.

The 'heat' is coming out of the Pilbara economy so the commentary now is that the region is going 'bust'. However, local business confidence is still strong. Median rents are still higher than Perth. There is a challenge for the Government to address this image, and create more partnerships with the private sector.

The Royalties for Regions (RfR) program, with its \$1billion annual expense limit, has allocated \$6.1 billion across 3,600 projects since it began, addressing infrastructure and services gaps in WA's regional areas. As time goes on the program will become more strategically focused and shift from addressing disadvantage to realising opportunity.

The Regional Investment Blueprints are being rolled out across the regions to shift the focus of RfR funding to realising opportunity and unlocking potential. The Pilbara Blueprint, launched at the conference, is a plan for the region, reflecting the importance of diversification and how the region should be guided. It stresses that partnerships are needed with the private sector.

The Pilbara Cities vision supports Karratha and Port Hedland becoming cities of 50,000 people, while Newman can grow to 15,000. Of the \$6.1 billion of RfR funds spent to date, \$1.7 billion has been spent on Pilbara Cities, which is considered to be the 'jewel in the crown' for regional development in Western Australia.

There are a number of major projects still being completed, such as the Quarter development containing office accommodation in Karratha by LandCorp, which will be a fantastic main street development. Other examples of major projects included the \$209 million Karratha health campus and the Wanangkura Stadium in Port Hedland. Main street developments are all about improving liveability.

Minister Redman noted that WA's regional development discussion is maturing and we need to recalibrate it over a number of areas. In the financial arena, why do companies have a risk premium for construction in the Pilbara when large companies are not moving away from the region? The Minister

said that east coast decision-makers should come to the Pilbara and have a look at the current development.

WA should update State agreements so they are modern, contemporary and are delivering for the people of WA in terms of outcomes. There should be transparency and consistency in the application of these agreements. The Minister indicated the notion of sovereign risk was questionable in the Pilbara, with many large resource companies established to do business for the long-term. Minister Redman stressed this was not about ‘bashing’ the resources sector, but it is important to look at State Agreements and improve their social dividend.

In relation to work camps, Minister Redman said that as we build up cities, we need to consider at what point we deem it inappropriate to have a mining work camp located next to an established community. It was recognised that some camps are remote, based on specific skill set requirements and that the circumstances for housing workers during the construction phase may require a different approach. However, there is a need to reassess whether camps undermine the balanced economic development of stable communities.

He also said that we need to recalibrate our position on remote Aboriginal communities – an area we are not getting right. For example, in Roebourne, there are 63 services providers providing over 200 services to 1,400 people, at a cost of over \$50 million; but there is no achievement of good outcomes for the community. The issues that need to be addressed include child safety, education, the people’s connection to their culture and Country, carefully considered decisions about community closures, and a critical need for more partnerships with the private sector.

Economic diversification is also important. Agriculture and tourism along with energy – both solar and hydrogen – have potential and need to be looked at now with the private sector.

Minister Redman summed up by saying that it is a unique and opportune time, with support from Government, direction from the Blueprints, and Pilbara Cities, to recalibrate traditional thinking and change the policy settings to unlock the Pilbara’s potential.

Woodside’s continued investment

Michael Utsler, Chief Operating Officer, Woodside, stated that his organisation has been in the region for 30 years, investing \$70 billion in the North West shelf and Pluto projects, and is expected to be present in the region for another 30 to 50 years to come. Woodside has put \$1 billion back into businesses and communities; \$400 million of this into the Pilbara over the last 5 years. There has been almost 15 years’ continual Woodside construction and it has now shifted to an operational focus.

Challenges are faced on all levels and there is a need to collectively work together for resilience. Woodside is confident of ongoing investment, even in challenging times, and is still drilling wells at Pluto, North West Shelf and other projects – each \$2 billion-plus projects.

Gas plant renewal represents more investment in the region, in the order of \$300–\$500 million. Some of the North West Shelf is in decline, and Woodside will work with government and industry to look at legacy issues in continuing to fully maintain the business for up to the next 50 years.

Mr Utsler said the world is changing fast and there is a need for integrity in data and developing new types of skills and competencies. Education systems need to be the strongest and best possible, to

ensure we have future generations that are competitive.

Woodside will continue to monitor and support the growth of the Pilbara, through investment in the North West Shelf and technology, which is critical to unlocking a brighter future.

Developing the Pilbara

Nev Power, Chief Executive Officer, Fortescue Metals Group (FMG) stated that all of FMG's operations are in the Pilbara, with 8,000 employees in the region and five iron ore mines, as well as rail and port operations. FMG has strong family and safety values and is determined to achieve ambitious targets.

FMG was founded in 2003 by Andrew and Nicola Forrest to meet Asian growth. The first production was in 2008 and 550 million tonnes (mt) of ore have now been produced, at a rate of around 165mt per year. FMG has developed the best rail infrastructure in the Pilbara.

The State is well-placed geographically to meet the current Chinese demand but also for the future growth of India, the Middle East and North Africa.

Mr Power said he sees much similarity across the north of Australia, noting a similar climate, and that resources, agriculture and tourism present big opportunities right across the north. However, population centres vary dramatically and there is the opportunity to develop growing communities so they match Townsville, Mackay and other northern Queensland cities. Strong communities need primary sources of income to generate jobs and support service industries.

Mr Power noted we must ensure there is a plan to develop communities, and commended the Federal Government's White Paper for Northern Australia, together with the Pilbara Blueprint, as ways forward. FMG supports a partnership between governments, business and communities to deliver this. Mr Power noted that with respect to the role of investment, we often expect too much from government. He said that business has to do the heavy lifting in terms of investment, while government provides the critical services of education and health in particular. Communities also have a crucial role in providing the social fabric.

FMG wants to attract and retain people in the regions and leverage the advantages of a local workforce. Fly-in fly-out (FIFO) is not the answer to building the regions; there should also be a conversation on the impacts of drive-in drive-out (DIDO). Karratha and Port Hedland are ideal to provide a good standard of living, however, they require more robust infrastructure. In many cases, the use of FIFO is driven by necessity rather than preference.

Mr Power stated that low cost energy is badly needed, particularly for agriculture. Low cost, efficient gas should be part of the vision for the Pilbara, and FMG is looking to connect the Solomon Hub with gas. There is also a need for more gas and electric grid connections in the Pilbara rather than a series of separate discrete systems.

Mr Power said it is also essential to provide Aboriginal Australians with opportunity through jobs, training, self-determination, and home ownership. Mining is an industry that can achieve this, much more than agriculture, fisheries and tourism, due to its breadth of employment roles. FMG is looking to provide opportunities and supporting infrastructure for local Aboriginal communities. It currently employs 1,000 Aboriginal people directly and has \$1.8b in contracts with Aboriginal companies and joint venture partners.

Workforce development and education are also keys to success. FMG has recently launched *Trade Up*, an Aboriginal apprenticeship program. This leads to the achievement of trade certificates, which can take the newly-qualified tradesperson on to wider opportunities nationally and abroad.

It is the region's endowment of natural resources that has developed large, competitive resource businesses. These are an anchor point that can be leveraged to help communities and future development.

Session 2: Economic development in the Pilbara

Economic trends

Dr Ken Leong, Bankwest Curtin Economics Centre, noted that the Department of Planning projects the Pilbara's population to increase by 10,000-20,000 extra people by 2026.

The current age profile shows that the Pilbara is focussed on an economically-productive population rather than a capacity-building population; i.e. one being educated, when compared to elsewhere in the state. While the number of retirees in the Pilbara is much lower than the State average, the 20 to 50-year-old age group is large compared to other regions in WA, hence the high percentage of working-age population in the Pilbara.

From 2006 to 2011, the number of residents in the Pilbara rose from 41,000 to 60,000. During this period, more people came from Queensland and New South Wales than from all other WA regions. However this trend has stopped, and currently all inbound and outbound migration practically cancels each other out.

The Shires of Ashburton and East Pilbara have experienced net inbound migration, but not Karratha and Port Hedland. The Pilbara has one of the highest rates of working age population in the State, in contrast to parts of the South West and Gascoyne. Youth unemployment is the lowest in the State (less than six per cent), whereas the Kimberley has the highest (more than 13 per cent). Perth is on the average of 10 per cent.

Most people who work in the Pilbara also live there, but a significant number also travel from Perth and the South West through fly-in fly-out arrangements.

Pilbara people earn amongst the highest income in the State – \$94,000 per annum, compared to the State average of \$74,000 per annum.

In the west Pilbara, the predominant industrial sector is mining, but the highest employer in Port Hedland is the construction industry. In contrast, Perth has a diversified economy.

Diversification

The Hon. Mia Davies MLA, Minister for Water; Sport and Recreation; Forestry, spoke of the vision for farming in the Pilbara, saying rich soils and water together with long sunlight hours provides an ideal environment. Despite the climactic conditions, irrigation is possible with the right planning.

Minister Davies said that Seizing the Opportunity in Agriculture, a \$300 million initiative where \$40 million

is allocated to the Water for Food program, is currently developing 11 irrigation projects across the State. In the Pilbara, there are two projects – one in the West Canning Basin, and another looking at reusing surplus mine dewater. Both projects involve new land tenure solutions to encourage better private sector investment.

In WA, we have less than 50,000ha of irrigated land across the State, including the Ord. Minister Davies posed the question, do we have opportunity to expand and what are the government and industry roles? Mining currently uses the greatest share of licensed water in the region, and a large proportion of this is through mining dewater. This is mostly fresh water discharged into the environment and so there is an opportunity to better utilise it.

The Pilbara Development Commission has been working with the private sector to use surplus water more productively. Developing common-user water networks will require innovative thinking and mutual benefits will need to be clearly defined. The \$310 million Bungaroo pipeline project is a good example, where Rio Tinto constructed a borefield and pipeline to service the water needs of Dampier and Wickham as well as its own industrial needs. As a result, a remarkable partnership outcome was achieved in providing community water and protection of the Millstream aquifer, while desalination was not needed for Karratha.

Rio Tinto has 850ha of irrigated fodder at the Marandoo mine site. Rio controls all aspects of the operation and third-party access to mine dewater. There needs to be a leap of faith by mining companies to build partnerships in the use of water.

There are 10 soil parcels identified in the Pilbara for irrigation. Partnerships are needed between mining companies and the Pilbara's traditional owners to activate these. There are also opportunities for commercial-scale irrigation precincts – for example, Woodie Woodie is already being investigated by government and there is good cooperation occurring here.

De-risking the environment for the private sector is a State Government role. Pastoral leases, where they are the predominant form of land use, also create limitations. The Land Administration Act 1997 is a clear barrier raised by proponents, inhibiting investment on leases. Water for Food gives a tenure pathway to creating the possible freehold to unlock this potential new agricultural area, however, it is still early days. Minister Davies concluded by saying the Government makes no apologies in helping to realise the ambition to forge changes in economic opportunities. Strong ambition is not foreign to the Pilbara either, where it has been a key ingredient of achievement; such projects are opportunities for this region and need to be captured.

Session 3: Infrastructure in the Pilbara

Energy

Horizon Power Managing Director, Frank Tudor, said the Pilbara is one of only two semi-interconnected systems outside of the south west of the State and outlined the evolution of the Pilbara system from the 1970s until the present decade.

With increasing world demand for gas, a major issue confronting Horizon will be whether the North West Shelf will continue to supply the domestic gas market post-2020.

Horizon Power needs to plan and maintain excess generating capacity through dual-fired generation,

and develop security of supply. However, there is currently excess capacity in the Pilbara from too many stand-alone systems. Peak demand is 1400 Megawatts, but the problem is the excess capacity is not connected to the main grid. There is also no link to the National Electricity Market. No market arrangements exist in the Pilbara, but this is a future consideration.

Mr Tudor said there is a need to connect all existing capacity through transmission networks into an integrated grid. We should begin to focus now on the costs and benefits from an integrated grid.

The Chamber of Minerals and Energy of WA indicated that power demand would reach 4000 Gigawatt Hours by 2020 - around double current usage. A pragmatic, staged, cooperative approach by the various generators is needed to build confidence. The Minister for Energy is supportive and has commenced collaborative initiatives.

However, a framework is needed for the soft market structure and a blueprint to plan for the ideal infrastructure needed on the ground. Building confidence will draw in investment. For example, there is potential Chinese investment but the Pilbara is not development-ready, which creates frustration for investors.

Pilbara ports

Roger Johnston, Chief Executive Officer of the Pilbara Ports Authority (PPA), stated that in 2014-15, Pilbara port throughput was 620 million tonnes (mt), representing \$54 billion in iron ore exports and \$24 billion in oil and gas.

There are a large number of vessel movements in the Pilbara ports and 650mt throughput is projected for 2015-16. FMG's fifth berth at Port Hedland will be completed in 2015, bringing the number of berths to 17, and a new Vessel Traffic Services (VTS) facility and Floating Deck have been completed at Dampier.

Eighty one per cent of ore exported goes to China. Iron ore and oil and gas exports are projected to grow in the next several years – with gas growing at the higher rate. Approximately 25,000 vessel movements were achieved last year; 27,000 movements are expected this year and it is still increasing. PPA is increasing the number of times it ships 1mt or more on a single tide. PPA has increased logistics capacity and is loading more of the larger Cape-size vessels.

Spending is progressing on a \$70m marine control tower and \$40m channel markers, both at Port Hedland, and \$32m is being spent at Ashburton. Greenfield ports development work on Anketell, Balla Balla and Cape Preston East is also ongoing.

Pivot North: Report of the Joint Select Committee on Northern Australia

The Hon. Alannah MacTiernan MP, Deputy Chair of the Joint Select Committee on Northern Australia, said the Pilbara is the last frontier for development of the north, and as such it had strong cross-party support. Since the 1950s, there has been an understanding of the economic potential of the north; in the 1960s this was commenced, so now we are realising this mineral wealth development.

There are two attitudes to development – the 'build it and they will come' philosophy; or understanding there is real potential for growth but there are limits to development to be considered.

Weather, inherent costs of project delivery and high risks in the Pilbara will lead to capital going elsewhere.

Developing the north should factor in a need for security and defence considerations as well as Aboriginal economic development. These cannot be left for the market to determine. There is a need for strong economic analysis and rigorous science as criteria. Ms MacTiernan said that we must look at 21st century opportunities; mining no longer automatically brings about development and will not necessarily increase the local population, as FIFO and DIDO are so tax effective for mining companies.

From a regional development perspective, FIFO camps should be incorporated into the fabric of towns. Ms MacTiernan used an example of the commitment to develop accommodation in Onslow being changed to allow Chevron to use a work camp, saying this is not effective. FIFO will also wane as remote operation of mine sites and automation become more common. Resource industries will be a massive aid to national growth but not the great 'game changer' in terms of local development or population expansion.

There are other alternatives; agriculture needs to be rigorously analysed and soil type and water availability matched. Integrated beef production will create jobs and new industries. Tourism will be important. Developing Aboriginal tourism will be complex.

In order for regional development to succeed, we have got to get a number of things right, such as a new approach through devolving responsibilities and decision-making. The Joint Select Committee on Northern Australia recommended the creation of a Department for Northern Australia, to be based in the north. The White Paper did not accept this recommendation, however we need to champion local decision making. By way of example, Pilbara power connection issues were not treated as a priority until Horizon Power was devolved from Western Power.

Ms MacTiernan said the State Government needs to devolve health and education to separate entities at the regional level. We won't get solutions until this is done, she said; particularly for Aboriginal health and education delivery. One item of human infrastructure critically needed for Aboriginal education is a quality residential college for secondary students in the region.

Cheap energy is also critical for the region's development. There is a need for the Pilbara's interconnected grid to be remade a high priority for Infrastructure Australia funding, or possibly through the new \$5 billion Northern Australia Infrastructure Facility.

In relation to the NBN, a proper broadband network is essential to enabling competition for exports and education, particularly tertiary. Ms MacTiernan commented that Fibre to the Premises (FTTP) is preferred over Fibre to the Node (FTTN), as regional companies need quality broadband infrastructure to facilitate growth and development, particularly with Asia. So much can be done but it must be with 21st century infrastructure.

Session 4: Aboriginal Engagement in the Pilbara

Engaging with Aboriginal communities

Michael Woodley, Chief Executive Officer of the Yindjibarndi Aboriginal Corporation, spoke about how indigenous communities failed to benefit from major resource developments due to shortcomings in the engagement process between resource companies and traditional land owners.

He said there are good and bad examples of engagement. Bad examples are when people have been driven by their own ideologies. A good example was the Aboriginal and Torres Strait Islander Commission (ATSIC), because it was a democratic process for Aboriginal people to govern their own destiny. Its abolishment was a disappointment and created less representation. It is understood that development is a driving force in the region, but Indigenous people should not be forced out of their homes. Property rights are key to Aboriginal survival and maintenance of law and culture.

Mr Woodley said fair compensation has been provided from Woodside and Rio Tinto to people in Roebourne through the Ngarluma Yindjibarndi Foundation, which communities are using to build sustainability and businesses; however they need time to develop these so they can become competitive. Welfare domination has held Aboriginal people down since the 1960s. Royalties (from mining) help to change the dynamic and time is needed to bed down development and create employment, education and positive outcomes.

In Roebourne, the State Government's ideas were well intended but there was a lack of consultation. Using housing style as an example, the traditional Elders wanted a normal house where a fire could be lit in the backyard, but the houses were built too close together with fences which prevented this. Lifestyle choices are essential as this creates a comfortable existence.

With respect to Native Title, there are a range of issues. For example, some developers do not want to pay royalties, which means engagement cannot progress. If a resources company says at the outset that royalties will not be paid, it puts up a wall to engagement. It is possible for traditional owners and developers to be more cohesive in their dealings.

The main message Mr Woodley wished to convey was that the door remains open for Indigenous engagement with all parties. The current state of engagement is not all negative, and there are some good examples of collaboration. The Yindjibarndi are the people of the Pilbara region and they would like the opportunity to benefit from resource development like the rest of society.

Session 5: Future Industries in the Pilbara

Waste-to-energy project

Jason Pugh, Chief Executive Officer, New Energy, spoke about the waste-to-energy project his company is developing in Port Hedland. This project commenced in 2011, using low temperature gasification technology – an Australian invention – to convert regular council waste into energy.

The waste-to-energy project is suitable for the Pilbara, where high levels of waste are generated (for example 630,000 tonnes in 2012-13). This level of waste is a large burden for local governments and too expensive for ratepayers to deal with efficiently.

New Energy can provide baseload renewable energy, and this can be a benchmark for sustainability in Australia.

It has established a recycling project at Boodarie near Port Hedland, which has a focus on metals and plastics. It includes a materials recovery facility, which is good for demolition waste. The process gasifies waste and the gas is then fired. It is not burning solids so it is less toxic.

WA is a high waste generator – the second worst in the world. The Pilbara region generates more waste than the WA average – 9.3 tonnes per person per annum, versus the WA average of 2.5 tonne per person per annum. The Pilbara’s landfill sites are as large as Perth’s. Tyres and packaging, such as pallets, are a big waste issue, but the plant can utilise them.

There have been a range of successes and challenges. For example, New Energy must supply its own back-up energy and is working hard with Horizon Power to get access to the Pilbara power grid. It would like to see State Government support for this.

Pastoral

Tony Seabrook, President of the Pastoralists and Graziers Association of Western Australia, said the pastoral industry is tough, with low margins and under economic pressure. However, the industry’s economic contribution is about \$2 million per enterprise, and pastoralists have been in the Pilbara for 150 years.

Mr Seabrook said that manufacturing businesses have almost been obliterated in Australia, as regulation, compliance and labour are far too expensive. Australia is the most expensive place in the world to do business; there is a need to be more competitive. By comparison, America is much more efficient with labour.

Red tape and compliance has been getting worse, even as State and Federal governments vow to remove it.

Countries that Australia used to export agricultural produce to are now competing with us. By way of example, Ukraine used to import wheat but is now one of the largest exporters. Increased costs feed through to exporters.

However, Mr Seabrook said there is an opportunity now with a reduced Aussie dollar and increasing export demand to redevelop the pastoral industry.

The industry needs to be able to control costs in order to invest and employ more people and build local population. It is too expensive for regional people to educate children in Perth and people leave the regions because of it. This can lead to the loss of experienced key workers. Health care also needs to be more affordable.

Wild dogs are a problem that now cannot be met by individual pastoralists and requires a joint government and industry solution. Too much time has been spent on planning and defining the problem while wild dogs have been increasingly killing sheep and natural fauna, as well as causing economic losses for the cattle industry. Wild dogs are a multi-million dollar problem and a method must be formulated to reduce their numbers.

A final pivotal point, which is essential for confidence and future investment for the pastoral industry, is land tenure and the security it provides. With lease renewal, there must be a right of renewal on the same terms and conditions. Changes to the tenure regime remove certainty for pastoralists. A better-resourced Pastoral Lands Board would be a preferable outcome.

Mr Seabrook concluded that the government’s role in the future of the Pilbara pastoral industry is to provide public infrastructure, support innovation, remove unnecessary constraints, and allow the pastoral

industry the freedom to manage its own businesses to produce the world's best beef.

Session 6: Transformation of the Pilbara

The Hon. Brendon Grylls MLA, Member for the Pilbara, introduced the session by stressing the need for the Pilbara to move towards a normalised or resident regional workforce and said that Government policy should follow that vision.

Pilbara's arts opportunities

Nelson Woss, Producer of the film *Red Dog*, said the film was based on a local Pilbara story that he felt needed to be told for Australian kids. The film puts a positive spotlight on the region, rebranding it in the context of how it has changed towards more opportunities for business and lifestyle.

Red Dog was an unpredicted success – it took \$24 million at the box office and sold one million DVDs. It is the top-selling Australian DVD to date.

The film reflected a brand identity about communities coming together and connecting, and about finding and making the Pilbara home. As well as highlighting the unique location and a special community in the Pilbara, it had a focus on inclusivity. It also showed the diversity of the region.

A follow-up film, *Red Dog: True Blue*, is now being produced and is scheduled to be released on Boxing Day 2016. This presents another opportunity to inform people of what the Pilbara has to offer.

The producers spent more time and money in the Pilbara for the sequel – \$2.1 million was spent on 8 weeks of filming and 4 weeks of preparation. All filming was done in WA this time, whereas the last film was mostly shot in South Australia. This means that more money was injected into the local economy. The film will once again showcase the Pilbara region.

Minderoo's work in the Pilbara

Nicola Forrest, Chief Executive Officer of Minderoo Foundation, talked about the need for business, community and government to work together to achieve transformation in the Pilbara. There are three areas for transformation that Mrs Forrest discussed: agriculture, Indigenous economic participation and early childhood development.

Mrs Forrest said that the State Government should be congratulated for the Water for Food program. There are large water resources in the Pilbara. Industry and government need to work together urgently to maximise the potential of the pastoral industry, based on irrigated agriculture alongside pastoral operations.

There are opportunities for growth from increasing demand for red meat. Minderoo's pastoral station in the Pilbara can continue to supply red meat demand from Asian countries. Increased supply will assist more export sales, however Western Australia needs to be able to export chilled beef as it is currently is the only State that does not have a licence to do this. This is a missed opportunity.

Social interaction is also important at Minderoo. They are increasing the cattle herd numbers and hosting rodeos for improved social interaction.

With regards to Indigenous economic participation, Mrs Forrest said that the resources industry and State and Federal Governments must continue to unlock the potential of the local Aboriginal labour force. The resources industry is the most significant employer of Aboriginal people but there is an ongoing need for strategies to develop Indigenous job seekers for employment.

With respect to early childhood development, there is a need to invest here. The first three years of a child's life are critical to development and highly dependent on the child's carer. To shift life trajectories for Indigenous people and other women and children, a preventative approach must be taken. State and local Governments should support integrated early childhood service delivery.

Most communities know their own strengths and weaknesses, and these voices need to be heard so they can tackle their social issues. It is important that governments, business and community work together to achieve positive outcomes for all. Communities need to be empowered to have the services they need. For example, the Onslow workers accommodation issue with Chevron represents a missed opportunity for the region and was partly a result of communication problems. A drawback of State Agreements with multinationals is that they can be made at the expense of local people.

Future of the Pilbara

List of speakers (in order of presentations):

- Terry Hill, AVChief Executive Officer, Pilbara Development Commission
- Hon. Terry Redman MLA, Minister for Regional Development; Lands; Minister Assisting the Minister for State Development
- Michael Utsler, Chief Operating Officer, Woodside
- Nev Power, Chief Executive Officer, Fortescue Metals Group
- Dr Ken Leong, Bankwest Curtin Economics Centre
- Hon. Mia Davies MLA, Minister for Water; Sport and Recreation; Forestry
- Frank Tudor, Managing Director, Horizon Power
- Roger Johnston, Chief Executive Officer, Pilbara Ports Authority
- Hon. Alannah MacTiernan MP, Deputy Chair, Joint Select Committee on Northern Australia
- Michael Woodley, Chief Executive Officer, Yindjibarndi Aboriginal Corporation
- Jason Pugh, Chief Executive Officer, New Energy
- Tony Seabrook, President, Pastoralists and Graziers Association of Western Australia
- Paul Hoffmann, Project Director Infrastructure – West Pilbara Infrastructure Project, Aurizon
- Nelson Woss, Film Producer, *Red Dog* and *Red Dog: True Blue*
- Nicola Forrest, Chief Executive Officer, Minderoo Foundation

