

East Kimberley Impact Assessment Project

STRUCTURAL CHANGE IN WYNDHAM

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Centre for Resource and Environmental Studies
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The aims of the project are as follows:

1. To compile a comprehensive profile of the contemporary social environment of the East Kimberley region utilising both existing information sources and limited fieldwork.
2. Develop and utilise appropriate methodological approaches to social impact assessment within a multi-disciplinary framework.
3. Assess the social impact of major public and private developments of the East Kimberley region's resources (physical, mineral and environmental) on resident Aboriginal communities. Attempt to identify problems/issues which, while possibly dormant at present, are likely to have implications that will affect communities at some stage in the future.
4. Establish a framework to allow the dissemination of research results to Aboriginal communities so as to enable them to develop their own strategies for dealing with social impact issues.
5. To identify in consultation with Governments and regional interests issues and problems which may be susceptible to further research.

Views expressed in the Project's publications are the views of the authors, and are not necessarily shared by the sponsoring organisations.

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These notes are designed to outline the circumstances surrounding the continuing and escalating decline of the Township of Wyndham, place current events in perspective, and indicate the probable causes. An understanding of these processes may assist policy makers and residents to mitigate and/or come to terms with the impact of structural change. A number of press clippings relevant to the closure of the meatworks and the future of the State shipping service are attached.

History

The township of Wyndham was established in 1886 primarily as an off-loading point for miners proceeding to the Halls Creek goldrush. It later became the Kimberley base for the firm of Connor and Doherty (later to become Connor, Doherty and Durack) which acted as a broker to the fledgling pastoral industry, and eventually owned a number of pastoral leases in the region. After much lobbying by Kimberley pastoralists, the Wyndham meatworks was built and opened in 1919, but was immediately beset by 'difficulties caused by inexperienced workers and strikes for higher pay' (Durack 1983: 365). Mary Durack notes that local pastoralists had initially wanted a privately owned meatworks, but that after Vestey's closed the Darwin meatworks, 'East Kimberley pastoralists could see that the Western Australia Government might also find itself hard pressed to continue on an economic footing, but it could hardly close down while any alternative remained. Government control was therefore perhaps the safer proposition, at least until prices stabilised and the workers came to terms with reality' (Durack, 1983: 366). This prediction proved largely true! The meatworks was government owned and operated until 1966 when it was sold to private interests. According to Kelly (1971: 3), the meatworks operated at a loss throughout the period of government ownership. It was however quite profitable during the 1970s and early 1980s.

Demographic Characteristics

Reliable recent data are difficult to obtain; nevertheless, the data in Table 1 suggest that numerically, the population of Wyndham has remained relatively stable since the early sixties at around 1500. These figures include the largely transient meatworks workforce; they remain while the meatworks operates during the cooler months of the year, and return south during the wet. However, since the early sixties, the size of Kununurra has increased eight-fold under the stimulus of first the construction of the Ord Irrigation Area dam and infrastructure, and more latterly, the expansion of mineral exploration and development in the region.

TABLE 1 : POPULATION AS AT 30 JUNE, 1961, 1966, 1971, 1976, 1981
BY LOCAL GOVERNMENT AREA, AND TOWNS

	1961*	1966	1971	1976	1981
Wyndham-East Kimberley Shire	2,249	3,329	4,169	4,071	5,259
Township of Kununurra	287	930	1,253	1,540	2,081
Wyndham and rural	1,962	2,399	2,916	2,531	3,178
Town of Wyndham	-	-	1,515	1,383	1,509
Halls Creek Shire	436	1,793	1,917	1,934	2,541
Total: East Kimberley (excluding NT areas)	2,685	5,112	6,086	6,005	7,800

* Excludes Aborigines.

Sources: Kerr, 1975; Dames and Moore, 1982; KEP, 1984, Australian Bureau of Statistics.

Factors at Work

Wyndham's functions have since its inception been focussed on its role as a service centre for the surrounding region in relation to administration and commerce, based largely on the operation of the

meatworks and port. The Wyndham Regional Hospital and the local high school and primary schools, are significant sources of employment.

The existence of the local prison serving the East Kimberley region, is an important source of local consumption expenditure. Total gross recurrent expenditure on Wyndham prison, by the Prisons Department grew from \$461,000 in 1980/81 to \$723,000 in 1982/83, when 16 prison officers were employed. Average daily number of prisoners was 31, almost entirely Aboriginal (Prisons Department, 1983).

The establishment of the town of Kununurra 100 kilometres east of Wyndham in the early 1960s as the service centre for the Ord Irrigation scheme led to a number of Government Departments (notably Agriculture, Public Works and Main Roads) setting up regional offices in Kununurra. As the Ord Scheme progressed, under the impetus of substantial government expenditure, commercial and administration activities were expanded in Kununurra, inevitably to the detriment of Wyndham. Very little of the public expenditure directed to the Ord Scheme benefitted Wyndham. The largest spinoff was undoubtedly improvement to the port facilities; yet in the twenty years to 1977/78, only \$753,000 had been spent on upgrading of the Wyndham port out of a total expenditure of \$97 million (at current prices) on the Ord scheme (ORIA Review, 1978: 85).

In more recent times, the fact that Kununurra has become the focus of economic activity in the region has meant that public sector agencies have been drawn to the town. The shift of the Department of Aboriginal Affairs (DAA) Area Office to Kununurra from Wyndham in 1980, the establishment of the Aboriginal Development Commission (ADC) office, the current upgrading of the Kununurra Hospital and the recent transfer of the Shire office from Wyndham to Kununurra have all added momentum to the structural changes already occurring. As well, many of the pastoral stations south of Wyndham have switched to Kununurra as their major service centre. Furthermore, the North Kimberley pastoral area, which is closer to Wyndham than Kununurra, has been identified by the recent Kimberley Pastoral Inquiry (1985: 188-191) as the major area of low productivity in the Kimberley. Of the thirteen pastoral enterprises in the area, the Inquiry found:

... that despite instances of stable ownership, large amounts of capital and thirty years of development, not one North Kimberley station business could be classified as having the potential to consolidate. (*Ibid*: 190).

The port has been dependent on agricultural produce from the Ord scheme and chilled/frozen beef as its major exports. Both have suffered serious problems over the last decade resulting in substantial under-utilisation of the capital tied up in port infrastructure. The port is itself a major contributor to the local economy. In 1982/83, working expenses totalled \$1,353,000, of which \$562,000 comprised wages. Notwithstanding, port revenue was only \$1,032,000, and when depreciation and interest were taken into account, the total deficiency attributable to the port operations was \$1,250,000. This figure was much more substantial than that attributable to the ports of Broome and Derby (Marine and Harbours, 1983). Prospects for the port look bleak since the massive volumes of agricultural produce from the Ord scheme originally envisaged have not eventuated, and seem somewhat unlikely given the diversified horticultural focus which Ord Valley farmers have adopted in recent years. Recent political debate has also focussed attention on the future of the Western Australia State Shipping Service with a current annual operating deficit of \$16 million. While the Government is examining the possibility of expanding Stateships services to South-East Asia, presumably based in large part on live cattle exports, the State opposition has threatened to close down the service on the basis that it is a 'wasteful government enterprise' (News of North, West, 7 November 1985; West, 15 November 1985). Inevitably, this uncertainty will place increased pressure on the viability of the port.

The recent decision by Norwest Beef Industries, a subsidiary of the Hooker Corporation to close the Wyndham meatworks will have a major negative impact on the future viability of the town of Wyndham. The decision can be largely attributed to increasing labour costs and industrial relations problems, and a shortage of high quality slaughter cattle, with total kills falling in recent years below 50% of the capacity of 30,000 head. In many respects, however, the decision is the logical culmination of a series of decisions by the Hooker Corporation over recent years, based on broader considerations than the economics of a single meatworks. During the 1970s, Hookers through their ownership of Ivanhoe,

Carlton, Legune, Rosewood and Victoria River Downs (VRD) stations, and the Katherine and Wyndham meatworks, successfully established a vertically integrated presence in the beef industry in north-west Australia. The progressive decision to sell those leases during the early 1980s meant that the meatworks' guaranteed supply of high quality slaughter cattle was undermined. In the past, Hookers' own stations supplied up to 25% of the throughput of the Wyndham meatworks. In particular, the sale of VRD to Peter Sherwin, utilising Elders finance has resulted in VRD cattle being trucked to the Elders owned meatwork in Tennant Creek, to the detriment of the Wyndham and Katherine meatworks. It is also worth noting that Hookers have closed the Katherine meatworks, and like Wyndham meatworks, it appears unlikely that it will reopen under Hookers ownership. The impact of this closure on Katherine has been counter-balanced by the rapid growth of the town due to the construction of the Tindal airforce base. The major impact of the Wyndham closure will be in the loss of 15 full-time and over 200 seasonal jobs to the town, and the concomitant spending power. Newspaper estimates give the fortnightly payroll as \$250,000 or \$3.5 million per annum (assuming a seven month killing season). To the extent that chilled/frozen beef exports are replaced by live shipments, the impact on the viability of the port may be partially mitigated.

The future viability of the pastoral resource will be a vital factor in determining the feasibility of live exports from the East Kimberley in the medium to long term.

A further factor, somewhat less visible, are changes in the settlement pattern of Aboriginal residents in the region. The re-establishment of the Oombulgurri community at the site of the Forrest River mission in the early 1970s, the more recent shift of the population of the Guda Guda community to Bow River, Turkey Creek and Frog Hollow, and the gradual refocussing of the service linkages of the Aboriginal populations of Kalumburu, Turkey Creek, Doon Doon and Bow River stations away from Wyndham and toward Kununurra will have had a significant impact on consumer expenditure in Wyndham. These changes are partly a reflection of the much broader developments within Aboriginal Australia of return to residence on traditional lands, and partly reflection of dissatisfaction with the marginal status of Aborigines within towns like Wyndham. The establishment of linkages with Kununurra by Aboriginal communities is a function of its increasing pre-eminence within the region administratively

and commercially, and reflects the broader range of services, public and private, available there.

The discovery of the Argyle diamond deposit has had little direct effect on Wyndham, but a substantial indirect impact. The Argyle Environmental Review and Management Programme (ERMP) identifies two impacts: firstly that the project will reinforce the trend of Kununurra becoming 'the dominant centre' in the East Kimberley, thus increasing 'the feelings of relative deprivation expressed in the other major towns of the region when residents compare their levels of amenities'; and secondly, the 'opening up of direct employment opportunities' (Dames and Moore, 1982: 245/6). Whilst this latter assertion has not eventuated for Wyndham residents, the former assertion understates the significance for Wyndham of the establishment of the diamond mine. The region now has a substantial economic base which does not require a port as part of its supporting infrastructure; this represents a major structural change to the regional economy and does involve significant net benefits for the region. The existence of these net benefits may disguise the real costs which impact on specific segments within a regional economy such as the East Kimberley. In fact, it might plausibly be argued that the very growth of Kununurra has contributed to the decline of Wyndham, since it has drawn consumption expenditures away from Wyndham.

In the medium to longer term, there is a danger that the current diversification of the regional economy towards resource development will result in excessive dependence on a single export commodity. The possibility of temporary mine closures due to industrial unrest, or production constraints due to excess supply of diamonds, and the special nature of the international diamond market cannot be ruled out entirely.

Implications for Wyndham

The implications of the structural changes to the East Kimberley economy which are underway are quite clear - Wyndham's status as the major centre in the region was usurped by Kununurra some ten years ago. Unless deferred by immediate government action, Wyndham's population and economic base will decline substantially over the next few years. The question which immediately comes to mind is, will this process continue

indefinitely, or will the decline stabilise at some lower level? A major unknown factor in any attempt to answer this question is the possible existence of a minimum critical size for Wyndham, given the relative proximity of Kununurra. Perhaps the only way to ascertain this would be to undertake a detailed survey to identify and analyse the economic base of the town. What is clear at this stage is that the response of State, regional and local policy makers, public and private, will determine the ultimate size of the town.

There is no doubt that the closure of the meatworks will have a serious impact on the town as it is presently structured. Economists generally utilise the concept of multipliers or flow-ons to measure the regional impact of changes to the economic base of a region. The use of multiplier analysis is far from straightforward. One approach utilised might be termed the employment/output ratio multiplier, which measures the change in employment induced by a given increase in output. It is possible to go further, and derive from employment/output ratios a multiplier which measures the change in employment induced by the creation of each extra job. A key assumption in both these forms of multiplier is that changes in employment are proportional to changes in output, yet in the real world, marginal changes in output are likely to induce less than average employment changes (Mules 1985: 30). O'Faircheallaigh (1985) and Dames and Moore (1982: 189-197) discuss the utilisation of multipliers to assess the implications of structural economic change to regional economies in northern Australia. Both of these studies were related to the mining sector, and both conclude that the regional consumption linkages are much stronger than regional production induced linkages in relation to capital intensive mining ventures. Both studies make the caveat that estimates of multipliers may be either under-estimates (for example, because they have been compiled from national tables which are inapplicable in remote areas) or more probably, over-estimates because under-employed resources (labour and capital) may not exist within the region. The Dames and Moore study implicitly derived a regional employment multiplier of between 2.00 and 2.85 for induced employment in the Kununurra region (since the creation of 70 mining jobs would, in their view lead to 70 to 130 new jobs in Kununurra), and asserted that the upper end of this range is most likely to apply (*ibid*: 194). On the other hand, O'Faircheallaigh cites the Northern Territory input/output table

prepared by West *et al.* as indicating an employment multiplier for the mining sector of between 1.62 and 1.76. More recent survey research by O'Faircheallaigh has indicated that these 1980/81 input/output tables may involve significant over-estimations due to incorrect assumptions relating to supply side effects (i.e., that increased demand for goods and service can be met at current prices), and drastic under-estimation of income leakages (O'Faircheallaigh *pers. comm.*). O'Faircheallaigh notes that the employment structure of particular towns are important, particularly in relation to the potential economies of scale which a particular industry (mining or meat processing) provides to other enterprises. Taking Tennant Creek as an example, because the employment structure extends beyond mining (as it is a regional service centre), O'Faircheallaigh estimates a mining employment multiplier in the range 1.75 to 2.25.

The implications of this comparative analysis are firstly to question the size of the Dames and Moore multiplier, since both Tennant Creek and Kununurra are regional centres and have similar employment structures; secondly, they appear to indicate that the employment multiplier for Wyndham may be somewhat lower than the equivalent multiplier for Kununurra. The assumption is made that the multiplier associated with meat processing will be broadly similar to the mining sector multiplier on the basis that the consumption linkages in both sectors based largely on local expenditures of employees are much stronger than the production linkages at a regional level.¹

Further factors which may be at work include the likelihood that negative employment multipliers are likely to exhibit some stickiness, and thus be less than the equivalent positive multiplier. This factor would require empirical assessment, but is likely to be counter-balanced by the seasonally transient nature of the meatworks workforce. This seasonality will itself increase the likelihood of substantial income leakages out of the local economy, with a consequent dampening of induced consumption expenditure, and hence of the employment multiplier. The existence of a declining regional economy may adversely affect the views of potential investors, thus accentuating the size of the negative multiplier. Ultimately, these are empirical questions, and require empirical answers.

Given these assumptions, and taking into account the factors likely to be operating in the regional economy, an estimate in the range 1.5 to 2.0 for the Wyndham employment multiplier appears reasonable, with a preference perhaps for the lower end of the range.

Accepting this estimate, and on the basis that the meatworks closure means that Wyndham will lose 120 full year jobs (i.e., 15 full time and 200 seven month seasonal jobs), it can be expected that this will induce the loss of somewhere between 60 and 120 extra jobs to the local economy. Assuming (as does the Dames and Moore study for Kununurra) a married/single ratio of 60:40, and 2.5 dependents for each married worker, the expected population decrease in Wyndham would be between 300 and 600 (assuming workers made unemployed seek work elsewhere). These assumptions are perhaps unrealistic given that census data indicate that throughout the Kimberley, the married/single ratio is much closer to 40:60 and the ratio of children to adults is 30:70; consequently the expected population decrease in Wyndham resulting from the closure of the meatworks would be between 360 and 480.

Taking into account other recent changes and business closures in Wyndham, it appears likely that the population of the town, which has been stable at approximately 1500 over the last decade, will fall to approximately 1000 over the next few years in the absence of any new activity.

Policy Implications

In this writer's assessment, the ongoing decline of the town of Wyndham is the result of structural changes to the social and economic environment of the East Kimberley region. However these changes have been exacerbated by the geographic location of Wyndham, with circumscribed road access to its natural hinterland in the north Kimberley, and unfortunate proximity to the growth centre of Kununurra. Developments in transport, away from reliance on shipping services, and towards investment in road and air transport have reinforced Wyndham's problems.

These changes have occurred gradually over fifteen years, and will not be reversed by hasty or ill-conceived actions by Government.

There appears to have been no effective regional planning to assist residents of Wyndham to adjust to these processes, and to identify and take advantage of opportunities to establish new economic bases in the town. In fact, the State Government's moves towards restructuring of the pastoral industry (at this stage limited to the West Kimberley) seem premised on a substantial increase in live beef exports, presumably at the expense of meatworks throughput. This lack of planning may be due to the fact that the above average population growth rates for the Wyndham-East Kimberley Shire based on the growth of Kununurra have disguised the below average growth of Wyndham itself. However, Jensen (1982: 219) indicates that no level of Government has accepted responsibility for local regional planning in arid Australia, which would infer that the reasons are more general and perhaps structural themselves.

The economic structure of Wyndham has to date been based primarily on the twin foundations of port and meatworks, the existence of substantial social security transfers, and various public sector community services (prison, local government etc.). A viable meatworks was dependent on the pastoral industry for its continued operation, yet there is increasing evidence that the pastoral industry in the region is in severe difficulty (Dillon, 1985). The port remains dependent in large measure on continuation of agricultural production from the Ord scheme, and of course on the continued existence of the pastoral industry in one form or another. It must be realised that the port will always have to compete with alternative transport modes, and alternative ports. As recently as 1983, the Government's Transport Strategy Committee estimated that by 1988, up to 160,000 tons of sugar could be exported annually from the port of Wyndham (Fitzgerald and Gidley, 1984: 7). The State Government's quite rational decision not to establish a subsidised Ord sugar industry (*West Australian*, 17 June 1985), put paid to those hopes. The shift to Kununurra of some public sector operations, the servicing of and increasing number of pastoral stations and Aboriginal communities, and the out-migration of the Aboriginal population has substantially undermined Wyndham's traditional economic base.

A rational assessment of the potential economic basis for Wyndham would identify the port (to the extent that live exports take place), community services, social security, and other public sector transfers. There may be some scope for exploitation of the tourism

resource in and around Wyndham though this would be quite limited, since the attractions around Kununurra and Turkey Creek are clearly superior and more accessible. Nevertheless, the development of tourism attractions around Wyndham would involve positive spinoffs to the region as a whole, and thus may be an attractive option for regional policy makers.

Conclusion

Structural changes to the regional economy and social environment are at the root of Wyndham's current problems. The recent closure of the meatworks presages a major reduction in Wyndham's population and a contraction of the town's local economy. There may well be a case for Government action to ameliorate the impact of these changes, however any such intervention would best be directed toward reinforcing the future core of a smaller Wyndham economy rather than subsidising non-viable economic activities that have an indefinite and uncertain future.

In concrete terms, this means directing available financial resources toward increasing consumption expenditure within the town. Although subsidising or purchasing the meatworks would assist the attainment of this objective in the short-term, it would probably be an inefficient allocation of resources, would be a prime target for financial cuts by a future cost-conscious Government, and would be dependent on an industry which is inherently unstable, and is subject to substantial uncertainty regarding its future viability as presently structured. Even if the pastoral industry is viable in the long-term, this may well be on the basis of live exports. Other potential targets for government intervention are limited, but include improving community services, maximising public sector transfers to Wyndham's population and developing Wyndham's tourism resources. Further upgrading of the port would certainly have short-term advantages during the construction period, but would be insignificant in the long run unless followed by significant increases in port throughput. In the long run, the possibility that a permanent deep water port may be established at Cape Domet² north of Kununurra, is a significant discouragement to major investment in port facilities at Wyndham.

Specific attention should be given to the economic role of the Aboriginal population, since it represents in many respects a permanent base component of the Wyndham economy. In particular, attention might be directed to maximising the linkages between the Aboriginal communities of Kalumburu and Oombulgurri and Wyndham. It will be in Wyndham's interest to ensure that the Commonwealth and State Government's finance provision of community infrastructure to these communities, and the Aboriginal population within Wyndham, on par with levels in the wider West Australian community (Altman and Dillon, 1985).

The existence of substantial welfare transfers to a group which is not fully incorporated into the local economy has substantial benefits to local businesses - it increases the number of consumers, and the total income of the economy beyond that which it would otherwise attain. The existence of this factor, combined with the relative inter-regional immobility of the Aboriginal population provides a rationale for the maintenance of employment policies by businesses which results in low-employment opportunities for Aborigines. As well, there are strong cultural reasons why traditionally oriented Aborigines may not seek or continue full-time employment in urban situations. Each of these explanations are likely to be reinforced by the other. In the context of a declining local economy, the existence of such a transfer dependent population acts to ameliorate the impact of the economic changes taking place, and highlight the dependence of the local economy on these social security transfers. This structural dependence does have an opportunity cost for the local economy as a whole (but not necessarily specific businesses) since it limits the per capita consumption expenditures of Aborigines and thus the growth potential of the economy itself. Policies which are directed toward creating opportunities for Aborigines in employment, and as owners of businesses will to the extent that they are successful, expand the opportunities available for economic advancement in all sectors of the local economy.

In relation to the tourism resource, attention might be focussed on turning Wyndham's locational disadvantage to advantage, by carving out a specialised niche based on the 'remoteness' of the North Kimberley coast and interior. This would require active involvement of the communities of Kalumburu and Oombulgurri, and given the road access problems, and the physical attractiveness of the coast and rivers, might best be based on marine access to designated localities.

One option which might be considered is the establishment of a community development corporation, jointly owned by the range of interests within the local community, with the specific objective of addressing the social and economic problems of the town through active involvement in private enterprise opportunities designed to expand the town's economic base.

FOOTNOTES

1. Mules and Morison (1981) indicate that the employment/output ratio multiplier for the Animal Industries sector in the Northern Territory is 0.090, whereas the multiplier for mining sector is 0.017. This is due to the fact that the value of mining outputs per employee is substantially greater than the value of animal industry outputs per employee.
2. This would be dependent on significant production of either minerals or agricultural produce in the region.

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ATTACHMENTS

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Rural property

A FR 3/10/80

Hooker rationalises its cattle leases

By JOHN WASILIEV

ALTHOUGH it has three pastoral leases in Western Australia and the Northern Territory up for sale, Hooker Corporation has no intention of getting out of the cattle business.

"We are engaged in a period of rationalisation and reorganisation of our pastoral interests, but it is not our intention to give the game away," Mr Des Halsted, the general manager, said.

For sale are Ivanhoe Station and Carlton Hill Station, in WA, and Legune Station, in the Northern Territory.

The leases are contiguous, and are near the Ord River irrigation project.

But Hooker intends to keep Victoria River Downs Station and Rosewood Station to feed its abattoirs at Wyndham and Katherine.

"These two stations will provide the nucleus of our cattle needs at the abattoirs," Mr Halsted said.

He said the three stations were being sold because they

did not fit in with Hooker's long-term plans.

They have been on the market for some time and recently were reduced in price to make them more attractive.

"We had been asking a total of \$5.8 million for them, but we reduced this to about \$4 million because they may have been overpriced," he said.

Mr Halsted said there had been quite an interest in the properties, but not enough yet to complete a deal.

He said the value for Hooker of its cattle interests was their relation to its meat works and, for this reason, the smaller leases were being rationalised.

The two bigger properties run up to 120,000 cattle between them, while the three smaller ones have a total of only about 35,500.

Hooker has held the leases for about 20 years.

Ivanhoe and Carlton Hill each have about 36 years to run while Legune has 33 years to go.

Mr Halsted said the stations were being sold largely on the value of cattle they were running.

Ivanhoe, which covers about 296,000 hectares and surrounds the Ord River scheme, has about 9,000 head. Hooker wants \$900,000 for the station.

Carlton Hill, on the northern side of the Ord River, is running about 13,500 head on more than 381,000 hectares. It is priced at \$1,350,000.

Legune station, described as the most desirable of the three, has 13,000 head on 307,670 hectares and Hooker is asking \$1,750,000.

Mr Halsted said all the properties are now priced at what Hooker felt was their market value.

He described the condition of the cattle on the stations as better than average and rejected a suggestion that the current downturn in the cattle industry was the reason the properties had not yet been sold.

"We have had a lot of interest from local and overseas buyers but we are not going to give them away," he said.

He said the restrictions imposed on investment by the Foreign Investment Review Board were probably the main reason overseas investors were reluctant to firm their interest.

"We, of course, would prefer the properties to go to Australian interests," he added.



MR HALSTED

Row over shire clerk's location

By STEVE CREEDY

TWO Wyndham-East Kimberley shire councillors have resigned over a decision at Tuesday's council meeting to locate the shire clerk's house at Kununurra rather than Wyndham.

They are Wyndham representatives Cr Peter Reid and Cr Branko Raicevic.

Cr Reid, a former shire president who has been on council for nine years, said that he did not believe the council was taking notice of what people in the area wanted.

He said that Wyndham people were opposed to the move and the Kununurra

Ratepayers' Association had indicated before the council meeting that it would like to see it deferred for at least several years.

Coupled with this, the tremendous growth in the shire meant that the council's financial situation was not particularly healthy.

A new shire clerk's house had been built in recent years at a cost of about \$110,000 and he imagined that it would mean spending more than this to house the shire clerk in Kununurra.

"I just feel that I should not put my name to getting the shire involved in further debt for something that is not really achieving anything," he said.

The Wyndham-East Kimberley shire president, Cr Susan Bradley, said that notice of a motion proposing that the shire clerk be

moved to Kununurra had been announced at a meeting two months ago.

She said that the shire clerk's work load in Kununurra meant that it was not viable to travel to and from Wyndham.

An increase in population, caused mainly by the Argyle Diamond Mine, had resulted in a big growth factor in Kununurra.

"Because of the growing pains we are experiencing, the majority of the work going on in the shire at the moment is centered in Kununurra," she said.

"We feel that, for the efficiency of the council, the clerk must be based here for the time being at least."

Cr Bradley said that the council had

formed a sub-committee to assess the implementation of its decision.

No date had yet been set for the move and the sub-committee was due to report back to the council in August.

She said that the decision by the two councillors to resign was disappointing.

"It was a very emotive issue with Wyndham being such an old town and with Kununurra a new and growing town," she said.

"We certainly do not want the shire to be divided and in no way do we feel that the relocation of the clerk will diminish the council's responsibility to the town of Wyndham."

Anger over moving of shire clerk

WEST JULY 85

From STEVE CREEDY

PORT HEDLAND: A Wyndham-East Kimberley Shire Council decision to move the shire clerk to Kununurra has angered Wyndham residents.

More than 80 people attended a meeting on Monday to voice their concern to the Minister for Local Government, Mr Carr.

The meeting followed the resignation of two councillors who were protesting at the move.

The shire president, Cr Susan Bradfield, has said that the move is necessary because most of the shire clerk's work is in Kununurra.

She said the council believed that he should be based there in the interests of efficiency and had formed a sub-committee to look at the implementation of its decision.

But local people claim that Kununurra is being bolstered at Wyndham's expense.

So far about 250 people from various government authorities have been moved from Wyndham to Kununurra.

A spokesman elected at

Monday's meeting, Mrs Maxine Reid, said yesterday that a deputation from Wyndham planned to meet representatives of the Kununurra Ratepayers' Association last night to discuss the relocation.

Disapproval

She said that Monday night's meeting had been called to express disapproval of the way things had been going and to enable the townspeople to put their case to Mr Carr.

According to Mrs Reid, the moving of the shire clerk is the latest in a number of moves by various government bodies from the town.

This had involved Federal, State and local government workers, she said.

"All have been shifting personnel and operations across for what we quite often consider to be no good reason," she said.

V/A

WEST
Sept/Oct ? 1985.

More LETTERS to the Editor

Kimberley needs ships

I AM concerned at the opinions expressed by Mr Jeromy O'Driscoll, shire president of Derby-West Kimberley, in the Page 9 article "Subsidy, sense and our shipping service" (Sept. 17).

While I respect Mr O'Driscoll's concern for what he sees to be the more pressing needs of the Derby area, I am unable to accept his comments relating to the option of discontinuing or reducing the State ships service. It is worth noting that Mr O'Driscoll has not attended the two main meetings of the transport strategy committee and must therefore be expressing personal opinions.

First, it is pertinent to consider the various methods of public transport, all of which incur substantial levels of subsidisation. These services (MTT and Westrail) are accepted by the public as a necessary component of the transport system albeit perhaps begrudgingly, considering the cost. In relative terms, the quoted \$11 million operating loss for the North-West component of Stateships is small by comparison.

Profits

It should also be noted that Stateships are operating profitably on the east-west service and are taking some positive steps to increase northern cargoes.

Secondly, for the development of trade from the Kimberley ports where large bulk consignments are involved, whether for domestic sales or export, it is essential that both a regular shipping service and operational port facilities are maintained. In my view it would be a shortsighted approach to advocate the reduction or removal of our shipping service to any of the Kimberley ports.

that their contributions through fuel taxes, licences and permits do not meet their proportion of the ongoing costs of maintaining and operating a road system suitable for long distance, multiple-unit road trains.

I believe that the taxpayer is, therefore, paying a substantial subsidy to the road transport industry. They can't have it both ways.

JIM HUGHES,
chairman, Ord River
District Co-Operative
Limited, Kununurra.

A I.

Unfortunately, there is a strong and vocal lobby from within the road transport industry which seeks to replace sea freight with road freight without due regard for the needs of the customers of northern Australia.

The Road Transport Association must learn to live with the customers' requirements for a combination of sea and road freight. There is certainly no sign of a diminution of road freight operations so it cannot be claimed that Stateships are creating any hardships for the road transport industry. In fact if Stateships were not operating there would be much greater pressure on the road both ways.

They must also accept

16 THE WEST AUSTRALIAN FRIDAY OCTOBER 25 1985

Abattoir shutdown lowers morale

MORALE in the northern WA town of Wyndham is at an all-time low this week in response to the announcement that the town's meatworks will not reopen for the 1986 killing season.

North West Beef Industries, a subsidiary of Hooker Corporation, said this week that it would not reopen its Wyndham and Katherine abattoirs because they were no longer economically viable.

The West Kimberley shire president, Mrs Susan Bradley, said yesterday that the town was in danger of dying.

Wyndham had recently lost several government departments to nearby Kununurra and the meatworks closure would almost certainly

put an end to the State shipping service.

"The Burke government is doing all it can to fulfil a recent commitment to the Kimberleys, but most of the problems we are faced with are beyond government control," Mrs Bradley said.

A State Government ministerial subcommittee will talk with representatives of the Hooker Corporation next week to decide possible measures for keeping the meatworks open.

Mrs Bradley said she did not believe that the

committee should consider subsidising the private venture.

She said it was likely that the Kimberleys cattle industry would be left without a market.

Producers in the east and north Kimberleys would not be able to economically transport stock to the region's only remaining abattoirs in Broome.

The closure will have a long-term effect on the whole Kimberley, but it will be felt immediately at Wyndham," Mrs Bradley said.

The president of the Pastoralists and Graziers' Association, Mr Max Cameron, said that the closure was symptomatic of problems facing the Kimberleys cattle industry.

There had been a general downturn in the industry because of drought conditions and much of the stock available for killing this year had been light-weight.

The high cost of killing stock at Wyndham was

also a problem, Mr Cameron said.

In some cases it had been more cost-efficient for producers to transport their stock to abattoirs in the south of the State.

Worried

"We are very worried about the situation. It is very important to have the meatworks open in Wyndham from a point of view of competition in the industry," Mr Cameron said.

The MLA for Kimberley, Mr Bridge, said yesterday that the northern cattle industry's problems were largely caused by diminishing stock numbers.

However, the State Government's proposed restructuring of the industry would alleviate this problem.

"We are hoping to create a number of viable, efficiently operated pastoral leases and this will certainly require an efficient local processing works," Mr Bridge said.

TOWN'S UNCERTAIN FUTURE

Fear and hope after meatworks shock

From STEVE CREEDY

WYNDHAM: Speculation is rife in Wyndham about the town's future after the closure of its meatworks.

The decision by Hooker Corporation not to reopen the meatworks and rumours about the future of the State shipping line has cast a pall of gloom over the town.

Some residents see the meatworks closure as a death blow to their economy.

As one resident put it: "We've been digging the grave and making the coffin for years.

"They just put the lid on the other day."

Survived

Others say that Wyndham is down but not out — it has survived before and will again.

Wyndham Area Social and Health Committee members Ivan Thorley and Maxine Reid want to stop people thinking about the town's doom and start looking at alternatives.

Tourism is seen as a good alternative because of the wealth of natural attractions in the Wyndham area.

Ideas that have been mooted include a museum and a road link with the Gibb River road.

The family now faces the prospect of using the savings from this season to move out again.

"Brian was on the dole last year and we thought we may as well make a move to the north for four or five years and make a go of it," Mrs Allday said.

"Now if I give up work, we've just got nothing."

Mrs Allday said that the house was let but the closure meant the family had gained nothing by moving to the north.

"I don't think people realise what a strain you put your family through by coming to the north," she said. — Steve Creedy.

According to Mrs Reid, the area's tourist potential has never been properly developed and this would be one area in which the Government could help the town.

"If you travel around and see what other town's promote, Wyndham's got a heck of a lot going for it," she said.

Some residents hope that the WA Government or a buyer may step in before the beginning of the next meat season.

The meatworks closure means the loss of at least 200 seasonal jobs with a fortnightly payroll of \$250,000.

A local committee has estimated that this means the loss of up to \$45,000 a week injected directly into the local economy.

Port role

More extreme fears about Wyndham's becoming a ghost town are unlikely to be realised because of the town's importance to the East Kimberley as a port.

But the potential loss of population has residents worried.

They say that the transfer in recent years of regional government offices to Kununurra has already drained the population.

They say it is to lose the Wyndham-East Kimberley shire clerk, its Royal Flying Doctor radio base recently closed and there is talk of down-grading the hospital.

The principal of the Wyndham District High School, Mr Steffan Silcox, said he expected to lose three primary school staff because of the closure.

For some business men, such as baker Frank Cruttenden, a further population drop will mean shutting up shop and moving out.

Mr Cruttenden buys meat and sells bread to the meatworks but his big worry is the di-

Others, such as general store owner Louis Carabba, are worried but prepared to sit it out.

The Wyndham Area Social and Health Committee looks at issues in the town and has put in a submission on the effects of government departments moving out.

Committee members concede that permanent closure of the meatworks will have a serious effect on the town's economy but say there is too much talk of gloom in Wyndham.

They point out that the meatworks normally stops at this time of year.

This leaves several months for something to happen in the meat industry or for a buyer to come forward.



Maxine Reid at the crocodile lookout. She hopes attractions like this will bring tourists to Wyndham and help the town survive. — Pictures by JAY TOWN.



The Allday family of Wyndham. Brian and Carol with their children Dean (7) and Brook (2).

Family dream in tatters

WYNDHAM: A family's dream of paying off their mortgage is in tatters after the closure of the meatworks here.

Brian and Carol Allday stand to lose thousands of dollars in removal costs if the meatworks does not reopen next year.

The Alldays moved to Wyndham in January with the intention of staying for four or five years.

Mr Allday was to work at the meatworks and look for odd jobs in the off season. Mrs Allday worked as a teacher's aide and at the local club.

It cost \$3000 — most of the savings from a previous season's work at the meatworks — to make the move.


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WEST
30 Oct 85

Govt worries on meatworks

A WORKING party may be set up to examine problems caused by the closure of the Wyndham meatworks.

By E.A. BARKER

The Minister for Regional Development and the North-West, Mr Grill, will put the proposal to ministerial colleagues today after receiving a departmental assessment paper on the Wyndham situation.

North-West Beef Industries, a subsidiary of Hooker Corporation, has announced that the abattoir will not reopen for the 1986 killing season because it is no longer an economic proposition.

Mr Grill said yesterday that the Pastoralists and Graziers' Association was worried that the closure could affect the

is an MP for the Kimberley region.

Mr Evans had preliminary talks on Monday with representatives of the Department of Regional Development, the Australasian Meat Industry Employees' Union, the Kimberley pastoral industry and State MPs for the Kimberleys region.

Mr Evans said yesterday that killing costs at Wyndham were high. There had been a drastic drop in the number of cattle going through the meatworks because of drought and stripping of properties by absentee owners.

The industry needed to be restructured.

North Province MLC Tom Stephens said yesterday that there would need to be a strong economic link between the market and the meatworks to ensure that it had a secure future.

viability of the whole Kimberleys cattle industry.

Inquiry

It had sought a working party consisting of Government representatives, the PGA, the cattle industry, unions and northern abattoirs to examine the position.

Mr Grill said that the Government would like to see the meatworks kept open. But it was hard to say whether that goal was achievable till he received the assessment paper.

Mr Grill will have talks today with union representatives, the Minister for Agriculture, Mr Evans, the Minister for Industrial Development, Mr Bryce, and the Minister for Industrial Relations, Mr Dowding, who

Anxiety now over Broome

WEST 30 OCT 85

By JANET NEWMAN

Pastoralists and Graziers' Association that the Broome meatworks may close for same reasons that caused the closure of Wyndham.

the Northern Territory, which will be lost to WA with this closure.

"A lot of farmers in the East Kimberley will now send their cattle to the Northern Territory.

"We do not necessarily want the Wyndham meatworks to be reopened because we cannot make that commercial judgment.

"But we do want to find out the reasons for the closure and to make sure that the same thing doesn't happen at Broome."

deputy director of PGA, Mr George Hill, said yesterday: "It may appear that if we close one meatworks in the area the future of the other one would be secured, but that is not necessarily the case."

Broome will have a short-term respite but in the long term a lot of cattle will be lost to the Northern Territory and the rest of Australia for processing.

Transport

As well, associated industries such as transport companies and fuel suppliers will be put out of work.

The Broome meatworks has not been operating at its full capacity for a long time. Because of the high processing costs as a result of the high level of the industrial costs there, a lot of cattle are by-passing Broome and coming through Wyndham.

Also, Wyndham was processing cattle from

Crisis talks on solving Wyndham shut-down

TOP-level talks in Perth on Monday discussed the fate of the Wyndham meatworks, which have been shut down by Hooker Corporation.

The conference included Kimberley MLA Mr Ernie Bridge and North Province MLCs Mr Tom Stephens and Mr Peter Dowding.

They met with the Minister for Agriculture, Mr Evans, and representatives of the Department of Regional Development, the Australasian

Meat Industry Employees' Union and the Kimberley pastoral industry.

Mr Stephens said later there was a lot of work ahead for the Government to secure a future for processing of cattle in the North-East Kimberley.

Discussions would now take place between the Government and other interested parties.

The Minister for Regional Development and the North-West, Mr Grill, will prepare a submission to Cabinet.

• Town hit hard, page 6.

31 OCT 85
WEST (NOW)

Town hit hard by closure of meatworks

Bad news for Wyndham

THE town of Wyndham is reeling under the news that Hooker Corporation has closed down the local meatworks, Norwest Beef Industries.

The future of many local people now depends on talks held this week, involving the State Government and the Australian Meatworkers' Industrial Union.

The closure could mean that more than 40 families will leave town permanently and more than 200 workers will be forced to find jobs elsewhere.

What began as an optimistic venture for the real estate-orientated Hooker Corporation - to add pastoral stations and also abattoirs to its real estate operations - ended last week when the company announced that this season was the last for the 66-year-old Wyndham meatworks.

The company has given fierce exports, drought and a lack of slaughter cattle

By PAUL SEMPLE

as its reasons for the closure.

But to many local residents, excessive union demands have also been a factor in the failure of an enterprise that has been the life-blood of the small Kimberleys town.

Threat

It was said three years ago that the abattoir was on the market. Last year, when Hooker sold its interests in Victoria River Downs station, the threat of closure at Wyndham moved a step closer.

It was from VRD that the Wyndham operation made up its numbers for slaughter.

For the past few years the Hooker company has debated seasonal reopening.

The decision to close is still a shock to many and some cannot believe it.

As if to reject the warning signals that all was not right, the Australian

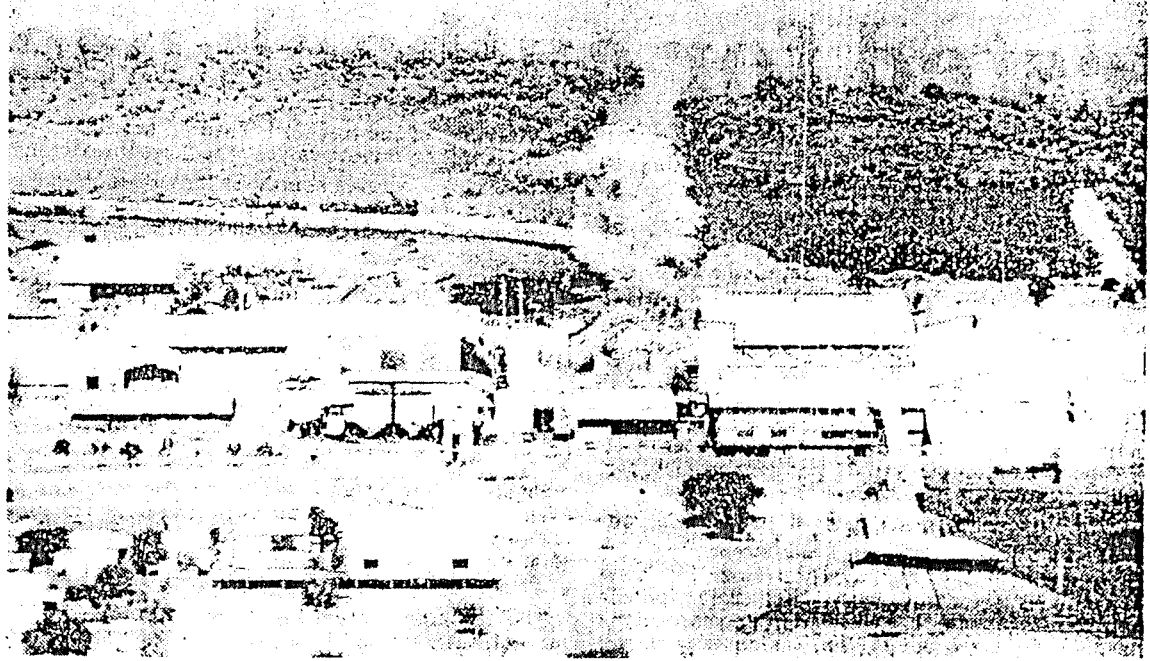
Meatworkers' Industrial Union recently submitted a log of claims to Hooker management.

Among other items, the union sought a rate of four to one (four times the rate paid for steers) for slaughter and packaging of buffalo - and a swimming pool which the union wanted built near employee accommodation.

The meatworks manager, Mr Gordon Jaenke, said recently to *News of the North* that he was not optimistic about the abattoir's future.

He said that a 3.5 per cent increase in CPI and an additional three per cent on superannuation payment, plus the union's four to one claim, would be enough to settle any prospect of the meatworks reopening.

To Wyndham's economy, the Hooker decision is a devastating blow. Many town residents blame the AMWIU.



Norwest Beef Industries meatworks at Wyndham, WA's most northerly town.

With forecasts of reduced numbers available for slaughter during 1985, abattoir management offered employees the opportunity for extended employment by slaughtering NT buffalo from the strife-torn Mudginberri abattoir.

Wyndham employees at first refused, then agreed. Road trains of buffalo were transported across the border, whereupon workers reneged and refused to process the beasts.

The buffaloes eventual-

ly found their way back to the NT, where they were processed by Mudginberri workers who had reached agreement with abattoir owner, Jay Pendarvis, after a three-months dispute.

Hooker has come in for some criticism because some feel it initiated this year's purchases too late in the season.

An indicator of seemingly unsatisfactory relations between workers and management happened 15 minutes after the last beast was

processed, when power was switched off at the single quarters.

Employees who thought they might overnight in company accommodation began to swelter as the air-conditioners ground to a halt.

When paid off on October 11, employees were advised to take all personal effects when leaving town.

The kill this year of 30,000 head represents a drop of 56 per cent on the

1983 figures and a loss estimated at \$2 million for the season.

For Wyndham, the Hooker decision means a \$1.2 million per annum loss in revenue injected by meat workers.

Since the heady days of the 1880s, when Wyndham boasted six hotels, it has had its share of ups and downs.

The closure comes as WA's most northerly town is preparing for its centenary celebrations. It is not a happy birthday gift.

MLA: Study the impact of closure

THE Labor MLA for Kimberley, Mr Bridge, has called on the Government to give special consideration to the circumstances that have led to the closure of the Wyndham meatworks.

Mr Bridge said in a letter to the Minister for Regional Development and the North-West, Mr Grill, that the overall economic impact of the closure on the area should be considered. It should be remembered that the Kimberley's pastoral industry had suffered its worst drought in living memory.

Restructuring

The Government had started a major long-term restructuring of the Kimberley pastoral industry and it should be continued, he said.

News of the closure came hot on the heels of the Opposition's policy announcement to shut down the State shipping service, Mr Bridge said.

The manager of North-west Beef Industries, Mr Gordon Jaenke, said that the Hooker Corporation had decided to close the abattoir because of the lack of cattle.

A meeting between Hooker Corporation and the State Government has been arranged to discuss the closure.

WEST (1100) 7 NOV 85

Lib. candidates unhappy over ships proposal

ENDORSED Liberal Party candidates in the North-West, Bill Shephard and Frank Butler, are opposed to their party's proposal to close down the Stateships coastal shipping service.

The issue has come into focus following a telex in which the Leader of the Opposition, Mr Hassell, outlined party views to Wyndham-East Kimberley shire president Mrs Susan Bradley.

Mr Hassell said his party was committed to eliminating wasteful Government enterprise and this would result in the abolition of Stateships.

"It is our belief that the road transport industry is competitive enough to ensure that the close-down of Stateships will not result in increased freight rates to the Kimberleys," Mr Hassell said.

His telex also described how his party hoped to use the monies saved from the abolition of the coastal shipping service.

Tax zone

By initiating an "enterprise zone" in the Kimberleys, businesses would be encouraged through reduced taxation.

A Kimberley development fund was also being considered.

When shown a copy of Mr Hassell's telex in Wyndham, Mr Shephard said he believed its contents did not represent Liberal Party policy, but rather a draft proposal compiled by the Shadow Minister for Transport, Mr Norman Moore.

He said it was a proposal that both he and his colleague, Mr Butler, would vigorously oppose.

Mr Butler said that, if his stand on the matter brought him into conflict with the party hierarchy, then he was prepared for it.

By PAUL SEMPLE

"We will base our decision on what is good for the Kimberleys," Mr Butler said.

Mr Moore said that he had advised Mr Shephard by telephone of the decision of the shadow Cabinet about Stateships, which had followed that enterprise's tabled report in State Parliament.

Mr Moore said: "It just seemed to us that the time had arrived to make a decision about this."

"We do not feel WA taxpayers are getting \$16.5 million worth of service out of Stateships."

Commitment

Asked if he thought taxpayers received value for money where Westrail and MTT losses were concerned, Mr Moore replied: "We have also given a commitment that we intend to get stuck into those as well."

He said that the closure of Stateships did not necessarily mean that no shipping service would be provided to northern ports.

"There are ships doing nothing in many ports of the world, and we believe the private sector can carry out the shipping activities of the Kimberleys," he said.

Mr Shephard is standing for the Kimberley seat and Mr Butler for North Province.

Mr Shephard left Kununurra on Monday for Halls Creek, where he will meet up with Mr Butler for an excursion to Balgo Mission before returning to his roadhouse near Newman.

Mr Butler will also be visiting Tom Price and Paraburdee.

Ships policy draws fire

NORTH Province MLC Mr Tom Stephens has criticised an Opposition suggestion that State-ships' service to the North-West should be discontinued.

He said the future of the service was at present being studied by the Stateships strategy committee, whose report should be available later this year.

His comments followed comments made by Mrs Susan Bradley, the Wyndham-East Kimberley Shire president.

Impact

Mrs Bradley said the Opposition's desire to scrap the service would have a devastating impact on Wyndham.

It also would be detrimental to the whole of the Kimberleys, she said.

Mr Stephens said the Opposition had argued that funds saved from the discontinuance of the service could be channelled into a Kimberley development fund.

"It is simplistic to assume this could be done," he said.

3 stand for seat

THREE have nominated for a by-election on Saturday to fill a vacancy on Wyndham-East Kimberley shire council.

They are business manager Phil Flegg, Mr Mike Kendal, who manages the Ord River District Co-operative in Kununurra, and Argyle Diamond Mines employee Mr Kim Gosling.

- Paul Semple.

(non) WEST 14 NOV 85

THE WEST AUSTRALIAN FRIDAY NOVEMBER 15 1985 21

Stateships study new route

THE extension of Stateships, the WA shipping service, into South-East Asian ports is being studied, according to a report tabled in State Parliament.

The annual report of the Coordinator-General of Transport, Dr J. Taplin, said that Exim Corporation and Stateships were doing a study

of the proposed extension.

Stateships' services would not be extended to South-East Asia unless there was a strong indication of trade to help reduce its deficit.

The report said that the North-West faced a dilemma in its economic development.

"Regular and scheduled shipping services are vital to the economic development of northern Australia," the report said.

"However, regular liner service vessels do not call at northern ports and it seems that the possibility of their doing so is becoming more remote as the years go by."

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20 THE WEST AUSTRALIAN TUESDAY NOVEMBER 19 1985

Assurance on ships to North

THE Minister for Transport, Mr Grill, yesterday gave an assurance that the Burke Government will not drop WA Coastal Shipping Commission services to remote northern areas of the state.

Speaking at the opening of the Stateships new headquarters in Port Beach Road, Fremantle, Mr Grill said his Government was well aware of the importance to northern people of the Stateships service.

Stateships last year had a \$16 million deficit which, according to the general manager, Mr Bob Rowells, was largely due to the expenses involved in providing the commission's services to the North.

Mr Rowells said increasing use of road

transport facilities from the North had caused a reduction in the use of Stateships' services over a number of years.

But while Mr Grill acknowledged that there was a deficit he said Perth manufacturers as well as the people of the north depended on the shipping link.

"We are not about to ignore our responsibilities to those who depend on Government presence," he told a crowd of 700 at the opening.

He also praised the design of the \$1.18 million building which will bring all of Stateships' Fremantle facilities into the one area.

He said the move would mean an increase in the efficiency of the running of the commission.

KIMBERLEY Echo 15 NOV 85

HOOKERS WILL MAINTAIN MEAT WORKS UNTIL GOV. DECISION

Norwest Beef, owners of the Wyndham Meat Works, have agreed not to sell equipment from the plant and to maintain the operation on a care and maintenance basis until further notice.

The decision follows a meeting between company executives and senior state cabinet ministers. The Minister for the North West, Julian Grill, said the company acknowledged widespread concern about its earlier announcement that the Wyndham Meat Works would close and had agreed to give the government time to examine options for the future.

Mr. Grill leads a cabinet sub-committee examining the impact of the announced closure of the Meat Works.

Mr. Grill said, "The working party, in close co-operation with industry representatives, unions and other interested parties, will evaluate projected cattle turn-off in the Kimberley and Victoria River districts of the Northern Territory,

examine alternative market options and investigate the impact of the possible closure on Wyndham.

"A viable Meat Works is a key component in the long-term restructuring of the Kimberley Pastoral Industry," he said. The cabinet sub-committee established this week comprises, Mr. Grill, Deputy Premier Mal Bryce, Agriculture Minister Dave Evans, Employment Minister Peter Dowding and Community Services Minister Keith Wilson.

"The Wyndham Meat Works is normally closed during the wet season so we have time to plan for next season," Mr. Grill said. "A possible permanent closure is of great concern to the government.

"Many Wyndham residents and businesses rely on the Meat Works for employment and custom and any long-term closure would have a severe impact on the community.

"We will do everything in our power to ensure a solid future for Wyndham."

KIMBERLEY Echo 15 Nov. 85

J. HUGHES STATEMENT INCORRECT – R.T.A. CHIEF

Your edition of 1 October, 1985 published an assertion by Mr. J. Hughes, that the road freight industry is seeking to replace sea freight with road freight without due regard for the people of Northern Australia. This is a gross distortion of the Road Transport Association's submission to the Transport Committee inquiring into Stateships, a copy of which was provided to Mr. Hughes as a member of the Committee.

The Association's submission argued that Stateships service to the North West should be discontinued on the grounds that it is a burden to the taxpayers of this State. Its annual loss for 1984 was \$16.6 million, not \$11 million, as quoted by Mr. Hughes. The accumulated loss of Stateships since its inception stands at \$170 million.

Importantly, our submission made particular reference to the needs of the residents of the North West suggesting that if the Government chose to provide them with a subsidy it should be either paid as a rebate on freight consignments or paid direct to the residents. In this way the market for freight in the North West is not distorted.

Mr. Hughes is incorrect when he states that Stateships is not creating any hardships for the transport industry. The service as it currently operates has no financial incentive to recover its costs from the marketplace. Consequently, the service has the ability to underquote the freight market and receive a taxpayer subsidy at the end of the year to balance its books.

Mr. Hughes states that we must accept that the road freight industry is not paying its share of road user costs and moreover, that the taxpayer is paying a substantial subsidy to the road transport industry. We do not accept this because it is not true.

The Transport Strategy Committee inquiring into road user charges has before it independent advice that our industry over-contributes to direct road costs by almost \$40 million per year. This calculation excludes the crude oil levy which would increase the over-contribution to \$100 million per year.

One should not, as Mr. Hughes does, gloss over the costs of Stateships and brand as 'shortsighted' any policy to discontinue or restructure the service on economic grounds. Stateships supposedly is a transport service. It is not part of the Department of Social Security. This was

the point the Derby Shire President, Mr. J. O'Driscoll, was making when he emphasised that the North West region of our State should have its own economy and not rely upon welfare payments and Government Departments.

A.J. Layton (Executive Director)
WEST PERTH Branch
Road Transport Association

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