



Speech by

**Hon. KEN HAYWARD**

**MEMBER FOR KALLANGUR**

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**APPROPRIATION (PARLIAMENT) BILL APPROPRIATION BILL**

**Committee (Cognate Debate)**

**Estimates Committee E**

**Report**

**Hon. K. W. HAYWARD** (Kallangur—ALP) (12.55 p.m.): It is certainly a great pleasure to speak this afternoon in this debate on the report of Estimates Committee E. I will concentrate my remarks on the Mines and Energy section of Estimates Committee E. I take this opportunity to congratulate the committee Chair, Mr Mulherin, on the work that he undertook during and after Estimates Committee E to ensure that the reports and matters related to Estimates Committee E were prepared in order.

This afternoon, while dealing with the Mines and Energy portfolio, I will concentrate particularly on mining exploration. Exploration is what drives the mining industry. Exploration activity has associated with it high costs and, of course, high risks. In many ways, the level of exploration activity is the measure of investor confidence, the measure of what the market thinks and what investors think about mining in their State or area. I congratulate the Minister on the moneys that have been set aside for the Geological Survey subprogram, which has been allocated \$5.5m, and the Resource Development subprogram, which has an allocation of \$11.344m. The aim of those two items is to increase exploration activities in Queensland, to ensure that explorers know that the Government of Queensland is concerned and able to help them in their exploration activities.

Published expenditure data shows that exploration expenditure has been falling in this State over the past couple of years. There have been delays in the processing of exploration permits. It has been suggested that a political agenda was involved in those delays. The previous Government blamed the Wik decision and native title issues for those delays.

One of the major factors over which none of us has any real control is the simple fact that mineral commodity prices have been low over the past couple of years. We read about that every day. There may be some evidence that Australian exploration trends are changing because capital is becoming much more mobile. It is prepared to travel overseas. As Governments establish themselves as stable, it is prepared to move into those areas. A lot of factors are involved in that, including the increased political and economic stability that may exist in other places and policies that are introduced by Governments that reduce the investment risk that is involved in exploration.

I congratulate the Minister and the department for putting in place the funds for the Geological Survey subprogram and the Resource Development subprogram. That will give confidence to the industry. It is an industry that functions on confidence. In many ways, it is an industry that functions on perceptions. If it is perceived that the Government wants to help and is putting in place funds to ensure that programs are undertaken to assist in the exploration for minerals, then exploration money will follow to do that.

What is required is an innovative strategy. That is what Minister McGrady and the Department of Mines and Energy are putting in place. In the Geological Survey subprogram, when data is prepared, it is then made available to prospective explorers. That gives explorers the opportunity to target scarce money for exploration activities and, in particular, the minerals they want to explore. All members should be aware that, if we do not have any mineral exploration, we will not have growth in minerals and energy development. It is a very competitive field both within Australia and outside Australia. Capital is much more mobile. We need to have a Government that encourages activity.

Time expired.