



Speech by

Hon. KEN HAYWARD

MEMBER FOR KALLANGUR

Hansard 28 October 1999

**APPROPRIATION BILL
Estimates Committee E
Report**

Hon. K. W. HAYWARD (Kallangur—ALP) (11.35 a.m.): It is a pleasure to speak in the debate on the report of Estimates Committee E. I wish to focus on the area of Mines and Energy. One of the key initiatives of the department for the 1999-2000 financial year is to set aside \$2m to enhance and increase mineral exploration and energy exploration in Queensland. I recognise that as a key initiative because, as we in this Parliament all know, mineral exploration is a high-risk activity. There is no guarantee that a mineral explorer will get some results. There is no guarantee even that an explorer will be able to identify a reasonably prospective area or then go to the next stage of obtaining a mineral development licence and, finally, a lease.

Exploration is the initial activity. The fact is that mineral exploration activity is, like a lot of things in our society, very price sensitive. One of the problems in exploration activity, not just in Queensland but also in Australia and right around the world for that matter, has been falling export prices for most minerals and bulk commodities. The most obvious example is gold and gold mining. Every night on the news services we are given the price of gold.

With the problem of falling export prices for minerals, the level of mineral exploration has continued its downward trend. For example, the March quarter of 1999 was 7% lower than the estimate for the December quarter of 1998. In dollar terms, the March quarter expenditure of \$166m was the lowest since the March quarter of 1993. As I said before, this is what occurs in a situation of falling prices for minerals.

The problem is that, in order to find minerals, prospective areas need to be identified, and that is as a result of mineral exploration. It becomes a vicious circle, because the lower the price of minerals the less exploration there will be, and the less exploration there is the less likely it is that minerals will be found.

As I said, the setting aside of \$2m for mineral exploration in Queensland is a key initiative of this budget and of the department. As a result of this, potential prospective areas are identified by the department through a detailed mapping process. That will give an opportunity for explorers to take on the opportunity of exploration activity, certainly with no certainty but with some added knowledge. I take the opportunity to congratulate the Minister and the department on setting aside that \$2m to enhance and increase mineral exploration and energy exploration in Queensland.

The Government, of course, is determined to provide Queensland with world-class electricity and gas services. Importantly, they are characterised by reliability, efficiency and competitive prices. Of course, steps have been taken—decisive steps—to ensure that the energy sector performs to the highest possible standards.

In the electricity sector, the Government has instituted industry reform processes to ensure that the Queensland electricity sector is able to provide a more reliable and competitive supply of electricity and overcome deficiencies and inadequacies that existed with the previous structure. Ergon Energy was created following the amalgamation of the six former electricity distribution corporations and is now one of the largest and most powerful corporations in regional Queensland. The Minister, of course, has appointed members to seven regional electricity councils to provide input into Energex and Ergon and to ensure that Queensland communities retain an important voice in relation to their electricity supply.

Time expired.