

FEDERAL BUDGET, INCENTIVES FOR RESOURCES SECTOR

**158. Mr M.P. MURRAY to the Minister for State Development:**

I understand that the mining industry has been seeking several incentives to help Western Australia's resources sector continue its strong performance on the world stage. Will the minister advise the house whether any of those incentives materialised in last week's federal budget?

**Mr A.J. CARPENTER replied:**

I thank the member for Collie-Wellington for the question and for his advocacy for the industry that drives so much of the economy in his electorate. Unfortunately, the answer to his question is that basically nothing whatsoever was done in the commonwealth budget to support the resources industry in Western Australia. We have been pursuing the federal government, trying to get it to provide some support for infrastructure development that would facilitate growth in our resources industry, our mining industry and so on, but have received nothing from it. I believe that is a disappointment for everybody in Western Australia. Certainly, everybody in the resources industry, from the very big players to the small players, recognises that the responsibility should be shared by commonwealth and state governments to provide the physical infrastructure that would allow a lot of these projects to go ahead in a more timely manner. That has not been forthcoming, so that is a matter of some regret. It is an issue that we continue, and will continue, to pursue.

The mining industry, in particular the exploration sector, was also very keen to see some movement in the provision of flow-through share schemes to assist exploration companies. There was nothing along those lines in the federal budget, which again is very unfortunate. I think in the third or fourth last paragraph of Treasurer Costello's budget speech, he acknowledged that the nation's strong economic position and the commonwealth's budget surpluses were largely driven by the strength of the resources industry in Australia, and, by implication, in Western Australia. However, there was nothing to lock in the strength of that resources industry. Everybody in the mining industry knows that there has been a relative decline in the amount of exploration that has been carried out. Those in the mining industry have suggested that we follow Canada's model in implementing a flow-through share scheme. Although this government and the mining industry have lobbied the commonwealth government in that regard, we have received nothing. It is most unfortunate that that has been the case. This issue must be addressed in the future. We pursued the commonwealth government for the provision of what we thought would be matching funding for pre-competitive geological survey work. The Western Australian government committed \$12 million on the understanding - I think it was a commitment - given by Minister Macfarlane that the commonwealth would match that dollar for dollar. However, it did not. Unfortunately, Minister Macfarlane was unable to deliver on that commitment and Western Australia and its mining and resource industry suffers as a result. That was another issue that we thought might have been resolved positively in the federal budget, but it was not. There was also the issue that I have raised in this Parliament a couple of times; that is, the provision of what is a modest amount of money that would facilitate mobile phone network coverage on Great Northern Highway north of Geraldton right up to Broome. That would be a great advantage to people in the north west of Western Australia. We committed \$3 million to that project, again in the expectation that the commonwealth government would match it dollar for dollar. However, it did not. The bottom line is that there was virtually nothing of significance in the federal budget for the Western Australian economy, especially the Western Australian resource and mineral economy. Members on both sides of the house acknowledge - I am sure that this is true - that it is the strength of the Western Australian economy, particularly in resources, that is driving the good performance of the national economy. One would have anticipated acknowledgement of that from the commonwealth government. It is very frustrating to open up the daily national and state newspapers to read that the commonwealth government is preparing to give, or has committed, hundreds of millions of dollars to infrastructure projects on the eastern side of the country. Indeed, hundreds of millions of dollars are being earmarked to an inland rail service. Nothing goes to Western Australia. One of the leaders in the Western Australian resource industry pointed out to me that most - not all - of the major resource work carried out in Western Australia is carried out inside one federal seat of Parliament; that is, the federal seat of Kalgoorlie. The return to that federal seat from the commonwealth government is absolutely negligible. That is unfortunate. I expect, in fact I am sure, that we will get bipartisan support in this Parliament as we pursue this matter. We must pursue this matter as Western Australians. Both sides of the Western Australian Parliament, and Western Australian senators from both sides of politics, must lobby for this state. Indeed, Western Australian senators have not been doing enough. I anticipate and look forward to bipartisan support on this issue.