

Extract from *Hansard*

Tuesday, 26 May 2009

Budget Estimates Committee – Mines and Petroleum

Dr M.D. NAHAN: I refer to page 204, 3% Efficiency Dividend, and the line item Program and Review Function. My question relates to two previous questions, the first of which was about the cost of setting up the department from memory, it is a figure slightly more than \$500 000 and the second was a question about dropping the program review function, which would, I understand, eliminate the need under the old department to coordinate programs, thereby saving up to \$630 000 a year. That means the creation of the department made significant savings in outlays over the forward estimates. Is that correct?

Dr T.J. Griffin: Yes, that is correct. It was to meet the three per cent efficiency dividend.

Dr M.D. NAHAN: But, to be clear, was the cost of setting up the department in the vicinity of \$500 000?

Dr T.J. Griffin: That is correct.

Dr M.D. NAHAN: Okay; and the creation of the department made redundant the need for this program and review function, thereby saving \$630 000 a year.

Mr T.G. STEPHENS: If the member believes that, he believes in fairies down the bottom of the garden!

Dr M.D. NAHAN: That is the data. For my second question, I again refer to page 204. Under the details of major policy decisions, the line item Plan for Accelerating Exploration (PACE) Exploration Incentive Scheme appears. Will the minister please outline what this scheme will achieve and how it will be done?

Dr K.D. HAMES: I anticipated some potential questions, so I have an answer prepared for that particular question! The exploration incentive scheme is an \$80 million commitment by the state government to ensure the long-term sustainability of Western Australia's mining and petroleum sectors.

The five-year program, funded by the royalties for regions scheme, will lead to new growth opportunities for the resources industry, increased employment levels, and a more complete picture of Western Australian geology. The scheme recognises that vast areas of the state are still under-explored, and that there is enormous potential for new discoveries. The EIS also aims to ensure a continuous stream of new resource projects to replace those already in production.

To help achieve the scheme objectives, six programs will be implemented: exploration and environmental coordination, \$1.5 million; innovative drilling, including a co-funded government-industry drilling program, \$26.9 million; geophysical and geochemical surveys, \$32.5 million; geological mapping, \$13.8 million; promotion of strategic research with industry, \$2.3 million; and sustainable working relations with Indigenous communities something that I am obviously very keen on \$3 million.