



Speech by

Andrew McNamara

MEMBER FOR HERVEY BAY

Hansard Wednesday, 9 March 2005

MINERAL RESOURCES AND OTHER LEGISLATION AMENDMENT BILL

Mr McNAMARA (Hervey Bay—ALP) (4.07 pm): I rise to support the Mineral Resources and Other Legislation Amendment Bill, which continues this government's strong commitment to both encouraging petroleum and gas exploration and enhancing the safety regime in our natural resource exploration industry. On that second point, we tend to take for granted improving mine safety standards in Australia, but it is a matter of life and death for miners and, accordingly, demands constant improvement of legislative standards. Members will be shocked to know that China last year recorded over 6,000 deaths in its underground mining industry. That awful human toll shows just how dangerous mining can be without adequate safety standards. Accordingly, the amendments proposed for the Mineral Resources Act and the Geothermal Exploration Act to ensure compliance with the Coal Mining Safety and Health Act and the Explosives Act as a condition of tenure are very welcome indeed.

I also welcome the proposed amendments to the Mineral Resources Act and the Geothermal Exploration Act to encourage further exploration for renewable and non-renewable energy sources, which is more vital than ever and particularly so in Australia. Members will be aware that Australian oil production, for example, is declining rapidly, with the latest global oil production data from the USA's energy information agency providing a very substantial downward revision of Australia's production of 18 per cent in 2003 with an even larger fall in production expected on the 2004 figures when available.

I note from a report in the Energy Bulletin that Geoscience Australia and the Australian Bureau of Agricultural and Resource Economics, ABARE, estimate that—

Australian stocks of crude oil in the ground will be exhausted [by 2009] if the current rate of production is maintained and there is no new discovery of reserves.

Regretfully, there has been no significant discovery of reserves in Australia since that report was made. The former managing director of Woodside Energy, John Ackhurst, who chaired the ABARE study, said in 2002—

Australian liquid fuel self-sufficiency is expected to decline from an average of 80 to 90 per cent over the past decade to less than 40 per cent by 2010.

Of course, Australia is not alone in coming to terms with the reality of having passed peak oil production. I note that the *International Herald Tribune* of 2 March 2005—a terrific newspaper which I recommend strongly to members—reported that the USA now imports nearly 12 million of the 20.4 million barrels of oil per day that it uses, reflecting the very steep decline in US domestic production. Coincidentally, on the same day the same paper reported widespread riots in 10 Indonesian cities after gasoline price rises of 32.6 per cent and automotive diesel fuel price rises of 27.3 per cent this year. Indonesia is a member of the Organisation of Petroleum Exporting Countries—OPEC—but was a net crude oil importer for a number of months in 2004 as production had commenced to decline.

It is not reasonable to expect that Australia will ever find another field to match the bounty produced in Bass Strait and, accordingly, non-conventional energy sources such as geothermal power must be vigorously pursued while still actively pursuing other conventional oil sources. We need to ensure that

exploration is encouraged, but the most effective energy option for Queensland is to actively reduce reliance on oil.

I congratulate the minister for encouraging and assisting exploration with the passage of this bill. However, I strongly suggest that it is only by a comprehensive realignment of transport, housing and industry policy that we will be able to avoid a very bumpy landing post peak oil production. I commend the bill to the House.