

**Ian Macfarlane**

**Queensland Exploration Council – Tech Summit Speech**

**Wednesday, 17 August 2022**

Good morning, ladies and gentlemen.

It's an absolute pleasure to be part of the Queensland Exploration Council's Tech Summit for 2022.

I'd like to give a special welcome to:

- **Tony Knight**, Chief Government Geologist – Department of Resources.
- **Shaun Ferris**, Deputy Director-General - Department of Resources
- **Kim Wainwright**, Qld Exploration Council Chair
- **Steven Micklethwaite**, the head of this year's organising committee for the Tech Summit who has put together this year's program
- I'd also like to acknowledge **Sarah Gooley**, AMEC's new Queensland Director. Many of you will know Sarah from her work on the QRIDP in the Department. Welcome Sarah.

We also have two former winners of the QRC Resources Awards for Women in the Exceptional Woman in Exploration category. A warm welcome to:

- **Caoilin (pronounced Key-Lin) Chestnutt** (2020)
- **Sue Slater** (2019)

**Thank you also to all the presenters who have given up their time to share their expertise with us today.**

I begin by acknowledging the Traditional Custodians of the land on which we meet today, our First Nations people were the first to make use of Queensland minerals in their culture. I pay my respects to their Elders past, present and emerging. **PAUSE**

I'd also like to pay my respects to every person here for your involvement in and commitment to the exploration industry, and for your contribution more broadly to Queensland's resources sector.

**Exploration matters to the future of this state** because we're producing commodities and products that countries and people want and need - and are prepared to pay for - to support their livelihoods and lifestyles.

Exploration companies are part of an industry that has played a critical role in growing Queensland's economy over generations, and kept the state economy afloat during difficult times such as the Covid crisis.

You can feel proud you are part of an industry that complies with - and sets - some of the world's highest environmental and safety standards, and gives generously to the communities in which it operates.

Resources is Qld's number one export industry, supports the jobs of more than **422,000 people**, and contributed **\$84.3 billion** to the Qld economy in 2020-21.

Our exploration sector sustains a **pipeline of new resource developments**, which in turn creates jobs, economic activity and a royalty tax stream that helps pay for our doctors, nurses, teachers and police plus roads and other essential public infrastructure.

As we all know, being part of a commodity-based, export industry is no walk in the park.

Yes, there are the good times, when commodity prices are high, international investment is strong, the weather is good, labour is readily available, unions are happy, and

governments appreciate the contribution our sector is making to the economy.

Getting all this to happen at the one time is the trick.

But as everyone in this room knows, the resources sector also has plenty of tough times, such as China's informal trade ban on Australian coal, the global pandemic's ongoing impact, a critical skilled worker shortage, calls from domestic gas advocates for export controls on LNG and the ever-present market volatility -depending on what's happening globally.

But, I have to say, out of everything our industry has faced in recent times, the decision by the Qld Government - almost three months ago - to impose the world's highest coal royalty tax rates on our industry has had the most impact. The ripple effect, and potential undermining of our minerals and gas sector, is of great concern.

Just when things were going so well.

Under the Qld Govt's new coal royalty regime, royalty taxes paid by coal producers this financial year will rise from about **\$7.3 billion under the previous regime** – which

was almost **four times higher than the previous year because of higher coal prices** - to around **\$16 billion**.

I'll say it again – this financial year coal producers will pay \$16 billion in state royalty taxes, which is up from \$7.3 billion last year. That's a massive increase in anyone's language.

Once gas and metal royalties are included in this figure, the total amount of resources royalties to be collected this financial year by the Queensland Government will reach around **\$18.3 billion**.

That's substantially more than Treasury documents show will be collected from our industry, but I can tell you, it's consistent with what independent market analysts are saying.

This is an extraordinary amount of money to rip out of a major wealth-creating industry for Qld in a single-year period. We know of major resources companies who right now are reviewing all of their projects in Queensland, in light of this sudden and dramatic change in our royalty regime.

Because this is not just about coal producers. The exploration industry is right to be concerned about the flow-on effect this decision may have on international investment in projects here. The reality is that without consistent and successful exploration, there is no Queensland resources industry.

Yes, Queensland has the commodities the world needs, but we also need the right government policy settings to make the most of our state's rich endowment of gas, coal and new economy minerals.

It can take years if not decades, to gain approvals and explore the vast areas of Queensland to get minerals and commodities out of the ground and transported to customers.

According to last year's QEC Exploration Scorecard, explorer sentiment towards access to investment capital was the best it has ever been in its 11-year history. We need to maintain this industry confidence to ensure we continue to attract investment in exploration.

Well, the QRC is fighting the good fight to make sure every Queenslanders knows the exploration and resource sectors are massive contributors to the state economy.

I urge every person here, and every company represented here, to use your voice to speak up about the many benefits of our ever-evolving and innovative resources and exploration sector, which has been the engine room driving Queensland's prosperity for many decades.

The International Energy Agency has estimated that to meet net zero by 2050 will require up to six times more new economy minerals than are produced today.

This represents a tremendous opportunity for Queensland in the race to lower global emissions because we are highly prospective for the commodities needed to manufacture batteries and other renewable technologies.

We cannot, however, take our position as a potential global resources powerhouse for granted. We need to work together to build more broader and more informed community support for our industry, and to bring the community on the journey with us to a lower-emissions future.

That's why I am delighted that today's discussions will focus on **resources discovery** and **innovations for the future**.

The topic of discovery and innovation ties in nicely with a new recruitment campaign the QRC has just launched called "**Shape your future, innovate our world**".

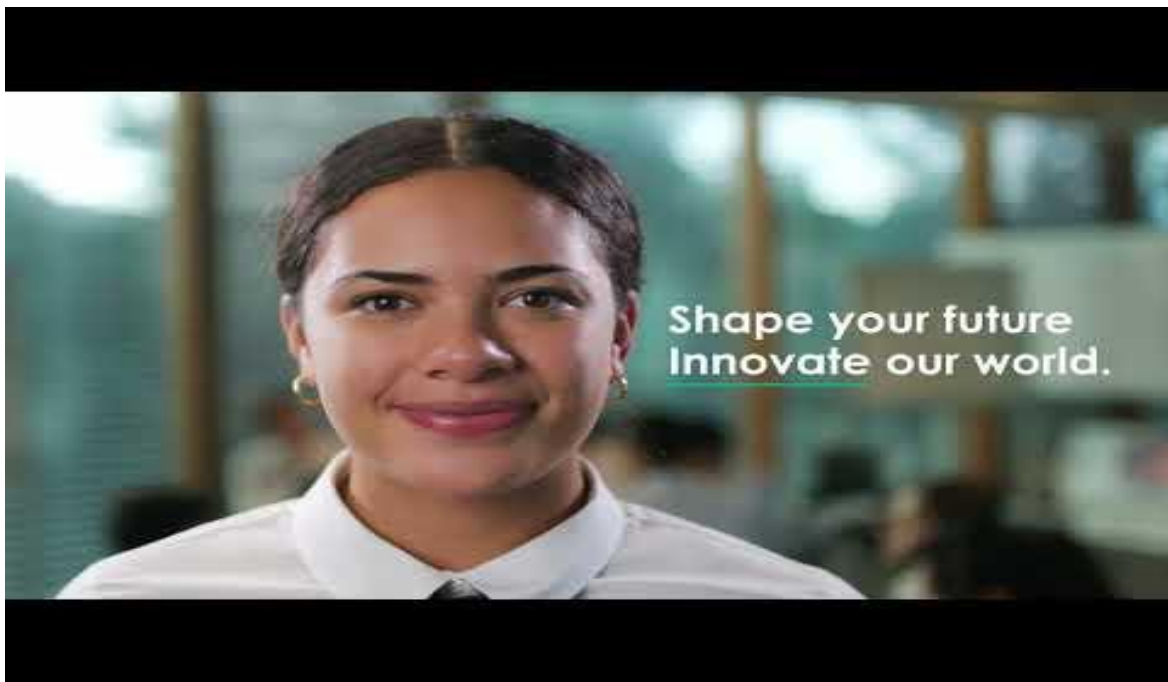
The campaign has been created to attract young people who are about to leave school, or are in their early years of university, to a brilliant career in our mining and energy sector. It centres around the Top 10 hottest jobs in resources, and right there in the top 10 is geology. So, to all the geologists in the room today, you're now on the hottest job list! You might need to ask for a pay rise!

Through this recruitment campaign, we're inviting more young people to work in our industry, so they can play an integral part in reducing our sector's impact on the environment.

Check out our fantastic campaign video (**VIDEO TO PLAY**).

**[Shape Your Future. Innovate Our World. 2022](#)**





The world is moving towards a new era of sustainable mining and energy production to address climate change, and our sector is absolutely on-board with being part of the global solution to decarbonisation. We just need more people to get on board with us, which is what the Shape Your Future campaign is all about.

Good luck with your discussions today about the future of Queensland's exploration sector. We're all counting on your success, because exploration will continue to be the lifeblood of the resources industry. Thank you.

**ENDS**