

Rudd looks to WA for new resources minister

Several leading candidates for the job hail from the mining-lead boom state

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KEVIN Rudd's decision to buck Labor tradition and allocate Cabinet portfolios himself, rather than bow to factional pressures, will be most significant in the resources sector with candidates from Western Australia among the frontrunners for the job of resources minister.

"I will be determining the ministry myself ... that's entirely appropriate," the new prime minister said yesterday at his first news conference since Labor's election victory on Saturday.

But he left open whether shadow Cabinet members would retain their portfolios in his first ministry.

Mr Rudd's stunning victory has given him the authority to stare down factional heavyweights and pick the team he believes will deliver results quickly.

This could mean Labor's resources shadow minister, WA Senator Chris Evans, being moved.

Resources industry leaders have drawn comfort in recent weeks from Mr Rudd's statements that the federal government needs to be better acquainted with the huge wealth generating parts of the nation, particularly Queensland and WA, rather than being absorbed by what goes on in Canberra.

They have criticised as foolish

the suggestion by Coalition leaders prior to the election that Mr Rudd would bring an end to the resources boom.

Resources heavyweights such as BHP Billiton, Rio Tinto and Woodside, while not commenting publicly, are keen to reinforce the view that the resources portfolio should be in Cabinet, rather than in the outer ministry.

They point to the impact Coalition Minister for Industry, Tourism and Resources Ian Macfarlane had in bringing issues before his senior colleagues and contrast that performance with some of the difficulties that his predecessors had in convincing government of the importance of some industry issues.

Mr Rudd has given no clear indication of his thinking on the question, other than to argue he wants break the 'blame game' cycle between Canberra and the states, which is particularly evident between Canberra and Perth now, because of the huge revenues the Commonwealth obtains from offshore oil and gas developments.

Mr Rudd has promised to establish an WA infrastructure development fund from the royalties that may flow in the next decade from the Pluto and Gorgon LNG developments but details are scant.

Since the last election Labor has had three resources spokesmen: most recently Senator Evans but before him Martin

Ferguson and Joel Fitzgibbon.

Of the three, Mr Ferguson, a former ACTU president, is regarded highly in the resources sector, primarily for his key role in Labor scrapping its "three mines" uranium policy.

Senator Evans has been conscientious in attempting to get on top of complex resources issues but has yet to make his mark among sector leaders.

The Australian Uranium Association was quick to welcome Mr Rudd's election victory, noting that the removal of constraints on uranium expansion was one of Mr Rudd's main priorities for his first 12 months in office.

"We believe Mr Rudd's election removes a number of the reasons some states have used to ban uranium mining," Association executive director Michael Angwin said. "There can now be no reason for believing that the expansion of uranium mining will mean that Australia becomes a repository for the world's nuclear waste."

Other candidates considered more left field for the resources portfolio include current health spokesman Stephen Smith, who was briefly involved with resources as an adviser to Paul Keating and has said more recently he loves the area, and newcomer, Gary Gray, who was Woodside's external affairs director until early this year.