



# SAMGRIS RESOURCES PTY LTD

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15 January, 2014

Submission No. 007

The Research Director  
State Development, Infrastructure and Industry Committee  
Parliament House  
George Street  
Brisbane QLD 4000

16 January 2014

11.1.14

via email: [sdiic@parliament.qld.gov.au](mailto:sdiic@parliament.qld.gov.au)

To whom it may concern,

## RE: Committee Inquiry into the *Regional Planning Interests (RPI) Bill 2013*

Samgris Resources Pty Ltd ("Samgris") is a privately owned resource company focused on exploring for coal resources in Queensland. Samgris currently holds 11 Exploration Permits for Coal (EPC's) and aims to acquire more projects in the future. Samgris' longer term goal is to develop a coal mine in Queensland. Samgris' shareholders include the Shaanxi Coal and Chemical Industry Group Co. Ltd (3<sup>rd</sup> largest Coal producer in China), Shaanxi Coal Geology Group Co. Ltd (leading exploration service provider in China) and 2 Australian companies.

Samgris recognises the Committee's challenging task in reviewing the *Regional Planning Interests Bill 2013*, in order for the Government to deliver a win-win outcome for the State of Queensland. However, Samgris is very concerned that the current Bill:

- prejudices against the resource sector, particularly those companies with projects that lie within the designated Priority Agricultural Area (PAA's); and
- has the potential to unnecessarily damage the overall health of the Queensland resources industry, which could mean more job losses, reduced mining revenue and increasing Government debt.

The broad PAA's are poorly defined and include areas of both low- and high-priority agricultural areas. One of Samgris' EPCs lies within a defined PAA, but this EPC is largely situated outside the existing Strategic Cropping Land (SCL) trigger zone. There is already a defined process in place to obtain permits to explore this EPC and evaluate the coal mining potential. However, if these new PAA zones are enforced, the onus will be placed upon Samgris to process an additional layer of complex regulatory approvals. This expensive, time-consuming process in getting a "Regional Interests Authority" seems like overkill, particularly for early stage exploration work, which has minimal impact on the land. In addition, Local Government appears to have new powers to delay and veto resource projects?

The allocation of other Regional Interest Area's and PAAs in other areas in the future is also a concern. The criteria for their future designation have not yet been defined, creating a great sense of uncertainty for resource companies in Queensland. Until these areas are defined, exploration work and investment in Queensland is likely to stall. This is a lost opportunity that should be avoided. Queensland is already suffering a resources downturn and will suffer further set-backs, if this legislation proceeds as it stands.

The short review and submission timeframe over the Christmas-New Year holiday season is clearly not adequate to consider the broader implications of this Bill. Furthermore, the full implications of the Bill remain difficult to assess while regulations are not yet available. More time should be given to this important Bill that has large negative ramifications, particularly if it is rushed through in its current form before the regulations are released.

There is potential that resource tenures located within the Regional Interest Areas will be significantly devalued by the legislation. Some companies and their shareholders, who have invested significant funds in these areas in the past, may seek compensation from the Government for their losses. The Government should investigate its liabilities further.

In the consultation phase prior to the *Regional Planning Interests Bill's* 2013 tabling, it appears there has been a higher degree of consultation with Agricultural groups, and much less consultation with mining/exploration stakeholders? In Queensland's regional communities, the interests of the resource sector also need fair and balanced representation.

Regional plans **can** deliver win-win outcomes by recognising all potential land uses and the value of various resources within the land (mining, agriculture, environmental resources etc.). Exclusion zones and onerous processes should not be implemented at early stages of evaluation, before assessing the full resource potential. The Bill would be much more successful if it was:

- more flexible with different land users;
- allowed good regional development outcomes to emerge naturally; and
- encouraged the evaluation of all types of resources, so that the maximum benefits can be realised.

An important consequence of the current bill that greatly concerns Samgris is that it is likely to increase uncertainty and decrease security for exploration and mining tenure holders in Queensland. Global sovereign risk surveys (e.g. Fraser Institute) have increased Queensland's risk rating over the past few years, and this new legislation is likely to increase the risk rating further. This will reduce Queensland's ability to attract investment in the future, as many investors will consider that the sovereign risk in Queensland is just too high. This has the potential to have long-term negative impacts on the resources industry in Queensland. The resources sector is an important industry for Queenslanders that generates wealth for the State, providing thousands of jobs, new business and training opportunities. New legislation should aim to help the industry to grow, and encourage exploration, so the Queensland's people get maximum long-term benefits.

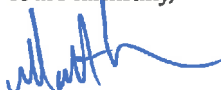
Samgris' recommendations include the following:

- Increase the deadline for submissions to at least mid-February 2014.
- Consult all stakeholders again, including resources companies and resource groups.
- Review the bill and tighten up the definitions.
- Release regulations for review before passing the bill.
- Provide more certainty/security to existing tenure holders.
- Exclude all existing granted tenures and EAs, and only apply to new applications & new grants.
- Undertake detailed mapping and define the PAAs in more detail, based on data and science, and relate these areas to the mapped SCL areas.
- Put a cap on information requests and timeframes for appeals, so exploration is not delayed.
- Reduce the power that local Government and individuals have to delay and veto projects.
- Provide incentives/compensation mechanisms to resource companies that are negatively impacted by this new legislation.

The *Regional Planning Interests Bill* 2013 identifies broad policy outcomes, but it is difficult to assess the potential consequences without key regulatory details, better definitions, and a detailed outline of the assessment processes involved. Samgris urges the committee to carefully consider the implications of the Bill on the Queensland Resources Industry and its people, before finalising its review.

If you require any further information, I can be contacted on (07) 3169 2580 or alternatively via email at [matt.white@samgris.com](mailto:matt.white@samgris.com)

Yours faithfully,



Dr Matthew J White  
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