



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

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MINISTERIAL STATEMENT

Pasminco Century Zinc Mine; Native Title

Hon. P. D. BEATTIE (Brisbane Central—ALP) (Premier) (9.32 a.m.), by leave: Last week in this House, I informed honourable members of some of the major projects and policy initiatives that my Government has delivered in the past 17 months. Today I am proud to say that my Government is about to deliver yet another major project. But not just any major project—this project is the Century mine in far-north-west Queensland, the largest zinc mine in the world. It also boasts one of the world's largest resources of lead and silver. For some years, Century has been referred to as a trial mine, or even a mine in waiting. Now the moment is at hand for the giant Pasminco Century mine to realise its potential and to become a fully operational and export production mine.

Century—owned by Pasminco Ltd—is on target for its first shipment of about 10,000 tonnes of concentrate during the next three weeks. That will be a proud moment for Queensland and, in particular, for the previous Goss Government and my Government. I am proud to say that this project was identified, sponsored and now delivered by State Labor Governments, and I acknowledge the efforts of the Minister for Mines and Energy, Tony McGrady, who has had ministerial responsibility for the vast majority of the life of Century mine. I also place on record my Government's appreciation to the many people who have worked on this project in the public and private sectors, the indigenous community—particularly the traditional landowners—and the original developers of the mine, Century Zinc, which was a subsidiary of CRA Limited.

I also believe it is appropriate to place on record the history and almost incomprehensible statistics that earn Century a major place in Queensland's illustrious mining history. Back in 1992, the Labor Government established the Carpentaria/Mount Isa mineral province, which resulted in the north-west attracting investments of more than \$3.5 billion—including the Century project. Importantly, this Labor initiative also helped to create more than 2,000 permanent new jobs and about 7,000 other jobs in associated industries. My Government wants to continue to build on this. That is why my Government earlier this year announced the North-West Queensland Development Initiative. This new initiative will focus on getting the maximum social and economic benefits from resource projects. The initiative also aims to identify and assess new economic development opportunities to generate local jobs and new local businesses.

The Century project is unlikely to be matched in the near future, particularly in terms of resource size. In full production, Century will mine 5 million tonnes of ore per year. This means that, during its projected minimum 20-year life, Century will produce about 8% of the world's zinc, 880,000 tonnes per year of zinc concentrate containing 500,000 tonnes of zinc metal and 70,000 tonnes per year of lead concentrate. Century is also big in terms of investment. Capital expenditure was \$810m and the operational work force is about 450.

As I said earlier, this was a project promised and started—and now delivered—by Labor Governments. This is in stark contrast to the stalling, spoiling and mismanagement of the Borbidge/Sheldon coalition Government. The coalition almost lost this project through its intransigence and incompetence, particularly on the issue of handling native title. Their incompetence almost cost Queensland this project. They stand condemned.

In contrast, I advise the House this morning that on AM the Federal Attorney-General indicated that—

"On the face of it it appears that the Queensland legislation"—
that is, in relation to native title—

"is capable of being the subject of a positive determination."
The introduction said—

"Now it's the Labor Government in Queensland's turn ..."
in relation to native title. It goes on—

"Federal Attorney-General Daryl Williams is heading north today to oversee the details."
The reporter continued—

"... Premier Peter Beattie is keen for his native title plan to earn the approval of the Attorney-General and the Senate ... by all accounts he's on the right track. The Federal Attorney Daryl Williams thinks so."

It goes on—

"The Attorney won't say whether Queensland's plan will be put to the Senate at the same time as he reveals his proposal to fix up the veto impasse but one thing the Government has in its favour, Labor federally is in the mood to do deals with the coalition and will be under pressure to sign off on a State Labor plan."

We are making progress with native title.

But there are some issues at a Federal level that I will draw to the attention of the House. I have made much of the agreed outcome my Government achieved with the south-east Queensland forest agreement. I need not remind honourable members of the historic nature of this agreement or its protection of timberworkers' jobs. Nor do I need to remind members of the 25-year resource security for small mills, the survival of small country towns and the protection of 425,000 hectares of Crown native forest.

I have also informed the House of the Federal Government's refusal to date to help fund this historic agreement. From a total cost of \$80m we asked the Federal Government for just \$36m. The Deputy Premier and I met with the Prime Minister on this proposal. We are still waiting for the funds. By handing over this amount, the Federal Government could have proved its commitment to this workable forest agreement. It could have shown its commitment to the first agreement in Australia to actually produce a result that all stakeholders accept. The Prime Minister could have given us the money and been applauded widely. He still has that opportunity and I urge him to do so. Instead, he chose to travel to Western Australia—into the midst of an RFA war—to bear the brunt of a local Liberal Party split that has produced a level of hatred between the Greens and the timberworkers not seen in Western Australia for years and avoided in this State because of our skilled negotiation.

I thought this rebuff from Canberra was the worst we could expect. I thought to myself, "Surely they couldn't destroy their forestry credentials any further?" But I was wrong! On November 11, Mr Costello, the Federal Treasurer, released the second stage response to the Ralph review of business taxation. The response included two items of relevance to investment in private plantation forestry. Honourable members will remember the crucial role private plantations play in plans to replace in 25 years' time the timber resource presently coming from our Crown native forests. These two items are the Commonwealth's desire to limit the extent to which losses from non-commercial activities can be offset against other income and their intention to modify the payment rule so that prepaid expenses can only be deducted over the financial year in which they are applied.

Put very simply, this means that the Federal Government is clearly considering ending the immediate deductibility provisions for investment in new timber plantations. What an absolute brainwave that is. We have Senator Hill running off to Kyoto promising to limit Australia's greenhouse gas emissions to 8% over 1990 levels. We have the Sydney Futures Exchange gearing up to start carbon trading, possibly as early as 2002. We have millions of Japanese investment dollars pouring into this country to establish meaningful areas of native hardwood plantations, and what does the Federal Treasurer do? He pulls the rug right out from under the whole thing. Zip! That is what he has done. Guess who looks the biggest fool of all over this? None other than the Federal Minister for Forestry and Conservation, Wilson Tuckey! On 21 September Wilson Tuckey issued a ministerial press release in which he welcomed the continuation of the immediate deductibility provisions. He was right. He went so far as to say that the business tax package was very good news for the timber industry. Talk about the left hand not knowing what the right hand is doing.

If the Federal Government goes ahead with this lunacy, the Federal Government's 2020 plantation agenda will be shot to bits, regional development will again be a loser, diversification of farm income will remain a pipedream and greenhouse gas emissions will worsen. Let us be very clear about that. That is without mentioning the effect on hard-won agreements such as the South East Queensland Regional Forest Agreement and the effect this will have on it.

This agreement required the Crown to plant some 5,000 hectares of new hardwood plantations while encouraging private firms to do likewise. Already we have companies such as East Coast Tree Farms based at the port of Brisbane planting heavily in the Boonah and Beaudesert areas. Another company called GRO is looking at locating plantations in the Bundaberg area. What protests have we heard from Minister Tuckey and that other greenhouse warrior Robert Hill? Nothing! Zilch! Not a peep! It is crucial that Australia and Queensland continue their efforts to expand the plantation sector to three million hectares by 2020. Failure to do this will lock the Australian timber industry into a marketing time warp. Most importantly, if the Federal Government cannot guarantee us tax deductibility, it must deliver on the \$36m we are seeking for the south-east Queensland agreement. Nothing less than that is acceptable. This is a significant issue for this State. I cannot understand why the Federal Government is undermining plantation timber in this State.
