Speech by

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MINING AND OTHER LEGISLATION AMENDMENT BILL

Mr KNUTH (Charters Towers—NPA) (12.49 pm): I rise to speak to the Mining and Other Legislation Amendment Bill. Our state's wealth and growth are due largely to the strength and diversity of our resources industry. It contributes $25 billion a year to the Queensland economy and employs thousands of people, with estimates of the flow-on effects showing that the sector accounts for more than one in every eight Queensland jobs.

A Queensland Resources Council survey in 2004 showed that the resources sector spent $4.2 billion on goods and services sourced in Queensland, more than $1.3 billion on wages and salaries, over $22 million on community and Indigenous programs in Queensland in 2003-04, and regional communities were the major beneficiaries. According to the survey, $11.7 million was spent by the state's resources sector on community programs in Queensland in this period in areas such as school based activities, sporting donations and sponsorships, welfare initiatives, improving access to education and training and medical services.

The contribution of the resources sector to employment, infrastructure and services in rural and regional areas cannot be underestimated, and it is our responsibility to make sure that further development of this sector is not impeded. We must do everything we can to drive the viable and environmentally sustainable use of our resources and ensure that the benefits flow back to Queensland. Exports of lead, copper, zinc, gold, silver, bauxite, tin, oil and gas provide the income and stimulate the investment that we rely on. The export of coking and high-quality thermal coal in particular is vital to the Queensland economy. We export to 31 countries, with Japan being our major customer and forecasts show future demand of up to 235 million tonnes by 2010.

Our state's debt is now approaching $52 billion, with no repayment plan in place. Now more than ever our future depends on the efficient and timely exploration, extraction, processing and transport of our natural wealth. I welcome any initiatives that will provide a positive benefit to the industry, but we have to remember that legislative changes are only a part of what needs to be done.

Queensland receives a $2.3 billion contribution in the form of revenues from the minerals and energy sector, including $1.4 billion in mineral royalties and $900 million in dividends from government owned rail, port and energy enterprises. However, we are finding growth is stifled because of transport infrastructure constraints, lengthy permit approval processes, a lack of skilled and professional staff as well as layers of bureaucratic and interdepartmental red tape. According to Michael Roche from the Queensland Resources Council—

... as Australia enters its sixteenth consecutive year of growth, the sector's export capacity constraints are in sharp evidence. Infrastructure constraints—both physical and social—are limiting Australia's export potential and overall economic growth.

The Queensland Resources Council's 64 full member companies operating in Queensland had identified widespread deficiencies in physical infrastructure including rail, ports, water and energy. Mining and minerals processing in Queensland is also forecast to need another 15,000 employees by 2015 to satisfy double-digit industrial growth in countries including India and China.

There is also a major review of the Mineral Resources Act 1989 in progress. This is principal legislation that regulates mining exploration, extraction and processing in the state, and therefore the results and recommendations of this review will be of vital importance to the mining and resource industries in particular as well as to Queensland.

I understand from a briefing that I received from the department that issues such as native title are complicating the legislative responses to issues within the mining industry. I am nevertheless still concerned that so much effort is being directed to drafting, introducing, amending and implementing legislation when so many other constraints have been identified as impeding the growth of our mining industry.

While I welcome the introduction of this bill, I am concerned that not enough is being done in other areas. Industry is generally satisfied with the existing legislative and regulatory framework in Queensland but believes that there is a more urgent need to focus on the operational aspects of the current policy framework. According to Michael Roche, 'Queensland's rich natural endowment of minerals and energy must be complemented by concerted and coordinated efforts to maintain and enhance the sector's competitive advantages.' While there is no doubt that changes can and should be made to streamline and consolidate the legislative and regulatory environment in Queensland, these should complement the urgently needed overhaul of the entire operating structure and not be remote from it.

This bill itself proposes changes to nine different acts and is designed to address administrative, operational and compliance issues, some coming from yet another review, this time into the operation and effectiveness of changes made to petroleum and gas legislation in 2004. While none of these particular amendments are in themselves a problem, I have to wonder just how many reviews need to be conducted and how many amendments introduced before we see some results.

I am very pleased to see the amendments relating to safety provisions within the Petroleum and Gas (Production and Safety) Act 2004 clarifying the definition of 'operating plant'. Clearer and more defined definitions of 'operator' and a clarification of the relevant responsibilities will be a positive contribution to enhancing mine, pipeline and gas works safety. The adoption of generic safety management plans by small operators and, in particular, the upgrading of such plans for larger industry participants will simplify the bureaucratic burden without compromising the safety of our workers.

Workplace health and safety penalties have also been increased in line with those contained in the Workplace Health and Safety Act 1995, which was the original intention of previous acts. The maximum penalties under the duty of care provisions in the Explosives Act 1999 have also been increased from 400 to 500 units to reflect the severity of the possible events and are now consistent with penalties in the Dangerous Goods Safety Management Act 2001.

I am happy to see the provisions relating to the restructuring of the Mines Inspectorate, introducing different levels or grades of inspectors and putting in place a career path for this vital service. Queensland has suffered from a lack of suitable and available inspectors, and I congratulate the minister on this positive step. It will also allow for the appointment of other specialised personnel to investigate and address specific health and safety issues. These authorised officers and investigators will broaden the skills and knowledge within the inspectorate and hopefully work in conjunction with appointed inspectors to investigate issues of concern, and provide workers with a safer working environment. I strongly believe we owe a huge duty of care to workers involved in such potentially dangerous occupations and fully support these provisions.

The future benefits from developing geothermal power, especially in our more remote regions, I believe will prove to be of immense value. We are all familiar with the need to expand our sources of alternative energy and power, and I encourage further investment in this exciting area. The amendments enabling renewal of exploration permits for a further three years will give companies more security and the ability to better manage their activities. They will also be required to adhere to a strict set of conditions that will ensure that all reasonable work under the permit is carried out.

Information sharing between government departments has always been a problem. Interdepartmental bureaucracy is one of the major hurdles to be overcome for any development or enterprise. Providing for a freer exchange of information held on the register across departments is a positive step. However, we must be sure that these changes are not just cosmetic and only a part of a greater effort to streamline bureaucracy.

The proposed changes to the Coal Mining Safety and Health Act 1999 are primarily about the leadership, structure and operations of the advisory council, and aligning penalties for failures to discharge obligations with the Workplace Health and Safety Act 1995. This not only strengthens the act but also provides clarity for companies operating under this legislation. It will also allow for the retention of experienced council members by removing the maximum period for membership and allow for their reappointment after the three-year term has concluded.

There are considerable revisions proposed for application requirements within the Mineral Resources Act 1989, with sometimes frightening complexity of the applications for mineral development and mining on different or overlapping leases for different minerals, oil and gases. This is an area that certainly needs revision. However, again, I hope that the revision will lead to considerable improvements in the processes, rather than making them even more complex.

The proposed new reporting requirements of the Petroleum Act 1923 and the Petroleum and Gas (Production and Safety) Act 2004 do seem to achieve this result, with the elimination of the need to submit duplicate reports that were required under the existing act. The amendments to the Petroleum and Gas (Production and Safety) Act 2004 also include a considerable number of requirements for the notification of government and local councils of proposed petroleum facilities and pipelines.

With the rapidly increasing level of activity with regard to our petroleum and gas industry, this will hopefully serve as a means for both levels of government to be able to monitor and, where necessary, control the effects of such facilities. New definitions of 'operating plants' and 'operators' in this bill will impose a greater level of responsibility on plant operators, with the responsibility clearly defined. This includes preventing anyone at the workplace from directing any worker to carry out work on a plant that they are unlicensed or unqualified to do.

Sitting suspended from 1.01 pm to 2.30 pm.

Mr KNUTH: This is a huge project with the potential to inject a huge amount of capital into the north of the state and is to a degree a special case. I would be greatly reassured if the minister could assure the House that this project as well as the associated processing facilities in Queensland are still on track and on time. The mining itself holds a great deal of promise for Queensland but it seems we need further commitments from Chalco as to where and when the ancillary facility will be constructed.

The coalition fully supports this project but we are concerned about the long delays in making these announcements. There was a rock solid commitment from the government that the success of the project and the awarding of the lease to Chalco would be entirely dependent on the further processing of the resource taking place in Queensland and not offshore. I ask the minister to confirm that that is still the case and I ask what is being done to hasten the final decision on the location and timing.

I now turn to the amendment circulated by the Minister for Mines and Energy. The object of the amendment is validation of the inclusion of additional surface area No. 2 mining lease No. 4761 made by the Governor in Council on 29 March 2007 and granting of the associated environmental authority made on 8 March 2007 in order to remove any uncertainty about the validity of those grants and to secure the future of the mining lease operation conducted under those grants. This amendment will ensure certainty of the mining industry and sends a message to the Queensland Conservation Council that the livelihood of mine workers and the economic future of the state are more important than some highly contentious and emotional arguments put forward by the radical green movement.

The legislation had to be developed in response to the Queensland Conservation Council's appeal to the Supreme Court of Queensland relating to Xstrata's project in central Queensland. The mine in question is an extension of the Newlands coalmine at Suttor Creek approximately 130 kilometres west of Mackay. It is known as Newlands Wollombi No. 2 project.

While the appeal was in fact based on a legal technicality, the original objection was based on the potential environmental impact of the emission of greenhouse gases and its consequent effect on global warming, topics that even the most prestigious scientists cannot agree upon. It is a sad day in Queensland when legislation has to be passed to prevent Queensland falling to its knees financially because of the controversial warnings regarding global warming.

The Queensland Land and Resources Tribunal in its summary recognised the alarmist views put forward by the Queensland Conservation Council in its objections. The Queensland Conservation Council contended that the greenhouse gas emissions from mining, transport and the use of coal from the mine will contribute significantly to global warming and climate change. The terms 'global warming' and 'climate change' are both emotive terms designed to frighten people into accepting unsubstantiated facts.

We as a state cannot allow the future of our industries and our economies to be held to ransom by redundant threats from extreme conservation groups, the extreme greens. I applaud the government for amending the legislation to ensure the smooth sailing of the extension of Newlands mine and safeguarding not only the investment made by Xstrata but also the livelihoods of hundreds of workers who will now be able to continue supporting their families.

Other issues that need to be raised are the closure of the Moonie-Brisbane pipeline in July which placed a huge impost on small oil producers. This needs to be addressed urgently. These producers now have to truck their oil to the Lytton refinery in Brisbane in vastly reduced quantities or truck it to Moomba and then pay large fees for it to be pumped to South Australia. It is costing small producers dearly. The oil that now goes to South Australia means a loss in state oil royalties. The state loses revenue and the companies lose business. In such a competitive business environment we cannot afford to lose a single

day or a single dollar waiting for the wheels of bureaucracy to turn. We have received almost no information on what repairs are needed or when they will be completed. That leaves the companies affected by the closure with no idea of how long operations will be suspended for or even indeed if they will be restored at all.

I must also raise my concerns about the increasing amount of legislation coming before this House that may breach fundamental legislative principles. In this case it is argued that any breaches are minor but that does not excuse the fact. As the term implies, these are fundamental principles. We must be very cautious about any potential breaches, minor or otherwise. I will concede that in some rare cases this may be unavoidable but in an area that is already facing considerable changes and is subject to numerous overlapping reviews this practice needs to be carefully monitored.

As indicated earlier, I am fully supportive of any measures that help our petroleum, mining, gas and processing industry to grow. I will be supporting the bill. I want to draw attention to the non-legislative changes that need to take place to allow our resource industries to develop to their full potential.

It is absolutely no use amending legislation if our exports are blocked from export because of the failure to properly plan for transport infrastructure. It is no use reducing reporting requirements if, because of massive delays in permits, exploration is being stifled. It is no use talking about the future development of the north-west mineral province if there are not sufficient skilled workers to bring it on. It is no new use talking about increasing the onshore processing of minerals from this area if there is a severe lack of readily accessible, affordable power. In other words, it is no use constantly introducing amending legislation if the fundamentals are not looked after. It is disappointing to see that the value of royalties received in Queensland actually fall at the time of record demand and prices. This cannot be allowed to continue.

I do not doubt that the minister sincerely wishes to help our resource industry deliver and strengthen our competitive advantage in the sector. But major customers have already signalled they are ready to look elsewhere if they do not lift their game. I support the legislation but would support even more a coordinated and comprehensive response that addresses all the aspects of the industry, not just the deck chairs. I commend the bill to the House.