




Speech By
Shane Knuth

MEMBER FOR DALRYMPLE

MINING AND OTHER LEGISLATION AMENDMENT BILL

 **Mr KNUTH** (Dalrymple—KAP) (8.10 pm): The Mining and Other Legislation Amendment Bill 2012 seeks to reduce the regulatory burden on fossickers and small scale miners of opals and gemstones; allows co-location of pipeline licenses that will reduce the impact from petroleum and gas projects; and introduces a tendering process for the exploration permits for coal and a cash bidding component for highly prospective areas. The introduction of a tender system for exploration permits for coal and, by omission, other minerals, and a cash tendering process for highly prospective areas is counterproductive and has been widely condemned in submissions received.

Earlier the member for Lockyer stated that I supported the Queensland Resources Council on this issue. Well, the Queensland Resources Council, which is in bed with the LNP, has condemned the legislation because it can see that the LNP wants to get into bed with even bigger players.

Government members interjected.

Mr DEPUTY SPEAKER (Mr Berry): Order! Honourable members, he is not taking interjections.

Mr KNUTH: I also support the submission from the Association of Mining and Exploration Companies which has strongly opposed the bill. The reality is that the whole resource industry in Queensland can see the writing on the wall: that this legislation is paving the way—like the member for Lockyer said—for an Eddie Obeid style of tendering process. It is dangerous and opens up the Queensland government to even more risk of corruption and underhanded dealings. Once again we see a bill that was pushed through with no consultation apart from a few big miners that have had lunch with the Deputy Premier and the minister. Small exploration companies play a big role in the continuing strong growth of our resources sector. The cash bidding changes will adversely affect smaller explorers who do not have the upfront capital to bid for tenure. Considering the areas to be subject to a cash tendering process are those considered to have the most potential for future development, the introduction of a cash tendering process effectively shuts out small to medium prospecting companies that generally open up new lease areas. This is common sense.

Government members interjected.

Mr DEPUTY SPEAKER: Order! Honourable members, I cannot hear the member for Dalrymple. Please allow him to continue.

Mr KNUTH: Only larger companies able to raise the capital to pay the upfront costs and then work those leases will be able to enter the tendering process. As noted by the mates of those opposite, the QRC, in their submission to the bill—

Government members interjected.

Mr KNUTH: The member for Dalrymple is not saying this, the buddies of those opposite, the Queensland Resources Council is saying this—

Most small to medium explorers and developers operate on shoestring budgets because of the high-risk nature of their activities.

Government members interjected.

Mr DEPUTY SPEAKER: Order! Honourable members, it is too loud! Allow the member to continue.

Mr KNUTH: The QRC went on to say—

History has shown that the small explorers are the best at making discoveries, the best at juggling the risks. They have the best track record of delivering discoveries of new deposits. This policy is disenfranchising that smaller explorer because this is all about the big cheque book and the early return to the Treasury.

Government members interjected..

Mr DEPUTY SPEAKER: Member for Dalrymple, just take a seat for a moment. I do not know that anything he is saying is that provocative that it calls for calling across the chamber. Will you please allow the member to proceed with his debate speech.

Mr KNUTH: This grab for cash upfront will be damaging to the role that these smaller exploration companies have in the development of Queensland's resource sector and the flow-on effect will be a slowdown in the development of Queensland's most prospective areas as larger companies buy up the best leases and possibly sublease the areas to smaller exploration companies that then miss out on the gains to be made by controlling the lease in its initial phase of development. This could potentially see smaller companies trying to scratch out a living through lower grade leases without the return on investment. The mates of those opposite, the Queensland Resources Council, acknowledge the role that these smaller miners play in accelerating the development and exploration phase.

The cash bid process that was announced for coal and petroleum and gas is critical to the industry as a whole and the effect that cash tenders will have broadly must not be ignored for the sake of short-term gain for the government. The cash tendering bill has been rejected and largely condemned by industry as damaging to the future development of the resources sector. Considering the importance of this industry to the Queensland economy, I believe the whole concept of cash bidding needs to be removed from the bill until further consultation has occurred with industry.

There are aspects of the bill that I believe deserve support, such as the co-location, reduced regulatory burden on fossickers and small scale mining for opals and gemstones, but the cash tender process has marred what I believe could have been good legislation. If the cash tendering process is thrown out this has great potential to be good legislation. I oppose this bill.