




Speech By  
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**MEMBER FOR TRAEGER**

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### **MINERAL AND ENERGY RESOURCES (FINANCIAL PROVISIONING) BILL**

 **Mr KATTER** (Traeger—KAP) (2.36 pm): I rise to make a contribution to the Mineral and Energy Resources (Financial Provisioning) Bill 2018 and want to try to cut to the heart of what are the most serious issues with this legislation. There was a lot of good work done between the mining companies and the government in terms of the intent of the primary purpose of this bill with regard to tidying things up relating to financial securities. It is disappointing that there used to be a mechanism that said that if people were doing the right thing there were discounts available to them to progress, but I believe that is not available anymore. There was some good work done, but there is a concern about bringing in the amendments which raise some serious issues around the future investment of mining in the region.

We are very mindful—and I note that both sides of the House are in support of this—and concerned about the growing rise of environmental movements. Mount Isa and the north-west has a front-row seat in terms of the impact between the environment and mining. We have our problems such as Mary Kathleen and Mount Oxide, and there were problems with Ernest Henry as well with its water initially. There are problems—we are well aware of that—and miners need to be able to pay for their clean-up. However, we also need to be conscious that there are some highly active, very well resourced environmental lobby groups that are looking for a way in to every mechanism available to constrain and restrict more mining development in this state.

In terms of the projected revenue and the existing revenue with regard to what mining contributes, it is a big thing and it does not just happen and I think that is something that is lost on this House over and over again. We cannot just expect the industry to keep ticking over and contributing to the economy unless the settings are right. I am all for these people paying their way and for those financial securities being there, but there needs to be some consideration of when we are doing damage to future investment in the industry, because we will wake up in 20 years and there will be no mining industry left or a small portion of what we used to know as the mining industry left because we have put too many incremental changes on it.

One thing we know is that there are strong environmental movements that want to encroach on the mining industry and this gives them another lever. It gives them another way to get in and stop development, and that is the thing that concerns me the most. Having some highly paid consultant who comes in and makes a decision outside of those community areas puts a lot of risk on someone who is coming in.

No doubt, there are a lot of big ugly mining companies out there that try to do as little as possible to fix things up but, at the same time, we need some of these companies to invest. There are already a lot of constraints. We have a government process. If that process needs tweaking or improving, let us do that. If I am a potential investor looking to invest in the north-west minerals province, it would scare the life out of me if there were new regulations and new opportunities for environmental lobby groups to come in after everything that I have wanted to do has been approved and everything has been done. If I am mining zinc and the price of zinc drops and I look at mining for copper at a greenfield site and, because of that, the whole mining process changes and it is now open to that public interest test, that

must impact on my decision-making process. There is an increased level of risk. The government could say, 'Trust us. We're the government,' but, in this environment now, there are well-resourced environmental lobby groups that go to Mount Isa and scare the hell out of everyone by saying, 'This is terrible. We're going to make the mines do this.'

Sometimes these groups can prey on people's ignorance and sometimes their campaigns are justified. Lock the Gate did a good job in its fight against coal seam gas. Now, we have groups that are so anti mining that, if anything crops up, they will get on a plane or a bus from Brisbane and go to those far-flung areas and rouse all the locals. That could be called a public interest. I can see a scenario where this whole process can be thwarted. No-one in this room can deny that the environmental lobby group is a growing force and has the ability to cause that disruption.

That is what concerns me the most about this bill. I live in an area that relies very heavily, if not solely, on mining to keep it running. We know what is needed. There have been some failures. The legislation has not been perfect. Some of the provisions in this bill are good—for example, increasing the requirements for financial security. However, the government has to be conscious of the fact that, every time it opens the door for these environmental groups to come in, there will be a cost to the budget and there will be a cost to the economy. I do not think that has been measured properly. It would be very difficult to measure. I do not know how it could be done. The government cannot complain when big holes are blown in the budget in the future when it is trying to rehabilitate the Mount Morgan mine or Mary Kathleen and does not have the money to do it. We need to have investment in mines so that they can operate and generate an income so that there is the capacity to undertake environmental clean-up activities.

This bill has inadvertent effects. It is opening the door to overzealous environmental lobby groups that, in some cases, can be misguided. It is a shame that some consultants could make a big business out of this legislation and often that can take money away from a mining community. I think that is a real problem. I have serious concerns about that part of the bill. We will closely consider opposing that part of the bill.

We are happy with the financial securities part of the bill. I think it is good that we hold mining companies to account and that there will be money in the till when they need to clean up these mines. However, when the government changes the parameters and puts in all of these risks to mining in the future, that can raise significantly the risk profile of a project. It is fair to say that, in the current political environment, we have very well resourced environmental lobby groups. Those provisions would scare the hell out of investors which, in my view, would have a definite impact on the future of mining investment in this state, which I think is a very serious issue indeed.