

## **FEDERATION THREATENED BY CANBERRA'S LEGAL ILLITERACY**

I believe the PM's recent pronouncements at the Minerals Council forum is symptomatic of our politician's ignorance of how mining law works in Australia.

She said:

1. "All minerals belong to Australia" and
2. "the government SELLS mineral rights to the miners".

It is embarrassing that our PM does not appreciate that our miners EARN their rights to the minerals through a process of exploration, evaluation and development. Through this expensive and risky process - after all only a few prospects become mines -- the miner is ultimately granted a right to the minerals and ownership - only once mining commences. With the rare exception where a lease with a proven reserve is relinquished, an auction may occur, but otherwise there is no cash consideration for the mineral rights.

With an understanding of the process of how a miner earns its rights, it is apparent that the Crown (i.e. the state governments) only OWNS the unencumbered resource prior to the stage where the exploration process has commenced. That is, where the minerals are undiscovered and have no meaningful value, since they exist only hypothetically.

Consistent with the PM's and Treasurer's ignorance of how mineral rights are earned and having no appreciation of the exploration-evaluation-feasibility-development "earn-in" process, poor old Joe Public (and all Green/Left adherents) think mining is akin to simply taking treasure chests off the shelf. Hence their characterisation of the miners as greedy pirates.

With luck, Twiggy's High Court action may educate our politicians and commentariat as to the realities of the high risks associated with mining. Thanks to Fortescue's challenge to the MRRT -- Australian's will hopefully once again come to appreciate that our prosperity as a nation and the reward successful miners gain -- is earned legitimately. It is not some fortuitous or un-deserved windfall. It is instead the purest form of wealth creation. We should be so lucky ... Sorry Mr Horne -- no irony is intended.

I would appreciate your comments on my observations and your advice on how these points may gain a wider audience

Best Regards

**Roger Edgbaston**

Lower Marshes Road

Lower Marshes TAS 7030

(M) 0407 890 699