

# *Mount Isa Mines Limited Agreement (Continuing Mining Activities) Amendment Bill 2024*

## **Explanatory Notes**

### **Short Title**

*Mount Isa Mines Limited Agreement (Continuing Mining Activities) Amendment Act 2024.*

### **Policy Objectives and Reasons for the Bill**

The policy objective of the *Mount Isa Mines Limited Agreement (Continuing Mining Activities) Amendment Bill 2024 (The Bill)* is to ensure that Queensland's resources are realised for the benefit of Queensland.

The Bill updates the *Mount Isa Mines Limited Agreement Act 1985*, which is an agreement between the State of Queensland and Mount Isa Mines Limited.

Since the discovery of minerals at Mount Isa in the late 1920s<sup>1</sup>, the mine at Mount Isa has grown to become the second largest copper mine in Australia. The city of Mount Isa was built and developed on the success of the mining operation, and today provides essential services as a hub for the wider districts, including health care, supplies, and professional services, with more than 18,000 people calling the city home. During mining boom periods Mount Isa is home to well over 20,000 residents.

Mount Isa is a unique city, built on the edge of Australia's deepest mine, two kilometres beneath the surface, with the famous stacks of the value adding processing facilities visible from most parts of the city. The *Mount Isa Mines Limited Agreement Act 1985* was enacted in recognition of these unique characteristics.

Mining at Mount Isa is a privilege.

This Bill recognises the unique privilege of the holder of the agreement with the State of Queensland and ensures the continuation of mining operations. For mining operations to change, the Minister must be satisfied there is no further benefit to be gained for the Queensland people and the Mount Isa community, either from the continuation of mining by the current agreement holder or by a new party.

The recent announcement by the current agreement holder to cease mining copper at Mount Isa has demonstrated the current flaws in the agreement. Despite the recognised essential nature of the resource to the Australian<sup>2</sup> and State<sup>3</sup> government's energy plans, and copper prices rising to 52-week highs (18.75% increase year on year), the agreement holder is proceeding with plans to cease mining copper at Mount Isa.

Queensland must benefit from and support the safe supply of critical minerals to the world. If the agreement holder wishes to cease mining, or implement a significant operational change, other parties must be afforded the opportunity to extract Queensland's critical resources.

---

<sup>1</sup> G Blainey, *Mines in the Spinifex*, (Angus and Robertson: Sydney, 1960), 182–191.

<sup>2</sup> <https://www.pm.gov.au/media/future-made-australia> : accessed 29 April 2024

<sup>3</sup> <https://statements.qld.gov.au/statements/99161> : accessed 29 April 2024

The Minister, tasked with driving “development of the critical minerals sector”<sup>4</sup> should determine if an operational change at the Mount Isa mine is in the interests of the state of Queensland and the community of Mount Isa.

### **Achievement of Policy Objectives**

The bill will achieve its objective by amending the *Mount Isa Mines Limited Agreement Act 1985*

A new section 5B is inserted into the *Mount Isa Mines Limited Agreement Act 1985*

S 5B (1)(a) states the Company must continue to carry out mining operations.

S 5B (1)(b) states that the Minister must approve any operational change in the mining activity

S 5B (1)(c)(i) states that the Minister must only approve an operational change in the mining activity if the change will not adversely affect the Mount Isa community or the Queensland economy.

S 5B (1)(c)(ii) states that the Minister must also make a public call for tenders to identify any candidates who wish to mine the areas affected by the proposed operational change.

### **Alternative ways of achieving policy objectives**

Due to the unique nature of the *Mount Isa Mines Limited Agreement Act 1985* legislation change is the only way to achieve the policy objectives.

### **Estimated cost for government implementation**

There is no anticipated cost for government associated with the implementation of this bill. The ultimate outcome of this Bill would be additional income for government as the result of additional royalty revenue.

### **Consistency with fundamental legislative principles**

The Bill is consistent with the fundamental legislative principles as defined in Section 4 of the Legislative Standards Act 1992.

### **Consultation**

The legislation is the result of the recent announcement by the current agreement holder with the State of Queensland to cease mining copper at Mount Isa, with 1,200 job losses. This is despite numerous approaches from other interested parties in mining copper at the Mount Isa mine.

### **Consistency with legislation of other jurisdictions**

The legislation is unique to Queensland.

---

<sup>4</sup> <https://cabinet.qld.gov.au/ministers-portfolios/assets/charter-letter/scott-stewart.pdf> : accessed 29 April 2024