



# ***CLEAN ECONOMY JOBS, RESOURCES AND TRANSPORT COMMITTEE***

**Members present:**

Ms KE Richards MP—Chair  
Mr PT Weir MP  
Mr BW Head MP (via teleconference)  
Ms JE Pease MP  
Mr LA Walker MP  
Mr TJ Watts MP (via teleconference)

**Member in attendance:**

Mr RI Katter MP

**Staff present:**

Dr A Ward—Committee Secretary

## **PUBLIC HEARING—INQUIRY INTO THE MOUNT ISA MINES LIMITED AGREEMENT (CONTINUING MINING ACTIVITIES) AMENDMENT BILL 2024**

### **TRANSCRIPT OF PROCEEDINGS**

**Tuesday, 6 August 2024**

**Mount Isa**

## TUESDAY, 6 AUGUST 2024

---

### **The committee met at 9.06 am.**

**CHAIR:** Good morning. Welcome, everyone. I declare open the Mount Isa public hearing for the committee's inquiry into the Mount Isa Mines Limited Agreement (Continuing Mining Activities) Amendment Bill 2024. My name is Kim Richards. I am the member for Redlands and chair of the committee. I would like to respectfully acknowledge the traditional custodians of the land on which we meet today and pay our respects to elders past, present and emerging. We are very fortunate in this country to have two of the world's oldest continuing living cultures in Aboriginal and Torres Strait Islander peoples whose lands, winds and waters we all now share. Other committee members with me here today are Mr Pat Weir, the member for Condamine and my deputy chair; Mr Bryson Head, the member for Callide, who is joining us via the phone; Ms Joan Pease, the member for Lytton; Mr Les Walker, the member for Mundingburra; and Mr Trevor Watts, the member for Toowoomba North, who is also participating today via telephone.

This hearing is a proceeding of the Queensland parliament and is subject to the parliament's standing rules and orders. Only the committee and invited witnesses may participate in the proceedings. Witnesses are not required to give evidence under oath or affirmation, but I remind witnesses that intentionally misleading the committee is a serious offence. I also remind members of the public that they may be excluded from the hearing at the discretion of the committee. Media may be present—welcome, Troy, from the *North West Star*; thank you for being here—and are subject to the committee's media rules and my direction at all times. You may be filmed or photographed during the proceedings and images may also appear on the parliament's website or social media pages. I ask everyone to please turn their phones either to silent or off. The committee may have some time at the end of the program today to allow for a question-and-answer session if attendees would like to provide any commentary on the bill. If you would like to do so, if you could please make yourself known to our secretariat and they will make sure that you get that opportunity.

### **MacRAE, Ms Peta, Mayor, Mount Isa City Council**

### **ROSE, Mr Tim, Chief Executive Officer, Mount Isa City Council**

**CHAIR:** I now welcome from Mount Isa City Council Mayor Peta MacRae and Chief Executive Officer Tim Rose. Mayor, I invite you to make an opening statement after which the committee will have some questions for you. Thank you and welcome.

**Ms MacRae:** Thank you very much for having me. I would like to thank the committee for their time in consideration of this bill. It is part of an important discussion around the future of Mount Isa. I will start by saying that I believe the future of Mount Isa is bright and our community and surrounding communities need support to navigate what will be a difficult transition. As mayor I am determined to work with governments, business and our community and regional local governments to lead that transition. I welcome the government's recent announcement to fund the acceleration of Harmony's Eva copper mine in Paradise South both to the north of Mount Isa and Vecco critical minerals projects near Julia Creek. That announcement is a positive step towards our transition. I thank the opposition for their engagement on the future in Mount Isa, and of course the bill highlights the member for Traeger's passion about our future. I thank him as our local state MP for bringing it forward.

Mount Isa is the administrative, commercial and industrial hub of North-West Queensland. We support communities all the way to the gulf, west to the border and east to Cloncurry and Julia Creek. Today we are a city with a population of around 18,000 and I am sure many of you have visited Mount Isa. For those who have not, I invite you to join me for a tour any time you are in the region. Mount Isa was built on Mount Isa Mines and at one time we were a population of almost 30,000 people and MIM was one of the most productive mines in the world. For a period of time in the eighties MIM was the largest company in Australia for a hundred years since Mount Isa Mines was founded to develop the minerals discovered by prospector John Campbell Miles, with production occurring in the early thirties. We owe the security, lifestyle and opportunities we all enjoy to Mount Isa Mines and the fabric of our community was forged underground and the discontinuation of underground mining operations will impact our identity deeply.

Mount Isa and the smelter should continue to have a place in our community. Our community and the state government should not have to face uncertainty based on the price of resources. We do not want jobs lost while the mine sits dormant and we do not want the company to avoid its environmental and rehabilitation obligations because the mine sits dormant. I am sure the government does not want to go back to the owners handing out significant subsidies or grants to keep the mine and smelter operating. Therefore, I support the bill and what it is seeking to achieve in particular where changes to operations adversely affect the local Mount Isa community. In addition to supporting the bill, I would like to also speak today about the future of Mount Isa and the communities of North-West Queensland. Times have changed and, as I said earlier, Mount Isa was built on mining. It is our past, it is our present and today I put to you that mining is also our future. It will be a different type of mining but will continue to draw on all the strengths and benefits that have sustained mining across North-West Queensland over the hundred years.

The broader question raised in this bill is about Mount Isa's future. I believe that getting the answer right is critical and that answer is critical minerals. Apart from our abundance of different minerals, Mount Isa is the ideal location to extract critical minerals. Our advantage currently exists and will remain no matter the mining task. We are a mining town that understands, supports and encourages mining, and that includes the mining of critical minerals. We have an existing skilled workforce that, with support, can transition to other mining operations. We have the community infrastructure, health and education facilities, including our recently opened Country Universities Centre, to support that workforce and their families. We have rail and road connections to Townsville and are a major user of its port, meaning Mount Isa is a major contributor to not only the north-west region economy but also the Townsville economy. So by supporting Mount Isa in our transition you are not only supporting North-West Queensland; you are also supporting coastal communities such as Townsville. You are also supporting the state government's significant investment in CopperString. You are also supporting your goals when it comes to achieving your renewable energy targets. Mount Isa's future is mining, and that mining includes the extraction of critical minerals. Mount Isa is the smarter answer to that critical question.

In conclusion, as you consider this bill I ask that you consider the transition that Mount Isa is about to undertake. The \$30 million Mount Isa Mining Acceleration Program is a welcome start. The Mount Isa City Council, with the help of consultants and much community consultation, has a suite of projects that, if fast-tracked and funded, will accelerate the development in the North West Minerals Province and return that investment to the state by way of royalties. The bill you are considering is vital for our short-term future and means we have a say in the operations and ownership of the Mount Isa Mines. In addition, your continued support to fast-track investment in critical mineral projects is vital for our long-term future and that of our state. Thank you.

**CHAIR:** Terrific. Thanks, Mayor MacRae. Over to the deputy chair for the first question.

**Mr WEIR:** Thank you. You have mentioned a few things. All mines come to an end of life and no doubt you have been talking about that in the council chamber and all the rest of it and preparing for that day one day. This bill specifically goes to opening up the existing mine for competition if it is not going to be utilised, but both impact Mount Isa dramatically. Has council been approached by other mining firms to look to take over the mine as step 1?

**Ms MacRae:** Obviously I get around the community and, with the economic transition, I am talking to lots of different proponents. I understand that there is interest from junior miners to look at that mine because they feel that there is value there, similar to the way that Evolution was able to find value in Ernest Henry once it was sold. I am not a miner. I am not a minerals expert. We have heard for a long time that 2025 could potentially be the life of the mine, and my understanding is that Glencore could eventually move to open-cut mining. The junior miners obviously have a different return on investment expectation from Glencore. If they could find value and continue that underground mine, that would be very helpful for Mount Isa and our economy. That is the \$10 billion question, isn't it.

**Mr WEIR:** It is. As I understand it, the smelter is a big part of the issue. We will hear from Glencore later, but I understand that a lot of what they put through there comes from outside sources at the moment. Do you think there are enough mines coming on in this area fast enough to be able to fill that gap as Mount Isa Mine itself winds down?

**Ms MacRae:** We are about to lose 1,200 jobs in the middle of next year. We are facing an economic cliff if we are not given the right support. Projects do not just happen overnight. There is a 10-year window to get some of these projects up and running. CopperString—they are calling it

CopperString 2032. There are projects and there is a bright future for our community but the danger is the skilled workforce moving away, which will then stop these projects from happening. We need to retain our skilled workforce in Mount Isa and we need all the help we can get to do that.

**Mr WEIR:** At this point in time, the only way you can see that happening is if the mine continued to operate for some time?

**Ms MacRae:** If we could squeeze another couple of years out of that mine to enable other projects to start to operate, that would be extremely helpful. Is that the way you see it, CEO? Do you have a comment?

**Mr Rose:** Can I just add to that? Probably the most important mine that needs to get up is Harmony mine. Whilst Harmony is not in our shire, it has the potential to replace all the ore that is mined out of the underground copper mine. Its grade is slightly lower than the underground copper mine but its volume will support the smelter. I do not think that people right across the breadth of the state understand this but there are about 2,500 to 3,000 jobs across the whole region that are tied up with that smelter. It is a massive sovereign risk if it closes in 2030.

Incitec Pivot has Phosphate Hill, which has 450 jobs. There is a refinery in Townsville that has 250 jobs. Incitec Pivot is the biggest user of Queensland Rail in Queensland. So, if the asset is not there to support Phosphate Hill, the railway will become almost disused because it is such a big user and all of those 450 jobs, which are basically out of Townsville, will be lost. All of those jobs are tied up with whether Incitec Pivot takes an asset off the smelter.

All of the copper mines probably in this whole region will not be viable without that smelter because they are so intrinsically linked. That is the important thing for the state to understand—if that copper mine closes, there will be massive ramifications not only for Mount Isa but also across the whole of the north-west through to Townsville.

**CHAIR:** So 1,200 locally in Mount Isa?

**Mr Rose:** There are 500 people who are employed in the copper smelter, roughly. There are roughly 1,200 people who are currently working in the underground copper mines, and that changes on a daily basis, obviously, when we are talking to Glencore. The copper smelter itself supports—

**CHAIR:** Some 3,000, regionally.

**Mr Rose:** Some 3,500-odd jobs regionally. That is what our economic consultants have come up with.

**Mr WEIR:** What stage is Harmony mine at? How far away is it?

**Mr Rose:** They have to make an investment decision. We spoke to them last week and they said that they are trying to get up and running by about 2027. It was 2026 but they are constrained a little by the fact that—

**Mr HEAD:** Sorry to interrupt the gentleman who is speaking but the microphone is a bit far away and it is hard to catch anything.

**CHAIR:** Pull it a little bit closer. Is that better, Bryson?

**Mr HEAD:** We can hear your side of the table but we have not been able to catch much of what the witnesses have said, unfortunately.

**CHAIR:** We are going to keep forging ahead. Sorry, you were saying, Pat?

**Mr WEIR:** We were talking about how advanced Harmony was and what the main hurdles are that you know of to its progressing.

**Mr Rose:** The main hurdle they identified originally was the lack of water in the area but I think they have overcome that a little bit because they have discovered enough underground resources to support that project. The second biggest issue is the fact that CopperString is coming on board in 2029-30 and they do not have enough power to run their operations at this current point in time, so they are exploring opportunities to access power. Power is our biggest impediment to getting the mine up and running at this point in time.

The other thing, which is a federal government responsibility, is, if they use diesel power—which is one of their current mixes of power—their emissions get caught up in the safeguard mechanisms through the federal government and that adds another \$30 million to their project. That is one of the other impediments to getting it up and running at this particular point in time.

They have to make an investment decision about whether or not they start the mine before CopperString gets connected. Unfortunately, the timing is not good. If they delay an investment decision, it means that the amount of ore coming through will diminish quite quickly.

**Mr WEIR:** It is just not lining up on a timeframe.

**Mr Rose:** The state has given them funds to accelerate the project but the power is their biggest issue by a long way.

**CHAIR:** Bryson and Trevor, did you want to ask questions? Even though you might not be able to hear the response directly today, it will be recorded in *Hansard*.

**Mr WATTS:** I have not heard a word apart from you guys. I think there is very little point in continuing on, to be honest.

**Mr HEAD:** If it is okay, Kim, I will put a question.

**CHAIR:** Yes, certainly.

**Mr HEAD:** Without knowing what the response was to the last question, I am certainly curious. I apologise for not being there. If it were not for a mishap on the weekend, I would be up there in person. I did hear a bit of talk about the super pit—the open-cut potential—which I understand would take out some of the town if it proceeded. The council may or may not be willing to comment on something like this but it crossed my mind that a company may see an opportunity to make an investment in an open-cut mine that has to reclaim some of the town. It might be a cheaper proposal. It might make it a bit more cost effective if the town is less active. As I said, council may prefer to not comment on such a suggestion, but it is something that crossed my mind so I thought I would put it out there.

**Ms MacRae:** Are you asking would we prefer to see our town less active so we would not mind as much if some of our town was eaten by an open cut? Was that the question?

**Mr WEIR:** I think what Bryson is getting to—it was mentioned that the open-cut may encroach on part of the town. Is that your understanding?

**Ms MacRae:** The super pit?

**Mr WEIR:** Yes. Have you heard anything about that?

**Mr HEAD:** I can hear the committee side but I still cannot hear witnesses, but I think Pat is on the right track with what I was proposing.

**Mr Rose:** The proposed pit, at this point in time, does not encroach on the town—it is more towards the back. There are two different pits and it is probably better if MIM explain that when they come before the hearing. At the end of the day, the open-cut is important as a support to the copper smelter and the concentrator in the refinery. So we are pretty much supportive of that.

**Ms MacRae:** Let me be clear—our mission is to transition the economy and grow our town. We are not in support of trying to decrease our population so we can have a super pit, no.

**Mr HEAD:** I was curious about the super pit where some of the town might have to be taken out. Obviously it would be a costly exercise and my query was whether there were other interests at play. I am sure we will hear from Glencore about their position and decisions later on—and there are probably many things at play—but on face value and from the little bit of information that is out there it seems a bit of a strange pathway that they are on. Trying to understand that might help us understand and get to the bottom of this in this inquiry as well.

**Ms MacRae:** I can confirm that I have heard gossip in the street about some suggestion, but in no way have I had that indication from Glencore that that is what they are looking to do.

**CHAIR:** Terrific. Can I also take this opportunity to acknowledge the member for Traeger, Robbie Katter, who has joined us. Thanks, Robbie.

**Mr WEIR:** In your submission, you talk about the rebricking work at the smelter. My understanding is that that lasts for a period of, roughly, five years or so. Is that right? It would not be that far away from needing another investment to renew that, or am I off the mark on that?

**Ms MacRae:** No, no, you are correct. My understanding is that Glencore is proceeding with the rebricking at this time.

**Mr Rose:** The next scheduled rebrick, unless it has changed, is 2026. Unless they say something differently themselves today, they have committed to that rebrick, which is an important investment for the region. In 2030, another rebrick will need to be done. They have committed to keeping the smelter open until 2030, so a decision would be made on an economic basis about the rebrick in 2030.

**Ms MacRae:** I guess my point was more to the fact that, if there was going to be a lot of money given to transition Mount Isa, we would prefer to have some say into which projects it goes to rather than giving it directly to Glencore. If money was given to keep the mining operation going longer, we could turn around and be in exactly the same position in three years time. We actually need that money to transition our economy and diversify so we are not a one-company town.

**Mr WEIR:** You talked about 1,200 jobs. We have a lot of fly-in fly-out mining towns. Do you know what percentage of that 1,200 live in Mount Isa or locally?

**Ms MacRae:** We have asked that question. That was the first question I asked. We have not got a firm answer on that. We would love to know also.

**Mr Rose:** The original thoughts given were that it was only about 10 per cent but we are not really—because the copper mine is the closest mine to the town so it lends itself because there are very few mining jobs where you can drive five minutes and mine. On the figures, I am not sure even Glencore knows exactly how many people are fly-in fly-out. I think it would be higher in town than out of town, but there are still a lot of FIFO workers.

**Ms PEASE:** Mayor, I was interested in your comment that Mount Isa is a one-company town. Given that, you have had a really important relationship with the different owners of the mine over the years. I am interested in getting an understanding of the social licence that the owners of these mines have. Has it changed over the years with the different owners? What has altered?

**Ms MacRae:** I think Glencore is very lucky to have consistent staff who have been through the three different companies so they are local people and we have a very good relationship and we are working well with them on advocating for new projects. The local people are not in charge of making the decisions that are being made; they are made elsewhere. This is in no way an attack on local Glencore and the people we have working at our mine in our community.

**Ms PEASE:** What level of engagement has the Glencore corporation had with you as the mayor of Mount Isa and also their own constituents, the operators of the mine, here locally? Have they engaged at all with you directly, given that you are the mayor?

**Ms MacRae:** Yes, they have been great with engaging with us and they have had community sessions and they are trying to work with different organisations attempting to keep that workforce here and find other positions for them and transition the workforce. I cannot criticise Glencore in that respect.

**Ms PEASE:** Looking around the town, there is a huge investment from them in parks, swimming pools et cetera. I acknowledge the great work that they have done over the years. Are there other opportunities within Mount Isa to transition from mining to another industry?

**Ms MacRae:** Did you want to comment on that?

**Mr Rose:** Just on that, the council has invested just over \$1 million on economic studies on what we can do going forward. The big project that we are looking at is mining adjunct manufacturing. There is a huge phosphate deposit that is between us and the Northern Territory. It is going to be developed in the next few years. There is an opportunity to process phosphate to create battery components. There is also an opportunity with some big graphite deposits around that we can add value to to do a battery component business as well.

There is a proposal on the books to repurpose the underground mine to create renewable power. There is a company called Green Gravity that is looking at doing a drop-weight scenario to create electricity. They are having chats with Glencore about repurposing because the underground drops are about a kilometre so it is perfect for generating electricity. You can pull the power up during the day and drop weights during the night. It could actually generate as much electricity that if you had a battery attached to it then it would be the biggest battery in Australia. There are huge opportunities around that.

We have some stuff around wind power and renewables because the sun sets much later in the day out here. There are some really good opportunities to connect into CopperString. With the verification work that we are doing, we have identified a lot of projects. It is that big dip next year when the mine shuts down and we are trying to hold the community together to keep people in town because the reality is that once people leave a regional area it is very difficult to get them to come back. We are very keen to retain people in town for that two- or three-year transitional period.

**Ms PEASE:** In your opening statement you mentioned that you had a population of 18,000 in Mount Isa. Do have any idea how many of those 18,000 are directly working for the mine, for Glencore? I know there would be public servants, small business owners and other industries here.

**Ms MacRae:** The ratio I have heard before is that for every one mining job there are three other jobs created in town so 1,200 jobs. If nothing was done, that could equate to quite a number of people leaving town. You asked me in your last question if there are industries other than mining. My answer is that the other industries are all mining related.

**Ms PEASE:** Of course. How many schools are in the area?

**Ms MacRae:** I think seven.

**Ms PEASE:** Are they state schools?

**Ms MacRae:** There is a combination.

**Ms PEASE:** That is primary through to high school?

**Ms MacRae:** Yes. Now we have the new Country Universities Centre opening as well. That is a very exciting time for Mount Isa.

**Mr WALKER:** I want to go back a bit because you talked about the loss of jobs and the impacts. The mayor and the CEO made statements about the knock-on effects. In my seat of Mundingburra we had the copper refinery. We have gone through that a couple of times now, trying to resurrect. It was only four years ago, in 2020, when the commitment was given by the Palaszczuk government to inject a lot of finances to keep it alive to this point. Glencore has basically stated that there is no hope or chance of doing that again because of end of life. That is what they have said. When I was out here recently with our forum group, we talked about tourism opportunities with the grey nomads, the rodeo and other tourism opportunities that come and go from the Northern Territory. Do you have any data from the past 10 years around tourism, whether it has fallen or whether there has been a growth in tourism?

**Ms MacRae:** There has definitely been growth in tourism but I do not think any of us can pretend that tourism is ever going to replace mining for our district. We have a wealth of minerals out here. We are the North West Minerals Province. We will continue to be a wealthy mining town. We just need some help with that transition.

**Mr WALKER:** I agree. In relation to mining, we have done a lot of work in government to look at the different opportunities in minerals and renewables. Vanadium is a biggie in this district. It all comes back to CopperString and getting that generation to open up this whole region. I think there is some really good leadership in that space and there will be a lot of jobs. You are saying that you need that quicker because previously it has all been generated power. What would bring that on quicker for you guys on this end in the construction phase, do you think?

**Mr Rose:** CopperString?

**Mr WALKER:** Yes.

**Ms MacRae:** I do not really think you can because you cannot obviously electrify it until the whole line is complete, no matter in what order you put it together; is that correct?

**Mr Rose:** Yes. As part of our economic restructure, we did try to get CopperString started in Mount Isa so it could use the redundant mine workers to start here but there are a few environmental issues and native title issues between here and Cloncurry. They are starting in Julia Creek. Obviously they did that sod-turning ceremony two weeks ago. They are going to work from Hughenden to Cloncurry, then come back to Mount Isa and then go back to the Hughenden to Townsville link because that has been upgraded in terms of its megawatts—up to 5,000 megawatts. As the mayor said, our understanding is—and we are not electrical engineers—you need the whole line built before it can be electrified.

**Mr WALKER:** My point is around the actual staging of the project, if it was modified in some way to bring some work on quicker at this end to keep people in the region. I am just asking the question; I am not an engineer either in that space. A lot of work has been done from this side of the House in relation to getting better housing stock for our government agencies such as our police. That came out of the forum here. The community was very strong on getting more government agency, housing stock and more workers in the region. We went through it with Yabulu, when we lost all the workers from the nickel refinery. We know what it is like. It is painful and it is hard to get them back. We are very aware and that is why we support talking about this bill, trying to get as much information as we can to be better informed. Do you have a list of all the mines that are proposed for the district?

**Mr Rose:** Yes.

**Ms MacRae:** Yes, we have a list of 60 projects we are going to be releasing shortly that our consultants have put together, run through the same criteria, have a value against them and have the number of jobs against them. That will be released in the next week or so. We have managed to scramble and get that organised quite quickly. Can I add, my understanding is that the state government is the biggest fly-in fly-out group coming into Mount Isa, bigger than the mines. We would really like to see a lot of the decision-making bodies and some sort of office of rural and remote so money for this district is coordinated locally and local people are making local decisions on local issues.

**Mr WEIR:** Has the council done a cost analysis of what the impact on council would be if this mine did close in the next couple of years, in terms of your rates, your revenue and so on?

**Mr Rose:** I suppose the longer term detriment is the loss of jobs, but the loss of rates—the Mount Isa mining lease is very complicated. It goes all the way out to George Fisher Mine. They are still going to continue mining zinc, lead and silver out at George Fisher, but the mining lease is connected as one lease. Our modelling suggests that we are not going to lose a lot of rates from that particular lease. What it will do is take population out of the town. We had a threat earlier in the year. Capricorn Copper has a copper mine as well, which is just to the north of us. They went into care and maintenance. If we lost that mine it could cost a few million dollars. We have just started doing the modelling and it could potentially mean a decline in revenue of a couple of million dollars.

**CHAIR:** In terms of this particular mine, from a revenue generation point of view—

**Mr Rose:** It should remain stable while it still has a lease intact as it is.

**CHAIR:** And that is because there are still other minerals and resources being dealt with so it does not impact the lease.

**Mr Rose:** Yes, correct.

**CHAIR:** I asked this question of the member for Traeger and I will pose it to you: what do you think are the key underpinning factors as to why this decision has been made to cease operations on that particular resource?

**Mr Rose:** The reason given by MIM is that it is becoming more difficult to extract ore out of the mine. The copper mine has been in operation for 60 years. There is still some copper in there but the ores are degrading. It makes it much harder to operate so you have to do it in a different—it does not meet the investment criteria and the return on investment that you would normally get from a copper mine.

**CHAIR:** That was an interesting response from you. Did you have any further questions, Pat?

**Mr WEIR:** You obviously have to generate confidence for these projects that you are talking about. You are listing 60. You need to generate confidence for them to invest. You have this cloud hanging over Glencore, but it is vitally important that you keep that confidence for CopperString because CopperString needs the confidence to come out here. Those mines need the confidence to develop. We know what the rail line is like. We know what the highway is like. How do you see that being promoted? You obviously have put that list together with the intent of—

**Ms MacRae:** I guess the council doing that investment and uncovering all of those projects should give confidence. With the government's decarbonisation strategy, we need the minerals that are out here. I see Mount Isa having a long-term future but it is about confidence. Our local small business people need confidence. We need to retain population and give people an obvious pathway to show that there is the possibility of a transition and that we will achieve that. We just need help during this bridging period.

**Mr WEIR:** That is a big challenge. There is a gap there.

**Mr Rose:** Mount Isa and the north-west province have an abundance of critical minerals. Through our studies, there is an abundance of rare earths that are out here. Everyone acknowledges that it is a region that is full of possibilities. The reality is that the closest mine to town is going to close next year and what we are going to have to do is have some better strategies about how we mine the critical minerals and rare earths that we have in abundance. At the end of the day, there needs to be a really strong investment from the state and the federal governments to support that transition. We have all the minerals that we need for the future; it is just about getting them out, making them viable, having responsible policies to allow the extraction of them, making sure we have supporting infrastructure.

I cannot emphasise this enough: we really have to keep that copper smelter going in some form because there are only two copper smelters in Australia. They are actually bringing product up from South Australia and the Territory so it is a critical piece of infrastructure. If we do not have that



smelter going and the lead smelter going, it is going to have a massive impact on people. The state released their assets study on Thursday of last week and it is really important that we get those sulphuric acid pipelines operating well and we can be part of that solution. We have got pyrite furnaces that we can put in place and all sorts of things but there needs to be some key infrastructure to support Mount Isa at this particular juncture in time.

**CHAIR:** Bringing it back to the bill that is before us because we have certainly gone around the topic of more generally what is in Mount Isa's best interests: as it relates to this specific bill in front of us, what are the opportunities within this bill to assist with that mine?

**Mr Rose:** The two key things that the council is really pushing is we have made a request to Glencore to release some land for a transport and logistics centre which is in between the airport and the George Fisher Mine. We want to use that allotment of land to support all the mining adjunct proposals that we have mentioned here. If they can do within their own company, we are very keen for that underground copper mine to be repurposed for the purpose of generating electricity. Both of those proposals are on the lease. If we can work with them on getting those two proposals together, I think Mount Isa has a really strong future.

**CHAIR:** Thank you very much for appearing before us today. We are very grateful for your contribution.

**DUGUID, Ms Nicole, Policy Director, Resources, Queensland Resources Council (via teleconference)**

**NIELSEN, Ms Julie, Policy Director, Health and Safety, Queensland Resources Council (via teleconference)**

**CHAIR:** Welcome. I invite you to make an opening statement and then the committee will have some questions for you.

**Ms Duguid:** My name is Nicole Duguid. I am the resources policy director from the Queensland Resources Council. I have with me today my colleague Julie Nielsen, the QRC policy director. I would like to start by acknowledging the traditional owners of the various lands on which we meet today. I am on the land of the Turrbal and the Yagara people here in Brisbane. I pay my respects to the elders past, present and emerging. I would also like to acknowledge the successful relationships between our Indigenous communities and the resources sector across Queensland.

I thank the committee for the opportunity to provide feedback on the bill. The Queensland Resources Council is the peak body for Queensland's minerals and energy sector. The resources industry is a key driver of the Queensland economy and the state's largest export industry. In 2022-23 the Queensland government received \$18.1 billion in royalties from the resources sector. In addition, the industry contributes a total of \$116.8 billion to the Queensland economy, which equates to one in every four dollars to the Queensland economy. The industry also supports over 530,000 jobs directly and indirectly. That is equivalent to one in every six jobs in Queensland. The industry generates around 82 per cent of the value of Queensland's exports, supports almost 16,000 local Queensland businesses and contributes to more than 1,400 charities and local sports clubs.

I would like to make some comments about the proposed bill. QRC's understanding of the proposed legislation is that it intends to ensure that Queensland's resources are realised for the benefit of Queensland. In doing so, the bill proposes to require the minister's approval for any operational change in the mining activities at Mount Isa and to enable public tender processes for potential candidates who wish to mine the areas affected by the proposed operational change. QRC does not support the passing of the proposed Mount Isa Mines Ltd amendment bill. The bill, if passed, would have serious implications for the mining sector in Queensland and for the state's economy. Let me explain why.

The QRC understands that the bill aims to force the continuation of mining activities in Mount Isa beyond 2025 when the current owner has decided to close the mine due to low-quality ore and aging infrastructure. Instead of ensuring ongoing mining of the Mount Isa resource, it is QRC's view that the bill will create uncertainty and instability through regulatory interference and this will actually lead to reduced investment and loss of jobs throughout the sector. It is important that any bill or policy changes made by the government has proper considerations for the consequences and their long-term effect on the resources industry.

When the government introduced a new coal royalty regime that increased the tax burden on coal, it in effect threatened the viability of many projects. The QRC strongly opposed this move and warned that undermining the competitiveness of the Queensland resources sector in the global marketplace would cause significant damage to the reputation and confidence of the industry, particularly amongst international investors. It is important that mining companies like Glencore are able to make decisions based on the commerciality of their business. If this does not happen, we will not see the long-term investment in Queensland's resources sector.

Glencore has been working closely with its workers, suppliers and the local community to provide support and transition plans. Glencore is also committed to investing in the long-term future of Mount Isa, including other mining and processing facilities that will operate until 2030 or beyond. These facilities include Lady Loretta Mine, George Fisher Mine, the Ernest Henry Mine and the Townsville copper refinery. The bill would have a significant financial impact on this producer and also send a signal to investors that financial decisions are being taken away from companies who are best placed to make these decisions.

The Queensland government must be respectful and cognisant of the contractual commitments of companies and ensure stable and predictable regulations. This type of policy instability can erode the confidence of mining companies to plan and invest in projects that can span several decades and that require significant financial risk and due diligence. The QRC considers that the bill would disregard the robust regulatory framework which governs the mining lifecycle in Queensland,

including mine planning, approvals, operations, closure and rehabilitation. These are comprehensive and rigorous requirements that ensure the mining sector operates in a sustainable and responsible way and which balance the economic, social and environmental outcomes of mining activities.

The bill would interfere with the existing processes and obligations that producers comply with, such as the development of progressive rehabilitation and closure plans, the provision of financial assurance and engagement with stakeholders. The QRC is extremely concerned that the bill would further damage the reputation of Queensland as a reliable and attractive destination for mining investments. The bill would set a dangerous precedent for the government to interfere with the commercial decisions of mining companies and to override the existing regulatory framework.

QRC is keen to work with the Queensland government to find ways to provide greater certainty for industry and the broader community through the provision of stable and predictable regulatory frameworks that avoid unintended consequences. The QRC believes that the best way to support the transition of Mount Isa and the other mining regions is to foster a positive investment climate, to encourage innovation and diversification, and to provide adequate infrastructure and services.

The QRC and its members value their partnerships with regional Queensland and acknowledge their role in supporting Queensland's economy. The QRC advocates for stable policy settings based on detailed consultation with the resources sector to ensure the best outcomes for Queensland. The resources sector is a strong supporter of regional communities and coexistence outcomes, and we have been a longstanding partner, adding to the strength and longevity of regional economies. We want to see regional Queensland grow and prosper.

In conclusion, the QRC is strongly opposed to the passing of this proposed legislation and believes that in Queensland it is essential to strike a balance between economic outcomes and legal certainty. This means that government should provide a clear and consistent regulation for the resources sector and avoid frequent or arbitrary changes that create uncertainty and risk for investors. The QRC also believes that governments should collaboratively and authentically consult with industry and other stakeholders to develop policies that are based on evidence and best practice and that support the diverse and dynamic nature of the resources sector. Thank you for the opportunity to present the opening statement.

**CHAIR:** Thank you. We have had a request from the member for Traeger to join the committee table and be granted leave to ask questions without voting rights. Is leave granted? Leave is granted. Welcome, member for Traeger.

**Mr KATTER:** Thank you.

**Mr WEIR:** This has been talked about for quite some time—that the mine at Mount Isa was coming towards an end of life. Has QRC been—

**Ms Duguid:** I am sorry. It is difficult to hear. It is breaking up a bit.

**Mr WEIR:** Is that any better?

**Ms Duguid:** Thank you.

**Mr WEIR:** There has been talk for a long time that the Mount Isa Mine was coming towards the end of life, as all mines do. Has QRC been involved in any discussions or any sort of preparations for the future of this district without that mine?

**Ms Duguid:** Yes. QRC also sits on the Mount Isa future transition strategy that the Queensland state development put together, that meeting. We have been involved in some of those discussions.

**Mr WEIR:** What were the main proposals coming forward from there? We have heard about other mines in the district. Can you give any more clarity on how close they are to starting their life or becoming productive?

**Ms Duguid:** No, I am sorry. I do not have that detail on me.

**Mr WEIR:** You mentioned the complexity of rehabilitation from this legislation. What do you mean by that?

**Ms Duguid:** There is already an existing regulatory framework in play at the moment and mining companies are already required to develop progressive rehabilitation closure plans. They are also required to ensure the financial provisioning assurance and engage with stakeholders. Those systems are already in place and this bill may interfere with some of that already planned rollout and conditions.

**Mr WEIR:** If there was a transition to another company would they pick up the ball, or would the onus still be on Glencore—how does that work?

**Ms Duguid:** I think you would have to speak to Glencore about their transitional arrangements. I do not have those details.

**Mr KATTER:** I am interested in how you reconcile some of the statements you have made with the facts. You said ‘evidence-based legislation’; would you say that Evolution buying Ernest Henry and adding another 17 years from when they bought it from Glencore, is not good evidence of what can be best achieved to best utilise assets in this state?

**Ms Duguid:** QRC’s position is always that good regulatory framework and policy is always based on evidence. I do not know the specifics of some of the mines that you are referring to in that particular example.

**Mr KATTER:** That is why I am surprised you said ‘evidence-based’ because I would say there is very good evidence if you know the market here. Do QRC act as an intermediary or get involved when people are looking to buy mine sites; do you have good visibility in that space?

**Ms Duguid:** No, QRC does not work in that space.

**Mr KATTER:** No, I did not think so.

**Ms Duguid:** We know that Trade and Investment Queensland do a lot of that work. We know that the new Critical Minerals Queensland—the state government body—works in that space, as does DFAT, the Department of Foreign Affairs and Trade. They also support bringing global investment into Queensland.

**Mr KATTER:** It is fair to say that you may not be aware of other mining companies that are interested in buying this mine lease and continuing to operate it for the benefit of Queensland?

**Ms Duguid:** No, not necessarily. That might be outside of QRC’s remit.

**Mr KATTER:** It is surprising that a peak mining body group might deny an opportunity for other mining companies to expand and operate in Queensland when there is a resource that other mining companies could find viable. Would you agree that some mining companies are more suited to resources than others at different times in the life cycle of that mine?

**Ms Duguid:** Different resources have peculiar and different mine life cycles depending on the resource itself so it could be different for gas, coal and critical minerals.

**Mr KATTER:** Given that Glencore operations have the copper smelter, zinc and lead in one lease, it could be the case that there is a mine lease that would be viable to someone else but it is complicated insofar as the other parts of the operation are tangled in with it?

**Ms Duguid:** Yes, that is probably outside our area of expertise to be honest.

**Mr KATTER:** It is surprising that you have expressed such strong sentiment on this bill when it is only addressing that issue within the confines of the MIM act. You are talking collectively about the risk to all of Queensland; this bill specifically deals with Mount Isa Mines. It is surprising to me that you have made such broad-reaching statements when you are saying you do not know about this?

**Ms Duguid:** I do not have any further comment.

**Mr WATTS:** Thank you very much for your time today. In your experience on an international stage, are you aware of any other jurisdictions globally that have legislation like this in place over their resource industry, or part thereof?

**Ms Duguid:** No, I am not aware of that environment, no.

**Mr WATTS:** Do you know if any research has been done to find out if that exists?

**Ms Duguid:** No, but it might be something that Trade and Investment Queensland or DFAT have information on.

**Mr WATTS:** I am interested to know if there is any international experience that we can draw on in terms of how something like this has progressed so it is a shame that you are not aware. Thank you.

**Mr WALKER:** My question to Nicole is: besides Mount Isa Mine Holdings, does the Resources Council help the mining sector in this region map the potential opportunities for investment? Do you or your group map the region to inform the resources sector of opportunities to invest in Mount Isa and the surrounding region?

**Ms Duguid:** Sorry, could you say the question again? It is hard to hear.

**Mr WALKER:** Does the Resources Council help map the region for opportunities in mining around Mount Isa and the surrounding region to better inform the mining sector?

**Ms Duguid:** I do not think we specifically map that area. I know that sort of work is done by state development and the Department of Resources; it is probably a question for them.

**Mr WEIR:** There is obviously a lot of interest in the smelter up here. It is vital we keep it going. The chance of having something else like it built in an area like this if this one closes is pretty remote. What is your understanding of sourcing materials? Has any modelling been done in this region as to how much material would be available for that smelter, and how much it would take to keep it going?

**Ms Duguid:** I think organisations like Critical Minerals Queensland may have some of that data available to them. That would probably be a good question for Critical Minerals Queensland and the Department of Resources.

**Mr WEIR:** We will put that to them.

**CHAIR:** Could you address the comments in your submission around low-quality ore not being economically viable and your knowledge about its safe extraction from this particular mine?

**Ms Duguid:** We understand that one of the reasons Glencore was closing the mine was low-quality ore. It is probably a question you could ask them if they are presenting next.

**CHAIR:** Terrific.

**Mr KATTER:** You made a negative comment that having legislation like this would diminish investor sentiment. This bill does not force anyone to sell anything. If what the leaseholder is saying is true—it is an unviable ore body—there will obviously be nobody interested in tendering for it. If what we are told is true, what is the big risk with this bill? It only becomes effective, or active, if what the leaseholder is saying is proven untrue—that there is viable ore and someone who wants to buy it. I am unclear about why you would see a risk associated with that?

**Ms Duguid:** When there is an unstable and changing landscape in the resources sector, more broadly, that can cause risk and discourage investment. Things continuously change so it causes some sovereign risk.

**Mr KATTER:** Would you acknowledge that the bill is limited insofar as it only activates if there are tenderers who have seen it as viable and would like to proceed? It is implicit in the bill so it is a rhetorical question.

**Ms Duguid:** Yes.

**CHAIR:** There being no further questions, thank you very much for appearing before the committee today. There were no questions taken on notice. We appreciate your time.

We are running ahead of schedule so we will take a five-break to sort out the audio issues, then we will return with Glencore as our next submitters.

**Proceedings suspended from 10.11 am to 10.25 am.**

**McCARTHY, Ms Cassandra, Corporate Affairs, Glencore**

**STROHMAYR, Mr Sam, Chief Operating Officer, Glencore**

**WIPAKI, Ms Maryann, General Manager, Health, Safety, Environment and Community, Glencore**

**CHAIR:** Welcome back, everybody. Thank you for allowing us that short break. I do not know if we advanced our communication solution whatsoever in that little break, but we now have via mobile phone the member for Callide and the member for Toowoomba North. We will keep on going. I welcome representatives from Glencore. I invite you to make an opening statement and then the committee will have some questions for you. Thank you.

**Mr Strohmayer:** Good morning, Chair and committee members. Thank you for the opportunity to participate in today's hearing. I would like to start by acknowledging the Kalkadoon people, the traditional custodians of this land, and pay my respects to elders past, present and emerging. My name is Sam Strohmayer. I am the Chief Operating Officer for Glencore's zinc and copper assets in Australia. Joining me today is Maryann Wipaki, General Manager for Health, Safety, Environment and Community for Glencore's zinc and copper assets in Australia, and Cass McCarthy, Glencore's corporate affairs lead in Australia. I started my mining career working for Mount Isa Mines at the McArthur River Mine in the Northern Territory as a metallurgist just on 30 years ago, and Maryann has also dedicated much of her career working at Mount Isa Mines also for almost 30 years. We would like to make short opening remarks which I think are relevant to this inquiry.

Glencore is one of Australia's largest producers and marketers of coal, metals and minerals. We currently operate 22 mines and metal-producing assets, producing coal, copper, lead, zinc, nickel and cobalt. Our employees and contractors are fundamental to our success, and people are at the centre of everything we do. Our metals business here in Queensland directly contributed \$2.6 billion to the economy, provided jobs for 4,350 people and spent \$1.8 billion on goods and services from almost 200 suppliers.

Mount Isa Mines is one of the oldest and largest mining complexes in Australia. Since its early beginnings, Mount Isa Mines has explored, developed, mined, processed, smelted and refined zinc, lead and copper from the mineral ore bodies here for the last 100 years. The Mount Isa Mines complex is made up of multiple mines and an integrated processing facility which includes two mining and processing streams—copper and silver, lead and zinc. We have three mines, a copper concentrator, a zinc-lead concentrator, a copper smelter and lead smelter here in Mount Isa, and a copper refinery in Townsville. Today the metals and minerals from Mount Isa are exported all over the world and help make possible a range of items we all use every day. Glencore has continued to invest in our Mount Isa and Townsville operations over the decades. In fact, in the last five years, Glencore has invested \$1.8 billion in terms of ongoing capital expenditure on our Queensland metals business. This includes \$653 million in zinc mining and processing, \$513 million on our copper operations, MICO; \$220 million on copper processing; \$87 million on exploration; and over \$30 million invested in environmental management. Going forward and in the near term, we are investing in the future of our Mount Isa Mines asset, including progressing the studies for the Black Star Open Cut expansion, known as BSOC, project, with future spend in the order of almost \$47 million.

In regards to MICO, every mine has a beginning, a middle and an end. After almost 70 years of operation, the economically viable copper ore bodies at Mount Isa Mines have been mined out. As a result, we made the decision in October last year to close our Mount Isa copper operations in July 2025. Over the last five years, Glencore has completed several studies to optimise the remaining resource base, and we have already successfully extended the life of our copper assets through extension projects, utilising new mining methods and technology. The decision to close MICO was very carefully considered and not taken lightly. The mine has come to the end of its life and the remaining resources are low-grade and technically inaccessible. First and foremost, Glencore is focused on the safety and wellbeing of our workers. Our approach has been to provide almost two years advance notice of the closure, so we can engage and consult with our workforce and the community through this transition.

Regarding the proposed bill, Glencore has significant concerns. Our principal position is that the bill is unnecessary because appropriate regulation in this area already exists, and the way this bill is drafted would lead to a range of significant negative, unintended consequences. One of the key risks of the proposed bill is the retrospective encroachment on existing rights of the leaseholder which in turn increases the level of sovereign risk and jeopardises future private investment. The Queensland government already has a robust regulatory regime which oversees mining activities and Mount Isa

extensive powers and discretion to demand information and action from mining companies, particularly in relation to the utilisation of natural resource deposits leased to companies. In effect, 'use it or lose it' conditions referred to in the bill already exist within the existing Queensland regulatory regime to ensure companies continue to develop natural resources consistent with their approvals and the terms of their mining leases.

In conclusion, Glencore's purpose is to responsibly source the commodities that advance everyday life. We want to bring about long-term growth and opportunity for all our stakeholders, including customers, shareholders, employees and communities in which we operate. The operations in Mount Isa are an important part of the Glencore business. We take our stewardship obligations to responsibly manage and utilise Queensland's natural resources for the benefit of all stakeholders seriously. We firmly believe that the existing regulatory regime in Queensland is robust and fit for purpose. The proposed bill is aggressive, unworkable and fails to consider the practical reality that the mining and processing facilities at Mount Isa function as a fully integrated complex. Thank you for your time today. We are happy to take your questions.

**CHAIR:** Thank you very much, Mr Strohmayer. Deputy Chair, it is over to you for the first question.

**Mr WEIR:** I am just trying to remember. Did Anthony Lynham introduce the 'use it or lose it' provision? What does it actually mean? What is the level of operation that would see the lease continue or be withdrawn because it is not being used?

**Mr Strohmayer:** I will have a go at answering that first, but Maryann was here at the time that was introduced. It was an update to our MIMLAA legislation I think in 2014.

**Ms Wipaki:** Yes.

**Mr Strohmayer:** There are some very clear requirements in terms of the legislation about what we need to do as an operator. There are some very clear requirements in terms of our later development plans that require us to submit on a regular basis which then requires approval. There are some very clear guidelines that address that 'use it or lose it' provision. I will hand over to Maryann.

**Ms Wipaki:** Under MIMLAA we are required to develop a development plan. Effectively that plan sets in play the next five years which is endorsed by the Minister for Resources. Through that process, there are commitments made around production profiles against each of the individual assets located on the Mount Isa Mines lease, so that effectively talks to the production commitment year on year over that five-year plan period.

**Mr WEIR:** When was that last done? Where are you up to in that five-year plan?

**Ms Wipaki:** We made a submission on the development plan in February of this year. As a result of the announcement in October 2023, we submitted what is called the later development plan under MIMLAA. That is still being considered by the Department of Resources. We are responding to some information requests in relation to that plan.

**Mr WEIR:** You talked about the quality of the ore. Is it the quality of the ore the reason you are coming to this decision or is it the cost of extraction? You also mentioned safety. Is it becoming a risk due to the depth and conditions you are working? What are your main drivers for the decision?

**Mr Strohmayer:** It is a good question to take you through where we have got to. The MICO copper operation has been running just under 70 years. It has been extensively drilled. Our knowledge of the deposit is extensive. In fact, with our technical expertise—it is all based here in Mount Isa: our engineers, geologists, schedulers, planners and miners—we have actually been able to extend the MICO operation probably five years past what we thought was possible previously.

The reality is that we are now at a point where five years ago we were mining about six million tonnes per annum. That was the ore that was available. We are now at about half those rates because we have exhausted the available ore that is accessible. As we are getting to the extremities of the ore body, we are also seeing the grade or the per cent of copper in the ore decreasing at the same time as costs are increasing. We are at a point now where we have a very clear line of sight from where we are today to July next year. It is a combination of decreasing quantities of material available, decreasing copper percentage in the ore itself and increasing costs, getting to a point where the mine post July next year will not be making any money.

**Mr WEIR:** What is your intention—to withdraw from the underground side of it entirely?

**Mr Strohmayer:** It is a staged process. We will see the first phase of that happening in the next couple of months. We have a portion of the mine called X41 and to the southern sections where we have almost finished all ore extraction in that area. We are then consolidating operations for the next

12 months in the central part of X41 and the Enterprise operation. We will see then a further ramp down of operations towards the end of this year and then a complete stop of underground mining in July next year.

**Mr WEIR:** How does the open-cut project fit with that?

**Mr Strohmayr:** With the Black Star open-cut project, as we talked about, we are close to finishing the prefeasibility work on that project. There is a staged approach: there is a concept phase, a prefeasibility and a feasibility. We are getting close to finishing the prefeasibility process. The plan with the Black Star open cut is to restart it. It is an open cut that is on top of the old lead mine. It stopped in 2014 because of proximity to the MICO infrastructure—a number of vent raisers were used for extraction and the main hoist. The plan is then, subject to those study phases and approvals, to restart mining in the open cut, heading south towards the existing MICO infrastructure. We see that happening probably towards the end of 2026 into early 2027, subject to our studies being successful.

**Mr WEIR:** Once that starts, that means the existing mine will become inoperable because you will be basically—

**Mr Strohmayr:** That is right. The Black Star open cut will extend to the south over the top of the existing MICO infrastructure. That will continue—if our plans progress, we would also then go into the Black Rock open cut, which is currently being extracted from underground. So you will see the progression of open-cut mining techniques from the old underground extraction techniques.

**Mr WEIR:** There is no scenario where both could operate? It will be one or the other.

**Mr Strohmayr:** Unfortunately not. It is a transition, if you like, from underground mining at MICO to open-cut operations at the Black Star open cut—similar to what has happened before in Mount Isa.

**Mr WEIR:** How do you see workforce numbers through that period?

**Mr Strohmayr:** There is certainly a gap that we see at the moment. We are doing everything we possibly can to bring forward early works on that open pit operation, subject to our approval requirements, but we do see a gap in terms of workforce. In full operation at the Black Star open pit we would see 350 to 400 people working in that operation as opposed to our MICO operations.

**CHAIR:** Are they new positions?

**Mr Strohmayr:** They would be new positions, yes, absolutely, compared to MICO, which is about 1,200 people all in. There is a gap in terms of timing and there is a gap in terms of total people. Maryann might talk to this as well but, because we have given people 18 months notice, we are actively looking at how we transition people from our MICO operation to our ongoing operations in Mount Isa which are substantial.

Our George Fisher mine 20 kilometres to the north is a very large underground lead-zinc operation. We are currently ramping that operation up from around three million tonnes per annum to 3.2 million tonnes per annum and then onwards hopefully closer to 3.6 million tonnes per annum. We are seeing increasing demand in the workforce at George Fisher. We have already successfully transitioned 38 people from MICO to George Fisher. We have another 38 planned to transition through August and September. We are actively working on identifying future roles at George Fisher and trying to match them up with the workforce in MICO.

**Mr WEIR:** I asked this question of council but they did not know, but you would know. What is your percentage of fly-in fly-out employees as opposed to permanent employees?

**Mr Strohmayr:** I am going to pass that one over to Maryann.

**Ms Wipaki:** Of the impacted workforce, 90 per cent of that workforce live locally—that is our employees live locally. As Sam said and to add, our focus has been working through a process of engaging with our employees, looking at the retention, redeployment and retraining opportunities for the workforce. To date, 70 people have successfully found alternative employment within the company.

We have set up a human resources hub, which allows our employees to talk to human resource specialists about their individual circumstances and look at pathways. We have gone through an expressions of interest process. We have received over 670 expressions of interest which indicate a preference to the next step in terms of employment. Over 400 have identified an interest in a redeployment opportunity and staying locally.

**Mr WEIR:** There would need to be significant retraining from the existing underground mine operations to open-cut operations.



**Mr Strohmayer:** There certainly would be some retraining but they are very transferable skills. If you are a tradesperson working on diesel equipment, yes, it is slightly different but it is similar heavy mining equipment. There would be transferable skills but absolutely some retraining will be required. Underground miners can transition to open-cut mining. We have done it before. Some of them like being in the sunshine as opposed to being underground. There would definitely need to be some retraining.

**Mr WEIR:** As I understand it, a significant part of what goes through the smelter comes from outside sources at the moment. What is your expected yield from open-cut operations as opposed to what you are producing from underground?

**Mr Strohmayer:** Yes, we have seen that transition with the copper smelter getting more and more concentrates from third-party concentrates. We have seen that as the decline of MICO has happened over a number of years. We are about 60 per cent at present. The Black Star open cut is predominantly a lead and zinc deposit initially. As we head further south we will see the real integrated nature of the amazing ore bodies here in Mount Isa transitioning more and more to copper. We would see the first few years of Black Star being lead-zinc, so that would not be providing copper concentrates for the smelter. Then with time that will transition into the copper rich ores.

**Mr WEIR:** What do you mean by 60 per cent?

**Mr Strohmayer:** So currently 60 per cent of the concentrate that gets smeltered in the copper smelter here comes from other mines apart from MICO, so Ernest Henry, other copper mines in the region, South Australia and overseas as well.

**Mr KATTER:** I am not sure who to direct this to. Firstly, does Glencore make advances to other mining operations about a prospective purchase or acquisition if they are not viable?

**Ms McCarthy:** Sorry, Mr Katter, but just to clarify: about our own or interest in other people?

**Mr KATTER:** Yes, but it is probably a rhetorical question again. I am saying would you go and make an offer to other mines or make advances toward another mine if you did not think it was viable? Does Glencore have any history of that?

**Ms McCarthy:** Mr Katter, I will start and then invite Sam or Maryann to chip in. We are a commercial operation, as you well know.

**Mr KATTER:** Yes.

**Ms McCarthy:** In the industry we have multiple conversations with people. We have people coming to us expressing an interest in assets. On occasion where we feel that there is value for both sides we will engage in a commercial discussion.

**Mr KATTER:** I was not asking about anyone asking you yet; I was just saying do you do it to others?

**Ms McCarthy:** Do we approach others?

**Mr KATTER:** Yes.

**Ms McCarthy:** I have no knowledge of that. I would say that it is not out of the realms of possibility, but again I would say to you that we are a commercial organisation and we will take a view in terms of the assets that we have and consider what opportunities are out there, and I think our CEO, as you know, has been quite open, certainly about other people's interests in our assets.

**Mr KATTER:** I am not too sure about that. I have had other people come into my office saying, 'Can I have an introduction?' and that has never seen the light of day and that has never been put back in the community. All we ever hear from Glencore is that it is an unviable asset and that there is no life left in it which causes some confusion for me as the local MP because I think, 'Why are all of these other parties interested in acquiring it and talking to me and coming directly to my office if there's no life left in it?', as you keep telling the rest of Australia.

**Ms McCarthy:** That is an important question and there are a couple of parts to that.

**Mr KATTER:** I can predict what some of it is, so can I jump to my next question?

**CHAIR:** Hold on. I think in fairness we have to let—

**Mr KATTER:** Okay, but do not deviate off my question then because you keep trying to answer—

**CHAIR:** We will come back to that. You will get an opportunity.

**Ms McCarthy:** Mr Katter, I promise I will answer your question. We have an example of a successful sale here in your region in terms of Ernest Henry. I can also tell you that we take this very seriously and we are open. We are a commercial enterprise. If people are interested in our assets we

will consider what they have to say, but we also will consider whether they are a responsible operator just as you consider in terms of companies. We have to consider whether there are conflicts of interest, for example, so we take things very seriously and we do—

**Mr KATTER:** No, I accept that.

**Ms McCarthy:**—listen to parties, so I would reject the notion that we do not. We are a commercial body—

**Mr KATTER:** Yes, well—

**Ms McCarthy:**—and we can point to Cobar—

**Mr KATTER:** Yes, but can we tease this out—

**Ms McCarthy:**—as the other one that we have successfully sold as well.

**Mr KATTER:**—because there are some important things to address here? Evolution and the sale is completely different because, as you pointed out, I thoroughly accept that you have a tangled number of assets here. You have your lead and your zinc, so if hypothetically you could just sell the copper mine we might be having a different conversation here. You are not going to admit to that now—I get that—but a logical mind is going to work through that. It is difficult because it was implicit in your initial commentary, Sam, when you said that this is much more difficult because we have all of these assets overlaid which then would invite the question: if it was separate, would you be more inclined to offer it to the market and would there be so much resistance to this?

**Ms McCarthy:** But, Robbie, also and taking—

**Mr KATTER:** Could you answer that—

**Ms McCarthy:** But to your point—

**Mr KATTER:**—because is that the problem—that they are tangled in together?

**Ms McCarthy:** But it is a hypothetical to a certain extent because as you know—

**Mr KATTER:** It is not because we are talking about legislation that you are saying is damaging—

**CHAIR:** Okay. We just need to have one person speaking at a time, so Cass has the call.

**Mr KATTER:** Yes, sorry about that.

**CHAIR:** That is just for the purposes of Hansard too, because we are trying to make sure that we have a very accurate transcript at the end of this, so let us be patient with one another. Ms McCarthy, over to you.

**Ms McCarthy:** I would just make two points, Robbie. To acknowledge your question, I would say to you that we have demonstrated successfully that we will sell assets where there is a commercial case and both parties agree to do so. As you have pointed out, Sam has highlighted that, in terms of MICO, it is incredibly difficult because of the integrated nature of the mining operation here. We share both mines and the processing, and I will pass to Sam and Maryann if they have comments. We share water and we share energy, so I do not think it is fair to kind of ask us to answer a hypothetical.

**Mr KATTER:** No, it is not really a hypothetical because then we are just zeroing down to the problem—that is, that you would have to sell the other part. For you you would feel motivated to sell the other parts of the business to have to sell the copper.

**Ms McCarthy:** All of Mount Isa Mines; is that what you are saying?

**Mr KATTER:** Yes, because you are saying that you cannot sell it because they are integrated. If you did sell the rest, then there could be a viable solution here now.

**Ms McCarthy:** Robbie, I think I understand your question, but I guess what I would point out to you is that Sam and the company have already indicated that we are committed to continuing to invest in the Mount Isa Mines. In the last five years alone we have invested \$1.8 billion into these assets and we are committed to make sure that we are continuing to sustainably develop these resources going forward.

**Mr KATTER:** Yes, okay, but let us be clear: that is not out of a sense of altruism. For you to generate a benefit from the resource that exists there, you need to spend money to get the benefits. You are presenting like it is an altruistic move that you are investing here.

**Ms McCarthy:** Robbie, I take your point, but I would also point out to you that it is not just us who benefit: the entire region benefits.

**Mr KATTER:** No question. There is benefit from the business being here, but I do not think you have clearly answered and I think the hypothetical is very important if that was a standalone copper business. Much of this debate is around the fact that you are saying it is not viable. This leads me to my next question, so if I could just zero in on this.

**Ms McCarthy:** Okay.

**Mr KATTER:** Would you acknowledge that some mines are suited for separate mining companies in different parts of their life cycle like Ernest Henry?

**Ms McCarthy:** I cannot answer that, so I will pass that on to Sam. Before I do, I would point out that I think Sam has made it very clear that with the investment into the BSOC, Black Star Open Cut, operation, we are actually looking to fully utilise the mine resource, so there is a pathway that transitioning from underground to open cut may allow us—

**Mr KATTER:** I understand that very well.

**Ms McCarthy:**—to come back and to utilise those ones that are not currently economic or accessible at the moment. Just to your second point, Robbie, I will hand over to Sam.

**Mr Strohmayr:** If I understand the question correctly, there is different mining companies for different scales and different types.

**Mr KATTER:** I think it is pretty well established, but I would just like to hear it from you in response.

**Mr Strohmayr:** Yes, I think there is excellent evidence all the way across Australia that different sized companies run different sorts of operations.

**Mr KATTER:** Yes, because most of what the public and the government are relying on is your assessment of the resource saying that it is no longer viable. However, when I look at the annual report and I look at your reserves and I look at the copper price north of \$10,000, you think, 'Maybe another mining company would see benefit in that,' but the signal is being sent that it is an exhausted resource. Notwithstanding that it is problematic—I totally acknowledge that—and it is getting more difficult, would you not acknowledge that there could be other mining companies that would still see that as viable to them taking a different investment approach than what may be the Glencore approach? I am not trying to be disrespectful or derogatory towards Glencore; I am just saying it is different and again that different mines suit different operators.

**Mr Strohmayr:** Yes, different companies have different risk profiles and different approaches to safety and a whole bunch of different things. That is clear. We have a very deliberate approach that we have to run our operations safely and responsibly, and that is the approach we take. Robbie, there is no doubt that an all body like MICO is quite a rare thing and a very precious thing and it is not something that we would be giving up lightly. We have spent a lot of effort and time with some really clever mining expertise all based here in Mount Isa and developed here in Mount Isa and have been able to extend MICO well past what had been talked about in the past. The reality is that we have shown you some of the drillings around the MICO operation. This is not a deposit that has been underdeveloped or underexplored. It has been explored and developed for over 70 years. It is well known that it is now coming to the end of its mining life in this phase. We are not talking about forever, because we are talking about an open cut potentially coming over the top of it.

**Mr KATTER:** Yes, but I guess the concern is the transition because it has just blown a hole in the local economy—maybe not deliberately, but that is just what has happened. What would be interesting I think for the committee to know is that you are saying emphatically that it is an exhausted resource that is no longer viable, but you might take a three- or a four-year investment proposition. The terms with which you go to your shareholders or board to extract funds for the billion dollars that you reinvest competes globally with hundreds of other mines around the world and it is just that under those metrics it is not viable, whereas a different operator might come in and say, 'We can take a 20-year outlook on this and we're willing to make the investment,' so it is depleted, but maybe it just needs \$300 million spent on it, and I am making these numbers up. I am just saying that where someone can have a long-term view there is a possibility it could be, which leads me to my last question. This bill says that if the minister sees that there is a statewide significance of copper production—I think everyone seems to think copper production is pretty important at the moment—then it can be put to tender and people look at it, so I am not surprised that you would oppose the bill but I am surprised that you would be enthusiastic about opposing it when you have been saying emphatically that there is no life left in it and that it is not viable. None of this triggers unless there is some viability seen from another party, so if what you are saying is true then there is no risk that anything activates in this legislation. Therefore, why are we worried?

**Ms McCarthy:** Thanks, Robbie. I think in terms of the legislation we have a number of concerns with it. Notwithstanding the point that you have just made, there are three or four kind of key issues. I guess to go back to what Maryann said and off the back of the deputy chair, the amendment of the MIMLA Act in 2014 introduced a requirement for us to do a development plan. That has ministerial oversight, so the minister can request information and if we breach that development plan there are real consequences for us as a company to do that. So I guess our argument is that we believe that the current regulatory regime is actually fit for purpose.

**Mr KATTER:** Yes, okay.

**Ms McCarthy:** I am coming to your legislation. With regard to the proposed bill, first off, in terms of ceasing a mining activity, it would be hard to imagine where that does not impact a community, so from that perspective we are concerned that it is unworkable. I think the other aspect that we are concerned about is in relation to this: notwithstanding the existing rights which create a sovereign risk issue—and it is a risk for future private investment; we are very concerned about that in that it sets a precedent—what happens if you have an open tender process and no-one bids for it? The bill does not address that, so there is a gap in the legislation from that perspective.

I think also it does not deal well in its current drafting form with just the integrated and complex nature of Mount Isa. As I indicated before, it is very difficult for this particular asset. As you know, it is all integrated and also I think how do you manage situations where over the life of a mine you are subject to different commodity price cycles and you will encounter different geological challenges across the entire life of asset? We do not believe that the bill adequately addresses those things and as a result it becomes unworkable. I think ultimately we believe that the current regulatory regime is fit for purpose. There are ministerial powers and the development plan that we operate under has ministerial oversight, so it is well catered for in that regard.

**Mr KATTER:** Okay. Would you not agree though that, in terms of that development plan, how could anyone in government possibly know so intimately the operation? If you put in a plan that says that this is based on us getting \$200 million from the board next year to do the expansion of underground shaft No. 6—I am making this all up—and you say, ‘We’ll never get a billion dollars off the board for here because there’s too much competition from Africa and South America,’ but you put in the plan that we are doing that because that is viably what we can do, how can anyone make a judgement call on that? Would you not say that the existing legislation falls horribly short of effectively assessing whether there are viable oil bodies there or not because it then comes down to the nature of the operator—

**CHAIR:** Is that a question with regard to market?

**Mr WEIR:** That is where I was going to go. When you put forward your development plan, what exactly does it lay out? You say that the plan must be approved by the minister. Why would the minister not approve it? What grounds would a minister have to not approve a plan as presented by Glencore?

**CHAIR:** Actually, I would refer everybody to the Department of Resources response from the director-general dated 15 July. It does outline the formal agreement. Over to you, if you want to give some further information.

**Ms McCarthy:** I will hand over to Maryann who probably has a more detailed knowledge in that area.

**Ms Wipaki:** Under MIMLAA as it exists right now, there are two things. We are required to submit an annual report that talks about all of the assets across the lease in terms of their production profile and provide an annual commitment and statement in response to the progress effectively against the plan. We are in our third iteration of the development plan and that is the one that has been submitted in February of this year.

The mechanism that the department has is to ask additional questions so ask for additional information and that is the process that we are in at the moment. It goes into basically questions around the production profiles that have been set against each part of the individual assets that are listed over that five-year period. To the extent of how does the department consider the information, it is through requesting that additional information to firm up the statements that we are making around the production profile.

**Mr Strohmayer:** To add to that, it is quite detailed information. It is detailed mine plans, it is detailed sections of the mine, it is your drilling and modelling. There is a lot of information that goes into the submissions in the first place and then the subsequent round of requests for information. It is quite a detailed approach.

**CHAIR:** I have a question in regards to the plan. It was October 2023 when the last one was submitted?

**Ms Wipaki:** No, we were actually operating under a plan at that point which sees us through to January 2025. In October 2023, with the announcement—basically there is a trigger in terms of significant changes to the operation. That significant change in terms of the announcement, in the view of the Department of Resources, triggered that later development plan. We agreed to the submission of a later development plan, which was submitted in February of this year. It is that development plan that we are currently responding to.

**Mr WALKER:** Is copper ore always found by itself or with other minerals?

**Mr Strohmayer:** The majority of the copper deposit to the south is all copper ore. As you progress further towards the north, it transitions into the lead-zinc ore body. It is quite discrete within the Mount Isa—

**Mr WALKER:** So at this facility here, you need the smelter because you have lead, zinc, silver and copper and you need to separate it? It is done here?

**Mr Strohmayer:** There is the mining. It is copper ore that is mined. The copper then gets concentrated in the concentrator. That copper concentrate goes to the copper smelter. The zinc and lead ores are treated in their own concentrator. It is a zinc-lead-silver concentrator. The lead concentrate goes to the lead smelter and then overseas. The zinc concentrate actually goes out as concentrate via rail to Townsville and then some goes to the refinery in Townsville and the rest of the zinc concentrate gets exported overseas.

**Mr WALKER:** Those concentrators are all on the one site here?

**Mr Strohmayer:** Both concentrators are on the one site, No. 4 and No. 2, and then you have the two smelters, the lead smelter and the copper smelter.

**Mr WALKER:** Are those concentrators in close proximity to each other?

**Mr Strohmayer:** Yes, they are all over the top of each other.

**Mr WALKER:** The reason I ask is that if you were going to sell off the copper operation and someone wanted to buy it then they would need the concentrator or will you do that as a service if they bought your mine?

**Mr Strohmayer:** That is a very good question. It is all very integrated.

**Mr WALKER:** The point I am making is that you have a lot of investment in this asset. You were the friend of this city for many years. Today, you are going down the road, in some minds and in some eyes, as the foe. You are not going to walk away from all this asset if you could save it, is that correct, or do you just turn your back on all of this investment?

**Mr Strohmayer:** No. That is what we are planning to do. We have a strong track record of investing in our operations here. I know these are big numbers and maybe they sort of wash over people, but it is \$1.8 million in investment in the last five years. A lot of that money is just to continue what we are doing. It is sustaining capital. It is making sure that the buildings are safe. It is making sure that we are doing the right sort of developments in the operation. We see a strong future for Mount Isa.

Unfortunately, we do not have the next deposit ready to replace MICO, but we are actively working on Black Star Open Cut. It is quite an interesting analogy to what we are currently doing. There was the lead mine here for a long time. That was the first mine in Mount Isa. That finished from an underground perspective and we transitioned to an open cut above the lead mine. That is what we are currently doing: we are transitioning from the MICO underground operations, which are no longer viable and are finished, to the open-cut operations. We are continuing to invest. We are continuing to explore.

You make the point about a friend or a foe. We absolutely acknowledge and do not take for granted the support that the mines have here in Mount Isa. We are continuing to invest in our community programs. The fact that we have tried to give people as much time as possible is in part out of respect to the community and our workforce.

**Mr WALKER:** Chair, the reason I ask that question is I am trying to keep it pure in terms of information coming in so that everybody can process that. We are going down rabbit holes on the odd occasion. I am trying to map how you would separate different things if you wanted to sell off and keep this area alive for the community and for other mines to feed in so that everybody has open access to a lead concentrator or copper concentrator and how that would be mapped.

**CHAIR:** There are probably some hypotheticals within that. Is there a timeline to the finalisation of the study that triggers Black Star?

**Mr Strohmayr:** We do not have definitive dates but there are certain things that we need to get done to progress through the decision points of the stage dates. We will be transitioning from that prefeasibility stage to feasibility through the next few months so within the third quarter of this year. We are actively looking at how much confidence we have to enable us to do those early works investment. I am hoping that through the remainder of this year we get to that point.

**CHAIR:** In terms of Black Star and its 350 to 400 new staff, is that the maximum given that the levers get triggered in a positive direction?

**Mr Strohmayr:** Yes, that is the understanding we have at this point. That is similar to what the workforce was. Black Star Open Cut ran from, I think, 2006 to 2014. That was around about the workforce that was here.

**Mr WEIR:** We heard from the mayor earlier that there is a possibility of using the shafts for drop weights. Would the expansion of the open-cut mine still allow a project like that to proceed?

**Ms Wipaki:** I think an important part of our closure planning with MICO is not only looking at the closure of areas and the asset disposal but the potential repurposing of assets that we have there because it is a large list of assets and infrastructure. One of those is the consideration of using the shafts for energy generation and storage. That is part of a piece of work that we are doing in terms of the study at the moment. There is consideration as to what and how that would integrate with Black Star Open Cut so we are still in those early stages of understanding the staging of that process. We are talking to external SMEs in this area in terms of understanding the engineering attached to the work itself and then the future closure stages in terms of how that one area comes to an end of operation and then the other part starts to come in. We are still in early stages.

**Mr Strohmayr:** We have a number of shafts and vent shafts across the lease that could potentially be used for that sort of technology if it was seen to be viable. X41 is right to the south of the lease, which is well and truly away from the first few years of Black Star Open Cut.

**Mr KATTER:** Is Glencore totally opposed to anyone coming along? Let's say the government brought along someone who said, 'We think there's still value in that asset that you've written off because you say there's zero value in that underground operation.' Are you willing to talk to anyone who might see some value in that and keep it productive and pay you money to get that lease? Are you willing to have that discussion?

**Mr Strohmayr:** Yes, we are open, but not to tyre kickers, Robbie. Yes, we are open to having serious conversations with serious potential people who want to take it on. I will reiterate that it is—

**CHAIR:** So it might be done as a sublease to the existing lease; is that how that would work?

**Mr Strohmayr:** It is extremely complex.

**Mr KATTER:** I appreciate that. It is good that you have said that you are open to it. That is a good start.

**CHAIR:** Terrific. I am going to end this session on a positive note.

**Mr Strohmayr:** We are a commercial business.

**Mr KATTER:** Can I ask why we never heard about Black Star until after the closure and then I talked about a bill and now we are hearing about Black Star? I know it has always been there. I know you did not start working on it overnight. You can see how people in the community would be a bit cynical.

**CHAIR:** Member for Traeger, we are going to end on a positive note.

**Mr Strohmayr:** I will just answer that question. We have been talking about Black Star. When we made the announcement in October last year, we talked about the Black Star study that has been going on for a number of years. As you can imagine, when you first start a study you do not start talking about it until you have some idea whether it is viable.

**Mr KATTER:** It would have been nice if the timing had married up.

**Mr Strohmayr:** I totally agree. Black Star cannot advance until the MICO operation is finished.

**Ms PEASE:** I would like to understand when it was that Glencore decided that you were going to stop your copper operations and how did you determine that there was no more copper in the mine?

**Mr Strohmayr:** It is an ongoing iterative process. Each year, you look at how much you have mined and what the future looks like in terms of the drilling that you have done. We completed extensive studies through to the end of 2022 and into the beginning of 2023 that really clearly indicated that the remaining ore that was there would be viable until 18 months into the future, so through to July 2025. Internally, that is where we came to. Obviously we had to go through a series of internal reviews to make sure that was absolutely the right conclusion. Then we started our engagement with all levels of government and that was in the weeks and months prior to the October announcement.

**Ms PEASE:** So it was around 2022-23 that it was determined by—

**Mr Strohmayr:** Yes, 2023.

**Ms PEASE:** If at some point in the future copper goes up in price and it is a great investment for Glencore, would you ever consider restarting the mine?

**Mr Strohmayr:** It is one of those great hypothetical questions around what sort of price would it need to be at. When we looked at the sensitivities on where we have got to, it has to be the highest ever price, higher than ever, to look at the economics of MICO. The reality is that that mine has gone from being six million tonnes of extraction down to where we are now at less than half that. You have a lot of aging infrastructure and a lot of infrastructure that is designed for much higher tonnages. Even with super-high copper prices it would still be very marginal.

**Ms PEASE:** Given that you did mention in one of your other answers the amount of money that you had invested into your infrastructure and maintenance, surely that investment alone would give you pause for thought to continue to maintain it and keep the mine going?

**Mr Strohmayr:** It is just the reality of mining. It is an expensive business. That is the sort of investment that you need to maintain, to continue the extraction rates that we currently have. It is money that you invest to make sure that you can mine it safely.

**Ms PEASE:** At peak performance?

**Mr Strohmayr:** As close to peak performance as possible, absolutely. But you get to a point where, despite that investment you still cannot extract ore that makes money.

**CHAIR:** Thank you very much for appearing before us today, for your contributions and for responding to all of our questions.

**BRANDON, Mr Jason, Australian Workers' Union**

**CHAIR:** Thank you very much for joining us, Jason. I invite you to make an opening statement, after which the committee will have some questions for you.

**Mr Brandon:** Thank you, Chair. My name is Jason Brandon. I am one of the local organisers for the AWU, the Australian Workers' Union, in Mount Isa, and I am a former worker at Mount Isa Mines. Our union has represented mineworkers at Mount Isa Mines for a hundred years. Our members built this town and the operations of the mine into the beautiful, unique, thriving community it is today. I would like to point out to the committee that, of the previous groups presenting their submissions, I believe that only Mayor MacRae and the Mount Isa City Council actually reside in Mount Isa. This is my home and this is my community, much like Mayor MacRae.

I am appearing today on behalf of the local workers and the mine because we believe that our community is being exposed to significant risk by the actions of the current leaseholder. We believe that our town and the residents must be the government's first priority when considering changes to the Mount Isa Mines Limited Agreement (Continuing Mining Activities) Amendment Bill 2024. I hope to provide the committee with the perspective of the workforce and the community.

The current leaseholder's actions have devastated our local community as well as the wages, conditions and safety of workers at the mine. Our members have been telling us that, since the announcement, they are not comfortable raising safety concerns for fear of repercussions and even causing the mine to close early. They have said that the conditions underground have deteriorated over a period of time and that they are even struggling at times to get potable drinking water underground.

The day after the announcement was made I met with a worker who had renovated their house and was going to put it on the market the day of the announcement. He was devastated to find out that he had done all of that work only for the housing market to plummet straightaway. There is no confidence to buy property in Mount Isa and probably no capacity to get finance even if there is a desire to buy property. Everyone who owns a house has felt the pain and maybe has a property that they will never be able to sell. I was one of those people who went through that when that happened.

Workers were told by managers on the night of the announcement—when the announcement was leaked—that they still had targets to meet and if they did not meet them they could shut early. This is a message that was echoed by supervisors as well. The workforce were dealing with the confronting news about the closure of the mine and then had the added pressure of shutting down early if they did not hit their targets. It had an impact on people.

People were being told that if they get offered redeployment, even if it is at a lower rate, they would have to accept it or they would not be eligible for redundancy. We have people currently applying for jobs and getting offers at an entry level rate. One member was offered a similar role to what he is currently doing at \$60,000 less. People are being told that, even though their substantive role is at MICO, they are not eligible for redundancy because they are not part of the mining department. How are they going to do their job if the mine is closed?

There are hundreds of small anecdotes like this across our town, and they add up to a seriously concerning picture. It is not just the mineworkers who are at risk. We, as the AWU, represent workers in health care, retail, manufacturing, construction and local government—every facet of life in this town. They are also at risk of the economic devastation of Mount Isa. We also believe that the current operations at Mount Isa Mines are a risk to the north-west critical minerals province. Governments of every persuasion have identified that we are sitting on resources the world needs—that we have enough critical minerals to employ the sons and daughters of mineworkers for decades to come. How then are we in a position that there is less copper being mined now and over the next couple of years?

The North West Minerals Province is the future of the resource industry in this state and Mount Isa is the capital of that province. How is this town in a position of being irreversibly damaged before the industry has even begun? Workers in Mount Isa have served our state and our nation for a century, labouring to mine, smelt and produce resources that line the coffers of government and fund our vital services. We are being reduced to a number on a spreadsheet in Switzerland, where unnecessary overheads are to be cut and moved to keep a multinational corporation churning out maximum profits.

Democratic governments exist to give a voice to the people, like our community, to make sure that they are not left behind and, at worst, left to the mercy of big capital. We are being left behind by this leaseholder. Our message today is that the government must be accountable for the actions of Mount Isa



the leaseholders at the mine. We have created a truly unique town here in Mount Isa—an amazing harmonious town in one of the most isolated places in our nation. I submit to the committee that this must be protected at all costs.

The member for Traeger and I do not always see eye to eye—I must admit that I ran against his father in the last federal election—but we are in lock-step on this point. The bill provides the ability to governments to deny the leaseholder of Mount Isa Mines the ability to damage our town and to turn profit that this community and state will never see. It holds the leaseholder to account in a language they purport to understand—competition in a free market. Our members support this added scrutiny of the leaseholder. We want governments to play their role and protect our resources and our regional communities from being sold down the river to make a cell in a spreadsheet go green in Switzerland. Thank you very much, and I am happy to take some questions.

**CHAIR:** Thank you very much, Jason.

**Mr WEIR:** You talked about the safety of mineworkers. That was mentioned by Glencore earlier in their opening statement. Are you saying that there have been more concerns raised with Workplace Health and Safety or just by the workers themselves?

**Mr Brandon:** Once again, a lot of it is anecdotal. I was involved in trying to get the water situation sorted because they did struggle to get access to potable water for a while at MICO. When it comes to other things, people honestly are not feeling comfortable to say anything. They will come and say something to me, but they will not want to put their name to it for fear of what could happen.

We are at a stage where the workforce have lost faith in the operator of this mine and do not feel comfortable to even raise certain concerns. Obviously for big ones they would. I know some people who have been willing to stand up for certain things, but a lot of them are not willing to say anything. They are already looking at 12 months before the mine closure. If you have kids, a mortgage, a car loan and things like that, you are going to be nervous to raise something that may ultimately shut the mine down earlier. Like I said before, they have targets to meet. Regardless of whether it is true or just your perspective, you will be nervous to raise something because it could impact your family sooner than planned.

**Mr WEIR:** Are these concerns specifically around the mine or are there smelter issues as well? I think there was an incident there.

**Mr Brandon:** Yes. Obviously there are things like that. A lot of what I hear is more at the underground mine. Glencore did say that the mine is aging and obviously the infrastructure is aging as well. That impacts on things. From what I am hearing from people, even if they raise issues about things that could be fixed, there does not seem to be the interest necessarily in actually fixing them because obviously it can be costly to fix infrastructure for a short period of time. Whether the message is not getting across in the right way or it is getting lost in translation, people are not feeling comfortable, nor do they feel that the company is looking after their safety.

**Mr KATTER:** Thanks for your advocacy for your workers, Jason. The comments in your opening statement were not lost on us and I agree with you that none of the attendees outside of the mayor will be ratepayers or voters in the Traeger electorate at the next election, meaning they fly in. In your experience does not having locally based staff in management impact on the way you advocate to get the company to invest or to make plans going forward?

**Mr Brandon:** I suppose I will throw that to you as a government. You would hear it a lot that if you do not live in an electorate or do not live in an area how can you know the impacts? Something can be a well-conceived plan on paper but if it is not executed right it can have devastating impacts, and that is what we are seeing now. I am not going to doubt the fact that they tried to do something right, but the issue has been the execution. After you make a decision and you jump on a plane and fly back to Brisbane or wherever you are going, we are left here to clean up the scraps.

I know you live in town too, so you and I and the other organiser in town see the impact of what happens when things do not go right, yet the people making the decisions jump on a plane and might hear something about it later on but it does not actually impact them. A perfect example of that is when the initial announcement happened and the house prices dropped. It is even just the feel of it. I have a house that I probably cannot even sell for a couple of stones. The impact of that is real.

**Ms PEASE:** Thanks for coming in, Jason, and thank you for the great work that you do advocating on behalf of the workers. How many members do you have up here, Jason?

**Mr Brandon:** I could not tell you that number exactly. I would probably be telling you a bit of a furphy if I tried. At the mine we do have a substantial membership. Then obviously across all the other industries such as the hospitals, not just in Mount Isa but in the north-west as well, we do have a substantial membership base in a lot of different areas.

**Ms PEASE:** It is interesting the number of people who are here because of the mine but then there are those who feed off it—the teachers and health workers. As you say, all of those industries would find it difficult to exist without that company. As the mayor called it, Mount Isa is a one-company town. Have you experienced or do you have a good understanding about the social licence of those big companies or how they are involved and investing in the community?

**Mr Brandon:** While I do not necessarily understand the intricacies of their social licence, any large company has to have a social licence to operate. Legislation in the health and safety realm says they have to provide a safe workplace, so that is one thing. Then they have an obligation to make sure they support and help the wellbeing of the communities that they are involved in. That is not just here but Australia-wide. It is an underlying principle of how democracy works.

I think it is important that when people start eroding confidence in the social licence to operate they actually get held accountable. That is where with this bill it seems like there is an extra mechanism there. I recognise that the member for the Traeger said earlier on that if they have nothing to hide and there is no ore there then it is business as usual. Erosion of confidence only comes when maybe what they are saying is different to what the actual figures are.

**Ms PEASE:** The COO from Glencore talked about their investment in infrastructure in the mines. Have you seen any improvements to the mine? Is the infrastructure in good condition? Is it safe for the workers to be working there? What is the future of that?

**Mr Brandon:** Anecdotally from the members—and even I was on site at MICO this morning doing a right of entry—their main conveyor, which is R62, has been out for most of this year. That can be seen as a good thing because they are obviously trying to fix it to keep it safe, but if you have a bit of infrastructure that is out for the majority of a year, and we are already in August, that might indicate that how it has been cared for previously has been lacking. The information we are getting from our members is the fact that they do not necessarily always feel comfortable in those conveyors, and that is why at one stage earlier this year that they did actually shut it down for a substantial period of time. I am not going to take that credit away from Glencore that when presented with that, they did actually take control and tried to make it safe, but I suppose it is like a car; if you do not look after it for a long period of time, then all of a sudden after you have run it into the ground, it can be hard to try to fight back from that. I have heard from people, not so much about the infrastructure, but the drives underground and the rehab that is required to make sure that they are safe to go under, that that program has been lacking for a long period of time. The guys who have been under there for a very long time, 20 years, have seen the deterioration in some of those maintenance type of things, and the focus on production over maintenance.

**Ms PEASE:** The member for Traeger asked about Black Star that Glencore was talking about here. Have you heard of the Black Star project?

**Mr Brandon:** I had. When they first made the announcement, there was a little carrot there about the fact that there could be something going on, but it seems like it is not a very well talked about thing. I recognise what Sam, the CEO, said about the fact that you do not start speaking about everything as soon as you start looking into things. Rightly, like the member for Traeger said, I think it is important that the timing of it is interesting. From what I have heard from people who have been around for a very long time, there has been talk of a super pit for decades. With that, I will leave it there. I have not been here for decades, but if people like our members who have been there for a long time and are now retired are saying that they knew about it decades ago, then, yes, obviously.

**Ms PEASE:** Do you have any concerns about your members, when the mines close down and they are out of work that they might leave, and if Glencore decide to reopen or get miners, is there a possibility that they might use fly-in fly-out workers?

**Mr Brandon:** That is always the concern. I would like to say there is a fantastic mine that is 20 kilometres out of town called George Fisher mine, which they talked about before as well. It sometimes gets forgotten, but it is an important place. From what we are hearing from our members, the commodity that they have there is coming through thick and fast, so it looks very promising. With that, there is at least something there that keeps people local. However, as we said before as well, the numbers do not add up to what we are losing. If people leave Mount Isa, the chances of them moving back out here for a job when Black Star opens in 12 months is very unlikely. Then all of a sudden if you have a drain of people out of Mount Isa, there will be a need. Can we get people locally? If not, we then need to go fly-in fly-out, and when fly-in fly-out gets accepted and normalised, then we as the community feel that impact.

When I walk around town, I see all the work utes going around. I do not begrudge anybody who does fly-in fly-out, but when we have a community like this next to a mine the size that we have over that mine lease, why are we moving to fly-in fly-out? All we need to do is incentivise people to Mount Isa

come out here. Some of that is an element of the Mount Isa Mines. If you pay people to move out here, people will come. It is an expensive place to live out here, so people are not going to move out here for a pittance. However, if you want quality, people will move out for money and you will get quality, but if we lose that quality that we have here now and they leave, they are not coming back.

**Mr KATTER:** You just made me think of something, Jason. I stopped going to the community information sessions because every time I would go, they would just say how bad it is and, 'Don't expect us to be here much longer', and, 'Things are winding up.' Everything was always so negative. Do you think that creates a difficult environment for other businesses and any other contractors to try to base people here permanently when they keep saying it is a short-term outlook and things are bad, like they did at Ernest Henry as well?

**Mr Brandon:** Yes, that is exactly right. I agree with that. Even I have heard plenty of times, as I have talked to people around town, that there is no future in Mount Isa. I have to point them to the work that the government is doing—spending \$7 billion on bringing CopperString out here. I have to point to the fact that Bunnings just built a nice new facility out here. Once again, you have to really show people that there is actually a benefit and a future in Mount Isa. It is very hard to make sure that people know that. However, even if you are looking from the outside and all you are seeing is that there is a mine closure, you are looking at this as the death of Mount Isa where the future should only just be starting. We have the critical minerals and North West Minerals Province out here which has trillions and trillions of dollars worth of already found commodity and then we are talking about the death of the major place which would actually make that feasible. It is concerning that some of the rhetoric and what is said is actually damaging the community. That is exactly right: perception is reality. If you look around and all you are hearing is people saying, 'There is no future,' then all of a sudden you start thinking that there is no future.

I have said it a couple of times, so apologies that I say it again, but as a resident and a member of this community, I do not want to see Mount Isa die. My son was born here. My daughter moved up here when she was five months old. This is their home. I do not want to see them lose Mount Isa and this fantastic place to live because we have someone who runs a mine that is more concerned about their bottom line than they are about the community that they operate in.

**CHAIR:** Thank you very much. Time has expired. Sorry, there is no time left for any further questions. Thank you to everyone who has participated today. Thank you to our Hansard reporter who has worked under challenging conditions. A transcript of these proceedings will be available on the committee's webpage in due course. Thank you to the secretariat who has also been roving more than she has ever done before. I declare this public hearing closed. Thank you, everybody.

**The committee adjourned at 11.37 am.**