

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

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To the Clean Energy, Jobs, Resources and Transport Committee,

The Queensland Resources Council (QRC) thanks the Committee for the opportunity to make a submission to the *Mount Isa Mines Limited Agreement (Continuing Mining Activities) Amendment Bill 2024* (the Bill).

Given the State derives a substantial income from Queensland's natural resources, the Queensland Government should be committed to encouraging the resources sector to develop in a sustainable and enduring way to protect the economy and attract investment into Queensland.

Queensland's resource industry collectively:

- supported one in six Queensland jobs;
- contributed one in every four dollars to the State economy;
- generates around 82% of the value of Queensland exports (<https://www.treasury.qld.gov.au/queenslands-economy/economic-dashboard/>);
- supports almost 16,000 local Queensland businesses;
- contributes to more than 1,400 charities and local sports clubs; and
- uses just 0.1 per cent of Queensland's land.

<https://www.qrc.org.au/wp-content/uploads/2023/11/2023-Economic-Contribution-Statewide.pdf>

The Bill, if approved, would introduce legislative changes to Queensland that would likely have a direct and detrimental impact on mining sector confidence in Queensland. While the Bill's goal is to enable ongoing mining operations in Mt Isa, it also fuels concerns about the State's sovereign risk. Investors and interested parties will likely be very concerned about how these changes affect contractual commitments, stability, and the predictability of regulations. Companies operate on a commercial basis and the QRC is concerned that this legislation could create more uncertainty for companies wanting to do business in Queensland. Fundamentally, the Queensland Government should be encouraging investment by providing a stable policy environment. When it comes to the

mining sector in Queensland it is essential to strike the balance between economic outcomes and legal certainty.

Our member company, Glencore's Queensland Metals, has stated publicly that the reason for the closure of the Mount Isa copper mine in 2025 is due to low-quality ore, that the remaining mineral resources are not economically viable at this time and safe extraction cannot be achieved using current technology and the mine's ageing infrastructure.

Glencore is working closely with its employees, contractors, suppliers, and the Mount Isa community to provide support as they move towards the closure of the mine in 2025. The company intends to continue investing in the long-term future of Mount Isa Mines, including the George Fisher Mine, which has a current life of mine to 2036, and the zinc-lead concentrator and lead smelter. The copper smelter and refinery are also expected to continue operating until 2030, subject to the approval of additional capital investments. Glencore is also working with the Mount Isa City Council as part of a working group that includes Local and State government representatives, which aims to ensure the closure's impact on the city is kept to a minimum, including ensuring local miners are given priority for jobs in Mount Isa following the 2025 closure.

The Queensland mining sector operates under a robust regulatory framework, including legislated requirements for mine planning, approvals, life of mine operations, mine closure and rehabilitation.

These comprehensive requirements provide the policy framework against which mining companies assess investments in mining projects and the mining life cycle, which can run into billions of dollars.

These investment decisions are made with accountability to investors and shareholders and are undertaken after significant planning and due diligence. Each investment decision reflects an evaluation and acceptance of the financial risk required to safely operate a mine over its life cycle.

Resources companies operating in Queensland carefully discharge their obligations under the law, however sudden changes to the policy requirements that govern an existing mining operation significantly erode the ability of mining companies to appropriately plan for projects that can span several decades.

Queensland mines are important investments in the regions in which they operate, and companies operating in Queensland are mindful of the central role they play in regional economies. This is another important consideration in support of ensuring stable policies that allow mining companies to comprehensively plan for the full mining life cycle, which inevitably includes mine closure. Companies are best placed to make decisions on the timing of mine closures and do so with the detailed understanding of the remaining of resources, their recoverability and costs.

As always, the QRC is eager to collaborate with the Queensland Government to find ways to provide greater certainty for the industry and the broader community, as well as avoiding unintended consequences. The QRC has previously expressed concern over the threat to sovereign risk from Queensland's snap decision to impose the world's highest coal royalty rate. The QRC is concerned that approving the *Mount Isa Mines Limited*

Agreement (Continuing Mining Activities) Amendment Bill 2024 as proposed, would likely further raise concerns about the State's attitude towards the mining industry and have a negative impact on rebuilding international confidence.

The Queensland resources sector values its partnership with regional Queensland and its role in supporting the broader Queensland economy. QRC advocates for stable policy settings, based on detailed consultation with the resources sector to ensure the best outcomes for Queensland.

If you have any questions or would like any further details about any of the matters raised in this submission, please contact my office on info@qrc.org.au.

Yours sincerely



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