

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

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GLENCORE

26 August 2024

The Hon Kim Richards MP
Chair
Clean Economy Jobs, Resources and Transport Committee
Parliament House
George Street
Brisbane QLD 4000

Via email: cejrtc@parliament.qld.gov.au

Dear Chair

Glencore would like to make a supplementary submission to the Inquiry on the *Mount Isa Mines Limited Agreement (Continuing Mining Activities) Amendment Bill 2024 (MIMLAA)*.

The purpose of this supplementary submission is to clarify Glencore's position on several key issues that were raised in evidence at the public hearings which we believe misrepresent our company.

Glencore Sale of Assets

Glencore is a commercial enterprise. Our approach to the sale of our assets is that we will listen to credible commercial parties if they approach us with an interest in acquiring one of our industrial assets. However, to be clear, any sale of a Glencore industrial asset must represent value for our shareholders, must be to a responsible operator and is contingent on Glencore's view of a range of market, operational and economic factors.

Companies can approach Glencore directly to express interest in acquiring assets – there is no need for legislation to facilitate this. Glencore has several positive examples where we have sold assets to other companies in Australia very successfully without any interference from Government. The regulatory intervention contemplated in the proposed Katter Private Member Bill into ordinary commercial negotiations and transactions is unwarranted and is likely to lead to negative unintended consequences.

Perhaps the other salient point in relation to Mount Isa Mines (MIM) is that Glencore is still investing in the utilisation and development of the mineral resource which is complex and integrated. Glencore is contemplating the reopening and extension of the Black Star Open Cut Mine (BSOC) which represents significant capital investment and economic opportunity for the region. We are doing this in accordance with our regulatory Development Plan which has oversight from the Minister for Resources.

If the proposed Bill was to proceed and another third party was granted rights to operate in an area where mining had ceased, it would put in jeopardy that future investment and frustrate Glencore's ability and rights to utilise and develop the mineral resources in its lease and potentially lead to a breach of our development plan through no fault of Glencore's.

Mount Isa Mines – Approach to Safety & People

Glencore was surprised and disappointed by the comments made by Mr Jason Brandon from the Australian Workers Union (AWU). We consider several comments made by Mr Brandon in relation to safety and people at MIM to be very misleading.

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1. The claim that since Glencore announced it would close the underground Mount Isa Copper Operations (MICO) workers are uncomfortable raising safety concerns for fear of repercussions and causing the mine to close early is grossly inaccurate.

Glencore's priority is the safety and well being of its workers. We go to great lengths to ensure that our workers know that their safety is paramount and that they are empowered to stop work at any time if they feel it is unsafe.

We have systems and processes in place to raise safety and health matters, these processes were used for the drinking water concern raised and this issue was resolved with feedback provided to the workforce.

We also have a regular set monthly meeting with the AWU, the first part of the agenda is dedicated to MICO, these types of matters can be raised in this meeting to ensure all parties are aware of concerns, actions and feedback.

2. The claim that workers were told by managers on the night of the announcement that they still had targets to meet and if they did not meet them they could shut early is inaccurate.

When the announcement was leaked early, the night before, by one of the organisations we briefed confidentially – our immediate thoughts were for safety and wellbeing of the workers on the night shift working at the time.

Members of our senior leadership team went underground that night, to meet with the workforce. Workers were advised that the announcement regarding the closure of MICO in 2025 was factual. We advised that we were disappointed that this had been leaked in an irresponsible manner, the Senior Leadership Team were committed to communicating this important message to the workforce and there was a clear plan developed that would be implemented over an 18 month period, ensuring the respectful, safe and responsible closure of MICO.

3. The claim that workers were told that if they were offered a redeployment, even at a lower rate they would be forced to accept it or they might not be eligible for a redundancy is a gross exaggeration of the truth.

Glencore is aware that closure of MICO will impact workers and the community. That's why we made the announcement more than 18 months before MICO closes in July 2025.

There is a clear workforce management strategy developed to guide and manage this process, this commenced with an expressions of interest from the workforce to understand individual expectations. Any retention, redeployment or redundancy is subject to meeting the requirements of the specific Mount Isa Mines Enterprise Agreement or individual staff contract, regulatory and internal governance requirements.

There continues to be proactive engagement with the workforce on their entitlements and the process, this includes individual packs issued at announcement, group updates, individual consultations and four issues of the Loop Newsletter to provide updates.

Comments on Katter Private Members Bill

Glencore would like to reiterate its firm opposition to the proposed Bill

- the Bill is unnecessary because appropriate regulation in this area already exists which provides protection to the State in relation to the realisation of the mining resource.

- the way this Bill is drafted is unworkable and would lead to a range of significant negative unintended consequences.
- MIM is a large, complex integrated mining facility which has a range of linked services – energy, water etc. which could not accommodate a separate operation run by a third party independent of the existing facility without posing serious operational safety issues.
- One of the key risks of the Bill is the retrospective encroachment on existing rights of the lease holder which in turn increases the level of sovereign risk and jeopardises private investment.
- The "Use it or Lose it" conditions referred to in the Bill already exist within the existing Queensland regulatory regime to ensure that companies continue to develop natural resources consistent with their approvals and terms of their mining leases.
- The existing MIMLAA already provides Ministerial control and oversight over the activities of MIM and ensures acceptable development at the Mount Isa mines, and it is similar to the regime that applies to many other mines.
- Finally, the Bill adopts an entirely unrealistic approach to mining in that it doesn't account for changes in circumstances, changes in markets, changes in resource quality and reserves etc. that are encountered over the life of a mine as resources are depleted, different areas are mined, and markets change. These are all material aspects that the mining industry needs to consider when making decisions in relation to investment within the industry.

Glencore believes the proposed Bill to be unworkable and in reality, will introduce a level of potential safety and compliance risks which would be unacceptable to any responsible operator.

Yours sincerely,



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Glencore