

Mr Peter Russo
Chair
Finance and Administration Committee
Parliament House
George Street
BRISBANE QLD 4000
fac@parliament.qld.gov.au

10 March 2016

Dear Mr Russo

RE: North Stradbroke Island Protection and Sustainability (Renewal of Mining Leases) Amendment Bill 2015

The Chamber of Commerce and Industry Queensland (CCIQ) appreciates the opportunity to provide a follow up response to questions raised in the public hearing held 10 March 2016 on the matter.

The following comments address the questions taken on notice and further clarify our statements:

Weekly earnings

1. Mayor of Redland City Karen Williams in her submission highlights a large structural shift that will occur as the economy transitions from mining into tourism. The Redland City Mayor points out that those employed in the mining sector on average earn up to \$1500 per week more than those employed in the hospitality and retail sectors (*Submission 96*).
2. When we then look at the demographics, the hospitality and retail sectors are dominated by females working part-time or casually, while the mining sector is dominated by males working full-time. These structural changes present its own set of challenges and cannot be overlooked.
3. Sibelco currently contributes \$13 million in annual employment spend on the Island, consisting of 108 full time and 8 casual employees. Of these 116 employees, 69 call North Stradbroke Island home, many of whom are multi-generational miners and highly skilled (*Submission 121*).
4. It is estimated that there will be a removal of an additional \$4.2 million dollars in wages from the North Stradbroke Island economy from member businesses of the Straddie Chamber of Commerce (*Submission 209*).

Economic Contribution

5. Sand mining has been the major tenant for several decades on North Stradbroke Island and a significant source of revenue to the Queensland State Government. Sibelco currently contributes:

- \$9 million in annual royalties, payroll tax, land taxes and lease costs to the Queensland Government; and
 - Approximately \$1 million in annual royalties to the Quandamooka Common Law Holders through the State Government and Quandamooka ILUA (*Submission 121*).
6. The early cessation of mining will mean:
- \$44 million (nominal) in future tax and royalty revenues will be foregone by the Queensland Government with an end date of 2019 as opposed to 2027;
 - \$8 million in future ILUA revenues from 2019 to 2027 will be lost by Quandamooka Common Law Holders ; and
 - A loss of over \$70 million in net present benefits to the local North Stradbroke Island community and the broader State economy (*Submission 121*).
7. For Sibelco, the cessation of mining in 2019 means that planning towards this closure date would need to commence immediately.

Employment

8. The analysis by RPS consultants confirms that the proposed legislation by the Queensland Government to end mining by 2019 will cause the loss of approximately 300 direct and indirect jobs on the Island (*Submission 121*).
9. The employment reduction as a result of ending mining in 2019 will have significant impacts to the wider community on the Island, very likely resulting in de-population, which will affect community activities and social networks. It will also place a greater reliance on social welfare to alleviate the negative mental, social and socio-economic impacts that unemployment has on a local economy.
10. Sibelco employs over 35 Indigenous families in their operations, which for many years has continuously been one of the highest percentages of Indigenous employment in Queensland.
11. Sibelco has actively contributed to closing the gap, not only through employment, but through the funding of various initiatives and projects to support Indigenous groups, build capacity and foster Indigenous enterprise on the Island.
12. An end to mining date of 2019 will mean an immediate decrease in Indigenous employment and the loss of funding and support to transition projects proposed by Sibelco that have the potential to effect real change, thus widening the gap.

Once again, we thank the Committee for the opportunity to provide our response and welcome any further queries on this matter via (07) 3842 2279 or nbehrens@cciq.com.au.

Yours sincerely,



Nick Behrens
Director – Advocacy