## INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES COMMITTEE Strong and Sustainable Resource Communities Bill 2016

## **QUESTIONS ON NOTICE – QRC RESPONSE**

1. In BMA's submission it was suggested that the bill should contain some limits on the scope of the Coordinator-General's power. Do you agree with this suggestion and, if so, what types of decision-making considerations or other limits do you consider should be in the bill?

QRC reserves the right to comment on the content of BHP BMA's submission to the committee, however would like to provide further comment in regards to the wording in the Bill on conditioning projects based on the social impact assessment. This comment relates to section 11(2) of the Bill.

We have been advised that the concern raised by BMA (and as outlined in the Queensland Law Society submission) is that the conditioning power of the Coordinator General in section 11(2) of the Bill is unfettered. This is different from other Queensland legislation that enables conditions to be imposed on project proponents where the conditioning power is curtailed by notions of relevance and reasonableness (in the case of Sustainable Planning Act 2009) or what is necessary or desirable (in the case of the Environmental Protection Act 1994).

The QRC suggests that section 11(2) of the Bill be amended to include wording like that set out in section 345 of the Sustainable Planning Act 2009.

The Queensland Law Society also raised the issue of uncertainty without proper guidance material. QRC further suggests section 11(2) of the Bill also state that any conditions must not extend past the matters outlined in the social impact assessment guideline. This would be in addition to the change proposed to the conditioning power outlined above.

## 2. Is there capacity to look at the bond in relation to rehabilitation of water?

Currently, Queensland has a system of 'financial assurance' (FA), not bonds.

FA is for rehabilitation, which is for <u>authorised</u> land disturbance and related impacts during the life of the resource activity, so that the Queensland public does not end up paying for uncompleted rehabilitation in the extremely rare circumstance that a company fails to complete it.

Major impacts on whatever quality would not be authorised by the government as part of the environmental licensing (environmental authority (EA)) system for resource operations (i.e. Linc was not authorized to (allegedly) contaminate water) – there would not be any difference whether it is a new, old or emerging technology. Therefore, it would not be applicable to calculate FA on water quality as there is nothing to calculate it on.

However, Queensland has an extensive compliance regime which targets non-compliance with EA conditions, so something like impacts on water quality would need to be reported by the company, and appropriate remediation action taken. EHP has a range of penalty instruments ranging from fines to clean up notices, to, if the matter was extreme, custodial sentences. All of these available actions are set out in the Environmental Protection Act Regulation.

At the end of an operation's life, sign-off would not be given of an EA (and thus relinquishment of a tenure) until the government was satisfied that rehabilitation conditions had been met and any significant residual risk of an issue occurring at some time in the future (like a negative change in water quality) had been fully considered. This is a further safeguard for the people of Queensland.

In terms of water quantity, this is covered by the make good provisions and is not specifically addressed in this response. Make good agreements, a statutory requirement under the *Water Act 2000,* must be made between the company and relevant landholder where there is a risk of loss of

water (i.e. dropped water level in a bore). Then, if there is an impact, the terms of the agreement will set out a process for how the company will make good the loss of water (i.e. from drilling a deeper bore to the more extreme cases of trucking water in).

## 3. Information on Queensland Minerals & Energy Academy (QMEA)

"I might, Mr Chairman, send something on QMEA so that you and I know exactly what we are doing on increasing skills in regional communities. We have a couple of companies that have come to the table to sponsor up in your area, so I will let you know who they are as well."

The Queensland minerals sector employs more than 33,000 people directly and an additional 275,000 fulltime employees indirectly in highly paid and highly skilled roles in the professions and trades. A large proportion of minerals and energy jobs are in regional and remote areas. The resources sector workforce is a major beneficiary of advances in innovation and technology, much of it driven by the sector itself, and investment in skills and training. Innovation drives high-value, high wage careers in a diversity of fields, notably scientific and highly-skilled professional occupations.

The resources sector provides ongoing training opportunities for its workforce with a report released by Minerals Council of Australia citing a spend of \$1.15 billion on training per annum, or 5.5 percent of the total payroll in 2011-12—five times more than official government bench marks<sup>1</sup>.

Nationally, apprentices make up a high percentage of the resources sector workforce - 3.9 percent compared with the all industries average of 2.5 percent. This commitment to training has produced a sector where 64 percent of skilled workers hold a Certificate III qualification or higher. In contrast, the all industry average is 58 percent.<sup>2</sup>

In Queensland, while the commodity price slowdown has resulted in job losses in recent years, improved prices have provided some green shoots that have facilitated promising signs of increased employment levels. For example BMA, has recently announced employment of 270 people for its Central Queensland operations. In addition the company has recruited 31 apprentices; an increase of more than 150 percent from last year.

The resources sector's commitment to education and training is further evidenced in the activities of the Queensland Minerals and Energy Academy (QMEA). Formed in 2005 by the then Beattie government under the Gateway to Industry Schools Program, the academy has grown from 18 to 36 schools with all schools located in the regions of resource operations or offices.

Now in its 12<sup>th</sup> year, QMEA is Australia's longest running and largest partnership between any industry and the education system. Through its activities, QMEA is providing the resources sector with a dedicated skills pipeline into science, technology, engineering and maths (STEM) related careers. Through its long-established and extensive network QMEA is able provide hands-on learning and on-site experiences with the valuable input of our QRC member companies.

Last year alone, QMEA introduced the resources sector to more than 3000 Queensland school students and worked with 576 Queensland teachers with the support of 200 resources sector personnel. Feedback from students suggests a high satisfaction level with 81 percent reporting that the QMEA events had captured their interest in STEM careers. Data provided by Department

<sup>&</sup>lt;sup>1</sup> *Miners at Work* Minerals Council of Australia October 2016, drawn from NCVER *Training and education activities in the minerals sector* MCA 2013.

<sup>&</sup>lt;sup>2</sup> Ibid.

of Education and Training demonstrates shows that, on average, since 2005, 21 percent of QMEA students have entered pathways into the resources sector compared with just 13 percent in non-QMEA schools.

Students from a QMEA school are five times more likely to be employed as an apprentice or trainee, and nine times as many female students from QMEA schools are employed as an apprentice or trainee. In addition, 60 percent more QMEA students enrol in engineering studies.

More information on QMEA can be found at www.qmea.org.au