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THE CHANGES AND FUTURE OF AUSTRALIAN'S RESOURCES SECTOR AND THE ADVANCEMENTS THE INDUSTRY HAS MADE IN RELATION TO SAFETY

Ian Macfarlane¹

Ladies and gentlemen, it is my very great privilege to acknowledge the traditional custodians of the land on which we live and work, and of the many different nations across the length and breadth of our great state.

We pay our respects to the Elders, past, present and emerging as the holders of the memories, the traditions, the culture and the spiritual wellbeing of the Aboriginal and Torres Strait Islander peoples across Queensland and the nation.

I'm delighted to be with you, albeit virtually, at this early hour. It's disappointing that we can't all be together in person, though, as we've all discovered, there are upsides to meeting online, such as being able to sit there in your casual clothes and slurp your coffee. Please remember to mute your microphone if this is you.

Ladies and gentlemen, today I want to share my excitement about the bright future for Queensland's resources sector. And it is a bright outlook, despite the apparently imminent death of the coal industry that seems to dominate media headlines.

To paraphrase the words of Mark Twain, "The reports of the death of the coal industry are greatly exaggerated." I'm delighted to be with you, albeit virtually, at this early hour. It's disappointing that we can't all be together in person, though, as we've all discovered, there are upsides to meeting online, such as being able to sit there in your casual clothes and slurp your coffee. Please remember to mute your microphone if this is you.

Ladies and gentlemen, today I want to share my excitement about the bright future for Queensland's resources sector. And it is a bright outlook, despite the apparently imminent death of the coal industry that seems to dominate media headlines. To paraphrase the words of Mark Twain, "The reports of the death of the coal industry are greatly exaggerated."

I'm here to tell you Queensland's mineral wealth has never been in greater demand. The world wants and needs the valuable resources that our resource-rich state can provide.

While our industry has been faced with some trading challenges involving China, fortunately they are not the only country in the world who wants to lift its people out of poverty with the help of our abundant, high-quality coal, gas and minerals.

Resources companies have been busy shoring up new market opportunities and benefiting from the large increase in global coal prices on the back of market disruptions.

In fact, you might be surprised to learn that despite 2020 being the Year of COVID, the Queensland resources industry continues to have plenty of things to smile about. Such as the latest data from the Australian Bureau of Statistics that shows Queensland achieved a record number of coal jobs for the November quarter, and in fact reported the highest number of resources jobs since the record was set in 2013.

Coal jobs rose by an incredible 40 percent during the quarter -increasing from just over 28,000 to almost 40,000 - which demonstrates how crucial the resources sector is to Queensland's economy and to employment. It also demonstrates jobs in coal, and jobs in resources, are far from dead. Our industry will continue to transition, as it always has, from one year and one decade and one century to the next, influenced by market forces, community expectations and political decisions. All resources companies are part of the world's transition to a lower emissions future, and exciting innovations are

¹ Guest speaker, Queensland Resource Council (QRC) Chief Executive

happening in this space driven by the resources sector. But it won't happen overnight, and in the meantime our industry and the people who work in have a very important role to play in supporting life as we know it on this planet.

The latest ABS jobs data shows total Queensland resources jobs increased 23 percent over the previous quarter to reach more than 78,000 jobs. This is 18 percent higher than the same period in 2019, which was unaffected by the global pandemic. This means nearly 12,000 additional jobs were added in the August to November quarter.

Oil and gas jobs have also recovered strongly, increasing 147 percent between the August and November quarters. Added to that, December trade data shows the value of Australian coal exports rose by 26 percent over the previous month, demonstrating that coal continues to be an important part of the global energy and industrial mix, and will be for some time to come.

December was also a very good month for Queensland in terms of tonnage, with state coal exports up 19 percent on November, increasing from 16 million tonnes to just over 19 million tonnes. Resources companies continue to perform and exceed expectations, despite COVID-19, which benefits every Queenslanders through taxes, royalties, exports, jobs and business opportunities. I'd like to mention here the opportunities a strong resources sector can and does bring to Queensland's Indigenous community. With many of our operations on the doorstep of Indigenous communities, our industry has an important role to play in providing career opportunities to develop expertise and economic independence.

Over many years, the QRC and our industry have worked in partnership with Indigenous communities and government bodies to create sustainable economic development through employment and business opportunities to help build strong Indigenous families and communities in Queensland. That's why we were delighted to welcome in October last year the extended commitment from the Department of Aboriginal and Torres Strait Islanders to work with the QRC and its members to boost employment opportunities for Indigenous Queenslanders.

This partnership, forged 12 years ago, helps ensure the resources sector continues to be a leading provider of opportunities for Aboriginal and Torres Strait Islanders.

Throughout the state, our member companies are providing game-changing opportunities for Indigenous Queenslanders, not just for jobs, but for fulfilling careers and business opportunities.

We're proud to say the proportion of Indigenous Queenslanders working in the resources sector is on par with the proportion of Aboriginal and Torres Strait Islanders living in the state, which is 4 percent. So, we're clearly getting a whole lot of things right, with more to come. That said, the unfortunate Juukan caves destruction in the Pilbara in Western Australia last year marked a radical change in the relationship between traditional owners and resources companies.

Public scrutiny following this event is leading to a complete overhaul of the way some companies approach relationships with Indigenous communities, and vice versa.

The subsequent Senate inquiry, having concluded its investigation into the handling of that incident, will soon turn its attention to the cultural heritage frameworks of the various states and territories.

The challenge for the resources sector in Queensland lies in maintaining our excellent record on cultural heritage and evidence of the skills and attributes indigenous people bring to our workforce and to the quality and diversity of leadership and performance across our industry is showcased every year at the presentation of QRC Indigenous Awards.

Indigenous engagement and cooperating with governments to ensure any changes to the cultural heritage framework continue to allow companies to operate under best-practice guidelines.

Some in the community may be surprised to know resources companies are also leading the way in exploring and investing in new-economy minerals, technologies and renewable energy projects. This is so our industry can continue to responsibly operate and contribute to the state economy and to jobs in the long term.

It's certainly an exciting time to be part of the resources sector and Queensland is in prime position to benefit from our industry's long-established reputation for resilience and innovation. When you think back to the very early - and very tough - days of mining in Queensland, and look at where we are now,

you would never doubt our industry's ability to constantly move forward and improve our performance across every measure.

Projects such as the \$1.7 billion copper string 2.0 - an 1100-kilometre transmission line from Cloncurry to Townsville to connect the North West Minerals Province with the National Electricity Market - will dramatically --boost Queensland's minerals exports if it comes to fruition. These exports are currently worth close to \$10 billion a year according to Queensland Treasury figures.

Cheap and reliable access to energy is the key to driving further investment in our highly prospective North West Minerals province. And speaking of energy, our sector is well placed to take advantage of the growth in demand for renewable energy.

The International Energy Agency's latest prediction is that 80 percent of growth in electricity demand will be in renewables by 2030. That means more worldwide demand for critical minerals, which Queensland has in abundance. More about that in a moment.

Our members are also carefully watching the potential for development of a new hydrogen industry in Queensland. Hydrogen is a clean, renewable fuel that can be used in transport, power supply and a range of industrial processes. It's already important for a range of industries that provide vital inputs into manufacturing processes and our mining and agricultural sectors.

Hydrogen can be produced from a variety of sources including renewables such as solar, wind and biomass. The QRC supports the Queensland Government's Hydrogen Industry Strategy, which includes a \$15 million industry development fund to support hydrogen projects in the state, and we look forward to watching this initiative unfold.

Of course, while the outlook for our sector on purely economic terms looks extremely positive, we are not without our challenges. The number-one concern for our members is consistently our social license to operate. No surprises then that global consulting firm EY's survey of mining and metals companies identifies license to operate as the number-one risk for mining and metals in 2021.

As we all saw with the last federal election, the support of the community is key to influencing government policy that values and supports mineral exploration and development.

It was truly heartening during the federal campaign to see such grassroots acknowledgement of the jobs and economic wellbeing the resources sector brings to local communities.

And it's all true. Every year for the past 11 years, the QRC has promoted the economic contribution of Qld's resources industry to the state's economy through an annual release of data gathered directly from our members.

I think the \$82.6 billion figure plus the 420,000 jobs across the sector needs to be here. This data showed that in 2019-2020 QRC members supported almost 1300 community organisations right across Queensland. It showed our sector works hard to support our local communities by providing jobs across Queensland, with 83 percent of our direct work force living outside of the Brisbane region.

Our members recognise the many benefits of a diverse workforce and this is why the QRC puts a lot of time and effort into our Women in Resources Action Plan, first established in 2006. This includes celebrating and promoting the exceptional women working in our sector and the people and companies who champion diversity in our annual Resources Awards for Women presented at our International Women's Day Breakfast each year. Last year it was the biggest crowd ever, with 1,000 attending the event in Brisbane and another 1300 watching via live webcast. If you get in quickly, you might just get a seat for this year's event on 10 March, but I wouldn't delay as it's usually a sell-out and it's a fantastic event.

Adding to our efforts to encourage more women and young people in general into our sector is the QRC's Queensland Minerals and Energy Academy, also known as the QMEA.

Now with 80 schools on board across Queensland, this partnership between QRC, its members and the Queensland Government highlights the career opportunities available in resources to high school students through hands-on workshops and events involving staff from our member companies.

Our QMEA/Women in Mining and Resources Queensland (WIMARQ) and QRC/WIMARQ Mentoring programs also aim to attract and retain women in our sector. Outcomes from these programs show it's a strategy that's working.

Another major social licence challenge for our sector is, of course, managing carbon emissions. What many people might not realise is that our sector is already using and developing technology to reduce its emissions.

Increasing use of renewable energy options by resources operations has also helped to reduce the sector's carbon footprint and energy costs, which we will continue to do.

One example is Anglo American and Macquarie Capital working together to develop an integrated solar-powered, green hydrogen production and mine vehicle project at the Dawson Mine in Queensland.

In Weipa, Rio Tinto invested in a 1.7 megawatt solar farm to displace its diesel power use. And, since 2006, Australia's black coal producers have committed \$550 million through Low Emissions Technology Australia (LETA) to identify, research and develop low-emission technologies for the production of energy, steel and other materials. LETA works with like-minded organisations to enable the industry to progress to a net-zero carbon emissions future.

Social license is also predicated on keeping our people safe. I know the health and safety of our employees is the one thing, above all else, that keeps many a CEO awake at night.

And technology has had a role to play here too. Our sector is a big user of and innovator in technology, and an example of this is the new Resource Centre of Excellence in Mackay, which was established to connect the brightest minds in research, technology, education and METS to shape the resources sector of the future.

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The sector's annual Queensland Mining Industry Health and Safety conference brings together employers, employees, unions and the government to share safety information, technology and ideas and hear from leading global experts. And QRC members have been working for many years on

innovations such as remotely operated equipment, virtual reality, and augmented reality technologies to take people out of harm's way. The issue of safety and health has thrown up some specific challenges in the past few years. The re-emergence of Coal Workers' pneumoconiosis, (CWP) or Black lung in 2015-16, the ministerial safety resets in 2019 and COVID-19 in 2020 are just some examples. However, the industry's response to all these challenges has been outstanding.

As an industry, we remain committed to supporting government responses to COVID-19 to keep our communities and workers safe, while ensuring regional communities and the Queensland economy can continue to function and flourish. The efforts of the QRC and our member companies have ensured the resources sector has continued to operate safely through the pandemic, delivering enormous economic benefit to Queensland when it was needed most.

Over the past 20 years, since a risk-based approach to legislation in Queensland was introduced, there are been no multi-fatality disasters, and a reduction in fatalities annually. However, even one fatality or serious injury is one too many, which is why the QRC and our members supported the government's safety reset last year to double down on their efforts to keep our people safe. More can, and is being done. So, ladies and gentlemen, I know I have covered a lot of ground here today, but there is a lot going on in resources.

What to take away from this morning? Well, firstly that Queensland is richly endowed with mineral wealth, much of it still untapped, and we have world-leading talent right here in this state to develop it. The economic outlook for resources is incredibly positive. We're attracting more women and young people to work in our industry to ensure we have the skilled workforce we need for our technologically

advanced sector. We're also continually raising the bar to make sure our people are safe and return home to their families each day. We are also increasingly contributing to the lives and careers of Indigenous people in our resource communities and beyond.

And, we have strong, supportive communities based around our resources operations who value the jobs and economic security we bring to their region. We don't take any of this for granted. Green 'lawfare', misinformation in the blogosphere, the relentless war against fossil fuels and shareholder activists are a real and present danger.

We need to be vigilant in keeping our positive messages out there to ensure that the regulatory environment is one that continues to encourage investment and the responsible development of the state's resources for the benefit of all Queenslanders.

Thank you ladies and gentlemen.