

House of Representatives Standing Committee on Primary Industries

Inquiry into factors shaping social licence and economic development outcomes in critical minerals projects across Australia

Joint Submission of the Mining and Energy Union and the Australian Workers Union



The Mining and Energy Union (MEU) and the Australian Workers' Union (AWU) welcome the opportunity to provide a submission to the Committee on their *Inquiry into factors shaping social licence and economic development outcomes in critical minerals projects across Australia*.

The MEU represents more than 27,000 members nationally in Australia's mining and energy industries, predominantly in coal mines and coal-fired power stations, coal ports, and iron ore rail. MEU members are significantly impacted by decarbonisation and highly represented among workers displaced by coal closures. The AWU represents over 79,000 workers across the length and breadth of the economy, including many of the workers made most vulnerable by Australia's energy transition. The AWU has members at 160 facilities covered by the Safeguard Mechanism, prominently including sites that produce emissions-intensive, trade-exposed goods. It is also the principal union for the country's burgeoning critical minerals supply chain – with members engaged in mining, processing and refining of such minerals. In addition, the MEU and AWU jointly represent workers in metalliferous mining in Western Australia through the Western Mine Workers Alliance (WMWA), and in New South Wales through the NSW Mine Workers Alliance (NSWMWA).

The global and domestic energy transition will have particularly significant impacts for MEU members in Australia's coal regions, and for many AWU members working in manufacturing and heavy industry. Even Australia's dominant iron ore industry, and the closely associated local steel industry, will have to adapt to a world shifting, however gradually, away from the traditional blast furnace steelmaking to which Pilbara ores are so well suited.

It is chiefly in this context of industrial transition that investment into realising a critical minerals industry befitting of Australia's potential in this space is rendered crucial to our future prosperity and industrial capacity. In particular, while we can't change the location of mineral deposits, we can focus attention on transitioning fossil fuel regions when investing in onshoring key critical minerals processing and refining activities. Social licence for critical minerals projects (as for all emerging resources and manufacturing industries) will rely heavily on the benefits delivered to regional communities facing uncertain and challenging futures. Moving beyond a 'dig and ship' approach to our commodities is an important step towards a sector that delivers more comprehensive and sustainable benefits to Australian workers and regions, and thereby enjoys sufficient and sustained public support.

Our submission focuses on select terms of reference on which we are best placed to comment.

- *How critical minerals projects contribute strategically to regional and national economic development*

The mining industry underpins much of Australia's prosperity and is at its best where its benefits are directed to workers and their communities through strong, union-negotiated enterprise agreements and permanent jobs. In a rapidly changing global

economy, Australia's critical minerals potential should and must be fulfilled. Critical minerals projects, whether mining or processing, must be prioritised for Major Project Status and streamlined environmental approvals. Communities must also see real and direct benefits from critical minerals developments. Federal, state and local government must work collectively and cohesively towards ensuring a fair return to communities that host projects. They must also recognise the impact that resources projects can have on local infrastructure and services. Projects' contributions to local economic development in Australia's regions will prove central to the industry's ongoing social licence. Where they are located close to existing regional communities, projects must contribute to those communities' amenity and liveability.

It is essential that new, job-creating industries are set up in regions where major resources and industrial facilities are scheduled for closure over the coming decades. Critical minerals, alongside other key *Future Made in Australia* industries, have an important role to play here. The industry's development must ensure that Australia's energy transition facilitates reindustrialisation, not deindustrialisation.

Transitioning regions should be well-suited to many critical minerals operations. Regions that host energy, mining, manufacturing and heavy industry are uniquely placed to host critical minerals projects – with key infrastructure, support services and a skilled blue-collar workforce already in place. Workers who will be displaced by structural change also need good quality local jobs to transition into when their worksites phase down or close, and time is of the essence. Indeed, the establishment of new industries in the regions is an essential precursor to a successful Net Zero Economy Authority that can redeploy workers impacted by coal and gas power closures¹ into new jobs, and to effective regional workforce and community transition policymaking more broadly. Moreover, the productive repurposing of mined land and infrastructure attached to closing mines represents an important opportunity that can help create further jobs and facilitate new industry.

- *Opportunities to strengthen workforce participation, skills development, and employment pathways, particularly in remote and Indigenous communities*

If critical minerals projects are established with strong labour conditions, high safety standards, and offer permanent well-paid employment and career development opportunities, benefits will flow to workers, their families and local communities. Likewise, when projects offer quality employment opportunities that provide all this, they stand a better chance at, firstly, attracting the workers they need and, secondly, building a skilled critical minerals workforce that will underpin future projects over decades.

The integration of community benefits principles and rules (like those being developed for *Future Made In Australia* projects, and the requirements in the NSW Renewable Energy Sector Board's plan) into new critical minerals projects supported by

¹ And potentially other facilities covered by any future expanded remit for the Net Zero Economy Authority.

government will facilitate positive workforce outcomes and the skills development of regional, remote, and First Nations communities. Among such rules, critical minerals projects should prioritise permanent employment over labour hire, hiring local workforces over FIFO workforces wherever possible, the engagement of First Nations businesses, and enshrining minimum numbers of training and apprentice workers on critical minerals projects. Workers hired by project proponents should also be supported to gain nationally recognised qualifications and have their company-specific competencies assessed for recognition of prior learning. Such actions support community trust, facilitate social licence for the broader critical minerals industry, and help build a skilled and diverse regional workforce for the future.

As the geoeconomic and strategic importance of critical minerals grows, and as Australia's partners seek to diversify their critical minerals supply chains, Australia's enviable mineral wealth continues to afford us enormous economic opportunity. But these opportunities cannot be fully realised if all benefits flow to major mining companies and their wealthy shareholders at the expense of local workers and communities. Strong social licence, gained through regional economic development, quality job opportunities, and a successful transition for vulnerable regions and industrial workforces, must be fostered by both industry and governments at the federal, state and local levels.