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**SPECIAL REPORT**

**From conflict to cooperation:**
Engagement between the Australian minerals industry and Australian Indigenous peoples
2014 was a difficult year for the minerals sector. On the most important measure of performance – safety and health – the sector’s performance fell well short of expectations. There were 12 workplace fatalities in the sector, the highest in a decade. This is unacceptable for an industry committed to zero harm in the workplace.

The industry responded to this challenge with a Safety Workshop in August launching a fresh commitment to re-double the industry’s efforts focussed on three major areas. This included a renewed focus on critical controls and developing strategies to identify and effectively manage them, the development of an effective sharing and learning system that provides proactive and timely data, and the development of a safety and health legislative model that better matches the industry’s activities and risks.

Industry conditions in 2014 were also difficult. Weaker demand growth in emerging Asia (including China) combined with robust global supply growth resulting in sharp falls in commodity prices. This highlighted the importance of regaining the competitive edge the sector had ceded to other nations over the last decade, including as a result of policy interventions. Reducing this burden of policy and regulatory costs was a major priority for the MCA in 2014. Good progress was made on this front.

"The task for the MCA in 2015 will be to continue to improve the policy environment, and thus lay a platform for an even stronger mining sector contribution to the national economy."
The carbon tax and the Minerals Resource Rent Tax were repealed and significant progress was made toward the achievement of a One-Stop Shop approach to project approvals.

The Abbott Government’s focus on ‘red tape’ removal achieved good results, while free trade agreements were concluded with South Korea, Japan and China. When fully implemented, these deals will remove a range of troublesome tariffs on minerals and energy commodities and open up new investment channels. A new bilateral nuclear safeguards agreement with India will open up that market to exports of Australian uranium.

The MCA worked with farm and industry groups to ensure there were no changes to the fuel tax credits scheme. A new Exploration Development Incentive will help remove structural barriers to exploration investment. The Forrest Review into Indigenous Economic Development supported the MCA’s proposal for a new governance model that will help maximise Indigenous economic development opportunities from native title payments.

Within the MCA, the integration of the Australian Coal Association and the Australian Uranium Association was completed and the MCA expanded the range and depth of services to members with the introduction of a new first quarter Policy Roundtable to deepen industry engagement with policymakers and a fortnightly briefing on policy developments, known as the Issues Brief.

Minerals Week and the annual Sustainable Development Conference attracted strong support and very positive feedback. The Australia Japan Coal Conference in October was the largest ever held and the MCA-sponsored visit to Australia by leading energy policy expert, Robert Bryce, drew national media coverage and large audiences in Sydney, Melbourne, Canberra and Brisbane.

The MCA released important new publications promoting the economic contributions of the coal and gold industries. An MCA monograph by Professor Tony Makin outlining a policy agenda for Australia to regain international competitiveness received wide attention.

We also published a study by Principal Economics highlighting the high cost of the Renewable Energy Target and analysis by the former NSW Treasury Secretary Michael Schur debunking claims that the mining sector receives subsidies.

Other publications included a report by BAEconomics on the large economic gains from streamlining environmental project approvals and a paper by respected economist Jonathan Pincus comprehensively refuting claims that the mining boom had not delivered substantial gains to the Australian economy.

Despite the progress made in 2014, formidable challenges lie ahead for the minerals sector. The task for the MCA in 2015 will be to continue to improve the policy environment, and thus lay a platform for an even stronger mining sector contribution to the national economy.

Andrew Michelmore
Chairman
Reform agenda necessary to remove roadblocks to growth

Brendan Pearson Chief Executive

A sustained fall in commodity prices and a sharp focus on regaining cost competitiveness provided the backdrop for the MCA’s policy advocacy activities in 2014.

2014 saw a continuation of difficult market conditions as increased supply and softer demand weighed heavily on prices for a wide range of commodities. The sector’s capital spending, operating and exploration budgets also remained under pressure from tighter cash flows. Employment in the sector fell, though still remained 15 per cent above the average of the past decade.

The commodity price slump and the slowdown in investment prompted some commentators to argue that the minerals industry had entered a period of steady decline while others argued that the sector’s contribution was never that important anyway.

It was timely therefore, that the Reserve Bank of Australia in August released a report in August 2014 that underlined the industry’s contribution to national economic growth and living standards over the past decade. The analysis compared the impact of the Millennium Mining Boom with an alternative scenario - what if the mining boom hadn’t happened?

The Reserve Bank staff concluded that the decade long boom increased household incomes by 13 per cent, raised real wages by 6 per cent and lowered the unemployment rate by about 1.25 per cent. In other words, 150,000 additional jobs were created by the boom.

Despite lower commodity prices, Australia’s minerals exports reached $164 billion in 2013-14 off the back of higher volumes, with iron ore ($74.8 billion) and coal ($40 billion) remaining the nation’s two largest export earners. Mineral commodities continue to account for around half of Australia’s export earnings, up from one-third a decade earlier.

On the policy front, the focus of MCA advocacy efforts was on addressing the policy-related burdens that add unnecessary costs to the operations of producers small, medium and large in all states and the Northern Territory.

There were important early achievements for the incoming Abbott Government with the abolition of the carbon tax and the Minerals Resource Rent Tax. The former removed a $1.3 billion burden on the sector that none of our competitors faced, while the repeal of the MRRT removed a latent risk to investment. The conclusion of free trade agreements with Korea, Japan and China will also reduce transaction costs associated with exports to these major customers and strengthen the already significant investment relationship with all three nations. That said, key elements of the reform agenda were held up in the Senate, not least the passage of legislation to implement a One-Stop Shop approach to environmental approvals.

The policy challenge for 2015

The mining boom gifted Australia a ‘once in a century’ economic windfall. Yet it also lulled the country into a false sense of security. Policymakers and others believed it was possible to pursue policies and agendas without consideration of their impact on investor confidence or industry competitiveness. That ‘windfall’ buffer is now gone.

At the same time, there is a risk that the appetite for reform is fragile. Policy settings – expenditure, tax, structural and regulatory – all need to support strong economic growth and create an environment conducive to increased productivity, cost competitiveness and enterprise flexibility. Reducing uncompetitive policy burdens and removing roadblocks to growth is vital, especially for industries like mining that are proven areas of competitive strength and large export earners that cannot pass on additional costs to customers due to global competition.

Australia’s reform era of the late 20th century demonstrated productivity-enhancing structural reform is entirely consistent with a
Reducing uncompetitive policy burdens and removing roadblocks to growth is vital, especially for industries like mining that are proven areas of competitive strength and large export earners.

Fair society. The imperative for such reform is now stark. Repair and reform offer the only viable path to boost economic growth, support sustainable government service delivery into the future and enhance job security for working Australians.

The reform check list is a substantial one.

First, project approval delays in Australia are still 30 per cent longer than our international competitors. Research by BAEconomics has shown that reducing project approval delays by one full year would add $160 billion to Australia’s national income over the period to 2025. This dividend will flow because by reducing costly delays Australia can start to regain market share in major global markets, with subsequent flow on effects of additional investment in the sector.

That is the scale of opportunity that will be lost if the Senate fails to pass the legislation to implement the One-Stop Shop approach to project approvals early in 2015.

Second, the Commonwealth’s White Paper on Tax Reform will provide an opportunity for an assessment of the international competitiveness of Australia’s mineral tax arrangements.

The MCA’s Minerals Industry Tax Survey released in December 2014, found that in 2012-13 the Australian minerals industry paid nearly half of every dollar of profit as royalties and company tax to state and federal governments in Australia.

This is the third consecutive year in which the tax burden on the industry has increased, reflecting large falls in commodity prices and mining industry profitability, as well as increases in royalty rates levied by key mining states.

Finally, 2015 will also provide the opportunity to revisit meaningful workplace relations and energy policy reform.

Brendan Pearson
Chief Executive
What is the MCA?

The Minerals Council of Australia represents Australia’s exploration, mining and minerals processing industry, nationally and internationally, in its contribution to sustainable development and society.

Australia's minerals industry is innovative, technologically advanced, capital intensive, and environmentally and socially progressive. The industry is a major contributor to national income, investment, high-wage jobs, exports and government revenues in Australia. It operates in a global industry where competition for markets is intense, where investment opportunities abound in other resource-rich economies and where capital, people and technology are highly mobile.

In recent years, the minerals industry has accounted directly for up to 10 per cent of GDP (significantly more when account is taken of related activity), upwards of 20 per cent of business investment and around 50 per cent of national exports. Mineral commodities make up five of Australia’s top 10 export earners.

MCA member companies account for more than 85 per cent of Australia’s annual mineral production and 90 per cent of mineral export earnings.

The MCA is, in essence, the corporate affairs division of the Australian minerals industry. It represents the minerals industry with a common purpose in:

- Advocating pre-competitive or generic public policy for a socioeconomic environment conducive to growth and prosperity
- Identifying and promoting leading operation principles
- Engaging with opinion leaders and other stakeholders building a public presence that reflects the industry’s contribution to the sustainable economic benefit of all Australians.

The industry is a major contributor to national income, investment, high-wage jobs, exports and government revenues in Australia.

The future of the Australian minerals industry is inseparable from the global pursuit of sustainable development.

The industry is committed to contributing to the sustained growth and prosperity of current and future generations through the integration of economic progress, responsible social development and effective environmental management.

The MCA advocates consistent and balanced policy settings for:
- An industry free of fatalities, injuries and diseases
- A macro-economic framework conducive to global competitiveness and sustainable economic growth, which is characterised by low inflation, low interest rates and fiscal prudence
- A skilled, productive and flexible workforce
- Efficient export infrastructure
- Reconciling energy security with managing climate change as part of a sustainable global solution
- A seamless and efficient Federation characterised by consistent regulation
- Access to competitive markets for capital, production inputs, human resources and end products
- Access to natural resources and competitive markets for land, water and energy
- A fair and stable society where effort is encouraged and rewarded, and support is extended to those in need
- Mutually beneficial relationships with Indigenous and local communities through engagement and capacity building
- Improved environmental performance for sustainable eco-systems beyond life of mine.
WHAT IS THE MCA?

MCA member companies produce:
MORE THAN 85% of Australia’s annual mineral production
MORE THAN 90% of Australia’s mineral export earnings
The MCA continued to be a constructive proponent of policies that will generate future economic growth and shared prosperity. The MCA’s achievements in advancing this agenda in 2014 included:

**Industry tax contribution**
Maintaining awareness of the industry’s strong contribution to government revenues through the MCA Tax Survey.

**Fuel tax credits**
Successfully rebuffing moves to restrict fuel tax credits – diesel fuel rebate – in the 2014-15 Budget.

**International competitiveness**
Commissioning and releasing a major study of Australia’s international competitiveness by Professor Tony Makin of Griffith University which was launched by Finance Minister Senator Mathias Cormann.

**Minerals industry and policy makers**
Successfully delivering a Policy Roundtable for MCA members at the start of the parliamentary year.

**Low emissions coal technologies**
Maintaining national policy commitment to low emissions coal technologies, including through the establishment of the Low Emissions Technologies for Fossil Fuels Leadership Roundtable.

**A united voice**
Integration of coal and uranium functions into the MCA, enhancing the minerals industry’s representation through a strong and united national policy voice.

**Australian uranium to India**
Actively participating in the Prime Minister’s successful trade mission to India and the announcement of the Australia-India Nuclear Cooperation Agreement.

**Emissions Reduction Fund**
Successfully advocating for the separation of the Emissions Reduction Fund (the abatement auction) and the Safeguard Mechanism to allow more time for the scheme’s proper development, and assisting in the development of abatement methodologies for coal fugitives and energy efficiency.

The MCA’s policy agenda focussed on improving national competitiveness through the urgent removal of major cost burdens and a renewed focus on productivity-enhancing investments in skills, training and infrastructure, as well as Indigenous economic advancement.

**The value of gold**
Releasing a new publication on Australia’s gold industry which was launched in Minerals Week by Trade Minister Andrew Robb AO MP.

**Coal hard facts**
Releasing a new publication on Australia’s coal industry to highlight its value to the Australian economy and its critical role addressing global energy poverty.

**New international shipping requirements**
Leading industry representation on transportable moisture limit for coal, ensuring a seamless transition to new international shipping requirements from 1 January 2015.
Climate Change
Contributing to the successful repeal of the flawed carbon tax.

Streamlined reporting
Contributing to the successful expiration of the Energy Efficiency Opportunities’ onerous reporting regime.

Renewable Energy Target
Highlighting the direct costs of the RET on end users, including the publication of study by Principal Economics, and a joint modelling exercise with the Australian Chamber of Commerce and Industry and Business Council of Australia.

Making the case for labour mobility
Achieving favourable industry outcomes from influential submissions to the Productivity Commission Geographic Labour Mobility Study and Independent Review of Integrity in the Subclass 457 Programme.

Female workforce participation
Underpinning the business case for the attraction, recruitment, retention and promotion of women through acclaimed tripartite women in resources forums at three universities, releasing the new Parental Leave Toolkit and expanding the successful AICD Company Directors Course and Women in Engineering scholarships initiatives.

Focus on graduates
Developing mining engineering, metallurgy and earth science graduates over 2014 through the Minerals Tertiary Education Council (MTEC) program.

Developing new professionals
Piloting the Minerals Industry National Associate Degree (MINAD) to grow a paraprofessional mining engineering and geoscience workforce.

Quality skills
Leading the resources and infrastructure industry on training packages reform, practical approaches to VET Quality and reforms to the vocational education and training system.

Revision of Enduring Value
Completing a major revision of Enduring Value – The Australian minerals Industry Framework for Sustainable Development to reflect contemporary issues facing the minerals sector and to improve alignment with existing national and international standards.

Mining industry safety workshop
Hosting a mining industry safety workshop for MCA member company CEO’s, senior executives and a range of leading experts to share approaches to fatality prevention and improve the industry’s performance.

Streamlining environmental approvals
Publishing independent analysis of the macro-economic cost of project approval delays to highlight both the direct and opportunity costs to mining projects and support advocacy for nationally streamlined environmental approvals and the government’s One-Stop Shop initiative.

Indigenous Community Development Corporation
In partnership with the National Native Title Council, advocating for the development of an Indigenous Community Development Corporation entity for improved management of payments and benefits negotiated by Indigenous communities and groups to achieve broader and more sustainable socio-economic returns.

Broadening scope
Refocussing attention on the impediments to greater mining and exploration activity in Victoria and the Northern Territory.
### What the numbers tell us...

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<th>New projects</th>
<th>Employment</th>
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<tr>
<td>$164b</td>
<td>Minerals projects announced or in planning at the end of October 2014.</td>
<td>208,200</td>
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“The biggest beneficiary of the resources boom wasn’t the miners, or Western Australia, or Queensland. It was the federal budget.”

Chris Richardson  
Deloitte Access Economics
<table>
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<th>Wages</th>
<th>GDP</th>
<th>Taxes</th>
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<td>$2,569</td>
<td>8%</td>
<td>$22b</td>
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Wages: Average weekly (full-time) adult total earnings in November 2014.

GDP: Mining accounted for 8 per cent of Australia’s GDP in 2013-14.

Taxes: Royalties and company tax paid in 2013-14.

The commodity boom tipped more than $228 billion in ‘windfall revenues’ into the Commonwealth Budget between 2004-05 and 2013-14 (above that based on historical average prices), according to figures from Macroeconomics.

Source: Treasury and estimates by Macroeconomics.
Jake Smith completed an Indigenous Traineeship with Mount Isa Mines in 2012, and works within the business as a storeperson for the supply department.

In 2012 Jake was nominated for the Kinetic Training Awards in the Trainee of the Year category and also the NAIDOC Awards in the NAIDOC Trainee/Apprentice of the Year category.
From Conflict to Cooperation:  
Engagement between the Australian minerals industry and Australian Indigenous peoples

Engagement between the minerals industry and Indigenous Australians has been characterised by remarkable change in the last two decades. Instead of conflict in every encounter, there is now a widespread approach of sophisticated face-to-face engagement that fosters discussion rather than argument.

This has resulted in the adoption of good practices in negotiation and agreement-making between parties.

This relationship has been positively transformed by more than 20 years of reform in the rights of Indigenous Australians and innovative engagement on the part of the minerals industry. The hard-won transformation from one of acrimonious conflict to mutually beneficial agreement-making has produced substantial Indigenous employment and enterprise outcomes.

A number of agreements have been developed in the minerals industry without contesting native title. Agreements cover issues such as access to land and resources, infrastructure, environmental management, tourism and cultural heritage, facilitating business and service delivery, accelerating positive outcomes in employment, skills, training, income levels, education standards, health and other social and economic indicators.

These negotiated settlements can provide resolution to issues not envisaged by the Native Title Act 1993 (Cth) (NTA), such as wealth creation, sustainable development post-project and transitioning from welfare dependency to economic participation.

The positive approach by minerals companies toward their relationships with Indigenous communities has fostered respect for Aboriginal culture and history and delivered tangible socio-economic impacts. This has driven increased economic participation for Indigenous people, and growing procurement of goods and services from Indigenous businesses and joint ventures.
For example, up to 150 Aboriginal businesses have been established in the mining supply chain in the Pilbara with combined turnover in excess of hundreds of millions of dollars.

Tangible economic outcomes for Aboriginal people and communities are being delivered, particularly to those neighbouring mining operations in remote and regional Australia. Benefits to native title groups and Indigenous communities include support for cultural maintenance, higher incomes as a result of employment and economic activity, skills development and capital accumulation.

Research shows that the minerals industry is the largest employer as a proportion of all Indigenous employment in mining provinces, while in other areas it ranges from low to high proportions of all Indigenous employment including the government subsidised work-for-the-dole scheme (formerly the Community Development Employment Project).

Importantly, Indigenous employment growth has been steadily increasing since the mid-1990s, and the percentage of Indigenous men and women employed in mining more than doubled between 2006 and 2011. The increase in participation of non-remote Aboriginal people can be associated with Fly-in Fly-out supporting labour mobility.

The shift to collaboration over the past four decades through agreement-making has proven that the social licence for the minerals industry to operate in cooperation with Aboriginal communities is achievable. The benefit of agreements lies in their ability to link many elements such as Indigenous decision-making and expression of local aspirations to overcome levels of disadvantage. Agreement-making encourages environmental protection and participation in economic development while providing a legal framework for the negotiation of different interests.

Twenty years after the Mabo decision and the rejection of the doctrine of terra nullius, this legacy is profound. The use of agreement-making has forged a new approach to Indigenous affairs. Nevertheless, there are weaknesses in this statutory system of agreement-making which could be further strengthened by government policy reform.

Despite sustained improvements in economic participation for Indigenous communities, high levels of disadvantage remain a troubling concern (even among those located near mining projects). Given the

Bryce Rory

Bryce Rory commenced work with McArthur River Mine, near Borroloola in the Northern Territory, in 2014 as a school-based apprentice. Bryce is now apprenticed to the mine as a diesel fitter.
unprecedented prospects offered by the minerals industry to remote and regional Indigenous people, it is vital to understand enduring constraints on Indigenous economic participation and the resulting impacts on ‘poverty in the midst of plenty’.

Disparity between Indigenous communities exists and the isolation of some regions in conjunction with little service delivery demands focus. A major proportion of agreements are made with communities where government investment is lacking. Policy reform is needed to ensure that government programs which deliver goods, environmental or personal services include explicit Indigenous employment goals.

Where Indigenous parties engage in negotiation, the capacity for Indigenous leadership and entrepreneurship is enhanced. As a result, governments, the private sector and non-government organisations (NGOs) collectively recognise that efforts should be focused on the school-age population. It is critical the next generation’s education and employability is addressed to avoid a worsening of disadvantage in some areas.

Furthermore, new legal frameworks are required for the effective negotiation and governance of agreements in Indigenous communities. As part of this, capacity-building and transparency (setting aside commercial in confidence aspects) are key to systematic change.

The management and distribution of benefits would be better supported by a new structure — the Indigenous Communities Development Corporation model — proposed by the National Native Title Council (NNTC) and the Minerals Council of Australia (MCA). Further, the regulation of third party agents and the registration of Section 31 Agreements are crucial to providing greater consistency for the delivery of revenues to beneficiaries.

Without change, the gains made since the introduction of the NTA are at risk. Moreover, the incumbent policy issues are complicated and difficult. They require expertise in policy formulation and legal reform, as well as a comprehensive knowledge of the history and features of existing accords between the minerals industry and Indigenous peoples in Australia.

Further research into the successes forged by the minerals industry in partnership with Indigenous communities would be of particular benefit to characterising the labour force engaged in mining, and identifying factors that have led to business development in the mining supply chain. It is now a priority to manage the achievements accomplished, address existing barriers and facilitate new opportunities to sustain Indigenous economic development.

The positive approach by minerals companies toward their relationships with Indigenous communities has fostered respect for Aboriginal culture and history and delivered tangible socio-economic impacts.

Extract from From Conflict to Cooperation: Transformations and challenges in the engagement between the Australian minerals industry and Australian Indigenous peoples, a public policy analysis produced for the Minerals Council of Australia by Professor Marcia Langton, February 2015.
Working with industry to keep mining workplaces safe

The MCA brought industry leaders, senior operational managers and safety experts from across the mining industry together at a safety workshop in August 2014 to identify concrete steps to improve the safety of mining workplaces.

The workshop established a platform for cross-industry engagement and created new opportunities to share approaches to fatality prevention amongst both MCA and non-MCA members with a view to improving the industry’s performance.

The minerals industry’s number one value and commitment is the safety and health of its workforce, where everyone who goes to work in the industry returns home safe and healthy. The industry has set itself the ambitious goal of becoming free of fatalities.

MCA member companies maintain:

- All fatalities, injuries and diseases are preventable
- No task is so important that it cannot be done safely
- All hazards can be identified and their risks managed
- Everyone has a personal responsibility for the safety and health of themselves and their work mates.

Over recent decades, the industry’s safety performance has improved.
markedly. However, this positive long-run trend was broken in 2013-14 with 16 lives tragically lost in work-related incidents (Chart 2).

Three additional fatalities occurred in the first half of 2014-15 further underlining the need for an uncompromising focus on threats to workforce safety.

The industry has set itself the ambitious goal of becoming free of fatalities.
Employment still tracking higher than last decade

Direct employment in the minerals sector was 208,200 persons in November 2014, based on Australian Bureau of Statistics (ABS) data. While employment was down 12 per cent over the previous 12 months, it remained well above the average for the last decade (Chart 3).

Mining produces more gross value added per unit of labour than any other industry in Australia – almost double the second highest (the finance sector).

Each worker employed in the mining sector generates around $515,000 for the economy.

Average wages in mining are much higher than in most other industries. Average (full-time) adult total earnings were $2,569 per week in November 2014, 67 per cent higher than the all industries average (Chart 4).

Minerals industry employment is critically important to many rural and regional communities in Australia. The industry is also the largest private-sector employer of Indigenous Australians with more than 6 per cent of its workforce identifying as Indigenous.

Companies (together with the MCA) have active employment strategies in place to increase the participation of women in the minerals industry workforce and to reduce structural and cultural barriers that have traditionally limited their share of the industry’s workforce to around 15 per cent.

The minerals industry has a relatively high proportion of skilled workers with 63 per cent having a

Chart 3 Minerals industry employment quarterly

<table>
<thead>
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<th>'000 persons</th>
<th>Average of the decade</th>
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<tr>
<td>300</td>
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<tr>
<td>250</td>
<td></td>
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<tr>
<td>50</td>
<td></td>
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<td>0</td>
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</table>

Source: ABS, MCA estimates
Certificate III qualification or higher, compared with 58 per cent for all industries. After the architectural, engineering and technical services industry, mining is the second largest employer of qualified engineers in Australia.

The minerals industry spends around 5.5 per cent of payroll on training activities, with one in 20 employees either an apprentice or a trainee according to the National Centre for Vocational and Education Research.

The industry also makes a major contribution to higher education, with the MCA-operated Minerals Tertiary Education Council (MTEC) contributing $40 million to tertiary minerals disciplines since 1999.
Exports up as industry embraces next phase of the mining boom

Resource export volumes grew strongly in 2014 and are expected to remain at high levels. The resources sector will continue to make an important contribution to growth even as investment continues to decline from historical peaks.

**Production**

As investment declined, the industry moved decisively into the production and export phase of the Millennium Mining Boom. Higher mineral export volumes helped sustain growth in Australia through 2014, though declining terms of trade cut into nominal GDP and incomes growth.

The Department of Industry and Science reported that production of metals and other minerals increased by almost 29 per cent in 2013-14, led by rapid growth in iron ore output. Production of energy commodities increased by 5.3 per cent (Chart 5).

Iron ore production rose to 683 Mt in 2013-14, 23 per cent above the previous financial year, supported by record output from Pilbara mines. Production is forecast to increase by a further 13 per cent in 2014-15 to reach 774 Mt.

Among other bulk commodities, metallurgical coal production increased by more than 13 per cent in 2013-14 to 181 Mt. A further increase to 189 Mt is forecast for 2014-15, with new mines and increased capacity at existing mines more than replacing capacity lost due to closure of some high cost mines.

Following growth of 11 per cent in 2012-13, thermal coal production rose 3 per cent to 245 Mt in 2013-14 with production expected to reach 250 Mt in 2014-15.
Higher mineral export volumes helped sustain growth in Australia through 2014, though declining terms of trade cut into nominal GDP and incomes growth.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
<th>Est % change (yy)</th>
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<tr>
<td>Metallurgical coal Mt</td>
<td>146.7</td>
<td>146.9</td>
<td>159.5</td>
<td>180.7</td>
<td>13.3</td>
</tr>
<tr>
<td>Thermal coal Mt</td>
<td>202.1</td>
<td>215.9</td>
<td>238.9</td>
<td>245.1</td>
<td>2.6</td>
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<tr>
<td>Iron ore Mt</td>
<td>447.0</td>
<td>503.8</td>
<td>555.5</td>
<td>682.7</td>
<td>22.9</td>
</tr>
<tr>
<td>Gold t</td>
<td>264.7</td>
<td>254.5</td>
<td>255</td>
<td>275</td>
<td>7.8</td>
</tr>
<tr>
<td>Uranium t</td>
<td>7,069</td>
<td>7,657</td>
<td>8,936</td>
<td>5,710</td>
<td>(36.1)</td>
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<td>Bauxite Mt</td>
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<td>72.9</td>
<td>78.9</td>
<td>80.3</td>
<td>1.8</td>
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<td>Alumina kt</td>
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<td>21,645</td>
<td>21,532</td>
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<td>1,788</td>
<td>1,773</td>
<td>(0.8)</td>
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<tr>
<td>Copper</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mine production kt</td>
<td>952</td>
<td>926</td>
<td>970</td>
<td>985</td>
<td>1.6</td>
</tr>
<tr>
<td>Refined, primary kt</td>
<td>485</td>
<td>486</td>
<td>454</td>
<td>505</td>
<td>11.2</td>
</tr>
<tr>
<td>Zinc</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mine production kt</td>
<td>1,479</td>
<td>1,567</td>
<td>1,507</td>
<td>1,499</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Refined kt</td>
<td>499</td>
<td>505</td>
<td>496</td>
<td>492</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Nickel</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mine production kt</td>
<td>195</td>
<td>235</td>
<td>242</td>
<td>225</td>
<td>(7.0)</td>
</tr>
<tr>
<td>Processed ore kt</td>
<td>236</td>
<td>276</td>
<td>285</td>
<td>253</td>
<td></td>
</tr>
<tr>
<td>Lead</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mine production kt</td>
<td>697</td>
<td>633</td>
<td>639</td>
<td>738</td>
<td>15.5</td>
</tr>
<tr>
<td>Bullion kt</td>
<td>133</td>
<td>144</td>
<td>148</td>
<td>133</td>
<td>(10.1)</td>
</tr>
<tr>
<td>Refined kt</td>
<td>190</td>
<td>174</td>
<td>159</td>
<td>183</td>
<td>15.1</td>
</tr>
<tr>
<td>Manganese ore kt</td>
<td>6,784</td>
<td>7,104</td>
<td>7,402</td>
<td>7,434</td>
<td>0.4</td>
</tr>
<tr>
<td>Silver</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mine production t</td>
<td>1,792</td>
<td>1,862</td>
<td>1,696</td>
<td>1,893</td>
<td>11.6</td>
</tr>
<tr>
<td>Refined t</td>
<td>712</td>
<td>847</td>
<td>1,057</td>
<td>1,066</td>
<td>0.9</td>
</tr>
<tr>
<td>Tin</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mine production t</td>
<td>18,410</td>
<td>8,150</td>
<td>6,637</td>
<td>6,536</td>
<td>(1.5)</td>
</tr>
</tbody>
</table>

Source: Department of Industry and Science
Exports

Australia’s minerals exports reached $164 billion in 2013-14 off the back of higher volumes. Iron ore ($74.8 billion) and coal ($40 billion) remained the nation’s two largest export earners. Mineral commodities continued to account for around half of Australia’s export earnings, up from approximately one third of total exports a decade ago (Chart 6).

While the industry faces a more constrained environment compared with the ‘boom decade’, it is important not to lose sight of the gains secured from a larger mining industry and the extent to which these gains endure. The mining industry (including oil and gas) accounted for around 8 per cent of Australia’s GDP in 2013-14. Between 2003-04 and 2013-14, the industry grew more than any other industry in Australia with gross value added increasing by $72 billion - more than 50 per cent higher than the second largest contributor to growth.

By 2015-16, the mining capital stock will be nearly four times higher than it was at the start of the mining boom. This higher capital stock will produce higher levels of production and exports for decades to come. By 2015-16, the mining capital stock will be nearly four times higher than it was at the start of the mining boom. This higher capital stock will produce higher levels of production and exports for decades to come. By 2015-16, the mining capital stock will be nearly four times higher than it was at the start of the mining boom. This higher capital stock will produce higher levels of production and exports for decades to come.

Research released by the Reserve Bank of Australia in August 2014 further underlined mining’s role as a foundation of Australia’s modern prosperity. It compared Australia’s economic outcomes over the past decade with a ‘counterfactual’ of no mining boom. It found that by 2013 the boom had raised real per capita income by 13 per cent, raised real wages by 6 per cent and lowered the unemployment rate by about 1.25 per cent.

Chart 8 shows the longer run growth in export volumes with further gains expected in coming years, albeit at a slower rate.
Chart 7  Value of major mineral commodity exports

Source: Department of Industry and Science

Chart 8  Minerals exports volume index

Source: Department of Industry and Science
**Prices**

Prices for most commodities declined in 2014. Among bulk commodities, the average price for iron ore fell almost 50 per cent, thermal coal declined 26 per cent and metallurgical coal declined 17 per cent over the 12 months to December 2014.

Among base metals, notable price falls were experienced by silver (down 17 per cent), copper (down 11 per cent) and lead (down 10 per cent).

Going against this trend, prices for zinc (up 10 per cent), aluminium (up 10 per cent) and uranium (up 7 per cent) all rose in the 12 months to December 2014.
// PRODUCTION, EXPORTS AND COMMODITY PRICES

Source: ANZ, LME, WGC
Weaker commodity prices sees further slip in investment

Investment in the minerals industry has declined steadily from the very high levels recorded a few years ago.

The Bureau of Resources and Energy Economics estimated that in October 2014 there were 29 minerals mining and infrastructure projects at a committed stage of development with a total value of more than $30 billion (Figure 9). Of these, 14 were coal projects and nine were iron ore projects valued at $12.5 billion and $14.7 billion, respectively. Investment in committed projects declined almost 60 per cent from October 2012.

There were 177 minerals mining and infrastructure projects at the publicly announced or feasibility stage in October 2014 with total potential value of up to $185 billion. These were projects for which a final investment decision had yet to be made. The value of feasibility stage projects at $155 billion was down one third compared with two years earlier. The value of publicly announced projects had declined by a similar percentage to total $69 billion in October 2014.

Weaker commodity prices also saw exploration expenditure decline sharply. Nominal exploration expenditure declined 31 per cent in 2013-14 to total $2.1 billion. As shown in Table 2, declining exploration expenditure was recorded across...
all commodities and all states and territories. The largest falls were for copper (down 45 per cent), silver, lead, zinc (down 43 per cent) and nickel, cobalt (down 40 per cent).

Western Australia continued to account for the largest share of total exploration expenditure (almost 58 per cent) followed by Queensland (almost 21 per cent). Iron ore accounted for a third of total minerals exploration expenditure in 2013-14 with gold exploration expenditure next highest at 20 per cent.

Compared with the previous financial year, exploration expenditure on new ‘greenfield’ deposits fell 33 per cent to $682 million while expenditure on existing ‘brownfield’ deposits fell 30 per cent to $1.4 billion. In original terms, metres drilled fell 15 per cent for existing deposits and 42 per cent in areas of new deposits.

<table>
<thead>
<tr>
<th>Mineral type</th>
<th>2011-12 ($m)</th>
<th>2012-13 ($m)</th>
<th>2013-14 ($m)</th>
<th>% decline (y/y)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper</td>
<td>442.6</td>
<td>319.3</td>
<td>176.8</td>
<td>44.6</td>
</tr>
<tr>
<td>Silver, lead, zinc</td>
<td>87.5</td>
<td>79.8</td>
<td>45.8</td>
<td>42.6</td>
</tr>
<tr>
<td>Nickel, cobalt</td>
<td>265.4</td>
<td>164.5</td>
<td>99.4</td>
<td>39.6</td>
</tr>
<tr>
<td>Gold</td>
<td>768.0</td>
<td>661.8</td>
<td>434.3</td>
<td>34.4</td>
</tr>
<tr>
<td>Iron ore</td>
<td>1150.6</td>
<td>1011.3</td>
<td>710.6</td>
<td>29.7</td>
</tr>
<tr>
<td>Mineral sands</td>
<td>N/A</td>
<td>37.8</td>
<td>28.9 (est.)</td>
<td>23.6</td>
</tr>
<tr>
<td>Uranium</td>
<td>153.6</td>
<td>69.5</td>
<td>43.9</td>
<td>36.8</td>
</tr>
<tr>
<td>Coal</td>
<td>834.3</td>
<td>544.0</td>
<td>398.7</td>
<td>26.7</td>
</tr>
<tr>
<td>Other (includes diamonds)</td>
<td>202.5</td>
<td>167.5</td>
<td>164.7</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3953.0</strong></td>
<td><strong>3055.4</strong></td>
<td><strong>2108.8</strong></td>
<td><strong>31</strong></td>
</tr>
</tbody>
</table>

Source: ABS, MCA estimates

INVESTMENT AND EXPLORATION EXPENDITURE
Iron ore accounted for a third of total minerals exploration expenditure in 2013-14 with gold exploration expenditure next highest at 20 per cent.
COMMITTED MINERALS AND ENERGY PROJECTS

Legend  CAPITAL EXPENDITURE

- $0–$99m  - $100–$499m  - $500–$999m  - $1000m+

DARWIN
PERTH
WAIO optimisation iron ore infrastructure
WAIO Nelson Point iron ore infrastructure
Anderson Point fifth berth iron ore
Mt Webber iron ore (Stage 2)
Solomon Hub processing plant
Mt Webber iron ore (Stage 2)
Solomon Hub processing plant
Royal Hill iron ore
Iron Bridge iron ore
Iron Valley iron ore
Anderson Point fifth berth iron ore
Mt Webber iron ore (Stage 2)
Solomon Hub processing plant
Royal Hill iron ore
Iron Bridge iron ore
Iron Valley iron ore

Chart 13  Value of committed minerals projects by commodity and by state

$29.5B

...by commodity

Iron ore 50%
Mineral sands 0.2%
Lead, zinc, silver & copper 7%
Coal 42%
Gold 0.8%

...by state

Western Australia 50%
New South Wales 9%
Queensland 39%
South Australia 2%

Source: BREE
Industry committed to resource management and energy efficiency

The industry’s approach to environmental management is one of continuous improvement, with MCA members committed to delivering environmental outcomes beyond requirements for legal compliance.

The industry’s approach to environmental management has several pillars:

• **Land:** The minerals industry’s footprint of mined and related lands occupies only 0.3 per cent of Australia’s land mass. The industry is committed to ensuring mined lands are available both for alternative land uses consecutively with mining (including for biodiversity conservation) and to support alternative post-mining uses (including agriculture).

• **Water:** A high-value, low-volume water user, mining accounts for less than 3 per cent of Australia’s water consumption. Mining operations seek to utilise low quality water not suitable for other industrial uses (including hyper-saline waters and primary-treated sewage) and to maximise the reuse efficiency of each water unit on site.

• **Energy:** The industry is pursuing the use of low emissions technologies and energy-efficiency measures, integrating operational needs with the commitment to sustainable development.

• **Emissions management:** The industry is actively minimising risks to occupational, community and environmental health through emission, transmission and exposure management for approved releases to land, air and water.

• **Biodiversity:** The industry’s approach to biodiversity assessment and management centres on prevention and management of biodiversity impacts from mining and the identification of opportunities to enhance biodiversity conservation. The minerals industry has contributed to the recovery of a number of threatened species and provides extensive data and resources to national biodiversity research.

• **Great Barrier Reef:** The industry is committed to the protection of the Great Barrier Reef and supports a range of scientific and conservation initiatives.

• **Materials stewardship:** The industry encourages responsible product design, use, re-use, recycling and disposal of our products. It is also engaged in numerous whole-of-life product management and certification schemes in line with leading global practice.

Specific MCA initiatives to give practical effect to this management approach include:

• Advocating reforms to the *EPBC Act* so that it focuses on key threatening processes to the environment, while delivering industry certainty and efficiency.

• Development of frameworks for land use assessment and natural resource management to deliver transparent, science-based and sustainable decision-making processes so as to better support the coexistence of mining, agriculture and conservation.

• Adoption of a nationally-consistent industry water accounting framework to promote transparency and water use efficiency.

• Development of a leading practice approach to the identification and management of cumulative impacts.

• Supporting global harmonisation of chemicals and hazardous substances management to ensure comprehensive, effective protection of the environment and community health.

• Ongoing investment into breakthrough technologies across all energy sources, most notably low emissions coal technologies.
Earning and maintaining a social licence to operate and the practical implementation of sustainable development principles are defining features of modern mining operations.

The Australian minerals industry is acutely aware that:

- It is under increasing scrutiny from local, regional and global stakeholders with rising expectations of industry performance.
- The industry can and should play a leading role in creating opportunities for Indigenous Australians to participate in the mainstream economy.
  - The minerals industry is the largest private sector employer of Indigenous Australians with more than 6 per cent of its workforce identifying as Indigenous.
  - The industry invested more than $2.2 billion in Indigenous procurement in 2011-12.
- Communities expect to share in the benefits derived from resource development and those benefits must balance economic growth, responsible social development and effective environmental management.
  - In addition to the industry’s taxation, royalties and employee related payments, more than $34.7 billion was directly spent on community infrastructure, Indigenous contractors, local suppliers and other related activities in 2011-12.
- The industry contributed $3 billion in native title related payments in 2011-12.

Since 2006, members of the MCA have been required to commit to Enduring Value – The Australian
Minerals Industry Framework for Sustainable Development. Signatories are required to report annually on their site level performance across those environmental, social and safety and health aspects relevant to their operation.

In December 2014, the MCA Board endorsed a revised suite of industry guidance for Enduring Value to ensure that it remained contemporary and reflected emerging international standards on issues such as human rights and materials stewardship.

The revised guidance provides clarity for industry and for external stakeholders on the industry’s commitment to sustainable development.

It includes:

- A description of the role of Enduring Value as a continuous improvement tool for industry sitting above legislative requirements
- Identification of the industry’s sphere of control (i.e. within the mine gate) in managing issues relative to its sphere of influence (i.e. within the supply chain) and the implications this has for setting boundaries around expectations on industry performance
- Guidance on the implementation of the 10 Sustainable Development Principles and Elements developed by the International Council of Mining and Metals (ICMM) which provide the fundamental underpinnings to the framework with, for example:
  - Verifiable outcomes – guidance on what high-level performance outcomes could be expected at sites operating consistently with ICMM Principles and Elements.
  - Cross referencing and reference documents – links to relevant tools which can be used by companies seeking detailed information on specific social and environmental issues, as well as cross-mapping to other sections of Enduring Value.
The MCA policy agenda

Fiscal policy
The government should stay the course on fixing the structural weaknesses in the Commonwealth Budget. Efforts should focus on the spending side of the ledger because higher taxes impede growth and reduce incentives to work and invest. Further steps can be taken to improve public spending decisions and performance as part of a broader productivity and competitiveness agenda.

Taxation
The minerals industry’s revenue contribution to governments in Australia reached more than $40 billion in the two years to June 2014 despite steep falls in prices and profitability. Australia is a relatively high tax mining jurisdiction, even after the abolition of the Minerals Resource Rent Tax (MRRT) and the carbon tax. The industry tax ratio is now at 47.1 per cent, with nearly half of every dollar in profit made being paid as royalties or company tax.

A central focus of the White Paper on the Reform of Australia’s Tax System should be to improve the system’s competitiveness for businesses and individuals. The government is sensibly developing options in tandem with consideration of state and territory government revenues, roles and responsibilities. Extensive consultation with industry on tax reform will also be essential as efficient, stable and competitive fiscal arrangements for fuel tax and exploration are vital to industry competitiveness and to maintaining economic activity in regional Australia.

Workplace relations
The Productivity Commission review of Australia’s workplace relations framework provides a critical opportunity to address systemic flaws in the Fair Work Act that have impeded productivity and the capacity of firms to adjust to changing market conditions.

The way different provisions interact means the damaging consequences of the current regime are greater than the sum of its problematic parts. Proposed reforms by the Abbott Government in such areas as greenfields agreements, union right-of-entry and individual flexibility arrangements constitute sensible steps towards a more balanced workplace relations system. But they should not be the limit of reform ambition.

Energy and climate change
Access to low cost, reliable energy has been a traditional source of economic strength for Australia and should remain an important national priority. While the abolition of the carbon tax is a major step forward, further reform of national energy markets and the Renewable Energy Target (RET) is urgently required, with the RET adding 9-15 per cent to the energy costs of average mining operations.

Australia’s new climate policy framework should support industry competitiveness. The minerals sector looks forward to close consultation on the implementation of the safeguard mechanism contained in the Direct Action policy. Australia’s target for post 2020 emissions reductions should be based on a fair economic burden.

Australia should continue to provide energy security to regional nations and play to its strengths on low emissions technologies. Australia should continue to invest in the development of technologies that build upon Australia’s national endowment of reliable, affordable energy.

Regulatory reform
Notwithstanding the Abbott Government’s strong start on regulatory reform, there is still a large outstanding agenda critical to future growth in living standards.

Regulatory reform priorities for the minerals industry in 2015 include environmental approvals, workplace relations and coastal shipping, all of which have seen costly additional burdens put in place in recent years.

The Australian Government should benchmark our regulatory performance more systematically.
**Land use and environmental approvals**

The proposed One-Stop Shop reforms for environmental approvals (through implementation of bilateral agreements with all states and territories) will improve Australia’s investment climate while not diminishing environmental standards.

State and local government assessment and approval processes should be streamlined to address regulatory complexity and to improve coordination between government agencies.

**Water access and use**

The ‘water trigger’ for coal seam gas and coal projects within the EPBC Act should be removed or, alternatively, amended to allow for accreditation of state processes under bilateral approvals agreements.

Water access arrangements should be streamlined with state and Commonwealth regulatory requirements.

**Infrastructure**

Governments have a responsibility to foster open, transparent and competitive infrastructure markets while also being alert to how differing industry characteristics can give rise to specific regulatory challenges.

The MCA recommends that in tandem with the Australian Government’s asset recycling program there needs to be consideration as to whether existing regulatory arrangements are appropriate to ensure efficient provision of infrastructure services by the private sector.

Governments at all levels face important social infrastructure responsibilities in regional and remote Australia. The Northern Australia White Paper provides an opportunity to trial new and innovative approaches to the provision of infrastructure services.

**Skills development and labour mobility**

The industry supports the passage of the government’s higher education reforms to ensure sustainable funding into the future and to provide certainty for students and the sector.

With the industry spending more than $1.15 billion on training annually, the minerals sector has a keen interest in the quality of the VET system. Further reforms are needed to ensure the training sector is responsive to industry requirements.

Labour mobility is an important part of the success of Australia’s mining industry. Strategies such as Fly-in, Fly-out arrangements and an effective skilled migration program provide the flexibility that allows Australia to secure major resource investments.

**Indigenous economic development**

The minerals sector continues to be a major driver of Indigenous economic development as the largest private sector employer of Indigenous Australians and with procurement from Indigenous businesses estimated at 55 times that of the Australian Government.

A number of policy reforms will further enhance this contribution.

The Australian Government should implement the recommendations of the Taxation of Native Title and Traditional Owner Benefits and Governance Working Group, including the proposed ICDC entity.

A systematic review of the Aboriginal Lands Rights (Northern Territory) Act 1976 should be undertaken to overcome barriers to minerals investment in the Northern Territory and to deliver improved outcomes for Indigenous Australians.

On the other hand, the Native Title Act 1993 has experienced a high level of legislative and regulatory churn and a degree of stability would aid stakeholder confidence.
**Occupational health and safety**

The MCA supports the *Model Work Health and Safety Act* and urges its consistent adoption across all jurisdictions in Australia.

There remains further scope to reform Australia’s mining health and safety legislation.

**Innovation**

Australian mining spends more than $4 billion per annum on R&D, some 22 per cent of total business expenditure on R&D.

Some policies adopted in recent years (such as those on R&D tax concessions) seem designed to discourage a culture of innovation in the mining industry.

**Trade and investment**

The MCA welcomes the successful conclusion of free trade agreements with China, Japan and South Korea which will eliminate a range of tariff and other barriers to a combined minerals and energy trade worth more than $120 billion annually.

A major focus of Australia’s trade policy in 2015 should be the conclusion of a free trade agreement with India and the conclusion of the negotiations on a Trans-Pacific Partnership (TPP) agreement with 11 other trading nations.

**Maritime transport**

The *Coastal Trading Act 2012* introduced a burdensome and anti-competitive new licensing system on top of costly changes to wage rules for foreign crew operating in Australian waters. These changes have increased domestic transport costs and made it more difficult to source coastal shipping services when they are needed.

The MCA welcomes the government’s proposal to introduce a single Coastal Trading Permit that treats Australian and foreign ships equally and looks forward to further consultation on the details.

**Exploration**

Expenditure on minerals exploration has halved since 2012 with longer term trends showing a decline in Australia’s share of global exploration expenditure. The Productivity Commission has identified rising costs, lower productivity and a long list of regulatory burdens which have together impeded exploration activity in recent years.
The Productivity Commission has identified rising costs, lower productivity and a long list of regulatory burdens which have together impeded exploration activity in recent years.
Influencing policy debates through new research

Dr John Kunkel Deputy Chief Executive

In 2014, the MCA continued to publish high-impact reports and research to advance both industry objectives and to influence national policy debates. Makin highlighted the role played by loose fiscal policy and complacency on structural reform, including labour market reform, in worsening the nation’s international competitiveness. The Monograph recommends a greater focus on benchmarking Australian policy frameworks against those in fast-growing Asian economies.

Also in September, the MCA released analysis by the former Secretary of the New South Wales Treasury, Michael Schur, highlighting the factual errors and distortions peddled by the Australia Institute in claiming that the mining industry receives large subsidies from state and territory governments.

The Managing Director of Castalia Strategic Advisors, Schur found that of the fictional $17.6 billion portrayed as subsidies over a six year period, about 59 per cent is related to government investment in infrastructure and services where commercial rates are charged to industry, about 21 per cent is general government expenditure across all sectors of the economy or subject to fees and charges and about 20 per cent appears to be incorrectly categorised.

In 2014, the MCA continued to publish high-impact reports and research to advance both industry objectives and to influence national policy debates.

An MCA-commissioned report by BAEconomics provided the first quantitative assessment of potential gains from streamlining project approvals through the Abbott Government’s proposed One-Stop Shop reforms. Released in August 2014, it found that if the average delay in approvals was reduced by one year Australia’s GDP would be 1.5 per cent higher by 2025 ($32 billion in today’s dollars); if the average delay fell by two years, the GDP gain would be 2.4 per cent (or $51 billion in today’s dollars).

Nearly 70,000 extra jobs would be created by 2025 from just a one year reduction in approval times.

The research built on previous work for the MCA by Port Jackson Partners which found that Australian thermal coal projects, for example, experience average delays 1.3 years longer than those experienced by projects in competitor nations.

In September 2014, the Finance Minister, Senator Mathias Cormann, launched a new study on Australia’s international competitiveness by Professor Tony Makin of Griffith University as part of the MCA’s ‘flagship’ Monograph series.

Dr John Kunkel
Deputy Chief Executive

Influencing policy debates through new research

Australia’s Competitiveness: Reversing the slide examined the deterioration in Australia’s competitiveness since the turn of the century based on three alternative competitiveness measures and also proposed reforms to address this challenge.
The report echoed the findings made at the federal level by the Productivity Commission, namely that government support to the mining industry is ‘negligible’.

Picking up on the Abbott Government’s ‘red tape’ reduction agenda, the MCA released a comprehensive report on the minerals industry’s regulatory reform priorities in October 2014. The report identified a yawning gap between rhetoric and reality in recent years, one that has seen regulatory back-sliding in areas such as approvals, workplace relations and coastal shipping.

A key message is that the minerals industry, as a price-taker in competitive global markets, cannot simply pass on the costs of poor regulation to customers. Efficient, stable and risk-based regulatory systems are therefore vital to the industry’s global competitiveness and growth prospects. While noting the progress being made by the Abbott Government on regulatory reform, the paper argues that it needs to be ‘part of the furniture’ for all members of parliament, not just the government of the day.

In November, the MCA released analysis by the respected Adelaide University economist Jonathan Pincus on the benefits of the mining boom. The main thrust of the Pincus Background Paper was a critique of the approach to measuring the boom’s benefits taken by John Edwards in a Lowy Institute Paper earlier in the year. This work suggested the boom contributed no more than 3 per cent to Australia’s GDP.

Based on a detailed examination of the Edwards methodology and alternatives, Pincus concluded that ‘the benefits of the boom as estimated by Edwards should be scaled up considerably, by up to a factor of four’. This conclusion was in line with a major study published by the Reserve Bank of Australia in 2014 which found that the boom delivered growth in real per capita household income of 13 per cent over the period from 2001-02 to 2012-13.
Victorian Division pursues agenda with new state government

Megan Davison Executive Director

The Victorian Division continued to advocate for economic and regulatory reform to increase exploration and mineral development and deliver significant economic and employment opportunities for the state.

Legislative agenda

The new Labor Government was elected on 29 November 2014. The Victorian Division has been working with the new minister and the government to further the sustainable development of the Victorian resources sector.

In 2014 the former Coalition Government addressed and implemented many of the recommendations of the 2012 Parliamentary Report into Greenfield Exploration and Mineral Development in Victoria Economic Development and Infrastructure Committee (EDIC). It made a four-year funding commitment to deliver its response to the recommendations. The Victorian Division has engaged the new government to ensure the continued implementation of the EDIC recommendations.

The 2014-15 budget acknowledged Victoria’s world class mineral potential by allocating $19 million to two initiatives to enable Victoria to generate long term wealth from its resource endowment:

• $15 million to attract new exploration and reduce barriers to investment in order to deliver jobs to regional Victoria
• $4 million for the Victorian Coal Development Strategy to explore options for securing medium to long term economic development, investment and employment benefits for the Latrobe Valley through the development of its brown coal resources.

The new government has indicated that funding for these initiatives will continue.

An independent inquiry into the Hazelwood mine fire (which occurred in February 2014) was held against a backdrop of significant ongoing reform following lessons learned from the 2009 Victorian Bushfires Royal Commission, particularly in the areas of emergency management and integrated fire management planning. The inquiry made 12 recommendations to the state and six recommendations to the mine owner. The Victorian Division has undertaken a leading role in supporting all members in sharing the outcomes of this inquiry to drive improved health and safety outcomes for the sector.

In late 2014, the new government indicated that it will reopen the inquiry into the Hazelwood mine fire to look at the reported increase in deaths around the time of the mine fire and also assess rehabilitation options. The Victorian Division will work closely with the government on the reopened inquiry and any additional outcomes for the sector.

Reviews of the Environment Effects Act, Aboriginal Heritage Act, Native Vegetation Management Framework, Environment Protection Act and Water Act commenced. Regrettably, the reform program stalled in the second half of 2013 and in the lead up to the 2014 Victorian election (with only the native vegetation reform completed).
The Victorian Division has undertaken a leading role in supporting all members in sharing the outcomes of [the Hazelwood mine fire] inquiry to drive improved health and safety outcomes for the sector.

Industry data
An ongoing issue in Victoria has been access to the substantial amount of minerals industry data which is collected by the various government agencies.

The Victorian Division has long advocated for comprehensive publicly available data on the minerals industry. Minerals companies are required by law to provide annual reports on a range of metrics to a number of regulatory authorities but little of this information is made publicly available.

The lack of data was highlighted in the EDIC inquiry and the Victorian Division significantly escalated its concerns resulting in some progress towards the release of this data in 2015.

Promoting excellence
The Victorian Division’s mine rescue competition built on the success of the 2012 transition to a single statewide competition. The competition continues to attract entrants from across the country, making it a truly national event testing the industry’s skills in emergency response capabilities.

Building industry support
After 21 successful years, Minerals Education Victoria (MEV) ceased operation at the end of 2014. The strategic focus of the Victorian Division will change to support professional development opportunities for science teachers, as well as support the state-funded specialist centre, Earth Ed.

The Division further built on its successful relationship with the Victorian Farmers Federation. Greater engagement with a range of state-based employer associations has provided an increased level of advocacy with government and the opposition on common policy priorities.

The Victorian Division continued to provide secretariat services for the very successful Melbourne Mining Club (MMC), which continues to grow and position the minerals industry as a critical component of Melbourne’s business community.
NT Division marks 60 years supporting mining in the top end

Drew Wagner Executive Director

2014 proved to be a diamond year for the Northern Territory Division and the NT minerals sector as a whole.

A brilliant diamond
This year signified the Diamond Jubilee, or 60 years, of industry representation on behalf of the Northern Territory minerals sector. The first meeting of like-minded individuals took place in a Darwin lounge room on 4 December 1955. To celebrate the occasion, much of what was undertaken during the Jubilee year focussed on our history of success, as well as the ‘where to from here’ or the ‘over horizon’ that we need to pursue for the ongoing success of the sector, and the NT economy as a whole.

The year built up to the grand finale of the 2014 NT Minerals Summit and Gala Dinner which was held on the actual anniversary of that very first coming together. It was a glorious celebration of not only past success of the industry, but also the charting of a roadmap forward. A look into the hardship of the past, and to the dreams of the future, the NT Minerals Summit certainly stood tall on behalf of industry, and the MCA NT Secretariat in particular would like to thank all of those involved.

A rough diamond
Unfortunately though, 2014 was not all success and celebration. With an increasingly difficult investment market, and falling commodity prices across many of the outputs of the Territory, several of the sites that were praised in 2013, unfortunately closed their doors in 2014, or reduced their production. With dwindling returns on investment, exploration also declined, however this meant that many member companies focussed on a smaller number of sites to further prove their potential resources. This all at a time where production levels continued to hold strong across most commodities as efficiencies were realised from previous expenditure and expansions.

It was also a year when the Darwin Mining Club continued its strong relationship with CareFlight. With another strong year of speakers and events, and in the spirit of looking after those who often look after us, the DMC (on behalf of its members) was able to donate nearly $50,000 worth of flight helmets to assist CareFlight in its duties – a truly amazing accomplishment.
An industrial diamond
To combat these impediments, much attention was turned to the processes and efficiencies of approvals and development applications.
With some work still needing to be finalised, strong process outcomes in approvals and reporting mechanisms have been achieved throughout the year, with many of these systems already starting to have strong outcomes at a site and business level. This will continue to be the focus of 2015.
This also at a time when much focus has been placed on Northern Australia and its development and advancement – an opportunity of which the sector is well poised to take advantage.

A diamond future
All of the above leads us almost into a brave new world for 2015. With process and application/reporting efficiencies still to be fully realised, and many prospects still to reach full development, there are a large number of sites we are hoping to see move to production in 2015.
Thus with the sector being the second largest employer (after the public service) and representing 16 per cent of the Territory’s GDP, an expanded NT minerals sector can only mean a stronger NT economy. We once again appear poised at the cusp of some great outcomes for both the sector and rural and regional Territory communities.
Working together in 2015, we will hopefully see these come to fruition.

The Darwin Mining Club continued its strong relationship with CareFlight... donating nearly $50,000 worth of flight helmets to assist with its duties.
The industry is a major contributor to national income, investment, high-wage jobs, exports and government revenues in Australia.
The Minerals Tertiary Education Council (MTEC) was established in 2000 by the MCA to build capacity in Australia’s higher education sector and to increase the supply and quality of suitably qualified professionals for the minerals industry.

MTEC fosters partnership between industry, government and academia through a series of programs that reward its university partners for collaborating in the national delivery of complementary teaching and learning throughout its network.

This network of select university departments is dedicated to achieving true ‘world class’ education by cooperating in the development and delivery of undergraduate learning in the core disciplines of mining engineering, metallurgy and minerals geoscience. The glue that holds it all together is that funding is only provided for collaborative endeavours between partner institutions.

2014 trends

Mining engineering enrolments are dramatically lower in the first year of study, which will result in decreased graduates in coming years (from 2018).

Minerals geoscience enrolments are higher in the first and third years of study and are rising gradually in the honours (4th) year.

Metallurgy enrolments are slightly down across all years of study and steady on the long term average.

Mining Education Australia

MEA is a formally constituted (unincorporated) joint venture between the partner universities and is jointly funded by them and MTEC.

The teaching resources of the universities are combined to deliver the highest quality, nationally consistent third and fourth years of a mining engineering degree while contributing to the viability of the delivering universities.

MEA produces 85 per cent of all four-year trained Australian mining engineers. Only two-in-five of MEA graduates from the 2013 cohort indicated they were joining the minerals industry in 2014. Forward projections indicate a decline of future supply of mining engineering graduates from current historic highs.
MTEC network

<table>
<thead>
<tr>
<th>Minerals Geoscience</th>
<th>Mining Engineering</th>
<th>Metallurgy</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Tasmania</td>
<td>University of New South Wales</td>
<td>University of Queensland</td>
</tr>
<tr>
<td>University of Western Australia</td>
<td>University of Queensland</td>
<td>Curtin University (Western Australian School of Mines)</td>
</tr>
<tr>
<td>James Cook University</td>
<td>Curtin University (Western Australian School of Mines)</td>
<td>Murdoch University</td>
</tr>
<tr>
<td>University of Adelaide</td>
<td>University of Adelaide</td>
<td></td>
</tr>
<tr>
<td>University of Melbourne</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monash University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian National University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Curtin University (Western Australian School of Mines)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>University of Newcastle</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This network of select university departments is dedicated to achieving true ‘world class’ education ... in the core disciplines of mining engineering, metallurgy and minerals geoscience.

Summary of MTEC initiatives

<table>
<thead>
<tr>
<th>Summary of MTEC initiatives</th>
<th>2013 actual graduates</th>
<th>2014 actual enrolments</th>
<th>2015 forecast enrolments</th>
<th>2017 forecast enrolments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minerals Geoscience Honours (MGH)</td>
<td>282</td>
<td>177</td>
<td>241</td>
<td>205</td>
</tr>
<tr>
<td>The MGH program has resulted in an 86% increase in Honours student numbers from 95 in 2007 to 177 in 2014.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Metallurgy Education Partnership (MEP) | 37 | 34 | 32 | 32 |
| The MEP program has resulted in stable long term final year student numbers from 34 in 2007 to 34 in 2014. | | | | |

| Mining Education Australia (MEA) | 214 | 292 | 280 | 191 |
| The MEA program has resulted in a 129% increase in final year student numbers from 127 in 2007 to 292 in 2014. | | | | |
Metallurgical Education Partnership

MEP is a formal partnership between MTEC and its partner universities for collaborative teaching of a capstone, intense-effort metallurgical process and plant design course for fourth year engineering undergraduate students.

These MTEC-supported universities are the only universities in Australia with extractive metallurgical capabilities.

MTEC provides travel bursaries to students to attend, organises comprehensive industry involvement and rewards the partner universities for collaborating. MEP produces 100 per cent of all four-year trained Australian metallurgists.

Two-in-five of MEP graduates from the 2013 cohort indicated they were joining the minerals industry in 2014. The long-term average of ~35 four-year trained metallurgists graduating per year is expected to continue into the future.

Minerals Geoscience Honours

MGH delivers intensive five-day minerals-specific short courses to students from each of the eight partner universities.

MTEC provides travel bursaries to students to attend the courses and rewards the partner universities for collaborating in the delivery of the courses to their own students and to students from other partner universities.

MGH produces approximately two-thirds of all Australia’s four-year trained geoscientists; and all four-year trained minerals geoscientists. One-in-five of MGH graduates from the 2013 cohort indicated they were joining the minerals industry in 2014.

Forward projections indicate a continuing increase of future supply of minerals geoscience graduates.
The Minerals Industry National Associate Degree

The MINAD project was initiated by MTEC and formally received Australian Government funding through the Workforce Innovation Program in February 2012.

Two new industry-supported, nationally consistent and nationally accessible Associate Degree programs (mining engineering and minerals geoscience) were developed in 2013 through extensive consultation with industry and academia. The University of Southern Queensland piloted the mining engineering associate degree in 2014 with 17 inaugural students in the program. They, together with Central Queensland University (which will offer mining engineering and minerals geoscience), will continue to deliver these on a collaborative basis in 2015.

The MINAD Project successfully concluded at the end-2014 and will become another of the MTEC programs in 2015.

MTEC fosters partnership between industry, government and academia through a series of programs that reward its university partners for collaborating in the national delivery of complementary teaching and learning throughout its network.
Mr Andrew Michelmore
Chairman
Chief Executive Officer and Executive Director
MMG Limited

Mr Peter Freyberg
Senior Vice Chairman
Head of Coal Assets
Glencore

Mr Dean Dalla Valle
Vice Chairman
BHP Billiton Limited

Mr Sandeep Biswas
Managing Director and Chief Executive Officer
Newcrest Mining Limited

Mr John Borshoff
Chief Executive Officer and Managing Director
Paladin Energy Limited

Mr Stewart Butel
Managing Director
Wesfarmers Resources

Mr David Diamond
Global Head of HR and Country Head Australia
Anglo Coal Australia Pty Ltd

Mr Phil Edmans
Managing Director, Australia
Rio Tinto Limited

Mr Graham Ehm
Executive Vice President of Australasia
AngloGold Ashanti Australia Limited

Dr Vanessa Guthrie
Managing Director and Chief Executive Officer
Toro Energy Limited

Mr Charles Meintjes
President – Australia
Peabody Energy Australia Pty Ltd

Mr David Overall
Chief Executive Officer
Downer EDI Mining Pty Ltd

Dr Carlos Santa Crus Bendezu
Regional Senior Vice President
Newmont Asia Pacific
Full members

Adani Mining Pty Ltd
AGL Loy Yang Pty Ltd
Anglo American
AngloGold Ashanti
Arafura Resources Limited
Areva Resources Australia Pty Ltd
Astron Limited
Australian Zircon NL
BHP Billiton Limited
Caledon Coal Pty Ltd
 Cameco Australia Ltd
Castlemaine Goldfields Limited
Cauldron Energy Limited
Centennial Coal Company Ltd
Dart Mining NL
Deep Yellow Ltd
Downer EDI Mining Pty Ltd
Emmerson Resources Ltd
Energy Australia
Energy Metals Limited
Energy Resources of Australia Ltd
GBM Resources Limited
GDF SUEZ Australian Energy Hazelwood
Glencore
Heathgate Resources Pty Limited
HNC (Australia) Exploration and Mining Pty Ltd
Idemitsu Australia Resources Pty Ltd
Ignite Energy Resources Pty Limited
Iluka Resources Limited
Jellinbah Group Pty Ltd
Mandalay Resources
Manhattan Corporation Limited
Mantle Mining Corporation Limited
Mecrus Resources
Minemakers Limited
MMG Limited
New Hope Corporation Ltd
Newcrest Mining Limited
Newmont Australia Limited
Northgate Australian Ventures Pty Ltd
Orion Gold NL
Oz Minerals Limited
Paladin Energy Limited
Peabody Energy Australia Pty Ltd
Providence Gold & Minerals Pty Ltd
Reedy Lagoon Corporation Ltd
Rio Tinto Services Limited
Rum Jungle Resources Limited
Rusca Bros Mining Pty Ltd
St Barbara Limited
Tellus Holdings Ltd
The Bloomfield Group
Thiess Contractors Pty Limited
TNG Limited
Toro Energy Limited
Unity Mining Limited
Uranium Equities Ltd
Victorian Iron Pty Ltd
Vimy Resources Limited
Vista Gold Australia Pty Ltd
Wesfarmers Resources Ltd
Whitehaven Coal Limited
Associate members

Allens
AMC Consultants Pty Ltd
ANSTO Minerals
APA Group
Apache Corporation
Ashurst
Australian Cultural Heritage Management Pty Ltd
Ausurv Pty Ltd
Bechtel Australia Pty Ltd
BIS Industries Limited
BP Australia Pty Ltd
Chamber of Minerals & Energy of WA
Charles Darwin University
Complete Tenement Management Pty Ltd
Corestaff NT Pty Ltd
CSIRO
Dyno Nobel Asia Pacific Limited
ECOZ Environmental Services
EY Global Services Limited
Genesee and Wyoming Australia Pty Ltd
GHD Pty Ltd
Herbert Smith Freehills

Hitachi Construction Machinery Aust
KPMG
Michels Warren Munday
Minter Ellison Lawyers
Mitsubishi Development Pty Ltd
Northern Project Contracting
NSW Minerals Council
Orica Australia Pty Limited
PanAust Limited
Partners in Performance International P/L
Power and Water Corporation
PricewaterhouseCoopers
Queensland Resources Council
RFC Ambrian Limited
South Australian Chamber of Mines and Energy
Sparke Helmore Lawyers
Tasmanian Minerals Council
UME Australia Pty Ltd
University of Western Australia
URS Australia Pty Limited
WesTrac Pty Ltd
# Health, Safety, Environment and Community Policy

**Occupational Health and Safety Standing Committee**  
(Full Members only)  
Chair: **Terry Burgess**  
Former Managing Director and Chief Executive Officer, OZ Minerals Limited  
Provides leadership and strategies in support of the industry’s goal of achieving an Australian minerals industry free of fatalities, injuries and diseases.

**Sustainable Development Standing Committee**  
(Full Members only)  
Chair: **Graham Ehm**  
Executive Vice President of Australasia, AngloGold Ashanti Australia Ltd, Member of MCA Board of Directors  
Provides leadership and strategic advice on the development and implementation of policies and practices to maximise the social, environmental and financial dividends of mineral resource development.

**Indigenous Relations Working Group**  
Chair: **Ken Ramsey**  
Manager ESR Operations, Newmont Asia Pacific  
Develops and implements policies and strategies relating to the effective operation of the native title system and cultural heritage and the sharing of leading practice in contributing to the development of mutually beneficial relationships with Indigenous communities and organisations.

**Land Management and Approvals Working Group**  
Chair: **TBC**  
Principal Adviser – Land Use Stewardship, Rio Tinto Limited  
Develops public policy related to multiple and sequential land use in order to maximise industry and community benefits from effective land management.

**Cyanide Management Working Group**  
Chair: **(Rotating)**  
Addresses issues associated with the manufacture, transport and use of cyanide and the national application of the International Cyanide Management Code.

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## Economics Policy

**Taxation Standing Committee**  
(Full Members only)  
Chair: **Brett Mawby**  
Vice President – Taxation Peabody Energy  
Develops and advocates reforms to taxation policy and administration that directly and indirectly impact the minerals industry.

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## Corporate Affairs

**Corporate Affairs Group**  
(Full Members only)  
Chair: **Dr John Kunkel**  
Deputy Chief Executive MCA  
Shares strategic and tactical insights on policy developments and provides ‘cross portfolio’ input into MCA advocacy work.
### Workforce Policy

**Workforce Committee**  
(Full Members only)  
Chair: **David Overall**  
Chief Executive Officer  
Downer EDI Mining Pty Ltd  
Member of MCA Board of Directors  
Develops policies and strategies to address professional and trade skills human resource capacity constraints, advocating reforms in education and training and skilled migration with focus on capacity building in vocational education and training, higher education and careers promotion.

**Gender Diversity Reference Group**  
(Sub-committee)  
Chair: **Laura Tyler**  
Asset President Cannington  
BHP Billiton  
Implements the recommendations of the MCA Workforce Gender Diversity White Paper.

### Climate Change Policy

**Energy and Climate Change Standing Committee**  
(Full Members only)  
Chair: **Peter Freyberg**  
Head of Coal Assets, Glencore  
Member of MCA Board of Directors  
Develops policies and strategies for a global framework for emissions reductions, the development and deployment of low emissions technologies and the introduction of efficient and environmentally effective mechanisms for managing national emissions.

### Commodity Forums

**MCA Coal Forum**  
Chair: **Stewart Butel**  
Managing Director  
Wesfarmers Resources  
Leads the development and implementation of a national strategy to promote the role of coal and advance public policy to support the international competitiveness of Australia’s coal production, contractor and exploration sectors, and the development and deployment of low emissions coal technologies.

**TML for Coal Taskforce**  
(Sub-committee)  
Chair: **Greg Evans**  
Executive Director, Coal  
Minerals Council of Australia  
Assist the Australian Government in its presentation of the modified Proctor/Fagerberg Method for Coal to the International Maritime Organization.

**MCA Uranium Forum**  
Chair: **Dr Vanessa Guthrie**  
Managing Director  
Toro Energy Limited  
Represents the uranium industry by articulating the national and global benefit of Australian uranium exploration, mining and export, as well as by advocating the industry’s views to government and the community.

**MCA Gold Forum**  
Chair: **Graham Ehm**  
Executive Vice President of Australasia, AngloGold Ashanti Australia Ltd, Member of MCA Board of Directors  
Promotes the national contribution of Australia’s gold sector and advances public policy to support its international competitiveness.
### Victorian Division

<table>
<thead>
<tr>
<th>Committee</th>
<th>Chair</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victorian State Council (By invitation of State Council)</td>
<td>Andre Booyzen</td>
<td>General Manager Mandalay Resources Ltd; Develops policy and advocates strategy for the industry in Victoria and input into national programs.</td>
</tr>
<tr>
<td>Safety and Health Working Group</td>
<td>Bernie Hyde</td>
<td>Mine Manager RTL Yallourn Mine; Advocates for OHS policies and regulations that promote best practice.</td>
</tr>
<tr>
<td>Exploration Working Group</td>
<td>Neil Norris</td>
<td>Exploration Manager GBM Resources Ltd; Develops policies and strategies to encourage exploration, reform regulations and land access issues, and provide capacity building opportunities.</td>
</tr>
<tr>
<td>Environment &amp; Communities Working Group</td>
<td>Andrew Mattiske</td>
<td>Environment &amp; Community Manager Mandalay Resources; Promotes best practice environment and community engagement practices, regulations and capacity building opportunities.</td>
</tr>
</tbody>
</table>

### Northern Territory Division

<table>
<thead>
<tr>
<th>Committee</th>
<th>Chair</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Territory Management Committee</td>
<td>Andrea Sutton</td>
<td>Chief Executive Energy Resources of Australia Ltd; Develops policy and advocates strategy for the industry in the Northern Territory, and provides input into national programs.</td>
</tr>
<tr>
<td>Darwin Mining Club Committee</td>
<td>Phillip Hollway</td>
<td>Contracts and Supply Superintendent Glencore / McArthur River Mining; Provides industry stakeholders with a forum for information exchange, networking and learning opportunities and promotes the mining industry as a career of choice.</td>
</tr>
<tr>
<td>Economic Development Committee</td>
<td>Chris Tziolis</td>
<td>Managing Director Rum Jungle Resources Limited; Promotes business and economic development, and development of effective infrastructure, in support of the NT minerals industry. Also promotes best practise in relationships with traditional owners and land holders and the development of a work-ready and skilled population, as well as advice on legislative and regulatory matters.</td>
</tr>
<tr>
<td>Resources Management Committee</td>
<td>Alan Tietzel</td>
<td>Chief Adviser – Agreements Energy Resources of Australia; Promotes best practise and sustainable practise environmental management and the development of land access provisions that create mutual advantage for all stakeholders. Also provides advice on legislative and regulatory matters.</td>
</tr>
</tbody>
</table>
**Financial Statements**

For the Year Ended 31 December 2014

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<th>Page</th>
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</tbody>
</table>

This financial report covers the financial statements of Minerals Council of Australia as an individual entity, and is presented in Australian currency.

The financial report was authorised for issue by the directors on 13 April 2015. The directors have the power to amend and reissue the financial report.

Minerals Council of Australia
Level 3, 44 Sydney Avenue
Forrest ACT 2603

ACN 008 455 141 | ABN 21 191 309 229
Your directors present their report on the financial statements of the Minerals Council of Australia (the Council) for the year ended 31 December 2014.

The Council resolved at its Annual General Meeting on 28 May 2014 to expand the minimum number of Board members from 12 to 14.

The following persons were directors of the Minerals Council of Australia during the whole of the financial year and up to the date of this report:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Company/Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr J Borshoff</td>
<td>Director since 12 March 2009</td>
<td>Managing Director &amp; Chief Executive Officer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Paladin Energy Limited</td>
</tr>
<tr>
<td>Mr D Diamond</td>
<td>Director since 19 December 2013</td>
<td>Global Head of HR &amp; Country Head Australia</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Anglo Coal Australia Pty Ltd</td>
</tr>
<tr>
<td>Mr G Ehm</td>
<td>Director since 23 April 2013</td>
<td>Executive Vice President of Australasia</td>
</tr>
<tr>
<td></td>
<td></td>
<td>AngloGold Ashanti Australia Limited</td>
</tr>
<tr>
<td>Mr P C Freyberg</td>
<td>Director since 14 October 2008</td>
<td>Head of Coal Assets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Glencore</td>
</tr>
<tr>
<td>Mr A Michelmore</td>
<td>Chairman</td>
<td>Director since 6 March 2008</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minerals &amp; Metals Group</td>
</tr>
<tr>
<td>Mr D J Overall</td>
<td>Director since 5 October 2010</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Downer EDI Mining Pty Ltd</td>
</tr>
</tbody>
</table>
The following persons were appointed as directors on the dates specified and continue in office at the date of this report:

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
<th>Company/Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr S Biswas</td>
<td>Director since 28 May 2014</td>
<td>Managing Director &amp; Chief Executive Officer</td>
</tr>
<tr>
<td>Mr S Butel</td>
<td>Director since 28 May 2014</td>
<td>Managing Director</td>
</tr>
<tr>
<td>Mr P G Edmands</td>
<td>Director since 4 March 2014</td>
<td>Managing Director – Australia</td>
</tr>
<tr>
<td>Dr V Guthrie</td>
<td>Director since 28 May 2014</td>
<td>Managing Director/Chief Executive Officer</td>
</tr>
<tr>
<td>Mr M Henry</td>
<td>Director since 13 February 2015</td>
<td>President – Coal</td>
</tr>
<tr>
<td>Mr C F Meintjes</td>
<td>Director since 4 March 2014</td>
<td>President – Australia</td>
</tr>
<tr>
<td>Mr T Palmer</td>
<td>Director since 13 February 2015</td>
<td>Regional Senior Vice President</td>
</tr>
</tbody>
</table>

The following person was appointed as a director on the date specified and continued until his resignation on the date specified:

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
<th>Company/Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr C E Santa Cruz Bendezu</td>
<td>Director since 28 May 2014</td>
<td>Senior Vice President</td>
</tr>
<tr>
<td></td>
<td>Resigned 1 February 2015</td>
<td></td>
</tr>
</tbody>
</table>
The following persons held office as directors from the beginning of the financial year until their resignation on the date specified:

<table>
<thead>
<tr>
<th>Director</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr T B Burgess</td>
<td>8 October 2014</td>
</tr>
<tr>
<td>Mr D Dalla Valle</td>
<td>21 January 2015</td>
</tr>
<tr>
<td>Mr T Lehany</td>
<td>30 June 2014</td>
</tr>
<tr>
<td>Mr D Peever</td>
<td>4 March 2014</td>
</tr>
<tr>
<td>Mr G Robinson</td>
<td>16 May 2014</td>
</tr>
</tbody>
</table>

Meetings of Directors

There were 7 meetings of the Council’s directors held during the year ended 31 December 2014. The following table sets out the number of meetings each director was eligible to attend and the number of meetings attended. The table includes those directors who retired or resigned during the financial year.

<table>
<thead>
<tr>
<th>Director</th>
<th>Meetings eligible to attend</th>
<th>Meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>S Biswas</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>J Borshoff</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>T Burgess</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>S Butel</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>D Dalla Valle</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>D Diamond</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>P Edmans</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>G Ehm</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>P Freyberg</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>V Guthrie</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>T Lehany</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>C Meintjes</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>A Michelmore</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>D Overall</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>D Peever</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>G Robinson</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>C Santa Cruz Bendezu</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>
Objectives, strategy and activities
The Council is incorporated under the Corporations Act 2001 as a company limited by guarantee.

The Council’s objectives are assisting the further development of the mining and metallurgical industries in all their branches within the Commonwealth of Australia and its territories.

The Council’s strategy for achieving those objectives is to engage with the various stakeholders in the mining and metallurgical industries.

During the year the continuing principal activities of the Council were making submissions and representations to those stakeholders on various issues affecting the industries as they arose, and representing the Council members’ interests generally. These activities assisted the Council in achieving its objectives by creating an awareness of the industry’s issues. The Council measures its performance by member feedback, legislative outcomes and stakeholder satisfaction.

Results
The Council derives its income primarily through members’ subscriptions which, over time, approximate expenditure of the Council. The net result for the year was a deficit of $1,925,869 (2013: surplus $821,085). This is in line with budgeted expectations following a Board decision to reduce Accumulated Funds by $2,000,000 through reduced membership subscription rates.

Dividends
The Council is not permitted to pay dividends, by its Memorandum of Association.

Significant changes
The Council determined to apply $2,000,000 of Reserves held as at 31 December 2013 towards a reduction in subscriptions for 2014.

No other significant changes in the state of affairs of the Council occurred during the financial year.

Events since the end of the financial year
The Council has been informed that sale of the building at 44 Sydney Avenue, Forrest, was completed on 4 March 2015. The Council owns units in the 360 Capital Canberra Trust, the building’s vendor. The Trust has forecast an approximate return to unitholders of $0.44 cents per unit. An impairment loss to that value from the 2013 value of $0.7233 cents per unit has been recorded as at 31 December 2014, in accordance with AASB 110 Events after the Reporting Period.

Likely developments
The Council determined in December 2014 to gradually reduce Accumulated Funds by lowering annual subscriptions, with the financial situation to be monitored and subscription levels be evaluated each year.

No other major change to the ongoing program is contemplated.
Matters subsequent to the end of the financial year
No matter or circumstance which has arisen since 31 December 2014 has significantly affected or may significantly affect:
(a) the operations, in financial years subsequent to 31 December 2014, of the Council;
(b) the results of those operations; or
(c) the state of affairs, in financial years subsequent to 31 December 2014, of the Council.

Insurance of Officers
During the financial year, the Council paid a premium of $2,465 (2013: $2,643) to insure certain officers of the Council. The officers of the Council covered by the insurance policy include all of the directors and the Chief Executive and all executive members of staff. The liabilities insured include costs and expenses that may be incurred in defending any claim that may be brought against the officers for actual or alleged breach of professional duty in carrying out their duties for the Council.

Environmental regulation
The Council has assessed whether there are any particular or significant environmental regulations which apply. It has been determined that the risk of non-compliance is low and the Council has not identified any compliance breaches during the year.

Members’ liability
The liability of members is limited to no more than $10.

Auditor’s Independence Declaration
A copy of the auditor’s independence declaration as required under Section 307C of the Corporations Act is set out on page 71.

Signed in accordance with a resolution of directors determined on 13 April 2015.

A Michelmore
Chairman | Melbourne VIC

P Freyberg
Vice Chairman | Sydney NSW
Auditor’s Independence Declaration

As lead auditor for the audit of the Minerals Council of Australia for the year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

David Murphy  
Partner  
PricewaterhouseCoopers  

Canberra  13 April 2015
Independent auditor’s report to the members of the Minerals Council of Australia

Report on the financial report
We have audited the accompanying financial report of the Minerals Council of Australia (the Council), which comprises the balance sheet as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors’ declaration.

Directors’ responsibility for the financial report
The directors of the Council are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility
Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

---

PricewaterhouseCoopers, ABN 32 780 433 757
28 Sydney Avenue, FORREST ACT 2605, GPO Box 447, CANBERRA CITY ACT 2601

Liability limited by a scheme approved under Professional Standards Legislation.
Auditor's opinion

In our opinion, the financial report of the Minerals Council of Australia is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the Council's financial position as at 31 December 2014 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

PricewaterhouseCoopers

David Murphy
Partner

Canberra 13 April 2015
Directors’ Declaration
Minerals Council of Australia

The directors declare that, in their opinion:

(a) the financial statements and notes set out on pages 75 to 89 are in accordance with the Corporations Act 2001, including:

(i) complying with the Accounting Standards – Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Council’s financial position as at 31 December 2014 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

(b) there are reasonable grounds to believe that the Council will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors determined on 13 April 2015.

A Michelmore  
Chairman | Melbourne VIC

P Freyberg  
Vice Chairman | Sydney NSW
### Statement of Comprehensive Income

For the Year Ended 31 December 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from continuing operations</td>
<td>2</td>
<td>14,641,523</td>
</tr>
<tr>
<td>Other income</td>
<td>3</td>
<td>341,768</td>
</tr>
</tbody>
</table>

#### Expenses

- Employee benefits expense
- Project contributions
- Depreciation
- Impairment of available-for-sale asset
- Consultants costs
- Travel and accommodation
- Office rent
- Functions, entertainment and promotions
- Meeting and venue hire costs
- Conference and resources production costs
- Recruitment
- Communications
- Internet and website costs
- Sponsorships
- Printing and stationery
- Memberships and subscriptions
- Insurances
- Advertising
- Computer rental, support and repairs
- Conferences, seminars and training
- Repairs and maintenance
- Equipment rental costs
- Net loss on disposal of assets
- Sundry administrative expenses

<table>
<thead>
<tr>
<th></th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Deficit) / Surplus for the year

(1,925,869) 821,085

Total comprehensive income for the year

(1,925,869) 821,085

The above statement of comprehensive income should be read in conjunction with the accompanying notes.
## Balance Sheet
As at 31 December 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

### ASSETS

**Current assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>Note</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>4</td>
<td>4,343,019</td>
<td>6,026,073</td>
</tr>
<tr>
<td>Receivables</td>
<td>5</td>
<td>7,318,640</td>
<td>7,042,334</td>
</tr>
<tr>
<td>Available-for-sale financial assets</td>
<td>6</td>
<td>660,000</td>
<td>1,084,500</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>12,321,659</td>
<td>14,152,907</td>
</tr>
</tbody>
</table>

**Non-current assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>Note</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant and equipment</td>
<td>7</td>
<td>677,707</td>
<td>898,476</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td>677,707</td>
<td>898,476</td>
</tr>
</tbody>
</table>

**TOTAL ASSETS**

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>12,999,366</td>
<td>15,051,383</td>
</tr>
</tbody>
</table>

### LIABILITIES

**Current Liabilities**

<table>
<thead>
<tr>
<th>Description</th>
<th>Note</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables</td>
<td>8</td>
<td>1,341,076</td>
<td>1,540,408</td>
</tr>
<tr>
<td>Program surpluses carried forward</td>
<td>9</td>
<td>21,523</td>
<td>27,777</td>
</tr>
<tr>
<td>Memberships and contributions in advance</td>
<td>10</td>
<td>79,819</td>
<td>71,837</td>
</tr>
<tr>
<td>Provisions – employee entitlements</td>
<td></td>
<td>573,550</td>
<td>474,228</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td></td>
<td>2,015,968</td>
<td>2,114,250</td>
</tr>
</tbody>
</table>

**Non-current liabilities**

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provisions – employee entitlements</td>
<td></td>
<td>131,096</td>
<td>158,963</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td></td>
<td>131,096</td>
<td>158,963</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES**

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2,147,064</td>
<td>2,273,213</td>
</tr>
</tbody>
</table>

### NET ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>10,852,302</td>
<td>12,778,170</td>
</tr>
</tbody>
</table>

### MEMBERS’ EQUITY

<table>
<thead>
<tr>
<th>Description</th>
<th>Note</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated funds</td>
<td>11</td>
<td>8,942,621</td>
<td>9,388,670</td>
</tr>
<tr>
<td>Reserves</td>
<td>11</td>
<td>1,909,681</td>
<td>3,389,500</td>
</tr>
<tr>
<td><strong>TOTAL MEMBERS’ EQUITY</strong></td>
<td></td>
<td>10,852,302</td>
<td>12,778,170</td>
</tr>
</tbody>
</table>

The above balance sheet should be read in conjunction with the accompanying notes.
# Statement of Changes in Equity

For the Year Ended 31 December 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>Accumulated Funds $</th>
<th>Reserves $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9,752,586</td>
<td>2,204,500</td>
<td>11,957,086</td>
</tr>
<tr>
<td>Balance at 1 January 2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income for the year as reported in the 2013 financial statements</td>
<td>821,085</td>
<td>-</td>
<td>821,085</td>
</tr>
<tr>
<td>Transactions with members in their capacity as members:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to reserves</td>
<td>(1,185,000)</td>
<td></td>
<td>(1,185,000)</td>
</tr>
<tr>
<td>Transfer from accumulated funds</td>
<td></td>
<td>1,185,000</td>
<td>1,185,000</td>
</tr>
<tr>
<td>Balance at 31 December 2013</td>
<td>9,388,671</td>
<td>3,389,500</td>
<td>12,778,171</td>
</tr>
</tbody>
</table>

| Balance at 1 January 2014 | 9,388,671 | 3,389,500 | 12,778,171 |
|-------------------------------------------------|---------------------------------|
| Total comprehensive income for the year as reported in the 2014 financial statements | (1,925,869) | - | (1,925,869) |
| Transactions with members in their capacity as members: | | | |
| Transfer from reserves | 1,479,819 | - | 1,479,819 |
| Transfer to accumulated funds | - | (1,479,819) | (1,479,819) |
| Balance at 31 December 2014 | 11 | 8,942,621 | 1,909,681 | 10,852,302 |

The above statement of changes in equity should be read in conjunction with the accompanying notes.
### Statement of Cash Flows
For the year ended 31 December 2014

<table>
<thead>
<tr>
<th>Note</th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from members and customers, inclusive of GST</td>
<td>15,636,059</td>
<td>22,755,689</td>
</tr>
<tr>
<td>Payments to suppliers and employees, inclusive of GST</td>
<td>(18,002,672)</td>
<td>(22,619,321)</td>
</tr>
<tr>
<td>Interest received</td>
<td>463,588</td>
<td>621,922</td>
</tr>
<tr>
<td>Net cash flow from operating activities</td>
<td>(1,903,025)</td>
<td>758,290</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net decrease / (increase) in term deposits</td>
<td>261,339</td>
<td>(2,198,242)</td>
</tr>
<tr>
<td>Payments for plant and equipment</td>
<td>(41,368)</td>
<td>(102,240)</td>
</tr>
<tr>
<td>Net cash flow from investing activities</td>
<td>219,971</td>
<td>(2,300,482)</td>
</tr>
<tr>
<td>Net decrease in cash held</td>
<td>(1,683,054)</td>
<td>(1,542,192)</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>6,026,073</td>
<td>7,568,265</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year</strong></td>
<td>4</td>
<td>4,343,019</td>
</tr>
</tbody>
</table>
Note 1: Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise. The financial statements are for the entity consisting of Minerals Council of Australia.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Minerals Council of Australia is a not-for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with Australian Accounting Standards – Reduced Disclosure Requirements

The financial statements of Minerals Council of Australia comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit and loss, certain classes or property, plant and equipment and investment property.

(b) Depreciation

Depreciation is calculated on a straight line basis so as to write off the net cost of each non-current asset during its expected useful life. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

The following rates of depreciation have been employed:

- Computer software: 40% – 50%
- Leasehold improvement: 7.5%
- Office furniture: 7.5% – 10%
- Office equipment: 5% – 33.3%

(c) Employee entitlements

(i) Wages and Salaries and Annual Leave

Liabilities for wages and salaries and annual leave, expected to be settled within twelve months of the balance date, are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees’ services up to that date.

(ii) Long Service Leave

Liabilities for long service leave are recognised, and are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employees departures and periods of service. Expected future payments are discounted using interest rates on national government bonds with terms that match as closely as possible, the estimated future cash outflows.

(iii) Number of Employees

At balance date the Council employed 30 full time equivalent employees (2013: 32)
(d) Leased non-current assets
A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased property and operating leases under which the lessor effectively retains all such risks and benefits.

Where non-current assets are acquired by means of finance leases, the present value of minimum lease payments is established as a non-current asset at the beginning of the lease term and amortised on a straight line basis over its expected economic life. A corresponding liability is also established and each lease payment is allocated between such liability and interest expense. Operating lease payments are charged to profit or loss in the period in which they are incurred. Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

(e) Income tax
The Council is exempt from income tax under Section 50-40 of the Income Tax Assessment Act.

(f) Cash and cash equivalents
For purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change of value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(g) Impairment of assets
Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use.

(h) Investments and other financial assets
Classification
The Council classifies its investments in the following categories: loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at the end of each reporting period.

(i) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet (notes 5).

(ii) Available-for-sale financial assets
Available-for-sale financial assets, comprising property trust units, are non-derivatives that are either classified in this category or not classified in any other category. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of reporting period (note 6). Investments are designated as available-for-sale if they do not have fixed term maturities and fixed or determinable payments and management intends to hold them for the medium to long term.
(h) Investments and other financial assets (continued)

Recognition and derecognition
Regular purchases and sales of financial assets are recognised on trade date – the date on which the Council commits
to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial
assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive
cash flows from them have expired or have been transferred and the Council has substantially transferred all of the
risks and rewards of ownership.
When securities classified as available-for-sale are sold, the accumulated fair value and adjustments recognised in
other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

Subsequent measurement
Loans and receivables are carried at amortised cost using the effective interest method. Available-for-sale financial
assets are subsequently carried at fair value.

Impairment
The Council assesses at the end of each reporting period whether there is objective evidence that a financial asset or
group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative
loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on
that financial asset previously recognised in profit and loss – is reclassified from equity and recognised in profit or loss
as a reclassification adjustment. If any such evidence exists for loans and receivables, the cumulative loss – measured
as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial
asset previously recognised in profit and loss – is recognised in profit and loss as a reclassification adjustment.

(i) Plant and equipment
Plant and equipment are measured on the cost basis less depreciation and impairment losses. The cost method of
accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up at the date of
acquisition, plus costs incidental to the acquisition. Where assets are acquired through a non-reciprocal transfer the
balance is recognised as revenue in profit and loss.

(j) Receivables
All debtors are recognised at the amounts receivable on settlement. Trade receivables are due for settlement no more
than 30 days from the date of recognition. Collectability of trade debtors is reviewed on an ongoing basis. Debts
which are known to be uncollectible are written off.

(k) Trade and other creditors
These amounts represent liabilities for goods and services received prior to the end of the financial year and which are
unpaid. The amounts are unsecured and are paid in accordance with specified terms.

(l) Program surpluses carried forward
The Council receives funding for the Minerals Tertiary Education Council (MTEC). MTEC is aimed at raising the
standard, industry relevance and student appeal of minerals education to a new level. As funds received for these
programs are refundable if not expended on the programs, revenue will be matched against the relevant expenditure.
Funds received during the year but not expended are transferred to Reserves for use in subsequent years (note 11).
(m) Jointly controlled operation
The proportionate interest in the assets, liabilities, income and expenses of a jointly controlled operation have been incorporated in the financial statements under the appropriate headings. The Council is party to a jointly controlled operation called Melbourne Mining Club. The Council has a 50% participating interest in this venture, and is entitled to 50% of its output. Council’s interests in the assets employed in the jointly controlled operation are included in the balance sheet.

(n) Goods & Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(o) Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed are net of returns and amounts collected on behalf of third parties.

The Council recognises revenue when the amount can be reliably measured and it is probable that future economic benefits will flow to the Council. Revenue is recognised for the major business activities as follows:

(i) Subscriptions and grants
Revenue from members’ annual subscriptions is recognised in the accounting period in which the subscription is receivable. Government Grants are recognised at their fair value in the accounting period in which they are received.

(ii) Conferences and workshops
The Council holds a number of conferences, seminars and workshops during the year. Revenue from this source is recognised in the accounting period in which the conference is held.

(iii) Interest income
Interest income from cash and cash equivalents and other investments is recognised using the effective interest method.

(p) Segment reporting
The Council operates in one industry, assisting the further development of the mining and metallurgical sectors, and in one geographical segment being Australia.

(q) Key estimates and judgements
The management evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Council.

Long service leave provision
The liability for long service leave is recognised and measured at the present value of estimated future cash flows to be made at the reporting date. In determining the present value of the liability, estimates of employee attrition rates, and pay increases through inflation, have been taken into account.
Notes to the Financial Statements // continued

Note 2: Revenue

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>From continuing operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscriptions and contributions</td>
<td>13,175,550</td>
<td>18,906,679</td>
</tr>
<tr>
<td>Conferences and competitions</td>
<td>963,727</td>
<td>992,445</td>
</tr>
<tr>
<td>Sales of publications and education resources and services</td>
<td>16,880</td>
<td>27,862</td>
</tr>
<tr>
<td>Copyrights and royalties</td>
<td>4,758</td>
<td>2,531</td>
</tr>
<tr>
<td></td>
<td>14,160,915</td>
<td>19,929,517</td>
</tr>
<tr>
<td>Other revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>450,231</td>
<td>600,144</td>
</tr>
<tr>
<td>Sundry income</td>
<td>30,377</td>
<td>32,063</td>
</tr>
<tr>
<td>Settlement of investment</td>
<td>–</td>
<td>650,000</td>
</tr>
<tr>
<td>Rents received</td>
<td>–</td>
<td>23,899</td>
</tr>
<tr>
<td></td>
<td>480,608</td>
<td>1,306,106</td>
</tr>
<tr>
<td>Total revenue</td>
<td>14,641,523</td>
<td>21,235,623</td>
</tr>
</tbody>
</table>

Note 3: Other income

|                                | 2014    | 2013    |
|                                |         |         |
| Net assets acquired through non-reciprocal transfer from Australian Uranium Association | 341,768 | –        |
|                                | 341,768 | –        |

The Council entered into a Deed of Transfer agreement with the Australian Uranium Association (AUA) in 2013, following its determination to wind up and transfer its assets to a like body. Net assets of AUA were transferred to the Council in 2014. No further assets are expected to be received, nor are there any current or future liabilities to be met.
Notes to the Financial Statements // continued

Note 4: Current assets – Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>1,839,236</td>
<td>3,043,600</td>
</tr>
<tr>
<td>Short term deposits</td>
<td>2,503,783</td>
<td>2,982,473</td>
</tr>
</tbody>
</table>

Cash and cash equivalents bear floating interest rates.
The weighted average interest rate at 31 December 2014 was 2.73% (2013: 2.93%).

Note 5: Current assets – Receivables

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term deposits</td>
<td>6,123,766</td>
<td>6,385,105</td>
</tr>
<tr>
<td>Receivables</td>
<td>908,948</td>
<td>585,771</td>
</tr>
<tr>
<td>Prepayments</td>
<td>285,926</td>
<td>71,458</td>
</tr>
</tbody>
</table>

Term deposits bear fixed interest rates.
The weighted average interest rate at 31 December 2014 was 3.43% (2013: 3.64%).

Note 6: Current assets – Available-for sale financial assets

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units in 360 Capital Canberra Trust</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value at 1 January</td>
<td>1,084,500</td>
<td>1,335,000</td>
</tr>
<tr>
<td>Provision for impairment of available-for-sale asset</td>
<td>(424,500)</td>
<td>(250,500)</td>
</tr>
<tr>
<td>Value at 31 December</td>
<td>660,000</td>
<td>1,084,500</td>
</tr>
</tbody>
</table>

1,500,000 units @ $1.00 each in 360 Capital Canberra Trust were acquired on 2 September 2003. The distribution rate at 31 December 2014 was Nil% (2013: Nil%). The Trust owns the building at 44 Sydney Avenue in Canberra, in which the Council leases its secretariat offices.
The revaluation at 31 December 14 is based on the forecast return to unitholders following sale of the building owned by the Trust subsequent to year end.
Note 7: Non-current assets – Plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>Leasehold improvement $</th>
<th>Office furniture equipment and software $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 December 2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>1,600,409</td>
<td>1,070,482</td>
<td>2,670,891</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(996,129)</td>
<td>(776,286)</td>
<td>(1,772,415)</td>
</tr>
<tr>
<td>Net book amount</td>
<td>604,280</td>
<td>294,196</td>
<td>898,476</td>
</tr>
<tr>
<td>Year ended 31 December 2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening net book amount</td>
<td>604,280</td>
<td>294,196</td>
<td>898,476</td>
</tr>
<tr>
<td>Additions</td>
<td>9,145</td>
<td>30,178</td>
<td>39,323</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(133,201)</td>
<td>(126,891)</td>
<td>(260,092)</td>
</tr>
<tr>
<td>Closing net book amount</td>
<td>480,224</td>
<td>197,483</td>
<td>677,707</td>
</tr>
<tr>
<td>At 31 December 2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>1,609,554</td>
<td>986,712</td>
<td>2,596,266</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(1,129,330)</td>
<td>(789,229)</td>
<td>(1,918,559)</td>
</tr>
<tr>
<td>Net book amount</td>
<td>480,224</td>
<td>197,483</td>
<td>677,707</td>
</tr>
</tbody>
</table>

Note 8: Payables

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade creditors</td>
<td>433,441</td>
<td>544,184</td>
</tr>
<tr>
<td>Accruals</td>
<td>473,874</td>
<td>310,742</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>433,761</td>
<td>685,482</td>
</tr>
<tr>
<td></td>
<td>1,341,076</td>
<td>1,540,408</td>
</tr>
</tbody>
</table>

Note 9: Program surpluses carried forward

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minerals Council of Australia</td>
<td>21,523</td>
<td>27,777</td>
</tr>
</tbody>
</table>

|                      |              |              |
|                      | 21,523       | 27,777       |
### Notes to the Financial Statements // continued

**Note 10: Memberships and contributions in advance**

<table>
<thead>
<tr>
<th></th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minerals Council of Australia</td>
<td>36,217</td>
<td>71,837</td>
</tr>
<tr>
<td>Minerals Tertiary Education Council</td>
<td>43,602</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>79,819</strong></td>
<td><strong>71,837</strong></td>
</tr>
</tbody>
</table>

**Note 11: Reserves and accumulated funds**

<table>
<thead>
<tr>
<th></th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General reserve</strong></td>
<td>1,909,681</td>
<td>3,389,500</td>
</tr>
<tr>
<td><strong>Total reserves</strong></td>
<td><strong>1,909,681</strong></td>
<td><strong>3,389,500</strong></td>
</tr>
</tbody>
</table>

**Movements:**

- **Campaign reserve**
  - Balance at 1 January: 3,389,500
  - Transfer (to) / from accumulated funds: (2,000,000)
  - Balance at 31 December: 1,389,500

- **MTEC reserve**
  - Balance at 1 January: –
  - Transfer (to) / from accumulated funds: 520,181
  - Balance at 31 December: 520,181

**Accumulated funds:**

- Accumulated funds at the beginning of the financial year: 9,388,671
- Net operating (deficit) / surplus for the year: (1,925,869)
- Transfer from / (to) reserves: 1,479,819
- Accumulated funds at the end of the financial year: 8,942,621

**Nature and purpose of reserves:**

- **Campaign reserve**
  The excesses of funds contributed over costs incurred for the “This is Our Story” advertising campaign and Federal Government Tax advertising campaign have been set aside in the campaign reserve for use in future similar purpose advertising campaigns, or as the Directors may otherwise determine.

- **MTEC reserve**
  The excess of contributions contributed over costs incurred on Minerals Tertiary Education Council activities is set aside in the MTEC reserve for use in future years.
**Note 12: Director and executive disclosures**

**(a) Directors**

The following persons were directors during the financial year:

**(i) Chairman – non-executive**

Mr A Michelmore

**(ii) Non-executive directors**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr J Borshoff</td>
<td>Mr D Diamond</td>
</tr>
<tr>
<td>Mr T Burgess</td>
<td>Dr V Guthrie</td>
</tr>
<tr>
<td>Mr S Butel</td>
<td>Mr T Lehany</td>
</tr>
<tr>
<td>Mr D Dalla Valle</td>
<td>Mr C Meintjes</td>
</tr>
<tr>
<td>Mr D Overall</td>
<td>Mr G Robinson</td>
</tr>
<tr>
<td>Mr D Peever</td>
<td>Mr C Santa Cruz Bendezu</td>
</tr>
<tr>
<td>Mr J Borshoff</td>
<td>Mr D Diamond</td>
</tr>
<tr>
<td>Mr T Burgess</td>
<td>Mr P Edmands</td>
</tr>
<tr>
<td>Mr S Butel</td>
<td>Mr G Ehm</td>
</tr>
<tr>
<td>Mr D Dalla Valle</td>
<td>Mr P Freyberg</td>
</tr>
</tbody>
</table>

All of the above key management personnel, except those who commenced during 2014, were also specified key management personnel for the whole of the year ended 31 December 2013, except for Mr J Sorahan and Mr D Zavattiero who commenced on 25 March 2013 and 14 October 2013 respectively.

**(b) Key management personnel**

The following persons were the key management personnel with the greatest authority for the strategic direction and management of the Council during the financial year:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr B M Pearson</td>
<td>Chief Executive (from 20 January 2014)</td>
</tr>
<tr>
<td>Dr J H Kunkel</td>
<td>Deputy Chief Executive Officer</td>
</tr>
<tr>
<td>Ms B J Conroy</td>
<td>Director – Operations (from 11 August 2014)</td>
</tr>
<tr>
<td>Ms M J Davison</td>
<td>Executive Director – Victorian Division</td>
</tr>
<tr>
<td>Mr G J Evans</td>
<td>Executive Director – Coal (from 1 July 2014)</td>
</tr>
<tr>
<td>Dr G H Lind</td>
<td>Executive Director – Minerals Tertiary Education Council</td>
</tr>
<tr>
<td>Mr S J Marris</td>
<td>Director – Industry Policy</td>
</tr>
<tr>
<td>Mr B E Mitchell</td>
<td>Director – Corporate &amp; Government Relations (to 1 August 2014)</td>
</tr>
<tr>
<td>Mr J Sorahan</td>
<td>Director – Taxation</td>
</tr>
<tr>
<td>Ms M L Stutsel</td>
<td>Director – Health, Safety, Environment and Communities</td>
</tr>
<tr>
<td>Mr A J Wagner</td>
<td>Executive Director – Northern Territory Division</td>
</tr>
<tr>
<td>Mr D Zavattiero</td>
<td>Executive Director – Uranium</td>
</tr>
<tr>
<td>Mr I R Bowden</td>
<td>Chief Financial Officer</td>
</tr>
</tbody>
</table>

**(c) Remuneration of directors and key management personnel**

**(i) Principles used to determine the nature and amount of remuneration**

The objective of the Council’s key management personnel reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns reward with achievement of strategic objectives and the creation of value for members, and conforms with market best practice for delivery of reward. In consultation with external remuneration consultants, the Council has structured a remuneration framework that is market competitive and complementary to the reward strategy of the Council. The framework provides a mix of fixed and variable pay, and as personnel gain seniority within the Council, the balance of this mix shifts to a higher proportion of an “at risk” component.
Note 12 (continued)

(ii) Directors’ fees
The directors are not entitled to any remuneration and retirement benefits for their services.

(iii) Executive pay
The key management personnel pay and reward framework has three components:
- base pay and benefits
- short-term performance incentives
- other remuneration such as superannuation

(a) Base pay
Base pay is structured as a total employment cost package which may be delivered as a combination of cash and non-financial benefits at the personnel’s discretion. Key management personnel are offered a competitive base pay that comprises the fixed component of pay and rewards. External remuneration consultants provide analysis and advice to ensure that base pay is set to reflect the market for a comparable role. Base pay for key management personnel is reviewed annually to ensure that the pay is competitive with the market. Key management personnel pay is also reviewed on promotion. There are no guaranteed base pay increases included in any key management personnel’s contracts.

(b) Short-term performance incentives (STI)
Each key management personnel has a target STI opportunity depending on seniority and the accountabilities of the role. KPIs linked to short-term incentive plans are based on personal objectives and outcomes, and are generic across the team. The remuneration committee and the Chief Executive are responsible for assessing whether KPIs have been met, and determining the amount of STI payable to individual personnel. The STI target component amounts are reviewed annually.

(c) Retirement benefits
Accumulation benefits are provided to key management personnel by the various funds to which they belong.

(d) Details of remuneration
Details of the total remuneration paid to the listed senior key management personnel are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key management personnel compensation</td>
<td>3,471,054</td>
<td>4,729,329</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key management personnel compensation</td>
<td>3,471,054</td>
<td>4,729,329</td>
</tr>
</tbody>
</table>
Note 13: Commitments

(a) Operating lease commitments

Commitments in relation to operating leases for office rental and office equipment contracted for at balance date but not recognised as liabilities:

<table>
<thead>
<tr>
<th></th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due within 1 year</td>
<td>759,963</td>
<td>704,603</td>
</tr>
<tr>
<td>Due later than 1 year but not later than 5 years</td>
<td>1,486,799</td>
<td>2,077,119</td>
</tr>
<tr>
<td></td>
<td>2,246,762</td>
<td>2,781,722</td>
</tr>
</tbody>
</table>

The significant lease commitment is in relation to the Council’s lease of its principal office space at 44 Sydney Avenue, Forrest, ACT. The lease renewal commenced on 21 November 2010, for a period of seven (7) years, with an option for a further period of five (5) years. The lease provides for rental increases of 3.75% per annum on the anniversary date of commencement.

(b) Grant obligation commitments

Commitments in relation to contracted programs funded by Government grants received:

<table>
<thead>
<tr>
<th></th>
<th>2014 $</th>
<th>2013 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due within 1 year</td>
<td>454,593</td>
<td>925,905</td>
</tr>
<tr>
<td>Due later than 1 year but not later than 5 years</td>
<td>–</td>
<td>621,737</td>
</tr>
<tr>
<td></td>
<td>454,593</td>
<td>1,547,642</td>
</tr>
</tbody>
</table>

Grants received are recognised as revenue in the year of receipt. Unspent grant funds are held within the Council’s cash balances until required to meet the above commitments.
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(b) any inaccuracy in the information and data on which this publication is based or which is contained in this publication;

(c) any interpretations or opinions stated in, or which may be inferred from this publication.