

Minerals Council of Australia
Annual Report 2019



COVID-19 update

The MCA is committed to the health and safety of Australia's mining workforce and a strong and sustainable mining sector.

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Industry campaign

The MCA's 'There's more to Australian Mining' campaign turns the spotlight on gold's role in high tech health.

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Mining skills pilot

The MCA was appointed to establish the Mining Skills Organisation Pilot to reform vocational education and training.

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There's more to
**Australian
Mining**



New direction for MTEC

The Minerals Tertiary Education Council was recast after two decades with a focus on work-ready professionals for Australia's modern mining sector.



Minerals Council of Australia
Annual Report 2019

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There's more to
**Australian
Mining**

Mining sector stands ready to support national recovery

Australian mining is a responsible and responsive neighbour. We enrich the nation, strengthen local communities and care for our employees and their families.

In the past year, we've shown again and again that we stand with our neighbours, communities and the country.

As Australia faced incredible hardships and challenges, mining was there for the nation and our communities.

When the bushfires raged over summer, our members rallied to provide practical and financial support to firefighters and affected areas.

It was inspiring and a testament to the power of shared purpose.

That same spirit has been reinvigorated as we learn to live with COVID-19.

Our members have been responsible: taking action to protect vulnerable staff and communities through reducing travel and their workforces.

Importantly, we've seen how responsive the industry is in stepping up in times of need.

Members used their supply chains to support their communities, whether it was sourcing soap for a local school or personal protective equipment for local doctors and hospitals.

And as Australians needed work, Australian mining opened its doors and hired people so the industry could keep running and meeting growing demand for our world-class minerals.

Australia may have been built on the sheep's back, but mining is the nation's backbone.

Mining has always underpinned Australia's economic prosperity and stands ready to help meet our future challenges.

Company taxes and royalties paid by Australia's world-leading minerals sector increased by \$8 billion in 2018-19 to a record \$39.3 billion.

Over the past 14 years, the minerals industry has paid \$281 billion in royalties and company tax. That's enough to build 11,000 schools or 390 hospitals. These

high and consistent payments across the commodity cycle show that the minerals sector is a reliable and significant tax and royalty contributor.

And with pragmatic and considered policy reforms – including lower tax rates, faster project approvals, modern skills and flexible workplaces – the industry can do even more for the country.

It has been a privilege to join the MCA as Chair as the industry and country faced these momentous events.

The future is bright for Australia and mining.

Navigating COVID-19

As the COVID-19 crisis took hold, the MCA acted quickly to bring everyone – our members, the broader industry, state chambers and government – together so we could develop an approach to keep the industry going based on our number one value of health and safety.

It was essential that mining continued during COVID-19, as long as it was safe to do so. So many families, communities and small businesses across regional Australia and in our major cities depend on the industry.

Our quick work establishing national COVID-19 protocols and guidelines and advocating the industry's importance across all levels of government helped keep the industry operating even as state and territory borders closed across the country.

This responsive and responsible approach was recognised by our leaders, with Australian resources ministers acknowledging the importance of the protocols in ensuring the highest health and hygiene standards to protect local communities.

We devoted considerable attention to ensuring that the health needs of vulnerable people living in remote communities – in particular, Aboriginal and



Hon. Helen Coonan
Chair
Minerals Council of Australia

Torres Strait Islander peoples with whom the industry has a long, deep and positive relationship – were looked after.

To build support and reassure the community about the ongoing safety of operations, a national TV and digital campaign in collaboration with state chambers was developed to show how the industry is taking action to implement the sector's strict COVID-19 national protocols.

The MCA will continue to work hard with our members, government and the community to reinforce our responsible and responsive approach to the nation's challenges.

Post COVID-19

While there is still considerable uncertainty about what the world will look like as the threat of COVID-19 recedes, it is clear that world demand for metals and minerals will continue to grow in line with the expanding needs of highly populated nations, supporting higher demand for industrial metals such as steel, copper and aluminium.

Additionally, the shift to lower emissions will drive increased demand for new metals and rare earth elements used extensively in renewable energy sources and batteries.

The MCA is working to position the industry so it will keep growing after COVID-19 to create jobs, sustain regional communities and help the country's economic recovery. Strong business-led growth will lead to a stronger Australia.

The MCA has been advocating for sensible policy reform to help sustain a stronger minerals industry to support a more resilient economy when Australia emerges from the COVID-19 pandemic.

Mining can make an even larger contribution to the economy, regional communities and living standards if job-creating projects are approved faster and duplication between federal and state processes are reduced or eliminated.

The MCA is working to position the industry so it will keep growing after COVID-19 to create jobs, sustain regional communities and help the country's economic recovery.

When mining projects can take more than a decade to deliver, it is clear that better regulation will help business play its part in delivering Australia's economic recovery.

This year the MCA will continue to advocate for sensible policy reform to benefit all Australians and we will roll out a number of programs and policies across economic reform, education and training and climate change.

Focused on sustainability

Australian mining is responsive and responsible when it comes to Australia's future challenges, including leading a more sustainable minerals industry which is playing its part in reducing emissions and creating a better environment.

The MCA supports continued action on climate change, Australia's participation in the Paris Agreement and a transformation to a low emissions global economy.

This year the MCA will release a Climate Action Plan to complement the already strong efforts our members are taking.

Australian mining businesses are reducing emissions from minerals extraction and processing, investing in low emissions technologies, energy efficiency initiatives and increasing the use of renewable energy in operations.

The Climate Action Plan represents a long-term commitment by the MCA to help support members manage and reduce their emissions.

The global transition to low emissions technologies – including solar, wind, batteries, gas, advanced coal and nuclear energy – depends on the metals and raw materials provided by the minerals sector.

A thriving minerals sector focused on effective and pragmatic climate action is essential to mobilise the solutions required to address climate change.

The Climate Action Plan is part of the MCA's broader sustainability agenda that is also considering the Towards Sustainable Mining system (TSM). TSM would usher in a new level of accountability and regular reporting on safety, environmental and social performance.

The contribution of mining to Australia's economy, society and the environment is more important than ever.

And the opportunities for Australian mining to support a stronger Australia will continue to expand as the country recovers from COVID-19.

A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Hon. Helen Coonan
Chair
Minerals Council of Australia

MCA looks ahead with focus on jobs, safety and sustainability

In 2019, the MCA grew stronger and our members were more supportive than ever. We ended the year with eight new members, showing the recognition of collective and effective action for the minerals industry.

During the year the MCA improved the standing of our industry, participated vigorously and broadly in the national debate and increased our focus on engagement and sustainability.

Mining Skills Organisation Pilot

The MCA's leadership and research on the future minerals workforce – including the identification and mapping of new skills – was recognised in November 2019, when the Australian Government announced the Mining Skills Organisation Pilot as part of its \$585.3 million skills package.

Over the next two years, the MCA will lead Australian mining to trial new ways of working to strengthen Australia's Vocational Education and Training system so it's more responsive to the skills needed for mining. The goal of the pilot is to provide learners with the skills needed to succeed in modern mining and create a pipeline of workers needed to grow a strong economy.

Industry launches new campaign

A major highlight of 2019 was the launch of the new 'There's more to Australian mining' industry positioning campaign.

A range of creative executions on mine rehabilitation and water use were launched in February and shown nationally across various channels including digital, television, print, radio and out of home.

These executions have been viewed millions of times, increasing overall support for mining from 46 per cent in June 2018 to 55 per cent in late 2019 – an extraordinary result.

A number of new promotional materials were designed to complement this

campaign and creatively showcase the modern Australian minerals industry. This includes the highly popular *30 Things* guide, which shows everyday uses of minerals from mobile phones and laptops to space exploration and renewable energy. This guide is now being used as a teaching resource in schools throughout Australia and around the world.

A well informed national debate

The MCA has continued to build on our strong advocacy for investment, jobs and growth.

With a comprehensive agenda on economic reform, workforce and innovation, safety and sustainability and climate and energy, the MCA promoted a compelling narrative to boost competitiveness and increase prosperity for the minerals industry.

Maintaining Australia's comparative advantage in resources relies on the right mix of competitive tax and regulatory settings. The MCA will always make a difference in this area. We reinvigorated advocacy on the fuel tax credit scheme in an alliance with farmers, tourism and maritime sectors to secure confirmation from the Treasurer that the fuel tax credit was essential to remove tax on a vital business input.

The government also confirmed that mining jobs are important for regions by retaining remote area travel and accommodation for fringe benefits tax rules. We worked closely with the ATO to ensure that salary and wage costs of employees who work occasionally on mine infrastructure development projects continue to be deductible.

In 2018-19 the minerals industry paid \$39.3 billion in company tax and royalties,

There's more to Australian Mining



Tania Constable
Chief Executive Officer
Minerals Council of Australia

the largest single contribution by any industry across the economy.

To complement this contribution, the MCA engaged international tax experts professors Jack Mintz and Philip Bazel to undertake an analysis on the international competitiveness of Australia's company tax.

This work highlighted that while Australia is reasonably competitive, there is still more work to be done compared to some other mining jurisdictions such as Canada.

Opening new markets and opportunities is central to the industry's growth.

The MCA was successful in promoting the benefits of free trade, actively supporting the Peru-Australia FTA, the Indonesia-Australia CEPA and the Hong Kong-Australia FTA to the Parliament's Joint Standing Committee on Treaties and with government ministers and officials.

The MCA engaged with federal parliamentarians from government, opposition and the crossbench to enhance their knowledge and understanding of our great industry, which included a rich engagement program through the Coalition and Labor Caucus Friends of Mining and Resources groups.

We hosted a popular Queensland mine site tour for Labor MPs, senators and advisers to highlight zinc, copper, alumina, solar and coal operations. Similar tours in the Pilbara across minerals and metals will continue with federal politicians in the future.

Community action

The MCA embarked on a powerful sustainability agenda in recognition of the need to better reflect community's expectations on environmental, social and governance issues.

Over the next two years, the MCA will lead Australian mining to trial new ways of working to strengthen Australia's Vocational Education and Training system so it's more responsive to the skills needed for mining.

As an industry we stepped up our long-standing commitment to partner with our Indigenous neighbours to support social and cultural aspirations and economic independence.

The MCA also worked with the Mining Association of Canada to understand their Towards Sustainable Mining (TSM) system – a new level of accountability and regular reporting on safety, environmental and social performance.

On climate action, the MCA established an internal forum on climate-related financial disclosure and comprehensively engaged the industry to complete the industry's Climate Action Plan.

As 2019 ended, the MCA's members were magnificent in their response to Australia's bushfires.

The MCA highlighted the collective efforts of mining companies in regional communities to provide in-kind support and cash contributions to assist relief efforts, restore lives and care for wildlife.

Who knew at the end of December that Australian communities would be sorely tested by going straight from the bushfires into the COVID-19 pandemic?

I am proud of the way that industry responded to this difficult period.

Drawing on considerable expertise in health and safety, working in cooperation with governments, state associations and the Australian Petroleum Production & Exploration Association ensured that mining continued to operate.

Industry has achieved this by putting people first – the workforce, their families, communities and vulnerable Aboriginal and Torres Strait Islander communities.

Because of this huge collective effort, the industry is well-placed to support Australia and Australians during recovery from COVID-19 while growing even stronger, particularly in the Asian region.

A handwritten signature in black ink that reads "Tania Constable".

Tania Constable
Chief Executive Officer
Minerals Council of Australia

INDUSTRY Snapshot

15%

Economic contribution

Mining and METS direct and indirect contribution to GDP.

19%

Driver of growth

Mining has accounted for 19 per cent of Australia's GDP growth since 2008-09.

\$289 b

Export earnings

Australia's total resources export earnings in 2019.

240 k

Jobs

Direct employment in the resources industry.

\$39.3 b

Company tax and royalties

Paid by the minerals industry in 2018-19.

\$2.7 b

Exploration

Minerals exploration expenditure in 2019.



Source: ABS

Mining has the highest wages of any industry in Australia – 58% higher than the national average.

Contribution: State by state

Source: ABS, Deloitte Access Economics, state governments

Western Australia

Resources jobs	103,897
Economic value	\$76.7 b
Share of economy	30%
Royalties	\$6.2 b
Exploration	\$1.7 b

Queensland

Resources jobs	66,217
Economic value	\$32.1 b
Share of economy	9.5%
Royalties	\$4.9 b
Exploration	\$358 m

New South Wales

Resources jobs	40,683
Economic value	\$17.8 b
Share of economy	3%
Royalties	\$2.1 b
Exploration	\$297 m

South Australia

Resources jobs	9,714
Economic value	\$3.8 b
Share of economy	3.6%
Royalties	\$299 m*
Exploration	\$87 m

* This figure includes oil and gas.

Northern Territory

Resources jobs	4,681
Economic value	\$3.2 b
Share of economy	12.2%
Royalties	\$446 m
Exploration	\$133 m

Victoria

Resources jobs	11,968
Economic value	\$3.3 b
Share of economy	0.8%
Royalties	\$103 m
Exploration	\$113 m

Tasmania

Resources jobs	3,587
Economic value	\$1.2 b
Share of economy	4%
Royalties	\$34 m
Exploration	\$16 m



minerals.org.au



There's more to Australian Mining



\$281 billion

14 years of royalties & company tax

That's enough to build more than **11,000 schools** or **390 hospitals** in Australia.

59%

Total exports

Resources share of export revenue in 2019.

\$237 b

Investment

Mining capex in Australia over the past ten years.

\$141 k

Average wages

Average annual wages in the mining industry in 2019.

<0.1%

Land use

Proportion of the Australian land mass used by mining.

3.7%

Water

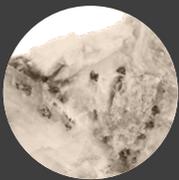
Mining's share of Australia's water use.



Source: ABS, Deloitte Access Economics.

Australia's economically demonstrated resources

Source: Geoscience Australia



Gold

Volume 10,165 t

World rank 1



Iron ore

Volume 49,604 Mt

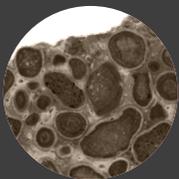
World rank 1



Nickel

Volume 20 Mt

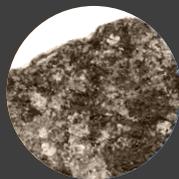
World rank 2



Bauxite

Volume 5118 Mt

World rank 2



Cobalt

Volume 1353 kt

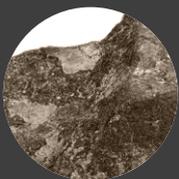
World rank 2



Copper

Volume 88 Mt

World rank 2



Uranium

Volume 1325 kt

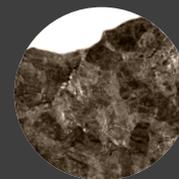
World rank 1



Black coal

Volume 73,719 Mt

World rank 4



Zinc

Volume 67 Mt

World rank 1



Lithium

Volume 4718 kt

World rank 2

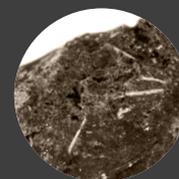


Mineral sands

Rutile

Volume 35.4 Mt

World rank 1



Mineral sands

Ilmenite

Volume 276 Mt

World rank 2



MCA partnerships

Aboriginal Enterprises in Mining, Energy and Exploration (AEMEE)

Annual conference representing Aboriginal businesses, stakeholders and communities.

Clontarf Foundation

Mentors and counsels Aboriginal and Torres Strait Islander male students.

Indigenous Australian Engineering School

Annual week-long STEM-focused camp for 50 Indigenous high school students.

MATES in Mining

Raises awareness about suicide in the workplace and pathways to seek help.

National Aboriginal Press Club

Offers an Indigenous perspective on critical issues impacting all Australians.

National Exploration Undercover School (NExUS)

Annual minerals exploration summer school for 30-35 students.

National Rock Garden

Seeking to celebrate Australia's rich geological heritage within a permanent display of rocks and minerals in the ACT.

Prostate Cancer Foundation of Australia (PCFA)

Funds prostate cancer research and supports affected men and their families.

Robogals

Delivers workshops in rural cities to showcase opportunities in mining.

Stars Foundation

Supports Aboriginal and Torres Strait Islander girls and young women.

Teacher Earth Science Education Program

Develops science teachers through online training and resources.

Other MCA-sponsored events and organisations include:

- National Native Title Conference
- Global Compact Network Australia
- Women in Mining and Resources Leadership Summit
- The Australian Association of Mathematics Teachers
- Australian Export Awards
- Townsville Enterprise 2019 Mining and Resources Forum.

About the MCA

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

Australia's minerals industry is innovative, technologically advanced, capital intensive, and environmentally and socially progressive. It is a major contributor to national income, investment, high-wage jobs, exports and government revenues in Australia. The MCA represents the minerals industry with a common purpose in:

- Advocating pre-competitive or generic public policy for a socio-economic environment conducive to growth
- 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 future of the Australian minerals industry is inseparable from the global pursuit of sustainable development.

The industry is committed to the sustained 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, characterised by low inflation, low interest rates and fiscal prudence
- A skilled, productive and flexible workforce
- Reconciling energy security with managing climate change as part of a sustainable global solution
- A seamless and efficient federation characterised by consistent regulation



75%

Minerals production

Australia's annual mineral production by MCA members



>80%

Export earnings

Australia's mineral export earnings by MCA members

- Access to competitive markets for capital, production inputs, human resources and end products
- Efficient export infrastructure
- 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.

MCA leads resource industry response to COVID-19

Australia’s minerals industry joined national governments and communities in a strong, determined and united response to the global COVID-19 pandemic.

The MCA, state resources chambers and the Australian Petroleum Production and Exploration Association worked together to develop national resources industry COVID-19 protocols to keep sites operating and workforce, families and communities safe and healthy.

With broad support from the nation’s resources ministers, Commonwealth, states and territories, the Australian Workers Union and the CFMEU Mining and Energy Division, companies moved quickly to implement the protocols.

The protocols were based on official government advice and actions designed to be applicable across sites – including accommodation and fly-in fly-out and drive-in drive-out travel – and supply chain providers. Actions were also designed to adapt to developing advice from the nation’s public health officials.

No aspect of Australian social life or the economy has been unaffected by the

Australia’s minerals industry recognises it has a special responsibility to help keep remote and very remote Aboriginal and Torres Strait Islander communities safe during the pandemic.

measures taken to keep the community safe from COVID-19. Mining needs to keep operating because Australia needs the income and economic activity generated by the sector to fund initiatives for the benefit of all Australians.

Families, communities and small businesses across regional Australia and in major cities depend on the mining industry.

The minerals industry also recognises it has a special responsibility to help keep remote and very remote Aboriginal and Torres Strait Islander communities safe during the pandemic.

Under the national COVID-19 resources industry protocols, the industry ceased non-essential contact with remote communities and put special arrangements in place where workers reside near remote communities.

Many companies also supported Aboriginal and Torres Strait Islander people to return safely to their remote home communities.

A national television and digital campaign showing how the industry is taking action to implement the national protocols was launched in April to reassure Australians that the industry is working hard to keep their sites and communities safe.

The campaign, developed jointly by the NSW Minerals Council, the Minerals Council of Australia and the South Australian Chamber of Mines and Energy showed resource sector workers from operations across Australia demonstrating a range of anti-COVID protection measures including physical distancing during travel and at site, increased hygiene and cleaning, temperature testing, changes to shift start times and working arrangements.

When Australia emerges from the immediate health impacts of COVID-19, a strong resources sector and a safe and healthy workforce will ensure Australia’s economic recovery is delivered speedily and widely.



INCREASED CLEANING

HEALTH CHECKS

SOCIAL DISTANCING

TRAVEL LIMITS

PROTECTIVE SUPPLIES

ROSTER CHANGES

Principal achievements in 2019

Industry positioning

Support for mining Support increased from 46 per cent in June 2018 to 55 per cent, growing to 70 per cent amongst those who saw the campaign. Opposition to mining fell to its lowest level in recent years from 13 per cent in June 2018 to 10 per cent.

Net favourability The 'There's more to Australian mining' campaign contributed to an increase in net favourability towards the mining industry from +1 in February 2016 to +35 in August 2019. It increased further to +49 among people who had viewed the campaign.

Broad support The campaign was well-received by all age groups: women and men and across Coalition and Labor voters.

Influential publications Published the *30 Things* flip book, teaching resource and social media campaign; *The Next Frontier* policy priorities; a critical minerals brochure as part of a new Investor Series; the *New Frontiers: ASEAN* free trade report; *Untapped potential & The case for nuclear* report; and *Australian corporate tax reform: Watching the train go by*.

Mining careers Supported future minerals workforce recruitment and retention by producing the *More to Mining Careers Guide* and attending numerous university open days and careers expos.

Public engagement Created the 'Friends of Australian Mining Network'; partnered with the Clontarf Foundation and the National Rock Garden; sponsored external events including the AEMEE conference, Women in Leadership Mining and Resources conference and the Global Compact Network Australia conference.

Media engagement Published 92 media releases and 26 opinion editorials; engaged broadly with commentators and opinion leaders; and built relationships with journalists nationwide including the Canberra Press Gallery.

Policy engagement Engaged regularly with ministers and shadow ministers; hosted a Queensland mine site tour for Labor MPs and senators; sponsored events with Coalition and Labor Friends of Mining and resources groups; made 40 policy submissions to the Productivity Commission and governments.

Minerals Week 2019 Hosted the inaugural Australia-Asia Mining Investment Outlook and the first Modern Mining Technology Showcase in the Great Hall of Parliament House. The Australian Minerals Industry Annual Parliamentary Dinner attracted almost 600 guests including the Prime Minister the Hon Scott Morrison MP.

MCA Policy Roundtable Member company executives met with key policy makers and including the ministers and shadow ministers for resources and industrial relations.



Labor MPs during a tour of Queensland mine sites hosted by the MCA in September.

Australian Mining Industry Annual Lecture Featured Melbourne-born, international bestseller author and futurist Jacob Morgan bringing an international perspective to the topic of 'Leadership 2030'. The lecture provided world-first insights from his new research on the future of leadership.

New MCA Chair Appointed former Cabinet Minister, lawyer and experienced company director the Hon Helen Coonan as independent chair to further enhance the public policy advocacy of the MCA and Australian minerals industry.

Broader membership Welcomed nine new members including miners, explorers, developers and associates across a range of commodities and services.

Perth office Established a permanent presence in Perth to support Western Australian members and increase MCA representation at policy forums and corporate events.

Policy settings to enhance competitiveness

Encouraging investment Secured the Australian Government's commitment to extend greenfields agreements to the life of projects.

Supporting productivity Reinforced government's commitment to maintaining flexible work arrangements, particularly labour hire.

Preventing distortionary taxation Persuaded the government not to implement a biosecurity import levy in its proposed form.

Tax competitiveness analysis Updated research from professors Mintz and Basel in relation to the international competitiveness of Australia's company tax and its ranking and impact on new investment.

Fair share of tax paid Published independent Deloitte Access Economics report on the significant company tax and royalty contribution by the industry which achieved record levels in 2018.

Fuel Tax Credits Obtained confirmations from the government and opposition in the lead up to the May election that they would not alter the FTC regime (value \$2.4 b per annum). Subsequently obtained confirmation post-election from the Treasurer that the FTC was not a target for the government.

Thin capitalisation rules Organised industry and wider business community advocacy against proposed thin capitalisation rule changes that would have significantly limited the tax deductibility of interest expense allocation to Australian operations by multi-national companies.

Remote area FBT MCA advocacy persuaded the federal government to reject Productivity Commission recommendations on remote area travel and accommodation rules which would have cost the industry \$150 m to \$250 m per annum.

Capitalised labour costs Successfully negotiated with the ATO to avert costly and complex changes to the treatment of salary and wage costs of employees who work on mine and infrastructure development projects.

Tax Conference 2019 Hosted delegates from more than 40 MCA member and non-member companies, legal and accounting firms to discuss issues at the intersection of public policy and commercial practice relevant to the mining industry.

Providing the evidence Reiterated the economic contribution of mining and the importance of sound policies to maintain Australia's prosperity in the MCA's submissions on the Productivity Commission's study of resources sector regulation and Budget 2019-20.

Promoting critical minerals Supplied 1000-plus copies of the MCA's critical minerals prospectus to government departments and ministers for promoting Australian mining; and supported the government's effort to promote the importance of critical minerals with the United States.

Opening new markets and opportunities

Promoting the benefits of free trade Worked with industry associations to advocate the benefits of free trade and investment, including through media coverage and presentations.

Promoting the benefits of trade in regional Australia Partnered with DFAT on the production of video interviews with regional small businesses involved in mining and trade.

Free trade agreements Actively supported FTAs in the face of protectionism and slowing economic growth; lodged submissions on the Peru-Australia FTA, the Indonesia-Australia CEPA and the Hong Kong-Australia FTA to the Parliament's Joint Standing Committee on Treaties; gave evidence to JSCT on the Indonesian CEPA and Hong Kong FTA; provided submissions to DFAT negotiations on the EU-Australia FTA, including the energy and resources, trade and sustainable development chapters; worked with DFAT on the RCEP mining and energy commodities market offers.

Protecting international investments Worked with the shadow trade minister's office and other Labor MPs' offices to build support for a modernised international dispute settlement system which resulted in the Labor Caucus supporting Parliament's vote on the Indonesian and Hong Kong trade agreements with Australia.

Supporting minerals sector exports Raised concerns over the Chinese coal import ban with ministers, officials and the Chinese Ambassador to Australia; and strengthened the MCA's relationship with the Chinese embassy in Australia, Chinese business organisations in Australia and the Chinese government in Beijing.



New Frontiers Developed the *New Frontiers: ASEAN* report on Australian mining and mining services trade and investment opportunities in ASEAN member countries.

Expert engagement Facilitated industry engagement with senior public servants and ministerial staff in a discussion on global economic trends affecting the Australian resources sector and export income.

Coal

Advanced coal's ongoing role in the economy

Detailed prospects for increased exports to SE Asia and India and the role of carbon capture, utilisation and storage (CCUS) in reducing emissions from the use of coal and including coal in Australia's potential hydrogen industry.

Coal strategy 2019-2022 Implemented to develop public understanding of coal including the industry's measures to reduce emissions.

Carbon Capture and Storage Network Advocated for technology neutral policy settings to ensure low emissions fossil fuel technologies can compete equally in Australia including supporting CCUS tax credits; amending the Emissions Reduction Fund framework to allow carbon credits to be applied to CCUS projects; and expanding the Clean Energy Finance Corporation's remit to include CCUS.

Climate and energy

Investor outreach Deepened climate-related discussions on behalf of Australian mining with international and domestic proxy advisers.

Taskforce on Climate-related Financial Disclosure Established a TCFD forum to assist Australian mining – and particularly the MCA's smaller member companies – to meet international community expectations of climate reporting.

Climate Action Plan Working with member companies to highlight the range of activities the minerals sector is taking to reduce CO₂ emissions.

Nuclear energy inquiries Proactively engaged with the House of Representatives Inquiry into the pre-requisites for nuclear energy in Australia and the Victorian Legislative Council inquiry into the repeal of the existing bans in uranium exploration, mining and nuclear power.



Nuclear advocacy Advocated strongly on behalf of the industry for new small modular reactors to be considered as part of Australia's medium term energy mix.

Practical advocacy Positively influenced discussions on legislative amendments of calculated baselines for the minerals sector under the Safeguard Mechanism.

Public advocacy Articulated Australia's role as a reliable supplier of resources to an energy hungry world and energy's role in improving living standards of billions of people around the world.

Safety, health, environment and communities

Sustainable Development Goals Continued to drive awareness of SDGs in Australian mining context and position the industry by supporting and presenting at the 2019 Sustainable Development Conference, Regional Development Institute roundtable, World Engineers Convention Australia and to the Australian Government.

Safety, environment and social governance Reviewed and identified a preferred safety and ESG system to build government, community and investor confidence in the industry's sustainability performance.

Indigenous partnerships Initiated and established a new collaborative Community of Practice with the National Native Title Council to support enhanced outcomes from Indigenous land use agreements and partnerships. The Commonwealth participates in the initiatives, which are supported by organisations including the University of Queensland's Centre for Social Responsibility in Mining.

Native title framework Led national industry response to secure priorities in Native Title Amendment Bill 2019 as well as responses following the landmark High Court native title compensation decision in Northern Territory v Mr. A Griffiths (2019) HCA 7 (known as Timber Creek).

Tailings management Led the Australian industry response to international tailings issues; completed a stocktake of management practices; hosted a national industry workshop for more than 27 companies; positioned the industry through a public commitment to continued improvement; and facilitated Australian input into the Global Tailings Review.

National environmental law reforms Led industry engagement and input to inform the 20 year review of the federal Environment Protection and Biodiversity Conservation Act and led the coordination of national business groups and civil society on identifying common reform priorities.

Regulatory efficiency Led the industry engagement to address operational concerns with the EPBC Act around environmental offsets, assessment guidance and the water trigger.

Maritime transport Worked with regulators to ensure ongoing safe transport of coal and minerals products by sea and to support industry led research at the International Maritime Organization.

Modern slavery reporting Improved industry guidance for entities with reporting obligations under the Modern Slavery Act and hosted a member forum to support modern slavery statement preparation with the Catholic Archdiocese of Sydney Anti-Slavery Taskforce and KPMG as guest speakers.

Prostate cancer awareness Launched partnership with the Prostate Cancer Foundation of Australia to raise awareness among the minerals industry workforce about the disease and the support available for men and their families.



Workforce and innovation

Mining Skills Organisation Pilot Awarded a Resources Skills Organisation pilot by the Australian Government to trial new ways of working within the current national training system to meet employers' and the economy's needs. The pilot will run over two years and will be co-funded by the industry and Australian Government.

Learning pathways for the modern mining sector Completed a comprehensive review of the MCA's significant \$1.5 million investment into minerals-related higher education by awarding mining engineering curricula pilots to Curtin University, the University of Southern Queensland and Central Queensland University. The MCA is also funding the establishment of an industry first microcredentialling package for the modern mining sector to be developed collaboratively by the University of Queensland and Curtin University for delivery in 2020.

Future skills Commissioned EY to produce the seminal MCA Skills Map which consisted of two major reports. *The Future of Work: The economic implications of technology and digital mining* and *The Future of Work: The Changing Skills Landscape for Miners* which examined future skills and training and technology trends and identified which jobs would be enhanced and redesigned as a result of innovation and technology adoption.

MCA NT

Royalty reform Engaged vigorously with the NT Government on royalties reform resulting in a significantly modified position from that first proposed.

Environmental regulation Successfully engaged with the NT Government on environmental regulatory reform resulting in the government amending both its proposed comprehensive Northern Territory *Environment Protection Act 2019* and associated regulations.

Mining Remediation Fund management Successfully prompted the NT Government to initiate a strategic review, with industry participation, of fund management, expenditures on projects completed and priority future works for NT legacy mines, plus acquittal of the current \$32 million fund and establishment of an independent industry-controlled board for future management of the fund.

Emergency safety response Provided initial coordination between the NT Government and NT-based MCA members to identify and source remotely operated equipment to support recovery efforts at Bootu Creek.

Northern Australian Emergency Response

Competition Partnered with Kirkland Lake Gold, Charles Darwin University and ERGT to host 10 teams from the Northern Territory and Queensland in real life emergency scenarios reflecting the competition motto 'Every minute saved in practice, could be the minute needed to save a life.'

CareFlight Donated nearly \$50,000 worth of equipment at the annual MCA NT Gala Dinner attended by more than 200 industry members and supporters.

Darwin Mining Club Hosted luncheons with keynote speakers including Paul Arnold from ERA, Rad Golijanin from Newmont Goldcorp Tanami Operations, Mark Edwards from Kirkland Lake Gold and Klaus Helms from Gumatj Corporation.

MCA Victoria

Beyond 2020 Outlined policy priorities for a strong, robust and sustainable resources sector in Victoria and to improve awareness of mining.

Victorian Mine Rescue Competition Hosted nine teams from Victoria and New South Wales at the 27th annual competition of simulated emergency situations to put their skills to the test consistent with the Australian minerals industry's commitment to safety.



Royalty reform Engaged vigorously with the Victorian Government and regional communities on proposed royalty reform resulting in a review in 2020 of all fees, charges, land rents and royalties imposed on mining in Victoria.

Gold tax campaign Strongly represented the interests of the industry and regional communities in debate over the Victorian Government's new gold tax.

Victorian Women in Resources Awards Hosted the third Victorian Women in Resources Awards to recognise individual achievement and company efforts to increase gender diversity across mining operations, within corporate offices and across METS sector.

Career expos Engaged with students at the Ballarat Careers Expo, La Trobe University Bendigo Campus Open Day and Victorian Engineering and IT Student Jobs Expo to promote the diverse range of jobs in the mining industry.

Melbourne Mining Club Hosted near-capacity audiences for addresses by CEO's from Alumina Limited, Fortescue Metals Group, St Barbara Limited and Freeport McMoRan as well as the chairs of China Molybdenum and Shell Australia. Also hosted a panel session on 'The Future of Mining Finance'. The MCA and AusIMM have contributed more than \$850,000 to education initiatives from the proceeds of MMC events.

New campaign shines light on gold's role in high tech health

The MCA has continued to build net favourability and support for the Australian minerals industry in 2019 through its popular and well received 'There's more to Australian mining' campaign.

Over the course of the year, the campaign rotated creative executions featuring effective mine rehabilitation and how mining and farming work together along with the use of recycled water by the New Acland mine in Queensland's Darling Downs.

Shown nationally across a wide range of channels including television, out of home, digital, radio and in print, the campaign has led to an increase in support from Australians for the industry.

Support and net favourability have both increased, while opposition to mining is at its lowest level in years.

Research conducted for the MCA by JWS Research in late July 2019 showed that net favourability for mining is now at +35, up from +29 in March, and has improved with both men and women, across all age groups and amongst both Coalition and Labor voters.

Net favourability increased from +35 to +49 after viewing the campaign.

Support for mining is now at 55 per cent of Australians – rising to 70 per cent amongst those who have seen the campaign – with opposition to mining at its lowest level in recent years, down from 13 per cent to 10 per cent.

The MCA's approach also supported an increase in the favourability of key commodities including gold and coal.

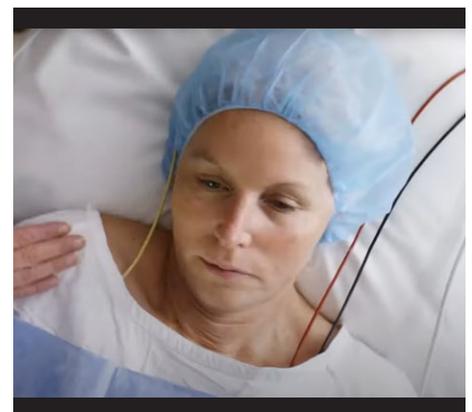
After natural gas, iron ore and coal, battery minerals and gold were seen as Australia's most important resource sectors.

Almost three in 10 Australians recalled the campaign, with 44 per cent believing that the ads were not shown enough.

The five rehabilitation/water executions have had 2,929,021 YouTube views after 13 months on air. Also, all digital results met or exceeded industry benchmarks.

The strongest message recall from the campaign was 'Once mining has finished, land can be used for farming'.

The MCA also explored a range of alternative out-of-home delivery channels for its message including through mirror advertising at a number of metropolitan shopping centres.



There's more to Australian Mining

Shown nationally across a wide range of channels including television, radio and print, the campaign has led to an increase in community support for Australian mining.

The mirrors detect the presence of nearby users and transform into a screen showing the ad including the audio track. This was the first time in Australia that such technology was used.

With the rehab and water ads set to go back into rotation later in 2020, the MCA also worked with its production company in the second half of 2019 to create a range of ads showing how Australian gold is helping in the fight against cancer.

This approach was based on public opinion research showing that Australians wanted to hear more about mining's role in building the future, in particular through innovative uses of minerals in healthcare.

Along with traditional uses of gold such as jewellery, storing wealth and in dentistry, a host of new uses have emerged such as mobile phones and other electronics, aerospace and medicine.

One example is the use of gold nanoparticle technology as an emerging form of treatment for cancer patients who undergo chemotherapy and radiotherapy.

Global clinical trials confirm that the use of nanoparticle technology improves the quality of life for patients and decreases the risk of damaging healthy cells in the treatment process, particularly for prostate and breast cancer patients.

Gold also has the highest net favourability of any mineral. Australia's gold mining industry leads the world in setting new benchmarks in technology, sustainability, safety and community engagement.

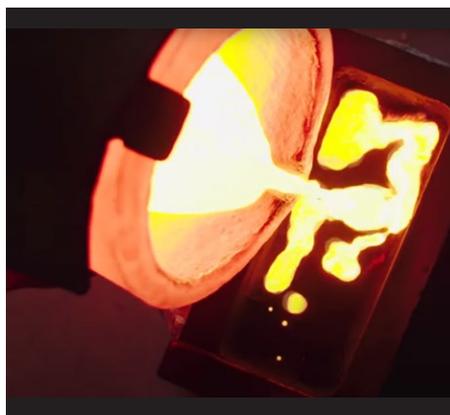
The application of new technologies, data analysis and innovative processes has enabled Australia's gold industry to unlock new resources, boost productivity, better protect the environment, enhance worker safety and generate additional value for the wider community.

In 2019 Australia produced nearly 320 tonnes of gold, which made it the second largest gold producer in the world behind China. And Australia's \$24 billion in gold export revenue supported more than 30,000 highly skilled, highly paid jobs.

The gold industry is also an important contributor to government revenues and has paid more than \$2.5 billion in royalties to state governments over the past decade.

As the world needs more complex and reliable materials in the future, the need for gold will only increase.

That's good news for Australia's world-leading gold producers, the highly skilled, highly paid people they employ and the regional communities in which they operate.



Stronger together through Indigenous partnerships

Aboriginal and Torres Strait Islander peoples are the first peoples of the lands and waters of Australia, widely recognised as the world's oldest continuing cultures.

The minerals industry is privileged to be a partner with Aboriginal and Torres Strait Islander peoples, including Traditional Owners, on projects across the country.

Native title and Aboriginal land rights regimes provide legal processes for the consultation and negotiation with Traditional Owners regarding land use, including minerals development. Voluntary partnerships are also common, either complementing legal agreements or as alternative agreements.

Land use agreements with Traditional Owner groups often include financial and non-financial benefits and commitments to employment and business opportunities, social contributions and cultural heritage and land rehabilitation.

The minerals industry recognises the importance of culture and connection to Country for Aboriginal and Torres Strait Islander peoples and communities.

A significant focus of mining-related partnerships is support for Traditional Owner groups to strengthen and preserve cultures, language and knowledge within community and through generations and share across Australian society.

Community of Practice

One new initiative during 2019 was the minerals industry and Indigenous partnerships Community of Practice – a shared initiative of the MCA and National Native Title Council, the peak body representing the native title sector.

This collaborative and inclusive network was established with support from partners including Aboriginal Enterprises in Mining, Energy and Exploration, the MoU to Increase Indigenous Participation in the Queensland Resources Sector and the Centre for Social Responsibility in Mining.

The initiative focuses on implementation of minerals-related partnerships, including:

- Best practice approaches to implementation: Opportunities and lessons for maximising outcomes and measuring success
- An environment for success: Opportunities and lessons to ensure legal, structural and other factors provide an enabling operating environment
- Collective and regional impact: Opportunities and lessons for leveraging focus, investment and resources to enhance cultural, social, economic and environmental outcomes.

The MCA either entered into or continued a number of other significant Indigenous partnerships during 2019.

Clontarf Foundation

The Clontarf Foundation has 116 football academies across WA, NT, QLD, VIC, NSW and SA.

Since 2000, Clontarf has helped more than 3000 young men complete Year 12. In 2019, 630 Year 12s will complete the program.

Full-time, locally based Clontarf staff mentor and counsel students on a range of behavioural and lifestyle issues while the school caters for their education needs. Any Aboriginal and Torres Strait Islander male enrolled at the school/s is eligible to participate. Activities are planned within the focus areas of education, leadership, employment, well-being, life skills and sport.

The MCA's partnership with the Clontarf Foundation sends a clear message that Australian mining backs effective programs which support education, employment and a better future for young Aboriginal men.

There's more to Australian Mining



country to bring everyone together to discuss a broad range of topics.

These events are aimed at increasing the profile of Aboriginal issues in Australia and giving Aboriginal grass roots communities the opportunity to have their voice heard.

As a close partner of Aboriginal and Torres Strait Islander peoples around Australia, the Australian minerals industry is a strong supporter of initiatives which give Aboriginal and Torres Strait Islander people a greater voice in our national conversation.

Aboriginal Enterprises in Mining, Energy and Exploration

The MCA has been working closely with Aboriginal Enterprises in Mining, Energy and Exploration (AEMEE) on its annual conference since 2016 which is attended by over 160 delegates representing Aboriginal businesses, major mining, oil and gas contractors, contracting companies, related professionals and community members.

In 2019, the MCA provided in-kind and financial support for the AEMEE conference as part of its commitment to promoting the strength and diversity of the Indigenous mining and mine equipment, technology and services businesses.

Indigenous Australian Engineering School

The Indigenous Australian Engineering School is a week-long STEM-focused camp provided annually to 50 Indigenous high school students at Curtin University and the University of Sydney.

The program has been financially supported by the MCA for more than 15 years with the aim of increasing Indigenous participation at university-level STEM courses.



Partnerships between the minerals sector and Indigenous communities focus on everything from school attendance to jobs and training through to culture, language and knowledge preservation.

The mining industry is a large employer of Indigenous Australians. In 2016, Indigenous Australians were 3.8 per cent of the mining industry workforce – more than double the national average of 1.7 per cent and the highest Indigenous employment share of all industries. Attracting more Indigenous employees will help ensure the minerals industry has access to the broad range of skills and capabilities it needs in the future.

National Aboriginal Press Club

The MCA is a proud corporate partner and event sponsor of the National Aboriginal Press Club, an initiative of the Centre for Aboriginal Independence and Enterprise.

The National Aboriginal Press Club has been created to offer up a First Nations voice on a whole range of critical issues impacting on all Australians. It will conduct a number of lunch events across the

MCA leads pilot program to reform national training system

The MCA was recognised as an industry leader in skills, education and training when it was appointed to establish the Mining Skills Organisation Pilot in November.

The Mining Skills Organisation Pilot (MSOP) was announced as part of the Australian Government's \$585.3 million reform of the vocational education and training (VET) system.

MSOP is an opportunity to trial new ways of working within the current national training system. VET provides a number of pathways into the minerals industry, including apprenticeships and traineeships, skill sets, and Certificate I, II, III, IV and diploma level training packages for mining, drilling and civil infrastructure.

The \$9.7 million investment over three years from 2019-20, matched with significant industry in-kind and financial support, will see the MCA facilitate and lead a program of work that will develop a model for a mining skills organisation and inform improvements to the national arrangements for skilling the workforce.

On behalf of employers and in conjunction with the broader industry, the MCA will coordinate the MSOP. In doing so, MSOP will work with key players in the national VET governance structures to advise on and obtain agreement to changes that improve the quality and the extent of training for the sector. The MSOP will also provide advice to the Department of Education, Skills and Employment and the Minister for Employment, Skills, Small and Family Business.

The pilot was officially launched on 7 May 2020 with an inaugural meeting of the Steering Group on the same day. This group discussed the vision, strategic focus and immediate priorities, and activated the pilot Working Group. There will be a joint planning session in June to progress strategic goals, identify KPIs and confirm milestones.

Mine rescue comps showcase safety

The world-leading expertise of Australia's mining industry was on display at the 27th annual Victorian Mine Rescue Competition in October. Nine teams competed in events including team skills, firefighting, first aid, rope rescue and search and rescue at EnergyAustralia's Yallourn Mine.

Earlier in the year, Darwin hosted the 9th annual Northern Australian Emergency Response Competition. Both competitions play an integral part in emergency response training and give teams the opportunity to test their skills through simulated emergency situations in preparation for real-life emergency events.





Mining Skills Organisation Pilot

Supported by the Australian Government



A skilled workforce is key to the future economy.

The MSOP complements the MCA's broader tertiary portfolio efforts. With demand for skilled workers growing across Australia as the mining production boom continues, the MCA has long advocated for

more flexible, higher quality and responsive training and workforce development to build the minerals workforce of the future.

The ability to modernise the workplace is vital to increasing the productivity and competitiveness of the Australian minerals industry and the prosperity of the nation.

The future minerals workforce will be more diverse, geographically distributed and digitally connected. As the nature of work changes and evolves, workers will need skills and capabilities that are adaptable, transferable and relevant to the needs of the future economy.

As seen during the COVID-19 pandemic, the capacity to be more responsive to industry requirements and implementing the pathways necessary to facilitate skills acquisition through a fast-to-market model is more important than ever.

Over the past 20 years, MCA members have invested nearly \$65 million into minerals-related tertiary programs on a national collaborative basis across Australia with some 5000 Australian graduates in minerals-related disciplines benefiting from industry funding which ensured a high quality of industry-ready professionals.

Through MSOP, the mining industry will have the flexibility to develop and test innovative forecasting methods, training offerings and options across the skills pipeline to achieve the responsive pathways and skills acquisition required in the immediate and post COVID-19 employment landscape.

The MCA looks forward to working with the interim National Skills Commissioner and other stakeholders across industry, government and academia over the coming months.



Focus on workforce and ongoing climate action



Economic Reform Committee

Advocating policies to boost jobs & investment

In a federal election year, the Economic Reform Committee helped the MCA sharpen its policy priorities for the next government. Particular emphasis was given to preserving access to flexible employment arrangements and supporting proposals to improve greenfields agreements.

Through the Labour Hire Taskforce, the MCA briefed ministers and parliamentarians on a report by Deloitte Access Economics (commissioned by the MCA) that modelled the cost to investment and jobs of imposing restrictive regulations on the use of labour hire and service contractors.

Next steps:

- Help governments recast the COAG strategic agenda for resources as a critical component of national recovery and reconstruction
- Advocate for incremental improvements to the *Fair Work Act* and its administration
- Support policies that preserve and expand export markets and facilitate international investment.



Tax Committee

Exploration the key to future success

The committee held the biennial two-day Tax Conference in Perth, as well as half-day tax forums with Treasury and ATO officials in Melbourne in May and Brisbane in November.

The committee made major submissions to the Productivity Commission review of FBT exemptions and the ATO in relation to capitalisation of labour costs.

Reports into the competitiveness of Australia's taxation system and the tax burden and tax and royalty contributions by the minerals sector were also commissioned.

Next steps:

- Advocate strongly for competitive taxation arrangements
- Influence the OECD work in relation to global rules for taxing digitised businesses
- Maintain close working relationships with the ATO resources tax group.



Safety and Sustainability Committee

Leading on sustainability performance

The committee led the MCA response to the Brazil tailings dam tragedy, including a stocktake of Australian tailings management practices and hosting a national workshop to share leading practice and identify areas for industry collaboration, culminating in an industry communique and work program.

The committee evaluated the Canadian Towards Sustainable Mining (TSM) system to bolster *Enduring Value* and enhance community and investor confidence in the industry's sustainability credentials.

An innovative Community of Practice forum was established with the National Native Title Council to build and enhance the outcomes of industry and Indigenous community partnerships.

Next steps:

- Seek industry endorsement of TSM and planning for implementation
- Implement the MCA tailings management program response to the Global Tailings Standard
- Advocate reforms to improve the operation of national environmental law and native title.



Workforce and Innovation Committee

Multi-year strategy for future-ready workforce

The committee progressed the multi-year strategy to attract, develop and retain a diverse workforce. Advances in technology, opportunities for workplace flexibility and the impact of automation on future labour requirements, workforce composition and geographical location reinforced the need to build an even more diverse and inclusive workforce.

The committee supported targeted investment in curricula pilots and a microcredential package to achieve the right educational outcomes and pathways for the current and future workforce. The committee also initiated work to complement and enhance current member diversity and inclusion strategies.

Next steps:

- Test the microcredential package and apply learnings from the curricula pilots at a national level
- Finalise and deliver an industry of choice framework and launch a diversity and inclusion web page to showcase and promote industry action and commitment to diversity and inclusion
- Capture committee perspectives and expertise to support execution of the MCA-led Mining Skills Organisation Pilot, part of the Australian Government's \$585 million Skills Package reform of vocational education and training.



Energy and Climate Change Committee

Supporting ongoing climate action by Australia's minerals industry

The committee finalised its 10-point Climate Action Plan (CAP) in preparation for the MCA Board's consideration in early 2020. The CAP will support the minerals sector's decarbonisation efforts consistent with the climate and development goals of the Paris Agreement. It has at its core the critical importance of technology in reducing emissions.

The CAP is part of the MCA's broader sustainability agenda and will provide an enduring foundation upon which the sector can continue to build on its already substantive efforts to reduce emissions and deepen its capacity to adapt and become more resilient to impacts of climate change.

The committee also endorsed an energy work plan focusing on the opportunities for Australia as an energy exporter, increasing value-add to domestic mineral production and the potential for small modular reactors (SMRs) in mining operations and other applications.

The MCA continued to be active in national and international climate and energy policy agendas. In regard to uranium and nuclear, for example, the MCA attended the World Nuclear Association Symposium (London) which greatly informed its submissions and expert testimonies before the House Committee on Environment and Energy Inquiry on the Prerequisites for Nuclear Energy in Australia, the NSW Legislative Council inquiry into Uranium Mining and

Nuclear Facilities (Prohibitions) Repeal Bill, and the Inquiry into Nuclear Prohibition in Victoria.

There were also several positive contributions to government consultations on amendments to the calculation of facility level emissions baselines under the Safeguard Mechanism and technology pathways to support the deep decarbonisation of Australia's economy. The MCA also responded to the Climate Change Authority's public consultations on domestic climate policy options.

The MCA attended the Paris Agreement talks in Madrid (COP25) where it closely followed progress on the finalisation of the Paris Agreement's so-called rule-book including Article 6 (markets and non-markets), as well as other important agendas including SDGs, Technology Mechanism and Response Measures. The MCA is expecting to be admitted as an accredited observer to the Paris Agreement in the second half of 2020.

Next steps:

- MCA board approval of the CAP
- Implementation of a CAP workplan
- Implementation of the energy workplan
- Continue to support the role of low emission technologies and processes within the sector to reduce emissions at the mine site and to ensure affordable, secure and reliable power.



Coal Forum

Reinforcing the value of Australian coal

The Coal Forum continued to emphasise the role of the coal industry in regional jobs and energy security. Advocacy focused on workers' health, environmental performance, open trade and how the industry's research programs add to technical and scientific knowledge.

The forum also emphasised the importance of low emissions technologies to support the world's ongoing reliance on fossil fuels. In submissions to government it added that these can also enable low-carbon hydrogen production from coal.

Advocacy efforts included contributing to a 10-page special report on Australian coal in *The Australian* (22 March 2019). The forum also welcomed the approval of Adani's Carmichael mine and the opening up of a new coal basin.

Next steps:

- Advance industry activities on coal workers' pneumoconiosis and the National Dust Disease Taskforce
- Advocate effective coal approval processes via the 10-year EPBC Act review and improve state processes consistent with the Productivity Commission's review of resources regulation
- Support industry's research initiatives in advancing policies and technologies to further reduce coal-related emissions
- Contribute to the work programs of the International Energy Agency, International Standards Organization and International Maritime Organization.



Gold Forum

Exploration the key to future success

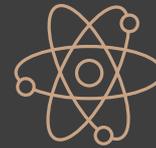
The MCA continued to work with government agencies to improve their understanding of the Australian gold industry and its role in the economy. Liaison with the Office of the Chief Economist at the Department of Industry, Innovation and Science facilitated a significant positive revision to official government forecasts for Australia's gold production.

The forum met in July to address the rise of gold industry activism in North America, received an update on the MCA's work on tailings management and implications for the gold industry, and considered the issues with federal government analysis on the mineral reserve life of Australia's gold mines.

The MCA also produced its latest television advertisement highlighting the biomedical applications of gold, which went to air in the first quarter of 2020.

Next steps:

- Progress initiatives to enhance the sustainability credentials of the Australian gold industry
- Further promote investment in the gold industry
- Highlight the role of gold in modern industries and technologies.



Uranium Forum

Ramped up nuclear energy advocacy

The three parliamentary inquiries into nuclear energy and bans on uranium mining by the House of Representatives, the NSW Legislative Council and the Victorian Legislative Council were a major focus for the Uranium Forum. The MCA strongly argued for the repeal of federal and state bans on nuclear energy, with a particular focus on Australia considering small modular reactors for its future energy system.

As part of its campaign to normalise uranium mining by repealing the EPBC Act's nuclear actions trigger and ban on nuclear energy, the MCA produced the two-part booklet *Untapped Potential and The Case for Nuclear* to help facilitate a mature national discussion on uranium mining and nuclear based on facts.

Next steps:

- Removing the nuclear ban in the EPBC Act
- Highlighting the role of small modular reactors in an Australian context.

MCA committees

As at 31 December 2019

Economic Reform Committee

Chair: Tyler Mitchelson
Anglo American Metallurgical Coal
Co-chair: Felicity Hughes
Newmont Australia

The Economic Reform Committee develops and advocates policies that encourage an internationally competitive minerals industry in Australia, including sound and stable tax settings, more flexible workplace relations and minimum effective regulation.

Energy and Climate Change Committee

Chair: Mike Erickson AngloGold
Ashanti Australia Limited
Co-chair: Cassandra McCarthy
Glencore

The Energy and Climate Change Committee addresses the need for a lowest cost, technology neutral approach to energy security and climate policy.

Safety and Sustainability Committee

Chair: Alex Bates
Newmont Australia
Co-chair: Michael Wright
CIMIC Group

The Safety and Sustainability Committee addresses air quality, water and product stewardship policy and regulatory matters; mine closure and rehabilitation and land access, and seeks to secure reforms that streamline and expedite project approvals processes. Shares cross-industry health and safety experiences and develops industry-wide knowledge sharing systems to help industry achieve its zero fatality goal.

Taxation Policy Committee

Chair: Dominic Smith
Glencore

The Taxation Policy Committee protects critical business tax measures and advocates for globally competitive tax settings.

Workforce and Innovation Committee

Chair: Chris Salisbury
Rio Tinto

The Workforce and Innovation Committee proactively addresses the needs of the current and future workforce, including skills requirements from innovation and technology adoption.

Workplace Relations Taskforce

Chair: Warwick Jones
Anglo American Metallurgical Coal

The Workplace Relations Taskforce helps the Economic Reform Committee identify and advance the minerals industry's workplace reform priorities.

Indigenous Relations Taskforce

The Indigenous Relations Taskforce develops industry responses to changes to the native title regime and Commonwealth policies and programs involving mining and Indigenous peoples and communities.

Coal Forum

Chair: Paul Flynn
Whitehaven Coal

The Coal Forum promotes the significant national contribution of coal and advocates policy certainty and stable investment climate to support international competitiveness and fit for purpose regulatory framework

Gold Forum

Chair: Bob Vassie
St Barbara

The Gold Forum promotes the significant national contribution of gold and advocates policy certainty and stable investment climate to support international competitiveness and fit for purpose regulatory framework.

Uranium Forum

Chair: Mike Young
Vimy Resources

The Uranium Forum promotes the significant national contribution of uranium and advocates policy certainty and a stable investment climate to support international competitiveness and a fit for purpose regulatory framework.

MCA NT Council

Chair: Greg Ashe
Glencore

The MCA NT Council provides an industry forum and input to Territory policy and regulatory agenda.

MCA Victoria Council

Chair: Paul Currie
GHD

The MCA Victoria Council provides an industry forum for minerals companies in Victoria and input to the state policy and regulatory agenda.

James Sorahan
Executive Director
MCA Victoria



MCA VICTORIAN DIVISION

Engagement campaign building mining's profile in Victoria

In 2019, MCA Victoria continued to advocate for reform to increase exploration and mineral development in Victoria.

The industry faced a significant challenge with the announcement of a poorly designed gold royalty in the May 2019 Budget. Despite this challenge, MCA Victoria increased the industry's profile and achieved outcomes in critical policy areas for mining covering environmental regulation, education policy and community engagement.

Building mining's profile

MCA Victoria proactively engaged with the community and the Victorian Parliament to build awareness of opportunities offered through mining.

An updated public strategy document, *Beyond 2020*, was part of the engagement strategy, outlining the policy priorities for a strong resources sector in Victoria.

This was supported by multiple news articles, radio interviews, opinion pieces and industry journal articles published with MCA Victoria comment.

Legislative agenda

MCA Victoria also lodged multiple submissions and took part in reviews and consultation on issues ranging from taxation, local government rates, mental health, minerals resources (sustainable development) regulations, environmental protection subordinate legislation and crystalline silica.

The Victorian Government continued to modernise the environmental protection regime with the release of draft regulations and other subordinate legislation incorporating the general environmental duty as the cornerstone of environmental protection. MCA Victoria worked with the government to ensure



Victorian Women in Resources Awards 2019

clear and effective regulatory boundaries, processes and guidance materials to ensure industry readiness for the new regime in 2020.

Amendments were made to the *Mineral Resources (Sustainable Development) Amendment Act 1990* to introduce new rehabilitation requirements on 'declared' mines and establish the Mine Land Rehabilitation Authority. The legislation reflected a number of MCA positions to clarify rehabilitation, closure and post-closure obligations.

MCA Victoria also worked with government on the Earth Resources Regulation Mining Rehabilitation Plan and Advertising Guidelines.

Advocating real tax reform

MCA Victoria engaged vigorously on the introduction of the gold royalty, advocating for fair royalty reform from the Victorian Government. In spite of support from regional Legislative Council and Opposition members, the gold royalty came into effect but will be reviewed.

The government also commenced a Local Government Rating System Review to which the MCA provided a detailed submission and appeared before a public hearing by the review panel.

Promoting excellence

MCA Victoria organised the 27th Victorian Mine Rescue Competition at Energy Australia's Yallourn Power Station. Nine teams competed in simulated emergency situations to put their skills to the test consistent with the Australian minerals industry's commitment to safety.

MCA Victoria hosted the third Victorian Women in Resources Awards. The awards ceremony was attended by the Minister for Resources and Lord Mayor. The awards recognised diversity programs and exceptional women working in Victoria's minerals sector.

MCA Victoria also hosted a Rehabilitation and Environment Protection Workshop in Bendigo in November to share best practice on mining rehabilitation and Victoria's new environment protection regime.

Attracting the next generation

MCA Victoria supported career expos across the state to engage with students and promote the diverse range of jobs in the mining industry. The MCA's *More to Mining Career's Guide* and *30 Things* publications were provided to regional schools.

MCA Victoria also continued to support education initiatives through funding for the Teacher Earth Science Education Program for professional development of science teachers, as well as sponsoring the Science Talent Search Awards.



MCA NORTHERN TERRITORY DIVISION

Restoring certainty will drive expansion in NT mining

2019 will be remembered as a year of reviews and a tough economic climate in an uncertain policy framework.

As many of the reviews into regulatory and legislative controls of the minerals sector continued throughout 2019, it at times remained uncertain exactly what assessment tools were being utilised.

With everything from land access to exploration and operational mine management plans, to security bonds and even mine closure guidelines still under review in 2019, as well as the continued introduction of the hybrid royalty scheme, progress was steady but still slow, and certainly created uncertainty in the investment market. Coupled with a skeletal transport and logistics network, this certainly slowed down development.

Reactive economy

Much of the MCA NT's advocacy pushed for the recognition of wealth creating projects as the Territory economy continued to flatline. As many industries continued to decline, along with the population, the minerals sector continued to push forward on strategic projects that will hopefully come to fruition in the next short period.

During this time, projects including gold, rare earths, phosphate, lithium, bauxite and manganese continued to gain approvals and are awaiting expansion or development. This has positioned the industry well to be able to take advantage of investment opportunities in the future as policy frameworks are defined and finalised.

Exploration

Exploration investment again continued to grow over the period, up again over the previous year demonstrating the enduring hope and optimism in relation to the Territory's resources prospectivity. Again,



Newmont Tanami took out the 2019 Northern Australian Emergency Response Competition.

expenditure was more focused or targeted during this period, with companies using the opportunity to shore up potential reserves to a more quantifiable figure. This year saw a return to the days of heightened exploration of 2008-2010, partly due to the success of collaboration with the Northern Territory Government exploration partnerships.

Northern Australian Emergency Response Competition

This year saw the competition return to the Territory, being run predominantly across the Charles Darwin University campus. For the first in a very long time, the competition saw a complete team registration of 10 teams – five from the Territory and five from Queensland, competing across a number of disciplines including fire and rescue and hazardous material response.

A very successful competition was held that also allowed us to showcase the industry's

capabilities across the top end. The MCA NT congratulates all involved.

Future outlook

The Territory is still poised for an exponential increase of opportunity in the minerals sector in the very near future. As reviews are finalised, exploration defined and certainty provided, there will be an increase in both brown and greenfield developments and in both new and old commodities, but with new technology, uses and opportunities.

All it will take is market confidence, the right regulatory frameworks and continued buoyant commodity cycles of prices, and the sector is set for its own expansion – an expansion that will provide opportunities and jobs across rural and regional areas of the Territory and for the benefit of all Territorians.

New direction for MTEC

The Minerals Tertiary Education Council 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.

The primary reason for industry support is to engage with university schools and departments offering specialist minerals-related higher education programs on a nationally collaborative basis. Such financial investment can support, but cannot sustain, these programs. MCA funding is in excess of \$60 million since 2000 for programs which have benefited approximately 5000 graduates. A key role of MTEC has been an intermediary body driving engagement between universities and industry and building collaboration between universities in program development and provision.

The MCA, through MTEC, has built a unique, innovative and powerful model for strategic and purposeful industry investment in minerals related tertiary education across a number of Australian universities. However, a significant recalibration of the industry's relationship with the university sector (to modernise courses, content and delivery to provide the knowledge and skills needed in the redesigned workplaces of the future) necessitated a change in how MCA funding through MTEC is directed.

During 2019, MTEC completed its most significant recast of MCA member funding into mining engineering higher education, including terminating funding of the Mining Education Australia (MEA) initiative. In addition to the ongoing support for programs in extractive metallurgy and minerals geoscience, the MCA (in late 2019) announced new investments totalling \$1 million into three new programs to create the professionals the modern mining sector needs. This investment charts a new course

for mining engineering education for the modern mining sector in Australia.

This reframed network of select university departments will be dedicated to achieving true world class education by cooperating in the development and delivery of undergraduate learning in the core disciplines of mining engineering and metallurgy, and a specialist graduate program in minerals geoscience.

Mining engineering curricula

MCA and MTEC support existing pathways and in 2019 invested in two curricula pilots to analyse, review, refresh and test curriculum to reflect contemporary skills needs.

The reframed network of select university departments will be dedicated to achieving true world-class mining engineering and metallurgy education.

Central Queensland University and the University of Southern Queensland are conducting a curricula pilot to refresh and re-focus the Associate Degree of Engineering to reflect the modern mining sector. The associate degree provides a pathway to a professional engineering career for trade qualified paraprofessionals in engineering related industries including the resources sector. This pilot offers a refreshed opportunity to consider an education product that bridges vocational education and training and higher education and develop a new cohort of professionals from within the existing workforce.

Curtin University will pilot, test and evaluate an overhauled undergraduate curriculum in mining engineering, established through extensive consultation with industry and community partners.



Microcredential package

The MCA and MTEC support the development of new pathways that complement existing offerings and are able to facilitate access to and invite a wider talent pool to the modern mining sector.

Curtin University and the University of Queensland, in an industry first, will develop and offer a microcredential package as an online professional certificate in foundations of modern mining, consisting of six individual short courses. This program advances training creation and delivery mechanisms in innovative ways when higher education environments can be somewhat restrictive.

The open source, free access package offers education attainment (through a graduate certificate) and allows for a pathway to further study for participants from any discipline who wish to gain mining specific skills.



2019 NExUS summer school participants.



Extractive metallurgy and minerals processing

The Metallurgical Education Partnership is a formal partnership funded by MTEC and its partner universities (the University of Queensland, Curtin University and Murdoch University) for collaborative teaching of the capstone metallurgical process and plant design course for fourth year engineering undergraduate students.

Industry contribution continued in 2019 by way of a week-long industry masterclass attended by all students and supplying real industry data for the student projects. MEP produces 100 per cent of all four-year trained Australian extractive metallurgists nationally with long term graduate numbers of approximately 30 per year.

Minerals geoscience

The National Exploration Undercover Schools (NExUS) is a prestigious minerals geoscience summer school established by MTEC for tomorrow's leading mineral explorers and hosted by the University of Adelaide as a collaboration of universities, government and industry partners.

It delivers a truly world-class national program of training for 30 enthusiastic and engaged students wanting to acquire specialist minerals geoscience skills. Places are also made available to Geoscience Australia early career staff. By the end of 2019, there will be over 130 NExUS alumni.

The industry benefits from a cohort of students keen to pursue careers in the minerals industry. Students came from every state and territory, with many MCA members providing industry sessions as part of the program.

Minerals Industry National Associate Degree

The industry-supported associate degree programs in mining engineering and minerals geoscience will continue to be offered by the University of Southern Queensland and Central Queensland University with support from the new mining curricula and NExUS programs to ensure quality curriculum for these paraprofessional qualifications.

Board of Directors

As at 31 December 2019



The Hon Helen Coonan
Chair



Mr Mike Henry
Vice Chair
Chief Executive Officer
BHP



Mr Sandeep Biswas
Vice Chair
Managing Director and
Chief Executive Officer
Newcrest Mining



Mr Alex Bates
Chair, Safety and
Sustainability Committee
Regional Senior Vice President
Newmont Australia



Mr Mike Erickson
Chair, Energy and Climate
Change Committee
Senior Vice President
AngloGold Ashanti Australia



Mr Paul Flynn
Chair, Coal Forum
Chief Executive Officer
and Managing Director
Whitehaven Coal



Mr Tyler Mitchelson
Chair, Economic
Reform Committee
Chief Executive Officer
Anglo American
Metallurgical Coal



Mr Charles Meintjes
Executive Vice President
and Chief Operating Officer
Peabody



Mr Gary Nagle
Head of Global Coal Assets
Glencore



Mr Chris Salisbury
Chair, Workforce and
Innovation Committee
Chief Executive, Iron Ore
Rio Tinto



Mr Reinhold Schmidt
Chief Executive Officer
Yancoal Australia



Mr Bob Vassie
Chair, Gold Forum
Managing Director and
Chief Executive Officer
St Barbara



Mr Michael Wright
Co-Chair, Safety and
Sustainability Committee
Chief Executive Officer
and Managing Director
CIMIC Group



Mr Mike Young
Chair, Uranium Forum
Managing Director and CEO
Vimy Resources

MCA member companies

As at 31 December 2019

Full members

Adani Mining
Albemarle Lithium
Anglo American Metallurgical Coal
AngloGold Ashanti Australia
Arafura Resources
BHP
Boss Resources
Cameco Australia
Castlemaine Goldfields
Cauldron Energy
Centennial Coal Company
Core Lithium
Dart Mining NL
Deep Yellow
Donald Mineral Sands
Downer EDI Mining
EnergyAustralia
GBM Resources
Glencore Australia Holdings
Gulkula Mining Company
Heathgate Resources
Idemitsu Australia Resources
Jellinbah Group
Kalbar Resources
Kirkland Lake Gold
Macmahon Holdings
Mandalay Resources
Costerfield
Navarre Minerals
New Hope Corporation
Newcrest Mining
Newmont Australia
Omya Australia
Paladin Energy
Peabody Energy Australia
Pembroke Resources
Providence Gold and Minerals
Rex Minerals
Rio Tinto
St Barbara
Stawell Gold Mines
The Bloomfield Group
Thiess
TNG Limited
Toro Energy
Verdant Minerals
Vimy Resources
Vista Gold Australia
Whitehaven Coal
WIM Resource
Yancoal Australia

Associate members

AECOM Australia
AMC Consultants
ANSTO Minerals
Ashurst
Aurizon
Bechtel Australia
Chamber of Minerals and Energy of Western Australia
Corestaff NT
Dyno Nobel
ECOZ Environmental Services
Ernst & Young
GHD
Herbert Smith Freehills
Komatsu Australia
KPMG Australia
MinterEllison Lawyers
Mitsubishi Development
NSW Minerals Council
Orica Australia
PanAust
Power and Water Corporation
PricewaterhouseCoopers Australia
Queensland Resources Council
South Australian Chamber of Mines and Energy
Sparke Helmore Lawyers
Tasmanian Minerals, Manufacturing and Energy Council
True North Strategic Communication
WesTrac



Morning fix

Repairing a bucket wheel reclaimer as the sun rises in Western Australia.

Annual financial report

Year ended 31 December 2019

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These financial statements are the financial statements of the Minerals Council of Australia as an individual entity. The financial statements are presented in the Australian currency.

Minerals Council of Australia is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Minerals Council of Australia

Level 3, 44 Sydney Avenue, Forrest ACT 2603

The financial statements were authorised for issue by the directors on 17 April 2020. The directors have the power to amend and reissue the financial statements.

ABN 21 191 309 229



There's more to
**Australian
Mining**

Directors' report

Minerals Council of Australia

Your directors present their report on the Minerals Council of Australia (MCA) for the year ended 31 December 2019.

Directors

The following persons held office as directors of the MCA during the whole financial year and up to the date of this report:

Mr A Bates	Mr P Flynn	Mr C Salisbury
Mr S Biswas	Mr M Henry	Mr M Wright
Mr M Erickson	Mr T Mitchelson	Mr M Young

Mr G Nagle, The Hon H Coonan, Mr C Meintjes, Mr D Moulton and Ms A Lacaze were appointed as a director on 31 January 2019, 18 June 2019, 4 September 2019, 6 April 2020 and 10 April 2020 respectively and continue in office at the date of this report.

Mr B Petersen was appointed as a director on 19 June 2019 and retired on 2 September 2019. Mr R Schmidt was appointed as a director on 18 June 2019 and retired on 8 March 2020.

Mr P Freyberg, Dr V Guthrie, Mr G Schuller Jr and Mr R Vassie retired as directors on 25 January 2019, 18 June 2019, 23 July 2019 and 4 April 2020 respectively.

Objectives and strategies

The MCA's objective is to assist the growth of the Australian mining and minerals processing industries.

The MCA's strategy for achieving this objective is to advocate pre-competitive or generic public policy for a socioeconomic environment conducive to growth and prosperity; to identify and promote leading operation principles; and to engage with opinion leaders and other stakeholders to promote the industry's contribution to the sustainable economic benefit of all Australians.

Principal activities

During the year the principal activities of the MCA were promoting the benefits of the minerals industry in the public domain and engaging in advocacy on the issues that matter most to Australia's mining sector and related industries: economic and fiscal policy, taxation policy, climate and energy policy, sustainable development, education and skills, safety, labour and Indigenous economic development. The MCA measures its performance by member feedback and legislative outcomes.

There was no significant change in the nature of the activity of the MCA during the period.

Operating results

The MCA derives its income primarily through members' subscriptions which, over time, approximate expenditure of the MCA. The operating surplus for the year ended 31 December 2019 was \$23,055 (2018: deficit \$287,446).

Information on directors

Mr A Bates B.Sc.Eng (Hons) – Civil Engineering

Regional Senior Vice President | Newmont Australia

Mr S Biswas B.Ch.E (Hons), FAusIMM

Managing Director and Chief Executive Officer
Newcrest Mining Limited

The Hon H Coonan BA, LLB

Independent Chair

Mr M Erickson B.Sc (Hons), PGDip, GAICD, FAusIMM

Senior Vice President | AngloGold Ashanti Australia Limited

Mr P Flynn B.Comm, FCA

Chief Executive Officer and Managing Director
Whitehaven Coal Limited

Mr M Henry B.Sc (Chem)

Chief Executive Officer | BHP

Ms A Lacaze BA, DipM, MAICD

Chief Executive Officer and Managing Director
Lynas Corporation

Mr C Meintjes Bcom. BCompt CA(SA)

Executive Vice President and Chief Operating Officer | Peabody

Mr T Mitchelson B.Comm (Hons), CPA

Chief Executive Officer | Anglo American Metallurgical Coal

Mr D Moulton CEng (Mining), MBA, FAusIMM, FIMMM, MAICD

Chief Executive Officer | Yancoal Australia Limited

Mr G Nagle B.Com, B.Acc

Head of Global Coal Assets | Glencore

Mr C Salisbury B.Eng (Metallurgical), FAICD

Chief Executive | Iron Ore, Rio Tinto

Mr M Wright B.Eng (Civil), M.Eng.Sc

Executive Chairman, Mining & Mineral Processing
Thiess & Sedgman

Mr M Young B.Sc (Hons) – Geological Science

Managing Director and CEO | Vimy Resources Limited

Meetings of directors

There were five meetings of the MCA's directors held during the year ended 31 December 2019. 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.

Directors	Meetings eligible to attend	Meetings attended
A Bates	5	4
S Biswas	5	4
H Coonan	3	3
M Erickson	5	5
P Flynn	5	3
P Freyberg	1	1
V Guthrie	2	2
M Henry	5	3
C Meintjes	2	1
T Mitchelson	5	4
G Nagle	4	3
B Peterson	1	1
C Salisbury	5	5
R Schmidt	3	1
G Schuller Jr	3	2
R Vassie	5	4
M Wright	5	5
M Young	5	3

Member's 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 2001* is set out on page 36.

This report is made in accordance with a resolution of directors.



Mr P Flynn
Director



Mr T Mitchelson Henry
Director

Canberra
17 April 2019



Auditor's Independence Declaration

As lead auditor for the audit of the Minerals Council of Australia for the year ended 31 December 2019, 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.

A handwritten signature in blue ink, appearing to read 'David Murphy', is written over a light blue horizontal line.

David Murphy
Partner
PricewaterhouseCoopers

Canberra
17 April 2020

PricewaterhouseCoopers, ABN 52 780 433 757
28 Sydney Avenue, FORREST ACT 2603, GPO Box 447, CANBERRA CITY ACT 2601
T: + 61 2 6271 3000, F: + 61 2 6271 3999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Financial report

Year ended 31 December 2019

Statement of profit or loss and other comprehensive income

	Notes	2019 \$	2018 \$
Revenue from contracts with customers	1	19,752,208	13,376,875
Other income	2	266,965	333,913
Expenses			
Employee expenses		(8,831,075)	(6,825,923)
Consultancy expenses		(2,228,203)	(1,893,617)
Minerals Tertiary Education Council (MTEC) program expenses		(931,569)	(1,061,562)
Occupancy expenses		(185,625)	(826,064)
Conferences and events expenses		(981,710)	(756,186)
Travel expenses		(888,410)	(632,576)
Information and technology expenses		(561,444)	(572,890)
Media buy		(3,366,749)	(502,439)
Depreciation expense		(769,617)	(135,594)
Finance expense		(154,448)	-
Other expenses		(1,097,268)	(791,383)
Total expenses		(19,996,118)	(13,998,234)
Surplus/(deficit) for the year		23,055	(287,446)
Other comprehensive income for the year		-	-
Total comprehensive income for the year is attributable to: Members of Minerals Council of Australia		23,055	(287,446)

The above statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

	Notes	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	1,806,058	3,265,125
Term deposits		5,631,367	3,631,367
Receivables	4	458,305	820,846
Prepayments		331,357	404,033
Total current assets		8,227,087	8,121,371
Non-current assets			
Plant and equipment	5	295,348	423,747
Right-of-use assets	6	1,499,907	–
Total non-current assets		1,795,255	423,747
Total assets		10,022,342	8,545,118
LIABILITIES			
Current liabilities			
Trade and other payables	7	712,375	828,887
Provisions – employee entitlements		644,917	489,370
Lease liabilities	6	615,783	–
Contract liabilities		110,614	249,727
Total current liabilities		2,083,689	1,567,984
Non-current liabilities			
Provisions – employee entitlements		261,522	218,920
Lease liabilities	6	1,216,978	–
Lease incentive liabilities		–	321,116
Total non-current liabilities		1,478,500	540,036
Total liabilities		3,562,189	2,108,020
Net assets		6,460,153	6,437,098
EQUITY			
Accumulated funds	8 (a)	5,840,194	5,817,139
Reserves	8 (b)	619,959	619,959
Total members' equity		6,460,153	6,437,098

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

	Accumulated funds \$	Reserves \$	Members' equity \$
Balance at 1 January 2018	6,104,585	619,959	6,724,544
(Deficit)/surplus for the year	(287,446)	–	(287,446)
Total comprehensive income for the year	(287,446)	–	(287,446)
Balance at 31 December 2018	5,817,139	619,959	6,437,098
Balance at 1 January 2019	5,817,139	619,959	6,437,098
Surplus/(deficit) for the year	23,055	–	23,055
Total comprehensive income for the year	23,055	–	23,055
Balance at 31 December 2019	5,840,194	619,959	6,460,153

Statement of cash flows

	Notes	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from members and customers		22,098,065	15,035,370
Payments to suppliers and employees		(20,982,565)	(15,261,739)
Interest received		209,362	246,306
Interest paid		(154,448)	–
Net cash inflow/(outflow) from operating activities		1,170,414	19,937
Cash flows from investing activities			
Payments for plant and equipment		(9,118)	(77,204)
Net (increase)/decrease in term deposits		(2,000,000)	1,754,358
Net cash inflow/(outflow) from investing activities		(2,009,118)	1,677,154
Cash flows from financing activities			
Principal portions of lease payments		(620,363)	–
Net cash inflow/(outflow) from financing activities		(620,363)	–
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year		3,265,125	1,568,034
Cash and cash equivalents at end of year	3	1,806,058	3,265,125

The above statement of changes in equity and the statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

1 Revenue from contracts with customers

	2019 \$	2018 \$
Revenue recognised over time		
Membership fees	18,072,193	11,826,002
Management fees	625,588	642,095
	18,697,781	12,468,097
Revenue recognised at a point in time		
Events	540,131	535,989
Sponsorships	514,296	372,789
	1,054,427	908,778
Total revenue from contracts with customers	19,752,208	13,376,875

(a) Assets and liabilities related to contracts with customers

Trade receivables	212,729	619,796
Contract liabilities	110,614	249,727

MCA's revenue from contracts with customers is largely generated in Australia.

2 Other income

	2019 \$	2018 \$
Interest	219,756	217,410
Sundry income	47,209	116,503
	266,965	333,913

3 Cash and cash equivalents

	2019 \$	2018 \$
Cash at bank, cash on hand and term deposits with maturity less than 90 days	1,806,058	3,265,125

4 Receivables

	2019 \$	2018 \$
Trade receivables	212,729	619,796
GST receivables	227,363	181,918
Accrued interest	18,021	7,627
Sundry debtors	192	11,505
	458,305	820,846

5 Plant and equipment

	Furniture, fittings and equipment \$	Leasehold improvements \$	Total \$
At 31 December 2018			
Cost	803,042	1,663,965	2,467,007
Accumulated depreciation	(574,525)	(1,468,735)	(2,043,260)
Net book amount	228,517	195,230	423,747
Year ended 31 December 2019			
Opening net book amount	228,517	195,230	423,747
Additions	9,118	–	9,118
Depreciation charge	(80,523)	(56,994)	(137,517)
Closing net book amount	157,112	138,236	295,348
At 31 December 2019			
Cost	809,460	1,663,965	2,473,425
Accumulated depreciation	(652,348)	(1,525,729)	(2,178,077)
Net book amount	157,112	138,236	295,348

6 Right-of-use assets

The balance sheet shows the following amounts relating to leases:

	2019 \$	2018 \$
Right-of-use assets		
Buildings	1,462,095	–
Equipment	37,812	–
	1,499,907	–
Lease liabilities		
Current	615,783	–
Non-current	1,216,978	–
	1,832,761	–

In the previous year, the MCA did not have any lease assets classified as finance leases under AASB 117 Leases.

For adjustments recognised on the adoption of AASB 16 on 1 January 2019, please refer to note 14.

Additions to right-of-use assets during 2019 were nil.

The statement of profit and loss shows the following amounts relating to leases:

Depreciation charge for right-of-use assets		
Buildings	(585,897)	–
Equipment	(46,204)	–
	(632,101)	–
Interest expense	(154,448)	–
	(786,549)	–

The total cash outflow for leases in 2019 was \$774,810.

7 Trade and other payables

	2019 \$	2018 \$
Trade creditors	525,771	565,352
Accrued expenses	178,516	256,764
Other payables	8,088	6,771
	712,375	828,887

8 Equity

(a) Accumulated funds

Movements in accumulated funds were as follows:

	2019 \$	2018 \$
Balance 1 January	5,817,139	6,104,585
Surplus/(deficit) for the year	23,055	(287,446)
Balance 31 December	5,840,194	5,817,139

(b) Reserves

	2019 \$	2018 \$
Balance at 1 January	619,959	619,959
Transfer from/(to) accumulated funds	-	-
Balance at 31 December	619,959	619,959

(i) Nature and purpose of reserves

Campaign reserve

The surplus 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.

9 Commitments

	2019 \$	2018 \$
Commitments in relation to operating leases for office rental and office equipment contracted for at balance date but not recognised as liabilities:		
Within one year	1,623	832,452
Later than one year but not later than five years	812	2,592,738
Later than five years	-	-
	2,435	3,425,190

MCA leases various offices and equipment under non cancellable operating leases expiring within three months to four years.

The leases have varying terms, escalation clauses and renewal rights. On renewal the terms of the lease are renegotiated.

From 1 January 2019, MCA has recognised right-of-use assets for these leases, except for short term leases and low value assets.

10 Directors and executive disclosures

(a) Key management personnel compensation

In addition to the directors as listed in the directors' report, the following persons were the key management personnel with the greatest authority for the strategic direction and management of the MCA during the financial year:

Name	Position
The Hon H Coonan	Chair (from 18 June 2019)
Dr V Guthrie	Chair (until 18 June 2019)
Ms T Constable	Chief Executive Officer
Ms B Conroy	General Manager – Operations & Company Secretary
Mr S Marris	General Manager – Strategy & Innovation
Mr C McCombe	General Manager – Sustainability
Mr T Hayes	Senior Manager – Finance
Mr D King	General Manager – Trade, Investment & Investor Relations
Dr G Lind	General Manager – Safety, Workforce & Innovation
Mr R Lyons	General Manager – Taxation (from 21 January 2019)
Mr M McCallum	General Manager – Climate and Energy
Mr J Sorahan	Executive Director – MCA Victoria
Dr M Steen	General Manager – Economic Policy
Mr S Troeth	General Manager – Industry Positioning & Engagement
Mr P Gibbons	Principal Advisor – Energy, Coal & Uranium
Mr M Bonner	Principal Advisor – Climate Change
Mr A Wagner	Executive Director – MCA NT
Mr D Zavattiero	General Manager – State & Territory Relationships

(b) Remuneration of key management personnel

(i) Details of remuneration

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

	2019	2018
	\$	\$
Key management personnel compensation	5,222,397	4,302,198

11 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditors.

(i) PricewaterhouseCoopers

	2019	2018
	\$	\$
Financial report audit	32,500	29,580
Other services	4,590	8,570
Total remuneration for audit and other services	37,090	38,150

12 Events occurring after the reporting period

On 31 December 2019 a limited number of cases of an unknown virus was reported to the World Health Organization. The outbreak was declared a Public Health Emergency of International Concern on 30 January 2020 and on 11 February 2020 WHO named the new coronavirus disease COVID-19. There have been unprecedented measures put in place by the Australian Government and governments across the globe to contain the virus which have had a significant impact on the economy.

The MCA has carefully assessed business risks related to the impacts of COVID-19 and concluded there is no adverse impact at this time on the 31 December 2019 financial report. The MCA has implemented appropriate contingency plans including remote working measures. The MCA is maintaining a close watching brief as the pandemic evolves. The MCA's operations and advocacy for and on behalf of the Australian minerals sector will change but will not be impeded. The MCA's constitution provides for significant cyclical movements in the minerals sector and the MCA's financial position is unlikely to be affected in 2020.

13 Summary of significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(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*. The Minerals Council of Australia (MCA) is a not-for-profit entity for the purpose of preparing the financial statements.

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

The consolidated financial statements of the 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 basis, except for certain assets which, as noted, are at fair value.

(iii) New standards adopted

MCA applied the following standards for the first time for the reporting period commencing 1 January 2019:

- AASB 15 *Revenue from Contracts with Customers*
- AASB 16 *Leases*

The adoption of AASB 15 did not have a material change on the amounts disclosed in the financial statements. The impact for the adoption of AASB 16 on the MCA's financial statements is set out in note 14.

(b) Revenue recognition

Revenue is recognised for the major business activities as follows:

(i) Membership fees

Revenue from membership fees relates to the provision of annual membership benefits to members. The consideration for memberships is based on fixed fees and is recognised over the membership year as members simultaneously receive and benefit from the services provided.

Components of the membership fees that are collected for annual programs are recognised over time as the MCA provides the services with reference to qualitative achievement of planned activities for each program.

(ii) Events

The MCA holds a number of events during the year. Revenue is recognised when the event has been held and the consideration is based on fixed fees.

(iii) Sponsorship

The MCA receives sponsorship income from customers in support or partnership of MCA events. Revenue is recognised when the event has been held and the consideration is based on fixed fee amounts.

(iv) Management fees

The MCA provides management support services to an external entity as determined in the contractual agreement. The contract contains fixed monthly management fees and specifies the services as the provision of public affairs and policy support services and provision of management personnel services. The services provided are substantially the same each month and have the same pattern of transfer, therefore the MCA accounts for the contracts as two performance obligations, the annual provision of support services and management personnel services. Revenue is recognised over the life of the contract as the customer simultaneously receives the benefits as MCA provides the services.

(v) Contract assets and liabilities

Contract assets represent services provided to customers which are not yet billed. Contract liabilities recognised are in relation to revenue billed to customers, where MCA has not yet provided the services.

(c) Interest revenue

Interest income from cash and cash equivalents and other investments is recognised when earned.

(d) Income tax

The MCA is exempt from income tax under Section 50-40 of the Income Tax Assessment Act 1997.

(e) Cash and cash equivalents

For the 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 less than three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Term deposits

Term deposits are classified as financial assets at amortised cost as they are held with the objective to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. The original maturity of the term deposits are greater than three months.

(g) Trade and other 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.

MCA holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them initially at fair value and subsequently at amortised cost.

(h) 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 or loss.

(i) 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. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. 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	20% – 40%
Leasehold improvement	7.5% – 22.2%
Office furniture	7.5% – 10%
Office equipment	10% – 33.3%

(i) Impairment of assets

Assets that are subject to depreciation 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.

(j) Trade and other payables

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.

MCA recognises the trade payables initially at fair values and subsequently at amortised cost.

(k) Employee benefits

(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 investments with terms that match as closely as possible, the estimated future cash outflows.

(l) Goods and 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 the cost of 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 statement of financial position.

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.

(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 MCA is party to a jointly controlled operation called Melbourne Mining Club. The MCA has a 50 per cent participating interest in this venture, and is entitled to 50 per cent of its output. MCA's interests in the assets employed in the jointly controlled operation are included in the balance sheet. The principal place of business is Australia.

(n) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(o) Accounting for leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets
- leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease. If this is not readily determinable, an incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. If such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before the commencement of the lease
- initial direct costs incurred
- the amount of any provision recognised where the MCA is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

14 Changes in accounting policies

This note explains the impact of the adoption of AASB 16 *Leases* on the MCA's financial statements.

(i) Application of AASB 16

MCA has adopted the requirements of AASB 16 *Leases* for the first time for the financial reporting period ended 31 December 2019. AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

MCA has adopted AASB 16 retrospectively from 1 January 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 January 2019.

On adoption of AASB 16, the MCA recognised a lease liability and right-of-use asset in relation to the lease of office premises and IT related equipment, which had previously been classified as "operating leases" under the principles of AASB 17 *Leases*. The liability was measured at the present value of the remaining lease payments, discounted using the MCA's incremental borrowing rate at 1 January 2019.

The associated right-of-use asset was measured at equal to the amount of the lease liability as at 1 January 2019 less any lease incentives.

In applying AASB 16 for the first time, the MCA applied a single discount rate to a portfolio of leases with reasonably similar characteristics. This is one of the practical expedients permitted by the standard.

(ii) Measurement of lease liabilities

	2019 \$
Operating lease commitments disclosed as at 31 December 2019	3,425,190
Discounted using the lessee's incremental borrowing rate at the date of initial application	2,976,746
(Less): short-term leases not recognised as a liability	(1,452)
(Less): low-value leases not recognised as a liability	(20,758)
(Less): make good commitments included in 2018 commitments amount	(410,000)
(Less): outgoing commitments included in 2018 commitments amount	(91,406)
Lease liability recognised as at 1 January 2019	2,453,130
Of which are:	
Current lease liabilities	623,390
Non-current lease liabilities	1,829,740
	2,453,130

Directors' declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 37 to 47 are in accordance with the *Corporations Act 2001*, including:

(i) complying with 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 consolidated entity's financial position as at 31 December 2019 and of its performance for the year ended on that date, and

(b) there are reasonable grounds to believe that the Company 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 directors.



Mr P Flynn
Director



Mr T Mitchelson
Director

Canberra
17 April 2020



Independent auditor's report

To the members of the Minerals Council of Australia

Our opinion

In our opinion:

The accompanying financial report of the Minerals Council of Australia (the Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2019 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 31 December 2019
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the directors' report.

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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

David Murphy
Partner

Canberra
17 April 2020

There's more to Australian Mining

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