FUTURE CRITICAL

Meeting the minerals **investment challenge**

Download report

Rising costs **Declining productivity** **Stagnant investment** **Uncompetitive taxation** **Increased policy risks**

Labour productivity and investment is in severe decline

Australia risks dealing itself out of trillion-dollar critical minerals markets unless it gets serious about addressing rising costs, declining productivity and increased policy risks.

1.1% ▼
Productivity growth
All-industry productivity has halved since the Hawke-Keating reforms of the 1990s.
Productivity Commission

$933 billion
Stagnant investment
Mining capital stock has plateaued at $933 billion over the last five years.
ABS, *Australian System of National Accounts*, table 58

30%
Uncompetitive tax rate
Australia has the third highest company income tax rate among OECD countries.
Bazel & Mintz

Without action, Australia cannot rely on future wealth from mining

Australian mining has underpinned decades of high living standards and poured billions of dollars into the public purse for roads, schools, hospitals and welfare – but future national wealth from mining is not assured.

$2.7 trillion
Export revenue
Resources export revenue from 2013-14 to 2022-23 – that's a 138 per cent increase.
ABS, *International Trade in Goods and Services*, table 3

$258 billion
Mining wages
Wages paid across the resources industry from 2013-14 to 2022-23.
ABS, *Business Indicators*, table 17

$295 billion
Taxes and royalties
Company taxes and royalties paid by the mining industry from 2012-13 to 2021-22.
EY, *Royalty and Company Tax Payments*, MCA report, May 2023

Lifting productivity is critical and the real gamechanger for Australia

A 1 per cent lift in productivity through a more competitive tax structure, better regulatory settings and productive workplace relations could boost rewards for workers by 2030. Source: Centre for International Economics

$290 billion
Economic boost
From a 1 per cent lift in productivity across all industries to 2030.
Centre for International Economics

9.4% ▲
Real wages increase
In workers' pay packets from a more productive economy to 2030.
Centre for International Economics

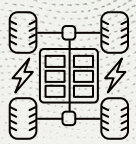
$11,700
Families better off
All Australian families better off from a more productive economy to 2030.
Centre for International Economics

Minerals Council of Australia

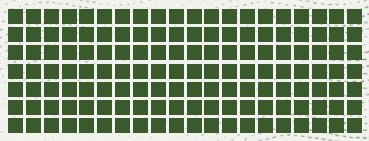
Resourcing Tomorrow
Australian Mining

The battery minerals shortfall demands hundreds of new mines

More than 260 new lithium, cobalt, nickel and copper mines will be needed by 2030 if the world is to meet global demand for minerals-intensive electric vehicles and energy storage batteries.

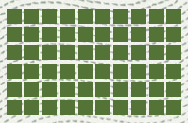


140 Copper mines



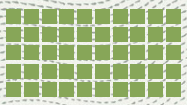
S&P Global

60 Nickel mines



IEA

50 Lithium mines



IEA

17 Cobalt mines

IEA

Global mining investment required to reach net zero is staggering

Australia has a once-in-a-century opportunity to generate sustained national prosperity and contribute in a substantial way to global clean energy supply chains, but only if its acts with urgency now.

2 times

Mining investment

Global investment will need to double by 2050 to meet demand for green tech.

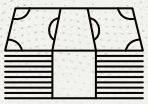
S&P Global

US$4 trillion

Investment to 2030

Global mining, refining and smelting investment required to achieve net zero.

McKinsey & Company



US$160 billion

Over next 25 years

Annual global mining investment required to reach net zero by 2050.

S&P Global

Australia has the minerals, but is being outpaced by competitors

Australia has enviable reserves of future critical minerals but risks falling behind other highly competitive resource-rich countries with a strong political focus on the energy transition.

No.1

Global resources...

of recoverable nickel, zircon (zirconium), rutile (titanium), uranium, gold and zinc.

Geoscience Australia

Top 5

Global resources...

of lithium, copper, bauxite, cobalt, tungsten, ilmenite, vanadium and manganese.

Geoscience Australia

80%

Under-explored

Opportunities for new mineral discoveries are vast with 80% of Australia under-explored .

Geoscience Australia

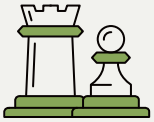
If Australia is to meet this critical opportunity, action is needed now.

Government and industry must work together to clear the roadblocks that threaten the next wave of global mining investment in Australia. This can be achieved by addressing five critical areas:

Reduce the regulatory burden to attract investment

Advance policies that support competitive project returns

Deliver efficient public infrastructure and services



Make support for mining a political imperative

Put business and productivity at the centre of fiscal policy

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