

Annual Report 2022
Minerals Council of Australia





Minerals Council of Australia

Policy priorities



Communities

- Enduring First Nations and community relationships based on respect and shared values
- Improved environmental performance throughout and beyond the life of mine
- Committed to an ambition of net zero emissions by 2050.



Economics

- An economic framework conducive to global competitiveness and growth
- Access to resources, land, water, energy and export infrastructure
- Access to competitive markets for capital, production inputs and human resources.



Workforce

- A minerals industry free of fatalities, injuries and diseases, with a focus on respectful workplaces
- A skilled, diverse, productive and agile workforce
- Flexible and responsive training to support the workforce of the future.

.....





The MCA is the leading advocate for Australia's world class minerals industry, promoting and enhancing sustainability, profitability and competitiveness. The MCA represents a sector that is dynamic, diverse, sustainable and valued by all Australians.

Membership

MCA member companies are significant contributors to national income, investment, jobs, exports and tax revenues in Australia.

80%

Production

Minerals production by MCA members.

80%

Exports

Export earnings by MCA members.

Sustainable mining



Towards Sustainable Mining

Performance system tracking ESG outcomes.



Water Accounting Framework

World-leading site level water reporting system.



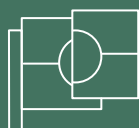
Climate Action Plan

Committed to an ambition of net zero emissions by 2050.



Enduring Value

Industry commitment to sustainable mining and guide to implementation.



Acknowledgement of Country

The MCA acknowledges and pays its respects to past, present and future Traditional Custodians and Elders and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

There's more to
**Australian
Mining**

minerals.org.au

Investing in the regions (cover image & this page): South32 employees at Boddington Lions Rodeo Complex.

South32 operates Worsley Alumina, a bauxite mine and alumina refining operation in the south west of WA. The operation contributes more than \$1 million each day into surrounding communities through wages, local businesses and community investment in projects with a focus on environmental protection, economic diversification and Indigenous education.





Contents

Chair's report	5
Chief Executive Officer's report	7
Policy agenda	10
Safety	11
Respect at work	11
Indigenous partnerships	12
Taxation	13
Workplace relations	13
Environmental approvals	14
Climate and energy	15
Industry snapshot	16
Industry positioning	18
Minerals Week 2022	20
MCA Victorian Division report	22
MCA Northern Territory Division report	24
MCA achievements 2022	26
MCA committees update	31
MCA Board of Directors	35
MCA member companies	36
Annual financial report	37

Minerals Council of Australia

44 Sydney Ave, Forrest ACT 2603 (PO Box 4497, Kingston ACT 2604)
T. + 61 2 6233 0600 | E. info@minerals.org.au | minerals.org.au

Warning: Please be aware that this publication may contain the names or images of Aboriginal and/or Torres Strait Islander people who may now be deceased.

Andrew Michelmore AO
Chair



Australian mining leads the way with a focus on the future

As the nation rebounds from the shocks of recent years, Australia's mining sector turns its focus to the future and the global task of reducing emissions.

Mining played a crucial role in sustaining Australia's economy in 2021-22, contributing 33 per cent of company taxes and delivering a 42 per cent increase in royalties to record high levels in the past financial year.

The challenge of remaining the leading mining jurisdiction and attracting the talent and capital needed to grow is joined by a new one: increasing prosperity while contributing to the global task of reducing emissions.

This means continuing to supply the important bulk commodities that underpin modern societies as well as meeting the growing demand for the critical minerals essential for technological innovation and the energy transition – an exciting new frontier.

It is with great pleasure that I return for another term as Chair of the MCA. Mining has been a significant part of my life and I'm honoured to oversee the organisation once again. I look forward to working with my fellow board members, member companies, the industry and communities in which we operate to progress the key policy platforms that will drive this mission of greater prosperity and lower emissions.

With thanks to the Hon Helen Coonan

I want to thank the previous chair the Hon Helen Coonan for the significant contribution she made to the MCA at a difficult time for Australia and for the mining industry.

Under her leadership, the MCA provided guidance to the industry and governments as it navigated the COVID-19 pandemic. Mining remained fully operational and delivered for the nation when it needed it most.

Ms Coonan also championed the industry's response to the 2020 Australian Human Rights Commission's *Respect@Work* report with actions to stamp out sexual harassment. This important work must continue across the industry. Other significant initiatives included the launch of the first *Climate Action Plan* and subsequent reports, and confirming the industry's ambition to achieve net zero emissions by 2050.

The MCA membership also took environmental, social, and governance (ESG) responsibility to a new level with members committing to adopt the Towards Sustainable Mining initiative.

Member companies drive engagement with communities and economic activity. The MCA supports and informs these activities. Together the industry has been focused on learning, repairing and better engaging with First Nation's communities.

The MCA has helped identify skills needs and career paths, working with the education sector, governments and companies to create more apprenticeships, increase skills, build more inclusive and respectful workplaces, encouraging more women to join the industry.

The MCA will continue to work and lead on these important initiatives with the same commitment, focus and hard work it has always displayed.

It is vital Australia has a strong mining industry given the predominant export-driven contribution it makes to the national economy and regional areas through meeting the world's need for minerals and metals for modern life.

Mining's decadal contribution to Australia

In the decade to 2021-22, mining contributed \$2.4 trillion to Australia's export revenue and its share of the nation's GDP growth was 21 per cent. The industry also contributed significantly to federal, state and territory government revenues in this period – \$170 billion in company taxes and \$127 billion in royalties – paying for schools, hospitals and public infrastructure.

The industry employs – directly and indirectly – 1.1 million Australians, with many of those in regional areas; paid \$252 billion in mining wages; and supported thousands of regional businesses in the mining supply chain. It also made a significant contribution to capital spending totalling \$246 billion.

Australian mining continues to make strides in innovation, employs more highly skilled workers every year and has increased women's participation by 35 per cent in the past decade.

Geopolitical challenges

While the industry has enjoyed much success in the last decade, it is now confronting new domestic and international challenges.



➤ MCA Policy Roundtable

MCA Chair Andrew Michelmore (far right) with Queensland Resources Council CEO Ian Macfarlane and MCA CEO Tania Constable in March 2023.

Rising inflation, interest rates and energy costs pose risks for investment activity globally. Competition for investment funds will become harder. Added to this, the Australian economy is at risk with a structural budget deficit that stretches well beyond the next decade presenting a difficult policy landscape.

Australia is not unique as the rest of the world emerges from the global pandemic. The fallout of the Russia-Ukraine War will likely have long-lasting generational effects and European economies are turning to suppliers other than Russia to provide their energy and minerals needs. The US is aggressively pursuing a strong domestic investment agenda with a number of new policies including the US\$400 billion Inflation Reduction Act.

Every country needs to turbocharge its economies and Australia has what the world wants: access to reliable energy sources and critical minerals. This is a real opportunity as Australia is poised to benefit from a diversified strategy in coal, gas, critical minerals and uranium.

The risk is however that Australia might squander this opportunity through unnecessary regulatory burdens on the industry.

Australia has over 100 prospective mining and processing projects totalling around \$50 billion in investment, 30,000 construction jobs and 20,000 operational jobs.

Converting these prospective projects into actual investment is dependent on government ensuring Australia retains internationally competitive policy settings.

Legislative changes to workplace relations, the safeguard mechanism, energy, taxation and environmental approvals are areas that directly affect the minerals industry. By themselves some can be managed, but together they present significant additional costs for projects and present real challenges for new projects seeking final investment decisions.

The Australian mining industry is severely affected by the current skills and labour shortages. There is an acute shortage of mining engineers, metallurgists, electrical engineers, geological engineers, geologists and tradespeople.

The MCA will continue to focus on talent acquisition and retention for the industry and push for more students – particularly female – to enter STEM professions.

The MCA has been a responsible advocate and stands ready to work with all governments to ensure that policy outcomes enhance and not inhibit the investment task.

This year the MCA is working hard to emphasise the contribution mining makes to modern life and showcase new minerals and their process potential, particularly in metropolitan cities.

Maintaining exploration is key

Australian mining's success is dependent on investment to unearth mineral deposits of global significance and expand existing operations.

Minerals exploration activity in Australia reached a record \$4.05 billion in 2022, up 13 per cent from the previous year.

Geoscience Australia's Exploring for the Future program, in partnership with the states and Northern Territory, has been fundamental in providing pre-competitive geoscience information for companies and indeed has led to good results recently in the Barkly region of the NT.

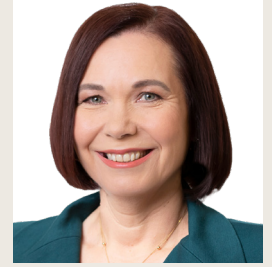
While these exploration results are impressive, the time it takes from discovering a mineral deposit to the development of a new mine often exceeds 15 years.

It is a policy imperative to ensure exploration investment continues, particularly for critical minerals that will help the globe's efforts to decarbonise and achieve the goal of net zero emissions by 2050.

The MCA will continue to work with the industry and government to ensure it realises its full potential, contributes to the nation and provides the world the critical minerals needed for the energy transition.

I commend this annual report to you.

Andrew Michelmore AO
Chair | Minerals Council of Australia



A year of change and challenge for the mining industry

2022 was certainly challenging, with a change of government early in the year and a barrage of new policies affecting mining.

Swift and decisive action by the MCA and Board was required as we refocused efforts and resources to address the priority areas of industrial relations, the prospect of climate policy changes via the safeguards mechanism, taxation and environmental assessment and approvals.

The government ramped up its support for critical minerals investment, tying it directly to the need to secure supply chains and create new value-adding industries directly in Australia.

Australia is fortunate to have abundant reserves of the minerals necessary for modern life, including rare earths, lithium, nickel, cobalt and copper. These minerals are essential components in the production of high-tech goods from smart phones and laptops to electric vehicles and renewable energy.

With abundant mineral reserves and advanced mining skills and capabilities, Australia is perfectly poised to take advantage of growing market demand and, like iron ore in the 1980s, become a leading supplier. Not only would this help secure Australia's economic future, but be a significant additional boost to regional communities.

As our theme for Minerals Week captured, Australia's miners and communities are nation builders and global leaders. With a record high of \$461 billion export revenue in 2022 (69 per cent of the nation's total revenue exports), global demand for Australia's resources, led by coal and iron ore, continues to underpin the nation's economic prosperity.

However this cannot be taken for granted. Global competition to attract investment in mining and particularly for the minerals and metals required for the clean energy transition is intensifying.

The global race for critical minerals investment

If mining is to continue making a major economic contribution to the nation – to build the nation and lead global development – it has to attract a significant slice of the additional US\$100 billion of global mining investment forecast for critical minerals annually for the next two decades.

By 2030 alone, 50 new lithium mines, 60 new nickel mines and 17 new cobalt mines will be required to meet global demand for electricity storage.

While Australia has a world-class mining industry, being prepared for competition should be placed at the centre of governments' policymaking to ensure the industry maintains its leading performance.

There is a genuine risk of Australia's minerals remaining in the ground as companies and investors prioritise foreign resource developments where costs are lower, policy settings more stable and returns are higher.

Australia is better placed with its resource base than any nation to reap the benefits of this new-energy transition. But the opportunity needs to be seized, not squandered.

Workplace relations, taxation, emissions management, environment and energy policies that impose additional costs on the mining industry threaten the capital

investment that underpins mining's contribution to the economy.

In 2022, the MCA worked hard to highlight the importance of getting these critical policy areas right via direct representation, submissions and actively engaging with government, industry (forming close partnerships) and communities.

Workplace flexibility is vital

The Australian government released a series of workplace relations reforms aimed at simplifying and modernising the system. These reforms included changes to casual employment, a new bargaining framework to encourage bargaining between employers and employees.

The MCA supported changes that would protect the most vulnerable in our society, but was united with other business groups in opposition to a number of the reforms, particularly the multi-employer bargaining. The reforms were passed by parliament and will take effect in June 2023.

The reforms will have a significant negative impact on the industry and more broadly on the economy. Disappointingly, the reintroduction of multi-employer bargaining into the Australian workplace relations regime is a fundamental departure from nearly 30 years of bipartisan support for enterprise-level bargaining focused on boosting productivity and real wages.

The MCA is concerned at the potential risks of legislation to implement the government's so-called 'same job, same pay' policy. Such legislation runs the risk of imposing unsuitable and incompatible workplace arrangements on employers and disrupting existing arrangements that have generated high wages and high productivity. If not implemented carefully, it will jeopardise a range of existing arrangements in the industry, discourage future investment and ultimately cost jobs.

Workplace flexibility is vital for the Australian mining industry to continue to grow to meet the world's appetite for critical minerals.

Internationally competitive tax system

The Australian government has a four-pillar approach to creating an internationally competitive tax system – lower taxes, targeted investment incentives in priority areas, simpler compliance and administration rules and actively promoting Australia as an attractive destination for foreign investors. While mining has not been singled out, fiscal policies targeting multinationals have had a negative impact on some of our members.

The biggest news on taxation, and relief for industry, came in the Prime Minister's speech at the Australian Minerals Industry Parliamentary Dinner where he said there would be no mining tax or change to the fuel tax credit scheme.

Mining and emissions reduction

The MCA and its members are committed to climate action, support the Paris Agreement and an industry ambition of net zero by 2050. The MCA released its second *Climate Action Report* which highlighted continuing modest reductions in carbon emissions and significant investment in technology development and deployment.

Following the government's commitment to achieve an interim target of 43 per cent reduction in greenhouse gas emissions by 2030 (from 2005 levels), the MCA entered ongoing discussions with government on the design of changes to the safeguard mechanism.

The MCA argued the need for appropriate treatment of emissions intensive/trade exposed industries while ensuring international competitiveness and the avoidance of carbon leakage. The MCA was successful in achieving a cost containment/price management mechanism to manage the upside price risk for facilities and the full use of Australian Carbon Credit Units.

Environmental protection

Australian mining is committed to the protection and restoration of our unique environment and national heritage values.

It was disappointing to see that the remit of the proposed national environment protection agency will be expanded beyond an election commitment of compliance and assurance to include project assessment and approvals,

presenting increased risks for new projects. Timely approvals, national coordination and clearer guidelines will help Australia's minerals industry create more jobs, boost investment and continue to improve national biodiversity and heritage outcomes.

The Towards Sustainable Mining sustainability accounting system – under adoption by the MCA members – supports continual improvement and provides unprecedented transparency around the industry's environmental and social performance governance.

Indigenous partnerships in focus

Mining companies and Traditional Owners and communities have partnered for decades to deliver tailored opportunities for people to work on country, to return and live locally, gain new skills and qualifications and establish businesses.

Mining employs a higher proportion of Indigenous Australians than any other sector and the industry is also a major customer of the vibrant Indigenous business sector thus contributing significantly to long-term wealth creation.

Mining is committed to increasing Indigenous Australian participation across the industry, including enhancing employment and business opportunities and representation in leadership and industry professional roles.

Pilbara mine site tour

October 2022



The MCA strongly supports the National Roadmap on Indigenous Jobs, Skills and Wealth Creation's ambition of further unlocking Indigenous Australian aspiration and excellence in the economy.

Trade, skills and technology

The MCA is working with government to expand opportunities for trade and investment, including through promotion of Australian mining's strong ESG performance.

The secretariat also continues to work with member companies to target skills and deliver quality education and training to satisfy the industry's workforce requirements that will be crucial in delivering the critical minerals the world will need to decarbonise.

Finally, the MCA is an advocate for a coordinated approach across federal, state and territory governments to regulate transformative technologies to unlock productivity gains from innovation.

The future for mining in Australia looks positive providing the right business and regulatory environment is in place to attract the significant investment the world will allocate for critical minerals in the next couple of decades.

Safety a core priority

There remains a vital issue where the industry is not living up to its own aspirations: the safety and wellbeing of our workers. Three people did not return home in 2022. This follows five deaths in 2021.

Society's understanding of wellbeing is expanding and presents a new challenge for the industry to ensure not only physical safety but psychosocial health are considered. The response by the industry to the Australian Human Rights Commission's *Respect@Work* report has been a key part of this, but there is more to be done.

Industry positioning

The MCA switched gears in the second half of the year to fully implement a change in priorities and industry positioning. A new positioning and engagement strategy was put into practice which included a series of proactive and positive advertising campaigns featuring the use of new minerals to reinforce the industry's responsible community approach and contribution.

Continuing to build a long-term positive perception and support for the minerals industry is critical and our research and evaluation has shown a positive change in public support is occurring post COVID-19 which continues in 2023.

A defensive campaign has guarded against adverse action on tax, climate and energy, workplace relations and environment. A fuel tax credit campaign was created and rolled out in conjunction with regional industries including forestry, oil and gas, irrigators, fisheries, maritime, farmers, canegrower, tourism, agriculture and winemakers. This campaign had an immediate and positive effect for regional industries and the MCA is grateful for the support and ongoing partnership with the Fuel Tax Credit Alliance.

The MCA has remained steadfast in its commitment to strongly advocate on behalf of MCA members and this report highlights some of the successes and challenges throughout the year. We have adapted to changing circumstances and continued to deliver targeted policy advocacy and improved our industry positioning strategy.

I'd like to thank the Hon Helen Coonan for her leadership as Chair of the MCA Board and I'd also like to acknowledge the board members who left during 2022, including Edgar Basto, Alex Bates, Tyler Mitchelson and Darren Yeates.

Finally, none of this would be possible without the dedication and hard work of our staff who have worked tirelessly to ensure that our policy advocacy is first rate and committees and other services run smoothly and efficiently. I thank my team and all of our members for their unwavering commitment to our shared vision which continues to be the driving force behind our success.



Tania Constable
Chief Executive Officer
Minerals Council of Australia



Images: MCA, CMEWA and APPEA hosted a tour of Pilbara mine sites, including BHP, Rio Tinto, Mineral Resources and FMG in October 2022. Resources Minister Madeleine King (main picture with MCA CEO Tania Constable) was among federal Labor MPs taking part, which also included Member for Paterson Meryl Swanson MP, Member for Pearce Tracey Roberts MP and Member for Swan Zaneta Mascarenhas MP.

Consultation and engagement shapes policy agenda

The MCA's policy agenda mirrors the Australian minerals industry's engagement with communities, the nation and the world.

The MCA policy agenda covers a broad range of significant issues. Policy positions are built upon a sound evidence base, the principles of opportunity, sustainability and transparency, extensive consultation with members, and ongoing engagement with communities and governments.

Mining investments are a long-run decision, requiring stable and dependable policy settings to underpin multi-decade obligations to investors and communities. This is a fundamental priority. Yet policy is also dynamic and requires a willingness to reflect preparedness to adapt and empathise with communities.

In 2022, the MCA kept Australians informed about the industry's ongoing support for the economy: the increased export revenue, higher wages, growing employment, leading-edge innovation and its significant tax and royalties contribution.

The MCA urged governments to use the recovery from COVID-19 to adopt productivity-enhancing reforms to bolster investment and expand the sector's contribution to Australia's prosperity into the future.

Across the broad sweep of policy issues, leading the MCA's advocacy were:

- Creating safe and respectful workplaces
- Strengthening partnerships with Aboriginal and Torres Strait Islander peoples
- Ensuring an internationally competitive taxation regime
- Promoting diverse, flexible and rewarding workplaces
- Improving the efficiency and effectiveness of environmental approvals regimes
- Providing a practical pathway to net zero emissions by 2050.



// Safety

The safety, health and psychological wellbeing of the mining workforce – where everyone who goes to work returns home safe and healthy – is the industry's core value and commitment.

Sadly, three people did not return home during 2022.

The MCA's policy work focused on improving the sector's understanding of the systemic causes of an incident and how to address this, which included a deep dive into industry and regulator statistics to identify unrecognised trends and new responses.

Work focused on three types of uncontrolled or unexpected energy releases: vehicle, machinery and gravitational. While much attention has been given to the movement of vehicles and changes in stability that cause falls and collapses on the mine site, increased focus is needed on the risks from operational machinery.

Using these findings to develop practical guidance for members and the broader industry is a central focus in 2023. A dedicated consultative project with industry and subject matter experts will develop meaningful resources to assist members with continual safety improvements.

Image: Rio Tinto



// Respect at work

The Australian Human Right's Commission released its fifth national survey on sexual harassment in late 2022.

Encouragingly, the report found the reported rate of sexual harassment in the mining industry decreased from 40 per cent in 2018 to 32 per cent and is now below the national incidence rate of 33 per cent. Sixty-two per cent of women experienced sexual harassment in the past five years (compared with 74 per cent in 2018 survey) and 25 per cent of men (compared with 32 per cent in 2018). These findings reflect the commitment demonstrated by member companies to eliminate sexual harassment and ensure respectful workplaces.

During 2022 this work, led by Board Chair the Hon Helen Coonan and Director Michael Wright, included convening a CEO and senior leaders forum to reaffirm the industry's commitment to eliminate sexual harassment and to share progress in tackling sexual harassment in workplaces. That commitment consists of developing a culture of respect that empowers individuals to raise concerns in a supportive and protected way, directly dealing with problems and ensuring individuals receive real and tangible support.

In addition, the MCA held a number of workshops, webinars and seminars to

reinforce the industry's commitments on eliminating sexual harassment and support members to embed the Australian Minerals Industry Code on Eliminating Sexual Harassment.

Over 70 per cent of MCA's membership have formally endorsed the commitment to eliminate sexual harassment and adopted the industry code. The MCA continues to support small and medium-sized members and new members to increase this coverage.

Further work around the intersectional nature of a range of psychosocial risks that can affect the workforce was developed during 2022.

Industry is now developing a new approach to psychological wellbeing, by not just identifying risks one by one but systematically and holistically addressing the range of workplace risks that can harm the psychological wellbeing of the workforce.

Industry is committed to continue the work on preventing and responding to any disrespectful behaviour and the full range of psychosocial risks, alongside the continued vigilance on physical safety and health risks.

Image: Yancoal



// Indigenous partnerships

Australian mining continues to recognise and celebrate the integral contribution of Aboriginal and Torres Strait Islander peoples both to the industry and the regions in which we operate.

The mining industry's partnerships with Indigenous communities are paramount in creating intergenerational wealth and health outcomes for Aboriginal and Torres Strait Islander people. By partnering with the Melbourne Business School, the MCA has been instrumental in reviewing procurement policies that will ensure genuine Aboriginal and Torres Strait Islander businesses are considered for works, services, materials and contracts with the minerals industry. This is an ongoing research project that the MCA and member companies will continue to passionately engage on.

Advocating for genuine change for communities to determine their own futures, the MCA has added its support for the Uluru Statement from the Heart's call for an Indigenous Voice to Parliament. This long demonstrated history of listening to Aboriginal and Torres Strait Islander communities is why the industry believes that a Voice to Parliament will contribute to overcoming Aboriginal and Torres Strait Islander disadvantage.

The industry has worked, and will continue to work, with the First Nations Heritage Protection Alliance to ensure that the minerals industry's views are considered in the design implementation of any new national cultural heritage legislation. The minerals industry continues to actively, and with genuine purpose, regain the trust of the Aboriginal and Torres Strait Islander communities in relation to ongoing cultural heritage management.

Following the release of the government's response to the Juukan Gorge senate inquiry, the minerals industry continues to call upon the Australian government to work with the native title sector and private industry to develop best practice tools and frameworks to better engage with Prescribed Bodies Corporate. The MCA supports the Australian government's endeavours to ensure that funding is appropriate for these bodies to undertake the works and accountabilities required under the *Native Title Act 1993 (Cth)*.

In focussing on future investments, the industry is looking forward to the skills and jobs that will contribute to wealth creation in Aboriginal and Torres Strait Islander communities. In understanding where the skills gaps are now, the MCA and member companies are able to develop specific programs for the current and future jobs in the minerals industry. This has an added benefit of being transformative by identifying the emerging industry leaders amongst the Aboriginal and Torres Strait Islander communities.

Aboriginal and Torres Strait Islander leadership initiatives are critical to the minerals industry. The MCA and member companies continue to review existing programs that can be adapted to ensure that they are fit for purpose for the next generation of Aboriginal and Torres Strait Islander leaders in the minerals industry.

Image: Talison Lithium



// Taxation

Stable and internationally competitive tax settings are essential to attracting investment in innovative, large-scale projects.

These projects create jobs, develop critical skills, generate revenue to fund government services and produce minerals essential for the transition to a low emissions global economy. Australia must maintain a stable and internationally competitive business tax regime through this next important period which offers opportunity for investment in the mineral projects.

At 30 per cent, Australia already has the third highest company tax rate of the OECD countries and is well above the OECD weighted average tax rate of 26.3 per cent. High rates of taxation are a barrier to investment and economic growth. Ad hoc increases in taxation undermine investor confidence and risk harming decisions to invest in Australia. The Queensland government's decision to increase its royalties had repercussions across the industry and the globe. The MCA supports the Queensland Resources Council campaign to reverse this decision.

Threats to the fuel tax credit (FTC) regime, which has been in place for decades and is well established in tax policy, has also created risks for investment and produces an economic drag across regional Australia and its industries. For the past decade an alliance of regional industries has stood together to defend the maintenance of the fuel tax credit – a mechanism for ensuring that business inputs used by industries that do not operate on public roads are not taxed. Amid increasing false claims that the FTC is a fossil fuel subsidy, mining, farming, fisheries, forestry and tourism communities renewed their alliance to highlight the importance of the FTC to the survival of rural and regional businesses including mining.

Early in 2023 a new campaign was launched to highlight the unfair nature of removing the credit. In response to the campaign, the federal government confirmed there would be no changes to the fuel tax regime. The alliance will continue its work to educate the public on why the credit is sound policy.

Image: BHP



// Workplace relations

Unflagged legislative changes exposed the industry to an untested system of multi-employer bargaining in 2022.

The sustained increase in highly paid, highly skilled, secure mining jobs over the past 20 years (from 83,000 to 286,000 direct employees) demonstrates that Australia's workplace relations system was neither broken in the mining industry or in need of radical surgery.

The government's decision in late 2022 to rush a number of unflagged legislative changes to the Fair Work Act, with minimal consultation, exposes the industry to an unprecedented and untried system of multi-employer bargaining.

Whilst a number of elements of the legislative package were disappointing, the MCA successfully engaged with government to secure amendments that will reduce some of the serious risks.

In 2023, the federal government will introduce a number of additional legislative changes concerning casual employment, contracting and the so-called 'same job, same pay' labour hire

model. A broad range of industries are concerned that the proposed changes could be highly damaging to business and workers if they are not drafted with care. The MCA will continue to advocate to the government and publicly, to ensure the industry's concerns are at the forefront of the government's policy considerations.

The government's policy to pursue substantial changes to the workplace relations framework has brought into focus the need for the industry to be united and proactive in defence of its successful record, and to highlight the risk posed by regressive changes.

At best, these will reduce productivity and compromise Australia's competitiveness in global export markets. At worst, they risk becoming a decisive material factor in whether new projects proceed or not, and whether billions of dollars in investment capital is invested in Australia or elsewhere.

// Environmental approvals

National environmental law should support responsible minerals development.

Australian companies are global leaders in innovative, high-tech mining and minerals processing and lead the way in environmental management. The Australian industry's credentials are recognised globally, and its expertise and leading practice is exported around the world.

Australian industry is well positioned to responsibly meet the growing global demand for minerals, including critical minerals, to support the energy transition. However the ongoing efficiency and certainty of regulatory settings for environmental assessment and approvals remains a key determinant in attracting the capital investment needed to ensure Australia can harness this opportunity.

The industry is committed to protect the country's unique environment and biodiversity through leading practice based on science and robust risk-based approaches.

MCA member companies are implementing the Towards Sustainable Mining (TSM) system. TSM will provide

greater accountability and transparency of the industry's management at the site level – where it matters most. Good environmental and social performance relies on investment in workforce skills and capability, research, new technologies and innovative practice to improve safety and workforce diversity, drive down emissions and water use, support biodiversity and reduce waste.

Australia is also a leader in water stewardship. The MCA launched its updated *Water Accounting Framework User Guide* on World Water Day 2022. This leading practice tool has been adopted internationally and is reflected in global sustainability reporting requirements.

Significant investment over many decades has resulted in substantial improvements in the industry's environmental performance in line with community expectations.

While there will always be a strong focus on responsible on-site environmental management, industry also partners

with local communities, First Nations' landholders and groups, non-government organisations and others to support broader environmental objectives.

These efforts have ensured the industry is well positioned to responsibly supply increasing minerals demand driven by expanding global infrastructure, the energy transition and minerals security.

2023 will be an important year for national environmental law, with the promise of well-designed reform offering opportunities to address longstanding issues with assessment and approval processes. However the reforms process also carries risks for the sector, should these be rushed and impractical.

In December 2022, the Australian government released its response to the second ten-year Independent Review of the *Environment Protection and Biodiversity Conservation Act 1999*. The government's 'nature positive plan' has the twin aims of improving outcomes for both the environment and business – objectives supported by the industry.

Image: Glencore



The government has flagged an expanded remit for a proposed national environmental protection agency to decide upon project assessments and approvals. This may present risks for new projects if the new agency does not take proper account of social and economic factors as well as broader societal needs, such as the energy transition and supply chain security, when making decisions.

The reform process hinges on the development of national environmental standards and regional planning. While this provides opportunity to streamline Commonwealth, state and territory approval processes, project-level application of these standards may result in unachievable criteria.

Changes to environmental offsets, including greater flexibility through biodiversity compensation payments will support projects to meet their offset obligations, but must be cost-effective.

Image: Newmont



// Climate and Energy

The Australian minerals industry has an ambition of achieving net zero emissions by 2050.

Early in its new term, the government legislated a more rapid intermediate target for emissions reduction, committing to a 43 per cent reduction in Australia's 2030 emissions from 2005 levels. The Climate Change Act became law in September 2022.

The MCA continues to consult with government on meeting the goals of both reducing emissions while protecting international competitiveness and mining jobs, including in the coal industry.

The government's policy focus has two key drivers. First, it seeks to dramatically increase the penetration of renewable energy into the National Electricity Market (NEM) to 82 per cent by 2030 (up from around 29 per cent in 2022). This would reduce the emissions of the NEM by an additional 56 Mt in 2030 over business-as-usual according to their pre-election modelling.

Second, the government will amend the safeguard mechanism and require facilities to reduce allowable emissions, or baselines, at a faster pace. The goal is to reduce emissions by 48 Mt in 2030 over business-as-usual.

The MCA successfully argued for a price risk mechanism in the design to ensure that safeguard mechanism facilities were not exposed to unlimited upside price risk for compliance.

Amending the safeguard mechanism is a substantial change. As baselines decline, facilities will have an increasing incentive to develop technologies and processes to reduce their emissions or face rising carbon offset costs.

The government also proposed to issue safeguard mechanism credits (SMCs) to facilities operating below their baselines which they can use for future

compliance or to sell to those operating above their baselines.

Throughout the consultation, the MCA emphasised the desire of industry to work towards net zero by 2050, and to engage constructively with the government in developing and implementing the sustainable changes to the safeguard mechanism.

The MCA's priority was to ensure that compliance costs were managed and that the government kept its commitment to maintain Australia's competitiveness, and in particular its commitment to ensure that exporters remain competitive and that emissions do not leak overseas.

Industry Snapshot



Workforce

286k

Employment

Direct employment in the resources industry in 2021-22.

Source: ABS Labour Force

\$2770

Weekly paypacket

Average full-time adult weekly pay in 2021-22 – 52% above average.

Source: ABS Avg. Weekly Earnings

\$144k

Average wages

Average annual wages paid to mine workers in 2021-22.

Source: ABS Avg. Weekly Earnings

11,750

Apprenticeships

The average number of apprentices and trainees in mining in 2022.

Source: National Centre for Vocational Education Research

9925

Indigenous jobs

Direct employment in 2021 – around 4.6% of the mining workforce.

Source: ABS Census 2021

19%

Women in mining

Percentage of female workers in 2021-22 – up from 12% in 2000-01.

Source: ABS Labour Force



Image: Sunrise at Anglo American's Grosvenor metallurgical coal mine near Moranbah in Queensland.

State by state

Western Australia

Resources jobs	93,696
Economic value	\$186.8 b
Share of economy	46.2%
Royalties	\$11.4 b
Exploration	\$2.48 b

Queensland

Resources jobs	61,585
Economic value	\$74.2 b
Share of economy	16.6%
Royalties	\$7.8 b
Exploration	\$505 m

South Australia

Resources jobs	8225
Economic value	\$6.0 b
Share of economy	4.6%
Royalties	\$238 m
Exploration	\$124 m



Investment

\$245.8b

Mining investment

Capital expenditure across the mining sector over the past 10 years.

Source: ABS Private Capital Expenditure and Expected Expenditure

\$29.2b

Total wages

Paid to workers in the Australian resources industry in 2021-22.

Source: ABS Business Indicators

\$412b

Export earnings

Australia's total resources export earnings in 2021-22 – doubled since 2009-10.

Source: ABS International Trade in Goods and Services

New South Wales

Resources jobs	40,895
Economic value	\$28.9 b
Share of economy	4.1%
Royalties	\$3.6 b
Exploration	\$327 m

9.4%

GDP contribution

The resources sector's direct contribution to GDP in 2021-22.

Source: ABS Australian System of National Accounts

\$933.5b

Net capital stock

Value of equipment and plant used by the mining industry in 2021-22.

Source: ABS Australian System of National Accounts

69%

Export share

Resources sector's share of Australia's export revenue in 2021-22.

Source: ABS International Trade in Goods and Services

Northern Territory

Resources jobs	5041
Economic value	\$9.9 b
Share of economy	31.7%
Royalties	\$353 m
Exploration	\$172 m



Communities

\$297b

Taxes & royalties

Paid by the mining industry over the last decade (from 2012-13 to 2021-22).

Source: EY, *Royalty & Company Tax Payments*, prepared for the MCA, 2023

3.2%

Total water use

Net water consumption by the mining industry in 2020-21.

Source: ABS Water Account

<2° deg

Paris Agreement

The MCA is committed to the Paris Agreement and goal of net zero emissions.

Source: MCA

Victoria

Resources jobs	11,327
Economic value	\$7.6 b
Share of economy	1.5%
Royalties	\$140 m
Exploration	\$222 m

ZERO

Injuries goal

Working towards zero fatalities, injuries and preventable diseases.

Source: MCA

\$257m

Value added per GL

Value added by the sector per gigalitre of water consumed.

Source: ABS Water Account

<0.1%

Land disturbed

Australian land mass temporarily disturbed by mining activities.

Source: Dept of Agriculture, Water and the Environment

Tasmania

Resources jobs	4253
Economic value	\$1.6 b
Share of economy	4.2%
Royalties	\$79.9 m
Exploration	\$33 m

Lift in public support off back of industry campaigns

The MCA's 2022 brand campaign, with its focus on modern life's reliance on Australian mining and mineral resources, resonated with the public.

The main brand campaign also centred upon the industry's commitment to a sustainable future and the diverse and rewarding career opportunities across the industry for current and future workforces. Released in April 2022, the campaign ran through to December and including television, digital and cinema advertising.

A new skills and careers-focused website was launched in September to support the campaign. The website provides a trove of information to guide and support students and prospective employees to map a careers pathway in the mining industry.

As well as educational resources, the website includes links to employment sites, videos and much more to promote awareness and encourage people to consider a career in mining. Further promotion of the website and supporting resources will continue during 2023.

Research confirmed that the campaign was well received and continued to drive support and positive sentiment for the mining industry.

The campaign was well-recalled and delivered messages of utility and a future role for mining, and was successful in driving significant improvement in national sentiment towards mining.

Fuel tax credits campaign

In early 2023, the Fuel Tax Alliance, led by the MCA, launched a new campaign highlighting the importance of the fuel tax credit scheme to the current and future prosperity of regional Australia.



30
things

Fuel tax credits campaign roadtaxesareforroadusers.com.au

The campaign 'Road Taxes are for Road Users' aimed to build greater awareness of the importance of retaining the scheme and, if scrapped, would drive up the cost of living even further.

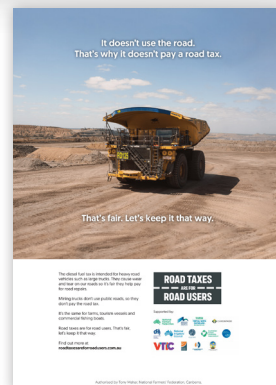
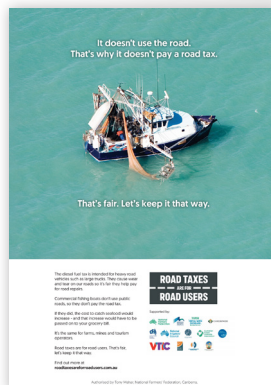
The campaign featured regional businesses and reframed the debate around the fuel tax credit scheme away from false claims that it is a fossil fuel subsidy and towards the proposition that it is a road tax and should not be applied to the fuel of machines that don't use roads.

30 Things

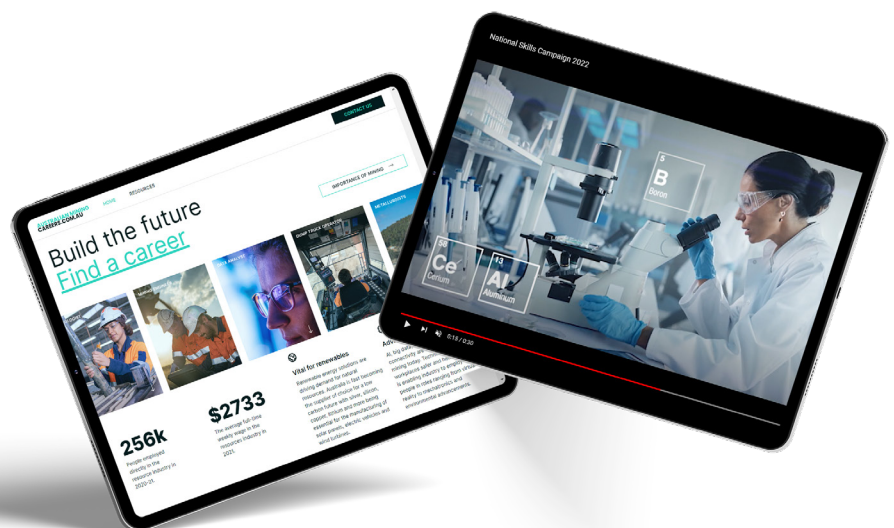
The MCA launched a new *30 Things Futuristic Edition* publication, video and digital assets during Minerals Week building on the success and popularity of the original *30 Things* launched in 2019.

The 30 Things brand continues to grow. More than 12,000 hard copies of the original edition have been distributed and are still regularly requested by member companies, educators and the general public.

International mining organisations including the Mining Association of Canada, have adopted the campaign. *The Futurist Edition* has been equally well received, and was recently translated into Spanish for use in South America.



National skills campaign australianminingcareers.com.au



Minerals Week 2022 6-8 September 2022

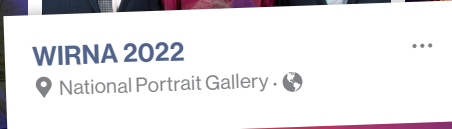
Australian Minerals Industry Parliamentary Dinner Great Hall, Parliament House



BHP 2022 Women in Resources National Awards 6 September 2022

Award ceremony

National Portrait Gallery



NATION BUILDERS
Global leaders

NATION BUILDERS Global leaders

Minerals Week Conference

Hyatt Hotel Canberra



Parliamentary Dinner

Great Hall, Parliament House



Category winners

Dyno Nobel Exceptional Woman in Australian Resources

Newcrest Exceptional Young Woman in Australian Resources

Thiess Outstanding Australian Tradeswoman, Operator or Technician

Maptek Women in Resources Technological Innovation Award

Rio Tinto Gender Diversity Champion in Australian Resources



Lydia Gentle OAM
BHP



Elle Farris
Newmont



Casey Martin
Alkane Resources



Emily Jacques
Newcrest



Michelle Wetherell
CMOC-Northparkes

Another strong year of growth for Victoria's miners

As the industry grows, a united industry voice is more important than ever to meet new challenges and secure a modern, effective policy framework.

MCA Victoria will celebrate 20 years in 2024. The Victorian Chamber formed the Victorian Division of the Minerals Council of Australia in 2004. Since that time, MCA Victoria has advocated for a growing minerals sector and worked with companies and local communities to support regional prosperity.

In 2022, MCA Victoria's policy advocacy, engagement and outreach programs, community resources and work on industry safety helped meet the division's strategy across key regulatory and community areas of focus.

Regional engagement

MCA Victoria supported community understanding of minerals exploration with the production of an exploration fact sheet for regional communities and landowners, updated a best practice engagement guide for industry, published exploration and mining approvals pathways maps, and hosted Indigenous cultural awareness workshops for industry.

Multiple media articles and industry journal articles were published with MCA comment through the year.

Policy advocacy

MCA Victoria launched *Rediscover Victoria*, a policy priorities publication in the lead-up to the state election, secured mining's place in the Victorian Skills Plan, provided input to Earth Resources Regulation matters including

the Resources Management System and ERR Licensing Lifecycle project to support more efficient regulation of exploration and mining in Victoria.

Schools outreach

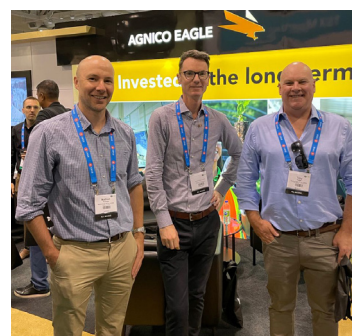
MCA Victoria delivered a new industry immersion program hosting almost 350 students from 14 Victorian schools to mine sites across the state to learn more about careers in mining.

The program explores career pathways into the industry with hands-on mine site tours giving students the opportunity to hear from workers across a range of diverse mining roles.

MCA Victoria also supported earth sciences in schools through sponsorship of the Teacher Earth Science Education Program and the Science Talent Search Awards.

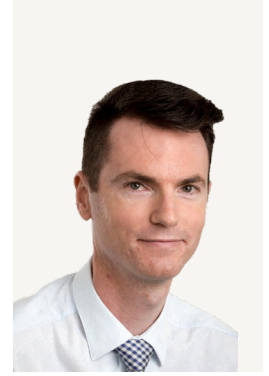
Supporting a safe industry

MCA Victoria delivered the Victorian Mine Rescue Competition at the Fosterville Gold Mine and ISH24, and hosted an industry safety representatives safety workshop with WorkSafe Victoria.



➔ **This page:** MCA Victoria Executive director James Sorahan visits A1 Gold Mine in eastern Victoria; Weeroona College Bendigo pictured during a mine site visit; and James visiting Mandalay Resources and Agnico Eagle booths at the Prospectors and Developers Association of Canada conference.

James Sorahan
Executive Director
MCA Victoria



➔ **This page:** Victorian Mine Rescue Competition's casualty scenario crew; Melbourne Mining Club makes a donation to mining education programs; and former Small Business Minister Jaala Pulford with winners of the Victorian Women in Resources Awards.

MCA Victoria also published new guidance on emergency management for the Victorian minerals sector setting out emergency management roles by control agency and mine site obligations under Victoria's safety legislation.

Critical minerals

MCA Victoria advocated strongly for support for critical minerals exploration and development. The division also worked with government to design critical minerals exploration and development budget initiatives in line with MCA Victoria's pre-budget submission.

Promoting excellence and regional leadership

MCA Victoria working groups met across regional Victoria to share environment, community and safety best practice.

MCA Victoria hosted the Victorian Women in Resources Awards. MCA Victoria sponsored the Wimmera Leadership Program and the LEAD Loddon Murray Leadership program to foster development for young professionals in regional Victoria.

Networking and promotion

Melbourne Mining Club (MMC) held a number of successful and well-attended MMC lunches and Cutting Edge information evenings in 2022.

MMC is a not-for-profit joint venture formed by the MCA and AusIMM with a volunteer-based steering committee to promote the resources industry.

Mining advocacy

MCA Victoria effectively represented members on multiple government advisory groups as the voice for mining in Victoria. Victoria's industry continues to benefit from MCA member input to support the sector and regional communities in partnership with the MCA through MCA Victoria Council and priority area working groups.

Mining sets the pace to help Territory achieve growth goals

The mining industry maintained its position as the largest private sector contributor to the Northern Territory's economy in 2022.

Mining provided close to a third of the Northern Territory's gross state product in 2022. The Territory has set an ambition of increasing its economy to \$40 billion by 2030, a goal that will only be achievable with growth of the mining industry.

Building a bigger NT minerals industry needs a concerted strategy. To its credit, the NT Government was prepared take a good look at the drivers and barriers and development, through a dedicated group, the Minerals Development Taskforce – a group which included MCA CEO Tania Constable.

To assist the taskforce, the MCA NT Division galvanised the membership and experts to help feed into the process, identifying and leading an agenda for reform: a royalty regime that was simpler and easier for investors to compare with other Australian successful mining states, particularly Western Australia; a more efficient titles and land access process; a closer and genuine pro-

growth partnership with Traditional Owners and land councils; a skills development agenda; a greater focus on shared infrastructure and opportunities for downstream processing.

The Taskforce's work was completed in December and released at the Darwin Mining Club in April 2023. In a win for industry, the NT Government has accepted in principle all of its recommendations to win more private sector investment and accelerate the process of turning prospective mines into operational mines. Importantly the NT government will examine reforms to royalties, moving away from its complex and opaque hybrid system.

Clean energy future

The Northern Territory's minerals sector is in a fortunate position with an abundance of the rare earths and critical minerals that are in high demand for a clean energy future.

➤ **This page:** Executive Director Northern Australia Cathryn Tilmouth addressing the media with NT Deputy Chief Minister Nicole Manison at the launch of the final Minerals Development Taskforce report; and MCA NT Council Chair Brad Welsh pictured with MCA CEO Tania Constable.



Cathryn Tilmouth
Executive Director
Northern Australia



Recent developments for MCA member companies, such as Arafura Rare Earths and Core Lithium, have shown the NT is capable of providing these commodities to the market.

MCA NT has strengthened relationships with the broader resources industry, as well as pastoralists and Traditional Owner stakeholders, as the NT makes moves to invest in a clean energy future that will affect all of these parties.

Building our workforce

With the residual challenges of the COVID-19 pandemic, the MCA NT has focused on working with members to address the subsequent labor shortages.

In June the division convened a jobs and skills summit that allowed NT-based businesses to identify and assess the challenges and opportunities across the Top End and feed this information through to national policy decision makers.

This resulted in a collaboration between the NT Government, the Master

Builders Association, the NT Chamber of Commerce and MCA NT to trial a skilled migration pilot program to look at attracting overseas workers and their families to fill some of the skills gaps.

To future proof the NT skills and labor talent pool, the MCA continued to promote mining as an industry of choice with school leavers.

Activities included promoting career pathways to high school and university students in the Territory, and the Clontarf and Stars programs for Indigenous students.

Supporting a safe industry

MCA NT delivered the 2022 Northern Australia Emergency Rescue Competition at the Charles Darwin University Casuarina campus.

Six teams from different mine sites competed to test their skills and training across various accident and emergency scenarios during a successful competition.

Celebrating our industry

The MCA NT held a number of Darwin Mining Club luncheons with high profile guest speakers providing updates on projects, policy, government objectives or topical interests.

MCA NT also held a Darwin women's networking lunch, attended by around 500 women, to promote employment opportunities in the minerals industry and to highlight safety and wellbeing work in the industry. Minister for Mines and Energy the Hon Nicole Manison also attended the event and gave an address.

MCA NT also celebrated the industry with our NT MCA Gala sponsored by Newmont.

I look forward to an even stronger 2023, advocating for the industry to ensure the NT Government is adequately delivering on the recommendations of the Minerals Development Taskforce, and that any subsequent legislation is sensible and allows for the minerals industry in the Territory to grow.



➔ **Left to right:** NT Gala Dinner; 2022 Northern Australia Emergency Rescue Competition; and a Women in Resources networking lunch.



Achievements 2022



Workplace relations

- **Multi-employer bargaining:** Advocated strongly, including in two parliamentary hearings and with other employer groups, against any change to expand multi-employer bargaining.
- **Service contracting:** Persuaded the Australian Government that service contracting should not fall within the scope of its so-called 'same job, same pay' policy.
- **Casualisation claims:** Refuted false claims – including in parliamentary hearings – that mining jobs are casualised, precarious or underpaid.
- **Enterprise bargaining:** Advanced practical proposals to make enterprise bargaining simpler and more effective.
- **Jobs & Skills Summit:** Ensured mining was represented at the Jobs and Skills Summit and contributed to 'mini-summits' on key issues such as immigration numbers.



Taxation

- **No change to fuel tax:** Secured confirmation from both the federal government and the opposition not to alter the fuel tax credit scheme.
- **No windfall profits tax:** Successfully advocated for no new export tax or windfall profits tax on the mining industry.
- **Tax reform:** Commissioned the Philip Bazel and Jack Mintz report, *Corporate tax reform to help address Australia's weak investment performance*.
- **Economic series:** Released the first two MCA Economic Series papers, *Australia's Productivity Opportunity* and *Internationally Competitive Tax Settings*, which further highlighted the need for internationally competitive and stable investment settings.



Climate and energy

- **Practical action:** Released the *Climate Action Plan Year 2 Progress Report* highlighting measures identified and work commenced, and showcased member company activities and investments in climate action.
- **Safeguard mechanism:** Completed extensive modelling and policy development work for government consultation on critical changes to the safeguard mechanism.
- **Climate change action:** Welcomed the certainty in the federal government's 2030 emissions reduction target.



Environmental & social performance

- **EPBC Act reforms:** Engaged with government, civil society organisations and business groups to ensure that *Environment Protection and Biodiversity Conservation Act 1999* reforms achieve positive environmental and business outcomes for the mining industry. The government had considered an expansion of the water trigger, but following discussions with the MCA and other groups, proposed changes will be positive for the industry.
- **Towards Sustainable Mining:** Launched the Australian protocols for Towards Sustainable Mining to support and demonstrate industry performance, and supported implementation of the sustainability framework through in-person training.
- **Global stewardship:** Provided members with mapping of the Global Industry Standard on Tailings Management with TSM and released the updated MCA Water Accounting Framework user guide.
- **Supported leading research:** Partnered with the Cooperative Research Centre for Transformation in Mining Economies to address key mine closure risks. This enhanced industry capability to share knowledge across members and advance practices across the industry.

- **Ensured legal certainty:** Secured support to exempt coal from elements of the dangerous goods code for bulk transport by road and rail, through recognition of strong industry controls already in place.
- **Building capacity:** Held online sessions on ESG topics including on the proposed scheme of the Taskforce for Nature-related Financial Disclosures. This helped members better understand how these international initiatives are influencing Australian operations.

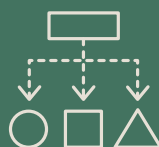


Industry positioning & engagement

- **2022 Minerals Week:** Welcomed senior mining executives to Canberra for a highly successful Minerals Week 2022. Delegates were joined by experts from across mining, finance, energy and government sectors to consider how mining can be an even more valuable and responsible partner.
- **Parliamentary dinner:** Hosted 540 guests at the Australian Minerals Industry Parliamentary Dinner in the Great Hall of Parliament House which was addressed by Prime Minister the Hon Anthony Albanese MP.
- **MCA Policy Roundtable:** Member company executives met in Canberra with key policy makers, including the ministers and shadow ministers for resources and the environment.
- **BHP 2022 Women in Resources National Awards (WIRNA):** Hosted and presented WIRNA during Minerals Week 2022 in partnership with state chambers to celebrate the diverse career opportunities in the sector.
- **30 Things: The Futurist Edition:** Launched the next iteration of the popular *30 Things* brand – *30 Things: The Futurist Edition*, along with supporting collateral including a promotional video, social media kit, slide deck and screensavers. More than 12,000 printed copies of the original *30 Things* have been distributed since late 2019, and the brand continues to be shared with mining organisations globally.
- **Digital Mine publication:** Released *The Digital Mine*, a publication highlighting how innovation makes Australian mining safer, more productive and sustainable.
- **Media engagement:** As at 24 November 2022, circulated 100 media releases, achieved 4265 media mentions with strong regional reach, engaged with commentators, opinion leaders, mining specialist reporters and the federal parliamentary press gallery.
- **Responded to workplace relations bill:** Led the mining industry's reply to the federal government's *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Bill 2022* with an advertising campaign. Partnered with other key

industry groups – BCA, ACCI, AIG, COSBOA – to keep pressure on the government. Achieved significant broadcast and print/online media coverage reiterating the sector's opposition to parts of the legislation, particularly multi-employer bargaining. Launched 'There's a better way for better pay' campaign focused on splitting the bill.

- **Opposed a tax on mining:** Launched a media campaign to oppose the federal government's proposed new tax on mining to help subsidise household electricity bills. Partnered with state chambers to amplify each other's key messages. Significant coverage achieved across all major broadcast and print media where the MCA reiterated the tax will have a significant impact on the industry and Australian families.
- **Positive campaign:** Developed a new positive campaign featuring the critical minerals required for EVs and the miners who mine them.
- **Social media:** Developed the reach of social media channels, achieving 24 per cent growth in the LinkedIn audience, and 45,000 impressions for <http://fueltaxfacts.com.au>.
- **Website:** New website developed, including enhanced member portal function.
- **Voice of the industry:** Delivered keynote speeches to important events including women in mining, critical minerals and the sector's contribution to the economy.
- **Western Australia mine site tour:** Hosted parliamentary members and staff, including the federal Minister for Resources, the Hon Madeleine King, on a WA mine site tour organised in conjunction with CMEWA and APPEA.
- **Partnerships:** Continued support for Clontarf Foundation, Stars Foundation, Prostate Cancer Foundation of Australia, National Rock Garden and the WA Mining Club.



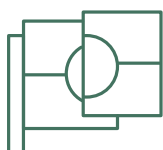
MCA governance & administration

- **MCA Board:** Convened six times, and by correspondence seven times, to discuss industry policy priorities in Australia's post-pandemic recovery, and before and after the federal election in May 2022. Underwent a strategy pivot to focus on key areas of workplace relations, taxation, the safeguard mechanism, environmental assessments and approvals, as well as industry positioning. Priorities include internationally competitive and consistent taxation, workable climate change policies, flexible workplace relations, and environmental law that protects the environment while supporting sustainable development.

- **Board appointments:** Unanimously extended the three-year term of MCA Chair Helen Coonan to the end of 2022, ahead of the appointment of a new chair for 2023. Managing Director and Chief Executive Officer of Newcrest Mining Sandeep Biswas completed his term as vice chair, and the Chief Executive Officer of Anglo American Metallurgical Coal, and MCA vice chair, Tyler Mitchelson stepped down from the board. The Head of Global Coal Assets, Glencore Earl Melamed and President of Minerals Australia, BHP Edgar Basto were elected by directors as vice chairs.

Chief Executive Officer, South 32 Graham Kerr and Chief Executive Officer, Anglo American Australia Daniel van der Westhuizen were appointed to the MCA Board. New Chair Andrew Micheltmore AO appointed, effective 1 January 2023.

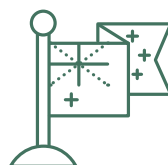
- **Growing industry membership:** Welcomed 17 new members in 2022, including South32. The MCA now has 92 members and 36 associate members.
- **Training and development:** Promoted professional development of MCA staff and strengthened campaign and engagement capabilities.



Indigenous partnerships

- **Cultural heritage:** Brought together industry, community and First Nations Heritage Protection Alliance (FNHPA) to advance shared interest between the MCA, representatives from the Commonwealth and FNHPA. This has led to a greater level of cooperation and understanding of Traditional Owner capabilities and capacity to manage cultural heritage.
- **Indigenous leadership initiative:** Undertook a scoping study to better understand and develop Indigenous leadership opportunities. This will support the development next year of an industry-wide guidance tool to help Indigenous team members become the industry leaders of tomorrow.
- **Constitutional recognition:** Declared the industry's support for the Uluru Statement from the Heart's call for an Indigenous Voice to Parliament.
- **Native Title:** Provided technical advice for the consideration of the Attorney-General on proposed options to amend four legislative instruments before the sunset clause of 1 October 2023.
- **Free, prior and informed consent:** Advocated the work of the industry in gaining free, prior and informed consent of the recognised Traditional Custodians while entering into agreements relating to land use, heritage protection and sharing in the economic wealth of a minerals' project.

- **Community partnerships:** Sponsored the First Nations category at the National Capital Art Prize, which attracted 120 entrants from across Australia.
- **Indigenous opportunities:** Through the Indigenous Partnerships Committee, supported Traditional Custodians and key Indigenous community members to engage directly with board members during Minerals Week 2022.



Trade and investment

- **Engagement with governments:** Hosted and engaged extensively with the governments of South Korea, Japan, Taiwan, Vietnam, Mongolia, UAE, India, USA, UK, EU and China, particularly on Australia's investment and policy landscape. This initiated dialogues, MoUs and co-operation between the MCA, partner governments and customer companies.
 - **Free trade agreements:** Made formal submissions to the federal government on free trade agreements, including the review of the Japan-Australia Economic Partnership Agreement and the Australia-UK Free Trade Agreement. Engaged directly with the Australian chief negotiator and UK High Commission on the investment, technology, climate and supply chain elements of the Australia-UK FTA throughout negotiations.
- Engagement with the governments of the UK, the EU, India, USA, Indonesia, Japan, Republic of Korea and others drove a sense of urgency on supply security. This helped see the completion of FTA negotiations with the UK and India, and has increased the pressure on the EU. It also drove a keen focus on investment as a path to supply security.
- **Standards for ESG:** Successfully resisted the adoption of regulated standards for ESG in Australian minerals and mining. This remains a risk until TSM is more fully implemented.
 - **Fuel additive shortages:** Coordinated efforts of miners and government to manage the impact of the ad-blue shortage and the consequential impact on Australian diesel fuelled transport over the 2021/22 new year period.
 - **Facilitated access to RAT tests:** Worked with other industry groups and the government to resolve supply chain constraints, including facilitating access to Rapid Antigen Tests caught up in supply chain constraints at major airport logistics hubs.

- **Submission on productivity of maritime logistics system:** The MCA's recommendations in its submission to the Productivity Commission's inquiry into the long term productivity of Australia's maritime logistics system were taken into account, which highlighted the importance of competitive and effective transport and logistics systems.
- **Domestic and international travel:** Continued to unlock barriers in domestic and international travel for mining personnel caught up in travel constraints and restrictions, including those related to COVID-19, for critical personnel.
- **Investment, strategic alignments and supply chain security:** Held a series of discussions to highlight opportunities with members, state and federal government's Critical Minerals Facilitation Office, foreign embassies and industrial representatives on investment, strategic alignments and supply chain security.
- **National rollout of vaccinations:** Continued to co-ordinate and connect mining operations, the COVID-Shield taskforce, government health departments and indigenous community organisations to support the urgent national rollout of vaccinations.



Workplace and skills

- **Commonwealth supported places:** Successfully advocated for engineers to be included on the skills shortage priority list for the Commonwealth's proposed 20,000 additional supported places for university.
- **Industry of Choice Framework:** Continued to embed the Industry of Choice Framework through practical webinars on building disability confident workplaces, and increasing representation of Indigenous Australians in professional mining occupations.
- **Northern Territory Skills Summit:** Held the Northern Territory Skills Summit, bringing together 46 representatives from industries across the NT, to discuss opportunities and challenges to access skilled workforces.
- **Curriculum at Curtin University:** Delivered a 14 per cent increase in undergraduate enrolments after refreshing the curriculum by embedding mining engineering into a broader educational pathway.
- **Mining engineering curriculum pilot:** The mining engineering curriculum pilot was expanded to two additional institutions – with the introduction of Industry Liaison Coordinators at the University of Queensland and Central Queensland University.

- **Apprentices and trainees:** Recorded a 46 per cent increase in commencements for apprentices and trainees from 2021 – with a 45 per cent increase for Indigenous apprentices and trainees and 48 per cent increase for women apprentices and trainees.
- **Engineering:** Enrolments in associate engineering degrees at USQ and CQU – for the second year following refreshed curriculum through MTEC – increased by 37 per cent, from 52 to 71. Curtin undergraduate enrolments in mining engineering bachelor degrees increased from 161 to 184.
- **Metallurgical Education Partnership:** The Metallurgical Education Partnership, funded and supported by the MCA, supported 24 students to complete the Process and Plant Design Workshop with an 88 per cent student satisfaction rating.
- **Priority Migration Skilled Occupation List:** Successfully advocated for the continued inclusion of key industry occupations (such as mining engineers, electrical engineers and metallurgists) to remain on the Priority Migration Skilled Occupation List.
- **National Exploration Undercover School:** Increased the number of applications (71) for the signature summer school program, with 36 students engaged.
- **Virtual experience model:** Contributed to the development of a virtual experience model and prototype to promote greater access for students with mining workplaces and align student career aspirations with higher education decisions.
- **University open days:** Increased student awareness of careers in mining through participation in university open days and student council events in WA, NSW, QLD and VIC.
- **Promoted women in mining:** Promoted women in mining through facilitating, sponsoring or presenting at a number of forums and conferences.



Safe, healthy and respectful workplaces

- **Showing leadership:** Held a CEO Forum on Respect at Work to share progress in tackling sexual harassment in the workplace and drive an industry-wide culture of respect that empowers individuals to raise concerns.
- **Best practice:** Presented workshops and webinars to reinforce the industry's commitments on eliminating sexual harassment and support members to embed the National Industry Code.

Achievements

- **Performance:** Completed a fatality prevention project to further understand the pattern of fatalities and high potential incidents from unexpected energy releases involving vehicles, machines or gravity.
- **Psychosocial risks:** Reframed the industry's approach to mental health and wellbeing to further understand, and systematically and holistically address, the range of workplace risks that can contribute to mental unwellness.



Commodities

- **New uses for coal:** Developed and released a paper on Australia's emerging hydrogen and ammonia economy and the role of Australia's resources, including coal with carbon capture and storage.
- **Technology and innovation:** Continued advocacy to normalise uranium and coal regulation in Australia and progressed a second print run of *Small modular reactors in the Australian context*.



MCA Victoria

- **Membership:** Increased membership with seven new member companies.
- **Policy advocacy:** Launched the *Rediscover Victoria* policy priorities publication, secured mining's place in the Victorian Skills Plan, provided input to Competing Applications policy, critical minerals grants program, Resources Management System, ERR Licensing Lifecycle project.
- **Community outreach:** Supported community understanding of minerals exploration with the production of an exploration fact sheet for regional communities and landowners, updated best practice engagement guide for industry, and hosted Indigenous cultural awareness workshops.
- **Industry to school partnerships:** Hosted 350 students from 13 schools to mine sites, supported earth sciences in schools via sponsorship of the Teacher Earth Science Education Program and Science Talent Search Awards, and attended career days in regional areas.
- **Regional leadership:** Supported the Wimmera Leadership Program and the LEAD Loddon Murray Leadership program to foster regional professional development and delivered the 2022 Victorian Women in Resources Awards.

- **Supported a safe industry:** Delivered the Victorian Mine Rescue Competition and hosted an industry safety representatives' workshop with WorkSafe Victoria.
- **Critical minerals:** Worked with government to design critical minerals exploration and development budget initiatives in line with MCA Victoria's pre-budget submission advocacy.



MCA NT

- **Leadership:** Participated in the NT Minerals Development Task Force on key issues including investment, royalties and supply chains. Drove conversation with mining, industry groups and government about ways to overcome obstacles in skills and labor shortages at the MCA NT Skills Summit.
- **Industry of choice:** Highlighted the work MCA is doing to promote mining as an industry of choice for inclusion and diversity and Respect at Work at the inaugural NT Women Networking Lunch.
- **Streamlining policy:** Coordinated input into streamlining of mining management plan templates, users' guides and assessment and approval processes.
- **Industry-friendly regulatory settings:** Prevented introduction of adverse environmental policy and regulatory settings such as chain of responsibility legislation and requirements for statutory land access agreements with pastoralists.
- **Industry positioning:** Attended the Annual Geoscience Exploration Seminar (AGES) in Alice Springs and NT Resources Week.
- **Landscape repair:** Pushed government to complete development of a strategic plan for Mining Remediation Fund and to convene a Legacy Mines Advisory Panel to drive progress in identifying priority sites for remediation.
- **Events:** Held four Darwin Mining Club lunches, the Northern Australian Emergency Response Competition in May and the MCA NT Gala Dinner in November.

Advocating reform for stronger policy frameworks



Safety and Sustainability Committee

Moving to Towards Sustainable Mining

Towards Sustainable Mining (TSM) implementation progress included the release of TSM protocols and holding member training workshops. An updated *Water Accounting Framework* guide was launched.

Impractical changes to national environmental law were mitigated and reforms for better business and environmental outcomes supported.

Respect@Work CEO Forum and fatality prevention project were completed.

Next steps:

- TSM training, stakeholder panel and web portal
- Engage in design of national environmental law
- Input to the Taskforce on Nature Based Financial Disclosures.



Energy and Climate Change Committee

Policy development for a new national target

In September, the MCA released the *Climate Action Plan Year 2 Progress Report*. The report showcased member emissions reduction activities, emissions reduction trends over the previous reporting period, and the adoption of a climate change protocol in the Towards Sustainable Mining initiative.

Significant work was undertaken to understand the new government's proposed changes to the safeguard mechanism and contribute important feedback for scheme design.

Next steps:

- Continued engagement to develop a workable safeguard mechanism scheme
- Further develop industry's understanding of challenges and opportunities in increasing renewables in Australian power generation
- Close out final year of the initial Climate Action Plan and prepare for its next phase.



Economic Reform Committee

Advocating reform to strengthen mining

The MCA continued to strongly advocate for workplace relations rules that enable enterprises to work with employees in each workplace to lift productivity and increase wages.

The committee hosted briefings from parliamentary leaders and officials Department of Industry, Science, Energy and Resources and Australian Bureau of Statistics.

Next steps:

- Continue to advocate for stable and internationally competitive policy settings to lift investment in Australia's minerals industry
- Publish a report on MCA's productivity reform agenda.



Tax Committee

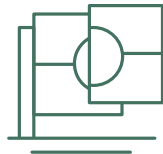
Sound, consistent policy and administration

Engaged with government and the Australian Taxation Office (ATO) to advocate for no adverse tax changes with particular focus on defending the importance of the fuel tax credit. The committee also co-ordinated the Fuel Tax Credit Alliance to ensure broad business and regional community support for the fuel tax credit was maintained.

Consultations were held with Treasury in relation to the OECD and G20 international tax changes which successfully maintained a broad exemption for mining activity. The MCA hosted two virtual tax update seminars with participation from member companies, the ATO and Treasury.

Next steps:

- Continue to advocate for reforms to make Australia's business tax system internationally competitive and attractive for new investment
- Co-ordinate the Fuel Tax Credit alliance to defend the system
- Monitor and respond to international tax developments
- Co-ordinate mining industry submissions to Treasury and the ATO.



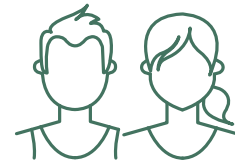
Indigenous Partnerships Committee

Turning the focus to tomorrow's leaders

The committee continued to define industry best practice and advocate the work of the industry in gaining free, prior and informed consent of the recognised Traditional Custodians while entering into agreements relating to land use, heritage protection and sharing in the intergenerational economic wealth of a minerals project.

Next steps:

- Work with member companies to support the Indigenous team members of today into becoming the future leaders of tomorrow
- Continue to work with member companies to provide expert and relevant information relating to an Indigenous Voice to Parliament
- Engage through co-design with communities and the Skills and Innovation Committee to determine future skills needs in critical minerals, thereby ensuring the minerals industry continues to support Closing the Gap initiatives.



Workforce and Innovation Committee

Skills the pathway to a future workforce

In September, the MCA released the *Digital Mine* showcasing Australian mining as high-tech and innovative, and outlining benefits in terms of safety, productivity and sustainability.

The committee made further progress on its multiyear strategy, focusing on increasing the pipeline of people in critical mining occupations.

Mining occupations in shortage were recognised on the National Skills Priority List due to the MCA's advocacy.

Next steps:

- Advocate policy reform to support a more modern mix of accessible education and skills pathways to expand the mining workforce pipeline
- Secure formal recognition of new and emerging occupations
- Develop a long-term innovation strategy to support the digital transformation of mining.

There's more to Australian Mining



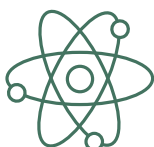
Coal Forum

Coal exports support budget recovery

Advocacy activities included developing a report on Australia's emerging hydrogen and ammonia industry, and submissions to government on the Low Emissions Technology Statement, Global Resources Strategy, maritime and land transport regulations, list of critical technologies, hydrogen guarantee of origin scheme and the safeguard mechanism discussion paper.

Next steps:

- Emphasise the importance of government and industry fostering low emission technologies, particularly CCUS, to support Australia's and the world's ongoing requirements for abated fossil fuels
- Advocate environmental, workplace relations, tax and other reforms to reduce policy-related costs and improve the efficiency of industry and service providers to the coal sector
- Contribute to the work programs of the International Energy Agency, International Standards Organization and International Maritime Organization.



Uranium Forum

Continued uranium and nuclear advocacy

The MCA continued to advocate for the removal of the prohibition of nuclear energy in Australia and for the potential role it could play in Australia's future low emissions energy system. This included supporting the Opposition's announcement that it would examine nuclear potential in Australia.

On uranium, the MCA worked with Standards Australia to maintain the current safe standard of Australian produced and filled uranium drums.

Next steps:

- Promote EPBC Act reform in the treatment of uranium project approvals
- Develop additional materials to promote the potential practical benefits of nuclear energy for Australia
- Continued promotion for the removal of the nuclear ban in the EPBC Act.



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, its role and contribution to the economy and the importance of high-quality pre-competitive geoscience data for exploration.

Ongoing liaison with the Department of Industry, Science and Resources has improved the accuracy of information about Australia's gold industry in their flagship resources reports.

Next steps:

- Continue to work with government departments to improve their understanding and analysis of the Australian gold industry
- Publish a report on the role of gold in modern technologies and the opportunities that exist for industrial gold.

MCA committees

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.

Energy and Climate Change Committee

Chair: Mike Erickson | AngloGold Ashanti Australia Ltd

The Energy and Climate Change Committee oversees the implementation of the MCA Climate Action Plan and climate-related financial disclosure forum.

Indigenous Partnerships Committee

Chair: Daniel van der Westhuizen | Anglo American

Co-chair: Julian Farrugia | Glencore

The Indigenous Partnerships Committee provides strategic advice to the MCA board to assist shaping positive, long-term partnerships with First Nations landholders, communities and organisations.

Safety and Sustainability Committee

Chair: Alex Bates | Newmont Australia

Co-chair: Michael Wright | Thiess Group

The Safety and Sustainability Committee leads national policy development and implementation across safety and health, environmental and social portfolios.

Taxation Committee

Chair: Dominic Smith | Glencore

The Tax Committee is central to the strategic aim to grow and sustain a world-leading minerals sector that delivers economic and social benefits to all Australians.

Workforce and Innovation Committee

Chair: Mark Davies | Rio Tinto

Chair: Jamie Frankcombe | Peabody Energy

The Workforce and Innovation Committee addresses the needs of the current and future workforce, and conditions to support productivity boosting innovation and technology.

Coal Forum

Chair: David Moulton | Yancoal Australia

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: Nicholas Frappell | ABC Refinery

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 frameworks.

Uranium Forum

Chair: Duncan Craib | Boss Energy Limited

The Uranium Forum aims to promote and develop Australia's uranium industry to be globally recognised as a safe, responsible, transparent and successful supplier of fuel for clean electricity generation.

MCA NT Council

Chair: Brad Welsh | ERA

The MCA NT Council establishes the policy priorities of the MCA NT and sets the strategic direction on behalf of the organisation, supported by the secretariat.

MCA Victoria Council

Chair: Paul Currie | GHD

The MCA Victoria Council establishes the policy priorities of MCA Victoria and advocates for clear, streamlined state government policies that support the development of the minerals sector in Victoria.



Chair
The Hon Helen Coonan



Vice Chair
Simon Trott
Chief Executive, Iron Ore
Rio Tinto



Sandeep Biswas
Managing Director
and Chief Executive Officer
Newcrest Mining Limited



Mike Erickson
Senior Vice President
AngloGold Ashanti Australia Ltd



Paul Flynn
Managing Director and
Chief Executive Officer
Whitehaven Coal Limited



Jamie Frankcombe
President-Australian Operations
Peabody Energy Australia Coal Pty Ltd



Graham Kerr
Chief Executive Officer and
Managing Director
South32



Amanda Lacaze
Chief Executive Officer and
Managing Director
Lynas Rare Earths Limited



Earl Melamed
Head of Global Coal Assets
Glencore



David Moulton
Chief Executive Officer
Yancoal Australia Limited



Daniel van der Westhuizen
Chief Executive Officer
Anglo American in Australia



Michael Wright
Executive Chairman and
Chief Executive Officer
Thiess

2023



Chair
Andrew Michelmore AO



Sherry Duhe
Interim Chief Executive Officer
Newcrest Mining Limited



Mia Gous
Senior Vice President
Newmont Australia Pty Ltd



Geraldine Slattery
President Australia
BHP



Gerhard Veldsman
Chief Executive Officer
Roy Hill

Member companies

Full members

- ABC Refinery (Australia) Pty Ltd
- ACDC Metals Ltd
- Agnico Eagle
- Albemarle Lithium Pty Ltd
- Anglo American Metallurgical Coal Pty Ltd
- AngloGold Ashanti Australia Ltd
- Arafura Resources Limited
- Bacchus Resources Pty Ltd
- Battery Minerals Limited
- BHP Group Limited
- Blackstone Minerals Ltd
- Blackwood Prospecting Pty Ltd
- The Bloomfield Group
- Boss Resources Ltd
- Bravus Mining & Resources
- Cameco Australia Pty Ltd
- Carey Group Holdings
- Catalyst Metals Limited
- Cauldron Energy Limited
- Core Lithium Ltd
- Core Prospecting Pty Ltd
- Creswick Quartz Ltd
- Dart Mining NL
- Deep Yellow Ltd
- Donald Mineral Sands Pty Ltd
- Dreadnought Resources Ltd
- EnergyAustralia Pty Ltd
- Eva Copper Mine Pty Ltd
- Falcon Metals Limited
- First Au Limited
- Fosterville South Exploration Ltd
- GBM Resources Limited
- Glencore Australia Holdings Pty Limited
- Gold Corporation (Perth Mint)
- Golden Point Group Pty Ltd
- Gulkula Mining Company Pty Ltd
- Heathgate Resources Pty Ltd
- Idemitsu Australia Resources Pty Ltd
- Jellinbah Group Pty Ltd
- Kaiser Reef Limited
- Kalbar Operations Pty Ltd
- KGL Resources Limited
- Leviathan Gold (Australia) Pty Ltd
- Lynas Rare Earths Limited
- Malabar Resources Limited
- Mandalay Resources
- Mercator Gold Australia Pty Ltd
- Metallica Minerals Limited
- MG Gold Pty Ltd
- Murray Zircon Pty Ltd
- Navarre Minerals Limited
- New Hope Corporation Limited
- Newcrest Mining Limited
- Newmont Australia Pty Ltd
- North Central Gold
- North Stawell Minerals
- Northern Iron Pty Ltd
- NRR Services Pty Ltd (Nathan River Resources)
- Omya Australia Pty Limited
- Outback Goldfields
- Paladin Energy Ltd
- Peabody Energy Australia Coal Pty Ltd
- Pembroke Resources Pty Ltd
- Perenti Group
- Prodigy Gold
- Providence Gold & Minerals Pty Ltd
- Red Rock Australasia Pty Ltd
- Redbank Copper Limited
- Resource Base Limited
- Rex Minerals Ltd
- Rio Tinto Services Ltd
- S2 Resources Ltd
- Sothorn Cross Gold Limited
- South32
- St Barbara Limited
- Stavely Minerals Limited
- Stawell Gold Mines Pty Ltd
- Tennant Consolidated Mining Group Pty Ltd
- Thiess Pty Ltd
- Titeline Drilling Pty Ltd
- TNG Limited
- Trigg Minerals Limited
- Verdant Minerals Ltd
- VHM Limited
- Vista Gold Australia Pty Ltd
- Westrock Minerals Pty Ltd
- White Rock Minerals
- Whitehaven Coal Limited
- WIM Resources Pty Ltd
- Winchelsea Mining Pty Ltd
- Yancoal Australia Limited

Associate members

- AMC Consultants Pty Ltd
- ANSTO Minerals
- Ashurst Australia
- Aurizon Holdings Limited
- Australia-Africa Minerals & Energy Group
- BDO Group Holdings Limited
- Bechtel Australia Pty Ltd
- Circle Advisory Pty Pty
- Cummins South Pacific
- Dyno Nobel Asia Pacific Pty Ltd
- ECOZ Environmental Services
- Ensolve Pty Ltd
- Ernst & Young
- GHD Pty Ltd
- Hastings Deering (Australia) Limited
- Herbert Smith Freehills
- Komatsu Australia Pty Ltd
- KPMG Australia
- Minter Ellison Lawyers
- Mitsubishi Development Pty Ltd
- NSW Minerals Council
- Orica Australia Pty Limited
- PanAust Limited
- Port Waratah Coal Services
- Power and Water Corporation
- Queensland Resources Council
- South Australian Chamber of Mines & Energy
- Sparke Helmore Lawyers
- Tasmanian Minerals & Energy Council
- Tesbury Consulting Services
- The Chamber of Minerals & Energy of Western Australia
- True North Strategic Communication Pty Ltd
- WesTrac Pty Ltd

Annual financial report

Minerals Council of Australia

Directors' report	38
Auditor's independence declaration	40
Financial report	41
Statement of profit or loss and other comprehensive income	41
Statement of financial position	42
Statement of changes in equity	43
Statement of cash flows	43
Notes to the financial statements	44
Directors' declaration	54
Independent auditor's report	55

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.

The 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 13 April 2023. The directors have the power to amend and reissue the financial statements.

ABN 21 191 309 229

Directors' report

Your directors present their report on the Minerals Council of Australia (MCA) for the year ended 31 December 2022.

Directors

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

Mr Edgar Basto
(retired 12 December 2022)

Mr Alex Bates
(retired 12 December 2022)

Mr Sandeep Biswas
(retired 14 January 2023)

The Hon Helen Coonan
(finished term 31 December 2022)

Ms Sherry Duhe
(appointed 10 February 2023)

Mr Michael Erickson

Mr Paul Flynn

Mr Jamie Frankcombe
(appointed 14 April 2022)

Ms Mia Gous
(appointed 1 January 2023)

Mr Graham Kerr
(appointed 4 March 2022)

Ms Amanda Lacaze

Mr Earl Melamed

Mr Andrew Michelmore AO
(Chair) (appointed 1 January 2023)

Mr Tyler Mitchelson
(retired 14 July 2022)

Mr David Moulton

Ms Geraldine Slattery
(appointed 1 January 2023)

Mr Simon Trott

Mr Daniel van der Westhuizen
(appointed 14 November 2022)

Mr Gerhardus Veldsman
(appointed 10 February 2023)

Mr Darren Yeates
(retired 1 April 2022)

Mr Michael Wright

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
- Continued co-ordination of the national resource sector response to the sudden onset of the COVID-19 pandemic through the maintenance strict national COVID-19 health and safety protocols and supporting guidance in partnership with state and territory chambers and the oil and gas sector to keep workers, families and communities safe and healthy – and co-ordination with governments of vaccination programs among the mining workforce and regional communities, particularly Indigenous communities.

Other than responding to the COVID-19 pandemic, 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 2022 was \$54,625 (2021: \$120,861).

Information on directors

Mr E Basto Baez B.Sc.Eng (Metallurgical)

President Minerals Australia
BHP

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

Regional Senior Vice President
Newmont Australia

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

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

Managing Director and Chief Executive Officer
Whitehaven Coal Limited

Mr J Frankcombe BEng Mining (Hons), MBA (Technology)

President – Australian Operations
Peabody Energy

Mr G Kerr BBus, FCPA

Chief Executive Officer
South32

Ms A Lacaze BA, DipM, MAICD

Chief Executive Officer and Managing Director
Lynas Rare Earths Limited

Mr E Melamed B.Com, B.Acc, ACA

Head of Global Coal Assets
Glencore

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 S Trott BSc (Hons), GradDipFinInv, AICD

Chief Executive
Iron Ore, Rio Tinto

Mr D van der Westhuizen Bcompt Acc, ACCA, MAICD, SSE(Qld)056/14

Managing Director and Chief Executive Officer
Anglo American Australia

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

Executive Chairman and Chief Executive Officer
Thiess

Mr D Yeates B.Eng (Mining), Grad Dip in Mgmt, Grad Dip in Applied Fin & Invest., MBA, FAICD

Executive Vice President and Chief Operating Officer
Peabody Energy

Meetings of directors

There were six meetings of the MCA's directors held during the year ended 31 December 2022. 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
E Basto	6	5
A Bates	6	4
S Biswas	6	6
H Coonan	6	6
M Erickson	6	6
P Flynn	6	6
J Frankcombe	5	4
G Kerr	6	6
A Lacaze	6	5
E Melamed	6	6
T Mitchelson	5	3
D Moulton	6	5
S Trott	6	5
D van der Westhuizen	1	1
M Wright	6	6
D Yeates	1	1

Members' liability

The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 31 December 2022, the total amount that members of the entity are liable to contribute if the entity is wound up is \$1,190 (2021: \$1,040).

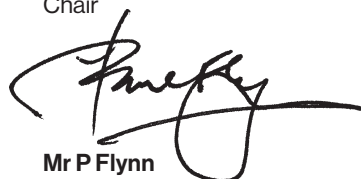
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 40.

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



Mr Andrew Michelmores AO
Chair



Mr P Flynn
Director

Canberra
13 April 2023



Auditor's Independence Declaration

As lead auditor for the audit of Minerals Council of Australia for the year ended 31 December 2022, 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 black ink that reads 'Sarah D'Arcy'.

Sarah D'Arcy
Partner
PricewaterhouseCoopers

Canberra
13 April 2023

Financial report

Statement of profit or loss and other comprehensive income

	Notes	2022 \$	2021 \$
Revenue from contracts with customers	1	20,271,156	20,483,472
Other income	2	317,991	127,368
Expenses			
Employee expenses		(10,666,539)	(10,262,389)
Consultancy expenses		(2,645,481)	(2,495,720)
Minerals Tertiary Education Council (MTEC) program expenses		(374,045)	(291,170)
Occupancy expenses		(207,188)	(244,636)
Conferences and events expenses		(1,045,136)	(754,467)
Travel expenses		(636,061)	(227,214)
Information and technology expenses		(748,564)	(629,641)
Media buy		(1,929,387)	(3,370,834)
Depreciation expense		(702,832)	(690,543)
Finance expense		(156,263)	(143,151)
Other expenses		(1,423,026)	(1,380,214)
Total expenses		(20,534,522)	(20,489,979)
Surplus for the year		54,625	120,861
Other comprehensive income for the year		-	-
Total comprehensive income for the year is attributable to:		54,625	120,861
Members of the Minerals Council of Australia			

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	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	1,075,486	1,255,102
Term deposits		8,938,141	9,042,106
Receivables	4	305,591	250,961
Prepayments		442,275	497,496
Total current assets		10,761,493	11,045,665
Non-current assets			
Plant and equipment	5	281,042	282,476
Right-of-use assets	6	1,664,675	1,723,560
Total non-current assets		1,945,717	2,006,036
Total assets		12,707,210	13,051,701
LIABILITIES			
Current liabilities			
Trade and other payables	7	766,170	1,309,535
Provisions - employee entitlements	9	1,121,171	995,775
Lease liabilities	6	675,279	458,415
Contract liabilities		79,398	203,077
Total current liabilities		2,642,018	2,966,802
Non-current liabilities			
Provisions - employee entitlements	9	290,863	313,810
Lease liabilities	6	1,653,596	1,704,981
Total non-current liabilities		1,944,459	2,018,791
Total liabilities		4,586,477	4,985,593
Net assets		8,120,733	8,066,108
EQUITY			
Accumulated funds	10 (a)	7,500,774	7,446,149
Reserves	10 (b)	619,959	619,959
Total members' equity		8,120,733	8,066,108

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 2021	7,325,288	619,959	7,945,247
Surplus for the year	120,861	-	120,861
Total comprehensive income for the year	120,861	-	120,861
Balance at 31 December 2021	7,446,149	619,959	8,066,108
Balance at 1 January 2022	7,446,149	619,959	8,066,108
Surplus for the year	54,625	-	54,625
Total comprehensive income for the year	54,625	-	54,625
Balance at 31 December 2022	7,500,774	619,959	8,120,733

For a description of each reserve, refer to note 10(b).

Statement of cash flows

	Notes	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from members and customers		22,245,546	19,278,706
Payments to suppliers and employees		(22,137,826)	(20,833,172)
Interest received		146,281	56,665
Interest paid		(156,263)	(143,151)
Government stimulus receipts		14,265	40,932
Net cash inflow/(outflow) from operating activities		112,003	(1,600,020)
Cash flows from investing activities			
Payments for plant and equipment		(142,341)	(154,846)
Net decrease in term deposits		185,415	1,923,271
Net cash inflow from investing activities		43,074	1,768,425
Cash flows from financing activities			
Principal portions of lease payments		(334,693)	(393,334)
Net cash (outflow) from financing activities		(334,693)	(393,334)
Net (decrease) in cash and cash equivalents		(179,616)	(224,929)
Cash and cash equivalents at the beginning of the financial year		1,255,102	1,480,031
Cash and cash equivalents at end of year	3	1,075,486	1,255,102

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	2022	2021
		\$	\$
Revenue recognised over time			
Membership fees		19,154,207	18,356,406
Management fees		261,964	258,521
Service fees		-	1,267,364
		19,416,171	19,882,291
Revenue recognised at a point in time			
Events		390,950	255,271
Sponsorships		464,035	345,910
		854,985	601,181
Total revenue from contracts with customers		20,271,156	20,483,472

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

(a) Assets and liabilities related to contracts with customers

Trade receivables	155,620	131,376
Contract liabilities	79,398	203,077

2	Other income	2022	2021
		\$	\$
Interest		227,731	52,568
Sundry income		75,995	33,868
Victorian government payroll tax relief		14,265	40,932
		317,991	127,368

3	Cash and cash equivalents	2022	2021
		\$	\$
Cash at bank, cash on hand and term deposits with maturity less than 90 days		1,075,486	1,255,102

4	Receivables	2022	2021
	Note	\$	\$
Current			
Trade receivables		155,620	131,376
GST receivables		149,896	119,418
Sundry debtors		75	167
Total receivables		305,591	250,961
Financial assets at amortised cost classified as receivables			
Total receivables		305,591	250,961
Less GST receivables		(149,896)	(119,418)
Financial assets as trade and other receivables	8	155,695	131,543

5 Plant and equipment	Furniture, fittings and equipment \$	Motor vehicles \$	Leasehold improvements \$	Total \$
At 31 December 2021				
Cost	760,289	33,205	1,746,843	2,540,337
Accumulated depreciation	(608,128)	(9,685)	(1,640,048)	(2,257,861)
Net book amount	152,161	23,520	106,795	282,476
Year ended 31 December 2022				
Opening net book amount	152,161	23,520	106,795	282,476
Additions	55,919	-	86,422	142,341
Disposals	-	-	-	-
Depreciation charge	(81,341)	(8,301)	(54,133)	(143,775)
Closing net book amount	126,739	15,219	139,084	281,042
At 31 December 2022				
Cost	737,466	33,205	1,830,411	2,601,082
Accumulated depreciation	(610,727)	(17,986)	(1,691,327)	(2,320,040)
Net book amount	126,739	15,219	139,084	281,042

6 Right-of-use assets

The statement of financial position shows the following amounts relating to leases:	2022 \$	2021 \$
Right-of-use assets		
Buildings	1,664,071	1,717,939
Equipment	604	5,621
	1,664,675	1,723,560
Additions to right-of-use assets during 2022 were \$500,172 (2021: \$1,204,645)		
Lease liabilities		
Current	675,279	458,415
Non-current	1,653,596	1,704,981
	2,328,875	2,163,396

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

Depreciation charge for right-of-use assets		
Buildings	(554,040)	(549,206)
Equipment	(5,017)	(5,017)
	(559,057)	(554,223)
Interest expense	(156,263)	(143,151)
	(715,320)	(697,374)

The total cash outflow for leases in 2022 was \$490,956 (2021: \$525,174).

The MCA has provided a bank guarantee of \$45,952 to the lessor / owner of one of the leased offices.

The MCA's lease portfolio includes office space in commercial office buildings. These leases have an average of 5 years as their lease term. The option to extend the lease is contained in a number of the property leases of the MCA and these clauses provide the MCA opportunities to manage leases in order to align with its strategies. All of the extension options are only exercisable by the MCA and only extension options which were reasonably certain to be exercised have been included in the calculation of the Right of use asset.

Notes to the financial statements

6 Right-of-use assets (cont.)

	2022 \$	2021 \$
Total future lease payments at the end of the reporting period		
No later than 1 year	675,279	458,415
Between 1 to 5 years	1,965,616	2,073,852
Greater than 5 years	-	-
Total future lease payments	2,640,895	2,532,267

7 Trade and other payables

	Note	2022 \$	2021 \$
Current			
Trade creditors		555,303	944,625
Accrued expenses		203,367	338,675
Other payables		7,500	26,235
Total trade and other payables		766,170	1,309,535
Financial liabilities at mortised cost classified as trade and other payables			
Total trade and other payables		766,170	1,309,535
Less accrued expenses		(203,367)	(338,675)
Financial liabilities as trade and other payables	8	562,803	970,860

8 Financial risk management

The entity's financial instruments consist mainly of deposits with banks, local money mark instruments, short-term and long-term investments, accounts receivable and payable, and lease liabilities.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	Note	2022 \$	2021 \$
Financial assets			
Financial assets at amortised cost:			
• cash and cash equivalents	3	1,075,486	1,255,102
• term deposits		8,938,141	9,042,106
• trade and other receivables	4	155,695	131,543
Total financial assets		10,169,322	10,428,751
Financial liabilities			
Financial liabilities at amortised cost:			
• trade and other payables	7	562,803	970,860
• lease liabilities	6	2,328,875	2,163,396
Total financial liabilities		2,891,678	3,134,256

9 Provisions	2022 \$	2021 \$
Current		
Provision for employee benefits – annual leave	754,905	672,202
Provision for employee benefits – long service leave	366,266	323,573
	1,121,171	995,775
Non-current		
Provision for employee benefits – long service leave	290,863	313,810
	1,412,034	1,309,585

Provisions for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 15(k).

10 Equity	2022 \$	2021 \$
(a) Accumulated funds		
Movements in accumulated funds were as follows:		
Balance 1 January	7,446,149	7,325,288
Surplus for the year	54,625	120,861
Balance 31 December	7,500,774	7,446,149
(b) Reserves		
Balance 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.

11 Members' guarantee

The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 31 December 2022, the number of members was 119 (2021: 104).

Notes to the financial statements

12 Commitments

	2022 \$	2021 \$
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	5,789	5,789
Later than one year but not later than five years	15,956	21,008
Later than five years	-	1,750
	21,745	28,547

MCA leases various offices and equipment under non cancellable operating leases expiring within six months to sixty four months. The leases have varying terms, escalation clauses and renewal rights. On renewal the terms of the lease are renegotiated.

13 Key management personnel compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of MCA, including any director is considered key management personnel (KMP).

The total remuneration paid to key management personnel of MCA during the year are as follows:

	2022 \$	2021 \$
Key management personnel compensation	4,385,916	4,287,905

The remuneration amount disclosed for 2022 is based on 13 key management personnel positions.

14 Remuneration of auditors

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

(i) PricewaterhouseCoopers	2022 \$	2021 \$
Financial report audit	36,067	34,680
Other services	-	10,200
Total remuneration for audit and other services	36,067	44,880

15 Summary of significant accounting policies

This note provides a list of all of the 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. The financial statements are for the Minerals Council of Australia and its 50% interest in the jointly operated Melbourne Mining Club.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Minerals Council of Australia (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 MCA comply with Australian Accounting Standards – Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

(ii) Historical cost convention

These financial statements, except for the cash flow statement, have been prepared on accrual basis and are based on historical cost basis. The amounts presented are in Australian Dollars and have been rounded to the nearest dollar.

(iii) New standards adopted

The MCA has adopted AASB1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for Profit Tier 2 Entities for the first time this reporting period. The Standard, which sets out a new separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053: Application of Tiers of Australian Accounting, replaces the previous Reduced Disclosure Requirements (RDR) framework. The application of this standard has resulted in new and/or increased disclosures in areas such as receivables, right-of-use assets, trade and other payables, provisions, members' guarantee and financial risk management.

(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.

15 Summary of significant accounting policies (cont.)

(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:

Furniture, fitting and equipment	Leasehold improvement	Motor vehicles
10% - 40%	7.5% - 60%	25%

(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.

(iii) Retirement benefit obligations – defined contribution superannuation benefits

All employees of the MCA receive defined contribution superannuation entitlements, for which the entity pays the fixed superannuation guarantee contribution (currently 10.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employee's defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the entity's statement of financial position.

(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 percent participating interest in this venture, and is entitled to 50 percent of its output. MCA's interests in the assets employed in the jointly controlled operation are included in the statement of financial position. 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.

(p) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(q) Financial instruments

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers*.

(ii) Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition. A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss

15 Summary of significant accounting policies (cont.)

on the basis of the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and fair value through other comprehensive income; or
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

(iii) Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement date in accordance with the entity's accounting policy.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires).

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

The Entity recognises a loss allowance for expected credit losses on financial assets. Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instruments.

16 Significant accounting estimates and judgements

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

Key Estimates

(i) Impairment

MCA assesses impairment at the end of each reporting period by evaluation of conditions and events specific to MCA that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. MCA determined conditions of impairment through obtaining market information about the cost of the existing assets in which would cost to purchase at current arm's length market prices.

Key Judgements

(i) Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As MCA expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, MCA believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

MCA has determined that all employees are expected to reach the required years of service to qualify for long-service leave. This probability assessment has been relied upon when competing the calculation to determine long-service leave obligations.

(ii) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the agreement must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the agreement is sufficiently specific by considering any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services agreed.

(iii) Lease term an option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the entity will make. The entity determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the entity.

17 Changes in accounting policies

There were no changes to the accounting policy during the year ending 31 December 2022.

18 Events occurring after balance date

Other than the following, the directors are not aware of any significant events since the end of the reporting period.

The MCA paid a total of \$309,100 following the cancellation of an event hire contract on 18 January 2023. The expense will be brought to account in 2023. The MCA continues to work with stakeholders and partners to secure value from the future delivery of a similar event.

Directors' declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 41 to 53 are in accordance with the *Corporations Act 2001*, including:

- (i) complying with Accounting Standards – Simplified Disclosures, 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 2022 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 the directors.



Mr Andrew Michelmore AO
Chair



Mr P Flynn
Director

Canberra
13 April 2023



Independent auditor's report

To the members of Minerals Council of Australia

Our opinion

In our opinion:

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

- (a) giving a true and fair view of the Entity's financial position as at 31 December 2022 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 31 December 2022
- 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 significant accounting policies and other explanatory information
- the declaration of the directors.

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 Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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.

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

Liability limited by a scheme approved under Professional Standards Legislation.

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 2022, 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 Director's Report.

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 are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures 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 Entity 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 Entity 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

PricewaterhouseCoopers

Sarah D'Arcy

Sarah D'Arcy
Partner

Canberra
13 April 2023

There's more to Australian Mining

No person should rely on the contents of this publication without first obtaining advice from a qualified professional person. The Minerals Council of Australia, and the authors, editors and any consultants accept no liability (including liability in negligence) and take no responsibility for any loss or damage which a user of this publication or any third party may suffer or incur as a result of reliance on this publication, and in particular for:

- a) Any errors or omissions in this publication
- b) Any inaccuracy in the information and data on which this publication is based
- c) Any interpretations or opinions stated in or inferred from this publication.

All rights reserved. Apart from any use permitted under the *Copyright Act 1968* and subsequent amendments, no part of this publication may be reproduced, stored in a retrieval system or transmitted, in any form or any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of the publisher and copyright holders.

© Minerals Council of Australia 2023

ISBN 978-0-6451148-2-9

Minerals Council of Australia

44 Sydney Ave, Forrest ACT 2603
(PO Box 4497, Kingston ACT 2604)
T. + 61 2 6233 0600
E. info@minerals.org.au

ACN 008 455 141

ABN 21 191 309 229

minerals.org.au





Artisanal Miner Register

