

Proud to be

**Australian
Mining**

Minerals Council of Australia

Annual Report 2017



Industry snapshot

15%

Economic contribution

Contribution to Australia's GDP from mining and METS.



217,600

Jobs

Direct employment in the Australian mining industry.



61%

Regional jobs

Mining jobs in regional and remote Australia.



\$185b

Tax & royalties

Paid to federal, state and territory governments in the decade to 2016-17.



\$90b

Revenue

Generated by the mining equipment, technology and services sector annually.



\$100 per week

Household incomes

Boost to average household weekly income from the mining boom.



54%

Export share

Resource's share of total exports of goods and services in 2017.



\$207b

Export earnings

Australia's mining export earnings in 2017.



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Cover image: BHP
Inside image: New Hope Group



5.5%

Training budget

Five times more than government benchmarks as a proportion of payroll.



\$240b

Investment

Capital expenditure over the past ten years.



3%

Water

Mining's share of Australia's water use.



\$1.9b

R&D industry spend

Industry expenditure in 2015-16.



2.5x

Indigenous employment

More Indigenous employees in the mining industry today than in 2006



\$40b

Indigenous trusts

Assets in Indigenous trusts collected through mining activity.



0.021%

Land use

Proportion of the Australian land mass disturbed by mining.



42%

Young workforce

Workers aged between 25 and 39. The all-industry average is 35 per cent.



Minerals Council of Australia

Annual Report 2017

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Dr Vanessa Guthrie
Chair



David Byers
Interim Chief Executive

Chair and CEO's review

2017 marked the 50th anniversary of minerals sector representation in Australia. The Australian Mining Industry Council and Minerals Council of Australia have proudly represented companies that produce more than 90 per cent of the nation's minerals output.

Through the past five decades, Australia has weathered multiple economic and political cycles. Mining has continued to play an integral role in the development of our nation – and is part of the fabric of the economy and community that is Australia today.

There has been a number of organisational changes in our anniversary year and the MCA remains a strong voice for the resources sector and the broader business community.

Brendan Pearson stepped down as Chief Executive in September after more than nine years at the MCA – four as Chief Executive. Brendan maximised the MCA's impact with vigorous, evidence-based advocacy and on behalf of the Board of Directors and the MCA membership, I express my appreciation for his contribution.

David Byers capably stepped in as Interim Chief Executive following Brendan's departure and I thank him also for his contribution. He will be succeeded by Tania Constable in mid-2018. Tania has a deep knowledge of Australia's resources industry, expertise in leading a membership-based organisation and experience in leadership roles in the Australian Public Service.

As I look forward to what comes next, the MCA Board is excited by future opportunities for our industry and for the central role the MCA will play in building connections with government, industry and the community under Tania's leadership.

Community partnerships

2017 also marked 25 years since the landmark Mabo decision. The partnership that has developed between the minerals sector and Indigenous communities over the quarter century since is a major achievement for Australia.

The Indigenous community deserves great credit and respect for its commitment to that co-operative relationship.

The anniversary of the Mabo decision was an opportunity to re-commit to an even deeper, stronger relationship with Indigenous Australia – one that recognises the importance of our shared values, the significance of our continued conversations, and the value of our increasingly diverse cultural heritage and connection to country.

We are proud that Professor Marcia Langton observed that 'across the public, private and community sectors, no one has done more to advance a better future and self-determination for indigenous Australians than the mining industry.'

A 21st century industry

It is currently fashionable in some circles to dismiss mining as an industry from a bygone era based on last century technology. The reality is our industry uses sophisticated production techniques and highly-skilled labour to transform natural endowments into valuable exports.

The minerals industry is a major driver of innovation in Australia and as such is integral to the so-called 'new economy'.

Mining spends almost \$2 billion a year on research and development; is an exemplar of collaboration with research bodies; and is a prolific inventor.

The dividend from this collaboration has been substantial advances across mine safety, extractive technologies, automation, energy efficiency, low emissions technologies and environmental practices and biodiversity protection.

As a nation, we have always been innovative risk takers that have punched above our weight on the global stage. Mining is critical to that, accounting for the largest industry share of micro start-up businesses and job creation by these businesses. There is a diversity of high-value, high-tech jobs in engineering, environmental science, geology, geophysics, mathematics and high-level data analytics in modern mining.

These future mining professionals are creating the next chapters of that great Australian story.

A record year for exports

Another too-common myth is that Australia's millennium mining boom has passed. Not true.

In 2017 Australia's resources exports, including minerals, metals and petroleum, posted a new record high value of \$207 billion and accounted for 54 per cent of Australia's total goods and services export revenue. To put the economic importance of the resources industry into perspective, it generates

more export revenue for Australia than all other industries combined.

Resources export earnings in 2017 were more than double the value of services exports and four times the value of rural goods exported.

Iron ore remained Australia's largest source of export revenue with more than \$63 billion of the steel-making material exported underpinned by improved market prices and growing export volumes. Coal exports increased significantly to add a further \$57 billion.

The record year of export revenues wasn't driven only by bulk commodities. Gold exports recorded another strong year and generated over \$18 billion in revenue for Australia, while base metals contributed more than \$25.5 billion in export earnings.

This resources export revenue continues to deliver benefits to all Australians and demonstrates that the nation is continuing to reap the benefits of the mining industry's historic period of investment.

Australia's global success story

200 years ago British economist David Ricardo first articulated the concept of comparative advantage. Ricardo's key insight was that all countries will be better off by specialising in what they do best and trading with one another.

Australia has a key comparative advantage in its minerals wealth and production. It has also built a comparative advantage in mining equipment, technology and services. This has been achieved through a combination of high quality resources together with access to a high quality workforce, an innovative culture, stable policy settings and an appetite for risk.

Mining is Australia's great global success story across the primary, manufacturing and services sectors.

The 2017 Deloitte Access Economics report *Mining and METS: engines of economic growth and prosperity for Australians* revealed that the total economic contribution of Australia's mining and mining equipment, technology and services (METS) sector accounted for around 15 per cent of the Australia's gross domestic product in 2015-16.

1967–2017

50 years

Minerals
Council of
Australia



It found that the minerals industry and METS sector provide high-tech, high-paying jobs for more than one million Australians - approximately 10 per cent of total employment.

It is vital we continue to nurture this comparative advantage and use it to grow our economic and global contribution in delivering the essential elements needed to meet the world's growing appetite for energy and new technologies.

The right policy settings

Deloitte Access Economics further pointed out that Australia's mining and METS success not only hinges on innovation; it also depends on policies that strengthen competition, support the accumulation of skills and capital, and enable firms to respond flexibly to changing market conditions.

Retaining these policy settings is critical to Australia's national prosperity and future economic growth. In looking to sustain the economic contribution of Australia's mining and METS sector into the future, governments need to provide:

- A competitive and fair taxation system
- Flexible and highly productive workplaces
- Openness to international capital
- Affordable and reliable energy
- Efficient approaches to regulation, especially with respect to project approvals and community input
- Support for collaboration between the mining and METS sector and research organisations.

MCA priorities

Mining, by its nature, embraces long term challenges. So does the MCA. As the organisation enters its second half century, we will be addressing those issues which underpin our success, such as innovation, the workforce of the future, and energy and climate change action.

In 2017 the MCA commenced a robust review of its energy policy. *The Position Statement on Energy and Climate Change* released in early 2018 forms the basis for MCA advocacy built on three policy pillars.

- The MCA continues to support action on climate change.
- Reliable and affordable energy is central to our economy. Policy measures must deliver reliable and affordable energy at least cost while putting Australia on a pathway to meeting its emissions reduction targets.
- The Australian minerals sector will continue to play a constructive and positive role in the public policy debate.

Australia is poised to seize future opportunities for minerals resources that will come from growth in new consumer, energy and transportation technologies around the world.

We have extensive resources of the rare earth elements, base metals, lithium and precious metals that are the essential materials in smart phones, electric vehicles, modern energy systems and industrial machinery.

These opportunities and growth make the Australian minerals sector an exciting place to forge a career in technology and innovation, and to continue to exercise our comparative advantage and contribute to Australia's vibrant economy.

Maintaining a globally competitive minerals sector is essential for these future employment opportunities and Australia's continuing economic welfare and should be a source of national pride. It is for the MCA.

Dr Vanessa Guthrie
Chair

David Byers
Interim Chief Executive

About the MCA

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

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

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

The future of the Australian minerals industry is inseparable from the global pursuit of sustainable development. The industry is committed to the sustained prosperity of current and future generations through the integration of economic progress, responsible social development and effective environmental management.

The MCA advocates consistent and balanced policy settings for:

- An industry free of fatalities, injuries and diseases
- A macro-economic framework conducive to global competitiveness and sustainable economic growth, characterised by low inflation, low interest rates and fiscal prudence

- A skilled, productive and flexible workforce
- Efficient export infrastructure
- Reconciling energy security with managing climate change as part of a sustainable global solution

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

- A seamless and efficient federation characterised by consistent regulation
- Access to competitive markets for capital, production inputs, human resources and end products
- Access to natural resources and competitive markets for land, water and energy
- A fair and stable society where effort is encouraged and rewarded and support is extended to those in need
- Mutually beneficial relationships with Indigenous and local communities through engagement and capacity building
- Improved environmental performance for sustainable eco-systems beyond life of mine.

Minerals Council of Australia member companies produce:



>85%

of Australia's annual mineral production



>90%

of Australia's mineral export earnings



Some of the metals and minerals produced by MCA member companies:

Aluminium	13 Al
Coal	6 C
Copper	29 Cu
Gold	79 Au
Iron ore	26 Fe
Lead	82 Pb
Manganese	25 Mn
Magnesium	12 Mg
Nickel	28 Ni
Silver	47 Ag
Titanium	22 Ti
Uranium	92 U
Zinc	30 Zn
Zircon	40 Zr

Principal achievements

Highlighting economic and social contribution of mining

- **Making the Future Possible:** Developed, implemented and further refined the industry positioning campaign to inform Australians about the economic and social contribution of the minerals sector
- **Mining and METS: engines of growth and prosperity for Australians:** Published a Deloitte Access Economics report which found that the combined contribution of mining and mining technology, equipment and services was \$236.8 billion in 2015-16 (around 15 per cent of the Australian economy) and 1.1 million jobs (approximately 10 per cent of total employment).

Improving the international competitiveness of taxation regime

- **Analysis:** Updated detailed analysis of the international competitiveness of Australia's taxation regime drawing on comprehensive tax data across 44 countries including a focus on company tax and resource taxation
- **Fair share paid:** Increased awareness of the industry's tax contribution through publication of the annual MCA tax survey and publication of company tax and royalty estimates
- **Fuel tax credits:** Actively participated in an alliance of regional industry groups to defend the fuel tax credits scheme, organising a regional tour for MPs and advocacy materials including *Fuel Tax Credit: The Facts*
- **Sharing expertise:** Delivered the biennial 2017 MCA Tax Conference and member tax forums in Sydney, Melbourne, Brisbane and Perth
- **GST distribution:** Highlighted the imbalanced treatment of mining revenue in GST distribution methods and negative fiscal impact on states that support economic development through mining in a submission to the Productivity Commission's GST inquiry.



Workplace relations

- **The case for reform:** Advanced the reform priorities of the Australian minerals industry in the policy paper: *Australia's workplace relations framework: The case for reform* which was launched in August by the Hon Martin Ferguson AM.

Energy and climate policy

- **Domestic energy mix:** Highlighted the need to deliver reliable energy at least cost while meeting the nation's emissions reduction objectives through application of a technology-neutral approach to filling the emerging gap in baseload electricity generation
- **Deakin University Public Policy Forum Series:** Partnered with Deakin University to present *The Australian Crisis of Confidence in Energy Investment, Security and Environmental Policy* for more than 140 delegates
- **Published:** *Securing energy, jobs and Australia's export advantage: A low emissions coal future for the Latrobe Valley*
- **Climate policy:** Submission to the Australian Government's 2017 review of climate policies.



The Making the Future Possible industry positioning advertisements achieved an audience reach of 64 million across subscription and free to air television in 2017.

Online, radio and cinema advertising boosted the number of interactions to more than 113 million.

Safety, health, environment and communities

- Hosted an industry-regulator workshop with the Department of the Environment to progress improvements to the operation of federal environmental approvals
- **Mine rehabilitation:** Led the national industry response to senate inquiries into mine rehabilitation and red tape in environmental approvals and the Productivity Commission inquiry into water reform
- **Water accounting:** Facilitated alignment of Australian Bureau of Statistics requirements with the MCA water accounting framework and progressed its acceptance by global reporting initiatives
- **Native Title:** Secured the passage of the *Native Title Amendment (Indigenous Land Use Agreements) Act 2017* to validate ILUAs and remove uncertainty created by the McGlade judgment.
- **Supporting Indigenous businesses:** Assisted Aboriginal Enterprise in Mining Energy and Exploration in the development of a checklist to facilitate procurement from Indigenous businesses
- **Environment and Communities Workshop:** Hosted delegates from more than 40 MCA member and non-member companies at the 2017 MCA Environment and Communities Workshop to discuss Indigenous and regional community engagement; water stewardship; mine closure and relinquishment; and regulatory approvals.



- **Collaborated with DFAT and ANU** to provide Australian mine site tours to 50 mid-career African mining officials.

Free trade

- **Promoting the benefits:** Worked with other industry associations to advocate publicly the benefits of free trade and investment, including through issuing fact sheets, media coverage, social media activity and the Ricardo@200 trade seminar
- Lodged submissions to the Australian Government's Foreign Policy White Paper and the Joint Standing Committee on Foreign Affairs, Defence and Trade inquiry into Australia's trade and investment relationship with the United Kingdom.



- **Supporting minerals sector exports:** Published *New Frontiers: South and East Asia* reports on Australian mining and mining services trade and investment opportunities in the Asian region launched by the Minister for Trade and Investment.

Coal

- **Making the future possible:** Developed and executed the *Coal - Making the Future Possible* campaign to explain the continued strong Asian demand for coal for low cost energy and emphasise the role of new technologies in reducing emissions
- **Low emissions technology:** Extended the industry owned COAL21 Fund / ACALET for a further 10 years to continue investment in low emissions coal technologies

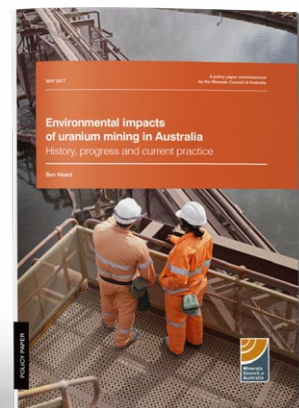
- Built political and third party support for coal's role in Australia's energy mix – including use of high efficiency, low emissions coal technologies
- Published the landmark study which showed new build HELE USC black coal should be included as part of the energy mix as the least expensive form of dispatchable energy for Australia
- **Coal exports:** Supported the Australian Government's representations to China on quality barriers for Australian coal which are inconsistent with international standards.
- Secured the extension of critical regulatory exemptions for continued safe transport of coal and progressed reforms to international shipping rules for mineral products.

Gold

- Expanded membership of the Gold Forum and led discussion on opportunities to improve Indigenous relationships, recruitment in regional areas and gold industry statistics.

Uranium

- **Resource development:** Published *Environmental impacts of uranium mining – history, progress and current practice* by sustainability expert Ben Heard
- Hosted third Uranium Forum roundtable with Commonwealth government departments in Canberra
- Sponsored a visit by Jessica Lovering – Director of Energy at The Breakthrough Institute to draw attention to Australia's uranium and nuclear potential



- Published *Removing the prohibition on nuclear power* and supported the Private Member's Bill of Senator Cory Bernardi calling for nuclear prohibitions to be lifted.

Policy forums and conferences

- MCA Policy Roundtable:** Hosted a policy roundtable for member company senior executives with ministers, shadow ministers and representatives of the Senate crossbenches, the bureaucracy and press gallery to discuss political and policy issues with significant implications for the minerals industry
- Australian Mining Industry Annual Lecture:** Hosted Professor Marcia Langton's forthright address on native title rights and Indigenous self-determination which coincided with national commemorations of the 50th anniversary of the 1967 referendum and 25th anniversary of the High Court's Mabo decision



- Minerals Week 2017:** Hosted the Prime Minister and a record 520 politicians, officials, journalists and opinion leaders at the Annual Minerals Industry Parliamentary Dinner which featured the world-first performance of the National Anthem in the local Ngunawal language to honour the mineral industry's partnerships with Indigenous peoples
- Hosted the Deputy Prime Minister and Shadow Minister for Trade and Investment and Resources and Northern Australia at the Minerals Week seminar, titled 'Australia's Comparative Advantage'.

Promoting gender diversity

- Women in Mining:** Hosted the inaugural breakfast during Minerals Week which featured a keynote address by the Assistant Minister for Vocational Education and Skills and the presentation of six industry scholarships



- Hosted the inaugural Victorian Women in Resources Awards** in partnership with the AusIMM Women in Mining and Resources Network Victoria to recognise and promote gender diversity
- Scholarships:** Partnered with BHP and Downer to increase female participation on minerals company boards by supporting four scholarships to complete the world-class Company Director's Course at the Australian Institute of Company Directors
- Awarded the 2017 Women in Engineering Scholarship in partnership with BHP to support a student in her final two years of undergraduate study.

MCA Victoria

- Regulatory Reform:** Achieved an independent review of Earth Resources Regulation and Minister for Resources' endorsement of a six-point plan for regulatory reform
- Updated the Victorian land access guide in partnership with Victorian Farmers' Federation, which was the first of its kind in Australia when released in 2000
- Emergency response:** Celebrated 25 years of the Victorian Mine Rescue Competition with three days of competition by 10 teams from across

Victoria and interstate. Partnered with Emergency Management Victoria to establish the EMV's first industry working group to build understanding and preparedness for mine emergency response.

MCA NT

- Agenda for growth:** Continued deployment of the MCA NT multi-year strategic plan outlining five key policy frameworks: maximising productivity, strategic infrastructure requirements, the environment, the exploration agenda and community contribution.

Darwin Mining Club

- Hosted luncheons with keynote speakers including the Chief Minister of the Northern Territory, the Minister for Primary Industry and Resources as well as senior industry leaders and significant project representatives
- Donated more than \$210,000 of equipment to CareFlight over the past three years for medical, training and rescue operations.



Melbourne Mining Club

- Hosted near-capacity audiences for addresses by the CEOs from Newcrest Mining, Aurizon, BHP, Antofagasta and MMG concluding 2017 with the MMC's 100th luncheon
- Promoted and developed the Cutting Edge Series for small to mid-capped companies into an important networking event for the industry
- Supported education initiatives through the MCA and AusIMM – more than \$815,000 contributed to date to these important projects.

Minerals Tertiary Education Council

The Minerals Tertiary Education Council (MTEC) was established in 2000 by the MCA to build capacity in Australia's higher education sector and to increase the supply and quality of suitably qualified professionals for the minerals industry.

The MTEC review in 2015 resulted in the MCA Board adopting a revised program to support an at-cost rather than the previous demand driven funding model for minerals-related programs from 2016. MCA initiated a further review of the MTEC program during 2017 through the lens of the future minerals workforce, the recommendations of which will be implemented during 2018.

The primary reason for industry support is to engage with university schools and departments offering specialist minerals-related higher education programs on a nationally collaborative basis. Such financial investment can support, but cannot sustain, these programs and going forward MTEC will build on its role as an intermediary body driving engagement between universities and industry and building collaboration between universities in program development and provision.

Through MTEC, the MCA has built a unique, innovative and powerful model for strategic and purposeful industry investment in minerals related tertiary education.

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

2017 trends

Undergraduate intakes for most minerals higher education disciplines in Australia have experienced notable declines. Lower bulk commodity prices, rationalisation at the company level, the rise of anti-mining activism and the way that these issues have been widely covered in news and social media, have likely contributed to a post-boom sentiment that might explain the pronounced drop off in enrolments over the past few years since 2012.

Enrolments in 2017 remain at levels last seen in the early-2000s which will impact the professional pipeline in these niche disciplines in a few years' time.

Mining Education Australia

Mining Education Australia (MEA) is a formally constituted (unincorporated) joint venture between the partner universities whereby teaching resources are combined to deliver the highest quality, nationally consistent third and fourth years of a mining engineering degree.

MEA produces a significant proportion of all four-year trained Australian mining engineers. Forward projections indicate a drastic decline of future mining engineering graduates from recent historic highs.

Metallurgical Education Partnership

Metallurgical Education Partnership (MEP) is a formal partnership between MTEC and its partner universities for collaborative teaching of the capstone metallurgical process and plant design course for fourth year engineering undergraduate students. MEP produces 100 per cent of all four-year trained Australian extractive metallurgists.

Summary of MTEC initiatives	2016 graduates (actual)	2017 enrolments (actual)	2018 enrolments (forecast)	2019 enrolments (forecast)	2020 enrolments (forecast)
Metallurgy Education Partnership (MEP)					
The MEP program produced 34 graduates in 2016 compared with 34 in 2007.	34	35	22	23	23
Mining Education Australia (MEA)					
The MEA program produced 199 graduates in 2016 compared with 127 in 2007.	199	224	131	98	61

National Exploration Undercover School (NExUS)

The industry support of minerals geoscience underwent a significant change in 2017. The Minerals Geoscience Honours (MGH) program concluded in 2015 and has been replaced by the National Exploration Undercover School (NExUS).

NExUS is a prestigious summer school for tomorrow's leading mineral explorers and hosted by the University of Adelaide as a collaboration of universities, government and industry

partners. It aims to deliver a truly world-class national program of training for 30 enthusiastic and engaged students wanting to acquire specialist minerals geoscience skills. The industry benefits from a cohort of students keen to pursue careers in the minerals industry.

The second NExUS program ran over three weeks in November and December 2017, with week-long modules in Adelaide, the Adelaide Hills region, and Yorke Peninsula. Students came from every state and territory, with many MCA member company providing industry sessions as part of the program.

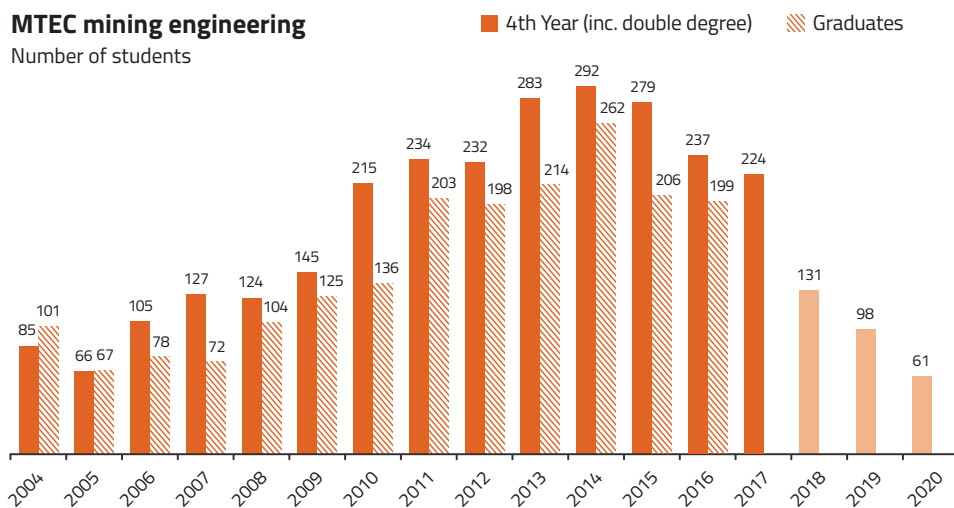
Minerals Industry National Associate Degree

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

Enrolments and graduates

MTEC mining engineering

Number of students



MEA 2017: 87 per cent male, 13 per cent female

MTEC network 2017

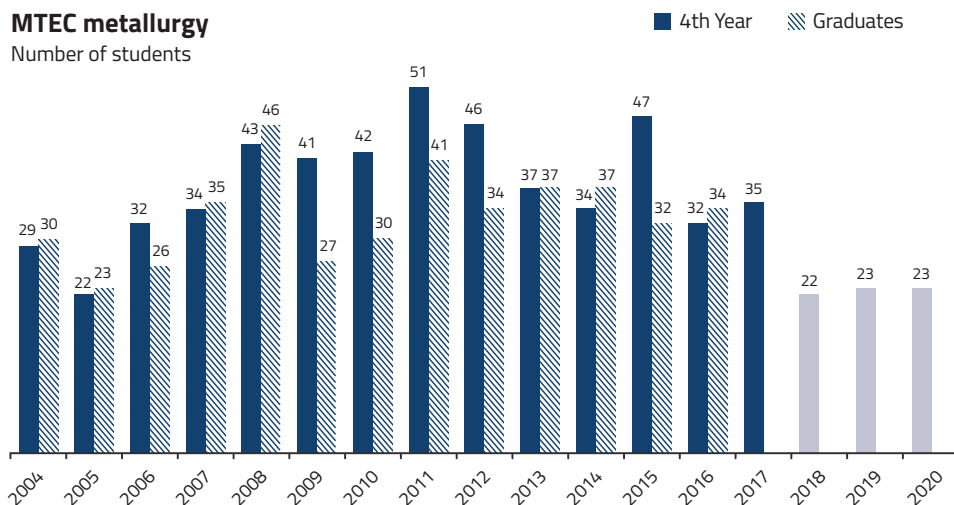
Minerals Geoscience
University of Adelaide

Mining Engineering
University of New South Wales
University of Queensland
Curtin University
University of Adelaide

Metallurgy
University of Queensland
Curtin University
Murdoch University

MTEC metallurgy

Number of students



MEP 2017: 76 per cent male, 24 per cent female, 2 Indigenous Australian students

The MCA, through MTEC, has built a unique, innovative and powerful model for strategic and purposeful industry investment in minerals related tertiary education.

Megan Davison
Executive Director
MCA Victorian Division



MCA Victorian Division

2017 was a busy – and productive – year for MCA Victoria.

Regulatory reform

In response to continual advocacy from MCA Victoria for improvement in the capability and competency of the Earth Resources Regulator, the Victorian Government commissioned the Better Regulation Commissioner to undertake a review into its stalled reforms.

The project was tasked with identifying practical steps for improving regulation of the earth resources sector in Victoria: to help to secure the sustainable development of the sector within a framework of best practice regulation and industry and community engagement.

A report *Getting the Groundwork Right* was released in October and detailed the continuous improvement program required from short term reforms to implement improvements in processes as soon as possible, and to make recommendations which set a clear pathway for operational, regulatory and legislative reforms.

MCA Victoria also developed a proactive position paper to support the Department of Economic Development, Jobs, Transport and Resources' review of Environment Review Committees. The position paper, developed with support from the MCA's Victorian State Council and Environment and Communities Working Group, included case studies outlining best-practice approaches and principles to inform community consultative forums. The model proposed has been incorporated into the department's preferred approach.

A refreshed position on project facilitation was developed to include supporting case studies to assist ongoing advocacy for tailored support for significant minerals projects in Victoria

Exploration

The licencing regime and tenure framework for exploration has been an issue of concern for many years. The regime is not aligned with the nature of the industry. MCA Victoria, through its Exploration Working Group, developed a detailed proactive position paper proposing simple changes to modernise Victoria's minerals tenure framework.

Exploration members also built on Victoria's position as the first jurisdiction to partner with an agricultural organisation (the Victorian Farmers Federation) to develop the 3rd update of the land access guide for explorers and landholders.

Health and safety

MCA Victoria held a successful 25th Annual Mine Rescue Competition, hosted by Energy Australia's Yallourn Coal Mine.

A partnership with Emergency Management Victoria and MCA Victoria (the first of its kind with industry) established an Industry and Emergency Management Working Group, a short-term initiative to support integrated emergency response planning across four underground Victorian gold mines. The group brought together the Victorian Police, Country Fire Authority, Ambulance Victoria

and the State Emergency Service to develop Industry and Agency Operational Guidelines for the Management of Underground Mine Response.

Women in Resources Awards

MCA Victoria launched the first Victorian Women in Resources Awards in partnership with the AusIMM Women in Mining and Resources Network (WIMnet Victoria). Victoria swept the national awards with each of the state's three national finalists recognised with a national award.

Stakeholder engagement

A range of site visits were coordinated for key stakeholders to Kirkland Lake Gold's Fosterville Gold Mine, Mandalay Resources' Costerfield Operations and Energy Australia's Yallourn Coal Mine to build awareness of the minerals industry. Participating stakeholders included representatives from the Victorian Farmers Federation, Municipal Association of Victoria, the Office of the Victorian Nationals and a range of emergency service agencies.

As always, numerous briefings to members of parliament on the range of issues affecting the minerals industry were delivered.

The year ahead

2018 is a state election year and MCA Victoria will continue to advocate of behalf of members to ensure the minerals industry is considered both a valued and valuable industry for the state of Victoria.

Drew Wagner
Executive Director
MCA Northern Territory Division



MCA Northern Territory Division

2017 will be remembered as ‘the year of review’ for the minerals sector in the NT.

Publication of security bonds held by the NT Government

Following announcements in 2016 that the government would uphold its commitment to transparency and publicise security bond amounts, the proposal was finalised towards the end of 2017. Despite its opposition to the publication of these sums, the industry worked collaboratively with government to ensure sufficient context was provided to enable the public to understand the numbers.

To date, no requests for further details of the bonding amounts have been requested.

Environmental approvals

Fulfilling an election commitment to review and rationalise the environmental approvals process, and remove the functionality from the Mines Department to Environment Department, there was considerable consultation throughout the year and significant progress made, primarily behind the scenes.

The MCA NT works extensively with all involved to improve the efficiency of the process and confidence in the validity of the system. A key aspect of this is advocacy to ensure relevant work areas are adequately resourced to permit the process to progress smoothly.

Revenue review

The government launched its *Revenue Discussion Paper* in the second half of the year. Designed to start the discussion regarding self-generated

revenue in light of a dwindling economy and shrinking population, there is no doubt that this will continue to be a focus for some time to come, and will shape public policy agendas.

The MCA NT advocated for appropriate policy settings and functionality to be put in place to encourage the sector’s growth by encouraging investment, thus providing for greater returns and employment opportunities for Territorians. The industry’s principal policy position is straightforward: the NT will be better off with a smaller percentage of a much larger revenue pie, than a larger percentage of zero if the policy setting is wrong and triggers potential investors to go elsewhere.

Exploration

Exploration investment continued to grow over the period generating the first year-on-year increase in expenditure since 2010-11. As in 2016, expenditure was targeted on shoring up potential reserves to a more quantifiable figure. This investment will pay dividends in coming years as potential development opportunities increase.

Major projects review

After some advocacy from the MCA NT, the NT Government reviewed and updated the Major Project Status Policy Framework as it pertains to already identified projects, and those coming through the pipeline. Recognising the systemic failings of the process and the lack of progression or certainty

and support in some fields, review, consultation and progress to a new framework was collaboratively achieved.

With more than two thirds of the projects listed with major project status coming from the resources sector, this was a strong outcome on behalf of the economy and the opportunities that these projects represent.

Future outlook

The unfortunate consequence of these reviews – in addition to those in other areas such as mine management plans, mine closure guidelines and land access arrangements – is a general feeling of uncertainty in the current market place. This uncertainty will translate to a reduction in investor confidence if these reviews are not finalised within an appropriate timeframe and certainty returned to the sector.

Despite this, there has been significant progress towards the expansion of the sector and new projects are moving closer to final investment decisions, or approvals processes.

As these move through their developmental stages and progress towards operationalisation, they will provide the sector further opportunities to showcase its role within the community and the benefit it delivers to all Territorians.

Board of Directors

as at 31 December 2017



Dr Vanessa Guthrie
Chair
Independent Director



Mr David Overall
Chief Executive Officer
Downer EDI Mining



Mr Peter Freyberg
Vice Chairman
Head of Coal Assets
Glencore



Mr Chris Salisbury
Chief Executive, Iron Ore
Rio Tinto



Mr Mike Henry
Vice Chairman
President Operations
Minerals Australia
BHP



Mr George Schuller Jr.
President – Australia
Peabody Energy Australia



Mr Alex Bates
Senior Vice President
Newmont Australia



Mr Bob Vassie
Managing Director
and Chief Executive Officer
St Barbara



Mr Sandeep Biswas
Managing Director
and Chief Executive Officer
Newcrest Mining



Mr Michael Wright
Managing Director
and Chief Executive Officer
CIMIC Group



Mr Mike Erikson
Senior Vice President
AngloGold Ashanti Australia



Mr Mike Young
Chief Executive Officer
Vimy Resources



Mr Paul Flynn
Managing Director
and Chief Executive Officer
Whitehaven Coal

MCA member companies

as at 31 December 2017

Full members

Adani Mining Pty Ltd	Energy Resources of Australia Ltd	New Hope Corporation Ltd
Anglo American Metallurgical Coal Pty Ltd	EnergyAustralia	Newcrest Mining Limited
AngloGold Ashanti Australia Limited	ENGIE	Newmont Australia
Arafura Resources Ltd	GBM Resources Limited	Northern Minerals
AuStar Gold Limited	Glencore	Northern Territory Iron Ore
BHP	Heathgate Resources Pty Ltd	Peabody Energy Pty Ltd
Boss Resources Limited	Idemitsu Australia Resources Pty Ltd	Providence Gold and Minerals Pty Ltd
Cameco Australia Pty Ltd	Ignite Energy Resources Limited	Rex Minerals Ltd
Castlemaine Goldfields Ltd	Jellinbah Group Pty Ltd	Rio Tinto
Cauldron Energy Ltd	Kalbar Resources Ltd	St Barbara Limited
Centennial Coal Company Ltd	Kirkland Lake Gold Ltd	The Bloomfield Group
Centennial Mining Limited	Mandalay Resources Pty Ltd	Thiess Pty Ltd
Dart Mining NL	Manhattan Corporation Ltd	Toro Energy Limited
Deep Yellow Ltd	Mecrus Resources Pty Ltd	Verdant Minerals Ltd
Donald Mineral Sands	MMG Ltd	Vimy Resources Ltd
Donald Mineral Sands	Murray Basin Resources	Vista Gold Australia Pty Ltd
Downer EDI Mining Pty Ltd	MXGold	Whitehaven Coal Limited
Energy Metals Ltd	Navarre Minerals Limited	

Associate members

AECOM Australia Pty Ltd	CSIRO	PanAust Limited
Allens Linklaters	DPS Consulting Engineers	Power and Water Corporation
AMC Consultants Pty Ltd	Dyno Nobel Asia Pacific	PricewaterhouseCoopers Australia
ANSTO Minerals	EcOz Environmental Services	Quadrant Energy Australia Limited
Ashurst	Ernst & Young	Queensland Resources Council
Aurizon	GHD Pty Ltd	South Australia Chamber of Mines and Energy
Bechtel Australia PTY LTD	Herbert Smith Freehills	Sparke Helmore Lawyers
BP Australia Pty Ltd	KPMG Australia	Tasmanian Minerals and Energy Council
Chamber of Minerals and Energy of Western Australia	Minter Ellison Lawyers	True North Strategic Communication
Corestaff NT Pty Ltd	Mitsubishi Development Pty Ltd	University of Western Australia
	NSW Minerals Council	

MCA committees

as at 31 December 2017

Positioning Committee

Chair: Vanessa Guthrie
Chair
MCA Board of Directors

Develops communications strategies and priorities that tell the industry's economic value and social and environmental performance story; steers industry positioning campaign; and assists MCA to leverage member company contributions, expertise and communications.

Health and Safety Committee

Chair: Michael Wright
Chief Executive Officer
& Managing Director
CIMIC Group

Shares cross-industry health & safety experiences; and develops industry-wide knowledge sharing systems to help industry achieve its zero fatality goal.

Taxation Policy Committee

Chair: Premila Roe
Vice President, Tax Asia Pacific
BHP

Protects critical business tax measures and advocates for globally competitive tax settings.

Energy & Climate Change Committee

Chair: Peter Freyberg
Head of Coal Assets
Glencore

Addresses the need for lowest cost, technology neutral approach to energy security and climate policy.

Environmental Stewardship & Communities Committee

Chair: Mike Erickson
Senior Vice President
AngloGold Ashanti Australia Ltd

Addresses air quality, water and product stewardship policy and regulatory matters; mine closure and rehabilitation and land access; and seeks to secure reforms that streamline and expedite project approvals processes.

Coal Forum

Chair: Paul Flynn
Managing Director &
Chief Executive Officer
Whitehaven Coal Ltd

Leads the development and implementation of a national strategy to promote the role of coal and advance public policy to support the international competitiveness of Australia's coal production, contractor and exploration sectors, and the development and deployment of low emissions coal technologies.

Gold Forum

Chair: Bob Vassie
Managing Director &
Chief Executive Officer
St Barbara Ltd

Promotes the national contribution of Australia's gold sector and advances public policy to support its international competitiveness.

Uranium Forum

Chair: Mike Young
Chief Executive Officer
Vimy Resources Limited

Promotes the national contribution of Australia's uranium sector and advances public policy to support its international competitiveness.

Future Minerals Workforce Project

Chair: David Overall
Chief Executive Officer
Downer EDI Mining

A joint mining and METS project that evaluates drivers of mining industry change and assesses workforce capability and role impacts - creating shared value, commercialising innovation, global supply chain participation

Indigenous Relations Working Group

Chair: Linda Dawson
General Manager Communities
and Communication
Rio Tinto

Develops new model of indigenous economic development; monitors Indigenous policy and legislative developments; and shares best practices.

Diversity Working Group

Chair: Val Madsen
General Manager Human Resources
St Barbara Limited

Promotes gender diversity and inclusion within the minerals industry.

Dust and Particulates Working Group

Chair: Gavin Lind
Director Workforce and HSEC
Minerals Council of Australia

Oversees the development of industry best practice in relation to dust and particulates affecting the health of workers.

Workplace Reform Taskforce

Chair: David Byers
Interim Chief Executive
Minerals Council of Australia

Develops priorities, steers the workplace reform agenda and provides guidance on advocacy and communications strategy.

MTEC Advisory Group

Chair: Gavin Lind
Executive Director - MTEC
Minerals Council of Australia

Provides technical leadership for MTEC academic programs and awards Australian Minerals Industry Research Scholarships

MCA Northern Territory Division

MCA NT Council

Chair: Mr Greg Ashe
Chief Operating Officer
Zinc Assets Australia
Glencore

Develops policy and advocates strategy for the industry in the Northern Territory and provides input into national programs. MCA NT also hosts the division's Economic Development Committee, Resources Management Committee and Darwin Mining Club.

MCA Victorian Division

Victorian State Council

Chair: Paul Currie
Market Leader
Energy & Resources VOC
Mining Engineering Principal
GHD

Develops policy and advocates strategy for the industry in Victoria and provides input into national programs. MCA Victoria also hosts the division's Safety and Health Working Group, Exploration Working Group and Environment and Communities Working Group.

Minerals Council of Australia

Financial statements

Year ended 31 December 2017

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

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

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

The financial statements were authorised for issue by the directors on 26 April 2018. The directors have the power to amend and reissue the financial statements.

ACN 008 455 141 | ABN 21 191 309 229

Directors' report

Your directors present their report on the Minerals Council of Australia for the year ended 31 December 2017.

Directors

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

Mr S Biswas	Dr V Guthrie	Mr C Salisbury
Mr M Erickson	Mr M Henry	Mr R Vassie
Mr P C Freyberg	Mr D J Overall	Mr M Wright

Mr A Bates, Mr G Schuller Jr, Mr P Flynn and Mr M Young were appointed directors on 18 May 2017, 22 May 2017, 23 May 2017 and 16 August 2017 respectively and continue in office at the date of this report.

Mr S Dumble, Mr B Reilly, Mr D Moul, Mr C F Meintjes, and Mr A Michelmore were directors from the beginning of the financial year until their resignation on 23 January 2017, 10 March 2017, 30 April 2017, 22 May 2017 and 7 June 2017 respectively.

Ms A Sutton was appointed a director on 12 May 2017 and resigned on 14 June 2017.

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 uncompromising 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, education and skills, safety, labour, deregulation and Indigenous affairs. The MCA measures its performance by member feedback and legislative outcomes.

Operating results

The MCA derives its income primarily through members' subscriptions which, over time, approximate expenditure of the MCA. The operating deficit for the year ended 31 December 2017 was \$2,807,320 (2016: surplus \$73,685). A deficit was budgeted in order to reduce members' equity. The final deficit was higher than budget expectations due to staff related costs primarily associated with the departure of the CEO and recruitment expenses.

Information on directors

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

Regional Senior Vice President
Newmont Australia
Appointed 18 May 2017

Mr S Biswas B.Ch.E (Hons), FAusIMM
Managing Director and Chief Executive Officer
Newcrest Mining Limited

Mr M Erickson B.Sc (Hons), PGDip, GAICD
Senior Vice President
AngloGold Ashanti Australia Limited

Mr P Flynn B.Comm, FCA
Managing Director and Chief Executive Officer
Whitehaven Coal Limited
Appointed 23 May 2017

Mr P C Freyberg B.Sc (Mining Engineering)
Head of Global Coal Assets
Glencore

Dr V Guthrie B.Sc (Hons), PhD (Geol), DSc
Independent Chair

Mr M Henry B.Sc (Chem)
President Operations –
Minerals Australia
BHP Limited

Mr D J Overall B.Eng (Hons), MBA, MAICD
Chief Executive Officer
Downer EDI Mining Pty Ltd

Mr C Salisbury B.Eng (Metallurgical), FAICD
Chief Executive
Iron Ore, Rio Tinto

Mr G Schuller Jr. B.Eng.Sc (Mining), MBA
President – Australia
Peabody Energy Australia
Appointed 22 May 2017

Mr R Vassie B. Mineral Technology (Hons) (Mining), GAICD

Managing Director and Chief Executive Officer
St Barbara Ltd

Mr M Wright B.Eng (Civil), M.Eng.Sc
Chief Executive Officer and Managing Director
CIMIC Group Limited

Mr M Young B.Sc (Hons) – Geological Science
Managing Director and CEO
Vimy Resources Limited
Appointed 16 August 2017

Directors' report

Meetings of directors

There were four meetings of the MCA's directors held during the year ended 31 December 2017. The following table sets out the number of meetings each director was eligible to attend and the number of meetings attended. The table includes those directors who retired or resigned during the financial year.

Directors	Meetings eligible to attend	Meetings attended
A Bates	3	2
S Biswas	4	1
S Dumble	-	-
M Erickson	4	4
P Flynn	3	3
P C Freyberg	4	4
V Guthrie	4	4
M Henry	4	4
C F Meintjes	1	1
A Michelmores	2	1
D Moulton	1	-
D J Overall	4	4
B Reilly	1	1
C Salisbury	4	4
G Schuller	3	2
A Sutton	1	1
R Vassie	4	2
M Wright	4	4
M Young	2	2

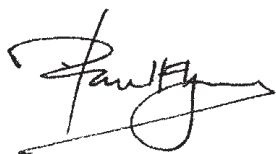
Member's liability

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 21.

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



Mr P Flynn
Director



Mr P C Freyberg
Director

Canberra
26 April 2018



Auditor's Independence Declaration

As lead auditor for the audit of Minerals Council of Australia for the year ended 31 December 2017, 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, appearing to read 'David Murphy'.

David Murphy
Partner
PricewaterhouseCoopers

Canberra
26 April 2018

Financial statements

as at 31 December 2017

Statement of profit and loss and other comprehensive income

	Notes	2017 \$	2016 \$
Revenue	1	11,924,077	12,552,196
Expenses			
Employee benefits expenses		(7,194,001)	(6,348,582)
Occupancy expenses		(1,410,387)	(1,422,525)
Consultancy expenses		(2,355,085)	(1,528,756)
Minerals Tertiary Education Council (MTEC) program expenses		(1,322,780)	(1,160,406)
Conferences and events expenses		(895,701)	(876,641)
Travel expenses		(574,210)	(432,090)
Depreciation expense		(149,629)	(220,799)
Other expenses		(829,604)	(488,712)
Total expenses		(14,731,397)	(12,478,511)
(Deficit)/Surplus for the year		(2,807,320)	73,685
Other comprehensive income for the year		—	—
Total comprehensive income for the year is attributable to:			
Members of Minerals Council of Australia		(2,807,320)	73,685

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	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	2	1,568,034	1,873,583
Term deposits		5,385,725	8,017,873
Receivables	3	727,171	529,713
Prepayments		256,343	222,284
Total current assets		7,937,273	10,643,453
Non-current assets			
Plant and equipment	4	484,582	401,614
Total non-current assets		484,582	401,614
Total assets		8,421,855	11,045,067
LIABILITIES			
Current liabilities			
Trade and other payables	5	1,062,397	792,731
Provisions – employee entitlements		351,214	501,928
Total current liabilities		1,413,611	1,294,659
Non-current liabilities			
Provisions – employee entitlements		147,171	218,544
Lease incentive liability		136,529	-
Total non-current liabilities		283,700	218,544
Total liabilities		1,697,311	1,513,203
Net assets		6,724,544	9,531,864
EQUITY			
Accumulated funds	6	6,104,585	8,911,905
Reserves	6	619,959	619,959
Total members' equity		6,724,544	9,531,864

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 2016	8,296,728	1,161,451	9,458,179
(Deficit)/surplus for the year	73,685	-	73,685
Total comprehensive income for the year	73,685	-	73,685
Transfer to/(from) reserves	541,492	(541,492)	-
Balance at 31 December 2016	8,911,905	619,959	9,531,864
Balance at 1 January 2017	8,911,905	619,959	9,531,864
(Deficit)/surplus for the year	(2,807,320)	-	(2,807,320)
Total comprehensive income for the year	(2,807,320)	-	(2,807,320)
Balance at 31 December 2017	6,104,585	619,959	6,724,544

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

Statement of cash flows

	Notes	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from members and customers		12,626,726	12,738,759
Payments to suppliers and employees		(15,619,200)	(12,318,071)
Interest received		287,874	305,283
Net cash (outflow)/inflow from operating activities		(2,704,600)	725,971
Cash flows from investing activities			
Payments for plant and equipment		(233,097)	(53,491)
Net decrease/(increase) in term deposits		2,632,148	(884,298)
Net cash inflow/(outflow) from investing activities		2,399,051	(937,789)
Cash flows from financing activities			
Net cash inflow from investing activities		-	-
Net (decrease) in cash and cash equivalents		(305,549)	(211,818)
Cash and cash equivalents at the beginning of the financial year		1,873,583	2,085,401
Cash and cash equivalents at end of year	2	1,568,034	1,873,583

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

Notes to the financial statements

Minerals Council of Australia

1 Revenue

	2017 \$	2016 \$
Revenue		
Subscriptions and contributions	10,187,188	10,967,001
Conferences and competitions	811,184	789,547
	10,998,372	11,756,548
Other income		
Interest income	258,340	305,283
Sundry income	667,365	490,365
	925,705	795,648
Total revenue	11,924,077	12,552,196

2 Cash and cash equivalents

	2017 \$	2016 \$
Cash at bank and cash on hand	1,568,034	1,873,583

3 Receivables

	2017 \$	2016 \$
Trade receivables	465,901	233,759
GST receivables	217,519	187,020
Accrued interest	36,523	66,057
Sundry debtors	7,228	42,877
	727,171	529,713

4 Plant and equipment

	Furniture, fittings and equipment \$	Leasehold improvements \$	Total \$
At 31 December 2016			
Cost	1,178,608	1,617,295	2,795,903
Accumulated depreciation	(1,022,796)	(1,371,493)	(2,394,289)
Net book amount	155,812	245,802	401,614
Year ended 31 December 2017			
Opening net book amount	155,812	245,802	401,614
Additions	193,041	40,056	233,097
Disposals	(500)	-	(500)
Depreciation	(91,941)	(57,688)	(149,629)
Closing net book amount	256,412	228,170	484,582
At 31 December 2017			
Cost	1,371,145	1,657,352	3,028,497
Accumulated depreciation	(1,114,733)	(1,429,182)	(2,543,915)
Net book amount	256,412	228,170	484,582

5 Trade and other payables

	2017 \$	2016 \$
Trade creditors	960,567	155,350
Accruals	101,830	623,260
Other liabilities	-	14,121
	1,062,397	792,731

6 Equity

(a) Accumulated funds

	2017 \$	2016 \$
Balance 1 January	8,911,905	8,296,728
(Deficit)/surplus for the year	(2,807,320)	73,685
Transfer from/(to) reserves	-	541,492
Balance 31 December	6,104,585	8,911,905

(b) Reserves

	2017 \$	2016 \$
Balance at 1 January	619,959	1,161,451
Transfer from/(to) accumulated funds	-	(541,492)
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.

7 Commitments

	2017 \$	2016 \$
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	597,720	737,263
Later than one year but not later than five years	3,422,295	2,127,159
Later than five years	-	486,613
	4,020,015	3,351,035

The MCA signed a lease renewal for Level 3, 44 Sydney Ave Forrest ACT in June 2016 for the period 21 November 2017 to 20 November 2022. The MCA signed a lease renewal for Level 8, 10-16 Queen Street Melbourne VIC in 2017 for the period 1 July 2017 to 30 June 2022. Operating lease expenses for the year ending 31 December 2017 were \$588,234 (2016: \$823,191).

8 Directors and executive disclosures

(a) Key management personnel compensation

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

Name	Position
Mr B M Pearson	Chief Executive Officer (until 13 October 2017)
Mr D Byers	Deputy CEO (until 13 October 2017) / Interim Chief Executive (from 13 October 2017)
Mr D J Barber	Director - Commodity Analysis
Ms B J Conroy	Director - Operations
Mr M Davis	Director - Strategy and Communications (from 30 January 2017)
Ms M J Davison	Executive Director - MCA Victorian Division
Mr G J Evans	Executive Director - Coal
Mr P Gibbons	Director - Climate Change, Environment and Energy (from 8 March 2017)
Mr J Hawkes	Director - Public Affairs (until 4 August 2017)
Dr G H Lind	Executive Director - MTEC, Director Workforce Skills, Health and Safety
Mr S J Marris	Director - Environment, Climate and Communities (until 8 February 2017)
Mr J Sorahan	Director - Taxation
Mr M Steen	Director - Economics and Industry Policy
Mr S Troeth	Director - Media (from 4 December 2017)
Mr A J Wagner	Executive Director - MCA Northern Territory Division
Mr D Zavattiero	Executive Director - Uranium
Mr M Dhanesha	Finance Manager (to 28 August 2017)
Mr T Hayes	Finance Manager (from 28 August 2017)

(b) Remuneration of key management personnel

(i) Details of remuneration

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

	2017 \$	2016 \$
Key management personnel compensation	5,260,302	4,050,217

9 Remuneration of auditors

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

(a) PricewaterhouseCoopers

	2017 \$	2016 \$
Financial report audit	28,560	28,560
Other services	3,570	3,570
Total remuneration for audit and other services	32,130	32,130

10 Summary of significant accounting policies

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

(a) Basis of preparation

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

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

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

(ii) Historical cost convention

These financial statements have been prepared under the historical cost basis, except for certain assets which, as noted, are at fair value.

(b) New accounting standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2017, and have not been applied in preparing these financial statements. Those that may be relevant are *AASB 9 Financial Instruments* and *AASB 15 Revenue from Contracts with Customers*, which both become mandatory for the MCA's 2018 financial statements and *AASB 16 Leases*, which becomes mandatory for the MCA's 2019 financial statements. The MCA does not plan to adopt these standards early.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The MCA recognises revenue when the amount can be reliably measured and it is probable that future economic benefits will flow to the MCA.

Revenue is recognised for the major business activities as follows:

(i) Subscriptions and contributions

Revenue from members' annual subscriptions and contributions is recognised over the period in which the subscription or contribution applies.

(ii) Conferences and competitions

The MCA holds a number of conferences and competitions during the year. Revenue from this source is recognised in the accounting period in which each event is held.

(iii) 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) 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.

(g) Plant and equipment

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

(i) Depreciation

Depreciation is calculated on a straight line basis so as to write off the net cost of each non-current asset during its expected useful life. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

The following rates of depreciation have been employed:

Computer software	40–50%
Leasehold improvement	7.5–22.2%
Office furniture	7.5–10%
Office equipment	5–33.3%

(h) 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.

(i) 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.

(j) 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.

(k) 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 consolidated balance sheet.

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

(l) Jointly controlled operation

The proportionate interest in the assets, liabilities, income and expenses of a jointly controlled operation have been incorporated in the financial statements under the appropriate headings. The MCA is party to a jointly controlled operation called Melbourne Mining Club. The MCA has a 50 per cent participating interest in this venture, and is entitled to 50 per cent of its output. MCA's interests in the assets employed in the jointly controlled operation are included in the balance sheet. The principal place of business is Australia.

(m) Comparative figures

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

Directors' declaration

In the directors' opinion:

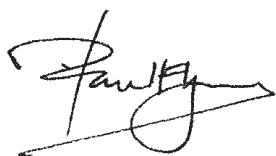
(a) the financial statements and notes set out on pages 22 to 30 are in accordance with the *Corporations Act 2001*, including:

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

(ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the year ended on that date, and

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

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



Mr P Flynn
Director



Mr P C Freyberg
Director

Canberra
26 April 2018



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 Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 31 December 2017
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

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

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

Independence

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2017, including the directors' report, but does not include the financial report and our auditor's report thereon.

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

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In connection with our audit of the financial report, our responsibility is to read the other information identified above 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 obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

A stylized, handwritten signature of PricewaterhouseCoopers in black ink.

PricewaterhouseCoopers

A stylized, handwritten signature of David Murphy in black ink.

David Murphy
Partner

Canberra
26 April 2018

Minerals Council of Australia

Annual Report 2017



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