



Minerals Council of Australia

ANNUAL REPORT 2018



There's more to
Australian Mining

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p.16  **Modern Mining
Innovation Showcase**



Robogals Maria, Jane and Emily demonstrated robotics at February's Modern Mining Innovation Showcase at Parliament House. The MCA is a proud partner of Robogals, a student-run organisation inspiring young women to study engineering and related science and mathematic fields.

Chair's review

'We're creating the jobs of the future'

Dr Vanessa Guthrie

Chair, Minerals Council of Australia

The last 12 months have seen the Australian minerals industry continue its remarkable contribution to our economy, with further expansion of production to meet global demand.

Australia's minerals industry has now underpinned 27 years of uninterrupted growth in output and incomes across our national economy – boosting living standards for Australian households.

With global resources and energy needs projected to grow as we advance into the 21st century, Australian mining continues to be well-placed to meet these requirements and support rising living standards.

China, India and South-East Asia are using more steel, aluminium and copper to increase industrial capacity, create more high-density housing in large cities, and build transportation networks, communications systems and electrical grids.

Demand for consumer products around the world – such as cars, televisions, laptops, mobile phones and refrigerators – relies on the products of modern mining in Australia.

This is driving a surge in investment in Australia's critical commodities. Our minerals companies are the engine room for international supply chains that deliver advanced consumer goods, healthcare and transportation systems.

Delivering strong economic results

A stronger mining industry is good for Australia.

Our minerals sector has continued to power the economy, with coal and iron ore the major contributors to \$248 billion of resources export earnings in 2018.

It is widely acknowledged that the

industry's strong performance in setting record exports and profits has also supported the Australian Government's objective of returning the budget to surplus.

In 2017-18, Australian mining paid \$18.6 billion in company tax – even higher than the \$15.4 billion paid in 2011-12 during the peak of the resources construction boom.

Mining has also continued to deliver strong jobs growth across our regional communities and continued to fund police, teachers and nurses and other essential services and infrastructure on which Australians rely.

The payment of \$12 billion in royalties to state governments in 2017-18 – more than three times the amount paid a decade ago – has also helped to deliver a stronger economy benefiting all Australians.

Creating the jobs of the future

Along with this economic growth, the Australian minerals industry has underpinned our competitive advantage through its highly skilled workforce.

Resources companies employ approximately 240,000 people directly in highly paid, highly skilled jobs, mostly in remote and regional Australia.

Average earnings in the resources sector are around \$140,000 a year, more than 64 per cent higher than the average for all industries.

We know that technology is rapidly changing our workplaces, our careers and our lifestyles today, and the mining industry is no exception. This means we must adapt to the re-design of work and how we develop and sustain the skills required by modern mining.

Today we are seeing the creation of new and exciting jobs that are transforming the careers of our people in the resources industry – jobs which require higher skills and are more challenging and rewarding.

We are attracting and retaining more people with technical qualifications that allows for the use of high tech, advanced machines and equipment.

In turn, this is creating workplaces based on teamwork, autonomy, complex problem solving and a comprehensive understanding of production flow.

This change to the future of work and our workforce was reflected in the success of Minerals Week this year. It was the largest ever hosted by the MCA and showcased the advanced technologies being deployed by our Australian companies both here and overseas.

I am proud of the fact that Australian mining creates highly paid, highly skilled jobs and that mining innovation is driving new occupations, such as data scientists and mechatronic engineers.

The productivity gains associated with the deployment of new technologies and these new skills are potentially significant, with overall productivity estimated to increase by as much as 23 per cent in Australia by 2030.

This is based on a combination of up to \$35 billion of investment and, importantly, a co-investment of up to \$13 billion in education and skills development.

As we look to the next decade of Australian mining and beyond, I am proud to say that the industry is working together with our education sector to create this new vision for mining, leading to even greater confidence to invest in Australia's minerals industry.

**We want to show
Australia there is more
to Australian mining.
We are working hard
to drive a conversation
based on trust.**



Starting a new conversation

Over the past year, the MCA has been actively engaged with Australians telling the story of the importance of modern mining. We are working hard to drive a conversation based on trust.

In 2018, our research found that Australians have strong positive views on the importance of resource industries for our nation's future.

To build on this, the MCA has taken steps to demonstrate to our community the good work which our members do every day in regional communities. This includes responsible environmental management, Indigenous economic empowerment, leading the way in creating new technologies and building greater diversity in the industry.

We want to show Australia that there is more to Australian mining.

It's not just about the statistics; it's about being honest and open about what the industry does and how we do it. It's about recognising where we can improve and celebrating where we are leading the world. It's also about showing Australians how Australian mining connects to our everyday lives and gives back to the country.

The MCA is proud to tell the story of our world leadership on mine rehabilitation. Our engagement with regional Australia focuses on mining and agriculture working together.

We are already planning the next stage of our communication and engagement program which includes speaking to our younger audiences, as well as regional communities and stakeholder groups about how we are part of their everyday lives, how we are essential to their livelihood and how we underpin the Australian way of life.

Looking to the future

As I step down as Chair this year, may I say that it has been an honour to serve as Chair of the MCA for the past three years. In particular, it has been a privilege to advocate on behalf of so many great companies and their employees – all of whom are critical to the economic success of Australia.

I would like to acknowledge our excellent executive team and our talented employees at the MCA. I sincerely thank them for all their hard work over the past year.

I would also like to thank my fellow Board Directors who are leaders of our member companies for their tireless commitment to promoting our industry and telling our story. I know I leave the MCA in very capable hands.

We have much to be proud of in Australian mining. We are a global technology leader and extremely well-placed to build on our record as the nation's wealth creator and jobs generator.

I have never been more confident about the direction and future of Australia's world-leading modern mining industry, and I look forward to watching it continue to grow in the years ahead.

Leading the way

Chair Vanessa Guthrie pictured (top left) at the Australian Mining Industry Annual Lecture; talking with Prime Minister Scott Morrison at the Australian Minerals Industry Parliamentary Dinner in February, and below, speaking at the 2018 Women in Resources National Awards hosted by the Minerals Council of Australia in Canberra.



Chief Executive Officer's report

Restoring national pride in our industry

Tania Constable

Chief Executive Officer
Minerals Council of Australia

Since commencing with the MCA in July 2018, it has been my great pleasure to represent the interests of the minerals industry of Australia on current and future industry policy and participate in strategic political discussions at a national level.

Our primary goal over a five year period is to restore national pride in Australia's minerals industry. We are succeeding with this goal.

Our members have shown confidence in this approach by investing \$5 million over 12 months to implement the MCA's industry positioning and engagement strategy. Overall, the strategy has gone to plan.

The MCA has undergone a total cultural change, from the way our entire board drives committees to broadening our political engagement to all parties, increasing partnerships with state mining chambers and other associations and developing a Friends of Australian Mining Network.

Industry positioning

The national advertising campaign featuring rehabilitation has highlighted mining's commitment to strong environmental and social performance. It has received remarkable support, entering the market in the record time of three months from conception and securing bonus advertising slots worth \$5 million.

The multi-channel campaign across television, out of home and digital media has achieved high impact, reaching key audience segments, in particular women and young Australians.

After only six months in the market, JWS Research's analysis shows total support amongst Australians for our industry has increased from 46 per cent to 55 per cent.

In 2018, the MCA was represented by board members Mike Henry, BHP and Paul Flynn,

Whitehaven Coal on the government's Resources Task Force. The MCA has and will continue to support the strategic resources reform agenda to improve investment and the competitiveness of the sector.

Strategic planning and policy

Strategic priorities for 2017-2022 were re-evaluated during a planning day in December comprising board members, a number of member CEOs, senior company representatives and MCA executives.

It was an opportunity to set major priorities for the next calendar year and continue important ongoing goals. These policy priorities put the MCA in the best position to mitigate any government overreach on taxation and royalties, workplace relations changes and to capitalise on the big data, high tech era of Australian mining.

On economic reform, the MCA has advocated strongly for maintaining flexibility and choice in employment arrangements, including labour hire and service contracting and rebalancing union right-of-entry rules.

The MCA was instrumental in providing evidence and input to negotiations for free trade agreements to drive new projects and create employment growth including Indonesia, Peru, the Regional Comprehensive Economic Partnership (RCEP) and Trans-Pacific Partnership (TPP11).

Importantly, modelling produced for the MCA by internationally renowned academics Petri and Plummer (*Australia will gain from continued Asia-Pacific trade integration*) was instrumental in TPP11 negotiations.

The MCA also partnered with Trading Nation Consulting to produce three New Frontiers trade reports on South and East Asia, Indonesia and India, which have become



Working together

Chief Executive Officer Tania Constable hosts Resources Minister Matt Canavan and Shadow Resources Minister Jason Clare during Minerals Week 2019.



valuable guides for negotiators to leverage trade and investment opportunities.

Our members have made significant inroads on sustainable development activities. However, if we are to restore pride in Australia's minerals then we as an industry will be best judged on our actions.

In 2018 the MCA partnered with Cardno International Development to produce a comprehensive report on how the industry supports sustainable development goals.

The MCA has continued to advocate for faster, more streamlined environmental assessment and approvals. Complex duplicative processes across Australia's various jurisdictions continue to result in unnecessary delays and project uncertainty. Adani's Carmichael mine and infrastructure project in Queensland and the Yeelirrie uranium mine in Western Australia are two examples.

Ernst and Young produced a *Skills Map for the Future of Work* for the MCA. This report looked at the skills landscape for the minerals industry through the lens of an innovation study focused on automation, digitisation and going electric. The study findings were broad, with highlights identifying benefits to productivity, the required investment in people and technology and the impact on workforce capability, location and configuration.

The MCA's statement on energy and climate was also released in March 2018. The statement confirmed industry efforts at mine sites, including broad use of energy sources, as well as a commitment to the Paris Agreement framework to keep a global temperature rise to below 2°C.

Both industry and Australian households faced much higher energy costs in 2018

leading to less secure and affordable energy. The minerals industry strongly advocated for a diverse energy mix to ensure affordable, reliable and clean energy, and has called for additional capacity including through current capacity upgrades.

The MCA has made major improvements over the last 12 months in governance.

The financial position of the organisation was strengthened through a significantly stronger budget outcome than forecast, implementation of new internal reporting requirements which resulted in a clean external audit report and completion of the recruitment of seven new staff to implement our strategic priorities.

The new government

At the time of publication, the federal election on 18 May 2019 returned a Coalition government with a clear majority. The MCA has congratulated the Prime Minister and the Minister for Resources as well as members of the 46th Parliament and looks forward to working constructively with all political parties.

The Coalition Government has a clear mandate to deliver on promises of tax cuts, responsible fiscal management and a focus on jobs creation. This presents opportunities for the MCA and our membership.

Finally, I would like to thank my outstanding team and our committee members who have been the driving force in achieving excellent results. Maintaining offices in Melbourne and Darwin and placing new team members in Perth and Brisbane, provides greater value to our current members, deeper partnerships with states and closer connections with stakeholders.



Industry snapshot

Australia's resources sector

has underpinned the rise in incomes, living standards and prosperity over decades.



\$212b

Tax & royalties

Paid to federal, state and territory governments in the decade to 2017-18.



241k

Jobs

Direct employment in Australia's resources industry.

Northern Territory

Resources jobs	4,681
Economic value	\$3.2 b
Share of economy	12.2%
Royalties	\$341 m
Exploration	\$109 m

The NT's Gulkula bauxite operation is Australia's first Indigenous-owned mine.

15%



Economic contribution

Contribution to Australia's GDP from mining and METS.

Western Australia

Resources jobs	103,897
Economic value	\$76.7 b
Share of economy	30%
Royalties	\$5.2 b
Exploration	\$1.2 b

WA supplies around half the world's lithium.



\$248b

Export earnings

Australia's resources export earnings in 2018.

South Australia

Resources jobs	9,714
Economic value	\$3.8 b
Share of economy	3.6%
Royalties	\$237 m
Exploration	\$55 m

SA has a quarter of the world's known uranium resources.

5.5%

Training budget

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



57%

Regional jobs

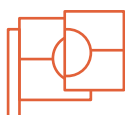
Mining jobs in regional and remote Australia.



43%

Young workforce

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



2.5x

Indigenous employment

More Indigenous employees in the mining industry today than in 2006.



\$141k

Average wages

Average annual wages in the mining industry in 2018.



\$100 per week

Household incomes

Boost to average household weekly income from the mining boom.

\$234b



Investment

Mining capital expenditure in Australia over the past ten years.

\$90b



METS revenue

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

Queensland

Resources jobs	66,217
Economic value	\$32.1 b
Share of economy	9.5%
Royalties	\$4.3 b
Exploration	\$280 m

1 in 8 QLD jobs rely on the resources sector.



57%

Export share

Resource's share of total exports of goods and services in 2018.

\$243 billion

Thirteen years of royalties & company tax

That's enough to build more than 9500 schools or 340 hospitals in regional Australia.



9500

New schools

340

New hospitals

Note: At average cost of \$25 million per school and \$700 million per regional hospital.

New South Wales

Resources jobs	40,683
Economic value	\$17.8 b
Share of economy	3%
Royalties	\$1.8 b
Exploration	\$229 m

Newcastle is the world's largest coal export port.



3%

Water

Mining's share of Australia's water use.



\$2b

Exploration

Industry exploration expenditure in 2018.

Victoria

Resources jobs	11,968
Economic value	\$3.3 b
Share of economy	0.8%
Royalties	\$101 m
Exploration	\$74 m

Victoria has the only antimony mine in the country.



0.021%

Land use

Proportion of the Australian land mass disturbed by mining.

Tasmania

Resources jobs	3,587
Economic value	\$1.2 b
Share of economy	4%
Royalties	\$37 m
Exploration	\$26 m

Tasmania is the largest tin producer in Australia.



\$1.9b

R&D industry spend

Industry expenditure in 2015-16.

\$40b



Indigenous trusts

Assets in Indigenous trusts collected through mining activity.

About the MCA

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

MCA member companies produce:



75%

Minerals production

Australia's annual mineral production by MCA members



>80%

Export earnings

Australia's mineral export earnings by MCA members

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
- 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.



More than 4500 copies of **30 Things** have been distributed across government, investor and tertiary sectors. Follower numbers of MCA social platforms have jumped by more than 3000 since the campaign started, and it continues to attract record engagement. It has also been turned into a teaching resource and emailed to every school in Australia and in response to interest abroad, has been made available to industry groups such as the Mining Association of Canada.



Industry positioning campaign

MCA launched the new phase of its industry positioning campaign focused on effective mine rehabilitation and how mining and farming work together.



Filmed at New Acland Mine in Queensland's Darling Downs, the campaign outlines the great work being done by Australian mining companies to restore land after mining so it can be used for other purposes including agriculture.

The campaign also focuses on how mining and agriculture work together, outlining the results of scientific grazing trials at New Acland which show that cattle grazed on rehabilitated land do as well or better as those on undisturbed land.

The campaign is yielding strong results. The industry's net favourability increased from 29 points to 46 points after respondents viewed the campaign advertisements. Further, women were significantly more likely to be positive in their support of the industry after viewing the campaign.

The Australian minerals sector is proud of our world leadership on mine rehabilitation and understands that land rehabilitation is fundamental to responsible mining.

We also recognise our responsibility as a temporary custodian of land to contribute to sustainable land use outcomes.

The industry's approach to rehabilitation has improved significantly over past decades – an evolution driven by sustained investment in land rehabilitation techniques, evolving corporate values, community expectations and government regulation.

The ads are currently being shown to Australians through print, radio, digital and out of home outlets and on free to air and subscription television.

There's more to Australian Mining

55%

Community support

Support for mining has increased from 46 per cent in May 2018 to 55 per cent in March 2019.

60%

Support after viewing ads

Support for mining increased a further 5 per cent to 60 per cent after viewing the advertisements.

24%

Recall of advertisements

Prompted recall of one or more campaign executions after only six weeks of the campaign.

51%

Want to see more

More than 50 per cent of those who have seen the advertisements want to see more of the campaign.

7m

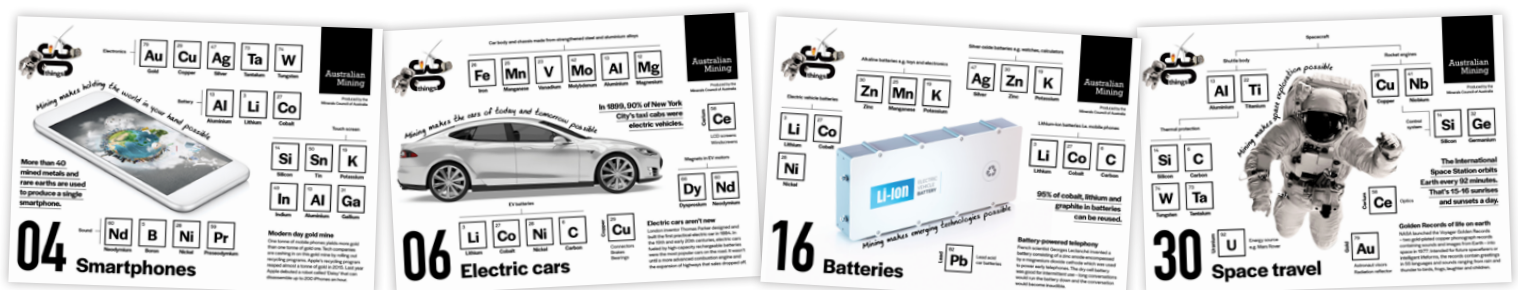
Number of video plays

Campaign videos recorded 7 million plays in the first six weeks of the campaign.

57%

Watched to completion

More than half those who started watching a campaign video watched it to completion.



Principal achievements

Policy settings that restore competitiveness

- **Tax competitiveness analysis:** Updated detailed rankings 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 \$12.1 billion in company tax and \$11.2 billion in royalty estimates during 2016-2017.
- **Fuel tax credits:** Allied with regional industry groups to defend the fuel tax credits scheme including through the launch of the Fuel Tax Facts website, TV and social media advertising campaign and the delivery of factual materials including *Fuel Tax Credits: The Facts*. Continued campaign up to Labor national conference.



- **GST reform advancing the case:** Made comprehensive submissions to the Productivity Commission inquiry into the GST distribution that encouraged the government to undertake systemic reforms. Provided members with detailed analysis of the Morrison Government's legislation to change the GST distribution system and the implications for the minerals industry.
- **Arguing for productive workplace relations:** Strongly opposed the Federal Opposition's proposal to legislate the same pay and conditions for labour hire workers as direct employees performing

the same work. The MCA briefed senior shadow ministers and advisers on the unintended adverse consequences of the proposal for investment and employment in the minerals industry.

- **Nuclear actions trigger:** Produced and released the case for reform of the nuclear actions trigger, *Mining and the EPBC Act nuclear action trigger: A review of its rationale and operation*, ahead of the expected 2019 second 10-year review of the Act.
- **Public support for exploration:** Stressed the importance of exploration in the MCA's submission to the Resources 2030 Taskforce. The Council of Australian Governments Energy Council subsequently agreed to develop measures in consultation with industry to drive additional exploration, particularly in the Surat, Gallilee (QLD), Beetaloo (NT) and Carnarvon (WA) basins.

Safety, health, environment and communities

- **Sustainable Development Goals:** Produced and launched *Sustainability in Action: Australian mining and the United Nations Sustainable Development Goals*, Australia's first in-depth industry report on how the private sector is responding to the Sustainable Development Goals in Australia. The report was endorsed by the Global Compact Network Australia and sent to global national mining associations and investor relations networks.
- **Mine rehabilitation and water use:** Led national industry response to Senate inquiries into mine rehabilitation and water use, ensuring the industry's record of responsible environmental stewardship was recognised.
- **Environment and Communities Workshop 2018:** Hosted 100 delegates from more than 40 MCA member and non-member companies, Indigenous leaders, academia and civil society to discuss social license, trust in the mining sector and the UN Sustainable Development Goals.

Indigenous economic development:

In collaboration with the National Native Title Council, developed the Prescribed Bodies Corporate Future Generations Reform, a contemporary fit-for-purpose economic vehicle focused on supporting economic development and prosperity. Launched MCA's partnership with the Clontarf Foundation.



Family and domestic violence initiative:

Advanced industry health and safety leadership at an industry first forum – held in partnership with Rio Tinto – focused on sharing and advancing the mining industry's response to family and domestic violence.

- **Maritime transport:** Supported acceptance of Australian-led research resulting in changes to international bulk cargo testing rules and secured regulatory exemptions to enable continued safe transport of mineral cargoes.
- **National work health and safety laws:** Led national industry response to the review of the model work health and safety laws, suggesting areas where the laws and their application can be strengthened and in some cases altered to ensure consistency in delivering better health and safety outcomes (including sharing post-incident measures).
- **Modern slavery:** Coordinated minerals industry position and support for new Modern Slavery Supplier Reporting Requirement.

A vigorous well-informed national debate on the drivers of prosperity

- **Total contribution:** Substantiated the minerals industry's significant economic contribution of \$250 billion, 240,000 direct workforce and 1.1 million workers in total (including mining, engineering and technology services sectors) and world-leading environmental and social performance in the MCA's submission to the Resources 2030 Taskforce.
- **Regional contribution:** Demonstrated the industry's substantive and active role in growing regional economies and communities in 52 submissions (across policy areas), including evidence to parliamentary inquiries, including the Standing Committee on Industry, Innovation, Science and Resources inquiry into mining and regional businesses and the Senate Economics References Committee inquiry into regional inequality.
- **Industry positioning:** Secured support for \$5 million investment for the next phase of MCA's industry positioning and engagement strategy which commenced in early 2019. Commenced new program of direct engagement with the tertiary sector, with 1000 students visiting the MCA booth at Curtin University's Open Day. Hosted a successful resources tour to the Pilbara for Labor MPs and Senators.



- **Minerals Industry Education Summit:** Hosted 120 delegates from industry, government and academia (including students and graduates) to consider the future minerals workforce and what

changes to the skilling and education landscape are required to deliver new skilled professionals to the industry. This summit acted as a precursor to the new future workforce plan of action.

- **Women in Resources National Awards:** Promoted the role and contribution of women in mining to national policy makers by hosting the awards at Parliament House. More than 150 participants, including 25 MPs and Senators attended the event with senior industry figures, award nominees and their families. The awards were presented by Minister for Jobs, Industrial Relations and Women the Hon Kelly O'Dwyer MP.



- **Gold:** Coordinated promotional activities with the World Gold Council to enhance the public's appreciation of the gold mining industry and highlight its strong environmental and social performance.

Media engagement

- **Broadened engagement** on issues including taxation, innovation, environmental sustainability and future workforce; developed relationships with the Federal Parliamentary Press Gallery, specialist mining, economics and environmental reporters, columnists and commentators.
- **Increased the volume and variety of social media** content to build MCA social media audiences. Delivered op-eds – 17; media responses – 30; media mentions – approx. 300; Twitter followers – 9,000; Facebook followers – 18,000; LinkedIn followers – 3,900.

- **MCA website:** Developed and relaunched the MCA's new look website to improve access to information about Australian mining.

Climate change, energy security and resource security

- **Revised MCA energy and climate change position statement:** Developed a new energy and climate change statement. Highlighted the importance of reliable energy supplies, lower energy costs, the need for technology neutral energy policies and for these to be achieved in the broader context of Australia's commitments under the Paris Agreement. It also highlighted the critical role the resources sector plays in the provision of raw materials for all energy sources including renewables.
- **Domestic energy policy:** Directly contributed to the development of the proposed National Energy Guarantee and demonstrating the importance of baseload power supplies and how these could be financed heavily influencing the development of the Federal Government's Underwriting New Investment in Generation policy.
- **Advanced generating technology:** MCA and COAL21 contributed to the debate on the future of coal and the potential of advanced technology to reduce emissions while delivering affordable, reliable power.

- **Australia Japan Coal Conference:** Hosted 221 delegates including 121 from Japan at the 34th Australia Japan Coal Conference – Australia's largest business-to-business bilateral trade meeting. Both countries reinforced deep trade relationship and how technology is reducing emissions associated with the production and use of coal.
- **Cyber security and risk protection:** Hosted a MCA member briefing addressed by Australia's pre-eminent cyber specialists – Director of the Australian Cybersecurity Centre and Special Adviser to the Prime Minister on Cybersecurity Alastair MacGibbon and

EY's Global Mining & Metals Robotic Process Automation Leader Michael Rundus.

Opening new markets and opportunities

■ **Promoting the benefits of free trade:**

Worked with industry associations to advocate free trade and investment through media coverage, presentations and challenging policies such as the biosecurity import levy. Lodged submissions on the Peru-Australia FTA to the Parliament's Joint Standing Committee on Treaties including on the importance of providing certainty over foreign investment; and worked with DFAT on the Indonesia-Australia Comprehensive Economic Partnership Agreement and EU FTA negotiations.

■ **TPP-11 success:** Commissioned modelling by Professor Peter Petri of Brandeis University and Michael Plummer of Johns Hopkins University on the benefits of trade and investment. Endorsed by other major industry associations, this work was instrumental in the Opposition's support for TPP-11.

■ **Uranium:** Directly contributed to the US Federal Department of Commerce on the section 232 national security investigation of uranium imports into the United States.

■ **Supporting minerals sector exports:** Raised concerns over the Chinese coal import ban with ministers, officials and the Chinese Ambassador to Australia. Bans were eased in mid-December 2018 with several ports reopened to imports.

■ **New Frontiers:** Published the *New Frontiers: India* report on Australian mining and mining services trade and investment opportunities in the Asian region launched by the Minister for Trade, Tourism and Investment and maximised the publication's impact through extensive media coverage, CEDA, and CEO participation in the AFR Business Summit attended by the President of India, Prime Minister, Foreign Affairs Minister and Trade Minister.

■ **Australian Mining Industry Annual Lecture:** The former Minister for Trade and Investment, the Hon Andrew Robb AO, delivered the fourth Australian

Mining Industry Annual Lecture on 'The Global Forces Shaping Australian Mining' highlighting the importance of cooperative and productive relationships with the countries of our region.



Governance

■ **New constitution:** Achieved member support for a new MCA constitution which is clearer and reflects better corporate governance practice.

■ **Member engagement:** The MCA Board adopted a new board charter, a MCA code of practice, new committee structure and organisational change to enhance member engagement in the development of policy positions and advocacy strategy.

■ **The value of membership:** Defined the value proposition of MCA membership and developed a membership prospectus to support member recruitment and engagement.

MCA Victoria

■ **Mineral Resources Strategy:** Contributed to the development of the Victorian Government's *Mineral Resources Strategy: A State of Discovery* which provides an opportunity to grow the minerals industry through improving investment attractiveness, engaging communities and modernising fit-for-purpose regulatory regimes. Developed a 2019 strategy outlining the MCA's state policy priorities for a strong, robust and sustainable resources sector.

■ **Removal of regulatory duplication:** Achieved an exemption for prescribed mines from the major hazard facility provisions of the Occupational Health and Safety regulations given that the risks were already managed under

equivalent health and safety standards in place for mine sites.

■ **Administration of pain relief:** Received authorisation for on-site emergency response workers in the mining industry trained in Advanced First Aid at mine sites to administer pain relief (methoxyflurane) in the performance of their emergency response duties, following 12 months of detailed work.

■ **Melbourne Mining Club:** Hosted near-capacity audiences (600 people) for addresses by CEO's from Woodside, Kirkland Lake Gold, Oz Minerals, Pilbara Minerals, Orica, as well as Federal Minister for Resources Senator the Hon Matthew Canavan. More than \$840,000 contributed to education initiatives through the MCA and AusIMM.

MCA Northern Territory

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

■ **Environmental regulation:** Successfully engaged with the NT Government on environmental regulation reform resulting in the government amending its original proposal to allow open standing for judicial review and the introduction of merits review on the EIA process.

■ **Gala dinner:** More than 200 industry members and supporters attended the event to celebrate mining in the NT which honoured Mr Brian Fowler with the MCA NT Lifetime Achievement award.

■ **Darwin Mining Club:** Hosted luncheons with keynote speakers including the Leader of the Opposition Mr Gary Higgins, chairperson of the NT EPA Dr Paul Vogel, and General Manager of Rio Tinto Gove Ms Linda Murry.

Special report

Minerals Week 2019

Minerals Week 2019 included an array of policy, engagement and advocacy activity which showcased the Australian minerals industry at its world-leading best.

The minister and shadow minister for resources both unveiled key policies at the opening session of the Minerals Week Seminar.

The minister released a Resources Statement including confirmation that the Federal Government will promote a national resources brand, while the shadow minister released Labor's Future Mines and Jobs plan, including the establishment of an Australian Future Mines Centre, 100 scholarships in mining engineering and a mining skills and workforce map.

The week also provided platforms for both the Prime Minister and Leader of the Opposition to outline their visions for Australian mining.

Mr Shorten firmly stated Labor's appreciation of the industry's economic contribution and strong future – promising tax stability, praising the highly skilled jobs created and emphasising the need for cooperation.

Addressing more than 550 people at the Annual Minerals Industry Parliamentary Dinner, Prime Minister Scott Morrison praised mining: 'We understand the value and we understand the contribution, we understand the complexities, we understand what you manage and this produces a good result.'

The Modern Mining Innovation Showcase was the first event of its kind to be held during Minerals Week and was a resounding success. Thirty-five exhibitors participated in the showcase with more than 350 people visiting throughout the day.

Participants demonstrated the wide variety of innovative technologies and programs that support our world-class industry.

Two interrelated reports by consulting firm EY were also released at Minerals Week, outlining how innovation, people and skills, combined with technological advances, will deliver a more globally competitive minerals sector and fulfilling careers with well-paid, highly-skilled jobs.

The MCA also released a summary of its policy priorities to support a prosperous mining industry.

The Next Frontier: Australian Mining Policy Priorities outlines policy priorities for 2019 to remove barriers to growth and enable the minerals industry to support regional communities and maintain a comparative advantage in minerals and energy exports.

As the industry that has contributed the most to Australia's economic growth over the last decade and generates 55 per cent of Australia's export revenue, these policy priorities are essential for sustaining a robust economy in the future that benefits all Australians.

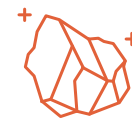




Minerals Week 2019



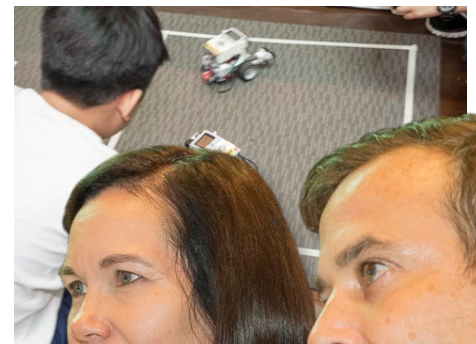
Welcome reception
National Gallery of Australia



Minerals Week Seminar
Hyatt Hotel Canberra



Modern Mining
Innovation Showcase
Great Hall Parliament House

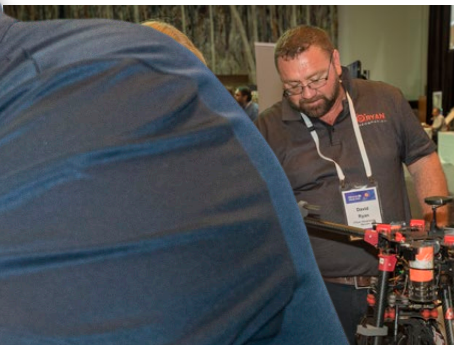
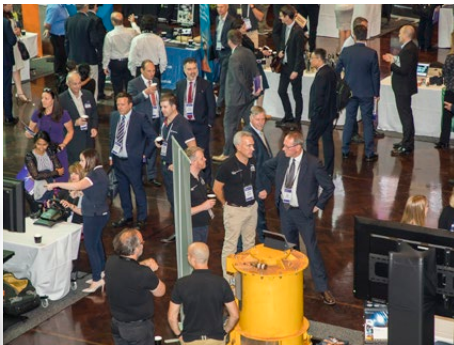




**Annual Minerals Industry
Parliamentary Dinner**
Great Hall Parliament House



**Australia-Asia
Mining Investment Outlook**
Hyatt Hotel Canberra



Minerals Tertiary Education Council

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

The 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 2018 through the lens of the future minerals workforce, the recommendations of which will be implemented during 2019.

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 in the future and 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.

The MCA, through MTEC, 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 cooperating in the development and delivery of undergraduate learning in the core disciplines of mining engineering and metallurgy, and a specialist graduate program in minerals geoscience.

2018 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 2018 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

MEA is a formally constituted (unincorporated) joint venture between the partner universities whereby the teaching resources of the universities 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 supply of mining engineering graduates from recent historic highs.

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	2017 graduates (actual)	2018 enrolments (actual)	2019 enrolments (forecast)	2020 enrolments (forecast)	2021 enrolments (forecast)
Metallurgy Education Partnership (MEP)					
The MEP program produced 21 graduates in 2017 compared with 34 in 2007.	21	26	31	20	20
Mining Education Australia (MEA)					
The MEA program produced 156 graduates in 2017 compared with 127 in 2007.	156	107	68	55	53

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 third NExUS program ran over three weeks in November and December 2018, 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. There are more than 100 graduates of the NExUS program.

In light of the change to a summer-school intensive, MTEC is no longer able to obtain reliable and accurate enrolment and graduate destination for students across the geoscience program nationally.

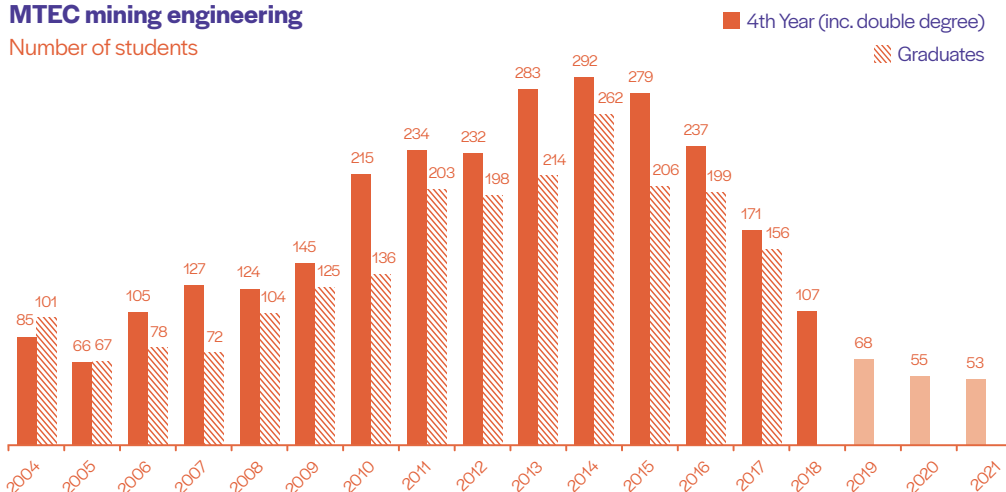
Minerals Industry National Associate Degree

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

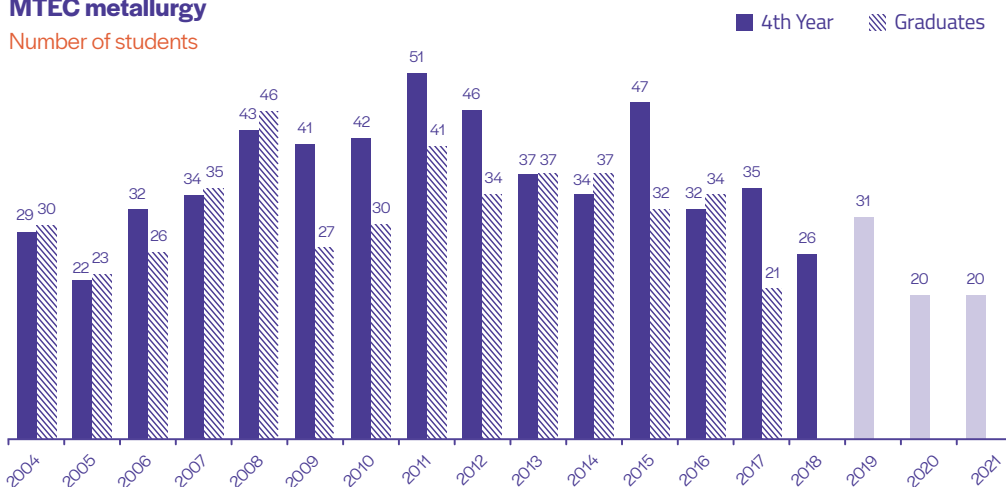
Number of students



MEA 2018: 87 per cent male, 13 per cent female

MTEC metallurgy

Number of students



MEP 2018: 73 per cent male, 27 per cent female

MTEC network 2018

Minerals Geoscience

University of Adelaide
Central Queensland University

Mining Engineering

University of New South Wales
University of Queensland
Curtin University
University of Adelaide
Central Queensland University
University of Southern Queensland

Metallurgy

University of Queensland
Curtin University
Murdoch University

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

Looking beyond 2018

Despite the 2018 state election and three ministers during the previous parliament, industry successfully drove improvements for the sector, including reducing approval timeframes in line with the department's own statutory timeframes and progressing reforms in conjunction with the Better Regulation Commissioner to the Earth Resources Regulator – *Getting the Groundwork Right*.

Working with government

Substantial effort by MCA Victoria went in to assisting the minister with the development of the *State of Discovery: Mineral Resources Strategy 2018-2023* which was released on 30 August 2018. The strategy aims to grow the minerals industry through improving investment attractiveness, engaging communities and modernising fit-for-purpose regulatory regimes. The strategy effectively became the Labor Government's election platform for the resources sector.

After many years of advocacy by MCA Victoria, the department also began releasing quarterly and annual statistical reports demonstrating the value and performance of the sector.

Health and safety

Approval was secured in late 2018 allowing emergency response workers at Victorian mine sites and power stations to possess methoxyflurane – a form of pain relief – to assist in patient care. It is the first time this type of approval has been granted by the Department of Health and Human Services. MCA Victoria, with support from Emergency Management Victoria, led a collaborative process over 12 months to develop a submission outlining how the medication

could be safely obtained, stored and used. MCA members, Ambulance Victoria and CFMEU representatives contributed.

Legislative change

The Victorian Government remade the *Environment Protection Act 2017* in 2018 to enshrine a 'General Environmental Duty'. This shifts the focus to prevention. MCA Victoria was broadly supportive, except for the introduction of third party rights for civil remedies which allow courts – on application by an individual or community group who are 'eligible persons' with standing – to enforce the new legislation where the Environment Protection Authority has not acted. This provision would simply increase the ability of individuals and groups to delay and disrupt legally authorised projects. The regulations associated with these pieces of legislation will be drafted throughout 2019.

Reform to the 30-year-old principal Minerals Act in Victoria was a recommendation from both the *Getting the Groundwork Right* and *Mineral Resources Strategy*. MCA Victoria participated in a series of legislation scoping studies to explore options for both incremental reform and wholesale renewal of the Act. This critically important work will progress in 2019-20.

The recently remade Occupational Health and Safety Regulations 2017 included significant changes to threshold levels for Schedule 4 materials including explosives, which would trigger the major hazard facility regulations and substantially duplicate compliance requirements for mining operations. Following strong advocacy by MCA Victoria, WorkSafe Victoria agreed to exempt prescribed

mines from the major hazard facility provisions and ensure all hazards are holistically managed under the specific minerals provisions that already ensure an equivalent health and safety standard.

Victorian Mine Rescue Competition

MCA Victoria held its 26th annual Victorian Mine Rescue Competition, hosted by Kirkland Lake Gold's Fosterville Gold Mine, and its second Victorian Women in Resources Awards, in partnership with the AusIMM Women in Mining and Resources Network (WIMnet Victoria). Victoria was again successful at the national awards, winning the Exceptional Woman in Australian Resources category.



Beyond 2018

MCA Victoria developed *Beyond 2018*, a public document outlining key priorities for the incoming state government to ensure a strong, robust and sustainable resources sector in Victoria. Developed with feedback and input from the MCA Victoria State Council, the publication reinforces the need for long-term predictable policy and regulatory settings. It focuses on key areas such as environment, land access, energy and climate change, health and safety, and exploration and communities.



MCA Northern Territory Division

Prospects strong for NT mining

2018 will be remembered for a tough economic climate and an uncertain policy framework. With multiple ongoing regulatory and legislative reviews, it was often difficult to know exactly what assessment tools were being used.

On issues including land access, exploration and operational mine management plans, security bonds and mine closure guidelines – along with the introduction of an industry-wide hybrid royalty scheme – progress was steady but slow.

This created uncertainty in the investment market which was compounded by a deficient transport and logistics network that further slowed development.

Environmental approvals

The approvals and assessment frameworks continued to be the subject of development and consultation with updates being provided to relevant member networks and policy sub committees.

MCA NT continued to work collaboratively and inclusively with all involved to assist the efficiency of the process and show that the industry supports a robust, effective, and efficient EIA framework. At the same time, it's important that resources be provided to ensure smooth progress.

Reactive economy

We continue to push for the recognition of wealth-creating projects to kickstart a flatlining Territory economy.



Saving lives MCA NT and Darwin Mining Club have raised almost \$250,000 for life saving equipment for CareFlight.

Projects including gold, rare earths, phosphate, lithium, bauxite and manganese mines continued to gain approval and are awaiting expansion or development.

This has positioned the industry well to be able to take advantage of future investment opportunities as policy frameworks are defined and finalised.

Exploration

Exploration investment again continued to grow over the period, demonstrating enduring optimism about the Territory's resources prospectivity. Expenditure was more focused during this period, with companies using the opportunity to shore up potential reserves to a more quantifiable figure.

Northern Australia Emergency Response Competition

This was the first year that the NAERC was held outside the Territory. The competition was hosted by Glencore's Mt Isa Mines, and saw eight teams compete at a variety of locations and scenarios across town.

We congratulate the winners and all participants, and acknowledge not only the ongoing support of Glencore's Mount Isa Mines, but of the township as a whole. I am confident we will return to this great facility and welcoming region soon.

Future outlook

The Territory is poised for an exponential increase of opportunity in the minerals sector in the very near future.

As reviews are finalised, exploration defined and certainty provided for investment, there will be an increase in both brown and greenfield developments. These will involve new and established commodities, taking advantage of new technology, uses and opportunities. Several of the historical mainstays of the NT sector also produced either at or beyond standard efficiency, with some breaking annual production records.

The sector is set to expand based on increased market confidence, the right regulatory frameworks and continued buoyant commodity cycles. This expansion will provide opportunities and jobs across rural and regional areas of the Territory for the benefit of all Territorians.

Committees update

Focused on the future

Economic Reform Committee

Advancing next-term productivity policies

The Economic Reform Committee reviewed and assisted in the production of the MCA's comprehensive pre-Budget submission and its accessible complement: *The Next Frontier: Australian Mining Policy Priorities*. The committee also oversaw and facilitated analysis of the importance of labour hire and service contracting to the minerals industry, which will continue to be a critical focus of advocacy. A Labour Hire Taskforce, chaired by Warwick Jones (Anglo American Metallurgical Coal) has been formed to advance this work.



Next steps:

- Maintaining and enhancing flexibility in workplace relations
- Persuading federal parliamentarians – as well as state governments – that the MCA's economic policy prescriptions are the best means of progressing the Council of Australian Governments' long-term strategic reform agenda.

Energy and Climate Change Committee

Shaping energy and climate policies

The Energy and Climate Change Committee has revised the industry's energy and climate change position, acknowledging sustained global action is required to reduce the impacts of climate change through the Paris Agreement, and reaffirmed the need for market-based and technology neutral policies, including access to international units.

The committee also contributed to the development of national energy policy by influencing the design of the proposed National Energy Guarantee and the Underwriting New Investment in Generation policy. It also continues to prosecute the case for minimising the cost of meeting Paris targets by highlighting the need for a 'deep and liquid market' in carbon offsets. In addition, the committee attended the UN Climate Change meeting in Poland and worked with the Australian negotiating team to reinforce and deliver this important outcome.

The MCA has also applied to become an accredited observer to the United Nations Framework Convention on Climate Change (UNFCCC) with an eye to also observing the business of the Intergovernmental Panel on Climate Change (IPCC). This will allow it to more constructively advise members on the progress of the Paris Agreement and Sustainable Development Goals.

Next steps:

- Reinforcing Australia's critical role as a major and reliable energy exporter
- Developing a climate change action plan to assist member companies manage carbon related risks.

Safety and Sustainability Committee

Showcasing industry's social contribution

The MCA Safety and Environmental Stewardship and Communities committees merged in late 2018.

The Environmental Stewardship and Communities Committee developed a sector first report on the Australian mining industries contribution to the UN Sustainable Development Goals. The committee oversaw an Indigenous leaders dialogue to strengthen ties and enhance collaboration and led the response to Native Title Act reforms and to Senate inquiries into water use and mine rehabilitation.

Industrial manslaughter and mixed dust lung disease were focus areas for the Health and Safety Committee.



Next steps:

- Engaging in national environmental law reform processes to ensure an efficient and effective regulatory outcome
- Securing community confidence in tailings management through demonstration of industry performance and leadership
- Working with Indigenous leaders to strengthen and position the relationship for the future
- Continuing to promote a best practice risk-based approach to managing health and safety risks in the workplace.

Workforce and Innovation Committee

Multi-year strategy for future-ready workforce

The Workforce and Innovation Committee progressed its agenda to attract, develop and retain a diverse workforce through a multi-year strategy across all of the industry's workforce segments encompassing workplace, supply, demand, and pathways.

Innovation and technology adoption will affect the composition of the future minerals workforce and the skills and capabilities they require. The committee places significant emphasis on identifying the right educational outcomes for the current and future workforce and the pathways needed to secure these outcomes.



Next steps:

The Workforce and Innovation Committee is prioritising the development of a skills map to identify which occupations in the minerals industry are affected by new technology and innovative practices and how they will be redesigned and enhanced and accompanied by new education opportunities to lead to more valuable employment opportunities.

Gold Forum

Exploration the key to future success

Through the MCA's submission to the Resources 2030 Taskforce the Gold Forum highlighted the economic importance of the industry to the nation, the community contributions it is making to regional Australia and the exploration challenges the gold industry faces to support its continued success.

The Gold Forum endorsed the results of the MCA's research on declining university enrolments and its approaches to better prepare the industry's future workforce.

Next steps:

- Improving sustainable mining practices within the industry
- Increasing community engagement
- Working with governments to implement fair royalty systems
- Continuing to communicate the economic contribution of the gold industry to Australia.

Coal Forum

Advocating low emissions technologies

The Coal Forum continued to highlight coal's role in creating jobs, regional growth, export income and energy security for Australia. It explained to the Resources 2030 Taskforce that coal's future is centred on our Asian neighbourhood, as evidenced by the MCA's 2018 Australia Japan Coal Conference – attended by 130 Japanese representatives.

Advocacy was focused on reducing costs through improved regulation and standards and strengthening community awareness based on factual information and sound science. The industry is investing in and promoting the spread of commercially viable low emissions technologies to ensure coal plays its part in Australia's low emission energy future.

Uranium Forum

Preparing for EPBC Act 10-year review

The Uranium Forum is focused on preparing for the next 10-year review of the EPBC Act due to commence in 2019. The forum commissioned and released a detailed paper of the case for reform of the nuclear actions trigger with respect to the treatment of uranium mine approvals.

More recently, the Uranium Forum has worked with Australia's US Embassy and the Department of Foreign Affairs and Trade on the US section 232 investigation into uranium imports and made a submission to the US Department of Commerce. The forum has also continued to advocate for the removal of the prohibition of nuclear power in the EPBC Act in the context of Australia's ongoing energy debate.

Next steps:

- Highlighting the role nuclear energy and Australia's uranium resources will play in decarbonising the global energy supply
- Removing the nuclear ban in the EPBC.

MCA committees

as at 31 December 2018

Economic Reform Committee

Chair: Mike Henry
BHP

Co-chair: Michael Wright
CIMIC Group

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

Contact: Matthew Steen
Director – Economics & Industry Policy
matthew.steen@minerals.org.au

Energy and Climate Change Committee

Chair: Peter Freyberg
Glencore

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

Contact: Patrick Gibbons **Director – Climate Change, Environment and Energy**
patrick.gibbons@minerals.org.au

Safety and Sustainability Committee

Chair: Mike Erickson
AngloGold Ashanti Australia

Co-chair: George Schuller Jr.
Peabody Energy Australia

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

Contact: Gavin Lind
Director – Workforce and HSEC
gavin.lind@minerals.org.au

Taxation Policy Committee

Chair: Dominic Smith
Glencore

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

Contact: James Sorahan
Director – Taxation
james.sorahan@minerals.org.au

Workforce and Innovation Committee

Chair: Chris Salisbury
Rio Tinto

Co-chair: Alex Bates
Newmont Australia

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

Contact: Gavin Lind
Director – Workforce and HSEC
gavin.lind@minerals.org.au

Coal Forum

Chair: Paul Flynn
Whitehaven Coal

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

Contact: Mark McCallum
General Manager – Climate and Energy
mark.mccallum@minerals.org.au

Gold Forum

Chair: Bob Vassie
St Barbara

The Gold Forum promotes the significant national contribution of the relevant industry sector; and advocates policy certainty and stable investment climate to support

international competitiveness and fit for purpose regulatory framework.

Contact: John Barber
Director – Commodity Analysis
john.barber@minerals.org.au

Uranium Forum

Chair: Mike Young
Vimy Resources

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

Contact: Daniel Zavattiero
Executive Director – Uranium
daniel.zavattiero@minerals.org.au

MCA NT Council

The MCA NT Council provides state industry forum and input to the state policy and regulatory agenda.

Contact: Drew Wagner
Executive Director – MCA NT
drew.wagner@minerals.org.au

MCA Victoria State Council

The MCA Victoria State Council provides state industry forum and input to the state policy and regulatory agenda.

Contact: Megan Davison
Executive Director – MCA Victoria
megan.davison@minerals.org.au

Board of directors

as at 31 December 2018



Dr Vanessa Guthrie
Chair

Independent Director



Mr Mike Henry
Vice Chairman
Chair, Economic Reform Committee

President Operations – Minerals Australia, BHP



Mr Sandeep Biswas
Vice Chairman

Managing Director and Chief Executive Officer
Newcrest Mining



Mr Alex Bates
Co-Chair, Workforce and Innovation Committee

Regional Senior Vice President
Newmont Australia



Mr George Schuller Jr.
Co-Chair, Safety and Sustainability Committee

President – Australia
Peabody Energy Australia



Mr Bob Vassie
Chair, Gold Forum

Managing Director and Chief Executive Officer
St Barbara



Mr Mike Erickson
Chair, Safety and Sustainability Committee

Senior Vice President
AngloGold Ashanti Australia



Mr Paul Flynn
Chair, Coal Forum

Chief Executive Officer and Managing Director
Whitehaven Coal



Mr Peter Freyberg
Chair, Energy and Climate Change Committee

Head of Coal Assets
Glencore



Mr Chris Salisbury
Chair, Workforce and Innovation Committee

Chief Executive, Iron Ore
Rio Tinto



Mr Michael Wright
Co-Chair, Economic Reform Committee

Managing Director and Chief Executive Officer
CIMIC Group



Mr Mike Young
Chair, Uranium Forum

Managing Director and Chief Executive Officer
Vimy Resources

MCA member companies

as at 31 December 2018

Full members

Adani Mining
Anglo American Metallurgical Coal
AngloGold Ashanti Australia
Arafura Resources
BHP
Boss Resources
Cameco Australia
Castlemaine Goldfields
Cauldron Energy
Centennial Coal Company
Centennial Mining
Dart Mining NL
Deep Yellow Ltd
Donald Mineral Sands (Astron Ltd)
Downer EDI Mining
Energy Resources of Australia
EnergyAustralia

GBM Resources
Glencore Australia Holdings
Heathgate Resources
Idemitsu Australia Resources
Jellinbah Group
Kalbar Resources
Lithium Developments Ltd
Kirkland Lake Gold
Mandalay Resources
Manhattan Corporation
Navarre Minerals
New Hope Corporation
Newcrest Mining
Newmont Australia
Peabody Energy Australia
Providence Gold & Minerals
Rex Minerals
Rio Tinto
St Barbara
The Bloomfield Group
Thiess Pty Ltd

Toro Energy
Verdant Minerals
Vimy Resources
Vista Gold Australia
Whitehaven Coal
Yancoal Australia

Associate members

AECOM Australia
AMC Consultants
ANSTO Minerals
Ashurst
Aurizon
Bechtel Australia
BP Australia
Chamber of Minerals and Energy
of Western Australia
Corestaff NT
Dyno Nobel
ECOZ Environmental Services
Ernst & Young

GHD
Herbert Smith Freehills
IBM Australia
KPMG Australia
MinterEllison Lawyers
Mitsubishi Development
NSW Minerals Council
Orica Australia
PanAust
PricewaterhouseCoopers Australia
Quadrant Energy Australia
Queensland Resources Council
South Australian Chamber of Mines
and Energy
Sparke Helmore Lawyers
Tasmanian Minerals and Energy
Council
True North Strategic Communication
Westrac

Minerals Council of Australia

Financial report

Year ended 31 December 2018

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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 9 April 2019. The directors have the power to amend and reissue the financial statements.

Directors' report

Your directors present their report on the Minerals Council of Australia (MCA) for the year ended 31 December 2018.

Directors

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

Mr A Bates	Mr P Flynn	Mr R Vassie	Mr M Wright
Mr S Biswas	Dr V Guthrie	Mr C Salisbury	Mr M Young
Mr M Erickson	Mr M Henry	Mr G Schuller Jr	

Mr T Mitchelson and Mr G Nagle were appointed directors on 19 December 2018 and 31 January 2019 respectively and continue in office at the date of this report.

Mr D Overall and Mr P Freyberg were directors from the beginning of the financial year until their resignation on 21 February 2018 and 25 January 2019 respectively.

Objectives and strategies

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

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

Principal activities

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

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

Operating results

The MCA derives its income primarily through members' subscriptions which, over time, approximate expenditure of the MCA. The operating deficit for the year ended 31 December 2018 was \$287,446 (2017: deficit \$2,807,320). A deficit was budgeted in order to reduce members' equity. The final deficit was lower than budget expectations due to new memberships, savings in staff and secretariat overhead costs and project costs under budget.

Information on directors

Mr A Bates B.Sc.Eng (Hons) – Civil Engineering
Regional Senior Vice President
Newmont Australia

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

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

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

Mr G Nagle B.Com, B.Acc
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

Mr T Mitchelson B.Comm (Hons), CPA
Chief Executive Officer
Anglo American Metallurgical Coal

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

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

Directors' report

Meetings of directors

There were six meetings of the MCA's directors held during the year ended 31 December 2018. 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	6	4
S Biswas	6	3
M Erickson	6	6
P Flynn	6	5
P Freyberg	6	5
V Guthrie	6	5
M Henry	6	6
T Mitchelson	0	0
D Overall	1	1
C Salisbury	6	5
G Schuller	6	3
R Vassie	6	4
M Wright	6	6
M Young	6	4

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 29.

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



Mr P Flynn
Director



Mr M Henry
Director

Canberra
9 April 2019

Auditor's Independence Declaration

As lead auditor for the audit of Minerals Council of Australia for the year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



David Murphy
Partner
PricewaterhouseCoopers

Canberra
9 April 2019

Financial statements

Year ended 31 December 2018

Statement of profit or loss and other comprehensive income

	Notes	2018 \$	2017 \$
Revenue	1	13,710,788	11,924,077
Expenses			
Employee benefits expenses		(6,800,556)	(7,188,947)
Consultancy expenses		(1,893,617)	(1,841,929)
Minerals Tertiary Education Council (MTEC) program expenses		(1,061,562)	(1,322,780)
Occupancy expenses		(826,064)	(826,978)
Conferences and events expenses		(756,186)	(910,288)
Travel expenses		(607,983)	(509,455)
Information and technology expenses		(572,890)	(636,672)
Media buy		(502,439)	(504,922)
Depreciation expense		(135,594)	(149,629)
Other expenses		(841,343)	(839,797)
Total expenses		(13,998,234)	(14,731,397)
(Deficit)/surplus for the year		(287,446)	(2,807,320)
Other comprehensive income for the year		–	–
Total comprehensive income for the year is attributable to:			
Members of Minerals Council of Australia		(287,446)	(2,807,320)

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	2018 \$	2017 \$
ASSETS			
Current assets			
Cash and cash equivalents	2	3,265,125	1,568,034
Term deposits		3,631,367	5,385,725
Receivables	3	820,846	727,171
Prepayments		404,033	256,343
Total current assets		8,121,371	7,937,273
Non-current assets			
Plant and equipment	4	423,747	484,582
Total non-current assets		423,747	484,582
Total assets		8,545,118	8,421,855
LIABILITIES			
Current liabilities			
Trade and other payables	5	828,887	1,062,397
Provisions – employee entitlements		489,370	351,214
Unearned revenue		249,727	–
Total current liabilities		1,567,984	1,413,611
Non-current liabilities			
Provisions – employee entitlements		218,920	147,171
Lease incentive liability		321,116	136,529
Total non-current liabilities		540,036	283,700
Total liabilities		2,108,020	1,697,311
Net assets		6,437,098	6,724,544
EQUITY			
Accumulated funds	6 (a)	5,817,139	6,104,585
Reserves	6 (b)	619,959	619,959
Total members' equity		6,437,098	6,724,544

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 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
Balance at 1 January 2018	6,104,585	619,959	6,724,544
(Deficit)/surplus for the year	(287,446)	–	(287,446)
Total comprehensive income for the year	(287,446)	–	(287,446)
Balance at 31 December 2018	5,817,139	619,959	6,437,098

Statement of cash flows

	Notes	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from members and customers		15,035,370	12,626,726
Payments to suppliers and employees		(15,261,739)	(15,619,200)
Interest received		246,306	287,874
Net cash inflow/(outflow) from operating activities		19,937	(2,704,600)
Cash flows from investing activities			
Payments for plant and equipment		(77,204)	(233,097)
Net decrease/(increase) in term deposits		1,754,358	2,632,148
Net cash inflow/(outflow) from investing activities		1,677,154	2,399,051
Cash flows from financing activities			
Net cash inflow/(outflow) from financing activities		–	–
Net increase (decrease) in cash and cash equivalents		1,697,091	(305,549)
Cash and cash equivalents at the beginning of the financial year		1,568,034	1,873,583
Cash and cash equivalents at end of year	2	3,265,125	1,568,034

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

Minerals Council of Australia

1 Revenue

	2018 \$	2017 \$
Revenue		
Subscriptions and contributions	11,807,835	10,187,188
Conferences and competitions	908,778	811,184
	12,716,613	10,998,372
Other income		
Interest income	217,410	258,340
Sundry income	776,765	667,365
	994,175	925,705
Total revenue	13,710,788	11,924,077

2 Cash and cash equivalents

	2018 \$	2017 \$
Cash at bank, cash on hand and term deposits with maturity less than 90 days	3,265,125	1,568,034

3 Receivables

	2018 \$	2017 \$
Trade receivables	619,796	465,901
GST receivables	181,918	217,519
Accrued interest	7,627	36,523
Sundry debtors	11,505	7,228
	820,846	727,171

4 Plant and equipment

	Furniture, fittings and equipment \$	Leasehold improvements \$	Total \$
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
Year ended 31 December 2018			
Opening net book amount	256,412	228,170	484,582
Additions	70,591	6,613	77,204
Disposals	(2,445)	–	(2,445)
Depreciation	(96,041)	(39,553)	(135,594)
Closing net book amount	228,517	195,230	423,747
At 31 December 2018			
Cost	803,042	1,663,965	2,467,007
Accumulated depreciation	(574,525)	(1,468,735)	(2,043,260)
Net book amount	228,517	195,230	423,747

5 Trade and other payables

	2018 \$	2017 \$
Trade creditors	565,352	960,567
Accrued expenses	256,764	101,830
Other payables	6,771	–
	828,887	1,062,397

6 Equity

(a) Accumulated funds

Movements in accumulated funds were as follows:

	2018 \$	2017 \$
Balance 1 January	6,104,585	8,911,905
(Deficit)/surplus for the year	(287,446)	(2,807,320)
Balance 31 December	5,817,139	6,104,585

(b) Reserves

	2018 \$	2017 \$
Balance at 1 January	619,959	619,959
Transfer from/(to) accumulated funds	–	–
Balance at 31 December	619,959	619,959

(i) Nature and purpose of reserves

Campaign reserve

The surplus of funds contributed over costs incurred for the *This is Our Story* advertising campaign and federal government tax advertising campaign have been set aside in the campaign reserve for use in future similar purpose advertising campaigns, or as the directors may otherwise determine.

7 Commitments

	2018 \$	2017 \$
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	832,452	597,720
Later than one year but not later than five years	2,592,738	3,422,295
Later than five years	–	–
	3,425,190	4,020,015

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 2018 were \$692,028 (2017: \$588,234).

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
Dr V Guthrie	Chair
Ms T Constable	Chief Executive Officer (from 9 July 2018)
Mr D Byers	Interim Chief Executive (until 3 July 2018)
Mr D Barber	Director – Commodity Analysis
Ms B Conroy	Director – Operations
Mr M Davis	Director – Strategy and Communications (until 26 October 2018)
Ms M Davison	Executive Director – MCA Victoria
Mr G Evans	Executive Director – Coal (until 1 November 2018)
Mr P Gibbons	Director – Climate Change, Environment and Energy
Mr T Hayes	Finance Manager
Mr D King	General Manager – Trade, Investment & Investor Relations
Dr G Lind	Executive Director – MTEC, Director Workforce Skills, Health and Safety
Mr M McCallum	General Manager – Climate & Energy (from 3 December 2018)
Mr J Sorahan	Director – Taxation
Mr M Steen	Director – Economics and Industry Policy
Mr S Troeth	Director – Media
Mr A Wagner	Executive Director – MCA NT
Mr D Zavattiero	Executive Director – Uranium and State Divisions

(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:

	2018 \$	2017 \$
Key management personnel compensation	4,302,198	5,260,302

9 Remuneration of auditors

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

(i) PricewaterhouseCoopers

	2018 \$	2017 \$
Financial report audit	29,580	28,560
Other services	8,570	3,570
Total remuneration for audit and other services	38,150	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 (MCA) is a not-for-profit entity for the purpose of preparing the financial statements.

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

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

(ii) Historical cost convention

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

(iii) New standards adopted

MCA applied the following standard for the first time for the reporting period commencing 1 January 2018:

- *AASB 9 Financial Instruments*

AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies, including term deposits that had previously been classified as held-to maturity are now classified at amortised cost.

The changes in accounting policies have not impacted the amounts recognised in current or prior periods and are not expected to significantly affect future periods.

(b) 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.

(c) Income tax

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

(d) 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.

(e) 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.

(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	20% – 40%
Leasehold improvement	7.5% – 22.2%
Office furniture	7.5% – 10%
Office equipment	10% – 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 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.

(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 30 to 38 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 2018 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 M Henry
Director

Canberra
9 April 2019

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 2018 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 2018
- 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 annual report for the year ended 31 December 2018, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the directors' report.

PricewaterhouseCoopers, ABN 52 780 433 757

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

A stylized signature of PricewaterhouseCoopers.

PricewaterhouseCoopers

A stylized signature of David Murphy.

David Murphy
Partner

Canberra
9 April 2019

Minerals Council of Australia

ANNUAL REPORT 2018

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The Minerals Council of Australia supports
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