



Minerals Council of Australia

2020

Annual Report

COVID-19 response

Early decisive action kept the sector operating and workers and communities safe.

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Climate action

The MCA Climate Action Plan demonstrates progress towards net zero emissions.

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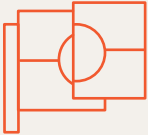
Sustainable mining

Towards Sustainable Mining framework will benchmark industry performance.

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MINERALS COUNCIL OF AUSTRALIA

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



ACKNOWLEDGEMENT OF COUNTRY

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

PURPOSE



ADVOCACY

Advocate for social, economic and environmental public policy that supports a stronger, more sustainable minerals industry



INDUSTRY

Work with industry to promote leading practice in safety, skills and training to develop the minerals workforce of the future



ENGAGEMENT

Partner with communities, business and governments to maximise mining's contribution to Australia

MEMBERSHIP

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

75%

Production

Minerals production by MCA members

80%

Export earnings

Export earnings by MCA members

SUSTAINABLE MINING



CLIMATE ACTION PLAN

A commitment to the Paris Agreement and its net zero emissions goal



TOWARDS SUSTAINABLE MINING

Performance system tracking ESG outcomes



WATER ACCOUNTING FRAMEWORK

World-leading site-level water reporting system



ENDURING VALUE

Industry commitment to sustainable mining and guide to implementation

POLICY OBJECTIVES



Workforce

- ▶ A minerals industry free of fatalities, injuries and diseases
- ▶ A skilled, diverse, productive and flexible workforce
- ▶ Flexible and responsive training to support the workforce of the future.



Economics

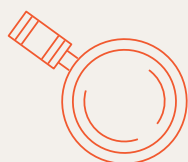
- ▶ A macro-economic framework conducive to global competitiveness and growth
- ▶ Access to competitive markets for capital, production inputs and human resources
- ▶ Access to resources, land, water, energy, and export infrastructure.



Communities

- ▶ Indigenous and community relationships built on trust and greater engagement
- ▶ Improved environmental performance throughout and beyond life of mine
- ▶ A measured transition to a zero emissions global economy.

There's more to Australian Mining



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Mining drives Australia's economic recovery

Taking stock of the extraordinary events of 2020 reveals much about the Australian mining industry and its contribution to the nation.

As the world grappled with COVID-19 and devastating economic and social upheaval, Australia's minerals industry stood firm by maintaining as its highest value and first priority an unwavering commitment to the health and safety of its workers and the communities in which it operates.

This health-led response helped to protect the 1.1 million Australian jobs supported by mining and mining equipment, technology and services providers and kept billions of dollars of taxes and royalties flowing to governments as they grappled with the human and economic costs of the pandemic.

The community's expectations of business continued to evolve. In 2020 Australian mining's commitment to the highest environmental, social and governance standards has advanced significantly with the decision by the MCA Board to introduce a robust accountability and demonstration framework, Towards Sustainable Mining.

TSM will build upon the MCA's 2005 Enduring Value framework to provide a consistent approach to assess and communicate site level performance in a transparent and accountable way.

Understanding and communicating performance will support trust and enhance confidence in the industry's performance.

Another key example of how the industry demonstrated ESG commitments was the release of the MCA Climate Action Plan.

The plan supports the technology development, knowledge-sharing and improved transparency of reporting that is needed to help achieve global net zero emissions.

Supporting world-wide decarbonisation is a global undertaking of major social, economic and technological significance in which the minerals industry will play its part.

Yet even as the industry achieved great things in 2020, mistakes were made.

The industry's relationship with First Nations people was damaged by the destruction of the rock shelters at Juukan Gorge. The MCA recognises the distress caused to the Puutu Kunti Kurrama people and the Pinikura people and the effect on Aboriginal and Torres Strait Islander people and the broader Australian community.

The MCA is deeply sorry.

The MCA undertakes to rebuild trust with Indigenous Australians because the relationship with First Nations landholders and communities is Australian mining's most fundamental partnership. This challenge today is as significant as the Mabo decision on Indigenous land rights three decades ago.

Drawing on advice from Traditional Owners, Aboriginal and Torres Strait Islander organisations and the work of a parliamentary inquiry, the MCA is leading a national work program to capture, share and embed lessons learnt.

Safe and fair workplaces

Encouraging diversity in our workplaces, including increasing the number of women, continues to be challenging.

The proportion of women rose again this year to 17 per cent, up from 15.6 per cent a decade ago. Across the industry, training and support programs as well as demonstrating success and promoting role models, such as through the Women in Resources National Awards, form a strategic framework to accelerate female employment.

The industry must create workplaces that encourage and sustain all workers.

It is unacceptable that sexual harassment remains so pervasive in the sector. One in three Australian workers has experienced harassment. In mining, it is three in five.

The Sex Discrimination Commissioner Kate Jenkins told the MCA Board last year 'workplace sexual harassment is not inevitable. It is not acceptable. It is preventable'.

We agree.

Addressing harassment is an essential safety issue, not a 'nice to have' diversity

The Hon Helen Coonan
Chair | Minerals Council of Australia



Addressing sexual harassment is an essential safety issue,
not a ‘nice to have’ diversity issue. ”

issue. We will bring renewed focus and leadership to create an industry culture that respects all people, eliminates sexual harassment, and stands up, supports and cares for people affected by unacceptable behaviour. This is a top priority for the MCA and work will continue through 2021.

Minerals industry mobilised

The sector is addressing these issues by working together to develop and deliver best practice and practical tools for driving change.

This approach was successfully implemented to keep the industry operating and employees, their families and communities safe during the pandemic. The industry responded in a united, timely and decisive manner.

The cooperation of all sectors of the industry – large and small, explorers, producers, the mining equipment, technology and services sector, state industry associations, Indigenous community representatives and trade unions – coordinated by the MCA was a tribute to all in trying circumstances.

This partnership established Resources Sector National COVID-19 Protocols which received broad support from the Commonwealth, all states and territories.

The industry protected and supported local communities by reducing fly-in, fly-out workforces and using its established supply chains to meet the vital health needs of local schools, remote communities and regions.

It set up testing facilities to ensure that workers entering these regional communities were free from the virus and cooperated to assist governments with cross border issues.

Powering Australia's recovery

Through the challenges, the Australian minerals industry drove prosperity, making substantial contributions to investment, exports, wages, jobs and government revenue.

In 2020 the resources industry directly employed 243,000 people: about 104,000 in the metal ore sector, 52,000 in the coal sector and 51,000 in the exploration and mining services sector, with wages an average 55 per cent above the national average.

Resources exports powered Australia's economic recovery, generating \$271 billion of export revenue and accounting for 62 per cent of Australia's total export earnings in 2020. Iron ore, gold and copper exports hit record highs.

The future remains exciting for Australian iron ore exports, with China expecting continued growth and new frontiers opening up in South and East Asia across all commodities.

The mining industry also invested \$2.8 billion in exploration.

Capital expenditure increased by \$26.9 billion, bringing total investment in mines, equipment and infrastructure to \$256 billion across the past decade.

The recovery continues

Australia has more than 106 mining projects with completed feasibility studies. The combined \$50 billion investment flowing from these projects could create more than 32,000 construction jobs and 22,000 ongoing operating jobs across Australia.

To realise this opportunity, governments should support the industry with faster

project approvals, competitive tax rates, co-investment in modern skills programs, more flexible workplaces and support for exploration.

A more robust, transparent and accountable regulatory system will strengthen the minerals industry's ability to provide highly skilled, highly paid jobs and help the long-term recovery of Australia's economy and society.

If governments grasp the chance for sensible reform, mining can do even more for Australia.

A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

The Hon Helen Coonan
Chair
Minerals Council of Australia

Tania Constable
Chief Executive Officer
Minerals Council of Australia



Australian mining rises to 2020 challenges

2020 was an extraordinary year in Australia and across the world. Australia's minerals industry can be proud of the way it stepped up.

Australia's minerals industry supported the regions after the destruction of the bushfires and worked through COVID-19 lockdowns and border closures, donating money, equipment, medical supplies and time to help Australians.

For the most part, minerals production continued under difficult circumstances.

And just as during other difficult times in Australia's history, the industry led the nation's economic recovery, contributing \$39.3 billion in company tax and royalties.

COVID-19 response

The MCA worked quickly and effectively to develop comprehensive health and hygiene protocols by taking a leadership role and in partnership with state associations and the Australian Petroleum Production & Exploration Association.

The goal was to sustain operations and communities through the COVID-19 crisis, putting people, supplies and remote communities at the heart of the strategy.

The MCA response was methodical, coordinated and focused to ensure governments and chief medical officers had confidence that the industry would control risk while operating and would recognise mining as an essential activity and supplier of vital services in remote communities.

The protocols became a model for other industries and also provided lessons for international extractive industries.

As border restrictions were imposed, the

industry worked quickly to change rosters, relocate employees and advocate to government to establish exemptions for essential service services.

One of the challenges that faced the industry was the increased demand for personal protective equipment (PPE) and dependence on just-in-time, cross-border supply chains which raised the very real prospect of disruption to mining activities.

In response, the MCA secured protection from prosecution under competition law to enable industry collaboration, connected suppliers and companies, identified new opportunities for domestic manufacturers and formed arrangements to share testing facilities and services.

There were additional benefits to the Australian community as face masks and other supplies were made suitable for broader community use.

The industry played a strong and unique facilitating role with remote Indigenous communities to support community-led health responses and maintain contact.

Addressing the social risks from operations and supporting community priorities was integral to the industry's approach.

Remaining steadfast on trade

To test the industry's capacity further, 2020 also presented other major challenges.

Growing geopolitical tensions between Australia and China continue to drive negative commentary and fuel division and

suspicion. Consequential trade restrictions have had a significant and ongoing impact on Chinese investment into Australia and on producers of agricultural and resources commodities including Chinese imports of Australian thermal coal and copper and a supply-demand disruption across other major markets.

While markets have now adjusted, Australian coal products continue to be discounted as they compete for non-Chinese demand and miss out on the higher prices associated with the Chinese market.

The MCA will continue to advocate strongly on the importance of restoring the diplomatic and trade relationship between Australia and China. The success of this relationship has relied on deep partnerships and cooperation at an industry-to-industry level and a rules-based trade system. A willingness to work together to resolve differences will be essential in rebuilding the relationship.

There is significant potential to expand trade for Australia's high-quality minerals across the Asia-Pacific. The realisation of this potential will require a strategic approach to dialogue and relationship development, providing a basis for long term co-operation, trade and investment beyond the signing of agreements.

Addressing sustainability issues

The MCA continued to lead on sustainability and particularly on environment, social and governance issues with the launch of two important initiatives.

The MCA committed to the Towards Sustainable Mining (TSM) initiative, perhaps the most significant pledge on sustainability by the minerals industry in the past 15 years. Australia through the MCA becomes the ninth producing nation to implement TSM which makes this the most significant set of sustainability standards globally.

TSM is a partnership between the MCA and the Mining Association of Canada, assisting member companies to improve performance and build trust with communities including First Nations through better measurement and accountability on mine sites.

TSM's eight performance protocols focus on three core themes to link commitments and site level performance: communities and people, environmental stewardship and climate change.

The MCA also released the inaugural Climate Action Plan which is a significant step forward in demonstrating ongoing climate action by companies and reinforces the industry's commitment to the Paris Agreement and to achieve its ambition of net zero emissions.

The plan has three key goals – technology pathways, increasing transparency on advocacy and reporting and sharing knowledge across the industry – and includes 10 climate actions and 30 activities as part of a three year rolling program.

Year one sets a benchmark on climate action against the public reporting of national greenhouse gas emissions and considerable headway has already been made with 19 activities commenced during the year.

The industry has a proud track record of improving its sustainability performance through the adoption of the sustainability goals, Water Accounting Framework, tax transparency and Indigenous partnerships.

Building relationships with Indigenous communities

From the Pilbara to Cape York and Olympic Dam to Mount Isa, First Nations partnerships are fundamental to Australian mining.

Last year, the destruction of the priceless caves at Juukan Gorge cast a dark shadow across these partnerships.

Industry has heard the lessons from this tragedy.

Trust is earned and through the MCA industry is working to be better, more engaged and

ensure that Indigenous peoples are an equal partner.

It is learning from examples of strong relationships, and the industry is working with First Nations to use TSM to support consistently strong partnerships across the sector.

Taking a stance on sexual harassment

In 2020 the Australian Human Rights Commission's Respect@Work: Sexual Harassment National Inquiry findings were released. Alarming the report showed mining as the second worst industry with 73 per cent of women and 40 per cent of those surveyed in mining having been sexually harassed in the past five years.

This is clearly unacceptable and the MCA Board and industry acted swiftly to take action to eliminate sexual harassment.

A task force led by board member Michael Wright was established and has now developed a comprehensive statement and new code for members.

Guidance material including a toolkit to prevent and deal with sexual harassment will follow in 2021.

Jobs, communities and investment

Despite the challenges, the MCA didn't lose sight of the ability of the post-pandemic economic recovery to create value for all Australians. It provided ongoing and substantial policy input on the key areas of jobs, communities and investment.

This included the release of the MCA's policy agenda *Advantage Australia* which will support the industry's strong policy advocacy on a single touch system for environmental approvals, new greenfields agreements for workplace relations, skills, exploration and support for national resilience.

Advantage Australia is a clear and transparent statement of the MCA's advocacy agenda with all governments.

Developing our workforce

The MCA contributed strongly to developing a workforce for the future.

In 2020, the Mining Skills Organisation Pilot (MSOP) was launched to trial innovative new approaches to skills development and acquisition to enhance the current training system and develop the skills required to support the nation's recovery from COVID-19.

With the industry goal of creating 5000 new apprenticeships in the next few years, MSOP is centred on four project hubs covering new apprenticeships, digital transformation, attraction and retention and qualifications reform in the vocational education training sector.

A focus on upscaling and reskilling mining's workforce, new initiatives in micro-credentialing and enhancing the undergraduate mining engineering curriculum at Curtin University to include new skills has proved to be highly effective in building alternative approaches for the mining industry.

Entrants to learn new critical skill sets fundamental to mining such as engineering are at critically low levels and will be a focus of the MCA in 2021.

Victoria and Northern Territory go from strength to strength

There has been a resurgence of mining activity particularly exploration for gold and critical minerals in regional Victoria, which is leading to job growth and new opportunities.

The Northern Territory, recognising the need to be competitive in a post-COVID economic environment, has focused on regeneration and based on the MCA's policy agenda *There's more to Territory mining* is working hard on advocating and collaborating for policies to encourage mining investment into the Territory.

Raising the industry's profile

The MCA also continued its *There's more to Australian mining* campaign to raise the profile of the industry, with a particular focus on building support and favourability amongst women and younger audiences.

Highlighting gold in medical research showcased the diversity of minerals used in modern day life.

The MCA also continues to promote key issues targeting younger Australians with mini campaigns on mining rehabilitation, wildlife preservation and mining careers.



Tania Constable
Chief Executive Officer
Minerals Council of Australia

Workforce



243k

EMPLOYMENT

Direct employment in the resources industry in 2020.

Source: ABS cat. No. 6291

\$2743

WEEKLY PAYPACKET

Average full-time adult weekly pay in 2020 – 55% above average.

Source: ABS cat. No. 6302

\$143k

AVERAGE WAGES

Average annual wages paid to mine workers in 2020.

Source: ABS cat. No. 6302

5000

APPRENTICESHIPS

and traineeships to be created incl. through Mining Skills Organisation Pilot.

Source: MCA

6599

INDIGENOUS JOBS

Direct employment in 2016 – around 3.9% of the mining workforce.

Source: Closing the Gap, 2018

17%

WOMEN IN MINING

Percentage of female workers in 2020 – up from 15.6% in 2010.

Source: ABS cat. No. 6291

Australia's minerals:

Building a sustainable future

	WIND	SOLAR PV	CCS	NUCLEAR	ELECTRIC VEHICLES	BATTERY STORAGE
Aluminium	●	●	●	●	●	●
Coal	●	●	●	●	●	●
Cobalt	●	●	●	●	●	●
Copper	●	●	●	●	●	●
Graphite	●	●	●	●	●	●
Iron ore	●	●	●	●	●	●
Lithium	●	●	●	●	●	●
Manganese	●	●	●	●	●	●
Mineral sands	●	●	●	●	●	●
Rare earths	●	●	●	●	●	●
Silver	●	●	●	●	●	●
Nickel	●	●	●	●	●	●
Silicon	●	●	●	●	●	●
Uranium	●	●	●	●	●	●
Vanadium	●	●	●	●	●	●
Zinc	●	●	●	●	●	●
Zirconium	●	●	●	●	●	●



There's more to Australian Mining

Western Australia

Resources jobs	113,086
Economic value	\$1,743 m
Share of economy	38.7%
Royalties	\$8.5 b
Exploration	\$1.69 m

Queensland

Resources jobs	68,678
Economic value	\$407 m
Share of economy	13.8%
Royalties	\$4.1 b
Exploration	\$403 m

South Australia

Resources jobs	12,044
Economic value	\$80 m
Share of economy	3.6%
Royalties	\$192 m
Exploration	\$85 m

Sources: Australian Bureau of Statistics and state governments.

Investment



\$256b

MINING INVESTMENT

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

Source: ABS cat. No. 5625

10.4%

GDP CONTRIBUTION

The resources sector's direct contribution to GDP in 2019-20.

Source: ABS cat. No. 5204

\$26b

TOTAL WAGES

Paid to workers in the Australian resources industry in 2020.

Source: ABS cat. No. 5676

\$915b

NET CAPITAL STOCK

Value of equipment and plant used by the mining industry in 2019-20.

Source: ABS cat. No. 5204

\$271b

EXPORT EARNINGS

Australia's total resources export earnings in 2020 – doubled since 2009-10.

Source: ABS cat. No. 5368

62%

EXPORT SHARE

Resources sector's share of Australia's export revenue in 2020.

Source: ABS cat. No. 5368

Communities



\$302b

TAXES & ROYALTIES

Paid over 15 years. That's enough to build 11,000 schools or 390 hospitals.

Source: Deloitte Access Economics

<2° deg

PARIS AGREEMENT

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

Source: MCA

4.5%

WATER USE

Net water consumption by the mining industry in 2017-18.

Source: ABS cat. No. 4610

\$257m

VALUE ADDED PER GL

Value added by the sector per gigalitre of water consumed.

Source: ABS cat. No. 4610

>3500

LAND AGREEMENTS

Indigenous agreements with the mining industry over the past two decades.

Source: Dept of the Attorney-General

<0.1%

LAND DISTURBED

Australian land mass temporarily disturbed by mining activities.

Source: Dept of Agriculture, Water and the Environment



New South Wales

Resources jobs	36,696
Economic value	\$288 m
Share of economy	3.3%
Royalties	\$1.7 b
Exploration	\$319 m

Northern Territory

Resources jobs	2640
Economic value	\$111 m
Share of economy	28.8%
Royalties	\$382 m
Exploration	\$123 m

Victoria

Resources jobs	7426
Economic value	\$153 m
Share of economy	1.3%
Royalties	\$121 m
Exploration	\$137 m

Tasmania

Resources jobs	2228
Economic value	\$11 m
Share of economy	3.9%
Royalties	\$32 m
Exploration	\$11 m

Industry's world-leading response to COVID-19

Early, decisive action kept the resources sector operating and workers and communities safe.

Australia's first community transmission of COVID-19 occurred on 2 March 2020. Within days, the MCA met with government to identify and start to address the barriers to maintaining operations and protecting the health, safety and jobs of the industry's workforce.

Across the following weeks, through wide-ranging discussions coordinated by the MCA, resources companies and national and state industry associations collaborated to develop comprehensive health protocols to give governments and medical authorities confidence in the sector's ability to operate safely.

Within 16 days, as Australia and the world commenced crippling social and economic lockdowns, the Resources Sector National COVID-19 Protocols enabled Australian governments to declare resources an essential industry and give approval to keep operating.

This achievement was the result of strong industry leadership; trusted partnerships and broad networks across Commonwealth, state and territory governments and stakeholder groups; the industry's recognised commitment to health and safety; open communication across the sector; and tenacious advocacy.

Australian mining's COVID-19 response was emulated by other industries across Australia and the global extractive industry.

Implementation of the protocols was supported by detailed industry guidance material coordinated by the MCA. It included templates and practical examples of company practices which, together with official government and medical advice, helped companies develop and sustain robust COVID-19 management plans.

Companies' sustained commitment and effort implementing the protocols demonstrated that industry could keep working safely, and in compliance with all other 'business as usual' regulatory obligations, throughout the pandemic.

The protocols success was the bedrock of MCA advocacy in addressing three key issues that arose: disrupted supply chains, safely moving people and supporting First Nations-led health plans to keep Aboriginal and Torres Strait Islander people safe.

Critical supply chains

Australia's strong competition laws normally prevent companies working together to manage supply chains. But with borders closed and both domestic and international supply lines compromised, industry needed to work together to source essential safety supplies and machinery spare parts.

The MCA coordinated a successful application to the Australian Competition and Consumer Commission for authorisation to collaborate in response to shortages of critical services and supplies. The ACCC's consent helped more than 300 member companies of the MCA, the Australian Aluminum Council and state resources bodies. With mining as an integral part of complex supply chains, this approval supported flow-on benefits to the manufacturing sector and small business.

Supporting access to supplies of masks was particularly critical. The MCA found emergency options for companies that were unable to source certified and fit-tested masks.

The MCA also collaborated on world-leading guidance to help mining companies identify and address modern slavery risks arising from the pandemic.

Essential personnel

Workforce security is critical to ensuring the continued employment and safe production at site. Fly-in fly-out (FIFO) workers support strong residential workforces and are essential to mining activities, including the management of crucial maintenance schedules.

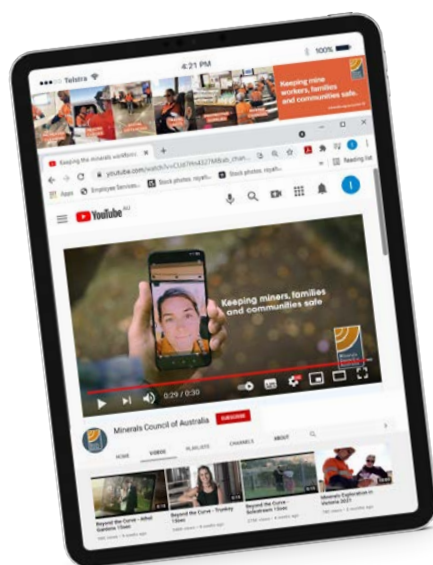
Early priority was given to enabling the safe movement of essential workers across and within state and territory borders. The protocols guidance included advice on managing workers' health while travelling to site, when on site (including accommodation camps), access to PPE and health measures to protect local communities.

The MCA brokered a joint commitment with the Australian Workers Union and the CFMEU Mining and Energy Division to help limit the spread of COVID-19 while maintaining the highest possible degree of economic activity. This included support for FIFO, COVID testing, and strict social distancing including quarantine if required.

The MCA also supported companies with practical advice to help manage the mental health of workers. The pandemic required companies to relocate employees, minimise the number of workers on site and institute longer shift cycles which all placed pressure on workers' relationships and mental health. Supporting the mental health of Australia mining's workforce is an ongoing priority for the MCA.

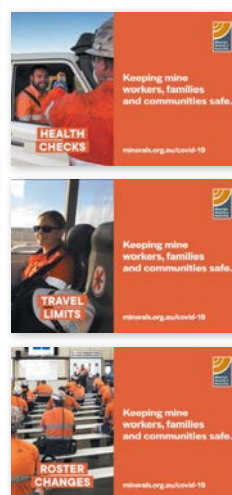
International border closures presented additional challenges. The MCA managed more than 25 essential travel-ban exemptions and immigration approvals for resources companies.

The MCA's effective advocacy to state and federal ministers' offices, health



COVID-19 SAFE

The MCA and NSW Minerals Council developed a print, digital and broadcast campaign to show how mining was keeping its workers and communities safe.



Those protocols were lifted and used around the world. We used them in Canada, through Ontario and Quebec, in Mexico, in Peru, in Argentina to work with governments as they were looking to get some industry back up and running to support their economies.

Tom Palmer
President and CEO
Newmont Corporation

The ACCC authorisation meant operations could continue safely and efficiently, and that companies could help local communities and health centres.

Demus King

MCA General Manager –
Trade and Investment

The guidance materials and practical company examples that we shared were sourced from the diverse range of mining operations across Australia.

Megan Davison

MCA Principal Adviser –
Safety and Health

An unwavering commitment to support the First Nations-led COVID-19 response nationally, and in host communities, underpinned industry's response.

Jillian D'Urso

MCA Principal Adviser –
Social Policy

We were acutely aware of industry's responsibility to sustain the economy: to keep people in jobs, local METS companies in business, government revenues flowing and above all communities safe.

Sid Marris

MCA Deputy Chief Executive

departments, Australian Border Force and immigration agents ensured essential travel occurred including:

- Outbound travel by Australian experts required to maintain operations overseas, including Pacific nations
- Expatriation and repatriation of the executive leadership of global mining companies
- Inbound and outbound travel to support critical foreign investment and operational decisions
- Travel critical to meeting contractual obligations and sustain customer relationships in key markets.

To date the MCA has been able to secure travel approvals for all applications submitted or resubmitted, and ensure the vaccinations necessary to protect the traveller, the operation and the Australian community.

The MCA's successful negotiations to ameliorate the Commonwealth and Queensland governments' precautionary ban on charter flights to and from mining operations in Papua New Guinea highlighted the high esteem governments and their

health professionals hold for industry's conduct, professionalism and safe practices. The model for PNG designed by member companies and the MCA is now broadly viewed as best practice by health officials in Queensland, NSW and other jurisdictions and will serve the industry during the transition to a post-pandemic world.

Collaborating to support for the First Nations-led health responses

Australian mining has a large Indigenous workforce, is a major customer of Indigenous businesses and has many operations located near communities and on First Nations land.

Partnering with Aboriginal and Torres Strait Islander landowners and communities to limit COVID-19 transmission risk and meet local needs was an early and enduring industry focus.

The MCA drove a national approach centered on supporting the First Nations-led community and health responses to meet local health, social, infrastructure and other needs where possible and practical. Another early focus was helping Aboriginal and Torres Strait Islander workers return to remote communities.

The MCA developed resources to minimise transmission risks and support local responses informed by active engagement with Aboriginal health experts including the National Aboriginal Community Controlled Health Organisation, Department of Health Indigenous Health Unit, and the Aboriginal and Torres Strait Islander COVID-19 Advisory Group.

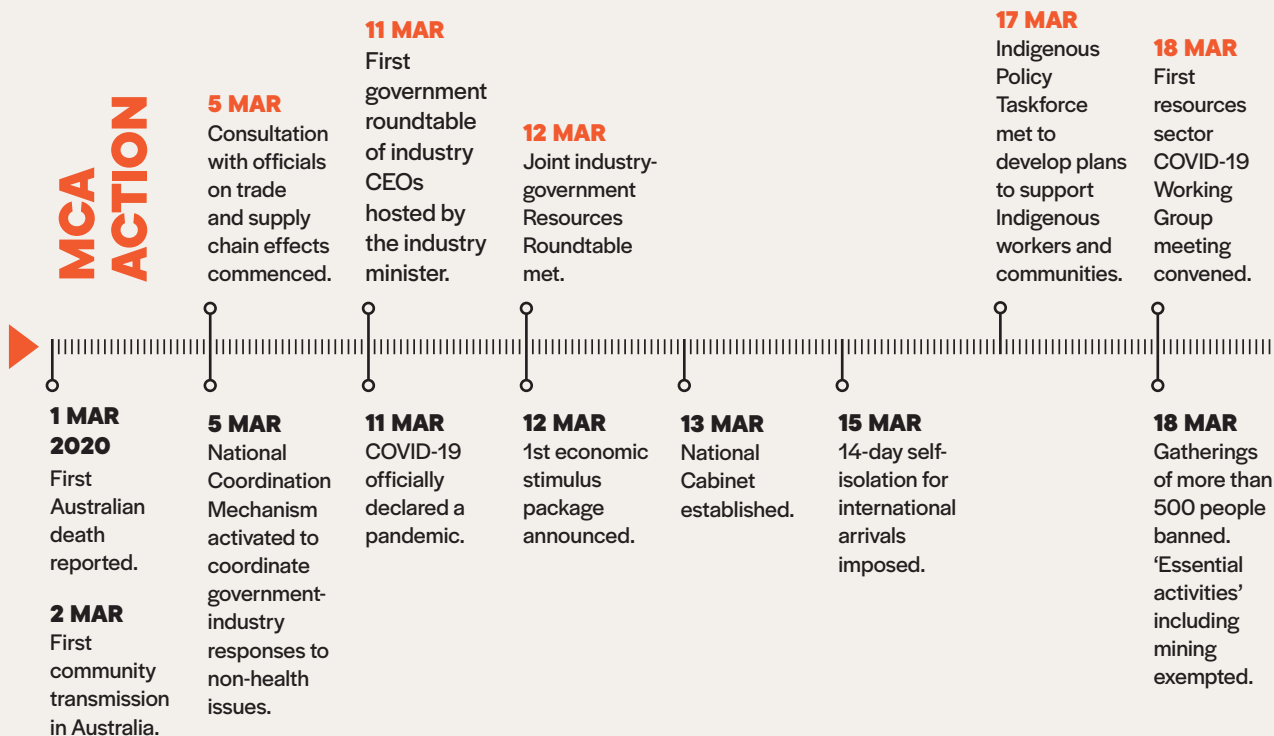
Applying a community-led, collaborative and long-term approach with transparent decision making reassured First Nations stakeholders and governments and sustained confidence in industry's comprehensive response.

The path to recovery

As Australia emerges from the pandemic, the strength of the resources sector, its safe and healthy workforce and the thriving regional communities in which it operates will enhance Australia's economic recovery.

The mining industry is well placed to maximise the opportunities of the gradual global recovery and to support a broad national economic recovery at home to the benefit of all Australians.

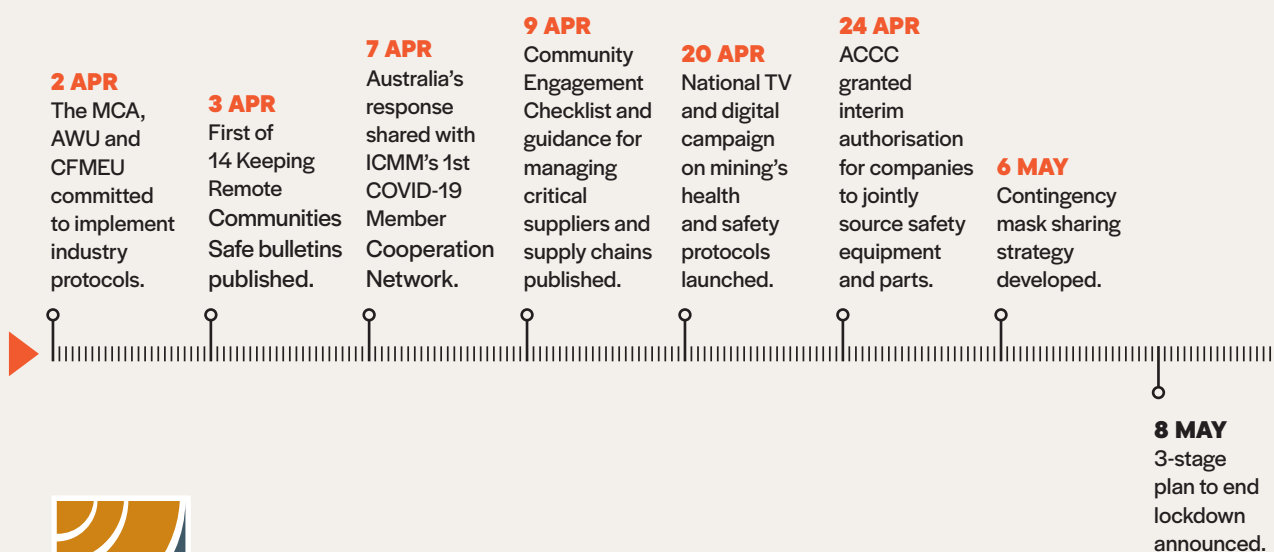
COVID-19 timeline

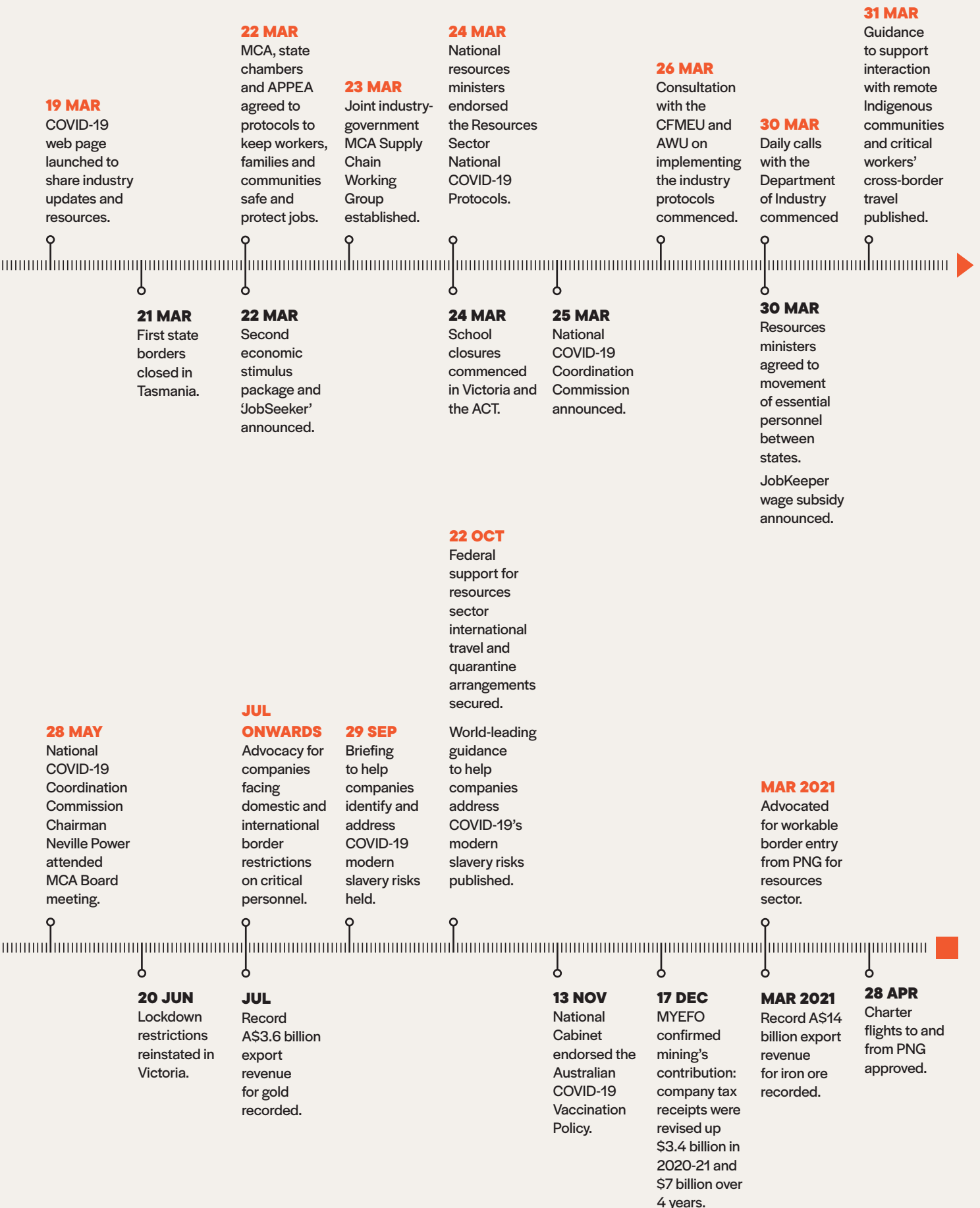


‘This has been one of the most far reaching, deadly and disruptive viruses in living memory. And the mining industry has really stepped up.’

Sandeep Biswas

Managing Director and CEO | Newcrest Mining Limited





Climate Action Plan looks towards net zero

The MCA Climate Action Plan demonstrates the Australian minerals industry's ongoing commitment to decarbonising the economy and addressing climate change.

The MCA Climate Action Plan was launched in June 2020 as a clear commitment to do the work needed to achieve net zero emissions, to share knowledge and experience across the minerals industry and to build on the initiatives already underway.

Sustained climate action across all nations is required to reduce the risks of human-induced climate change and to support world-wide decarbonisation and the transformation to a lower emissions future.

Despite the disruption of the global pandemic, member companies have continued to act on the climate challenge and prepare for future carbon-related risks and opportunities. Some of the ways companies are reducing emissions are highlighted in the *MCA Climate Action Plan Progress Report 2021*.

Committed to climate action

The MCA Climate Action Plan is made up of 10 actions (see next page) to support three core objectives:

1. Enabling the potential of technology to decarbonise the minerals sector
2. Increasing transparency in reporting
3. Sharing of practical knowledge on climate responses.

These actions are supported by 30 individual measures over a three-year rolling work program and assist member companies implement independent near and longer-term climate responses. These

responses will collectively enhance the sector's capacity to achieve net zero emissions.

The MCA Climate Action Plan is part of the MCA's commitment to helping member companies achieve their environmental, social and governance ambitions. This also includes the recent adoption of the Towards Sustainable Mining framework which supports member companies managing key environmental and social risks. The Climate Action Plan was purposefully designed to complement initiatives like TSM.

As the sector, and indeed Australia, continues to implement a technology-led transformation, it is becoming more widely recognised that the manufacture of cleaner energy and low emissions technologies is dependent on the supply of key metals and minerals, such as lithium and copper. This will continue to be a focus of investment and advocacy efforts.





ACTION 1

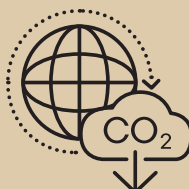
Enhance national and global discussions on low emissions technologies

and report on the potential of innovative mitigation and adaptation technologies.



ACTION 2

Define a greater role for the minerals sector in the global and national transformation to lower emissions.



ACTION 3

Support the development of policies and technologies to achieve least-cost abatement in order to help meet the net zero emissions goal of the Paris Agreement and maintain the competitiveness of energy-intensive and trade-exposed sectors.



ACTION 4

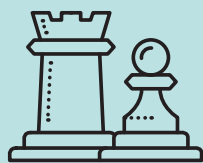
Understand the opportunities and risks of net zero emissions for the Australian minerals sector having regard to the Australian Government's commitments under the Paris Agreement and the aspirations set by the states and territories.



ACTION 5

Build the capacity of Australia's minerals sector relating to climate-related financial disclosures

(including from the Taskforce on Climate-related Financial Disclosure).



ACTION 6

Share member company approaches to scenario analysis and how it is being strategically used within the sector to address climate-related opportunities and risks.



ACTION 7

Engage in the ongoing development of current policies including the Safeguard Mechanism.



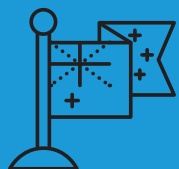
ACTION 8

Showcase commitments and practices in mining operations.



ACTION 9

Lead discussions on the opportunities of commodity stewardship.



ACTION 10

Positively engage in relevant climate agendas and public consultation processes including UNFCCC, Sustainable Development Goals (SDGs), Intergovernmental Panel on Climate Change (IPCC), as well as collaboration with relevant organisations.



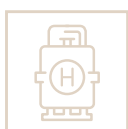
Batteries



Wind energy



CCUS



Hydrogen



Nuclear

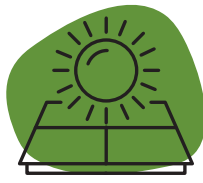


Solar cells



EV & hybrids

CLIMATE ACTION PLAN



TOWARDS SUSTAINABLE MINING

TSM advances MCA's sustainability agenda

Australia's minerals industry has adopted the Towards Sustainable Mining accountability framework to support the sustainability goals of the industry.

TSM is an award-winning accountability framework helping minerals companies evaluate, manage, communicate and improve their sustainability performance.

Established in 2004 by the Mining Association of Canada and adopted progressively by mining nations worldwide, TSM provides tools and indicators to help companies responsibly protect workforce health and wellbeing, manage environmental activities and impacts and engage with First Nations partners, communities and local groups.

The phased introduction of TSM as an expectation of MCA membership gives industry stakeholders additional information and confidence in the sector's site-level sustainability performance across a range of important practical measures and strengthens the MCA's Enduring Value framework.

TSM will also build on the industry's proud track record of improving its performance through the Climate Action Plan, Water Accounting Framework, tax transparency, support for the UN Sustainable Development Goals and First Nations partnerships.

The TSM guiding principles and protocols cover three core areas.

These are:

- Communities and people: Indigenous and community relationships, safety and health, crisis management and communication planning, preventing child and forced labour
- Environmental stewardship: biodiversity conservation management, tailings management, water stewardship
- Climate change: site-level targets and management.

Transparent and credible

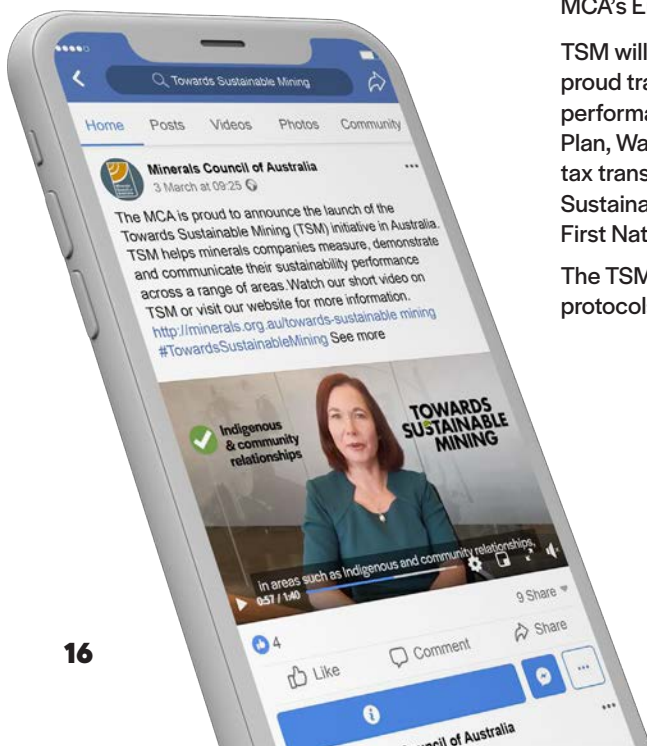
Consistent scoring indicators will allow companies to benchmark site performance against good practice while demonstrating meaningful improvements over time.

TSM will apply to all member companies with operating mine sites and related facilities. The first phase of the five-year implementation plan will adapt TSM for Australian requirements, establish governance arrangements and complete industry training and testing.

From 2025 operating members will be expected to assess and publicly report on their performance against TSM indicators. These results will be independently verified every three years.

TSM will be overseen and guided by a national independent Community of Interest (COI) multi-stakeholder advisory panel which will periodically review and update the protocols to ensure relevance and the evolution of good practice.

Company reporting, along with information on national industry performance, will be published on the MCA website.



MCA facilitates next steps for mining skills

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

The Mining Skills Organisation Pilot (MSOP) was announced as part of the Australian Government's \$585.3 million reform of the vocational education and training (VET) system, and formally launched on 7 May 2020 with the vision that vocational education and training become the pathway of choice for jobs in the minerals industry.

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

The work program

The MSOP Steering Group defined the objectives of the pilot to:

- Improve the quality and responsiveness of nationally recognised training for the mining industry
- Embed employers within the Australian VET sector architecture and functions
- Support the design and implementation of the broader national VET reform.

The MSOP established four project hubs to support these objectives and to drive training system improvement activities. These focus on apprentices, digital transformation, attraction and retention as well as a qualifications reform trial.

The MSOP complements the MCA's broader tertiary portfolio efforts. With demand for skilled workers growing across Australia as the mining production boom continues, the MCA has long advocated for more flexible, higher quality and responsive training and workforce development to build the minerals workforce of the future.

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

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

The road ahead

As seen during the COVID-19 pandemic, the capacity to be more responsive to industry requirements and implementing the pathways necessary to facilitate skills acquisition through a fast-to-market model is more important than ever. The pilot will deliver 1000 new apprentices which will form part of the 5000 new apprentices across the industry in the next few years.

Over the past 20 years, the MCA has invested over \$65 million into minerals-related tertiary programs on a national collaborative basis across Australia. Around 5,500 Australian graduates in minerals-related disciplines have benefited from industry funding which ensured a high quality of industry-ready professionals.

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

The MCA will facilitate the transition of the MSOP to its own legal entity – one of 15 skills enterprises. It will be broadened to include minerals, resources and energy, and will continue to work with stakeholders across industry, government and academia to deliver new objectives.



The MCA's new campaign, *Still backing small business*, shows mining's support for local businesses hard hit by COVID-19.



Communicating mining's contribution

There's more to Australian mining is one of the nation's biggest ongoing industry campaigns.

The MCA's *There's more to Australian mining* campaign – one of Australia's biggest ongoing industry campaigns – continues to achieve great value for MCA members.

During 2020, the national campaign featured ads showing how Australian gold is used in modern innovative healthcare.

The MCA's compelling creative executions achieved excellent digital results with around 4 million views on YouTube. Digital results on video completion and click-through rates were very strong, outperforming most industry performance benchmarks. The campaign also beat significant competition to take out the Australian Marketing Institute 2020 Award for Excellence in Insight-driven Marketing.

Community support

Based on the industry's outstanding efforts to support local communities, the MCA produced new ads to highlight local support during and beyond the COVID-19 pandemic by MCA member companies for small businesses and communities.

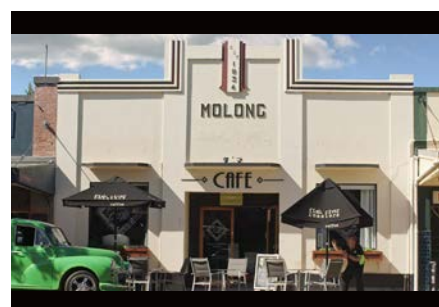
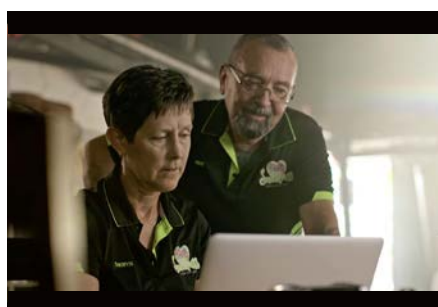
The ads were timed to complement company and state association campaigns and built on the joint MCA/NSW Minerals Council national campaign to show how the sector was working to protect workers, families and communities during the pandemic.

There was no shortage of positive news stories from MCA member companies on how the industry was supporting the local communities in which they operate.



■ HELPING SMALL BUSINESS

There's more to Australian mining's new campaign features small businesses supported by Newcrest's Business Beyond the Curve program.



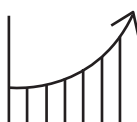
17 points



SUPPORT FOR MINING

Net support after seeing the ads increased to 17 points in August 2020 from 12 points in July 2019.

21 points



NET FAVOURABILITY

Net favourability after seeing the ads increased to 21 points in August 2020 from 14 points in July 2019.

12.8 million



CAMPAIGN VIDEO PLAYS

Campaign videos were played 12.8 million times in the first month of the campaign.

The MCA approached the new campaign with the objective of telling stories of industry support with a community voice to demonstrate positive outcomes for the community.

Following discussion with member companies, the MCA visited the thriving regional centre of Orange in February 2021 to produce a range of ads featuring businesses that had been supported by Newcrest's Business Beyond the Curve program.

The businesses were chosen on the basis of their potential to drive stronger awareness of the support mining companies give local communities.

Real stories

The MCA campaign uses trusted real stories from local people. The new ads use the tagline 'There's more to Australian mining – Still backing small business' and feature a wedding reception venue, café/general store, smallgoods manufacturer and family-owned start-up manufacturer. They went to air nationally from 11 April.

The MCA's media strategy will speak to regional and younger audiences to a greater degree than previously, along with increased use of targeted digital advertising and sports advertising.

Thanks to quality creative and an adept media buying strategy, the campaign started delivering great results from launch.

In its first 10 days, the campaign delivered more than 6 million impressions (the number of times MCA content was displayed) at an overall cost per thousand impressions of less than one-third of industry benchmarks.

In particular, shorter 10 second executions engaged strongly with the audience, with high click through rates (the percentage of viewers who clicked through to the MCA website) of 0.12 per cent – above the industry benchmark of 0.07 per cent.

A year of achievements despite the challenges

Sustaining operations through COVID-19

An essential industry for Australia:

Coordinated an immediate national resource sector response to the sudden onset of the COVID-19 pandemic ensuring governments recognised the sector as an essential industry and permitted continued operation.

Industry protocols: Developed strict national COVID-19 health and safety protocols and supporting guidance in partnership with state and territory chambers and the oil and gas sector to keep workers, families and communities safe and healthy, endorsed by all state, territory and federal resources ministers and health authorities and adopted as a template for other industries within Australia and in mining jurisdictions overseas.

Indigenous communities: Developed guidelines and tools to assist companies to support community-led responses to keep Aboriginal and Torres Strait Islander communities and populations safe from COVID-19.

Community supply chains: Contributed to government programs to secure and source essential supplies and services for resources operations and communities and promoted mining equipment technology and services companies that shifted to medical services, with the MCA appointed to the Commonwealth Government's advisory committee on resources-related manufacturing capability.

Supply chain security: Gained ACCC approval for an Authorised Arrangement to help miners work together to source and secure key inputs such as masks. Developed a practical guide to resources companies to ensure supply risks to business critical services and products were identified, assessed and managed.

Highlighted safety and business risks:

Surveyed industry to identify key safety and business risks resulting from domestic border controls, informed governments on specific risks to workplace health and safety, particularly mental health and reinforced the business continuity risks of not being able to mobilise the necessary skills and expertise within the country and globally.

Community engagement checklist:

Developed a COVID-19 community engagement checklist to encourage best practice when engaging and communicating with communities.

Practical support for domestic travel:

Developed and distributed material to support cross-border travel by essential and critical workers including a database of all federal and state control border control measures; a one-page advisory suitable for providing to local government, local health or law enforcement officials; a protocol compliance checklist; and a template company letter for essential travellers.

International travel arrangements:

Navigated international travel bans to move key people across international borders to overseas operations. Assisted members to navigate travel bans to enable international experts to enter and conduct specialist services at operations in Australia.

Policy settings to restore competitiveness

Safeguarding managerial prerogative:

Strongly opposed proposals to expand the capacity of third parties to intervene in industrial agreements and to impose federal regulatory requirements for FIFO and remote accommodation.

Advocating for non-distortionary

taxation: Persuaded the government to reconsider the arbitrary and counter-productive global turnover threshold for

the temporary full expensing of eligible depreciable assets and temporary loss carry-back rule announced in the 2020-21 Federal Budget.

Preserving fuel tax credits: Secured commitments from both the federal government and opposition that a critical business input to mining and regional economies will not be taxed.

Maintaining workforce availability:

Obtained a specific mining industry ATO ruling in relation to eligibility for fringe benefits tax exemptions for additional costs and changes to FIFO arrangements that member companies made in response to border restrictions in 2020.

Increasing investment certainty:

Participated in the Attorney-General's working group on greenfields agreements and substantiated the case for extending the allowable duration of greenfields agreements for major projects beyond four years.

Profiling the industry contribution:

Highlighted the significant company tax and royalty contribution by the industry which achieved record levels in 2019 through publication of an independent report by Deloitte Access Economics.

Facilitating tax knowledge and

networking: Delivered three online tax forums in 2020 in conjunction with member companies and the ATO.

Safe, healthy and respectful workplaces

Respect@Work:

- Established the Respect@Work Taskforce to determine the industry response to the Respect@Work Sexual Harassment National Inquiry Report delivered in March 2020.
- The MCA Board signed a statement of commitment to a new *Safe, Healthy and Respectful Behaviours Policy* which applies

an additional lens of psychological safety and respectful behaviours. The statement will be reviewed and re-signed annually.

- The MCA Board signed an additional statement committing to eliminating sexual harassment, acknowledging the risk of sexual harassment in the industry and the profound physical, emotional and psychological impacts that arise.
- Commenced drafting of an industry code to describe how the industry will implement the commitment, detailing the preventative actions a company can take and how to respond to incidents of sexual harassment and to be completed in early 2021. A comprehensive toolkit will also be available to support members.

Mental health: Commenced a review of the *Mental Health Blueprint* launched by the MCA in 2015 to assess progress on programs, training and technologies adopted by industry to inform and manage risks to mental health in the workplace.

Fatality taxonomy: Commenced a taxonomic approach to classifying fatalities based on a shared view of the mechanisms of fatalities (with each state and territory classifying fatalities and serious injuries differently, it is difficult to get a common understanding of the causes of fatalities and therefore how to target managing the risks and measure improvement).

Climate and energy policy

Climate Action Plan: Launched and commenced implementation of the Climate Action Plan to support member commitments and climate actions to drive rapid decarbonisation of the sector.

Climate-related financial disclosures: Supported a member-driven TCFD work plan to explore, better understand and help meet international community expectations of reporting transparency.

Practical advocacy: Engaged in a broad range of public policy discussions and evolving regulatory arrangements with particular focus on Safeguard Mechanism developments, Emissions Reduction Facility methodologies and mitigation technology.

International climate agenda: Shared understanding of international climate matters including ongoing implementation negotiations of the Paris Agreement, international commitments contained in Nationally Determined Contributions and the Sustainable Development Goals.

Environmental and social performance

Enhancing sustainability performance:

Committed to the adoption of the Canadian Towards Sustainable Mining system to support and demonstrate the industry's safety, environmental, social and governance performance and build government, community and investor confidence to support future access to land, markets and capital.

Indigenous partnerships:

- Led national engagement to listen, learn and act in response to concerns raised through the inquiry into matters relating to Juukan Gorge, including engagement with the First Nations Heritage Protection Alliance and National Native Title Council
- Hosted webinars, shared resources and tools to support the Industry and Indigenous Partnerships Community of Practice which brings together more than 100 participants to share strategies to enhance outcomes from minerals-related agreements
- Promoted industry's long-term actions to support inclusive development through Indigenous procurement and business development programs, leading industry response to Parliamentary inquiries into both Indigenous economic development and Traditional Owner participation in the development of northern Australia
- Contributed to a landmark Melbourne Business School study to quantify the economic and social benefits of preferential Indigenous procurement programs
- Strengthened partnerships with Indigenous Women in Mining and Resources Australia, the Stars Foundation, the Indigenous Australian Engineering School, the National Aboriginal Press Club and the Clontarf Foundation.

Modern slavery: Collaborated with global human rights and business advisory firm Pillar Two on tailored guidance to assist companies to update anti-slavery plans to reflect risks associated with the COVID-19 pandemic. The MCA also led industry engagement on the draft National Action Plan to Combat Modern Slavery and supported company reporting.

Native title: Secured Senate committee support for the passage of the Native Title Legislation Amendment Bill 2020 following several years of consultation and extensive industry input. The bill includes various industry-supported reforms including streamlined agreement-making processes.

Anti-corruption: Became a contributing partner to the public-private Bribery Prevention Network. The partnership includes an innovative and curated online hub bringing together leading practice anti-bribery and corruption resources for business.

National environmental law reform:

Led industry engagement into the 20 year review of the federal *Environment Protection and Biodiversity Conservation Act 1999*, coordinating national business groups and civil society to identify common reform priorities and engaging with government to address risks and ensure practical reforms.

National water reform: Led industry input in the Productivity Commission review of National Water Reforms to support water access arrangements that account for industry water use.

International leading practice:

Contributed to International Council on Mining and Metals activities including water reporting, a socio-economic benefits framework and social goal (skills) initiative.

Safe and continued transport of coal products:

Worked with regulators to ensure ongoing safe transport of coal products by sea and progressed national science-based exemptions for road and rail transport.

Effective mine closure: Supported the establishment of a Cooperative Research Centre for Transformation of Mining Economies aimed at improving mine closure outcomes, industry resources and policy settings to enable site relinquishment.

Tailings management: Engaged and provided input into the development of the global industry standard on tailings management, supporting member understanding by benchmarking the global standard against Australian requirements.

Developing the workforce of the future

Mining Skills Organisation Pilot:

Launched the pilot to trial innovative new approaches to skills development and acquisition to enhance the current training system and develop the skills required in the immediate and post COVID-19 employment landscape. The pilot centres on three project hubs covering apprenticeships, digital transformation and attraction and retention and is being co-funded by the MCA and the Australian Government. A fourth hub on qualifications reform was added in early 2021.

PRINCIPAL ACHIEVEMENTS //

Learning pathways for the modern mining sector: Invested in existing and new pathways to mining engineering education, in addition to the ongoing support for programs in extractive metallurgy and minerals geoscience.

Diversity and inclusion: Established a web page with case studies, videos, resources and research to promote and advance the industry's approach to diversity and inclusion.

A vigorous well-informed national debate on trade

Encouraging foreign investment: Worked with other groups to urge the government to maintain a regulatory framework for foreign investment that is competitive, transparent, efficient and proportionate.

Promoting mutually beneficial partnerships: Encouraged the Australian Government to pursue constructive dialogue with China and to help reduce geopolitical tensions that damage trade and investment. Contributed positively to the broader policy debate, including through submissions and a premier event featuring the Minister for Trade, Tourism and Investment.

Advocating for free trade: Worked with the Australian Government to support negotiations with the UK and EU, finalise negotiations for the Regional Comprehensive Economic Partnership, elevate Australia's partnership with ASEAN countries (including through the *New Frontiers* report) and pursue an enhanced economic engagement strategy with Vietnam and other rapidly growing economies.

Countering protectionism: Engaged with governments on the importance to investment and jobs of maintaining geopolitical stability and minimising trade barriers. Provided a submission to China's National Development and Reform Commission on China's coal law amendments and presented to an Australia-India partnership summit.

Unlocking new exploration opportunities: Persuaded the government to extend Geoscience Australia's Exploring for the Future program with funding of \$125 million over four years.

Coal

Coal during COVID: Highlighted the coal industry's importance during COVID-19 as a critical economic pillar in regional Queensland, New South Wales and Victoria as well as underpinning the National Electricity Market.

Expanding agency remit: Successfully advocated for the Australian Government to expand the remit of both the Australian Renewable Energy Agency and the Clean Energy Finance Corporation to include Carbon Capture Utilisation and Storage (CCUS).

Asian seaborne thermal coal demand: Commissioned an updated study by Commodity Insights showing that thermal coal demand in Asia Pacific is projected to continue to rise reflecting the importance of Australia's high quality thermal coal and the development of technologies such as CCUS.

CCUS bipartisan support: Obtained broad bipartisan support for CCUS through advocacy, representation and written submissions to the Technology Investment Roadmap and King Review.

Low Emission Technology (LET) Statement progress: Successfully advocated for recognition of Ventilation Air Methane Abatement and the Allam Cycle as technologies that may warrant future support and the establishment of:

- \$50 million CCS Deployment Fund targeted at large scale pre-commercial projects such as Glencore's CTSCo
- \$70 million Hydrogen Export Hub Fund
- \$95 million Low Carbon Materials Fund for hard to abate sectors such as steel and aluminium.

Australian Carbon Credit Units for CCUS: Successfully established a methodology development process to allow CCUS projects to access ACCUs.

Uranium

Promotion: Produced and showcased International Youth Nuclear Congress participant videos highlighting views on the future of the uranium and nuclear industries on the MCA's YouTube channel.

Social media campaign: Implemented a targeted social media campaign using infographics from the MCA's *Untapped Potential – The Case for Nuclear* publication and Youth Nuclear Congress videos.

EPBC Act reform: Successfully advocated for the Environment Protection and Biodiversity Conservation Act Interim Report to recommend basing the nuclear actions National Standard on ARPANSA codes and standards.

Gold

New Chair: A new Chair of the Gold Forum was appointed. Lisa Ali, Chief People and Sustainability Officer at Newcrest, will oversee activities in 2021. A new terms of reference for the Forum was also adopted by the MCA Board.

Focus on gold: The MCA continued its rollout of broadcast advertisements, including its flagship advertisement highlighting the increasing importance of gold in high tech healthcare.

Industry positioning

Campaign success: Increased net favourability and support for the mining industry via the *There's more to Australian mining* campaign. Net support rose by 17 points (up from 12 points in 2019) and net favourability increased by 21 points (up from 14 points in 2019) after people viewed the MCA's ads.

Campaign value: Increased the value of the campaign from \$2.8 million in purchased spots to around \$4 million with bonus spots worth an extra \$1.2 million of additional media value in on TV, radio and outdoor channels.

Campaign recognition: The *There's more to Australian mining* campaign won the Australian Marketing Institute 2020 Insight-Driven Marketing award for marketing excellence.

Hitting the digital mark: The campaign's digital results on video completion, click-through rates and delivery costs in particular were very strong, outperforming most industry performance benchmarks by a significant margin. The MCA's healthcare/gold ads have now been viewed a total of 4.98 million times on YouTube.

Advocacy plan: Documented the MCA's policy priorities in a new publication *Advantage Australia* (published early 2021) to support MCA advocacy to governments, prospective member companies, other business groups, investors and civil society.

Promoting key issues: Targeted younger Australians with mini-campaigns through digital advertising on nuclear power and

mine rehab/wildlife protection achieving above industry benchmarks for digital performance.

Influential publications: Published *Australian mining: Industry snapshot*, the *New Frontiers* ASEAN trade report, *Commodity Insights' Seaborne Thermal Coal: Asian Demand Forecast to 2030*, *Respecting Human Rights: Guidance to assist mining companies to identify and manage modern slavery risks associated with the COVID-19 pandemic*, *Mineral sands: From ancient oceans to modern technology*, the *Northern Territory Minerals Industry Strategy 2020-24* and the MCA Victoria and the Victorian Farmers Federation *Land Access Guide*.

MCA Policy Roundtable: Company executives met in Canberra with key policy makers including the ministers and shadow ministers for resources and the environment.

2020 Women in Resources National Awards online presentation: Hosted and presented the awards in partnership with the state resources chambers to celebrate the diverse, highly paid, highly skilled career opportunities in the sector and to identify and promote a wide array of ambassadors, mentors and role models for women and girls considering resource sector careers.

MCA Budget Week Resources Forum: Hosted and webcast the Minister for Resources, Water and Northern Australia the Hon Keith Pitt MP and Shadow Minister for Agriculture and Resources the Hon Joel Fitzgibbon MP at the National Press Club of Australia with MPs from every state and territory, member company executives and senior government officials in attendance.

MCA webinar series: Webcast a series of political briefings with shadow ministers for MCA company representatives plus policy briefings on issues including the Global Tailings Standard, the Towards Sustainable Mining framework, human rights and *Trade, Investment and the US-China Relationship*.

Membership growth: Welcomed ten new members including miners, explorers, developers and associates across a range of commodities and services.

Supporter growth: The Friends of Australian Mining supporter network grew strongly through the year with total subscribers now at almost 20,000.

Strong partnerships: Continued effective partnerships with the Clontarf Foundation and the National Rock Garden while

building new partnerships with the Stars Foundation, National Aboriginal Press Club, Prostate Cancer Foundation of Australia and MATES in Mining.

Media engagement: Published 82 media releases and a number of opinion editorials; the MCA's responses were included prominently in a range of media articles throughout the year and the MCA engaged broadly with commentators, opinion leaders, mining specialist reporters and media outlets and the Federal Parliamentary Press Gallery.

Mining equipment technology and services sector partnership

The mining and METS ecosystem: Re-engaged with national and regional representative bodies and continued to showcase METS companies and their role in contributing to Australian mining and export opportunities for manufacturing and services.

Critical minerals: Gained support for more flexible operation of government-backed loan facilities around critical minerals development generally and in Northern Australia specifically.

Building resilience: Contributed to government policies steering the renewal of manufacturing capability, including via the MCA's appointment to key advisory bodies during the onset of the pandemic and planning for the post-pandemic environment.

Supply chain: Engaged with METS companies on supply of personal protective equipment and health and hygiene training, including securing agreement with suppliers and the Australian Competition and Consumer Commission for collective bargaining authorisations.

Information base: Worked with national and regional METS organisations to design and deliver an updated survey of METS companies and commissioned new economic research.



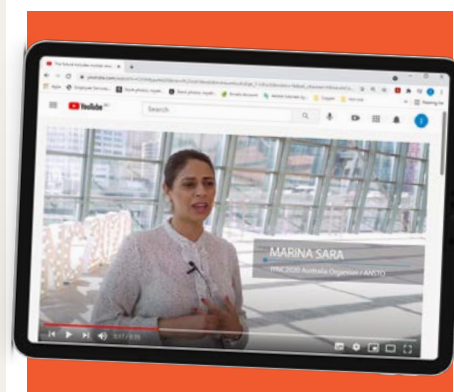
BUDGET WEEK RESOURCES FORUM

Board member Amanda Lacaze onstage with Shadow Minister for Agriculture and Resources the Hon Joel Fitzgibbon MP and Minister for Resources, Water and Northern Australia the Hon Keith Pitt MP at the National Press Club of Australia in October.



WOMEN IN RESOURCES

Board member Tyler Mitchelson with the 2020 Maptek Women in Resources Technological Innovation Award winner, Larnie Mackay.



UNTAPPED POTENTIAL

Nuclear energy was the focus of a digital campaign featuring interviews with participants at the International Youth Nuclear Congress.

James Sorahan
Executive Director
MCA Victoria



An active agenda for the future

Victoria experienced growth in exploration and production in 2020, despite challenges brought about by COVID-19.

Despite the challenges of the pandemic, MCA Victoria strengthened the industry's profile, increased membership, worked with government to ensure the continued safe and efficient operation of the sector through the extended lockdown in Victoria, and achieved outcomes in critical policy areas for mining covering environmental regulation and community engagement.

Importantly, the Victorian minerals sector operated in a way that protected the safety of workers and communities following the MCA/APPEA development of the Resources Sector National COVID-19 Protocols.

Advocacy in the regions

Advocacy efforts were particularly focused on central Victoria, the Wimmera and Ballarat as well as Eastern Victoria.

In addition to welcoming five new members, MCA Victoria stepped up its on-the-ground advocacy, attending local government and community events.

Multiple articles were published throughout the year with MCA highlighting the significant contribution of exploration and mining, particularly in the regions.

Mineral sands

The MCA launched a booklet featuring Victoria's mineral sands projects to serve as a resource for local communities on the mining process, rehabilitation techniques and products mineral sands make possible, such as wind turbines, magnets and lithium batteries as well as titanium medical implants.



■ James Sorahan and young leaders at the Wimmera Leadership Program presentation dinner in Horsham.

MCA Victoria mineral sands companies took part in a delegation to Canberra to meet with MPs and Senators to build awareness of the opportunities in mineral sands in the state and policy issues relevant to the sector.

Legislative agenda

The MCA lodged multiple submissions, reviews and consultation processes on a range of issues and to facilitate exploration and minerals development in Victoria including on the *Nuclear Prohibition Act*, rehabilitation bond reform, parliamentary inquiry into ecosystem decline, integration of new environmental protection requirements in the planning scheme and the Skills for Victoria's Growing Economy Review.

Promoting excellence

MCA Victoria published a community partnerships document showcasing initiatives that mining and exploration support in regional communities.

MCA Victoria hosted a Responsible Explorers Workshop in October to share best practice on community engagement.

In partnership with the Victorian Farmers Federation, an updated Land Access Guide was released to support explorers seeking access to farmers' land and to provide a guide to landowners on their rights and responsibilities regarding minerals exploration on their land.

MCA Victoria hosted the 4th Victorian Women in Resources Awards. While the lockdown prevented an in-person awards ceremony, winners attended an online meeting with the Minister for Resources, The Hon Jaclyn Symes.

Attracting the next generation

MCA Victoria supported the Western Victoria career online expo, as well as education initiatives through funding for the Teacher Earth Science Education Program and sponsorship of the Science Talent Search Awards. Initiatives such as these form part of MCA Victoria's ongoing commitment to supporting earth sciences education across the state.

MCA Victoria also proudly sponsored the 2020 Wimmera Leadership Program to support development of leadership skills for young professionals in regional Victoria.



Industry optimistic after uncertain year

2020 demonstrated the resilience and ingenuity of NT mining and produced new optimism about the industry's contribution into the future.

While production was steady, the importance of mining to the Territory grew in significance, increasing from 22 per cent to 27.5 per cent of gross state product.

Constrained operations and movement restrictions provided hurdles, but industry adapted and responded. The national resource sector health and hygiene protocols for protecting workers and communities across Australia were first developed in conjunction with the NT Government before being endorsed by National Cabinet.

New Opportunities

The MCA NT's advocacy agenda as outlined in the strategic plan *There's more to Territory mining* focused on the need to promote and approve projects to provide new jobs and generate wealth. Government responded to this agenda with new commitments on promoting investment and clearing the approvals log-jam. As many industries declined, the minerals sector pushed on with strategic projects that will hopefully come to fruition soon.

These projects featured prominently in the Territory Economic Reconstruction Commission's report into how the Territory could rebuild after the pandemic.

During the year projects including gold, rare earths, phosphate, lithium, bauxite and manganese gained approvals to move to the next stage of expansion or development. This has positioned the industry well to be able to take advantage of investment opportunities in the future as policy frameworks are defined and finalised.



■ The MCA NT's Darwin Mining Club hosted the Northern Territory Leaders' Pre-election Panel Discussion lunch in August.

Exploration

Exploration investment was hit hardest during this period with access to land and technical skills and equipment not available. While exploration spending fell, work focused more keenly on defining potential within known reserves.

Explorers leveraged the work undertaken by Geoscience Australia across the Barkly Tablelands that had identified previously untapped resources for future development and also used the precompetitive geoscience data from the Northern Territory Government's co-funded drilling program.

Ongoing reviews

2020 saw a series of government review on a range of topics such as

land access, project approvals and mine closure. MCA NT argued strongly that meeting community expectations and delivering economic growth comes from a strong partnership.

As these reviews are finalised in 2021, the MCA NT is hopeful that an expanded partnership can emerge.

A major overhaul in environmental protection was rolled out in stages through 2020 and will see the proposed management of approval processes transferred from the *Mine Management Act 2001* to the *Environment Protection Act 2019*. Much of the MCA NT advocacy efforts were centred on ensuring stability during the change and improving the efficiency of processes.

Future outlook

The Territory remains poised for significant expansion. As reviews are finalised, exploration defined and certainty provided for investment, there will be an increase in both brown and greenfield developments, in traditional commodities and exciting new ones. The deployment of new technologies will create more efficient and more sustainable operations.

With market confidence, the right regulatory frameworks and ongoing demand sustaining prices, the sector is set for expansion – an expansion that will provide opportunities and jobs across rural and regional areas of the Territory for the benefit of all Territorians.

New course for mining engineering education

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

The primary reason for industry support is to engage with university schools and departments offering specialist minerals-related higher education programs on a nationally collaborative basis. Such financial investment can support, but cannot sustain, these programs. MCA funding is in excess of \$65 million since 2000 for programs which have benefited approximately 5,500 graduates.

A key role of MTEC has been 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 across a number of Australian universities. However, a significant recalibration of the industry's relationship with the university sector (to modernise courses, content and delivery to provide the knowledge and skills needed

in the redesigned workplaces of the future) necessitated a change in how MCA funding through MTEC is directed.

During 2020, in addition to the ongoing support for programs in extractive metallurgy and minerals geoscience, the MCA piloted three new tertiary programs to create the professionals the modern mining sector needs. These include modernising the undergraduate mining engineering curriculum to better reflect the graduate attributes required by industry, improving the content for the associate degree in mining engineering to increase paraprofessional pathways, and creating an industry first mining microcredential package providing contemporary and emerging mining insight to a broader community of interest.

This investment of \$1 million charts a new course for mining engineering education for the modern mining sector in Australia.

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

Mining engineering curricula

The MCA and MTEC support existing pathways and in 2020 invested in two curricula pilots to analyse, review, refresh and test curriculum to reflect contemporary skills needs.

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

Curtin University conducted an overhaul of the undergraduate curriculum in mining engineering, established through extensive consultation with industry and community partners.

First year engineering initiative

The MCA and University of New South Wales are undertaking a student recruitment pilot to attract current first year engineering students yet to decide their major to the mining engineering stream.

The pilot will take the form of industry lectures to the first year engineering cohort (including from recent mining graduates in industry), a promotional email campaign and a field trip to Hunter Valley mining operations.

Extractive metallurgy and minerals processing

The Metallurgical Education Partnership (MEP) is a formal partnership funded by MTEC and its partner universities (the University of Queensland, Curtin University



During 2020, the MCA piloted three new tertiary programs to create the professionals the modern mining sector needs.



■ FUTURE GEOLOGISTS

The National Exploration Undercover School (NEXUS) was founded in 2016 to develop the next generation of geologists. The three-week summer schools are funded by industry and administered by the University of Adelaide.



and Murdoch University) for collaborative teaching of the capstone metallurgical process and plant design course for fourth year engineering undergraduate students.

Industry contribution continued in 2020 by way of a week-long industry masterclass attended by all students and supplying real industry data for the student projects. MEP produces 100 per cent of all four-year trained Australian extractive metallurgists nationally with long term graduate numbers of approximately 30 per year.

Minerals geoscience

The National Exploration Undercover Schools (NEXUS) is a prestigious minerals geoscience summer school established by MTEC for tomorrow's leading mineral explorers and hosted by the University of Adelaide as a collaboration of universities, government and industry partners. It delivers a truly world-class national program of training for 30 enthusiastic and engaged

students wanting to acquire specialist minerals geoscience skills. Places are also made available to Geoscience Australia early-career staff.

By the end of 2020, there will be over 150 NEXUS alumni. The industry benefits from a cohort of students keen to pursue careers in the minerals industry. Students came from every state and territory, with many MCA members providing industry sessions as part of the program.

Minerals industry national associate degree

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

Micro-credential package

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

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

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

Member committees drive MCA policy agenda



Safety and Sustainability Committee

Driving sustainability performance

The committee led the review of leading global environmental, social and governance performance systems culminating in the MCA's adoption of the Canadian Towards Sustainable Mining system. TSM will enhance community and investor confidence in the industry's ESG performance.

The committee also led the industry response to the second ten-year review of the *Commonwealth Environment Protection and Biodiversity Conservation Act 1999*, advocating reforms to streamline and improve the operation of the Act for more efficient project approvals, while enhancing environmental outcomes.

Safety and health was a major focus, including the industry response to COVID-19, an updated safe, healthy and respectful workplaces policy and an industry commitment to eliminating sexual harassment.

Next steps:

- Adapt and implement TSM for Australia
- Continue to advocate for reforms to improve the operation of national environmental law
- Develop an industry code and toolkit to prevent sexual harassment and update the MCA mental health blueprint.



Tax Committee

Protecting industry from adverse tax changes

The Tax Committee engaged with federal and state treasurers and treasury departments in pursuit of no adverse tax or royalty changes. A particular focus was protecting the fuel tax credit. The committee reinvigorated the Fuel Tax Credit Alliance advocacy vehicle and organised a letter to all federal politicians signed by 15 industry associations, outlining the importance of the FTC.

In addition, committee submissions and meetings with the federal Treasurer were successful in having the temporary full expensing stimulus measure eligibility widened to include a number of member companies. The committee also held three online tax update and education seminars for member companies including a discussion with Shadow Treasurer Dr Jim Chalmers MP.

Next steps:

- Showcase mining's contribution to economic growth and demonstrate growing tax and royalty revenue streams to governments
- Follow international developments led by the OECD and supported by the G20 finance ministers in relation to a global minimum tax and environmental taxes
- Respond to developments in relation to transparency of tax reporting.



Economic Reform Committee

Advocating policies to accelerate recovery

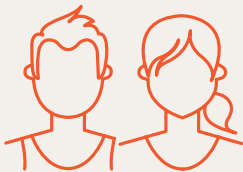
The MCA advanced five immediate reform priorities for post-COVID recovery that were reflected in the government's agenda. The Economic Reform Committee hosted briefings from the Office of the Attorney-General, the Shadow Assistant Minister for Defence and the Chair of the Foreign Investment Review Board. The MCA successfully argued for Treasury to conduct a statutory review of foreign investment arrangements.

The MCA substantiated the case for reform in the Attorney-General's greenfields agreement working group. The government subsequently proposed to permit greenfields agreements of up to eight years for major projects without limiting existing agreement options.

Next steps:

- Encourage the government to re-prosecute reforms to enterprise bargaining and greenfields agreements
- Highlight the importance of flexible working arrangements to industry competitiveness
- Clarify the regulatory framework for international investment, helping to improve trade relations with China and increasing resources trade representation.

There's more to Australian Mining



Workforce and Innovation Committee

Multi-year strategy for future-ready workforce

The committee progressed the multi-year strategy to attract, develop and retain a diverse and inclusive workforce. Advances in technology, opportunities for workplace flexibility (enhanced by COVID-19) and the impact of automation on future labour requirements, workforce composition and geographical location reinforced this need.

The committee supported and participated in the MCA-funded mining engineering curricula pilots and a microcredential package to achieve the right educational outcomes and pathways for the current and future workforce. The committee also continued work to complement and enhance current member diversity and inclusion initiatives and strategies.

Next steps:

- Apply lessons from the curricula pilots at a national level and actively address mining engineering enrolments
- Deliver an industry of choice framework and showcase industry action and commitment to diversity and inclusion
- Capture committee expertise to support delivery of the MCA-led Mining Skills Organisation Pilot.



Energy and Climate Change Committee

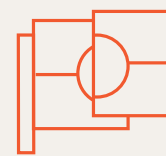
Implementation of the MCA Climate Action Plan

The committee oversaw the public launch of the MCA Climate Action Plan which complements MCA member companies' climate responses and is a plan of action to help facilitate a rapid pathway to net zero emissions in support of the climate goals of the Paris Agreement.

The MCA also made multiple submissions to government consultations including on the Emissions Reduction Fund methodology on carbon capture and storage; the Emissions Reduction Assurance Committee on waste coal mine gas; the treatment of end of mine life rehabilitation under the Safeguard Mechanism; the Australian Government's Technology Investment Roadmap; and the House of Representatives Standing Committee on the Environment and Energy inquiry into National Greenhouse and Energy Reporting of scope 3 emissions.

Next steps:

- Continue the implementation of the first year MCA Climate Action Plan workstream
- Commence the second year MCA Climate Action Plan workstream
- Advocate for efficient policies and programs to support affordable, secure and reliable power with fewer emissions, technology innovation and development, and access to cost-effective abatement.



Indigenous Partnerships Committee

Industry plan to guide respectful partnerships

Established in September, the committee is focused on ensuring First Nations partnerships have as important and consistent a profile across the sector as workplace health and safety.

The board endorsed the committee's comprehensive industry plan to support strong and respectful local Traditional Owner partnerships in March. A major part of the plan is advancing industry capability, systems and reporting, including through TSM. The plan will also guide MCA contributions to heritage protection regime modernisation and support for a more equitable, stable and practical native title regime.

Next steps:

- Release an industry statement of commitment to Indigenous partnerships, emphasising the importance of senior industry engagement, sectoral capability and support for First Nations-led community development
- Lead co-adaption of First Nations aspects of TSM for Australia with a strong focus on equal partnerships on common priorities, heritage protection and transparency
- Support industry cultural heritage protection education, with a focus on ongoing dialogue, engagement and Traditional Owner access to country.



Coal Forum

Coal plays key role in economic recovery

The Coal Forum continued to communicate coal's major contribution to investment, high skilled and high value jobs, exports, energy security and government revenues. The industry's actions to protect workers, families and communities during the pandemic enabled it to keep people in work, mines running and domestic electricity and exports flowing.

Advocacy efforts included contributing to a coal special report in *The Australian*. The Forum also provided submissions to the federal government on low emissions coal technologies, such as carbon capture and storage and hydrogen production with CCS, paving the way for the coal industry to play its part in global decarbonisation.

Next steps:

- Provide accurate information on the quality underpinnings of Australia's metallurgical and thermal coals
- Explain how export receipts from coal and other mineral commodities will help underpin Australia's economic recovery from COVID-19 and assist Asian economies in their recovery
- Continue to work with the industry's initiatives on CCS and other low emissions coal technologies.



Gold Forum

Exploration the key to future success

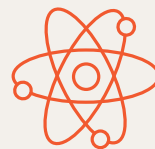
The MCA continued to work with government agencies to improve their understanding of the Australian gold industry and its role in the economy.

Liaison with the Department of Industry, Innovation and Science led the department to update the status of several gold mining projects and outlook for investment in its Resources and Energy Major Projects report.

The forum appointed Lisa Ali as its new Chair in September 2020. Lisa is the Chief People and Sustainability Officer at Newcrest Mining and brings her extensive resources sector experience to the role.

Next steps:

- Establish a series of working groups to improve government relations, lift gold's public profile and promote gold as an investment asset in 2021
- Showcase the gold industry's important role in supporting communities during the COVID-19 pandemic.



Uranium Forum

Ramped up nuclear energy advocacy

The Uranium Forum conducted a targeted social media campaign during the second half of 2020 which included interviews conducted at the International Youth Nuclear Congress held in Sydney and infographics from the *Untapped Potential – The Case for Nuclear* publication.

The forum continues to work closely with political, media and industry stakeholders to promote a considered discussion of nuclear energy such as that contained in the Australian Government's Technology Investment Roadmap.

Next steps:

- Publish *Small Modular Reactors in the Australian Context* in the second half of 2021. This will continue the MCA's focus on advocating for advanced nuclear technologies
- Highlight Australian uranium's role in decarbonising global energy production as part of the on-going campaign to normalise uranium mining
- Continue to advocate for the removal of the nuclear ban in the EPBC Act.

MCA committees

As at 31 December 2020

Economic Reform Committee

Chair: Tyler Mitchelson // Anglo American

Co-chair: Felicity Hughes // Newmont Australia

The Economic Reform Committee develops and advocates policies that encourage an internationally competitive minerals industry in Australia.

Energy and Climate Change Committee

Chair: Mike Erickson // AngloGold Ashanti Australia

Co-chair: Cass McCarthy // Glencore

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

Safety and Sustainability Committee

Chair: Alex Bates // Newmont Australia

Co-chair: Michael Wright // Thiess

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

Taxation Policy Committee

Chair: Dominic Smith // Glencore

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

Workforce and Innovation Committee

Interim chair: Tania Constable // Minerals Council of Australia

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

Indigenous Partnerships Committee

Chair: Julian Farrugia // Glencore

Co-chair: Libby Ferrari // BHP

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

Coal Forum

Chair: Paul Flynn // Whitehaven Coal

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

Gold Forum

Chair: Lisa Ali // Newcrest

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

Uranium Forum

Chair: Mike Young // Vimy Resources

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

MCA NT Council

Chair: Sam Strohmayer // Glencore Zinc Assets Australia

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

MCA Victoria Council

Chair: Paul Currie // GHD

The MCA Victoria Council works for the health and safety of the minerals workforce and advocates clear, streamlined state government policies that support the development of the minerals sector in Victoria.

Board of Directors

As at 31 December 2020

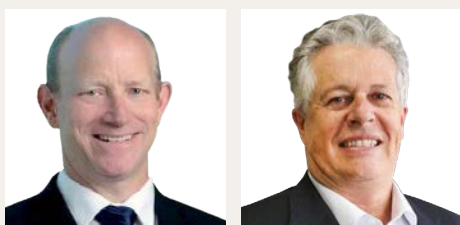


The Hon Helen Coonan // Chair



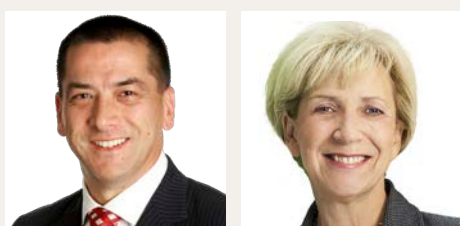
Mr Sandeep Biswas // Vice Chair

Managing Director and Chief Executive Officer
Newcrest Mining



Mr Tyler Mitchelson // Vice Chair and Chair, Economic Reform Committee

Chief Executive Officer
Anglo American Metallurgical Coal



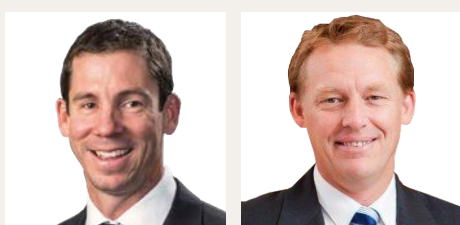
Mr Edgar Basto

President Minerals Australia
BHP



Mr Alex Bates // Chair, Safety and Sustainability Committee

Regional Senior Vice President
Newmont Australia



Mr Mike Erickson // Chair, Energy and Climate Change Committee

Senior Vice President
AngloGold Ashanti Australia



Mr Paul Flynn // Chair, Coal Forum

Managing Director and Chief Executive Officer
Whitehaven Coal

Ms Amanda Lacaze

Chief Executive Officer and Managing Director
Lynas Rare Earths



Mr David Moulton

Chief Executive Officer
Yancoal Australia



Mr Gary Nagle

Head of Global Coal Assets
Glencore



Mr Ivan Vella

Interim Chief Executive – Iron Ore
Rio Tinto

Mr Michael Wright // Co-Chair, Safety and Sustainability Committee

Executive Chairman
Thiess

Mr Darren Yeates

Executive Vice President and Chief Operating Officer
Peabody

Mr Mike Young // Chair, Uranium Forum

Managing Director and Chief Executive Officer
Vimy Resources

Member companies

As at 31 December 2020

FULL MEMBERS

- ▶ Albermarle Limited
- ▶ Anglo American
- ▶ AngloGold Ashanti Australia
- ▶ Arafura Resources
- ▶ BHP
- ▶ Boss Resources
- ▶ Bravus Mining & Resources
- ▶ Cameco Australia
- ▶ Cauldron Energy
- ▶ Core Lithium Limited
- ▶ Dart Mining NL
- ▶ Deep Yellow
- ▶ Donald Mineral Sands (Astron Ltd)
- ▶ Downer EDI Mining
- ▶ Energy Resources of Australia
- ▶ EnergyAustralia
- ▶ Fosterville South Exploration
- ▶ GBM Resources
- ▶ Golden Point Group
- ▶ Gulkula Mining Company
- ▶ Glencore Australia Holdings
- ▶ Heathgate Resources
- ▶ Idemitsu Australia Resources
- ▶ Jellinbah Group
- ▶ Kalbar Resources
- ▶ Kirkland Lake Gold
- ▶ Lynas Rare Earths
- ▶ Macmahon Holdings
- ▶ Mandalay Resources
- ▶ Mawson Gold Limited
- ▶ Murray Zircon
- ▶ Navarre Minerals
- ▶ New Hope Corporation
- ▶ Newcrest Mining
- ▶ Newmont Australia
- ▶ Omya Australia
- ▶ Paladin Energy
- ▶ Peabody Energy Australia
- ▶ Pembroke Resources
- ▶ Providence Gold & Minerals
- ▶ Rex Minerals
- ▶ Rio Tinto
- ▶ Stawell Gold Mines
- ▶ St Barbara
- ▶ The Bloomfield Group
- ▶ Thiess
- ▶ TNG Limited
- ▶ Toro Energy
- ▶ Verdant Minerals
- ▶ Vimy Resources
- ▶ Vista Gold Australia
- ▶ Westrock Minerals
- ▶ Whitehaven Coal
- ▶ WIM Resources
- ▶ Yancoal Australia
- ▶ Hastings Deering
- ▶ Herbert Smith Freehills
- ▶ Komatsu Australia
- ▶ KPMG Australia
- ▶ MinterEllison
- ▶ Mitsubishi Development
- ▶ NSW Minerals Council
- ▶ Orica Australia
- ▶ PanAust
- ▶ Power and Water Corporation
- ▶ PricewaterhouseCoopers Australia
- ▶ Queensland Resources Council
- ▶ South Australian Chamber of Mines and Energy
- ▶ Sparke Helmore Lawyers
- ▶ Tasmanian Minerals and Energy Council
- ▶ True North Strategic Communication
- ▶ Westrac

ASSOCIATE MEMBERS

- ▶ AECOM Australia
- ▶ AMC Consultants
- ▶ ANSTO Minerals
- ▶ Ashurst
- ▶ Aurizon
- ▶ Bechtel Australia
- ▶ Chamber of Minerals and Energy of Western Australia
- ▶ Corestaff NT
- ▶ Cummins South Pacific
- ▶ Dyno Nobel
- ▶ ECOZ Environmental Services
- ▶ Ensolve
- ▶ EY
- ▶ GHD



Fosterville Gold Mine, Victoria

Australian mining companies took swift and comprehensive action to protect workers, families and communities safe.

Annual financial report

Year ended 31 December 2020

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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 8 April 2021. The directors have the power to amend and reissue the financial statements.

ABN 21 191 309 229

Directors' report

Minerals Council of Australia

Your directors present their report on the Minerals Council of Australia (MCA) for the year ended 31 December 2020.

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 M Erickson	Mr M Wright
Mr S Biswas	Mr P Flynn	Mr M Young
The Hon H Coonan	Mr T Mitchelson	

Mr D Moulton, Ms A Lacaze, Mr E Basto, Mr D Yeates, Mr S Trott and Mr E Melamed were appointed as a director on 6 April 2020, 10 April 2020, 16 June 2020, 20 November 2020, 24 March 2021 and 24 March 2021 respectively and continue in office at the date of this report.

Mr I Vella was appointed as a director on 14 October 2020 and retired on 10 February 2021.

Mr R Schmidt, Mr B Vassie, Mr M Henry, Mr C Salisbury, Mr C Meintjes and Mr G Nagle retired as directors on 8 March 2020, 6 April 2020, 28 May 2020, 11 September 2020, 18 September 2020 and 22 February 2021 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:

- Coordinating an immediate national resource sector response to the sudden onset of the COVID-19 pandemic – including the development of strict national COVID-19 health and safety protocols and supporting guidance in partnership with state and territory chambers and the oil and gas sector to keep workers, families and communities safe and healthy – and ensuring governments recognised the sector as an essential industry and permitted continued operation.
- 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.

Other than responding to the COVID-19 pandemic, there was no significant change in the nature of the activity of the MCA during the period.

Operating results

The MCA derives its income primarily through members' subscriptions which, over time, approximate expenditure of the MCA. The operating surplus for the year ended 31 December 2020 was \$1,485,094 (2019: \$23,055).

Information on directors

Mr E Basto B.Sc.Eng (Metallurgical)
President Minerals Australia | BHP

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

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

The Hon H Coonan BA, LLB
Independent Chair

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

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

Ms A Lacaze BA, DipM, MAICD
Chief Executive Officer and Managing Director
Lynas Rare Earths Limited

Mr E Melamed B.Com, B.Acc, ACA
Head of Global Coal Assets | Glencore

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

Mr D Moulton CEng (Mining), MBA, FAusIMM, FIMMM, MAICD
Chief Executive Officer | Yancoal Australia Limited

Mr S Trott BSc (Hons), GradDipFinInv, AICD
Chief Executive Iron Ore | Rio Tinto

Mr M Wright B.Eng (Civil), M.Eng.Sc
Executive Chairman | Thiess

Mr D Yeates B.Eng (Mining), Grad Dip in Mgmt, Grad Dip in Applied Fin & Invest., MBA, FAICD
Executive Vice President and Chief Operating Officer
Peabody Energy

Mr M Young B.Sc (Hons) – Geological Science
Managing Director and CEO | Vimy Resources Limited

Meetings of directors

There were five meetings of the MCA's directors held during the year ended 31 December 2020. 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	9	8
E Basto	4	4
S Biswas	9	7
H Coonan	9	9
M Erickson	9	8
P Flynn	9	8
M Henry	5	4
A Lacaze	7	7
C Meintjes	7	4
T Mitchelson	9	7
D Moulton	7	5
G Nagle	9	9
C Salisbury	7	7
R Schmidt	1	1
R Vassie	2	1
I Vella	1	1
M Wright	9	9
D Yeates	1	1
M Young	9	9

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 38.

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



The Hon H Coonan
Chair



Mr P Flynn
Director

Canberra
8 April 2021



Auditor's Independence Declaration

As lead auditor for the audit of the Minerals Council of Australia for the year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink, appearing to be 'Adrian King', written over a horizontal line.

Adrian King
Partner
PricewaterhouseCoopers

Canberra
8 April 2021

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

Liability limited by a scheme approved under Professional Standards Legislation.

Financial report

Year ended 31 December 2020

Statement of profit or loss and other comprehensive income

	Notes	2020 \$	2019 \$
Revenue from contracts with customers	1	20,152,496	19,752,208
Other income	2	341,286	266,965
Expenses			
Employee expenses		(9,656,782)	(8,831,075)
Consultancy expenses		(1,853,739)	(2,228,203)
Minerals Tertiary Education Council (MTEC) program expenses		(795,593)	(931,569)
Occupancy expenses		(220,891)	(185,625)
Conferences and events expenses		(221,062)	(981,710)
Travel expenses		(165,833)	(888,410)
Information and technology expenses		(582,224)	(561,444)
Media buy		(3,632,044)	(3,366,749)
Depreciation expense		(741,838)	(769,617)
Finance expense		(114,231)	(154,448)
Other expenses		(1,024,451)	(1,097,268)
Total expenses		(19,008,668)	(19,996,118)
Surplus for the year		1,485,094	23,055
Other comprehensive income for the year		–	–
Total comprehensive income for the year is attributable to:		1,485,094	23,055
Members of Minerals Council of Australia			

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

Statement of financial position

	Notes	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	1,480,031	1,806,058
Term deposits		10,969,474	5,649,387
Receivables	4	292,643	440,285
Prepayments		579,862	331,357
Total current assets		13,322,010	8,227,087
Non-current assets			
Plant and equipment	5	265,948	295,348
Right-of-use assets	6	1,073,139	1,499,907
Total non-current assets		1,339,087	1,795,255
Total assets		14,661,097	10,022,342
LIABILITIES			
Current liabilities			
Trade and other payables	7	730,624	712,375
Provisions – employee entitlements		982,006	644,917
Lease liabilities	6	705,342	615,783
Contract liabilities	8	3,435,181	110,614
Total current liabilities		5,853,153	2,083,689
Non-current liabilities			
Provisions – employee entitlements		215,954	261,522
Lease liabilities	6	646,743	1,216,978
Total non-current liabilities		862,697	1,478,500
Total liabilities		6,715,850	3,562,189
Net assets		7,945,247	6,460,153
EQUITY			
Accumulated funds	9 (a)	7,325,288	5,840,194
Reserves	9 (b)	619,959	619,959
Total members' equity		7,945,247	6,460,153

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 2019	5,817,139	619,959	6,437,098
Surplus for the year	23,055	–	23,055
Total comprehensive income for the year	23,055	–	23,055
Balance at 31 December 2019	5,840,194	619,959	6,460,153
Balance at 1 January 2020	5,840,194	619,959	6,460,153
Surplus for the year	1,485,094	–	1,485,094
Total comprehensive income for the year	1,485,094	–	1,485,094
Balance at 31 December 2020	7,325,288	619,959	7,945,247

Statement of cash flows

	Notes	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from members and customers		25,883,565	22,098,065
Payments to suppliers and employees		(20,337,622)	(20,982,565)
Interest received		136,389	209,362
Interest paid		(114,230)	(154,448)
Government stimulus receipts		196,785	–
Net cash inflow from operating activities		5,764,887	1,170,414
Cash flows from investing activities			
Payments for plant and equipment		(106,891)	(9,118)
Net (increase) in term deposits		(5,323,272)	(2,000,000)
Net cash (outflow) from investing activities		(5,430,163)	(2,009,118)
Cash flows from financing activities			
Principal portion of lease payments		(660,751)	(620,363)
Net cash (outflow) from financing activities		(660,751)	(620,363)
Net (decrease) in cash and cash equivalents		(326,027)	(1,459,067)
Cash and cash equivalents at the beginning of the financial year		1,806,058	3,265,125
Cash and cash equivalents at end of year	3	1,480,031	1,806,058

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

Notes to the financial statements

1 Revenue from contracts with customers

	2020 \$	2019 \$
Revenue recognised over time		
Membership fees	19,488,559	18,072,193
Management fees	465,511	625,588
Service fees	7,843	–
	19,961,913	18,697,781
Revenue recognised at a point in time		
Events	66,947	540,131
Sponsorships	123,636	514,296
	190,583	1,054,427
Total revenue from contracts with customers	20,152,496	19,752,208
(a) Assets and liabilities related to contracts with customers		
Trade receivables	178,938	212,729
Contract liabilities	3,435,181	110,614

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

2 Other income

	2020 \$	2019 \$
Interest	133,204	219,756
Sundry income	11,297	47,209
Federal government cash flow boost	100,000	–
Victorian government payroll tax relief	96,785	–
	341,286	266,965

3 Cash and cash equivalents

	2020 \$	2019 \$
Cash at bank, cash on hand and term deposits with maturity less than 90 days	1,480,031	1,806,058

4 Receivables

	2020 \$	2019 \$
Trade receivables	178,938	212,729
GST receivables	113,571	227,363
Sundry debtors	134	193
	292,643	440,285

5 Plant and equipment

	Furniture, fittings and equipment \$	Motor vehicles \$	Leasehold improvements \$	Total \$
At 31 December 2019				
Cost	809,460	–	1,663,965	2,473,425
Accumulated depreciation	(652,348)	–	(1,525,729)	(2,178,077)
Net book amount	157,112	–	138,236	295,348
Year ended 31 December 2020				
Opening net book amount	157,112	–	138,236	295,348
Additions	70,459	33,205	3,227	106,891
Disposals	(1,296)	–	–	(1,296)
Depreciation charge	(78,833)	(1,384)	(54,778)	(134,995)
Closing net book amount	147,442	31,821	86,685	265,948
At 31 December 2020				
Cost	846,657	33,205	1,667,192	2,547,054
Accumulated depreciation	(699,215)	(1,384)	(1,580,507)	(2,281,106)
Net book amount	147,442	31,821	86,685	265,948

6 Right-of-use assets

The balance sheet shows the following amounts relating to leases:

	2020 \$	2019 \$
Right-of-use assets		
Buildings	1,062,500	1,462,095
Equipment	10,639	37,812
	1,073,139	1,499,907
Additions to right-of-use assets during 2020 were \$180,075 (2019: nil)		
Lease liabilities		
Current	705,342	615,783
Non-current	646,743	1,216,978
	1,352,085	1,832,761

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

Depreciation charge for right-of-use assets		
Buildings	(579,670)	(585,897)
Equipment	(27,173)	(46,204)
	(606,843)	(632,101)
Interest expense	(114,231)	(154,448)
	(721,074)	(786,549)

The total cash outflow for leases in 2020 was \$774,981 (2019: \$774,810)

7 Trade and other payables

	2020 \$	2019 \$
Trade creditors	545,871	525,771
Accrued expenses	176,699	178,516
Other payables	8,054	8,088
	730,624	712,375

8 Contract liabilities

	2020 \$	2019 \$
Mining Skills Organisation Pilot contract	3,247,683	–
Other contract liabilities	187,498	110,614
	3,435,181	110,614

9 Equity

(a) Reserves	2020 \$	2019 \$
Balance 1 January	619,959	619,959
Transfer from/(to) accumulated funds	–	–
Balance at 31 December	619,959	619,959

(i) Nature and purpose of reserves

Campaign reserve

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

(b) Accumulated funds

Movements in accumulated funds were as follows:

	2020 \$	2019 \$
Balance 1 January	5,840,194	5,817,139
Surplus for the year	1,485,094	23,055
Balance 31 December	7,325,288	5,840,194

10 Commitments

	2020 \$	2019 \$
Commitments in relation to operating leases for office rental and office equipment contracted for at balance date but not recognised as liabilities:		
Within one year	5,223	1,623
Later than one year but not later than five years	5,734	812
Later than five years	–	–
	10,957	2,435

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

11 Directors and executive disclosures

(a) Key management personnel compensation

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

Name	Position
The Hon H Coonan	Chair
Ms T Constable	Chief Executive Officer
Mr S Marris	Deputy CEO, Strategy, State & Territory Relationships
Ms B Conroy	General Manager – Operations & Company Secretary
Mr D King	General Manager – Trade, Investment & Investor Relations
Dr G Lind	General Manager – Safety, Workforce & Innovation
Mr R Lyons	General Manager – Taxation
Mr C McCombe	General Manager – Sustainability
Dr M Steen	General Manager – Economic Policy
Mr S Troeth	General Manager – Industry Positioning & Engagement
Mr D Zavattiero	General Manager – Climate & Energy

(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:

	2020 \$	2019 \$
Key management personnel compensation	3,977,435	5,222,397

During 2020, the MCA completed a review of its key management personnel compensation disclosures in line with current business operations. This review resulted in a reduction in the number of roles reported as key management personnel and the remuneration amount disclosed. The remuneration amount disclosed for 2019 is based on a larger number of 18 key management personnel.

12 Remuneration of auditors

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

(i) PricewaterhouseCoopers

	2020 \$	2019 \$
Financial report audit	33,000	32,500
Other services	6,965	4,590
Total remuneration for audit and other services	39,965	37,090

13 Summary of significant accounting policies

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

(a) Basis of preparation

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

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

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

(ii) Historical cost convention

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

(iii) New standards adopted

MCA did not adopt any new AASB standards for the year ending 31 December 2020.

(b) Revenue recognition

Revenue is recognised for the major business activities as follows:

(i) Membership fees

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

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

(ii) Events

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

(iii) Sponsorship

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

(iv) Management fees

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

(v) Contract assets and liabilities

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

(c) Interest revenue

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

(d) Income tax

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

(e) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of less than three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Term deposits

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

(g) Trade and other receivables

All debtors are recognised at the amounts receivable on settlement. Trade receivables are due for settlement no more than 30 days from the date of recognition. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

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

(h) Plant and equipment

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

(i) Depreciation

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

The following rates of depreciation have been employed:

Furniture, fittings and equipment	10% – 40%
Leasehold improvement	7.5% – 60%
Motor vehicles	25%

(i) Impairment of assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(j) Trade and other payables

These amounts represent liabilities for goods and services received prior to the end of the financial year and which are unpaid. The amounts are unsecured and are paid in accordance with specified terms.

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

(k) Employee benefits**(i) Wages and salaries and annual leave**

Liabilities for wages and salaries and annual leave, expected to be settled within twelve months of the balance date, are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

(ii) Long service leave

Liabilities for long service leave are recognised, and are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employees' departures and periods of service. Expected future payments are discounted using interest rates on investments with terms that match as closely as possible the estimated future cash outflows.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

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

(m) Jointly controlled operation

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

(n) Comparative figures

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

(o) Accounting for leases

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

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

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

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

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

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

14 Changes in accounting policies

There were no changes to the accounting policy during the year ending 31 December 2020.

Directors' declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 39 to 48 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

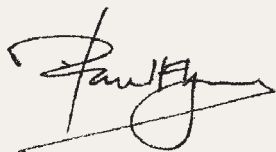
(ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the year ended on that date, and

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

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



The Hon H Coonan
Chair



Mr P Flynn
Director

Canberra
8 April 2021

Independent auditor's report

To the members of the Minerals Council of Australia

Our opinion

In our opinion:

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

- (a) giving a true and fair view of the Company's financial position as at 31 December 2020 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 2020
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the directors' report.

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

A stylized, handwritten signature of PricewaterhouseCoopers in a cursive script.

PricewaterhouseCoopers

A stylized, handwritten signature of Adrian King in a cursive script.

Adrian King
Partner

Canberra
8 April 2021

2020

Annual Report

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