

# Minerals Industry Overview

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# About the MCA

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The Minerals Council of Australia is the national peak body representing Australia's world-class exploration, mining and minerals processing industry.

Advocates for pre-competitive policies that:

- Support the efficient and sustainable development of Australia's resources
- Increase national prosperity.



# The contribution of the resources sector

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220,000 direct jobs – 98% full time



\$220 billion in exports in 2017-18, 55% of total exports



Net capital stock of \$876 billion at June 2017



\$140,000 in average annual earnings – 64% above industry average

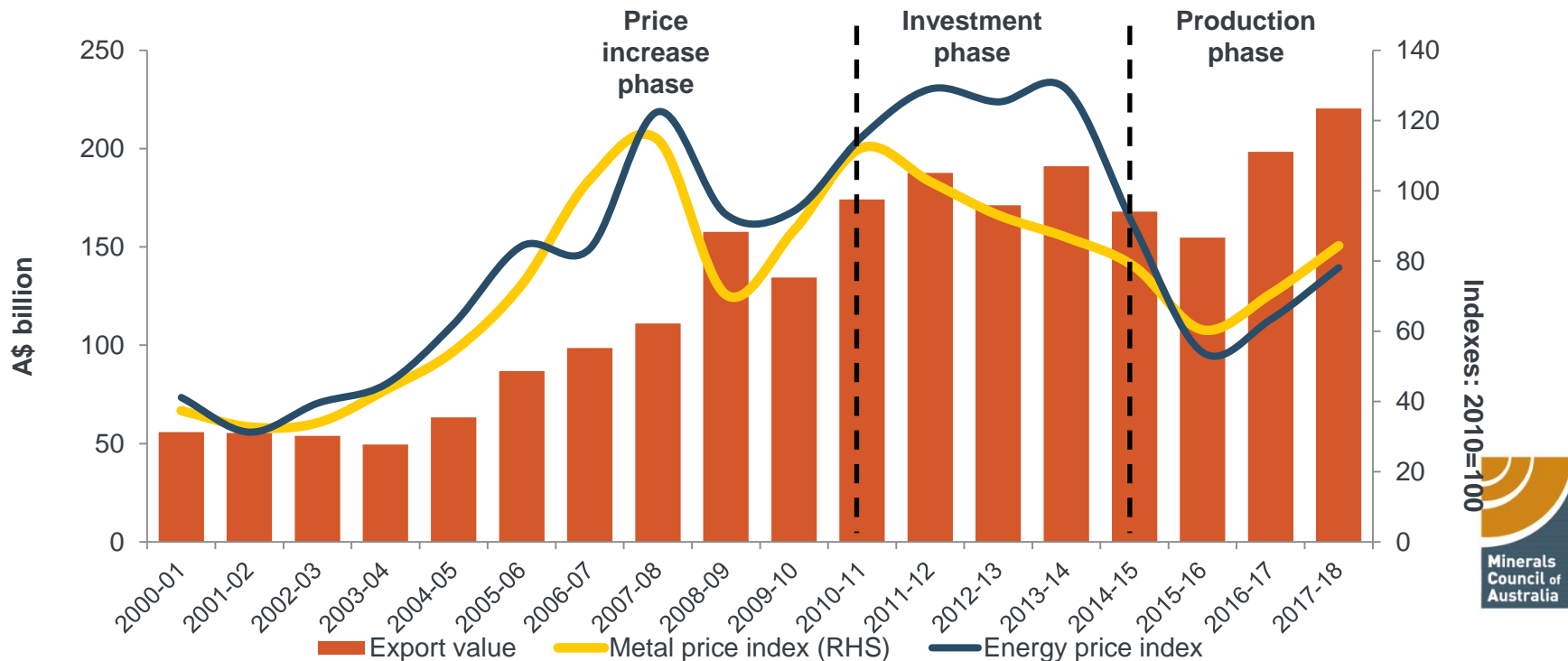


\$12 billion in company tax, \$11 billion in royalties and \$1 billion in payroll tax in 2016-17.

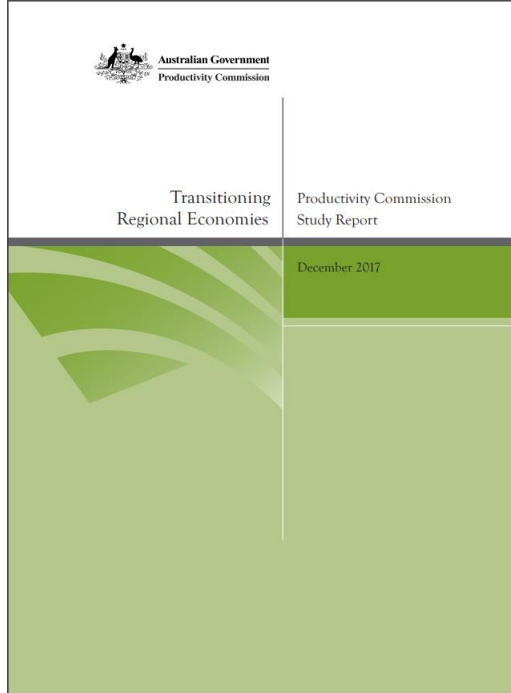
# The mining boom

## Australia's resources exports and commodity prices

Sources: World Bank; ABS, Cat No 5368 *International Trade in Goods and Services*



# Regional benefits of mining



The Productivity Commission found that:

- Mining has made Australians substantially better off
- Mining regions have higher incomes and employment than before the boom.
- Many mining regions continue to perform well and will likely experience economic and employment gains for decades to come, irrespective of commodity cycles

# Contribution of mining and METS

**Deloitte.**  
Access Economics



**Mining and METS: engines of  
economic growth and prosperity  
for Australians**

Report prepared for the Minerals Council of Australia, 2017

According to Deloitte Access Economics, the mining and mining equipment, technology and services (METS) sector together contributed the following in 2015-16:

- \$237 billion to the Australian economy – 15% of GDP
- 1.1 million jobs – 10% of total employment





# Employment and training



- The industry's people are its comparative advantage
- Australian mining invests more in training its workforce than other industries
- Mining employs around 7,600 apprentices - 4 per cent of our workforce
- **Since 2000, the Minerals Tertiary Education Council works with 17 Australian Universities has invested more than \$50 million to support 4500 graduates.**

# Social and environmental performance

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- The industry has long known that future growth does not hinge solely on our economic credentials
- Community expectations, corporate values and government regulation around environmental and social performance has continued to evolve
- Institutional investors are increasingly focussing on Environmental and Social Governance in investment decision making
- The business risks are significant - poor performance risks a loss of 'social licence to operate' and future land access future approvals.

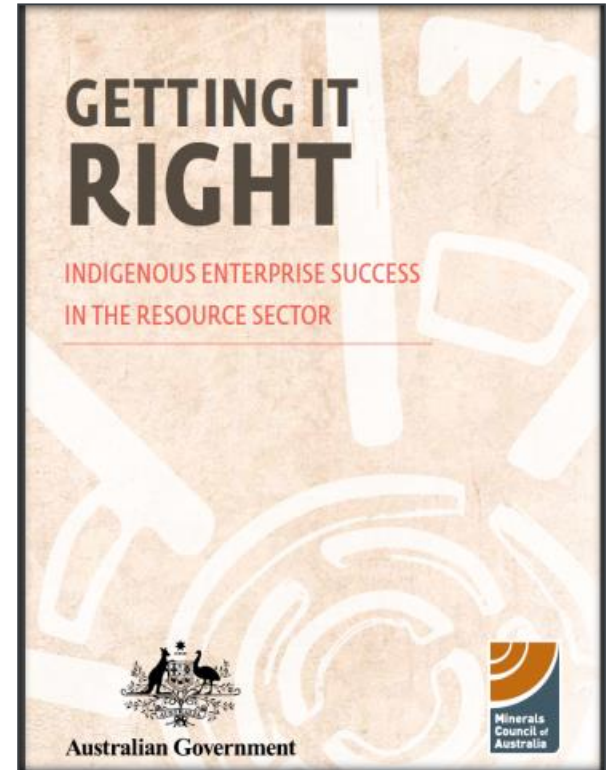
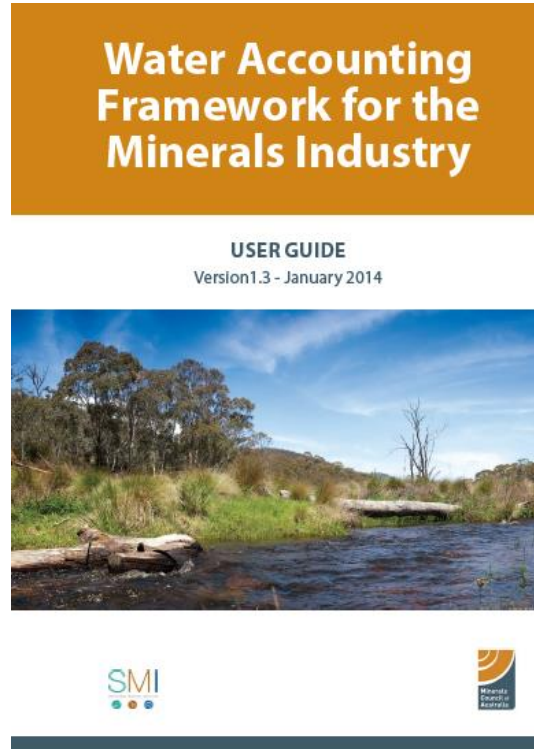
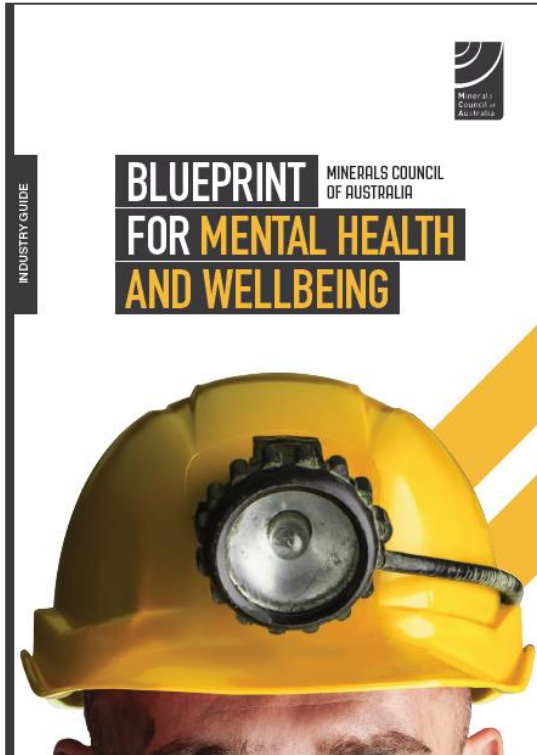


# Mining and sustainable development

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- The industry can and should contribute to sustainable development in the regions in which we operate.
- Member companies are committed to *Enduring Value – the Australian Minerals Industry Framework for Sustainable Development*.
- While there is more work to be done, significant progress has been made over the past two decades in all aspects of environmental and social performance.
- The expertise of the Australian minerals sector and its service providers is noticed internationally – This represents a significant opportunity for Australian mining and METS.

# Innovation and step changes in thinking



# Preparing for change

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## Challenges

- Other resource endowed nations are becoming increasingly competitive
- Community, government and investor expectations around the role of industry and environmental and social performance of mining are rapidly evolving.
- Technology and automation will change the nature of our workforce.
- Australian society is becoming increasingly disconnected from mining.

## Opportunities

- The Australian minerals industry is well-placed to supply customers in mature and emerging Asian markets
- Significant opportunity to market our mining and METS expertise

**Industry will need to partner with our communities to rise to these challenges and make the most of emerging opportunities**



# MCA national priorities to encourage growth

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- Streamlining environmental regulation
- Making Australia's taxes more competitive
- Modernising workplace relations laws
- Ensuring that Australia's energy is affordable and reliable while reducing CO<sub>2</sub> emissions
- Regulating less – not just more efficiently
- Promoting international trade and investment
- Lifting the ban on nuclear power.

# Staying on the front foot

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- Continuously improve - Strive towards zero harm and continuous improvement in environmental and social performance
- Workforce skills and attraction – Understanding and preparing for the influence of new technologies and new skills required through MTEC and the MCA's *Future Minerals Workforce* program.
- METS – continue to work with and explore opportunities with the sector
- Social licence to operate – Exploring new models to understand and enhance the industry's approach
- Community development – Maximise opportunities from resource development through partnering with communities in social investment that builds community capacity and resilience
- Communicate – Connect with the broader Australian community to build understanding and acceptance of the industry.



[www.minerals.org.au](http://www.minerals.org.au)

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# There's work to be done to address the disconnect

## Goods perceived to require mining products

