



NSW MINERALS COUNCIL
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Mr Gerry McNally
Committee Secretary
Senate Select Committee into the
Influence of Political Donations

By email: politicaldonations.sen@aph.gov.au

20 November 2017

Dear Mr McNally ^{GERRY,}

Thank you for your letter of 6 November.

I would be grateful if you could provide the following information to the Committee in response to its questions.

Does your organisation make political donations?

No.

If so, could you outline the reasons why you make them?

N/A

If your organisation does not make them, could you outline the reasons why you do not?

Political donations are for individual member companies to make if they so wish.

Could you explain the costs of membership of your organisation, and what benefits you offer your members in return?

Please see attached extract from our membership information kit.



Could you explain the types of lobbying activities you undertake in representing your members?

The types of activities we undertake to advocate on behalf of our members include:

- public advocacy, including through the media
- Industry events including our annual conference and parliamentary awards dinner
- Industry boardroom briefings with Ministers and Shadow Ministers
- Regular meetings with departments and agencies, including on the myriad of ongoing new policy proposals initiated by government
- Participation in formal consultation processes related to new policy proposals or changes to legislation, regulation or policies relating to our industry
- Representing our members at meetings with industry regulators
- Meetings with Ministers and staff on policy issues relating to the NSW mining industry

Over the past six years there have been over 110 different changes made or proposed to legislation, regulation or policies relating to mining in NSW. As a result, during this period the NSW Minerals Council has prepared and lodged nearly 200 submissions of varying levels of detail on behalf of our member companies.

Yours sincerely

Stephen Galilee
CHIEF EXECUTIVE OFFICER

Who are we?

The NSW Minerals Council (NSWMC) is a not-for-profit peak industry association representing the state's mining industry.

Our members range from junior exploration businesses to international mining companies, as well as service providers and suppliers.

What do we do?

NSWMC provides a strong voice on behalf of its member companies and the NSW mining sector more broadly. We work closely with government, other industry groups, the media, and the community to foster a dynamic, efficient and sustainable mining sector in NSW.

Our primary focus is on local and NSW-specific issues by we also work closely with the Minerals Council of Australia on national policy issues.

Why join?

Membership of NSWMC brings many benefits. As well as supporting our ongoing public campaigning and media advocacy, member companies can participate in the work we do to help deliver sound public policy outcomes for our sector and NSW.

Full Member companies are eligible to sit on NSWMC key committees and play an active role in the policy development of the organisation. Through our committees, Full Member companies have direct impact on policy and program development.

Our policy committees also provide opportunities for direct engagement with key policy makers across the NSW bureaucracy and ministry, as well as providing an effective way to keep informed of the latest policy developments on mining in NSW.

NSWMC also helps co-ordinate community engagement in key mining areas, and enjoys good relationships with local councils and business chambers in mining communities, particularly in the Upper Hunter region.

More generally, a strong NSWMC membership means a strong voice for our industry in the ongoing public and policy debates affecting mining in NSW.

Who can join?

Full Membership is available to coal, metalliferous and other mineral and extractive material producers, mine operators, exploration companies, mineral processing companies, and companies developing new projects. Companies and mines or plants temporarily closed are also eligible.

Associate Membership is available for minerals companies with no current production or exploration facilities in NSW or no planned projects, junior explorers, service companies, companies with investments in the industry, trading companies, transportation and related companies, and suppliers to the industry more broadly.



Annual Membership Fees *(All fees stated are GST inclusive)*

1. Full Members

1.1. Producers

- Metalliferous = 0.043% of ex mine value of production (as reported to Industry and Investment NSW the previous calendar year for royalty purposes)
- Coal (core budget) = 0.043% of ex mine value of production (see Note A)
- Coal (coal budget) = 0.755 cents per saleable tonne of production (see Note B)
- Operations temporarily closed (see Note C)

- Minimum Fee \$ 1,980
- Capped Fee (see Note E) \$ 935,000

1.2. Companies Developing Mines

Early phase mining :

- Small (value of production expected to be less than \$20 million per annum) \$ 1,980
- Medium (value of production expected to be \$20 million - \$50 million per annum) \$ 4,950
- Large (value of production expected to be over \$50 million per annum) \$ 9,900

Impending production phase - greater of early phase levy or levy based on value of production (metalliferous) and value/volume of production (coal) (see Note D)

1.3. Explorers

Annual NSW exploration expenditure *(for previous calendar year)*

Less than \$200,000 per annum	\$ 1,980
\$200,000 - \$500,000	\$ 4,950
\$500,000 - \$1.0 million	\$ 9,900
\$1.0 million - \$2.5 million	\$ 14,850
\$2.5 million - \$5.0 million	\$ 19,800
More than \$5.0 million	\$ 24,750

1.4. Extractive Material Producers

Annual NSW extractive material turnover *(for previous calendar year)*

Up to \$2.0 million	\$ 1,980
\$2 million - \$5 million	\$ 3,465
\$5 million - \$10 million	\$ 4,950
\$10 million - \$25 million	\$ 9,900
\$25 million - \$50 million	\$ 19,800
\$50 million - \$100 million	\$ 27,225
Over \$100 million	\$ 34,650

1.5. Mine Operators

Annual NSW turnover *(for previous calendar year)*

Up to \$2.0 million	\$ 1,980
\$2 million - \$5 million	\$ 3,465
\$5 million - \$10 million	\$ 4,950
\$10 million - \$25 million	\$ 9,900
\$25 million - \$50 million	\$ 19,800
\$50 million - \$100 million	\$ 27,225



Over \$100 million \$ 34,650

- 1.6. Processors, including smelters** (*turnover for previous calendar year*)
- Small (turnover to \$5 million per annum) \$ 1,980
 - Medium (\$5 million - \$20 million per annum) \$ 4,950
 - Large (over \$20 million per annum) \$ 9,900

Note: Where Full Member's annual fee is over \$16,500, fee can be paid on a quarterly basis.

2. Associate Members – Fees Based on Annual Turnover (for previous calendar year)

- 2.1. Suppliers, Contractors, Transport Operators, etc.**
- Small (to \$10 million turnover per annum) \$ 1,980
 - Medium (\$10 million - \$20 million turnover per annum) \$ 3,465
 - Large (over \$20 million turnover per annum) \$ 4,950
- 2.2. Mining companies with no active operations in NSW or no new projects planned**
- Small (to \$20 million turnover per annum) \$ 1,980
 - Medium (\$20 million - \$50 million turnover per annum) \$ 3,465
 - Large (over \$50 million turnover per annum) \$ 4,950
- 2.3. Service Providers** (accounting, legal, consulting firms, etc.)
- Small (to \$10 million turnover per annum) \$ 1,980
 - Medium (\$10 million - \$20 million turnover per annum) \$ 3,465
 - Large (over \$20 million turnover per annum) \$ 4,950
- 2.4. Educational Institutions** \$ 247.50
- 2.5. Trading Houses, Investment Companies**
- Small (to \$20 million turnover per annum) \$ 1,980
 - Medium (\$20 million - \$50 million turnover per annum) \$ 6,930
 - Large (over \$50 million turnover per annum) \$ 9,900
- 2.6. Coal Mining Companies producing outside of NSW but with direct interests in NSW**
- Coal (core budget) = 0.043% of ex mine value of production
(see Note A)
 - Coal (coal budget) = 0.755 cents per saleable tonne of production
(see Note B)
- 2.7. Junior Explorers** \$ 495
- This category represents a person or a company which explores or prospects for minerals pursuant to one or more tenements and is nil income producing; or a person or small exploration company that the Executive Committee approves to be classified as an Associate Member of the Council.



Notes for Full Members and Associate Members (Category 2.6 only)

A. The levy for coal and metalliferous producers is 0.043% of value of production for the previous calendar year. The value of production for coal producers is calculated as follows:

1. *Export Coal*

Mine tonnage x average FOB (free on board) price for year (at actual Foreign Exchange rate received)

Less ship loading costs

Less freight costs from mine to port

Less washery costs

2. *Domestic Coal*

Mine tonnage x average price received

Less transport costs from mine to customer

Less washery costs

B. The levy for the coal budget is paid only by coal producers. The levy is 0.755 cents per tonne.

The tonnage base for each producer for both core and coal levy purposes is the number of saleable tonnes as reported to Industry and Investment NSW for the previous calendar year for royalty purposes.

C. Levies for operations temporarily closed will be based on the value of production in the calendar year before closure

• Small (less than \$5 million turnover per annum)	\$ 1,980
• Medium (\$5 million - \$20 million turnover per annum)	\$ 3,465
• Large (over \$20 million turnover per annum)	\$ 4,950

D. Impending production phase will cover a mine expected to begin producing in the calendar year.

The mine will pay the greater of the early phase fee as per Section 1.1, or the fee based on value of production estimated for the year in question (plus the volume of production in the case of a new coal mine).

Companies will be required to estimate the value of production for the year and will be levied the same percentage as existing producers.

Coal companies will also be levied on their estimated volume of production as per *Note B*.

An adjustment to levies will be made in the subsequent financial year to account for the actual value/volume of production in the calendar year in question.

E. The cap applies to existing mine ownerships at the time the cap is reached (\$850,000 plus GST). Should a capped company acquire new mines after the cap is applied, then these additional assets are levied at the normal rate (ie. as per *Notes A and B*).