



FEBRUARY 2023

# THE PROSPECTOR

MEMBER COUNCILS INTERNAL MONTHLY UPDATE

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\$1 BILLION  
COAL MINE



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# ADVOCACY WRAP-UP

## AUSTRALIAN MINING CITIES ALLIANCE



### CRITICAL MINERALS STRATEGY

The Executive Officer has made a detailed submission to the Department of Industry, Science and Resources on 5 December 2022, regarding the new Critical Minerals Strategy.

The submission covered the following;

- Geology and Transport will dictate the distribution of regional opportunity.
- Workforce design impacts sustainability.
- Financial return builds economic capacity.

- What about the 'S' in ESG?
- Subtle provenance measures are important too.

### POWERING THE REGIONS FUND

This \$1.9b fund will support regions transitioning from fossil fuel mining and energy production.

The Executive Officer participated in a national roundtable consultation in December conducted by KPMG for the Department of Climate Change, Energy the Environment and Water.

The Chair and Executive Officer have since met with the Senior Adviser and Policy Adviser to the Minister for Climate Change and Energy the Hon Chris Bowen MP.

The Executive Officer has also recently responded to a survey by the Department of Climate Change, Energy the Environment and Water.

**HOUSING AUSTRALIA FUTURE FUND – LEGISLATIVE PACKAGE**  
The Commonwealth Government's proposed Housing

Australia Future Fund and its Exposure Drafts of the Bills have been reviewed by the Executive Officer.

The legislation will aim to establish the Housing Australia Future Fund to create a funding stream to support and increase social and affordable housing.

A news release was issued recently – see it at; [Mining Community Needs for Housing Fund - Australian Mining Cities Alliance \(amca.org.au\)](https://www.amca.org.au/news-releases/mining-community-needs-for-housing-fund-australian-mining-cities-alliance)

# CANBERRA TRIP HIGHLIGHTS

## Meeting held with Tania Constable (Minerals Council of Australia CEO)

- Very constructive and informative meeting
- Positive collaboration opportunity evident
- Complimentary about Critical Minerals Strategy submission
- Immediate offer to arrange APH media gallery interviews on the day and ongoing offer to work on APH press gallery release.

Following the Committee meeting Tania Constable called Gary Stevenson to advise that she had spoken with the Treasurer The Hon Jim Chalmers MP about AMCA and that he requested a videoconference meeting with the AMCA Chair and Executive Officer.

## Meeting with The Hon Kristy McBain MP (Minister for Regional Development, Local Government and the Territories)

- Very constructive meeting
- Positive support for AMCA and



awareness of issues

- Acknowledged issues raised
- Requested that AMCA and her office arrange a Roundtable Forum in mid-June 2023 in Canberra (just prior to ALGA NGA commencement) with Ministers King, Bowen, Collins, McBain and possible the Treasurer. Up to 10 representatives of Resource Councils (AMCA Members plus five others) are to be invited by AMCA.

The Executive Officer has commenced work on the Forum with the Minister's Adviser.

## Meeting with Deputy Chief of Staff and

## Advisers to the Hon Madeleine King MP (Minister for Resources and Minister for Northern Australia)

- Apologetic that Minister could not meet due to parliamentary commitments
- Very constructive meeting
- Will endeavour to arrange meeting with Minister (videoconference)
- Positive support for AMCA and awareness of issues
- Acknowledged issues raised

## Discussions by Executive Officer with Adviser to the Hon Julie Collins MP (Minister for Housing, Minister

## for Homelessness and Minister for Small Business)

- Apologetic that Minister could not meet (due to current focus on Housing legislation in Lower House)
- Will endeavour to arrange meeting with Minister (videoconference)

## Meeting with Brad Archer (CEO Climate Change Authority), Eliza Murray (General Manager Climate Change Authority) and Matt Searson (Director Research and Reviews Climate Change Authority)

- Very constructive meeting
- Acknowledged issues raised
- Strong interest in granular implications for mining communities
- Invitation to meet again for AMCA to advise on possible lead indicators for climate change impacts on transformation regions
- Eliza Murray has followed up with Executive Officer and meeting (videoconference) has been arranged for 1 March 2023.



# BRIDGE TO RICHES

A massive new \$1bn coal mine in Central Queensland will begin operations in June following the construction of a crucial piece of infrastructure.

The new Sheldon Bridge over the Isaac River will link Pembroke Resources' Olive Downs Complex, a steelmaking mine near Moranbah, to the public road network and push the site closer to its June start date.

Pembroke CEO Barry Tudor expects the greenfields open-cut mine to deliver its first shipment

of coal in early 2024. "The Olive Downs Complex is delivering new, incremental production of high quality steelmaking coal to supply-constrained world markets," he said.

The \$1bn construction phase has created about 500 jobs and the company says the mine will support 1000 jobs at full production. "Construction is advancing to plan on multiple fronts including rail, electricity and at the coal handling and processing plant," Mr Tudor said. "Over 400,000

hours have been spent on construction so far with more than 300 people on site on a daily basis."

The bridge, opened by Isaac Mayor Anne Baker alongside Mr Tudor, is a 120m long, dual lane, five-span reinforced concrete bridge.

More Coverage  
44,000 jobs: Qld's \$72bn net-zero problem exposed  
'New economy' in Central Queensland to deliver more wealth than coal  
Olive Downs will have an estimated lifespan of 80 years and will deliver

metallurgical coal to Asian markets including Japan, India and South Korea. The company calculates the mine will deliver more than \$10bn to Queensland's economy over its lifespan.

Source: The Daily Mercury, Mackay.  
<https://www.themercury.com.au/news/pembroke-resources-1bn-olive-downs-coal-mine-on-track-for-june-start/news-story/6b3a32c04014f24cda386404cae5a299?btr=3980ab92abf76c4e95c33945f53cc589>





# FOURTH OECD MEETING OF MINING REGIONS AND CITIES

Global consumption of raw materials is set to nearly double by 2060 to meet the expected demand of a growing population and development.

These will have strong spatial dimensions, given that raw materials and their extraction are located in specific regions, bringing both challenges, and opportunities.

The challenges stemming from high specialisation in mining include the Dutch disease, which increases vulnerability to external shocks, as

well as managing environmental impacts.

Opportunities, in turn, arise from higher investments and technological innovations leading to high-wage jobs and fiscal income. Local governments and actors, around the OECD, have identified a number of good practices and policies to successfully navigate these challenges and leverage opportunities.

This event, part of the OECD Mining Regions and Cities initiative, provides an opportunity to learn, exchange and

disseminate these best practices.

The meeting in Karratha will focus on two key pillars: I. Diversification and green value chains: Economic diversification is important in order to ensure that mining regions develop economic resilience, over the long run, against economic shocks.

II. Liveable and sustainable mining communities: Greater liveability in mining communities should be aligned with a more sustainable use of resources, along with the delivery of

quality services and infrastructure, helping to improve regional attractiveness for people and business. Collaboration with the private sector, for example through better ESG practices, would be a cornerstone to this end.

The Fourth OECD Meeting of Mining Regions and Cities will be on 20-23 June 2023 at Karratha, Western Australia.

Visit <https://www.oecd.org/regional/mining-regions-meeting.htm> for more information.

## IN BRIEF

### CHANGE OF DIRECTOR

Mayor Tom Kennedy (Broken Hill City Council) has decided to hand the baton to his Deputy Mayor Jim Hickey who will step up to the role of Director for AMCA. However, Mayor Kennedy will remain active in

AMCA in the role of Alternate Director.

### CONTRACT EXPIRY

Stevenson Consulting's contract with AMCA expires in July 2023 and the Executive Officer has informed the Operational Committee

and the Board that Stevenson Consulting does not seek to extend the contract.

A detailed review of the operating model for AMCA has been carried out and the Board will move into the next exciting phase of AMCA's

growth in the market for a new Executive Officer and Company Secretary.

Gary Stevenson said he has thoroughly enjoyed the role over the past two years but has other interests that demand his time.



# KARRATHA EYES MOST LIVEABLE REGIONAL CITY TITLE

**CITY OF KARRATHA  
MAYOR  
PETER LONG**

The City of Karratha, like many of the Prospector members, is used to the impact boom-and-bust cycles prevalent in mining regions have on sustainability.

These boom-and-bust cycles impact sustainable living in our towns, including increasing living costs through rising rental and property prices.

Over the last 10 years, the City has invested heavily in developing infrastructure to improve the liveability of Karratha.

During this time, we have built new facilities like the Karratha Leisureplex, Red Earth Arts Precinct, and The Quarter to provide

residents and businesses with greater services and amenities. These efforts have seen the people's intention to stay to live in our City increase from a low of 14 percent in 2011 to 42 percent in 2019.

With \$138 billion in projects and investment from major in the pipeline for the Pilbara, we are now facing the hurdles of limited housing stock, high cost of living, and staff shortages.

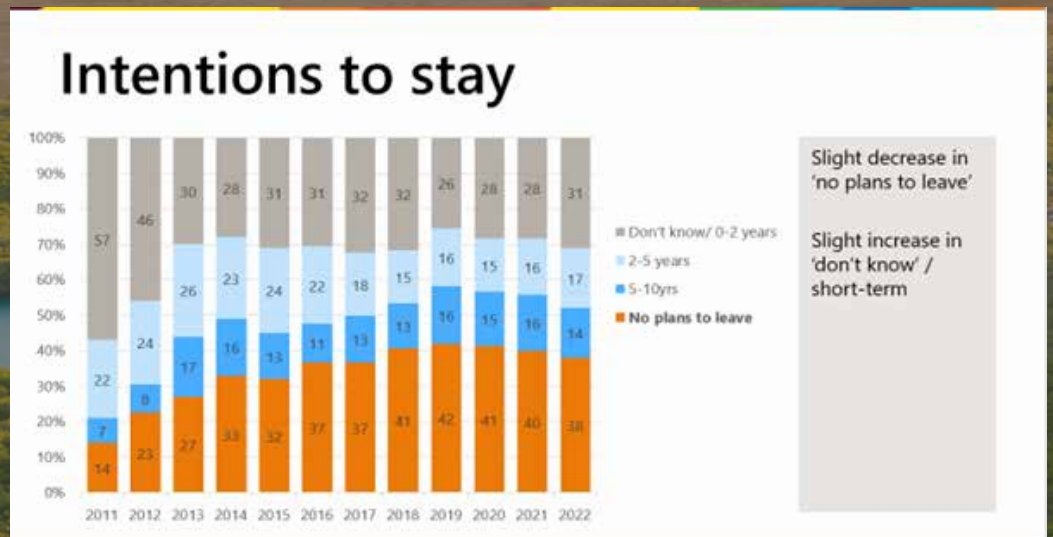
Historically, major new investments in resource

commodities have come in cycles with large construction phases leading into an operational phase.

These cycles have many impacts on the local community and economy and have included; stretching the capacity of the transport and utility infrastructure, a volatile housing market, high business rents, lack of child care and extended wait times for essential health services such as GPs. The City of Karratha is co-

funding a study with the Pilbara Development Commission to assess the cumulative impact of resources projects in the region and allow us to proactively respond to and manage the potential future impacts of newly announced or planned major projects. Our council has also been actively looking at ways to tackle Karratha's housing crisis and jobs shortage.

To meet our goal of being Australia's most liveable regional city, we must







look at ways to ensure our region remains attractive and sustainable for those in lower-income jobs which provide essential services.

To combat the impact and as part of our efforts to become the most liveable regional city, we have taken on projects to improve housing availability, including rolling out service worker accommodation.

Service workers provide vital roles

in our community while working for lower wages than those in the mining industry. These businesses need to be able to employ staff at a reasonable rate and to do that you have to have reasonably priced accommodation so workers can afford to live here.

The service worker accommodation is a joint initiative between the City of Karratha, Woodside and Rio Tinto. It has seen 41 dwellings allocated since its

launch, including helping to house 12 childcare workers in the City.

To help address Karratha's low housing supply, the City has been progressing a series of initiatives to provide more houses and land stock to market directly with \$1,000,000 allocated towards housing projects. Another way we are actively working to address the ongoing skills shortage is

through the Pilbara DAMA, with partners the Town of Port Hedland and Regional Development Australia- Pilbara.

As we progress our goal of becoming Australia's most liveable regional city, we continue to work on ways to encourage people to stay in Karratha while improving the living sustainability for those in lower income roles.



# AUSTRALIA CAN BE A GLOBAL LEADER IN LOW-COST CLEAN HYDROGEN AND AMMONIA

TANIA CONSTABLE,  
CHIEF EXECUTIVE  
OFFICER,  
MINERALS  
COUNCIL OF  
AUSTRALIA

Australia can become a world leader in the game-changing potential of low-cost, clean hydrogen and ammonia as these new, clean fuels will help realise the global task to deliver net zero emissions by 2050.

The MCA's new report, Australia's emerging hydrogen and ammonia industry, launched today looks into these two energy carriers, their potential and the opportunities for Australia.

The International Energy Agency suggests clean hydrogen production will need to double by 2030 and increase six-fold by 2050 to meet this target from the current annual

production levels of around 90 million tonnes (Mt) to more than 520 Mt. Ammonia also offers real prospects for decarbonising global shipping fleets, fertiliser production and electricity generation. This will require development of new pipeline and storage infrastructure, including at ports.

With substantial carbon capture, utilisation and storage (CCUS) sites in Victoria and Queensland, competitive and accessible coal reserves, natural gas and significant renewable energy generation capacity, Australia is well placed to meet growing international and domestic demand for this important fuel from multiple supply chains drawing on the country's vast natural resources. With Japan a significant investor

in research, development and deployment, Australian industry is working to deliver long term supplies of clean hydrogen and ammonia, such as through the Hydrogen Energy Supply Chain (HESC) project utilising gasified coal.

Glencore is investing in pre-feasibility studies for commercial scale hydrogen and ammonia production, while progressing environmental approvals for a CO2 test injection at its CTSCo CCUS project's storage site.

There is also great potential for Australia to develop hydrogen and ammonia production supply chains using renewable energy sources. These will be dependent on various metals that form the basis of new storage

technologies and electrolyzers including copper, lithium, nickel, cobalt and rare earths.

The size of the prize could be very high with one estimate suggesting a new multi-billion dollar export industry of more than \$20 billion for hydrogen by 2050.

To realise this potential for Australia, federal and state governments need to focus on removing regulatory barriers, including expediting approval processes for associated infrastructure like pipelines, hydrogen fuel stations and ammonia storage.

Source: <https://minerals.org.au/resources/australia-can-be-a-global-leader-in-low-cost-clean-hydrogen-and-ammonia/>





# MINERS SPENDING BIG IN NSW

A new survey confirms millions in spending and record mining jobs in the NSW regions of Broken Hill, Cobar, and Dubbo.

The annual membership expenditure survey, conducted by the NSW Minerals Council, has confirmed record spending in the regional economies. The survey group included 27 participating local mining companies, including BHP, Whitehaven and Yancoal.

## **Broken Hill**

Mining companies directly injected \$190 million into Broken Hill's economy in the last financial year, with \$140 million going to goods

and services. Participating companies supported 114 local supplier businesses across the region. The remaining \$51 million went to wages, which supported over 1650 jobs. This is the highest number of jobs ever reported for Broken Hill.

"These very strong results highlight the importance of mining for the far western region's economy, and for mining communities across the region," NSW Minerals Council chief executive officer Stephen Galilee said.

"Mining clearly continues to provide economic strength and stability to communities in far western

NSW, supporting thousands of local families and businesses.

## **Cobar**

Mining companies directly brought \$100 million into the Cobar regional economy. Of this figure, \$36 million went to the purchase of goods and services from over 116 local businesses and contractors. The remaining \$64 million went to wages, supporting over 600 local jobs.

## **Dubbo**

Participating mining companies generated \$103 million of direct spending in Dubbo, a slight increase on the previous financial year, as well as the second

highest level of spending in the survey's decade-long history. Of this figure, \$71 million was spent on the purchase of goods and services from over 209 local mining supplier businesses. A further \$32 million was spent on wages. Participating companies supported 293 local jobs, an increase of over 70 jobs from last financial year, and the third highest result on record for Dubbo.

The NSW Minerals Council recently released more survey results from the Hunter and Illawarra. Source: <https://www.australianmining.com.au/news/miners-spending-big-in-nsw/>



# COMPANY TO PAY \$970M FOR CHINA LITHIUM ASSETS

Chris Ellison's Mineral Resources will stump up close to \$1 billion for a share in lithium hydroxide plants in China in a rebuff to Prime Minister Anthony Albanese's push for onshore processing of battery minerals into finished products.

And US-based battery minerals heavyweight Albemarle has cast doubt on whether it will ever invest in another lithium hydroxide plant in Australia as big car-making nations demand downstream assets close to their home factories.

Albemarle has flagged WA becoming a lithium workhorse to the world rather than a maker of batteries and is eyeing more acquisitions in the state on top of its stakes in the world-class Wodgina and Greenbushes mines and a lithium hydroxide plant it has built at Kemerton an estimated cost or more than \$2

billion. New York Stock Exchange-listed Albemarle regards WA lithium mining and Chinese processing as joined at the hip for now, but is looking to supply hydroxide from Kemerton to other Asian nations and to send spodumene concentrate, an intermediate lithium product, to Europe where governments and carmakers want downstream battery minerals processing.

Albemarle president of energy storage Eric Norris told The Australian Financial Review on Thursday that WA was essential to the electrification of transport.

"All of these regions that are large automobile production areas are going through a significant transition to not only build electric vehicles, but to help build the supply chains in their countries to reduce the supply time, lead times, the CO2 (emissions) that gets involved in moving material around," he said.

"The interesting fact of the matter is that neither China, we believe, nor the US, nor Europe can meet their EV ambitions without WA,"

Mr Ellison has been trying to convince Albemarle about the merits of building a lithium hydroxide plant near the Wodgina mine they co-own in WA's Pilbara, but for now has agreed to acquire a 50 per cent share of two Albemarle plants in China at a cost of about \$US660 million (\$970 million), including an initial payment of \$US350 million.

The downstream deal was unveiled on Thursday, less than 24 hours after Mr Albanese was lukewarm about Chinese investment in lithium and said his government wanted to see lithium-ion batteries produced onshore.

Mr Ellison offered supported for Mr Albanese's sentiments on value-adding and said MinRes had

been talking to the government about the best way to achieve that goal.

However, the mining billionaire said the investment in China would ensure MinRes could convert the spodumene from Wodgina mine into battery-grade chemicals in the short-term.

"Doing more here in Australia is my preference over the long term. Any potential future hydroxide plant in Australia that could take our spodumene is some years off. We need capacity today," he said.

"We're encouraged by the federal government's commitment to grow the battery supply chain here in Australia and have been consulting with them on the best way to support industry to do it."

Read more >>  
<https://www.afr.com/companies/mining/minres-to-pay-970m-for-china-lithium-assets-20230223-p5cmvh>