

24 January 2024

Roundtable to deliver results

AMEC recognises the swift response and commitment to listen to the exploration and mining industry at today's nickel and lithium roundtables.

“Both the Federal Resources Minister, Hon Madeleine King, and Western Australia's State Mines Minister, Hon David Michael, demonstrated a willingness to find solutions to assist both nickel and lithium companies.

“Nothing was off the table in discussions today. Obviously, there is no silver bullet, and it will take a combination of initiatives to find a path forward,” said Acting AMEC Chief Executive, Mr Neil van Drunen.

With a focus on finding ways to save jobs and keep Australia's downstream critical minerals ambitions on track, AMEC, along with other industry leaders, recommended several new initiatives.

In 2023, AMEC engaged Mandala Consulting to economically model the introduction of a Production Tax Credit (PTC), that would provide a 10% tax credit for downstream materials producers and reduce the production cost disadvantage faced by Australian projects compared to the USA.

In November 2023, AMEC briefed both Commonwealth Government and Treasury, about how the initiative would make Australia more competitive. With a follow-up briefing scheduled for February.

Mr van Drunen made the point to attendees, “Now is the time to introduce a PTC. Doing so would make Australia 10% more competitive for downstream processing.”

“A PTC could be in place for the next Federal Budget. Doing so would send a strong message of support to industry, investors and global markets.”

The PTC has strong support from lithium, nickel, rare earths and vanadium developers and producers, along with the broader industry and international Electric Vehicle maker Tesla.

Here are the key recommendations AMEC provided today:

- Introduce a PTC in the next Federal Budget – resulting in a 10% tax credit for producers of downstream materials
- Deliver structural approvals reform, namely through the Commonwealth reforms to the Environment Protection and Biodiversity Conservation (EPBC) Act and by delivering on the WA Government's recent Vogel Review– increase the competitiveness of Australia's regulatory framework while maintaining our high ESG standards.
- Funding for shared infrastructure – benefit mining industry, businesses and local economies, in contributing to sustainable development while reducing infrastructure funding requirements
- Defer Royalties – providing a buffer for volatile market fluctuations
- Champion a global green transparent price index - that values Australia's leadership in ESG

“The backbone of the global energy transition is a strong critical minerals industry. Today was a frank conversation about what is needed to ensure Australia maintains its competitive advantage in critical minerals,” said Mr van Drunen.

Time will tell, but AMEC is confident that positive assistance will be forthcoming.

“Now is the time for action. AMEC has worked tirelessly, advocating on behalf of member companies to government, for changes that will streamline all of industry in the face of fierce global competition” added Mr van Drunen.

ENDS –

For further comment or interview, Acting CEO, Neil van Drunen, is available. Please contact Ryan Rampling to co-ordinate – 0419 809 341 / ryan.rampling@amec.org.au