

# Mining giants to combine power

Adam Morton, *The Age*

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AUSTRALIA'S big miners are pushing for a merger of 11 industry bodies in a bid to cut costs and centralise lobbying power under the Minerals Council of Australia.

Organisations targeted under the plan include the Australian Coal Association, the Australian Aluminium Council, the Australian Uranium Association and state and territory minerals councils.

A letter signed by chief executives at 11 companies, including BHP Billiton, Rio Tinto and Xstrata, says it would "improve national consistency" and reduce a combined operating cost topping \$45 million a year.

"Quite simply, we will not continue funding organisations as separate entities to the Minerals Council of Australia as we have previously," it says.

Sent on the eve of Easter, the letter has angered some industry bodies and their junior member companies.

Most declined to speak, but industry insiders said they feared concentrating power in Canberra would strip some commodities of representation and deny others a strong voice at state level, where much of their business lies.

Tony Fawdon, executive chairman of minerals explorer Diatreme, said the Queensland Resources Council had been crucial in the industry winning \$50 million from its State Government in 2006.

He said the national minerals council sat in an ivory tower with little idea of what happened at state level.

"Frankly, I don't think the (minerals council) is going to have any practicality at all — the bigger the company, the bigger the chamber, the less hands-on the practitioners are at the top of it," he said. "How are you going to cut up a very, very thin cake of funding across the states?"

Minerals Council chief executive Mitch Hooke said the plan was a commonsense approach that would "enhance regional capacity, not diminish it".

He said the states would continue to be represented by branches within the national council, as Victoria had been since a merger in 2004. The Northern Territory Resources Council had already volunteered to take part.

"The goal is alignment of advocacy, the goal is improved efficiency and effectiveness," Mr Hooke said. "If Victoria is anything to go by, the regions are richer for working within the national secretariat while maintaining autonomy to deal with the state issues."

Mr Fawdon said this meant little: the Victorian minerals council was "pretty toothless", unlike its counterparts in Queensland, South Australia and Western Australia.

Mr Hooke will convene an implementation committee to be chaired by former Newmont executive Paul Dowd.

Other companies backing the plan are Anglo Coal, Downer EDI, Barrick Gold, Minara Resources, Newcrest Mining, Ausminerals, Thiess and Newmont Asia Pacific.

Several industry bodies declined to comment.

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