

CME IN BRIEF



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Contribution

WA's resources sector made a total direct contribution of \$67.1 billion to the WA and Australian economies.

Competitiveness

Key involvement in shaping WA's new Environmental Protection and WHS Bills.

Capability

Significant steps towards planning for the sector's future workforce.



/ A year unlike any other

It goes without saying this has been a year unlike any other we have previously experienced. At the start of 2020, nobody could have predicted the world would soon face a global pandemic, the likes of which hadn't been seen for more than half a century. The resultant economic downturn will be the biggest Australia has faced since the 1930s.

It's been an incredibly trying year for everyone, but particularly those who have lost loved ones and been separated from their friends and families for extended periods.

I'm extremely proud the WA resources sector has continued to operate during COVID-19 while maintaining a high level of safety. That is testament to the efforts of CME's members and, most of all, their workers, who have made personal sacrifices in the face of significant challenges.

The COVID-safe health and safety protocols put in place by our sector are the best in the world. This is proven by the lack of COVID-19 cases on mine sites or gas facilities across the State. This is further evidence of WA's standing as a global leader in the resources sector. The pandemic remains a threat but our sector continues to display a strong ability to adapt, adjust and implement world's best practice.

Despite the significant focus on COVID-19 and associated risks, the CME team has continued to achieve outcomes from our 3 Cs strategy: which is built around Capability, Competitiveness and Contribution. This In Brief document outlines how each of our policy areas have contributed to that strategy in 2020.

Some highlights include:

- Passage of priority legislation through WA Parliament – principally, the Workplace, Health & Safety and Environmental Protection Acts - with important input and amendments from CME and its members.
- A successful Digital Technologies teaching pilot undertaken in Pilbara schools. With support from the WA Government, we hope to roll out this project across other parts of WA.
- Co-ordinating a huge COVID-relief fundraising effort on behalf of our member companies, resulting in multi-million dollar donations to Lifeline WA, Foodbank WA and the Royal Flying Doctor Service Western Operations.
- CME and its members working with the WA Minister for Aboriginal Affairs, the Hon. Ben Wyatt MLA, to ensure that Indigenous Western Australians were able to travel back to their homes prior to remote communities being closed (as a safety precaution due to COVID-19).
- CME's Communications Team led by Ms Rosalie Cobai undertaking a massive ongoing campaign to help educate and inform the wider community of what our sector does and how it contributes.

The WA Budget in October made clear the extent to which the resources sector underpins the State economy. Our sector contributed \$9.29 billion in onshore royalties, iron ore lease rentals and offshore North West Shelf Grants, making up

almost 30 per cent of all WA Government revenue. After such a big year, I hope many of you get the opportunity to use the Christmas and holiday period as a time to recharge the batteries and spend quality time with your loved ones.

I wish you all a Happy New Year and look forward to again working closely with you in 2021.

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Contribution

Communications & Campaigns

CME's Communications Team has a strong focus on promoting the ways in which the mining and resources sector supports both the WA and Australian economies, and how member companies provide real benefits for the communities in which they operate. In 2020, this has frequently involved highlighting how the sector was able to continue to operate safely and strongly throughout the COVID-19 pandemic.

In particular, CME Chief Executive Paul Everingham became a go-to source of information and commentary for the media during the height of the pandemic, as the sector successfully adapted to the realities of COVID-19 and continued to financially underpin the WA and Australian economies.

Some 2020 highlights include:

- Media mentions more than doubling in 2020 from 2019, largely on the back of CME's leading role during the COVID-19 pandemic. These mentions were worth nearly \$8.5 million in equivalent advertising revenue.
- Continued cut-through for our Statewide communications campaigns, with each three-month phase reaching more than 9 million people between February to November.
- Huge growth in our CME social media following, including a 362 per cent jump on LinkedIn, a 195 per cent increase on Instagram and a 140 per cent spike on Facebook.
- An accompanying rise in social media engagement – including a more-than tenfold increase in Instagram engagements and increases of 506 per cent and 346 per cent on LinkedIn and Facebook.
- Triple the amount of visits to the CME website compared to 2019, with an equivalent rise in unique visitors.

- Our resource.ly content hub trebling in site traffic from September to November compared to June-August, with a corresponding increase in engagement on the resource.ly Facebook page.
- During the past 12 months, we have also expanded the size and expertise of the CME Communications team, with the aim of producing all of our content in-house. The results have been very encouraging and we are optimistic there is much growth still to come.

Economics & Tax

The Economic Competitiveness (EC) team had a busy start to 2020, designing and implementing a new survey portal and data management system to support critical data collection and analysis which demonstrates the immense contributions the resources sector makes. This data is an important part of our communications strategy. In July, CME gave a media exclusive to 7NEWS to launch the 2018-19 Economic Contribution Factsheets.

Collected from surveys of actual expenditure of 53 member companies operating across more than a hundred sites throughout WA, the factsheets aggregated the number of full-time jobs, businesses, community organisations and local governments supported by the sector by development region, state or federal electorate boundaries. In 2018-19, the sector:

- made a total direct contribution of \$67.1 billion to the WA and Australian economies; and
- directly supported 71,639 full-time jobs, 20,010 businesses, 902 community organisations and 77 local governments across Australia.



Economics & Tax

With the onset of COVID-19 in March 2020, the WA Government's progress towards legislating local content and associated reporting obligations as part of private sector project development approval processes in WA was halted (the Skilled Local Jobs Bill). CME had been advocating against a prescriptive approach and has closely engaged with the Department of Jobs, Tourism, Science and Innovation (JTSI) on alternative proactive initiatives to promote opportunities for local business and job creation such as the recently established Iron Ore Railcar Wagons Action Group. CME considers a proactive approach and ongoing communication of the contributions made by the sector will be critical to mitigating potential reconsideration of this legislation post-State election in March 2021.

CME provided input into the Payment Times Reporting Scheme alongside other federal peak bodies. Noting subsequent comments by the Chair of the National COVID-19 Coordination Commission on the importance of on-time payments to small businesses to support economic recovery, CME voiced in-principle support of the legislation's overall intent, provided the scheme maintained a level of flexibility and minimised burden of compliance wherever possible. CME also continues to support voluntary adoption of the Australian Supplier Payment Code and will continue to monitor release of the scheme's guidance materials. CME encourages members to implement systems and processes to ensure compliance with the scheme before the 18-month grace period lapses.

The EC team will finish the year delivering the first consolidated survey data collection through the new CME Survey Portal. A now annual process, this year's data collection included the 2019-20 Economic Contributions and two new surveys covering workforce management and COVID-19 response and recovery. Results from the COVID-19 survey will be consolidated with qualitative results from the COVID-19 interviews CME conducted in July, underpinning development of a key pre-State election document early in the new year.

More than \$9 million was contributed by the WA resources sector to a COVID-19 Community Support Initiative established by CME

Skills and Workforce Development

The 2020 Women in Resources Awards (WIRA) finalists were celebrated and acknowledged by WA Premier Mark McGowan at an event held at CME in early February. Winners were announced at the 11th annual CME WIRA dinner on 6 March, which was attended by more than 1,000 guests from government and the WA resources sector. Two WIRA winners won their category at the 2020 Women in Resources National Awards.

As part of our response to the COVID-19 outbreak in WA, CME has participated as a member of the Department of Communities' State Welfare Emergency Committee throughout 2020. Led by the Department's Director General Michelle Andrews, participation in this reference group has enabled high level coordination and information sharing across government agencies, industries and welfare support groups. Coordination of welfare efforts has ensured WA's most vulnerable receive ongoing support such as food, accommodation and healthcare throughout the pandemic.



COVID-19 Support

More than \$9 million was contributed by the WA resources sector to a COVID-19 Community Support Initiative established by CME to benefit local communities throughout the State. Financial support was distributed between three key WA organisations - Royal Flying Doctor Service Western Operations, Foodbank WA and Lifeline WA.

CME's members provided more than \$500,000 to fund the FIFO DETECT program, a COVID-19 population study involving wide-scale asymptomatic testing of FIFO workers. Funding of the study by the sector allowed a broad range of companies access to a gold standard of COVID-19 testing under approved protocols.

COVID-19 restrictions on physical distancing resulted in some members switching from regular public transport (RPT) to charter aviation services. As RPT services to some regional and remote WA communities are underwritten by the sector's demand, this has resulted in a reduction of available RPT services. Since May, CME has engaged with the Minister for Transport and Department of Transport in unwinding the charter licences which were issued during the peak of COVID-19. For exceptional circumstances, CME has assisted in negotiating extensions to these licences past 1 October.

Competitiveness

Environment

Amendments to the Environmental Protection Act 1986 (WA) successfully passed through the WA Parliament in November 2020, just prior to the end of the sitting year. These amendments were supported by CME in order to improve the efficient administration of the Act and introduce a more streamlined, single instrument framework for industry licensing under Part V. As part of the public consultation process earlier in 2020, CME advocated for several key amendments to the initial draft of the Bill and it was pleasing to see the majority of CME's comments incorporated to ensure a more practical, clear and efficient Bill.

Advocacy in support of a bilateral approvals agreement between the State of WA and the Commonwealth Government has continued, with Minister Sussan Ley's publication in August of her intent to progress the bilateral a significant step forward. Much work remains to be done associated with the bilaterals, including consultation of draft agreements and a Senate Inquiry into proposed amendments to the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) (Cth). Consequently, CME expects bilateral agreements and wider EPBC Act reform to be a significant focal area for 2021.

In December, the State Government released its long-awaited WA Climate Policy. The Policy outlines the State Government's approach to abating emissions within its

jurisdiction and vision for adapting to climate change across WA. The Policy builds upon the State Government's \$5.5 billion WA Recovery Plan and complements a range of initiatives already underway including \$21 million Electric Vehicle Strategy, \$15 million Carbon Farming and Land Restoration Program, \$100 million towards the 100-megawatt Big Battery project for the South West Interconnected System (SWIS) and a commitment to reduce emissions across WA's public sector.

CME looks forward to continuing to work constructively with the State and Federal governments on coordinated and aligned strategies to reduce greenhouse gas emissions across the economy. CME will continue to advocate in support of lowest cost abatement being delivered under a transparent, predictable and market-based national framework.

Regional environmental forums also continued during 2020 with a combination of onsite and teleconference meetings to cater for COVID-19 travel restrictions. The South West Environment Forum's onsite forums included site tours of Doral's Yoongarillup mine rehabilitation site near Busselton and Albemarle's lithium processing facility being constructed in Kemerton. The Goldfields Environment Forum meeting held in Kalgoorlie included a focus on tailings dams involving personnel from both the Department of Mines, Industry Regulation and Safety (DMIRS) and the Department of Water and Environmental Regulation (DWER).

Infrastructure

To mitigate the socioeconomic impacts of COVID-19, both the WA and Federal governments have been busy delivering a jobs-led plan supported by major infrastructure and economic stimulus projects. For example, the WA Government announced its largest Asset Investment Program on record. As per CME's submission to Infrastructure Western Australia's (IWA) discussion paper in August and our initial pre-Budget submission to the Federal Government, CME will continue to advocate for sustainable investment in productive, economic infrastructure that fully considers whole-of-life benefits and costs.

Prior to this in July, CME invited the Deputy Chair of IWA to present to the Infrastructure Committee on the discussion paper's strategic direction. CME also attended the IWA External Stakeholder Reference Group meeting in October, helping to inform development of the inaugural 20-year State Infrastructure Strategy. As the Strategy covers Government Trading Enterprises such as port authorities and electricity utility providers, CME's involvement will help ensure any future investment is underpinned by robust business cases that delivers lasting benefits. In due time, IWA will also consider other infrastructure reform priorities across identified 'infrastructure sectors' such as the pricing of water, which is becoming increasingly scarce in the Peel and South West regions.

CME has continued to maintain an open dialogue with the Department of Transport on the sector's demand for intrastate aviation services throughout WA. Before COVID-19, CME was pleased to see the release of the draft WA Aviation Strategy 2020 adopt a non-prescriptive solution on private mine site airstrips. These conversations with the Department of Transport have continued alongside discussions with the Perth Airport and JTSI to ensure enough apron and runway capacity for the \$129 million worth of resource sector projects in the pipeline. Throughout 2020, CME's engagement with Perth Airport increased to also include maintaining COVID-safe controls for the sector's employees.

The Federal Government's decision in May to not pursue the Biosecurity Imports Levy was welcomed as the cost burden would have disproportionately affected the sector if implemented. Last year, CME put forward a submission and engaged with the Industry Steering Committee on the sector's concerns. It is good to see the Department of Agriculture, Water and the Environment will no longer pursue the levy in its original proposed form.

Since May last year, CME and its members have continued to engage with the Energy Transformation Implementation Unit on its delivery of the inaugural 20-year electricity outlook for the South West Interconnected System - known as the Whole of System Plan.

The final report was released in October and the report recognised that it is not economically viable to retire the remaining coal generation units prior to their end of life. For many members operating in the Peel, South West and Goldfields-Esperance region, this will help maintain a minimum level of stability in the SWIS which is experiencing an ever-increasing penetration of intermittent renewables.

The WA Government's endorsement of the Westport Taskforce's Stage 2 report recommendations and committed Budget funding to develop a business case are also welcome assurances. For almost two years, CME and its members have continued to engage with the Taskforce and its Reference Groups in ensuring operational efficiency and safety of transport in and out of the Perth metropolitan and Peel regions for the next 50 years.

With several WA Government initiatives in 2020 to reduce red tape and bring forward shovel-ready projects, CME has continued to advocate the importance of maintaining appropriate interfaces between competing land uses with the Minister for Planning and the Department of Planning, Lands and Heritage. To protect both existing and future industrial land uses and their associated transport corridors from urban encroachment, greater certainty through finalisation of draft State Planning Policy 4.1: Industrial Interfaces is needed. CME has continued to leverage the IWA and

other stakeholder consultation processes on the importance of better-informed land use decision making.

Land Access and Exploration

COVID-19 restrictions presented both challenges and opportunities for exploration in WA. The implementation of regional restrictions quickly focused CME's advocacy efforts on necessary reforms allowing members to remain compliant with reporting and other commitments during a period of extended uncertainty, restricted travel and the inability to undertake certain transactions face-to-face. The introduction of electronic signatures to allow compliance with tenement reporting requirements, and clarifications to allow COVID-related exemptions on expenditure commitments assisted explorers in remaining focused on the safe resumption of exploration and continued compliance with tenement requirements.

The injection of an additional \$5 million in funding from the State Government to the Geological Survey of WA's Exploration Incentive Scheme was a welcome boost to industry. With an additional \$3 million allocated to the highly successful competitive co-funded drilling program over the next two years, this commitment sent a positive signal to industry and regional economies across WA.

Planned phase 3 consultation on draft Aboriginal cultural heritage legislation postponed during COVID-19 restrictions, recommenced in September. CME actively participated in this process, providing a detailed submission to the Department of Planning, Lands and Heritage in October 2020. This submission focused on the practical improvements necessary for the draft Bill to function practically, and as intended. Whilst the State government was ultimately unable to progress modernising legislation during the 40th State Parliament due to COVID-related delays, CME remains committed to working with the next government to deliver contemporary legislation which will deliver improved outcomes for all key stakeholders.

The Juukan Gorge incident in the Pilbara in May 2020 drew significant and sustained media attention to the outdated nature of WA's Aboriginal heritage legislation and the interactions of the mining sector with Indigenous people and their cultural heritage. This incident, and the subsequent media fallout, led to the establishment of a Federal parliamentary inquiry, led by the Joint Standing Committee on Northern Australia. CME appeared before the Committee in September 2020 to reinforce the commitment of the WA resources sector to the current State legislative reform process. CME used this appearance to highlight the risks posed by any additional Federal legislation on Aboriginal heritage, and by extension the importance of local traditional custodians being involved in decision making on their own cultural heritage.

Economics & Tax

CME made initial State and Federal pre-Budget submissions early in 2020. Following their deferral to October, CME subsequently made further targeted submissions calling for increased certainty on competitive policy, tax settings and ongoing commitment to delivery of regulatory reforms. CME attended the State Budget lock-up and released commentary highlighting the increasing role of royalties in underpinning the WA Government's general revenue stream – a record 28.8 per cent in 2019-20.

Shortly after the Productivity Commission's release in February of the final report into remote area tax concessions and payments, it was pleasing to see the Assistant Treasurer release a media statement confirming the Federal Government would not act on the Commission's recommendations. For more than a year prior, CME made submissions, facilitated engagement between members and the Commissioners through forums and other correspondence, liaised with federal peak bodies and leveraged opportunities during Canberra advocacy trips to reinforce the sector's position. If the Commission's recommendations were adopted,

it would have increased the tax burden of housing employees locally in regional and remote Western Australia in the order of millions, unintentionally penalising those seeking to promote residential-based and drive-in, drive-out practices.

At the outset of the pandemic, CME maintained close engagement with members and the WA Government on the impacts of restrictions put in place to manage the risk posed by COVID-19. Alongside significant and ongoing response efforts, CME has continued to promote the role the WA resource sector will play in supporting the economic recovery from the impacts of COVID-19. With revenue from other streams expected to decline during the pandemic, the resilience of royalty receipts from commodities like iron ore and gold will continue to play a crucial role. The sector's continued employment throughout COVID-19 - which hit a record 135,000 average employees in 2019-20 - and contribution to at least 16.5 per cent of the WA Government's revenue in payroll taxes (in addition to royalty receipts) will further help sustain the WA economy.

In addition to our pre-Budget submissions calling for no new or increase to royalties and other commercial settings, CME has been advocating for targeted consideration of whether the current netback calculation framework, which underpins the stability of the 40-year old WA royalty system, is effectively supporting downstream investment in mineral concentrate, chemical and other products that could service new and emerging markets in the WA economy (i.e. critical minerals and beneficiated mineral products such as magnetite).

Further to CME advocacy efforts, it was pleasing to see Mining Amendment Regulations (No. 3) 2020 (WA) passed in March, ensuring lithium royalties are levied and paid only once when spodumene concentrate is on-sold as feedstock to produce lithium hydroxide or carbonate. However, while this provided welcome clarity, CME has consistently expressed concern this is unlikely to go far enough to ensure sustainability of the upstream nor incentivise further downstream development.

CME partnered with the Association of Mining and Exploration Companies (AMEC) and engaged Australian Venture Consultants (AVC) to conduct a detailed study into factors impacting the competitiveness of WA's lithium sector. Following presentation of the report to the WA Government and briefings with key stakeholders, the final report was launched in August. Following further sustained advocacy, in December the Government announced targeted royalty relief for lithium spodumene producers experiencing current financial pressure, in the form of a 50 per cent royalty rebate to be fully repaid in subsequent years.



CME has partnered with AMEC again on a separate study conducted by AVC into magnetite to support the competitiveness of this emerging sector; ensuring WA is optimally positioned to make the most of the current window of opportunity to be a major supplier of magnetite concentrate and other products to the global steel industry. The report calls for the WA Government's recently withdrawn Magnetite Financial Assistance Program to be reinstated and a targeted review of the netback methodology as it applies to commodities with relatively high capital and labour costs associated with processing complexity and intensity.

Throughout the year, CME has continued to engage with the WA and Federal governments on critical mineral initiatives including:

- Facilitating a meeting of CME and AMEC lithium members with the Future Battery Industry Cooperative Research Centre and Minerals Research Institute of WA to explore opportunities for companies to contribute to and guide the direction of this important research program;

- Nominating to sit on the newly established Future Battery and Critical Mineral Industry Ministerial Taskforce and participating in the first workshop as a member of the supporting working group;
- Engaging with federal peak bodies and lodging submissions on the Federal Government's proposed changes to the Foreign Acquisitions and Takeovers Act 1975 (Cth);
- Writing, jointly with the Minerals Council of Australia, in response to a request from the Minister for Defence on the effectiveness of current funding mechanisms and other opportunities in supporting viability of these projects; and
- Liaising again with AMEC on the Federal Government's development of a Modern Manufacturing Strategy roadmap for critical minerals processing.

Workplace Health and Safety

CME remains actively involved in the State Government's work health and safety (WHS) reforms. In late 2019, the long-awaited Work Health and Safety Bill (2019) was introduced to the WA Legislative Assembly.

Through 2020, CME sought to maintain regular engagement with key political stakeholders to ensure industry concerns with elements of the new industrial manslaughter provisions were considered through the parliamentary process, given their introduction to the Bill in its final stages. CME's advocacy through this process helped ensure these provisions were considered in detail, with two Legislative Council committee inquiries being undertaken. As a result, the Legislative Council voted to remove proposed clause 30B – 'simple industrial manslaughter' from the Bill. The Bill passed WA Parliament and received Royal Assent on 10 November.

Behind the scenes, CME continued representation on the Legislative Advisory Committee (LAC), a tripartite subgroup of the Commission of Occupational Safety and Health (COSH) tasked with reviewing and updating Codes of Practice in light of the WHS reforms. LAC's focus throughout 2020 was on the draft Codes for Violence Aggression and Bullying at Work and Workplace Behaviours.

CME has also remained actively involved in health and hygiene matters. CME's Health and Hygiene Working Group, containing technical experts in this area, continues to lead work on associated projects and progress a proactive approach to addressing health and hygiene issues affecting the Western Australian resources sector. At a national level, this included a submission to the National Dust Disease taskforce and ongoing engagement in Safe Work Australia's large body of work reviewing workplace exposure standards, work which was then put on hold during the global pandemic. At a state level, CME supported a number of recommendations made to the Minister of Mines and Petroleum through the Mining Industry Advisory Committee (MIAC) relating to diesel particulate matter exposures, including proactive adoption of an exposure standard. Through MIAC, CME also supported the adoption of reduced exposure standards for respirable silica and coal dust.



Capability

Workplace Health and Safety

In response to COVID-19, CME immediately established the COVID-19 Industry Response Working Group to facilitate a targeted and coordinated 'industry-level' response to the pandemic. As COVID-19 escalated, CME began distributing regular communications widely to members with up-to-date information, relevant advice and best practices approaches.

CME worked closely with senior levels of Government who, recognising the sector's leadership and sophistication in health and safety management, supported continued operation of the sector and movement of our workforce as essential workers throughout the pandemic.

The Framework for COVID-19 in the Resources Sector and supporting Implementation Plan for COVID-19 were developed further to consultation between industry and the State and outlined the suite of risk-based response measures implemented by the sector in relation to the pandemic. These measures were effective in protecting the health and safety of the sector's workforce and surrounding communities and ensured confidence in the sector's ability to manage risks associated with the transmission of COVID-19.

In light of the global pandemic, the mental health and wellbeing of workers was a particular focus for CME's member companies throughout 2020. The resources sector has long been proactive in this area and was therefore well placed to support workers throughout COVID-19. Companies collaborated to introduce new initiatives and tailor existing ones to help ensure workers and their families had access to a wide range of support. CME regularly circulated the latest tools and resources to industry and worked with members to share best practice initiatives amongst companies, helping ensure the sector's workforce was appropriately supported through what continues to be a challenging period for all Australians.

CME's proactive partnership with Lifeline WA, which started in 2018, pivoted in direction in response to COVID-19. The planned ambassadorial program was put on hold and a new project; A Resourceful Life commenced. This initiative shared real life stories of individuals in the sector, breaking down stigma about seeking help and sharing information about the variety of supports and initiatives in place to protect the wellbeing of the sector's employees at this challenging time. Separately, Lifeline WA has commenced work developing content for a peer support tool, which will be rolled out in 2021.

At a state level, CME remained an active participant on the Mining Industry Advisory Committee's Mental Health Strategies Working Group. In 2020, the working group progressed development of online resources for mentally healthy workplaces to support the DMIRS FIFO Code, released in 2019. CME's advocacy through this process helped ensure these resources were designed to be applicable for all workplaces, not just those operating on FIFO basis, thereby maximising their benefit. Through the working group, CME's members were also provided the opportunity to review and comment on the draft mental health audit tool and guide, which resulted in a number of amendments prior to the final tool being released. Upon completion of these projects, MIAC confirmed the group had met its terms of reference in responding to the relevant recommendations to the 2015 Parliamentary Inquiry and would cease.

At a national level, the Productivity Commission Inquiry into mental health slowed over COVID-19. CME remained engaged where possible, contributing an industry submission in response to the draft report in January.

In 2020, DMIRS and CME co-funded the Incident Data Analysis Project. The project engaged two analysis providers, InterSafe and Curtin University, to analyse datasets of serious actual and potential incidents from six WA resources sector companies over the five-year period of July 2014 to June 2019. The project identified hazard trends to increase the understanding of injury risk exposure for both industry and DMIRS.



Skills and Workforce Development

CME, together with the Resources Industry Training Council, engaged Pit Crew to conduct employment forecast modelling to understand occupational and regional employment impacts of COVID-19. Data from this project was used throughout 2020 to inform policy development and advocacy to government of employment impacts of COVID-19 across operations, shutdowns and construction activity in the WA resources sector.

CME has been vocal this year in highlighting the challenges faced by resources companies in WA in sourcing a skilled workforce and has reaffirmed its commitment to employing locally where possible. Despite COVID-19, our industry has continued to employ more than 135,000 Western Australians, including thousands of local apprentices and trainees from across the state. With strong growth into 2021, the resources sector will continue to see a growing demand for skilled labour over the next 12-18 months.

In response to this demand, CME partnered with APPEA and the WA Government in October to launch a 'Careers in the WA resources sector' landing page on the Jobs and Skills website. This new dedicated webpage (www.jobsandskills.wa.gov.au/resources) has information on training options, how to get an apprenticeship or traineeship, where jobs are now and what future jobs will look like. This careers promotion will complement CME's upcoming campaigns promoting job opportunities available in the resources sector and career pathways to resources sector jobs.

In early June, CME facilitated meetings with senior resources sector members to assist in gathering information for the WA Government Training Review. Companies provided the review team with the short to medium term skills needed and highlighted the preference for industry-led, contestable, accelerated and flexible training solutions. Training constraints in the Pilbara region were also highlighted during these meetings, in addition to the need to review the apprenticeship model to accelerate training outcomes. CME supports 'industry led' training pathways orientated to the skills required now and in years to come.



The Chamber of Minerals and Energy of Western Australia is the peak resources sector representative body in Western Australia. We are a member-funded, not-for-profit organisation representing the views and the needs of members.

CME leads policy development on issues impacting the sector, promotes the value of the sector to the community, and provides an avenue through which members and stakeholders collaborate.



Image courtesy of Alcoa of Australia

Diversity in the Western Australian Resources Sector 2019 Report

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Throughout 2020, CME participated in the Mining Skills Organisation Pilot (MSOP) working group. MSOP, hosted by the Minerals Council of Australia, is a Commonwealth-funded skills organisation, tasked with establishing pilot projects to test innovative changes to the vocational Education and Training system. CME has provided WA industry input into the development of the projects and has facilitated WA resources company engagement in the pilot projects.

Throughout 2020, Verisafe has progressed development of the remaining verification of competency assessment tools and now has 27 registered Verisafe Assessors. The Verisafe framework will continue to be rolled out across the sector in 2021 to improve safety, establish an accepted industry

standard for verification of competency for high-risk work roles, and to facilitate greater mobility of contractors across the sector.

As the WA resources sector continues to strengthen, it is necessary to attract a range of people to the sector to diversify and grow the labour pool. It is vital to raise student interest in science, technology, engineering and maths and entice young people to study resources-related disciplines in high school and university to ensure the future resources sector has ongoing access to skilled workers. To this end, CME supported the important work of Earth Science WA this year, including the national Oresome Resources website and the WA Government's 'Take 2 STEM' campaign.

In early 2020, CME released its fifth biennial 'Diversity In The WA Resources Sector Report'. It is encouraging to see a year-on-year increase in the total number of females in the WA resources sector workforce and significantly, an increase in females in management and board roles. However, more needs to be done. Furthermore, the report highlighted the continuing commitment of the WA resources sector to engage, train and employ local Indigenous people, with Indigenous participation in the WA resources sector increasing from 4.0 per cent in 2017 to 4.7 per cent in 2019. This compares to just 1.9 per cent Indigenous representation across the entire Western Australian workforce.

During 2019-20, the Building and Construction Industry Training Fund (BCITF) collected \$39.18 million in revenue from the BCITF Levy, inclusive of \$13.38 million from construction work in the resources sector. During 2020, CME worked with APPEA and AMEC to nominate a number of resources sector representatives for the BCITF Board. In mid-2020, the Minister for Education and Training appointed two resources representatives to the Board, one from mining and one from oil and gas. CME has remained engaged with the Construction Training Fund in 2020 to advocate innovative processes to enable WA resources sector companies to gain better training value from the fund to which they significantly contribute.

Goldfields

2020 was a year of extremes for both WA and the Goldfields-Esperance region, with the economic uncertainty of COVID-19 delivering record gold prices and, in turn, record production levels. However these good times have also led to increased conversations around skills shortages and a tightening housing market.

CME, the Kalgoorlie Boulder Chamber of Commerce and Industry (KBCCI), and the Goldfields Esperance Development Corporation (GEDC) have worked collectively to develop the GE Business Register online portal. This portal will allow local businesses to market and highlight their products and services to other businesses across the Goldfields region, including those operating in the mining sector and encourage and promote the need to 'buy local'. The GE Business Register was launched by Premier Mark McGowan at Diggers and Dealers in early October and will be fully operational in late 2020.

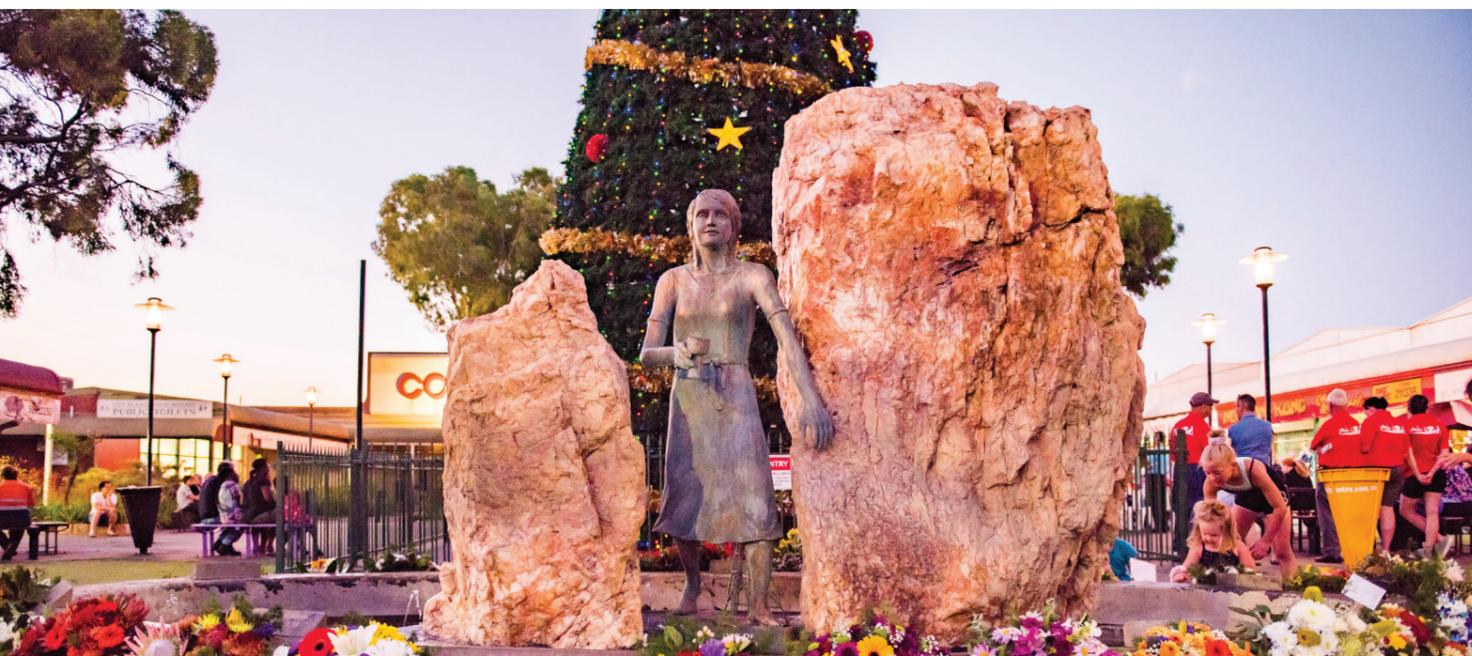
In September, a CME delegation visited the Northern Goldfields region, including AngloGold Ashanti's Sunrise Dam Gold Mine, Goldfields' Granny Smith Gold Mine, Minara's Murrin Murrin Nickel Mine, St Barbara's Gwalia Gold Mine and BHP's Leinster Nickel West.

In October, almost 2,000 people attended the annual Diggers & Dealers Mining Forum. While COVID-19 restrictions prevented most international and interstate visitors from attending, the upbeat atmosphere reflected a vibrant year for many miners.

Unfortunately, due to the pandemic, the annual Surface Mine Emergency Response Competition was cancelled, and the Underground Mine Emergency Response Competition was delayed until 2021.

In its 21st year, The St Barbara's Festival Miners Memorial continued to honour and remember those who have lost their lives in service of the mining industry. In December, CME laid a wreath at the foot of the St Barbara statue in Kalgoorlie as part of the festival.

CME also continued its long-term support of the What's Down the Track Forum, hosted by the Kalgoorlie-Boulder Chamber of Commerce and Industry. Chief Executive Paul Everingham attended and spoke about the vital economic contribution the resources sector was making to the region, highlighting important projects planned for 2021.



South West

In December 2019, CME's South West Regional Council (SWRC) identified six key focus areas for 2020 - energy security, water security, waste management, transport linkages (port, road, rail), skills shortages and streamlined regulatory approvals. Presentations over the year have centred on these priorities, including a presentation from the Energy Transformation Taskforce about the Whole of System Plan, a discussion with the Director General of the Department of Training and Workforce Development about skills and training needs in the sector, an update on the Bunbury Outer Ring Road project, a presentation from the Department of Transport on the Draft South West Supply Chain Strategy and a presentation from WesTrac about the new Autonomous Training Centre in Collie.

The Port Users Group met in July to discuss issues including maintenance and COVID-19 protocols for incoming vessels. CME continues to liaise with the Southern Ports Authority about these issues as required, on behalf of the members.

Members met in October to discuss the potential for a community collaboration project. The project aims to optimise synergies in the community investment priorities across participating companies and develop a cohesive project that benefits the South West community.

In November, a meeting was arranged for members to meet with Main Roads and the Bunbury Outer Ring Road Alliance Contractors to discuss the potential for using by-product or demolition waste for fill or construction materials on the project, which is due to commence in 2021.

South West Occupational Safety and Health forums were held throughout the year, focused largely on recovery and reform priorities. Topics during 2020 included COVID-19 engineering controls, streamlining of assessment timeframes and the WHS Bill. The November meeting was held at Talison in Greenbushes and included a tour of the site.



Resources Industry Training Council

The Resources Industry Training Council (RITC) is a joint venture between CME and APPEA, funded by the State Government. Its purpose is to inform and advise both the State Government and industry of priorities within training, skills, and workforce development. The RITC operates primarily within the Vocational Education and Training (VET) sector.

2020 has proven a busy year for the RITC, with a number of projects reaching completion.

For the LNG sector, the LNG Operator Skills Framework was completed as a project of the LNG Jobs Taskforce - Education, Training, and Innovation Working Group. Led by the RITC, this project sought to improve the quality and efficiency of how LNG process operators are trained through the development of seven specialisations and 15 new units of competency at the Certificate III level. With the framework complete, the next opportunity includes the development of standardised training and assessment materials for training delivery. This project is under development.

For the mining sector, the RITC Advisory Board endorsed the 'Skilling Pathways - Preparing the resources sector for an automated future project' report. This report analysed the impact of automation on occupations within three target areas: load and haul truck operations, drilling operations and laboratory operations. Examining topics such as mechanical and electrical cross-skilling and career pathways, the report sought to identify training opportunities and clarify the role of stakeholders in creating a sustainable training market.

For the drilling sector, the RITC undertook the Drilling Workforce Development Strategy in response to increased demand driven by resources sector growth. The project identified several findings, primarily that a tightening labour market has impacted industry's ability to respond to peaks in demand. The RITC is acting on the developed recommendations, including supporting the talent pipeline, enabling strategic HR practices, and advocating for additional subsidies to support 'job ready' training (e.g. HR licencing).

On a national level, the RITC continued its involvement in training curriculum development and actively engages the relevant industry reference committees and skills organisations. Enabling industry's participation and representation in these processes will remain a focus of the RITC in 2021, and the RITC continues to support the Mining Skills Organisation pilot run through the Minerals Council of Australia.

Both State and Commonwealth jurisdictions have outlined how Australia's vocational education and training (VET) system will play a critical role in supporting future growth and prosperity and have signed the Heads of Agreement for Skills Reform. This Heads of Agreement will form the basis for negotiating a new National Skills Agreement to replace the National Agreement for Skills and Workforce Development (NASWD). Negotiations between Western Australia and the Commonwealth will take place over the next 12 months.

Looking forward, the RITC will continue to work collaboratively with CME to represent the needs of industry within State Government, as well as supporting stakeholders through the navigation and implementation of VET policies, assisting industry to resolve skills and training-related issues, and working towards a supportive education and training system.

Pilbara

CME provided feedback prior to the onset of COVID-19 on the Department of Jobs, Tourism, Science and Innovation's 'Pilbara Economic Development Consultation Paper' which was to inform the government's development strategy for the Pilbara. With CME believing the government had displayed an excellent understanding and effort in addressing these issues, CME's response focused on our role in continuing to work closely with the government on ensuring the region is well supported during all phases of the commodity cycle, recognising there will always be a limit to what CME member companies are reasonably responsible and accountable for.

After being launched by Premier Hon Mark McGowan MLA, Minister for Education and Training, Hon Sue Ellery MLC and CME CEO, Paul Everingham late last year, the Pilbara Collaboration's Digital Technologies pilot was completed in the first half of 2020, despite the disruption caused by a cyclone and COVID-19. The evaluation report conducted by the Australian Computing Academy (which involved surveying teachers involved) highlighted very positive results and feedback linked to our objectives that exceeded CME's high expectations. An independent review by the Department of Education has resulted in the Minister for Education and Training offering CME a secondee to support further development and roll out across the State.

During the height of the COVID-19 pandemic, CME in consultation with WA Country Health Service (as the lead agency for the COVID-19 emergency response in the Pilbara), established the COVID-19 Resources Stakeholder Group to ensure there was a high-level coordinated discussion between decision makers in resources companies and those leading the Pilbara response to COVID-19 (which included WA Police and the Department of Communities).

In November, CME hosted Federal ALP members Madeleine King, Federal Member for Brand and Louise Pratt, Senator for WA, along with some of their staff for a two-day tour of Karratha/Onslow. Operations visited included the North West Shelf Joint Venture, Woodside's Pluto Project, Yara Pilbara Fertilisers, Rio Tinto's Dampier Port, and Chevron's Wheatstone Project.

Kimberley

The Kimberley region faced significant challenges through the height of the COVID-19 restrictions, compounded by the unique nature of the region's workforce and the vulnerable Aboriginal community. A focus for members during this period remained on protecting at-risk remote and regional communities, while ensuring continuity of operations, services and supply.

Regular changes to travel restrictions and remote community access, often with limited notice, created the need for frequent, ongoing collaboration between industry and State and local governments to minimise continuity impacts while protecting vulnerable communities. Ensuring members were kept informed and supported through the rapidly changing requirements was a priority for CME. Conflicting approaches between the Commonwealth and State Government requirements were particularly problematic, with early lifting of the Commonwealth requirements a significant improvement that CME actively supported.

Resources sector operations throughout the Kimberley remain vigilant to the risks presented by COVID-19 and continue to work collaboratively at local and State levels to manage risks.

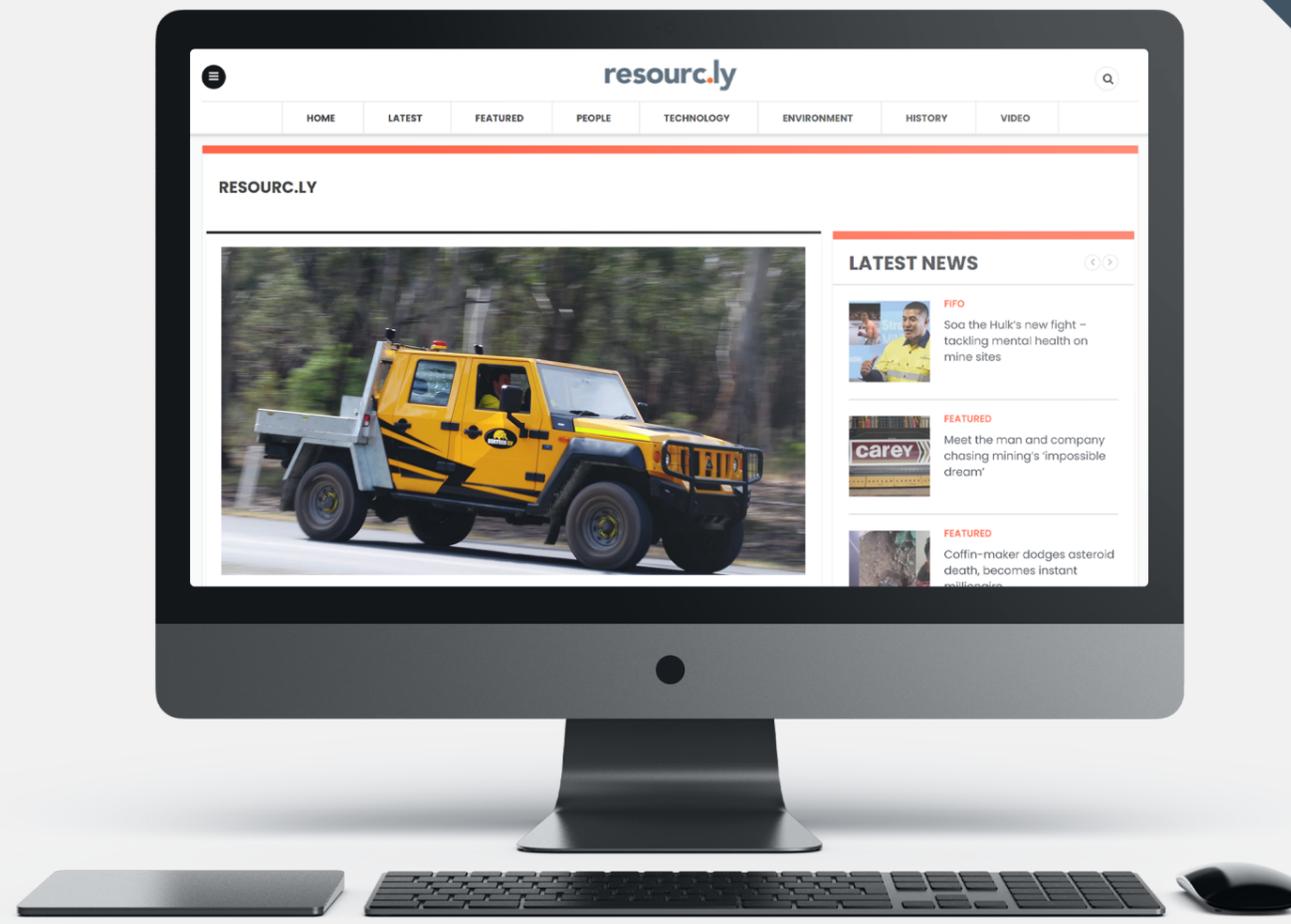
Under a COVID-normal approach, the focus for the CME Kimberley Regional Council (KRC) will remain on enhancing regional coordination and collaboration, particularly in the areas of community contribution, local procurement and regional employment and training. The KRC continues to play an important role in providing input to CME's policy and advocacy across a range of areas for this unique region.

Events

The 2020 Women In Resources Awards were held in early March and were one of the final major events held before the Government implemented COVID-19 restrictions around WA.

Five inspiring women from Fortescue Metals Group, Chevron, Woodside Energy and Newmont were among the winners on the night, as well as Compass and BOAB in the company categories. Two of the winners went on to further recognition at the BHP Women in Resources National Awards.

WIRA 2021 will be held on March 5 and we look forward to it again being one of the resources sector's night of nights.



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