

December 2014



Message from the Chief Executive

With Christmas and the New Year once again upon us, CME has had a very busy end to 2014.

The wide-ranging media coverage and commentary regarding the fly-in, fly-out (FIFO) workforce has been a key issue for CME in this last quarter along with our submission and subsequent appearance at the Education and Health Standing Committee's (the Committee) Inquiry into mental health impacts of FIFO work arrangements.

CME has focused its efforts on refuting the myths and stigmatisation surrounding the FIFO workforce. An interim report was tabled by the Committee in late November drawing on evidence provided at the hearings; the report expresses a number of concerns regarding the lack of clarity on available data relating to mental health, suicide and the take-up of mental health support programs in the FIFO workforce. Throughout our engagement with the Inquiry CME has continued to emphasise the resources sector's commitment to addressing health and wellbeing in the workplace. CME strongly believes the broad and complex nature of mental health and suicide prevention requires collaboration between government, community and industry to better understand the issues and to develop effective strategies in response to mental health issues in the broader community.

CME was joined by the Hon. John Day MLA, Minister for Planning, Culture and the Arts and Deloitte Access Economics Partner Chris Richardson to launch its *2015-2025 Western Australian Resources*

Sector Outlook in November. This flagship publication looks at the development plans of the resources sector over the next ten years and the key enablers of people, energy, water and infrastructure. This fourth edition of the Outlook finds the sector is largely in the operational phase as previously forecast in the 2013 edition, and major construction projects are now either being completed or will be finalised over the next couple of years. As a result, the workforce is expected to decline as the transition from construction to operations continues.

The Outlook demonstrates the popularity of FIFO continues to grow and by 2020 it is expected the proportion of FIFO workers in the resources sector workforce will be approximately 63 per cent, an increase on the current number of 60 per cent. With the growing FIFO workforce, passenger movements through Perth Airport will also increase with shorter shift patterns contributing to a higher frequency of passenger movement.

Recommendations in the Outlook emphasise the need for governments and industry to work in partnership to ensure policy settings are appropriate for current projects to be delivered efficiently and effectively and future investment is attracted to Western Australia.

CME was pleased to host the Hon. Andrew Robb AO MP, Minister for Trade and Investment on a tour of the Pilbara in October. The group, which also included Melissa Price MP, visited operations at Yara Pilbara Fertilisers, Rio Tinto Iron Ore, Chevron's Gorgon project, CITIC Pacific's

Sino Iron Project, Woodside, BHP Billiton Iron Ore and Roy Hill.

Looking ahead to the New Year CME has a number of important events and activities in the first quarter of 2015. We have received a record number of nominations for the 2015 Women in Resources Awards with over 90 nominations submitted in total. It's wonderful to see this recognition of achievement and outstanding work among colleagues in the sector and we look forward to announcing the winners next year. We encourage members to save the date for the awards presentation breakfast on 6 March 2015, which will again be hosted by journalist and political commentator Annabel Crabb.

Entries into CME's 2015 Safety and Health Innovation Awards are currently open and we encourage all members to present their new programs, initiatives and systems for consideration. The awards showcase the ongoing drive to ensure best practice in safety and health, based on a culture of continuous improvement and innovation in the resources sector. The awards will be presented during the 2015 Safety and Health Conference over 27-28 July 2015.

CME wishes all members a safe and happy holiday season and we look forward to working with you again in 2015.

Reg Howard-Smith
Chief Executive



Economics and Tax

This quarter saw the conclusion of the formal Industry Reference Group meetings as part of the ongoing consultation into the Mineral Royalty Rate Analysis. CME was heavily involved in the review conducted by the Department of State Development (DSD) and Department of Mines and Petroleum (DMP) and while the review is yet to be considered by government, CME was pleased with the Premier's comments in late October where he ruled out any increases to iron ore royalties.

CME will continue meeting with members of parliament and key influencers to ensure the CME recommendation of no changes to the current system, given the industry as a whole provides greater than a 10 per cent return to the state is widely understood.

The Engineering and Contractors Roundtable had its final meeting for the year and discussed issues including gender diversity, legislative and regulatory repeal priorities and an overview of the Western Australian parliamentary *Inquiry into mental health impacts of FIFO work arrangements*.

The Exploration Development Incentive (EDI) has been a key focus for CME over a number of years to provide much needed incentives for investment in greenfields exploration. CME worked with Treasury and the Department of Industry to provide advice on practical elements of the legislation and the CME recommendations were included in the release of the Exposure draft legislation. CME will continue to work with members on implementation, once the EDI is legislated.

CME is working with the Chamber of Commerce and Industry (CCI) Western Australia on a piece of work entitled "Blueprint for reform – the GST imperative". The collaboration will prioritise the key approaches in how to effectively and efficiently reform the current GST distribution methodology and will feed in to CME's 2015 submissions into the Federation and Tax white paper processes. CME will continue to work with state and federal members of parliament to seek their support for reform in this area.

Shannon Burdeu
08 9220 8514
s.burdeu@cmewa.com

Environment

The Environment Portfolio has been focused on a number of legislative reforms and inquiries in recent months, including the DMP Reforming Environmental Regulation (RER) program. This has progressed significantly and with member input, CME provided submissions for the following:

- Guideline for the Preparation of an Annual Environmental Report
- Cost Reflective Pricing Options – Environmental Regulation of the Mining Act 1978
- Mining Proposal Reform Discussion Paper
- Guidelines for Preparing Mine Closure Plans.

Amendments to the Mining Act 1978 are expected early in 2015 to legislate RER reforms and formally move the agency to a risk and outcomes-based environmental regulator.

The Environmental Protection Authority

(EPA) has in recent times placed an increased emphasis on cumulative impacts in environmental impacts assessments. Its 2013/14 Annual Report and Strategic Advice to the Minister for the Environment surrounding cumulative environmental impacts of development in the Pilbara region have shone a spotlight on the issue.

In October, CME convened the Environment Committee and Water Issues Group to provide an opportunity for members to identify and discuss cumulative impacts. With methodologies for conducting cumulative impact assessments currently not well understood, described or standardised the need for clear and transparent guidance around cumulative impact assessments in Western Australia was highlighted. The group agreed on a number of meeting outcomes, including a way forward for industry to engage with government.

An impact statement and draft variation to the *National Environment Protection (Ambient Air Quality) Measure (AAQ*

NEMP) was released and outlined changes to Particulate Matter (PM) reporting standards. CME consulted with members to better understand the potential impacts of these proposed changes and made a formal submission to the National Protection Environment Council in October 2014. This submission will now be used as the basis to engage with the Department of Environmental Regulation (DER) over this issue.

In October, agreement to legislate for the creation of the government's Direct Action Plan finally delivered some certainty surrounding climate change policy. The deal negotiated with the Palmer United Party (PUP) and crossbench Senators passed amendments to the Carbon Credits (*Carbon Farming Initiative*) 2011.

Kane Moyle
08 9220 8511
k.moyle@cmewa.com



Infrastructure

Following the launch of the *2015-2025 Western Australian Resources Sector Outlook* CME will meet with relevant Ministers and key stakeholders to discuss the forecasts and implications for government policy settings

The Infrastructure Committee met in November and discussed the Port Improvement Rate policy endorsed by government, and planning issues including the protection of buffers and corridors with the Department of Planning. The Committee also discussed CME's submission to the Review of Regular Passenger Transport (RPT) Air Routes which supported the proposed 'light-handed' regulatory, transparent and consistent methodology applied to managing intrastate RPT routes.

The Shadow Minister for Energy met with the Energy Reference Group this quarter to discuss energy policy settings, and CME's submission to the Energy Green Paper which recommended the federal government consider the differences between Western Australia's electricity and gas markets and national markets.

The Renewable Energy in the Resources Sector flyer was released which considers the business case for the integration of renewable energy into the sector, barriers and opportunities for uptake on renewable energy, and international case studies where renewable energy is being used to power operations.

In late October, Pilbara mining members and the Department of Water attended the first of four workshops, led by

CSIRO, to consider the values at risk from the cumulative effects of mining on water resources in the Pilbara. Follow up workshops will be held to discuss processes, data sharing and governance arrangements for a cumulative effects framework.

The Water Issues Group also met and received a presentation by the National Centre for Groundwater Research and Training on the centre's efforts to collaborate with the resources sector, and the Department of Water on current planning projects regarding the state's water supply.

Andrew Winter
08 9220 8525
a.winter@cmewa.com

Land Access

In October, the Australian Law Reform Commission (ALRC) released its Discussion Paper for the Review of the *Native Title Act 1993 (Cth) (NTA)*. The Discussion Paper is the second consultation document in the ALRC's Review, following on from an Issues Paper released earlier in the year. In November, CME met with the ALRC to discuss the proposals and questions contained in the Discussion Paper. The ALRC will then submit a final report to the federal government by the end of March 2015.

In November, CME met with Andrew Luttrell, recently appointed Western Australian Register for the National Native Title Tribunal (NNTT). The meeting focused on a stronger emphasis on stakeholder communication by the

NNTT and greater assistance in post-determination of native title.

CME continued to engage with the Department of Aboriginal Affairs regarding amendments to the Aboriginal Heritage Act 1972 (WA) including the development of accompanying regulations and the likely introduction of the legislation into parliament.

A selection of Mid-West member companies and CME met with the Hon. Albert Jacob MLA, Minister for Environment; Heritage, to discuss the current status of projects, and experiences regarding the approvals process for mining and exploration tenements within the Banded Iron Formation (BIF) Ranges in the Yilgarn Craton.

The EPA's recent adoption of a 'presumption against development' has created uncertainty for mining development in the region. In particular, this has created difficulties for resources companies engaging with the EPA regarding environmental impact assessments. The importance of collaboration and an open dialogue was the emphasis of discussions and the need for government to find a balance between the development and environment values of the BIF ranges.

Kane Moyle
08 9220 8511
k.moyle@cmewa.com



People Strategies

CME has convened a FIFO Reference Group with member representation to address broader FIFO issues. The Reference Group will provide industry input into CME policy development and advocacy messaging on FIFO, particularly: in-depth examples of current company initiatives to ensure the health and wellbeing of the resources sector workforce; potential industry and company initiatives to ensure FIFO continues as a viable workforce solution for the resources sector; and to inform development of the CME response to the parliamentary inquiry.

In October the Department of Immigration and Border Protection announced a comprehensive review of the skilled migration and temporary activity visa programmes. In conjunction with the Minerals Council of Australia, CME provided feedback into the first consultative phase of the review welcoming the acknowledgment of the economic and social success of the skilled migration programme. The submission supported the notion of implementing a more supportive, flexible and responsive

skilled migration framework. CME also supports the recently announced government response to the Independent Review of Integrity in the 457 Visa, to streamline the visa and adopt a risk-based approach to compliance.

The Department of Industry VET Reform Taskforce has continued to roll-out training sector reforms, including discussion papers canvassing a contestable process for management of training packages and also suitability of current training packages and accredited courses for industry. Reforms have also been announced as part of the Department's Industry Innovation and Competitiveness Agenda around standards and quality; red-tape reduction and improved industry involvement in policy development. CME will continue to provide comment into the reforms, advocating for an industry-led, demand driven training system focusing on quality skill development.

The Resources Industry Training Council currently has three projects underway. Firstly, the verification of competence

project is examining whether it is possible to establish a common industry framework for the oil and gas industry. Two rounds of industry consultation have taken place and it is envisaged a position paper will be developed early in 2015. The second project has focused on determining whether the current suite of qualifications is meeting the drilling industry's need and examined assessment requirements contained in the Resources and Infrastructure Industry (RII) training package.

The third project is exploring possibilities for establishing a collaborative training model for the Western Australian oil and gas industry. This project will examine industry demand for skills in the light of current supply with a view to determining whether any gaps exist. The project will also explore collaborative training models for consideration by industry.

Emmanuel Hondros
08 9220 8534
e.hondros@cmewa.com

Occupational Safety and Health

The quarter commenced with the finalisation of CME's written submission to the parliamentary inquiry into mental illness and suicide within the FIFO workforce. Throughout October, CME engaged with members, including the Mental Health Working Group and newly formed FIFO Reference Group to prepare further evidence and develop a communication strategy.

CME appeared before the Education and Health Standing Committee in early November and presented strong evidence the issue is no more prevalent in the FIFO workforce than the general population; provided examples of

industry's commitment to employee physical and psychological wellbeing; and called for cross-sector collaboration to break down stigma and identify best practice strategies. The inquiry presented an interim report to parliament in late November expressing concerns regarding available data, the demographic profile of the FIFO workforce (gender, age, occupation type and socio-economic position), perceived unique challenges of FIFO practices on mental health, and how mental health factors can be considered in regulation and accommodation for FIFO workers. CME will engage with members to develop a formal response to the concerns raised, the Committee

will prepare a final report expected on 11 June 2015.

In October the Department of Commerce released the draft Work Health and Safety Bill 2014 (WHS Bill) for a three month consultation period. This was closely followed by the release of a Consultation Regulatory Impact Statement (RIS) on options for consolidating resource safety legislation prepared by Marsden Jacob Associates on behalf of DMP.

CME will consult widely with member companies and engage with the Safety Legislation Reform Ministerial Advisory Panel to ensure new legislation retains the best practice elements of the proposed



and existing laws, while removing duplication, complexity and inefficiencies.

In November, CME formally launched the 2015 Safety and Health Innovation Awards calling for entries demonstrating new solutions and approaches in the three categories: People, Systems and Engineering. Innovation Awards finalists will be showcased at the 2015 Safety

and Health Conference held over 27 and 28 July at the Perth Convention and Exhibition Centre.

CME's Workplace Health and Safety Committee met in December to progress key issues, reflect on work completed in 2014 and consider strategic priorities for 2015.

Adrienne LaBombard
08 9220 8520
a.labombard@cmewa.com

Eastern and North Eastern

In late October CME jointly hosted the "What's Down the Track?" forum with the Kalgoorlie-Boulder Chamber of Commerce and Industry and the Goldfields Esperance Development Commission. The annual forum provided an overview of future short-term development in the goldfields resources sector and provided delegates with an opportunity to network with industry peers.

For the fifth consecutive year, Kalgoorlie Consolidated Gold Mines (KCGM) hosted the CME Underground Mine Emergency Response Competition at its Mt Charlotte operation over the first weekend in November. Thirteen teams competed in a range of emergency response disciplines including search and rescue, rope rescue,

breathing apparatus skills, team skills, fire-fighting, first aid, incident management and theory. KCGM 1 was awarded best team, followed by St Barbara Limited in second place, and Norton Gold Fields in third place.

In Late November CME, in partnership with the International Mining for Development Centre, hosted a visit from the Indonesian Ministry of Finance and the Ministry of Energy and Mineral Resources. During the visit delegates toured local operations and considered government approaches to mining revenue design and taxation.

The Eastern Regional and North Eastern Regional Councils held a combined meeting in early December in Kalgoorlie.

Discussion at the meeting focused on state royalties, resources sector growth predictions and local government rates. Members also considered key focus areas for CME in 2015.

Following the meeting members attended the St Barbara's Memorial Service to remember the lives lost in the mining industry, and later attended a CME Christmas celebration with industry guests. This well-attended event was a time to reflect on CME's achievements during the year.

Holly Phillips
08 9021 2155
h.phillips@cmewa.com



Photographs courtesy of Resources Safety - Department of Mines and Petroleum.



Kimberley

Members of the Kimberley Regional Council, met in early November in Broome. Members received presentations from the Shire of Broome and Broome Future Limited and also participated in a tour of Broome Port hosted by Kimberley Ports Commercial Manager Sean Mulhall and Harbour Master Captain Vikas Bangia. Members were able to view progress on changes to the port to accommodate the growing maritime support services at

Broome. The Council also discussed the possibility of Derby becoming a mineral export facility in the future.

CME continues to meet with key policy makers to achieve co-ordinated investment in necessary infrastructure in the Kimberley. This includes the Department of Prime Minister and Cabinet's Northern Australia Taskforce's White Paper. During this quarter CME

met with members of the Taskforce and presided on the panel at the Developing Northern Australia CEDA event in Perth. A submission was made to the Northern Australian taskforce in August 2014.

Chub Witham
08 9220 8515
c.witham@cmewa.com

Mid West

CME welcomed the appointment of Rebecca (Becci) Davidson to the role of Manager, Mid West in November. As a long term resident in Geraldton and having previously worked in the resources sector, Becci has a good understanding of the issues impacting the sector in the region.

A submission was provided by CME to the Mid West Development Commission on the regions draft Blueprint. Matters canvassed in the submission included the need for the clear definition, establishment and future protection of transport corridors and buffers that provide access to export facilities; appropriate management of regional airports; industry coexistence within the zone for the Square Kilometre Array and use of data to inform planning.

The Midwest Regional Council meeting in late November included presentations

from the Midwest Development Commission on the Regional Blueprint, and a presentation from Metals X Project Manager Alan Ferris who gave an overview of the Midwest to Musgrave Initiative, which is looking to develop the concept for a Central Lands to the Midwest infrastructure corridor. There are significant prospective assets in this remote inland region, which are effectively landlocked currently.

The Council also reviewed CME's 2015 Mid West region work plan and discussed local government rates; the federal government's repeal agenda, and the royalty rate analysis. The Council also shared environment and land access updates and discussed the port user charging structure at Geraldton.

CME attended the Cue Parliament in late November and provided attendees with an overview of CME's 2015-2025

Western Australian Resources Sector Outlook and the findings specific to the Mid West region.

Membership in the region continues to be significantly impacted by the downturn in commodity prices, particularly iron ore. Uncertainty for the future of iron ore in the region worsened following recent EPA advice to the Minister of a presumption against further development of banded iron formations in the region.

A Transafe Road Safety conference brought various road user and other stakeholder groups together for an update of compliance legislation in the field. The conference was opened by the member for Geraldton, Ian Blayney MLA.

Becci Davidson
08 9965 4903
r.davidson@cmewa.com



North West

The past quarter has been very busy for the North West Regional Council. Activity continues to increase with Port Hedland and Dampier registering record export tonnages. However the reduction in construction activity as outlined in CME's *2015-2025 Western Australian Resources Sector Outlook* has brought new challenges for members. Local government and state government treatment of workforce accommodation villages (TWAs) continues to be a major concern. CME has made further

submissions to the Town of Port Hedland, City of Karratha and the Western Australian Planning Commission and will continue to work with members to pursue a satisfactory outcome.

The North West Regional Council held its last meeting for the year in Perth in early December. The meeting provided some lively discussion over issues including FIFO, activism, traditional owner engagement, Pilbara ports, the Northern Australia White Paper, development at Onslow,

the Defence White Paper, cumulative impacts framework for water and mine rehabilitation. CME continues to engage with state and local government regarding these issues.

Chub Witham
08 9220 8515
c.witham@cmewa.com

South West

The final South West Regional Council meeting for 2014 was held in Bunbury in early December. The Water Corporation and Department of Water attended to discuss South West water supply and management including future industry requirements. Discussion and outcomes were considered to inform a submission CME is preparing in response to the state government's draft report into the future management of South West water supplies, Water Forever and the South West Draft Plan.

The South West Regional Council end of year dinner with members and key stakeholders followed the meeting, where members discussed key findings from the *2015-2025 Western Australian Resources Sector Outlook*.

The South West Environment Forum

(SWEF) was held in Bunbury in November; with ongoing discussion relating to the DER's Re-Engineering for Industry Regulation and Environment (REFIRE) project and South West members' experiences with the reissue of licences. South West members were represented at a recent meeting with the Department and continue to engage to discuss individual licence conditions.

Priority discussion also took place at the SWEF meeting on DMP Reforming Environment Regulation. DMP attended the forum to discuss the regulation and guidelines for cost recovery.

CME's Bunbury Port Users Group met in November to further identify issues and projects across Bunbury Port services that impact user operations. The data identified will inform the Bunbury Port

Authority Port User Committee agenda, where users seek strategies to progress common issues.

CME has joined the South West Industry Road Safety Alliance, which works with industry, local and state government to improve road safety. The focus of CME's involvement in the Alliance will be on resources sector employee safety at local operations and improving broader driver education and road safety practises.

Erin van Noort
08 9791 6707
e.vannoort@cmewa.com

Christmas Celebration

In early December CME hosted its annual Christmas Celebration at Linton and Kay Galleries Perth.

It was a wonderful evening spent catching up with members and stakeholders and celebrating CME's achievements in 2014.



From Top, left to right: CME President Brian Reilly, Deputy Chief of Staff for the Leader of the Opposition Jo Gaines and Leader of the Opposition Mark McGowan; President and Managing Director Mitsui Iron Ore Development Dan Fujita, Former CME President Kim Horne and Director Rayner Consulting Gerry Rayner; BHP Billiton Iron Ore Vice President Corporate Affairs Julius Matthys, BHP Billiton Iron Ore Principal Advisor External Communications Robert Carruthers, the Hon Bill Marmion MLA and BHP Billiton Iron Ore Head of External Affairs Mark Donovan; CME Deputy Chief Executive Nicole Roocke and Department of Environment Director General Jason Banks.

Dates for your Diary

6 March 2015	Women in Resources Awards Presentation Breakfast, Perth
6 March 2015	Inspiring Girls Careers Seminar (following presentation of Women in Resources Awards), Perth
13 March 2015	Submissions for 2015 Safety and Health Innovation Awards close
30 April 2015	CME Annual General Meeting and Business Lunch, Perth.



Published by The Chamber of Minerals and Energy of Western Australia
Level 10, 2 Mill Street, Perth WA 6000
Locked Bag N984, Perth WA 6844

P +61 8 9220 8500 **F** +61 8 9221 3701 **E** chamber@cmewa.com **W** cmewa.com