

The Chamber of Minerals & Energy of WA
Annual Report 2020/21





MESSAGE FROM THE PRESIDENT IVAN VELLA

It's more than a year since I was first appointed as President of CME and what a significant year it has turned out to be. The onset of the COVID-19 pandemic provided the biggest existential challenge our sector has faced in the 150-plus years since it started in WA. Ultimately, however, I think everyone involved in the sector can and should look back at the past 12 months with significant pride.

From the start of the pandemic, CME and its member companies made it clear the number one priority was the health and safety of not only our own workforce, but the WA community as a whole. We have never wavered from that commitment and the results speak for themselves. The results from an economic perspective have also been extremely significant: record sales, record royalty contributions to the State Government, an extremely strong investment and project pipeline, and importantly a record number of people employed in our sector. We adjusted quickly but carefully to rapidly changing circumstances and our collective output has proved enormously beneficial for both WA and Australia.

COVID-19 will leave many legacies. It's likely aspects of our lives will be changed forever post-pandemic. But I believe one of the most positive outcomes for the mining and resources sector is that the wider community now has a clearer understanding of what it is that we do and exactly why and how the contributions from our sector are so important. This will stand us in good stead for the future. We want the young people who will be our workforce in years to come – along with their parents – to know about the many opportunities that are available to them, both in traditional mining and resources roles and also in non-traditional disciplines. The greater the awareness of our sector, the greater the potential for our message to reach our audience.

Despite the challenges over the last year, we have also continued to increase the diversity and inclusiveness of our workforces. While there is still much more to achieve and we need to continue to share the great stories of the exciting work we are doing, our industry should be proud of its progress so far and continue to strive to make this a highly attractive industry across Western Australia.

On a personal note, this annual report and the accompanying AGM marks the end of a chapter for me in my iron ore mining journey. I will shortly leave for Canada to take up the role of Chief Executive of Aluminum for Rio Tinto. Naturally I am sad to leave this wonderful State and what is one of the best resources jurisdictions in the world. I wish my successor as CME President, everyone involved with CME and the entire WA resources sector all the best for the next few years. I will be watching from afar with great interest and pride.

MESSAGE FROM THE CEO PAUL EVERINGHAM

It's very easy to look back on the past year as one that was dominated by COVID-19. Given the way the pandemic has impacted everyday life across the world, it's inevitable that we would reflect on the past 12 months through the prism of the coronavirus. But as this annual report demonstrates, it's also been a year of exceptionally strong achievement for CME, its member companies and the resources sector in general.

From an economic perspective, the resources sector's ability to operate both safely and effectively through COVID-19 led to record sales of \$172 billion in the 2019-20 financial year. The resulting royalties of \$9.3 billion made up nearly 29 per cent of WA Government revenue and the 135,001 people employed within the sector was also an all-time high. Our industry is the driving force behind both the State and national economies.

But our member companies are also vital contributors to the communities in which we operate. The CME COVID-19 Community Support Initiative raised more than \$9 million for the Royal Flying Doctors Service, Foodbank WA and Lifeline WA to support families during the pandemic. When bushfires devastated areas of the Perth Hills in February, member companies contributed nearly \$7 million to the Lord Mayor's Disaster Relief Fund and the Australian Red Cross.

CME and its member companies play an important role in shaping issues that are not only important to the sector and its operations, but to the entire West Australian community.

In the past year, we have been extremely active in contributing to reform of WA's Environmental Protection Act and Work Health and Safety legislation. We have engaged strongly with the WA Government and a variety of other stakeholders in support of the modernisation of WA's Aboriginal Heritage Act – a crucial piece of legislation that should become an integral part of how we do business going forward.

Mental health and wellbeing is always a key focus for CME's member companies, but this focus has sharpened further over the past year because of the impact of COVID-19. Our ongoing partnership with Lifeline WA and participation in a variety of other mental health initiatives are aimed at ensuring positive outcomes for a workforce that has performed outstandingly in some trying circumstances.

We also continue to invest in programs and initiatives that can help deliver the workforce that the sector – and WA in general – needs for the future. Over the past year, this has included a successful pilot program in the Pilbara to build digital technology skills among school teachers to ensure that technology competency is passed on to the students who will be our workers of tomorrow. Excitingly, that program is now slated to be expanded to other regions.

Workforce diversity remains a key focus of CME and in March, a crowd of nearly 1,000 people attended our flagship event, the Women In Resources Awards. It was the 12th WIRA and given the 2020 event was one of the last we were able to host before COVID-19 restrictions, the capacity crowd was not only a nod to the way our State and sector has been able to negotiate the pandemic but a neat bookend on 12 months that have really been unlike any other.

The good news looking ahead is that there is still much room to grow for our sector. There are some \$129 billion of projects in the State's pipeline that will continue to drive strong employment and economic outcomes for both WA and Australia.



CONTRIBUTION

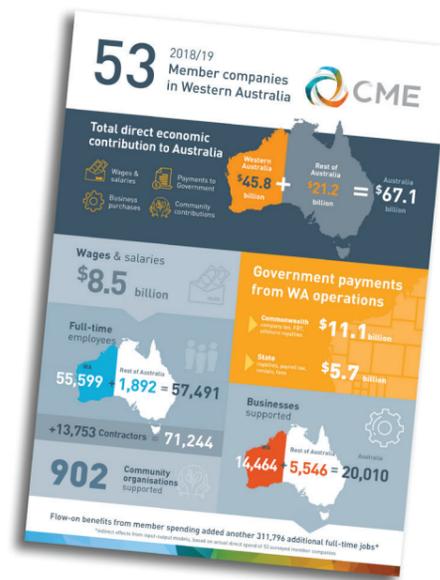
CME COVID-19 Community Support Initiative:

member company contributions of more than \$9.1 million to support WA families during COVID-19. The beneficiaries were the Royal Flying Doctor Service Western Operations, Foodbank WA and Lifeline WA.

CME Bushfire Support Initiative: member company contributions of close to \$7 million to support the response, relief and recovery of those impacted by the Perth Hills bushfires in February 2021. The beneficiaries were the Lord Mayor's Disaster Relief Fund and the Australian Red Cross.



2018-19 Economic Contribution Factsheets: publication of factsheets representing the direct and indirect economic contribution of 53 CME member companies, generating wide media coverage. The data provides statewide and regional breakdowns and continues to be an essential input to CME submissions, social media and campaign content, stakeholder meetings, and responses to media enquiries.



CME Survey Portal and Data Management System:

the launch of an online portal that allows members to coordinate and submit data within a single interface, streamlining annual survey processes. The implementation of a secure in-house data warehouse and Power Bi reporting capability will enhance CME data management capabilities.

South West Collaboration:

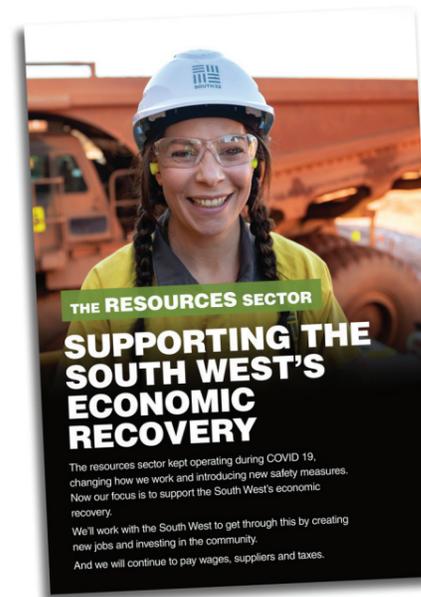
the formation of the CME South West Collaboration group, which will identify and develop an industry collaborative project to deliver community benefit across the Peel and South West regions.

Goldfields Esperance Business Register

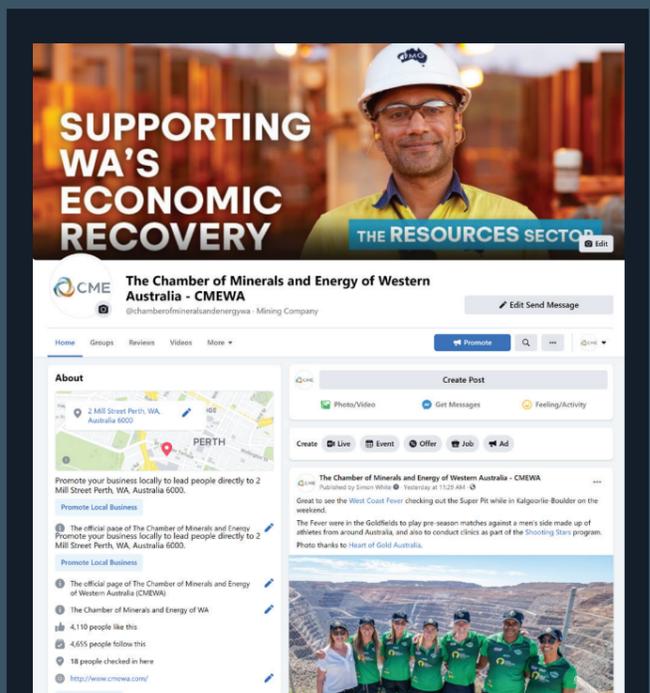
The development and launch (alongside Premier Mark McGowan) of the G E Business Register, a digital collaboration platform which aims to connect members with local businesses and opens up opportunities to increase local spend.



Statewide communications campaign



Significantly increased public awareness of the sector's activities and community presence through a statewide communications campaign focused on its economic contributions through the COVID-19 pandemic. The campaign reached 9 million people in each of its three phases from February to November 2020.



Digital engagement

Growth in CME's social media following and engagement, including a 362 per cent jump in LinkedIn followers, an increase of 195 per cent for Instagram and a 140 per cent spike on Facebook.

COMPETITIVENESS

WA State Budget: a pre-election commitment by the McGowan Government that there are no plans for new taxes or royalties on the sector. CME and its members continue to proactively collaborate with the State Government to keep the sector safely operating throughout COVID-19, with positive economic outcomes for the WA and Federal economies.

Streamlining Environmental Approvals: National Cabinet approving a proposal to devolve environmental assessment and approvals to state agencies, thereby removing unnecessary duplication by federal agencies. The WA Government is well placed to adopt the 'single touch' approvals approach, having already passed enabling amendments to WA's *Environment Protection Act*, while corresponding *Environment Protection and Biodiversity Conservation Act* amendments are presently before the Senate in Canberra.

Incident Data Analysis Project: completion of the co-funded project with the Department of Mines, Industry Regulation, and Safety. The project analysed serious actual and potential incident datasets from six WA resources sector companies over the five-year period with the purpose of identifying hazard trends and increasing the understanding of industry risk exposure for both industry and government.

WHS Codes of Practice: continued industry representation on the Legislative Advisory Committee (LAC), a subgroup of the Commission of Occupational Safety and Health (COSH). LAC is undertaking a large body of work in updating Codes of Practice in anticipation of the new WHS reforms, with a 2020 focus on draft Codes for Violence and Aggression and a proposed new Workplace Behaviours.

Environmental Protection Act 1986 reform: successful passage of amendments to the *Environmental Protection Act 1986* through State Parliament, incorporating recommendations to improve its workability as proposed by CME and its members. The Act amendments are a positive step towards streamlining regulatory processes, effective implementation of bilateral agreements, and improving the ability of the Act to deliver better environmental, government and business outcomes.

Work Health and Safety (WHS) Legislative reform: successful passage of the *Work Health and Safety Act 2020 (WA)* was achieved in October 2020. CME ensured resource industry concerns with elements of the new industrial manslaughter provisions were considered in detail by Members of Parliament, with two Legislative Council committee inquiries undertaken. This resulted in the Legislative Council voting to remove proposed clause 30B - 'simple industrial manslaughter' - which had the potential to cause significant unintended consequences for the management of health and safety in workplaces. This was achieved in addition to the removal of contentious right of entry and third party prosecution provisions initially proposed.

Workplace exposure to Diesel Particulates: industry support for a number of proactive recommendations made to the Minister of Mines and Petroleum through the Mining Industry Advisory Committee (MIAC) relating to diesel particulate matter exposures, including the proactive adoption of an exposure standard, one of the first in the country.

Aboriginal Cultural Heritage legislative reform: engagement with the WA Government and a variety of stakeholders on the third phase of consultation on a new Aboriginal cultural heritage bill. CME advocacy focused on the workability and practical implications of new regulatory regime, with much work ahead in 2021 to deliver a modern, balanced approach for all stakeholders.

COVID-19 Exploration Expenditure Exemption: publication of a Ministerial Statement of Opinion by Minister Bill Johnston and amendment to the *Mining Regulations 1981* to provide temporary provisions for exemption from expenditure on tenements impacted by COVID-19. CME advocated strongly for these amendments to address situations where proponents have been unable to meet expenditure conditions as a direct result of impacts of the pandemic on the mining and exploration industry.

Exploration Incentive Scheme Funding: an announcement of an additional \$5 million in funding for the Geological Survey of WA Exploration Incentive Scheme to support exploration across Western Australia. A total of \$3 million of this funding boost has been allocated to the highly successful co-funded drilling program, providing critical investment to support greenfields exploration. CME continues to champion the need for support and investment in exploration to deliver the next pipeline of resources projects for the benefit of all West Australians.

Lithium Study: publication of a study into WA's lithium sector, in collaboration with the Association of Mining and Exploration Companies, which recommended policy and royalty settings to ensure the sector's sustainability and growth. The study supported a case for immediate royalty relief, with the Government granting 12-month temporary assistance to three upstream lithium producers to protect operations and jobs until prices recover.

Critical minerals road map: release of the Federal Resources Technology and Critical Minerals Processing: National Manufacturing Priority road map, following CME feedback on the policy, and regulatory and fiscal challenges these new and emerging sectors may face.

Foreign investment reforms: release of new, clearer guidance materials on foreign investments which can fall within the definition of 'national security' and therefore require approval, following submissions by CME to the Federal Treasury and Senate Standing Committees on Economics.

Remote area taxation: confirmation by the Federal Government there is no appetite to adopt Productivity Commission recommendations to overhaul remote area tax concessions which would have restricted business' ability to support regionally-based employees, following successive submissions and advocacy by CME in coordination with the Minerals Council of Australia. To promote workforce participation and regional economic development, CME continues to advocate for targeted expansion of fringe benefit tax exemptions in support of labour mobility and regional liveability.

Infrastructure WA: continued industry representation in the development of the inaugural 20-year draft State Infrastructure Strategy, including ongoing presentations by Infrastructure WA to members, workshop participation and submissions by CME to ensure the forward Strategy provides meaningful value for industry.

Planning reforms: input into development of State-based planning regulations and policies and advocating for the release and implementation of State planning policies (e.g. SPP 4.1) to ensure existing and future industrial uses are protected from encroachment.

Perth Airport: facilitation of ongoing discussions with the Department of Transport, airlines, Perth Airport and member companies, and aggregation of company data and input, to inform Perth Airport's proposed New Runway Project and resource sector projected demand at peak times.

CAPABILITY

Schools Digital Technology Learning Program: the development of a pilot program in the Pilbara region to build the digital technology skills and capability of students and teachers. Successful delivery of the pilot program resulted in support from the Minister of Education and Training and further industry funding to fully develop the program to be delivered across the State.

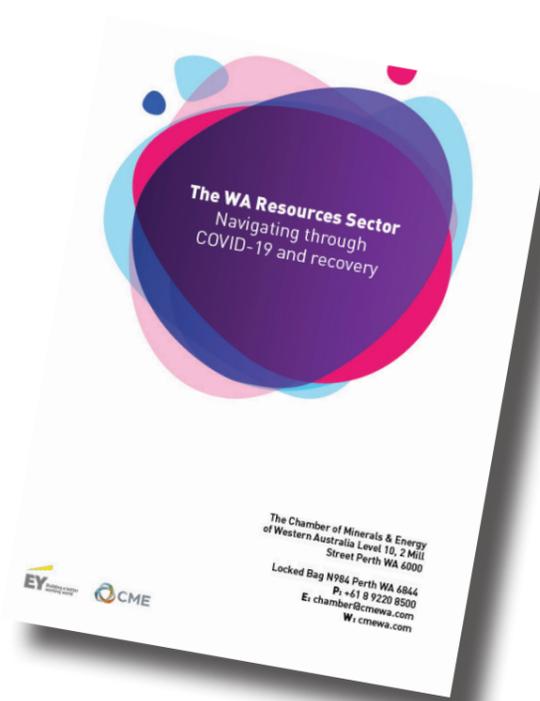
COVID-19 Response: the establishment of the COVID-19 Industry Response Working Group to facilitate a targeted and coordinated 'industry-level' response to the pandemic. CME also distributed regular communications across industry with up-to-date information, relevant advice, as well as consolidated industry responses, second wave planning frameworks and best practice approaches.

The Drilling Workforce Development Strategy project: completion of a project which examined the effect of resources sector growth on the drilling industry, outlining opportunities, barriers and mitigation strategies for labour market tightening. The Resources Industry Training Council (RITC) is acting on the developed recommendations, including development of a proposed 'drilling-ready' skills program.

Navigating COVID-19 Report: collation of analysis of member responses to the COVID-19 survey and senior member interviews resulting in the production and release of The WA Resource Sector Navigating through COVID-19 and recovery detailing industry's response to the pandemic, where the impacts were most felt, preparedness for future waves of infection and recommendations for the continued road to recovery.



Premier Mark McGowan with school children demonstrating their digital technology skills



Women in Resources Awards: in March 2021 a crowd of nearly 1000 people attended CME's flagship event, recognising the power of gender diversity in our sector.

Career Awareness and Guidance: representatives from eleven CME member companies participating in the Department of Education "Career Development is Everybody's Business" event series across all WA regions, from Broome to Esperance. Member participation ensured the provision of up-to-date industry information to assist teachers, parents and students make key career decisions and guide career pathways.

Productivity Commission Inquiry to Mental Health: release of a final report by the Productivity Commission, supporting the view that a holistic approach is required when approaching workplace mental health and wellbeing. Further review of the recommendations will occur through the Department of Health and Select Committee on Mental Health and Suicide Prevention, where industry positions have been captured in public submissions.

The LNG Operator Skills Framework: completion of a project by the LNG Jobs Taskforce to improve the quality and efficacy of how LNG process operators are trained through qualification revision and the standardisation of training. A second phase of the project is underway to develop the learning material, with the Resources Industry Training Council (RITC) providing support.

Proactive Mental Health Partnership: a continued partnership with Lifeline WA, providing industry with support in responding to research recommendations and an accessible suite of industry-specific tools. Following consultation with members, Lifeline WA has started the development of an industry-specific peer-support program, Resourceful Minds, with the pilot due to launch in Q3 2021.



KEY EVENTS



Hon. Simone McGurk MLA with Women in Resources Award winner Laura Allen

CEDA Annual Resources Overview Livestream
CME Director Rob Carruthers presented
– April 2020

CME Northern Goldfields tour
– September 2020

Federal ALP MPs tour of the Pilbara
Madeleine King and Senator Louise Pratt
– November 2020

What's Down the Track Forum, Kalgoorlie
CME CEO Paul Everingham presented
– November 2020

St Barbara Miners Memorial Service
Kalgoorlie
– December 2020

Women in Resources Awards
finalists breakfast
– February 2021

Goldfields tour for Shadow Minister for Resources
Madeleine King
– March 2021

12th Annual Women in Resources Awards
– March 2021

Women in Resources Regional Event, Bunbury
– March 2021

AOG Perth conference
CME Director Rob Carruthers presented on COVID-19 response
– March 2020



St Barbara's Festival, Kalgoorlie-Boulder

CME MEMBERS

Ordinary Members

Albemarle Lithium
Alcoa of Australia
Alinta Energy
Alkane Resources
AngloGold Ashanti Australia
APA Group
API – The Australian Premium Iron Joint Venture
Australian Gas Infrastructure Group
Bardoc Gold Limited
BBI Group
BCI Minerals
BHP
Byrnescut Australia
CalEnergy Resources
Cameco Australia
Cape
Capricorn Metals
Chevron Australia
CITIC Pacific Mining
Clough
Cockburn Cement
Covalent Lithium
De Grey Mining
Doral Minerals Sands

EMR Golden Grove
Evolution Mining
First Quantum Minerals
FMR Investments
Fortescue Metals Group
Gascoyne Resources
Gold Fields Australia
Gold Road Resources
Hastings Technology Metals
Iluka Resources
INPEX Australia
Karora Resources
Karara Mining
Lynas Corporation
Macmahon Contractors
Minara Resources
Mineral Resources
Minjar Gold
Monadelphous Group
Mount Gibson Iron
Newcrest Mining
Newmont Australia
Northern Minerals
Northern Star Resources
Norton Gold Fields

Orica
Pantoro Ltd
Perenti Group
Pilbara Minerals
Premier Coal
Ramelius Resources
Regis Resources
Rio Tinto
Rosslyn Hill Mining
Roy Hill Holdings
Santos
Sheffield Resources
Shell Australia
Simcoa Operations
South32
SRG Global
St Barbara
Talisson Lithium
The Griffin Coal Mining Company
Theia Energy
Thiess Pty Ltd
TransAlta Energy (Australia)
Woodside Energy
Yara Pilbara Fertilisers

Associates

AECOM Australia
Allens
Alliance Airlines
Arc Infrastructure
Ashurst
Aspen Medical
Bis
Blackbox Control Pty Ltd
Bright
Cannings Purple
Central Regional TAFE
Civeo
Clayton Utz
Clifford Chance
Coffey
Compass Group Australia
Construction Training Fund
Corrs Chambers Westgarth
Curtin University of Technology
Deloitte Touche Tohmatsu
Discovery Data Company
Dyno Nobel Asia Pacific
EBM
Edith Cowan University

EY
FIFO Focus
Fenner Dunlop Australia Pty Ltd
Freo Group
Fleetwood Limited
GHD
GR Engineering Services
GRA Partners
Harvey Water
Herbert Smith Freehills
Hetherington Exploration & Mining Title Service
Hexion Australia
Hogan Lovells
HWL Ebsworth Lawyers
IMDEX
Integrate Sustainability
JBS&G Australia Pty Ltd
Kimberley Marine Support Base
King & Wood Mallesons
KPMG
McGarry Associates
Minprovis International Pty Ltd
Minter Ellison Lawyers

Mitsui Iron Ore Development
M & M Walter Consulting
Newgate Communications
North Metro TAFE
OMSB – Onslow Marine Support Base
OccuMED Consulting Pty Ltd
Paull & Warner Resources Pty Ltd
People Solutions Australasia
Perth Airport
Primero Group Limited
PwC
Qantas Airways
RED OHMS Group
Resource Capital Funds
Sea Swift
Sodexo
Talis Consultants
The Perth Mint
Tranen Revegetation Systems
Tronox Management
Umwelt [Australia]
Virgin Australia
Wallis Drilling
WGAWA Pty Ltd

Small Business Associates

Force Equipment
Regal Engineering and
Lineboring Pty Ltd

Gold Security Group (International)
Ultim8 Holdings

Pybar Mining Services Pty Ltd



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