

CME ANNUAL REPORT 2011

New Opportunities, New Partnerships



New Opportunities, New Partnerships

As historic changes to the nation's political landscape combine with resurgent global demands for minerals and energy, Western Australia's resource sector is actively shaping a new growth partnership with the community.

CME & Sustainability 2011

CME uses recycled greenhouse friendly carbon neutral paper. All carbon emissions resulting from the production of this annual report have been fully offset.

2011

Building regional communities. Establishing Partners in Progress. Shaping a national safety model. Formulating infrastructure, transport and skills strategies. Managing environmental and heritage footprints. Responding to changing perceptions and expectations.



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About CME

Through effective advocacy and proactive policy development, the Chamber of Minerals and Energy of Western Australia (CME) is the premier voice for the State's minerals and energy industry.

Harnessing the talents of our staff and those of member companies, CME continues to foster beneficial relationships between industry stakeholders, decision and opinion makers, and local communities.

As the champion of the Western Australian resource sector, we actively promote policies and initiatives that can facilitate the achievement of the industry's vision to lead the world in sustainable practice through innovation and underpin Australia's position in the global economy.



The diversity and activity of our membership, together with loyalty to our core values enables the facilitation of stakeholder engagements that effectively secure those opportunities made available through industry development and advancement.

Our member companies are the foundation of our success, their valuable contributions helping build and prioritise our agenda. Their efforts and expertise enables CME to lead policy development on issues impacting on the resource sector, and promote the industry's value to the WA and national communities.

With our policy expertise spanning industry and research activities, occupational safety and health, education and training, the environment, exploration, Aboriginal affairs and workforce development,

CME provides members and stakeholders with an avenue for extensive collaboration on industry matters.

The breadth of member company contributions enables our advocacy and representation to be persuasive, well respected and widely regarded, with a mandate to maintain substantial government and community support for the resource sector.

We are a strong advocate for the sector's growth and contribution to the State's prosperity, through fostering relevant and responsive engagements with stakeholders, proactively promoting and raising community awareness of the industry, and encouraging the development of sustainable and innovative industry practices.





President's Report

Responding to unprecedented changes in the nation's political landscape, and the new challenges this environment has generated, has been the key focus for CME in the past year.

As the resource sector continued its recovery from the effects of the global financial crisis, we were confronted with a new challenge in the form of a proposed change to the sector's taxation arrangements. The industry has continued its strong performance, even through these times of uncertainty. The Federal Government's Resource Super Profits Tax (RSPT) proposal was released in May 2010 and was a major focus of the national political debate leading up to the federal election in August 2010. Much of our efforts in the past year have been directed towards advocating changes to the original proposal. We have worked closely with the Minerals Council of Australia (MCA) and a range of other partners to push for changes to the Federal Government's approach to tax arrangements for the sector.

CME and its partners have met with the Prime Minister, Treasurer and Federal Minister for Resources, together with a host of State and Federal members of Parliament to advocate changes to the proposed taxation arrangements. Through our establishment and



operation of CME's Tax Working Group, development of modelling analysis, detailed submissions to the RSPT Panel, coordination with other industry groups, as well as an active media campaign, we have sought every avenue to advocate industry concerns. Our work in this area has brought some concessions from the Government and our efforts continue to this day to arrive at an internationally competitive framework.

Over the past year we have collaborated with the other state based industry bodies around Australia and the MCA, on national issues impacting the resource sector. The work has been mutually beneficial and will continue into the following year via the Presidents forum that was developed this year.

Safety continues to be a focus of industry, over the past year we have seen significant initiatives being implemented by our member companies. The annual CME Occupational Safety and Health conference and Innovation Awards provide an opportunity for industry to demonstrate and share information on best practice. The 2011 Conference received record attendance, with 350 delegates registered.

CME continues to be actively involved in the national safety harmonisation process. We are working closely with members as well as State and Federal

Government to assist in the development of a consistent legislative framework across the resource sector in Australia. At a state level we have representation on the Ministerial Advisory Panel to work with the Department of Mines and Petroleum to ensure positive outcomes subsequent to the introduction of the safety levy. As always, CME offers a forum for best practice sharing between the member companies which when fully utilised is a key enabler to our safety goals.

Safety and becoming a strong community partner will remain key focus areas for the industry and therefore CME. We would again like to thank the communities within which we operate for their contribution. The support of the Western Australian community including our own employees and service providers is vital. We are looking forward to working in partnership with all West Australians to ensure our State is a great place to live, work and raise our families and that it remains one of the world's great mining and gas regions.

With development activity across the sector now greater than that experienced prior to the global

financial crisis, the key challenge of securing a skilled workforce must again be confronted. CME's previous planning activities in this regard provided great assistance when working with the State Government in its development of Skilling WA - a workforce development plan for Western Australia. Launched in late 2010 by the Minister for Training and Workforce Development, the Hon. Peter Collier MLC, the plan outlines a range of targeted initiatives to address key workforce development areas, such as emerging skill gaps, skilled migration demand and labour constraints, boosting labour force participation, and increasing the vocational skills of West Australians.

It is pleasing to witness the outcomes now being generated by one of CME's most active and productive partnerships, the Pilbara Industry's Community Council (PICC). In partnership with the State Government, PICC launched its Health Initiative in 2010 which saw, amongst other initiatives, the delivery of a new computed tomography (CT) scanner at Nickol Bay Hospital. The Health Initiative will see funding of nearly \$40 million being contributed over the next three years to improve health services in the Pilbara.

The past year has seen some significant hurdles presented that threaten the return to strong growth for the minerals and energy sector. CME's management group of Reg, Nicole, and our newest arrival, Damian Callachor, together with the members of the entire CME staff, deserve our appreciation for their dedication and tireless efforts in meeting the new challenges facing the sector. My personal thanks must also go to all member company representatives whose efforts across CME's Executive Council, its policy-based committees, regional councils, working groups and our Management Committee are invaluable and allow CME to support the industry in achieving its vision.

Kim Horne
President

A photograph of an offshore oil rig at sunset. Two workers in orange jumpsuits and white hard hats are in the foreground, looking out at the rig. The rig is a large steel structure with a tall derrick and a crane. The sky is a mix of purple, pink, and blue, with some clouds. The water is dark and choppy.

Chief Executive's Report

Key to the future prosperity of the minerals and energy sector in this State will be managing the changing perceptions of the sector's contribution to the community's wellbeing.

Pursuing initiatives that underpin current and future development for the minerals and energy sector has been foremost amongst our activities in the past year. Having undertaken significant planning leadership with the launch of our State Growth Outlook in 2009, we have produced an updated report based on new industry data. The inaugural report was instrumental in the development of State and Federal Government plans for future industry requirements, as well as being extensively quoted by the media as a definitive picture of the sector's development needs. With the updated report, I am keen to maintain our leadership in this critical area of planning for Western Australia.

Attracting and retaining skilled labour remains an essential element underpinning the industry's sustainable development. Our efforts during 2010 included assisting the State Government in the



development of its Skilling WA strategy, which outlined a multi-layered approach to combating skilled labour shortages being experienced by many member companies. As part of our focus on building the skills capacity needed for sustainable development, we released the Partners in Progress report highlighting the positive outcomes being achieved from partnerships between Aboriginal communities and member companies.

The Women in Resources Awards, now in their second year, are raising the profile of the many distinguished women working across the industry. The awards were very well received, with an overwhelming number of applications and a very high attendance at the event.

Our activities across regional Western Australia reinforced CME's commitment to keeping key issues and messages top of mind with policy makers and community stakeholders. With a changing landscape comes the challenge and opportunity to alter perceptions of the resources sector with targeted community initiatives that promote engagement on a local level. Such initiatives over the past year have included the Pilbara Industry's Community Council's Health Initiative, participation in the Mid West Development Corporation's Strategic Infrastructure Group, providing information and education

around prospects for uranium mining, releasing our Policies, Planning and Partnerships for Responsible Resources Development in the Kimberley Report, and our active membership of the Biodiversity and Cultural Conservation Strategy for the Great Western Woodlands' Stakeholder Reference Group.

In recognition of members concerns, CME is developing a policy position on native title and Aboriginal heritage in 2011 and is working closely with the Native Title Representative Bodies to build relationships to deliver better outcomes for members.

On the public stage, I was fortunate to be able to present at several high profile and international gatherings during the past year. At the Paydirt Gold Conference held in Perth, I argued strongly for the retention of the current state-based mining royalty regime, and detailed our opposition to the Federal Government's plans for a form of resource rent tax. At the World Energy Cities Partnership Conference in October, bringing together sixteen of the most important petroleum industry hubs in the world, I discussed the opportunities and challenges that faced regional communities in developing sustainable growth models. Attending the Toronto Prospectors and Developers Association Convention in March 2011 provided CME with the opportunity for meetings with member companies operating in North America.

As discussed in this report, the Federal Government's proposed changes to the taxation arrangements for the resource sector have occupied a great deal of our efforts during the past year. The nature and quantity of our increased media activity during 2010 has been crucial, and will continue into the coming year as we look to respond to the community's changing perceptions of the industry.

Apart from dealing with the impending legislative phase of the proposed Federal resource rent tax, the Prime Minister recently announced the government's in-principle climate change framework. CME will consider the proposal, in close consultation with members. However, it's already clear we will be advocating policy options that ensure the continued competitiveness of trade exposed industries in the global market.

A major issue for members this year was the potential imposition of the gross rental value on resource projects by local government. CME has worked closely with members to identify a mechanism to resolve this issue to the benefit of both industry and government.

With the launch of this report CME celebrates its 110th year. With this long and proud history, CME offers our member companies consistent leadership

and advocacy on the key concerns of our industry. We look forward to continuing this partnership with our members into the next decade. We have seen significant growth in our membership over the past year, an indication that our support and representation of the industry is valued.

May I take this opportunity to thank my Directors and all CME staff for their commitment during the challenges of the past year. Our staff play a pivotal role in securing the policy landscape necessary for the sector's sustainable development. Together we look forward to pursuing and achieving our vision to benefit member companies, their employees, local communities, and the State of Western Australia.

Reg Howard-Smith
Chief Executive



Management Committee

CME's Management Committee determines the important issues and the agenda of the organisation.

Ian Ashby*	BHP Billiton Iron Ore
Nick Bowen*	MacMahon Contractors Pty Ltd
Rob Cole*	Woodside Energy Ltd (rep by Tina Thomas)
Gary Halverson	Barrick (Australia Pacific) Ltd
Kim Horne	Alcoa of Australia
Wayne Isaacs	BHP Billiton Nickel West
Greg Lilleyman	Rio Tinto

Executive Council

As key opinion makers and leaders within the WA resource sector, our Executive Council determines CME policy directions and ensures our advocacy accurately reflects the industry's priorities.

President

Kim Horne* Alcoa of Australia



Vice Presidents

Ian Ashby BHP Billiton Iron Ore,
Senior Vice President
(rep by Ian Fletcher)

Greg Lilleyman Rio Tinto, Senior Vice President

Nick Bowen* MacMahon Contractors Pty Ltd

Rob Cole Woodside Energy
(rep by Tina Thomas)

Gary Halverson* Barrick (Australia Pacific) Ltd

Peter Eggleston Chevron Australia

Mike Ferraro* Doral Pty Ltd

Jason Grace Newcrest Mining Ltd
(rep by Craig Thompson)

Wayne Isaacs BHP Billiton Nickel West

Rod Johns* La Mancha Resources Australia Pty Ltd

Mike Kelly* BHP Billiton Petroleum

Sunil Kulwal* Aditya Birla Minerals Ltd (Australia)

Graeme Rowley Fortescue Metals Group Ltd

Philip Stephenson* Newmont Asia Pacific

Gary Sutherland* Flinders Mines Ltd

Mike Sutton Downer EDI Mining

Collis Thorp Moly Mines Ltd
(rep by Graeme Kininmonth)

Jim Walker* WesTrac Pty Ltd

Penny Walsh Shell Development (Australia) Proprietary Ltd

Patrick Warrand Wesfarmers Premier Coal

Kevin Watters API - The Australian Premium Iron Joint Venture

Richard Weston* Gold Fields Australia Pty Ltd

Members

Noel Ashcroft The Griffin Group

Peter Bamford Dominion Mining Ltd

Russell Clark Grange Resources Ltd

Jason Cooke Minara Resources Ltd

Al Coutts* Xstrata Nickel Australasia

Anthony Cribb* Dampier Bunbury Pipeline

Garret Dixon Gindalbie Metals Ltd
(rep by Steve Abbot)

John Langoulant* Oakajee Port and Rail

Julius Matthys* BHP Billiton Worsley Alumina

Andrea Maxey AngloGold Ashanti Australia Ltd

Mark Milazzo HWE Mining Pty Ltd

Julian Mizera Sinosteel Midwest Corporation Ltd
(rep by Brad Farrington)

Nick Mosenthal* Minerals and Metals Group (MMG)

Peter Oliver* Talison Lithium Ltd

Duncan Price* Cliffs Natural Resources

Secretariat

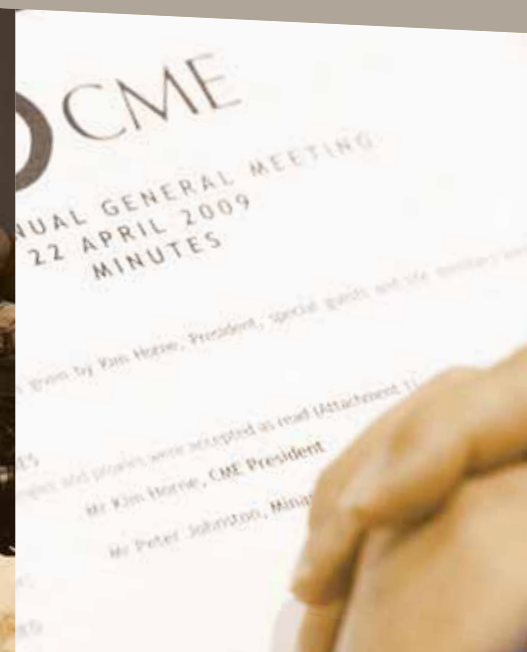
Reg Howard-Smith CME

Damian Callachor CME


Nicole Roocke CME

As at December 2010 *Absent from photo

CME People







89 per cent

of the state's total merchandise exports
were contributed by the resource sector.*

70.9 billion dollars

The value of Western Australia's
resource sector*



176 billion dollars

The value of projects either underway,
committed or close to commitment*

The Year in Review

The environment surrounding the resource sector has seen some major changes in the past year. Our review, detailed in the pages ahead, outlines the key issues we have managed, the trends impacting on our membership and the responses we have initiated and achieved through our advocacy and engagement.

People:

Addressing Skills and Safety Challenges

Supporting the industry's growing demand for people and skills has been a core focus over the past 12 months, together with the realisation of a national framework for occupational health and safety.

Growing pipelines of resource and energy sector projects has seen a focus on activities to overcome current and forecast labour and skills shortages.

With the 2009 initiation of the Resources Industry Training Council (RITC), a significant boost in the sector's coordinated efforts was launched. A State Government funded joint venture between CME and the Australian Petroleum Production & Exploration Association, the RITC is working as the peak body for developing and implementing a vocational education and training framework to meet the diverse needs of minerals mining, oil and gas extraction and downstream processing and manufacturing sectors. As a key advisory body to the Western Australian State Training Board and the Department of Training and Workforce

Development, the RITC's initial activities have focused on delivering workforce resource plans, defining skill sets for the resource sector, identifying critical skill shortage areas and developing corresponding response strategies.

The key challenges surrounding skilled workforce shortfalls were underlined this past year by the development of the Skilling WA Strategy, to which CME contributed. The partnership's strategy development efforts have been geared towards assessing existing policies and practices and the role temporary and permanent skilled migration plays in meeting sector skill needs. This includes identifying barriers to Western Australia being a destination of choice for skilled and business migrants, considering the impact of migration on social and hard infrastructure and developing a policy framework that clearly outlines the role of migration, both interstate and international, to meet WA's future workforce needs.

At a Commonwealth level, CME has actively engaged with the National Resource Sector Employment Taskforce, joining with key stakeholders to work with the Federal Government in addressing

the skills shortage in our sector. Practical initiatives industry hopes to see delivered include new enterprise migration agreements and support for apprenticeships.

Significant efforts have been undertaken to improve workforce diversity in order to address labour supply and skills shortages. This past year has seen the consolidation and implementation of core strategies aimed at increasing female and Aboriginal participation in the sector. The Women in Resources Awards continue to highlight the impressive commitment, achievements and attitude of women operating in the sector. The awards also recognise the outstanding initiatives being implemented by companies, encouraging female participation. The event provided an opportunity to network and gain mentoring support from other females in the industry.

Through the launch of our Partners in Progress advocacy document, CME has highlighted the positive results achieved from the formation of partnerships between Aboriginal communities and member companies. Through the use of case studies looking at work readiness, training and employment,

partnership initiatives, holistic development, and education for tomorrow's workforce, the document demonstrates the social, cultural and environmentally focused activities being undertaken by the sector and its partner communities.

Attracting budding Aboriginal engineers was the focus of the inaugural Indigenous Engineering Summer School - hosted by Curtin University with CME support. The school provided Aboriginal students with an insight into university life and the different engineering careers available within the sector, and included visits to prospective employers and major project sites.

Meeting the longer term resourcing needs of the sector has continued to gain much CME attention over the past year. With a 60 per cent increase in traffic to CME's People for the Future website in 2010, the site is a well-known resource for information on careers in resources. Excellent feedback has been provided by educators, students, parents and career advisors, who have appreciated the value of its outline of career pathways and other education resources.



Further long term resource partnering efforts have seen CME's Resourceful Schools project grow to 47 schools, as well hosting our second Unearthing Careers in Resources Conference. Attracting an audience of over 100 career advisors, teachers and recruitment consultants, the conference was addressed by both the Minister for Training and Workforce Development, Energy, the Hon. Peter Collier MLC, and the Hon. Norman Moore MLC, Minister for Mines and Petroleum, Fisheries, Electoral Affairs.

CME sponsored the Dust Off 2010 weekend, a professional development program about the resource sector for primary and secondary teachers and career advisors. We also participated in programs to attract local and overseas skilled workers to the WA resource sector, exhibiting at the Skills West Expo and the Skills Australia Needs Expo in London.

Moves toward national harmonisation of occupational safety and health (OSH) regulations were advanced in the past year. After the establishment of Safe Work Australia in 2009, CME has worked proactively with the new organisation, the State Government and the National Mine Safety Framework Steering Group to facilitate understanding around the inter-relationships between model OSH legislation, National Mine Safety Framework activities and State Government mine safety initiatives.

With the release of Mines Safety and Inspection Levy regulations in the past year, CME has engaged heavily

with the Department of Mines and Petroleum (DMP) and other government representatives, outlining industry's concerns relating to onerous record keeping and reporting requirements, penalty levels, powers of authorised persons and self-incrimination provisions proposed under the levy regulations. Our participation on the DMP Ministerial Advisory Panel for resources safety reform has enabled significant advocacy regarding a risk management model for the resource sector as well as the business and financial reporting plan for the DMP's Resources Safety Division.



Communities:

Strengthening Local Partnerships



CME continues to support, encourage and engage with local communities and stakeholders to partner and promote sustainable regional communities.

The past year has seen a considerable debate within local and national communities regarding the contribution of the resource sector to economic and social prosperity. The Federal Government's proposed changes to resource sector tax arrangements acted as a catalyst for much of the debate, highlighting changing community perceptions and expectations about the sector.

CME has responded to this new landscape through its increased engagement, advocacy, research and proactive communication to develop a multi-layered approach to changing perceptions of the sector. Our activities over the past year have focused on issues covering personal wellbeing, building sustainable regional communities and addressing specific regional concerns.

Research into shifts and rostering arrangements across the sector culminated in our fourth annual Working Hours survey being conducted, with the results of the survey due for release in 2011.

This year saw Fly In Fly Out workforces continuing to be a sustainable workforce resourcing option for both companies and employees. A significant outcome of publishing the survey results has been the improved structuring of shift patterns by member companies with benefits realised by sector workers and their families.

The productive partnership between the State Government and Pilbara Industry's Community Council (PICC) saw the creation of the PICC's Health Initiative in 2010. This included the launch of a new computed tomography (CT) scanner by the Hon. Brendon Grylls MLA, Minister for Regional Development and Lands at Nickol Bay Hospital. The Health Initiative is a collaboration between PICC members and the Western Australian Government, with funding of \$38.2 million being contributed over the next three years to improve health services in the Pilbara.

Significant development and growth opportunities in the State's Mid West have seen an increasing commitment to the region by CME. As an active participant in the Mid West Development

Commission's (MWDC) Strategic Infrastructure Group, CME is working with the water, energy and rail service providers to highlight the region's infrastructure planning needs to support continued growth and development. CME also worked with the Department of Housing and the MWDC to address current and forecast housing pressures in the region.

CME participated in the Community Careers and Training Expo held at Durack Institute of Technology in Geraldton, hosted by the Geraldton Iron Ore Alliance (GIOA). Together with the GIOA, CME funded the engagement of a consultant to prepare a plan outlining the industry's view of infrastructure needs in the Mid West. CME hosted a successful Mid West Roundtable breakfast, attended by State parliamentarians including the Hon. Norman Moore MLC, Minister for Mines and Petroleum; Fisheries; Electoral Affairs, who gained a unique opportunity to receive valuable first-hand information from member companies on the prospects and the challenges confronting the expanding Mid West iron ore industry.

Further activity undertaken in the Mid West and other regional areas has included informing and educating local communities about the prospects for uranium mining within their areas. CME participated in a series of public meetings with local communities on the progress of a number of proposed uranium projects. Industry representatives and State Government officials gave presentations on projects and regulatory issues to local government representatives, members of local businesses and the general public. We also partnered with the Australian Uranium Association to host a visit by internationally renowned Radiation Biologist, Professor Doug Boreham, who met with key stakeholders and local media to discuss the science behind radiation and uranium mining.

In early 2011 CME participated in an exhibition for Manjimup community members impacted by the possible closure of the local Timber Mill. This potential closure led many in the Manjimup community to explore alternative career paths. CME staff and member representatives provided advice on a range of issues including resource career pathways, relevant education and training and the nature of Fly In Fly Out rosters for those in the South West.

Local environmental concerns were the focus of much of CME's advocacy in the past year, with particular attention paid to the Department of Environment Conservation's (DEC) Biodiversity and Cultural Conservation Strategy for the Great Western Woodlands. Members of CME's Environment Committee were addressed about the strategy by then Minister for Environment and Youth, the Hon. Donna Faragher MLC, and Dr Ian Herford, the DEC Project Coordinator for the Great Western Woodlands. With CME a member of the Stakeholder Reference Group, feedback on the strategy has been provided directly to DEC by member companies. Liaison and coordination of responses has been undertaken in conjunction with the NGO Industry Environmental Forum, a partnership between non-government organisations and the resource sector. CME has also engaged with the State Government on issues relating to mine closures. Our advocacy has focused on early engagement during approvals processes across infrastructure and workforce planning, in an attempt to mitigate against any social and environmental implications on local communities generated through project and mine closures.



Innovation:

Solutions for New Challenges

With new challenges facing the resource sector, innovative responses that focus on achieving best practice solutions to future concerns have been paramount.

The Federal Government's proposed changes to resource sector taxation has been a large focus of CME's advocacy over the past year. From the release of the Resource Super Profits Tax (RSPT) proposal in May 2010 through to the government's amended arrangements known as the Mineral Resource Rent Tax (MRRT), CME has worked with the Minerals Council of Australia (MCA) and a range of other partners to advocate changes to the Federal Government's approach.

Our advocacy efforts have spanned a range of activities, including meeting with State and Federal Members of Parliament, including the Prime Minister, Treasurer and Federal Minister for Resources; the formation and operation of CME's Tax Working Group; meeting with the RSPT Panel and Panel Secretariat; modelling the impact of the



RSPT and MRRT to develop a detailed submission to the Federal Government; undertaking an active media campaign against the RSPT's proposals; and liaising daily with the MCA to coordinate ongoing campaign activities.

CME contributed to the MCA's joint industry submission to the Policy Transition Group, considering the revised MRRT. This saw the collaboration of industry groups such as the Chamber of Commerce and Industry (WA), the Association of Mining and Exploration Companies and the Geraldton Iron Ore Alliance in planning responses to the Federal Government.

These activities and advocacy efforts are aimed at minimising the impact of the proposed MRRT on the international competitiveness of Australia's resource industry. While CME still opposes the introduction of a resource rent tax until its full impact on the industry is understood, some concessions have been secured.

Specifically, the MRRT will now be limited to Australian iron ore and coal projects only, with base

metals excluded from paying the tax. Operations with resource profits below \$50 million annually will not be liable to pay the MRRT, and the tax rate has been reduced from the originally proposed 40 per cent to the current 30 per cent. Further, projects will be entitled to a 25 per cent offset of the MRRT liability, in recognition of the contribution of their expertise in making mineral extraction profits. Although the taxing point under MRRT will still be "as close to the point of extraction as practicable", only the value of the resource extracted will be taxed. Additional concessions have been made for existing projects such as enabling firms to choose between book value or market value of existing project assets as the depreciable starting base.

With the December 2010 release of the Policy Transition Group's report detailing its recommendations on the implementation of the MRRT, CME continues to consult with the Federal Government and stakeholders on an ongoing basis throughout 2011.

Innovative partnerships between member companies and Aboriginal communities were highlighted this past year with the launch of CME's Partners in Progress report. Including a foreword from 2009 Australian of the Year Professor Mick Dodson, the publication identifies some of the positive partnerships between the resource sector and Aboriginal communities and demonstrates the industry's commitment to facilitating education, employment and economic opportunities for Aboriginal people across Western Australia.

Undertaking new collaborations with government and public sector in 2010, CME facilitated the Radiation Safety Committee with participation from the Resources Safety Division (RSD) of the Department of Mines and Petroleum. The Committee was established to review current radiation safety guidelines designed in the late 1990s.

Supporting the needs of families of resource sector employees saw CME sponsor the official launch of 'Miner's Promise'. With over 200 industry representatives attending the launch, Miner's Promise is a legacy scheme developed to support the needs of families confronted with the death or suffering of a family member who is employed within WA's resource sector. The scheme's launch featured a proposal to build a public monument in Perth to celebrate the importance and contribution of the resource sector to Western Australia and as an opportunity to honour those who have fallen in the course of their work in the industry.

Infrastructure & Planning: *Partnering for Growth*



Through active partnerships with government and industry, the expansion and promotion of comprehensive State-wide planning and frameworks to meet future industry development needs has been a major focus.

With the initiation of our State Growth Outlook in recent years, CME has set the agenda for providing an integrated outlook of industry development plans and their future demands on key growth requirements of people, energy and water resources.

In 2010 CME progressed an update to the State Growth Outlook data. There was a significant increase in the participation rate from members, a sign of the prominence and critical nature of the study. First published in 2009, the original study formed the basis of wide-ranging advocacy, including contributions to the State Transport Strategy, Mid West infrastructure planning, and engagement on the Census methodology. This has led to submissions on the Strategic Energy Initiative being coordinated by the Office of Energy (OOE), and more efficient approvals and prioritisation processes.



This past year also saw the State Government's announcement to support the development of a new port facility at Anketell. The need for increased port facilities in the Pilbara was first identified within CME's State Growth Outlook.

Having been a significant contributor to the State Government's planning and development strategies over the past few years, CME looks forward to continuing to lead planning efforts for the industry with the release of the latest State Growth Outlook.

CME undertook a regional infrastructure gap analysis in the past year, engaging ACIL Tasman to produce the Infrastructure to Support Western Australia's Growth Report. The report highlighted regional infrastructure concerns which are likely to hamper development efforts for the resources and energy sector. CME utilised the report to advocate directly to the State Government and Infrastructure Australia to inform their considerations on prioritisation, with Infrastructure Australia commending CME on the quality of the information provided.

Our work on infrastructure requirements across the State included considerable engagement with the OOE during its Strategic Energy Initiative - Energy 2031 (SEI) throughout 2010. CME has advocated the State Government take due consideration in its energy policy construction of the key and unique features of the WA economy. Through advocacy of energy policy being developed with a clear understanding of the nature of the State's economic drivers, CME has highlighted the critical role energy plays in underpinning local economic development.

CME has contributed to the development of contingency plans for situations where gas supplies are interrupted, such as the Varanus Island incident, by participating in the State Government's Gas Emergency Planning Committee and undertaking other advocacy activities.

As a member of the Department of Mines and Petroleum's (DMP) Mining Industry Liaison Committee, CME has been an active participant

in the expanded forum to review and monitor all mining legislation administered by DMP. The committee looks at any issues that may affect such mining legislation and makes recommendations on possible amendments or alternative procedural arrangements. Our advocacy has covered a range of issues, including approvals reform, issues relating to the conservation estate, native vegetation clearing approvals processes, and potential amendments to the Mining Act.

Over the past 12 months, CME continued to support and facilitate the Independent Esperance Trade Group, a forum established for exporters and infrastructure providers at the Esperance Port facility to discuss concerns such as environmental monitoring, port clean-up and recovery efforts.

With burgeoning aviation demands across the State, CME facilitated member briefings by Westralia Airports Corporation, outlined development plans,

detailed airport capacity concerns within its submission to Infrastructure Australia and assisted member companies to engage with the Intrastate Airline Review.

The past year also witnessed the creation of a joint State Government and industry working group to consider local government rates concerns. The Gross Rental Value (GRV) Working Group explored current GRV rating processes and local government authority expectations to draft recommendations to the state government that seek to provide efficiency and certainty to both local government and resource project proponents.

Natural Resources:

Developing Sustainable Futures

Through partnerships with local communities, representative associations and policy makers, CME is promoting the enhancement of planning and processes that boost the sustainability of the State's resource developments.

Through the update to the State Growth Outlook, CME has provided an integrated forecast of industry development plans and their future demands on key growth requirements of people, energy and water resources. Having been a significant contributor to the State Government's planning and development strategies over the past couple of years, the updated report will ensure the continuation of this role.

The State Government's acceptance of the need for a State Energy Policy, advocated by CME for a number of years, saw significant steps in 2010. CME undertook considerable engagement with the





Office of Energy during its Strategic Energy Initiative, engaging in metropolitan and regional forums as well as through membership of the Initiative's Industry Reference Group. This included coordinating a meeting between the Office of Energy and CME's Energy Reference Group.

CME continued to undertake efforts to assist with the emergence of uranium mining in Western Australia. Since the State Government's policy ban on uranium mining was removed, CME has worked with ministerial and departmental officials to facilitate uranium project developments within best-practice regulatory frameworks. Throughout the past year, CME has held a number of community and public forums designed to update local communities on the progress of proposed uranium projects located in their regions. These forums included industry representatives giving presentations on their projects and were attended by representatives of

local government, businesses and members of the general public. CME also worked with the Australian Uranium Association to host a visit to Kalgoorlie-Boulder by the internationally renowned Radiation Biologist Professor Doug Boreham, who met with key Goldfields stakeholders and local media to discuss the science behind radiation and uranium mining.

Enabling the development of abundant mineral and hydrocarbon resources in the Kimberley was a considerable focus, with the launch of our Policies, Planning and Partnerships for Responsible Resources Development in the Kimberley report. The report advocates immediate whole-of-government planning and stakeholder engagement to ensure the region's environmental, economic and social outcomes are maximised. Our efforts and focus on the region included detailed advocacy in relation to the proposal by the Australian Heritage Council to

list as National Heritage a vast area of the Kimberley, which would represent a major barrier to the realisation of the social and economic promise of the region.

Proactively promoting a high standard of environmental performance, the Code of Environmental Practice for Mineral Exploration in Western Australia was developed in conjunction with the Association of Mining and Exploration Companies. The code provides practical guidance to assist mineral explorers meet their obligations and maintain a high standard of environmental stewardship. By detailing the environmental management issues that should be considered before, during and after exploration activities, the code is expected to help foster good relationships between explorers and the many stakeholders who may have a direct interest in the land that is being explored.

With mineral exploration being the lifeblood of the State's resource sector, facilitating a strong exploration program is vital in delivering future projects and jobs. The Code is a collaborative effort that reinforces the industry's desire to maintain strong environmental credentials and demonstrate its capacity to work in close harmony with environmental protection and biodiversity conservation values.

Our North West Regional Council was addressed by the Hon. Graham Jacobs MLA, then Minister for Water; Mental Health, and discussion followed on the government's Pilbara Water Plan. The Minister also addressed CME's Eastern Regional Council in April. South West regional members were briefed on the South West Regional Water Plan 2010-2030 by Wayne Tingey, South West Regional Manager, Department of Water in June.



More than 2000

Media reports generated by CME in 2010,
on behalf of the industry

The background of the slide is a photograph of a rocky coastline. In the upper left, a large, steep bank of dark, angular rocks rises from the water. The sea is turbulent, with white foam from breaking waves visible in the foreground and middle ground. The sky is a pale, hazy blue. The overall tone is somewhat desaturated, giving it a professional, documentary feel.

100 years
of mine rescue competitions hosted by
CME in Western Australia

43,800
new jobs will be created
by the end of 2012**

Public Comment:

Voice of the Industry



As the peak organisation for WA's minerals and energy sector, CME remains at the forefront of the industry's public advocacy efforts, actively engaging state, national and international media across priority areas. There has been a significant increase in CME coverage during the past year, as issues crucial to the sector's long-term development play out in the public domain.

A strategy of active media engagement has seen CME continue to advance the policy priorities of the industry, and cement its overall standing with decision-makers, opinion leaders and the wider community. In 2010, the proposed Resource Super Profits Tax and its successor, the Minerals Resource Rent Tax, dominated national debate. CME utilised free and paid media to highlight industry concerns and campaign for an acceptable outcome. However, public advocacy efforts extended well beyond the proposed resource rent tax.

An analysis of CME's media coverage in the past year shows generation of more than 2,000 media reports (press, radio and television) - double the number for the preceding year and drawing a total audience of more than 45 million people, across all media platforms.

There was also a significant rise in broadcast coverage, with radio reports increasing to 1,448, compared to 567 reports in 2009 and television broadcasts increasing to 274 reports from 28, over the same period. Radio was the leading media type, providing 71 per cent of coverage. CME featured most regularly on ABC Goldfields WA, with 96 reports, followed by ABC 720 Perth.

Press coverage increased from 297 to 321 articles in 2010. The Kalgoorlie Miner was the leading publication, followed by The West Australian and WA Business News. ABC1 Perth was the leading television station, followed by the GWN and WIN TV networks.

Apart from a targeted campaign opposing the proposed resource rent tax, primary issues addressed by CME in its media coverage throughout 2010 included the introduction of appropriate state and

federal policy settings, aimed at minimising the impact of a looming skills shortage; investment in education, skills and training; adequate investment in water, energy and transport infrastructure; streamlining of planning and environmental approvals; safety reform in the WA resource sector; development of the emerging uranium sector; opposition to the proposed heritage listing of the Kimberley region; and promotion of the overall socio-economic benefits of the industry.

A key element of CME's overarching communications strategy involves providing journalists with a better understanding of the resource sector, through regular tours of member company operations.

In 2010, CME hosted a group of cadet journalists from The West Australian on a tour of sites within the South West. The two-day familiarisation visit took in alumina, coal and minerals sands operations, with members providing background briefings.

CME also joined the Minerals Council of Australia and the Australian Petroleum Production and Exploration Association to host a group of senior

journalists and commentators on a tour of Pilbara and North West operations in November. The group, which included east coast media, visited emerging LNG, magnetite and hematite iron ore projects, along with a copper mine.

Apart from media tours, CME has an engagement program for parliamentarians and senior bureaucrats. In July, CME conducted a tour of Pilbara sites for Opposition MPs Mark McGowan MLA, Mick Murray MLA, Rita Saffioti MLA, Peter Tinley AM, MLA and Ben Wyatt MLA.

In October, a Mid West tour was held for government members including the Hon. Norman Moore MLC, Minister for Mines and Petroleum; Fisheries; Electoral Affairs, Hon. Brian Ellis MLC, Hon. Ken Baston MLC, Hon. Mia Davies MLC, John McGrath MLA and the Hon. Nigel Hallett MLC.

This year also saw the successful introduction of CME Public Affairs Roundtables for media and community affairs professionals within member companies. The initiative will continue to run on a quarterly basis in 2011.



In the Regions

With activities spread across the vast State of Western Australia, CME and its member companies are enabling local communities to influence and secure the benefits of our industry's development.

North West

A hive of activity, CME has proactively supported the development of the North West region. With regular engagement through the North West Regional Council (NWRC) and the Pilbara Industry's Community Council (PICC) we have witnessed the continual growth in this region.

Through partnership with the State Government and PICC Health Initiative members, funding of \$38.2 million has been committed to improving health services in the region. In early 2010 a new computed tomography (CT) scanner was launched at Nickol Bay Hospital by the Hon. Brendon Grylls MLA, Minister for Regional Development. More recently, five portable state of the art practitioner carts have been installed in emergency wards at Tom Price, Newman, Nickol Bay and Onslow hospitals and the Hedland Health Campus. Practitioner carts are used to transmit patients' vital signs to doctors and specialists in other locations, allowing them to assist in assessment and treatment of patients in regional locations.

The 2010 PICC Employment and Population Report was presented to the Pilbara Regional Planning Committee in Newman. The 2010 report is a revision of 2008 data, which was adopted by the WA Planning Commission as a key resource. The projections are generated from inputs including information on Pilbara company expansion plans and public data.

CME provided a presentation at the Pilbara Dialogue session. Established by the Pilbara Development





Commission in early 2008, the Pilbara Dialogue is a high level roundtable for the exchange of key information and the development of coordinated strategies between major stakeholders in the Pilbara. CME updated delegates on the current status of the resource sector in the Pilbara, highlighted infrastructure requirements for the region, provided a summary of the latest PICC Population and Employment Report and raised concerns regarding the proposed Resource Super Profit Tax. The aim of the presentation was to assist Pilbara stakeholders in their planning and development of the region.

In late July, CME hosted several state Labor Members of Parliament on a tour of various mine sites and key infrastructure nodes throughout the Pilbara region. Industry hosts provided detailed briefings on their operations and updates on future or possible expansions. A dinner was also held in Karratha where North West members and stakeholders could interact with the tour participants.

The Department of Regional Development and Lands, with the assistance of CME, held a two-day tour in the Pilbara for Directors General of various State Government departments. The tour visited port operations in Dampier, the Burrup Peninsula Visitors

Centre, and viewed current and future operations at Nelson Point in Port Hedland.

The NWRC met in September in Dampier. Attendees heard from Simon Skevington, Project Director for Safety Reform within the Department of Mines and Petroleum (DMP) and Lee Jackson from Skills DMC. The Hon. Norman Moore MLC, Minister for Mines and Petroleum; Fisheries; Electoral Affairs, and Richard Sellers, Director General, DMP attended the dinner that followed. The Minister provided a keynote address to members, local representatives and the media.

CME sponsored and attended the CEDA event Moving Forward in Regional Western Australia, hosted in Karratha in October. The function included lunch and speeches from the Premier and a majority of State Cabinet. The event was themed Transforming the Pilbara with speakers discussing how the State can best move toward the goal of developing sustainable regional centres.

Senior journalists from across the country headed to the Pilbara in November for a tour of new and existing projects. The tour was co-hosted by CME,

the Minerals Council of Australia and the Australian Petroleum Production and Exploration Association (APPEA) and included media participants from the Sydney Morning Herald, Herald Sun, Thomson Reuters, Australian Financial Review, The Australian, The West Australian, The Sunday Times, WA Business News, Fairfax Online, Paydirt Media and ABC TV Perth.

Kimberley

Development prospects across the Kimberley were examined and highlighted by CME this year, with the launch of CME's Policies, Planning and Partnerships for Responsible Resources Development in the Kimberley report, advocating immediate whole-of-government planning and stakeholder engagement to ensure the Kimberley's environmental, economic and social outcomes are maximised. The report identified that protecting the area's world class environmental and cultural assets while unlocking

abundant mineral and hydrocarbon resources would require the close cooperation of government, industry and the wider community.

Our focus on the region included active advocacy in relation to the proposal by the Australian Heritage Council to list as National Heritage a vast area of the Kimberley, representing a major barrier to the realisation of the social and economic promise of the region.

CME participated in an industry meeting in June on the proposed National Heritage listing of the West Kimberley. The meeting was hosted by the Pastoralists and Graziers Association to discuss areas of common concern. Invitees included representatives from APPEA, the Association of Mining and Exploration Companies, WA Fishing Industry Council, and the Pearl Producers Association.

A Kimberley Regional Council has been formed over recent months. The Council will allow CME members operating in the region to meet regularly to discuss current issues and projects.

Eastern

With operations on the doorstep of a large community, the partnerships in the Eastern and North-Eastern region are crucial to the industry's success.

The CME Goldfields Environment Forum met regularly throughout the year to discuss issues including the Great Western Woodlands Biodiversity and Cultural Conservation Strategy, approvals reform, mining securities and environmental impact assessments. The Department of Environment and Conservation provided briefings on the department's enforcement and compliance activities in the region, while the Department of Water highlighted water licensing and policy and process changes. Forum members and participants of CME's Non-Government Organisation (NGO) Industry Environment Forum were invited to a workshop in Kalgoorlie to provide feedback to the Department of Mines and Petroleum (DMP) and the Office of the Environmental Protection Authority on the development of guidelines for preparing mine closure plans.

A series of public meetings were held in Leonora, Menzies and Laverton, updating local communities on the progress of a number of proposed uranium projects located in the North Eastern Goldfields. Industry representatives gave presentations on their projects at meetings attended by representatives of local government, businesses and members of the general public. DMP gave advice on the regulation issues associated with uranium mining in WA.

The Hon. Dr Graham Jacobs MLA, then Minister for Water; Mental Health, addressed the CME Eastern Regional Council Dinner held in Kalgoorlie-Boulder in April. Dr Jacobs briefed ERC members and stakeholders on the key issues relating to his portfolio.

CME's annual Eastern Region Mine Emergency Response Competitions were a great success in 2010. The surface competition was held in early May at the Australian Prospectors and Miners Hall of Fame in Kalgoorlie-Boulder. Fourteen mine rescue teams from WA and NSW were tested in a number of disciplines including fire fighting, first aid, rope

rescue, vehicle extrication, theory, hazardous chemicals, confined space and team skills. The competition attracted an estimated 2,000 people. Winners were announced at the presentation night attended by the Hon. Norman Moore MLC, Minister for Mines and Petroleum; Fisheries; Electoral Affairs. The Underground Mine Emergency Response Competition was held in November in Kalgoorlie-Boulder. Thirteen mine rescue teams from across the Goldfields and Mid West regions took part in the competition. In 2011 we will celebrate the 100th year of mine rescue competitions in Western Australia.

CME Chief Executive Reg Howard-Smith was a keynote presenter at the Invest WA Conference held in Kalgoorlie-Boulder in late May. Invest WA is an initiative of the WA Division of the Property Council of Australia and is the principal forum for property investors, advisors and developers in WA. Reg addressed conference delegates on the current state of the WA resource sector as well as the key challenges to future growth for the sector.

The WA Police Gold Stealing Detection Unit (GSDU) has continued operations in partnership with CME. In 2010 the GSDU carried out Operation Minesweep, an initiative aiming to detect drugs or explosives on flights departing to or arriving from gold mine sites throughout Australia. The operation involved the examination of more than 2,600 passengers and 2,500 bags.

WA State Ministers were in Kalgoorlie-Boulder in early September for a Regional Cabinet Meeting. CME met with the Hon. Norman Moore MLC, Minister for Mines and Petroleum, Fisheries, Electoral Affairs and the Hon. Rob Johnson MLA, Minister for Police; Emergency Services; Road Safety to discuss issues relating to mine safety reform and to commend the recent operational success of the GSDU.

The annual What's Down the Track Forum was held in Kalgoorlie-Boulder in late September. What's Down the Track is a joint initiative of CME, Kalgoorlie Boulder Chamber of Commerce and Industry and Goldfields Esperance Development Commission.



Our efforts to support the growth of uranium mining in the State continued over the past year, working in collaboration with the Australian Uranium Association and the Association of Mining and Exploration Companies on advocacy to DMP relating to royalties on uranium production, Ernst & Young were engaged to develop a detailed submission for consideration by the Department.

CME also assisted the Australian Uranium Association host a visit to Kalgoorlie-Boulder by internationally renowned Radiation Biologist, Professor Doug Boreham.

Dust Off 2010 was hosted in Kalgoorlie in October. The Western Australian School of Mines, the Mining Hall of Fame and CME collaborated to host the annual professional development program for metropolitan teachers, providing them with an opportunity to explore mining and minerals first hand.





South West

The South West Regional Council is strongly supported by not only the industry, but the local community. Along with the more specific regional forums, the council is connected to various local initiatives. This unique region sees great involvement by our associate members.

In 2010, CME and officials from the Department of Mines and Petroleum (DMP), led by the Director General, Richard Sellers, visited Newmont's Boddington Gold Mine. The joint CME and DMP group toured the facility with particular focus on the environmental systems being implemented. The group also met with the Shire of Boddington, speaking with Cr Paul Carrotts, President, and Garry Sherry, Chief Executive Officer, about the opportunities and challenges associated with the development of the new operation.

CME met with community relations officers from member companies operating within the South West at Alcoa's Wagerup Alumina Refinery in May.

Attendees were treated to a presentation on Alcoa's Community Relations Strategy, which was followed by group discussion on common issues, communication strategies and shared learnings.

CME's South West Occupational Safety and Health (OSH) Forum was held at Talison Greenbushes in June. CME provided members with an overview of OSH portfolio issues and received feedback from members on issues such as the State Government's proposed mine safety reform and the gazetted mines safety and inspection levy regulations. Members also had the opportunity to discuss health and safety issues and share information through a roundtable discussion.

CME members were briefed on the South West Regional Water Plan 2010-2030 by Wayne Tingey, South West Regional Manager, Department of Water in June. The water plan was launched by the Hon. Graham Jacobs MLA, then Minister for Water, in early May.

In mid June CME participated in the Coastal Governance Futures Program hosted by Curtin University as part of the CSIRO National Research Flagship Coastal Collaboration Cluster. Participants considered the issues and opportunities associated with the current coastal governance system for the South West of WA. Drivers and regulators of coastal development were drafted, and subsequent activity will capture the current coastal governance system and changes proposed by the workshop participants, especially under climate change, and will look to represent and plan for coastal adaptation.

Cadet journalists from The West Australian gained a better understanding of the minerals and energy sector after touring operations in the South West in mid-July. The two-day familiarisation tour saw four cadets and editorial counsellor Gary Hartree visit member company sites including a refinery, a power station, an open cut mine, and a mineral sands project. The tour was hosted by CME, and provided comprehensive briefings from member companies.

CME hosted a delegation of five representatives from the Indonesian Ministry of Energy and Mineral Resources to provide an overview of the resource sector. The visit included meetings with CME member companies and visits to mine sites in the South West where they were shown examples of rehabilitation and processing operations. The delegates were participating in a program coordinated by the University of Sydney.

CME's South West Emergency Response Skills Challenge was held in September at Talison's Greenbushes Operations. Simon Ridge, Director Mines Safety and State Mining Engineer of DMP attended the event and commended the high standard of the participating teams.





Mid West

The Mid West Regional Council meets on a quarterly basis, discussing members issues pertinent to the region.

A Mid West Roundtable breakfast, hosted by CME, provided an overview of the expanding iron ore industry in the Mid West for State Government members of Parliament (MPs), including the Hon. Norman Moore MLC, Minister for Mines and Petroleum; Fisheries; Electoral Affairs. They heard presentations from member companies with developments in the region. Presenters gave an overview of their company's project status and planned future expansions. The MPs had the unique opportunity to receive first-hand information on the prospects and the challenges confronting the expanding Mid West iron ore industry.

In April CME attended the Mid West Housing Needs workshop in Geraldton hosted by the Mid West Development Commission (MWDC) and the Department of Housing. The workshop discussed current housing pressures and looked to identify how current and future housing needs in the region can be met.

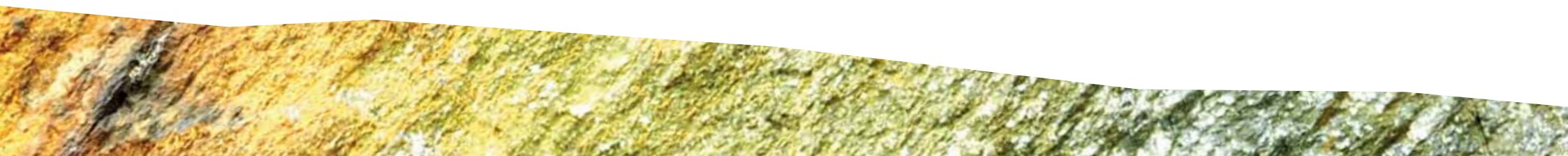
In May CME participated in the regional forums held by the Office of Energy to discuss its Strategic Energy Initiative and the State Government's plans for energy provision through to 2030.

All Mid West resource industry roads led to Cue in May for the Cue Parliament, formally known as the Murchison Zone Conference of the Western Australian Local Government Association. Opened by the Hon. Norman Moore MLC, Minister for Mines and Petroleum; Fisheries; Electoral Affairs, the event was attended by local members of parliament, government and other stakeholders from the region.

CME Chief Executive Reg Howard-Smith delivered a presentation highlighting CME's role in the resource sector in the Mid West region and covered a number of current issues confronting the industry. CME and the Geraldton Iron Ore Alliance (GIOA) co-sponsored the event.

In June, CME participated in the Sustainable Communities Forum in Perenjori, conducted by the MWDC. The key outcome of the workshop was the development of a Mid West Master Plan, aimed at capturing regional priorities.

CME was pleased to participate in the GIOA Community Careers and Training Expo held at Durack Institute of Technology in Geraldton in August. CME was one of 55 exhibitors promoting training and career options and identifying areas of skills shortages and study pathways into these areas. CME co-sponsored the production of a DVD promoting careers in the Mid West, launched at the expo.



CME continued to support and promote key infrastructure planning requirements through its August attendance at the MWDC's Strategic Infrastructure Group meetings.

Following a briefing earlier in the year, CME hosted State Parliamentarians on a tour of iron ore projects and port facilities in the Mid West in early October. Participants included the Hon. Norman Moore MLC, Minister for Mines and Petroleum; Fisheries; Electoral Affairs, the Hon. Ken Baston MLC, Member for Mining and Pastoral Region, the Hon. Mia Davies MLC, Member for Agricultural Region, the Hon. Brian Ellis MLC, Member for Agricultural Region, the Hon. Nigel Hallett MLC, Member for South West Region, and John McGrath MLA, Member for South Perth. Participants visited various sites in the area, gaining a greater understanding of the potential growth and future infrastructure requirements.

In early 2011 CME finalised the Mid West Infrastructure Needs Report "An Industry View Point". The document provides critical data on current and future infrastructure requirements for the Mid West Region.



The background of the slide is a vibrant underwater scene featuring a diverse coral reef. Various types of coral, including branching and brain corals, are visible in shades of green, yellow, and brown. Small fish are scattered throughout the water, adding to the marine life depicted. The lighting is bright, suggesting a shallow depth.

2.8 billion dollars

in Royalties from WA mineral and
petroleum producers*

968

operating mine sites in WA*

An underwater photograph of a coral reef. The foreground is filled with various types of coral, including large, rounded, brain-like corals and smaller, more intricate branching corals. The water is clear and blue, with many small fish swimming around. The lighting is bright, suggesting sunlight filtering down from the surface.

42 per cent

of the nation's merchandise exports
came from Western Australia*

68

operating oil and gas
fields in WA*



Submissions and Reports

Over the past year, CME has advocated on behalf of members, lodging a number of submissions, outlined below.

April 2010

- Department of Resources, Energy and Tourism and Department of Education, Employment and Workplace Relations on Minerals-Based Submission to the National Resource sector Employment Taskforce Discussion Paper. (Joint submission with MCA/QRC);
- Department of Resources, Energy and Tourism and Department of Education, Employment and Workplace Relations regarding the Oil & Gas Based Submission to the National Resource sector Employment Taskforce Discussion Paper;
- Office of Energy, in relation to the Energy Coordination Regulations 2nd Draft;

May 2010

- Department of Environment, Water, Heritage and the Arts on the Kimberley National Heritage Listing;

June 2010

- The Federal Government's Resource Super Profits Tax (RSPT) Panel Secretariat on RSPT;

July 2010

- Department of Aboriginal Affairs regarding the Review of the Register of Places and Objects;

September 2010

- Federal Government's Policy Transition Group (PTG) on the Minerals Resources Rent Tax (Joint industry body submission);

October 2010

- Federal Government's Policy Transition Group on the Minerals Resources Rent Tax;
- Federal Government's Policy Transition Group on the Minerals Resources Rent Tax (response to PTG issues paper, joint industry body submission);

November 2010

- Department of Mines and Petroleum regarding the transparency in environmental regulatory decisions within the department;
- Department of Mines and Petroleum and Office of Environmental Protection Authority regarding Mine Closure Guidelines;
- Federal Government's Policy Transition Group on exploration incentives (Joint industry body submission);
- Minister for Mines and Petroleum (WA) and Department of Mines and Petroleum (WA) on proposed uranium royalty rate (Joint industry body submission);
- Department of Mines and Petroleum regarding Offshore Minerals Regulations;



December 2010

- Department of Mines and Petroleum (WA) on proposed uranium royalty rate;
- Submission to Department of Mines and Petroleum (WA) on proposed magnetite royalty rate.

January 2011

- Department of Resources, Energy and Tourism regarding the Cleaner Future for Power Stations Discussion Paper;
- Department of Resources, Energy and Tourism on the national mines safety framework non core discussion papers;

February 2011

- Economic Regulation Authority on the Review of Prohibition and Restrictions on Verve Energy and Synergy;
- Department of Mines and Petroleum regarding Mining Security Policy Discussion Paper;
- Department of Regional Development and Lands on the Review of the Functions and Responsibilities of Regional Development Commissions;

March 2011

- Department of Sustainability, Environment, Water, Population and Communities regarding the Sustainable Population Strategy;
- Federal Treasurer and State Treasurer regarding the upcoming State and Federal budgets
- Department of Resources, Energy and Tourism on the Mineral Resources Rent Tax Policy Transition Group Report



Our Members

The tireless effort, engagement and active participation of our member companies form the foundation and inspiration for our success.

PRODUCTION

A1 Minerals
Aditya Birla Minerals Ltd (Australia)
Alcoa of Australia Ltd
AngloGold Ashanti Australia Ltd
Apex Minerals NL
Atlas Iron Ltd
Avoca Resources Ltd
Barrick (Australia Pacific) Ltd
Bauxite Resources Ltd
Bemax Resources Ltd
BHP Billiton Ltd
Cliffs Natural Resources
Consolidated Minerals Ltd
Crosslands Resources Ltd
Dominion Mining Ltd
Doral Sands Pty Ltd
Focus Minerals Ltd
Fortescue Metals Group Ltd
Gold Fields Australia Pty Ltd
Iluka Resources Ltd
Integra Mining Ltd

Intrepid Mines Ltd
Ivornia Magellan Metals Pty Ltd
Jabiru Metals Ltd
Kalgoorlie Consolidated Gold Mines Pty Ltd
Kimberley Diamond Company
La Mancha Resources Australia Pty Ltd
Minara Resources Ltd
Minerals and Metals Group (MMG)
Mitsubishi Development Pty Ltd
Navigator Resources
Newcrest Mining Ltd
Newmont Asia Pacific
Norseman Gold Plc
Northern Star Resources
Onslow Salt Pty Ltd
Paddington Gold Pty Ltd
Panoramic Resources Ltd
Ramelius Resources
Rand Mining NL
Range River Gold Ltd
Rio Tinto
Saracen Gold Mines Pty Ltd

Shark Bay Resources Pty Ltd
Silver Lake Resources Ltd
St Barbara Ltd
Straits Resources Ltd
Talisson Lithium Ltd
Tanami Gold NL
The Griffin Coal Mining Company Pty Ltd
Troy Resources NL
Wesfarmers Premier Coal Ltd
Xstrata Nickel Australasia

PRODUCTION & DOWNSTREAM PROCESSING

WOODSIDE ENERGY LTD

PROJECT DEVELOPMENT

API - The Australian Premium Iron Joint Venture
Argent Minerals Ltd
Catalpa Resources Ltd
Chevron Australia
Citic Pacific Mining
First Quantum Minerals Australia
Gindalbie Metals Ltd
Grange Resources Ltd
Mineralogy Pty Ltd
Moly Mines Ltd
Mt Weld Mining Pty Ltd
Oakajee Port and Rail
Shell Development (Australia) Pty Ltd
Sinosteel Australia Pty Ltd
Sinosteel Midwest Corporation Ltd

ENERGY GENERATION & DISTRIBUTION

Dampier Bunbury Pipeline
ERM Power
TransAlta Energy (Australia) Pty Ltd
Verve Energy
Western Power

CONTRACTOR

Barminto Ltd
BGC Contracting
Downer EDI Mining
HWE Mining Pty Ltd
Macmahon. Contractors Pty Ltd
WesTrac Pty Ltd

EXPLORATION

Alkane Resources Ltd
Cameco Australia Pty Ltd
Flinders Mines Ltd
Golden West Resources
Heron Resources
Legend Mining Ltd
Mega Uranium
Paladin Energy Ltd
Pluton Resources Ltd
PTT Asia Pacific Mining Pty Ltd
Rey Resources Ltd
Tectonic Resources NL
Toro Energy Ltd



ASSOCIATE MEMBERS

AECOM Australia Pty Ltd
 Aggreko Pty Ltd
 AGR Matthey
 Albany Port Authority
 Allens Arthur Robinson
 Alliance Airlines
 Aquenta Consulting Pty Ltd
 Australian Portable Buildings (APB)
 Australian Railroad Group (ARG)
 BIS Industrial Logistics
 Blake Dawson
 Bristow Helicopters Australia Pty Ltd
 Bunbury Port Authority
 BYAC Contractors Pty Ltd
 Cape Crushing & Earthmoving Contractors
 Cardno
 Central Institute of Technology
 Clayton Utz
 Climate Change Response Pty Ltd
 Cobham Aviation Services Australia
 Coffey International

Corrs Chambers Westgarth
 CPC Engineering Pty Ltd
 Creating Communities
 CSIRO Minerals Down Under Flagship
 Curtin University of Technology of WA
 DLA Phillips Fox
 Economics Consulting Services Pty Ltd
 Edith Cowan University
 EMCO Building
 Energy Developments Ltd
 Energy Response Pty Ltd
 EnviroWorks Consulting
 Equilibrium
 ERGT Australia
 Ernst and Young
 Esperance Ports - Sea and Land
 Freehills
 Fremantle Ports
 Fulton Hogan Construction Pty Ltd
 Future People Strategies
 Georgiou Group Pty Ltd
 Geraldton Port Authority
 GHD Pty Ltd

Global Diagnostics
 GRA Everingham
 gt media
 Heliwest Group
 Ipernica Ltd
 Jackson McDonald
 Jardine Lloyd Thompson
 Kellogg Brown and Root Pty Ltd
 KPMG
 Lavan Legal
 M & M Walter Consulting
 MacroPlan Australia Pty Ltd
 Mallesons Stephen Jaques
 McGarry Associates
 Minter Ellison
 Mitsui Iron Ore Development Pty Ltd
 Modern Motor Trimmers
 Monadelphous Group Ltd
 North West Shelf Australia Gas Pty Ltd
 North West Shelf Australia LNG Pty Ltd
 Orontide Group Ltd
 Oyster Consulting
 People Solutions Australasia Pty Ltd
 Perdaman Chemicals & Fertilisers
 Platform Communications
 Polytechnic West
 PricewaterhouseCoopers
 Qantas Airways Ltd

Rayner Consulting
 RCR Tomlinson
 Royal Flying Doctor Service
 Satterley Property Group
 SCF Group Pty Ltd
 Sheridan Coakes Consulting
 Sinclair Knight Merz (SKM)
 Skippers Aviation Pty Ltd
 Skywest Airlines Pty Ltd
 Strategen Environmental Consultants
 Synergy
 Telstra Country Wide
 Thales
 The Perth Mint
 The University of Western Australia
 TR7
 Ultimate Safety Solutions Australia
 URS Australia Pty Ltd
 Water Corporation of Western Australia
 WestNet Infrastructure Group
 Westralia Airports Corporation
 WorleyParsons
 Yamatji Marlpa Aboriginal Corporation



LIFE MEMBERS

Mr Jack H Carne
 Mr Barry L Cusack
 Mr John Hanley
 Mr Peter Lalor
 Mr John J Linden
 Mr Malcolm H Macpherson
 Mr Jack C McDermott



Our Team

Talented and responsive to the needs of member companies, the CME team champion the interests of the resource sector, fostering a policy and regulatory platform that underpins the industry's sustainable development.

Reg Howard-Smith	Chief Executive	Lisa Jones	Bookkeeper
Damian Callachor	Director	Amanda Joseph	Project Officer, Environment
Nicole Rooke	Director	Rochelle Morris	Executive Assistant
		Kaori Nakafuji*	Project Officer, Resources Industry Training Council
Chris Alexander*	Executive Officer, Infrastructure	Sarah Newbold	Project Officer, People Strategies
Sonia Beggs*	Administration Assistant, Gold Stealing Detection Unit	Rob Newton	Executive Officer, Media and Public Affairs
Kate Buckley	Project Officer, Infrastructure and Economics	Erin van Noort	Executive Officer, South West Region
Bruce Campbell-Fraser	Executive Officer, People Strategies	Warren Pearce	Executive Officer, North West
Michele Chiasson	Project Officer, Infrastructure and Economics	Rebecca Robis-Herman*	Administration Assistant, Gold Stealing Detection Unit
Linda Crook	Executive Officer, Eastern and North Eastern Region	Jasmin Slingsby	Events and Communications Coordinator
Fiona Cross	Project Officer, Occupation Safety and Health	Gary Snook	Executive Officer, Mid West Region
Susan Cull*	Project Officer, People Strategies	Denise Spalding*	Administration Officer, Gold Stealing Detection Unit
James Edwards	Executive Officer, Economics and Tax	Michelle Sullivan*	Executive Assistant
Amanda Evans	Receptionist	Erwin Susanto	Accountant
Regina Flugge	Executive Officer, Environment and Land Access	David Todd	Executive Officer, Occupational Safety and Health
Kathy Gecan	Project Officer, People Strategies	Andrew Winter	Senior Project Officer, Land Access and Environment
Nigel Haywood*	Executive Officer, Resources Industry Training Council	As at March 2011.	*Absent from photo



Financial Summary

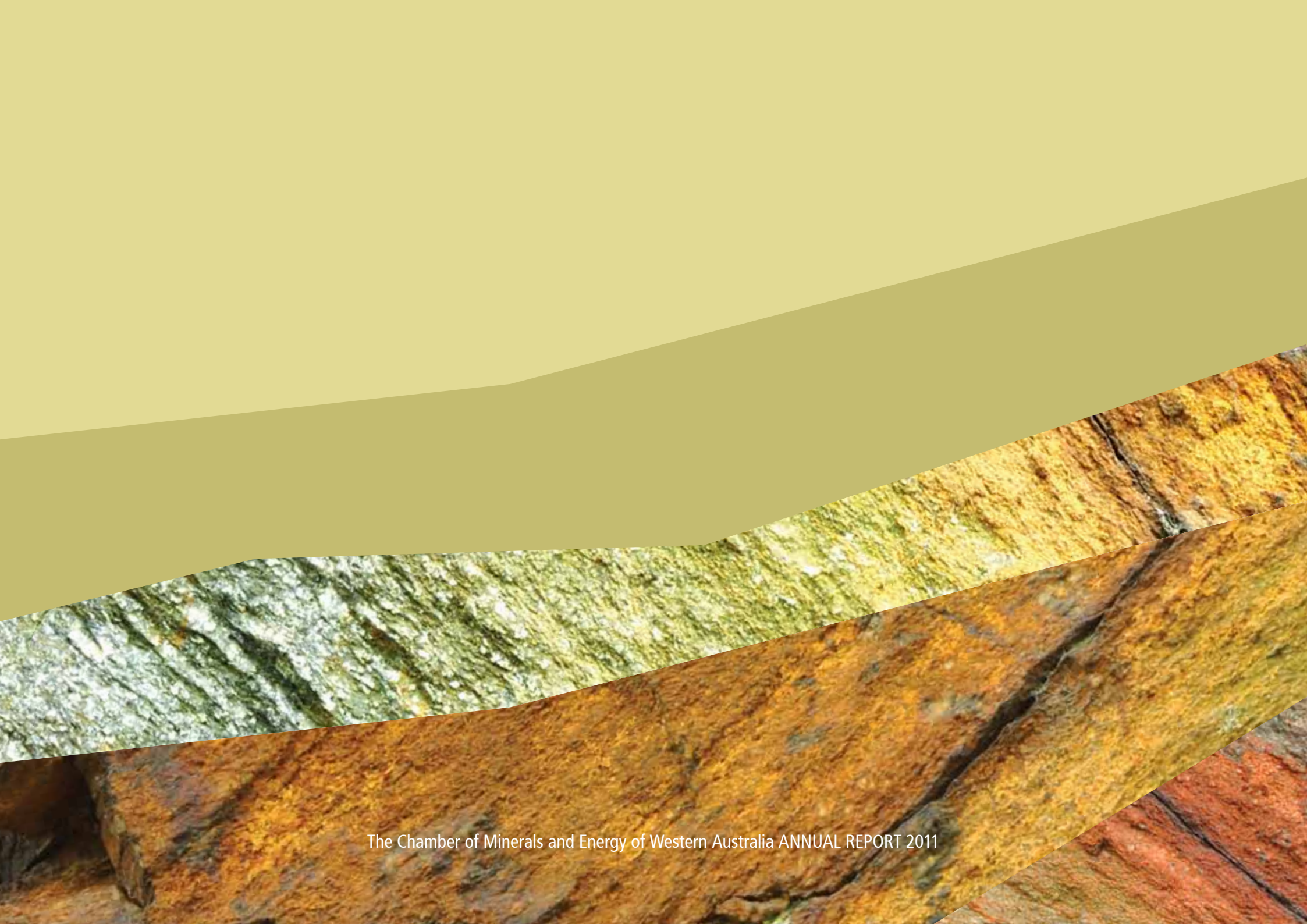
The Special Purpose Financial Report for the Chamber of Minerals and Energy of Western Australia Inc. for the financial year ended 31 December 2010 has been made available to members at the Annual General Meeting on Wednesday 20 April 2011 in accordance with CME's constitution and the Associations Incorporation Act 1987. The financial report is also available for member companies upon request.

Photography

CME thanks the following companies for supplying photographs which appear throughout this publication:

Alcoa of Australia, Chevron Australia Pty Ltd, CITIC Pacific Mining, Dampier Bunbury Pipeline, Downer EDI Mining, Gindalbie Metals Ltd, Gold Fields Australia, Iluka Resources Ltd, Kimberley Diamond Company, Minara Resources, Navigator Resources Ltd, Newmont Jundee, Panoramic Resources Ltd, Rio Tinto, Robert Garvey and Shell Development (Australia) Pty Ltd, Woodside Energy Ltd





The Chamber of Minerals and Energy of Western Australia ANNUAL REPORT 2011