ANNUAL REPORT

2015-2016

CME

Message from President Brian Reilly

The industry has faced many challenges over the past year. These have required CME to prioritise it's activities to ensure we remain a powerful and influential advocate for the resources industry, while recognising the changing environment we are operating within.

But there have been a number of positive industry stories over the past 12 months. In July, we welcomed the official opening of the Ungani onshore oilfield in the Kimberley region, November saw the finalisation of nuclear cooperation agreements between Australia, India and United Arab Emirates, Roy Hill farewelled its first iron ore shipment from the Pilbara in December and Chevron recently celebrated its first gas production from the mega Gorgon project while MZI opened its mineral sands mine at Keysbrook.

From a policy perspective, CME has continued to provide an avenue through which members and stakeholders are able to collaborate. This collaboration has generated valuable contributions to public policy in the areas of resources safety legislation, mental health, environmental impacts and skilled workforce development.

In September 2015, CME launched its biennial report, Diversity in the Western Australian Resources Sector, which showed women make up 18 per cent of the resources sector workforce. While this was a small drop from two years previously, the outstanding Women In Resources Awards in March 2016, showcased how the industry is working to increase diversity, celebrating the achievements of men and women in improving our industry.

CME also released its Mental Health Blueprint in September, providing a framework for promoting wellbeing of the workforce as well as reducing the risks and impacts of mental illness.

The Mental Health Blueprint identified key directions for the industry and recommended evidenced based strategies which can be applied at company and site level.

It has been my pleasure to again serve you as President. I would also like to acknowledge the incredible commitment made by individual member companies and thank you all for your ongoing support and guidance which has ensured the voice of our industry continues to be heard by key decision-makers.

Message from Chief Executive Reg Howard-Smith

Those who work in the resources sector know it is a cyclical industry controlled by market forces and the ebbs and flows of the international economy. Western Australia is not immune from this and, like the international economy, we too have had a challenging 12 months.

But as the industry transitions from a period of construction and consolidates into one of production, Western Australians can be buoyed by the longevity and history of our sector and the assurance resource projects are the lifeblood of this State.

Treasury's mid-year review estimated the value of royalties Western Australia received from the resources sector still composed almost 15 per cent of estimated total state revenue in 2015-16, or around $3.8 billion.

CME remains confident that with ongoing resources and exploration investment in our State, growth and prosperity will come back to the economy into the future, creating further employment, investment and government revenue.

As we anticipate State and Federal elections in the next 12 months, one constant will be our resources sector. With a history spanning more than 110 years, our industry is ingrained in the economy and culture of Western Australia.

CME advocacy resulted in...

People and Communities

Work Health and Safety legislation: a decision by government to table the Work Health and Safety Green Bill for general industry and proceed with drafting the supporting regulations. This will enable consistency with the Work Health and Safety (Resources) legislation reducing the potential for duplication and discrepancies.

FIFO Code of Practice: the government deciding a stand-alone FIFO Code of Practice is unnecessary, recognising the efforts already made by industry in addressing mental health in the workplace. CME released the Mental Health Blueprint to support industry in these efforts and has further resources available on this topic on its website.

FIFOFacts.com: increased awareness of the reason why people choose to do FIFO, what FIFO is all about and why the sector uses it. The website is a repository of FIFO-related information.

Parliamentary Inquiry into Fly-in, Fly-out and Mental Health: referral of key recommendations to the Mining Industry Advisory Committee (MIAC) for consideration of the best course of action following a detailed review of evidence and providing opportunity for further industry engagement on the matter.

Fair Work Amendment Bill 2014: improved greenfields agreement making, in particular providing a passage when negotiations stall with unions to allow the Fair Work Commission to approve an employer's proposed agreement, if agreement cannot be reached within six months.

Mines Safety Levy: the introduction of an acceptable level of variance with a two per cent tolerance on FTE hour calculations, to reduce the administrative compliance burden posed by the Mines Safety Levy reporting methodology.

Explosives harmonisation: Safe Work Australia identifying priority areas for explosives harmonisation to ensure national consistency can be achieved and deliver maximum benefits while reducing costs across the industry.

High risk work training: the Training and Accreditation Council undertaking a strategic industry audit to identify issues with the delivery, assessment and verification of high risk work licence training.

Apprenticeship for the Oil and Gas Sector: the Resources Industry Training Council submitting a proposal to vary the Certificate III in Process Plant Operations qualification, delivering the first production apprenticeship for the oil and gas industry in Australia. Gazetted on 1 December 2015, the first intake into the 48-month apprenticeship commenced earlier this year.

High Risk Work Industry Collaboration: the Resources Industry Training Council facilitating an industry group comprising companies from mining, oil and gas and mineral processing sectors to explore alternative models for the verification of high risk work training delivery and assessment. The development of a common skills assessment tool and implementation guide for cross sector application has an initial focus on scaffolding.

CME advocacy resulted in...

Economic Competitiveness

Department of Environment Regulation (DER) Works Approval and Licensing: development of key policy documents which improve DER's transparency of decision making. New guidance has clarified for industry the assessment and conditioning of works approvals and licences.

Environmental Management Plans (EMPs): the launch of a new guideline and associated templates, in conjunction with Environmental Protection Authority (EPA), to assist proponents with EMPs under Part IV of the *Environmental Protection Act 1986*. This new guideline provides clear guidance to make EMPs more effective and outcome-focused. To aid with the implementation, CME assisted EPA in facilitating training sessions for industry and consultants.

Cost recovery: no fees being introduced by the Department of Mines and Petroleum for assessment of Mining Proposals and Programme of Works.

Emissions Reduction Fund Safeguard Mechanism: more flexibility in adjusting the resources sector baselines, inclusion of emissions intensity based test and awareness of the Safeguard Mechanism's disproportional coverage of the resources sector.

Gross rental value (GRV) policy: the review of the GRV policy and its implementation across the entire sector in Western Australia limiting the resources sector capital improvements local governments can seek to rate with the GRV method.

Retention of a capacity requirement: the Department of Finance recommending the government retain a capacity requirement and an energy market in the state's South West Interconnected System as part of the Electricity Market Review.

Local government rating policies: the government endorsing revisions to the policies to require local governments to demonstrate efficiency in their operations, rather than seeking to collect increasingly more rates revenue from resources sector ratepayers, and associated improvements in performance reporting and transparency for local governments.

CME advocacy resulted in...

Natural Resources

Western Australia Biodiversity and Science Institute (WABSI): launch of WABSI enabling a more effective and coordinated approach to acquiring and interpreting knowledge related to the State's globally significant terrestrial biodiversity.

Banded Iron Formation (BIF) Ranges of the Mid West and Goldfields: Environmental Protection Authority (EPA) reassessment of two projects on grounds of a lack of process and procedural fairness. In a positive move for industry, the Minister instructed both proposals be remitted to the EPA for reassessment at the Public Environmental Review level of assessment.

Environmental offsets metric: the draft offsets metric recognising rehabilitation when quantifying environmental offsets in Western Australia. The value of any on-site rehabilitation will reduce the significant impacts of a project and contribute towards reducing the amount of area required as an offset.

National Environment Protection (Ambient Air Quality) Measure (AAQ NEPM): clarity on the intent of the AAQ NEPM enabling jurisdictions to adapt standards when determining appropriate environment standards for the management of air quality, appropriate for the circumstances or conditions.

Exploration: amendments to DMP's revised Mineral Exploration Report (MER) Guidelines to ensure mine planning and financial modelling information is not required to be included in MERs.

Key Events

April 2015 - March 2016

Federal Liberal MPs tour

15 to 17 April 2015

CME Surface Mine Emergency Response Competition

1 to 3 May 2015

The Hon. Albert Jacob MLA, Minister for Environment attended the Environment portfolio's sundowner, providing an informal networking opportunity for members

25 June 2015

2015 Safety and Health Conference and Innovation Awards

27 to 28 July 2015

State Liberal MPs tour of the Pilbara

31 August to
2 September 2015

The Hon. Ben Wyatt MLA, Shadow Treasurer, attended the Economics and Tax portfolio's sundowner, providing an informal networking opportunity for members

2 September 2015

Media Tour of the Pilbara and Goldfields

23 to 25 September 2015

The Land Access Portfolio Sundowner was attended by the Hon. Bill Marmion, Minister for Mines and Petroleum; Finance providing an informal networking opportunity for members

19 October 2015

Kalgoorlie and Pilbara visit by the Hon. Josh Frydenberg, Minister for Resources, Energy and Northern Australia

2 November 2015

CME Underground Mine Emergency Response Competition

6 to 8 November 2015

CME Christmas Cocktails at Frasers Function Centre at Kings Park

1 December 2015

2016 Women in Resources Awards

4 March 2016

Sharing of Safety Lessons Learnt Forums

18 May 2015
20 November 2015

CME Member List

Ordinary Members

ABM Resources NL
Alcoa of Australia Ltd
Alinta Energy Pty Ltd
Alkane Resources Ltd
AngloGold Ashanti Australia Ltd
API - The Australian Premium Iron Joint Venture
ATCO Australia Pty Ltd
Atlas Iron Ltd
Barminco Ltd
Barrick (Australia Pacific) Pty Ltd
Bauxite Resources Ltd
BGC Contracting
BHP Billiton Iron Ore
BHP Billiton Nickel West
Buru Energy Ltd
Byrnecut Australia Pty Ltd
Cameco Australia
Centrex Metals Ltd
CFC Group
Chevron Australia
Citic Pacific Mining Management Pty Ltd
Cliffs Natural Resources
ConocoPhillips
Cristal Mining Australia Ltd
DBNGP (WA) Nominees Pty Ltd
Doral Minerals Sands Pty Ltd
Doray Minerals Ltd
Downer EDI Mining
Evolution Mining
Flinders Mines Ltd
FMR Investments Pty Ltd
Fortescue Metals Group Ltd
Georgiou Group Pty Ltd
Gold Fields Australia Pty Ltd
Gold Road Resources Ltd
Hess Exploration Australia Pty Ltd
Iluka Resources Ltd
Kalgoorlie Consolidated Gold Mines Pty Ltd
Karara Mining Ltd
La Mancha Resources Australia Pty Ltd
Lynas Corporation Ltd
Macmahon Contractors Pty Ltd
McConnell Dowell Constructors (Australia)
Metals X Ltd
Minara Resources Pty Ltd
Minerals and Metals Group (MMG)
Minjar Gold Pty Ltd
Monadelphous Group Ltd
Mount Gibson Iron Ltd
MZI Resources Ltd
Newcrest Mining Ltd
Newmont Asia Pacific
Northern Minerals Ltd
Northern Star Resources Ltd
Norton Gold Fields Ltd
Onslow Salt Pty Ltd
Orica Ltd
Paladin Energy Ltd
Panoramic Resources Ltd
Premier Coal Ltd
Ramelius Resources Ltd
Regis Resources Ltd
Rey Resources Ltd
Rio Tinto Ltd
Rossyln Hill Mining Ltd
Roy Hill Holdings
Saracen Mineral Holdings Ltd
Shell Australia Pty Ltd
Sinosteel Midwest Corporation Ltd
St Barbara Ltd
Talison Lithium Ltd
The Griffin Coal Mining Company Pty Ltd
Thiess Pty Ltd
Todd Minerals and Coal Pty Ltd
Toro Energy Ltd
Total E&P Australia
TransAlta Energy (Australia) Pty Ltd
Tronox Management Pty Ltd
Vector Resources Ltd
Woodside Energy Ltd
Yara Pilbara Fertilisers Pty Ltd

Associate Members

AECOM Australia Pty Ltd
Allens
Alliance Airlines
Analytical Reference Laboratory (WA)
Ashurst
Aurecon Australasia Pty Ltd
Aurizon
Australian Cultural Heritage Management Pty Ltd
BIS Industries Ltd
Bouygues Construction
Brookfield Rail Pty Ltd
Bunbury Electrical Service Contracting Pty Ltd
Clayton Utz
Clifford Chance
Cobham Aviation Services Australia
Corrs Chambers Westgarth
CPC Engineering Pty Ltd
CSIRO Water
Curtin University of Technology of WA
Dash Digital
Deloitte Touche Tohmatsu
DLA Piper Australia
Economics Consulting Services Pty Ltd
Edith Cowan University
ElectraNet Pty Ltd
EnerNOC
ERGT Australia
Ernst & Young
ESS Support Services Worldwide
FIFO Families
Focus Metals Pty Ltd
Fremantle Ports
Fyfe Earth Partners
GE Oil & Gas Australia Pty Ltd
GHD Pty Ltd
Goldfields Institute of Technology
Goldfields Land & Sea Council
GR Engineering Services Ltd
Herbert Smith Freehills
HNZ (Australia) Pty Ltd
Integrate Sustainability Pty Ltd
Jacobs
Jackson McDonald
Jebsens International (Aust) Pty Ltd
JMJ Associates
Kellogg Brown & Root Pty Ltd
Keogh Bay Consulting
Kepner Tregoe Australasia Pty Ltd
King & Wood Mallesons
Klohn Crippen Berger
KPMG
LGM Industries Pty Ltd
McGarry Associates
Midwest Ports
Minter Ellison Lawyers
Mitsubishi Development Pty Ltd
Mitsui Iron Ore Development Pty Ltd
MMWC Group
MWH (Australia) Pty Ltd
North West Shelf Gas Pty Ltd
Nous Group
Orontide Group Ltd
People Solutions Australia Pty Ltd
Perth Airport Pty Ltd
Pilbara Access
PricewaterhouseCoopers
Qantas Airways Ltd
Raeda Consulting
Rayner Consulting Pty Ltd
Resource Capital Funds
Santos Ltd
Satterley Property Group
Siemag Tecberg Australia
Skippers Aviation Pty Ltd
SolarReserve LLC
Strategen Environmental Consultants Pty Ltd
Sustainability Pty Ltd
Telstra Corporation Ltd
Thales Australia
The Mac Services Group Ltd (CIVEO)
The Perth Mint
The University of Western Australia
Toxfree Solutions Ltd
Umwelt (Aust) Pty Ltd
URS Australia Pty Ltd
Virgin Australia
Water Corporation of Western Australia
Whittens Pty Ltd
WorleyParsons
Yamatji Marlpa Aboriginal Corporation

Small Business Associates

Acorn Human Resources
Force Equipment
Gold Security Group
Haynes Mechanical
Pybar Mining Services Pty Ltd
Resourcing Central
Specialised Reline Services
T.I.S Engineering (WA) Pty Ltd
Wilmot Engineering

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