



Mining Technology.

04 MINING EQUIPMENT, TECHNOLOGY AND SERVICES A GUIDE FOR INVESTORS

Australia is a technologically advanced mining nation. Its minerals and petroleum industries are strongly export driven, capital intensive and highly innovative. They are underpinned by a sophisticated, world-competitive mining technology, equipment and services industry with an excellent track record in planning, design, development and servicing of mining software and equipment, scientific analysis, exploration assessment technology, mineral processing technology, environmental services, and health and safety services and equipment.

Australia has emerged as one of the world leaders in the development and provision of mining equipment, technology services (METS) due to Australia's position as one of the world's leading mining nations. The minerals industry is internationally competitive and export-oriented. In addition, rapid globalisation over the past decade has seen Australia emerge as one of a small number of key centres in the world's minerals industry.

The technological expertise required to create complex minerals projects, from initial exploration through to design, plant construction and ongoing management, is an export industry in its own right. Australian METS exports are conservatively estimated to be around A\$3.5 billion per annum, with the total annual revenue of the sector being approximately A\$12 billion.

Australia's Competitive Advantage

Australia already possesses substantial advantages in mining operations, mining technology and mining-related services. Australia's goal is to maintain and build on the competitive advantages of the sector to seek out and develop innovative practices, to turn them into opportunities, and to export those opportunities to the world. This has translated into a competitive advantage at company level with companies embracing new technologies, introducing innovative ways of doing business and making a substantial investment in research and development (R&D) in Australia.

Research and Development

A crucial element in Australia's METS sector is R&D, which is seen by many companies as a key to their competitive edge and growth and ABARE research shows that R&D for the METS sector is above industry average. Innovation and the resulting product quality are principal differentiating factors for a company's products and services. Expenditure on R&D is viewed as core business by many companies in this sector. The Australian Bureau of Statistics' Business Expenditure on Research and Development (BERD) statistics for 2006-07, showed that mining was one of the major contributors to the record levels of Australia's BERD performance, contributing 21% of total spending and growing 21% on the previous year.

AUSTRADE

The Australian Trade Commission (Austrade) is the Commonwealth Government's trade and investment development agency. Austrade works with industry to maintain Australia as a world leader in the provision of services and technology to the resource industries, by facilitating and promoting the export of Australia's technology and services capabilities.

Austrade has a global mining industry network in key mining regions in North East and South East Asia, Sub Saharan Africa, India, the Americas, Pacific Islands and Russia. Austrade's mining team has strong links with the international mining industry and drives an active program to maximise business opportunities. The program includes international trade missions and exhibitions, international buyer visits to Australia, business matching and networking opportunities.

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AUSTMINE

The Australian Mining Equipment and Services Export Association (Austmine) is an Australian mining technology and services export association comprising approximately 100 leading suppliers of mining equipment, technology and services. It plays an important role in promoting the commercialisation of Australia's mineral resources related goods and services industry and works closely with Austrade to market Australian mining industry expertise to the world.

Austmine seeks to:

- › Provide information and advice to Austmine members on international mining opportunities to increase export sales;
- › Working with Austrade's global mining team, help international buyers and raise awareness of Austmine Members' capabilities. Provide timely information on new international projects;
- › Strengthen recognition of Austmine Members as 'best choice' for mining equipment, technology and services internationally;
- › Build the awareness of Australian Government, Business and Media leaders of the importance to Australia of the Mining Technology and Service sector. Strengthen support and partnership relations with key stakeholders to build Australian capabilities and employment. Encourage recognition of Austmine members' achievements in innovation and world's best product development;

- › Provide members with additional membership benefits;
- › Assist Austrade to provide export expansion services to Austmine members.

See www.austmine.com.au for more information.

MESCA

The Mining Equipment & Services Council of Australia (MESCA), part of the Australian Industry Group, is an industry body with a vision of creating a dynamic, competitive, and unified minerals and energy sector in Australia. MESCA seeks to provide valuable services to its members and their customers by focusing on removing barriers and creating a partnership environment based on mutual respect and understanding. A key part of MESCA's role is to facilitate the engagement and exchange of ideas and commentary between major industry players and members of the Council. MESCA aims to assist both greenfield and brownfield mining projects in accessing the very best technology aimed at delivering project outcomes.

MESCA's membership base currently exceeds 330 companies and encompasses a diverse range of skills and services including capital equipment providers, service and project contractors, engineering, MRO (maintenance, repair and operational) suppliers and speciality services.

See www.mesca.com.au for more information.

Trends

The mining industry is undergoing significant changes including a shift towards contracting and the use of consultants. A number of key trends are emerging:

- › a high level of demand for technical equipment, services and personnel;
- › an increasing role for high technology in refining mining equipment;
- › more sophisticated exploration methods and geological analysis;
- › improvements in safety, efficiency and reliability through applied technology;
- › an increasing use of contract mining, especially in those mines with very short lives and where it is difficult for owners to justify large amounts of capital (contract mining means mining companies can concentrate on core business while using specialists for raw material preparation and materials handling); and
- › an increasing emphasis on R&D.

