



Annual Report

For the 12 Months ended 30 June 2019



Australian Government
Department of Industry, Science,
Energy and Resources

Industry
Growth
Centres



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METS IGNITED

DATE: 15-16 OCTOBER 2014
LOCATION: METS BOULEVARD, AMSTERDAM

WHY METS IGNITED?
• METS BOULEVARD: THE NEW HUB FOR THE METS INDUSTRY
• METS BOULEVARD: THE NEW HUB FOR THE METS INDUSTRY
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Executive Summary

An overview of the initiatives + activities undertaken by METS to improve the global competitiveness + productivity of the Australian METS sector.

METS Ignited Mission

To strengthen Australia's position as a global hub for mining innovation and enhance the global competitive advantage of the Australian METS industry.

Vision

The Australian METS industry has an aligned, efficient and agile industry ecosystem with a high degree of collaborative, global leadership in innovation and a growing share of the global market.

History

METS Ignited Australia Limited is an industry-led, government-funded Growth Centre for the Mining Equipment, Technology and Services (METS) sector. Our objective is accelerating commercialisation of innovation, enhancing industry capability and workforce, growing exports and identifying regulatory reforms that can positively impact the sector. Major milestones since establishment have been:

- ▶ Develop and maintain the 10-Year Sector Competitiveness Plan as a relevant body of economic, business and technological knowledge for use by the sector and governments.
- ▶ Industry Collaboration Partner for Australia's premier Global International Mining and Resources Conference, IMARC.
- ▶ Deliver Queensland Government Work Program for METS SMEs' enhancement in both metropolitan and regional centres, and the expansion of offering these to other Australian states and regional centres.
- ▶ Establishment of the METS Collaborative Project Fund Program to facilitate Miner-METS-Researcher collaborative projects.





The 2018/2019 Year in Review

In 2018/2019 METS Ignited has been transitioning into a leadership role in driving co-ordinated outcomes for the sector.

As our Collaborative Project Funding, METS Accelerator programs and our Masterclass initiatives take hold, we see the significant growth opportunity for the Australian METS sector from the next wave of new digital and automation technology. In partnership with the Entrepreneurs Program, Austrade, Industry membership organisation and supporting CRC bids for mining-technology CRCs in Australia, METS Ignited is moving quickly to ensure the sector capitalises on this opportunity. METS Ignited has prioritised the following key strategic areas of focus:

- ▶ Project Funds—Collaborative Industry-led Investment
- ▶ MasterClasses—Future Skills and Workforce
- ▶ Accelerators—Commercial Maturity for METS
- ▶ Clustering—Collaborative sustainable ecosystem
- ▶ International Markets—Coordination Program

METS Ignited has recognised that education, skills and the innovation ecosystem have to develop both from an industry specific domain capability as well as across sectors, and has been working in collaboration with the other Industry Growth Centres on how to balance the specific needs against the broader skills challenge facing the country.





Financial Overview

Revenue for the 2018-2019 financial year totalled \$8,198,508. Funding received from the Department of Industry, Innovation and Science totalled \$6,598,237 which included operating funds for the Growth Centre (\$3,500,000), grant funds for projects (\$3,000,000) and other allowances (\$98,237).

In addition funding of \$1,008,698 was received from the Queensland State Government for pilot programs, along with interest of \$209,579 and other revenue of \$23,994. In-kind revenue of \$358,000 was recognised for office facilities provided by the Queensland University of Technology along with a secondee from the Queensland Government Department of State Development, Manufacturing, Infrastructure and Planning.

Total Expenditure for the 2018-2019 financial year amounted to \$9,146,495 which included operating expenses \$2,783,316, discretionary project expenditure, \$1,331,592, project funds expenditure \$3,481,260, Industry Growth Network support \$199,006, Queensland pilot programs \$993,321 and in-kind expenditure (offset) \$358,000.

Carried forward funds at the end of the financial year amounted to \$13,412,846 which included \$11,518,078 preserved for projects of which \$4,409,927 are uncommitted.

Organisational Governance

The organisation is governed by a Board of respected industry leaders from across the METS sector.

At 30 June 2019 the Board members include:

- ▶ Lyle Bruce (Chair and member of the Audit Committee)
- ▶ Elizabeth Lewis-Gray (Deputy Chair)
- ▶ David Skellern (Non-Executive Director)
- ▶ Mary Cullinane (Non-Executive Director and Chair of the Audit Committee)
- ▶ Mark Woffenden (Non-Executive Director)
- ▶ Jeanette McGill (Non-Executive Director)
- ▶ Christine Stoermer (Company Secretary and member of the Audit Committee)

The Board met six times during the financial year. The Audit Committee met twice.



Overview

Name of the Growth Centre

The name of the Growth centre is METS Ignited Australia Ltd, ABN 54 607 894 511.

Growth Centre Members

At 30 June the 2019 METS Ignited Australia Ltd. (hereinafter referred to as the 'organisation') the Members are:

Name of Member	ABN and/or ACN (where applicable)	Organisation Type	Member Contact Details	Role and contribution/s of Member
Orica	98 008 624 691	METS	GPO Box 4311 Melbourne Victoria 3001	Major Australian METS MNC
AMIRA	60 176 687 975	Research	Level 2, 271 William St, Melbourne VIC 3000	Organisation consisting of minerals companies and suppliers which develops, brokers and facilitates collaborative research
Russell Mineral Equipment	20 010 708 406	METS (SME)	141/143 Russell St, Toowoomba QLD 4350	Australian METS SME Multinational
Whittle Consulting	71 086 470 457	METS (SME)	Suite 8, 660 Canterbury Road Surrey Hills, Victoria 3127	Australian METS SME Multinational
Gekko Systems	77 064 618 293	METS (SME)	321 Learmonth Road Ballarat, Victoria 3350	Australian METS SME

- ▶ There were no changes to the Members during the year ended June 2019.
- ▶ There were no calls for Member or other Participant contributions during the reporting period.





Progress Report



METS Ignited's goal is to strengthen Australia's competitive position as a global hub for mining innovation and enhance the global competitive advantage of the Australian METS sector.

The four core objectives of the Industry Growth Centre is accelerating commercialisation of innovation, enhancing industry capability and workforce, growing exports and identifying regulatory reforms that can positively impact the sector.

Success will create more highly skilled jobs, grow exports, scale high-potential Australian companies and continue to expand the economic value generated by the METS sector. The strategy to achieve these objectives is to focus on the following activities:

- ▶ Project Funds – Collaborative Industry-led Investment
- ▶ Masterclass - Future Skills and Workforce
- ▶ Accelerators – Commercial Maturity for METS
- ▶ Clustering – Collaborative sustainable ecosystem
- ▶ International Markets—Coordination Program

In addition to these strategic priorities, METS Ignited continues to provide guidance and support for skills development, for research investment, (CRCs, CRC-Ps and ARCs), regulatory improvements, and evolving operationally to adapt its organisational design and structure to meet the changing needs of its stakeholders.





Project Funds

In 2018/2019 METS Ignited has been transitioning into a leadership role in driving co-ordinated outcomes for the sector.

The METS Ignited Collaborative Project Funds support industry-led projects to improve the productivity, competitiveness and innovative capacity in the METS sector. Further to the existing projects underway from Tranche I and II, during the 2018/2019 year an additional Tranche III of project funding was awarded, with eight mining supply organisation receiving \$4.1m in innovation funding from METS Ignited.

METS Ignited received 26 grant applications since July 2018, and awarded the funds to businesses specialising largely in robotics and automation, data analytics, data platforms, internet of things and business and professional services. The recipients are: Mineral Technologies, Premron, Austmine, Roobuck, Process IQ, AMOG and Mattigeaux. Recipients of the Collaborative Project Funds are required to secure equal or greater investment from an industry partner. As a result, the total value of these additional eight projects is \$11m.

Masterclasses

METS Ignited is focussed on enhancing the industry capability and workforce skills.

Through industry consultation it was identified that the sector would benefit from a series of specific training programs. The Masterclass series is a cross-ecosystem program collaboration between the Entrepreneurs Program (EP), METS Ignited and Austmine. In 2018/2019 the Masterclasses program was expanded to cover the various differing needs in both capital cities and regional centers. Two key programs, 'Winning More Business' and 'Workforce 2025' were delivered in 15 different locations with over 200 attendees across the events.

The partnership network for the delivery expanded to include regional universities, regional industry associations in addition to the founding organisation. In the 2019/2020 timeframe the program will be further expanded to provide a range of delivery modes, from classroom, virtual, online and in situ training and development, expanding on the skills needs to address the next generation of industry opportunities.



Accelerators

In 2016, METS Ignited and the Queensland Government entered into an agreement to deliver a Work Program to identify the significant industry challenges and opportunities—community, customers and competitors—look at the markets Commercialisation skills, Capabilities and Collaboration frameworks and develop a Roadmap and Sector Competitiveness Plan.

As part of building the skills and capability of the industry, it was identified that there was the need for a program to help small to medium-sized METS companies expand and grow their organisations. The initial accelerator pilots were held in Brisbane and Perth, and the success of the program was immediate.

In 2018/2019 this Queensland program was expanded to deliver workshops into the regions. Almost 100 participants from over 40 METS SMEs attended regional accelerators in regional centres including Rockhampton, Gladstone, Mackay and Toowoomba. They were locally run, with a mix of Mining and METS companies providing training, support and mentorship around pitching skills, defining value propositions, capability gaps and opportunity awareness. In 2019/2020 the goal is to seek additional funding through other state and local government bodies to expand this program nationally.

Clusters

As a part of the continuing successful collaboration between METS Ignited and the Queensland Government, the Bowen Basin Cluster Program was launched in late 2017.

This secured a modest amount of project funds to support cluster-centric collaborative projects in the region. The seeding initiative provided \$0.5m of Project Funds to seed 4 projects to establish the basis for this regional cluster. With the appointment of a Cluster Development Manager, in 2018/2019 there were three METS Industry Clusters established. industry opportunities.

- ▶ Digital and Data Analytics Cluster is a group of approximately 25 member companies with a mission to facilitate collaborative opportunities and strengthen the digital ecosystem to enable the conversion of data into knowledge and value.
- ▶ Tailings and Mine Affected Waters is a strong group of over 30 members with the goal to develop and promote innovative and commercial solutions for tailings and mine affected water globally.
- ▶ Robotic and Automation—this is a highly active and self-sustaining cluster that has already engaged with a range of international clusters in the same area. This group has over 35 members and is working across industry sectors including Oil and Gas, Space and Agriculture.

As the new Cluster Development Manager gains traction, we are seeing engagement with the SME Export Hub initiatives as a catalyst for further collaboration activities over the next year.



International Markets

With Australia's strong international reputation as a global hub for Mining Technology and Innovation, the goal of the International Markets initiative is bringing together opportunities available to reach international markets, through a range of flexible programs linked to companies, industry, or markets needs—helping Australian METS companies accelerate and grow into global mining hubs.

With the appointment of an International Markets Leader late in 2018, METS Ignited has established a range of services and support programs to help provide Australian METS companies with the opportunity to explore international markets at every stage of their organisational maturity. From access to market research, Trade Missions, Landing Platforms and access to Collaborative International Industry Groups. Today METS Ignited has established a series of programs including working with Expande Open Innovation Program, working with the Chilean METS sector for collaboration/partnerships taking advantage of the Free Trade Agreement (FTA) that eliminates all tariffs (since 2015). In Canada it has engaged with CEMI and potentially extending to CMIC, NORCAT, SAMSSA on the back of the FTA with Canada in force since 2018.

Locally, METS Ignited is collaborating with the local industry partners and membership organisations who also offer a range of different services including Austmine, Austrade, Trade and Investment Queensland, Export Finance Australia, Export Council of Australia to name a few.

Operational Update

As METS Ignited moves into delivery mode, the shift from strategy development to execution has resulted in some changes to the organisational structure. Included in these changes are the appointment of a dedicated International Markets leader and Cluster Development Manager, as well as changes to the leadership team structure and priorities. Looking ahead to FY2020, the organisation has dedicated resources to its key strategic objectives – with focus and speed the priority.

Collaboration is not only critical for the success of the METS Sector, but instrumental to the success of the growth centre. In living the values of collaboration METS Ignited has further strengthened its working relationships with the various industry associations and government departments, membership organisations, and regional industry networks. It is this network of aligned industry representatives that provides a platform to improve the regulatory environment with which we all operate. Certainty and consistency in all aspects of regulation requires a productive ecosystem to provide advice, direction and support.

During FY2019, METS Ignited continued to drive engagement with the research community, providing significant support for the Future Battery Industry (FBI) CRC, SmartSat CRC and the CRC for Achieving Sustainable Mining Closure.



Operational Update

METS Ignited also provided support for twenty-two CRC-P reviews during FY2019, with over half of these engagements prior to application, seeking guidance on potential industry participants, industry meetings, and recommendations on potential pathways to commercial scale should the research outcomes be very positive. Furthermore, METS Ignited was engaged in 6 ARC ITRP Applications, including Training for Advanced Practice's in OHS, The Future Mining Hub, Centre for Advance Manufacturing and Smart Mining and Data Analytics for Resources and Environments to name a few.

The support provided included engaging with METS and Mining industry participants, introductions where appropriate, facilitation of meetings or workshops with industry, and pathways to commercial success both in Australia and internationally. More broadly, Ian Dover presented at ARC-organised events and various universities on industry opportunities and challenges as well as how to engage with METS and Mining companies to develop pragmatic, attractive industry-oriented research proposals. These presentations have clearly had a positive impact in that the “commercial-industrial” quality of the most recent round of applications has substantially improved over those presented at the beginning of the growth centre.

With a major review of the Sector Competitiveness Plan scheduled for FY 2020, and as the outcomes from all of the hard work and dedication of the METS Ignited team past and present becomes apparent, we are certainly looking forward to an exciting year ahead.

Growth Centre Sustainability

METS Ignited continues to add significant value to the METS Sector.

Industry investment continues to be accessible to the growth centre and sustainability beyond the current funding model includes a range of scenarios, from cluster program administration, supply chain innovation projects – end market (Mining) funded project challenges and related collaboration investment opportunities. Discussions are also underway with various state government and other regional centres and membership organisations on what future operating models for the growth centre may include. In FY 2020 a formal sustainment plan will be completed with a range of business model scenarios submitted to the board for consideration.





Key Performance Indications

Program	KPI	Outcome
Sector Competitive Plan Update	2018 SCP Update launch, 2019 drafted with advocacy from Industry and DIIS, 2019 SC launched.	Major Australian METS MNC
Australian Autonomous and Robotic Initiative (AARI)	Launch AlphaBeta Report, launch Collaborative project, establish a Steering Committee with +60% industry participants.	Alpha Beta report launched (Completed in March - Govt delayed release until September)
Clusters	Plan developed and approved, plan launched, competition winners announced	Plan approved - Cluster Development Manager Appointed - 3 clusters established as part of work program 3
Masterclasses	Deliver 48 Masterclasses (6 topics by 8 location) greater than 100 METS per series, Masterclass survey.	25 masterclasses delivered with 285 attendees - program impacted by delays from EP Tender Process
METS Database	Release of top 50 most innovative METS companies	Programme on hold
National Accelerators	Secure state and corporate sponsorship, satisfaction survey participants and stakeholders, new orders or investment.	Qld and WA Programme delivered. Satisfaction survey underway .
Project Growth Funds	Contracts secured and executed, project milestones met, projects concluded	Tranches 1, 2 and 3 are in delivery. Refer schedule in Finance Report - Additional Information for details
Refine, prioritise and publish IKPs based on global mining demands	IKP priorities published and promoted.	IKP's remain current and published - Scheduled for revision in 2020 with detailed review of the SCP.
New Collaboration Models	Mining company sets up its own portal as a result of engagement with the GC. Six mining challenges deployed.	Newcrest Crowd and BHP Supply Innovation platforms have been established. BHP are now going to market to tender for the supply of services under this new innovation supply program



Program	KPI	Outcome
Orchestrate new CRC Bids	At least 2 CRC activities are established. Prospectuses published, transfers to host organisations completed, deliver close off reports.	FBI CRC and MinEX were new CRC Bids awarded in FY19
Bowen Basin Cluster	4 to 5 projects contracts executed, projects milestones completed case studies published.	Four projects awarded, three contracts signed and in delivery. Fourth to be incorporated into SME export Hub
Support International Mining and Resources Conference (IMARC) including METS Monday	IMARC Report and KPIs published, attendance at METS Monday's events and participant feedback.	Completed
Agree a METS Brand definition and attributes with our Partners	There is agreement from key stakeholders and defined outcomes.	Initial Brand Definition - with the key stakeholders - will be an iterative process that will require continuous refinement.
Develop international engagement strategy	Publish Strategy, sector and stakeholders informed.	Assessment complete - scheduled for publishing September 2019 for Perumin
METS Tech Passport	Successful delivery of METS Tech Passport project by IMARC, assess expansion for 2019 within Chile and other LATAM.	Programme cancelled for 2019 Replaced with International Markets strategy - leader appointment.
Enhance global supply chain access for METS companies in collaboration with Austmine	Publish programme/strategy and deliver 2 case studies.	Newcrest CroIncomplete - revised due to market resistance
Regulatory Reform Programme	Regulatory reform list Stakeholder evidence of commitment, Roadmap published.	Roadmap has been published
Launch Living lab Portal	Publish project report, publish one case study, industry survey to determine benefits.	Initiative has not progressed since departure of CEO in October 2018.
Test Facility Living Lab Network	Platform usage KPI are established, additional functionality identified and added, user survey results	Completed





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Program	KPI	Outcome
Appoint Cluster Manager	Cluster facilitators operational. Governance model published, Delegation of Authority framework published and cosigned by all parties, monthly reports received	Completed
Queensland Centre for METS Innovation (CMBI)	Quarterly reports publishing progress. Workshop survey research outcomes delivered. Governments provide additional funding.	Quarterly reporting ongoing
Post Accelerator Pilot Programme	Project close off report, workshop survey, Case Study.	Complete - final report scheduled for sign off and publication by delivery partners September 2019
Implement Mini Regional Accelerator	Accelerators fully subscribed. Sponsorship goals established and secured satisfaction measured by survey at completion.	Completed successfully via 6 regional programs
METS Opportunity Roadshow	Number of METS SMEs attending, number of new Network Associates	Completed in Aug/Sept 2018, with over 100 attendees through-out Queensland.
Digital Promotional Programme	Pilot of 20-30 Qld METS SMEs complete updated digital strategies	Completed
Business case Modelling	Gain open source access to modelling tool. Publish project close off report, secure industry survey results.	Did not proceed - companies selected for project were subsequently acquired by larger international firms and unable to continue.
Case Studies	24 case studies published	20 Case studies completed
Communications	Increase in Member Associate, all social media KPI improve and Woollcott Research & Engagement survey improves.	Associates increased to more than 5,800
Review IGC Skills and Competencies to deliver strategy	Capability and Skill Matrix published, Organisational evaluation completed.	Evaluation complete - changes required to the organisation - and underway.
Project Management Systems	Resources recruited, programme upgraded, reporting in place	Resource has been recruited. Systems are being assessed.





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