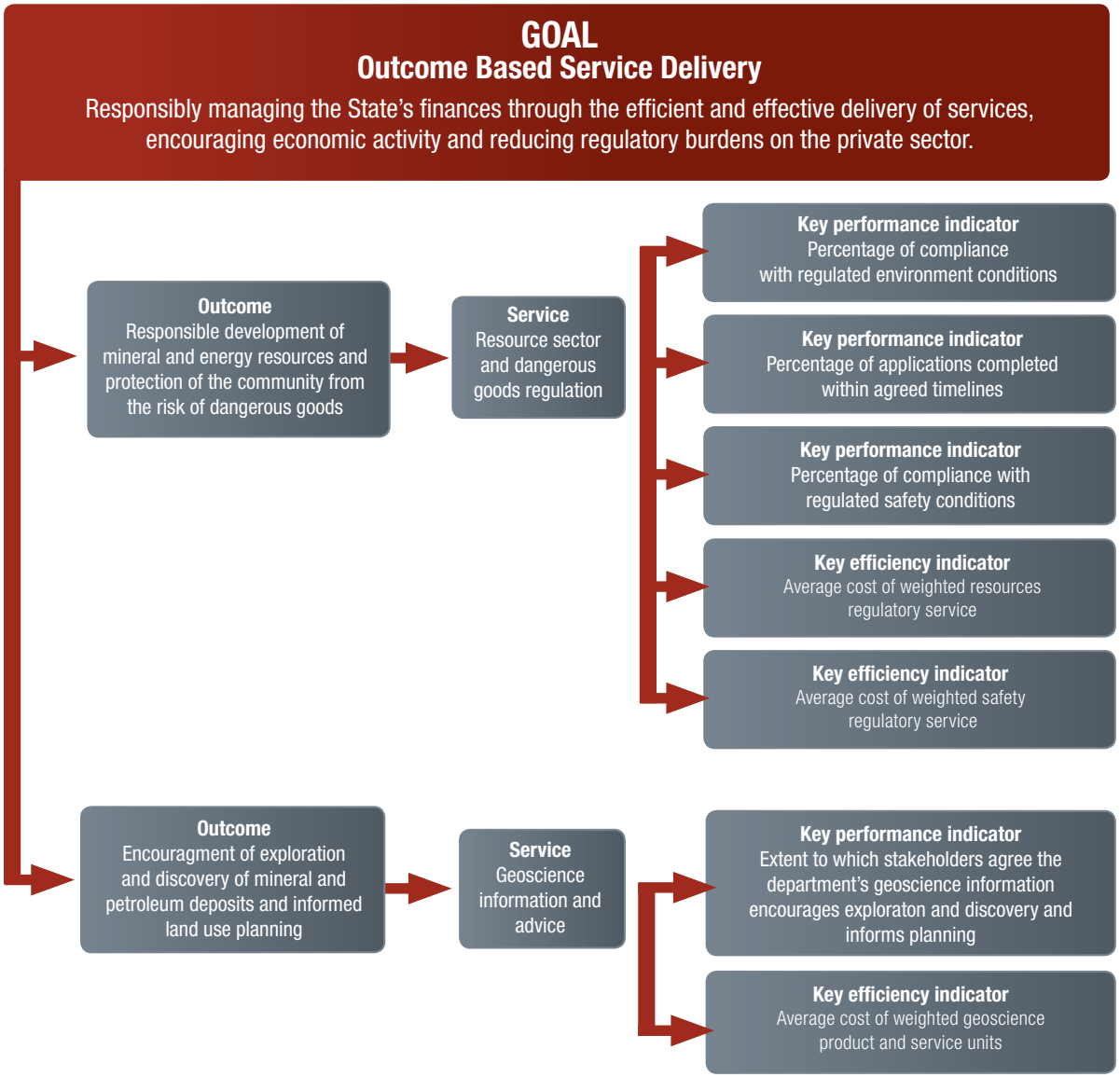
Our Functions

Our performance management framework

DMP is the State's lead agency in attracting private investment in resources exploration and development through the provision of geoscientific information on minerals and energy resources, and management of an equitable and secure titles systems for the mining, petroleum and geothermal industries.

It also carries prime responsibility for regulating these extractive industries and dangerous goods in WA, including the collection of royalties, and ensuring that safety, health and environmental standards are consistent with relevant State and Commonwealth legislation, regulations and policies.

In addition to this, DMP is committed to educating the community about resource development and regulation in WA.



Our performance summary

	Performance Indicators	Target/Result		Reference
1	Percentage of compliance with regulated environment conditions	Actual 2014-15	99	Page 52
		Target 2014-15	93	
		Actual 2013-14	97	
2	Percentage of applications completed within agreed timeframes	Actual 2014-15	94	Page 53
		Target 2014-15	93	
		Actual 2013-14	93	
3	Percentage of compliance with regulated safety conditions	Actual 2014-15	96	Page 55
		Target 2014-15	95	
		Actual 2013-14	96	
	Performance Indicators	**Target/Result**		**Reference**
4	The extent to which stakeholders agree to the department's geoscience information encourages exploration and discovery and informs planning	Actual 2014-15	4.2	Page 58
		Target 2014-15	4.3	
		Actual 2013-14	4.1	

1 – Increased level of compliance effort, with more inspections and audits undertaken.

2 – Improved assessment of applications due to development of staff and improved systems resulting in increased efficiency.

3 – Maintained a high level of safety compliance across the wide range of responsibilities.

4 – Continued to meet stakeholder's expectations as evidenced by the level of positive feedback received.

	Efficiency Indicators	Target/Result		Reference
5	Average cost of weighted resources regulatory service	Actual 2014-15	$1,440	Page 56
		Target 2014-15	$1,295	
		Actual 2013-14	$1,250	
6	Average cost of weighted safety regulatory service	Actual 2014-15	$1,393	Page 56
		Target 2014-15	$1,418	
		Actual 2013-14	$1,170	
	Efficiency Indicators	**Target/Result**		**Reference**
7	Average cost of weighted geoscience product and service units	Actual 2014-15	$360,964	Page 59
		Target 2014-15	$262,703	
		Actual 2013-14	$261,292	

5 – Increased costs mainly due to subsequent budget increases to undertake the Regulating Environmental Reform program and determining Torosa Gas Field boundaries.

6 – Increase in overall cost reflects a reduction in licensing services being offset by an increase in the provision of more seminars, presentations and publications.

7 – Increases due to cost of undertaking a greater number of research projects and geophysical surveys that will not be completed until 2015-16.

Our performance summary

	Financial Indicators	Target/Result ($'000)[1]		Reference
8	Total cost of service (i.e endorsed expense limit)	Actual 2014-15	159,724	Page 115
		Target 2014-15	156,075	
		Actual 2013-14	160,316	
9	Net cost of service (detail in income statement)	Actual 2014-15	81,677	Page 115
		Target 2014-15	51,812	
		Actual 2013-14	104,569	
10	Total equity (details in balance sheet)	Actual 2014-15	168,318	Page 115
		Target 2014-15	259,635	
		Actual 2013-14	193,148	
11	Net increase/decrease in cash held (details in cash flow statement)	Actual 2014-15	-9,236	Page 115
		Target 2014-15	30,681	
		Actual 2013-14	4,214	
	FTE			
12	Approved full-time equivalent (FTE) staff level	Actual 2014-15	801	
		Target 2014-15	844	
		Actual 2013-14	790	

Further explanations are contained in Note 34 'Explanatory statement' to the financial statements.

8 – The variation is mainly due to approved increases for Regulating Environmental Reforms and the Torosa Gas Field.

9 – In addition to the explanation above regarding expenses, the variation is mainly due to lower than forecast Mining Rehabilitation Fund levy contributions.

10 – In addition to the above explanations regarding expenses and Net cost of services, the variation is also due to movements through equity for land distributed to owners.

11 – The variation is mainly due to lower than forecast Mining Rehabilitation Fund levy contributions and the return of cash to the Department of Treasury.

Our Year

Safety regulation of the resources sector

A key role in ensuring safe and responsible development of the State's mineral and petroleum resources is through regulation of the resources industry. DMP does this by providing secure titles that require compliance with robust safety and environmental conditions.

WA is respected internationally for the strong and stable regulatory environment it provides for the resources sector. This is a cornerstone for building confidence among stakeholder groups ranging from investors through to regional communities.

A risk-based approach to audits and inspections has strenghtened the focus on higher risk sites and ensured compliance with regulations is taking place at these sites.

DMP undertakes regular audits and site inspections and follows up with enforcement where non-compliance is identified. It also informs and educates workers and industry about their safety, environmental and social responsibilities.

Safety legislation reform program

Safety legislation for mining, petroleum and major hazard facilities is currently spread across multiple Acts and is long overdue for review.

Two of the most significant changes to safety reform in recent years have been the increasing focus on risk-based regulation and the constantly changing technology and its application in the resources industry. Both these changes require safety legislation that is less prescriptive and adaptable to change.

The risk-based approach puts the onus on industry to demonstrate they understand the hazards and risks of their particular workplaces, and have implemented measures to identify and eliminate or manage risks.

Resources Safety Dangerous Goods traffic inspection.

Safety regulation of the resources sector cont...

DMP held an open consultation process in late 2014 with industry and union stakeholders through the Ministerial Advisory Panel on Safety Legislation Reform. An outcome of this consultation was a recommendation to consolidate the legislation under one Act, with DMP as the sole regulator.

In March 2015, the Minister authorised DMP to commence drafting a consolidated and modernised Act. The proposed *Work Health and Safety (Resources) Bill* consolidates safety requirements from six Acts and 12 sets of regulations under one Act and one set of regulations, covering mining, petroleum and major hazard facilities. It was developed using the best concepts from the national model *Work Health and Safety Act* and the National Mines Safety Framework process, but is tailored to suit the needs of the WA resources sector:

- Mining: Risk-based approach, using Safety Management Systems (SMS).
- Major hazard facilities (MHF): Regulation of worker safety will be transferred from WorkSafe to DMP.
- Petroleum: Onshore petroleum safety cases will include public risk considerations, enhancing community safety. Offshore safety cases will align with NOPSEMA, which should enable mutual acceptance of safety cases.
- MHFs & Petroleum: Consistent safety cases provide industry with the option to use one safety case to cover their entire operation, offshore to onshore.

DMP is planning to introduce the draft Act to Parliament in 2016 with implementation in 2017. Transitional arrangements to facilitate a phased introduction of the new legislation will also take place during this period.

http://www.dmp.wa.gov.au/SafetyReform

Review of the *Dangerous Goods Safety Act 2004*

In consultation with industry, a review of the *Dangerous Goods Safety Act 2004* was completed in late 2014 focusing on the effectiveness and efficiency of the legislation since implementation in 2008. Work has commenced on implementing the 16 recommendations and consolidating six sets of regulations.

Guidance material for autonomous mining

DMP has embraced innovation and technological change within the resources sector in its regulatory practices. DMP has taken a world-leading role in developing safety guidance material on autonomous mining systems.

WA is the first jurisdiction in the world to develop safety guidance material specifically covering autonomous mining equipment. The International Organisation for Standardisation (ISO), responsible for developing global safety standards, visited Perth in September 2014 to obtain input into the development of international standards for autonomous mining systems, recognising DMP for its leadership.

Corporate Executive visiting regional minesites.

Case Study – Reviewing serious injury data in the WA mining industry

This year DMP undertook a study to analyse serious injury data in the WA mining industry to help industry develop a better understanding of the causative factors associated with significant injuries.

The study analysed 655 serious injuries during a six month period from 1 July to 31 December 2013. The study followed the 2013 review of 52 fatal accidents in the mining industry from 2000 to 2012. The objective was to develop a better understanding of the injury risk profile of the State's mining industry, given there has been little change in the number of serious injuries since 2002.

The injury risk profile can then be developed to focus early attention on the tasks and activities that are causing significant injuries in the industry.

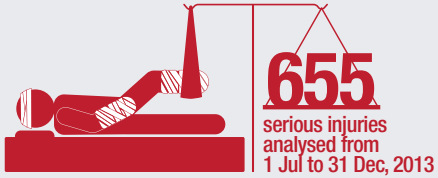
The three main findings from both reports were that for all employees the greatest hazards are:

- falls from height
- positioning oneself under an object or suspended load
- crush injuries associated with machines and heavy components.

DMP has been sharing the results of the study with industry in Perth and regional centres to help focus attention on, and address the activities that lead to critical incidents. DMP is also encouraging companies to build on the available information to develop more comprehensive hazard profiles for their mines and their employee activities with the focus on hazard awareness, risk management strategies and positive cultural change.

www.dmp.wa.gov.au/SafetyReports

Resources Safety Inspectors undertaking a site inspection.



Safety regulation of the resources sector cont...

KEY APPOINTMENTS: Chief Dangerous Goods Officer

Ross Stidolph was appointed as Chief Dangerous Goods Officer on 28 January 2015.

Ross has more than 30 years' experience in the oil and gas industry, and power generation. His experience includes operational management of major hazard facilities in Australia and the United Kingdom, as well as power stations. Ross worked on major projects from the design and development phases through to construction, commissioning and operation, covering new builds and retrofits.

State Mining Engineer

Andrew Chaplyn was appointed WA's 11th State Mining Engineer on 16 June 2014.

Andrew has been a key member of DMP's safety management team since 2009.

Andrew brings more than 30 years' experience working in the mining industry, from a graduate mining engineer through to senior leadership roles in private industry as well as government.

Attraction and Retention Incentive Scheme

The Attraction and Retention Incentive scheme (ARI) remains a critical and successful tool for DMP to effectively compete for resources sector professional and technical specialists by offering competitive salary packages linked to staff performance.

Since the introduction of the ARI for Mines Safety Inspectors in 2010, the scheme has been extended to include Safety Investigators, Petroleum Safety Inspectors and Petroleum, Dangerous Goods and Environmental specialists.

During the last year, 40 staff were appointed to critical specialist positions with a further 30 employment contracts established in the newly formed Dangerous Goods and Petroleum Safety Branch. Currently, a total of 126 staff are appointed under the scheme across DMP.

Our Year

Protection of environmental values

Environmental compliance

DMP continues to improve environmental inspections and strengthen the way it monitors operations and rehabilitation programs.

DMP has also introduced more online applications, to increase efficiency and provides guidance material to ensure correct processes are followed by industry. This is particularly important for good environmental management, during the life of the mine, and proper rehabilitation once exploration or mining has finished.

These improvements are critical for ensuring that high standards are established and maintained for resource industry operators, and that they are properly understood by operators before exploration or mining activities commence.

Presentation at a Reforming Environment Regulation industry briefing.

Information Brief

Revised guidelines clarify mine closure requirements

DMP and the Environmental Protection Authority (EPA) published revised guidelines for Preparing Mine Closure Plans to ensure that Western Australian mining operators have a clearer understanding of the regulatory requirements for closing, decommissioning and rehabilitating mine sites.

http://www.dmp.wa.gov.au/19089.aspx

State Environmental Data Library

The State Environmental Data Library (SEDL) is designed to provide public access to environmental, water and cultural heritage information contained in reports held by government. The SEDL is a cooperative project led by DMP with the Office of the Environmental Protection Authority and departments of Parks and Wildlife, Water and Aboriginal Affairs.

The initial SEDL model provided the architecture for a system to archive and access information provided to government agencies. A working prototype of the library has information covering 27 categories for 400 mining proposals. This information will be used to further advance development of the SEDL with industry and other key government agencies.

Protection of environmental values cont...

Reform and inter-agency initiatives

DMP has been involved in the following projects as a part of its commitment to making environmental regulation more efficient and avoiding duplication.

- Coordinated State Government approval to enable the successful start-up of the 300km Eastern Goldfields Pipeline project in March 2015.
- Implemented a joint inspection program with the Department of Environment Regulation, Office of the Environmental Protection Authority and Department of Water to share resources, knowledge and improve coordination.
- Published new guidelines in March 2015 for annual environmental reporting. Not only are these useful for industry, they also ensure that data supplied to DMP is reliable and useful for regulating the industry.
- Introduced the *Mining Legislation Amendment Bill 2015* into Parliament in April 2015. The Bill seeks to modernise the *Mining Act 1978* by introducing a risk-based regulatory framework, removing the need for separate vegetation clearing permits and introducing a notification system for low-impact activities. The Bill is due to be debated in Parliament before the end of 2015.
- Revised and published new Mine Closure Plan Guidelines in May 2015. These are a joint initiative with the Environmental Protection Authority, reflecting a risk-based approach and clarifying the mine closure plan requirements at each stage of a mining operation.
- Developed new Mining Proposal Guidelines in line with DMP's reform principles to introduce risk-based environmental regulation that is targeted and proportionate to the potential environmental risk of a project.
- Reviewed more than 70 standard mining tenement conditions to reduce regulatory duplication and ensure conditions are outcome-based, clear, concise and enforceable.
- Liaised with the Department of Water to develop and implement an approvals tracking system under the *Rights in Water and Irrigation Act 1914.*

Workshop on environmental regulation.

Protection of environmental values cont...

Mining Rehabilitation Fund

The Mining Rehabilitation Fund (MRF), introduced on 1 July 2013 under the *Mining Rehabilitation Act 2012*, became compulsory for all *Mining Act 1978* tenements on 1 July 2014.

Prior to the MRF, if a mining proposal or program of work for exploration or prospecting was acceptable, approval to mine was granted. In most cases, an unconditional performance bond was required prior to work commencing to ensure environmental obligations were fulfilled. The bond was calculated on the total expected footprint approved.

Although the bond system worked well initially, inflation and increasing standards of rehabilitation meant that by 2008 the value of a bond held covered only 25 percent of the cost of rehabilitating a mine site. The remaining liability remained with the State. Increasing bonds to cover the full costs of rehabilitation would have imposed a significant financial impact on the mining industry.

The MRF requires an annual report for all tenements and calculates an annual levy to be paid based on the area and type of ground disturbance on a tenement. The MRF costs industry no more than the cost of maintaining bonds, but will over time eliminate the State's contingence liability, encourages early and ongoing rehabilitation and provides funds to rehabilitate historic and future abandoned mine sites.

The MRF was developed through extensive consultation with mining companies, non-government advisory bodies and legal and financial experts. It is the first completely online service offered by DMP and the move to the online service was achieved through guidance and support given to tenement holders, operators and management services.

Minister Marmion hands over a cheque to Great Western Exploration Managing Director Jordan Luckett.

The MRF currently holds more than $33 million and will grow to $60 million by the end of 2015. These funds can be used to rehabilitate mine sites where companies have failed to meet rehabilitation responsibilities, once all legal avenues have been exhausted.

The MRF will eliminate the State's contingent liability for rehabilitation by $3.5 billion, and during the past two years injected $1 billion into the mining sector through retirement of environmental performance bonds.

The MRF is exemplary policy that jurisdictions in Australia and internationally have expressed interest in adopting. The MRF does not absolve companies from their rehabilitation obligations, but it does encourage early and ongoing rehabilitation, resulting in cost-effective environmental outcomes.

http://www.dmp.wa.gov.au/MRF

Our Year

Encouragement of exploration and discovery

In 2014-15, the resources sector in WA was faced with sharp declines in the price of iron ore, oil and other commodities. It was a challenging year for a sector of great significance to the wellbeing and livelihoods of all Western Australians, whether directly through the continued employment of more than 100,000 people, or indirectly through payments of $5.9 billion in royalties.

DMP responded with a number of targeted measures including programs designed to provide financial relief and incentives to particularly vulnerable areas of the resources sector.

Local government rates relief for industry

In 2006, regulation changes were introduced to increase rents on exploration licences near their expiry under the 'use it or lose it' principle. The changes were to prevent land banking and encourage exploration activity. In 2014, this decision had an unintended consequence – the rent for exploration licences was linked to how land rates were calculated by the Valuer-General and therefore the rates imposed by local governments.

This saw some exploration companies face a 30-fold increase in local government rates.

To ensure this issue was addressed for the 2015-16 rating year, DMP and the Department of Lands drafted urgent amendments to the *Valuation of Land Act 1978.*

These amendments ensured the 'use it or lose it' principle for exploration licences was maintained, but removed the inadvertent impact on calculating land rates.

DMP's response demonstrates our commitment to listening to stakeholders and working across government agencies to find solutions to issues.

Mineral Royalty Rate Analysis

A review of the State's mineral royalty structure, the Minerals Royalty Rate Analysis (MRRA), concluded on 25 March 2015 with the Minister for Mines and Petroleum tabling the final report in Parliament.

The review took three years and was undertaken jointly by DMP and the Department of State Development.

The review team consulted with industry and the public during the review process. An Industry Reference Group including the Chamber of Minerals and Energy, Association of Mining and Exploration Companies, the Department of State Development and DMP met regularly. When releasing the final report, the Minister for Mines and Petroleum encouraged feedback and provided assurance of further consultation should there be any future discussion on mineral royalties.

The review found that WA's mineral royalty system was delivering a fair return to the community, while providing industry with a straightforward, transparent and predictable system.

The Minister for Mines and Petroleum announced there were no plans to change the royalty system or royalty rates in the 2015-16 budget year. The Minister also advised that industry would be consulted before any changes to the royalty system are undertaken.

Encouragement of exploration and discovery cont...

Exploration Incentive Scheme

As a number of mining projects are approaching the latter stages of economic life, it is more important than ever to encourage exploration to discover new resources.

To continue to attract new greenfields exploration in WA, the State Government renewed its commitment to the Exploration Incentive Scheme (EIS), with annual funding of $10 million for a three year period ending June 2017 at which time total expenditure for the EIS, which started in 2009, will have reached $130 million.

Key discoveries resulting from the EIS include: Nova nickel, Oxley potash, Camelwood nickel, Yeneena copper, Dusk Til Dawn gold, and Millennium zinc.

In early 2015 an independent economic impact study was conducted by ACIL Allen Consulting into the first four years of the EIS. The key finding was that every $1 million invested in the EIS stimulated exploration activity which generated $10.3 million in direct benefits to the State and 12.5 full-time equivalent (FTE) jobs.

The study also found that the EIS had resulted in several new mineral discoveries. The potential impact of the new discoveries being commercialised was a further $13.4 million in construction expenditure, production wealth, royalties and taxes, and a further 35 full time jobs for every $1 million of EIS investment.

The study highlighted new pre-competitive geoscience information as the main driver of private sector exploration investment. As a result of the EIS, data generated by airborne magnetic and radiometric surveys, is available to explorers and academic researchers at no cost for nearly the whole State.

The EIS's highly competitive co- funded drilling program refunds up to 50 percent of direct drilling costs to successful innovative drilling projects. This program has offered about $54 million to more than 500 projects, of which about $21 million has been refunded to more than 265 completed projects.

Every $1m invested in the EIS creates a long-term State benefit of $23m

Exploration	Construction	Production
12.5 FTE for 3 years	27.6 FTE for 2 years	7.4 FTE for 13 years

http://www.dmp.wa.gov.au/eis

Encouragement of exploration and discovery cont...

Providing the information required for investment decisions

The strength of WA's economy is inherently linked to the State's resources industry.

As such it is important the State continues to attract investment by providing world-class geological information as well as clear, consistent and transparent regulatory processes.

The Department of Mines and Petroleum's Geological Survey of Western Australia (GSWA) publishes reports, maps, and state-of-the-art databases documenting the geology of WA.

This information provides the building blocks for the design of resource exploration programs. It is also critical in State Government decision making, particularly on economic and land use issues.

In 2014, the State was recognised as the highest ranked Australian jurisdiction in the Fraser Institute's Annual Survey of Mining Companies. This included ranking WA as one of the most attractive places in the world to invest in mining.

CASE STUDY – New State-wide digital map assists explorers

A new seamless, State-wide Interpreted Bedrock Geology digital map is set to provide a more accurate backdrop for resources exploration.

Developed by GSWA, the 1:500,000 scale map will form the base layer for future GSWA maps and spatial products.

These new digital maps will give explorers a consistent summary of the geology of WA and will become the base layer for many of DMP's spatial databases.

The up-to-date geological framework will provide a more accurate backdrop for exploration that will allow geologists to show the building blocks of the State. As well as being more accurate spatially, more information about each map unit than ever before is included providing a wealth of additional information which will be of great assistance to explorers and geologists.

The 1:500,000 interpreted bedrock geology map is a complete reinterpretation and update based on GSWA mapping since 2000, and is the culmination of a decade's work and a new understanding of the geology of WA.

As well, the recent geophysical datasets acquired as part of EIS have been used extensively in generating the map.

Updates were already planned and will be released incrementally as more information becomes available.

CASE STUDY – Basic raw material mapping

GSWA is mapping deposits of basic raw materials (BRM) to assist land use planning around WA's urban growth areas. BRM includes rock, limestone, gravels, sand and clay.

This program is run in collaboration with the Department of Planning and is partly funded by the State Natural Resource Management Program and Royalties for Regions.

In the Pilbara and West Kimberley the mapping covers areas within 100 km of Port Hedland, Karratha, Derby, and Broome. In the Mid-West, the mapping covers areas within 50 km of regional centres.

In these areas there is an anticipated need for large quantities of BRM for new developments.

Existing geological and land systems mapping were compiled into seamless digital datasets with each BRM type clearly identified so that planners and others, including the extractive industry, can identify constraints to and potential opportunities for BRM supplies.

The data also identified active and inactive quarry sites, associated mining tenure (mining tenements and extractive industry licences) and Crown reserves, as well as existing basic raw material production across the State.

In important coastal growth areas this mapping has been further refined to identify regionally significant basic raw materials. DMP applied a range of practical high-level planning and mining constraints for these areas and embedded them into the mapping. This provides clear, easily accessible information for DMP's broad range of stakeholders.

This mapping will form the basis for State and local government planning and will inform a future State Planning Policy on basic raw materials. It will also assist with the sourcing of materials for future construction projects, as well as assisting the agricultural industry through the identification and protection of important agricultural lime supplies.

Sand pit at Baldivis, south of Perth.

Encouragement of exploration and discovery cont...

Torosa maritime boundary change

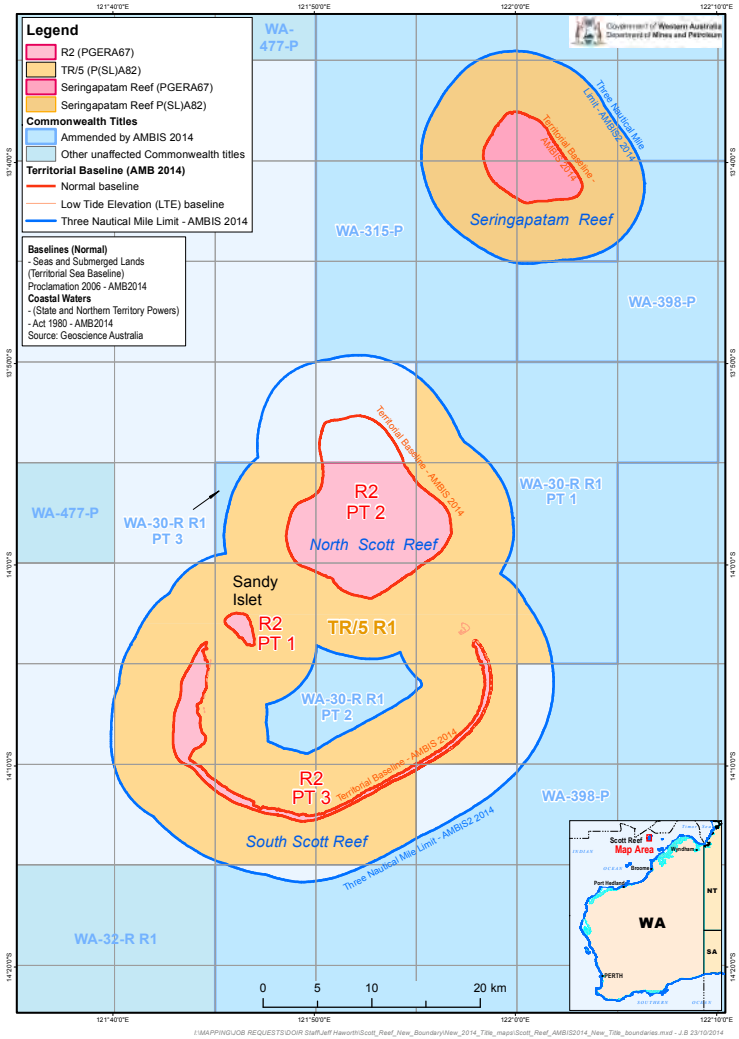
In May 2014, Geoscience Australia announced the discovery of rocky outcrops on North Scott Reef and Seringapatam Reef. This resulted in a re-definition of the Australian Maritime Boundary (AMB) with areas excised from the Commonwealth Adjacent Area and included in WA's Territorial Seas.

In December 2014, the *Petroleum Titles (Browse Basin) Act 2014* came into effect to formalise the change.

DMP was instrumental in developing the legislation for this boundary change and leading negotiations with the Commonwealth Government and other major stakeholders to enable a seamless transition to maintain security of title in areas covered by the boundary changes.

The boundary changes will mean an increase in State royalty collections over the life of the Torosa field once it starts producing gas.

SCOTT REEF AMBIS 2014 NEW TITLE BOUNDARIES



Our Year

Increased stakeholder engagement

Stakeholder engagement is an increasingly important focus of work for DMP. In an ever-changing environment DMP is constantly challenged to meet the needs and maintain the confidence of all stakeholders. This includes people in the resources sector, people in the communities that host the industries, and the broader WA community whose lives are affected in many ways by the industries regulated by DMP.

The focus on community engagement has enabled DMP to adapt to an increased demand for services and a greater information exchange with industry and non-industry stakeholders.

DMP strives to build community confidence in its work, in particular, how it achieves the best possible economic benefit for the State as well as protect the people and the environment.

At all times, DMP is committed to being inclusive, relevant and responsive which requires continuous stakeholder engagement and scrutiny of our management framework.

In 2014-15, DMP:

- Adopted a stakeholder engagement framework based on international standards.
- Conducted staff training across all divisions.
- Recruited new people with appropriate skill sets.
- Delivered targetted consultation programs, for example to improve regulation of the emerging shale and tight gas industry.
- Developed new on-line tools for staff:
  - stakeholder contacts system
  - e-learning guide to develop a stakeholder engagement plan.

Broome Petroleum Information Session 2015

Increased stakeholder engagement cont...

Sharing safety knowledge with industry

In October 2014, DMP celebrated 10 years of hosting Mines Safety Roadshows.

A series of videos was also developed titled “Know Your Hazards” with the first instalment focussing on improving lifting and rigging practices. These are issues that have caused a number of fatalities, serious accidents and near misses in recent years. DMP produced the series of videos as part of its commitment to informing and educating industry workers about relevant safety issues.

The “Six Pillars of Dangerous Goods Transport” campaign was launched in October 2014 and was designed to provide guidance on dangerous goods documentation, placarding, restraint, segregation, packaging and vehicles.

DMP also held forums in Perth and Karratha to further develop understanding on how to improve safety and reduce risk. These forums explained the ‘ALARP’ principle (as low as reasonably practicable) which is used in all safety and compliance processes.

Occupational Safety and Health Leadership Forums were held to share safety expertise with international resource sector personnel as part of a short course on occupational safety and health leadership. Organised by the International Mining for Development Centre (IM4DC), it featured participants from 11 nations including Fiji, Mongolia, Zambia and Peru.

Six Pillars of Dangerous Goods Campaign Launch, Perth 2014.

DMP celebrated 10 years of hosting Mines Safety Roadshows throughout WA.

Increased stakeholder engagement cont...

South West Hub Carbon Capture and Storage project

The South West Hub Carbon Capture and Storage (CCS) project has worked with the community throughout each stage of its development. CCS involves capturing Carbon Dioxide (CO_2) emissions from industrial sources before they are released into the atmosphere. The captured CO_2 is transported to an injection site where it is pumped deep below the surface for permanent storage. The permanent storage of CO_2 in underground reservoirs is called geosequestration.

During the year three stratigraphic wells were drilled as a part of the project. The wells were between one and two kilometres deep and the data will be used to further enhance our knowledge of the area's rock formations, and to assess the feasibility for CO_2 storage deep beneath the surface.

The project commenced in 2010 and is a long-term proposition, so it is vital to develop and maintain a strong relationship with the community. As the feasibility study progresses, DMP has committed to providing feedback to the public about our research findings.

The South West Hub team regularly attended local agricultural shows in the area and provided informative and entertaining displays for children and adults about the project and some of the technology being used to gather data.

DMP has developed a partnership with CSIRO, called CarbonKids. CarbonKids is a national program for school children developed by CSIRO to help students learn about clean energy science. This includes information about the carbon cycle, sustainability and environmental awareness.

As part of this initiative, the CCS team helped a number of students from St Michael's Catholic Primary School in Brunswick Junction to write and illustrate a book about CCS. The book has been translated for school children in Japan.

http://www.dmp.wa.gov.au/ccs

Community Show Display

In October 2014, in partnership with our research partner the National Geosequestration Laboratory (a cooperative arrangement between CSIRO, University of Western Australia and Curtin University), a mobile field laboratory was set up at the Harvey-Brunswick Agriculture Show to demonstrate drilling procedures.

This purpose-built shipping container was fitted out with $300,000 worth of high-tech equipment used for drilling and evaluating samples and data. The equipment was displayed to show local communities exactly what was involved during our drilling programs. The equipment included mass spectrometers, power converters and isolation air locking, to be used for future testing at the South West Hub.

The purpose built shipping container demonstrating a drilling laboratory at the Harvey-Brunswick Agriculture Show.

the Harvey 2, 3 and 4 wells were drilled to a cumulative depth of **4700m**

Harvey 4 was the deepest at **1800m**

Increased stakeholder engagement cont...

Golden Gecko Awards

The Golden Gecko Awards for Environmental Excellence recognise leading practice and innovation in environmental management and were first held in 1992. They provide an opportunity to share experiences between government, industry and the community. In this way, award-winning projects have helped raise industry standards by demonstrating innovative environmental planning techniques and skills. The awards also highlight industry's ability to develop new solutions to address modern challenges and regulatory requirements.

In 2014, Franmarine Underwater Services Pty Ltd and the Department of Fisheries were awarded a Golden Gecko for their collaboration on the Envirocart, an in-water hull cleaning system that helps prevent marine bio-fouling, and the related environmental impact that happens when vessels are cleaned in-water. Geo Oceans Pty Ltd was awarded a Certificate of Merit for its GO Visions Marine Habitat Mapping and Monitoring Technology, which enables rapid assessment and monitoring of large areas of coastal marine habitats following an oil spill.

http://www.dmp.wa.gov.au/goldengecko/

Western Australia as a destination of choice

As well as working with local communities and industry stakeholders, DMP continues to engage international stakeholders to maintain WA's position as a destination of choice for resources sector investment. This work enables DMP to promote WA, share knowledge and learn from other jurisdictions.

In 2014-15 executives from DMP, together with State Government and industry representatives met with key stakeholders including China, Japan, South Korea, Singapore, Africa, Hong Kong and Canada to discuss opportunities for ongoing investment and collaboration.

Sam Lane, Franmarine Underwater Services, 2014 Winner with Mines and Petroleum Minister Bill Marmion.

Mines and Petroleum Minister Bill Marmion, Shandong Vice Governor Wang Shujian and Department of Mines and Petroleum Director General Richard Sellers.

55 Golden Geckos for environmental excellence since 1992

Case Study – Shale and Tight Gas Community Engagement

In WA, development of shale and tight gas, also known as natural gas from shale and tight rock, is in the early stages of exploration and evaluation.

The State is estimated to hold significant shale and tight gas resources in the Kimberley, East Pilbara and Midwest regions, with further exploration required to confirm resource estimates. Development of these resources will depend on several key factors including:

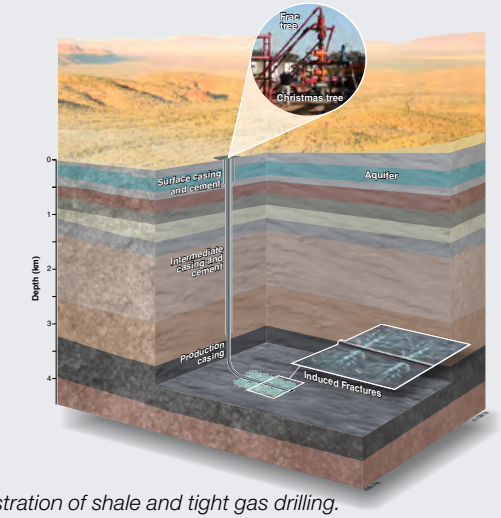
- co-existence with regional communities
- investor confidence
- energy demand and commodity prices
- construction of supporting infrastructure.

As with any developing industry, the community wants assurance that there are appropriate regulations and processes in place to protect WA's communities and the environment.

As part of DMP's approvals process, companies are required to engage and inform their local communities of what is planned and how impacts will be managed and mitigated.

Staff from DMP, often with Department of Water representatives, also met with stakeholders during the year to provide information on how the industry is regulated. Teams travelled to the Mid-West, the Kimberley, the Gascoyne and the Pilbara regions to hold local community meetings, consult with local governments, non-government organisations, regional development authorities, Aboriginal groups, agricultural groups and members of the community.

Broome Petroleum Information Session 2015.



3D illustration of shale and tight gas drilling.

Increased stakeholder engagement cont...

DMP also attended regional expos and agricultural shows.

Many of the sessions were held in a casual, open-day format designed to provide an environment where community members could browse through information, have their questions answered on a one-on-one basis by experts, and take information away.

They addressed concerns about land access, hydraulic fracture stimulation, also known as fraccing, water use and management, and how and why chemicals are used in the extraction process.

Local communities appreciated being able to raise concerns directly with DMP and other agencies and were particulary interested in the expert advice from other government agencies that informs DMP's assessment of proposed activities.

Further public and stakeholder consultation sessions will be held throughout the State in 2015-16.

http://www.dmp.wa.gov.au/shaleandtightgas

Our approach to stakeholder engagement

DMP has adopted three key principles that guide how we involve our stakeholders in our business.

Inclusive – We understand and acknowledge stakeholders' views and consider the issues from their perspective, and be clear and open in our communications.

Relevant – We are risk-based and adaptive, and continuously adjust our focus in response to changing circumstances, seeking the best outcome for Western Australia and its people.

Responsive – We keep stakeholders informed of issues that affect them by providing transparent, timely, consistent and accessible information and feedback, and engage in a manner that encourages mutual trust and respect.

Stakeholders are individuals, groups or organisations affected, directly or indirectly, by our activities and those that affect our activities. These include the broader community, internal staff, communities affected by mining or petroleum activities, local State and federal governments, community groups, Aboriginal communities and industry groups.

Our Year

Development of our people and systems

Our people

DMP has a strong commitment to the continued development of a skilled, diverse and flexible workforce and views its people as a key asset.

In 2014, DMP rolled out its Succession Planning Framework to help manage the risk of losing corporate knowledge through the retirement of experienced people.

DMP is also committed to achieving targets for equal employment opportunity, diversity and women in leadership. In September 2014, DMP launched its revised Equal Employment Opportunity and Diversity Plan for the period to 2016.

In the past couple of years, DMP has improved workforce diversity through a number of programs and initiatives. One successful initiative is DMP's Graduate Program, which focuses on attracting promising university graduates to work in government.

Graduate program

The program is part of an inter-agency collaboration with the Departments' of State Development, Regional Development and Lands. It provides graduates with experience across multiple departments, increases networking, and improves graduates' understanding of State Government policy and processes across agencies.

In February 2015, DMP was named the top ranked graduate employer for State Government departments in WA and also ranked 15th overall in a nation-wide survey of graduates conducted by the Australian Association of Graduate Employers.

DMP's 2015 Graduates.

Development of our people and systems cont...

Graduate profile – Joanna Wong

Joanna Wong joined DMP's Graduate Program in January 2014 after completing a degree in Petroleum Engineering. Joanna undertook three-month rotations in four different areas of DMP as well as an external rotation at Quadrant Energy. One project that Joanna worked on was a Shale Gas Resource Assessment for the Merlinleigh Sub-basin in the Carnarvon Basin. This project involved researching and analysing geochemical data, creating maps and using technical software to perform resource estimations. Joanna presented her results to her team and wrote an article that was published in Petrolem WA, September 2014.

Aboriginal employment strategy

Another successful initiative is our Aboriginal Employment Strategy which focuses on providing employment and development opportunities for Aboriginal Australians. DMP has provided employment opportunities to six Aboriginal Australians in 2014-15. DMP also hosted an Aboriginal Employment Strategy Open Day in March 2015 which provided an opportunity for prospective employees to visit DMP and hear about opportunities in DMP. Attendees heard from current Aboriginal employees about their experience in DMP. They also had the opportunity to receive coaching on resume and interview techniques for government positions.

WorkSafe Gold Certificate of Achievement

In March 2015 DMP won the WorkSafe Gold Certificate of Achievement for its Safety Management System, following an external audit of DMP's metropolitan and regional locations.

DMP scored more than 80 per cent combined and had a low lost time incidence (LTI) rate. The audit also found a significant improvement since 2011 when it was awarded the Silver Certificate of Achievement.

DMP staff with WorkSafe Commissioner Lex McCulloch at the awards presentation.

Awards

DMP's Director General Richard Sellers was recognised for his outstanding contribution to the practice and study of public administration by being awarded the prestigious Institute of Public Administration of Australia (IPAA) National Fellow Award. This award is the highest accolade for members and has only been awarded to 200 recipients in the past 30 years.

Development of our people and systems cont...

Innovative systems delivering better services

DMP has continued to update and enhance its online systems to improve functionality and useability.

DMP's online systems and approval portal now provides a high level overview, enabling end-to-end tracking of mining and petroleum applications. The use of these systems has helped to reduce the mining tenement approvals backlog, approval times and increase transparency.

Approval times for online applications were considerably less than for paper-based applications. In March 2013, with 27 per cent of applications online the average approval time for a Mining Proposal was 30.1 business days and in the first quarter of 2015, with 70 per cent online, the average approval time for a Mining Proposal was 18.5 business days.

In 2014-15, the Petroleum and Geothermal Register (PGR) was upgraded from being purely a titles register to a system that manages titles and operational compliance. Functionality has been developed to record site audits, non-compliance, and follow-up actions. The reporting enhancements also help to identify non-compliance trends, enabling DMP to better focus its regulatory efforts.

DMP's online systems now have more than 30,000 registered users.

However, the focus is not just on DMP's systems, but also on how they integrate with the online systems of other agencies. DMP leads the whole of Government Resources Approval Tracking (Resource Track) initiative to streamline, approve coordination and enhance transparency of approvals within State Government.

DMP has already successfully collaborated with the Department of Aboriginal Affairs to expand its assessment tracking requirements under the *Aboriginal Heritage Act 1972*.

Leveraging off this successful implementation DMP continues to work with other key agencies to view the status of related applications through a single portal, to improve the application assessment time.

This will enhance visability and transparency in the approval processes which enables confidence in accountability. The integration of approvals timelines will result in interagency access to whole-of-government assessment tracking.

CASE STUDY – Record low assessment time for granting Nova mining lease

In August 2014, DMP's streamlined assessment processes led to the mining lease for Sirius Resources' Nova nickel project to be approved in a record 25 working days. The industry agreed target for mining lease assessment is 65 business days. The streamlined assessment process was complemented by improved operations. DMP worked closely with the company to expedite the mining lease grant process while ensuring compliance with Native Title negotiation processes.

The improved processes and renewed business outlook means the nickel and copper deposits in the Fraser Range could go into production by the end of 2015, a discovery to production timeframe of only three years.

DMP's commitment to reducing the number of outstanding mining tenement applications has also been assisted by these improved systems and processes. Initiatives including amendments to Warden's Court procedures and enhancements to DMP's business systems have seen applications in the backlog drop from more than 18,000 in February 2007 to 3876 at the end of the 2014-15 financial year.

CASE STUDY – Mapping on your mobile

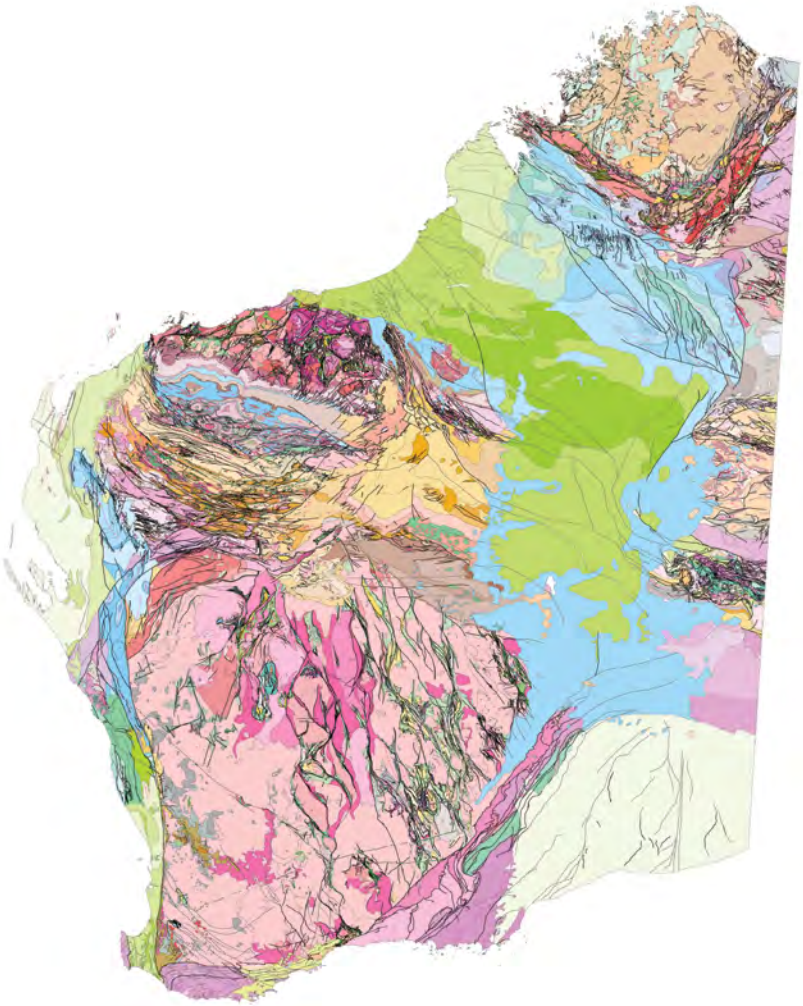
In February 2015, the Geological Survey of Western Australia released a mobile web application called WA Geology. The WA Geology application is a free, device-independent Geographical Information Systems (GIS) viewer that provides industry and the public with easy access to a wealth of geological, resource and licence information by selecting areas on a map of Western Australia.

WA Geology provides viewing, querying, printing and integration of a wide range of Western Australian geoscience and resource datasets using mobile phones, tablets and computers.

Most mobile devices support location information via inbuilt Global Positioning System (GPS) functionality which, combined with WA Geology's geoscience and resource information, makes a mobile device a valuable accessory for geology and land-use mapping.

Importantly for prospectors and explorers, the application includes identification, measuring, drawing and mapping tools, with the advantage of GPS accuracy.

Features of the *WA Geology application for mobile devices*

- recently updated 1:500,000 State interpreted bedrock geology
- conservation estate
- native title claims and determined areas
- mines and mineral deposits and major resources projects
- petroleum titles and wells
- mining tenements
- towns and roads
- statewide image datasets including geophysics and topography.

This application is available on the DMP website www.dmp.wa.gov.au/wageology