



Government of **Western Australia**  
Department of **Mines and Petroleum**  
Resources Safety

# **MINES SAFETY ACHIEVEMENTS AND PERFORMANCE 2010-11**

Level 1, 303 Sevenoaks Street (cnr Grose Ave), Cannington WA 6107  
Postal address: Mineral House, 100 Plain Street, East Perth WA 6004  
Telephone: (08) 9358 8002 Facsimile: (08) 9358 8000  
[ResourcesSafety@dmp.wa.gov.au](mailto:ResourcesSafety@dmp.wa.gov.au)  
[www.dmp.wa.gov.au](http://www.dmp.wa.gov.au)

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## 1 Introduction

The Department of Mines and Petroleum (DMP) is responsible for implementing the State Government's safety reform strategy (also known as Reform and Development at Resources Safety or RADARS). Resources Safety Division is the State's specialist regulator for occupational health and safety in the minerals, onshore petroleum and geothermal energy sectors, and administers legislation for the safe use of dangerous goods.

The services provided by Resources Safety Division include promoting best practice in the areas of occupational health and safety with companies undertaking mining operations as defined in the *Mines Safety and Inspection Act 1994*. Significant investment and growth in the mining sector over the past decade required a proportional response by Government to maintain an appropriate level of safety regulatory services. The resources required to implement the safety reform strategy are funded by means of cost recovery legislation for the mining industry which came into effect in December 2009.

This report details the expenditure of the mines safety and inspection levy, and progress of the RADARS strategy.

The form and content of this report and the attached supplement was determined in consultation with the Ministerial Advisory Panel which consists of nominees and both employer and employee representative bodies.

## 2 Income and expenditure statement

The table below shows the income and expenditure against the Mines Safety and inspection Levy. The levy was introduced from 4 December 2009, hence the figures shown relate to the period 4 December 2009 to 30 June 2010. For the year ended 30 June 2011 the table shows the full year expenditure.

	2009-10 Dec-June ACTUALS \$'000s	2010-2011 July-June ACTUALS \$'000s	2011-12 July-June BUDGET \$'000s
Opening Balance	0	1,932	2,013
<b>EXPENSES</b>			
Salaries and Superannuation	3,917	11,473	18,428
Training and development	46	370	306
Supplies and services	1,157	4,104	4,452
Office accommodation	275	551	853
Depreciation	138	133	671
Other expenses	14	9	23
Corporate costs	1,677	3,583	4,372
	<b>7,224</b>	<b>20,223</b>	<b>29,105</b>
<b>INCOME</b>			
Funds raised by Levy	9,156	20,304	27,174
Surplus for the period	1,932	81	82
Accumulated surplus	1,932	2,013	82

### 3 Auditing of revenue and expenditure

A Special Purpose Account has been established to hold monies collected via the Mines Safety and Inspection Levy. The monies in this account can only be used for the purpose of paying costs associated with administering the *Mines Safety and Inspection Act 1994*.

Compliance with this requirement of the legislation and compliance with all other statutory and policy requirements applicable to Government funds is subject to audit by the Office of the Auditor General on an annual basis.

In addition, a specific audit of the effectiveness of the change program will be undertaken by an independent party within three to four years of the commencement of the levy.

### 4 The industry workshop

The inaugural industry workshop to discuss the safety reform process and safety initiatives for mines safety was held on 8 April 2011.

The workshop, hosted by Resources Safety, was organised to obtain industry input regarding priority safety initiatives for the regulator. The workshop recommendations were considered by the mines inspectorate when developing its 2011-12 operational plan.

Workshop participants included representatives from small to large companies and industry associations, safety and health representatives, executive officers, and senior mine inspectorate staff.

The workshop was opened by the Director General. After several short presentations to set the scene so participants could better understand the safety regulator's role, the majority of time was spent in structured discussions with a professional facilitator. The outcomes are summarised below.

#### **What is going well?**

- *There is a commitment across the board to better safety outcomes.*
- *Many operators are adopting a risk management approach.*
- *There is cooperation and information sharing across industry, including contractors.*
- *The "blame culture" is diminishing.*
- *There is an improved commitment and contribution from the mines inspectorate.*
- *There is increased accountability within organisations.*
- *There is an investment in people.*
- *There is support from Government and the Minister for Mines and Petroleum.*
- *Awareness of importance of occupational health and safety (OHS) is increasing in senior management.*
- *The perception of safety is moving from it being considered a burden to being viewed as an opportunity.*
- *Safety has become a primary focus for the industry.*

**What needs our attention?**

- *Clarity about what the “road map” for mines safety looks like, and the need for face-to-face information sessions on what is on the horizon (particularly with the approach to national OHS harmonisation)*
- *Clarification of the relationship between Resources Safety and WorkSafe and other safety regulators, and the application of responsibilities.*
- *Issues related to mobility of the workforce across State boundaries and differences in jurisdictions.*
- *Issues related to the multiplicity of jurisdictional responsibilities for single sites (e.g. ports).*
- *Empowerment and support of safety and health representatives.*
- *Development of safety awareness culture throughout industry.*
- *Dealing with the short timeframe for implementation of the national OHS legislation.*
- *Clarity regarding safety requirements over the life cycle of operation.*
- *Issues related to the variability of workplace culture across industry and State (one size doesn't fit all).*
- *Career opportunities for safety and health representatives to join inspectorate.*
- *Adequacy and consistency of industry induction and training processes.*
- *Over-use of acronyms leading to difficulty for mobile and new workforce, and loss of meaning.*
- *Consistency of safety requirements for contractors who work for number of companies or sites.*
- *Operations' knowledge (at all levels) of risk management tools.*
- *Consistency of inspectorate approach, technical knowledge required, and need to focus on outcome.*
- *Operations' knowledge (at all levels) of legislation and responsibilities.*
- *Inspectorate to focus on safety systems.*
- *Use of risk management to address the plateau in industry safety performance.*

**Specific questions**

- *How should the regulator respond to serious (non-fatal) incidents?*
- *How can the regulator help you address risks at the worksite?*
- *Do audits by the safety regulator work? What would strengthen the effectiveness of the safety regulator?*
- *How can safety and health representatives operate to best effect? Is the worksite role of the safety and health representative adequately supported and recognised?*
- *What capabilities and capacities are required for the future?*

**Outcomes**

*The key messages from the situational assessment were:*

- *Dialogue is essential, with the first steps being taken at the workshop – opportunities to continue discussion and involvement in planning*
- *OHS harmonisation – stakeholders need information*
- *Critical role of safety and health representatives – how to strengthen role and impact on site*
- *Transparency required – information, audit program and best practice*
- *Competency and consistency of inspectorate activities is essential*
- *Visibility of operating plan – address strategic and operating issues (next 12 months and longer term).*

*The key messages from the working groups were:*

- *Principles of risk management are being implemented but may need support*
- *Build an effective regulatory organisation*
- *Agreed direction required*
- *Safety and health representatives – support their role and ensure accessibility to inspectorate*
- *Develop a resilient safety culture from boardroom to frontline, regulator to industry, employer to employer – and recognise champions.*

## 5 Performance

The following table reports on the work of the mining safety inspectorate during 2010-11. Additional functions are undertaken by the Department to meet its obligations as a safety regulator.

Function or activity	Legal power or obligation	Indicator	Activity	Additional comment(s)
Complaints about workplace health and safety	<i>Mines Safety and Inspection Act 1994</i> Section 24 Inspector must inquire into complaints	Number of complaints received and resolved within agreed timeframe	143 formal complaints dealt with	All complaints resolved within agreed timeframes
Notifiable incidents	<i>Mines Safety and Inspection Act 1994</i> Sections 76, 78 and 79 Mines Safety Inspection Regulations 1995 Regulations 3.41 and 6.36	Number of incident reports received and processed within agreed timeframe	2547 notifiable incidents received and entered into the Safety Regulation System (reporting database)	All incident reports processed within agreed timeframe
Investigations	<i>Mines Safety and Inspection Act 1994</i> Section 21 Powers of Inspectors	Number of Investigations conducted	126 formal investigations undertaken and finalised. Ten were related to fatal accidents, which occurred during 2010-11 and the previous 2 years	All investigations completed within appropriate timeframes
Inspections and audits	<i>Mines Safety and Inspection Act 1994</i> Sections 21, 23, 25, 31 and 31AA	Rate of close-out of Notices issued by inspectors	1740 site inspections carried out. 721 Improvement Notices issued and 503 closed out. 44 audits completed. 1364 formal contacts with Safety and Health Representatives by an inspector on site	See note below
Approvals	Mines Safety and Inspection Regulation 1995 Parts 3, 9 and 16	Assessment and response concluded within 30 working days for: <ul style="list-style-type: none"> <li>Project Management Plans;</li> <li>Radiation Management Plans;</li> <li>Asbestos Management Plans.</li> </ul>	64 Project Management Plans, 23 Risk Management Plans and 7 Asbestos Management Plans approved	All completed within required timeframes
Training		<ul style="list-style-type: none"> <li>Number of inspectors who have completed ≥80% of scheduled training</li> </ul>	57 inspectors completed the formal inspector training package and were assessed as meeting the required competencies. 22 of these were new recruits	

NOTE: The performance indicators shown in the above table are still under development but figures have been included to provide some guidance in this area. Development work is being undertaken on a comprehensive electronic Safety Regulation System (SRS) with the capacity to record and track the lodgement of activities such as complaints, reports, and notifications, and to assist in the management of these activities. Currently, most of the data management is undertaken manually. Once SRS is operational (expected during the 2011-12 financial year),

appropriate targets will be set and reported against.

## 6 Achievements

To save lives and reduce injuries, industry, the regulator and employees must work together to make the necessary cultural changes. While extra safety regulatory resources and legislation are essential, significant reductions in incidents can only be achieved if a resilient safety culture is encouraged and maintained across the mining sector. The Safety Reform Project Team was formed in May 2010 as an independent group responsible for working with the Resources Safety Division, and other areas of the department, to implement the safety reform strategy.

The State Government's safety reform initiative addresses how Resources Safety, as the regulator, works with industry to reduce serious accidents across its three safety regulatory areas — mining and exploration, petroleum and geothermal energy, and dangerous goods.

The new approach to safety regulation presents a balance between promoting safety outcomes, monitoring compliance and enforcement that aims to improve the delivery of regulatory services. It focuses on how the department, as a regulator of high-risk industries, can go beyond compliance monitoring to encourage duty holders to improve their management of risk, independently of the issue of compliance. In other words, the safety reform strategy addresses how Resources Safety can improve its effectiveness, and adopt "best" or "leading" practice.

### Baseline stakeholder perceptions survey

To establish a robust baseline against which to measure safety reform progress, the department commissioned an independent survey of stakeholder perceptions in the mining and petroleum sectors, and major hazard facility operators to address:

- The importance of the roles of a safety regulator and how well the department performed those roles
- The department's performance when working with industry to reduce the likelihood and consequences of serious incidents
- The value that various initiatives would add to clients' safety outcomes.

The survey results have helped to identify the department's strengths and demonstrate those activities and services that the department does well, as well as identifying where the most valuable improvements to industry can be made. The findings will guide further reform initiatives of the department which is focused on a positive impact on industry's activities to improve safety in their workplaces. The full results of the survey are available through the department's website.

### Mines Safety and Inspection Levy amendments

The Mines Safety and Inspection Levy was introduced in July 2010. The levy regulations were subsequently amended in response to industry feedback, with implementation of the amended regulations from 1 July 2011. The amendments included:

- Additional exclusions to the definition of a "worker"
- The exclusion of Port Authorities from the levy
- The recording of names and hours to be replaced with a more general obligation on the principal employers to keep records for audit by the regulator
- State Administrative Tribunal available as an independent review body
- Reassessment period to be reduced from five years to two years
- Changes to the way reassessments are issued
- Late payment penalty to be changed from a one-off 20 percent penalty payment to a 20 percent per annum interest rate penalty, calculated daily.

### Mines inspectorate

A crucial component of the safety reforms involved significantly increasing the number of inspectors within the department. Therefore, in a climate of extreme competitiveness for skilled workers, the department undertook the

largest targeted recruitment campaign in its history and, as a consequence, 22 new inspector positions were filled in the mines inspectorate.

### **Building competency in safety regulation**

A competency based development program has been implemented for new and existing staff, with training leading to nationally recognised qualifications. These qualifications enable the inspectorate to provide an assurance of quality and consistency in the delivery of services, and is consistent with the recommendations of the 2009 Kenner Review of the *Mines Safety and Inspection Act 1994* (WA).

### **Financial and performance reporting**

Annual financial and performance reporting is now in place. This was developed by the Financial Reporting and Transparency Working Group as an agreed template for transparent reporting on levy expenditure, including where money is spent in the administration of safety regulation.

### **Investigations Branch**

The Investigations Branch was established to follow up on safety incidents and accidents reported to the department. The principal objective is to determine the root cause of an incident or accident so that effective actions can be taken to prevent recurrence. This is a critically important factor in improving safety outcomes across the industry. The investigation process starts with collecting evidence at the incident site and, in some cases, may conclude by recommending a prosecution in accordance with the department's enforcement policy.

### **Mines Safety Branch restructured**

The Mines Safety Branch has been restructured into seven teams. Teams are based in Perth and across the regions and are multi-disciplinary to meet the various needs of the mining operations within their areas of activity. The new structure is operating within a team based matrix management framework utilising porous boundaries that allow for the allocation of work to meet peak loads. To assist in the provision of a project management approach, thirteen Focus Groups have been formed to develop and implement evidence-based risk management programs.

### **Enhanced industry consultation**

The Ministerial Advisory Panel on Best Practice Safety Regulation meets regularly to consider high-level issues and provide advice to the Minister through the department's Director General and the Safety Reform Project Team. The Panel comprises industry and union representatives as well as key departmental staff from the Safety Reform Project Team and Resources Safety. The Panel formed Working Groups to perform detailed work on the reforms, and provide advice, tools and strategies to the Panel. As the Ministerial Advisory Panel has a finite life, the Safety Reform Project Team is also examining the options for ongoing consultation through industry forums, advisory committees, and tripartite workshops.

### **Ongoing consultative arrangements**

The statutory Mining Industry Advisory Committee meets on a regular basis to address particular occupational health and safety matters, including legislative reform. This tri-partite committee complements the work of the W.A. Commission for Occupational Safety and Health, on which Resources Safety is represented.

### **Industry briefings**

In mid 2010, the Safety Reform Project Team began holding industry briefings and meetings at various locations throughout the State, including Perth, Bunbury, Geraldton, Kalgoorlie and Karratha and at a number of mine sites.

Industry welcomed the opportunity for face-to face discussions on the mines safety levy, and progress with reforms.

The ministerial advisory panel established the following working groups to assist with specific activities:-

- Best Practice Safety Strategies Working Group
- Principle Hazard Management Plans (PHMPs) Working Group
- Financial Reporting and Transparency Working Group
- Legislative Review Working Group

## **7 Internal focus groups**

As part of the continuous improvement program, thirteen focus groups comprising inspectors and Resources Safety staff have been formed to address specific issues. Eight projects are running covering bullying, exploration drilling, two electrical issues, geotechnical issues, open pit traffic, construction and risk management.

A further seven project plans are in draft form.