

Operational Highlights from 2010-11

EXPLORATION AND DISCOVERY

The department promotes exploration and discovery of resources in underexplored areas, through the provision of geoscience information and advice, and particularly through the EIS.

EIS Makes an Impact

Through the State Government's Royalties for Regions program, the Geoscience Information and Advice Service received initiative funding for the EIS, a five-year program to attract new exploration investment in Western Australia.

The Scheme funds drilling subsidies for industry, 3D geophysical, geological and geochemical surveys, support for the State Government's Mineral and Energy Research Institute (MERIWA), researchers embedded in industry, and enhanced delivery of geoscience products and services.

The annual Fraser Institute survey of mineral companies' attitudes to exploration and development investment in jurisdictions world-

wide was encouraging for Western Australia, with improvements in most categories in the survey. Western Australia now leads all other Australian jurisdictions, other than South Australia, and is closing the gap on that state.

In seasonally adjusted terms, mineral exploration expenditure in Western Australia during the March 2011 quarter increased by 25 percent. This is a very strong result and, in those terms, sees mineral exploration in Western Australia at an all time high.

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GeoMap.WA – Delivering Geoscience and Resource Information to the Community

GeoMap.WA harnesses leading-edge technologies to create a tool to provide improved access to a range of geoscience and resource information. It allows users to visualise, interrogate, and integrate vector and raster data types and associated attribution in an easy-to-use software application.

GeoMap.WA's advantage is its assistance for prospectors, exploration geologists and other community groups. GeoMap.WA is a free application and as such it helps prospecting and exploring, which is typically done by small companies or lone prospectors.

The GeoMap.WA product supports the economy by providing people involved in the resources industry with easy-to-use methods of working with free and up-to-date geoscientific resource-related map information and other government data.

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DMP's Petroleum Database – WAPIMS – Rated Best in the World

Western Australia's Petroleum and Geothermal Information Management System (WAPIMS) has been rated the best in the world by the Fraser Institute Global Petroleum Survey.

The WAPIMS database received the winning rating in the category of "quality and availability of geoscience information to guide exploration". The system won the prestigious accolade against 135 investment destinations across the world, which is an outstanding achievement for the State.

The release of exploration reports to industry makes exploration more efficient and in the long-term, attracts investment in exploration by reducing the risk for explorers. WAPIMS is another tool developed by the department to encourage exploration and development within the State.

Geoscience Work Programs Continue to Provide New Information to Support and Encourage Exploration

During 2010-11 the department published 20 geological maps, including 12 series maps, 53 geoscientific reports and other papers, and 17 digital packages.

In addition, the Royalties for Regions EIS program released data from 31,239 gravity stations, 720,082 line kilometres of airborne geophysics and 566 kilometres of seismic surveys, and co-funded 69,818 metres of diamond and other exploration drilling.

Release of geophysical data has led to an increase in tenement applications in previously underexplored areas while the support of drilling has resulted in a number of potentially commercially successful intersections.

Geoscience information is critical to sustaining the role of the resources sector in the Western Australian economy in the long-term, attracting investment in exploration by reducing risk for explorers. The discovery of new deposits is needed to replace the large volume of resources that are produced in Western Australia each year.

Exploration and production of resources employs, directly and indirectly, approximately 20 percent of the State's workforce, and royalties paid by mineral and energy producers are a major contributor to State revenue.

Petroleum Exploration Acreage Release

The department encourages exploration in petroleum exploration through the annual release of petroleum exploration acreage. The number of bids has steadily risen over recent years, but spiked even higher on the March 2011 release with 16 bids received for State and 33 for the Commonwealth areas compared with a previous high of around 20, and saw the expansion into offshore Northern Carnarvon Basin.

Onshore exploration, historically less attractive to investors, has become more popular with multiple bids received for some release areas. This is partially attributed to a rising interest in unconventional gas, with several companies focused on major shale gas targets in the Canning Basin.



APPROVALS

The department administers timely, consistent and transparent approvals processes to the resources sector to ensure responsible exploration and development of mineral and energy resources.

Lead Agency Framework

In October 2009, the department was designated Western Australia's lead agency for the regulation of mining, petroleum, uranium, geothermal and carbon capture and storage proposals under the State Government's Lead Agency Framework.

The department has continued to build on this role during 2010-11, taking a proactive role in assisting proponents through the approvals process for specifically designated projects, providing a customised level of service for proponents according to size, scale and complexity.

During the year, the department undertook a range of initiatives to build on the strong performance of the prior year to support the Lead Agency Model and associated reforms. These include:

- Publication of an up-to-date list of high-level resource projects with contact officer information
- Improvements to electronic systems to deliver more efficient and effective processing, tracking and transparency for applications for approval
- Review and redesign of operations to improve capacity to address shortfalls or delays in the approvals and other regulatory processes
- Development of close working relationships with key agencies across Government involved in approvals for resource projects.

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Approvals Performance

A key deliverable arising from the Lead Agency Framework is improved approvals performance. The department believes that an efficient and timely approvals process for mining and petroleum projects is essential for guaranteeing the sustainability of the resources sector and the State's future prosperity.

As a result of enhancements to the department's systems, processes and capacity arising from the Lead Agency reform

activities, the department's performance in approvals has continued to accelerate, keeping pace with the record level of mineral and petroleum tenure and activity applications received throughout the year.

During the year, with a target of 78 percent of approvals granted within agreed timeframes, the department continued to perform strongly with respect to approval timeframes in:

- mining titles (93 percent)
- mining proposals and programmes of works (89 percent)
- petroleum environmental approvals (99 percent) and
- petroleum well and survey applications (82 percent).

Whereas due to complex onshore and overlapping assessments, petroleum special authority applications completed within agreed timeframes fell below target by 26 percent.

In spite of this, the department achieved its overall targeted performance. Details of these results are provided in the *Key Performance Indicator* section of this report, and are also published quarterly on the department's website.

Read more

Successful Implementation of Lodgement Anywhere and Electronic lodgement

During the year legislative amendments and system enhancements enabled mining tenement applications, dealings and associated documents to be lodged at any of the department's offices or electronically. This included Mining Act forms, as well as online lodgement and tracking for key approval applications such as Programmes of Work, Mining Proposals, Project Management Plans, Petroleum Pipeline licences and payments online.

These upgrades were part of the approvals strategy aimed at streamlining the approvals process for stakeholders, and have provided the resources industry with significantly greater ease, convenience and access in applying for mineral titles.

Since the introduction of online lodgement for mineral tenure applications in March 2011, 22 percent of the total number of applications received were lodged online in the report period. The percentage of online applications for Programmes of Works has improved since introduced in August 2010, showing a 54 percent take up in the final quarter of the 2010-11 financial year.

Appointment of a Full Time Mining Warden

A report by the Industry Working Group Review of Approval Processes in Western Australia recommended the appointment of a full time Mining Warden and to increase the number of hearing dates in order to reduce a backlog of objections at the Warden's Court. During the year, the department secured funding for the appointment of a full-time Mining Warden.

Approvals System Enhancements

Petroleum Geothermal Register (PGR)

The department obtained additional funding during 2010-11 for enhancements to the Petroleum Geothermal Register (PGR).

To date, modules have been completed for:

- Finance and online payments
- Online lodgement of Consent to Construct and Consent to Operate a Pipeline
- Online lodgement of Change of Company Name and
- Electronic task and approval tracking.

Enhancements have streamlined and simplified business processes for both the department and industry, and more technical data is captured and saved at lodgement stage, creating significant approvals processing efficiencies. These enhancements have provided greater transparency for both industry and the department as well as generally streamlining the approvals process for proponents.

During 2011-12, the department will commence further enhancements including a Native Title Module, Assessment Tracking workflow and online lodgement of Petroleum Drilling Applications and Field Development Plans.

Read more

Electronic Mineral Titles System (eMiTS) and Future Act Native Title System (FANTM)

Enhancements made to the Electronic Mineral Titles System (eMiTS) were made which enabled the inclusion of the Future Act Native Title System, improving the reporting, and improving transparency in the processing of mineral title approvals.

EMERGING RESOURCES AND TECHNOLOGY

The department facilitates the introduction of emerging resources, including uranium mining, carbon capture and storage, unconventional gas and geothermal industries in Western Australia.

Facilitating the Introduction of Uranium Mining

Western Australia is rich in natural resources, and uranium is one of the many commodities that the State can mine to provide social and economic benefits to local communities and the rest of the State.

During the year, the department has been preparing for the introduction of uranium mining, with the first uranium mine expected to be operational in 2013.

The State has a known resource of more than 207,000 tonnes of uranium oxide in about 30 separate deposits. This is expected to rise as a result of the current boom in exploration expenditure and initiatives such as the \$80 million EIS.

The State anticipates that by 2014, uranium mining could be worth \$675 million, and also deliver the benefits of meeting the world's growing demand for cleaner energy, as well as increasing employment and development opportunities for regional and Indigenous communities that have not yet participated in Western Australia's resource expansion.

Read more

Collie Hub, Carbon Capture and Storage Project

The Commonwealth Government is driving national climate change abatement and adaptation measures and legislation which affects the way the State Government addresses climate change. One of the key initiatives is the geological storage of greenhouse gas, also known as carbon dioxide capture and storage (CCS) or geosequestration. There are already a number of proposals for this in WA – the Gorgon Joint Venture, Coolimba Energy, the Collie Hub and Woodside Browse.

The Collie Hub project was established to examine the options for carbon capture and storage in the South West of Western

Australia. CCS could significantly reduce Western Australia's greenhouse gas emissions by extracting CO² from industrial emissions and injecting the liquefied gas into geological formations two to three kilometres underground.

Preliminary studies have identified the Lesueur formation, north of the Kemerton industrial area, as the best potential storage site for CO² in the South West region.

The Collie Hub project was selected as a flagship project in June 2011, which as a result of this designation, can continue with pre-competitive data acquisition in 2011-12.

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Geothermal Exploration and Development

Geothermal energy is an emerging environmentally friendly energy source, and has the potential to contribute to the supply of energy in Western Australia. The department is committed to encouraging the development of this industry.

During the year, several new geothermal exploration permits were awarded and industry is endeavouring to develop some major projects across the State.

Regional Alternate Energy Mobilisation Project

During the year, the department obtained in-principle funding to assist access by industry to drilling rigs and reservoir simulation units. This is important in order to address the shortage of equipment used for unconventional gas exploration in the State.

To facilitate industry engagement in the initiative, a series of information workshops was held to discuss the project and encourage participation. Expressions of interest, which will close in the second quarter of the 2011-12 financial year, have been invited from industry to participate in the project.

Facilitating the Introduction of Non-traditional Energy Initiatives

The Strategic Energy Initiative (SEI) ensures that the energy sector is able to support the responsible growth and development of our economy and supports communities throughout Western Australia. During the year, the department was an active member of the SEI team, which is located within the Office of Energy. Together the SEI team worked to develop a State Energy Directions Paper which will facilitate discussion on the development of the State Energy Policy (Energy 2031), which is expected to be delivered this year.

The department provided specific policy input in relation to upstream primary energy security, including domestic gas supply.

The department also prepared a Primary Energy Issues Paper used during consultation with government and industry, to encourage discussion on the future outlook for primary energy supply and demand in Western Australia.

SAFETY REFORM

To save lives and reduce injuries, industry, the regulator and employees must work together to make the necessary cultural changes. While extra safety resources and legislation help, significant reductions in incidents can only be achieved if a resilient safety culture is encouraged and maintained.

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.

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Identifying Priority Targets for the Mines Safety Regulator

During the year, the department commenced a number of activities focused on improved communication with stakeholders, including the implementation of the Mining Industry Consultation Strategy. The inaugural industry workshop to discuss the safety reform process and safety initiatives for mines safety was held on 8 April 2011 at Mineral House.

The workshop was organised to:

- help industry better understand the safety regulator's current priorities
- identify future priorities for safety initiatives as determined by industry, unions and the regulator.

Workshop participants were asked to identify priority targets for the mines safety regulator and suggest what actions could be taken to address hazards identified as high risk. The workshop outcomes were referred to the Ministerial Advisory Panel on Best Practice Safety, for review by its Best Practice Safety Strategies Working Group. The Working Group will make recommendations via the Panel to the Minister regarding what it sees as priorities for the safety regulator. Agreed recommendations will be addressed in the mines inspectorate's operational plans. The outcome of this will be improved safety regulation with increased ownership of the outcomes by industry and increased focus on high-priority areas. The workshop will continue as an annual event to seek industry input.

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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.

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Mines Safety and Inspection Levy

The Mines Safety and Inspection Levy was introduced in July 2010 as part of reforms to health and safety in the Western Australian resources sector. The levy regulations were subsequently amended in response to industry feedback, with implementation from 1 July 2011. Amendments included:

- Additional exclusions to the definition of a "worker"
- The exclusion of Government 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.

Resources Safety 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.

More than 400 applications were received, and 29 new senior inspector positions were filled out of a total of 34 positions advertised, a success rate of 85 percent. Of those 29 positions, all but one joined the department from the private sector.

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Building Competency in Safety Regulation

Under the Reform and Development at Resources Safety (RADARS) initiative, 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)*.

Risk-Based Approach

The risk management approach needs to become the norm in the resources industry. There is already an element of risk management to much of what is done, but the safety reform strategy aims to reinforce, promote and extend its application across the mining industry.

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 under the provisions of the various laws that are administered (mining, petroleum and dangerous goods). 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, ten 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.

Ongoing Consultative Arrangements

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.

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. These briefings were instrumental in gaining feedback as to how the department can do things better as well as on necessary amendments to the Mines Safety and Inspection Levy Regulations.

Best Practice Safety Strategies Working Group

This group is developing an agreed set of strategies and tools that will increase the safety capabilities of both industry and the regulator. In mid-late 2010, it reviewed drafts of the national mine safety legislation and made a number of recommendations that led to the formation of the Principle Hazard Management Plans Working Group. This year, the group will examine the results of the Resources Safety Baseline Stakeholder Perceptions Survey and the Mines Safety Initiatives and Priority Targets Workshop, before examining the latest drafts of the national mines safety legislation.

Principle Hazard Management Plans (PHMPs) Working Group

This group is to develop strategies and tools to assist the mining industry in complying with the requirements of the new national mines safety legislation. This legislation requires the development and implementation of PHMPs and Operational Plans.

Financial Reporting and Transparency Working Group

This working group has completed its work. It implemented transparent annual reporting and workshops on the department's finances and performance, to give industry comfort that the levy funds are being used appropriately.

Legislative Review Working Group

This working group has completed its work, reviewing the Mines Safety and Inspection Levy.

MINE CLOSURE AND ABANDONED MINE SITES

The department has been working with government and industry partners to develop appropriate policies for mine closure and abandoned mine sites.

Mine Closure Planning

Planning for mine closure is a critical component of environmental management in the mining industry. Nationally and internationally, industry leading practice requires that planning for mine closure should start before mining commences and should continue throughout the life of the mine until final closure and relinquishment. This approach enables better environmental outcomes. It is also good business practice as it should avoid the need for costly remedial earthworks late in the project lifecycle.

During the year, the department, in partnership with the Environmental Protection Authority (EPA), developed the draft Guidelines for Preparing Mine Closure Plans, after extensive stakeholder consultation.

A mine closure plan is an essential management tool for industry to:

- Ensure all stakeholders have their interests considered during the mine closure process
- Identify early the risks associated with mine closure
- Facilitate progressive rehabilitation and planning toward mine closure consistent with agreed post-mining outcomes and land uses
- Ensure there is clear accountability and adequate resources to implement the closure plan
- Establish a set of indicators to demonstrate successful completion of closure
- Establish a point where the company has met agreed completion criteria required for relinquishment of tenure.

This release was supported with stakeholder briefings in June 2011 to ensure that the new guidelines will have a smooth implementation process and ensure that relevant stakeholders are fully informed of the new requirements and how the guidelines will affect their business.

[Read more](#)

Future Mining Securities System

Mining securities, currently applied in the form of environmental bonds, are intended to ensure that the Western Australian Government has sufficient funds to rehabilitate mine sites in the event of operators failing to do so.

The current system was originally intended to provide sufficient security to cover the costs of rehabilitation but, despite bond rate increases over time, the level of security has not kept pace with increasing costs and standards of rehabilitation. This has resulted in the amount of environmental bonds held against mine sites now being well below actual rehabilitation costs.

During the year, the department released its Preferred Option Paper for the State's future mining securities system for public comment. The Paper, released in March 2011, suggests that a fidelity fund model (the "Mine Rehabilitation fund") has the potential to provide a suitable alternative to the current environmental bonds system. This model has the potential to address the State's financial risk in relation to companies being unable to fulfil their rehabilitation and mine closure obligations, while providing a more cost-effective alternative for industry.

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INFORMATION, POLICY AND SERVICES

The department delivers high quality services and information to the Western Australian community and for the development of the resources sector in the State.

Collection of Royalties

The collection of royalties has grown significantly from \$1.1 billion in 2001 to \$4.9 billion for 2010-11. Iron ore accounts for 69 percent, petroleum 20 percent, gold 4 percent, nickel 2 percent, alumina 1 percent and diamonds 0.3 percent, with other assorted metals covering another four percent. Iron ore was up 125 percent to \$3.4 billion, nickel receipts increased 35 percent to \$112.9 million, gold up 30 percent to \$197.8 million, alumina up 7 percent to \$66.1 million and petroleum up 6 percent to \$955.2 million.

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Exploration Drilling Code of Practice

During 2010-11 extensive consultation was undertaken with the exploration drilling sector and its representatives in order to draft a Code of Practice – Exploration Drilling.

The Code is current in development, but is expected to be approved by the Mining Industry Advisory Committee for approval towards the end of 2011. The Code will be rolled out to industry at a forthcoming exploration roadshow and will form the basis of an intervention program addressing occupational safety and health in that sector.

Managing Fibrous Materials in Western Australian Mining Operations

The presence of mineral fibres in mines is a potential health factor considered by the department and the mining industry, and employers have a duty to ensure that the exposure of workers to airborne fibrous minerals is within regulatory standards, and as low as reasonably practicable.

In November 2010, the department updated its guideline on the management of fibrous materials, including asbestos, that occur in Western Australian mining operations.

Regulation of Dangerous Goods and Major Hazard Facilities

During 2010-11, the department conducted 690 inspections and 540 technical assessments including the approval of safety reports for major hazard facilities. Regular inspections and assessment of dangerous goods facilities are undertaken to ensure compliance by operators with the Dangerous Goods Regulations.

The department contributed to the proposed national Harmonisation of Explosives legislation, Hazardous Chemicals Regulations and the Major Hazard Facilities regulations and how they might be implemented uniformly across all State and Territories, to provide consistency in regulation and implementation across jurisdictions.

Safety Case and Safety Management System

The pipeline safety case emphasises consultation, employee participation and a goal-setting approach to safety, rather than prescriptive rules. A safety case is a detailed document that outlines the types of safety studies undertaken, the results of those studies and the safety management arrangements.

During the year the department assessed 60 new and 8 revised pipeline safety case (SC) or safety management systems (SMS) this financial year, whilst 43 existing SC/SMS have been maintained. Operators must demonstrate their Case for Safety through these mechanisms, which are then assessed by the department inspectors to ensure that the risk is reduced to as low as reasonably practicable level.

Read more

Economic Analysis and Statistics

The department compiles, analyses and publishes key statistical information on the key economic indicators of the performance of Western Australia's mining and petroleum industry and its role in the State and national economy.

The department provides a central facility for collection, dissemination and publication of

Western Australian resources statistics and information. The Statistics Digest, produced by the department, provides comprehensive coverage on the composition, magnitude and performance of the Western Australian mineral and petroleum industry.

Read more

SECTOR LEADERSHIP

The department is striving to ensure that its leadership strengthens the resources sector in Western Australia.

Ministerial Council on Mineral and Petroleum Resources

The Ministerial Council on Mineral and Petroleum Resources (MCMPR) seeks to ensure safe, responsible and competitive development of the nation's mineral and energy resources to optimise long-term economic, social and environmental benefits to the community.

MCMPR activities include agreeing on standard approaches, jointly coordinating activities and overcoming barriers to growth, as well as identifying and responding to emerging issues and ensuring that the sector is represented across government. The Minister for Mines and Petroleum represents Western Australia in this forum which includes those high level officers responsible for resources development across all Australian jurisdictions. The department provides

policy advice, research and coordination for the MCMPR, which was chaired by Western Australia until mid-2011.

MCMPR has been superseded by the new Standing Council for Energy and Resources (SCER).

Parliamentary Inquiry into Domestic Gas Pricing

During the year, the department responded to the Economics and Industry Standing Committee on its review of gas pricing within the State.

The mandate of this committee was to investigate the price of gas in Western Australia, to obtain comparisons from other States and to examine the contrast between domestic and international gas prices. The committee was then charged with making recommendations on measures to be introduced which could reduce the price of gas in Western Australia.

The department's involvement included the provision of a sophisticated demand and supply analysis for gas provision within Western Australia. In addition, it was responsible for addressing recommendations regarding the regulatory approvals process, the collection of royalty data and gas prices, as well as liaising with federal stakeholders to obtain the Commonwealth's input.

OUR STAKEHOLDERS

The department is committed to ensuring that it has effective and valued relationships with our stakeholders, which includes the government and the Western Australian community, other State and Australian government agencies, industry and peak bodies, research institutions, community and particular interest groups.

These stakeholders are important in influencing the department's role and assessing the department's performance.

In addition to the high level of consultation in the introduction of uranium mining, unconventional gas, carbon capture, resources safety reform, mine closure plans and mining securities reported previously in this report, the department continues to explore opportunities to consult with government, industry and the community to ensure it delivers appropriate and valued services to the community.

Kalgoorlie Mining and Environment Industry Briefings

In March 2011, the department hosted an information session in Kalgoorlie that was attended by almost 80 industry operators from the Goldfields area, with others flying in for the event from Perth. These ongoing sessions are aimed at informing industry of changes and developments in environmental matters relevant to the mining industry,

and to demonstrate the commitment of both the department and industry to continually strive for improvements in environmental performance.

From these workshops, the department is able to consult and obtain feedback from industry with regard to changes and developments, but also to improve processes and services to our key stakeholders.

Western Australian Gas Market Demand and Supply Analysis

During the year, the department undertook a complex demand and supply analysis for the Western Australian gas market.

The analysis created the State's position on gas supply and demand, and provided a platform for which policy advice and decision making was made in regard to the provision and exploration of gas within Western Australia. This analysis was also used for the State Energy Initiative directions paper and Parliamentary Inquiry into domestic gas pricing.

Building Skills in the Resources Sector

Each year, the department awards scholarships to students at the Western Australian School of Mines (WASM) to develop the next generation of skilled mining industry personnel.

At a time where skills shortages present a significant threat to the industry, the scholarship program assists students in pursuing a career pathway in the mining industry, and demonstrates the commitment of the State Government to further develop the industry.

In 2010, scholarships were awarded to Jaime Roberts (3rd year); Farjad Ather (1st year) and Scott Mackenzie (1st year).

Mining Industry Liaison Committee (MILC)

The Mining Industry Liaison Committee (MILC) was established at the request of the then Minister for Minerals and Energy in 1987 and its peak advisory body to the department for the prospecting, mineral exploration and mining sectors. It meets every quarter and includes the Chamber of Minerals and Energy of Western Australia Inc, the Association of Mining and Exploration Companies Inc, the Australian Mining and Petroleum Law Association Ltd and the Amalgamated Prospectors and Leaseholders' Association Inc. The MILC provides a forum to review and monitor all mining legislation administered by the department and any issues that may affect such mining legislation; and to make recommendations to the Minister on possible amendments or alternative procedural arrangements. As a high level and strategic committee, MILC has provided input to the Minister on recent legislative amendments.

GOVERNING OUR DEPARTMENT

The department is ensuring that it has the people, approach, systems and leadership to enable the department to respond to change and realise its vision.

A range of new programs continued or were implemented during the year focusing on staff engagement and improvement to our services.

An Innovation Peer Review Team was established, charged with facilitating discussion and the development of ideas to improve the workplace, the department's business and systems, and services to our regions. The department continued the Women's Consultative Group which focused on creating a more diverse and rewarding work environment in the department, and enhancing career opportunities for women.

Further details of specific programs and initiatives are provided below.

Equal Opportunity and Diversity

Indigenous Opportunities

The department participated with the David Wirrpanda Foundation in a program to prepare Indigenous applicants for employment in the mining and resources industries. In October

2010, the Human Resources (HR) Branch facilitated a special information day for Indigenous students currently studying at the Central Institute of Technology. The day was used to explain the role the department plays in the mining and petroleum industries and provide information on potential government career paths open to students.

Women's Participation in the Department

Jean Stewart (Manager Communications), Richard Sellers (Director General), and Amy Lynch (Senior Legal Officer), presented at this year's International Women's Day to celebrate and recognise the achievements of women globally.

This year commemorated 100 years of celebrating International Women's Day. Richard Sellers made an address and this was followed by Amy Lynch who spoke on the Women's Consultative Group's achievements in 2010 and proposed actions for 2011. Two short films were screened highlighting the achievements of past and present trailblazing women. The event was attended by 70 staff.

Youth Employment

The department continued its focus on youth employment initiatives with an intake

of five graduates and two school-based trainees including an Indigenous trainee. The department has retained one school-based trainee from 2010 and will appoint two full time school-based trainees in 2012.

For over three years the department has been coordinating a cross agency graduate program with the Department of State Development and Department of Commerce. In 2010-11, 25 graduates have participated in this program, which has recently expanded to include the Department of Regional Development and Lands.

The department provided presentations at two sessions hosted by the Public Sector Commission in relation to school-based trainees; an "Off-the-Job Training Session" on Public Sector Job Application Writing and Interview Skills, and an information session run by the Public Sector Commission for new trainee supervisors.

The department participated in an "On the Couch with the Recruiters" function with the University of Western Australia. The session was designed to inform students on how to be competitive in the Australian marketplace. It was also used as an opportunity to promote the department as an employer of choice.

Substantive Equality

The department completed a Needs and Impact Assessment within the expedited process of the future acts regime. It focused on policies and procedures administered by the Tenure and Native Title Branch to ensure that they are consistent with substantive equality principles. The assessment is currently under review by the Equal Opportunity Commission.

Employment and Industrial Relations

Most departmental staff are employed under the Public Service and Government Officers General Agreement 2011. Four staff or 1.4 Full-time Equivalents are employed under the Government Services (Miscellaneous) General Agreement 2007 and two are employed under the Salaries and Allowances Tribunal.

There are a number of different salary arrangements depending on occupational groups and business requirements, including Specified Callings, Attraction and Retention Benefit (ARB) Allowances and Attraction and Retention Incentives (ARI) Payments. It is expected that there will be an ongoing requirement to negotiate enhanced salary packages in critical professional skilled

positions with current and future employees directly linked to the resources sector, due to continued attraction and retention issues.

Comparative FTE Allocation by Category

The department's Full-time Equivalent (FTE) staffing numbers are detailed in the table below.

	30 June 2010	30 June 2011
Permanent Full Time	631	627
Contract Full Time	52	74
Part Time – Permanent and Contract	38	36
Seconded Out	7	8
Seconded In	4	1

Table 4: Department FTE Numbers

The increase in contract employees is related to the increased recruitment of Mines Safety Inspectors, under the terms and conditions of the attraction and retention incentive payments.

Delegations

A review and update of HR Delegations for Time off in Lieu, Overtime and Flextime was completed in consultation with line and senior managers.

During the year the improvement of access to HR information through the Manager's toolbox on the department's intranet continued.

Policies, procedures and guidelines were developed for the implementation of the new Attraction Retention Incentives (ARI) under the Public Sector Commission Amended Approved Procedure 7, including comprehensive probationary processes.

Other policies and procedures were reviewed and updated with emphasis on better management of grievance, discipline, recruitment and conduct.

Human Resource System Improvements

HR business and reporting systems have been further developed to meet expanding business reporting and data requirements, including recruitment, exit interviews, employee profiling and monitoring of the four day breach period trial.

Human Resource Services

HR consulting services were focused in particular on workforce planning, including recruitment activities for critical positions where applicants remain in short supply. A range of innovative recruitment strategies continue to be developed.

Initiatives include a project to research and develop a phased retirement program to assist with retention of critical skills and succession planning. This included a broad survey of staff of 55 years and over regarding their retirement intentions and preferences.

The department has continued to provide regional staff with a range of HR information first hand, with visits to Collie, Kalgoorlie, the Goldfields and Karratha.

Recruitment

The department focused on innovative recruitment and selection processes in order to respond effectively to a rapidly changing employment market linked to the resources sector. A significant increase in the number of applications for some positions was achieved, whilst for other positions the number of applications further declined mainly due to employment market competitiveness within the resources industry.

In 2010-11 four specialised recruitment campaigns were targeted to fill a range of new positions in the Mines Safety Branch of the Resources Safety Division, to enable the implementation of safety reforms in the Mining industry within Western Australia.

A range of recruitment and promotional strategies to address recruitment difficulties have been implemented including:

- Government media supported advertising programs
- Targeted advertising campaigns
- Advertising job opportunities through a range of websites and media forums
- Implementing the four day breach process to fast track selection
- Promoting opportunities to the members of WA Women in Mining
- Secondments to identified industry employers for development purposes
- Promotion of the department at career fairs and other corporate events
- Remote area attraction and retention initiatives including:

- Targeted induction kits
- Concurrent local advertising of positions
- Relocation assistance
- Job sharing
- Promotion of family friendly workplaces
- Part-time employment offers
- Improved access to information technology resources

Recruitment and selection processes currently average 43 days, and internal processes are continuously being reviewed for expediency.

Industry and Peak Body Secondments

Secondment opportunities with the Association of Mining and Exploration Companies (AMEC) and the Chamber of Minerals and Energy of Western Australia (CME) were facilitated for two staff for a one year period.

Attraction and Retention

A major achievement in 2010-11 was the development of the Attraction and Retention Incentive (ARI) in the Mines Safety Branch of the Resources Safety Division. The recommendations of the submission were approved by Labour Relations, Department of Commerce and cover over 60 designated specialist positions. The ARI provides for milestone payments on the achievement of Performance Indicators linked to the safety reforms.

Approximately 1,000 applications were received for the positions advertised, a total of 37 ARI appointments were made of which 15 are regionally based and 23 are new recruits.

Although the campaign was successful an extreme shortage of mining engineers is still apparent and some positions have not been filled. New campaigns will be developed for further intakes during 2011-12.

A submission for an ARI payment for the Petroleum Division, (Approvals) and Petroleum Safety Branch, (Resources Safety Division) was developed and lodged with the Department of Commerce for approval.

Grievance Management

A training program has been rolled out to managers throughout the year to equip them to effectively identify, manage and assist with the resolution of grievances in their work area. The focus being on early identification and intervention.

The training was provided to more than 130 managers and supervisors throughout the department, including all members of the Corporate Executive and includes:

- General Information Session – a one hour session presented by the Human Resources Branch
- Managing Workplace Conflict – a four hour interactive facilitated session.

The program included training on:

- the department's grievance process and procedures
- the role and responsibility of managers
- approaches to conflicts in the workplace
- developing skills and tools to effectively deal with conflict.

Occupational Safety, Health and Injury Management

The department is committed to the safety, health and welfare of its employees, contractors and visitors. While managers and supervisors have overall responsibility to ensure that employees are not exposed to hazards in the workplace, safety is everybody's business. The department is proactive in developing policies and implementing measures to ensure that legislative requirements are met and that managers and employees are aware of their responsibilities.



Safety Management System Audit

This year the department implemented 16 recommendations resulting from an internal audit using the WorkSafe Plan. The department's safety management system has been reviewed to include new objectives and performance indicators. The four key objectives are to:

- Continuously improve the department's Safety Management System
- Improve the department's OSH consultative mechanisms
- Reduce the frequency and severity of health and safety risks
- Train, support and motivate staff in OSH.

Further to this review, a contractor safety management system has been developed and is currently being implemented. Extensive work has also been done to ensure the hazardous substances register and material safety data sheets are maintained and up to date in all locations.

Safety Awards

The department's safety management system was reassessed using the WorkSafe Plan in March 2011 and due to improvements in all elements, received a WorkSafe Plan Silver Certificate of Achievement.

The department's OSH processes were recognised at the IFAP / CGU Awards in September 2010. The department was presented with a Platinum Safe Way Achiever Award in recognition of receiving five gold awards in consecutive years for its safety management system.

Communications

The department's main OSH consultative mechanisms include our network of 18 Safety and Health Representatives and the OSH Committee. Safety and Health Representatives inspect the workplace on a quarterly basis and report any issues via the online hazard management system. The committee is accountable to the

Corporate Executive and includes management and employee representatives, it meets quarterly to discuss and resolve safety, health and injury management issues. Other mechanisms for communication include internal newsflashes and newsletter articles and regular departmental meetings. All relevant information, policies, procedures and forms are available to staff on the department's intranet.

Policies and procedures were revised for the following topics; Eye Testing and Glasses Subsidy, Anti-Bullying in the Workplace, and Remote and Isolated Travel. The OSH training program for 2010-11 included training for new safety and health representatives, ongoing updates for first aid officers and first responders and training for floor wardens and traffic monitors. Regional staff were offered fire extinguisher training, and the chief and deputy wardens for Mineral House and Carlisle offices also underwent training.

Injury Management and Workers Compensation

The department continues to maintain a low number of workers' compensation claims and upholds a commitment to injury management demonstrated by a proactive approach to preventing injuries. Return to work programs are developed for staff with medical restrictions, including non compensable illnesses and injuries. All staff are offered workplace assessments when they commence employment to reduce the risk of overuse and postural injuries, or when specifically requested via their managers. The injury management system is available to staff on the intranet.

Table 5 provides an overview of our performance on OSH and injury management indicators for 2010-11.

Indicator	2007-08	2008-09	2009-10	2010-11
No. fatalities	0	0	0	0
No. workers' compensation claims	5	14	5	1
No. lost time injuries/diseases	3	5	4	1
Lost time injury/disease incidence rate	0.35	0.69	0.55	0.14
Lost time injury frequency rate	2.25	3.56	3.0	0.74
Lost time injury severity rate	33.33	0	0	0
% workers returned to work within 28 weeks	n/a	83.3%	100%	100%
% managers trained in OSH and injury management responsibilities	n/a	100%	80%	80%

Table 5: OSH and injury management performance indicators

Injury Management and Workers Compensation

The department continued its focus on employee health and wellness through the Working on Wellness (WoW) program. During 2010-11 staff were offered an online wellbeing survey, flu vaccinations, health and fitness checks, skin cancer screening and a variety of lunchtime forum topics. These included breast cancer awareness, sun protection and skin care, healthy eating, health issues facing men and ways to beat insomnia. In addition, various corporate events were sponsored by the department including the Department of Transport Corporate Pedometer Challenge, the Bank of Queensland Volleyball and Petanque Corporate Challenge, City to Surf and the Skilled Corporate Triathlon. A blood donation program continued to be part of WoW. There were also practical demonstrations for fast and healthy cooking, setting up a weight training program at home and tai chi.

The department measures its success against a number of additional indicators as demonstrated in Table 6.

Indicator	2008-09	2009-10	2010-11
Safety and health representatives	16	15	18
Hazard notifications	73	69	103
Incident reports	37	28	25
Internal safety audits	12	8	12
Workplace assessments	410	56	125
OSH inductions	103	70	115
OSH newsflash items	70	44	46
First aid training courses	35	31	22
Eye glasses subsidy	63	52	45

Table 6: Additional OSH Indicators

Employee Assistance Program

All departmental staff have access to the Employee Assistance Program (EAP), which offers free counselling sessions for staff, their partners and immediate family. The program continues to be well utilised for both work and personal issues.

In the period under review, there were 34 new cases opened and a utilisation rate of 5 percent which is consistent with a broad range of public sector organisations which range from 5-8 percent. The average number of sessions was 2.9. Nineteen staff presented to the EAP for personal issues, three presented for work issues and eleven presented for both.

Learning and Development

In 2010-11 there was a strong focus on enhancing the department's leadership capability. The Management Excellence Development Program was provided to seventeen managers. The program consisted of six modules covering a range of topics including motivating and managing staff, developing high performance teams and driving business improvements. Participants were also required to complete a workplace

project. This program was run in addition to other general leadership programs being offered to staff.

The department continued to provide Workplace Conduct and Awareness training to new staff and regional offices. New staff were also specifically trained in Work and Development Planning; managers attended training on the Conflict of Interest policy.

Other training and development initiatives that were delivered included:

- Mentoring
- Diversity and Equal Opportunity

An intensive program of training for managers and staff in recording of flextime, time off in lieu and overtime was undertaken in the Mines Safety Branch.

A total of 306 officers have been trained in the department's recruitment and selection procedures including 115 during 2010-11. Sixty two staff have now attended CV writing training in various locations including Perth, Cannington and Kalgoorlie. The CV and interview training program has been reviewed and updated during 2010-11 to incorporate the introduction of commissioner's instructions.

Compliance with Public Sector Standards and Ethics

The Public Sector Standard, the Western Australian Public Code of Ethics and the department's Code of Conduct are included in mandatory staff inductions and accessible via the staff intranet. The Code of Ethics and the department's Code of Conduct are also included in the department's Workplace Conduct training.

On 1 December 2010, the *Public Sector Reform Act 2010*, came into effect, amending the *Public Sector Management Act 1994*. As a result of this reform the department amended the relevant corporate human resource policy and procedures, specifically related to the introduction of the Employment Standard and Filling a Public Sector Vacancy Commissioner's Instruction, and the introduction of the Commissioner's Instructions: Discipline – General and Discipline – Former Employees. Changes to the policies and procedures were endorsed by Executive and published and communicated to staff via pamphlets, intranet news bulletins and staff and management information sessions.

The department was advised in July 2010 that a breach claim against the Grievance Resolution Standard, referred to the Office of Public Sector Standards Commissioner in May 2009-10 was found to be unsubstantiated.

In 2010-11, one breach claim against the Employment Standard was made. The claim was referred to the Public Sector Commissioner and was found to be unsubstantiated.

Two formal grievances were received in 2010-11; one has been resolved, the investigation into the formal grievance has not been finalised.

Recordkeeping Plan

The current Recordkeeping Plan for the department was approved by the State Records Commission in October 2009 and is valid until 2014.

The corporate recordkeeping systems and databases underwent significant review this year resulting in the implementation of Records System integration with four new major corporate databases; Environment Assessment and Regulatory System (EARS), Petroleum Geothermal Register (PGR), Mineral Titles Online (eMiTs) and Safety Regulation System (SRS). A major upgrade of the Corporate Records System to improve functionality and speed has resulted in a faster and stronger Records Management tool.

The department's ongoing commitment to

quality recordkeeping training continued with:

- 140 new staff receiving Recordkeeping Induction Training covering legal and compliance requirements, employee roles and responsibilities and introductory use of the Corporate Records System. Training was conducted on a one-to-one basis
- 25 staff receiving tailored recordkeeping training to facilitate the transition from paper based to electronic document and records management
- 19 staff receiving training in the more advanced functionality of the Records System
- 17 staff receiving targeted training in other recordkeeping skills such as the development and use of effective document title naming conventions and preservation of records
- 19 regional staff received training in the scanning/digitizing of documents, to required standards, to facilitate state-wide information flow and shorten approvals timelines
- 704 staff received either introductory or refresher training in the department's Electronic Document Management System, "OurDocs".

The Records Branch Management Group met monthly to discuss and resolve recordkeeping issues as well as plan further development towards full Electronic Document and Records Management.

A new Records Branch group was established and met regularly involving records staff with the responsibility for digitizing and indexing paper documents. Known as the Scanners and Indexers Group, this group met regularly to discuss and resolve digitization issues and receive training and development with the objective of producing the highest possible quality in scanned/digitized documents.

Disability Access and Inclusion Plan Outcomes

The department has progressed its work on the Disability Access and Inclusion Plan (DAIP) for 2010 to 2015. Specific strategies focussing on six outcomes have been developed with a view to improving access and inclusion for people with disabilities to support the principles and to meet the objectives of the *Disability Services Act 1993* WA. These strategies are subject to review when necessary.

During 2010-11, the department provided support for a deaf participant to attend a training program held at a regional centre. The department arranged for interpreters thus ensuring that disabled people have the same opportunities to access information as others.

The department has demonstrated its commitments and obligations under the Act by addressing the following outcomes:

Outcome 1: People with disabilities have the same opportunities as other people to access the services of, and any events organised by the department.

The department is committed to providing equal access for people with disabilities to

all public events in appropriate venues. In this regard, the department's events manual outlines the guidelines for employees on conducting events. It emphasises that events must cater for the needs of people with a disability. It also includes a checklist for staff to ensure that no individual or group is inappropriately excluded by ensuring that department-sponsored events can be accessed and enjoyed by everyone.

Outcome 2: People with disabilities have the same opportunities as other people to access the buildings and other facilities of the department.

The department continued to work towards all office buildings and facilities being physically accessible to people with disabilities. Where the provision of such facilities is restricted, such as in some leased premises and some regional offices classified under Heritage Buildings, staff are informed to make necessary arrangements on request to provide appropriate access. Disabled access parking bays are provided at the main Perth Office at Mineral House as well as toilet facilities for disabled people.

Outcome 3: People with disabilities can access information from the department as readily as other people are able to access it.

The department endeavours to meet the recommendations of the Office of e-Government as specified in the Western Australian Website Governance Framework in regards to accessibility. Currently the minimum requirement is to be Priority 1 accessible. The department, however, actively strives to comply with Priority 2 and, where possible, above.

The department is seeking to implement and comply with the forthcoming Website Accessibility Web Standard that will be created based on the W3C's Web Content Accessibility Guidelines 2.0 (WCAG 2.0). The WCAG 2.0 was endorsed on December 2008.

The department is committed to providing information for disabled people in alternative formats upon request.

Outcome 4: People with disabilities receive the same level and quality of service from the staff of the department as other people receive.

The department is committed to treating all customers and stakeholders equally, in an open, honest and impartial manner.

These issues will be addressed through a newly formed departmental Disability Access and Inclusion Plan (DAIP) Working Group.

In dealing with these issues, the Working Group will:

- Provide a forum/focal point for communication and advice on DAIP issues across the department
- Guide the development and implementation of DAIP initiatives on the six outcomes in accordance with disability legislation
- Identify, and make recommendations on DAIP issues that need to be referred to the Corporate Executive.

Outcome 5: People with disabilities have the same opportunities as other people to make complaints to the department.

The department has an effective internal complaints management system where the Director General is ultimately answerable to complaints. Complaints are handled and addressed honestly and impartially, via an open communication and transparent process. Importantly, the department recognises complaints are a useful tool for improving services.

Outcome 6: People with disabilities have the same opportunities as other people to participate in any public consultation by the department.

The department strives to include a broad representation of people, including those with disabilities, from the local community in public consultation processes. This approach recognises the importance of engaging people of varying backgrounds, skills, talents and that different perspectives are valuable in consultation processes.

Pricing Policies of Services Provided

The department's user charges and fees are reviewed annually in accordance with the Government's policy on the costing and pricing of government services. Under this policy, increases in user charges and fees are generally limited to increases in the CPI as advised by the Department of Treasury and endeavour to recover the full cost of service delivery where possible.

The mine safety levy rate for 2011-12 and subsequent years is determined using an estimate of the operating costs of the mines safety regulatory services for the following financial year. This cost is then divided by

an estimate of the number of hours worked by mining industry workers for the following financial year.

Capital Projects

For the 2010-11 period, no major capital projects were completed.

Advertising

In accordance with section 175ZE of the *Electoral Act 1907*, the department incurred the following expenditure for advertising, market research, polling, direct mail and media advertising:

2010-11 Expenditure	
Advertising Agencies	
	\$Nil
Media Advertising Organisations	
Adcorp	\$581,228
OMD Advertising	\$353,439
Government Gazette	\$918
Market Research Organisations	
Research Solutions	\$54,550
Polling Organisations	
	\$Nil
Direct Mail	
ACTIV Industries	\$4,559
TOTAL EXPENDITURE	\$994,695

Table 7: Summary of expenditure for advertising

Ministerial Directives

During the 2010–11 financial year, the department did not receive any Ministerial Directives.

Senior Officers

At the date of reporting, other than normal contracts of employment of service, no senior officers, or firms of which senior officers are members, or entities in which senior officers have any substantial interests, had any interests in existing or proposed contracts with the office and senior officers.