



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

RESOURCES SAFETY ACHIEVEMENTS AND PERFORMANCE 2012-13

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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, 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 safety and health with companies involved in the resources industry. The division provides online quick access to key occupational health and safety matters, presents safety reform to industry through skilled inspectorate interaction and meets with industry in a series of informative roadshow forums.

Significant investment and growth in the mining and petroleum and geothermal energy sectors 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 this came into effect in December 2009, through levies as defined in the Mines Safety and Inspection Act 1994. For the petroleum and geothermal energy industry this came into effect in January 2012, through levies as defined in the Petroleum and Geothermal Energy Safety Levies Act 2011. Cost recovery in the dangerous goods sector has been through increases in major hazard facility fees and user fees for explosives reserves.

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

The form and content of this report was determined in consultation with the Ministerial Advisory Panel on Best Practice Safety Strategies which consisted of representatives from industry, unions and the regulator.

2 Mining safety and health

2.1 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.

2.2 Income and expenditure statement

The table below shows the income and expenditure against the Mines Safety and Inspection Levy. Full year expenditure figures are reported for the years 30 June 2011 to 30 June 2013.

	2010-11 July-June ACTUALS \$'000s	2011-12 July-June ACTUALS \$'000s	2012-13 July-June ACTUALS \$'000s	2013-14 July-June BUDGET \$'000s
Opening balance	1,932	2,013	11,352	10,459
EXPENSES				
Salaries and Superannuation	11,473	14,346	14,353	16,446
Training and development	370	39	316	349
Supplies and services	4,104	4,621	4,484	4,940
Office accommodation	551	660	824	972
Depreciation	133	419	209	273
Other expenses	9	43	151	162
Corporate costs	3,583	4,651	4,799	4,499
	20,223	24,779	25,136	27,641
INCOME				
Funds raised by Levy	20,304	34,118	24,243	21,868
Surplus for the period	81	9,339	(893)	(5,773)
Accumulated surplus	2,013	11,352	10,459	4,686

2.3 Performance

The following table reports on the work of the mining safety inspectorate during 2012-13. Additional functions are undertaken by the Department to meet its obligations as a safety regulator.

Function or activity	Indicator	Activity	Additional comment(s)
Complaints about workplace health and safety	Number of complaints received and resolved	215 formal complaints dealt with	All complaints resolved within agreed timeframes
Notifiable incidents	Number of incident reports received and processed	2599 notifiable incidents received and entered into the Safety Regulation System (reporting database)	All incident reports processed within agreed timeframe
Investigations	Number of Investigations conducted	42 formal investigations undertaken and finalised. 6 were related to fatal accidents since 2010-11	All investigations completed within appropriate timeframes
Inspections and audits	Rate of close-out of Notices issued by inspectors	2672 site inspections and industry contacts carried out. 763 Improvement Notices issued and 501 closed out. 170 Prohibition notices issued. 179 site audits carried out. 1907 formal contacts with Safety and Health Representatives by an inspector on site and training presentations.	
Approvals	Technical assessments and response concluded within 30 working days for: - Project Management Plans - Radiation Management Plans - Mechanical, Structural and Geotechnical Engineering	870 technical assessments and reviews undertaken. This includes: 88 Project Management Plans 24 Radiation Management Plans 57 Classified plant registrations	All completed within required timeframes
Training	Number of inspectors who have completed scheduled training	257 inspectors' training events attended. 162 Competency based assessments passed.	

3 Petroleum and geothermal energy safety and health

3.1 Auditing of revenue and expenditure

A Special Purpose Account has been established to hold monies collected from petroleum and geothermal energy safety levies. The monies in this account can only be used for the purpose of paying costs associated with administering the *Petroleum and Geothermal Energy Safety Levies Act 2011* and the administration and enforcement of the listed OSH laws in the petroleum safety legislation.

Compliance with this requirement and 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 RADARS program will be undertaken by an independent party within three to four years of the commencement of the levy.

3.2 Income and expenditure statement

The table below shows the income and expenditure against the Petroleum and Geothermal Energy Safety Levies. Full year expenditure figures are reported for the year ending 30 June 2013.

	2011-12 January-June ACTUALS \$'000s	2012-13 July-June ACTUALS \$'000s	2013-14 July-June BUDGET \$'000s
Opening balance		425	1,216
EXPENSES			
Salaries and Superannuation	1,287	2,892	3,479
Training and development	11	178	230
Supplies and services	82	727	1,228
Office accommodation	14	71	95
Depreciation	21	5	8
Other expenses	4	1	0
Corporate costs	559	1,052	1,188
	1,978	4,926	6,228
INCOME			
Funds raised by Levy	2,403	5,717	5,253
Surplus for the period	425	791	975
Accumulated surplus		1,216	2,191

3.3 Performance

The following table reports on the work of the petroleum safety inspectorate for the half year ended 30 June 2013. Additional functions are undertaken by the Department to meet its obligations as a safety regulator.

Function or activity	Indicator	Activity	Additional comment(s)
Investigations and reviewed investigations	Number of Investigations and investigations reviewed	2 formal investigation participation. 33 investigations reviewed.	All investigations reviewed within appropriate timeframes
Audits	Number of audits conducted by inspectors	21 audits completed or reviewed.	See note below
Safety Case	Safety Case assessments - New	4 new safety case assessments completed.	All completed within required timeframes
Safety Management System	Safety Management System assessment – New	10 new safety management system assessments completed.	All completed within required timeframes
	Safety Case / Safety Management System assessment – Revised	18 revised safety case / safety management system assessments completed	All completed within required timeframes
	Safety Case / Safety Management System assessment - Maintenance	0 maintenance safety case / safety management system assessments completed	
Training	Number of inspectors who have completed scheduled training	219 inspectors' training events attended. 124 competency based assessments passed.	Completed according to schedule.

NOTE: The performance indicators shown in the table above 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, much of the data management is undertaken manually. Once SRS is operational, appropriate targets will be set and reported against.

4 Dangerous goods

4.1 Performance

The following table reports on the work of the dangerous goods safety inspectorate during 2012-13. Additional functions are undertaken by the Department to meet its obligations as a safety regulator.

Function or activity	Indicator	Activity	Additional comment(s)
Investigations	Number of investigations conducted	88 formal investigations undertaken and finalised.	All investigations completed within appropriate timeframes
	Number of major hazard facility (MHF) investigations reviewed	26 major hazard facility investigations reviewed.	
Inspections and audits	Number of inspections conducted	703 site inspections conducted.	See note below
	Number of audits conducted	17 site audits conducted.	
	Number of audits (MHF) reviewed	1 major hazard facility audits reviewed.	
Technical assessments and reviews	<ul style="list-style-type: none"> - DG licence applications or amendments - Exemption requests - Explosives / fireworks authorisations - Explosive licence applications or amendments (all types) - Explosives management plans - Fireworks display permit applications - MHF screenings - Security plans (SRS) - Port Special berth approvals - Transport container design approvals - Training courses and exemption requests 	607 technical assessments and reviews undertaken.	All completed within required timeframes
MHF Safety Report assessments - New/Update	Number of new/updated MHF safety report assessments conducted	3 safety report assessments conducted.	All completed within required timeframes
Training	Number of inspectors who have completed scheduled training	155 inspectors' training events attended. 100 competency based assessments passed.	

NOTE: The performance indicators shown in the table above 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, much of the data management is undertaken manually. Once SRS is operational, appropriate targets will be set and reported against.

5 Achievements

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.

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 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.

Teams established for Mines Safety

A major initiative under the safety reform strategy for Resources Safety has been the adoption of a team approach for the mines inspectorate to provide a spread of experience and expertise within the teams of inspectors assigned to particular regions or activities.

The establishment of teams has led to more effective delivery of regulatory services. Sites are typically visited by two to three inspectors with complementary disciplines to add value and reduce duplication.

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. A similar intensive program has been developed for petroleum safety inspectors, and for dangerous goods officers.

Petroleum and Dangerous goods recruitment and ARI

Full cost recovery was introduced for major hazard facilities; the ARI scheme was implemented; and a comprehensive dangerous goods training program was adopted in dangerous goods safety. These measures will ensure ongoing provision of high quality dangerous goods safety regulation services.

The safety levy legislation was amended to incorporate offshore petroleum operations and introduce a cost recovery regime for offshore safety regulatory services in coastal waters. This also resulted in a review and an overall reduction in rating unit cost.

The ARI regime was enhanced and made electronic and a successful recruitment campaign was conducted to fully resource the new team based structure recently introduced.

Industry consultations

In July 2012, Resources Safety presented the fifth annual Exploration Roadshow in Kalgoorlie and Perth which was attended by almost 150 participants. The event was used to transmit information to industry regarding safety forum progress, industry performance and management of exploration sites. Much of the program was devoted to the drilling code of practice, released later in 2012.

In October 2012, the eighth annual Mines Safety Roadshow series travelled to the regional centres of Geraldton, Port Hedland, Karratha, Newman, Bunbury and Kalgoorlie, and was also presented in Perth. There were approximately 550 participants. Presentations and workshops focussed on self-regulation and how it can improve safety outcomes, managing fatigue, the importance of management and supervision, and safety concerns associated with construction and maintenance.

Internal focus groups

The 2012-13 operational plan included the implementation of structured approaches to key industry issues through the work of focus groups and inspectorate teams using evidence-based risk management methodologies.

There are 14 focus groups covering:

- Risk
- Mining safety and health culture
- Safety and health representatives
- Health and hygiene
- General OHS (including construction)
- Mineral exploration
- Mining – underground
- Mining – open pit
- Automation
- Mineral processing
- Mechanical engineering
- Electrical engineering
- Geotechnical
- Audit.

Each focus group has identified key priorities to support the inspectorate's safety compliance strategies. The aim is to achieve relevant and effective outcomes from operational activities using a project management approach. This has led to a more consistent framework for the inspectorate's work across the State.