

MINERALS AND EXTRACTIVE OPERATIONS NEWSLETTER

MAY 2006



DEAR MINE AND QUARRY OWNER

The death of Larry Knight at the Beaconsfield Gold Mine brings the total number of fatalities in the Australian Minerals Sector to eleven this financial year.

Over the last decade significant improvements have been achieved in minimising workplace injuries. The number of lost time injuries in the minerals sector across Australia has decreased by 70% from 5128 to 1520 (MCA Health and Safety Performance Report 2003-04).

The same level of success has not been achieved in reducing significant incidents, fatalities and multiple fatalities. The accountability for fatality prevention rests with mine and quarry owners and requires a systematic approach to identifying all the hazards with the potential for serious injury and fatalities and to ensure that effective controls are in place.

Administrative controls are not adequate for hazards with the potential to cause serious injury or fatalities.

We all make mistakes and controls need to account for human error.

This newsletter has been mailed to all mine and quarry owners, industry associations and other stakeholders.

The newsletter should be distributed to your quarry manager's and your operations. It can also be accessed on the Department's external site at <http://www.dpi.vic.gov.au/minpet>.

JOHN MITAS
Manager Minerals and Extractive Operations

1. FOCUS ON COMMUNITY IMPACTS

The Minerals and Extractive Operations Group next targeted audit programme will be focusing on environmental impacts from dust and noise from and will be targeting mines and quarries that



are located close to residential areas.

An audit tool has been developed for the project and elements include site observation,

procedures and controls for dust and noise mitigation complaint management and monitoring results.

John Mitas, Manager Minerals and Extractive Operations

2. EMERGENCY RESPONSE

Inefficient management of emergencies is likely to occur without proper planning - this could lead to unnecessary injuries, property or environmental damage or even loss of life.

Whilst it is the employer's responsibility to establish safety management systems that eliminate or minimise the potential for an emergency to arise, setting up an emergency plan can lead to a prompt and effective response. Objectives of an emergency plan should be:-

- to reduce the risk to life, the environment and property, and
- to control an incident and minimise its effects, and

- to clearly set out the training needs of each of the people who could be involved in any emergency at your mine site.

Essential elements of an emergency plan are:-

- easily read and understood text,
- a clear worksite location plan,
- a worksite layout plan (including entrance roadways/tracks, buildings, dangerous goods use and storage areas etc),
- an emergency plan operations' flowchart – ie who does what, when and how,
- detail location of material safety data sheets to provide advice to emergency services personnel on the nature of the hazards present and the correct responses,
- provision for adequate rescue equipment.

The plan should be the subject of adequate training for all worksite employees, be readily available and should be reviewed on a regular schedule and revised when necessary.

An emergency plan must be prepared in conjunction with emergency services who have responsibility for the area in which the mine is located.

An emergency plan is an essential part of a mine's and quarry's health and safety management strategy – small, large, surface or underground – however the most desirable strategy is prevention.

A good example is ground control in underground mining. Ground conditions rarely remain the same over the life of the mine. The interaction of nearby stopes and/or development can cause ground conditions to change.

Remaining alert is paramount, if ground needs supporting then it is foolhardy to venture into unsupported areas. Yes, it may be inconvenient to wait – but a fatal incident is forever.

Graeme McLaughlan, Manager Minerals and Extractive Operations (Southwest)

3. AUDITING OF PRESCRIBED MINES

Prescribed mines are required to have a documented safety management system as the principal means of managing safety. They are also required to conduct safety assessments and develop controls for hazards that pose a significant risk of causing injury or death. The Department of Primary Industries (DPI) audit of prescribed mines focuses on major mining

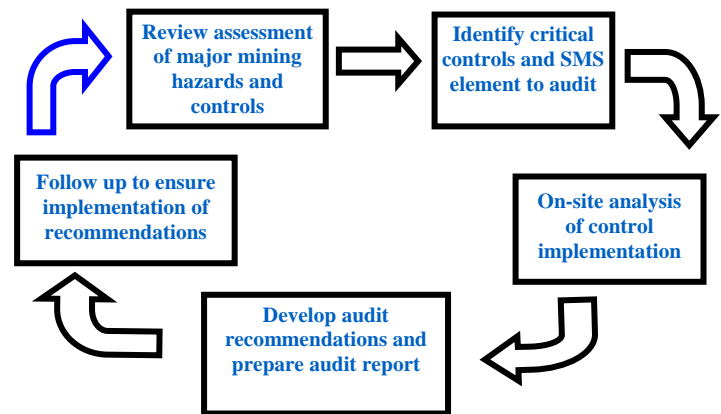
hazards and critical risk controls. Audits aim to assess the effectiveness of risk controls in addition to the provision of advice on improvements to the management of risk.

DPI uses a team-based approach to audits and team members include people with mining, engineering and OHS skills.

Audits aim to ensure:

- controls are in place and operating as intended;
- controls are designed well enough to ensure risks are managed effectively; and
- mine owners response to risk is adequate and effective and risks are reduced to an acceptable level.

An important principle of the approach is the concept of the audit cycle (see below).



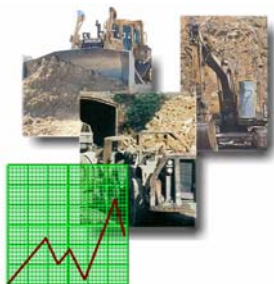
The key to the audit cycle is repeating it on one or more occasions to assess the continued effectiveness of hazarding controls.

A review of the auditing programme has indicated the following areas for improvement:

- Continuous improvement and implementation of Safety Management Systems.
- Need for ongoing identification and risk assessment of hazards and the ongoing review of critical controls.
- Implementation of effective ground control.
- Critical assessment of the management of mobile plant.
- Contractor management.

Geoff Gilbert Lead Auditor

4. WHY TENEMENT COMPLIANCE MATTERS



The granting of a tenement under either the *Mineral Resources Development Act 1990* (MRDA) or the

Extractive industries Development Act 1995 (EIDA), is conditional upon continual compliance with various requirements of the tenement, including:-

- Submission of items for an MRDA Work Authority - MRDA;
- Annual expenditure commitments - MRDA;
- Payment of rent on Mining Licences - MRDA;
- Payment of royalty (where relevant) on Mining Licences – MRDA;
- Section 15(6) of the Act (incl. "Fit and Proper") – MRDA;
- Adherence to operating conditions - MRDA and EIDA;
- Approved work plans - MRDA and EIDA;
- Maintenance of current Public Liability Insurance at all times whilst work occurs - MRDA and EIDA;
- Submission of Statutory returns – MRDA and EIDA;
- Submission of revised rehabilitation bonds - MRDA and EIDA.

An important function of the Department's regulatory role is to monitor tenements in an integrated, consistent and timely manner to ensure satisfactory tenement compliance.

To achieve this, the Department conducts **regular** compliance reviews of tenements. Tenement holders are therefore reminded that they need to be aware of their requirements and ensure they are adhered to. The Department has published a comprehensive booklet which details these requirements. The booklet "*Why Tenement Compliance Matters*" is available upon request from the Department, or can be accessed on the Department's Internet site at <http://www.dpi.vic.gov.au/minpet>.

Minerals and Petroleum Regulation (MPR) maintains a regulatory staff presence at Ballarat, Benalla, Bendigo, Traralgon and

Melbourne. Staff comprises Inspectors, Regulation Officers, Environmental Officers, Tenements Officers and a Manager, Tenements Compliance Auditing. Staff in MPR regularly monitor tenement holders compliance.

Apart from fulfilling the legislative requirements, satisfactory compliance is important to ensure only genuine holders retain land. Other benefits resulting from full compliance include submission of Statutory Returns, which improves the quality of data collected and enhances the useability of information on the activities and level of work, including rehabilitation and safety.

To ensure the accuracy of information, the Department may conduct random audits including submission of verifying documentation to support the reported details.

Tenement holders have a responsibility to ensure they comply with these requirements at all times. Failure to comply, can in some instances result in enforcement action including issuing an Infringement Notice, prosecution or the tenement being cancelled.

Kevin Nink Tenement Compliance Officer

5. NEW BROCHURES GUIDE PLANNING AND WORK PLAN APPROVALS

The Minerals and Petroleum Regulation Branch has prepared two new brochures on Victoria's mining and extractive industry planning and work plan approval processes.

Published under the Department of Sustainability and Environment's (DSE) Planning Practice Note series, the brochures provide an overview of the works approval processes under Victorian planning, mining and extractive industry legislation. Primarily aimed at local government town planners, the brochures will also be of assistance to communities, land owners and operators.

For an electronic copy of these brochures visit either DSE or DPI:

[www.dpi.vic.gov.au/minpet/Licences and Approvals/](http://www.dpi.vic.gov.au/minpet/Licences%20and%20Approvals/)Minerals Exploration and Mining Requirements or Extractive Industry Requirements,

www.dse.vic.gov.au/planning.

Should you have any queries about planning related matters contact DPI's Planning Manager, Joel Twining, on 9658 4434.

Joel Twining Planning Manager

6. SIGNIFICANT INCIDENT REPORTS

All the Significant Incident reports are published on the Department's website www.dpi.vic.gov/minerals under Petroleum/Health and Safety/Significant Incidents.

The latest Significant Incident Reports are attached to this newsletter for distribution and discussion with your employees.

The Department has commenced emailing Significant Incident Reports to Tenement Holders as they become available.

If you would like to be included on this email list, please email jane.fay@dpi.vic.gov.au quoting your Tenement Number/s and the appropriate email address.

7. GUARDING BLITZ

The guarding blitz announced in December 2005 and carried out in early 2006 is now complete. 78 sites were visited by the Minerals and Extractive Operation Group.

The audits identified that a substantial number of areas where guarding was used to prevent access to nip points were inadequate.

The audit also identified a considerable number of accessible nip points with no guarding at all.

The results of the audit are of concern to the Department and enforcement actions were taken with the issue of 6 Prohibition Notices and 64 Improvement Notices.

Guarding of nip points has been industry practice for some time now and the Department will be expecting a much higher level of compliance in the future.

The following graphs provide analysis of the key elements of the blitz.

