

Following a request for exemptions from Clause 155 of the Mine Health and Safety Regulation 2007 for exploration licence holders, the Chief Inspector has issued the following response.

Exemptions from Clause 155 of the Mine Health and Safety Regulation 2007 for Exploration Licence Holders regarding Quarterly Statistics

I have considered the circumstances of exploration licence (EL) holders with respect to the requirements of the clause and believe that given those circumstances, EL holders will not need exemptions if the current in practice operational processes with respect to ELs are utilised to ensure recording and reporting of the requirements.

The Mine Safety Unit will accept the reports from the EL holder and the actual on EL operator for the information they respectively have control of and therefore can report. The aggregate of these reports should provide the necessary information for the purposes of clause 155 and spread the burden of reporting to those that have ready access to the information sought.

I am advised that current practice is as follows:

1. An Exploration Licence does constitute a mine under the Act

If any actual mining-related work (drilling, rock chipping, surveying, sampling, etc) is being conducted within an EL, then a Nomination of Operator form is needed, and workforce and injury numbers are reportable quarterly.

All the latest reporting forms and guidance notes including the **Nomination of Operator** form (GNM-001) and the quarterly **Workplace Injury Report** form (MEX-WIR) are located at:

http://www.dpi.nsw.gov.au/minerals/safety/legislation/mines/supporting-resources

2. Nomination of Operator

The EL holder can choose to nominate themselves as the operator and have a Contractor management Plan in place to coordinate the companies they engage to do the work. However, in about 90% of cases they choose to nominate the drilling company as the operator.

For geographically extensive ELs there may be more than one drilling company operator. In other cases a single drilling company may be doing work on more than one EL. Some ELs will have one or more drilling company operators, plus a Nomination of Operator for the EL holder to cover any general work they may commission outside the area covered by the drilling company, which is generally considered to be 30 metres around the drill rig sites (but note that all work the drilling company does within the EL must be counted on the workplace injury report).

To simplify the workload when there are overlapping operator arrangements the paperwork for these can generally be sent together provided the demarcations of responsibility are understandable. Our regional administration staff may need to request additional material in some such cases before the Nomination of Operator can be

accepted. If in doubt call the regional office first, as technically no work is permitted until a Nomination of Operator has been lodged and accepted.

3. Quarterly Workplace Injury Reports

Industry & Investment NSW, Minerals & Energy – Mine Safety Unit is required to collect and report all hours worked and injuries sustained in the NSW mining industry, and therefore all employee and contractor numbers, hours and injuries must be reported for each mine (including ELs). Each operator must report these numbers separately for each EL or mine they operate. The Unit cannot receive aggregated numbers that cover multiple ELs, but can accept partial numbers for an EL from each of its operators, provided they total 100% of the numbers for the EL.

Operators should note that the MEX-WIR form is designed to minimise the compliance cost by permitting the operator to list up to ten of its mines on a single form, and to declare that any other mines which it operates were inactive in this quarter.

4. Out of scope work

Work at an office located on the mine is counted as mining work for the WIR, but not technical or administration work done in an office located elsewhere. Commonsense should prevail in situations where a town-based office is technically within the area of a very large EL, but is plainly not on a mine.

A drilling company operator should complete a MEX-WIR form separately listing the employee and contractor data for all work done within each EL including moving drill rigs between sites within the EL. (They will already be reporting these hours to the EL holder for billing purposes, but may need to separate the numbers if the work covers more than one EL). By adopting this procedure the provisions of clause 155 can be achieved with little additional administration by the EL holder.

5. MHS Act Review

The statutory review of the Mine Health and Safety Act will take place this year and specific mention is made of these additional reporting requirements and their applicability to explorers.

The above arrangements appear to have been working reasonably well albeit that the Act still imposes administrative work not previously required on explorers.

If you require further information please feel free to call Francis Young, Manager Performance Measures on 02 4931 6509 for further information.

In the Central West Area Inspector of Mines, Mark Stephens on 02 6360 5363 or 0429 908 271, has been dealing extensively with exploration companies as they transitioned to the Mine Safety jurisdiction under the mine safety legislation, and has invited officers of exploration companies to call him if further discussion is necessary.

Rob Regan Director Mine Safety Operations Chief Inspector

18 March 2010