



# Reforming Environmental Regulation

Implementing best practice environmental regulation principles in the Department of Mines and Petroleum



## Objectives and Implementation Plan

### INTRODUCTION

1. The Department of Mines and Petroleum (DMP) is the lead agency for regulating mining and petroleum exploration and development activities. The environmental regulatory role of DMP operates within, and contributes to, a State and Federal regulatory framework. DMP's role is to:
  - undertake environmental impact assessment (EIA) and compliance monitoring under the *Mining Act 1978*; *Petroleum and Geothermal Energy Resources Act 1967*; *Petroleum (Submerged Lands) Act 1982*; *Petroleum Pipelines Act 1969*
  - investigate and enforce compliance with EIA approvals
  - provide information products on its regulatory services
  - provide advice to other government agencies.

The primacy of the *Environmental Protection Act 1986* is recognised for proposals which have the potential to have environmentally significant<sup>1</sup> impacts.
2. As supported by independent and industry reviews<sup>2</sup> of Western Australia's environmental regulation, DMP will implement a resourced and consultative Reforming Environmental Regulation (RER) program to fully integrate a risk based approach to achieve best practice in its regulatory services.

3. Regulatory approvals reform is a priority for State and Commonwealth environmental regulators. DMP's RER program will address the delivery of its environmental regulatory services and its interface with other regulators to remove any duplication. The implementation of the RER program will align with, and complement, approvals reform by other State and Commonwealth agencies, and at the whole of government level.

### REFORM OBJECTIVES

4. The objective of the RER program is to implement the principles of best practice regulation of the resources sector to ensure environmental integrity is maintained.
5. Through establishing a risk and outcome based regulatory framework, DMP will ensure its regulatory effort is targeted and proportionate, such that regulatory effort protects environmental values in an effective, efficient and timely manner.
6. DMP will undertake ongoing monitoring and evaluation of key performance indicators to complement a risk based approach by ensuring resources have been appropriately allocated to minimise environmental risk.
7. DMP will administer a risk based regulatory framework in accordance with the principles of best practice government administration – accountability; transparency; predictability; proportionate; and targeted.

<sup>1</sup> Environmental significance as identified in the Environmental Protection Authority's Guidance Statement No. 33 – Environmental Guidance for Planning and Development.

<sup>2</sup> Western Australian Auditor General's Report on *Ensuring Compliance with Conditions on Mining*, Report No.8 – September 2011; Hunter Report on *Regulation of Shale, Coal Seam and Tight Gas Activities in Western Australia* – July 2011; Chamber of Minerals and Energy of Western Australia paper on *Approvals Reform Implementation* – December 2011; Association of Mining and Exploration Companies paper on *Blueprint for Approvals Reform in Western Australia* – February 2012.

## IMPLEMENTATION

8. DMP's development and implementation of the RER program will be consultative and collaborative with stakeholders. Early and ongoing engagement with stakeholders will effectively guide the development of the specific details and actions of the RER program.

### Governance Structure

9. A Ministerial Advisory Panel (MAP) will be established to formally include stakeholders in the RER program. MAP will follow an agreed Terms of Reference.
10. MAP will identify and establish the scope and functions of Working Groups to progress an agenda of essential reforms.
11. Specific reform workshops will be held for detailed input and collaboration on particular projects.

### Timing

12. MAP will operate from June to December 2012.
13. The detail of specific procedural, policy and legislative reforms required will be identified by February 2013.
14. Any opportunity to implement agreed reforms throughout this review period, as they are identified, will depend upon opportunities and funding availability.

### Resourcing

15. A dedicated implementation team will be established within DMP to coordinate the delivery of the RER program.

## KEY THEMES

16. The agreed outcomes of the RER program are presented below under the following themes: service delivery; people; information; and continuous improvement.
17. The optimum structure and services identified under the four themes of the review will include an assessment of the ongoing resourcing required to maintain best practice standards of regulation.
18. If the identified optimum structure and service level requires additional funding above existing levels of government appropriation, DMP will undertake a consultative process to assess funding options.

### Service Delivery

19. The functions and activities undertaken by DMP are delivered in accordance with best practice environmental regulation:
  - i.) implement a risk based package of services to target effort towards minimising environmental risk
  - ii.) assess proposals according to a transparent risk and outcome based methodology
  - iii.) deliver approval conditions which are outcomes based, clear, reasonable and enforceable

- iv.) ensure targeted and effective environmental compliance monitoring
- v.) deliver proportionate and timely enforcement and prosecution actions.

### People

20. DMP has the necessary people, skills, knowledge and capacity:
  - i.) organisational and administrative structure supports the delivery of services in a cost effective and sustainable way
  - ii.) attraction and retention initiatives for key expert roles linked to a performance management system
  - iii.) appropriate staffing numbers with necessary expertise
  - iv.) formal and comprehensive competency based staff training program aligned to regulatory functions.

### Information

21. Information is well managed and available, and informs operational decision making, policy development and public opinion:
  - i.) DMP's decision making and policy development is well informed through strong interagency collaboration and information exchange
  - ii.) the communication of regulatory standards and guidelines ensures the regulatory process is predictable and delivers improved understanding and environmental performance by the industry
  - iii.) information technology systems improve the quality, timeliness, transparency and cost effectiveness of services
  - iv.) transparency measures enable community and industry access to timely and relevant information.

### Continuous Improvement

22. Systems are in place to ensure ongoing effectiveness and efficiency is embedded in DMP's environmental regulation:
  - i.) external accreditation of all environmental regulatory processes
  - ii.) ongoing monitoring and reporting of key performance indicators informs resource allocation and identifies opportunities for improvement
  - iii.) improvements to operations and services are informed by external peer and stakeholder reviews of processes
  - iv.) environmental practices which go beyond the level required for compliance are promoted and recognised.