

SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE REPORT ON THE NORTHERN TERRITORY MINING AND PETROLEUM INDUSTRY

QUARTER 3 - 2005 - 2006

(1 JANURAY – 31 MARCH 2006)

Department Primary Industry, Fisheries and Mines

(The data used in this report is provided by the Minerals and Energy Authorisations statistics officer and may be subject to change)

INTRODUCTION:

This report provides results of safety, health and environmental performance of the Northern Territory mining and petroleum industry for the 1 January 2006 to 31 March 2006 quarter.

BACKGROUND:

There are legislative requirements for mine and petroleum operators to report incident information to the department under the *Mining Management Act* and the *Petroleum Act*. These Acts require reporting of serious accidents, critical incidents, first aid, medical treatments and diagnosed occupational diseases.

One of the objectives of the legislation is to encourage operators to report as many incidents as possible so that any investigation results will continually feed back improvements to their safety systems and to better performance.

The result is that a high percentage of the reports received by the department are for minor accidents requiring basic first aid treatment and near misses where the operator is quite capable of conducting an adequate investigation and implementing appropriate controls to eliminate the likelihood of similar events.

RESULTS:

From 1 January to 31 March 2006 (Q3 2005-06), there were 355 reported mine incidents compared with 306 during the last quarter (Q2 2005-06), a 14 percent increase from the previous quarter. This is attributable to a 21 percent increase in the reporting of minor first aid treatments.

When used in association with serious Lost Time Incidents, minor treatment and first aid can be used as proactive indicators for potentially more serious occurrences.

Over the last year there has been a decrease in the more serious of injuries and an increase in reporting potential incidents. This indicates that the mining industry safety management systems appear to be picking up incidents before they escalate to a more serious nature. This is supported by the current quarter's figures where the number of first aid reports has increased 21% from 225 (Q2 2005-06) to 274 (Q3 (2005-06) and a similar increase in the reporting of potential injuries.

The following table shows the breakdown of mine reports into various severity categories and compares the last three quarters' performance.

	Q1 2005-06	Q2 2005-06	Q3 2005-06
Type of incident	01/07/05 – 30/09/05	01/10/05 – 31/12/05	01/01/06 – 31/03/06
Fatalities	0	0	0
Severe injuries (>13 days lost time)	3	1	2
Lost time injuries (>1 full day lost and <13 days lost)	8	7	7
Serious injuries (>1 day alternate duties)	7	5	6
Medical treatment injuries	41	36	26
First aid injuries	292	225	274
Potential injury incidents	28	30	37
Potential environmental incidents	2	2	5
Serious environmental accidents	0	0	0
(Severe is included in lost timers) Total	378	306	355

The data shows a continuing trend of improved reporting of minor accidents and near misses (potential). This indicates that companies are better managing their operations from an Occupational Health and Safety (OH&S) and environmental perspective. It may also mean that operators are tending to focus more on leading incident indicators (first aid incidents), thus reducing the potential to escalate to a reportable accident.

The following table provides a breakdown of reported severe Lost Time Injuries experienced in the Northern Territory during this quarter.

Severe Injury (LTI > 13 days) Breakdown 1 January 2006 – 31 March 2006

Breakdown Agency		Body Location		Nature of Injury		Mechanism of Injury	
Machinery/Fixed Plant	1	Shoulders and Arms	1	Fractures	2	Fall From Same Level	1
Outdoor Environment	1	Feet and Toes	1			Hit by moving object	1
Total	2		2		2		2

Studies suggest that in tropical environments, an increase in the frequency of first aid cases can be expected due to heat and humidity affecting worker concentration leading to incidents involving cuts, slips, trips and falls (that is generally first aid injury). Increased temperature and humidity help promote irritability, discomfort and lethargy which may result in careless behaviour or loss of concentration.

The data collected for lost time injuries in this period suggest that environmental conditions may be a major contributing factor.

The positive trend continued in the petroleum sector where continual improvement has occurred as a direct result of the offshore Safety Case regime introduced in 1996. As from 1 January 2005, reports for offshore safety are submitted directly to the National Offshore Petroleum Safety Authority (NOPSA) and specific data for the Northern Territory administered waters are not available. Offshore safety is now administered by NOPSA.

There have been no reportable Lost Time Injuries or significant environmental incidents associated with onshore petroleum activities for this quarter. The Lost Time Injuries Frequency Rate (LTIFR) has continued to drop from 64.1 (1996) to 26.6 (as at March 2006). Due to the small numbers employed in the onshore industry, it is expected that this figure will eventually plateau.

The *Mine Management Act* provides a similar objective based mechanism, but was only introduced in 2001. It can be expected that continual improvement in lost time injuries will occur over time, as was seen with the offshore petroleum sector.

The importance of continuing this improvement in reporting potential incidents remains a focus for the mining officers as it is indicative of overall performance, particularly the effort site management puts into OH&S and environment.

The comparison of performance relies on frequency rates or injury types per million man-hours. While the department still retains the traditional Lost Time Frequency Rate, it also monitors a more complete statistic with a Total Recordable Injuries Frequency Rate (TRIFR). This includes fatalities, lost time injuries, serious injuries and medical treatment cases. It does not include the minor first aid treatments.

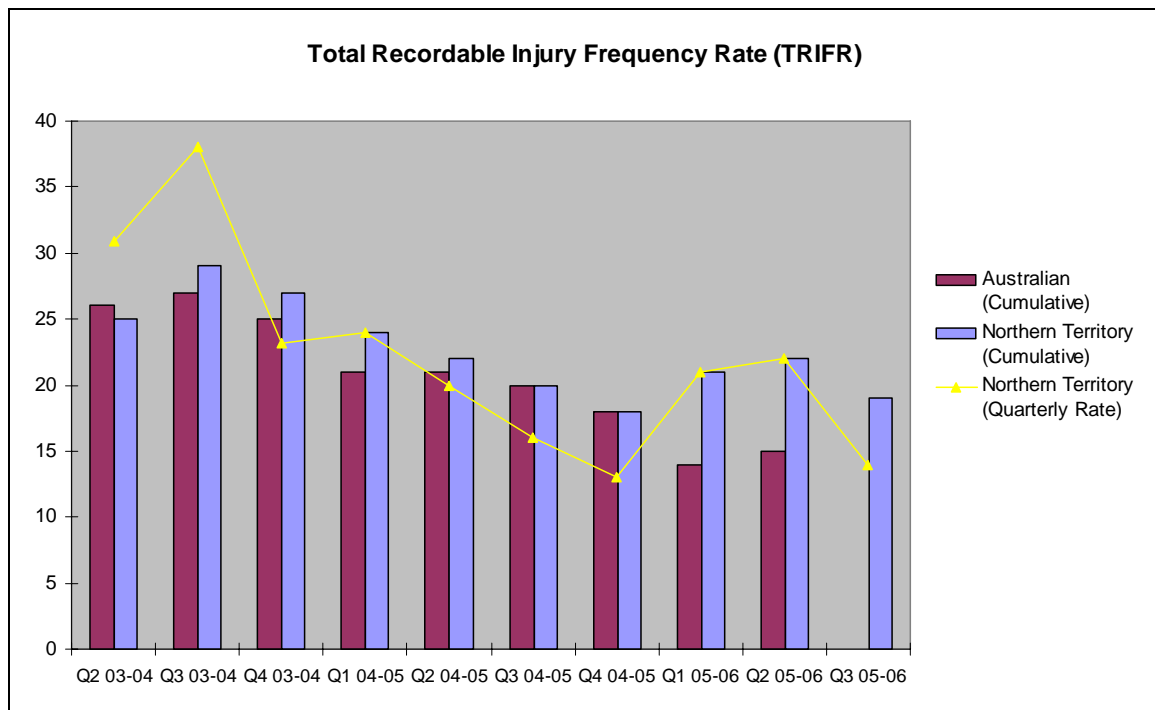
The Northern Territory cumulative TRIFR arises from adding consecutive quarterly rates in each financial year, and has been included to allow comparison with the national cumulative rate as reported by the Minerals Council of Australia.

During this quarter (Q3 2005-06), the mining TRIFR was 13.94, compared to 18.21 for the same reporting period in the previous year.

The TRIFR by quarters is estimated at:

Operation	Q1 2005-06 TRIFR	Q2 2005-06 TRIFR	Q3 2005-06 TRIFR
	01/07/05 – 30/09/05	01/10/05 – 31/12/05	01/01/06 – 31/03/06
Extractive	0	0	0
Exploration	42	46	0
Mining	11	22	13.99

The Northern Territory cumulative TRIFR can be compared in the graph below with the national cumulative rate reported by the Minerals Council of Australia.

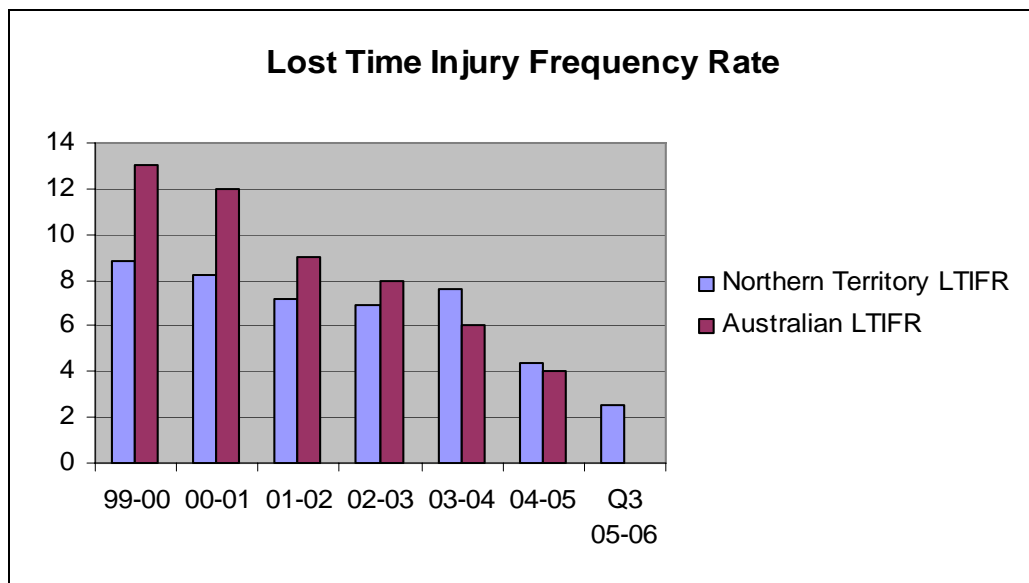
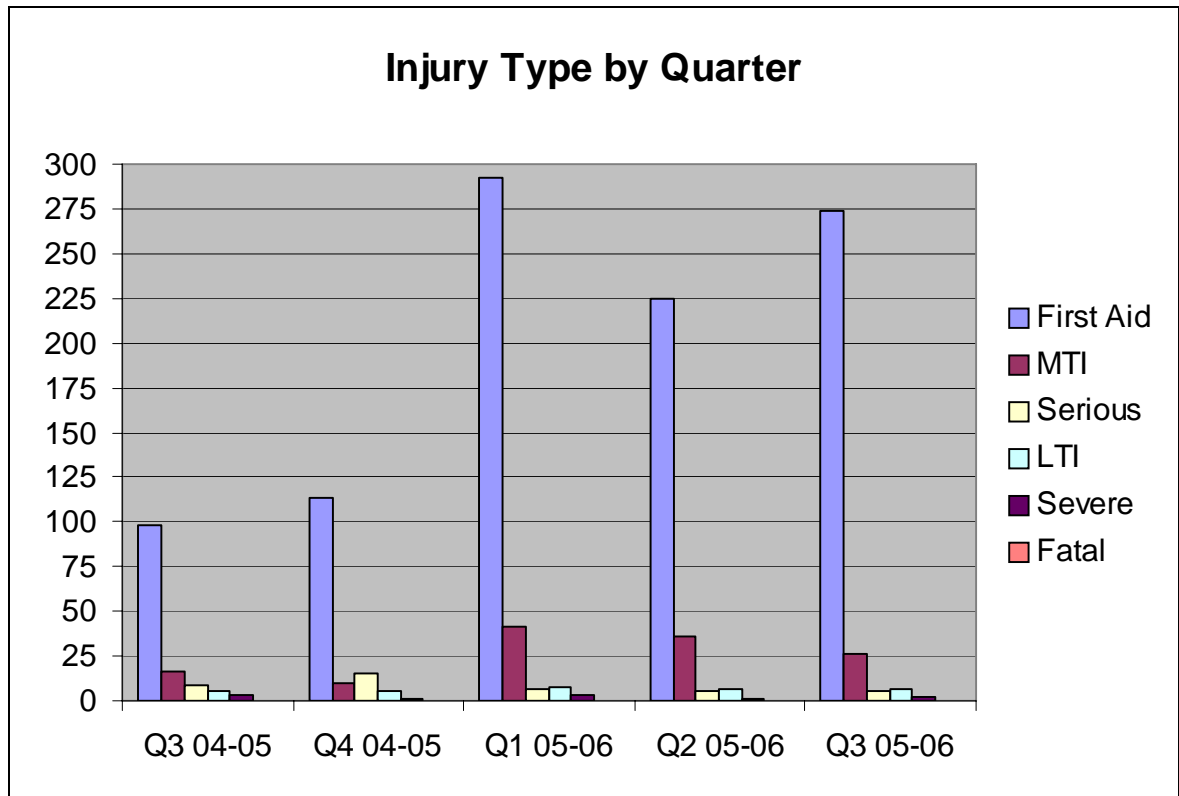


The above data displays that during the “wet season” in the Northern Territory there is an elevation in cumulative TRIFR. This is expected as there is a reduction of working hours reported for extractives. This in turn elevates the cumulative TRIFR data for all mining industries. The data is expected to be lower during the “dry season”. The rest of Australia does not have this environmental condition which explains the lower Australian rates.

As part of the department’s internal risk management strategy, mining officers target those activities which have had significant reported incidents. This also forms part of an education strategy for the Minerals and Energy Group.

Based on the current departmental information, the LTIFR for the Q3 2005-06 is 2.5, compared to 3.7 for the same period in the previous year. This appears to be a significant drop, however some data is still outstanding as there is a reporting lag.

The following graphs show the trends these statistics demonstrate over the past 12 months.



This trend in the LTIFR indicates that while the Northern Territory performance continues to improve, the rest of Australia is improving at a slightly faster rate and has now caught up with our previously better statistics. The implication is that while the Territory's innovative approach to regulation has produced better than average results, the other jurisdictions have been quickly moving towards similar systems.

The term 'innovative' addresses the focus the regulator has in assisting and educating industry to achieve best practice in sometimes hostile environments (that is, heat/humidity and geographical localities) rather than simply enforcing the legislation. An increased focus on mining performance, through such forums as the Mineral's Council annual conference, has also assisted in focusing companies on safety and environmental issues and how to best handle them. There is also greater information exchange between industry/industry and industry/Government than has been in the past (that is, lessons learned by industry and Government).

It will be important to ensure worldwide and Australian improvements, and changes that are being implemented, are monitored and introduced here where appropriate.

Conclusion:

From 1 January to 31 March 2006 there was a 14 percent increase in total reported mine incidents from the previous quarter which is attributable to a 21 percent increase in first aid reports. There has been no onshore petroleum incidents reported for this period.

There continues to be a positive trend in the reporting of incidents in the mining sector. The number of the more serious reportable injuries appears to be reaching a plateau which indicates that more emphasis should be placed on education of workers. This suggests that the mining industry safety management systems appear to be picking up many minor incidents before they escalate to a more serious nature.