

MCMPR 1 COMMUNIQUÉ

SUMMARY OF MINISTERIAL COUNCIL MEETING, 4 MARCH 2002

The 1st Session of the Ministerial Council on Mineral and Petroleum Resources (MCMPR) met in Melbourne on 4 March 2002.

The MCMPR was established by CoAG in June 2001 to deal with issues affecting the minerals and petroleum industries. The Council consists of the Commonwealth Minister for Industry, Tourism and Resources and State and Territory Ministers with responsibility for minerals and petroleum. The New Zealand Minister of Energy and the Papuan New Guinean Minister for Mining and the Minister for Petroleum and Energy have observer status.

All Australian jurisdictions were represented at the meeting. New Zealand and Papua New Guinea were unable to attend. The meeting was chaired by the Minister for Industry, Tourism and Resources, the Hon Ian Macfarlane MP.

The main outcomes are detailed below.

Council Operating Arrangements

As a new Council, Ministers sought to define its role and responsibilities. The Council will seek to undertake a role in facilitating cooperation between Australian governments and providing a forum for consultation on issues which affect the sustainable development of the minerals and petroleum industries. This will provide the Council with the basis to contribute to a whole of government response to issues of concern to these industries. Council adopted the view that the distribution of responsibilities should, as far as practicable, reflect the portfolio responsibilities of the Ministerial representation on the respective Councils. The MCMPR agreed that it would approach issues for consideration under three strategic priorities:

- **Competitiveness** – covering issues impacting on the sector’s operational capabilities, exports, investment attraction, geoscience, exploration, resource processing, approvals processes and regulation, land access and regional development and employment.
- **Sustainability** - incorporating issues concerning safety, impact on the environment and heritage, community expectations, and domestic and global developments related to the sustainable, long-term development of the mining and petroleum industries (including greenhouse). These sustainability issues underlie the industries’ “social right to operate”.
- **Indigenous Reconciliation** - This priority recognises that access to land is not the single consideration in the industry’s relationship with indigenous people. Council will seek a way to promote a more holistic approach to indigenous issues recognising the aspirations and the economic, social and cultural wellbeing of indigenous people.

The Council recognised that there will be a range of crossover issues with the Ministerial Council on Energy particularly in the development of energy policy. The MCMPR will establish a framework for consultation with the Energy Council on those issues impacting on the development of Australia’s energy policy.

. An agreed mission statement and objectives for the Council is attached.

The Council agreed that the input of stakeholders plays an important role in identifying emerging issues and developing responses to those issues. Ministers therefore agreed that the Council

would meet with relevant stakeholders as required to exchange views on those issues affecting the sustainable development of Australia's mineral and petroleum industries. The structure and nature for this consultation will be determined by the Council on an issues by issues basis.

Sustainability - Safety

Safety is a high priority for both governments and industry. The challenge for both parties is to ensure that they adopt a best practice, consistent approach. Ministers endorsed two key initiatives, demonstrating the Council's commitment to creating safe and healthy industries.

Petroleum Offshore Safety Regime

The Council endorsed a set of principles for regulation of safety of petroleum activities in Commonwealth and State/NT offshore waters in Australia. Ministers agreed that the Council's Standing Committee of Officials would implement a work program to examine how best to improve offshore safety outcomes primarily through a single joint national safety agency to be assessed against the agreed set of principles (copy attached). Critical issues to progress this initiative are:

- the legislative changes required to support improved offshore safety outcomes and the establishment of a single national authority;
- structural, governance and funding aspects of such an authority;
- implications for the existing multiple regulator approach; and
- to consider the other recommendations of the Independent Review Team report on enhanced safety outcomes.

Council's decision will address concerns raised in a number of reviews about the effectiveness of current offshore oil and gas health and safety regulation, the last in 2000 by an Independent Review Team of international experts. The Review Team recommended that safety outcomes can be significantly improved through a national safety regulator for petroleum activities in Commonwealth waters. Industry and employees strongly support a single offshore regulator. The Council agreed that the potential benefits from a single joint national authority covering petroleum activities in State/NT and Commonwealth waters included:

- Better resourcing than existing authorities;
- Efficiencies through economies of scale, less need to compete for expert resources and central administration of health and safety;
- Uniform procedures and greater consistency in interpretation and application of regulations and guidelines;
- Reduced scope for regulatory capture; and
- Reduced regulatory burden on industry through consistent safety regulation across jurisdictions.

The Standing Committee of Officials, under the chair of the Commonwealth, is to report to the Council in August 2002.

National Mine Safety Framework

Ministers launched the Strategic Framework for Mine Safety *Realising a Safe and Healthy Mining Industry – The Contribution of Government*. Mining safety is the priority for both government and industry. While industry must play its part in delivering mining safety to employees, the role of government in ensuring its delivery is crucial. Governments considered their mine safety regulation and have agreed to pursue a uniform, consistent approach across jurisdictions.

- The uniform approach will provide for legislative consistency, foster innovation and improvement and remove duplication of effort.
- While State/Territory governments have responsibility for mine safety within their areas of jurisdiction, all have committed to this framework.
- The Council will monitor the framework's implementation.

End

Ministerial Council on Mineral and Petroleum Resources (MCMPR)

MCMPR's MISSION

MCMPR's mission is to contribute to the national wellbeing by promoting the progressive and sustainable development of the Australian mining, minerals and petroleum industry.

OBJECTIVES

MCMPR's objectives include:

- Progressing constructive and compatible changes to the basic legislative and policy framework for the sustainable development of minerals and petroleum resources, including influencing the direction of climate change response measures;
- Facilitating economically competitive development of the minerals and petroleum industries;
- Improving coordination and, where appropriate, the consistency of policy regimes;
- Encouraging new and expanded investment in competitive minerals and petroleum development opportunities; and
- Providing an opportunity for information and policy exchange.

The Council will consider issues under three broad strategic priorities: competitiveness, sustainability and indigenous reconciliation. The competitiveness and sustainability categories concern issues which impact the minerals and petroleum sectors' operational capabilities, investment, safety and environment. The indigenous reconciliation category focuses on the importance of working effectively with indigenous communities, addressing indigenous disadvantages, and promoting economic independence.

STRUCTURE

The Council consists of the Commonwealth Minister for Industry, Tourism and Resources and State and Territory Ministers with responsibility for minerals and petroleum. The New Zealand Minister of Energy and the Papuan New Guinean Minister for Mining and the Minister for Petroleum and Energy have observer status.

MCMPR Ministers meet annually with on-going issues dealt with out-of-session. The Ministerial Council is supported by a Standing Committee of Officials (SCO) which meets regularly during the year. The Chair of the Ministerial Council and the SCO Chair rotate annually among member jurisdictions. The Secretariat is provided by the Commonwealth. Taskforces and working groups will be established as required to deal with specific issues.

The Council will consult with the Ministerial Council on Energy on the nation's energy needs, resources and policies.

Principles for the Regulation of Offshore Safety in Australia

1. An enhanced and continuing improvement of safety outcomes in the Australian offshore petroleum industry is a priority for Governments, industry and the workforce.
2. A consistent national approach to offshore safety regulation in both Commonwealth and State/NT waters is essential for the most cost-effective delivery of safety outcomes in the offshore petroleum industry.
3. The safety case approach is the most appropriate form of regulation for the offshore petroleum industry to deliver world class safety by developing appropriate behaviour within the industry.
4. Efficient and effective safety regulation requires:
 - a) a legislative framework that is clear and enforceable and that requires operators to discharge their responsibilities for safety;
 - b) competent and experienced personnel forming a critical mass of appropriate skills;
 - c) structure and governance of the regulatory agency that demonstrates independence, transparency, openness and cost efficiency;
 - d) an independent approach in implementing legislative responsibilities and in dealings with industry; and
 - e) agreed performance criteria.
5. The industry and its workforce must be empowered to identify and report potential hazards and to ensure that appropriate control measures are implemented.
6. Approval processes in safety, titles, environment and resource management must be streamlined and coordinated to ensure no undue delay to project development in the offshore petroleum industry.