



Northern
Territory
Government

DEPARTMENT OF MINES AND ENERGY

Annual Report

2012–2013

Acknowledgements

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For optimal print settings set page scaling at 'Fit to Printer Margins', by going to 'File', then 'Print' and altering your options under page handling to 'Fit to Printer Margins'.

To search the entire Annual Report and supporting documents, press the 'Ctrl' and 'F' keys on your keyboard and type in your search term.

Purpose of the Annual Report

Our Annual Report describes the achievements, performance and priorities of the department's staff during 2012-2013. It also corroborates our mission to work with our partners to stimulate and sustain our primary industry and fisheries industries throughout the Territory.

As such, the report provides an account of our functions and responsibilities, our resource use and outputs, our fiscal management and performance against budget to inform Parliament, our industry stakeholders, staff and Territorians.



DEPARTMENT OF MINES AND ENERGY

2012-2013

ANNUAL REPORT

Letter to the Minister



DEPARTMENT OF MINES AND ENERGY www.nt.gov.au

Chief Executive

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The Hon Willem Westra van Holthe MLA
Minister for Mines and Energy
Parliament House
DARWIN NT 0800

Dear Minister

I am pleased to present you with the annual report for the Department of Mines and Energy for the year ended 30 June 2013. The report describes the operational performance and key achievements of each of the department's output groups, in pursuant to section 28 of the *Public Sector Employment and Management Act*.

I advise in respect to my duties as Accountable Officer, to the best of my knowledge and belief that:

- a) proper records of all transactions affecting the Agency are kept and that employees under their control observe the provisions of the *Financial Management Act*, the Financial Management Regulations and Treasurer's Directions;
- b) procedures within the Agency afford proper internal control and a current description of such procedures is recorded in the accounting and property manual which has been prepared in accordance with the requirements of the *Financial Management Act*;
- c) no indication of fraud, malpractice, major breach of legislation or delegation, major error in or omission from the accounts and records exists;
- d) in accordance with the requirements of section 15 of the *Financial Management Act*, the internal audit capacity available to the Agency is adequate and the results of internal audits have been reported to me;
- e) the financial statements included in the annual report have been prepared from proper accounts and records and are in accordance with Treasurer's Directions; and
- f) all Employment Instructions issued by the Commissioner for Public Employment have been satisfied

Yours sincerely

A handwritten signature in black ink, appearing to read "Scott Perkins".

SCOTT PERKINS
Chief Executive

28 August 2013

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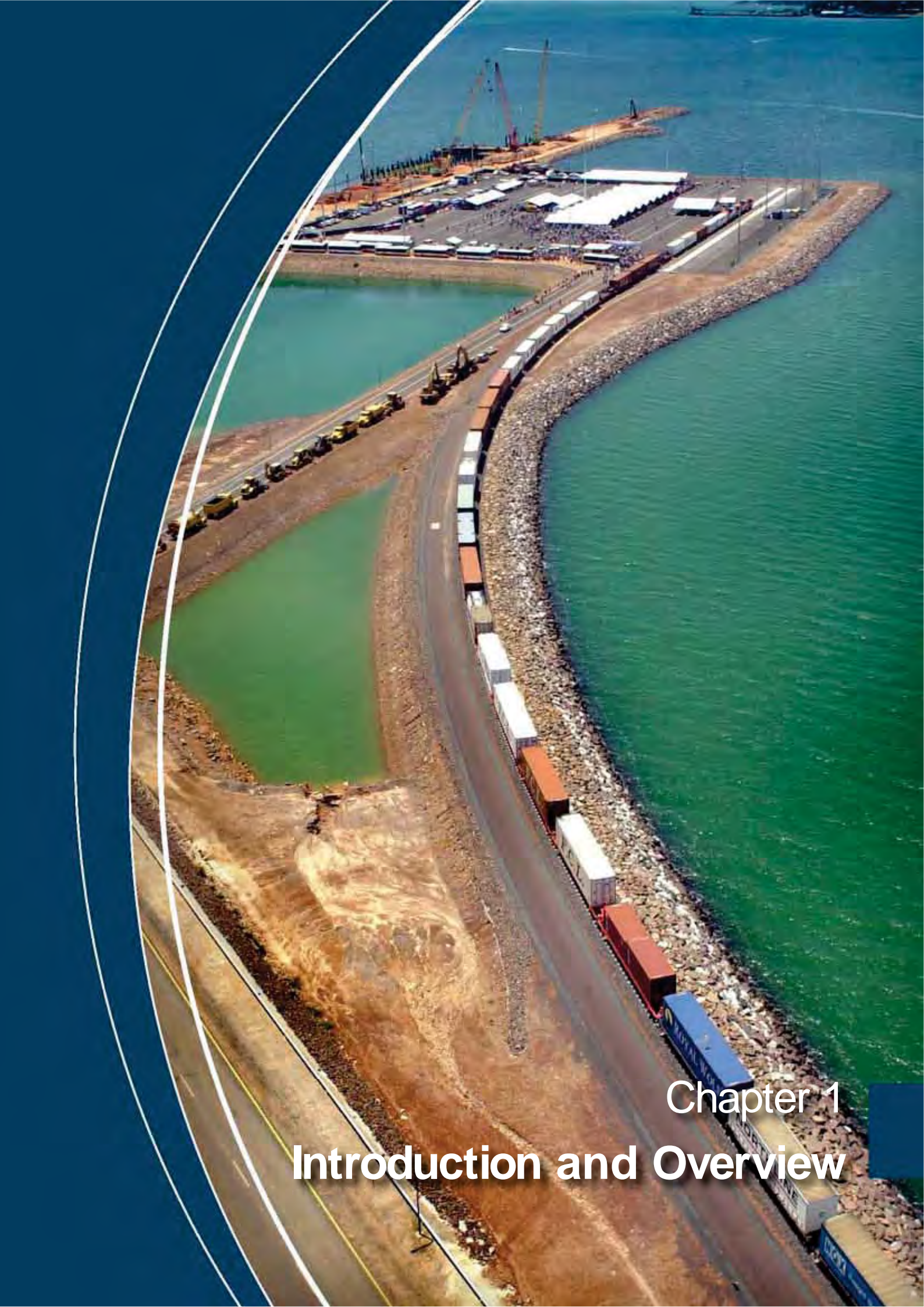
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Chapter 1
Introduction and Overview



DEPARTMENT OF MINES AND ENERGY

Chief Executive's Message

Following the election of a new Territory Government in August 2013, the Department of Mines and Energy was established as a separate entity from the Department of Primary Industry and Fisheries (previously the Department of Resources).

The Northern Territory mining sector is the single most significant contributor to our economy. As such Government is committed to growing the sector to increase the development and future prosperity of the Territory, and in particular our regional areas.

As an agency we recognise the challenges the department will face to develop long term and balanced economic growth which will benefit both industry and the community against a background of global uncertainty. In May 2013, the Government committed funding to establish an Energy Directorate with the goal to set a path for the long term strategic development of the energy industry across the Territory. It is responsible for the development of a high level strategic policy and to coordinate and manage our emerging energy industries both up and downstream.

The exploration of the Territory requires financial investment and with access to exploration finance limited the department and the Government have taken positive action. Recently, the department on behalf of the Territory Government and in partnership with the South Australian Government hosted in Darwin the Australia/China Minerals Investment Summit, which brought together more than 80 high level Chinese investors and over 50 explorers seeking investment.

The department also ensures potential explorers and investors are provided with high quality geoscience products and data through our highly qualified staff who undertake programs to assess the gas and mineral potential of the Territory. Pre-competitive geoscience programs and the Geophysical and Drilling Collaborations Program will continue under the new Creating Opportunities for Resource Exploration (CORE) initiative.

While mining has provided the Territory with many economic benefits, historically a number of projects have left behind environmental impacts. In recognition of these environmental legacies, amendments were made to the *Mining Management Act* to establish a Mining Remediation Fund to begin to address existing impacts from minimise mining legacies.

The Department has undergone substantial change to align itself to meet government, industry and community expectations of economic and social development. The Departments' executive and staff are committed to continue its work to achieve benefits for the Territory and to ensure that this sector continues to underpin the vibrant economy and lifestyle enjoyed by Territorians.

Scott Perkins
Chief Executive Officer

About the Department

The Department of Mines and Energy, created on 4 September 2012 by an Administrative Arrangements Order, provides strategic services which promote exploration and responsible development of mineral, geothermal and petroleum resources. During 2012-13 the department was responsible to the Minister for Mines and Energy, the Hon Willem Rudolf Westra van Holthe MLA.

Our Vision

A flourishing economy underpinned by profitable and sustainable minerals and energy resources.

Our Mission

To work with our partners to stimulate and sustain economic development throughout the Territory.

Our Values

We strive to maintain the highest professional standards, backed by energy and enthusiasm. Ethical standards and a commitment to public sector governance requirements are important to us, and the department will always be focused on providing optimal levels of client service and delivery.

We are committed to being a learning organisation that recognises its achievements, but also acknowledges that nothing stays the same. We will continually seek ways to foster and support learning, as well as actively communicating with our stakeholders.

Our role is to serve the Government and the people of the Territory with dedication and commitment and ensure that we lead the way in serving our clients. But we also recognise that enjoyment in the workplace and balancing our busy lives are both important for individual and corporate well-being.

Our Objectives and Strategies

- Promoting responsible development of the Territory's mineral and energy resources
- Assisting in the industry exploration of greenfield areas
- Facilitating project development including access to Indigenous land
- Administering laws to regulate the exploration, mining and production of minerals and energy products
- Promoting continuous improvement and best practice environmental management during operations and closure

Will be achieved by:

- Capturing and disseminating geological information to encourage the responsible development of the Northern Territory's minerals and petroleum resources
- Attracting local and international business investment partnerships
- Administration and granting of tenure and facilitating land access for mining, petroleum and geothermal exploration and development
- Regulating the exploration, mining and production of minerals and petroleum
- Managing the residual risks associated with legacy mine sites
- Supporting economic development and participation for Indigenous people.

Departmental Overview

Our Corporate Groups

Following the Northern Territory election in 2012, consequential changes to agency structures resulted in the establishment of a new Department of Mines and Energy and a new Department of Primary Industry and Fisheries replacing the former Department of Resources. Under the new structure, corporate services staff and resources were placed with the Department of Primary Industry and Fisheries and strategic services and corporate support is provided to the Department of Mines and Energy through a shared services arrangement. This will be formalised through a Service Level Agreement between the two agencies. At the same time, the delivery of corporate services has been under review and a revised organisational structure will be implemented during the next financial year.

Executive and Communications Services

supports the senior management group in providing high quality services to the Minister's office and the Legislative Assembly, as well as assisting staff to effectively disseminate information about the work and operations of the agency, and promoting a positive corporate profile.

Finance provide a range of corporate support and related services, including strategic advice and training on its core business of budget management, financial reporting, accounting, travel, procurement, infrastructure and asset management.

Human Resources provide strategic client focused support services for the effective management of employees.

Information Management and Information

Technology manages and implements appropriate systems and technologies to capture, track and analyse information generated and gathered by the department, including freedom of information and privacy issues.

Our Committees

Senior Management Group provides effective leadership and guidance on strategic and performance issues. It is the department's principal strategic planning body; it provides guidance for decisions-makers and sets and monitors the goals, strategies and performance targets for the department.

Advisory committees assist the Senior Management Group and include:

1. Risk Management and Audit Committee
2. Information Management Committee
3. Workplace Health and Safety Steering Committee.

The committees evaluate and monitor these particular areas, all of which contribute to good governance and assist the department in meeting its government and corporate obligations.

DEPARTMENT OF MINES AND ENERGY

Key Industry Sectors – Trends and Analysis

Introduction

The Northern Territory economy is dominated by the mining sector, which includes minerals and petroleum. In 2011-12 the mining sector accounted for 22.4% of the Territory economy, with the next largest sector being construction at 14.5%, followed by public administration and safety accounting for 9.8% of the NT economy.

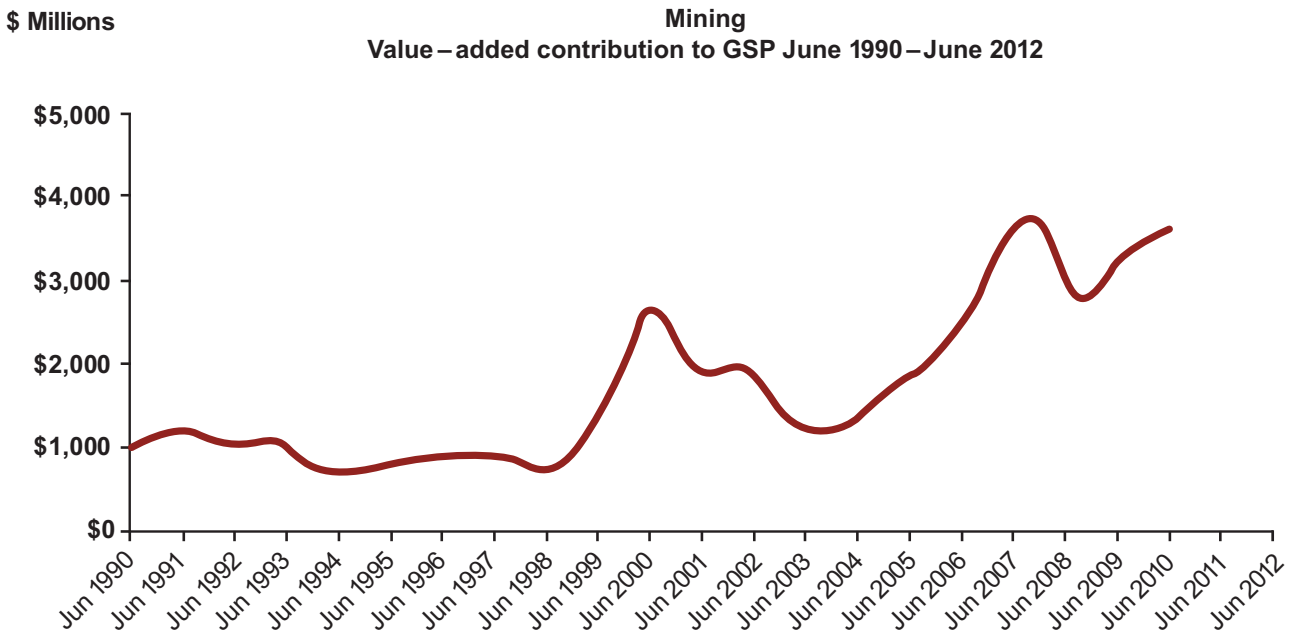
Table 1: Industry Sector Contributions to NT Gross State Product, (GSP) \$million, 2011-2012.

	Value (\$ million)	% Change	Cont. to GDP (%)
Mining	3 436	21.1	22.4
Construction	2 226	27.4	14.5
Public Administration and Safety	1 503	-0.5	9.8
Manufacturing	1 215	-10.8	7.9
Health Care and Social Assurance	1 043	11.3	6.8
Transport, Postal and Warehousing	692	-2.5	4.5
Rental, Hiring and Real estate Services	628	57.4	4.1
Education and Training	626	9.4	4.1
Retail Trade	591	10.3	3.8
Financial and Insurance Services	552	-17.9	3.6
Professional, Scientific and Technical Services	523	6.5	3.4
Agriculture, Forestry and Fisheries	480	-11.9	3.1
Accommodation and Food Services	376	21.1	2.4
Other Services	309	-2.2	2.0
Wholesale Trade	294	31.3	1.9
Administrative and Support Services	266	3.5	1.7
Information Media and Telecommunications	226	-6.6	1.5
Arts and Recreation Services	193	20.6	1.3
Electricity, Gas, Water and Waste Services	187	1.1	1.2

Source: ABS Cat No. 5220.0

The mining sector is capital intensive, and its growth pattern over the last two decades has been tracking with the NT economy. Industry trends show that after a period of stability up to the late 1990's, the mining sector contribution to the Territory economy rapidly expanded almost four fold, initially on the back of oil, and mineral expansions and more recently gas and condensate.

Figure 1: Mining Sector contribution to the NT economy



Source: ABS Cat No. 5220.0

Employment

Table 2 (below) shows almost 3.4% of the NT workforce (full-time and part-time) is employed in the mining sector. The vast majority of jobs are located in the regional and remote areas of the NT that provide employment opportunities for rural and remote Territorians.

Table 2: Employment by Sector 2011-2012

	Full-Time	Part-Time	Total	% of Total Employment
Public Administration and Safety	15 893	1 643	17 536	14.3%
Health Care and Social Assistance	10 433	3 142	13 575	11.1%
Construction	11 512	1 158	12 670	10.3%
Education and Training	8 782	2 550	11 332	9.2%
Retail Trade	6 707	4 404	11 111	9.1%
Accommodation and Food Services	4 624	3 196	7 820	6.4%
Transport, Postal and Warehousing	5 776	1 195	6 971	5.7%
Professional, Scientific and Technical Services	5 882	840	6 722	5.5%
Other Services	4 201	717	4 919	4.0%
Mining	4 085	49	4 134	3.4%
Agriculture, Forestry and Fishing	3 400	493	3 893	3.2%
Administrative and Support Services	2 770	1 109	3 879	3.2%
Arts and Recreation	2 525	930	3 454	2.8%
Manufacturing	2 962	372	3 334	2.7%
Wholesale Trade	2 540	348	2 888	2.4%
Electricity, Gas, Water and Waste Services	2 105	199	2 303	1.9%
Rental, Hiring and Real Estate Services	1 961	308	2 268	1.9%
Financial and Insurance Services	1 891	328	2 218	1.8%
Information Media and Telecommunications	1 067	499	1 567	1.3%
Total Average Employment	99 115	23 480	122 595	

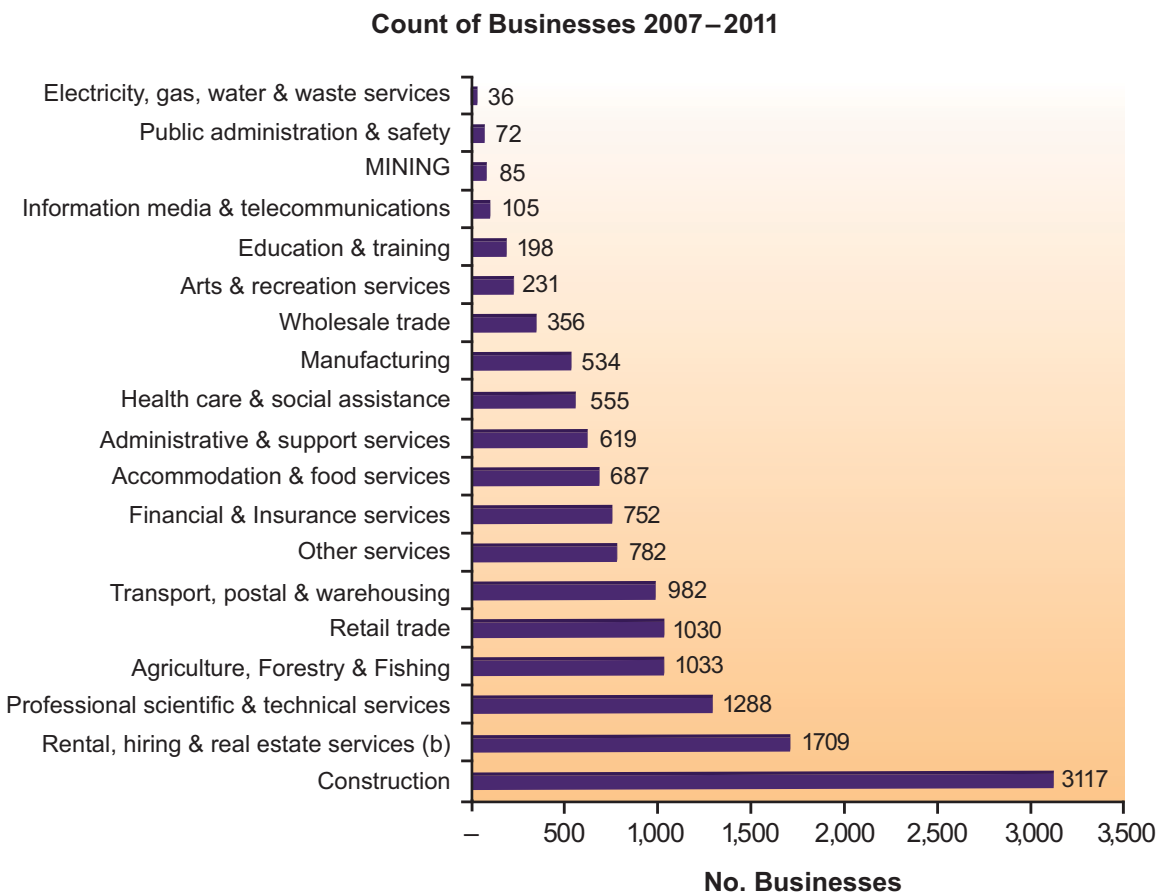
Source: ABS Cat No. 6291.0.55.003 (1). Figures are averages.

Businesses

Figure 2 (below) shows 85 NT businesses engaged in mining in June 2011, which is the third smallest number of business by a sector in the NT economy.

The mining sector is represented by 46 employing businesses or 0.5% of total employing Territory businesses in June 2011, while the mining sector has 39 non-employed businesses or 0.7% of the total non-employed business in the NT. Low numbers for employing businesses is reflective of mining enterprises being listed as businesses in other jurisdictions outside the NT.

Figure 2: Number of NT Businesses by Sector, June 2007-2011



Source: ABS Cat No. 8165.0 –Counts of Australian Businesses, June 2007 – June 2011

Minerals and Petroleum

In 2011-12, the total value of mineral and energy production (extraction) and processing (manufacturing) was estimated to increase by 5.9% to \$7,095 million before easing back to rise a further 0.8% in 2012-13 with steady growth forecasted in the following year (see Figure 3). The value of uranium production is forecast to rise by 3.0% in 2013-14 to \$349 million.

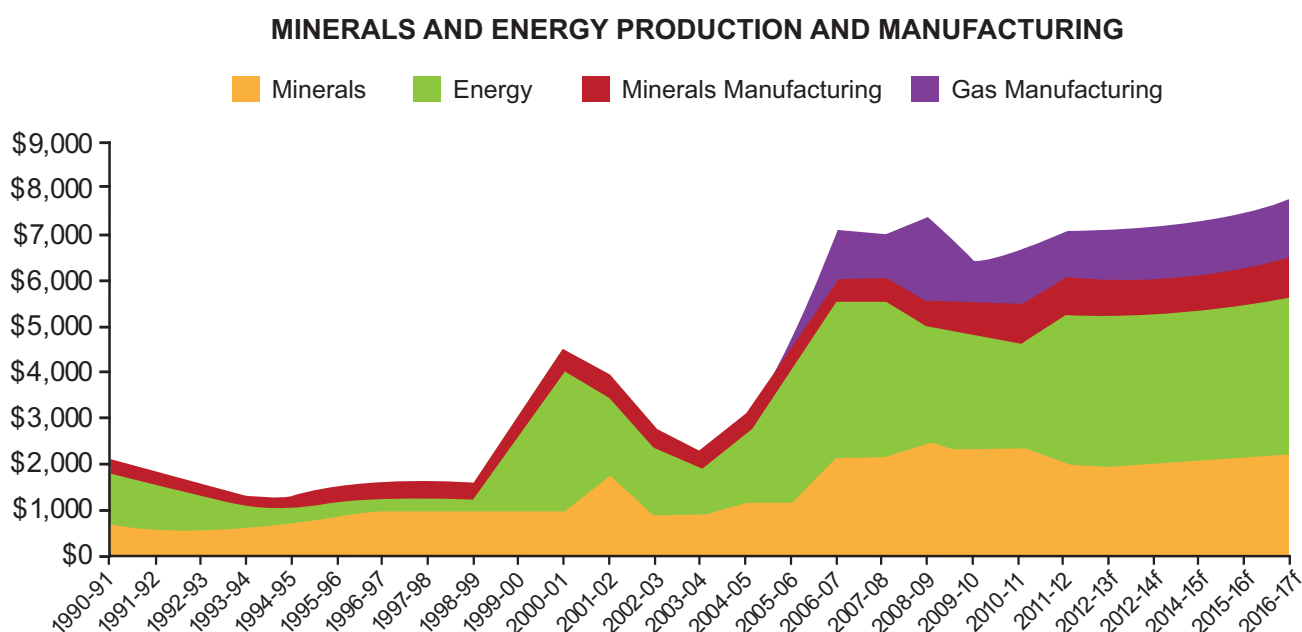
Drivers of growth are the (LNG) manufacturing plant at Wickham Point, condensate out of the Joint Petroleum Development Area (JPDA) and uranium which are expected to offset declines in oil production. These estimates include half of the value of production arising out of the JPDA and Black-tip gas field in the Timor Sea.

Table 3: Value of Territory Mining (Minerals and Energy) and Manufacturing 2011-12 to 2013-14(f)

	2011-12 (\$'000 million)	2012-13 Forecast (\$'000 million)	2013-14 Forecast (\$'000 million)
Mining and Energy	5 266	5 266	5 279
Manganese	895	857	884
Other Minerals	474	495	510
Gold	324	312	328
Zinc/Lead concentrate	344	331	341
Total Mining	2 039	1 996	2 062
Oil	164	137	68
Gas and liquids	2 703	2 795	2 800
Uranium	360	339	349
Total Energy	3 227	3 271	3 217
Liquefied natural gas	1 019	1 081	1 107
Alumina	810	804	828
Total Manufacturing	1 829	1 886	1 935
Total Mining and Energy and Manufacturing	7095	7152	7215

Source: Department Mines and Energy data collections 2012 NB Figures include Blacktip and JPDA

Figure 3: Minerals and energy production and processing values



Source: Department of Mines & Energy Data collections 2012 f = forecasts

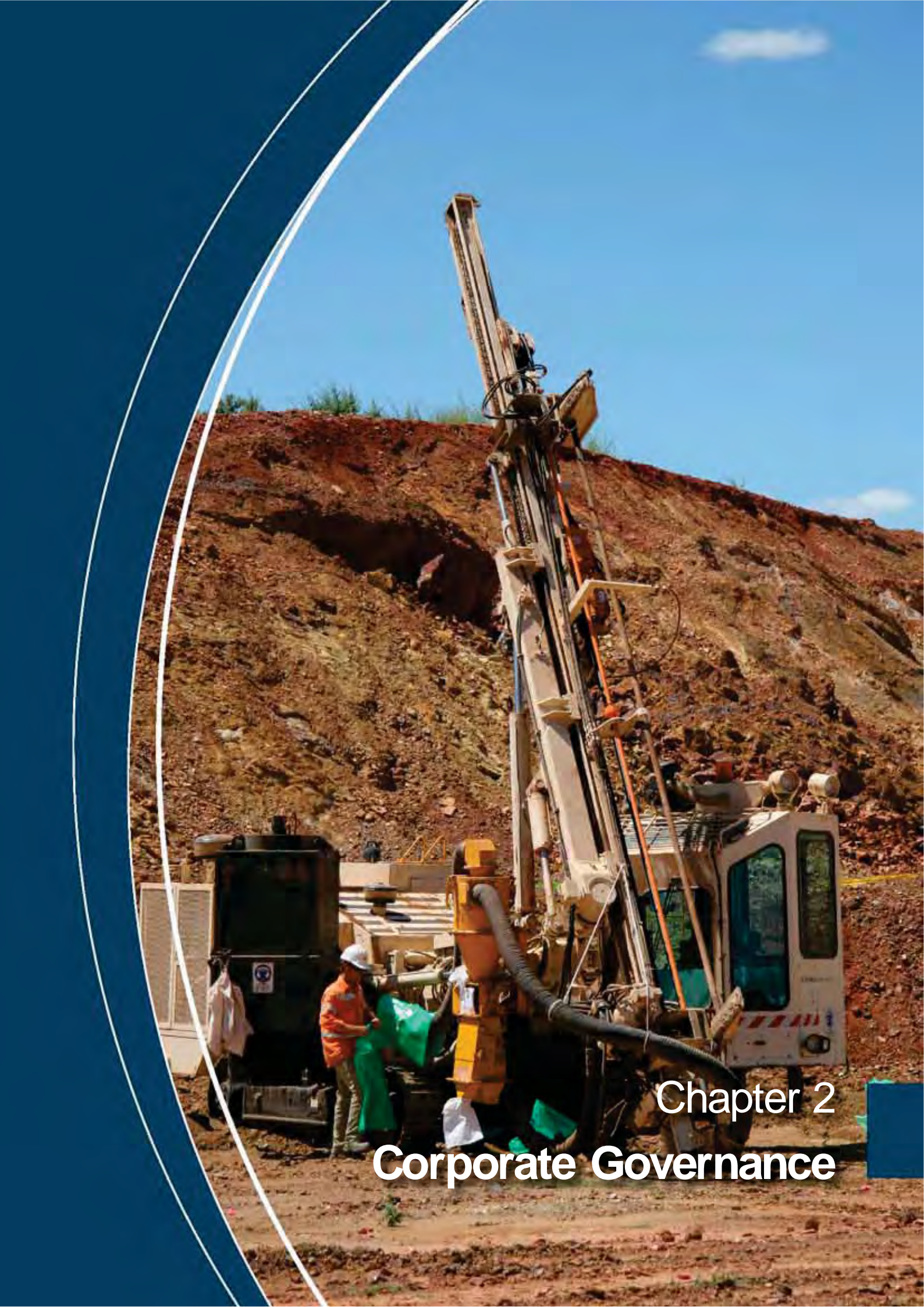
DEPARTMENT OF MINES AND ENERGY Regional Location

Arid Zone Research Institute

The department's regional headquarters in Central Australia is at the Arid Zone Research Institute, and houses staff from the Department of Mines and Energy, under the shared-resources agreement with the Department of Primary Industry and Fisheries.

As well as AZRI, the department also has staff based at the Northern Territory Geological Survey (NTGS) Core Store on Power Street. NTGS staff undertake activities related to regional geological programs as well as maintaining information services through the Minerals and Energy Info Centre.

Mining Environment Compliance staff form the Compliance Division who make up the 'Mining Team – Central Australia'. These officers are responsible for the enforcement of all aspects of the *Mining Management Act, Central Australia* which covers an area of about 570,000 square kilometers. This includes assessing and regulating extractive and exploration operations as well as active and remediated mine sites.



Chapter 2
Corporate Governance

DEPARTMENT OF MINES AND ENERGY

Corporate Governance Introduction

The department strives to achieve good corporate governance so that our stakeholders have confidence in the decisions and actions that are taken in achieving our overall outcomes.

The department's risk management strategy underpins our high performance and delivery of services and programs; as well as ensuring the department conforms to the laws, regulations, standards and community expectations of probity, accountability and openness.

Specifically, the department, through its good corporate governance ensures:

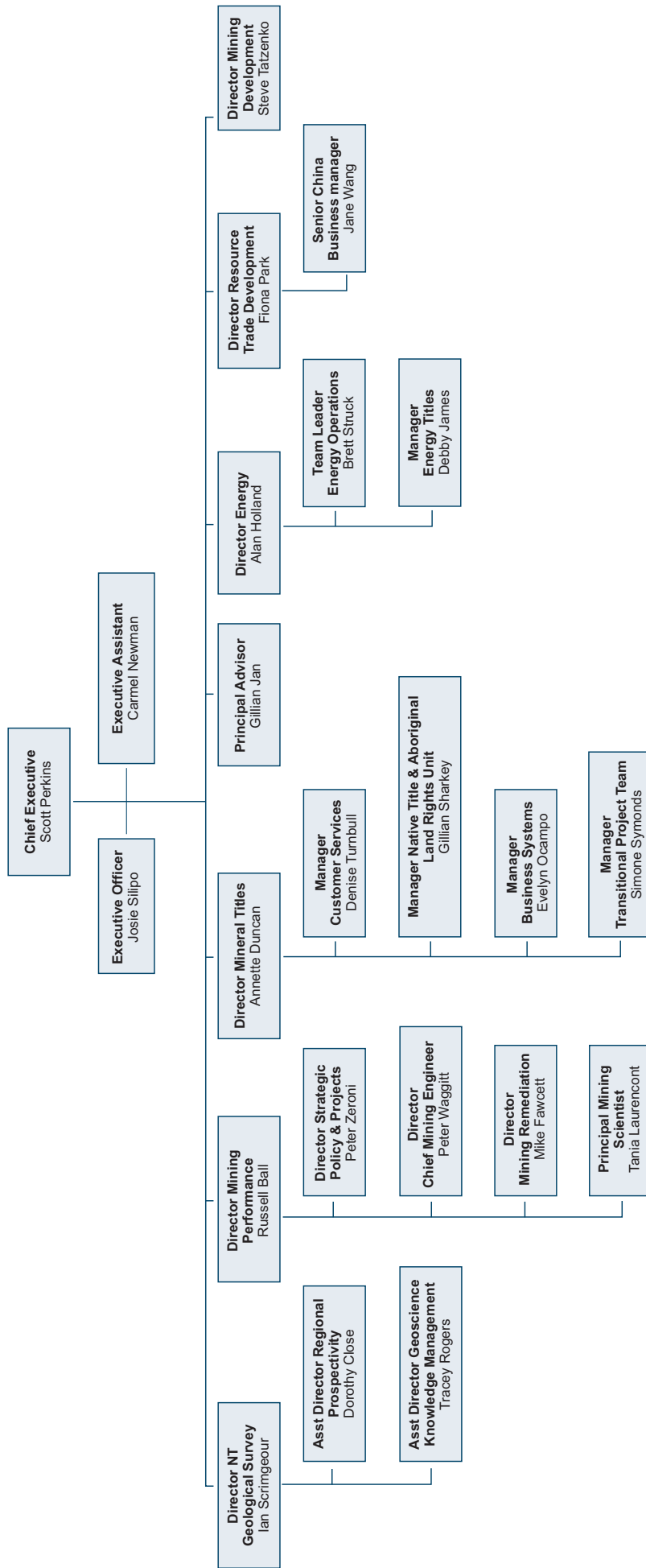
- The style of *leadership* sets the culture of the organisation and is critical to achieving good governance
- The department and its employees are accountable and accept responsibility, and are open to scrutiny from external sources for their decisions and actions
- Staff are expected to act with *integrity*, be honest, straight forward and objective in their dealings and stewardship of public funds and resources
- The stakeholders of the department have confidence in its decision making capabilities and management of priorities
- The department ensures maximum *efficiency*, and makes the best use of resources to deliver its priorities
- Staff manage so that the capacity of the department to serve government and the public interest is maintained or improved over time.

Organisational Governance

The governance structure for the department is outlined below:

1. The Minister is appointed by the Administrator as per the *Self Government Act*.
2. The Chief Executive is appointed by the Minister of the day and is responsible for the department.
3. The Senior Management Board consists of senior managers and officers of the department. The Board provides strategic direction, coordinates the activities of the department and approves internal policies and procedures, in conjunction with the Corporate Plan. The members of the Senior Management Board are described on page 23.
4. The Administrator has the authority to declare the powers and functions of the department through the Administrative Arrangements Order. The statutory responsibilities as per this order are described on page 35. The department's priority is to serve the elected Government and the people of the Territory. Employees contribute to the objectives of the department's Corporate Plan (see page 109) and administer the legislation described on page 35.
5. Community, industry and other stakeholders including other government departments provide input the department's decision-making.
6. The Risk Management and Audit Committee, and the Workplace Health and Safety Steering Committee, report to the Management Board and/or the Chief Executive on a regular basis. Their activities are described on pages 24 and 26 respectively.
7. The Information Management Committee is an internal committee and their activities are detailed on page 25.
8. The Mining Board is formed under the *Mining Management Act* and is an independent body that provides advice and to government and also a decision review function. Its activities are described on page 27.
9. The department's progress towards delivering its objectives is contained in the Performance Reporting section commencing on page 54.

DEPARTMENT OF MINES AND ENERGY
Senior Management



DEPARTMENT OF MINES AND ENERGY

Senior Management Board

The Senior Management Board is chaired by the Chief Executive and meets eight times a year.

The department's managers convey the outcomes from these meetings to staff during weekly unit meetings. The Chief Executive also produces a newsletter which is emailed to all staff and posted on the Intranet. The newsletter keeps staff updated on departmental issues, regional events, staff movements and policy changes.

The role of the Senior Management Board includes:

- Providing a forum to coordinate activities
- Allowing the Chief Executive to provide strategic direction to senior managers
- Prioritising attention to meet objectives of the Corporate Plan 2013-2016 and other government initiatives
- Providing an opportunity for each division to formally communicate achievements, critical issues, policy changes and human resources issues
- Granting approval for internal policies and procedures to be adopted and implemented.



Prior to Scott's appointment as Chief Executive Officer in February 2013, he was Head of External Affairs for BHP Billiton's Manganese Australia Asset and based at Groote Eylandt. Here he was responsible for GEMCO's Government Relations, land negotiations and Indigenous liaison, and dealt extensively with the Anindilyakwa and Northern Land Councils. His previous career was in the Australian Defence Force, Queensland Corrective Services and representative organisations in Agriculture and Mining.

Scott has a Master Degree in Business Administration.

Scott Perkins

Scott Perkins

Chief Executive Officer



Russell Ball leads the Mining Performance Division, which incorporates the mining regulation section of the Department of Mines and Energy. He is currently leading a program to review the mining approvals system, with the aim of streamlining processes, reducing approval timeframes and moving to a more field-based compliance system. Before moving to mining regulation, Russell worked in a variety of executive roles in the NTG including Information Management and Policy, Planning and Review.

Russell originally trained as a journalist. He has also completed the Public Sector Management Program from Macquarie University, and is undertaking the Executive Master Degree in Public Administration through the Australia New Zealand School of Government.

Russell Ball

Russell Ball

Director – Mining Performance



Alan is the Director of the Energy Division of DME. His focus centres on the regulation of petroleum and energy activities by the timely approval of regulatory applications within the legislative framework. In 2001, Alan joined the NTG, assuming various senior management roles including Mineral Titles

Prior to joining the Territory Government, his career included regulations and electronic communications as well as a number of senior managerial roles as a regulator, project manager and technical advisor.

Alan Holland

Alan Holland

Director – Energy



After moving to the Territory Ian spent a year working in gold exploration around Pine Creek. In 1995, Ian joined NTGS as a regional mapping geologist based in Alice Springs, working in the Musgrave Province and Arunta Region in central Australia. From 2002, he managed the survey's geoscience programs as Program Leader, Mineral Prospectivity Program, before being appointed Director of NTGS in December 2006. In this role Ian has been responsible for overseeing the *Bringing Forward Discovery* and *CORE* initiatives.

Ian has a PhD in geology from the University of Adelaide,

Ian Scrimgeour

Ian Scrimgeour

Director – NT Geological Survey

DEPARTMENT OF MINES AND ENERGY

Policies, protocols, guidelines and procedures

The department maintains a comprehensive set of policies, protocols, guidelines and procedures as part of its corporate governance framework. They are in place to ensure compliance with regulatory requirements as well as the accountability of staff in their dealings across government, and with industry and community stakeholders. They cover a range of different business activities including Work Health and Safety, Human Resources, Information Management, Risk Management, Communications, Asset Management and Finance.

Regular rolling reviews are undertaken to ensure alignment with the existing governance framework including compliance with relevant legislation and other government policies, and to monitor the effectiveness of the control environment in addressing emerging strategic and operational risks that arise from time to time.

To improve the review process and enhance the regularity of updates, all documentation is being moved to a Sharepoint platform which will help ensure that the department's electronic Service Centre becomes the single source point for the up-to-date information for staff.

Our Committees

Risk Management and Audit Committee

The Risk Management and Audit Committee (RMAC) assists the Chief Executive to meet the Accountable Officer's statutory responsibilities and the management of the department's internal control arrangements. Its objective, authority, roles, reporting and administrative responsibilities are set out in its Terms of Reference, which are approved by the Chief Executive and reviewed annually. Membership of the Committee is representative of the department's business and corporate areas, and also includes an observer from the Northern Territory's Auditor-General's Office.

Achievements for 2012-13

Following the Northern Territory election in 2012, consequential changes to agency structures resulted in the establishment of a new Department of Primary Industry and Fisheries, and a new Department of Mines and Energy.

The existing RMAC was dissolved pending the finalisation of a shared services agreement between the two agencies and to determine how best to address the needs of both agencies into the future.

The achievements of the RMAC are therefore confined to the first two months of the financial year:

- A prioritisation and implementation plan for the internal audit into externally funded research projects
- Amended Internal Audit Work Plan to implement RMAC's resolve to infuse greater rigor into the project management administration.

Priorities for 2013-14

The two agencies have determined to establish a single Governance Advisory Committee (GAC) with a brief to maintain a broad oversight of agency governance arrangements and reporting to both Chief Executives. Particular priorities will be:

- Monitoring compliance by both agencies with provisions of the new *NT Workplace Health and Safety Act* and its accompanying Regulations.
- Development of a GAC Work Plan of externally provided risk assessments and internal audits to review agency internal controls; and strategic and operational risk assessment frameworks.
- Development of systems to properly capture the separate agency data for reporting in the Annual Reports
- Enhancement of staff training programs to embrace governance awareness and practice including risk management

Information Management Committee

The Information Management Committee (IMC) has a key role in governance of strategic information management across the department, including reviewing and approving all IM and IT project submissions and advising on investment in information technology.

This year IMC continued with a fully electronic system for its meetings. To expedite the review and approval of projects, the system allows each IMC member to access proposals as soon as they are submitted, to request additional information where required, and to vote on each submission. This year IMC considered 15 individual project proposals. The electronic system significantly reduced the time for each to be assessed by negating the need to arrange and conduct physical meetings. An additional benefit is that areas are now more compliant with the IMC process as applications are streamlined and decisions more timely.

Achievements for 2012–13

- Reviewed and considered 15 individual project proposals
- Oversaw implementation of the technology roadmap for the base-operating environment and Office suite and key business application
- Oversaw the continuous rollout of a major Electronic Document and Records Management (EDRM) project throughout the department
- Continued network upgrades to improve system access for staff in regional and remote offices.

Priorities for 2013-14

- Remodel the IMC to move to a greater strategic focus and develop new strategic and operational work plans
- Scope the replacement of major systems that are at or approaching end of life
- Develop systems to allow greater web-based access for our external clients
- Improve data management, analysis and reporting tools for broad agency use
- Implement technologies to provide greater staff mobility and external access to our systems.

Work Health and Safety Steering Committee

The Work Health and Safety Steering Committee (WH&SSC) develops and ensures the maintenance of work health and safety policies and programs within relevant legislation.

It also:

- Oversees the functions of workplace safety committees and makes recommendations on issues referred by the workplace safety committees
- Convenes and oversees sub-committees and working parties responsible for tackling WH&S issues
- Reviews and analyses accidents, injuries, hazardous incidents and compensation statistics, and provides recommendations to reduce workplace injuries and their costs
- Oversees induction, training and emergency procedures policies to ensure that staff receives regular, relevant and effective training information
- Reviews reports on programmed external workplace work health and safety inspections
- Monitors and adapts best practice standards.

Achievements in 2012-13

- Continued to fulfil the new *Work Health and Safety (National Uniform Legislation) Act 2011* requirements
- Maintained, developed and delivered WH&S targets through the Quarterly Action Plan process
- Implemented strategies to address the gaps identified in the 2010-11 Gap Analysis process
- Promoted the uptake of WH&S coaching and training programs
- Informed and consulted with staff on WH&S matters
- Reviewed and revised WH&S Management System, Policies and Guidelines as necessary
- Conducted regular outcome focused meetings.

WHSSC members consist of the Chief Executive, Executive Directors of each division and the Chair or representative of each area's Work Health and Safety Committee. Members are usually appointed for two years.

Priorities for 2013-14

- Continue to fulfil the new *Work Health and Safety (National Uniform Legislation) Act 2011* requirements
- Maintain, develop and deliver WH&S targets through the Quarterly Action Plan process
- Promote the uptake of WH&S coaching and training programs
- Inform and consult with staff on WH&S matters
- Ensure risk registers are updated.

Northern Territory Mining Board

The Northern Territory Mining Board is established under Part 6 of the *Mining Management Act* (MMA). The Board's functions and powers are detailed in section 50 of the Act; and include providing advice to the Minister and can also act as a review panel if a person was to apply for review of a decision made under the MMA by the Minister or his delegate.

The Board's members are appointed for their individual skills and knowledge. Members are solely to represent the views of any particular stakeholder or interest group, even though they may have been nominated by a specific group as specified under the legislation.

Membership of the Board, as defined under the *Act*, must:

- Comprise of least five members appointed by the Minister
- Contain a majority of members nominated by industry organisations, although others may be appointed by the Minister without nomination from industry organisations
- Ensure members have appropriate experience
- Have a chair appointed by the Minister, who cannot be a public servant. If the chair is absent, the Board then elects a member as chair for that meeting(s).

Achievements for 2012-13

The board contributed to a number of significant policy issues including:

- Occupational health and safety arrangements in the Northern Territory
- Environment Protection Authority powers
- Amendments to the *Mining Management Act*.

Priorities for 2013-14

The function of the Mining Board is currently being reviewed to consider building institutional capacity, which in turn may provide the Board with a broader strategic role; as a result renewing of board membership has been delayed until the review is complete.

DEPARTMENT OF MINES AND ENERGY

Insurance Arrangements

Treasurer's Directions require an agency to maintain an appropriate risk management framework. As the department is covered by the government's self-insurance arrangements, it is required to bear its own risks and meet costs as they occur. While self-insurance is a cost effective arrangement for managing insurable risks, an agency may also engage in commercial insurance arrangements where it is deemed beneficial to fully or partially transfer risk.

The Treasurer's Directions require the following information to be disclosed in the agency's Annual Report:

- Mitigation strategies and processes employed to reduce the risk for each insurable risk category
- Total number, value and average cost of self-insurance claims for each insurable risk category for the current and previous year
- Total commercial insurance premium expenditure for the current and previous year
- Total number, value and average cost of commercial insurance claims for the current and previous year.

The insurable risk categories are worker's compensation, property and assets, public liability and indemnity.

Workers' Compensation

Workers' compensation covers workers' medical expenses, lost income and compensation for incapacitation and compensation for dependents in the case of death arising from workplace accidents and incidents. The department is bound by the Northern Territory *Workers Rehabilitation and Compensation Act*, the *Work Health and Safety (National Uniform Legislation)* and its Subordinate Regulations. This is to ensure that the department has the required and appropriate Work Health and Safety (WH&S) strategies and processes to identify and minimise risks to workers.

The department has in place the following mitigation strategies and processes:

- A WH&S Steering Committee, whose members are senior executives meet regularly, minutes of which are published on the Intranet
- Active workplace WH&S Committees
- The Employee Assistance Program is available and provides employees with up to five visits annually to a psychologist or social worker
- A performance management system, known as the Achievement Review Process, provides an opportunity for managers and staff to discuss and review processes and safety and related training matters
- Middle management training provides managers with skills to enable the effective management of employees
- Policies and procedures are developed to specifically reduce risk to workers with a variety of topics including: working alone, using dangerous goods, safety at sea, first aid, use of firearms, office ergonomics and office safety
- Work places have nominated first aid officers, fire wardens and diversity contact officers. Posters with nominated officer details are displayed in work areas, with similar information on the department's Intranet
- Cyclone and emergency response procedures are in place and reviewed annually
- Conflict coaching and stress management strategies are available for staff
- Maintenance of an asbestos register for all sites owned by the department: Annual inspections are conducted to identify unsafe or deteriorating sites where safe removal and/ or encapsulation is carried out, if necessary, through the works programming process
- Travel policies for employees travelling in and out of Australia including advice for employees travelling to areas for which official travel warnings have been issued by the Department of Foreign Affairs and Trade
- Purchase of commercial travel insurance to cover employees travelling overseas
- Scheduled preventive maintenance programs for issues such as pest control, air quality testing, tree removal, and water filter replacements. The annual tree inspection program is conducted by a qualified arborist or Farm Manager and problem trees or branches are removed
- An annual program to clean concrete pathways in an attempt to avoid the risk of staff and visitors slipping at agency premises.

Table 4: Workers' Compensation claims

	2011-12	2012-13
SELF INSURANCE CLAIMS	<i>Number of claims</i>	
Mines and Energy	3	3
Total number of claims	3	3
	<i>Cost of claims</i>	
	\$41 166	\$14 341
Total cost of claims	\$41 166	\$14 341
	<i>Average cost of claims</i>	
Mines and Energy	\$13 822	\$4 780
Average cost of claims	\$13 822	\$4 780
Commercial Insurance Policies	<i>Premium Expense</i>	
	2011-12	2012-13
Personal Accident Insurance cover for volunteers not covered by other means		
Other Travel Insurance purchased		\$11
Travel Insurance cover for employees travelling overseas		\$680
Total Expenditure	\$0	\$691
	<i>Number of Claims</i>	
	0	0
Total Number of Claims	0	0

DME is provided corporate services through a shared-services agreement with the Department of Primary Industry and Fisheries

DEPARTMENT OF MINES AND ENERGY

Property and Assets

The department's assets primarily consist of land, buildings, vehicles, plant and equipment, and includes financial assets. These assets require ongoing management to prevent damage, loss or theft.

The department has the following mitigation strategies and processes in place:

- Policy on portable and attractive assets to ensure accountability and custodianship
- Property and Assets are managed through a shared corporate service arrangement provided by DPIF
- Internal audit processes and controls to foster compliance with Treasurer's Directions
- Accountability protocols for the control of allocating and recording security swipe cards and keys for access to buildings
- Commercial insurance to cover property damage for expensive specialised equipment
- Comprehensive vehicle management policy and procedures for governing all aspects of the vehicle fleet
- Cyclone procedures which are updated annually and reviewed after each cyclone event to ensure best practice
- Internal security systems in the Centrepoint building lock individual floors or buildings after hours or as necessary
- Policies for the use of corporate credit cards, credit control and debt management, and entertainment
- Regular inspections and/or stock-take of property and assets.

Table 5: Property and assets claims

	2011-12	2012-13
Self-Insurance Claims	<i>Number of claims</i>	
Total number of claims	1	1
	<i>Cost of claims</i>	
Total cost of claims	\$682	\$7 706
	<i>Average cost of claims</i>	
Total expenditure	\$682	\$7 706
Commercial Insurance Policies	<i>Number of claims</i>	
Total number of claims	1	1
<i>Commercial Motor Vehicle Policy</i>	\$10 951	See NOTE 1
Total number of claims	0	0

NOTE 1: 2012-13 Insurance Premium paid and reported in 2011-12 Annual Report.

NOTE 2: DME is provided corporate services through a shared-services agreement with the Department of Primary Industry and Fisheries (DPIF); therefore details in relation to costs associated with claims for corporate are reported in the DPIF Annual Report.

DEPARTMENT OF MINES AND ENERGY

Public Liability

Public liability relates to the liability owed to a third party who suffers loss or damage by reason of the department's activities.

The department has the following mitigation strategies and processes in place:

- Scheduled maintenance programs for issues such as pest control, air quality testing, tree removal, water filter replacements, and cleaning of walkways
- Policy on maintenance contractors requiring compliance with sign-in/sign-out procedures, WH&S standards and observance of applicable warning signage
- Risk assessments conducted for property and equipment use
- Compliance with relevant legislation, such as the *Information Act* and the *Traffic Act*
- Commercial insurance purchased to cover liability risk through the use of volunteers
- In compliance with Procurement Directions under the NT Government Procurement Framework, quotes and tenders are required to address public liability; and risk assessment processes may also identify the need for additional cover for issues such as marine and aviation liability.

Table 6: Public liability claims

	2011-12	2012-13
Self-Insurance Claims	<i>Number of claims</i>	
Mines and Energy	0	0
Total number of claims	0	0
	<i>Cost of claims</i>	
Mines and Energy	\$ 0	\$ 0
Total cost of claims	\$ 0	\$ 0
Premium Expenditure for Broad Form Insurance	<i>Average cost premiums</i>	
Mines and Energy	\$ 0	\$ 0
Average cost of claims	\$ 0	\$ 0

Note 1: DME is provided corporate services through a shared-services agreement with the Department of Primary Industry and Fisheries (DPIF); therefore details in relation to costs associated with claims for corporate are reported in the DPIF Annual Report.

DEPARTMENT OF MINES AND ENERGY

Indemnity

An indemnity is an agreement which provides protection from the consequences of a breach of duty of care or negligence, provided acts have been done in good faith. Issuing an indemnity rather than purchasing commercial insurance is in line with government's policy of self-insurance.

The department has the following mitigation strategies and processes in place:

- Internal guidelines and checklists are used to assist staff to determine the suitability of entering into funding agreements and contracts containing indemnity clauses
- Where it is possible to reach an agreement with another party, clauses imposing an indemnity on the department are removed from contracts before entering into them
- The agency legal advisers are engaged to review all contracts containing indemnity clauses and are frequently asked to advise on any other risks associated with the terms and conditions of contracts
- Where an indemnity clause is included in a contract an assessment of the risk of an indemnity provision being relied on is conducted and checked by senior executives
- Application of WH&S processes as applicable
- Promote compliance with all applicable legislation, such as the *Information Act*
- Formal adoption of the indemnity process at the Treasurer's Direction on externally funded projects.

During the financial year no party has called upon the Territory Government to indemnify them against losses or damage arising from a contract under which the department provided an indemnity.

Environmental Management

Infrastructure

Achievements for 2012-13

- Farrell Crescent Core Store
 - Resurface of bitumen roads
 - Upgrade core racking

Priorities for 2013-14

- Farrell Crescent Core Store
 - Upgrade of and refurbishment of air conditioning and core racking
 - Install backup generator

Energy Efficiency

The Centrepoint building is expected to maintain an average National Australian Built Environment Rating System (NABERS) base building energy efficiency rating of 4.5 stars per annum.

Staff education and regular reminders on the merits of switching off equipment not in use has continued, in combination with programming equipment to use 'sleep mode'. Initiatives that individual staff are encouraged to implement include recycling toners and drink containers.

Vehicle Efficiency

As part of its fleet management strategy, the department focuses on:

- Acquiring fit-for-purpose vehicles that are the greenest available within the vehicle group
- Altering the fleet composition by increasing four-cylinder vehicles where possible and reducing fleet size without adversely impacting on service levels
- Selecting vehicles that are technologically advanced whenever possible
- Introducing smarter business practices and closer interrogation of justifications for replacement of vehicle.

Of the 26 vehicles, 46% are four cylinders which consume 81L/100km; 4% are six cylinders and consume 9L/100km. The remaining 50% are eight cylinders and consume 11.5L/100km.

Statutory Responsibilities and Acts

Statutory responsibilities

Under the Administrative Arrangements Order, the department is responsible for the following principal areas of government:

- Administration of petroleum industry operations (onshore and offshore)
- Energy management and operations
- Energy policy
- Environmental management of mining operations
- Geothermal industry development
- Geothermal titles administration
- Mining and geothermal energy development
- Mining titles administration
- Northern Territory Geological Survey
- Petroleum industry development
- Petroleum titles administration
- Pipeline industry development
- Pipeline title administration

Acts administered by the department

The department is responsible for administering 15 Acts and eight pieces of subordinate legislation.

Aboriginal Land Rights Act (NT) (Commonwealth)

Energy Pipelines Act

Energy Pipelines Regulations

Geothermal Energy Act

Geothermal Energy Regulations

McArthur River Project Agreement Ratification Act

Merlin Project Agreement Ratification Act

Mineral Titles Act

Mineral Titles Regulations

Minerals (Acquisition) Act

Mining Management Act

Mining Management Regulations

Mining (Gove Peninsula Nabalco Agreement) Act

National Gas (Northern Territory) Act

Native Title Act (Commonwealth)

Petroleum Act

Petroleum Regulations

Petroleum (Prospecting and Mining) Regulations

Petroleum (Submerged Lands) Act

Petroleum (Submerged Lands) Regulations

Petroleum (Submerged Lands) (Application of Commonwealth Laws) Regulations

Tanami Exploration Agreement Ratification Act 2004

Validation (Mining Tenements) Act

Legislative Changes

Legislative changes and amendments in 2012-13

The *Mining Management Amendment Act 2013* was passed by the Legislative Assembly on 27 June 2013. The amending Act revised the current *Mining Management Act* (MMA) to deliver a range of improvements including introduction of an annual levy on mining securities to begin addressing the NT's estimated \$1 Billion in legacy mining liabilities. Key changes passed include:

- Introduction of a non-refundable annual levy of 1% on the total calculated rehabilitation cost applied to each mining operation authorised under the MMA
- Establishment of a statutory Mining Remediation Fund to hold a portion of levy monies for activities to begin reducing legacy mining impacts
- Providing flexibility for the application of annual Environmental Mining Reports (EMRs) to determine which sites or class of sites an EMR requirement should be applied to (for example, for those of higher environmental risk)
- An amendment to allow for a time period of three years, rather than the existing 12 months, for the commencement of criminal proceedings for offences against the Act

- Inclusion of a new provision for recovery of costs following a successful prosecution for an environmental offence, and to recoup costs incurred by the agency for undertaking significant environmental investigations
- Ability to set a minimum security for an Authorisation under section 35 of the MMA
- Exclusion of Darwin Port Corporation sites from the MMA to ensure activities are not inadvertently captured by the MMA.

New amendments to the MMA and supporting Regulations will commence on 1 October 2013.

DEPARTMENT OF MINES AND ENERGY

Information Act

Information Management

Under Section 11 of the *Information Act* the department is required to annually prepare a report that details its:

- Structure and functions
- The nature of government information it usually holds
- Procedures for providing access under Part 3 of the Act (Access and Correction Rights) to government information it holds
- Procedures for correcting under Part 3 personal information it holds, under Part 3

This information may be published in a document, a database or any other material form, and must be available in at least one of those forms for inspection and purchase by members of the public.

Accessing Information

The department's guidelines and procedures to enable access to information and to request corrections to personal information is available at www.nt.gov.au/d/foi

Government information held by the agency

During 2012-13 the department continued to improve Record Management Practices, procedures and policies to ensure compliance with Part 9 of the *Information Act*, which requires that the department develop and implement plans and processes to ensure full and accurate records are created, captured, discoverable, secure and where appropriate disposed of in line with approved disposal schedules.

- During 2012-13 all departmental policies and processes were reviewed in line with the new administrative arrangements
- On-line training videos were developed to assist staff using Electronic Document and Records Management Systems

- Business Rules developed and implemented for capture and recording of electronic records

- 2300 Files disposed of in accordance with approved disposal schedules

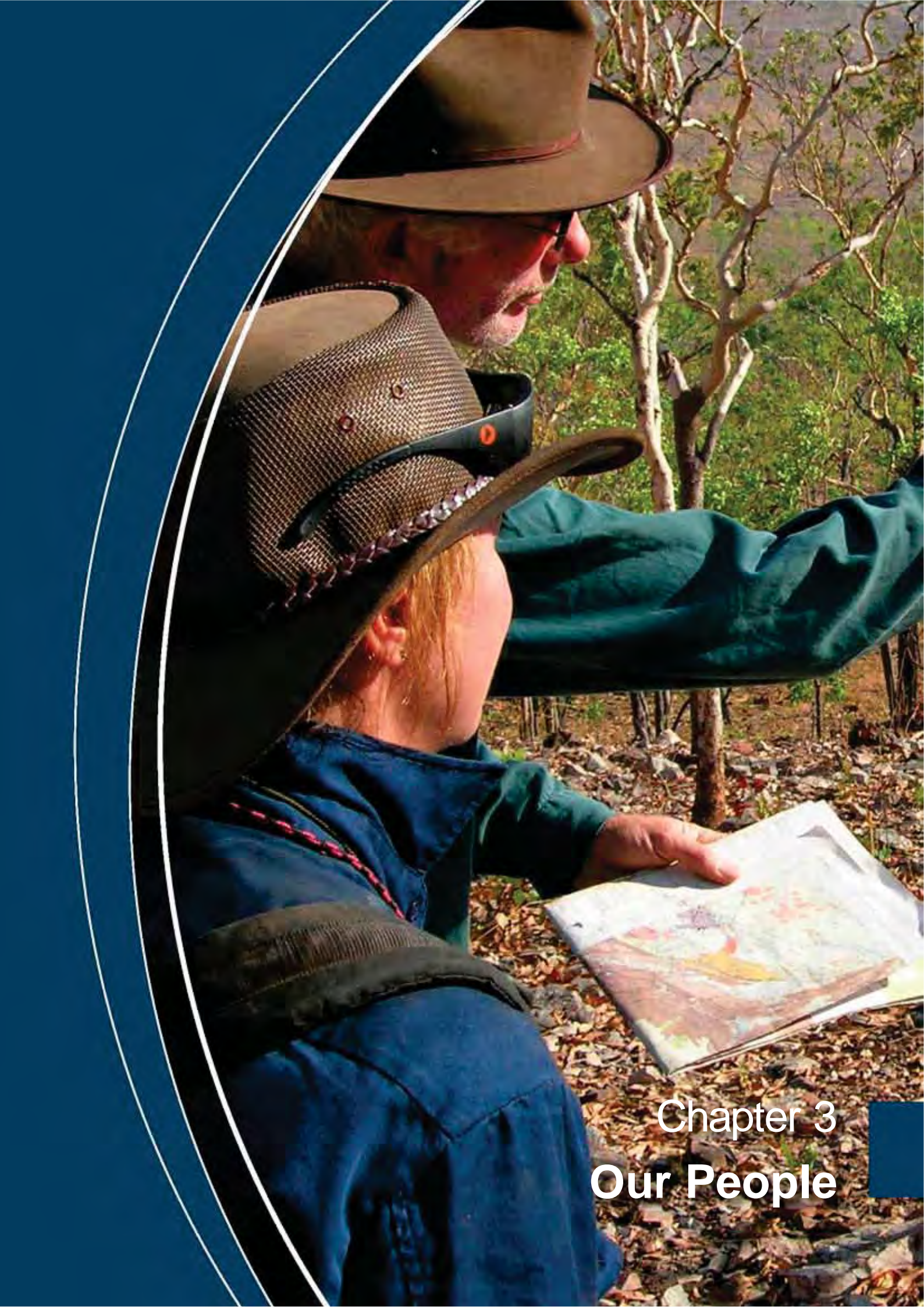
For a comprehensive list of the agency's statement of information refer to: www.nt.gov.au/d/foi

Requests for access to information in 2012-13

- For either departments' there were no outstanding information requests from 2011-2012. There were three new requests for information received.
- Two requests were finalised and one request yet to be finalised and is carried over to 2013-14.
- One internal review application was received and finalised for 2012-13.

Table 7: Information Act requests 2012-13

INFORMATION ACT REQUESTS	2011-12	2012-13
Requests carried over from previous year	1	0
Applications to access personal information	0	0
Applications to access government information	4	3
Requests Withdrawn	0	0
Requests Accepted	4	2
Requests completed within 30 day period	5	1
Requests not Finalised within 30 day period	0	0
Requests Finalised	5	2
Requests carried over to next financial year	0	1



Chapter 3
Our People

Introduction

Our People

The year has been one of change with the Department of Mines and Energy being created from the separation of the former Department of Resources and the appointment of its own Chief Executive Officer.

Our commitment to the strategic management of our people remains a key objective, with a strong focus on implementing machinery of government changes. Significant work was also devoted to implementation of processes related policy such as recruitment restrictions and redeployment, ensuring the policy intent was achieved.

The major focus for the department has been to ensure that the right structure and people are in place to deliver on Government policy and priorities. Changes to the agency structure were completed in June 2013.

The new agency continued to attract and retain a passionate, professional workforce of scientists, engineers, researchers, technicians and administration staff from many different cultural backgrounds and age groups.

The department's services are delivered to a wide range of stakeholders and industries in a culturally diverse environment. It is central to our success that our people effectively engage with all stakeholders and maintain the skills and capabilities to meet government and core business priorities.

The majority of the department's staff are located in the major centres of Darwin and Alice Springs.

As part of our commitment to the strategic management of our people, we continued to work towards successfully implementing the programs detailed in agency's People Plan 2011–2013, and needs arising from machinery of government changes.

The People Plan outlines the three priority areas which includes: *A Culture of Leadership Excellence*; *A Professional Capable Workforce*; and *A Safe, Positive and Diverse Workplace*. Within these priorities communication and management of change has been a key priority, with the department successfully transitioning to new arrangements in an efficient and industrially harmonious manner.

Staffing Profile

The following table shows the number of full time equivalent staff in the department as at 30 June 2013.

Table 8: Staffing establishment

	2011-12	2012-13
Mines and Energy	126	123

Table 9: Staffing by classification

Classification	Percentage
Administration	44
Early Careers	2
Executive	10
Physical	0
Professional	30
Technical	13

Our Major Achievements for the Year

This last year has been a year of change for the new department with a focus on aligning the department to meet the challenges outlined by the new government.

To meet these challenges one of the key achievements has been a new organisational structure which will enable the agency to better meet client needs.

Assisting employees to manage the transition from the Department of Resources to the Department of Mines and Energy and implementing a new organisational structure has been a priority activity. Also significant effort was devoted to altering a wide range of administrative requirements, including the development of a broad range of policy and process matters, as well as the delivery of training programs that support sector-wide initiatives and a sound organisational culture.

A Culture of Leadership Excellence

Our leaders strive to influence and manage in a work environment that is complex and often challenging. Understanding stakeholders and an ever-changing environment, working across government, providing accurate and timely advice and customer service, utilising technology, prioritising resources, ensuring transparency and accountability and empowering people to make a difference is how this department meets this challenge.

2012-2013 was a year that called on leadership excellence and as such the department formed a change and management group whose purpose was to disseminate information about the agency restructure and provide for genuine employee input. The Chief Executive Officer explained the proposed changes with face-to-face meetings with employees and was able to respond directly to questions.

A question and answer document was also made available to all employees and provided considerable information including the rationale and steps to be followed in the process.

The change process included relevant unions; It was conducted in a harmonious manner compliant with the Enterprise Agreement and no industrial issues or concerns emerged. Implementation groups within the division continue to bed down the new arrangements with employee involvement.

A Professional, Capable Workforce

Personal development, mentoring and coaching, and new ways of working provides staff with the necessary tools for managing the effects of an aging population, shortages and change.

In order to ensure the department has a professional capable workforce, the following programs were continued:

Early Careers Programs

The department continues to participate with three key programs as part of its Early Career's initiative. The programs are run by the Department of Primary Industry and Fisheries under a shared service arrangement and are as follows:

1. Indigenous Cadetship Support Program (ICS)

Currently two cadets are placed annually with the department, receiving support in their chosen field of Engineering and Environmental Management. Additionally cadets are provided with vocational employment to further their workplace experience.

2. Indigenous Apprenticeship Program

We have an Indigenous apprentice placed with the Environmental Monitoring Unit which provides experience in laboratory operations. Participants of the program gain work experience in their field and gain a qualification at the completion of their placement term.

3. Graduate Development Program

The program provides graduates with a two-year rotational placement within the agency. In doing so, allowing for greater skill development and an understanding of the many functions undertaken by the agency. At the time of this report the agency was commencing its recruitment process for the program and seeking an Engineering graduate.

Professional Development

The department is committed to ensuring staff have the necessary skills and therefore actively encourages employees to attend courses offered internally, and to seek greater education via external programs and working collaboratively with peers in other organisations.

The department offered the following programs to all staff:

- Appropriate Workplace Behaviour and Code of Conduct with five staff attending
- Chairperson Refresher Workshops with six attendees
- Change Management Workshops with nine staff attending
- Cross Cultural Training (CCT) delivered in line with the OCPE *Cross Cultural Training Framework – An Implementation Guide*. Sessions held with attendances included basic CCT with 12 attendees and training for managers that had seven attendees
- Performance Management and the Art of Giving feedback had five staff in attendance
- Work Health and Safety workshops with 16 managers and supervisors in attendance.

We have also provided development to update and up skill employees' technical capabilities.

Employees attended interactive information sessions organised by the department's Executive and Communications Services team to increase employee knowledge of Parliament and the Northern Territory Legislative Assembly, with a focus on the relationship between department and the Ministerial Offices.

Northern Territory Geological Survey Participation in the 34th International Geological Congress

Northern Territory Geological Survey (NTGS) staff had significant staff participation at the prestigious 34th International Geological Congress (IGC) held in Brisbane in August 2012. The IGC is conducted every four years at varying international locations, with the running of the event open to bidding by host nations, much like the Olympic Games. The 34th IGC featured 6012 geoscientist delegates from 112 countries presenting the results of their work in 3232 oral presentations, spread over five concurrent plenary sessions, spanning the five days of the event.

NTGS presence included Dorothy Close, Assistant Director Regional Prospectivity Geoscience, who was invited to chair the session titled *Building the Australian continent*, in recognition of her knowledge, experience and reputation in this particular field. Eloise Beyer from the Alice Springs office gave an oral presentation of her work in central Australia titled *Geochronological and geochemical evidence for a regional hydrothermal event during the 1590–1560 Ma Chewings Orogeny in the central Arunta Region, Northern Territory in the Session: Symposium 21.1: The Bruce Chappell Symposium. Felsic Magmas - Petrogenesis to Metallogenesis*. Jo Whelan from the Darwin office gave an oral presentation of her work, also in central Australia, titled *U-Pb-Hf-Nd isotopic constraints on magmatism in the eastern Arunta Region, central Australia: implications for source regions and Palaeoproterozoic tectonism*.

Both Jo and Eloise are to be commended for acceptance of their presentations, as there were many more applications to make an oral presentation than could be accepted by the organising committee.

Chris Edgoose from the Alice Springs office coordinated, prepared the field guide, and led a geological field trip through the Amadeus Basin (Field Excursion NT-1), one of 29 field excursions conducted across Australia as part of the Congress.

The 12 participants on the trip came from Spain, Sweden, Japan, the US, Russia, Denmark and China, and the excursion ran post-conference for six days through some of the spectacular geological exposures in central Australia.

The Energy Titles group attended International and Australian based oil and gas conferences, including the major Australian Petroleum Producers and Exploration Associations yearly conference and made overseas visits to widen government's knowledge of the Unconventional Oil and Gas Industry.

Agency staff undertook the following training programs, aimed to increase their knowledge in the field:

- Environmental Auditor Certification Workshop
- GPS/GNSS Course
- Geology for Non-Geologists Course
- Certificate IV in Statutory Compliance.

Study assistance was provided to staff during 2012–13 for:

- Bachelor of Environmental Science (Environmental Management)
- Master of Information Technology Management
- Master of Engineering Science.

Training expenditure

The table below shows how support for our people to train, study and attend conferences was spent in the past year.

Table 10: Training expenditure

	2012-13
HECS	\$4 408.30
Training and other	\$10 995.79
Conferences	\$99 467.04
Total	\$114 871.13

A safe, positive and diverse workplace

Safety at work, maintaining a positive and diverse work environment, equity in employment, and recognition of high work standards are fundamental elements of our culture. Our people, clients and stakeholders recognise that we effectively resolve workplace issues in a positive and fair manner.

The department redeveloped Workplace Behaviours and Resolving Workplace Grievances policies in line with the *Public Sector Employment and Management Act*. In addition a new performance management system commenced which is focused on the discussions between the manager and employee about what is expected as well as their learning and development needs and aspirations.

Diversity in the department

Equity and diversity continues to be a feature of the department's human resource initiatives.

A key initiative for the department in this regard is Indigenous Employment through the Early Career Programs, implementing work-life balance strategies and acknowledging and implementing strategies to ensure the work environment is family-friendly.

Equal Employment Opportunity (EEO) Information

EEO information is recorded by employees self-identifying in the following categories:

- Aboriginal or Torres Strait Islander (ATSI)
- Non-English Speaking Background (NESB)
- Person with a Disability (PWD)

As this is voluntary, the data in the table below only serves as a guide to reflecting the diversity within the department.

Employees are encouraged to enter and update their EEO details through myHR, an online human resource system that allows employees to access their own salary, leave and other personal information via the Intranet. The department regularly reminds employees to update their details through the HR newsletter and intranet news items.

Table 11: EEO groups by year

	2011	2012	2013
ATSI	8	4	4
NESB	7	5	3
PWD	1	0	1

Table 12: Employee classification by gender

Classification	Female	Male	Total
Admin	46	14	60
Physical	0	0	0
Professional	18	23	41
Executive	6	8	14
Technical	7	10	17
Early Careers	2	1	3

Work/Life Balance

Specific work/life balance arrangements continued to be considered on a case-by-case basis.

As employees become more aware of the opportunities to vary their working arrangements, developing measures to suit individual employees has become more specialised and complex.

This table shows the department has the following flexible working arrangements in place:

Table 13: Flexible working arrangements

	No. of Approvals
Flexible working hours	6
Home-based work / telework	0
Job sharing	0
Part-time work	10
Career breaks	0
Part-year employment	0
Short-term absences for family and community responsibilities	2
Utilisation of recreation leave at half pay	3
Purchase of additional leave	1
NTPS Extended Leave Scheme	0
Transition to Retirement	2

The department also supports the use of informal arrangements for use of flexible working hours between the normal span of duty. These arrangements are not recorded.

Aging Workforce

The age profile in the department shows that 44 per cent, or 60 employees are above the age of 46; and 17 per cent have already reached early retirement age (above 55).

The department anticipates the need to build this critical workforce group, and to this end began providing information to employees on transition to retirement arrangements. To date, two requests have been received to transition to retirement through a part-time employment arrangement.

Table 14: Employee age profiles

Age	Female	Male
16–25	14	3
26–35	15	12
36–45	20	11
46–55	22	15
56–65	6	10
66–75	2	5

Indigenous Employment

Increasing the number of employees in the department who identify as Indigenous remains an objective as identified in the department's Indigenous Employment Strategy. At 30 June 2013 there were four identified Indigenous employees within the department, which is three per cent of all employees.

As the department's critical positions are Professional and Technical in nature, there is continued effort made to explore options to increase the number of Indigenous Australians in these fields. This is being achieved by engaging Indigenous Apprentices and supporting Indigenous Cadets through the Indigenous Cadets Support (ICS) program. The department continues to actively promote Indigenous employment through engaging with NT secondary schools.

Work was completed to connect the Indigenous Apprenticeship Program with disciplines that align to the department's business and skills needs, such as Business Administration and Laboratory Operations.

The department has two Indigenous cadets (placed by DPIF under a shared service arrangement) studying undergraduate degrees in professional disciplines that match the department's skill needs. These are Engineering and Environmental Management.

In order to raise the level of knowledge and skills of employees in working with Indigenous people, this year **Cross Cultural Training (CCT)** was delivered in line with the OCPE *Cross Cultural Training Framework – An Implementation Guide*. Sessions held included basic CCT for all employees with twelve participants and training for managers with seven attendees.

Conflict Management

We continue to promote and use early resolution for workplace issues. Policy and process were reviewed to place emphasis on resolving issues early and as close to the workplace as possible. Early intervention methods such as mediation and alternative conflict resolution were used to resolve internal workplace conflicts and grievances during 2012-2013. As such, the Chief Executive Officer did not need to resolve any grievances by the more formal process of investigation, or were there any requests to use external bodies by employees.

Employee Assistance Program

The department maintained its Employee Assistance Program which provides employees and their families with free access to confidential counselling and related services on issues such as interpersonal conflicts, relationship or family problems, stress, financial or vocational issues, grief, trauma, alcohol and other substance abuse problems.

The programs main areas of use continue to be management coaching and traditional employee counselling services with both services being well utilised.

The department will continue to maintain this program to assist employees meet personal and professional challenges.

No usage trends of significance occurred in the reporting period, with employee accessing the service consistently and within normal organisational parameters.

Work Health and Safety Programs

Workplace Health and Safety continues to remain a key focus for the department. Key actions have taken place that include:

- Introduction of Workplace Health and Safety (WHS) Workshops tailored for Management, Supervisor and Employees
- Revision and amendment of the Personal Protection Equipment (PPE) Guideline
- Revision and amendment of the department WH&S Management System
- The introduction of a Quad Bike Policy
- Introduction of a WH&S Module into the department's Induction Program.

The WH&S Steering Committee continues to promote and ensure compliance with best practice principles within the agency.

Rewards and recognition

STAR Awards

During the reporting period the agency made preparations to hold its annual reward and recognition program, the STAR Awards which is an acronym for Service, Teamwork, Achievement and Results.

The awards comprise a main and two secondary awards with five key categories strategically realigned to new government priorities these include:

- Service excellence for the department's clients
- Outstanding contribution to the department's work to support the Mining and Energy element of Government's Strategic economic development policy
- Outstanding contribution to leadership and service within the department
- Outstanding contribution to mining/energy development or effective regulatory activity.

Presented by the Minister, major winners receive \$4000 or \$10 000 for a team, and minor winners receive \$2500 or \$5000 for a team. Winning funds are used to support areas of the department as well as provide professional development opportunities. Additionally a perpetual trophy, a smaller replica and an award certificate is presented to the winners at the presentation ceremony.

At the time of this report nominations for the awards had been received and the finalising of the ceremony scheduled for 30 July 2013 was in its final stages.

Service Milestones

The agency also formally recognises those employees who have achieved 10, 20, 30 and 40 year service milestones, with awards, with certificate and recognition plaques to be presented by the Minister, the Hon Willem Westra van Holthe MLA to take place in conjunction with the STAR Awards.

DEPARTMENT OF MINES AND ENERGY

Public Sector Employment and Management Act Compliance

In accordance with section 28 of the *Public Sector Employment and Management Act* (PSEMA), there is a requirement for the Chief Executive Officer to report on Public Sector Principles to ensure they are upheld and to identify any significant instances where they were not.

The following information is provided in this regard:

Requirements in PSEMA	Measures taken to ensure they are upheld
Administration Management	
<p>Providing effective, efficient and appropriate services to the community and the government.</p> <p>Ensuring the effective, efficient and appropriate use of public resources.</p> <p>Informing, advising and assisting the government objectively, impartially and with integrity.</p> <p>Ensuring that in carrying out their functions, agencies:</p> <ol style="list-style-type: none"> 1. are responsive to the changing needs of the community and the government 2. work cooperatively with each other. <p>Ensuring the Public Sector is structured and administered so that:</p> <ol style="list-style-type: none"> 1. responsibilities are clearly defined 2. appropriate levels of accountability are in place 3. excessive formality and delay are minimised 4. Innovation is encouraged. <p>Ensuring proper standards of financial management and accounting are maintained.</p>	<p>The department has in place numerous measures to ensure compliance with this principle. These measures are detailed under the Governance Section and in other relevant areas of the Annual Report.</p>

Human Resource Management

Employment is based on merit.

All selection processes must be undertaken by a recognised Chairperson.

Extensive Recruitment and Selection Procedures and information for panels are on the department's intranet site, and Human Resources taking an active advice and support role.

Refresher chairperson sessions were provided over two sessions with eight staff in attendance.

Equality of employment opportunity.

Indigenous Employment continued.

Recruitment practices have a strong focus on merit.

Appropriate Workplace Behaviours Policy and Procedures have been updated and are available on the department's intranet site.

The department is developing an EOMP in the coming year.

Working environments in which employees:

Appropriate Workplace Behaviours Policy and Procedures promote a workplace that meets the requirements of this principle.

1. are treated fairly, reasonably and in a non-discriminatory way

The department's is still developing a new performance management system and still uses the Department of Resources' system in the interim.

2. are remunerated at rates appropriate to their responsibilities

This system and the new one being developed identifies the employee's training needs aligned to individual work plans and career aspirations.

3. have reasonable access to training and development

Positions are evaluated through Job Evaluation System or the Work Content Process (for Physical positions).

4. have reasonable access to redress when adversely affected by improper or unreasonable decisions.

The department has a Grievance Policy and Procedures which provide employees with the opportunity to seek reasonable redress.

Performance and conduct

Carry out the officer's duties as follows:

1. objectively, impartially, professionally and with integrity
2. to the best of the officer's ability
3. in accordance with the Act and any code of conduct applicable to the officer under section 16(2)(c).

Treat other public sector officers, other persons in the workplace and members of the public fairly, equitably and with proper courtesy and consideration.

Ensure effective, efficient and appropriate use of public resources.

Avoid actual or apparent conflicts of interest between personal or other interests and duties as a public sector officer.

Ensure the officer's personal conduct does not:

1. adversely affect the performance of the officer's duties as a public sector officer
2. bring the Public Sector into disrepute.

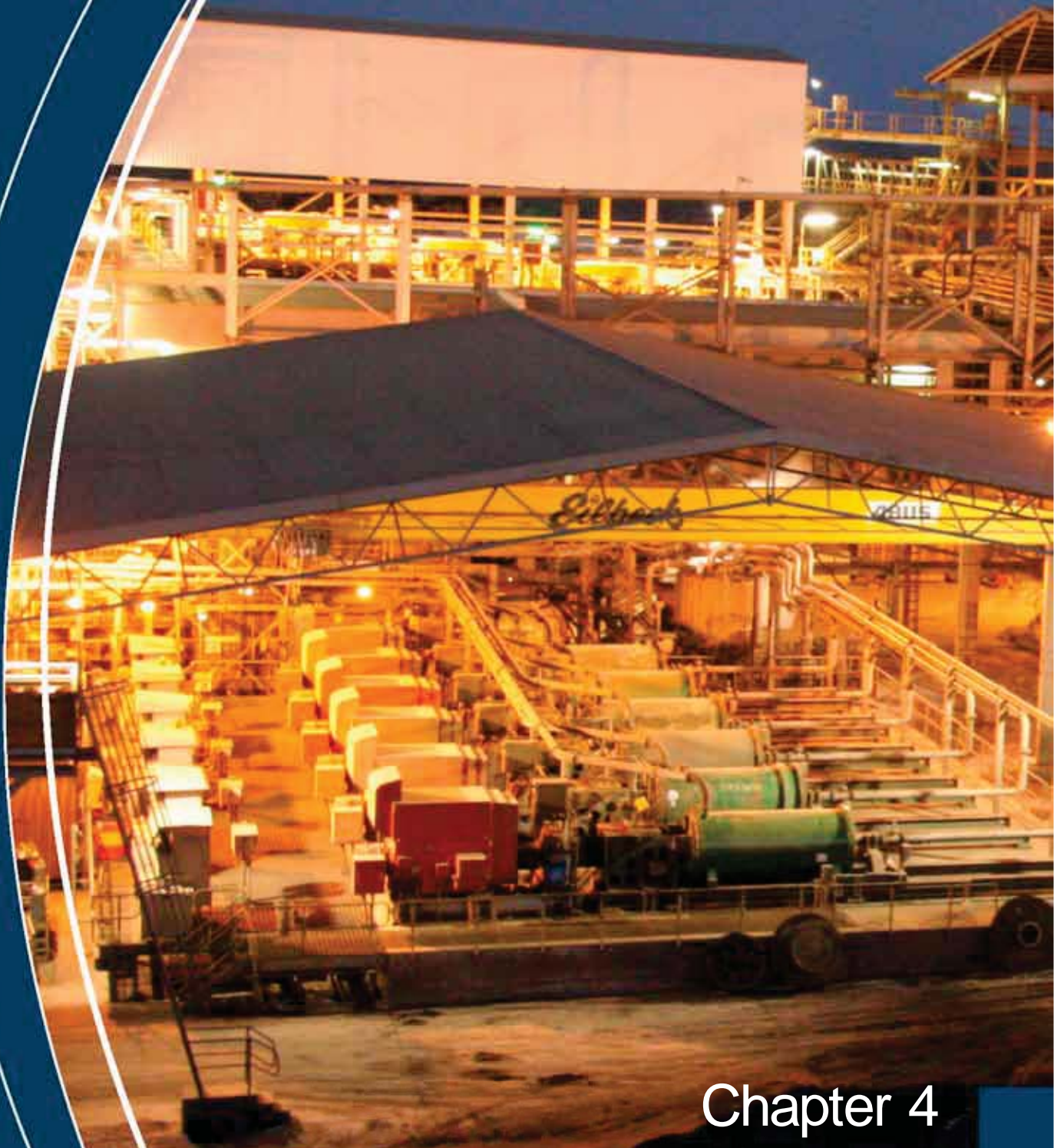
An online induction provides employees with information on the code of conduct and these principles.

The proposed Performance Management system and the Department of Resources' PM system provide employees the opportunity to understand what is expected of them and to develop a learning plan.

During 2012-2013 the department conducted Code of Conduct and Appropriate Work Behaviour awareness sessions. Two sessions were held with 23 staff attending.

There was no significant failure to uphold these principles during 2012-2013.

Requirements defined in the Employment Instructions	Actions taken
Filling Vacancies	
A Chief Executive Officer must develop a procedure for the filling of vacancies consistent with the Act, its subordinate legislation and any relevant award or enterprise agreement.	The department has recruitment and selection procedures available on its intranet site. Selection processes are led by a recognised chairpersons.
Probation	
A Chief Executive Officer must develop a probation procedure consistent with the Act, its subordinate legislation and any relevant award or enterprise agreement.	Probation procedures are available on the intranet site. Human Resources take an active role monitoring this process.
Employee Performance Management and Development Systems	
A Chief Executive Officer must develop an internal employee performance management and development procedure consistent with the Act, and its subordinate legislation, and any relevant awards or enterprise agreement.	The department's existing performance management system is under review to ensure it meets new agency requirements. The review will also produce an online form that aims to increase the capability to monitor its use throughout the department.
Internal Agency Complaints and Section 59 Grievance Reviews	
A Chief Executive Officer must develop an internal employee grievance handling policy and procedure consistent with the Act, its subordinate legislation and any relevant award or enterprise agreement.	The department's Grievance Policy and Procedures is available on the intranet site. The emphasis is on early intervention and include provisions to allow for complaints related to Work Health and Safety matters.
There were no complaints or section 59 requests during 2012-2013.	



Chapter 4 Performance Reporting

The Department of Mines and Energy assesses its overall performance against five key elements, and these are outlined in Table 15 below:

Table 15: Minerals and Energy Performance Measures

Key Deliverables	2011-12 Actual	2012-13 Estimate	2012-13 Actual	2013-14 Estimate
Geological Survey				
New geospatial data sets and publications distributed to clients groups ¹	n/m	n/m	2 977	6 000
Geoscientific data products developed or updated ²	90	100	65	65
Industry delegates at Annual Geoscience Exploration Seminar ³	219	230	194	210
Target rating for geological database in FIAS ⁴	10 th	10 th	12 th	10 th
Information and product request responses within five days	n/m	n/m	89%	90%
Products and industry reports distributed online	n/m	n/m	63%	50%
Industry Development				
Overseas investment attraction missions and seminars	8	4	5	4
International investment attraction events held domestically	5	2	2	2
Mining Environment Compliance				
Mine planning documents assessed	433	350	480	350
Plans assessed within established timeframes	n/m	80%	80%	80%
Audits conducted ⁵	12	6	10	10
General inspections conducted ⁶	170	200	185	200
Site reported incidents finalised within agreed timeframes	n/m	80%	n/m	80%
Sites monitored as per annual schedule	100%	80%	n/m	80%
Mineral Titles				
Mineral exploration licences received ⁷	428	450	249	245
Mineral exploration licences granted	1 500	1 400	1 384	1 350
Applications for mineral exploration licences outstanding	1 079	1 000	933	905
Energy				
Energy Title applications received and administered	72	20	5	20
Energy Title applications outstanding – total	146	140	145	140
Energy Titles granted – total	28	40	20	20
Energy Activity applications received	81	106	20	14
Energy Activities applications approved	81	106	9	23
Energy Activities audits	6	19	10	20

¹ The original estimated figure for new geospatial datasets and publications in 2012–13 was incorrectly set too low and did not account for the significant increase in the number of NTGS publications online.

² The lower number of geoscientific data products developed in 2012-13 is mainly due to lower numbers of geoscientists, as well as a focus on completing the *Geology and Mineral Resources of the NT* Publication.

³ Includes all delegates from the private sector including explorers, and exploration and mining service providers.

⁴ The FIAS (Fraser Institute Annual Survey of Mining Companies) is an annual worldwide survey of mining companies to rate the relative mineral exploration attractiveness of 96 jurisdictions.

⁵ An audit is the formal examination of the environmental management system in accordance with ISO14001.

⁶ An inspection is any visit to a site by a mining officer and includes audits.

⁷ New performance indicator.

n/m= Not Measured

DEPARTMENT OF MINES AND ENERGY

Geological Survey

Growing the mineral and petroleum industries by attracting and supporting exploration through the acquisition, delivery and promotion of geoscience data and information.

- Implementing government's pre-competitive geoscience initiative
- Providing high-quality geoscience products and data to industry in contemporary formats
- Management and delivery of historical exploration data, reports and drillcore
- Undertaking field-based geoscientific investigations to enhance and promote prospectivity.

Achievements for 2012–13

Pre-competitive geoscience initiative

- Release of the East Amadeus Gravity Survey, covering 102 000 km² of central Australia south and south-west of Alice Springs
- Implementation of the fifth round of exploration grants under the Geophysical and Drilling Collaborations program
- Acquisition of the South Wiso Gravity Survey, covering more than 60 000 km² between Tennant Creek and the Tanami
- Completion of the flagship Geology and Mineral Resources of the NT volume
- Release of two reports on new geochronological data from across the Territory
- First release of data and interpretations from COBRA collaborative project on the Amadeus Basin, with CSIRO and industry, at the Annual Geoscience Exploration Seminar (AGES) 2013 conference
- Development of a system to make open file statutory exploration company reports available to industry for download over the web
- Release of a diamond prospectivity assessment of the Northern Territory, accompanied by a fully updated diamond indicator mineral database.

Industry Support

- Ongoing implementation of palletised racking in part of the core storage facility in Darwin
- Release of a Core Sampling Reports database to make data from sampled drill core more accessible.

Promotion

- Attendance of 248 delegates at the AGES 2013 conference in Alice Springs in March, including 194 industry delegates
- Promotion of the Territory as an exploration destination at national forums in Perth and Darwin
- Promotion of the Territory's resource potential to international investors in China, Japan and Korea as a contribution to the International Minerals Investment Strategy.

Priorities for 2013–14

CORE Initiative

- Implementation of the government's CORE (Creating Opportunities for Resource Exploration) Initiative
- Implementation of the sixth round of the Geophysical and Drilling Collaborations under CORE, totalling \$738,000 of funding for nine greenfields projects
- Completion and release of data for the South Wiso Gravity Survey
- Acquisition of the Southern McArthur Basin Gravity Survey
- Compilation and release of a volume on *Onshore Hydrocarbon Resources and Potential of the NT*
- Release of new geological maps from projects in the Arunta Region in central Australia
- Launch of the GEMIS system to make open file statutory exploration company reports available to industry for download over the web
- Launch of the flagship *Geology and Mineral Resources of the NT* volume
- Finalise the new public spatial information system replacing the Title Information System and STRIKE.

Promotion

- Organise the AGES 2014 conference to be held in Alice Springs in March 2014
- Promotion of the Territory as an exploration destination at national and international forums, along with ongoing contribution to international investment attraction in East Asia.

Industry Development

- Attracting investment into greenfields exploration and new minerals and energy projects
 - Promoting the Northern Territory's mineral investment opportunities to potential international investors
 - Assisting Territory explorers to access investment from the international market
 - Providing services to identify and introduce potential investors, promoting Territory businesses and assisting local industry with business liaison
 - Delivering the *China Investment Attraction Strategy*
 - Developing strategic partnerships with key international organisations in China, Japan and Korea
 - Making regular Ministerial and Departmental trade missions to key markets for Northern Territory minerals in China, Japan and Korea
 - Holding investment seminars and promotional events in Australia and overseas
 - Building and growing relationships with key domestic organisations and companies, and leveraging those relationships to raise the profile of the Territory as an investment destination
 - Hosting visiting international delegations of potential investors
 - Producing communication materials to promote the Territory as an attractive resources investment destination.
- Achievements for 2012–13**
- Assisted Northern Territory explorers to access investment from the international market
 - Assisted local explorers to secure \$9.96 million in investment from Chinese companies, enabling a significant Territory exploration project to progress
 - Held a major investment conference in Darwin where companies presented their NT exploration projects to a record number of prequalified Chinese investors
 - Hosted nine inbound delegations to Darwin from China, Korea and India
 - Developed an NT Minerals Investment Guide suitable for multi-country promotions.
 - Developed the Northern Territory's international profile as an investment destination
 - Strengthened strategic relationships with investment groups in China, Japan, Korea and India
 - Organised a Ministerial visit to China covering Beijing and Tianjin
 - Promoted the Territory at three international minerals and energy event and held two investment seminars in China and Japan.
 - Built and grew relationships with key domestic organisations and companies
 - Promoted the Territory at two national minerals and energy events
 - Continued to work closely with local businesses and associations including the China Mining Club of Australia and the Australia China Business Council.
 - Enhanced capabilities to improve services to industry
 - Updated our understanding of markets for each of the Territory's prospective commodities to enhance the department's ability to target potential investors
 - Developed and conducted a survey of Territory explorers to identify ways to improve the department's investment attraction services.

Priorities for 2013-14

- Increase investment for Territory explorers
- Expand our database of potential investment contacts in China, Japan and Korea to make new partnership opportunities for local explorers
- Conduct a domestic roadshow to promote Territory exploration projects to Australian branch offices of Asian investment prospects
- Continue successful track record of matching international investors with Territory explorers
- Continue to promote our investment attraction capabilities and services at domestic and international events.
- Further develop the international investment attraction platform
- Review, refine and strengthen the China Investment Attraction Strategy
- Develop a new Japan Investment Attraction Strategy and develop a Korean Investment Attraction Strategy
- Organise international promotional visits to China, Japan and Korea
- Update our marketing materials for Chinese, Japanese and Korean markets.
- Strengthen strategic partnerships with key international organisations in China, Japan and Korea
- Hold Territory investment seminars in China, Japan and Korea in conjunction with strategic partners
- Establish more senior contacts with international government cooperation partners and their Embassies and consulates within Australia
- Build on relationships with strategic partners to promote the Territory's investment potential to a wider audience.

DEPARTMENT OF MINES AND ENERGY

Successful Minerals Investment Conference held in Darwin

In May 2013, the Northern Territory (NT) and South Australian (SA) Governments jointly held the first Australia China Minerals Investment Summit (ACMIS) in Darwin. The event was designed to bring senior Chinese officials and investors to meet with NT and SA explorers and Territory business people to discuss investment opportunities.

ACMIS was organised by the Resource Development Division at the Department of Mines and Energy.

Three hundred and fifty eight delegates registered for ACMIS, against the department's original target of 300 delegates. Eighty-five of the delegates were Chinese officials and potential investors, a 30% increase compared with Chinese investor attendance at a similar event held in Adelaide in 2012.

Forty-five per cent of the Chinese delegates were new to this department – having not previously attended any investment seminars or meetings with the department, in either China or Australia. This exceeded the department's target of attracting 25% new contacts to ACMIS. This is an important measure of value for NT's junior explorers, who rely on the assistance of the department's Investment Attraction program to identify new investment prospects.

As well as the organised investment matching, delegates enjoyed two days of presentations from high profile national and international speakers, informative seminars, networking lunches and dinners, and a technical and leisure tour of Darwin.

Overall, feedback about ACMIS from attending delegates was very positive.



DEPARTMENT OF MINES AND ENERGY

Mining Performance

This group is responsible for:

Promoting continuous improvement and best practice environmental management during mine operations and closure.

- Promoting a culture of operator responsibility for best practice environmental management and continuous improvement through a rigorous audit and inspection program of operational activities and management systems for mining activities, and ensuring compliance is met for any identified non-conformities.

Achievements for 2012–13

Legislative

- Parliament passed amendments to the Mining Management Act (MMA) which provided for the introduction of the Mining Remediation Levy and the creation of a Mining Remediation Fund
- Developed improved streamlining of regulatory approvals for operating mines in consultation with industry, including provisions for multi-year mining management plans.
- Successfully prosecuted a major company for causing environmental harm, resulting in a conviction and fine of \$70,000
- Assisted the Aboriginal Areas Protection Authority in the successful prosecution of a mining company which had damaged and desecrated a sacred site. The company was fined \$150,000.

Economic

- Provided regulatory approvals for a range of mining plans to allow continued economic development of mineral resources in a sustainable manner.

Community

- Continued to foster positive and cooperative relationships with all stakeholders, including land councils and industry associations.

Environment

- Continued to work with the operator responsible for the Mount Todd mine site to address environmental legacies
- Supported the ongoing activities of the Security Assessment Board which requires operators to submit a rehabilitation security for 100% of environmental liability. The department now holds securities and back guarantees totalling between \$730–40m at 30 June
- Completed the first phase of the program at Rum Jungle managed by DME under the National Partnership Agreement (NPA) with the Commonwealth including delivery of the conceptual remediation plan. Commenced negotiations for the second phase of the NPA which will work towards preparing the engineering designs
- Carried out 169 field visits, ten close-out inspections, ten environmental audits and undertook six investigations at mining sites across the NT.

Evaluation

- Assessed 480 mine planning documents
- Referred 14 documents covering 18 projects to the Department of Natural Resources, Environment, the Arts and Sport for further assessment under the Environmental Assessment Act
- Issued 124 authorisations under the MMA: 67 for exploration, 12 for mining and 45 for extractive and quarrying
- Requested 159 securities for 2012-13
- Collected 1033 water and 64 sediment samples across the NT
- Prepared to recruit additional staff for the Mining Teams in all regions.

Priorities for 2013–14

Legislative

- Continue efforts to streamline regulatory process, including a focus on the exploration and extractive mineral sectors
- Manage statutory processes to meet government objectives for environmentally sustainable development in the mining industry, including focus on auditing major mines and inspections across all sites
- Fully implement amendments to the Mining Management Act in consultation with industry and stakeholders including the Mining Remediation levy.

Environment

- Provide strategic and scientific advice and independent data to underpin the regulation, inspection and investigation of current, future and legacy mine site environmental performance
- Establish a new team to deal with mining legacy issues and commence activities in relation to the commencement of a legacy mine remediation program
- Commence work on the engineering designs for the rehabilitation plan for the former Rum Jungle mine site consistent with the interests of stakeholders, particularly traditional Indigenous land owners.

Evaluation

- Continue to manage the contract and departmental relationship with the appointed McArthur River Mine Independent Monitor, including appointing a new operator
- Fully implement the database which allows direct operator entry of environmental monitoring data and facilities review and assessment of environmental performance data
- In consultation with extractive industry representatives, develop and implement new, simplified procedures in relation to the preparation of mining management plans and security bonds.

Minerals and Energy Titles

Grant and maintenance of exploration licences and mining titles; addressing Indigenous liaison and land access issues; and regulation and administration of geothermal and petroleum interests.

- Facilitating the grant of minerals and energy tenure in accordance with relevant Northern Territory legislation
- Maintaining registers for all minerals and energy titles
- Monitoring title holder's compliance with grant conditions and legislative requirements
- Administering Part IV (the exploration and mining provisions) of the *Aboriginal Land Rights (Northern Territory) Act* (ALRA) on behalf of the Commonwealth
- Contributing to policy formulation, the development of legislation and the promotion of the Territory's resources.

Mineral Titles Achievements for 2012-13

Legislation

- Implementation of the new *Mineral Titles Act* (MTA) and Regulations providing efficient processes for the granting and maintenance of exploration and mineral titles
- Transition of 'non-compliant' titles from the repealed *Mining Act* to the MTA
- Administered Part IV of ALRA on behalf of the Commonwealth to facilitate the grant of exploration licences on Indigenous land
- Participated in the review of Part IV of ALRA
- Conducted education sessions for industry at the Annual Geoscience Exploration Seminar (AGES) 2013.

Titles data

- Commenced the development of a new Titles Administration System.
- Develop the new public spatial system for titles.
- Facilitated the grant of mineral titles attracting major project status.
- Developed the fossicking website, increasing awareness, providing up to date resources and facilitating greater access to land for fossickers.

Mineral Titles Priorities for 2013-14

Applications for exploration licences

- Continue to ensure the valid and timely grant of exploration licence applications and mineral titles in accordance with government policy and legislative requirements
- Continue to collaborate across agencies in relation to exploration and extractives.

Legislation

- Progress the transition of non compliant existing interests
- Provide advice in respect of the review of Part IV of ALRA.

Titles data

- Finalise the redevelopment of the Titles Information System
- Ensure contemporary systems of administration through a process of continual improvement.

Promotion

- Continue to promote the Territory in high-level forums through the provision of accurate advice and information to industry and other stakeholders
- Continue to promote and collaborate across agencies within the Territory.

Land access

- Facilitate access to greater areas for prospecting and fossicking
- Support the exploration and mining industry during this economic downturn with flexible and effective management
- Work within Commonwealth legislative frameworks to reduce timeframes for the grant of titles.

Energy Titles Achievements for 2012-13

Applications for exploration permits and licences

- Received and assessed five onshore petroleum exploration permit applications
- Granted 20 onshore exploration permits
- Assessed and approved work programs for five wells (drilling applications), three seismic surveys and three airborne gravity surveys
- Renewed one pipeline licence
- Assessed three pipeline renewal applications.

Legislation

- Commenced review of the *Petroleum Act (PA)* and Regulations
- Delivered draft amendments to the PA increasing environmental regulatory harmonisation across the Commonwealth and State jurisdictions.

Promotion

- In partnership with the Department of the Chief Minister, provided information and advice to a range of industry clients at the Australian Petroleum Production and Exploration Association (APPEA), South East Asian Offshore Oil Conference (SEAAOC), and North America Prospect Expo (NAPE).

Land access

- Formed a working group on improving land access for energy explorers.

Energy Titles Priorities for 2013-14

Administration of tenure

- With the significant increase in Territory onshore energy, ensure appropriate resources and procedures that underpin timely management of onshore regulation and administration of tenure are in place to ensure regulatory certainty for industry, and regulatory confidence for the community
- Administer and ensure exploration expenditure for energy projects meet or exceed approved levels for work programs
- Assess and approve the Pipeline Management Plan for the INPEX project and the approval for consent to construct.

Legislation

- Complete the review of onshore petroleum legislation ensuring the legislation meets contemporary and future activities and provides certainty to the public and government with best practices in administration and regulation of Territory energy resources
- Amend the Petroleum Legislation to provide for a Land release provision of vacant land
- Amend the Petroleum Legislation and Energy Pipeline legislation to increase fees and charges in line with contemporary levels
- Amend the *Petroleum Submerged Lands Act* to mirror Commonwealth legislation where appropriate to provide for a seamless regulatory regime for major projects such as INPEX
- Mirror Commonwealth and State petroleum legislation where appropriate during the review and amendments.

Land access

- Work within national legislative frameworks to reduce timeframes for the grant of exploration tenure.

Human Resources

Our Vision

To enable the department to achieve a flourishing economy underpinned by profitable and sustainable resource based industries.

Our Mission

That our people have the skills and capability to support and meet government and core business priorities in a sustainable, productive and responsible manner.

Our People

Human Resources (HR) delivers a shared service for both the Department of Mines and Energy and the Department of Primary Industry and Fisheries. Working in partnership with the clients, the unit is committed to delivering strategic, client focussed and innovative HR services and solutions to assist DME to achieve its outcomes.

In designing our programs, Human Resources strives to increase awareness of and align services with government priorities, to meet whole-of-government human resource management objectives, to address specific employee needs, and to maintain legislative compliance and ensure the department continues to be a good place to work.

Key priorities arising from our People Plan for the upcoming year includes workforce planning, maintaining our positive workplace culture, maintaining the skills of our managers in merit selection, introducing a performance development system aligned to the Capability and Leadership Framework, and developing the agencies capabilities to meet future needs. Delivering leadership and management training and enhancing our Indigenous early careers programs remain key priorities.

This group is responsible for:

A culture of leadership excellence

- Organisational change initiatives through the People Plan and changes to the *Public Sector Employment Management Act* (PSEMA)
- STAR Awards
- Facilitation of leadership development.

A professional capable workforce

- Strategic HR and workforce plans
- Specialist human resources advisory services to management and staff
- Facilitation of performance management processes
- Project and case management of human resources, industrial relations, grievance, performance and discipline matters
- Early careers coordination relating to Apprenticeships, the Graduate program and Indigenous Cadet Support programs
- Management of service agreements and stakeholder relationships.

A safe, positive and diverse workplace

- Work Health and Safety - online induction, training, incident reporting and worker's compensation
- Facilitation of early intervention of workforce and industrial relations issues

Achievements for 2012–13

Leadership Program

- Reviewed the department's leadership program and developed and implemented a revised leadership program which includes an emerging leaders element.

Workforce Planning

- Commenced Workforce planning for the department.

Marketing and Communications Review

- Facilitated the process successfully including client representation from DME.

Machinery of Government

Delivered the following reporting requirements to OCPE:

- Staffing trends within the agency
- Recruitment Restrictions
- Managed the NTG Redeployment database
- Facilitated transition of new agency arrangements
- No grievances or complaints arising from agency changes
- Maintained industrial harmony and compliance with change requirements as set out in the Enterprise Agreement.

Rewards and Recognition

- Coordinated the annual STAR Awards and service milestones presentations from Minister acknowledging individual and team excellence in the pursuit of the department's objectives.

Indigenous employment

- Provided strong leadership to the department's Indigenous employment initiatives and priorities which has included the delivery of cultural awareness programs and having a total of five Indigenous Cadets across the shared service model.

Growing our own

- Continued effort to attract entry level recruits through apprentice, cadet and graduate programs through engagement with schools.

Employment Relations

- Actively contributed to and supported sector wide Enterprise Agreement, HR industrial relations, workforce development initiatives, and shared service delivery enhancements.

HR Support and Advice

- Provided advice and influenced managers in best practice human resource management within the NTPS governance frameworks
- Revised service delivery within the shared service model
- Maintained key services with reduced staffing.

Work Health and Safety

- Support flexible working arrangements
- WH&S information sessions and workshops were conducted for supervisors and managers and employees.

Selection and Recruitment

- Developed and implemented Recruitment and Selection Toolkit for all employees.

Priorities for 2013-14

Indigenous Employment

- Strong focus on Indigenous employment and support the government's emphasis on increasing the number of Indigenous people in the Northern Territory Public Sector.

Enhancing Leadership and culture

- Continue building our leadership and develop a focus on the agency culture.

Work Health and Safety

- Maintain a positive, safe and diverse workplace as key elements in induction, recruitment and retention.

Selection and Recruitment

- Maintain the skills of our recognised chairpersons and a focus on recruiting the right people.

Workplace Environment

- Maintain and enhance our positive workplace culture through the development of a Health and Wellbeing framework that supports an emphasis on work health and safety.
- Maintain training and development programs that assist with agency compliance and success of sector wide initiatives.

Performance Management

- Revise and implement new performance management system to ensure we are sustaining and improving our professionalism and capability, good governance, accountability in decision-making and personal responsibility for managing our performance.

Executive and Communications Services

Our Vision

To be recognised as a leading provider of corporate support and communications.

Our Mission

To work with our stakeholders to project a positive corporate profile for the department, and optimising the presentation of what it does.

Our People

Executive Support, Ministerial Liaison, Communication Services and Risk Management.

This group is responsible for:

Executive Support

- Providing high level governance support to the executive and throughout the agency, primarily through the management and review of the policy and procedure framework
- Acting as the primary point of contact for liaison and reporting across government including coordination of responses to Commonwealth Government requests
- Providing executive and administrative support to the department's Senior Management Group, as well as management of the grant programs and sponsorship.

Ministerial Liaison

- Facilitating and coordinating the effective and efficient communication and liaison between the department and the Minister's Office, including advice and support for department staff in dealing with ministerial, parliamentary and legislative processes
- Ensuring the quality of all materials provided to the Minister's Office are of the highest standard, including documentation prepared to support Parliamentary sittings and Estimates hearings

- Coordinating cross government reporting requirements including statutory and Cabinet Office reporting requirements.

Risk Management

- Providing executive management services to the Risk Management and Audit Committee
- Maintaining a robust risk management framework for the agency, including the management of an Internal Audit Work Plan
- Supporting risk management and audit activities at all levels of the organisation including the development and identification of appropriate training opportunities.

Communication Services

- Providing high level media support services to the Minister's Office and the broader department in addressing both proactive and reactive media issues
- Planning, producing and implementing communications activities in support of strategic policy initiatives
- Producing materials and implementing campaigns for major events that support and promote the department's research activities
- Managing and producing collateral material to support the department's involvement in public activities such as the Show Circuit
- Developing content and supporting the design and distribution of a wide range of publications including internal communications
- Maintaining the department's web presence through Intranet, Internet and Extranet sites.

Following the Northern Territory election in 2012, consequential changes to agency structures resulted in the establishment of a new Department of Primary Industry and Fisheries, and a new Department of Mines and Energy. Initiatives were undertaken to rationalise the activities of the Executive and

Communications Services group as part of the development of a shared services agreement between the two new agencies. At the same time, a whole of government review of marketing and communications functions was commenced with new structural arrangements announced in March 2013 for implementation by July 2013.

Consequently, the activities of the Executive and Communications Services group have taken a new direction and during the first quarter of the 2013-2014 financial year the functions of the group will be absorbed into different work units operating across both new agencies.

Achievements for 2012-2013

Executive Support

- Continued rolling reviews of Service Centre policy, procedure and guideline documents and development of a SharePoint platform for management of documents and approval processes
- Conducted two “Know Your Parliament” training workshops for staff across both agencies
- Provided secretarial support, scheduling and logistical back-up for meetings of the former Management Board
- Administered the department’s funding agreements for both industry association funding and a range of sponsorships and undertook an internal review of administrative procedures relating to industry funding.

Ministerial Liaison

- The Ministerial Liaison team processed more than 1000 documents including briefings, responses and submissions, and this also included support for Parliament and the Estimates process
- Managed the separation of a single Secretariat and Ministerial database into two stand-alone units serving the Executive Management of the two new agencies
- Developed and commenced trialing a new SharePoint platform for database and document flow management across both agencies

Risk Management

- Maintained a well-documented risk management framework on the Service Centre
- Coordinated audit activities across the department including the commissioning of external providers for internal audit services
- Prepared a Charter and Terms of Reference for a new Governance Advisory Committee (GAC) to operate across both agencies to replace the previous Risk Management and Audit Committee.

Communications Services

- Continued to provide high quality and responsive media services to the Minister’s Office and the department’s business areas, including preparation of materials and direct liaison with media outlets
- Produced over 200 publications, documents and supporting materials for business areas including newsletters, booklets, brochures and posters, as well as major productions such as the Annual Report
- Provided support and collateral materials for a wide range of major events including conferences, field days, the Boat Show, the STAR Awards and the Show Circuit
- Worked with the review and implementation teams of the whole of government marketing and communications review to develop a new streamlined structure for the delivery of communications services across both agencies, including the development of a new service charter and toolkit.

Priorities for 2013-2014

Under the structure being developed across the new departments of Primary Industry and Fisheries, and Mines and Energy, the Executive and Communications Services group will be absorbed into other work units that will have responsibility for priorities in the following functional areas:

Ministerial Liaison

- Reporting direct through the Chief Executive the Ministerial Liaison Unit will continue to have responsibility for facilitating the effective and efficient communication and liaison between the department and the Minister's Office, ensuring that the quality of materials produced and the standards of reporting are maintained
- A specific priority will be to finalise the migration of all Ministerial Liaison activities to a new SharePoint platform, including tracking and database management.

Governance

- Support the establishment and operations of a new Governance Advisory Committee (GAC) to service both agencies
- Implement a SharePoint management system for the development and revision of all content within the Service Centre, including systems and processes to ensure the currency of materials
- Providing a point of contact for the delivery of strategic advice and support for planning activities including risk management.

Communications

- The new communications team will continue to provide a high level of media support to the Minister's office and agency staff
- Work with the central Communications and Marketing Bureau to provide high level project management assistance to business areas in securing outsourced communications services
- Where appropriate, facilitate the provision of training to agency staff in the fundamentals of developing communications strategies and accompanying collateral
- Ensure the functionality and accessibility of agency web environments and systems and the provision of strategic advice and support for developing new solutions.

DEPARTMENT OF MINES AND ENERGY

Finance

Our Vision

The provision of financial advice and information of the highest standard and practical frameworks to both the Department of Primary Industry and Fisheries and the Department of Mines and Energy to enable these departments to efficiently deliver government initiatives and priorities.

Our Mission

To provide accountable, transparent, reliable and timely financial information that complies with legislative, government and financial management principles to assist in decision making and corporate governance.

To develop responsive, adaptable and appropriate financial, travel, procurement and other corporate support services framework and manage the functions of same.

To advise, manage and implement initiatives related to the management of the works programming appropriations.

Our People

Finance professionals and administrative staff.

This Group is responsible for:

Leading and coordinating the department's financial management

- Ensuring statutory obligations, financial principles and accounting standards are maintained for all transactions and financial statements
- Providing strong budget management support to both DPIF and DME internal operational business divisions so that the department s will achieve budget through timely and accurate financial reporting.

Management of many of the department's shared corporate services functions to both DPIF and DME

- Managing vehicle fleet and composition
- Managing major assets and other capital items
- Managing the Capital Works, Repairs and Maintenance and Minor New Works
- Managing the procurement function
- Managing the travel system
- Managing the Accounts Payable and Accounts Receivable functions
- Managing the corporate credit cards
- Property management of the farms, leased accommodation, security services (Darwin Region) and cyclone procedures.

Providing superior communication, coordination and reporting

- Maintaining close liaison and direct communication with officers from other stakeholder agencies such as the Department of Treasury and Finance, the Department of Corporate and Information Services and the Department of Infrastructure on budgeting, financial, infrastructure and reporting matters
- Reporting to Treasury and to Parliament as required.

Achievements for 2012-13

Managed the separation of departmental functions

- Managed the separation of the former Department of Resources into two new departments, DPIF and DME including splitting of budgets, human resources and fixed assets, and the creation of related financial reporting, policies and support services systems. All of these actions were facilitated and finalised within the required time frames which saw the newly created DME as one of only five agencies to be created and operational within the first two months after the announcement of the new NT Government's restructure.

Improved the services provided by the Finance Group

- Provided targeted procurement training and information sessions to staff in both DPIF and DME
- Implemented an electronic form relating to travel authorisation in place of manual forms to improve accountability and efficiency.

Budget management in line with emerging priorities

- Successfully provided information and coordinated information from the operational areas within DPIF and DME for input into the 2012-13 Mini Budget and final 2013-14 Budget Papers
- Facilitated end of year monitoring processes which ensured that both DPIF and DME achieved budget.

Priorities for 2013-14

- To continue to resolve issues relating to the new Assets Management Systems in parallel with staff broadening their knowledge, skills and understanding of the capability and functionality of the new system. Similarly improve the skill set of staff on other financial and corporate systems such as TRIPS through relevant training and documentation of changed workflow processes
- In conjunction with the Department of Infrastructure and internal business unit clients, continue to review and implement changes and improvements to the works programs so that projects can be completed on time and budget with appropriate certification and compliance to workplace health and safety requirements
- Continue to provide a professional shared service to both the DME and DPIF from a financial, property management and asset perspective with a high focus on client service

Information Management and Information Technology

Our Vision

- The provision of high-quality, innovative Information Management (IM) and Information Technology (IT) solutions and services.

Our Mission

- To provide our clients with the right information at the right time and in the right forms to support their review, analysis, reporting and decision-making
- To develop and implement technologies and systems to automate or simplify tasks and deliver ongoing business improvements to the department.

Our People

- IM and IT professionals and administrative staff.

This Group is responsible for:

Information Management

- Oversee the capture and storage of departmental records and information in electronic systems and hard-copy files
- Provide advice and training on best practice record-keeping and assist individual areas to incorporate this into business processes
- Manage the information disposal process in accordance with relevant legislation and standards
- Manage the development and maintenance of departmental disposal schedules and the administration of the records management system (TRIM)
- Manage external contracts for postage and courier services.

Freedom of Information

- Provide advice and training on the *Information Act* and Freedom of Information (FOI) process
- Accept FOI requests and coordinate the receipt, review, redacting* and release of information within legislated timeframes
- Report all FOI requests and outcomes to the Information Commissioner.

Information Technology and Innovation

- Manage and maintain the department's IT infrastructure either directly or through outsourced service providers
- Develop or maintain specialist business systems on behalf of individual business areas
- Implement solutions to improve collaboration, automation, workflow tracking, business analysis and reporting
- Oversee an ongoing program of system and software upgrades and improvements
- Continue the rollout of online forms and electronic submissions and approvals for internal and external clients
- Review and management of project requests.

** Redacting is the process of obscuring or 'blacking out' information where there are exemptions that prohibit release. Examples of this are people's names to protect individual privacy, details of Commercial-in-confidence transactions or specific Cabinet-related material.*

Achievements for 2012-2013

- Completed refresh of desktop PCs in all regional sites and refreshed high-end Technical and Scientific PCs with new hardware and Windows 7 and Internet Explorer 9
- Continued a major project to implement Electronic Document Records Management (EDRM) including training visits to regional centres
- Received and considered 15 individual project proposals
- Implemented Fisheries Logbook Returns Tracking Workflow Management System
- Developed and implemented 14 fully electronic forms with online submission, review and approval workflows
- Implemented a system to monitor and manage statutory requirements of granted exploration licences
- Developed a new performance indicator system for the Exploration Licence Application to Grant process
- Disposed of 2300 records in line with disposal schedules and procedures
- Completed transfer of records to the new records store
- Transferred 1500 records from regional offices for assessment and disposal
- Supported and enhanced the capabilities of a number of systems in Chemical Services, Plant Pathology and Biosecurity and Product Integrity
- Implemented new systems to assist with management of HR performance development and training
- Implemented a new system to develop and maintain a departmental risk register and individual risk management plans
- Implemented new systems to manage and track projects in key areas of the department.

Priorities for 2013-2014

- Upgrade all desktop PCs to Windows 7
- Review Disposal Schedules for selected groups
- Implement enhanced business analysis and reporting tools for wider use
- Review and implement new system and technologies to improve web and mobile access to systems and information
- Consolidate departmental data bases and data sources to improve access and efficiency
- Continue to rollout the EDRM project
- Manage upgrades to a number of specialist business systems
- Assist with implementation of new web mapping system (TIS/STRIKE replacement)
- Move towards SharePoint 2013 and introduce Enterprise Search capability



DEPARTMENT OF MINES AND ENERGY

FINANCIAL

STATEMENTS

DEPARTMENT OF MINES AND ENERGY

Financial Statement Overview for the year ended 30 June 2013

Administrative Arrangements Order 4 September 2012

The Department of Mines and Energy (DME) was created as part of an Administrative Arrangements Order restructuring on 4 September 2012 with retrospective effect for accounting purposes from 1 July 2012. The functions of Minerals and Energy were transferred from the former Department of Resources (DoR) to form the new agency with the Department of Primary Industry and Fisheries (DPIF) of the former DoR providing a shared corporate service to DME.

Arising from the Administrative Arrangements Order, \$27.37 million in assets and \$18.62 million in liabilities were transferred out of the former DoR to DME. As it is not practicable to reconstruct individual balances for the financial statements resulting from the restructure of the former DoR, no comparatives have been provided pursuant to Clause 42 of the Accounting Standards AASB 101.

The 2012-13 financial statements and notes for the DME have been prepared on an accrual basis in accordance with the Australian Accounting Standards. The Statements provide information on the operating statement, balance sheet, statement of changes in equity and cash flow statement of the department for the financial year ended 30 June 2013.

Operating Statement

The Operating Statement details the agency's financial performance on income and expenditure for the year by detailing the sources and nature of same. The net deficit for the year is calculated by subtracting the expenses from income.

For the year ended 30 June 2013 DME recorded an operational net deficit of \$2.13 million. However, as a result of the restructure of DoR and the transfer in of \$1.66 million relating to DME's portion of the asset revaluation reserve to the newly created Agency, a comprehensive deficit of \$0.48 million was recorded. Further details are set out in Note 13.

The \$2.13 million operational net deficit for the year was attributed to the approved carryover of \$1 million in unspent Commonwealth funds from 2011-12 cash balances for the rehabilitation

of the Rum Jungle mine site and expenditure of \$0.1 million from quarantined cash balances for the Renewable Remote Power Generation Program. Further contributing to the net deficit was a number of unfunded expenditures under the annual appropriations that are non-cash in nature. These included \$0.83 million in depreciation and \$0.2 million in accrued employees' entitlements for recreational leave, leave loading and EBA on unused entitlements and associated on-costs.

Income

The total income for the Agency in 2012-13 was \$23.34 million, of which \$18.22 million was sourced through Northern Territory Parliamentary appropriation, classified as Output Appropriation and \$1.47 million from the Commonwealth National Partnership Agreement relating to the rehabilitation of the Rum Jungle mine site. A further \$1.38 million was generated through the Sales of Goods and Services, predominantly relating to application fees for mining licences and titles. An additional \$0.3 million in miscellaneous revenue was generated through registrations and sponsorship for the Australian China Minerals Investment Seminar held in Darwin and payments from the McArthur River Mine for the independent monitor.

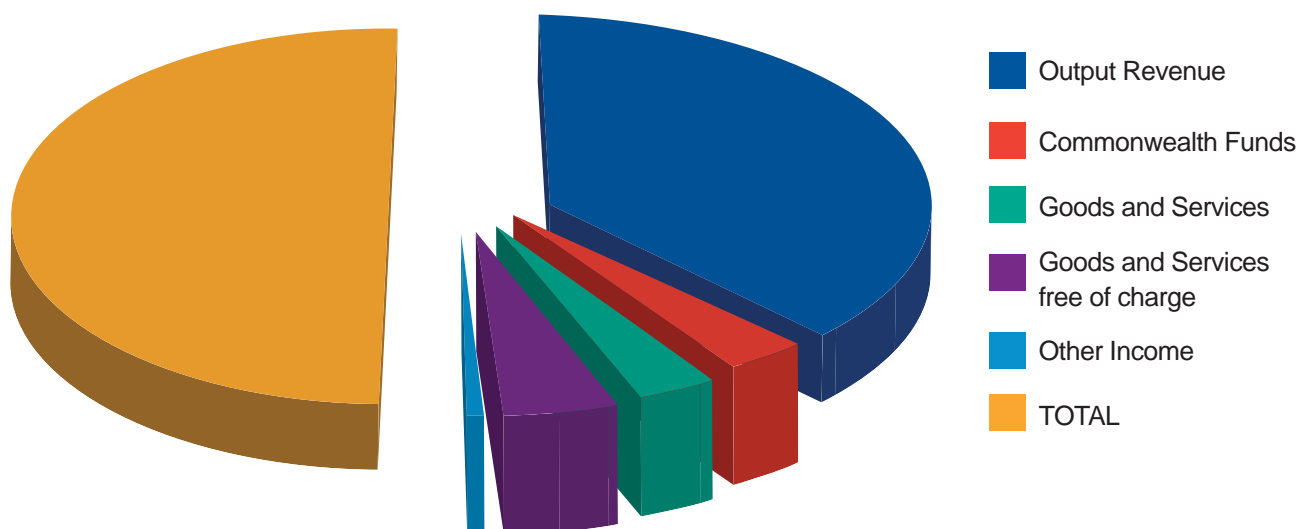
Details of Agency income from Sales of Goods and Services and Other Income can be found in Note 5 of the Annual Financial Statements.

Included in the Agency's total income was \$1.98 million of notional income for services received free of charge from the Department of Corporate and Information Services (DCIS) which is fully negated by an offsetting expense classified under Administrative Expenses. This relates to centralised corporate services for the processing of accounts payable, payroll and property management services so as to project the true cost of DME delivering its programs and services.

DEPARTMENT OF MINES AND ENERGY

Financial Statement Overview for the year ended 30 June 2013

Figure 5: 2012-13 Income



Expenditure

DME incurred expenditure of \$25.47 million in 2012-13 of which employees' costs accounted for \$12.78 million and purchases of goods and services \$8.88 million. Payments of grants and repairs and maintenance are the other expenses incurred by the Agency, with non cash transactions relating to depreciation and notional DCIS charges, making up the balance.

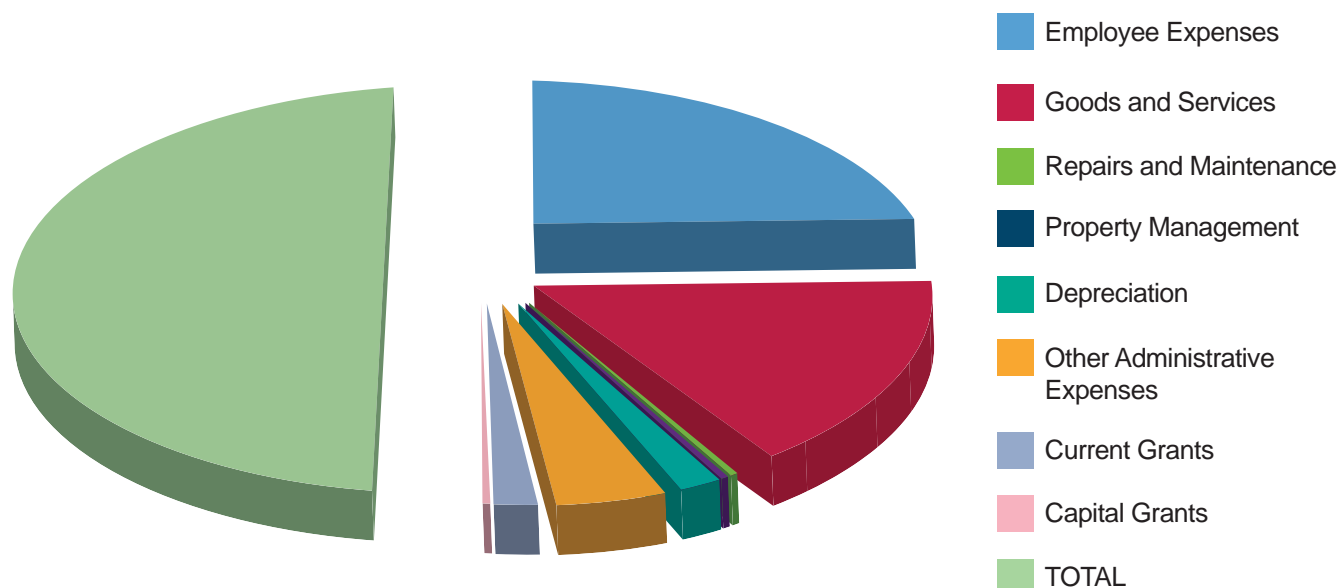
Included in the goods and services expenditure is a payment of \$2.49 million to DPIF for the provision of shared corporate services for human resource, financial, capital works and information management.

Details of expenditure relating to Goods and Services can be found in Note 6 while Grant Payments are set out in Note 22 and Appendix 1.

DEPARTMENT OF MINES AND ENERGY

Financial Statement Overview for the year ended 30 June 2013

Figure 6: 2012-13 Expenditure



Balance Sheet

The balance sheet details the Agency's financial position on assets, liabilities and equity at balance date.

Assets

At 30 June 2013, DME's assets totalled \$28.8 million of which \$10.54 million relates to its holding on property plant and equipment. The remaining assets comprised of cash deposits, prepayments and receivables.

At the end of the 2012-13 financial year the Agency held cash and deposits of \$17.98 million of which \$0.82 million has been pre-committed to the Commonwealth Rum Jungle Rehabilitation project and required to be carried forward into 2013-14. The balance is being held in the Accountable Officers Trust Account (AOTA) comprising mostly securities held on behalf of mining companies and Aboriginal Land Rents.

Liabilities

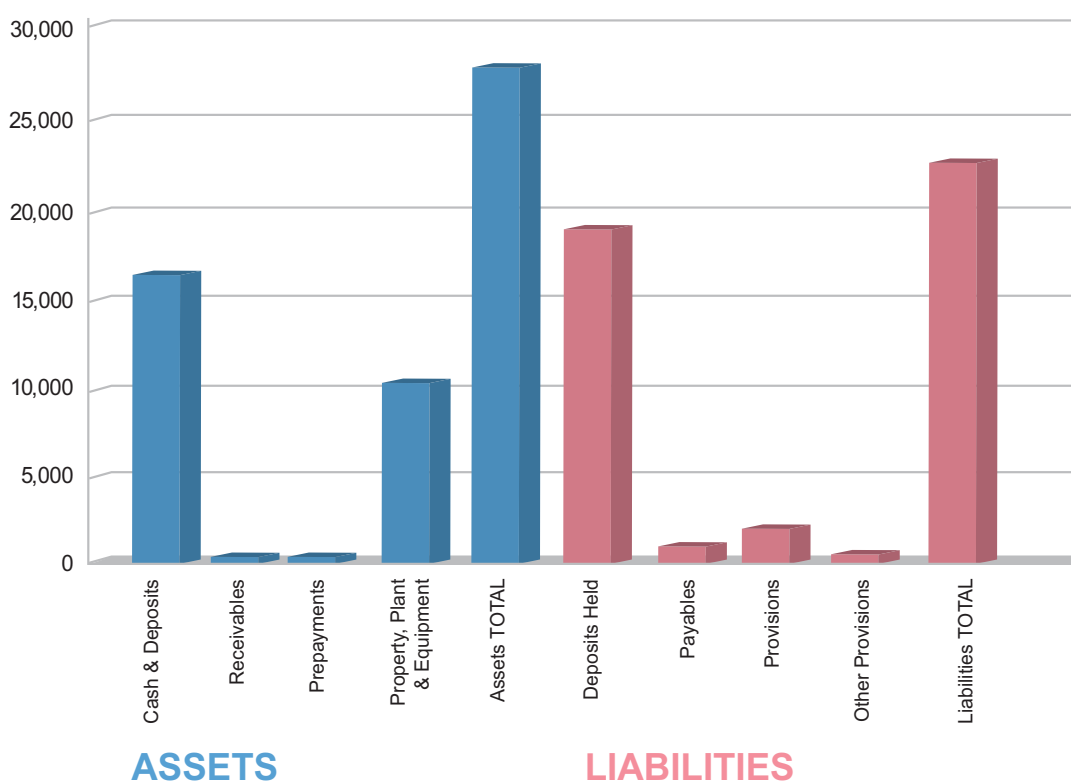
At the 30 June 2013, DME's liabilities totalled \$21.86 million, predominantly made up of deposits held in the AOTA. The remaining liabilities comprise of provisions relating to employee leave entitlements and accounts payable.

Further details of assets and liabilities can be found at Notes 7, 8, 9, 10, 11 and 12.

DEPARTMENT OF MINES AND ENERGY

Financial Statement Overview for the year ended 30 June 2013

Figure 7: 2012-13 Assets and Liabilities



Statement of Changes in Equity

The Statement of Changes in Equity reflects movements in equity balances during the year.

There was no equity as at 1 July 2012 as DME was created under the restructure of Agencies on 4 September 2012.

Equity movement for the financial year is as follows:

- Transfer in of capital appropriation of \$0.07 million for the purchase of plant and equipment;
- Transfer in of \$0.11 million relating to the capitalisation of minor new works;
- A net operating deficit of \$2.13 million;
- Transfer in of \$1.66 million relating to DME's share of the Asset Revaluation Reserve from the former DoR;
- Transfer in of \$7.23 million relating to DME's share of net equity from the former DoR

Statement of Cash Flows

The cash flow statement details the department's sources and quantum of cash receipts and payments for the year. At balance date, cash held of \$17.98 million relates to cash security deposits from mining companies.

DEPARTMENT OF MINES AND ENERGY

Certification of the Financial Statements for the year ended 30 June 2013

We certify that the attached financial statements for the Department of Mines and Energy have been prepared from proper accounts and records in accordance with the prescribed format, the *Financial Management Act* and Treasurer's Directions.

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2013 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



Scott Perkins
Chief Executive

28/8/2013



Karen Simpson
Chief Finance Officer

28/8/2013

DEPARTMENT OF MINES AND ENERGY

Comprehensive Operating Statement for the year ended 30 June 2013

	Note	2013 \$000
INCOME		
Appropriation		
Output		18 215
Commonwealth		1 474
Sales of goods and services	5	1 378
Inter-agency notional service revenue ¹	4	1 976
Other Income	5	300
Total Income	3	23 343
EXPENSES		
Employee expenses		12 784
Administrative expenses		
Purchases of goods and services	6	8 876
Repairs and maintenance		102
Depreciation and amortisation	9	857
Inter-agency notional service charge ¹		1 976
Grants and subsidies expenses		
Current	22	785
Capital	22	94
Total Expenses	3	25 474
NET SURPLUS/(DEFICIT)		(2 131)
OTHER COMPREHENSIVE INCOME		
Changes in asset revaluation surplus	13	1 655
Total Other Comprehensive Income		1 655
COMPREHENSIVE RESULT		(476)

¹ Includes DCIS service charges

The Comprehensive Operating Statement is to be read in conjunction with the notes to the financial statements.

DEPARTMENT OF MINES AND ENERGY

Balance Sheet as at 30 June 2013

	Note	2013 \$000
ASSETS		
Current Assets		
Cash and deposits	7	17 982
Receivables	8	108
Prepayments		166
Total Current Assets		18 256
Non-Current Assets		
Property, Plant and Equipment	9	10 542
Total Non-Current Assets		10 542
Total Assets		28 798
LIABILITIES		
Current Liabilities		
Deposits held	19	19 169
Payables	10	755
Provisions	11	1369
Other liabilities	12	7
Total Current Liabilities		21 300
Non-Current Liabilities		
Provisions	11	562
Total Non-Current Liabilities		562
Total Liabilities		21 862
NET ASSETS		6 936
EQUITY		
Capital		7 412
Reserves	13	1 655
Accumulated funds		(2 131)
TOTAL EQUITY		6 936

The Balance Sheet is to be read in conjunction with the notes to the financial statements.

DEPARTMENT OF MINES AND ENERGY

Statement of Changes in Equity for the year ended 30 June 2013

	Note	Equity at 1 July	Comprehensive Result	Transactions with owners in their capacity as owners	Equity at 30 June
2012-13		\$000	\$000	\$000	\$000
Accumulated Funds		0	2 131	0	2 131
		0	2 131	0	2 131
Reserves—Asset Revaluation Reserve	13	0	(1 655)	0	(1 655)
		0	(1 655)	0	(1 655)
Capital—Transactions with Owners					
Equity injections					
Capital appropriation		0	0	(66)	(66)
Equity transfers in ^(a)		0	0	(9 672)	(9 672)
Equity withdrawals					
Capital withdrawal ^(a)		0	0	2 326	2 326
		0	0	(7 412)	(7 412)
Total Equity at end of Financial Year		0	476	7 412	6 936

(a) Relates to Administrative Restructure.

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

DEPARTMENT OF MINES AND ENERGY

Cash Flow Statement for the year ended 30 June 2013

	Note	2013 \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Receipts		
Appropriation		
Output		18 215
Commonwealth		1 474
Receipts from sales of goods and services		1 993
Total Operating Receipts		21 682
Operating Payments		
Payments to employees		10 545
Payments for goods and services		9 113
Grants and subsidies paid		
Current		785
Capital		94
Total Operating Payments		20 537
Net Cash From/(Used in) Operating Activities	14	1 145
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing Payments		
Purchases of assets		(72)
Total Investing Payments		(72)
Net Cash From/(Used in) Investing Activities		(72)
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing Receipts		
Deposits received	19	19 169
Equity injections		
Capital appropriation		66
Total Financing Receipts		19 235
Financing Payments		
Equity withdrawals		(2 326)
Total Financing Payments		(2 326)
Net Cash From/(Used in) Financing Activities		16 909
Net increase/(decrease) in cash held		17 982
Cash at beginning of financial year		0
CASH AT END OF FINANCIAL YEAR	7	17 982

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.

DEPARTMENT OF MINES AND ENERGY

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DEPARTMENT OF MINES AND ENERGY

Notes to the Financial Statements for the year ended 30 June 2013

1. OBJECTIVES AND FUNDING

The Department of Mines and Energy is responsible for implementing the Northern Territory Government's priorities for the development and management of the Territory mineral and petroleum resources.

In working with its resource-based industry partners, the agency aims to stimulate and sustain economic development across the Territory.

Additional information in relation to the department and its principal activities may be found in Chapter four of the Annual Report.

The Department is predominantly funded by, and is dependent on the receipt of Parliamentary appropriations. The financial statements encompass all funds through which the Agency controls resources to carry on its functions and deliver outputs. For reporting purposes, outputs delivered by the Agency are summarised into two Output Groups. Note 3 provides summary financial information in the form of a Comprehensive Operating Statement by Output Group.

Agency Output Group/Outputs:

Resource Industry Development

NT Geological Survey
Industry Development

Resource Industry Management

Mining Environmental Compliance
Minerals and Energy Titles

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared in accordance with the requirements of the *Financial Management Act* and related Treasurer's Directions. *The Financial Management Act* requires the Department of Mines and Energy to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer.

The form of agency financial statements is to include:

- (i) a Certification of the Financial Statements;
- (ii) a Comprehensive Operating Statement;
- (iii) a Balance Sheet;

- (iv) a Statement of Changes in Equity;
- (v) a Cash Flow Statement; and
- (vi) applicable explanatory notes to the financial statements.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received. As part of the preparation of the financial statements, all intra agency transactions and balances have been eliminated.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.

The form of the agency financial statements is also consistent with the requirements of Australian Accounting Standards. The effects of all relevant new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated. The Standards and Interpretations and their impacts are:

AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 and 1049]

The amendments, as reflected on the comprehensive operating statement, require entities to group items presented in other comprehensive income on the basis of whether they are potentially re-classifiable to profit or loss subsequently.

b) Australian Accounting Standards and Interpretations Issued but not yet Effective

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

The following standards and interpretations are likely to have an impact on future reporting periods, but the exact impact is yet to be determined.

Standard / Interpretation	Summary	Effective for annual reporting periods beginning on or after
<p>AASB 9 <i>Financial Instruments</i> (Dec 2010), AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (Dec 2010)</i> [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 and 1038 and Interpretations 2, 5, 10, 12, 19 and 127], AASB 2012-6 <i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures</i> [AASB 9, 2009-11, 2010-7, 2011-7 and 2011-8]</p>	<p>AASB 9 incorporates revised requirements for the classification and measurement of financial instruments resulting from the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i>).</p>	<p>1 Jan 2015</p>
<p>AASB 13 <i>Fair Value Measurement</i>, AASB 2011-8 <i>Amendments to Australian Accounting Standards arising from AASB 13</i> [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 and 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 and 132]</p>	<p>Replaces the guidance on fair value measurement in existing AASB accounting literature with a single standard. The Standard defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements.</p>	<p>1 Jan 2013</p>
<p>AASB 119 <i>Employee Benefits</i> (2011), AASB 2011-10 <i>Amendments to Australian Accounting Standards arising from AASB 119 (2011)</i> [AASB 1, 8, 101, 124, 134, 1049 and 2011-8 and Interpretation 14]</p>	<p>Changes the definition of short-term employee benefits and the measurement and recognition of defined benefit superannuation obligations.</p>	<p>1 Jan 2013</p>
<p>AASB 2012-3 <i>Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities</i> (Amendments to AASB 132)</p>	<p>Addresses inconsistencies in current practice when applying the offsetting criteria in AASB 132 <i>Financial Instruments: Presentation</i>.</p>	<p>1 Jan 2014</p>
<p>AASB 2012-5 <i>Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle</i> [AASB 1, 101, 116, 132 and 134 and Interpretation 2]</p>	<p>Amends a number of pronouncements as a result of the 2009-2011 annual improvements cycle. Amendments include clarification of the requirements for comparative information in AASB 101 <i>Presentation of Financial Statements</i> and classification of servicing equipment in AASB 116 <i>Property, Plant and Equipment</i>.</p>	<p>1 Jan 2013</p>

DEPARTMENT OF MINES AND ENERGY

Notes to the Financial Statements for the year ended 30 June 2013

c) Agency and Territory Items

The financial statements of Department of Mines and Energy include income, expenses, assets, liabilities and equity over which the Department of Mines and Energy has control (Agency items). Certain items, while managed by the agency, are controlled and recorded by the Territory rather than the agency (Territory items). Territory items are recognised and recorded in the Central Holding Authority as discussed below.

Central Holding Authority

The Central Holding Authority is the 'parent body' that represents the Government's ownership interest in Government-controlled entities.

The Central Holding Authority also records all Territory items, such as income, expenses, assets and liabilities controlled by the Government and managed by agencies on behalf of the Government. The main Territory item is Territory income, which includes taxation and royalty revenue, Commonwealth general purpose funding (such as GST revenue), fines, and statutory fees and charges.

The Central Holding Authority also holds certain Territory assets not assigned to agencies as well as certain Territory liabilities that are not practical or effective to assign to individual agencies such as unfunded superannuation and long service leave.

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in the agency's financial statements. However, as the agency is accountable for certain Territory items managed on behalf of Government, these items have been separately disclosed in Note 21 – Schedule of Territory Items.

d) Comparatives

The Department of Mines and Energy (DME) was created as part of an Administrative Arrangements Order restructuring on 4 September 2012 with retrospective effect for accounting purposes from 1 July 2012. The functions of Minerals and Energy were transferred from the former Department of Resources (DoR) to form the new agency with the Department of Primary Industry and Fisheries (DPIF) of the former DoR providing a shared corporate service to DME.

As it is not practicable to reconstruct individual balances from Profit and Loss and Balance Sheet items resulting from the restructure of the former DoR, no comparatives have been provided pursuant to Clause 42 of the Accounting Standards AASB 101.

e) Presentation and Rounding of Amounts

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero.

f) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2012-13 as a result of management decisions.

g) Accounting Judgments and Estimates

The preparation of the financial report requires the making of judgments and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

DEPARTMENT OF MINES AND ENERGY

Notes to the Financial Statements for the year ended 30 June 2013

Judgments and estimates that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements. Notes that include significant judgments and estimates are:

- Employee Benefits—Note 2(r) and Note 11: Non-current liabilities in respect of employee benefits are measured as the present value of estimated future cash outflows based on the appropriate Government bond rate, estimates of future salary and wage levels and employee periods of service.
- Allowance for Impairment Losses – Note 2(o), 8: Receivables and 15: Financial Instruments.
- Depreciation and Amortisation – Note 2(k), Note 9: Property, Plant and Equipment.

h) Goods and Services Tax

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

i) Income Recognition

Income encompasses both revenue and gains

Income is recognised at the fair value of the consideration received, exclusive of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

Grants and Other Contributions

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the agency obtains control over the assets comprising the contributions. Control is normally obtained upon receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Appropriation

Output appropriation is the operating payment to each agency for the outputs they provide and is calculated as the net cost of agency outputs after taking into account funding from agency income. It does not include any allowance for major non-cash costs such as depreciation.

Commonwealth appropriation follows from the Intergovernmental Agreement on Federal Financial Relations, resulting in Special Purpose Payments (SPPs) and National Partnership (NP) payments being made by the Commonwealth Treasury to state treasuries, in a manner similar to arrangements for GST payments. These payments are received by the Department of Treasury and Finance on behalf of the Central Holding Authority and then on-passed to the relevant agencies as Commonwealth appropriation.

Revenue in respect of appropriations is recognised in the period in which the agency gains control of the funds.

Sale of Goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer;
- the agency retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the agency; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

DEPARTMENT OF MINES AND ENERGY

Notes to the Financial Statements for the year ended 30 June 2013

Rendering of Services

Revenue from rendering services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity.

Goods and Services Received Free of Charge

Goods and services received free of charge are recognised as revenue when a fair value can be reliably determined and the resource would have been purchased if it had not been donated. Use of the resource is recognised as an expense.

Disposal of Assets

A gain or loss on disposal of assets is included as a gain or loss on the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Contributions of Assets

Contributions of assets and contributions to assist in the acquisition of assets, being non-reciprocal transfers, are recognised, unless otherwise determined by Government, as gains when the agency obtains control of the asset or contribution. Contributions are recognised at the fair value received or receivable.

j) Repairs and Maintenance Expense

Funding is received for repairs and maintenance works associated with agency assets as part of output revenue. Costs associated with repairs and maintenance works on agency assets are expensed as incurred.

k) Depreciation and Amortisation Expense

Items of property, plant and equipment, including buildings but excluding land, have limited useful lives and are depreciated or amortised using the straight-line method over their estimated useful lives.

Amortisation applies in relation to intangible non-current assets with limited useful lives and is calculated and accounted for in a similar manner to depreciation.

The estimated useful lives for each class of asset are in accordance with the Treasurer's Directions and are determined as follows:

	2013	2012
Buildings	50 yrs	50 yrs
Infrastructure Assets	16–25 yrs	16–25 yrs
Plant and Equipment	10 yrs	10 yrs

Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use.

DEPARTMENT OF MINES AND ENERGY

Notes to the Financial Statements for the year ended 30 June 2013

l) Cash and Deposits

For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash. Cash at bank includes monies held in the Accountable Officer's Trust Account (AOTA) that are ultimately payable to the beneficial owner – refer also to Note 19.

m) Receivables

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for impairment losses.

The allowance for impairment losses represents the amount of receivables the agency estimates are likely to be uncollectible and are considered doubtful. Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule under credit risk in Note 15 Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

Accounts receivable are generally settled within 90 days.

n) Property, Plant and Equipment

Acquisitions

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$10,000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$10,000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate proportion of fixed and variable overheads.

Complex Assets

Major items of plant and equipment comprising a number of components that have different useful lives, are accounted for as separate assets. The components may be replaced during the useful life of the complex asset.

Subsequent Additional Costs

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the agency in future years. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and are separately depreciated over their expected useful lives.

Construction (Work in Progress)

As part of the financial management framework, the Department of Infrastructure is responsible for managing general government capital works projects on a whole of Government basis. Therefore appropriation for capital works is provided directly to the Department of Infrastructure and the cost of construction work in progress is recognised as an asset of that Department. Once completed, capital works assets are transferred to the agency.

o) Revaluations and Impairment

Revaluation of Assets

Subsequent to initial recognition, assets belonging to the following classes of non-current assets are revalued with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at reporting date:

- land;
- buildings;
- infrastructure assets.

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arms-length transaction.

Plant and equipment are stated at historical cost less depreciation, which is deemed to equate to fair value.

DEPARTMENT OF MINES AND ENERGY

Notes to the Financial Statements for the year ended 30 June 2013

Impairment of Assets

An asset is said to be impaired when the asset's carrying amount exceeds its recoverable amount.

Non-current physical and intangible agency assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, the agency determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's depreciated replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the Comprehensive Operating Statement. They are disclosed as an expense unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus for that class of asset to the extent that an available balance exists in the asset revaluation surplus.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Comprehensive Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation surplus. Note 13 provides additional information in relation to the asset revaluation surplus.

p) Leased Assets

Leases under which the agency assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. The Department of Mines and Energy has no finance leases for the year ended 30 June 2013. Other leases are classified as operating leases.

Operating Leases

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Lease incentives under an operating lease of a building or office space is recognised as an integral part of the consideration for the use of the leased asset. Lease incentives are to be recognised as a deduction of the lease expenses over the term of the lease.

q) Payables

Liabilities for accounts payable and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the agency. Accounts payable are normally settled within 30 days.

r) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries, recreation leave and other employee benefit liabilities that fall due within twelve months of reporting date are classified as current liabilities and are measured at amounts expected to be paid. Non-current employee benefit liabilities that fall due after twelve months of the reporting date are measured at present value, calculated using the Government long-term bond rate.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken is less than the entitlement accruing in each reporting period.

DEPARTMENT OF MINES AND ENERGY

Notes to the Financial Statements for the year ended 30 June 2013

Employee benefit expenses are recognised on a net basis in respect of the following categories:

- wages and salaries, non-monetary benefits, recreation leave, sick leave and other leave entitlements; and
- other types of employee benefits.

As part of the financial management framework, the Central Holding Authority assumes the long service leave liabilities of Government agencies, including the Department of Mines and Energy and as such no long service leave liability is recognised in agency financial statements.

s) Superannuation

Employees' superannuation entitlements are provided through the:

- Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS);
- Commonwealth Superannuation Scheme (CSS); or
- non-government employee-nominated schemes for those employees commencing on or after 10 August 1999.

The agency makes superannuation contributions on behalf of its employees to the Central Holding Authority or non-government employee-nominated schemes. Superannuation liabilities related to government superannuation schemes are held by the Central Holding Authority and as such are not recognised in agency financial statements.

t) Contributions by and Distributions to Government

The agency may receive contributions from Government where the Government is acting as owner of the agency. Conversely, the agency may make distributions to Government. In accordance with the *Financial Management Act* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, Government. These designated contributions and distributions are treated by the agency as adjustments to equity.

The Statement of Changes in Equity provides additional information in relation to contributions by, and distributions to, Government.

u) Commitments

Disclosures in relation to capital and other commitments, including lease commitments are shown at Note 16.

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

DEPARTMENT OF MINES AND ENERGY

Notes to the Financial Statements for the year ended 30 June 2013

3. COMPREHENSIVE OPERATING STATEMENT BY OUTPUT GROUP

	Note	Resource Industry Development 2013 \$000	Resource Industry Management 2013 \$000	Total 2013 \$000
INCOME				
Appropriation				
Output		8 978	9 237	18 215
Commonwealth			1 474	1 474
Sales of goods and services	5	174	1 204	1 378
Inter-agency notional service revenue ¹	4	771	1 205	1 976
Other income	5	181	119	300
Total Income		10 104	13 239	23 343
EXPENSES				
Employee expenses		4 746	8 038	12 784
Administrative expenses				
Purchases of goods and services	6	3 557	5 319	8 876
Repairs and maintenance		39	63	102
Depreciation and amortisation	9	221	636	857
Inter-agency notional service charge ¹		771	1 205	1 976
Grants and subsidies expenses				
Current	22	760	25	785
Capital	22	94		94
Total Expenses		10 188	15 286	25 474
NET SURPLUS/(DEFICIT)		(84)	(2 047)	(2 131)
OTHER COMPREHENSIVE INCOME				
Changes in asset revaluation surplus	13	1 156	499	1 655
Total Other Comprehensive Income		1 156	499	1 655
COMPREHENSIVE RESULT		1 072	(1 548)	(476)

¹ Includes DCIS service charges.

This Comprehensive Operating Statement by output group is to be read in conjunction with the notes to the financial statements.

DEPARTMENT OF MINES AND ENERGY

Notes to the Financial Statements for the year ended 30 June 2013

4. GOODS AND SERVICES RECEIVED FREE OF CHARGE	2013
	\$000
Inter-agency notional service revenue/charge (Department of Corporate and Information Services)	1 976
	1 976

5. SALE OF GOODS AND SERVICES AND OTHER INCOME

The net surplus has been arrived at after crediting the following income:

Sale of Goods and Services	
Application and Advertising Fees—Titles Management	1 143
AGES Conference	95
East Amadeus Gravity Survey	76
Tanami Exploration Agreement	60
Other Goods and Service charges less than \$50k	4
	1 378
Other Income	
Private organisations	300
	300

6. PURCHASES OF GOODS AND SERVICES

The net surplus/(deficit) has been arrived at after charging the following expenses:

Goods and services expenses:	
Consultants ⁽¹⁾	1 669
Advertising ⁽²⁾	164
Marketing and Promotion ⁽³⁾	73
Document production	53
Legal expenses ⁽⁴⁾	32
Recruitment ⁽⁵⁾	81
Training and Study	115
Official Duty Fares	175
Travelling Allowance	115
Other	6 399
	8 876

(1) Includes marketing, promotion and IT consultants.

(2) Does not include recruitment, advertising or marketing and promotion advertising.

(3) Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category.

(4) Includes legal fees, claim and settlement costs.

(5) Includes recruitment-related advertising costs.

DEPARTMENT OF MINES AND ENERGY

Notes to the Financial Statements for the year ended 30 June 2013

7. CASH AND DEPOSITS	2013
	\$000
Cash on hand	4
Cash at bank	17 978
	17 982

8. RECEIVABLES

Current	
Accounts receivable	42
	42
GST receivables	63
Other receivables	3
	66
Total Receivables	108

9. PROPERTY, PLANT AND EQUIPMENT

Land	
At fair value	1 490
	1 490
Buildings	
At fair value	11 898
Less: Accumulated depreciation	(8 431)
	3 467
Infrastructure	
At fair value	6 903
Less: Accumulated depreciation	(2 011)
	4 892
Plant and Equipment	
At fair value	1 305
Less: Accumulated depreciation	(641)
	664
Computer Hardware	
At fair value	110
Less: Accumulated depreciation	(81)
	29
Total Property, Plant and Equipment	10 542

DEPARTMENT OF MINES AND ENERGY

Notes to the Financial Statements for the year ended 30 June 2013

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2013 Property, Plant and Equipment Reconciliations A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2012-13 is set out below:

	Land	Buildings	Infrastructure	Plant and Equipment	Computer Hardware	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Carrying Amount as at 1 July 2012	0	0	0	0	0	0
Additions	0	111	3	61	11	186
Depreciation	0	(276)	(415)	(124)	(14)	(829)
Additions/(Disposals) from administrative restructuring	1 490	3 632	5 304	755	32	11 213
Impairment losses reversed	0	0	0	(28)	0	(28)
Carrying Amount as at 30 June 2013	1 490	3 467	4 892	664	29	10 542

10. PAYABLES

2013
\$000

Accounts payable	408
Accrued expenses	329
Fringe Benefits Tax	18
Total Payables	755

11. PROVISIONS

Current	
<i>Employee benefits</i>	
Recreation leave	1 029
Leave loading	177
Airfares	10
Other Employee Benefits	8
On Costs	145
	1 369
Non-Current	
<i>Employee benefits</i>	
Recreation leave	510
On Costs	52
	562
Total Provisions	1 931

12. OTHER LIABILITIES

Current	
Unearned Revenue	7
Total Other Liabilities	7

DEPARTMENT OF MINES AND ENERGY

Notes to the Financial Statements for the year ended 30 June 2013

13. RESERVES

2013
\$000

Asset Revaluation Surplus

(i) Nature and purpose of the asset revaluation surplus

The asset revaluation surplus includes the net revaluation increments and decrements arising from the revaluation of non-current assets. Impairment adjustments may also be recognised in the asset revaluation surplus.

(ii) Movements in the asset revaluation surplus

Balance as at 1 July	0
Reserve transferred from Department of Primary Industry and Fisheries relating to Administrative Restructuring	1 655
Balance as at 30 June	1 655

14. NOTES TO THE CASH FLOW STATEMENT

Reconciliation of Cash

The total of agency 'Cash and deposits' recorded in the Balance Sheet is consistent with that recorded as 'Cash' in the Cash Flow Statement.	17 982
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Reconciliation of Net Surplus/(Deficit) to Net Cash from Operating Activities

Net Surplus/(Deficit)	(2131)
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Non-cash items:

Depreciation and amortisation	829
Asset write-offs/write-downs	28

Changes in assets and liabilities:

Decrease/(Increase) in receivables	(4 108)
Decrease/(Increase) in prepayments	(166)
(Decrease)/Increase in payables	776
(Decrease)/Increase in provision for employee benefits	1 735
(Decrease)/Increase in other provisions	236
(Decrease)/Increase in other liabilities	3 946

Net Cash from Operating Activities	1 145
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DEPARTMENT OF MINES AND ENERGY

Notes to the Financial Statements for the year ended 30 June 2013

15. FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments held by the Department of Mines and Energy include cash and deposits, receivables and payables. The Department of Mines and Energy has limited exposure to financial risks as discussed below.

a) Categorisation of Financial Instruments

The carrying amounts of the Department of Mines and Energy financial assets and liabilities by category are disclosed in the table below.

	2013
	\$000
Financial Assets	
Cash and deposits	17 982
Receivables	108
Total Financial Assets	18 090
Financial Liabilities	
Deposits held	19 169
Payables	755
Total Financial Liabilities	19 924

b) Credit Risk

The agency has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to Government, the agency has adopted a policy of only dealing with credit worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the agency's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

Receivables

Receivable balances are monitored on an ongoing basis to ensure that exposure to bad debts is not significant. A reconciliation and aging analysis of receivables is presented below.

The Department of Mines and Energy had no internal receivables in 2012-13.

External Receivables	Aging Receivables	Aging of impaired Receivables	Net Receivables
	\$000	\$000	\$000
2012-13			
Not overdue	108	0	108
Overdue for 30–60 days	0	0	0
Overdue for more than 60 days	0	0	0
Total	108	0	108

c) Liquidity Risk

Liquidity risk is the risk that the agency will not be able to meet its financial obligations as they fall due. The agency's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

The following tables detail the agency's remaining contractual maturity for its financial assets and liabilities. It should be noted that these values are undiscounted, and consequently totals may not reconcile to the carrying amounts presented in the Balance Sheet.

DEPARTMENT OF MINES AND ENERGY

Notes to the Financial Statements for the year ended 30 June 2013

2013 Maturity analysis for financial assets and liabilities

	Interest Bearing				Non-Interest Bearing	Total	Weighted Average
	Fixed or Variable	Less than a Year	1–5 Years	More than 5 Years			
	\$000	\$000	\$000	\$000	\$000	\$000	%
Assets							
Cash and deposits					17 982	17 982	
Receivables					108	108	
Total Financial Assets					18 090	18 090	
	\$000	\$000	\$000	\$000	\$000	\$000	%
Liabilities							
Deposits held					19 169	19 169	
Payables					755	755	
Total Financial Liabilities					19 924	19 924	

d) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk.

i) Interest Rate Risk

The Department of Mines and Energy is not exposed to interest rate risk as agency financial assets and financial liabilities are non-interest bearing.

ii) Price Risk

The Department of Mines and Energy is not exposed to price risk as it does not hold units in unit trusts.

iii) Currency Risk

The Department of Mines and Energy is not exposed to currency risk as it does not hold borrowings denominated in foreign currencies or transactional currency exposures arising from purchases in a foreign currency.

DEPARTMENT OF MINES AND ENERGY

Notes to the Financial Statements for the year ended 30 June 2013

(e) Net Fair Value

The fair value of financial instruments is estimated using various methods. These methods are classified into the following levels:

Level 1 – derived from quoted prices in active markets for identical assets or liabilities.

Level 2 – derived from inputs other than quoted prices that are observable directly or indirectly.

Level 3 – derived from inputs not based on observable market data.

	Total Carrying Amount	Net Fair Value Level 1	Net Fair Value Level 2	Net Fair Value Level 3	Net Fair Value Total
2013	\$000	\$000	\$000	\$000	\$000
Financial Assets					
Cash and deposits	17 982	17 982			17 982
Receivables	108	108			108
Total Financial Assets	18 090	18 090			18 090
Financial Liabilities					
Deposits held	19 169	19 169			19 169
Payables	755	755			755
Total Financial Liabilities	19 924	19 924			19 924

16. COMMITMENTS

(i) Operating Lease Commitments

The agency leases property from third parties and vehicles from NT Fleet under non-cancellable operating leases expiring at varying dates. Leases generally provide the agency with a right of renewal at which time all lease terms are renegotiated. The agency also leases items of plant and equipment under non-cancellable operating leases. Future operating lease commitments not recognised as liabilities are payable as follows:

	2013	
	Internal	External
	\$000	\$000
Within 1 year	272	27
Later than one year and not later than 5 years	205	16
	477	43

(ii) Other Expenditure Commitments

Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows:

	2013	
	Internal	External
	\$000	\$000
Within 1 year	72	1050
	72	1050

17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

No contingent liabilities or assets existed at balance date.

18. EVENTS SUBSEQUENT TO BALANCE DATE

No events have arisen between the end of the financial year and the date of this report that require adjustment to, or disclosure in these financial statements.

DEPARTMENT OF MINES AND ENERGY

Notes to the Financial Statements for the year ended 30 June 2013

19. ACCOUNTABLE OFFICER'S TRUST ACCOUNT

In accordance with section 7 of the *Financial Management Act*, an Accountable Officer's Trust Account has been established for the receipt of money to be held in trust. A summary of activity is shown below:

Nature of Trust Money	Opening Balance 1 July 2012	Receipts	Payments	Closing Balance 30 June 2013
	\$000	\$000	\$000	\$000
Aboriginal Land Rents	1 377	1 991	2 297	1 071
Compensation Liabilities	9	0	9	0
Cash Securities	14 998	4 529	1 429	18 098
	16 384	6 520	3 735	19 169

20. WRITE-OFFS, POSTPONEMENTS, WAIVERS, GIFTS AND EX GRATIA PAYMENTS

	Agency		Territory Items	
	2013 \$000	No. of Trans	2013 \$000	No. of Trans
Write-offs, Postponements and Waivers Under the <i>Financial Management Act</i>				
Represented by:				
<i>Amounts written off, postponed and waived by Delegates</i>				
Irrecoverable amounts payable to the Territory or an agency written off	0	0		
Losses or deficiencies of money written off				
Public property written off	28	1		
Waiver or postponement of right to receive or recover money or property				
Total Written Off, Postponed and Waived by Delegates	28	1		
<i>Amounts written off, postponed and waived by the Treasurer</i>				
Irrecoverable amounts payable to the Territory or an agency written off				
Losses or deficiencies of money written off				
Public property written off				
Waiver or postponement of right to receive or recover money or property				
Total Written Off, Postponed and Waived by the Treasurer				
Write-offs, Postponements and Waivers Authorised Under Other Legislation				
Gifts Under the <i>Financial Management Act</i>				
Ex Gratia Payments Under the <i>Financial Management Act</i>				

DEPARTMENT OF MINES AND ENERGY

Notes to the Financial Statements for the year ended 30 June 2013

21. SCHEDULE OF TERRITORY ITEMS

The following Territory items are managed by the Department of Mines and Energy on behalf of the Government and are recorded in the Central Holding Authority (refer Note 2(c)).

	2013
Territory Income and Expenses	\$000
Income	
Fees from regulatory services	6 157
Royalties and rents	2 969
Other income	9
Total Income	9 135
Expenses	
Central Holding Authority income transferred	9 135
Total Expenses	9 135
Territory Income less Expenses	0
Territory Assets and Liabilities	
Assets	
Other receivables	3 999
Total Assets	3 999
Liabilities	
Unearned Central Holding Authority income	3 999
Total Liabilities	3 999
Net Assets	0

22. GRANTS AND SUBSIDIES

	2013
Current Grants	\$000
Grants	785
Total Current Grants	785
Capital Grants	
Rebates	94
Total Capital Grants	94
Total Grants	879

Income for Capital Grants is derived from Commonwealth funding which is part of the National Partnership Agreement program.

A white twin-engine propeller airplane is shown from a front-on perspective, flying over a landscape with autumn foliage and a river. The background consists of a dense forest with trees in shades of yellow, orange, and brown. A river flows through the foreground. The sky is a clear, pale blue. The entire image is framed by a large, dark blue circular graphic on the left side, with white lines forming the inner and outer edges of the circle.

DEPARTMENT OF MINES AND ENERGY

APPENDICES

Appendix 1

Grants and Sponsorships 2012-13

Industry development grants	Expenditure \$
Welding Technology Institute of Australia	40 000.00
TOTAL	40 000.00

Resources grants	Expenditure \$
Geophysics and Drilling Collaboration Program	492 757.15
Solar Cities Contribution	202 000.00
TOTAL	694 757.15

Sponsorship	Expenditure \$
China/Australia Resources Symposium Gold Sponsorship	25 000.00
Minerals Council of Australia (NT)	500.00
Charles Darwin University – Academic Achievement Award	250.00
Geographic Information Systems	
TOTAL	25 750.00

Earth Sciences / Mining / Petroleum Scholarship	Expenditure \$
Craig Bridgman	12 000.00
Jazmin Kesteven	6 000.00
Brett Lewis	6 000.00
TOTAL	24 000.00

Capital grants	Expenditure \$
Resources grants	
Renewable Remote Power Generation Program (RRPGP) rebates for renewable energy projects paid in 2012-13	93 859.00
TOTAL	93 859.00

GRAND TOTAL	878 366.15
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Our minerals and energy sector accounts for more than twenty per cent of the Northern Territory economy.

Not only are these industries key drivers for economic activity and employment growth in our major urban centres, they are the backbone of many of our regional economies and provide opportunities for enterprise development and employment creation in some of our more remote regions and communities.

Our department draws together within one organisation many of the essential elements that underpin industry development throughout the Territory, and enable the wealth and opportunities available within our economy to be utilised for the benefit of the whole community.

We face a dynamic environment that requires a strategic approach to opportunities, risks and threats. The three-hub economy strategy with its focus on Tourism and Education, Mining and Energy and Food Exports provides a vision and road map for the future development of the Northern Territory, and our allocation of resources will be focused on meeting our core business responsibilities including government priorities.

Our vision

A flourishing economy underpinned by profitable and sustainable resource-based industries.



Our mission

To work with our partners to stimulate and sustain economic development throughout the Territory.

Our People The department has a passionate, professional workforce drawn from many cultural backgrounds and age groups. Our priorities are the recruitment of the best people in all regions, developing our managers, promoting

Indigenous employment and managing our corporate knowledge.

Our people are central to our success and that's why we will recognise and celebrate their achievements, and provide them with a respectful, professional and culturally sensitive workplace.

Our Values We strive to maintain the highest professional standards, backed by energy and enthusiasm.

Ethical standards and a commitment to public sector governance requirements are important to us, and the department will always be focused on providing optimal levels of client service and delivery.

We are committed to being a learning organisation that recognises its achievements, but also acknowledges that nothing stays the same. We will continually seek ways to foster and support learning, as well as actively communicating with our stakeholders.

Our role is to serve the Government of the day with dedication and commitment and ensure that we lead the way in serving our clients. But we also recognise that having fun in the workplace and balancing our busy lives is important for individual and corporate well-being.

Responsible recovery of minerals and energy resources

We will achieve this by:

- Promoting responsible development of the Territory's mineral and energy resources
- Assisting in the exploration of greenfield areas
- Facilitating project development including access to Indigenous land
- Administering laws to regulate the exploration, mining and production of minerals and energy products
- Promoting continuous improvement and best practice environmental management during operations and closure.