

2011-12 Business Plan

Earth Resources Development Division

Executive Summary

The Earth Resources Development Division (ERDD) is part of the Energy and Earth Resources Group of the Department of Primary Industries, Victoria.

The Division is responsible for securing competitive investment in the Victorian State's major earth resources assets ie, gas, petroleum, mineral sands, gold, base metals geothermal and geological storage and strategically managing the development of these assets.

The Division is also responsible for facilitating development of any emerging Earth Resources industries and opportunities

ERDD meets its responsibilities by being involved in the following:

- Business development and promotion to attract new investment into the State
- Enhancing the State's value proposition by identifying opportunities in its earth resources building perception that Victoria is the place to invest.
- Strategic management of the State's known brown coal resources and expansion of its market base by pursuit of non-power as well as power opportunities
- Generating and managing world class pre-competitive geoscience information to create exploration opportunities that will increase exploration investment in Victoria.
- Leading coordinated legislative and regulatory reform for all Victorian Earth Resources Legislation and representing the Earth Resources sector in broader policy and legislative development across Government.
- Facilitation of earth resources projects under development in the State

The strategies and related resourcing within ERDD to deliver the government program are based on meeting Victoria's minerals and energy challenges – in an engaged, focused, efficient and measured way.

ERDD will need to address a number of substantial challenges in 2011 – 2012

- i) Earth Resources options needed to deliver base load power in Victoria
- ii) developing reasonable pipeline of credible competitive projects
- iii) sustainable greenfields exploration
- iv) active facilitation of extractive industry
- v) critically focussed community engagement and planning interface
- vi) evidence based, prioritised policy and initiatives

The core management strategies are:

- Understand Victoria's competitive position (and risks) in earth resources, and develop policies and programs to attract appropriate explorers and developers – focus on “the critical few” – success breeds success
- Engage with global explorers and developers in a prioritised, direct, targeted and customised manner – planned, with tracking of effort and effect
- Build community engagement/confidence
- Reform land access to ensure active and financially capable tenure holders (“New broom” opportunity – coal and mineral sands)

- Coordinate efficient and effective regulation across government
- Develop an incentives system that rewards actual development and thereby ensures returns to the State

ERDD agreed funding for 2011/12 is \$17.1 million. The funding supports \$7.2 million in initiatives, mainly CCV \$4 million, Vic GCS \$1.0 million, LSDP Sustainable Energy \$1 million, Rediscover Victoria Extension \$0.625 million with the balance of \$10.9 million dedicated to salaries, operating and overhead expenses.

The following appendices support the objectives, deliverables and strategies outlined in the Business Plan:

- 1) Key Deliverables - Detail.
- 2) Communication Plan

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1. Our Context

1.1 Introduction

The Earth Resources Development Division (ERDD) is part of the Energy and Earth Resources Group of the Department of Primary Industries. ERDD has 76 FTE staff in five teams located in Melbourne and Traralgon.

The Division is responsible for securing investment in the State's major earth resources assets ie, coal, petroleum, geothermal and geological storage, gold and mineral sands, and strategically managing the development of these assets.

The Division is also responsible for facilitating development of emerging Earth Resources industries and opportunities.

Our Divisional Outcomes are:

- **A well fed pipeline** – by attracting the attention and participation of globally significant explorers, based on a clear understanding of Victoria's prospectivity for discoveries having competitive potential
- **Projects emerging from the pipeline** - by attracting the attention of globally significant developers and ensuring that they take action to increase Victoria's earth resource production figures
- **An aligned positive industry**
- **An engaged, positive and informed community**

Where are we now?

Research has found there are negative perceptions about the prospectivity of Victoria, which impacts on the level of exploration activity in the State.

There is also a demonstrated lack of active projects in the investment pipeline. This is evident through reduced economic contribution and absence of capital developments on known endowments, such as mineral sands and coal.

Focus on data rather than engagement and weakness in legislated powers and enforcement in addition to a narrow focus on gold and coal have contributed to this reduced activity.

Historically Victoria has hosted a thriving minerals and energy industry and is now understood (although not necessarily perceived as such widely in a global sense) to have one of the largest known provinces of high grade mineral sands in the world.

It is critical to address negative perceptions of Victoria's prospectivity to demand active work on land held and especially to engage directly with targeted industry partner. To a lesser extent it will be important to stress that changes (which are currently under way) to the regulatory environment that provide Victoria has one of the most modern regimes in the world.

The ERD organisation has been restructured and redefined but not yet embedded as a "way of working"

Poor safety performance on all measures

Decline in all leading indicators, now showing through in lagging indicators (economic activity) (Refer table 1 below)

Where do we want to be?

Engaged with the industry and key stakeholders with a well-understood competitive potential position

Proactively creating an awareness of the globally significant investment opportunities available in Victoria amongst target market segments

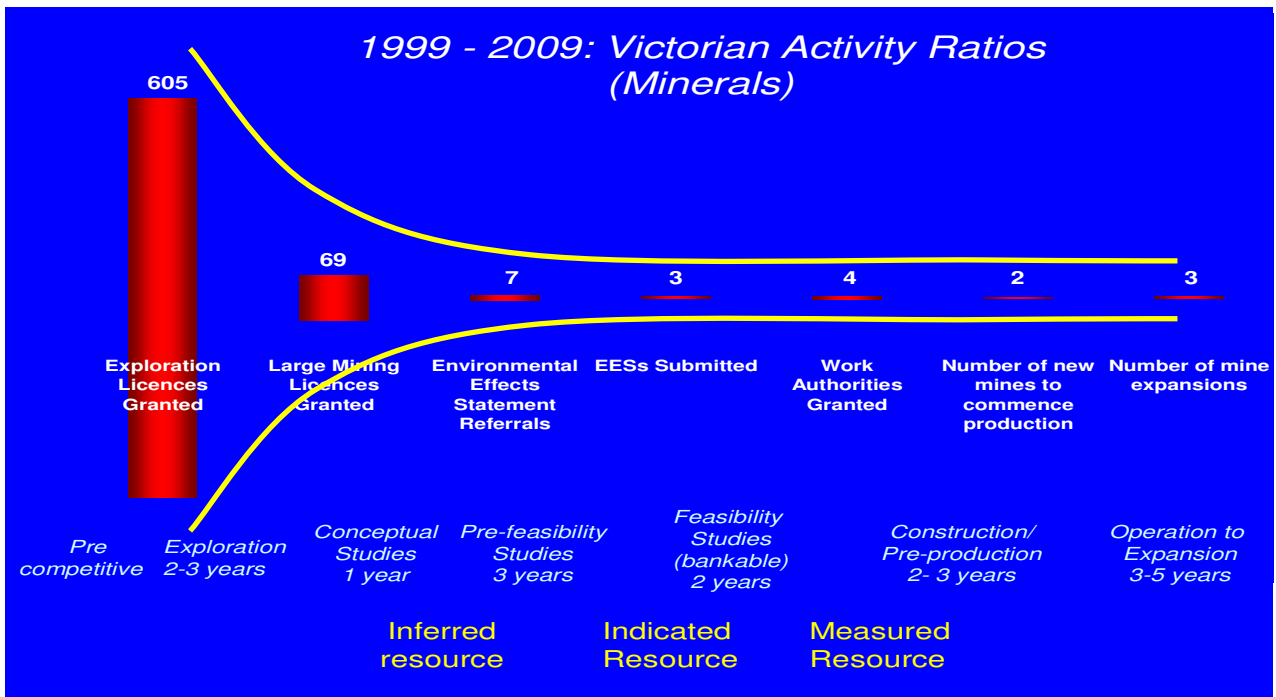
New organisation paradigm strongly embedded with accountability focus, objectives and programs aligned with our four Divisional outcomes

Demonstrable movement in leading indicators in safety, team efficiency, licence cycle time, licensee profile, extractives delivery cycle time, commodity analysis, development project list, regulatory platform and global surveys.

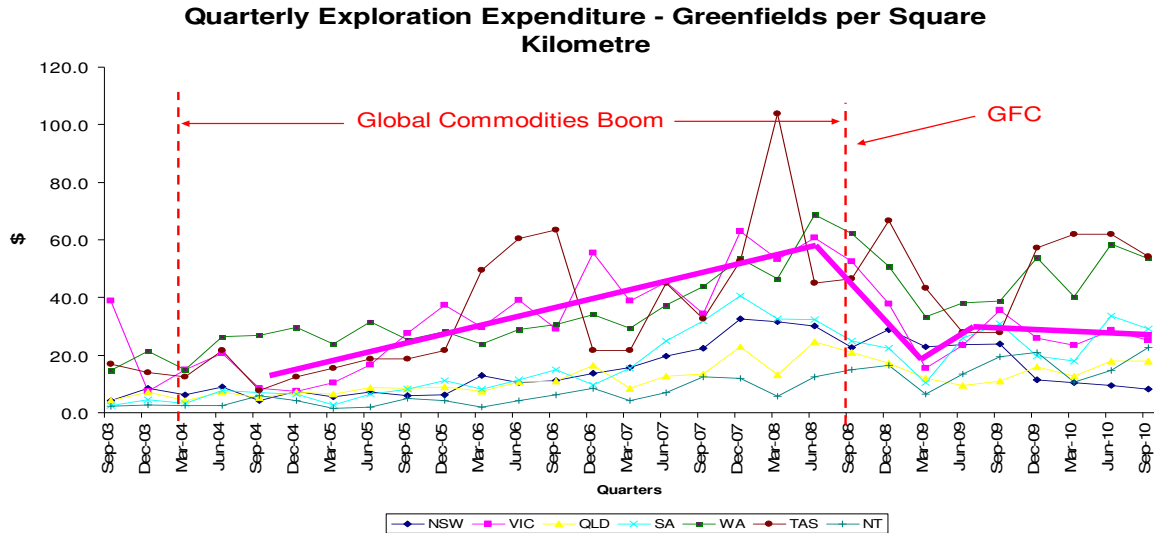
What do we need to do?

- Identify, and develop and maintain relationships with, targeted, specialist explorers and developers and engage in purposeful dialogue with them, understand their needs, secure their interest and convert interest to investment decision.
- Unrelenting focus on safety leadership and leading measures
- Embed new organisation including clear work flows and well-defined project briefs
- Analyse and focus on commodities and competitors
- Get critical resourcing for initiatives, but not for core resources(BERC)
- Bridge capability gaps (training ,mainly on the job)
- Make full use of project based planning and execution and flexible resource assignment
- Install measures – we get what we measure – core and stretch measures

Table 1



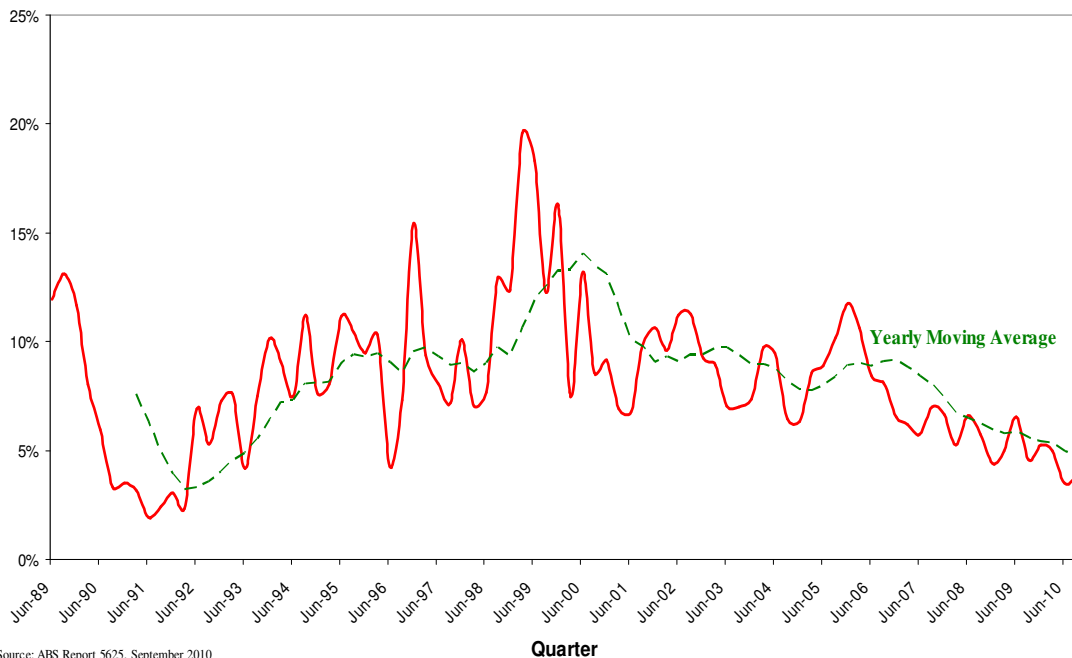
Victoria fell hard, recovered little relative to others: from productive use of area (that is at a premium) to mid field



High amount of exploration activity is needed to produce a mine (300:1)

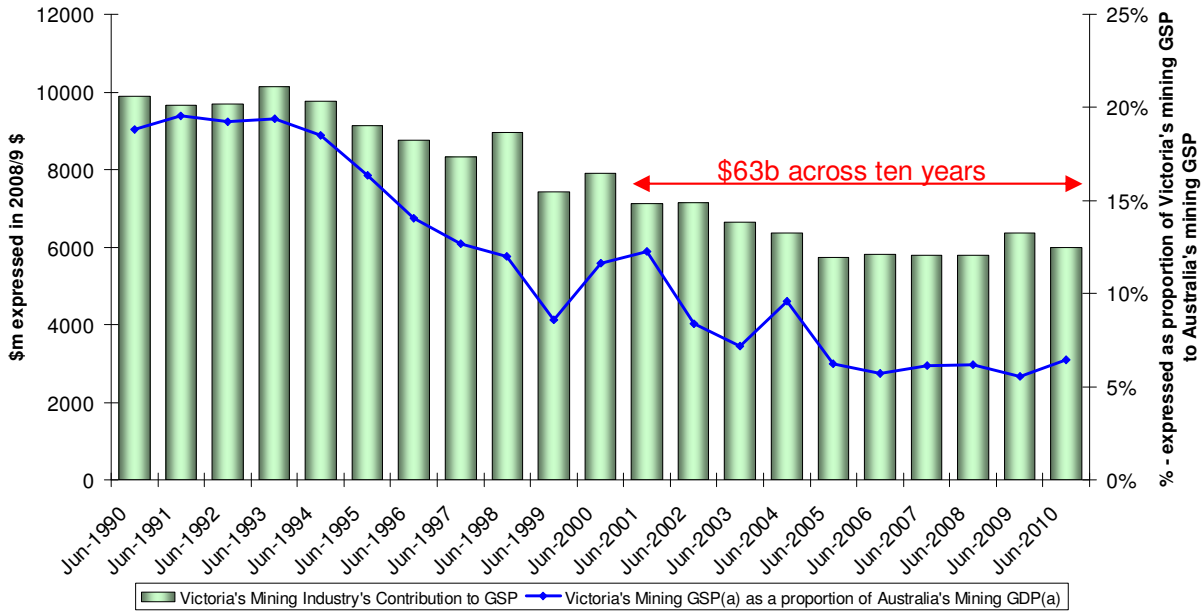
Forward Indicator: Capital Investment is Falling

Victoria's Mineral/Oil&Gas CAPEX as % of Australia's (Nominal \$)



Lagging indicators – relative current activity is falling

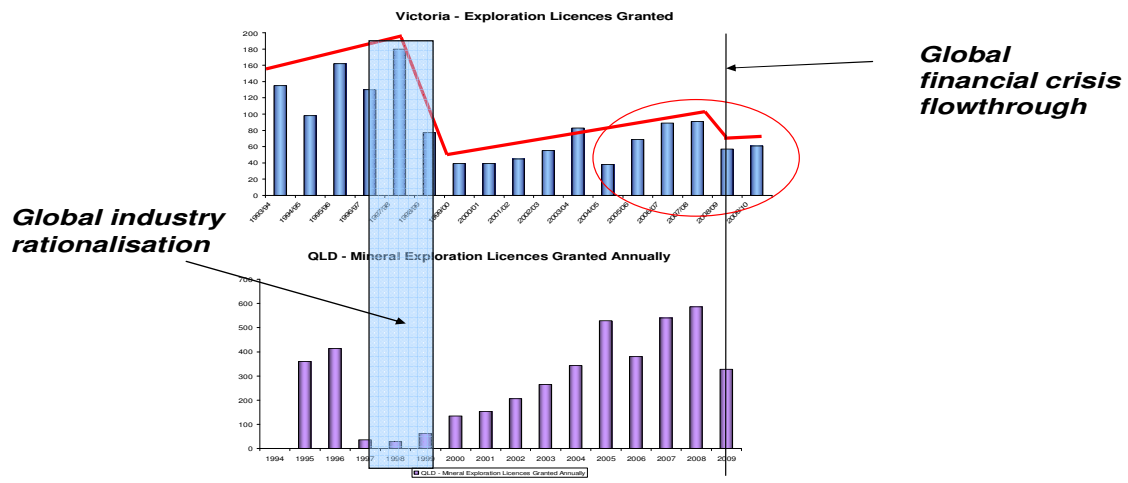
Contribution to GSP by Victoria's Minerals/Oil&Gas Industries is in Decline. Other States/Territories are Relatively Taking off



Source: ABS Report 5220, released November 2010

This is really about “effective replacement” – not just what we have lost

Victorian minerals exploration has suffered from weak growth in the booms, but full loss during busts



2. Our Objectives and Strategies

The outcomes the Division is seeking to achieve

Sector Outcomes	Energy policy objectives Earth resources policy objectives						
DPI Outcomes	Competitive businesses and efficient markets		Sustainably managed natural resources		Engaged, safe and responsible communities		
ERDD Intermediate Objectives	<p>Transition to a cleaner energy future</p> <p>Innovation in:</p> <p>energy sources</p> <p>transformation efficiency</p> <p>emissions capture</p>	<p>Understand competitive position and attract appropriate explorers and developers</p> <p>Provide world class geosurvey/ geoscience information</p> <p>Understand and promote new earth resource opportunities</p> <p>Understand and reduce barriers to investment Aid minerals processing technology transfer.</p>	<p>Highlight & manage competing land uses for security of access to economic resources</p> <p>Contribute resources to emergency management</p>	<p>Develop & maintain a policy and regulatory framework for:</p> <p><i>allocation, sustainable development and administration of Vic's earth resources</i></p>	<p>Communicate and engage with local communities in a relevant and structured way</p> <p>Align regulatory processes with industry and community processes</p> <p>Provide (both) strategic and customised facilitation to industry</p>	<p>Contribute to public safety outcomes for targeted ER issues, eg,</p> <p>Geological storage</p> <p>Mine stability and subsidence</p>	<p>Develop multi-tasking, cross functional, positive, high performance team.</p> <p>Optimise flexible allocation of resources</p> <p>Build skills and capabilities for meeting planned objectives</p>

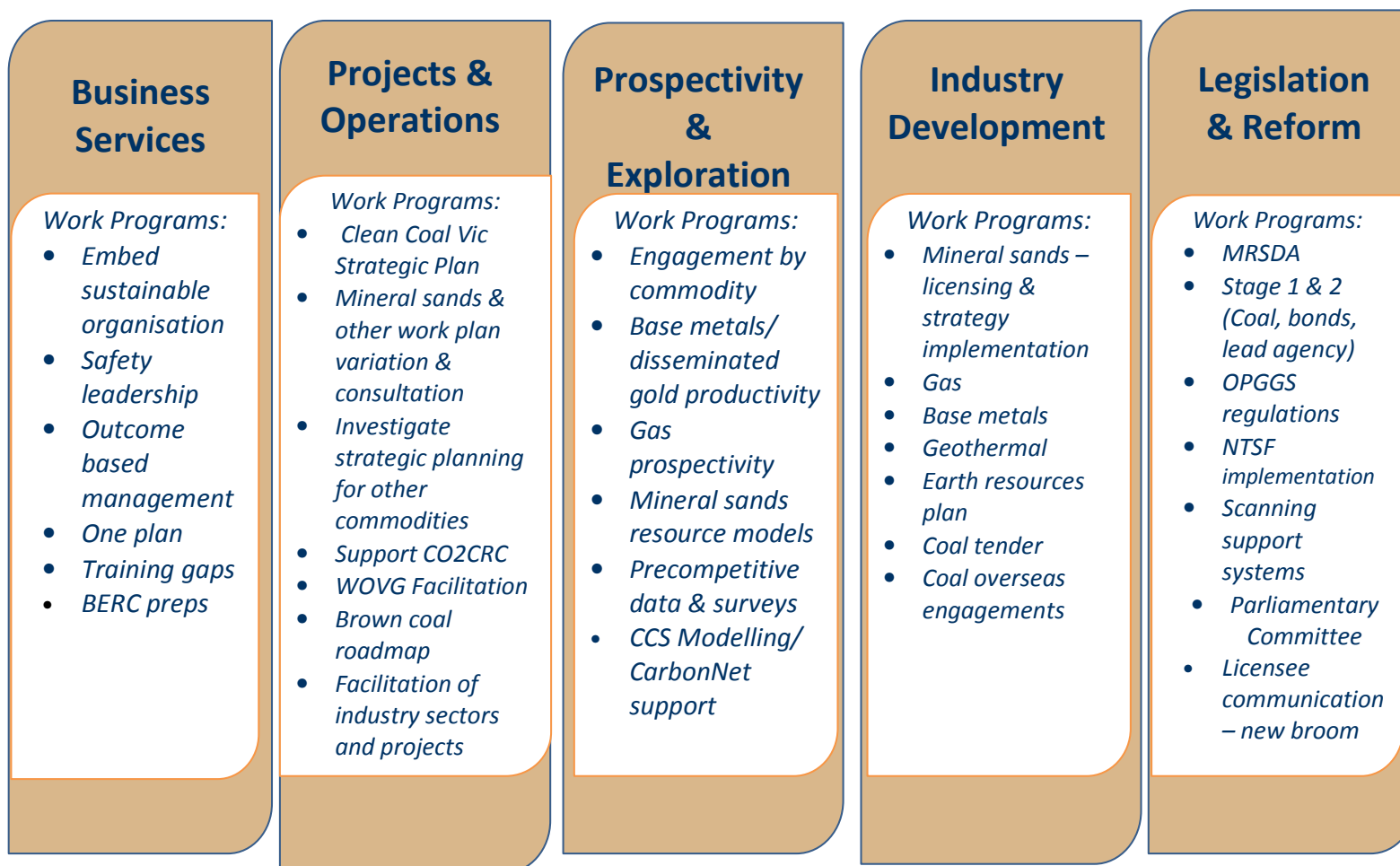
Sector Outcomes	Energy policy objectives Earth resources policy objectives						
DPI Vision	Primary industry and energy sectors sustainably building Victoria's wealth and wellbeing						
Headline Outcomes	Competitive businesses and efficient markets		Sustainably managed natural resources			Engaged, safe and responsible communities	
DPI Intermediate Outcomes	Business are innovative, productive & adaptive	Markets are efficient, accessible and attractive for investment	Supply chains are secure and emergencies effectively managed	Natural resources are allocated and used efficiently & sustainably	Communities and industries are engaged, informed and capable	Public safety and animal welfare are ensured	DPI is capable of high performance
ERDD Mission	Economic prosperity from the sustainable development of earth resources						
ERDD Outcomes	A well fed pipeline		Projects emerging		Engaged, positive, informed community		Aligned, positive industry
ERDD Outputs	Geological data Managed surveys Prospectivity and Endowment assessments Exploration engagement Acreage release	Licensing Strategies Facilitation of Specific projects (MINS, EES) Industry Level facilitation Planning interface	Industry analyses Commodity strategy Engagement plans Direct engagement for development Tenders where necessary	Strategic positioning plans, roadmaps, outlooks	Legislation/regulations Whole of Government scanning Policy positions/ Discussions papers Specific reform studies	High performance organisation delivering outcomes Customised management system Supporting programs (BERC)	

3. ERDD Organisation

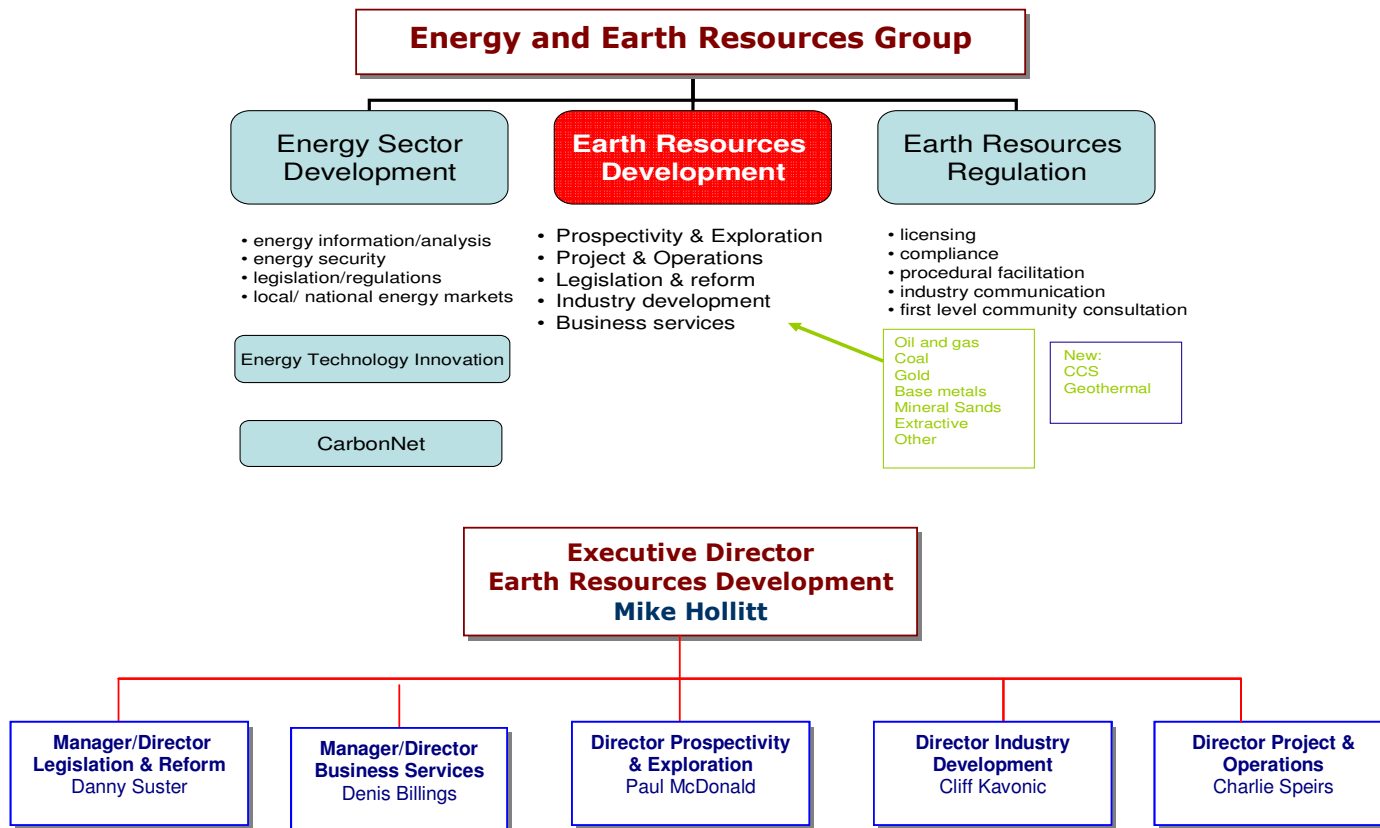
3.1 Team accountabilities



3.2 2011-12 Work Program



3.3 Group and /Divisional Structure



4. Our Strategic Plan Deliverables

The key deliverables and programs we will implement to deliver DPI's Strategic Plan

4.1 Strategic plan deliverables- Summary

ERDD Strategic Outcome	ERDD Strategic Objectives	DPI Outcomes	High level deliverable/s	Key expected actions / projects	Responsibility	Approx timeframe	Outcome Targets 2011/12
A well fed pipeline	Understand competitive position and attract appropriate explorers and developers	Markets are efficient, accessible and attractive for investment	<ul style="list-style-type: none"> ▪ Engagement plan and direct engagement ▪ Prospectivity and endowment assessments ▪ Acreage release ▪ Key earth resources information available 	<ul style="list-style-type: none"> ▪ Direct engagement by commodity ▪ Base metals /disseminated gold prospectivity ▪ Gas prospectivity ▪ Mineral sands resource model ▪ Precompetitive data ▪ CCS Modelling ▪ CarbonNet support ▪ Quantity and reduce critical data backlog 	PE	<ul style="list-style-type: none"> <1year <1year <1year <1year <1 year >2 years <1 year 	Put in place approaches to result in >80 new exploration licence grants per year at >\$40 million pa greenfields expenditure. Bring >10 new minerals explorers from target list to Victoria Bring > 5 new energy explorers from target list to tender bids and/or licences in Victoria Reduce critical data backlog by 20%
A well fed pipeline	Highlight and manage competing land uses	Supply chain are secure and emergency effectively managed	<ul style="list-style-type: none"> ▪ Strategic plans- Regional 	<ul style="list-style-type: none"> • CCV and extension 	PO		
Projects emerging from pipeline	Understand competitive position and attract appropriate explorers and developers	Markets are efficient, accessible and attractive for investment	<ul style="list-style-type: none"> ▪ Industry analysis ▪ Engagement plan ▪ Commodity strategy ▪ Direct Engagement for Development 	<ul style="list-style-type: none"> ▪ Mineral Sands licensee and Strategy implementation ▪ Gas industry analysis ▪ Base Metal industry analysis ▪ Geothermal industry analysis ▪ Coal Tender (subject to govt decision) ▪ Commodity strategy for each above, timing driven by engagement requirements ▪ Appropriately designed and targeted direct engagement with above commodity sectors, following defined engagement plan 	ID	<ul style="list-style-type: none"> <1 Year <1 year <1year <1year <1 – 2 years <1year <1year 	Bring >2 additional developers from global list to Victoria onto known endowments, eg, in coal and mineral sands, with >\$50 million prefeasibility planned for 2012-2014, secured by mid 2012
Projects emerging from the pipeline	Transition to a cleaner energy future	Business is innovative, productive and adaptive	<ul style="list-style-type: none"> ▪ Innovation in energy sources, transformation efficiency and emission capture 	<ul style="list-style-type: none"> ▪ Gas resource assessment 	PE	< 1 year	Successful assessment of tight gas potential

ERDD Strategic Outcome	ERDD Strategic Objectives	DPI Outcomes	High level deliverable/s	Key expected actions / projects	Responsibility	Approx timeframe	Outcome Targets 2011/12
Engaged , positive informed community	Communicate and engage with local communities in a relevant/structured way	Communities and industries are engaged, informed and capable	<ul style="list-style-type: none"> ▪ CCV Strategic Plan ▪ Coal Road map ▪ Outlooks 	<ul style="list-style-type: none"> ▪ CCV-stakeholders and community consultation ▪ Future Earth Resource ▪ Mineral sands consultation 	PO	1-2 years <1year <1 years	<ul style="list-style-type: none"> ▪ Lead agency Gantt chart
Aligned positive industry	Align regulatory processes with industry and community processes	Natural resources are allocated and used efficiently and sustainably	Legislation/regulations	<ul style="list-style-type: none"> ▪ MRSDA Review Stage 2 <ul style="list-style-type: none"> ◆ Royalty (coal) and bonds ◆ Lead agency ▪ Stage 1 Regulations ▪ Licensee communication -- new broom ▪ Lead agency ▪ Royalty (coal) and bonds ▪ Scanning support system • Parliamentary Committee 	LR	< 1 year < 1 year < 1 year < 1 year < 1 year < 1 year	<ul style="list-style-type: none"> ▪ projects to account for removal of 1 year from exploration licence cycle time, amendments according to schedule, with bonds working group and lead agency work etc complete within timing of amendment drafting ▪ regulations and guidelines in place (incl. statutory endorsement)
Support Program	Contribute resources to emergency management	Supply chain are secure and emergency effectively managed	Emergency management plan	<ul style="list-style-type: none"> ▪ Resource allocation Plan 	BS	<1 year	<ul style="list-style-type: none"> ▪ Contribute resources to DPI emergency management
Support Program	Develop multitask /cross functional ,positive ,high performance teams	DPI capable of high performance	<ul style="list-style-type: none"> • Optimise flexible allocation of resources • Build skills capable of meeting planned objectives 	<ul style="list-style-type: none"> ▪ Embed sustainable organisation ▪ Outcome based management ▪ ██████████ ▪ Reorganisation ▪ Cultural alignment ▪ Safety Leadership ▪ Project Brief System ▪ Measurement/Evaluation ▪ Training gaps ▪ One Plan 	BS	<1 year <1 year <1 year <1 year <1 year <1 year <1 year <1 year	<ul style="list-style-type: none"> ▪ % of work – Strategic project work Business services 20 % of time ,All other areas 70% of time, Project brief deliverables and hard measures (90% on target recognising approved revisions) ▪ \$>10 million BERC support for years 2012/13 through 2015/16 ▪ Move to a culture of ambition with 50-60% employees engaged by “survey after next” (Change readiness survey completed April 2011).
Support Program	Contribute to public safety outcomes for targeted ER Issues	Public safety and animal welfare ensured	Support Mine stability program	<ul style="list-style-type: none"> ▪ Advice and reports 	BS	ongoing	<ul style="list-style-type: none"> ▪ Meet Regulation requirements

4.2 Key Output Deliverables ERDD 2011-12

<ul style="list-style-type: none"> ▪ Exploration engagement ▪ Precompetitive data @ surveys ▪ Prospectivity and endowment assessments ▪ Exploration engagement ▪ Acreage release 	<ul style="list-style-type: none"> ▪ Licensing strategies ▪ Facilitation of specific projects (MINS, EES) ▪ Industry level facilitation ▪ Planning interface 	<ul style="list-style-type: none"> ▪ Industry analyses ▪ Commodity strategies ▪ Engagement plans ▪ Direct engagement for development ▪ Tenders where necessary 	<ul style="list-style-type: none"> ▪ Strategic positioning plans, roadmaps, outlooks 	<ul style="list-style-type: none"> ▪ Legislation/ regulations ▪ Whole of government scanning ▪ Policy positions/ discussion papers ▪ Specific reform studies ▪ Regulatory impact statements ▪ SCER/SCO briefs 	<ul style="list-style-type: none"> ▪ High2 performance organisation delivering outcomes ▪ Customised management systems ▪ Supporting programs (BERC)
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Key Output deliverables

Resolve NCSI engagement

Engagement plan Stage 1 complete, Stage 2 PB

High performance team intervention

Key performance and safety systems (safety interactions etc)

Industry communication – new licences,

Current coal licensee (LYP) with RL commitments (\$10 million

Brown Coal Roadmap complete

Team alignment with budget

Support earth resources plan and EDIC committee

Predictive measure of extractives health

Direct Engagement - Developers – Phase 1 and 2

Completion dates (date order)

Jul 2011

Stage 1 Jul 2011 Stage 2 Aug 11

Aug 2011

Aug 2011

end Sep 2011

Sep 2011

30 Nov 2011

end Sep 2011

ERP Q3 2011 EDIC (Sep 2011)

Oct 2011

30 Oct 2011 and 31 Jan 2012

Lead Team

LR

PE – Exploration ID -
Developers

All

Business Services

ID

PO

PO

All

ID

ID

ID

Geothermal support model (ARENA and BERC)

Nov 2011

ID

Bonds, coal royalties settled

Dec 2011

LR

Gas industry analysis, prospectivity assessment, acreage release and engagement (Halladale facilitation?) – S1

by end Dec 2011

PE

Preliminary report on potential new porphyry areas

end Dec 2011

PE

Alcoa Anglesea enacted

before Jan 2012

LR

MRSDA Stage 1 – regulations and guidelines in place

Feb 2012

LR

MRSDA Stage 2 (including additional cost recovery) – first reading

Jun 2012

LR

Mineral sands strategy implementation: tenements strategy, targets and commitments

Jun 2012

ID

Coal tender (to bidding stage) subject to govt decision

30 Jun 2012

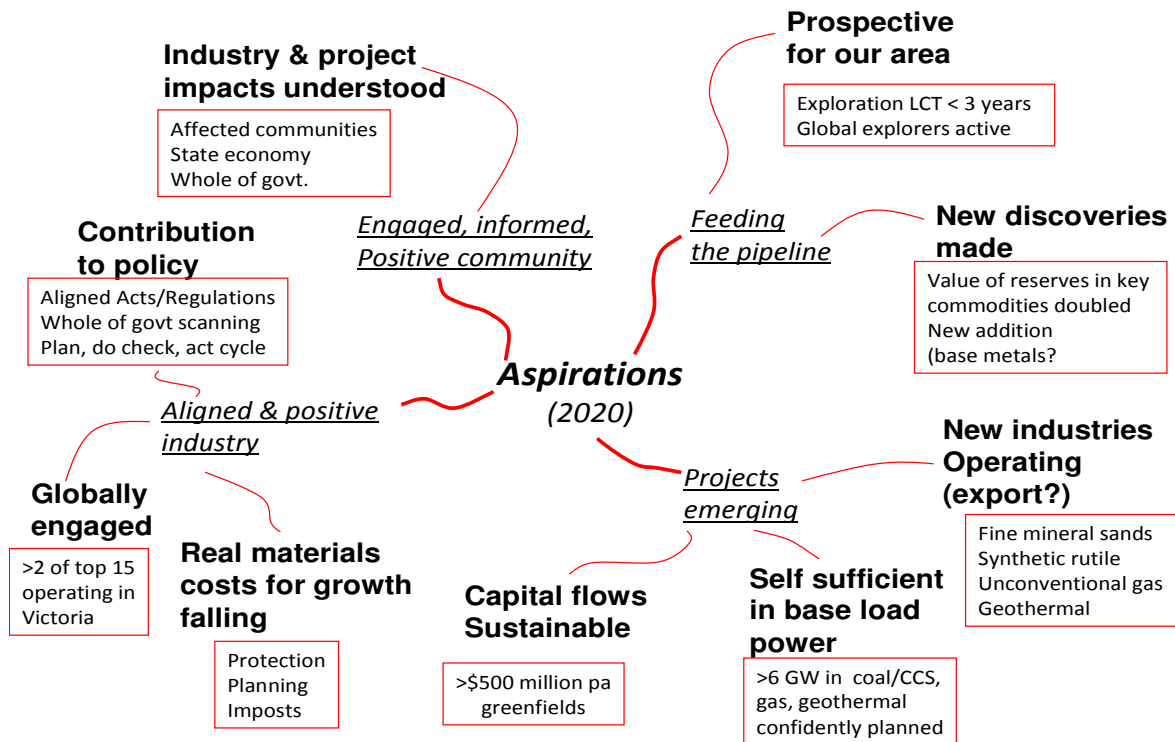
ID

CCV strategic plan (Brown Coal) complete	Jun 2012	PO
Direct approach to >40 targeted explorers (base metals/disseminated gold)	Jun 2012	PE
Report VicGCS	Jun 2012	PE
Project management system	ongoing	Business Services

4.3 Targets and Measures 2011/12 – Outcome Focus

Outcome Focus	Completion Date	Team
Safety leadership systems in place	commencement of 2011/12	Business Services
Bring >2 additional developers from global list to Victoria onto known endowments, eg, in coal and mineral sands, with >\$50 million prefeasibility/feasibility investment planned for 2012-2015, secured by mid 2012	Jun 2012	Industry development
Put in place approaches to result in >80 new exploration licence grants per year at >\$40 million pa greenfields expenditure.	Mid-year – specified targets progressed through awareness to interest/desire stage	
Rediscover Victoria II BEREC bid	Dec 2011	Prospectivity & Exploration
Bring >10 new minerals explorers from target list to Victoria	Jun 2012	
	Nov 2011	
	Dec 2011	Prospectivity & Exploration
	Jun 2012	
Bring > 5 new energy explorers from target list to tender bids and/or licences in Victoria	Dec 2011	Prospectivity & Exploration
	Jun 2012	
		Industry Development (conventional gas, geothermal requiring PO resources) (PE unconventional gas
		Divisional coordination of BEREC led by BS
		Industry Development
MRSDA stage 1 – regulations and guidelines in place (incl. statutory endorsement)	by Feb 2012	Legislation & Reform
MRSDA Stage 2 - projects to account for removal of 1 year from exploration licence cycle time, amendments according to schedule, with bonds working group and lead agency work etc complete within timing of amendment drafting	By End 2012	Legislation & Reform
		Projects and operations
Lead agency “one” Gantt chart(s) in place by	Dec 2011	Projects & operations
New extractives industry key health measures in place	Aug 2011	Projects & operations
New project feedback and personnel allocation systems	1 Jul 2011.	Business services
Close data gap in minerals and energy by 20% - prioritised	0.4% per week	Business Services
Overall: \$>10 million BEREC support for years 2012/13 through 2015/16	Nov 2011	All

4.4 2020 Aspirations



5.0 Operational Plan for 2011-12 by team

ERD Strategy Objectives	Agreed Priority Service/Project	Deliverables/Milestones/Dates	Responsible officer	Dates Due	Measure(QQRT)
Team : Project & Operations					
Understand competitive position and attract appropriate explorers and developers	Clean Coal Victoria	Develop a Strategic Plan for the Brown Coal Resources (Paul Barrand and Rachael Roberts)	C Speirs	Jun 2012	Strategic Plan submitted to Government for consideration
		Implement stakeholder engagement plan for brown coal (Jane Burton and Kelly Molony)	J Burton		Continue to complete an average of 1 community consultation per fortnight
		Explore the need for, and scope of a stakeholder engagement plan for mineral sands	J Burton		Participation in all aspects of carbon Storage in a effort to see a sustainable future for Coal
		Assist CarbonNet on stakeholders engagement activities within Gippsland (Jane Burton)	J Burton		
Understand competitive position and attract appropriate explorers and developers	Commodities	Complete the Brown Coal Road Map (Jane Burton and David Gallus)	C Speirs	30 Nov 2011	Coal Road Map complete and reported and action list developed and being implemented
		Complete Strategy for Transition to Clean Coal Technologies	K Friday	Jun 2012	Facilitation meeting ERDD expectations and measures
		Provide facilitation to existing Oil, Gas, CCS and geothermal and pipeline projects, eg, Otway project and industry sectors (Namiko Ranasinghe)	K Friday	Jun 2012	
		Provide facilitation to existing minerals exploration and extractive industry sector, eg, lead agency (Kathy Friday and David Gallus)	K Friday	ongoing	
Understand competitive position and attract appropriate explorers and developers	BERC	Develop and submit a funding bid for the continuation of the CCV work to manage the outcomes of the Strategic Plan and the Road Map and provide government with a focal point for Coal. Develop a model to extend this work into a concept to cover Coal and the broader Resources and Extractive Industries management and facilitation in the Project and Operations Team for ERDD.	C Speirs	Nov 2011	BERC bid complete and submitted

ERD Strategy Objectives	Agreed Priority Service/Project	Deliverables/Milestones/Dates	Responsible officer	Dates Due	Measure(QQRT)
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Team: Industry Development

					Industry development – bring >2 developers from global list to Victoria onto known endowments Clear (secured) pathways to >\$50m pa additional prefeasibility /feasibility expenditure on Vic endowments
Understand competitive position and attract appropriate explorers and developers	Commodity Strategy	<ul style="list-style-type: none"> High level industry analysis for unconventional gas, base metals, geothermal,gold Company profiles for energy and minerals sectors In depth industry analysis and strategy for above commodities, timing driven by engagement needs 	R Kjar	Timing driven by engagement requirements	High level minerals industry analyses complete by Dec 2011 High level energy industry analyses completed by Jun 2012 Selected company profiles completed by Nov 2011
Understand competitive position and attract appropriate explorers and developers	Mineral Sands Strategy	<ul style="list-style-type: none"> Rollout and implementation 	R Kjar	In keeping with Strategy rollout plan	Strategy endorsed by Secretary Dec 2011 Implementation Jun 2012 Mineral sands technical peper by Q1 2012 Legal advice re bonds by Q4 2011
Understand competitive position and attract appropriate explorers and developers	Engagement Strategy	Overarching Divisional engagement strategy (including monitoring of implementation)	G Fraser	30 Aug 2011	
Understand competitive position and attract appropriate explorers and developers	Targeted Engagement	<ul style="list-style-type: none"> Engagement Plans Minerals under implementation Engagement Plans Energy under implementation 	S Rooney G Collins	In keeping with detailed engagement plans	Engagement plans complete Aug 2011-08-09 Support analysis needs to be defined and initiated Aug 2011 and ongoing as needed Phase 1 engagement (initiate contact and obtain industry

ERD Strategy Objectives	Agreed Priority Service/Project	Deliverables/Milestones/Dates	Responsible officer	Dates Due	Measure(QQRT)
					intelligence) complete by 30 October 2011. Phase 2 engagement (deliver high value proposition to companies) complete by 31 January 2012.
Understand competitive position and attract appropriate explorers and developers	BERC	<ul style="list-style-type: none"> ▪ BERC package led by BS relying on ID, with PO support, for contributions on: ▪ Mineral Sands ▪ Geothermal (PO assistance reqd) 	R Kjar (ID) N Ranesinghe (PO)	In keeping with BERC timetable	BERC 1 submissions complete by Nov 2011 BERC 2 submissions (where relevant) complete by January 2012
Understand competitive position and attract appropriate explorers and developers	Performance Measures	<ul style="list-style-type: none"> ▪ Industry Performance Measures <ul style="list-style-type: none"> • Extractives • Other 	E Kowalski	Oct 2011	DPI measures updated and completed by Sep 2011

Team : Prospectivity & exploration					
ERD Strategy Objectives	Agreed Priority Service/Project	Deliverables/Milestones/Dates	Responsible officer	Dates Due	Measure (QVRT)
Understand competitive position and attract appropriate explorers and developers	Commodity	Gas strategy(assist ID) Gippsland Basin southern flanks petroleum prospectivity report Tight and shale gas economic/technical viability report	P Tingate	Q1 Q4	Clients targeted for direct engagement
		Base Metals, Gold and Mineral Sands (assist ID) Endowment analysis		Q1	Clients targeted for direct engagement
Understand competitive position and attract appropriate explorers and developers	Mineral Prospectivity and Assessment	<ul style="list-style-type: none"> ▪ Porphyry copper prospectivity study of southern Miga Arc, W.Vic ▪ Base Metal prospectivity study of Easter Vic ▪ Vic. CBM prospectivity study ▪ SEDEX prospectivity study of Glenelg Zone, W.Vic ▪ High Resolution 3D Otway Basin model ▪ Omeo zone porphyry copper mineral systems ▪ Macquarie arc porphyry copper-gold mineral systems ▪ Gippsland Basin mineral sands endowment ▪ Otway Basin mineral sands prospectivity ▪ HyLogger evaluation (Stavelly zone) ▪ Endowment analysis required to support ID engagement function – mineral sands and others as they arise 	P O'Shea	Q3 Q4 Q3 Q4 Q4 Q3 Q2 Q2 Q4 Q2 Oct 2011	Prospectivity studies (Minerals Sands, Base Metals) Endowment analyses Results and updates from studies reported to Engagement Officer
Understand competitive position and attract appropriate explorers and developers	Engagement	<ul style="list-style-type: none"> ▪ Energy Engagement plans ▪ Minerals Engagement plans 	P Tingate	Q1,2 3,4 Q1,2 3,4	Direct engagement
Understand competitive position and attract appropriate explorers	Earth resources Information	<ul style="list-style-type: none"> ▪ Resources information plan (prioritised) and implementation ▪ Systems in place to receive and manage data retrieval for engagement purposes and needs 	P.McDonald	Q1	Critical data identified 20% of critical data gap filled

Branch: Legislation and Reform					
ERD Strategy Objectives	Agreed Priority Service/Project	Deliverables/Milestones/Dates	Responsible officer	Dates Due	Measure (QQR)
					1) Removal of 1 year from exploration cycle time. Lead agency approach in place. Other agenda items (e.g, minerals/ extractives impact statement, bonds review completed 2) Minister provided with robust quality advice. Lead agency approach in place. Systems for frequent interaction established. Ministerial Council supported.
Align regulatory processes with industry and community processes	Legislation review led by LR	<ul style="list-style-type: none"> ▪ MRSDA Phase 1 	D Suster	Feb 2012	Ready with regulations by Feb 2012
Align regulatory processes with industry and community processes	Legislation review led by LR	<ul style="list-style-type: none"> ▪ MRSDA Review Phase 2 	D Suster	Jun Q4 2011/12	<ul style="list-style-type: none"> ▪ The bill more effectively regulates mineral industries in Victoria ▪ BIA is completed within set timeframes and to a high standard
Align regulatory processes with industry and community processes	Regulatory Burden reduction (WOVG) and legislation led by LR	<ul style="list-style-type: none"> ▪ Remake sunseting Mineral Resources Development Regulations 	D Suster	Dec Q2 2011/12	<ul style="list-style-type: none"> ▪ The regulations effectively support MRSDA. RIS completed to a satisfactory standard within set timeframes.
Align regulatory processes with industry and community processes	Regulatory Burden reduction (WOVG) led by LR	<ul style="list-style-type: none"> ▪ Remake sunseting Mineral Resources Development Regulations – Phase 2 	D Suster	Dec Q2 2012/13	<ul style="list-style-type: none"> ▪ The regulations effectively support MRSDA. ▪ RIS completed to a satisfactory standard within set timeframes.
Develop and monitor policy and regulatory framework	Making of mirror regulations led by LR	<ul style="list-style-type: none"> ▪ Offshore Petroleum and Greenhouse Gas Storage regulations 	D Suster	Dec Q2 2011/12	<ul style="list-style-type: none"> ▪ Regulations in place to support OPGGS Act
Develop and monitor policy and regulatory framework	Legislation review led by ERPU	<ul style="list-style-type: none"> ▪ Input into Native Title Settlement Framework Bill 	D Suster	Jun Q4 2015/16	<ul style="list-style-type: none"> ▪ Schedule 6 developed in consultation with all stakeholders ▪ Guidance material in place prior to first agreement commencing
Develop and monitor policy and regulatory framework	WOPVG Scanning and interaction plan/reports Policy work	<ul style="list-style-type: none"> ▪ General Policy work ▪ Minister and exec Support in MCMPR Contribution 	WOVG /D Suster	Ongoing	<ul style="list-style-type: none"> ▪ Policy advice provided within set timeframes and to a high standard ▪ Min Corro and briefings completed as per required timeframes

Team : Business Services					
ERD Strategy Objectives	Agreed Priority Service/Project	Deliverables/Milestones/Dates	Responsible officer	Dates Due	Measure
					Tracking report systems (crude, then refined) - JSA rate, incident rate, interaction rate AIFR, LTIFR at monthly meetings from 31 July 2011. Interaction system in place by August 15 2011.
Develop multitasking, cross functional, positive ,high performance team	Safety Leadership	<ul style="list-style-type: none"> ▪ Pilot Program ▪ Individual safety Plans ▪ Shared safety measures 	Bus Systems All All	15 Aug 2011	
Develop multitasking, cross functional, positive, high performance team	Measures	<ul style="list-style-type: none"> ▪ ERDD Performance measures reporting ▪ Project Management 	Bus Systems All All	15 Aug 2011 Oct 2011	Sustainable organisation in play
Develop multitasking, cross functional, positive, high performance team	People Plan	<ul style="list-style-type: none"> ▪ Skills Gap Audit ▪ Engagement Culture ▪ Multitasking/Multi Skills 	All All All	Ongoing	Move to a culture of ambition with 50-60% employees engaged by “survey after next” (Change readiness survey completed April 2011).
Develop multitasking, cross functional, positive, high performance team	BERC	<ul style="list-style-type: none"> ▪ Consolidated BERC bid (assisted by ID, PE and PO) 	BS	Nov 2011	Overall >\$10 million BERC support for 2012/13 through to 2015/16
Develop multitasking, cross functional, positive, high performance team	Resources Info	<ul style="list-style-type: none"> ▪ Develop Info plan (prioritised and implementation 	D Bibby/PE	Aug 2011	
Develop multitasking, cross functional, positive, high performance team	Min Corro	<ul style="list-style-type: none"> ▪ Establish new Min Corro and PPQ process 	L Bibby	Jul 2011	
Develop multitasking, cross functional, positive, high performance team	Systems	<ul style="list-style-type: none"> ▪ Project brief System – updates ▪ Resource Allocation system ▪ Project Personal feedback reports 	Bus Systems Fin/Acc Bus Systems	Ongoing Jul 2011 Aug 2011	
Understand competitive position and attract appropriate explorers and developers	Optimise State Resources base	<ul style="list-style-type: none"> ▪ Geoscience Data Management ▪ Compliance audits – Minerals ▪ Compliance audits – Energy ▪ Custodianship 	D Bibby	Ongoing	20% of critical data gap filled
Develop multitasking, cross functional, positive, high performance team	Accommodation	<ul style="list-style-type: none"> ▪ Find new accommodation with IFM assistance 	D Billings	Dec 2011	

6. Our Budget

How we fit from a funding perspective

The 2011/12 Budget for Earth Resources Development Division (including budget carryovers) is detailed below (\$millions):

Description	Exec	ID	PE	PO	LR	BS	2011-12 ERDD Total \$M
Salary related	0.4	1.1	3.0	1.3	0.9	1.9	8.6
Operating	0.2	0.9	1.5	3.1	0.1	0.2	6.0
Overhead	0.1	0.3	0.8	0.3	0.4	0.6	2.5
ERDD Total	0.7	2.3	5.3	4.7	1.4	2.7	17.1

Major initiatives for ERDD include:	Branch	\$M
Clean Coal Victoria	PO	\$4.026m
Rediscover Victoria	PE	\$0.175m
CCS Dynamic Modelling	PE	\$1.03m
LSDP – Sustainable Energy	PO/PE	\$0.75m
CO2CRC Extension	ID	\$0.40m
CO2CRC Membership	ID	\$0.25m
Rediscover Victoria Extension	PE	\$0.625

7. Our People

who our people are and how they are able to help us meet our goals

7.1 Values and Behaviours

DPI is committed to creating a workforce that values its people by encouraging the development and growth of its team members. We promote the maintenance of a balanced work life, the development of personal and professional skills, and a commitment to the following departmental values and behaviours:

Make a difference

- Strive to achieve outcomes which make a difference
- Plan how best to achieve those outcomes
- Measure our impact
- Apply learning from evaluations to future actions

Respect others

- Treat others as we would like to be treated
- Make intelligent use the range of knowledge and skills held by our people
- Apply work practices equitably to all our people

Lead with purpose

- Provide a clear direction for the people we lead
- Help people get the job done
- Set an example by our actions

Work together

- Demonstrate effective team behaviours
- Collaborate across and outside DPI to achieve desired outcomes
- Value the contribution of teams as a whole

Be open

- Listen to and consider our people's views
- Provide accurate and objective information
- Use plain clear language

Trust and Courage

- Trust each other
- Courage to lead

Values and Behaviours

Our people are committed to the DPI Values and Behaviours and in the coming year we will:

Focus on include specific behaviour	We will do this by	We will measure our progress by
Focus on Safety – actively manage hazard and risk to myself and others	<ul style="list-style-type: none"> ▪ Safety leadership program ▪ Safety Themes 2011/12 <ul style="list-style-type: none"> ◆ hazards assessment, "beyond gut feel" ◆ "visible safety" (eg, safety run charts on walls, safety screen savers ◆ my contribution to your safety" 	<ul style="list-style-type: none"> ▪ Combined lead and lag Indicators ▪ Establish an interdependent safety culture

	(safety role, cross Divisional interactions, feedback collation/analysis) ♦ personal safety plan eg, commute to work	
Working together -- actively promote trust in the workplace	<ul style="list-style-type: none"> ▪ Cultural alignment ▪ On the job 	<ul style="list-style-type: none"> ▪ Staff and management feedback

7.2 Occupational Health and safety

Culture – interdependent Organisation	<ul style="list-style-type: none"> ▪ Early culture intervention ▪ Culture workshops ▪ Communication plan
Leadership – empower	<ul style="list-style-type: none"> ▪ Vision and beliefs 1pager ▪ Safety share at each meeting ▪ Greater line manager accountability. Drive the change ▪ Empower leaders
Systems – reutilise DPI and introduce new systems	<ul style="list-style-type: none"> ▪ New systems <ul style="list-style-type: none"> ✓ Safety interaction cards ✓ Job Safety Analysis ✓ Risk and Hazard assessment ✓ Investigation ✓ Tracking and Reporting system
Organisation – stronger Divisional focus	<ul style="list-style-type: none"> ▪ ERDD Safety Leadership Steering Group ▪ Monthly Team OHS meeting ▪ Complement current OHS DPI system ▪ Responsibility Matrix - refresh
Planning – Integrated ,OHS part of business, not an add on	<ul style="list-style-type: none"> ▪ Ideas generation session ▪ Safety Leadership 3 year strategy ▪ Team plans ▪ Individual safety plans ▪ Shared Safety Measures ▪ A collection of lead and lag indicators ▪ All make a personal contribution to Zero Harm

7.3 Diversity

DPI is committed to a diverse workforce and we are contributing to this commitment by doing:

Women's program	Woman's health focus through P & C
Disability and Health	Encourage fundraising for broad based charities
Diversity	Support participation in diversity week events eg, talks
Youth	Youth – Yr 9/10 work experience
Ethnic Diversity	Celebrating ethnic diversity – International lunch
Indigenous	To assist the indigenous with opportunities in the minerals and petroleum sector eg, work opportunities

7.4 Response to the Employee Engagement Survey

Where we want to be:

ERDD move to a culture of ambition with 50-60% of employees engaged, not satisfied with current level of performance, ambitious for new and better ways, innovative. Ensure projects are aligned to outcomes through the use of the project brief system

Our people said	What we are doing to improve the issue	Responsibility	Timing	Measure Progress
Manager disconnect	<ul style="list-style-type: none"> Improved communication approach through Divisional Communication forum Ideas Generation (part of Planning process) 	MH/M Managers	Quarterly May 2012	Staff feedback/ engagement survey results
Degree of Comfort	<ul style="list-style-type: none"> Raise the bar – target 70% of strategic project work/20% Business Services New Team measures and targets established 	MH Managers	2011/12 Jul 2011	% target met
Safety	<ul style="list-style-type: none"> Implement safety leadership solutions as pilot covering culture, systems, covering culture, systems, organisation, planning and leadership Safety Share, Personal Safety plans, Safety Meeting 	DB/Mgr All All Teams	Sept 2011 At every meeting Aug 2012 Monthly	Favourite. trend in lead and lag Indicators
Degree of Variability	<ul style="list-style-type: none"> Reporting on people issues at Senior managers fortnightly meetings with P & C representative at one of the meetings Develop a longer term plan to move to a culture of ambition 	MH/Senior Managers/P&C DB/Managers	Fortnightly Sep 2011	

7.5 Building Capability

Over the coming year or two we are expecting changes to our business or want to improve our services/products in a particular way. We can be well placed to meet these by building people capability (think about likely changes, shifting skills sets, people moving etc)

We need to ensure this business outcome:	Identify Capability (use the DPI Capability Framework or identify technical capabilities etc)	We will build this by (Ideas are shadowing, job assignment, rotating staff, attending training programs etc or a combination of the above)
Positive aligned industry	Thinking Capabilities – Environmental Scanning	On the job- WOVG facilitation
A well-fed pipeline/Projects emerging	Thinking Capabilities – analysis and problem solving	On the job- Resources/reserve assessment
Positive aligned industry	People Capabilities- leadership and industry	On the job- Engagement
Positive aligned industry /community engaged	People capabilities- stakeholder and relationship focus	On the job
Our four outcomes	Personal capability - collaboration	On the job
Our four outcomes	Personal capability – achievement focus	On the job

8. Our Internal Deliverables

Other key internal deliverables the Division will be focusing on during the year

High level deliverable/s	Key expected actions / projects	Responsibility (Team / unit level or higher)	Approx timeframe
Change Plan	Change Plan from reorganisation:	All	
	▪ Cultural alignment	M Hollitt	Jul-Aug11
	▪ Cultural workshop	BS	Aug-Sep 11
	▪ Leadership Development	BS	Dec 11
	▪ Improved Communication approach	BS	Quarterly
Capability Gaps	▪ Industry analysis	ID	<1 year
	▪ Resources /reserve/endowment assessment	PE	<1 year
	▪ Skills for new areas – Engagement support (temporary)	ID/PE	<1 year
Safety	▪ Safety Leadership program	BS	15Aug 11
Resources	▪ Resource allocation model	BS	Jul 11
Engagement	▪ Engagement/Communication plan	PE and ID	Stage 1 – Oct 11
			Stage 2 – Jan 12
Alignment	▪ Performance planning and management	All	Sep 11

9 Our Technology

How we will use and expand our technology

ERDD has identified the following projects to be delivered as part of the DPI ICT Work Plan for 2011-12

KIT work plan ID	Project name	Project sponsor/ project officer	Project Description (brief statement outlining purpose, deliverables and benefits)	Current status (concept/ planning or Implementation)	Funded yes/no	Project duration (years)
	ER Technical Refresh	R Lane	To migrate Earth Resource Specific hardware for database usage to a new supportable platform. Will include Oracle 9i to 10g upgrade. 2012 -13 will migrate remaining major hardware.	planning	Yes?	1
	Morwell Land Movement – data management	R Lane	Consolidate , improve the management of and provide improved user access to data relating to Morwell Land Movement as a result of the coal mine subsiding.	Implementation	Yes	1
	ER – Land Status Upgrade	R Lane	Improve the process to obtain and arrange land categories in forms useful to Earth Resources – primarily based on DSE data	Implementation	?	1

	Gold Under Cover	R Lane	Finish off	Implementation		
	RRAM	R Lane	Data migration from several existing systems and also adapting interfaces to existing systems	Planning	Yes	1

10. Risks to our business

Risks we face and how we'll manage them

The following table summarises the Divisions' risks and their potential impact on the Division achieving its business objectives.

Major Risks for 2011-12 Earth Resources Development Division

ERDD Risk Number	Risk description	Impact on business objectives	Existing controls	Control effectiveness	Level of management required	Strategy Alignment
1) Risk to Victoria outcomes						
180	Victoria's earth resources prospectivity – risk that Victoria's potential for discovery and development of earth resources is perceived as low	Continued pipeline stress	<ul style="list-style-type: none"> ▪ Targeted engagement with global explorers /Developers ▪ Future Earth Resources Statement ▪ Commodity strategies- Mineral Sands ▪ Develop industry focussed marketing ▪ Parliamentary Committee 	Fair(6)	Needs regular monitoring	Understand competitive position and attract explorers and developers
270	Gas – planning around supply of gas for base load power	Continued pipeline stress	Gas – BERC bid	Fair(6)	Needs regular monitoring	Understand competitive position and attract explorers and developers
262	Barrier to approval- Land not being available)	<ul style="list-style-type: none"> • Economic Development delayed or deferred 	<ul style="list-style-type: none"> ▪ Approval processes ▪ Land conflict and resources access ▪ Regulation impediments • Introduce Retention licences(RL) 	Fair(6)	Needs regular monitoring	Align regulatory process with industry and community processes
263	Intensive focus on GCS		Portfolio approach to carbon abatement eg, bio	Fair (5)	Periodic monitoring	Transition to a cleaner energy future
264	Missed opportunities- Other Minerals	Continued pipeline stress	Refocus in addition to energy resources eg, coal, mineral sands, base metals	Fair (5)	Periodic monitoring	Understand competitive position and attract explorers and developers
210	Misaligned regulatory process with community and industry processes	Eco .development slowed	<ul style="list-style-type: none"> ▪ MRSDA Review Stage 2 	Fair (5)	Periodic monitoring	Align regulatory Process with industry and community process
183	Coal Resources Planning – risk that poor planning and management limits the development of coal resources	Projects not emerge through pipeline	<ul style="list-style-type: none"> ▪ Implementation of Clean Coal Victoria recommendations – Drilling, improve geological mapping, 	Fair(6)	Need regular monitoring	Highlight and manage competing land uses for security of access

ERDD Risk Number	Risk description	Impact on business objectives	Existing controls	Control effectiveness	Level of management required	Strategy Alignment
1) Risk to Victoria outcomes						
			establish an advisory board, complete strategic planning for LV and community and future mine development planning			
31	Unable to develop Multi task/cross functioning ,high performance team	Div Performance below high standard and not delivering Long term outcome	<ul style="list-style-type: none"> ▪ Measures and evaluation ▪ Branch plans ▪ % Target of Project work 	Fair (6)	Periodic monitoring	Develop Multi task/Cross functioning, high performance team
244	Development of Victoria's Brown Coal – risk coal resources is underdeveloped due to lack of competitiveness of resource	Projects not emerge through pipeline	<ul style="list-style-type: none"> ▪ Coal allocation/Development policy* ▪ Coal Road Map * ▪ CCS 	Fair (6)	Needs active management	Highlight and manage competing land uses for security of access?
181	Organisational capabilities of ERDD staff	Not delivering divisional outcomes	<ul style="list-style-type: none"> ▪ Reorganisation ▪ Change outcomes 	Fair (6)	Regular monitoring	Develop multi-task/cross functioning, high performance team

11. Evaluation

Any indicators and processes we will use to measure our performance

5 Year Outcomes

Outcome	Measure	2011/12 Target
<i>A well fed pipeline</i>	<ul style="list-style-type: none"> ▪ <i>Greenfields Exploration expenditure</i> ▪ <i>Bring new explorers from global list in minerals</i> ▪ <i>BERC success</i> 	<ul style="list-style-type: none"> ▪ <i>Increase by 60% to \$40m pa</i> ▪ <i>Bring >10 new explorers</i> ▪ <i>>\$10m BERC into forward estimates</i>
<i>Potential projects come through pipeline</i>	<ul style="list-style-type: none"> ▪ <i>Clear (secured) Pathways to additional prefeasibility/feasibility expenditure on Victorian endowments</i> ▪ <i>Bring new explorers /developers from global list in oil /gas</i> ▪ <i>Bring new developers from global list in minerals (including coal)</i> ▪ <i>Mineral sands strategy implementation</i> ▪ <i>Victoria gas potential</i> ▪ <i>Sustainable use and protection of Victoria coal endowment</i> 	<ul style="list-style-type: none"> ▪ <i>>\$50m p.a. additional</i> ▪ <i>> 5 new explorers</i> ▪ <i>two new developers</i> ▪ <i>Successful implementation</i> ▪ <i>Clear understanding of Victoria gas potential (Including unconventional)</i> ▪ <i>The best basis yet</i>
<i>An engaged, positive and informed community</i>	<ul style="list-style-type: none"> ▪ <i>Community survey</i> 	<ul style="list-style-type: none"> ▪ <i>Sustainable mineral resources development promoting economic prosperity</i>
<i>An aligned, positive industry</i>	<ul style="list-style-type: none"> ▪ <i>Legislation and approvals regime</i> ▪ <i>Data backlog</i> 	<ul style="list-style-type: none"> ▪ <i>Globally the most modern ,Lead agency across Govt</i> ▪ <i>20% of data backlog prioritise and filled</i>
<i>High Efficiency</i>	<ul style="list-style-type: none"> ▪ <i>% of people time at work accounted for in approved projects</i> ▪ <i>Aligned performance systems</i> 	<ul style="list-style-type: none"> ▪ <i>70% of available time in all teams except 20% in Business services</i> ▪ <i>New Team measures and targets</i>
<i>Expectation Zero Harm</i>	<ul style="list-style-type: none"> ▪ <i>Industry measures</i> 	<ul style="list-style-type: none"> ▪ <i>First class safety performance</i>

12. Our Business Continuity Plans

how we'll manage our business if it is disrupted

In accordance with the Business Continuity Management (BCM) Policy, Earth Resources Development Division will review its existing Business Continuity Plans for the following business functions (listed below). These plans will be reviewed in conjunction with the Business Resilience team.

The review will include consideration of:

- the level of time sensitivity of the function to the DPI (Business Impact Analysis);
- changes to each business function's output;
- the resources the function utilises, including staff and their contact details; and
- new business functions that may need to be included.

The reviewed contingency plans will be tested to ensure they're capable of providing a suitable level of recovery before being authorised by the Executive Director. List of current business functions:

Branch	Description of Business Function	Owner	Status
Bus Services	Run core ERD applications	Denis Billings	Annual Review
Bus Services	Provide support for Legacy applications eg, GEDIS	Denis Billings	Annual Review
Regulation	Respond to mining and quarrying incidents and emergencies - Ballarat	John Mitas	Annual Review
Regulation	Respond to mining and quarrying incidents and emergencies - Benalla	John Mitas	Annual Review
Regulation	Respond to mining and quarrying incidents and emergencies - Bendigo	John Mitas	Annual Review
Regulation	Respond to mining and quarrying incidents and emergencies - Traralgon	John Mitas	Annual Review
Regulation	Respond to mining and quarrying incidents and emergencies – 1 Spring St.	John Mitas	Annual Review
Regulation	Respond to Petroleum incidents and emergencies – 1 Spring St.	Terry McKinley	Annual Review
Regulation	Accept mining and petroleum Tenement applications – 1 Spring St.	David Boothroyd	Annual Review
Regulation	Provide approvals for offshore drilling, seismic survey and production activities – 1 Spring St.	Terry McKinley	Annual Review

The Director, ERR is the ER Development Division key contact for participation in Business Continuity planning across DPI

Appendix 1

Key Deliverables 2011-12

Group Strategic Objective – DPI Strategic Plan	Description of key deliverable for 2011-12	Responsible team	Due Date	Key Measure of Success
Commodities				
Globally promote Victoria's commodity investment opportunities	Mineral Sands- Implementation plan in action (following commodity strategy) including tenements rationalisation ,focused engagement, technology initiatives and tenders	ID	Jun 2012	Industry development – bring >2 developers from global list to Victoria onto known endowments Clear (secured) pathways to >\$50m pa additional prefeasibility /feasibility expenditure on Vic endowments
Globally promote Victoria's commodity investment opportunities	Coal – de-allocation support, direct management of tenders associated with coal allocation when endorsed by government, implementation of coal road map outcomes in respect of engagement (including by targeted ETIS engagement)	ID	Jun 2012	Industry development – bring >2 developers from global list to Victoria onto known endowments Clear (secured) pathways to >\$50m pa additional prefeasibility /feasibility expenditure on Vic endowments
Globally promote Victoria's commodity investment opportunities	Gas- Completion of industry analysis (ID) and commodity strategy (timing as driven by engagement), prospectivity analysis (including for coal seam methane).geochemical surveys(BERC Rediscover bid) targeted communication of potential, tendering areas of highest potential, comparative impact assessment and communication (All PE)	ID (for industry analysis/ strategy) PE for all prospectivity, engagement/ tenders/communicating on exploration opportunities	Dec 2011	Successful assessment of unconventional gas potential in Victoria, for purposes of government planning by August 2011
Globally promote Victoria's commodity investment opportunities	Base metals and gold – completion of industry analysis for globally economic targets (ID), match with prospectivity /geological signatures (PE); communicate and tender areas of highest potential in focused engagement; facilitate existing projects where needed (PE& PO)	ID (for industry analysis) PE for prospectivity, engagement, tenders, exploration opportunities	Dec 2011	Victorian potential assessment (competitive position focused) by December 2011

Group Strategic Objective – DPI Strategic Plan	Description of key deliverable for 2011-12	Responsible team	Due Date	Key Measure of Success
Core Products				
Make DPI a great place to work	Safety Organisation and individual safety plans	All	15 Aug 2011	Safety Leadership systems in place by commencement of 2011/12
Provide world class geoscience information and access to earth resources data to attract new exploration investment to the State	Prospectivity analyses including two-way engagement plans Deliver resources assessments for key commodities in Victoria	PE	Jun 2012	>80 new exploration licence applications per year with 60% increase in greenfields expenditure: <ul style="list-style-type: none"> ▪ bring > 10 new mineral explorer from target list to Victoria ▪ bring > 5 new energy explorers from target list to tender bids and/or licences in Victoria ▪ endowment analysis delivered to ID by mutual agreement
Globally promote Victoria's commodity investment opportunities	Engagement planning and reporting	PE		Refer PE And ID targets above
Globally promote Victoria's commodity investment opportunities	Resource information plan, implementation and report	PE		Refer PE targets above Clear (secured) pathways to >\$50m pa additional prefeasibility /feasibility expenditure on Vic endowments
Develop the State earth resources sustainably ,and	Legislative instruments (and development plan)	LR		Removal of 1 year from exploration cycle time. Lead

Group Strategic Objective – DPI Strategic Plan	Description of key deliverable for 2011-12	Responsible team	Due Date	Key Measure of Success
minimise impacts to environment in line with community standards				agency approach in place. Other agenda items (eg, minerals/extractives impact statement, bonds review) completed
Enable DPI to achieve its stated objectives	Whole of Government scanning and interaction plan and reports	LR		Minister provided with robust quality advice. Lead agency approach in place. Systems for frequent interaction established. Ministerial Council supported.
Enable DPI to achieve its stated objectives	Ministerial correspondence	BS	Jul 2011	Minister provided with robust quality advice. 98% “on time”; average person passes/brief less than 4.
Enable DPI to achieve its stated objectives	Performance measures reporting- Victorian Industry - Extractives	ID	Oct 2011	Improvement in industry measures, including unreported (internal) measures
Enable DPI to achieve its stated objectives	Performance measures reporting – DPI and Divisional	BS	Ongoing	Established and being actioned
Globally promote Victoria’s commodity investment opportunities	Overarching engagement plan/Communication plan (including monitoring approach)	ID	Aug2011	Refer Industry Dev & Prospectivity And Exploration targets above. Integrated with EER, DPI. All industry communication activities approved in project briefs
Improve efficiency of the organisation	Project briefsand tracking reports (all new project briefs)	BS	Jun 2012	% of work – Strategic project work Business services 20 % of time ,All other areas 70% of time, Project brief deliverables and hard measures (90% on target recognising approved revisions)

Group Strategic Objective – DPI Strategic Plan	Description of key deliverable for 2011-12	Responsible team	Due Date	Key Measure of Success
Improve efficiency of the organisation	Resource (people and other operating) allocation plan	BS	1 Jul 2011	New Project feedback and personnel allocation systems in place
Make DPI a great place to work	Employee Engagement Survey <ul style="list-style-type: none"> ▪ Embed redefined organisation ▪ Implement safety leadership solution ▪ Continue Divisional Communication and Ideas generation session 	All	Next survey	Move to a culture of ambition with 50-60% employees engaged by “survey after next” (Change readiness survey completed April 2011).
Initiatives				
Completion plans				
Develop the State earth resources sustainably ,and minimise impacts to environment in line with community	CCV Review and build the long-term strategic plan for the development of the state’s coal, particularly in the Gippsland region, and include mine development and rehabilitation plans through Clean Coal Victoria	PO	June 2013	Draft CCV report completed end 2011. First stage report submitted May 2012.
Provide world class geoscience information and access to earth resources data to attract new exploration investment to the State	VicGCS modelling - Improve knowledge of geological carbon storage potential through the Victorian Geological Carbon Storage initiative including a key focus on improving the understanding of carbon storage in the Gippsland Basin	PE	Jun 2012	Transfer responsibilities to CarbonNet
Provide world class geoscience information and access to earth resources data to attract new exploration investment to the State	Rediscover Victoria Extension-	PE	Jun 2012	Precompetitive geoscience assessments of the state’s potential for world-class ore deposits and gas supplies leading to increase in EL uptake and greenfields expenditure Extend via BERG for 2012/2013 round (see below)
Align regulatory processes with industry and community processes	MRSDA Stage 1	LR	Feb 2012	Regulation and Guidelines in place by Feb 2012(Incl. Statutory endorsement)

Group Strategic Objective – DPI Strategic Plan	Description of key deliverable for 2011-12	Responsible team	Due Date	Key Measure of Success
Align regulatory processes with industry and community processes	MRSDA stage II	LR	Jun 2012	Removal of 1 year from exploration cycle time. Amendments according to schedule, with bonds working group and lead agency work etc complete within timing of amendment drafting
Facilitate new energy and earth resource s opportunities and developments – convert investor interest to a decision to invest	Support to CarbonNet Develop Victoria’s integrated carbon capture and storage network model (CarbonNet) for deployment in the Gippsland region.	PE	Jun 2012	Support leads to successful CarbonNet bid

Group Strategic Objective – DPI Strategic Plan	Description of key deliverable for 2011-12	Responsible team	Due Date	Key Measure of Success
Measures				
Improve efficiency of the organisation	Project brief - goals and 2011/12 targets established <ul style="list-style-type: none"> ▪ 20% of time in Business services (target 20%) ▪ 80% of Time in other areas (target 70%) Project brief deliverables and hard measures (90% on target), recognising approved revisions). Project approved by 2 nd pass (80% target)	All teams	Jun 2012	Meet target %
Make DPI a great place to work	Shared Safety measures – Tracking reports, JSA, incidents reports, critical incidents investigated, LTI, 100% on individual safety plans, Safety interaction 1 per person per month and 90% have immediate action, safety share at every meetings	BS	Aug 2011	Favourable trends in lead and lag indicators
Provide world class geoscience information and access to earth resources data to attract new exploration investment	Establish and build on the web services and delivery platform for data provision focused on exploration investors and clients	PO	Jun 2012	Close data gap in Minerals & Energy by 20% - prioritised

Group Strategic Objective – DPI Strategic Plan	Description of key deliverable for 2011-12	Responsible team	Due Date	Key Measure of Success
	Data management system to capture and facilitate access to accurate, relevant endowment data fit for engagement purposes	PE		
Facilitate new energy and earth resources opportunities and developments – convert investor interest to a decision to invest	Provide guidance and advice on project approvals processes to reduce delays and minimise costs to investors.	PO	Aug 2011	New extractives industry health measures in place
Develop the state’s earth resources sustainably, and minimise impacts to the environment in line with community standards	Develop a Coal Road Map of internal consistent pathways for coal development in the context of Victoria’s energy mix	PO	Sep 2011	Roadmap workshop end June 2011. Japan visits August 2011. Implementation plan and report September 2011.
Improve community understanding of energy and earth resources development issues and enhance engagement between developers and local communities	Improve community understanding and consult with key stakeholders in the Latrobe Valley regarding the long term development of coal resources including carbon capture and storage (CCS) through Clean Coal Victoria	PO	Ongoing	Engaged, positive informed community (Measure- No community outrage via min correspondence)

Appendix 2

Communication Plan

Note: This is a general overview; more detail can be found in the attached commodity engagement plans and the planning being carried out by the engagement team

Helps meet which Divisional communication objective?	Target segment/audience eg types of companies, licences, etcetera	Key messages	Methods (ie, tools/tactics/channels)	Additional/ new methods ideas of delivering key messages	AIDA status engagement funnel	Milestones	Evaluation measure	Responsibility
<p>Create awareness of the globally significant investment opportunities available in Victoria amongst market segments</p> <p>Develop and maintain relationships with targeted high level potential clients – secure interest and convert to investment</p>	<p>Potential explorers</p> <p>A list of 109 global explorers has been identified with a top 40 of those already active in Australia.</p>	<p>The Victorian Government actively supports and wants to further develop a strong earth resources sector to benefit Victoria through jobs, economic activity and regional development.</p> <p>Like other parts of Australia, Victoria is highly prospective in a number of key commodities, with world class endowments in mineral sands.</p> <p>The new Act and Govt approach is actively encouraging ground turnover – action on the ground is expected.</p> <p>Victoria has established</p>	<p>Proactive DPI engagement with target pool of potential explorers/developers (interest stage)</p> <p>Proactive two way dialogue with “investor” pool of potential explorers/developers (desire stage)</p> <p>Some broadcast including discovery magazine, free media, website, conference attendance and presentations.(awareness)</p>	<p>Direct engagement with targeted companies about resources available and other issues such as Government support or technology.</p> <p>Creating a buzz - Use respected independent individual(s) to deliver key message and get industry talking</p> <p>Direct engagement about Government expectations that ground be worked and the impact of the new Act.</p> <p>Consider what can be offered to industry (eg royalty, holiday).</p> <p>Create competitive tension among</p>	A, I, D	<p>Different milestones apply for individual commodities.</p> <p>September 29 is the date of the DPI forum at the earth resources Round Up.</p> <p>Notification to industry about the new act to occur before the date of the forum.</p> <p>Further direct engagement about the Act and new Govt approach to ground turnover will occur around and after forum.</p> <p>Further milestone dates are included in commodity plans.</p>	<p>Percentage of targeted companies engaged in on-going dialogue</p> <p>Clear, secure pathways to >\$50m per annum in additional prefeasibility/feasibility expenditure on Victorian endowments</p> <p>Increase Victorian Greenfields exploration expenditure by 60%</p> <p>Bring >10 new explorers from global list in minerals</p> <p>Bring >5 new explorers/developers from global list in oil and gas</p> <p>Bring two new developers from global list in minerals</p> <p>Mineral sands strategy is in implementation on the ground</p>	<p>Cliff Kavonic</p> <p>Paul McDonald</p> <p>Renee Kjar</p> <p>Geoff Fraser</p>

Helps meet which Divisional communication objective?	Target segment/audience eg types of companies, licences, etcetera	Key messages	Methods (ie, tools/tactics/channels)	Additional/ new methods ideas of delivering key messages	AIDA status engagement funnel	Milestones	Evaluation measure	Responsibility
		<p>infrastructure, low sovereign risk, established markets and export pathways and a secure, pro-investment development environment.</p> <p>Victoria is under developed and under explored.</p> <p>Legislation is being reformed to make Victoria an even easier place to do business for explorers and developers.</p>		<p>potential explorers through targeted engagement</p> <p>Potential use of moratorium for mineral sands.</p> <p>Use of defined point of contact</p> <p>Workshop by targeted invitation</p> <p>Identify key decision makers in target companies</p> <p>New story about base metals and gold.</p>				
<p>Create awareness of the globally significant investment opportunities in Victoria amongst market segments</p> <p>Develop and maintain relationships with targeted high level potential clients – secure interest and convert to</p>	<p>Potential Developers.</p> <p>A list of 15 global developers has been identified</p>	<p>The Victorian Government actively supports and wants to further develop a strong earth resources sector to benefit Victoria through jobs, economic activity and regional development.</p> <p>Victoria is highly prospective in a number of key commodities.</p> <p>Victoria has</p>	<p>Some broadcast including discovery magazine, free media, website, conference attendance and presentations.(awareness)</p> <p>Proactive DPI engagement with target pool of potential explorers/ developers (interest stage)</p> <p>Proactive two way dialogue with “investor” pool of</p>	<p>Target end users, with a view to using their market power as an influence over development investment decisions.</p> <p>Intense direct engagement with targeted number of companies about resources available and technology.</p> <p>Use respected independent individual(s) to</p>	A, I, D, A	Tender	<p>Amount of dollars committed in pre-feasibility</p> <p>Percentage of targeted companies engaged in on-going dialogue</p> <p>Success in addressing negative perceptions about technology</p>	

Helps meet which Divisional communication objective?	Target segment/audience eg types of companies, licences, etcetera	Key messages	Methods (ie, tools/tactics/channels)	Additional/ new methods ideas of delivering key messages	AIDA status engagement funnel	Milestones	Evaluation measure	Responsibility
investment		established infrastructure, low sovereign risk, low costs, established markets and export pathways and a secure, pro-investment environment. Victoria is under developed and under explored.	potential explorers/ developers. (desire stage)	deliver key message. Create competitive tension among potential developers through targeted engagement Direct engagement with acreage holders about their status. Ensure ground turnover. Use of defined point of contact Use the Clinton Foundation or some other third party supporter of renewable energy to help promote Victorian possibilities Seek peer reviewed, publication in appropriate technology or trade journal explaining the advanced status of available technology.				
Develop and maintain relationships with targeted high level	Current Licences	Licensees must demonstrate best use of the resource to retain licence New Act requires ELs	Ongoing communication with licensees through Regulation Branch	Provide input to RL work program	Action	Feb 2012 – first chance to progress to RL	Amount of dollars committed in pre-feasibility	

Helps meet which Divisional communication objective?	Target segment/audience eg types of companies, licences, etcetera	Key messages	Methods (ie, tools/tactics/channels)	Additional/ new methods ideas of delivering key messages	AIDA status engagement funnel	Milestones	Evaluation measure	Responsibility
potential clients – secure interest and convert to investment		to progress to an RL or surrender Retention licences require serious expenditure and work programs						
Develop and maintain relationships with targeted high level potential clients – secure interest and convert to investment	Companies that have trialled relevant technology	Export pathways are established Technology solutions only need fine tuning and operating procedures parameters need defining.	Direct engagement about technology at authoritative level. Some broadcast including discovery magazine, free media, conference attendance and presentations	Intense direct engagement with small number of companies about resources available and technology – use respected independent individual(s). Seek peer reviewed, publication in appropriate technology or trade journal explaining the advanced status of available technology	Awareness/ Interest		Percentage of targeted companies engaged in on-going dialogue Success in addressing negative perceptions about technology	

Acronyms

BERC	Budget Estimates Review Committee
BS	Business Services
CCV	Clean Coal Victoria
ERDD	Earth Resources Development Division
ERRB	Earth Resources Regulation Branch
ID	Industry Development
LR	Legislation and Reform
PE	Prospectivity and Exploration
PO	Projects and Operations
WOVG	Whole of Victorian Government
MRSDA	Minerals & Resources (Sustainable Development) Act