

EARTH RESOURCES REGULATION

Performance Report
2018-19 Quarter 1



Summary

This report provides a summary of the operating performance for financial year 2018-19 (Quarter 1) ending 30 September 2018.

Actions to improve the operation of the regulatory system includes:

Stakeholder Feedback Survey

The Earth Resources Regulation stakeholder feedback survey was emailed out to a range of industry, government and community stakeholders in July 2018. The purpose of the survey was to measure the baseline satisfaction with Earth Resources Regulation's performance as a regulator and to gain a better understanding of key issues within the industry. Results of the survey can be accessed at <http://earthresources.vic.gov.au/earth-resources-regulation/about-us/earth-resources-regulation-stakeholder-survey>

Stand out performance indicators in Q1 of FY 2018-19:

- KPI 1 - 96% of licence applications were determined within the statutory time. 98% of work plan stages were assessed within the statutory time.
- KPI 2 - There were 98 operational compliance activities undertaken, above the target of 75. Issues requiring remedial actions were identified at 66% of audited sites.
- KPI 3 - There were two reportable incidents which were responded to this quarter.
- KPI 4 - Earth Resources Regulation held one Stakeholder Reference Group, one Earth Resources Regulators' Forum and attended 100% of the Environmental Review Committee meetings in Q1
- KPI 5 - The time to respond to complaints took on average one business day.

Earth Resources Regulation will continue to engage with industry and the community in 2018-19 to meet our performance targets and to achieve a safe and sustainable Victorian earth resources sector.

Key Performance Indicator Reporting

Earth Resources Regulation is Victoria's earth resources regulator – our role includes licensing, risk management, compliance responsibilities and stakeholder engagement. We are committed to being an accountable and transparent regulator in all aspects of our work.

Earth Resources Regulation is one of the Department of Economic Development, Jobs, Transport and Resources' (DEDJTR) regulators. The branch is guided by the department's compliance framework and policy. This whole-of-department policy requires regular performance measuring and reporting to demonstrate the effectiveness of Earth Resources Regulation's compliance activities over time. Earth Resources Regulation uses a range of indicators to monitor its activities and performance. Earth Resources Regulation will publish key performance indicators on its website on a quarterly basis. Earth Resources Regulation will review KPIs and targets annually. Public reporting of the data will allow stakeholders to continue to monitor Earth Resources Regulation's progress.

This report complies with Earth Resources Regulation's reporting obligations under the Compliance Strategy 2016-18 and Client Service Standard 2016-2018.

KPI	High Level Indicators	Measurement	Target	Target period	Current Quarter	Previous Quarter	DEDJTR's compliance policy framework
KPI 1 Efficient Approvals Process	Percentage of Licence applications assessed in statutory timeframe	%	100	Quarterly	96%	100%	Outputs/activities
	Percentage of Work Plan stages with Earth Resources Regulation assessed in statutory timeframe	%	100	Quarterly	98%	65%	Outputs/activities
	Percentage of tenement applications assessed within Client Service Standard timeframes where a statutory timeframe does not exist	%	100	Quarterly	88%	66%	Outputs/activities
KPI 2 Ensuring Compliance	Number of operational compliance activities undertaken per quarter	Number of activities	75	Quarterly	98	156	Inputs
KPI 3 Effective Incident Management	Percentage of reportable events that are responded to during the quarter	%	100	Quarterly	100%	100%	Short-term & long-term outcomes
KPI 4 Facilitation of Stakeholder Engagement	Earth Resources Regulation attendance at Environmental Review Committee meetings	%	100	Quarterly	100%	95%	Outputs/activities
	Number of Stakeholder Review Group meetings held by Earth Resources Regulation	Number of meetings	4	Annual	Results in 2018-19 Q4		Outputs/activities
	Number of Earth Resources Regulator Forums held by Earth Resources Regulation	Number of meetings	3	Annual	Results in 2018-19 Q4		Outputs/activities
KPI 5 Complaint Management	Average number of days to respond to complaints made by community against tenements	Business days	3	Quarterly	1	1	Outputs/activities

Licence Applications Finalised (within Statutory Time Frame)

Quarter	Type	STF (Target Days)	N/A STF	Over STF	Within STF	Total (Over + Within STF)	% Within STF/ Total
FY 2018-19 Q1	Exploration Licence	90	N/A	1	14	15	93%
	Mining Licence	120	N/A	0	1	1	100%
	Prospecting Licence	90	N/A	0	8	8	100%
	Work Authority	N/A	3	0	0	0	N/A
	Total		3	1	23	24	96%
FY 2017-18 Q4	Exploration Licence	90	N/A	0	12	12	100%
	Retention Licence	120	N/A	0	1	1	100%
	Work Authority	N/A	8	0	0	0	N/A
	Total		8	0	13	13	100%

Explanation for the result:

In Q1 the number of mineral applications finalised increased to 24 and of these 23 mineral applications were finalised within the Statutory Time Frame (STF).

3 Work Authority applications were finalised in the quarter.

Licence Variations Finalised (Client Services Standard – CSS)

Quarter	Type	CSS (Target Days)	N/A CSS	Over CSS	Within CSS	Total (Over + Within CSS)	% Within CSS/ Total
FY 2018-19 Q1	Exploration Licence	90	N/A	4	18	22	82%
	Mining Licence	120	N/A	1	12	13	92%
	Retention Licence	120	N/A	0	7	7	100%
	Work Authority	N/A	12	0	0	0	N/A
	Total		12	5	37	42	88%
FY 2017-18 Q4	Exploration Licence	90	N/A	3	15	18	83%
	Mining Licence	120	N/A	6	1	7	14%
	Prospecting Licence	90	N/A	0	1	1	100%
	Work Authority	N/A	17	0	0	0	N/A
	Total		17	9	17	26	66%

Explanation for the result:

The number of variations finalised increase to 42 during Q1. 88% of the mineral licence variations were completed within the client services standard (ie the measure where no statutory time frames exist).

12 Work Authority licence variations were also finalised in the quarter.

This indicator measures how well the department meets its client service standard when processing approvals. This indicator has two measures: applications that have a legislated statutory time frame and applications that do not. Earth Resources Regulation began reporting on client services standard in July 2017.

Work Plans Performance (within Statutory Time Frame)

Quarter	Type	WP Finalised	WP under assessment in quarter 1	Stage STF (Target Days)	Stages Over STF	Stages Within STF	Total stages	% (Within STF/ Total)
FY 2018-19 Q1	Work Plan (Exploration)	2	9	28	1	11	12	92%
	Work Plan (Minerals)	1	7	28	0	17	17	100%
	Work Plan (WA)	5	16	28	0	19	19	100%
	Total	8	32		1	47	48	98%
FY 2017-18 Q4	Work Plan (Exploration)	3	9	28	5	8	13	62%
	Work Plan (Minerals)	3	7	28	2	7	9	78%
	Work Plan (WA)	9	17	28	10	17	27	63%
	Total	9	33		17	32	49	65%

Explanation for the result:

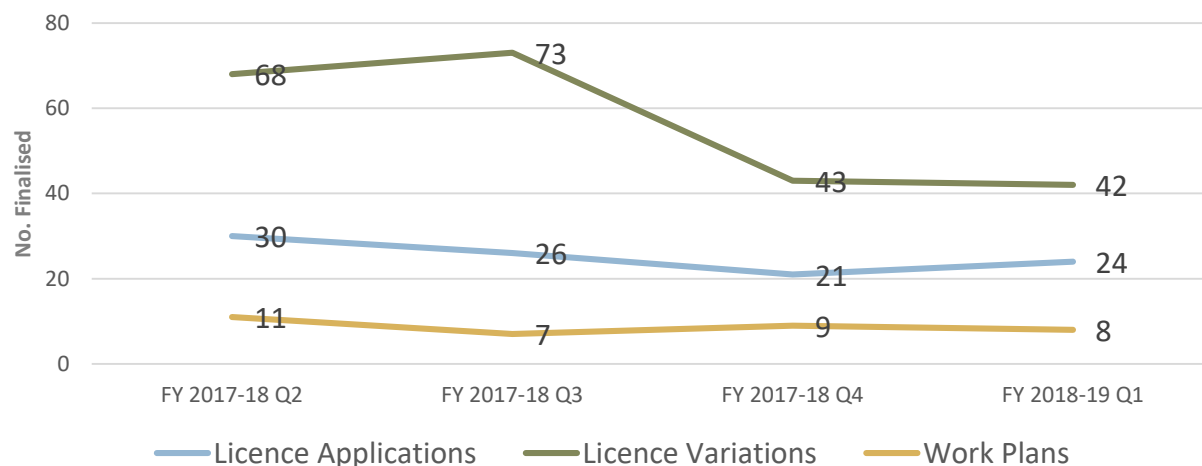
In Q1 Earth Resources Regulation assessed 48 work plan stages, of which 47 were assessed within the stage’s statutory time frame.

Earth Resources Regulations assessed multiple stages from some work plans in the quarter as the 48 work plan stages assessed were from 32 unique work plans. During the Q1 quarter eight work plans were finalised.

The improved assessment performance can be attributed to improvements gained through an increased focus on statutory timelines and better engagement with industry.

* Work Plan Stage performance results may be subjected to change as a result of data cleansing activities in the RRAM database

Applications, Variations and Workplans Finalised



Why are these measures important?

Earth Resources Regulation is the regulator responsible for administering various legislation including the *Mineral Resources (Sustainable Development) Act 1990 (MRSDA)*. Earth Resources Regulation understands its responsibilities as a regulator to ensure timely processing and approvals.

Earth Resources Regulation is striving for a consistent and transparent approvals process, balancing efficiency but maintaining the rigour required for comprehensive assessment, consistent with the legislation.

Non MRSDA Variations (Client Services Standard – CSS)

Quarter	Type	Alteration to Route	Full Surrender	Registration of Dealing	Renewal	Suspension and Extension	Transfer	Total
FY 2018-19 Q1	Geothermal Exploration Permit	0	1	0	0	0	0	1
	Offshore Petroleum Exploration Permit	0	0	0	1	0	0	1
	Onshore Petroleum Exploration Permit	0	0	6	0	1	2	9
	Onshore Petroleum Production Licence	0	0	0	0	0	7	7
	Total	0	1	6	1	1	9	18
FY 2017-18 Q4	Geothermal Exploration Permit	0	1	0	0	0	1	2
	Offshore Petroleum Retention Lease	0	0	0	0	0	1	1
	Offshore Pipeline Licence	1	0	9	0	0	0	10
	Onshore Petroleum Exploration Permit	0	0	3	0	2	0	5
	Onshore Petroleum Production Licence	0	0	9	0	0	0	9
Total	1	1	21	0	2	2	27	

Explanation for the result:

There were 18 Non MRSDA licence variations finalised in Q1. The Non MRSDA activities focused on registration of dealings and associated transfers.

Non MRSDA Work Plans

Quarter	Type	WP Finalised	WP under assessment in quarter 1	Environment Plan Stages	Operation Plan Stages	Total Stage Assessed
FY 2018-19 Q1	Offshore Pipeline Licence	1	8	9	0	9
	Onshore Petroleum Production Licence	1	1	0	1	2
	Total	2	9	9	1	11
FY 2017-18 Q4	Offshore Pipeline Licence	0	7	7	0	7
	Total	0	7	7	0	7

Explanation for the result:

Offshore petroleum activities in state waters centred on the assessment pipeline operational plans.

Compliance Activities Undertaken

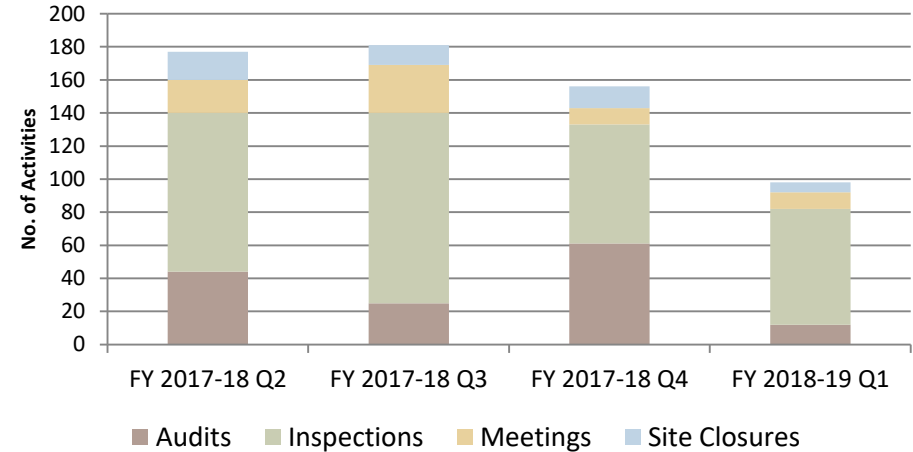
Compliance Activities – 2018-19 Q1

Licence Types	Activity	July	August	September	Total
Extractives	Inspection	17	19	6	42
	Audit	2	3	3	8
	Site Closure	1	1	0	2
	Meeting	0	1	0	1
	Total	20	24	9	53
Mining	Inspection	11	12	5	28
	Meeting	1	6	2	9
	Audit	0	1	3	4
	Site Closure	2	2	0	4
	Total	14	21	10	45
Total	34	45	19	98	

Explanations for the results:

In Q1 Earth Resources Regulation conducted 98 proactive compliance activities on 84 duty holders, exceeding the 75 compliance activities target by 23.

Compliance Activities by Quarter



Why are these measures important?

Earth Resources Regulation undertakes proactive compliance activities using a risk based approach as part of its stewardship role in the sector. Activities include audits, inspections, meetings with duty holders (Meetings) and site closures after reviewing rehabilitation (Site Closure).

Earth Resources Regulation undertaken compliance actions under the *Mineral Resources (Sustainable Development) Act 1990*, *Petroleum Act 1998* and other legislations, to identify and act on any audits or omission by the duty holder that has, or is likely to result in a risk to public safety, the environment, land, property or infrastructure, or is a non-compliance with a licence or work authority conditions. Compliance activities are actions designed to mitigate risk in the sector.

Earth Resources Regulation maintains a risk-based approach to targeting inspections and audits in order to mitigate acts of non-compliance by duty holders.

Number of Compliance Audits – by type of Audit

Type of Audits	FY 2017-18 Q2	FY 2017-18 Q3	FY 2017-18 Q4	FY 2018-19 Q1	Total	% Total
Plan and Conditions	15	6	15	5	41	29%
Progressive Rehabilitation	10	6	17	3	36	25%
Fire and Emergency	5	1	3	0	9	6%
Dust	3	5	1	0	9	6%
Boundaries and Extraction limits	2	3	3	1	9	6%
GeoTechnical	3	1	2	0	6	4%
Water Management	0	1	5	0	6	4%
Impacts of Blasting	3	0	2	0	5	4%
Plan and Conditions (High Risk)	1	1	3	0	5	4%
Exploration Drilling	0	0	4	1	5	4%
Pest, Plant and Animal	1	1	1	1	4	3%
Community Engagement	0	0	1	0	1	1%
Imported Materials	0	0	2	1	3	2%
Tailings Storage Facility Management	0	1	1	0	2	1%
Site Security and Buffer Zones	0	0	1	0	1	1%
Total	43	26	61	12	142	100%

Explanations for the results:

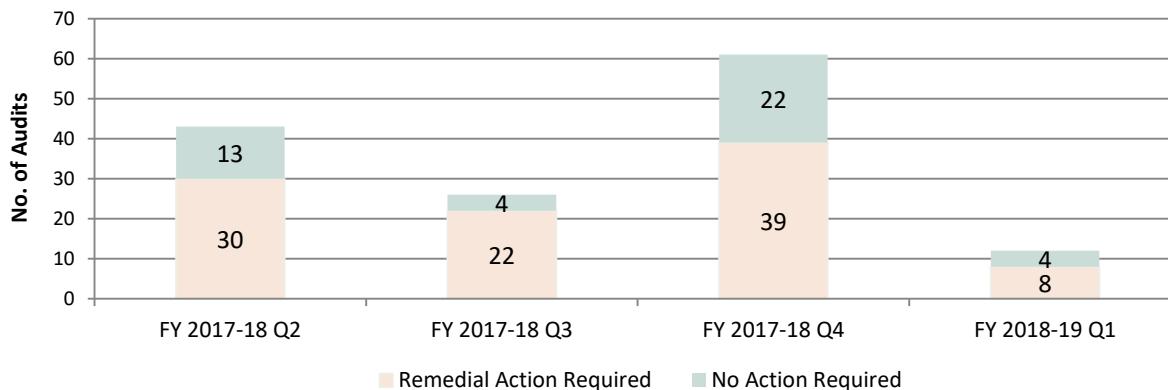
From the total of 98 compliance activities conducted in Q1 on 84 duty holders, 12 were audits.

Earth Resources Regulation's compliance program aims to drive improved industry performance and is focussing on management of the following risks to protect public safety and the environment: Rehabilitation, Fire, Dust, Noise, Stability, Water and Approval Conditions.

Fire and Dust audits are usually focused in the summer months

For further information on compliance priorities see the Earth Resources Regulation Compliance Strategy ([www.http://earthresources.vic.gov.au/earth-resources-regulation/regulatory-compliance](http://earthresources.vic.gov.au/earth-resources-regulation/regulatory-compliance))

Action requirements on Audits



Explanations for the results:

Industry non-compliance for 2018-19 Q1 was at 66%, 8 out of 12 compliance audits in Q1 required remedial actions to be taken, an increase of 2% from last quarter and consistently above 60% in the last four quarters.

Why are these measures important?

This indicator measures the percentage of current tenements that have had a compliance activity undertaken. This measure shows how many duty holders are meeting requirements.

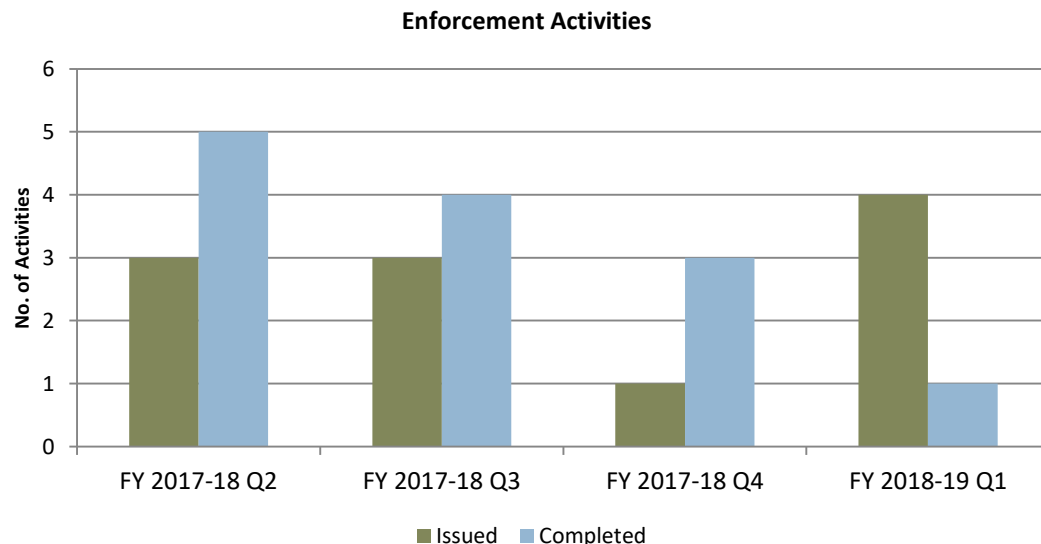
Enforcement Activities

Enforcement Activity Issued in Q1

Sector	Action Type	Enforcement Code	Enforcement Action Type	Status
Mining	General Enforcement Action	1 - Authorised Activity Compliance	s110 Notice	Issued
Mining	General Enforcement Action	1 - Authorised Activity Compliance	s110 Notice	Issued
Extractives	General Enforcement Action	40 - Rehabilitation of Site	s110a Notice (Stop Work)	Issued
Extractives	General Enforcement Action	0 - Work Without Licence or Consents	s110 Notice	Approved

Enforcement Activity Finalised in Q1

Sector	Action Type	Enforcement Code	Enforcement Action Type	Quarter Date of issue	Fully Complied & Withdrawn
Extractives	General Enforcement Action	0 - Work Without Licence or Consents	s110a Notice (Stop Work)	FY 2017 Q3	1



Enforcement actions summary:

In Q1 four enforcement activities were issued relating fire control, rehabilitation of site, extraction beyond limits and cease using unauthorised shaft. One Enforcement Action was withdrawn and replaced with another due to change in ownership of the company.

Further details on enforcement actions can be found in the following media releases:

Regulator Enforces Hazelwood Mine Fire Controls:

<http://earthresources.vic.gov.au/about-us/media-releases/media-items/regulator-enforces-hazelwood-mine-fire-controls>

Regulator charges Daylesford mine company:

<http://earthresources.vic.gov.au/about-us/media-releases/media-items/regulator-charges-daylesford-mine-company>

Regulator Serves Notice on Woods Point Mine:

<http://earthresources.vic.gov.au/about-us/media-releases/media-items/regulator-serves-notice-on-woods-point-mine>

Reportable Incidents

Sector	Classification	Type	Hazard	Inspection	Incident Responded To	Incident Resolved
Work Authority	Minor	Legislation Breach	Air blast	No	Yes	No
Work Authority	Minor	Legislation Breach	Air blast	No	Yes	No

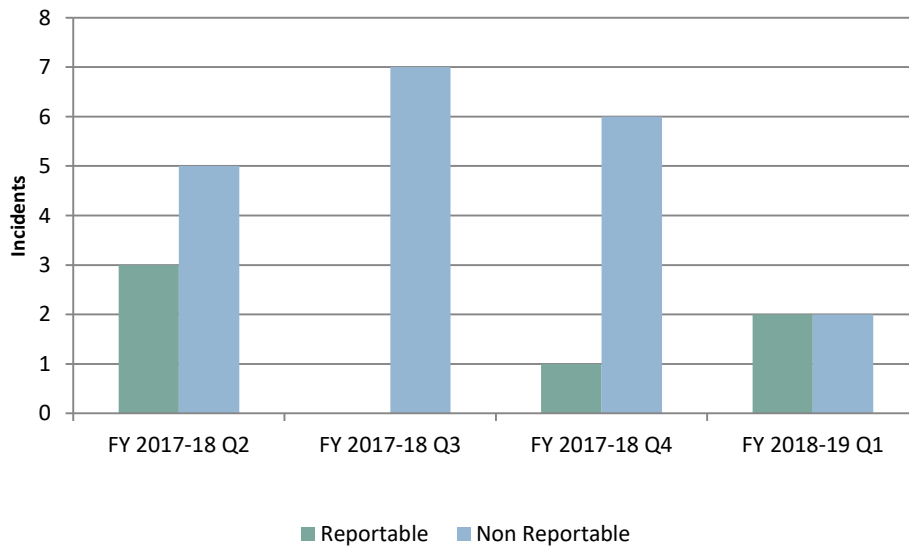
Non Reportable Incidents

Sector	Classification	Incident Type	Enforcement Code
Mining Licence	Minor	Environmental	46. Other
Mining Licence	Minor	Legislation Breach	7. Complaints Management

Why are these measures important?

This measure shows whether Earth Resources Regulation is responsive to high risk incidents that occur at tenement sites. The indicators measure the number of compliance and enforcement actions that Earth Resources Regulation inspectors commenced, completed and closed in a particular period. Incidents, depending on its complexity, may be resolved in the subsequent quarters

Incidents



Explanation for the result

There were two reportable incident in Q1 both relating to air blast exceedances at a quarry. Earth Resources Regulation waiting on further information from the licensee.

Two minor non reportable incidents were recorded for the quarter, a small leak from a pipeline and a truck using an unapproved route and failing to observe curfew.

Summary

Earth Resources Regulation will continue to proactively undertake compliance activities, focussing on stability, public safety and environmental impacts.

Environmental Review Committee Attendance

Sector	2017-18 Q2	2017-18 Q3	2017-18 Q4	2018-19 Q1
Meeting Planned	20	30	21	18
Meeting Attended	20	30	20	18
% Attendance	100%	100%	95%	100%

Explanation for the result:

Earth Resources Regulation attended 18 of the 18 Environmental Review Committee meetings, achieving 100% attendance rate in Q1.

Why are these measures important?

The Stakeholder Engagement indicator covers the interaction between the regulator, duty holders, co-regulators and the community by reporting on active participation by Earth Resources Regulation at Environmental Review Committee meetings. Earth Resources Regulation has made a commitment in the Compliance Strategy to report on ERC attendance quarterly.

Stakeholder Reference Group

2018-19 Q1	2018-19 Q2	2018-19 Q3	2018-19 Q4	Annual Total	Target
1	-	-	-	1	4

Explanation for the result:

The target is an annual figure based on Stakeholder Reference Group meetings being scheduled every three months.

There was one SRG meeting held by Earth Resources Regulation in Q1. On track to meet the annual target.

Why are these measures important?

The Stakeholder Reference Group provides a forum for engagement and consultation with stakeholder representatives from industry associations and government agencies regarding statutory, regulatory and stakeholder relations issues and activities in the context of the current policy and regulatory framework.

Earth Resources Regulators' Forum

2018-19 Q1	2018-19 Q2	2018-19 Q3	2018-19 Q4	Annual Total	Target
1	-	-	-	1	3

Explanation for the result:

The target is an annual figure based on three Earth Resources Regulator Forum meetings being scheduled each year.

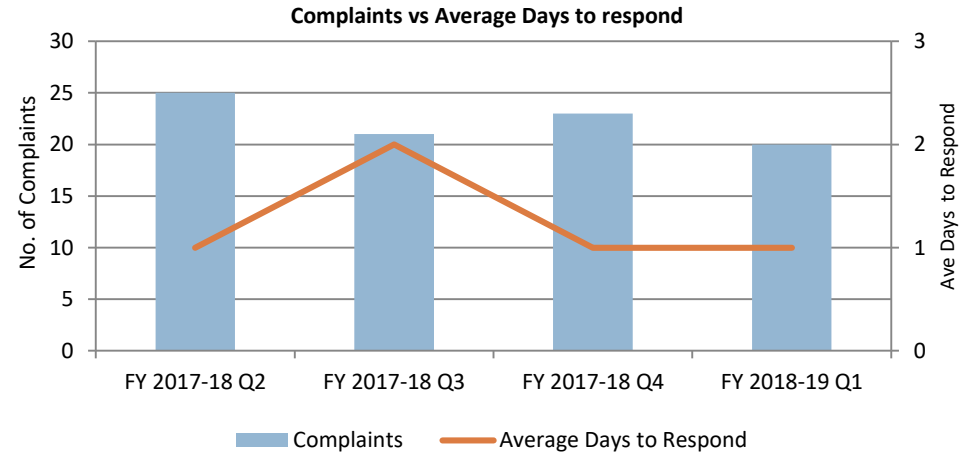
Earth Resources Regulation held one forum in Q1 and is on track to meet the annual target.

Why are these measures important?

The Victorian Earth Resources Regulators' Forum drives a coordinated, strategic approach to regulation in the earth resources sector. Through the forum and its independent chair Earth Resources Regulation will coordinate its activities with other regulators to improve timeliness, reduce compliance and administrative costs to industry, and identify and resolve any regulatory gaps or overlaps. This will include a focus on more real-time communication, strategic sequencing, common risk assessment and partnerships with local government authorities.

Response Time to Complaints 2018-9 Quarter 1

Sector	Enforcement Code	Number of Complaints	Ave Days to respond
Extractives	0. Work without License or Consents	4	1
Extractives	35. Dust Emissions	3	1
Extractives	36. Noise Emissions	3	1
Extractives	34. Groundwater Impacts	2	1
Extractives	46. Other Mud on Road	1	1
Extractives	7. Complaints Management	1	2
Extractives	38. Explosives Air & Ground Vibration	1	1
Extractives	4. Community Engagement	1	1
Mining	40. Rehabilitation of Site	1	1
Mining	38. Explosives Air & Ground Vibration	1	1
Mining	0. Work without License or Consents	1	1
Mining	36. Noise Emissions	1	1
Total		20	1



Explanation for the result:

There were 20 complaints in Q1. Top 3 complaints were Working without Licence or Consent, Dust and Noise Emissions. 11 of the complaints are resolved and 9 are under investigation. On average all complaints were responded to within one business day.

Why are these measures important?

The complaints handling process is an important aspect of effective stakeholder management and building confidence in Earth Resources Regulation as an effective regulator.