

Earth Resources Regulation

Quarterly Performance Report

2022-23 Quarter 4

1 April to 30 June 2023



About this report

Earth Resources Regulation is Victoria's earth resources regulator. Our role includes granting rights to access resources, assessing plans for the extraction of resources, assessing site rehabilitation liabilities and setting bonds, conducting compliance operations to ensure that authority holders fulfil their regulatory obligations and engaging with communities and stakeholders on regulatory matters.

Our quarterly performance and annual statistical reports are available on our website as part of our commitment to being an effective and transparent regulator.

This report provides a summary of our operating performance for quarter four of financial year 2022-23 (1 April to 30 June 2023).

Performance summary

- KPI 1#** - 90 per cent of extractive industries work plan stages were assessed within the statutory time frames, below target (p. 4). Two work plans were approved in the quarter, including one for a new work authority and one work plan variation. Four work plans were statutorily endorsed.
- 57 per cent of mineral work plan stages and licence applications were assessed within statutory time frames, below target (p. 5). Thirteen mineral work plan stages assessed and 29 mineral licence applications granted.
 - 67 per cent of licence variations were completed within the Client Service Standard, below target (p. 6).
 - Four extractive industries administrative changes (notifications) were acknowledged (p. 9).
- KPI 2#** - 81 operational compliance activities were undertaken, on target (p. 11).
- KPI 3#** - 100 per cent of reportable events were responded to during this quarter, on target (p. 14).
- KPI 4#** - 100 per cent attendance at Environmental Review Committee meetings (p. 15).
- KPI 5#** - The time to respond to complaints took on average three business days, on target (p. 16).
- 32 further/initial rehabilitation bonds were received (p. 10).

Please see note in the next slide.

Earth Resources Regulation encountered challenges in recruiting staff with relevant skills and experience to assess applications for licences and authorities and work plans for mines and quarries, within the context of the continuing high demand for minerals and extractive resources and a tight jobs market during the quarter. Projects are underway to further improve the effectiveness and efficiency of the assessment requirements and processes via the Better Approvals for Regulators program, such as developing a new Code of Practice for Common Risk Management Techniques for Quarries.

Key Performance Indicators 2022-23 Quarter 4

KPI	High Level Indicators	Target	Target Period	Current Quarter	Previous Quarter	DEECA's Compliance Policy Framework
KPI 1: Efficient Approvals Process	Percentage of extractive industries work plan stages assessed within statutory time frames.	95%	Quarterly	90%	55%	Outputs/activities
	Percentage of mineral licence applications and mineral work plan stages assessed within statutory time frames.	95%	Quarterly	57%	63%	Outputs/activities
	Percentage of tenement variations assessed within Client Service Standard time frames where a statutory time frame does not exist.	95%	Quarterly	67%	55%	Outputs/activities
KPI 2: Ensuring Compliance	Number of operational compliance activities undertaken per quarter.	75 activities	Quarterly	81	63	Inputs
KPI 3: Effective Incident Management	Percentage of reportable events responded to per quarter.	100%	Quarterly	100%	100%	Short-term and long-term outcomes
KPI 4: Facilitation of Stakeholder Engagement	Earth Resources Regulation attendance at Environmental Review Committee meetings.	100%	Quarterly	100%	100%	Outputs/activities
	Number of Industry Reference Group meetings.	4 meetings	Annual	2		Outputs/activities
	Number of Earth Resources Regulators Forum meetings.	3 meetings	Annual	3		Outputs/activities
KPI 5: Complaint Management	Average number of days to respond to complaints made by community against tenements.	3 business days	Quarterly	2	3	Outputs/activities

Extractive industries work plan stages* assessed within statutory time frame (STF)

Quarter	Work Plan Type	Unique WP Under Assessment	Stage STF (Target Days)	Stages Over STF	Stages Within STF	Total Stages	% (Within STF/Total)
FY 2022-23 Q4	Work Plan (WA)	13	28	2	18	20	90%
FY 2022-23 Q3	Work Plan (WA)	17	28	10	12	22	55%

* A work plan stage represents a statutory decision point.

Extractive industries work plans endorsed or approved in the quarter

Quarter	Work Plan Type	Endorsed	Approved
FY 2022-23 Q4	Work Plan (WA)	4	2
FY 2022-23 Q3	Work Plan (WA)	5	4

Work authorities granted in the quarter

Quarter	Licence Type	Granted
FY 2022-23 Q4	Work Authority	1
FY 2022-23 Q3	Work Authority	0

Result:

This performance indicator for extractive industries measures whether the work plan stages were assessed within the statutory time frames.

In Q4, 20 extractive industries work plan stages were assessed from 13 unique work plans of which 90 per cent were within the statutory time frame.

Two work plans were approved in the quarter, one for a new work authority and one work plan variation. Four work plans were statutorily endorsed and returned to the applicants to proceed with planning approval.

One work authority was granted in the quarter.

Why are these measures important?

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

KPI 1: Efficient Approvals Process – Mineral Licences and Work Plans

(Table 1) Mineral licences and work plan stages assessed within statutory time frame (STF)

Quarter	Licence and Work Plan Stages	Over STF	Within STF	Total (Over + Within STF)	% Within STF/Total
FY 2022-23 Q4	Mineral Licence Applications – (Table A)	17	12	29	41%
	Mineral Work Plan Stages – (Table B)	1	12	13	92%
	Total	18	24	42	57%
FY 2022-23 Q3	Mineral Licence Applications – (Table A)	4	6	10	60%
	Mineral Work Plan Stages – (Table B)	3	6	9	67%
	Total	7	12	19	63%

Result:

This performance indicator combines mining licence applications, exploration licence applications and mineral industry work plan stages, and measures whether these were assessed within the statutory time frames.

In Q4, there were 42 (13 mineral work plan stages assessed and 29 mineral licence applications granted) of which 57 per cent were assessed within the statutory time frames.

(Table A) Mineral licence applications assessed within statutory time frame (STF)

Quarter	Licence Type	STF (Target Days)	Over STF	Within STF	Total (Over + Within STF)	% Within STF/Total
FY 2022-23 Q4	Exploration Licence	90	13	10	23	43%
	Prospecting Licence	90	0	0	0	N/A
	Mining Licence	120	0	0	0	N/A
	Retention Licence	120	4	2	6	33%
	Total		17	12	29	41%
FY 2022-23 Q3	Exploration Licence	90	3	6	9	67%
	Prospecting Licence	90	0	0	0	N/A
	Mining Licence	120	1	0	1	0%
	Retention Licence	120	0	0	0	N/A
	Total		4	6	10	60%

Table A is an expanded subset of Table 1 above. It details the regulator's performance in assessing mineral licence applications.

In Q4, 41 per cent (12 out of 29) applications were assessed within the statutory time frames. The reduction in licences assessed within statutory time frames this quarter is due to an increased focus on finalising legacy cases (submitted prior to 1 July 2019) and competing applications.

(Table B) Mineral work plan stages* assessed within statutory time frame (STF)

Quarter	Work Plan Type	WP Approved	Unique WP Under Assessment	Stage STF (Target Days)	Stages Over STF	Stages Within STF	Total Stages	% (Within STF/ Total)
FY 2022-23 Q4	Work Plan (Exploration)	0	4	28	1	4	5	80%
	Work Plan (Minerals)	1	6	28	0	8	8	100%
	Total	1	10		1	12	13	92%
FY 2022-23 Q3	Work Plan (Exploration)	0	3	28	0	3	3	100%
	Work Plan (Minerals)	0	4	28	3	3	6	50%
	Total	0	7		3	6	9	67%

Table B is an expanded subset of Table 1 above. It details the regulator's performance in assessing mineral work plan application stages.

In Q4, 13 exploration and mineral work plan stages were assessed from seven unique work plans, of which 92 per cent (12 out of 13) stages were assessed within the statutory time frames.

* A work plan stage represents a statutory decision point.

KPI 1: Efficient Approvals Process – Tenement Variations

Tenement variations approved within Client Service Standard (CSS)

Quarter	Licence Type	CSS (Target Days)	Over CSS	Within CSS	Total (Over + Within CSS)	% Within CSS/ Total
FY 2022-23 Q4	Exploration Licence	90	7	25	32	78%
	Mining Licence	120	5	4	9	44%
	Prospecting Licence	90	1	1	2	50%
	Retention Licence	120	0	0	0	N/A
	Work Authority	30	3	2	5	40%
	Total			16	32	48
FY 2022-23 Q3	Exploration Licence	90	15	11	26	42%
	Mining Licence	120	1	4	5	80%
	Prospecting Licence	90	0	1	1	100%
	Retention Licence	120	0	0	0	N/A
	Work Authority	30	4	8	12	67%
	Total			20	24	44

Result:

The Client Service Standard (CSS) is the percentage of licence variations assessed within departmental agreed time frames where a statutory time frame does not exist.

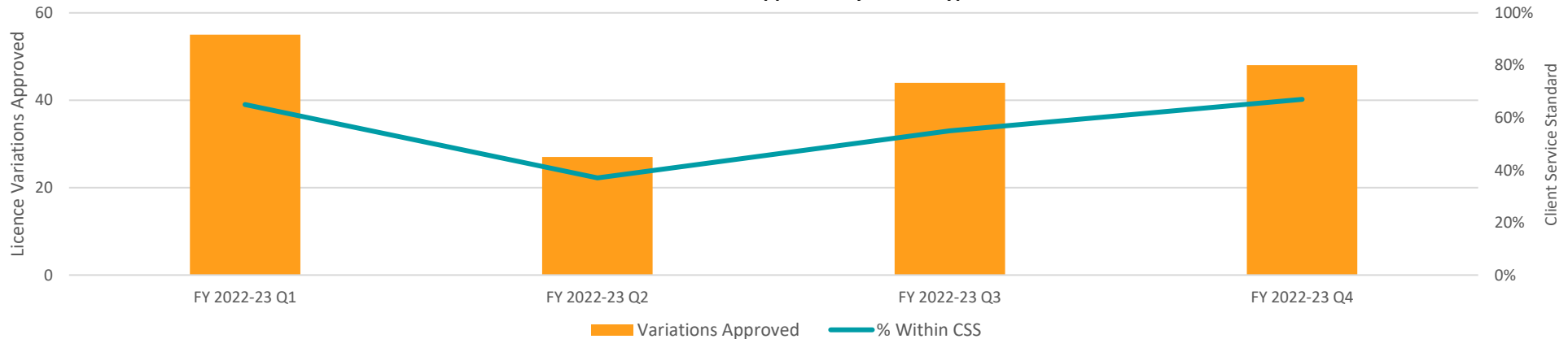
In Q4, 67 per cent (32 out of 48) of licence variations were completed within the CSS.

Of the licence variations outside the CSS target, 16 were either renewals, transfers or full surrenders. Extra time was required to assess and process these licence variations due to their complexity.

Why are these measures important?

Earth Resources Regulation began reporting on the Client Service Standard in July 2017. This indicator measures how well the department meets the Client Service Standard when processing licence variation approvals.

Licence variations approved by licence type

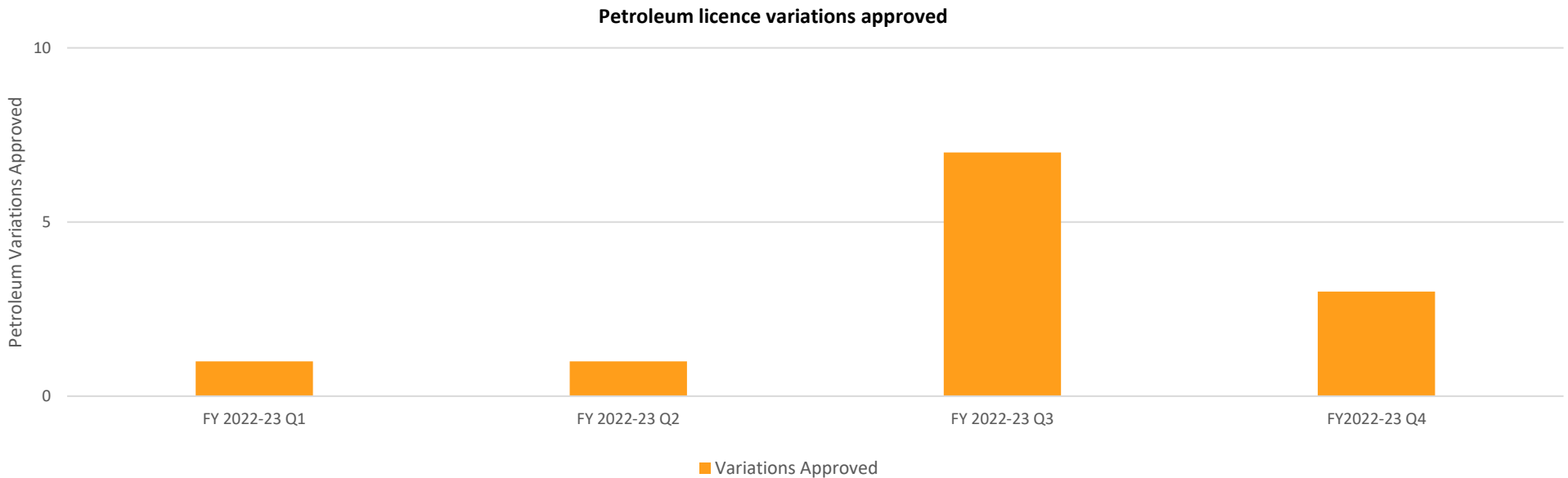


Petroleum licence variations approved

Quarter	Licence Type	Full Surrender	Licence Conditions Change	Registration of Dealing	Suspension and Extension	Transfer	Total
FY 2022-23 Q4	Onshore Petroleum Exploration Permit	0	0	3	0	0	3
	Total	0	0	3	0	0	3
FY 2022-23 Q3	Offshore Pipeline Licence	0	0	7	0	0	7
	Total	0	0	7	0	0	7

Result:

In Q4, there were three 'Registration of dealings' variations approved for onshore petroleum exploration permit.



KPI 1: Efficient Approvals Process – Petroleum Operation Plans

Petroleum – Operation Plans

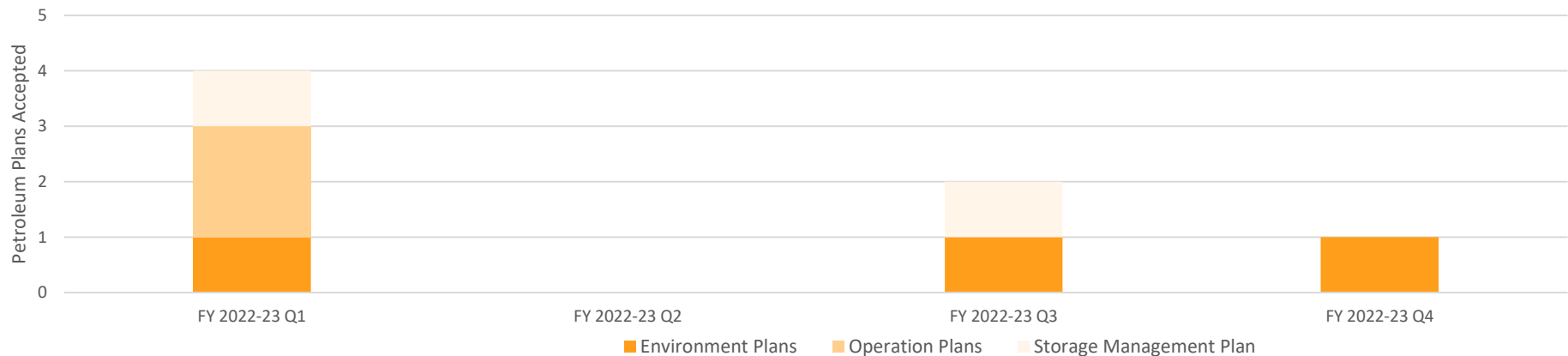
Quarter	Licence Type	Plans Accepted	Stages					Unique Plans Under Assessment
			Environment Plan Stage	Decommission Plan Stage	Operation Plan Stage	Storage Management Plan Stage	Total Stages Assessed	
FY 2022-23 Q4	Offshore Petroleum Retention Lease	1	1	0	0	0	1	1
	Onshore Petroleum Production Licence	0	0	1	6	0	7	7
	Total	1	1	1	6	0	8	8
FY 2022-23 Q3	Offshore Petroleum Retention Lease	0	1	0	0	0	1	1
	Offshore Pipeline Licence	1	1	0	0	0	1	1
	Onshore Petroleum Production Licence	1	0	0	0	1	1	1
	Total	2	2	0	0	1	3	3

Result:

In Q4, eight plan stages were assessed and one plan was accepted to decommission a well.

Note: Hydraulic fracturing and coal seam gas exploration and extraction are banned in Victoria.

Petroleum plans accepted

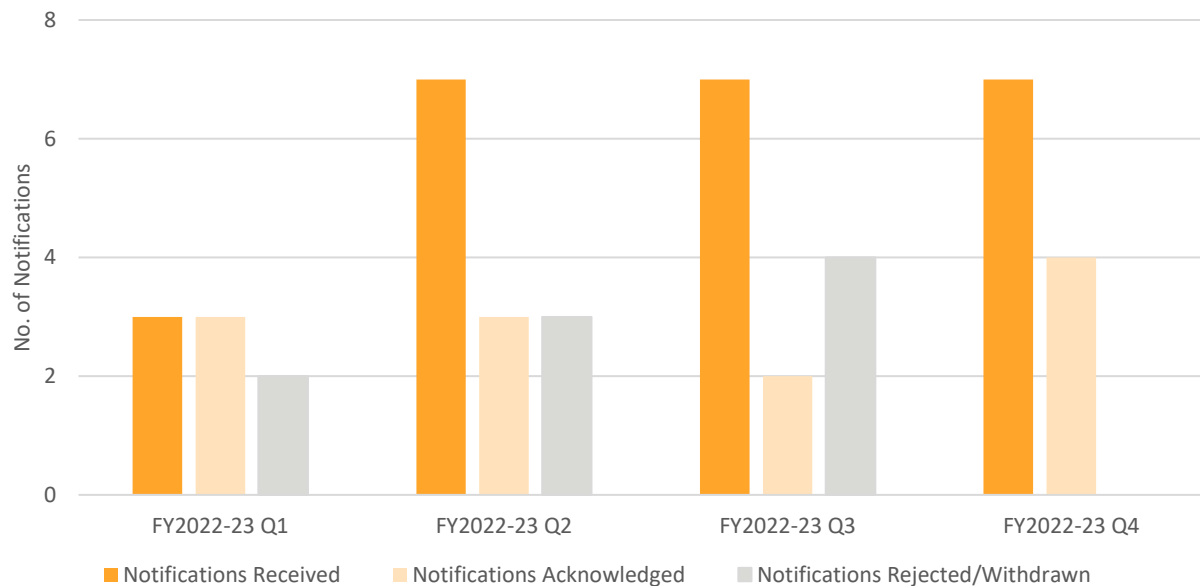


KPI 1: Efficient Approvals Process – Work Plan Administrative Updates by Notification

Mining	FY 2022-23 Q1	FY 2022-23 Q2	FY 2022-23 Q3	FY 2022-23 Q4	Total
Notifications Received	0	0	0	0	0
Notifications Acknowledged	0	0	0	0	0
Notifications Rejected/Withdrawn	0	0	0	0	0

Extractive industries	FY 2022-23 Q1	FY 2022-23 Q2	FY 2022-23 Q3	FY 2022-23 Q4	Total
Notifications Received	3	7	7	7	24
Notifications Acknowledged	3	3	2	4	12
Notifications Rejected/Withdrawn	2	3	4	0	9

Administrative updates by notification



Result:

In Q4, seven extractive industries administrative change submissions were reviewed, of which four were acknowledged.

Administrative updates for new or changing work

Can be made by notification for current licences and work authorities where they meet the criteria including:

- no significant increase in risk arising from the new or changing work
- Council has been consulted and confirms in writing that the new or changing work does not require an amended or new planning permit
- relevant referral agencies have been consulted and confirmed that the new or changing work raises no concerns and conditions are not required
- no change to the community engagement plan.

More information is available on the website:

<https://earthresources.vic.gov.au/licensing-approvals/extractives-industry-work-authority/work-approval-process-for-extractive-industries>

Rehabilitation Work Program

Rehabilitation Work Program in Q4	Extractives	Mining	Petroleum	Total
Number of s79A notices issued	0	0	0	0
Number of further bond notices issued	3	4	0	7
Number of initial bond notices issued	1	12	0	13
Number of further/initial bonds received	13	19	0	32
Number of bond returns	2	9	2	13
Number of authority holders using the voluntary annual review option	0	0	0	0
Number of site inspections by the Rehabilitation Liability Assessments and Bonds team	8	2	0	10

Why rehabilitation bonds are required and in what form

- Effective site rehabilitation underpins public confidence in the resources sector and the regulator, and minimises the State's exposure to rehabilitation liabilities and costs.
- Authority holders are required to lodge rehabilitation bonds. Bonds held enable Earth Resources Regulation to conduct rehabilitation works if an authority holder defaults on their obligations.
- Established policy requires a bond for 100 per cent of the estimated rehabilitation cost.
- Bonds are lodged in the form of a bank guarantee issued by a bank authorised by the Australian Prudential Regulatory Authority and executable by the State. Authority holders typically pay their bank a service fee based on a percentage of the bank guarantee per year, as determined by the issuing financial institution. Cash bonds are also accepted where the bond total is \$50,000 or less.

Progressive approach and options offered to authority holders

Earth Resources Regulation initiated a program to improve the regulation of site rehabilitation in 2018, which included developing a modern policy framework, updating the bond calculator and requiring the operators of key sites to complete site rehabilitation.

Earth Resources Regulation is implementing a progressive program to review the rehabilitation liabilities for:

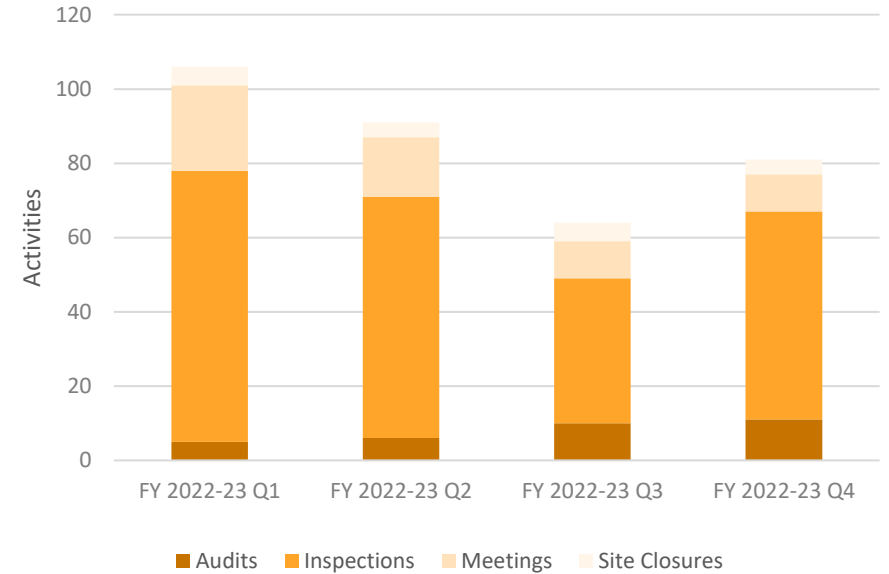
- high priority sites selected by the regulator based on their risk of default and consequences
- sites subject to major expansions or ownership transfers
- sites that have self-reported a significant bond deficiency
- sites that have voluntarily requested a rehabilitation liability and bond review to recognise their stage of site operations and progressive rehabilitation, rather than a standard bond based on the maximum point of site disturbance over a mine or quarry's full lifecycle.

KPI 2: Ensuring Compliance – Compliance Activities Undertaken

Compliance activities

Licence Types	Activity	April	May	June	Total
Extractive industries	Inspection	6	25	5	36
	Meeting	1	3	1	5
	Audit	0	1	3	4
	Site Closure	1	0	0	1
	Extractives Total	8	29	9	46
Mining	Inspection	5	10	4	19
	Audit	3	3	1	7
	Meeting	0	3	2	5
	Site Closure	2	1	0	3
	Mining Total	10	17	7	34
Petroleum	Inspection	0	1	0	1
	Petroleum Total	0	1	0	1
Total		18	47	16	81

Compliance activities by quarter



Result:

In Q4, 81 proactive compliance activities involving 66 authority holders were undertaken.

Earth Resources Regulation is implementing a modern compliance operating model based on an intelligence-led, state-wide assignments and coordination approach to ensure that authority holders fulfil their regulatory obligations. The new approach combines a range of education and enforcement activities.

Why are these measures important?

Earth Resources Regulation undertakes proactive compliance activities under the *Mineral Resources (Sustainable Development) Act 1990*, *Petroleum Act 1998* and other legislation. We use a risk-based prioritisation approach to identify and act on non-compliance by authority holders that has or is likely to result in a risk to public safety, the environment, land, property or infrastructure, or fails to comply with licence, work authority or approved work plan requirements.

Activities include audits, inspections, meetings with duty holders and site closures after reviewing rehabilitation outcomes.

Compliance audits

Type of Audit	FY 2022-23 Q1	FY 2022-23 Q2	FY 2022-23 Q3	FY 2022-23 Q4	Total	% Total
Progressive Rehabilitation	2	0	1	5	8	25%
Plan and Conditions	1	3	2	1	7	22%
Fire and Emergency	0	2	1	0	3	9%
Geo-technical	0	0	1	2	3	9%
Pest, Plant and Animal	0	0	0	3	3	9%
Plan and Conditions (High-risk)	0	0	3	0	3	9%
Boundaries and Extraction limits	0	0	2	0	2	6%
TSF Management	1	1	0	0	2	6%
Site Security and Buffer Zones	1	0	0	0	1	3%
Total	5	6	10	11	32	100%

Result:

Earth Resources Regulation conducted 11 site audits in Q4, with two requiring remedial action.

Earth Resources Regulation's audit program is risk-based with a focus on more significant or high-risk sites or activities. The number of actions required can be dependent on the type of audits completed and the number of 'follow up' audits from previously identified risks.

Why are these measures important?

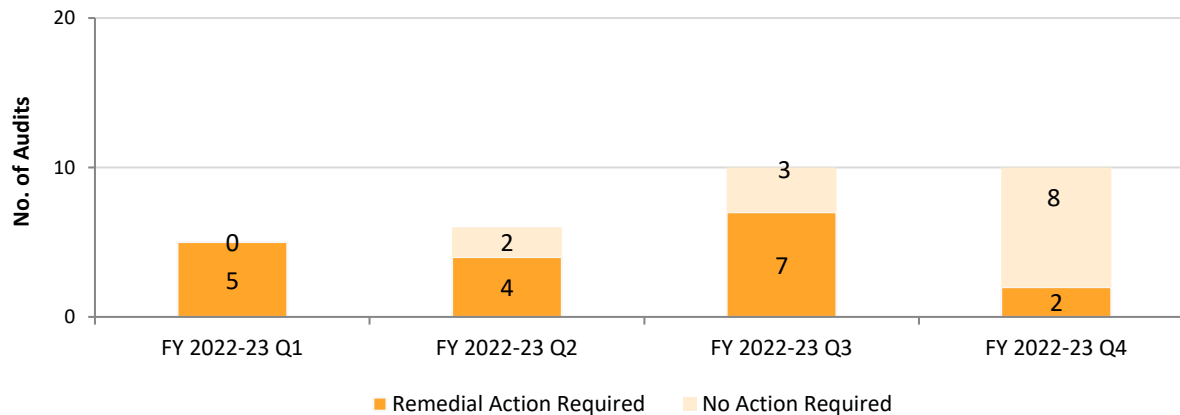
Earth Resources Regulation's compliance program aims to improve industry performance by including audits focused on key risks to the environment and protection of public safety.

This indicator measures the number of field audits conducted addressing key risks and how compliant industry is.

For further information on compliance priorities, see the Earth Resources Regulation Compliance Strategy on the website:

<https://earthresources.vic.gov.au/legislation-and-regulations/compliance-enforcement>

Remedial action / No action after audits



KPI 2: Ensuring Compliance – Enforcement Activities

General enforcement notices issued in the quarter

Sector	Enforcement Action Type	Enforcement Code	No. of Notices
Extractives	s110 Notice	Buffer Zones	4
Extractives	s110 Notice	Waste and Redundant Plan	2
Extractives	s110 Notice	Authorised Activity Compliance	2
Extractives	s110 Notice	Other - Not Specified Above	2
Extractives	s110 Notice	Working Hours	1
Extractives	s110 Notice	Tenement Boundaries	1
Extractives	s110 Notice	Public Safety and Site Security	1
Extractives	s110 Notice	Drainage, Erosion and Discharge	1
Extractives	s110 Notice	Work Without Licence or Consents	1
Extractives	s110 Notice	Tailings and Slime Management	1
Mining	s110 Notice	Noxious Weeds, Plants and Pests	1
Mining	s110 Notice	Tailings and Slime Management	1
Mining	s110 Notice	Public Safety and Site Security	1
Mining	s110 Notice	Slope Stability	1
Mining	s110a Notice (Stop Work)	Work Without Licence or Consents	1
Grand Total			21

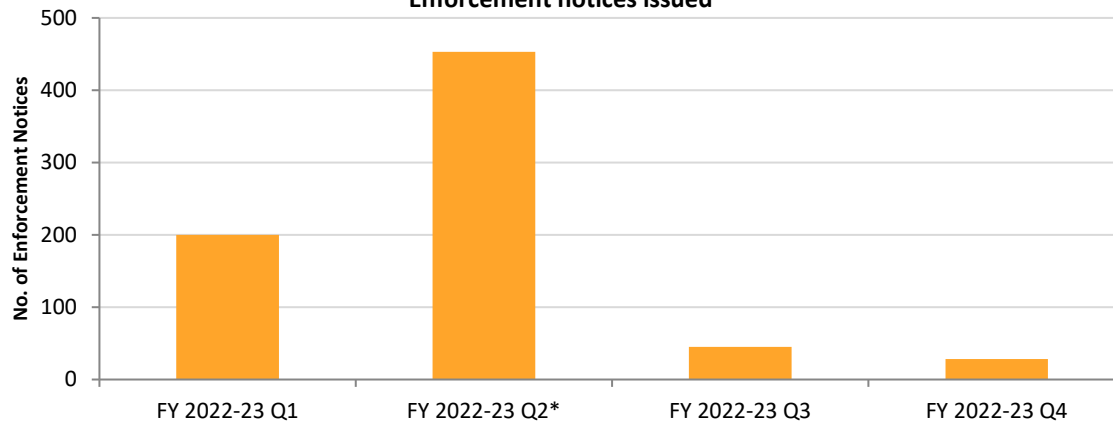
Infringements and official warnings issued

Activities	Issued in the quarter
Official Warning Letter	4
Written Instruction	2
Education	1
Total	7

Result:

In Q4, there were 28 enforcement actions taken, including 21 notices issued. Key matters identified in the quarter included over extraction, materials and equipment management, and operating outside of approvals.

Enforcement notices issued



* As indicated in the graph, Q2 results were elevated due to the annual reporting process, which resulted in a number of official warnings and infringements being issued.

Reportable events in the quarter

Sector	Classification	Incident Type	Enforcement Code	Incident Responded To	Incident Status	Incident Count
Mineral	Minor	Public Safety	Fire Precautions and Risk Control	Yes	Resolved	12
Mineral	Minor	Environmental	Environmental Incident Notification	Yes	Resolved	1
Mineral	Minor	Infrastructure	Slope Stability	Yes	Resolved	1
Mineral	Minor	Infrastructure	Other	Yes	Resolved	1
Petroleum	Significant	Infrastructure	Other	Yes	Open	1
Total						16

Non-reportable incidents/events in the quarter

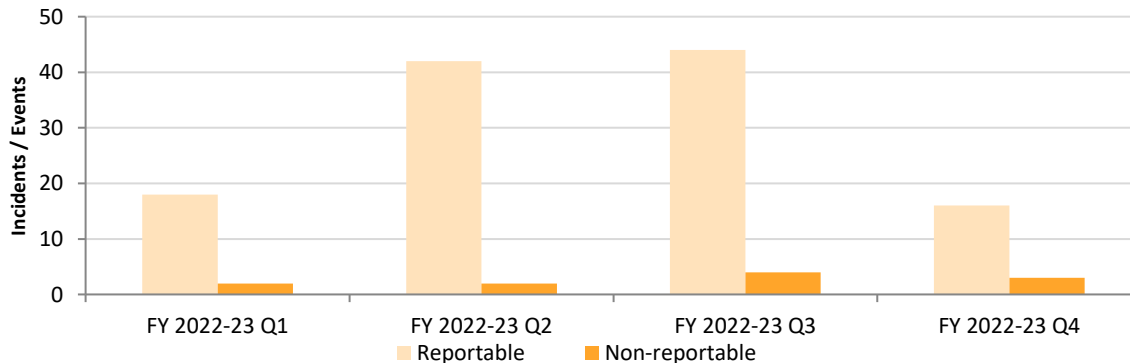
Sector	Classification	Incident Type	Enforcement Code	Incident Status	Incident Count
Mineral	Minor	Legislation Breach	Underground Exploration	Resolved	1
Mineral	Minor	Legislation Breach	Working Hours	Resolved	1
Extractive	Minor	Legislation Breach	Public Safety and Site Security	Resolved	1
Total					3

Result:

There were 16 reportable events in Q4 with the majority of these relating to small coal smoulders, slope stability blasting and water discharge. Of these, 15 reportable incidents were resolved and one is under investigation.

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

Reportable vs Non-reportable incidents/events



Why are these measures important?

This measure shows whether Earth Resources Regulation is responsive to reportable (high-risk) events and the number of non-reportable (low-risk) incidents/events that occur at tenement sites. Depending on its complexity, an incident may be resolved in the current or subsequent quarters.

Environmental Review Committee attendance

	2022-22 Q1	2022-22 Q2	2022-22 Q3	2022-22 Q4
Meetings Planned	13	9	9	7
Meetings Attended	13	9	9	7
Attendance (%)	100%	100%	100%	100%
Target	100%	100%	100%	100%

Result:

Earth Resources Regulation attended 100% of the scheduled Environmental Review Committee (ERC) meetings in Q4.

Why are these measures important?

The stakeholder engagement indicator covers the interaction between the regulator, authority holders, co-regulators and the community by reporting active participation by Earth Resources Regulation (ERR) at Environmental Review Committee (ERC) meetings. ERC meetings do not occur for all sites and ERR typically only attends meetings for priority sites or where significant community interest is present. ERR has made a commitment in the Compliance Strategy to report on ERC attendance quarterly.

Industry Reference Group (IRG)

2022-23 Q1	2022-23 Q2	2022-22 Q3	2022-23 Q4	Annual Total	FY Target
0	0	1	1	2	4

Result and explanatory note:

The target is an annual figure based on Industry Reference Group (IRG) meetings being scheduled every three months.

There was one meeting held in Q4. Due to the State election and the ensuing machinery of government changes, Earth Resources Regulation conducted two IRG meetings during 2022-23, which is below target.

Why are these measures important?

The Industry 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

2022-23 Q1	2022-23 Q2	2022-23 Q3	2022-23 Q4	Annual Total	FY Target
1	0	1	1	3	3

Result:

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

There was one meeting held in Q3. Earth Resources Regulation has met this annual target.

Why are these measures important?

The 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 coordinates 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 includes a focus on more real-time communication, strategic sequencing, common risk assessment and partnerships with local government authorities.

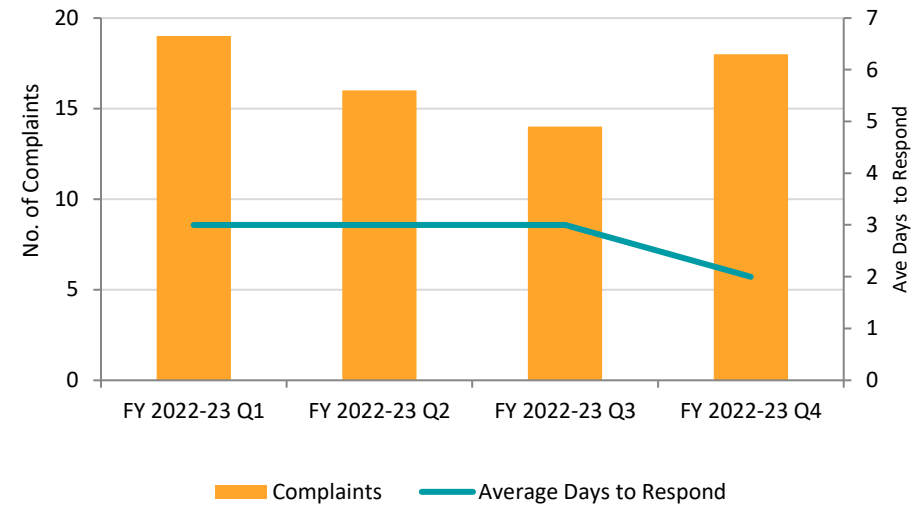
KPI 5: Complaints Management

Response times to complaints in the quarter

Sector	Enforcement Codes	Number of Complaints	Average Days to Respond	*Median Days to Respond
Extractives	Explosives Air and Ground Vibration	3	1	1
Extractives	Work without Licence or Consents	3	1	1
Extractives	Working Hours	2	1	1
Extractives	Buffer Zones	1	2	2
Extractives	Complaints Management	1	8	8
Extractives	Dust Emissions	1	3	3
Extractives	Noise Emissions	1	1	1
Extractives	Rehabilitation of Site	1	7	7
Extractives	Waterway Quality and Aquatic Habitat	1	1	1
Mining	Public Safety and Site Security	2	1	1
Mining	Complaints Management	1	5	5
Mining	Dust Emissions	1	1	1
		18	2	1

* **Median Days:** Arranging the days to respond in order and then selecting the middle value . Median is used to minimise the impact of outliers.

Complaints vs Average days to respond



Result:

There were 18 complaints in Q4, mostly relating to work without consent, noise level and blasting vibration from quarry activities. The average response time was two business days.

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.

Department of Energy, Environment and Climate Action

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