

Earth Resources Regulation

Quarterly Performance Report
2022-23 Quarter 2

1 October to 31 December 2022



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 two of financial year 2022-23 (1 October to 31 December 2022).

The activities described in this report were undertaken before 1 January 2023 when Earth Resources Regulation moved from the Department of Jobs, Precincts and Regions (DJPR) to the new Department of Energy, Environment and Climate Action (DEECA).

Performance summary

KPI 1# - 92 per cent of extractive industries work plan stages were assessed within the statutory time frames, slightly below target (p. 4).

- 80 per cent of mineral work plan stages and licence applications were assessed within statutory time frames, below target (p. 5).

- 37 per cent of licence variations were completed within the Client Service Standard, below target (p. 6).

- Three extractive industries administrative changes (notifications) were acknowledged (p. 9).

KPI 2# - 88 operational compliance activities were undertaken, above target (p. 11).

KPI 3# - 100 per cent of reportable incidents were responded to during this quarter, on target (p. 14).

KPI 4# - 100 per cent attendance at Environmental Review Committee meetings, but other stakeholder engagement forums were below target (p. 15).

KPI 5# - The time to respond to complaints took on average three business days, on target (p. 16).

Please see note in the next slide.

Key Performance Indicators 2022-23 Quarter 2

KPI	High Level Indicators	Target	Target Period	Current Quarter	Previous Quarter	DJPR's Compliance Policy Framework
KPI 1: Efficient Approvals Process	Percentage of extractive industries work plan stages assessed within statutory time frames.	95%	Quarterly	92%	100%	Outputs/activities
	Percentage of mineral licence applications and mineral work plan stages assessed within statutory time frames.	95%	Quarterly	80%	58%	Outputs/activities
	Percentage of tenement variations assessed within Client Service Standard time frames where a statutory time frame does not exist.	95%	Quarterly	37%	65%	Outputs/activities
KPI 2: Ensuring Compliance	Number of operational compliance activities undertaken per quarter.	75 activities	Quarterly	88	101	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	0		Outputs/activities
	Number of Earth Resources Regulators Forum meetings.	3 meetings	Annual	1		Outputs/activities
KPI 5: Complaint Management	Average number of days to respond to complaints made by community against tenements.	3 business days	Quarterly	3	2	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 Q2	Work Plan (WA)	16	28	2	22	24	92%
FY 2022-23 Q1	Work Plan (WA)	20	28	0	28	28	100%

* 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 Q2	Work Plan (WA)	2	2
FY 2022-23 Q1	Work Plan (WA)	4	4

Work authorities granted in the quarter

Quarter	Licence Type	Granted
FY 2022-23 Q2	Work Authority	3
FY 2022-23 Q1	Work Authority	4

Result:

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

In Q2, 24 extractive work plan stages were assessed from 16 unique work plans of which 92% were within the statutory time frame, just short of the relevant KPI target (95%).

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

Three work authorities granted in the quarter will add an additional 600K tonnes of clay and gravel resources in the coming years

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 Q2	Mineral Licence Applications – (Table A)	10	31	41	76%
	Mineral Work Plan Stages – (Table B)	1	13	14	93%
	Total	11	44	55	80%
FY 2022-23 Q1	Mineral Licence Applications – (Table A)	14	13	27	48%
	Mineral Work Plan Stages – (Table B)	1	8	9	89%
	Total	15	21	36	58%

(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 Q2	Exploration Licence	90	10	30	40	75%
	Prospecting Licence	90	0	1	1	100%
	Mining Licence	120	0	0	0	N/A
	Retention Licence	120	0	0	0	N/A
	Total		10	31	41	76%
FY 2022-23 Q1	Exploration Licence	90	13	9	22	41%
	Prospecting Licence	90	0	4	4	100%
	Mining Licence	120	1	0	1	0%
	Retention Licence	120	0	0	0	N/A
	Total		14	13	27	48%

(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 Q2	Work Plan (Exploration)	1	7	28	0	9	9	100%
	Work Plan (Minerals)	1	5	28	1	4	5	80%
	Total	2	12		1	13	14	93%
FY 2022-23 Q1	Work Plan (Exploration)	0	4	28	0	4	4	100%
	Work Plan (Minerals)	0	4	28	1	4	5	67%
	Total	0	8		1	8	9	89%

* A work plan stage represents a statutory decision point.

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 Q2, there were 55 (14 mineral work plan stages assessed and 41 mineral licence applications granted) of which 80% were assessed within the statutory time frames. This was an improvement over the previous quarter (58%) and moving closer to the KPI target (95%).

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

In Q2, 76% (31 out of 41) applications were granted within the statutory time frames. Some licences granted over the statutory time frames were due to legacy caseload (submitted prior to 1 July 2019) and competing applications.

This result was an improvement over the previous quarter (48%) and moving closer to the KPI target (95%).

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

In Q2, 14 exploration and mining work plan stages were assessed from 12 unique work plans, of which 93% were assessed within the statutory time frames. One work plan stage was over the statutory time frame due to the plan's complexity. One exploration and mineral work plan was approved in the quarter.

Explanatory note:

Earth Resources Regulation received funding to temporarily expand the licensing team's capacity to address the current legacy caseload.

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 Q2	Exploration Licence	90	8	4	12	33%
	Mining Licence	120	2	1	3	33%
	Prospecting Licence	90	0	0	0	N/A
	Retention Licence	120	0	0	0	N/A
	Work Authority	30	7	5	12	42%
	Total			17	10	27
FY 2022-23 Q1	Exploration Licence	90	11	19	30	63%
	Mining Licence	120	2	4	6	67%
	Prospecting Licence	90	0	3	3	100%
	Retention Licence	120	0	0	0	N/A
	Work Authority	30	6	10	16	63%
	Total			19	36	55

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 Q2, 37% (10 out of 27) of licence variations were completed within the CSS.

Explanatory note:

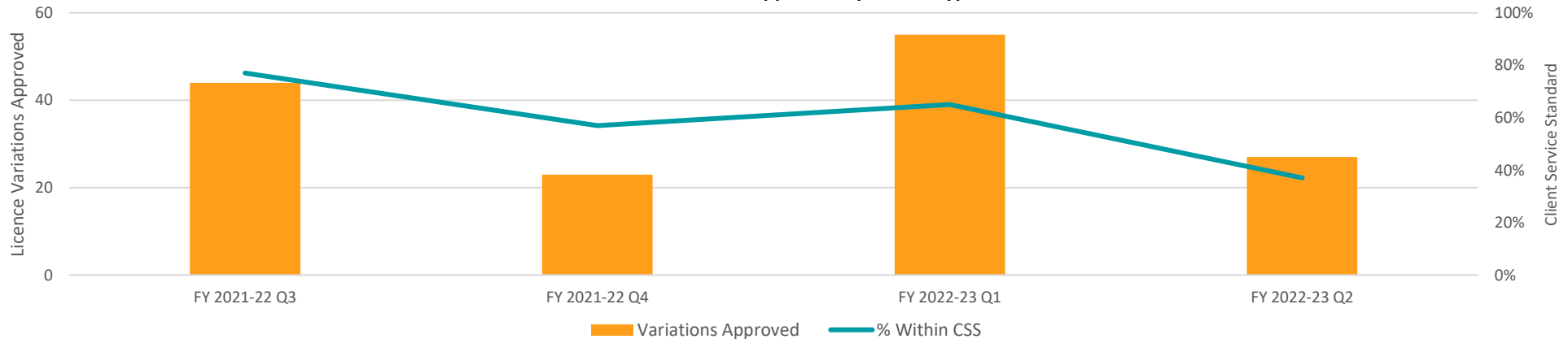
17 licence variations over the CSS target periods comprised renewals, transfers, full surrenders or licence area changes. Due to their intricate nature, extra time was required to assess and process these licence variations.

Earth Resources Regulation undertook recruitment activities focused on temporarily expanding the licensing team’s capacity to address the current legacy caseload.

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

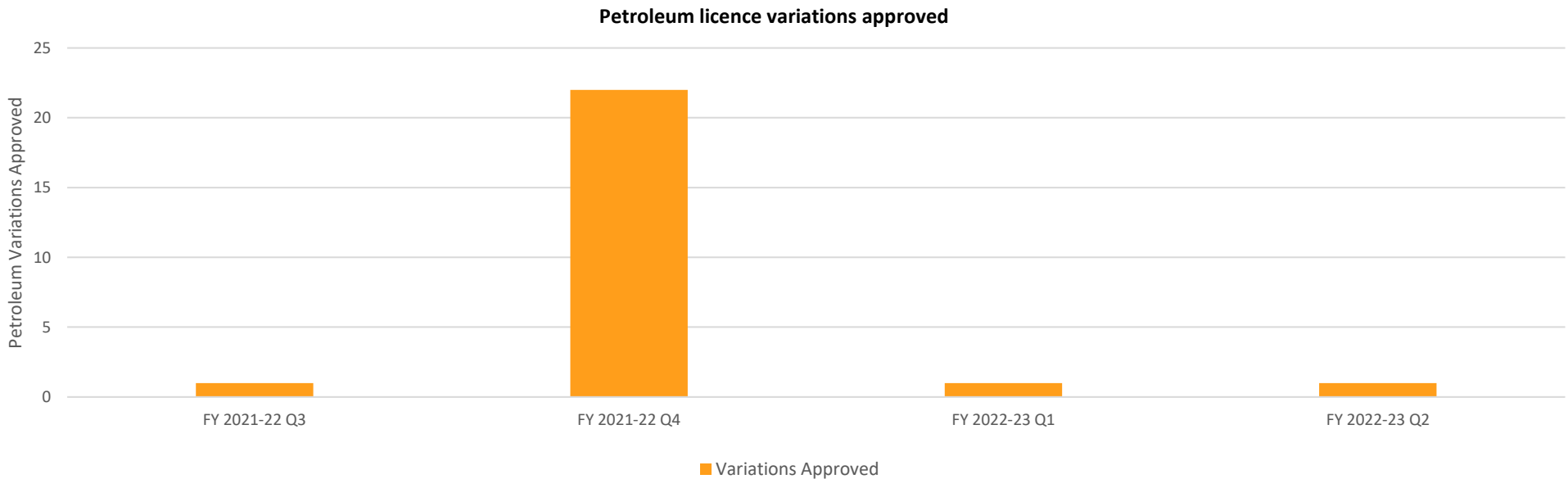


Petroleum licence variations approved

Quarter	Licence Type	Full Surrender	Licence Conditions Change	Registration of Dealing	Suspension and Extension	Transfer	Total
FY 2022-23 Q2	Offshore Petroleum Exploration Permit	0	0	0	1	0	1
	Total	0	0	0	1	0	1
FY 2022-23 Q1	Onshore Petroleum Exploration Permit	1	0	0	0	0	1
	Total	1	0	0	0	0	1

Result:

In Q2, there was one approval given for a variation to the work program of an offshore 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	Field Development Plan Stage	Operation Plan Stage	Storage Management Plan Stage	Total Stages Assessed	
FY 2022-23 Q2	Offshore Pipeline Licence	0	1	0	0	0	0	1
	Offshore Petroleum Retention Lease	0	1	0	0	0	0	1
	Total	0	2	0	0	0	0	2
FY 2022-23 Q1	Offshore Pipeline Licence	1	1	0	0	0	1	1
	Onshore Petroleum Production Licence	1	0	0	0	4	4	3
	Total	2	1	0	0	4	5	4

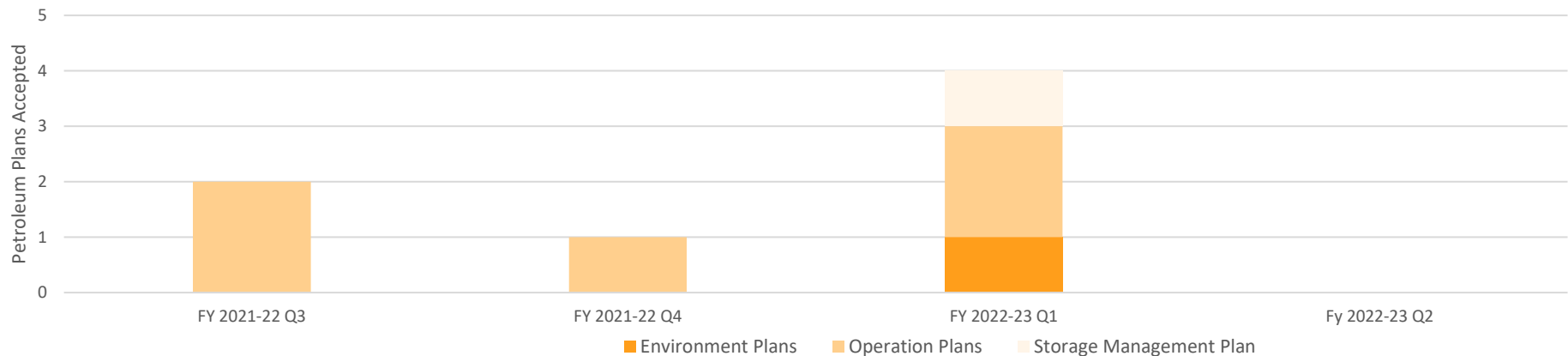
Result:

In Q2, one environment plan for an offshore pipeline licence and one for an offshore petroleum retention lease were assessed.

Both plans were returned to the applicants requesting changes.

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

Petroleum plans accepted

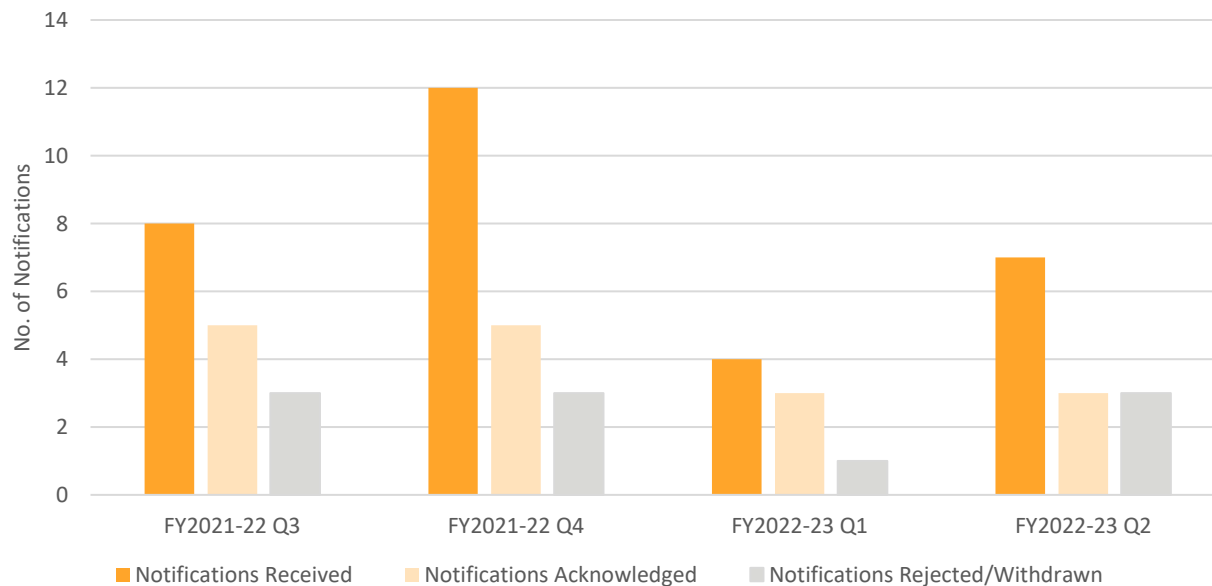


KPI 1: Efficient Approvals Process – Work Plan Administrative Updates by Notification

Mining	FY 2021-22 Q3	FY 2021-22 Q4	FY 2022-23 Q1	FY 2022-23 Q2	Total
Notifications Received	2	5	0	0	7
Notifications Acknowledged	2	3	0	0	5
Notifications Rejected/Withdrawn	1	1	0	0	2

Extractive industries	FY 2021-22 Q3	FY 2021-22 Q4	FY 2022-23 Q1	FY 2022-23 Q2	Total
Notifications Received	6	7	4	7	27
Notifications Acknowledged	3	2	3	3	11
Notifications Rejected/Withdrawn	2	2	1	3	7

Administrative updates by notification



Result:

In Q2, seven extractive industries submissions were reviewed, of which three administrative changes were acknowledged. Two did not meet the criteria for an administrative update and one was withdrawn by the authority holder.

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 in Q2	Extractives	Mineral	Petroleum	Total
Number of liability assessment notices issued	0	1	0	1
Number of initial bond notices issued	8	1	0	7
Number of further bond notices issued	5	2	0	9
Number of further / initial bonds received	5	8	0	13
Number of bond returns	2	6	0	8
Number of authority holders using the voluntary annual review option	0	0	0	0
Number of site inspections by the Rehabilitation Liability Assessment & Bonds team	5	9	6	20

Why Rehabilitation bonds are required and in what form

- Effective site rehabilitation underpins public confidence in the resources sector and the regulator.
- Authority holders are required to lodge bonds for the estimated full cost for the State to conduct rehabilitation works if an authority holder defaults on their obligations. Rehabilitation liabilities are estimated based on the maximum point of site disturbance on a project's life cycle.
- Bonds are mostly required to be lodged in the form of a bank guarantee issued by a bank authorised by the Australian Prudential Regulatory Authority and executable by the State. Cash bonds are accepted where the bond total is \$50,000 or less.
- A comprehensive list of the rehabilitation bonds in place for all earth resources sites across Victoria is available on the regulator's website.

Progressive approach and options for authority holders

Earth Resources Regulation is implementing a *Regulatory Practice Strategy for the Rehabilitation of Earth Resources Sites*, which is available on the regulator's website.

The regulator is working with authority holders to progressively review their site rehabilitation liabilities for:

- Twenty high priority sites taking account of a range of risks.
- 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 actual stage of site operations or progressive rehabilitation.

Regulatory practice strategy for the rehabilitation of earth resources sites: [Earth-Resources-Regulation-Regulatory-Practice-Strategy-for-the-Rehabilitation-of-Earth-Resources-Sites-February-2020.pdf](https://earthresources.vic.gov.au/earth-resources-regulation-regulatory-practice-strategy-for-the-rehabilitation-of-earth-resources-sites-february-2020.pdf) (earthresources.vic.gov.au)

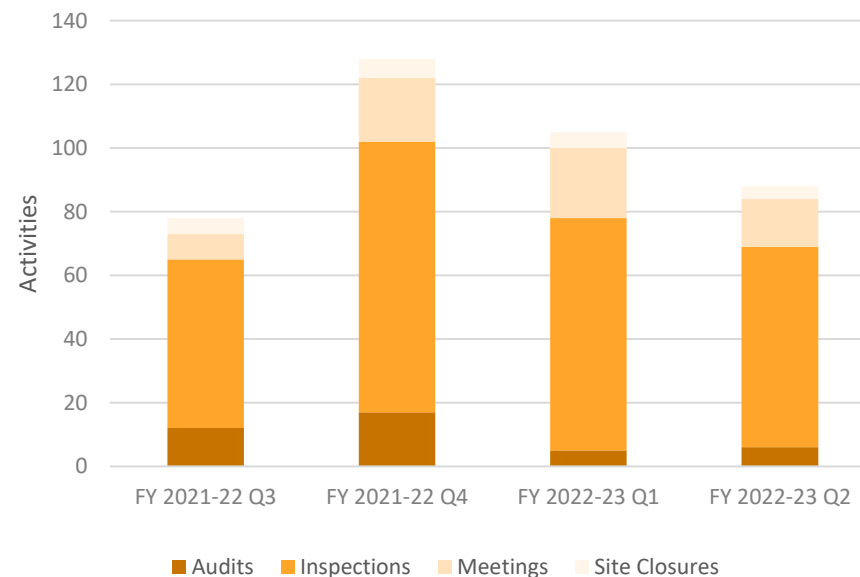
Rehabilitation bonds held by the State interactive dashboard: <https://earthresources.vic.gov.au/community-and-land-use/rehabilitation>

KPI 2: Ensuring Compliance – Compliance Activities Undertaken

Compliance activities

Licence Types	Activity	Oct	Nov	Dec	Total
Extractive industries	Inspection	7	18	5	30
	Audit	0	2	1	3
	Meeting	3	4	1	8
	Site Closure	0	2	1	3
	Extractives Total	10	26	8	44
Mining	Inspection	5	3	11	19
	Audit	2	0	1	3
	Meeting	3	1	3	7
	Site Closure	0	0	1	1
	Mining Total	10	4	16	30
Petroleum	Inspection	6	0	8	14
	Petroleum Total	6	0	8	14
Total		26	30	32	88

Compliance activities by quarter



Result:

In Q2, Earth Resources Regulation conducted 88 proactive compliance activities involving 69 authority holders.

Explanatory note:

Earth Resources Regulation is implementing a modern compliance operating model based on an intelligence-led, state wide tasking 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?

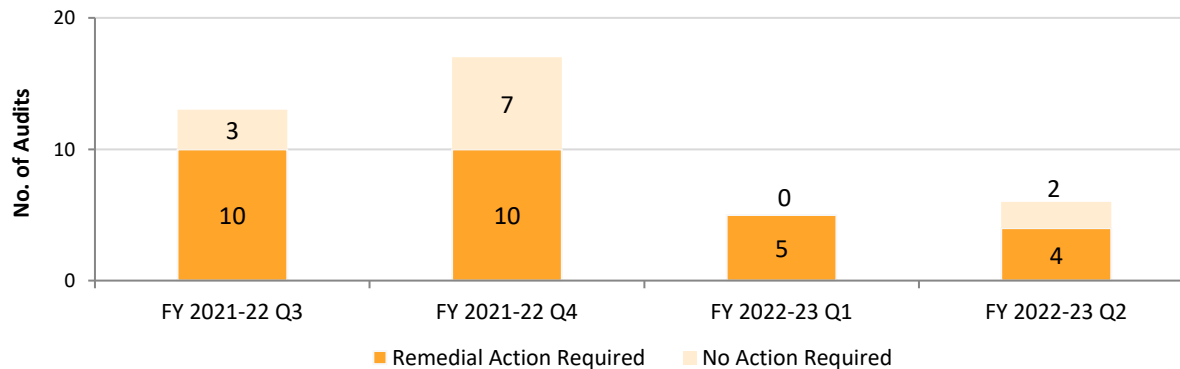
Earth Resources Regulation undertakes proactive compliance activities under the *Mineral Resources (Sustainable Development) Act 1990*, *Petroleum Act 1998* and other legislation. We use a risk-based prioritisation approach to identify and act on non-compliance by authority holders that has or is likely 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.

KPI 2: Ensuring Compliance – Compliance Audits

Compliance audits

Type of Audit	FY 2021-22 Q3	FY 2021-22 Q4	FY 2022-23 Q1	FY 2022-23 Q2	Total	% Total
Progressive Rehabilitation	4	8	2	0	14	33%
Plan and Conditions	3	4	1	3	11	26%
Water Management	0	0	0	0	0	0%
Dust	0	1	0	0	1	2%
Noise	1	0	0	0	1	2%
Geo-technical	2	0	0	0	2	5%
Fire and Emergency	1	0	0	2	3	7%
Boundaries and Extraction Limits	1	3	0	0	4	10%
Site Security and Buffer Zones	0	0	1	0	1	2%
Impacts of Blasting	0	0	0	0	0	0%
Exploration Drilling	0	0	0	0	0	0%
Imported Materials	0	0	0	0	0	0%
Plan and Conditions (High-Risk)	1	0	0	0	1	2%
Pest, Plant and Animal	0	1	0	0	1	2%
TSF Management	0	1	1	1	3	7%
Total	13	17	5	6	42	100%

Remedial action / No action after audits



Result:

Earth Resources Regulation conducted six audits in Q2, with four requiring remedial action. This result is similar to the previous quarter.

Explanatory note:

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>

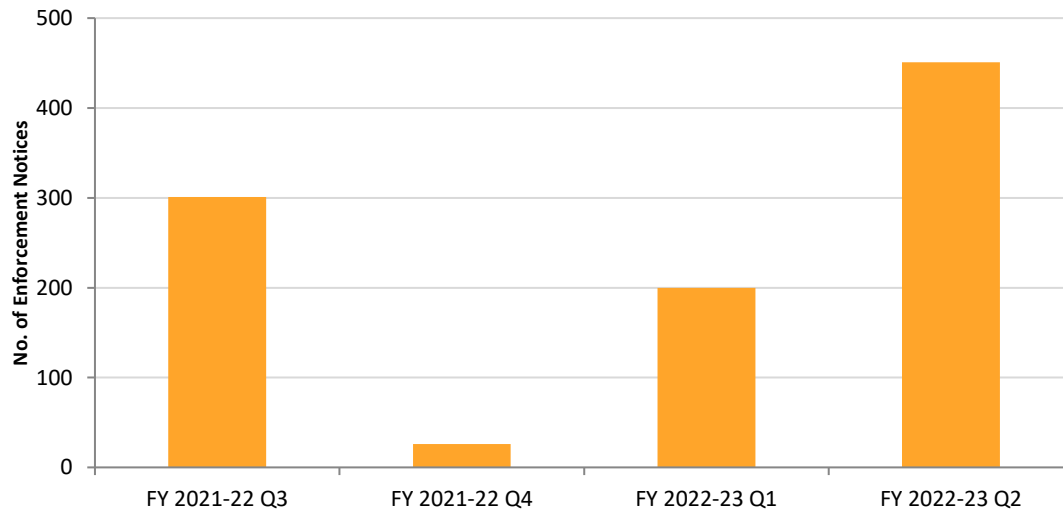
General enforcement notices issued in the quarter

Sector	Enforcement Action Type	Enforcement Code	No. of Notices
Extractives	s110 Notice	Drainage, Erosion and Discharge	1
Extractives	s110 Notice	Water Dams	1
Extractives	s110 Notice	Other	1
Extractives	s110 Notice	Documentation and Records	1
Mining	s110 Notice	Tailings and Slime Management	1
Mining	s110 Notice (Stop Work)	Tailings and Slime Management	1
Total			6

Infringements and official warnings issued

Activities	Issued in the quarter
Infringement Notice	436
Direction	7
Written Instruction	2
Total	445

Enforcement notices issued



Result:

In Q2, there were 451 enforcement actions taken, which is higher than previous quarters.

Explanatory note:

435 of the 436 infringements issued to authority holders during the quarter were being for their failure to submit an annual report.

KPI 3: Reportable Incidents

Reportable incidents 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	33
Mineral	Minor	Public Safety	Other (Not Specified Above)	Yes	Resolved	1
Mineral	Minor	Infrastructure	Other (Not Specified Above)	Yes	Resolved	2
Mineral	Minor	Legislation Breach	Other (Not Specified Above)	Yes	Resolved	1
Extractives	Minor	Environmental	Environmental Incident Notification	Yes	Resolved	1
Extractives	Minor	Environmental	Other (Not Specified Above)	Yes	Resolved	1
Extractives	Minor	Environmental	Slope Stability	Yes	Resolved	2
Extractives	Minor	Environmental	Slope Stability	Yes	Open	1
Petroleum	Significant	Environmental	Other (Not Specified Above)	Yes	Open	1
Total						43

Non-reportable incidents in the quarter

Sector	Classification	Incident Type	Enforcement Code	Incident Status	Incident Count
Mineral	Minor	Infrastructure	Slope Stability	Resolved	1
Total					1

Result:

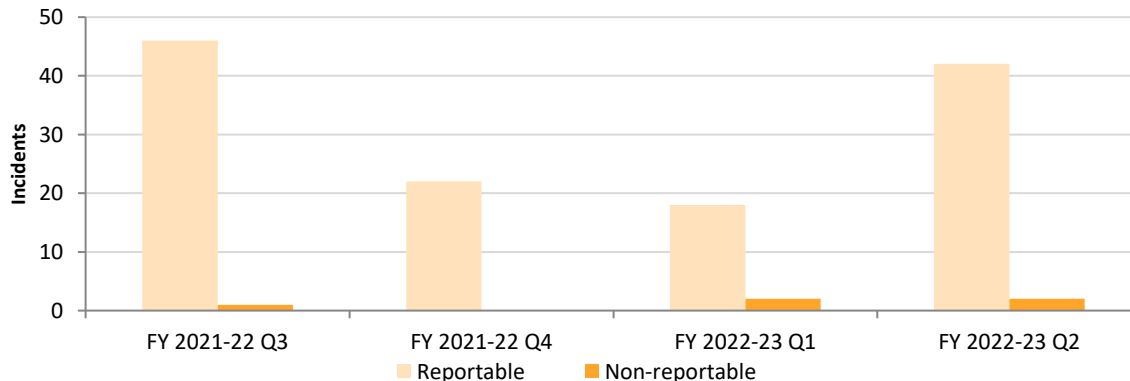
There were 43 reportable incidents in Q2 with the majority of these relating to small coal smoulders, slope stability and water discharge. 41 reportable incidents were resolved and two are under investigation.

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

Why are these measures important?

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

Reportable vs Non-reportable incidents



Environmental Review Committee attendance

	2021-22 Q3	2021-22 Q4	2022-23 Q1	2022-23 Q2
Meetings Planned	23	11	13	9
Meetings Attended	23	11	13	9
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 Q2.

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

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

Result and explanatory note:

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

The IRG did not meet in Q1 or Q2 due to multiple leadership changes within Earth Resources Regulation. These meetings will be prioritised throughout 2023.

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	3

Result:

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

There was no meeting held in Q2. Meetings are scheduled for Q3 and Q4.

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.

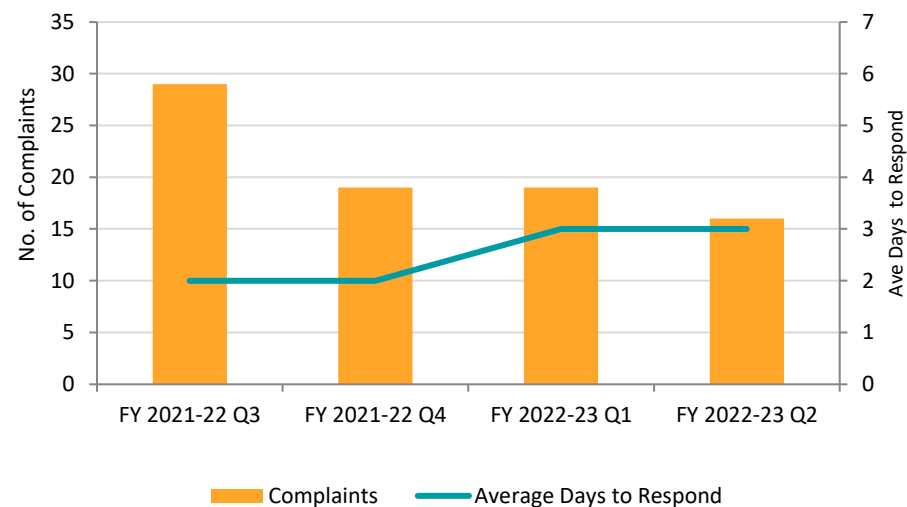
KPI 5: Complaints Management

Response times to complaints in the quarter

Sector	Enforcement Codes	Number of Complaints	Average Days to Respond	*Median Days to Respond
Extractives	Noise Emissions	3	2	2
Extractives	Native Vegetation and Fauna	2	3	3
Extractives	Explosives Air and Ground Vibration	2	1	1
Extractives	Slope Stability	1	2	2
Extractives	Reporting, Monitoring and Auditing	1	1	1
Extractives	Impacts Outside Tenement Site	1	2	2
Extractives	Rehabilitation of Site	1	4	4
Mining	Noise Emissions	3	1	1
Mining	Drainage, Erosion and Discharge	1	2	2
Mining	Internal Roads and Tracks	1	19	19
		16	3	2

* **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 16 complaints in Q2. The average response time was three business days. Two responses exceeded the target, including one taking 19 days to respond. Eight complaints were resolved and eight are under investigation.

Explanatory note:

The 19-day response time related to a complaint raised via a third party and the time involved in obtaining this complainant's contact details to follow-up with them directly.

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

Earth Resources Regulation

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