

Earth Resources Regulation

Quarterly Performance Report
2019-20 Quarter 3

1st January to 31st March 2020



Jobs,
Precincts
and Regions



Summary

This report provides a summary of the operating performance for the third quarter of financial year 2019-20 (1st January to 31th March 2020).

Stand out performance indicators in 2019-20 Q3 :

KPI 1# - 100% of the work plan stages for 20 quarries were assessed within the statutory time frames.

KPI 2# - 143 operational compliance activities were undertaken.

KPI 3# - 100% of reportable incidents were responded to during this quarter.

KPI 4# - 100% participation in Environmental Review Committee meetings.

KPI 5# - The time to respond to complaints took on average one business day.

- Explained in the next slide

Administrative updates by notification

- Five extractive and two mining industry administrative changes (notifications) were acknowledged during the period.

Petroleum Operation Plans

- 20 petroleum plan stages were assessed from 12 unique plans for existing operations exempt from the moratorium on onshore conventional gas (e.g. underground storage).
- Eight Petroleum plans were accepted in the quarter.

Key Performance Indicator Reporting

Earth Resources Regulation is Victoria's earth resources regulator – our role includes granting rights to access resources, assessing works and setting controls for the extraction of resources, conducting compliance operations to ensure that authority holders fulfil their regulatory obligations, engaging with communities and stakeholders, and ensuring that authority holders rehabilitate their sites. We are committed to being an effective regulator.

Earth Resources Regulation is a unit of the Department of Jobs, Precinct and Regions (DJPR). The unit 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. Earth Resources Regulation uses a range of indicators to monitor its activities and performance and publishes key performance indicators on its website on a quarterly basis. Public reporting of the data allows stakeholders to continue to monitor Earth Resources Regulation's performance.

KPI	High Level Indicators	Measurement	Target	Target period	Current Quarter	Previous Quarter	DJPR's compliance policy framework
KPI 1 Efficient Approvals Process	Percentage of extractive work plan stages assessed within statutory time frames.	%	95	Quarterly	100%	97%	Outputs/activities
	Percentage of mineral licence applications and mineral work plan stages assessed within statutory time frames.	%	95	Quarterly	81%	97%	Outputs/activities
	Percentage of tenement variations assessed within Client Service Standard time frames where a statutory time frame does not exist.	%	95	Quarterly	91%	92%	Outputs/activities
KPI 2 Ensuring Compliance	Number of operational compliance activities undertaken per quarter.	Number of activities	75	Quarterly	143	204	Inputs
KPI 3 Effective Incident Management	Percentage of reportable events that are responded to per 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%	94%	Outputs/activities
	Number of Stakeholder Review Group meetings held by Earth Resources Regulation.	Number of meetings	4	Annual	On Target, 3 out of 4 completed		Outputs/activities
	Number of Earth Resources Regulator Forums held by Earth Resources Regulation.	Number of meetings	3	Annual	On Target, 2 out of 3 completed		Outputs/activities
KPI 5 Complaint Management	Average number of days to respond to complaints made by community against tenements.	Business days	3	Quarterly	1	4	Outputs/activities

Extractive 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 2019-20 Q3	Work Plan (WA)	20	28	0	28	28	100%
FY 2019-20 Q2	Work Plan (WA)	21	28	1	29	30	97%

* A work plan stage represents a statutory decision point

Extractive Work Plans Approved in the quarter

Quarter	Work Plan Type	Approved
FY 2019-20 Q3	Work Plan (WA)	5
FY 2019-20 Q2	Work Plan (WA)	5

Work Authority Finalised in the quarter

Quarter	Licence Type	Approved
FY 2019-20 Q3	Work Authority	0
FY 2019-20 Q2	Work Authority	1

Explanation for the result:

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

In Q3 28 extractive work plan stages were assessed for 20 unique work plans, of which 100% were assessed within the statutory time frame. Five work plans were approved in the quarter. Two work plan variations were statutorily endorsed and returned to client to proceed to planning approval.

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.

(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 2019-20 Q3	Mineral Licence Applications – (A)	4	1	5	20%
	Mineral Work Plan Stages – (B)	0	16	16	100%
	Total	4	17	21	81%
FY 2019-20 Q2	Mineral Licence Applications – (A)	1	10	11	91%
	Mineral Work Plan Stages – (B)	0	19	19	100%
	Total	1	29	30	97%

Explanation for the result:

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

In Q3 there were 21 (16 mineral work plans stages assessed and five mineral licence applications approved) of which 81% were assessed within the statutory time frames.

Explanation for the result:

This table is an expanded subset of the table (1) above and it details performance of the regulator in assessing mineral licence applications.

In Q3 one out of five applications were approved within the statutory time frame, this was due to a temporary hold in processing during the bushfire response and some licences requiring additional information from the proponent.

(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 2019-20 Q3	Retention Licence	120	2	0	2	0%
	Prospecting Licence	90	2	1	3	33%
	Total		4	1	5	20%
FY 2019-20 Q2	Exploration Licence	90	0	4	4	100%
	Mining Licence	120	1	0	1	0%
	Prospecting Licence	90	0	6	6	100%
	Total		1	10	11	91%

(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 2019-20 Q3	Work Plan (Exploration)	2	5	28	0	5	5	100%
	Work Plan (Minerals)	4	9	28	0	11	11	100%
	Total	6	12		0	16	16	100%
FY 2019-20 Q2	Work Plan (Exploration)	0	5	28	0	8	8	100%
	Work Plan (Minerals)	1	7	28	0	11	11	100%
	Total	1	13		0	19	19	100%

Explanation for the result:

This table is an expanded subset of the table (1) above and it details performance of the regulator in assessing mineral work plan application stages.

In Q3 16 mining and exploration work plan stages were assessed from 12 unique work plans, of which 100% were assessed within the statutory time frame. Six work plans were approved in the quarter.

* A work plan stage represents a statutory decision point

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 2019-20 Q3	Exploration Licence	90	1	34	35	97%
	Mining Licence	120	1	1	2	50%
	Prospecting Licence	90	0	1	1	100%
	Retention Licence	120	0	0	0	-
	Work Authority	30	2	7	9	78%
	Total			4	43	47
FY 2019-20 Q2	Exploration Licence	90	4	61	65	94%
	Mining Licence	120	0	2	2	100%
	Prospecting Licence	90	0	4	4	100%
	Retention Licence	120	0	0	0	-
	Work Authority	30	3	10	13	77%
	Total			7	77	84

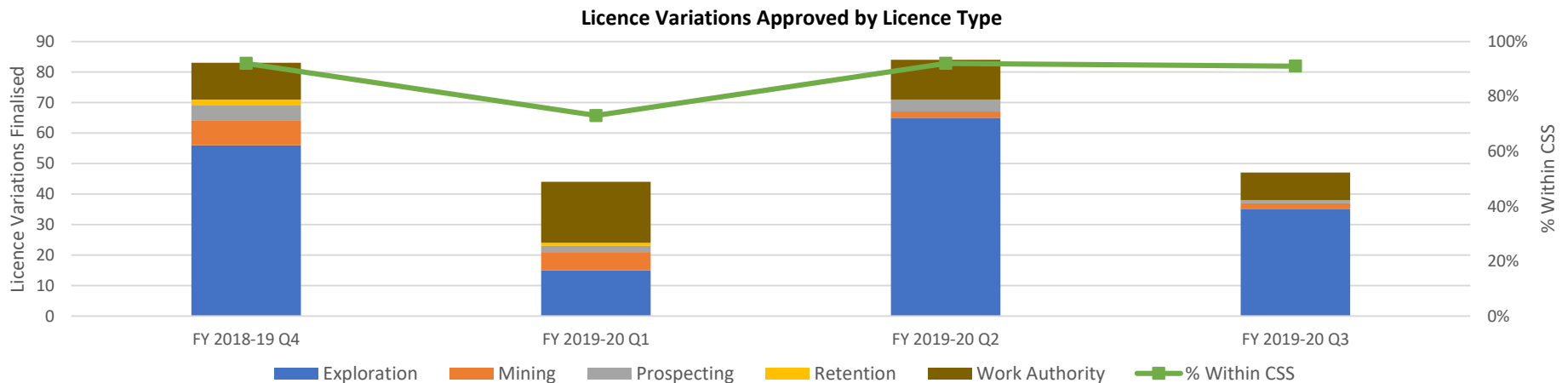
Explanation for the result:

Client Service Standard (CSS) is the parentage of licence variations assessed within departmental agreed timeframes where a statutory timeframe does not exist.

In Q3 91% of the licence variations were completed within the client service standard.

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 its client service standard when processing licence variation approvals.



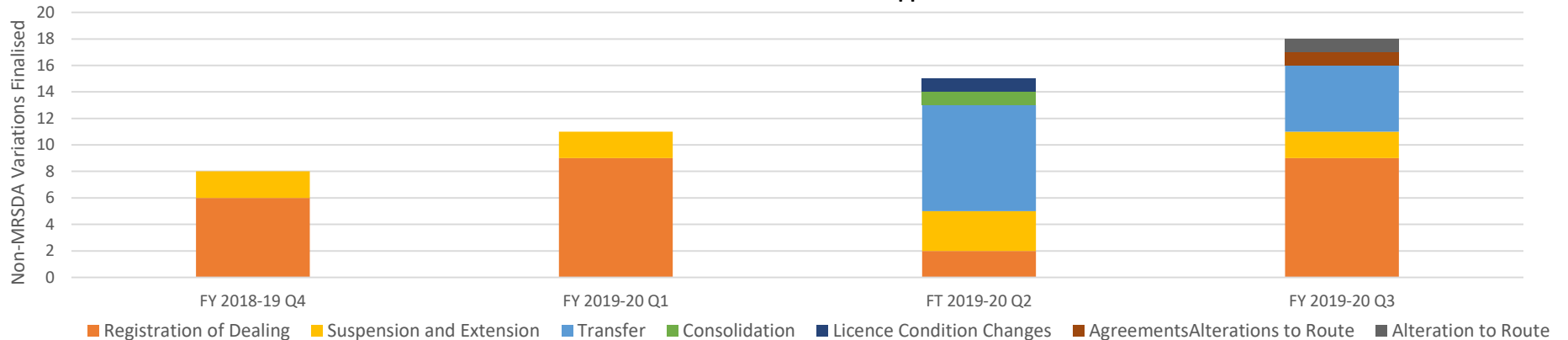
Non MRSDA Licence Variations

Quarter	Licence Type	Agreements	Alteration to Route	Consolidation	Licence Conditions Change	Registration of Dealing	Suspension & Extension	Transfer	Total
FY 2019-20 Q3	Offshore Petroleum Access Authority	0	0	0	0	2	0	1	3
	Offshore Petroleum Exploration Permit	0	0	0	0	2	0	1	3
	Offshore Petroleum Production Licence	0	0	0	0	2	0	1	3
	Offshore Pipeline Licence	0	1	0	0	2	0	1	4
	Onshore Petroleum Exploration Permit	0	0	0	0	0	1	1	2
	Onshore Petroleum Retention Lease	0	0	0	0	0	1	0	1
	Onshore Petroleum Special Drilling Authorisation	1	0	0	0	1	0	0	2
		1	1	0	0	9	2	5	18
FY 2019-20 Q2	Offshore Greenhouse Gas Assessment Permit	0	0	0	1	0	0	0	1
	Offshore Pipeline Licence	0	0	0	0	2	0	0	2
	Onshore Petroleum Exploration Permit	0	0	0	0	0	3	0	3
	Onshore Petroleum Production Licence	0	0	1	0	0	0	8	9
				1	1	2	3	8	15

Explanation for the result:

In Q3 there were 18 non MRSDA licence variations approved. The top two types were for Registration of Dealings and Transfers.

Non MRSDA Licence Variations Approved



Petroleum – Operation Plans

Quarter	Licence Type	Plans Accepted	Unique Plans under assessment	Production Management Plan Stages	Storage Management Plan Stages	Operation Plan Stages	Environment Plan Stages	Total Stage Assessed
FY 2019-20 Q3	Offshore Petroleum Production Licence	0	1	0	0	0	2	2
	Onshore Petroleum Production Licence	5	8	0	0	10	0	10
	Onshore Petroleum Special Drilling Authorisation	2	2	0	0	7	0	7
	Onshore Petroleum Special Access Authorisation	1	1	0	0	1	0	1
	Total	8	12	0	0	18	2	20
FY 2019-20 Q2	Onshore Petroleum Production Licence	0	16	1	1	18	0	20
	Onshore Petroleum Special Drilling Authorisation	0	3	0	0	4	0	4
	Total	0	19	1	1	20	0	24

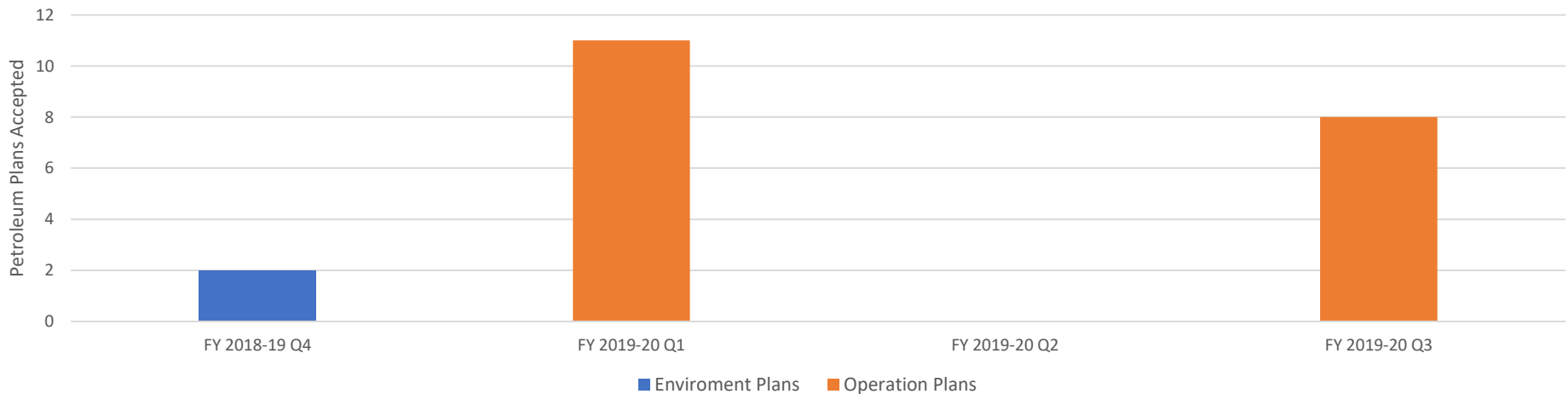
Explanation for the result:

In Q3 20 petroleum plan stages were assessed from 12 unique plans for existing operations exempt from the moratorium on onshore conventional gas (e.g. underground storage). Assessments related to existing production and storage facilities and proposed exploration drilling operations.

There were eight petroleum plans accepted in the quarter.

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

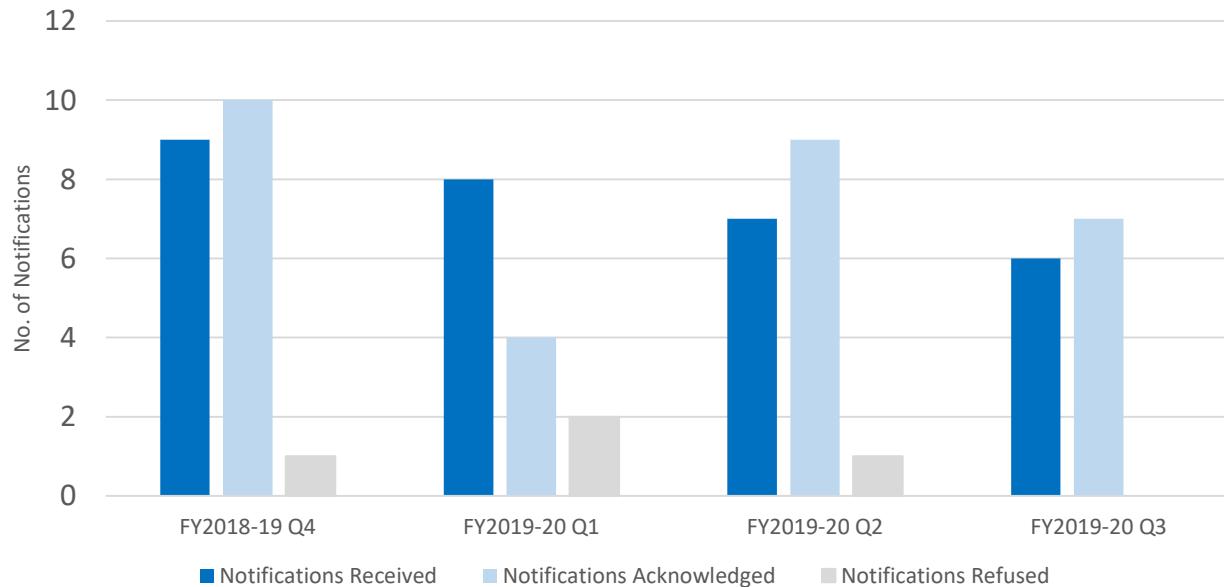
Petroleum Plans Accepted



Mining	2018-19 Q4	2019-20 Q1	2019-20 Q2	2019-20 Q3	Total
Notifications Received	5	1	2	2	10
Notifications Acknowledged	4	1	2	2	9
Notification Refused	1	2	0	0	3

Extractives	2018-19 Q4	2019-20 Q1	2019-20 Q2	2019-20 Q3	Total
Notifications Received	4	7	5	4	20
Notifications Acknowledged	6	3	7	5	21
Notifications Refused	0	0	1	0	1

Administrative Updates by Notification



Explanation for the result:

In Q3 there were five extractive and two mining industry administrative changes acknowledged.

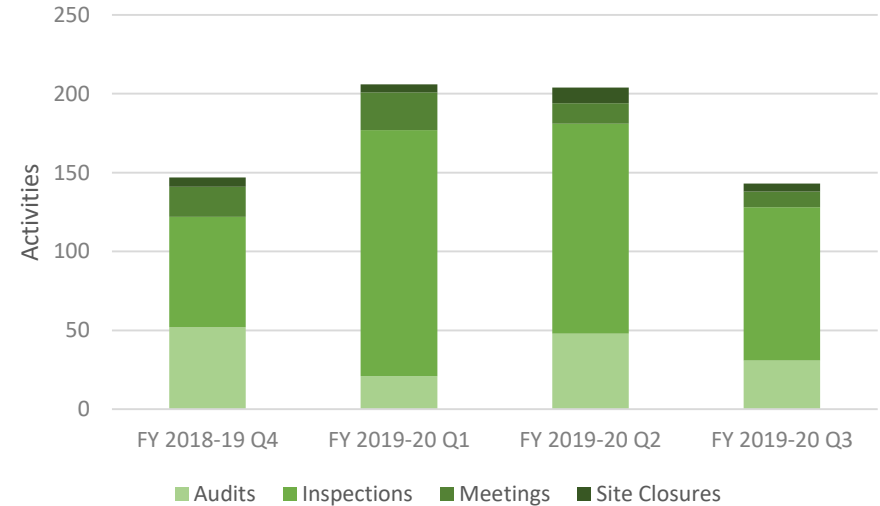
Compliance Activities – 2019-20 Q3

Licence Types	Activity	Jan	Feb	Mar	Total
Extractives	Inspection	29	13	10	52
	Audit	3	10	9	22
	Site Closure	2	1	1	4
	Meeting	0	0	0	0
	Extractives Total	34	24	20	78
Mining	Inspection	18	15	11	44
	Meeting	4	4	2	10
	Audit	5	3	1	9
	Site Closure	1			1
	Mining Total	28	22	14	64
Petroleum	Inspection	0	1	0	1
	Petroleum Total	0	1	0	1
Total		62	47	34	143

Explanations for the results:

In Q2 Earth Resources Regulation conducted 143 proactive compliance activities involving 110 duty holders, exceeding the 75 compliance activities target by 68. The number of field activities decreased in March, due to COVID-19.

Compliance Activities by Quarter



Why are these measures important?

Earth Resources Regulation undertakes proactive compliance activities using a risk based approach. Activities include audits, inspections, meetings with duty holders and site closures after reviewing rehabilitation.

Earth Resources Regulation undertakes 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 Audits – by type of Audit

Type of Audits	FY 2018-19 Q4	FY 2019-20 Q1	FY 2019-20 Q2	FY 2019-20 Q3	Total	% Total
Progressive Rehabilitation	14	4	22	8	48	28%
Plan and Conditions	17	8	8	9	42	25%
Boundaries and Extraction limits	10	5	3	3	21	12%
Dust	5	0	4	5	14	8%
Impacts of Blasting	4	2	2	0	8	5%
Fire & Emergency	7	0	3	0	10	6%
Exploration Drilling	2	1	1	0	4	2%
Water Management	1	0	0	0	1	1%
Geo Technical	4	0	2	3	9	5%
Tailings Storage Facility Management	1	0	0	2	3	2%
Plan and Conditions (High Risk)	2	0	0	0	2	1%
Site Security and Buffer Zones	2	0	0	1	3	2%
Pest, Plant and Animal	0	0	2	0	2	1%
Hydrocarbon Storage	0	1	0	0	1	1%
Noise	0	0	0	0	0	0%
Community Engagement	0	0	0	0	0	0%
Total	69	21	48	31	169	100%

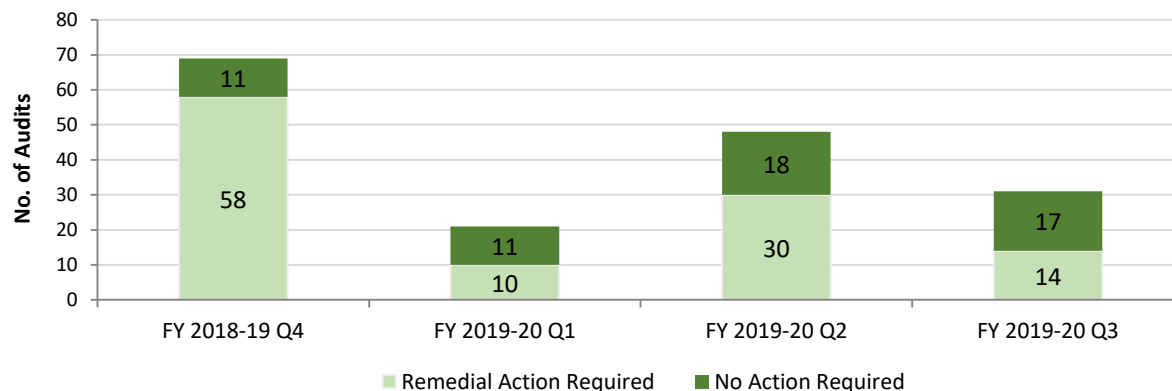
Explanations for the results:

In Q3 31 audits were conducted. Plan and conditions, progressive rehabilitation, and dust were the top three audits in the quarter.

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.

For further information on compliance priorities see the Earth Resources Regulation Compliance Strategy https://earthresources.vic.gov.au/_data/assets/pdf_file/0020/461315/Earth-Resources-Regulation-Compliance-Strategy-2018-2020.pdf

Remedial action / No action after audits



Explanations for the results:

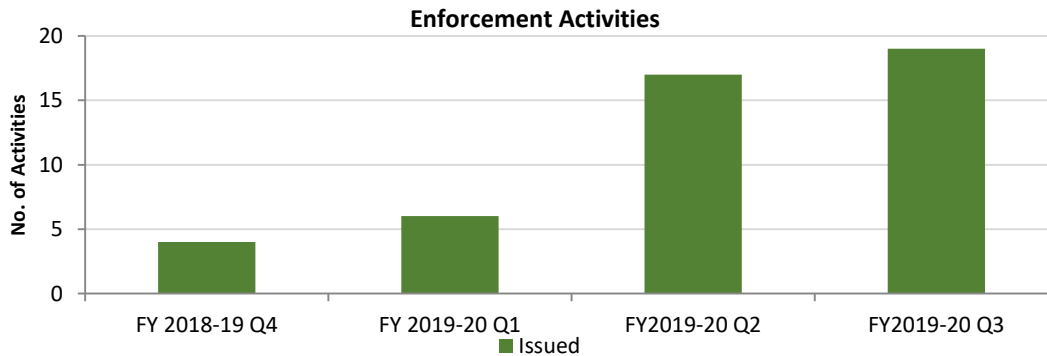
The audit program is risk based with a focus on more significant sites. Compliance improvements or enhanced risk controls were recommended at 45%(14 out of 31) of audited sites in Q3. The number of actions required can be dependant on the type of audits completed, and if the audits were ‘follow up’ audits from previously identified risks.

Why are these measures important?

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

Enforcement Activity Issued in FY 2019-20 Q3

Sector	Action Type	Enforcement Code	Enforcement Action Type	No. of Notices
Extractives	General Enforcement Action	Buffer Zones	s110 Notice	5
Extractives	General Enforcement Action	Public Safety and Site Security	s110 Notice	2
Extractives	General Enforcement Action	Tenement Boundaries	s110 Notice	2
Extractives	General Enforcement Action	Authorised Activity Compliance	s110 Notice	2
Extractives	General Enforcement Action	Waste and Redundant Plan	s110 Notice	2
Extractives	General Enforcement Action	Other	s110 Notice	1
Extractives	General Enforcement Action	Noxious Weeds, Plants and Pests	s110 Notice	1
Extractives	General Enforcement Action	Slope Stability	s110 Notice	1
Extractives	General Enforcement Action	Work Without License or Consents	s110 Notice	1
Extractives	General Enforcement Action	Drainage, Erosion and Discharge	s110 Notice	1
Mining	General Enforcement Action	Other	s110 Notice	1



Enforcement actions summary:

Earth Resources Regulation compliance group undertook a number of investigations into alleged illegal quarrying activities. Outcomes ranged from official warnings, infringements, and some matters referred to prosecution.

In Q3 19 remedial notices were issued, some of the notices were for alleged encroached into perimeter buffers, poor waste management, operating outside the boundaries and growth of noxious weeds on site.

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

<https://earthresources.vic.gov.au/about-us/news>

Infringements and Official Warnings issued in FY 2019-20 Q3

Actions	Issued in FY 2019-20 Q3
Written Instruction	4
Direction	2
Official Warning Letters	1

Infringements and Official Warnings summary:

In Q3 Earth Resources Regulation issued four written instructions, two directions and one official warning to authority holders for alleged breach of not maintaining boundary fencing, public access risk and poor signage.

Reportable Incidents in FY 2019-20 Q3

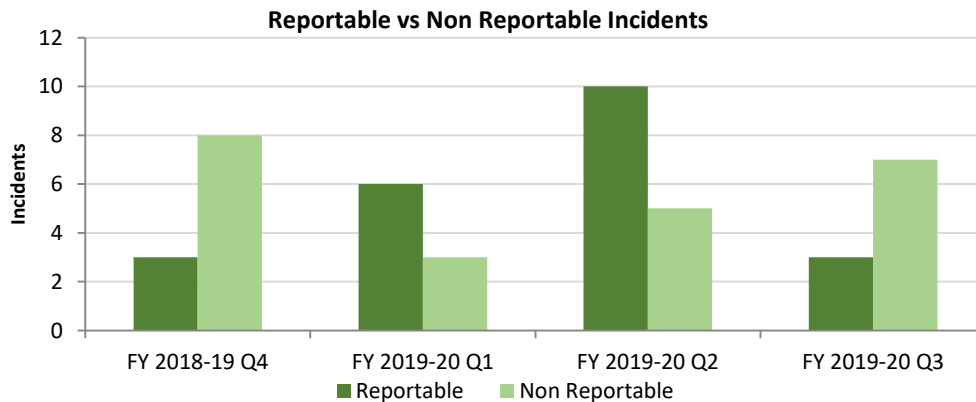
Sector	Classification	Type	Enforcement Code	Inspection Conducted	Incident Responded To	Incident Resolved	Incident Count
Mining Licence	Minor	Environmental	2. Environmental Incident Notification	No	Yes	Yes	1
Mining Licence	Minor	Environmental	2. Environmental Incident Notification	No	Yes	No	1
Mining Licence	Minor	Environmental	2. Environmental Incident Notification	Yes	Yes	No	1

Non-Reportable Incidents in FY 2019-20 Q3

Sector	Classification	Incident Type	Enforcement Code	Count
Extractive	Minor	Legislation Breach	Authorized Activity Compliance	1
Mining	Minor	Environmental	Environmental Incident Notification	1
Mining	Minor	Legislation Breach	Authorized Activity Compliance	1
Mining	Minor	Public Safety	Public Safety & Site Security	1
Mining	Significant	Legislation Breach	Authorized Activity Compliance	1
Petroleum	Minor	Legislation Breach	Work without License or Consents	1
Petroleum	Minor	Legislation Breach	Other	1

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. Depending on its complexity, an incident may be resolved in a subsequent quarter.



Explanation for the result:

There were three reportable incidents in Q3. The incidents were related to water spill, small fire and dust issues.

There were seven non-reportable incidents in Q3 relating to mining outside the licence boundaries, storm water damaged tailing wall, trespasser on site.

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

Environmental Review Committee Attendance

	2018-19 Q4	2019-20 Q1	2019-20 Q2	2019-20 Q3
Meetings Planned	26	23	33	18
Meetings Attended	24	22	31	18
% Attendance	92%	96%	94%	100%
Target	100%	100%	100%	100%

Explanation for the result:

Earth Resources Regulation attended 18 of the 18 Environmental Review Committee meetings, achieving 100% attendance rate in Q3.

Why are these measures important?

The stakeholder engagement indicator covers the interaction between the regulator, duty holders, co-regulators and the community by reporting 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

2019-20 Q1	2019-20 Q2	2019-20 Q3	2019-20 Q4	Annual Total	Target
1	1	1		3	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 Q3.

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

2019-20 Q1	2019-20 Q2	2019-20 Q3	2019-20 Q4	Annual Total	Target
1	1	0		2	3

Explanation for the result:

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

The scheduled Earth Resources Regulator Forum meeting was cancelled due to COVID-19 social distancing measures in March 2020.

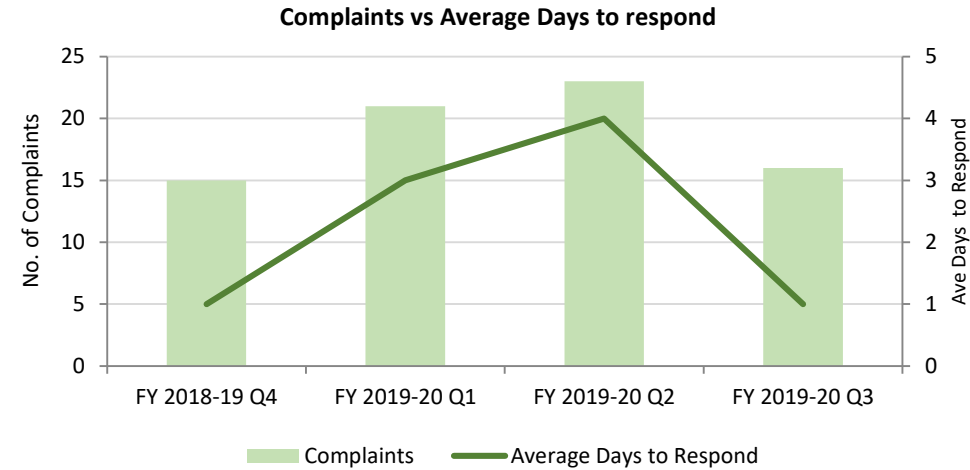
Why are these measures important?

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.

Response Time to Complaints in FY 2019-20 Q3

Enforcement Codes	Sector	Number of Complaints	Ave Days to respond	*Median Days to respond
Explosives Air & Ground Vibration	Minerals	5	1	1
Dust Emissions	Minerals	3	1	1
Ground Disturbance	Minerals	2	1	1
Work without License or Consents	Minerals	1	5	1
Authorized Activity Compliance	Minerals	1	2	2
Drill hole Operation & Decommission	Minerals	1	1	1
Waterway Quality & Aquatic Habitat	Minerals	1	1	1
Noise Emissions	Minerals	1	1	1
Work without License or Consents	Extractive	1	1	1
Grand Total		16	1	1

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



Explanation for the result:

There were 16 complaints in Q3. The top complaints were vibrations from blasting and excessive dust from quarry sites. Seven of the complaints were resolved and nine are under investigation. The average number of days to respond to a complaint was one 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.

Department of Jobs, Precincts and Regions

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