

Recent regulatory practice improvements

Earth Resources Regulation (ERR)

This note outlines the regulatory improvements that ERR has implemented in response to past reviews and commitments. The improvements are categorised against the OECD's Best Practice Principles for Regulatory Policy.

Clarity of role

- Implementing the new ERR leadership structure (Nov 2015) and the organisational structure (May 2016):
 - Establishing the Stakeholder Engagement team (Aug 2016)
 - Separating the Licensing & Approvals functions into different teams in Statutory Authorisations
 - Establishing the Compliance Team (May 2016)
 - Establishing a separate Compliance & Enforcement team (Nov 2016)
- Establishing the Mine Fire Safety Unit (Dec 2015)
- Reviewing and updating Memorandum of Understanding with relevant regulators:
 - Environment Protection Agency (EPA) — signed in April 2015 and reviewed in July 2017
 - Country Fire Authority (CFA) — signed in January 2017 and due for review in January 2018
 - Victorian WorkCover Authority (WorkSafe) Victoria — signed May 2015 and due for review in December 2017

Influence and trust

- Formalising Environment Review Committees at mines and quarries to address community concerns proactively

Decision making and governing body

- Rehabilitation liability assessments review for the Latrobe Valley coal mines:
 - Stage 1: increased rehabilitation bonds reflected 50% of the rehabilitation liability, which increased rehabilitation bonds for the three coal mines from \$41M to \$254M in 2016
 - Stage 2: in progress and will see rehabilitation bonds for the three coal mines further increase to reflect the full rehabilitation liability
- Launching the Batter Stability Project at Yallourn Mine in April 2016, assisting the department and industry to understand rehabilitation and closure risks of brown coal mines
- Implementing the legislative reform requiring a risk based approach to Work Plans (Dec 2015)

- Access to technical services expertise moved to Geotechnical Engineering, Hydrogeology, Environmental and Petroleum Engineering
- Establishing an ERR Expert Panel as an additional source of subject matter experts for the whole of ERR
- Streamlined approvals processing through a new dedicated approvals team (Jan 2017)

Accountability and transparency

- Provision of rehabilitation and closure planning guidance to the Latrobe Valley coal mines and Alcoa Anglesea, collaborating with DELWP and EPA
- Delivery of ERR Statement of Expectations improvement actions 2016-17:
 - Complaints Management Policy & Procedures
 - Capability Review – Capability Strategy and Implementation Plan
- Public Sustainability Reporting — selected authority holders were required to submit a report in March 2017 for their activities in the 2015-16 financial year and these are published on ERR website

Engagement

- Developed a Stakeholder Engagement Strategy 2016–2018 & delivered year one actions under the associated Implementation Plan:
 - The strategy focuses on effective, structured engagement that is proactive in addressing matters of concern to industry, landholders, co-regulators and the community
 - The strategy seeks to embed stakeholder engagement across all ERR's operations including compliance activities and the introduction of risk-based work plans
 - Through the implementation of this strategy, ERR seeks to build and secure stakeholder confidence and trust in its work
- Presentation at ERR symposium, industry forums and community meetings on developing a Risk Based Work Plans and Community Engagement Plans to enhance the focus on social licence to operate
- Increased engagement with ERR stakeholders through the Stakeholder Reference Group and the Earth Resources Regulators Forum
- Updating information and improved access via ERR website:
 - Transparency Guidelines 2016–2018 outlining how ERR will make information available in easy to access formats
 - Compliance Strategy 2016-17 and Annual Compliance Plan
 - Application Assessment Guidelines 2016-17

Funding

- Cost recovery was introduced in 2013
- Fees were implemented in stages on 1 January over three years- 2015, 2016 and 2017

Performance and evaluation

- Quarterly public report containing:
 - performance against our key performance indicators

- information on our regulatory decisions
 - performance reporting commitments on our compliance strategy, client service standard and transparency guidelines
- Annual statistical reporting — which gives the public, industry investors and existing resource operators a sector wide snap-shot of activity and performance of the earth resources sector. It combines information from the petroleum, geothermal, minerals and extractive industries; providing detailed data on earth resources exploration, production, expenditure and licensing activities
- Annual reporting against progress of Statement of Expectations improvement activities
- Hazelwood Mine Fire Inquiry interdepartmental reporting on progress against recommendations
- Regulatory performance self-evaluation — branch wide self-assessment using the Modern Regulator Improvement Tool (MRIT) 12 attributes of a modern regulator