



Earth Resources Regulation Performance Report 2017/18 (Quarter 3)



Economic Development,
Jobs, Transport
and Resources

Summary

This report provides a summary of the operating performance for Earth Resources Regulation, for 2017/18 (Quarter 3) ending 31 March 2018.

Earth Resources Regulation continues the implementation of the Continuous Improvement Project (CIP) actions that will make a difference to the operation of the regulatory system. Some of these actions already underway in quarter 3 were:

Backlog reduction:

With extra support staff and new internal systems, the rate of applications at hand continue to trend downward as more applications are being processed.

Case managers for approvals:

Earth Resources Regulation introduced case managers to act as approval contact points for strategically significant and complex earth resources projects.

Standard Operating Procedures (SOPs) :

Earth Resources Regulation has completed a stocktake of its SOPs and redeveloping of SOPs has commenced.

Standard Risk Management Plan (SRMP):

An industry workshop is planned in the fourth quarter to discuss the proposed SRMPs

Stand out performance indicators in Q3 of 2017-18:

- KPI 1 - The percentage of licence applications assessed in statutory time frame increased to 100% from 81% in the second quarter.
- KPI 2 - There were 183 number of operational compliance activities undertaken, more than double the target of 75.
- KPI 3 - There were no reportable incidents this quarter
- KPI 4 - Earth Resources Regulation attendance at Environmental Review Committee meetings (achieved target of 100% attendance)
- KPI 5 - Response time to complaints, on average, took only 2 business days.

Earth Resources Regulation will continue to engage with industry and the community in 2017-18 to better 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. As such, 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 and in 2016/17. Earth Resources Regulation updated its set of Key Performance Indicators (KPIs) and embedded them into DEDJTR's regulator performance monitoring framework. 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 monitor Earth Resources Regulation's progress.

This reporting complies with Earth Resources Regulation's reporting obligations under the Compliance Strategy 2016-17 and Client Service Standard 2016-2018.

Key Performance Indicators 2017/18 (Quarter 3)

Performance driver	Indicator	Measurement base	Target period	Target	Current quarter	2017/18 Q2	DEDJTR Compliance framework outputs
KPI 1 Efficient Approvals Process	Percentage of Licence applications assessed in statutory timeframe	%	Quarterly	100	100	81	Outputs/ activities
	Percentage of Work Plan applications assessed in statutory timeframe	%	Quarterly	100	53	31	Outputs/ activities
	Percentage of tenement applications assessed within departmentally agreed timeframes where a statutory timeframe does not exist	%	Quarterly	100	77	73	Outputs/ activities
KPI 2 Ensuring Compliance	Number of operational compliance activities undertaken per quarter	Number of activities	Quarterly	75	183	171	Inputs
	Percentage of rehabilitation bond assessments undertaken during the year	%	Annual	20	Results in Q4		Outputs/ activities
KPI 3 Effective Incident Management	Percentage of reportable events that are responded to during the quarter	%	Quarterly	100	No Reportable incidents	100	Short-term and long-term outcomes
KPI 4 Facilitation of Stakeholder Engagement	Earth Resources Regulation attendance at Environmental Review Committee meetings	%	Quarterly	100	100	100	Outputs/ activities
	Number of Earth Resources Regulator Forums held by Earth Resources Regulation	Number of meetings	Annual	3	Results in Q4		Outputs/ activities
	Number of Stakeholder Review Group meetings held by Earth Resources Regulation	Number of meetings	Annual	6	Results in Q4		Outputs/ activities
	Percentage of commitments delivered in Working or Partnership Agreements / MOUs	%	Annual	100	Results in Q4		Outputs/ activities
KPI 5 Complaint Management	Average number of days to respond to complaints made by community against tenements	Business days	Quarterly	3	2	1	Outputs/ activities
KPI 6 Community Satisfaction	Weighted response score for industry, operator performance and community satisfaction with Earth Resources Regulation as a regulator, based on an annual survey conducted by Earth Resources Regulation	Out of 10	Annual	9	Results in Q4		Outputs/ activities

KPI 1 Efficient Approvals Process

Licensing Application Approvals (within Statutory Time Frame - STF)

Processed within STF

Quarter of :	Authority	Type	STF (Days)	No	Yes
FY 2018 Q3	Mineral Resources (Sustainable Development) Act 1990	Exploration Licence	90	0	18
		Prospecting Licence	90	0	4
		Retention Licence	120	0	1
		Total			0
FY 2018 Q2	Mineral Resources (Sustainable Development) Act 1990	Exploration Licence	90	2	22
		Mining Licence	120	1	1
		Prospecting Licence	90	2	2
		Retention Licence	120	1	0
Total			6	25	

Explanation for the result:

The number of licence applications approved within the Statutory Time Frame (STF) reached 100% for Q3 (23 applications), an increase from 81% in Q2 (25 out of 31 applications) .

There were 33 Work Plans assessed in Q3 where 53% (23 out of 44) of the stages assessed was within statutory time frame compared to 31% (14 out of 45) in Q2. The commencement of additional staff at the end of Q2 resulted in the improvement in Q3.

Work Plans Performance (within Statutory Time Frame - STF) *

Quarter	Authority	Type	STF (Days)	Work Plans Assessed	Stages Over STF	Stages Within STF
FY 2018 Q3	Mineral Resources (Sustainable Development Act 1990)	Work Plan (Exploration)	28	6	4	4
		Work Plan (Minerals)	28	11	8	8
		Work Plan (WA)	28	16	9	11
		Total			21	23
FY 2018 Q2	Mineral Resources (Sustainable Development Act 1990)	Work Plan (Exploration)	28	11	11	3
		Work Plan (Minerals)	28	8	6	3
		Work Plan (WA)	28	19	14	8
		Total			31	14

There were 73 Variations & Renewals was finalised during the quarter. 77% (56 out of 73) of Variations & Renewals were completed within the client services standard (ie the measure where no statutory time frames exist). The results was an improvement from Q2 of 73% (57 out of 78).

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

Variations and Renewals (Client Services Standard - CSS)

Processed within CSS

Quarter of:	Authority	Tenement Type	CSS (Days)	No	Yes
FY 2018 Q3	Mineral Resources (Sustainable Development) Act 1990	Exploration Licence	90	8	34
		Mining Licence	120	4	15
		Work Authority	90	4	5
		Retention Licence	90	1	1
		Offshore Pipeline Licence	90	0	1
		Total			17
FY 2018 Q2	Mineral Resources (Sustainable Development) Act 1990	Exploration Licence	90	6	27
		Mining Licence	120	9	7
		Work Authority	90	5	10
		Onshore Petroleum Explora..	90	0	5
		Retention Licence	90	1	2
		Offshore Pipeline Licence	90	0	1
		Onshore Petroleum Retenti..	90	0	2
		Offshore Petroleum Explor..	90	0	1
		Offshore Petroleum Retent..	90	0	1
		Prospecting Licence	90	0	1
		Total			21

Earth Resources Regulation is the responsible regulator 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 management and not to unnecessarily impede the efficient operation of potential duty holders. Earth Resources Regulation is striving for a consistent and transparent approvals process, balancing efficiency but maintaining the rigour required for comprehensive checks consistent with the legislation.

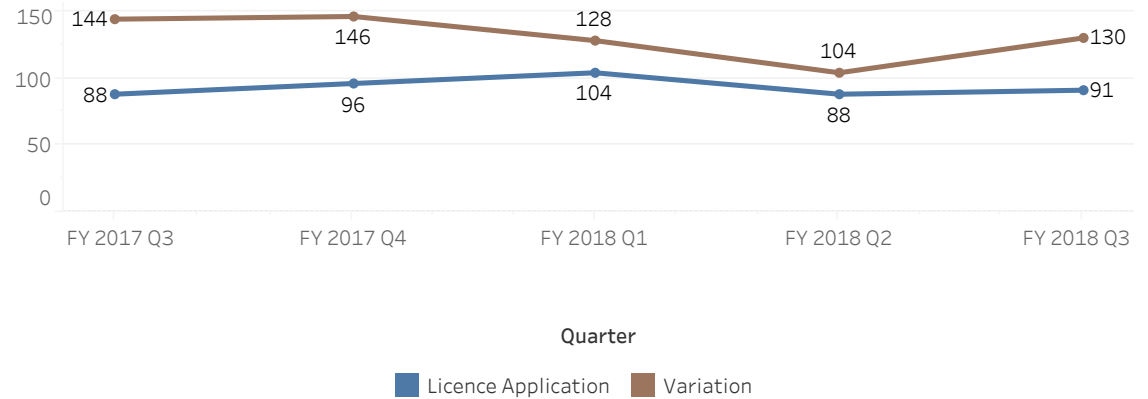
This indicator measures how well the department meets its client service standard when processing approvals. This indicator has two measures: applications that have a statutory regulated time frame and applications that do not. Earth Resources Regulation began reporting on Client Services Standard in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

KPI 1 Efficient Approvals Process

Licences and Variations assessing in 2017/18 (Q3)

Work Type Split	Type	
Applications	Exploration Licence	57
	Mining Licence	7
	Offshore Pipeline Licence	2
	Onshore Petroleum Exploration Permit	2
	Prospecting Licence	10
	Retention Licence	13
	Total	91
Variations	Authority to Dispose of Tailings	1
	Consolidation	2
	Devolution of Interest	1
	Full Surrender	5
	Licence Area Change	2
	Licence Conditions Change	9
	Partial Cancellation	2
	Registration of Dealing	22
	Renewal	42
	Suspension and Extension	16
	Transfer	28
	Total	130
	Grand Total	221

Graph 1.4 Trend - Total Applications and Variations

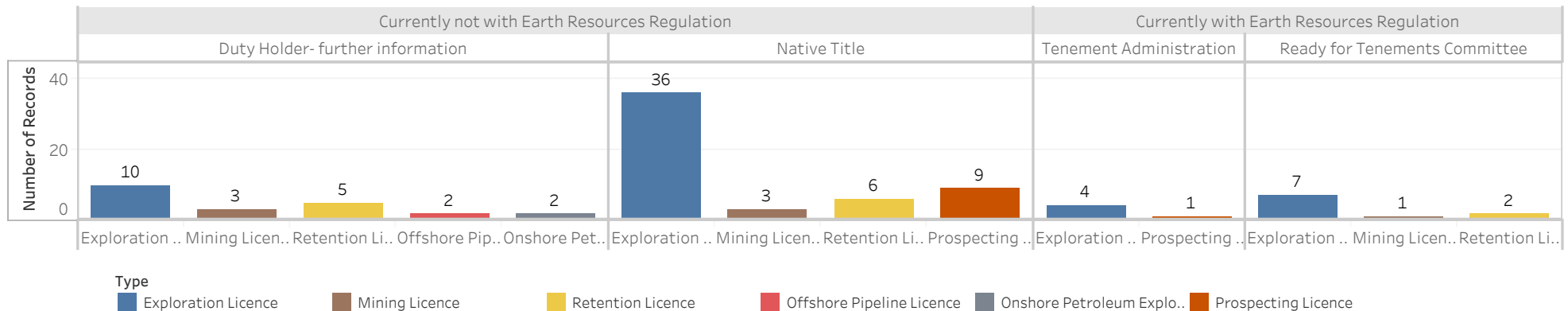


Summary:

The number of licence applications has increased from 88 in Q2 to 91 in Q3. The average number of licence applications is 95, with minor fluctuations seen throughout the year.

Although the number of items with the department remains relatively consistent the total number of variations slightly increased from 104 in Q2 to 130 in Q3

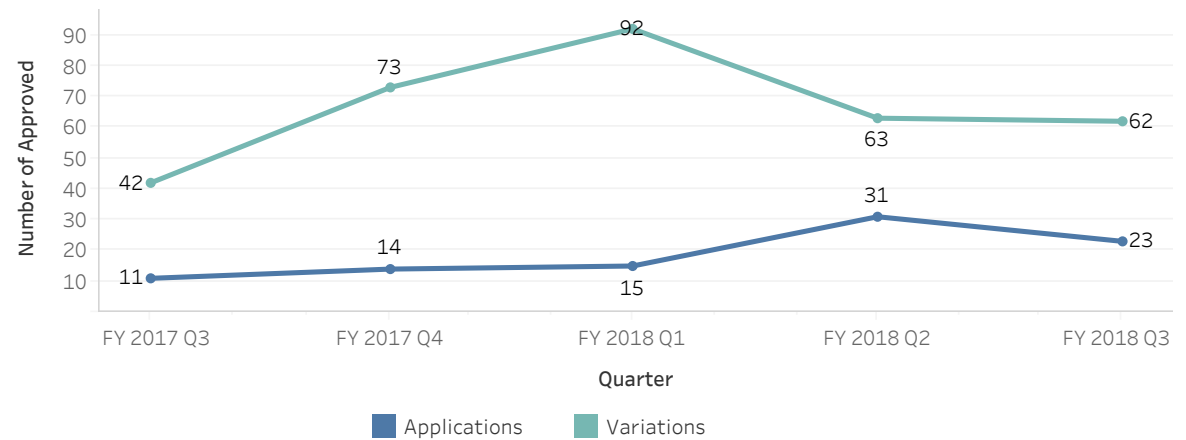
Graph 1.5 Total Applications by stage



Licences and Variations finalised in 2017/18 (Q3)

Work Type Split	Type	
Applications	Exploration Licence	18
	Prospecting Licence	4
	Retention Licence	1
	Total	23
Variations	Amalgamation	1
	Cancellation due to Amalgamation	2
	Full Surrender	3
	Licence Area Change	4
	Licence Conditions Change	14
	Partial Cancellation	8
	Refusal of Renewal	2
	Renewal	19
	Transfer	9
	Total	62
	Grand Total	85

Graph 1.6 Trend - Licences and permits assessments completed or finalised



Summary:

Finalised variations approved remained consistent between Q2 and Q3. The number of applications finalised per quarter is dependant on the number of applications received, and those that complete Native Title negotiations.

KPI 2 Ensuring Compliance

2 a) Compliance activities undertaken:

Graph 2.1 - Number of operational compliance activities undertaken per quarter



Compliance activities - 2017/18 (Q3)

Tenement (group)	Operation Activity	January	February	March	Grand Total
Extractives	Audits completed	3	8	4	15
	Inspection	25	21	10	56
	Meetings	2	8	4	14
	Site Closure	1	1		2
	Total	31	38	18	87
Mining	Audits completed	2		8	10
	Inspection	23	20	16	59
	Meetings	2	7	6	15
	Site Closure	7	2	3	12
	Total	34	29	33	96
Grand Total		65	67	51	183

Explanation for the result:

A continued focus on auditing of licence conditions, work plan compliance and site inspections, has resulted in Earth Resources Regulation exceeding its target of 75 proactive compliance activities by 108.

Earth Resources Regulation conducted 115 of site inspections, the highest in last 4 quarters.

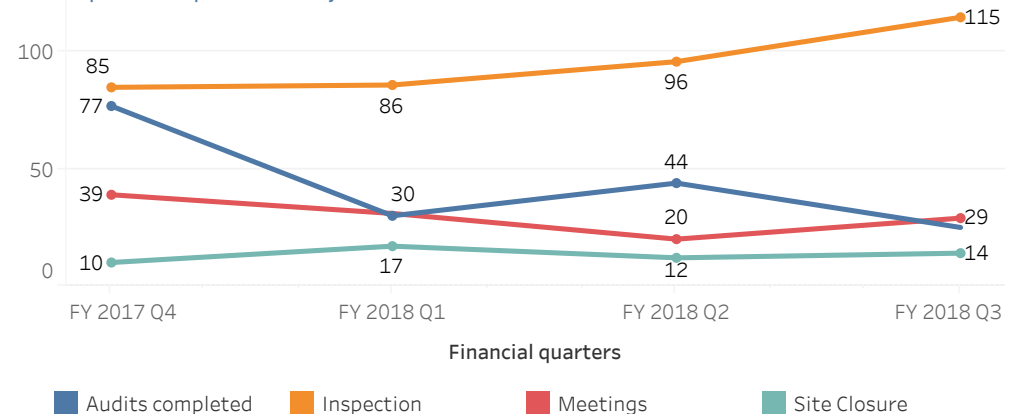
Why this measure is important

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 issues notices under the Mineral Resources (Sustainable Development) Act 1990, where an act or omission by the duty holder is likely to result in a risk to public safety, the environment, land, property or infrastructure, or is a non-compliance with the licence conditions. Compliance activities are actions designed to mitigate risk in the sector.

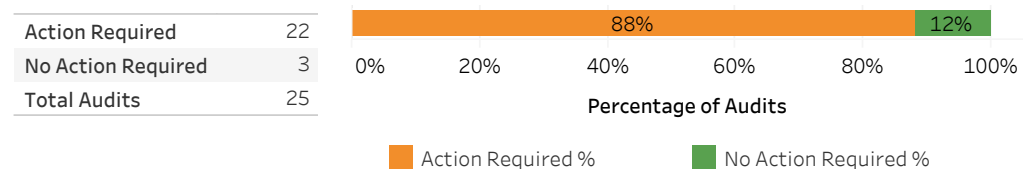
The notices/infringements are usually issued following compliance checking activities undertaken by Earth Resources Regulation. Earth Resources Regulation maintains a risk based approach to targeting inspections and audits in order to mitigate acts of non-compliance by duty holders.

Graph 2.2 Compliance activity trend



2 b) Tenement compliance:

Graph 2.3 - Percentage of tenements where an Audit was undertaken, and action was required



Explanation for the result:

Earth Resources Regulation conducted 183 compliance activities on 134 duty holders including 25 compliance audits. 88% (22) of the 25 compliance audits required action to be taken. Improvement actions will be tracked in future inspections and 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: ground stability, fire, dust, noise, water and approval conditions.

Why this measure is important

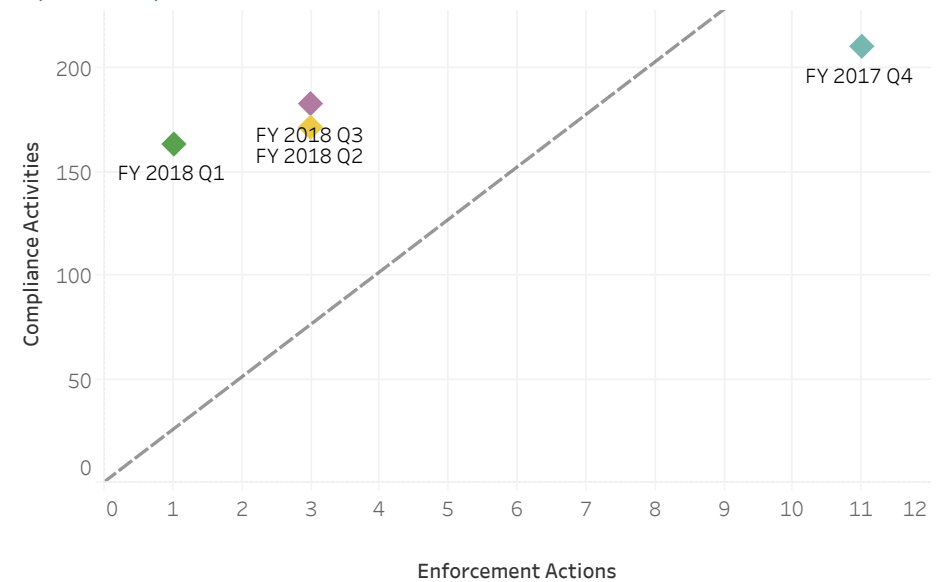
This indicator measures the percentage of current tenements that have had a compliance activity undertaken. This measure shows how many duty holders are meeting requirements.

KPI 2 Ensuring Compliance

Actions required by type

Risk	Q2 Vol	Q2 % Total	Q3 Vol	Q3 % Tot..
Progressive Rehabilitation	11	25%	6	24%
Plan and Conditions	15	34%	6	24%
Dust	3	7%	5	20%
Boundaries and Extraction limits	2	5%	3	12%
Fire & Emergency	5	11%	1	4%
GeoTechnical	3	7%	1	4%
Pest, Plant and Animal	1	2%	1	4%
TSF Management	0	0%	1	4%
Water Management	0	0%	1	4%
Impacts of Blasting	3	7%	0	0%
Plan and Conditions (High Risk)	1	2%	0	0%
Total	44	100%	25	100%

Graph 2.4 - Compliance activities vs Enforcement actions



Enforcement actions by sector

Action Type	Enforcement Code	Mining
General Enforcement Action	1 - Authorised Activity Compliance	3
Grand Total		3

Action Required by type summary:

The volume of audits fell to 25 in Q3 compared to 44 in Q2. There were 2 more audits on Dust in Q3 than Q2 due to the drier weather.

Enforcement activity - Issued in Q3

Enforcement Code	Enforcement Action Type	Issued (unresolved)
1 - Authorised Activity Compliance	s110 Notice	2
	s110 Notice (Stop Work)	1
Grand Total		3

Enforcement actions summary:

In Q3, 3 enforcement actions were issued relating to Authorised Activity Compliance. The 4 enforcement activities were relating to one tenement where there was a transfer of name to a new Work Authority holder. A number of issues previously required by notice have been resolved by the new Work Authority holder. Some other matters are awaiting resolution pending rectification of surveyed boundary issues. The new Work Authority holder has undertaken to resolve all matters previously required under notice. A further site visit is planned later in 2018 to inspect and confirm outstanding issues.

Enforcement activity - Completed in Q3

Enforcement Code	Enforcement Action Type	Action Type	Quarter of Date of Issue	Closed - Not Complied
3 - Tenement Boundaries	s110 Notice	General Enforcement Action	FY 2017 Q3	1
17 - Slope Stability	s110 Notice	General Enforcement Action	FY 2017 Q3	1
18 - Ground Disturbance	s110 Notice	General Enforcement Action	FY 2017 Q3	1
32 - Waterway Quality and ..	s110 Notice	General Enforcement Action	FY 2017 Q3	1

Graph 2.4 highlights the relationship between compliance activities and enforcement actions issued. Earth Resources Regulation is striving to achieve results in the top left of Graph 2.4, with high number of compliance activities, and minimal enforcement actions due to good sector practices.

Reportable Incident Management:

Not Applicable since there were no reportable incidents for the quarter

Reportable Incidents in the current quarter

There were no reportable incidents this quarter

Reportable Incidents by classification and hazard

Graph 3.2 - Number of reportable events in the quarter

There were no reportable incidents this quarter

Reportable Incidents still unresolved

There were no reportable incidents this quarter

Non-reportable Incidents in current quarter

Enforcement	
1. Authorized Activity Compliance	1
2. Environmental Incident Notification	2
11. Public Safety & Site Security	1
14. Fire Precautions & Risk Control	1
46. Other (Not Specified Above)	1
Not Specified	1
Grand Total	7

Explanation for the result:

There were no reportable incidents in Q3. A total of 7 minor incidents were recorded for the quarter. All incidents were reviewed by Earth Resources Regulation and 2 incidents had a site inspection.

Why this measure is 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.

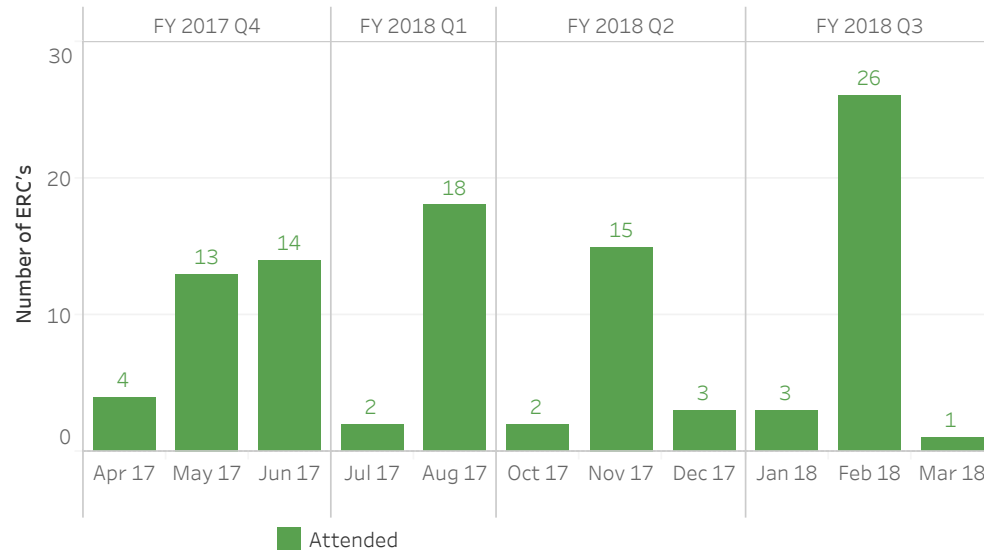
Summary:

Earth Resources Regulation will continue to proactively undertake compliance activities, focussing on stability, public safety and environmental impacts (dust, water discharge and hazardous waste management). The Mine Fire and Emergency Unit will also focus on mine fire mitigation and management strategies to ensure the fire risk is reduced

4 a) Environmental Review Committees

Graph 4.1 - Attendance at Environmental Review Committee meetings

ERC attendance



Explanation for the result:

Earth Resources Regulation met the KPI, with a result of 100% attendance at ERC meetings in Quarter 3. Graph 4.1 shows the monthly split for ERC attendance.

Why this measure is 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.

4 b) Stakeholder Reference Group

Progress against Stakeholder Reference Group target for 2017/18

Q1	Q2	Q3	Q4	YTD Total	Target	Remaining
1	2	1	TBA	4	6	2

Explanation for the result:

The Target is an annual figure based on SRG meetings being scheduled every two months. One meeting was held during Q3.

Why this measure is important?

The SRG provides a forum for engagement and consultation with stakeholder representatives from industry associations, government and the community about statutory, regulatory and stakeholder relations issues and activities in the context of the current policy and regulatory framework. SRG Working Groups will be used to provide industry with the tools to effectively engage with communities, recognise and promote excellence in community engagement practice, and monitor and audit industry community engagement processes.

4 c) Earth Resources Regulators' Forum

Progress against Earth Resources Regulators' Forum target for 2017/18

Q1	Q2	Q3	Q4	YTD Total	Target	Remaining
1	1	0	TBA	2	3	1

Explanation for the result:

The Target is an annual figure based on Earth Resources Regulators' Forum meetings being scheduled three times a year.

Why this measure is 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 and reduce costs to industry. This will include a focus on more real-time communication, strategic sequencing, common risk assessment and partnerships with local government authorities.

Response times to complaints in 2017/18 Q3

Tenement Group	Enforcement Code	Number of Complaints	Avg. Days to respond
Extractives	6. Working Hours	1	1
	29. Native Vegetation & Fauna	1	1
	35. Dust Emissions	2	3
	46. Other (Not Specified Above)	1	1
Mining	0. Work without License or Consents	2	1
	2. Environmental Incident Notification	1	1
	4. Community Engagement	1	1
	6. Working Hours	1	1
	38. Explosives Air & Ground Vibration	2	1
Other	0. Work without License or Consents	5	1
	24. Drainage, Erosion & Discharge	2	9
	32. Waterway Quality & Aquatic Habitat	1	1
	35. Dust Emissions	1	1
Grand Total		21	2

The target for response times to complaints is 3 business days. Target for Response Time to complaints have been met in 2017/18 Q3

Explanation for the result:

The average response time to the 21 complaints received in 2017/18 Q3 was 2 business day. 21 complaints were received during the quarter, 5 were relating to 'Work without license or Consent' and 4 in relation to 'Dust emissions' due to the drier weather.

Why this measure is important?

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

