

Earth Resources Regulation

Quarterly Performance Report
2019-20 Quarter 2

1st October to 31st December 2019



Jobs,
Precincts
and Regions



Summary

This report provides a summary of the operating performance for the second quarter of financial year 2019-20 (1st October to 31th December 2019).

Stand out performance indicators in 2019-20 Q2 :

KPI 1# - 97% of the work plan stages for 18 quarries were assessed within the statutory time frames.

KPI 1# - 97% of the work plan stages and licence applications for exploration and mining projects were assessed within the statutory time frames.

KPI 2# - 204 operational compliance activities were undertaken.

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

- Explained in the next slide

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

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. 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 mineral licence applications and mineral work plan stages assessed within statutory time frames.	%	95	Quarterly	97%	90%	Outputs/activities
	Percentage of tenement variations assessed within Client Service Standard time frames where a statutory time frame does not exist.	%	95	Quarterly	92%	73%	Outputs/activities
	Percentage of extractive work plan stages assessed within statutory time frames.	%	95	Quarterly	97%	94%	Outputs/activities
KPI 2 Ensuring Compliance	Number of operational compliance activities undertaken per quarter.	Number of activities	75	Quarterly	204	206	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	94%	96%	Outputs/activities
	Number of Stakeholder Review Group meetings held by Earth Resources Regulation.	Number of meetings	4	Annual	On Target, 2 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	4	3	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 Q2	Work Plan (WA)	21	28	1	29	30	97%
FY 2019-20 Q1	Work Plan (WA)	18	28	2	32	34	94%

* A work plan stage represents a statutory decision point

Extractive Work Plans Approved in the quarter

Quarter	Work Plan Type	Approved
FY 2019-20 Q2	Work Plan (WA)	5
FY 2019-20 Q1	Work Plan (WA)	1

Work Authority Finalised in the quarter

Quarter	Licence Type	Approved
FY 2019-20 Q2	Work Authority	1
FY 2019-20 Q1	Work Authority	3

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 Q2 30 extractive work plan stages were assessed for 21 unique work plans, of which 97% were assessed within the statutory time frame. One work plan and one work authority were approved in the quarter. Eight work plans / 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.

(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 Q2	Mineral Licence Applications – (A)	1	10	11	91%
	Mineral Work Plan Stages – (B)	0	18	18	100%
	Total	1	28	29	97%
FY 2019-20 Q1	Mineral Licence Applications – (A)	2	14	16	88%
	Mineral Work Plan Stages – (B)	1	12	13	92%
	Total	3	26	29	90%

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 Q2 there were 29 (18 mineral work plans stages and 11 mineral licence applications) assessed, of which 97% 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 Q2 10 out of 11 applications were finalised within the statutory time frame. One mining licence application was granted after the statutory timeframe due to the assessment of multiple mineralisation reports.

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 Q2 18 mining and exploration work plan stages were assessed from twelve unique work plans, of which 100% were assessed within the statutory time frame. One work plan was approved in the quarter.

(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 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%
FY 2019-20 Q1	Exploration Licence	90	2	10	12	83%
	Mining Licence	120	0	1	1	100%
	Prospecting Licence	90	0	3	3	100%
	Total		2	14	16	88%

(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 Q2	Work Plan (Exploration)	0	5	28	0	8	8	100%
	Work Plan (Minerals)	1	7	28	0	10	10	100%
	Total	1	12		0	18	18	100%
FY 2019-20 Q1	Work Plan (Exploration)	0	2	28	0	2	2	100%
	Work Plan (Minerals)	1	7	28	1	10	11	91%
	Total	1	9		1	12	13	92%

Tenement Variations Finalised 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 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
FY 2019-20 Q1	Exploration Licence	90	1	14	15	93%
	Mining Licence	120	2	4	6	67%
	Prospecting Licence	90	0	2	2	100%
	Retention Licence	120	1	0	1	0%
	Work Authority	30	8	12	20	60%
	Total			12	32	44

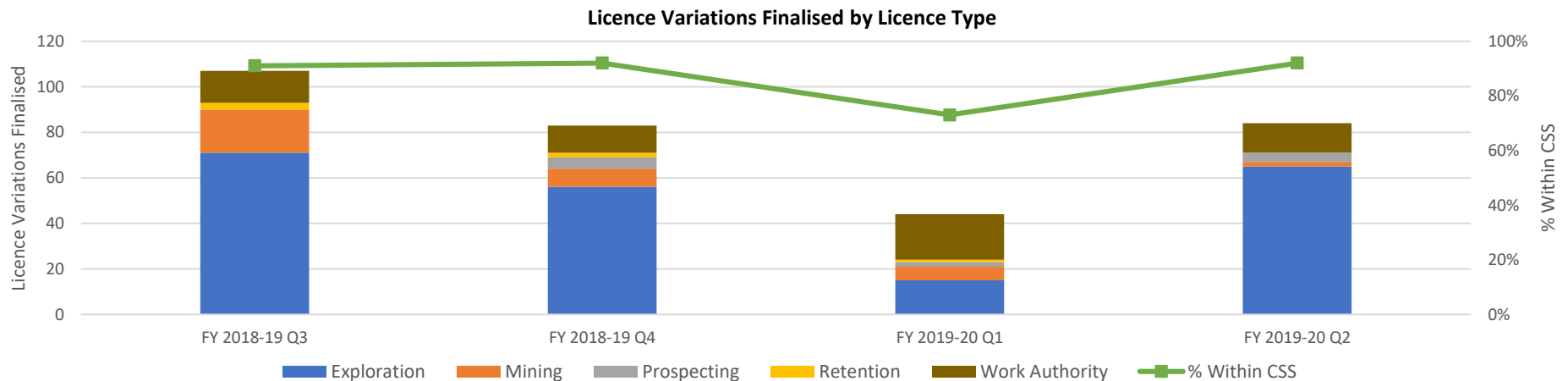
Explanation for the result:

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

In Q2 92% 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.



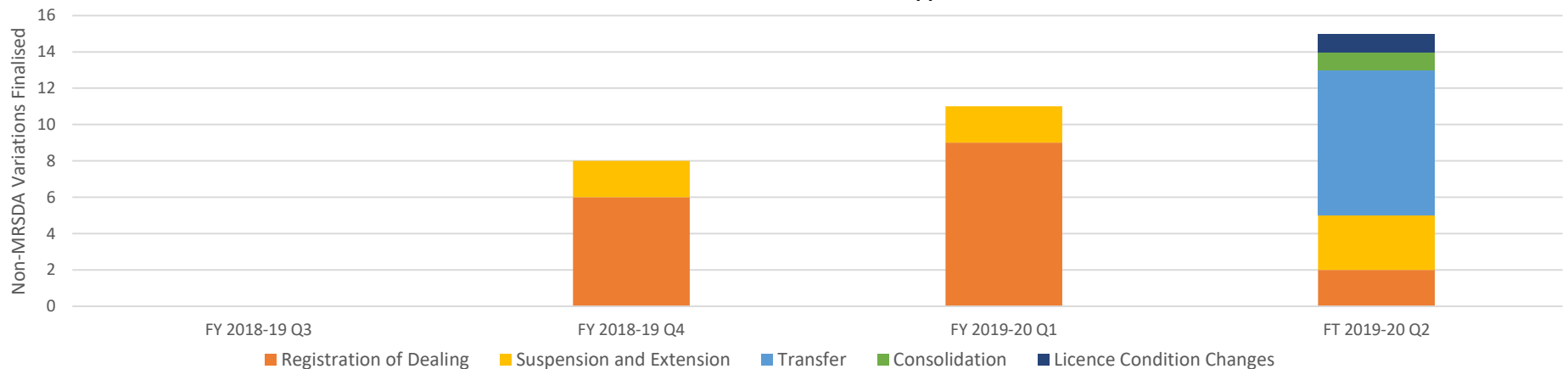
Non MRSDA Licence Variations

Quarter	Licence Type	Consolidation	Licence Conditions Change	Registration of Dealing	Suspension & Extension	Transfer	Total
FY 2019-20 Q2	Offshore Greenhouse Gas Assessment Permit	0	1	0	0	0	1
	Offshore Pipeline Licence	0	0	2	0	0	2
	Onshore Petroleum Exploration Permit	0	0	0	3	0	3
	Onshore Petroleum Production Licence	1	0	0	0	8	9
		1	1	2	3	8	15
FY 2019-20 Q1	Onshore Petroleum Production Licence	0	0	9	0	0	9
	Offshore Petroleum Exploration Permit	0	0	0	2	0	2
		0	0	9	2	0	11

Explanation for the result:

In Q2 there were 15 non MRSDA licence variations approved, eight were for transfers.

Non MRSDA Licence Variations Approved



Petroleum – Operation Plans

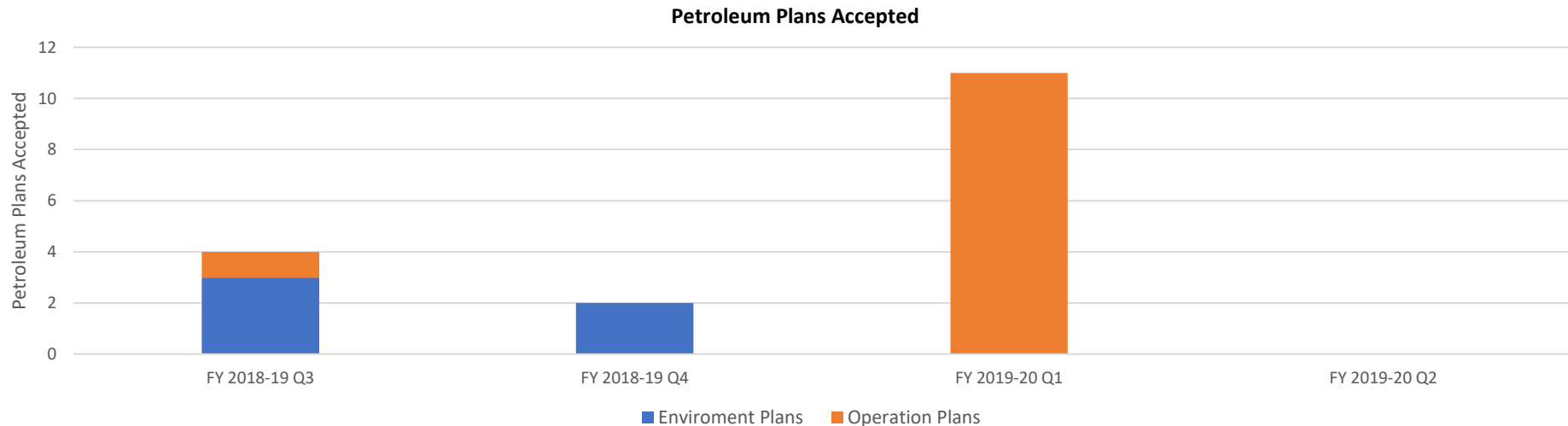
Quarter	Licence Type	Plans Accepted	Unique Plans under assessment	Production Management Plan Stages	Storage Management Plan Stages	Operation Plan Stages	Total Stage Assessed
FY 2019-20 Q2	Onshore Petroleum Production Licence	0	15	1	1	16	18
	Onshore Petroleum Special Drilling Authorisation	0	3	0	0	4	4
	Total	0	18	1	1	20	22
FY 2019-20 Q1	Onshore Petroleum Production Licence	9	9	0	0	10	12
	Onshore Petroleum Special Drilling Authorisation	2	2	0	0	2	2
	Total	11	11	0	0	12	12

Explanation for the result:

In Q2 22 petroleum plan stages were assessed from 18 unique plans existing for 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.

Note:

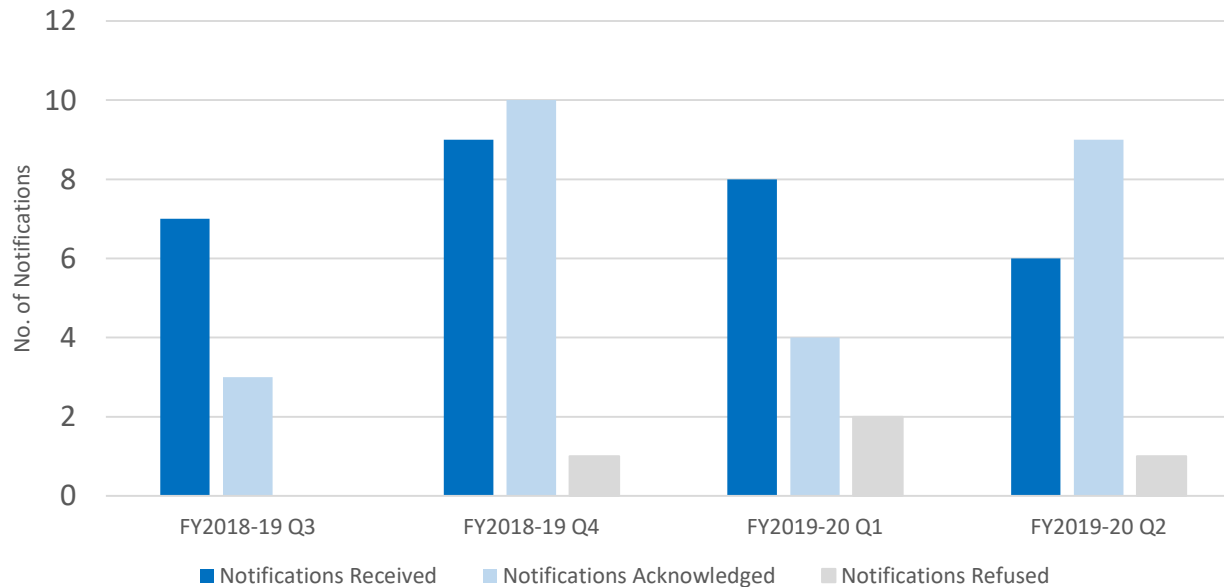
Hydraulic fracturing and coal seam gas exploration and extraction are banned in Victoria.



Mining	2018-19 Q3	2018-19 Q4	2019-20 Q1	2019-20 Q2	Total
Notifications Received	3	5	1	2	11
Notifications Acknowledged	3	4	1	2	10
Notification Refused	0	1	2	0	3

Extractives	2018-19 Q3	2018-19 Q4	2019-20 Q1	2019-20 Q2	Total
Notifications Received	4	4	7	4	19
Notifications Acknowledged	0	6	3	7	16
Notifications Refused	0	0	0	1	1

Administrative Updates by Notification



Explanation for the result:

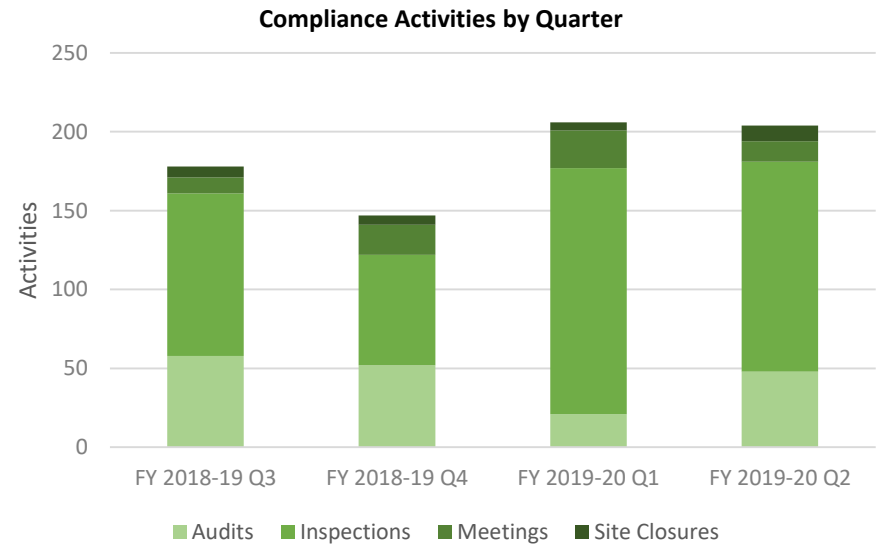
In Q2 there were seven extractive and two mining industry administrative changes acknowledged.

One extractive industry administrative change was refused due to risks to sensitive receptors not being adequately controlled.

Overall interest in administrative changes remains strong, a reflection of buoyant extractive and gold mining sectors.

Compliance Activities – 2019-20 Q2

Licence Types	Activity	Oct	Nov	Dec	Total
Extractives	Inspection	39	40	24	103
	Audit	11	20	5	36
	Site Closure	1	1	1	3
	Meeting	2	1	0	3
	Extractives Total	53	62	30	145
Mining	Inspection	11	13	6	30
	Audit	4	4	4	12
	Meeting	3	4	3	10
	Site Closure	2	4	1	7
	Mining Total	20	24	14	59
Total		73	87	44	204



Explanations for the results:

In Q2 Earth Resources Regulation conducted 204 proactive compliance activities involving 161 duty holders, exceeding the 75 compliance activities target by 129. The results reflects the increased focus on following up non-compliance.

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 Q3	FY 2018-19 Q4	FY 2019-20 Q1	FY 2019-20 Q2	Total	% Total
Progressive Rehabilitation	14	14	4	22	54	29%
Plan and Conditions	20	17	8	8	53	29%
Boundaries and Extraction limits	4	10	5	3	22	12%
Dust	1	5	0	4	10	5%
Impacts of Blasting	1	4	2	2	9	5%
Fire & Emergency	0	7	0	3	10	5%
Exploration Drilling	2	2	1	1	6	3%
Water Management	1	1	0	0	2	1%
GeoTechnical	0	4	0	2	6	3%
Tailings Storage Facility Management	2	1	0	0	3	2%
Plan and Conditions (High Risk)	0	2	0	0	2	1%
Site Security and Buffer Zones	0	2	0	0	2	1%
Pest, Plant and Animal	0	0	0	2	2	1%
Hydrocarbon Storage	0	0	1	0	1	1%
Noise	1	0	0	0	1	1%
Community Engagement	0	0	0	0	1	1%
Total	46	69	21	48	184	100%

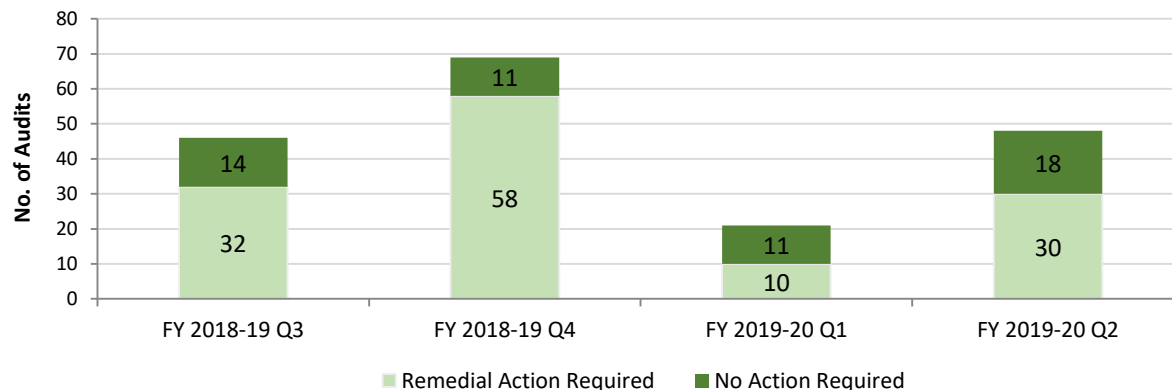
Explanations for the results:

In Q2 48 audits were conducted. Progressive rehabilitation plan & conditions, boundaries & extractions limits and 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

Action requirements on Audits



Explanations for the results:

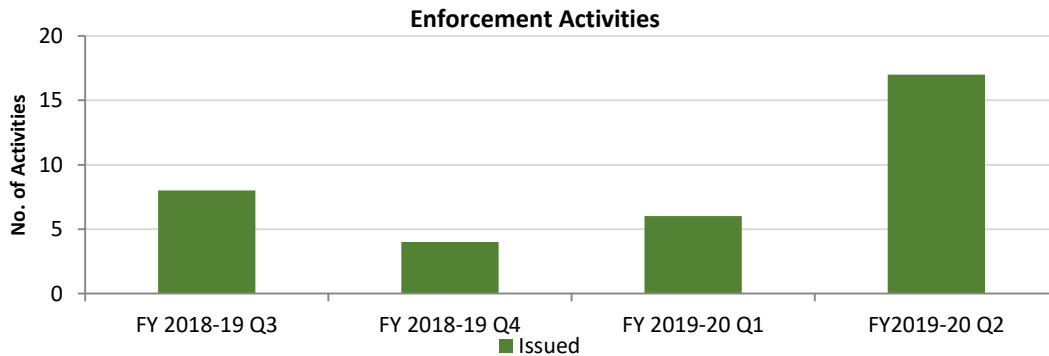
The audit program is risk based with a focus on more significant sites. Compliance improvements or enhanced risk controls were recommended at 63%(18 out of 48) of audited sites in Q2. The number of actions required can be dependant on the type of audits completed, and if the audits were ‘follow up’ audits 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 Q2

Sector	Action Type	Enforcement Code	Enforcement Action Type	No. of Notices
Extractives	General Enforcement Action	27 - Buffer Zones	s110 Notice	3
Extractives	General Enforcement Action	39 - Waste and Redundant Plan	s110 Notice	2
Extractives	General Enforcement Action	46 - Other - Not Specified Above	s110 Notice	2
Extractives	General Enforcement Action	11 - Public Safety and Site Security	s110 Notice	2
Extractives	General Enforcement Action	17 - Slope Stability	s110 Notice	1
Extractives	General Enforcement Action	15 - Hazardous Materials Management	s110 Notice	1
Extractives	General Enforcement Action	3 - Tenement Boundaries	s110 Notice	1
Extractives	General Enforcement Action	25 - Tailings and Slime Management	s110 Notice	1
Mining	General Enforcement Action	1 - Authorised Activity Compliance	s110 Notice	3
Mining	General Enforcement Action	40 - Rehabilitation of Site	s110 Notice	1



Infringements and Official Warnings issued in FY 2019-20 Q2

Actions	Issued in FY 2019-20 Q2
Infringement notices	42
Official Warning Letters	4
Written Instruction	1
Direction	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 Q2 17 remedial notices were issued, some of the notices were for alleged breach of working conditions, encroached into perimeter buffers, poor waste management and no signage.

Prosecutions Summary:

In Q2 one matter was prosecuted for alleged illegal blasting.

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

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

- Mine regulator enforces fire and safety at coal mine
- Regulator puts coal mine on notice for fire safety

Infringements and Official Warnings summary:

In Q2 Earth Resources Regulation issued 42 infringements, four official warning, one direction and one written instruction to authority holders for alleged breach of work plan condition and rehabilitation notices and failure to submit the required 2018-19 annual report by the prescribed date.

Reportable Incidents in FY 2019-20 Q2

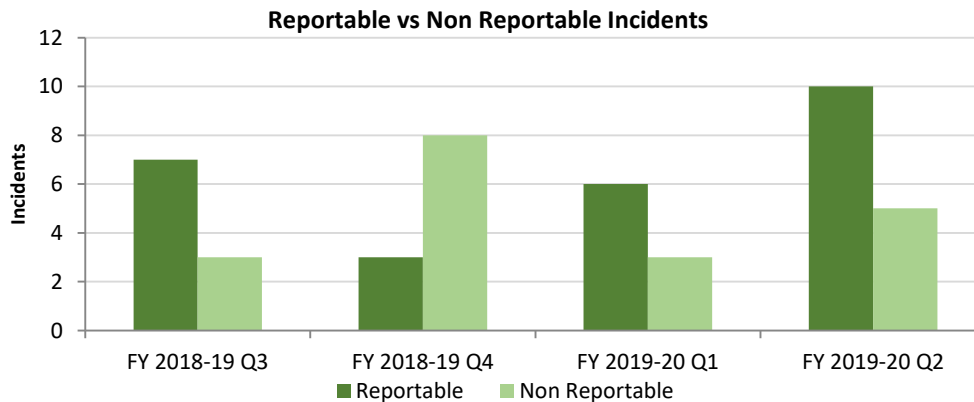
Sector	Classification	Type	Enforcement Code	Inspection	Incident Responded To	Incident Resolved	Incident Count
Mining Licence	Minor	Environmental	2. Environmental Incident Notification	No	Yes	Yes	1
Mining Licence	Minor	Environmental	2. Environmental Incident Notification	Yes	Yes	No	2
Mining Licence	Minor	Environmental	33. Water Dams	No	Yes	No	1
Mining Licence	Minor	Legislation Breach	35. Dust Emissions	Yes	Yes	Yes	1
Mining Licence	Significant	Legislation Breach	46. Other	Yes	Yes	No	1
Mining Licence	Major	Public Safety	11. Public Safety & Site Security	Yes	Yes	No	1
Work Authority	Minor	Environmental	38. Explosives Air & Ground Vibration	No	Yes	No	1
Work Authority	Minor	Legislation Breach	1. Authorized Activity Compliance	Yes	Yes	Yes	1
Work Authority	Minor	Legislation Breach	38. Explosives Air & Ground Vibration	No	Yes	No	1

Non Reportable Incidents in FY 2019-20 Q2

Sector	Classification	Incident Type	Enforcement Code	Count
Mining Licence	Minor	Legislation Breach	1. Authorized Activity Compliance	2
Mining Licence	Minor	Environmental	14. Fire Precautions & Risk Control	1
Mining Licence	Minor	Public Safety	11. Public Safety & Site Security	1
Work Authority	Minor	Legislation Breach	35. Dust Emissions	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 10 reportable incidents in Q2. The incidents were related to water leakage / spills, air blasting, dust and false information provided.

There were five non-reportable incidents in Q2 relating to breaches of the work plan conditions, dust and small fire.

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

Environmental Review Committee Attendance

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

Explanation for the result:

Earth Resources Regulation attended 31 of the 33 Environmental Review Committee meetings, achieving 94% attendance rate in Q2.

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			2	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 Q2. On target to achieve the annual total of four.

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			2	3

Explanation for the result:

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

There was one Earth Resources Regulator Forum meeting held by Earth Resources Regulation in Q2. On target to achieve the annual total of three.

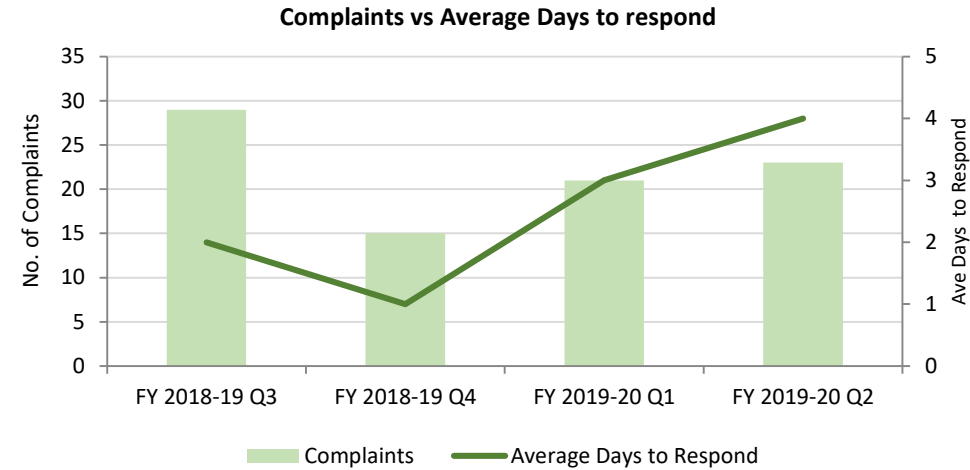
Why are these measures important?

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 Q2

Enforcement Codes	Sector	Number of Complaints	Ave Days to respond	*Median Days to respond
Work without Licence or Consents	Mining	8	2	1
Work without Licence or Consents	Work Authority	4	15	1
Visual Amenity	Work Authority	2	1	1
Dust Emissions	Work Authority	6	1	1
Explosives Air & Ground Vibration	Mining	1	1	1
Explosives Air & Ground Vibration	Work Authority	1	1	1
Complaints Management	Work Authority	1	1	1
Total	ALL	23	4	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 23 complaints in Q2. The top complaints were in regard to working without licence or consents. Ten of the complaints were resolved and 13 are under investigation. There was one complex complaint that requires sufficient time to investigate before response was given and that impacted on the overall average days to respond to complaints to four days. The median days to respond to the complaints shows 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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