



# Earth Resources Regulation Performance Report 2016/17 (Quarter 4)



Economic Development,  
Jobs, Transport  
and Resources

# Earth Resources Regulation KPI summary 2016/17 (Quarter 4)

## Executive summary

This report provides a summary of the operating performance for the Earth Resources Regulation (ERR), Victoria's Earth Resources Regulator within the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) for 2016/17 (Quarter 4) ending 30 June 2017.

ERR's achievements in 2016/17 included enacting ERR's leadership structure, clarifying the role of ERR in the earth resources sector, establishing a client service standard, working with the earth resources industry and other stakeholders on developing guidelines and other support for risk based plans, and developing a stakeholder feedback mechanism. ERR also established the Victorian Earth Resources Regulators Forum, ERR Stakeholder Reference Group and associated working groups to enable strategic coordination of regulatory activity and facilitating industry engagement in the work of ERR.

To improve stakeholder and community confidence, ERR has focused on setting challenging performance targets, with the long-term goal of becoming a best practice regulator.

ERR exceeded targets for several key performance indicators in Q4:

**KPI 2** Number of operational compliance activities undertaken (almost three times more than planned)

**KPI 2** Percentage of tenements that have had a compliance activity undertaken, that do not have an enforcement action issued

**KPI 5** Average number of days to respond to complaints (down to 0.4 days compared to 1.1 days in Q3)

Quarter 4 also resulted in improved performance in **KPI 1** (Percentage of tenement applications assessed in statutory timeframe) which improved by almost 20% compared to Q3.

ERR will continue to engage with industry and the community in 2017 to better meet our performance targets and to achieve a safe and sustainable Victorian earth resources sector.

## Key Performance Indicator Reporting

Earth Resources Regulation (ERR) 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.

ERR 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 ERR's compliance activities over time. Public reporting of the data will allow stakeholders to monitor ERR's progress. ERR uses a range of indicators to monitor its activities and performance and in 2016/17. ERR updated its set of Key Performance Indicators (KPIs) and embedded them into DEDJTR's regulator performance monitoring framework. ERR will publish key performance indicators on its website on a quarterly basis. ERR will review KPIs and targets annually.

This reporting complies with ERRs reporting obligations under the Compliance Strategy 2016-17 and Client Service Standard 2016-2018.

# Key Performance Indicators 2016/17 (Quarter 4)

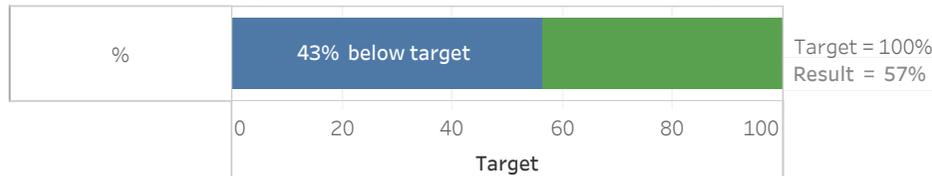
Performance driver	Indicator	Measurement base	Target period	Target	Current Quarter	2016/17 Q3	DEDJTR Compliance framework outputs
<b>KPI 1 Efficient Approvals Process</b>	Percentage of tenement applications assessed in statutory timeframe	%	Quarterly	100	57	48	Outputs/activities
	Percentage of tenement applications assessed within departmentally agreed timeframes where a statutory timeframe does not exist	%	Quarterly	100	Reporting commences 1 July 2017		Outputs/activities
<b>KPI 2 Ensuring Compliance</b>	Number of operational compliance activities undertaken per quarter	Number of activities	Quarterly	75	204	160	Inputs
	Percentage of rehabilitation bond assessments undertaken during the year	%	Annual	20	Reporting commences 1 July 2017		Outputs/activities
	Percentage of tenements who were compliant with conditions assessed in the compliance activities	%	Quarterly	90	94	92	Outputs/activities
<b>KPI 3 Effective Incident Management</b>	Percentage of reportable events that are responded to during the quarter	%	Quarterly	100	No reportable incidents	40	Short-term and long-term outcomes
<b>KPI 4 Facilitation of Stakeholder Engagement</b>	ERR attendance at Environmental Review Committee meetings	%	Quarterly	100	97	95	Outputs/activities
	Number of Earth Resources Regulators' Forum held by ERR	Number of meetings	Annual	3	0	1	Outputs/activities
	Number of Stakeholder Reference Group meetings held by ERR	Number of meetings	Annual	6	1	0	Outputs/activities
	Percentage of commitments delivered in Working or Partnership Agreements / MOUs	%	Annual	100	Reporting commences 1 July 2017		Outputs/activities
<b>KPI 5 Complaint Management</b>	Average number of days to respond to complaints made by community against tenements	Business days	Quarterly	3	0.4	1.1	Outputs/activities
<b>KPI 6 Community Satisfaction</b>	Weighted response score for industry, operator performance and community satisfaction with ERR as a regulator, based on an annual survey conducted by ERR	Out of 10	Annual	9	Reporting commences 1 July 2017		Outputs/activities

Note : To better reflect ERR's performance in assessing applications within statutory time frames (KPI 1), work plan performance (from Q3) based on the time frames for ERR approving work plans.

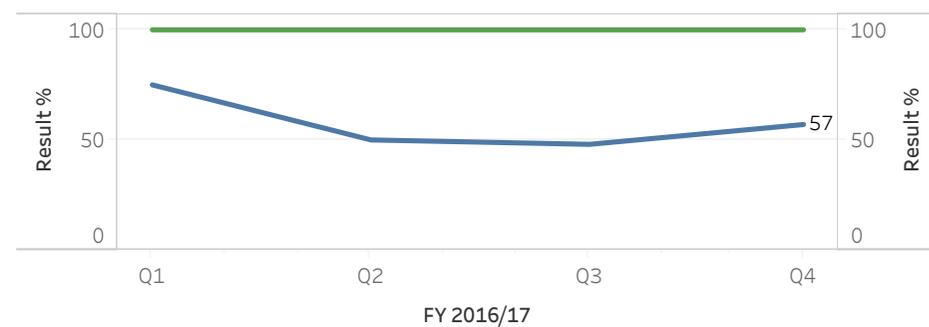
# KPI 1 Efficient Approvals Process

## Application assessment process:

Graph 1.1 KPI 1: Percentage of tenement applications assessed in statutory timeframe



Graph 1.2 Trend of KPI 1



### Explanation for the result:

There has been an overall improvement in the KPI 1 performance from 48% to 57% in Q4. Work plan performance within statutory timeframes has improved, with 44% of plans approved within statutory timeframes in Q4, up from 27% in Q3. The main driver for the increase in performance was a focus on newly submitted work plans whilst management of the back log of work plans were actioned where possible with the assistance of resources from the Strategic approvals group. The number of licence applications approved within statutory timeframe have dropped from 70% in Q3 to 64% in Q4. The decrease is due to a number of items that were approved in Q4 had been with the department for a significant period of time. There was also an increase in the number of licences approved in Q4 (14) from Q3 (10).

ERR is implementing a number of changes to accelerate assessments to drive down the number of overdue work plans. These include rapid initial assessment and refusal of work plan applications that do not meet legislative requirements, provision of 'model' work plans to applicants to assist industry improve quality of work plans and increasing capacity of the approvals team. ERR is also focussing on ensuring new applications are processed within statutory timeframes and finalising any long standing applications.

## Licensing application approvals 2016/17 (within statutory timeframe)

Quarter of :	Authority	Type	Timeframe	Processed within time	
				No	Yes
FY 2017 Q4	Mineral Resources (Sustainable Development) Act 1990	Exploration Licence	90	1	7
		Prospecting Licence	90	1	1
		Retention Licence	120	3	1
FY 2017 Q3	Mineral Resources (Sustainable Development) Act 1990	Exploration Licence	90	1	4
		Prospecting Licence	90	1	3
		Retention Licence	120	1	

## Work plans Performance 2016/17 (within statutory timeframe)

Quarter of:	Authority	Type	Timeframe	Processed within time	
				No	Yes
FY 2017 Q4	Mineral Resources (Sustainable Development) Act 1990	Work Plan (Explora..	28	1	
		Work Plan (Mineral..	28		1
		Work Plan (WA)	28	4	2
		Work Plan Variation	28		1
FY 2017 Q3	Mineral Resources (Sustainable Development) Act 1990	Exploration	28	1	
		Variation	28	2	3
		Work Authority	28	5	

### Why are these measures important?

Earth Resources Regulation (ERR) is the responsible regulator in administering various legislation including the *Mineral Resources (Sustainable Development) Act 1990* (MRSDA).

ERR 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. ERR is striving for a consistent and transparent approvals process, balancing efficiency but maintaining the rigour required for comprehensive checks consistent with the Act.

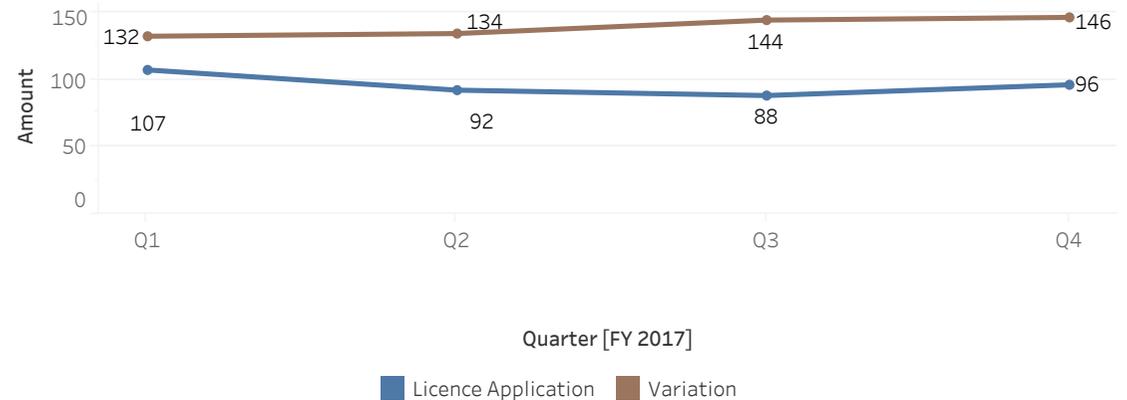
This indicator measures how well the department meets agreed times when processing approvals. This indicator has two measures: applications that have a statutory regulated time frame; and applications that do not. ERR will report on the latter commencing 1 July 2017.

# KPI 1 Efficient Approvals Process

## Licence and permits ERR is assessing at 2016/17 (Quarter 4)

Work Type Split	Type	Amount
Applications	Exploration Licence	58
	Mining Licence	8
	Offshore Pipeline Licence	2
	Onshore Petroleum Exploration Permit	2
	Prospecting Licence	14
	Retention Licence	12
	<b>Total</b>	<b>96</b>
Variations	Amalgamation	1
	Authority to Dispose of Tailings	1
	Consolidation	2
	Creation of Interest	3
	Devolution of Interest	2
	Full Surrender	9
	Licence Area Change	1
	Licence Conditions Change	5
	Partial Cancellation	2
	Registration of Dealing	7
	Renewal	68
	Suspension and Extension	8
	Transfer	37
	<b>Total</b>	<b>146</b>
	<b>Grand Total</b>	<b>242</b>

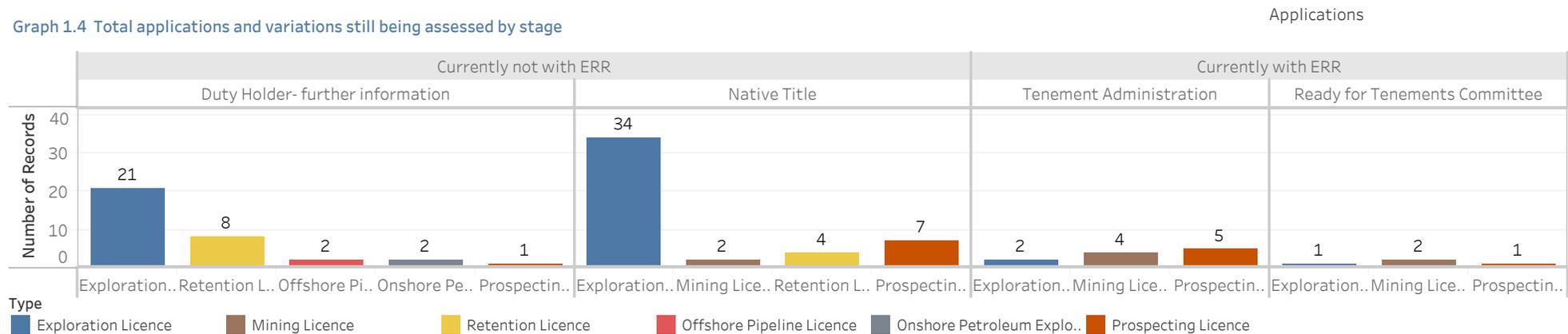
Graph 1.3 Trend - applications and variations at the end of each quarter



### Summary:

The number of licence applications and variations lodged with the department has increased. A number of process improvements for variations are being implemented to prioritise and provide a quicker turnaround of processing these items. ERR is currently focussing on addressing the backlog of renewals that are with the department. Variation submissions are often higher in the Q3 and Q4 period, related to timing of surrenders and partial cancellations associated with the end of financial year.

Graph 1.4 Total applications and variations still being assessed by stage

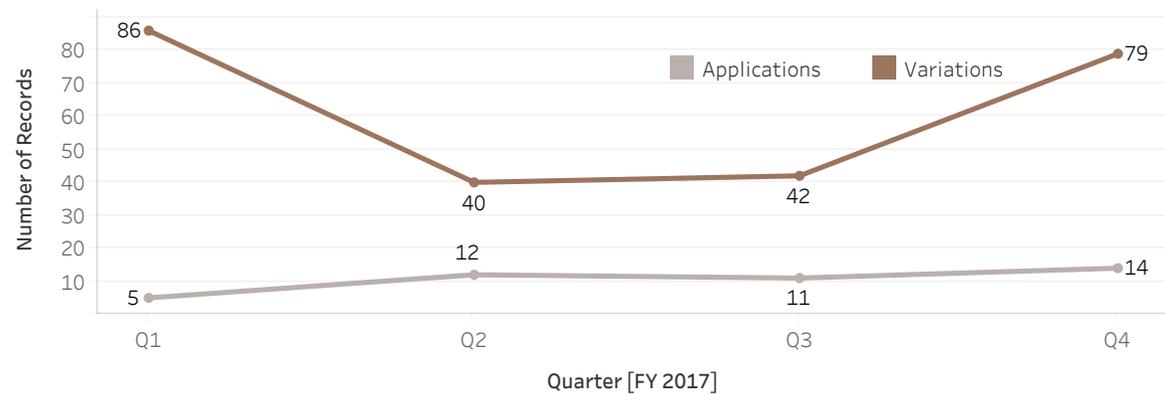


# KPI 1 Efficient Approvals Process

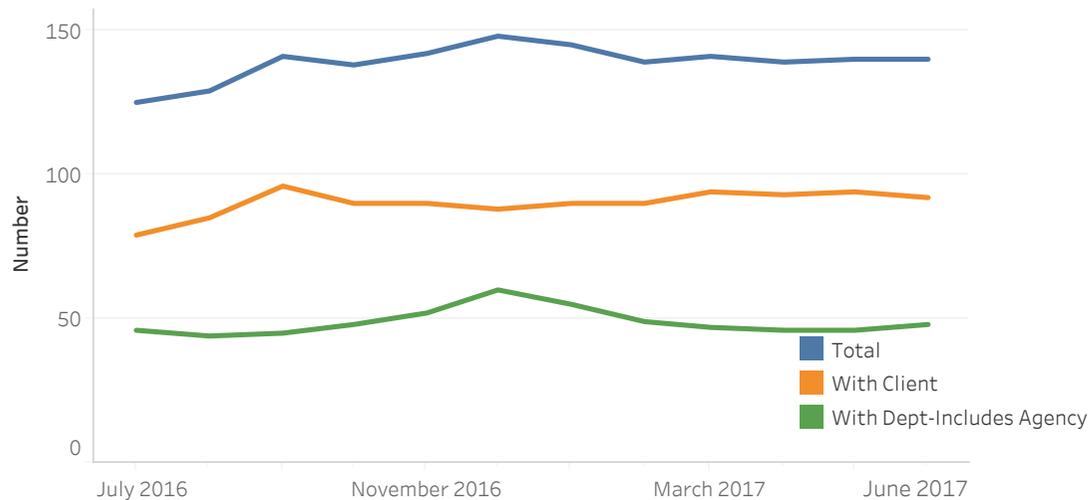
## Licence and permits approved by ERR in 2016/17 (Quarter 4)

Work Type Split	Type		
Applications	Exploration Licence	8	
	Prospecting Licence	2	
	Retention Licence	4	
	Total	14	
Variations	Full Surrender	22	
	Licence Area Change	3	
	Licence Conditions Change	17	
	Partial Cancellation	15	
	Partial Surrender	2	
	Renewal	12	
	Suspension and Extension	1	
	Transfer	7	
	Total	79	
	<b>Grand Total</b>		<b>93</b>

Graph 1.5 Trend - Licence and permits approved



Graph 1.6 Status of MRSDA Work Plans in Progress



### Summary:

The number of work plans remained steady in quarter four. Information from industry suggests that the submission of new work plans has declined as the industry is concerned regarding the current back log of work plans awaiting assessment. Therefore the total number of work plans may underrepresent the volume of works requiring approval in the mining and extractives industries. The number of work plans with industry and with department remained steady in the final quarter with the backlog of work plans remaining steady despite additional assistance provided from the Strategic Approvals group in the final quarter of 2016-17.

There was an increase in applications approved in Q4, aligned with an increase in applications received from Q3. There was also a significant increase in the number of variations approved in Q4 (79) to Q3 (42) which is the result of a dedicated focus on reducing the backlog of outstanding variations within the department, with a focus on renewals.

# KPI 2 Ensuring Compliance

## 2 a) Compliance activities undertaken:

Graph 2.1 - Number of operational compliance activities undertaken per quarter



### Explanation for the result:

ERR exceeded the target by 129 proactive compliance activities as a result of an increased focus to auditing licence conditions and work plan compliance, and site inspections. A total of 77 audits closed in the last quarter to complete the financial year total of 166, meeting the set target of 163.

### Why this measure is important

ERR 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).

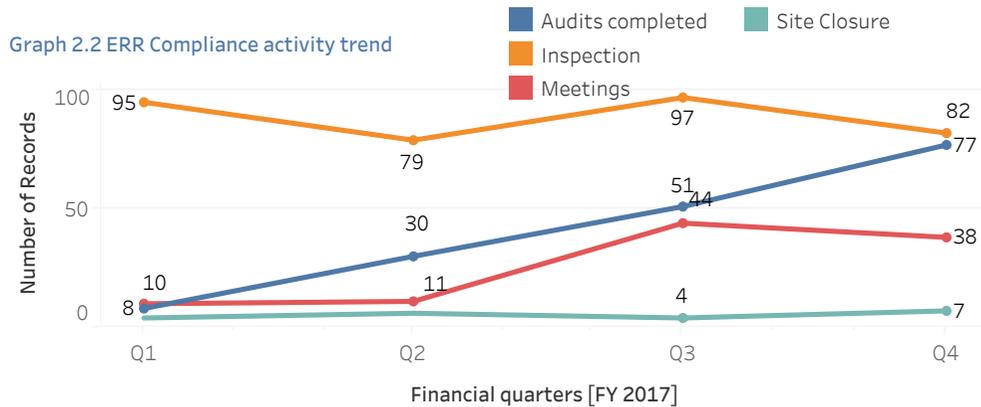
ERR issues notices under the Mineral Resources (Sustainable Development) Act 1990 (MRSDA), where an act or omission by the duty holder is likely to result in a risk to public safety, the environment, land, property, infrastructure or is a non-compliance with the licence conditions. Compliance activities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

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

### Compliance activities - 2016/17 (Quarter 4)

Tenement (group)	Operation Activity	April	May	June	Grand Total
Extractives	Audits completed	20	24	14	58
	Inspection	19	17	11	47
	Meetings	10	13	2	25
	Site Closure			3	3
	Total	49	54	30	133
Mining	Audits completed	8	11		19
	Inspection	11	17	7	35
	Meetings	4	5	4	13
	Site Closure	2		2	4
	Total	25	33	13	71
<b>Grand Total</b>		74	87	43	204

Graph 2.2 ERR Compliance activity trend



## 2 b) Tenement compliance:

Graph 2.3 - Percentage of tenements that have had a compliance activity undertaken, that do not have an enforcement action issued



### Explanation for the result:

After conducting 204 proactive compliance activities on 150 duty holders, 11 enforcement actions (Remedial Notices under MRSDA) were taken on 9 separate duty holders. This means, of the duty holders that ERR conducted compliance activities, 94% of the tenements were compliant with conditions assessed in the compliance activities.

ERR aims to maintain industry performance well above 90%, because it believes in the importance of full compliance in the sector. It intends to achieve this by continuing to have a high number of proactive compliance activities, including increased inspections.

### Why this measure is important

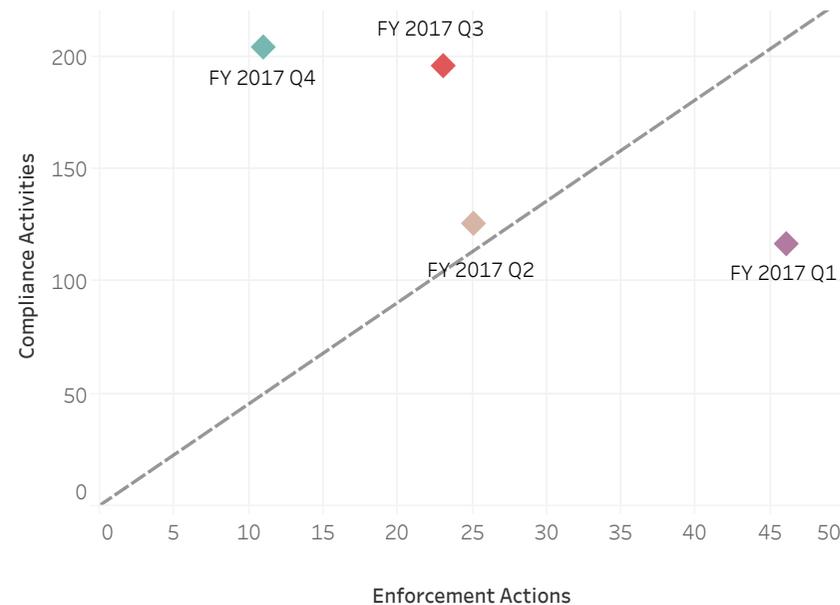
This indicator measures what percentage of current tenements that have had a compliance activity undertaken, and have subsequently had an enforcement action taken against them. This measure shows the public, how many duty holders are compliant with legislative requirements.

# KPI 2 Ensuring Compliance

## Enforcement actions in 2016/17 (Quarter 4) by sector

Action Type	Enforcement Code	Extractives	Mining
General Enforcement Action	0 - Work Without Licence or Consents		1
	3 - Tenement Boundaries	1	
	11 - Public Safety and Site Security	1	2
	15 - Hazardous Materials Management	1	
	17 - Slope Stability	2	1
	25 - Tailings and Slime Management	1	
	35 - Dust Emissions	1	
<b>Grand Total</b>		<b>7</b>	<b>4</b>

Graph 2.4 - Compliance activities vs Enforcement actions



## Enforcement activity - Issued vs Fully complied or withdrawn 2016/17 (Quarter 4)

Enforcement Code	Enforcement Action Type	Issued (unresolved)	Fully Complied & Withdrawn
0 - Work Without Licence or Consents	s110 Notice	1	
3 - Tenement Boundaries	Written Instruction	1	
11 - Public Safety and Site Security	Direction		2
	s110 Notice	1	
15 - Hazardous Materials Management	s110 Notice	1	
17 - Slope Stability	Direction		1
	Written Instruction	2	
25 - Tailings and Slime Management	s110 Notice		1
35 - Dust Emissions	Official Warning Le..	1	
<b>Grand Total</b>		<b>7</b>	<b>4</b>

### Enforcement actions summary:

In Quarter 4, 11 enforcement actions were raised. At the end of the quarter, 4 of these actions were resolved (due to full compliance) or withdrawn as the situation had changed from when the notice was issued.

The 7 enforcement actions against extractive industry duty holders were taken following 133 proactive compliance activities (0.05 enforcement actions per compliance activity). This is a reduction from the previous quarter (0.19 enforcement actions per compliance activity). Four enforcement actions against mining industry duty holders were taken following 71 proactive compliance activities (0.06 enforcement actions per compliance activity). This has decreased from last quarter.

Graph 2.4 highlights the relationship between compliance activities and enforcement actions issued. ERR 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.

# KPI 3 Incident Management

## Reportable Incident Management:

Graph 3.1 - Percentage of reportable events that are responded to during the quarter

Not Applicable since there were no reportable incidents for the quarter.

### Explanation for the result:

There were no reportable incidents in quarter 4. A total of 12 other less significant incidents were recorded for the quarter. Of the 12, 4 were relating to fire, and the remaining notifications from tenement holders related to breach of conditions (unauthorised truck routes), slope stability following a water leak, faulty monitoring equipment (dust) and a small oil spill. These incidents were all reviewed by ERR and 3 had site inspections. Others were followed up with the company in meetings, in writing or verbally.

### Why this measure is important

This measure shows that ERR is responsive to high risk incidents that occur at tenement sites. This will measure the number of compliance and enforcement actions that ERR inspectors' commenced, completed and closed in a particular period.

## Reportable Incidents occurred in the current quarter

There were no reportable incidents this quarter

## Reportable Incidents by classification and hazard

There were no reportable incidents this quarter

## Reportable Incidents still unresolved at 2016/17

There were no reportable incidents still unresolved this quarter

## Reportable Incidents still unresolved by Incident Date

There were no reportable incidents still unresolved this quarter

## Incidents occurred in current quarter (non-reportable)

Enforcement Code	
14. Fire Precautions & Risk Control	4
1. Authorized Activity Compliance	3
35. Dust Emissions	3
15. Hazardous Materials Management	1
17. Slope Stability	1
<b>Grand Total</b>	<b>12</b>

### Summary:

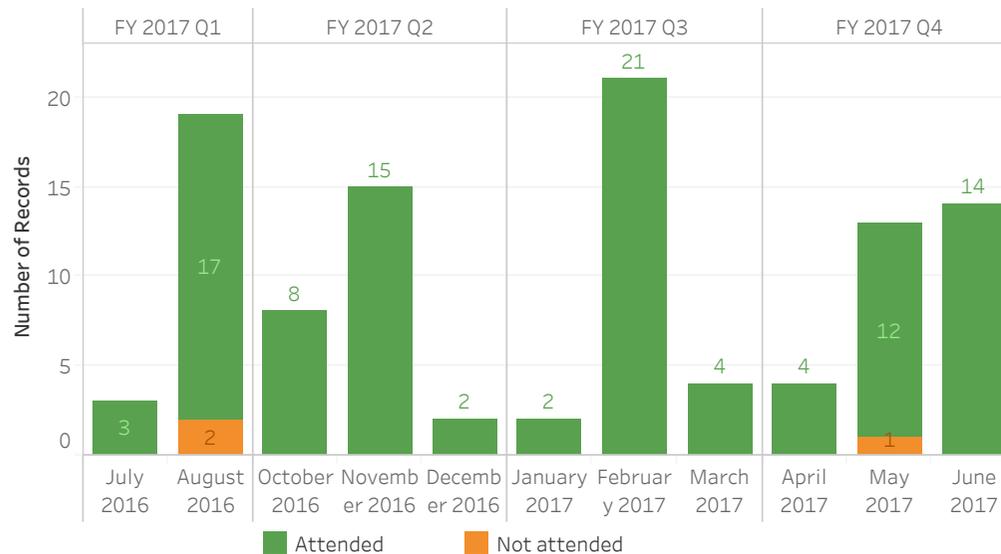
ERR focused on investigating all unresolved incidents and has achieved closing out all by the end of the financial year. ERR will continue to proactively undertake compliance activities, focussing on stability, public safety and environmental impacts (dust, water discharge and hazardous waste management). The Mine Fire and Emergency Unit will also focus on mine fire mitigation and management strategies to ensure the fire risk is reduced so far as practicable in the upcoming warmer months.

# KPI 4 Facilitation of Stakeholder Engagement

## 4 a) Environmental Review Committee:

Graph 4.1 - ERR attendance at Environmental Review Committee meetings

### ERC attendance in 2016/17



### Explanation for the result:

ERR underperformed in relation to this KPI, with a final result of 97% attendance at ERC meetings in Quarter 4. ERR had a few scheduling conflicts with audits being undertaken, and as a result were not able to attend one ERC meeting, however an ERR officer was made available by telephone. 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 ERR at Environmental Review Committee meetings. ERR 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 2016/17

Indicator	2016/17 Q1	2016/17 Q2	2016/17 Q3	Current Quarter	Target	Remaining
Number of Stakeholder Reference Group meetings held by ERR	2	2	0	1	6	1

### Explanation for the result:

After Quarter 4, ERR has held a total of five Stakeholder Reference Group (SRG) meetings. In addition to SRG meetings, the working groups that sit under the SRG have also met on several occasions.

### Why this measure is important?

The SRG is a mechanism for industry, other regulators and local governments to regularly provide input and feedback to ERR on key regulatory decisions on policies and processes. SRGs 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 2016/17

Indicator	2016/17 Q1	2016/17 Q2	2016/17 Q3	Current Quarter	Target	Remaining
Number of Earth Resources Regulators' Forum held by ERR	0	2	1	0	3	0

### Explanation for the result:

After Quarter 4, ERR has held three Earth Resources Regulators' Forum (ERRF). ERR has met the annual target of three forums.

### Why this measure is important

The Victorian Earth Resources Regulators' Forum, with an independent chair, drives a coordinated, strategic approach to regulation in the earth resources sector, with a focus on ERR making robust decisions in a timely manner. Through the forum, ERR 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.

# KPI 5 Complaint Management

## Response times to complaints in 2016/17 Q4

Tenement Group	Enforcement Code	Number of Complaints	Avg. Days to Respond
Extractives	0. Work without License or Consents	1	0.0
	1. Authorized Activity Compliance	1	0.0
	6. Working Hours	2	2.0
	11. Public Safety & Site Security	5	0.0
	24. Drainage, Erosion & Discharge	5	0.0
	30. Noxious Weeds & Plants & Pests	1	0.0
	35. Dust Emissions	2	0.0
	36. Noise Emissions	2	0.0
	38. Explosives Air & Ground Vibration	2	0.0
	41. Impacts Outside Tenement Site	2	0.0
46. Other (Not Specified Above)	2	0.0	
Mining	36. Noise Emissions	1	7.0
	38. Explosives Air & Ground Vibration	1	0.0
Other	0. Work without License or Consents	1	0.0
<b>Grand Total</b>		<b>28</b>	<b>0.4</b>

The target for response times to complaints is 3 business days

- Met target
- Has not met target

### Explanation for the result:

The average response time to the 28 complaints received in 2016/17 Q4 was 0.4 days which is below the target of 3 business days.

28 complaints were received during the quarter, including 2 alleging illegal extraction or extraction without a permit. 10 complaints were received relating to wet weather conditions, including mud on road and potential offsite drainage from extractive industry work authorities (quarries). 3 complaints were received each for noise, blasting and the import of materials for both mines and quarries. Dust and pest management from quarries and community engagement relating to mining activities made up the remainder of the complaints received for the quarter.

### Why this measure is important?

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



# Release Information

## Report Info:

This is an interactive report in a story board format. You can use the navigator toolbar up the top of the report to move between pages. With certain visualisations, user's are able to drill down and filter on specific parameters.

## Updates in this version:

The data model for the report includes tables from: RRAM and Excel tables.

## Version History:

ERR Performance Report v1.3

Built using Tableau Desktop version 10.2.0.16

Report owner: Earth Resources Regulation branch, Department of Economic Development, Jobs, Transport and Resources