



Earth Resources Regulation Performance Report 2017/18 (Quarter 1)



Economic Development,
Jobs, Transport
and Resources

Earth Resources Regulation KPI summary 2017/18 (Quarter 1)

Executive summary

This report provides a summary of the operating performance for Earth Resources Regulation (ERR), for 2017/18 (Quarter 1) ending 30 September 2017.

ERR's major achievements in 2016/17 included enacting ERR's leadership structure, establishing a client service standard, working with the earth resources industry and other stakeholders on developing guidelines and support for risk based plans, and establishing the Victorian Earth Resources Regulators Forum.

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 met or exceeded targets for several key performance indicators in Q1 of 2017-18:

- * KPI 2 Number of operational compliance activities undertaken (double more than planned)
- * KPI 4 ERR attendance at Environmental Review Committee meetings (achieved target of 100% attendance)

ERR will commence reporting on several new KPIs in 2017-18 relating to rehabilitation bond assessments, delivering commitments in intra-government agreements and community satisfaction.

ERR 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

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. 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. Public reporting of the data will allow stakeholders to monitor ERR's progress.

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

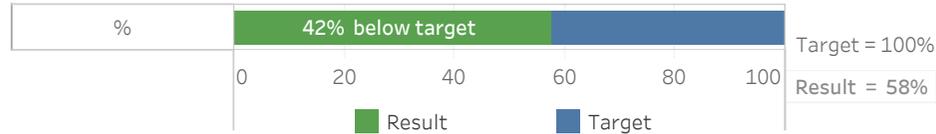
Key Performance Indicators 2017/18 (Quarter 1)

Performance driver	Indicator	Measurement base1	Target period	Target	Current Quarter	2016/17 Q4	DEDJTR Compliance framework outputs
KPI 1 Efficient Approvals Process	Percentage of tenement applications assessed in statutory timeframe	%	Quarterly	100	58	57	Outputs/activities
	Percentage of tenement applications assessed within departmentally agreed timeframes where a statutory timeframe does not exist	%	Quarterly	100	83	N/A	Outputs/activities
KPI 2 Ensuring Compliance	Number of operational compliance activities undertaken per quarter	Number of activities	Quarterly	75	157	204	Inputs
	Percentage of rehabilitation bond assessments undertaken during the year	%	Annual	20	Results in Q4	N/A	Outputs/activities
KPI 3 Effective Incident Management	Percentage of reportable events that are responded to during the quarter	%	Quarterly	100	100	No reportable incidents	Short-term and long-term outcomes
KPI 4 Facilitation of Stakeholder Engagement	ERR attendance at Environmental Review Committee meetings	%	Quarterly	100	100	97	Outputs/activities
	Number of Earth Resources Regulators' Forum held by ERR	Number of meetings	Annual	3	1	0	Outputs/activities
	Number of Stakeholder Reference Group meetings held by ERR	Number of meetings	Annual	6	1	1	Outputs/activities
	Percentage of commitments delivered in Working or Partnership Agreements / MOUs	%	Annual	100	Results in Q4	N/A	Outputs/activities
KPI 5 Complaint Management	Average number of days to respond to complaints made by community against tenements	Business days	Quarterly	3	1	0.4	Outputs/activities
KPI 6 Community Satisfaction	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	Results in Q4	N/A	Outputs/activities

KPI 1 Efficient Approvals Process

Application assessment process:

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



Graph 1.2 Trend of KPI 1



Explanation for the result:

KPI 1 performance for quarter 1 remained steady at 58% compared to 57% in quarter 4. Two strategic approvals officers were seconded in this quarter to assist the Approvals team. Recruitment is underway to appoint an additional four Approvals staff as well as appointing consultants for a six month period to reduce the back log of work plans that have exceeded statutory time frames.

The number of licence applications approved within the statutory time frame has increased from 64% in Q4 to 73% in Q1. The licensing team is focussing on processing new applications within statutory time frames, in addition to finalising a number of items that have been with the department for a significant period of time. The number of licences approved in Q1 remained consistent with the previous quarter. 83% of renewals and variations were completed within the client service standard (ie the measure where no statutory time frames exist). The other 17% consisted of items that have been with the department for a significant length of time.

Why are these measures important?

ERR is the responsible regulator for 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 legislation.

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 began reporting on Client Services performance in July 2017.

Licensing Application Approvals (within statutory timeframe)

Quarte..	Authority	Type	Timeframe	Processed within time	
				No	Yes
FY 2018 Q1	Mineral Resources (Sustainable Development) Act 1990	Exploration Licence	90	1	8
		Mining Licence	120		1
		Prospecting Licence	90	3	1
		Retention Licence	120		1
FY 2017 Q4	Mineral Resources (Sustainable Development) Act..	Exploration Licence	90	1	7
		Prospecting Licence	90	1	1
		Retention Licence	120	1	3

Work Plans Performance (within statutory timeframe)

Quart..	Authority	Type	Timeframe	Processed within time	
				No	Yes
FY 2018 Q1	Mineral Resources (Sustainable Dev..	Work Plan (Exploration)	28	2	1
		Work Plan (Minerals)	28	2	
		Work Plan (WA)	28	3	3
FY 2017 Q4	Mineral Resources (Sustainable Development) Act..	Work Plan (Exploration)	28	1	
		Work Plan (Minerals)	28		1
		Work Plan (WA)	28	4	2
		Work Plan Variation	28		1

Variations and Renewals (Client Services Performance)

Quarter ..	Authority	Tenement Type	Timeframe	Processed within time	
				no	yes
FY 2018 Q1	Mineral Resources (Sustainable Development) Act 1990	Exploration Licence	90	8	45
		Mining Licence	120	4	9
		Offshore Pipeline Licence	90		10
		Onshore Petroleum Exploration P..	90		5
		Onshore Petroleum Retention Lea..	90		2
		Prospecting Licence	90	1	1
		Work Authority	90	5	13
Grand Total				18	85

Graph 1.3 KPI 1: Percentage of tenement applications where statutory timeframes do not exist

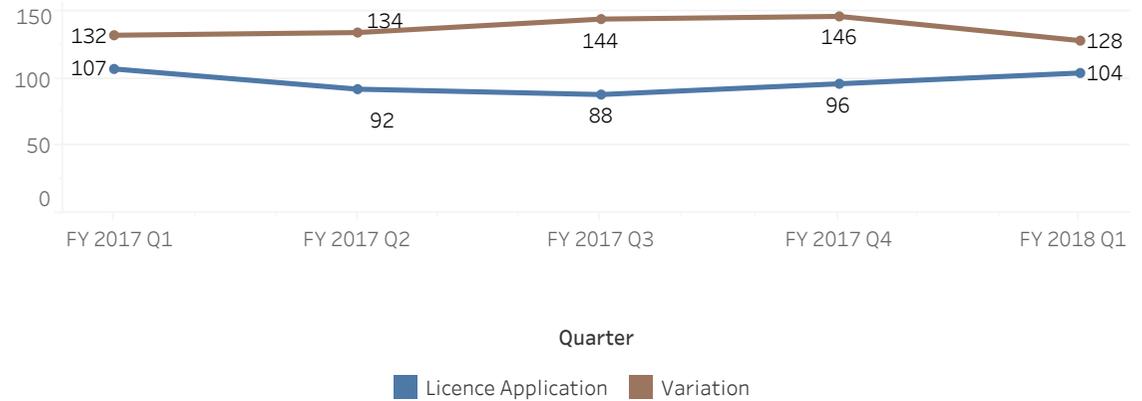


KPI 1 Efficient Approvals Process

Licences and Variations ERR is assessing at 2017/18 (Quarter 1)

Work Type Split	Type	
Applications	Exploration Licence	71
	Mining Licence	7
	Offshore Pipeline Licence	2
	Onshore Petroleum Exploration Permit	2
	Prospecting Licence	11
	Retention Licence	11
	Total	104
Variations	Amalgamation	1
	Authority to Dispose of Tailings	1
	Cancellation due to Amalgamation	1
	Consolidation	2
	Creation of Interest	3
	Devolution of Interest	3
	Full Surrender	5
	Licence Area Change	1
	Licence Conditions Change	10
	Partial Cancellation	2
	Registration of Dealing	4
	Renewal	62
	Suspension and Extension	8
	Transfer	25
	Total	128
	Grand Total	232

Graph 1.4 Trend - Total Applications and Variations

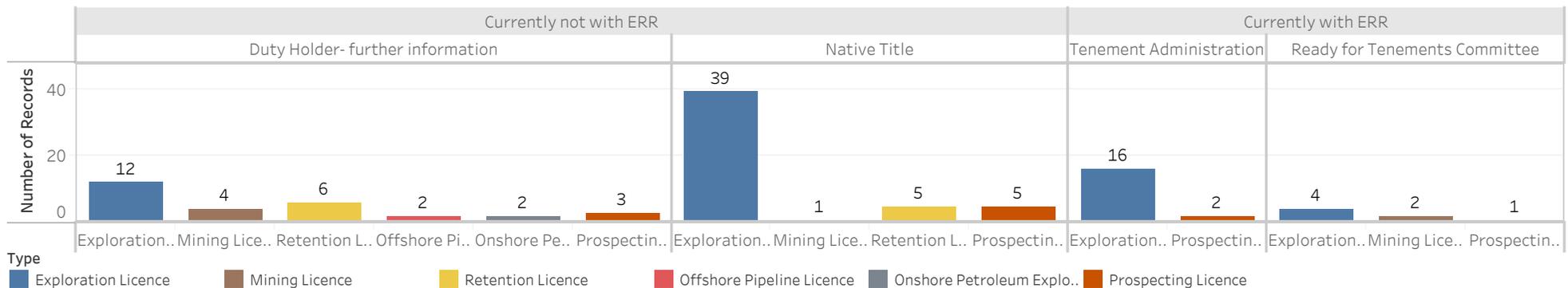


Summary:

The number of licence applications has increased slightly from Q4 (104 vs 96) and variations submitted has decreased. Variation submissions are often higher in the Q3 and Q4 periods, related to timing of surrenders and partial cancellations associated with the end of financial year.

Although the number of items with the department remains relatively consistent, the number of total variations has significantly decreased from Q4 to Q1, with a reduction of over 100 variations. This is a result of the dedicated work by the licensing team to reduce the backlog of items waiting assessment by the department.

Graph 1.5 Total Applications by stage

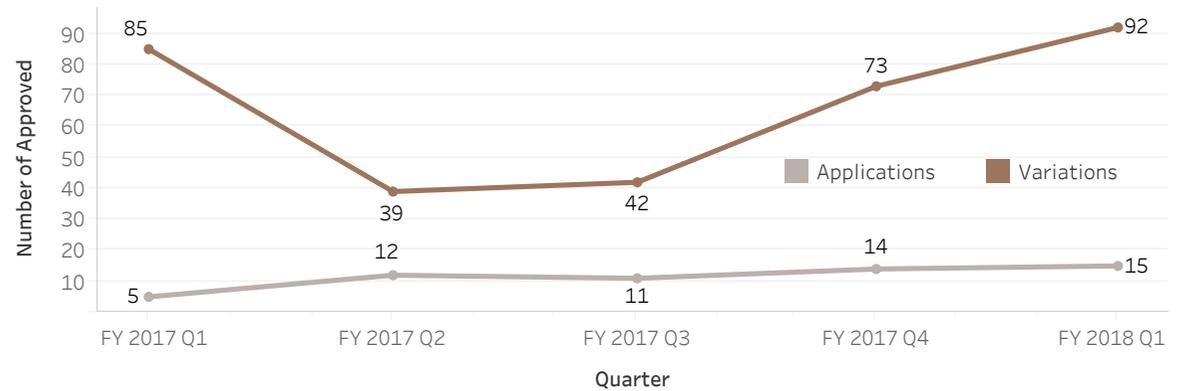


KPI 1 Efficient Approvals Process

Licences and Variations approved by ERR in 2017/18 (Quarter 1)

Work Type Split	Type		
Applications	Exploration Licence	9	
	Mining Licence	1	
	Prospecting Licence	4	
	Retention Licence	1	
	Total	15	
Variations	Full Surrender	18	
	Licence Area Change	3	
	Licence Conditions Change	11	
	Partial Cancellation	11	
	Partial Surrender	1	
	Registration of Dealing	7	
	Renewal	13	
	Suspension and Extension	7	
	Transfer	21	
	Total	92	
	Grand Total		107

Graph 1.6 Trend - Licences and permits approved



Summary:

Q4 (April - June 2017) and Q1 (July - September 2017) demonstrate the substantial increase in variations that have been approved as a result of reducing the backlog of tenement administration activities within the department. The number of applications approved remains consistent.

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 82 proactive compliance activities as a result of an increased focus on auditing licence conditions and work plan compliance, and site inspections. A total of 30 audits were completed in Q1.

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).

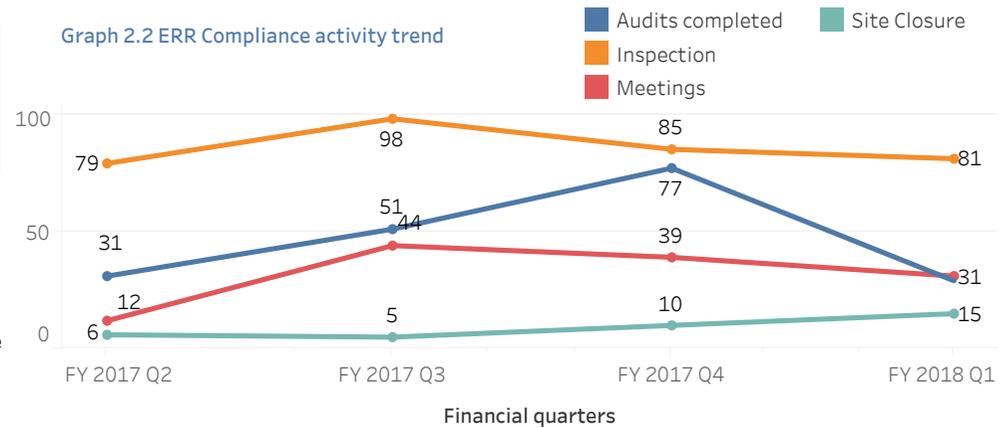
ERR issues notices under the Mineral Resources (Sustainable Development) Act 1990, where an act or omission by the duty holder is likely to result in a risk to public safety, the environment, land, property or infrastructure, or is a non-compliance with the licence conditions. Compliance activities are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

The notices/infringements are usually issued following compliance checking activities undertaken by 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 - 2017/18 (Quarter 1)

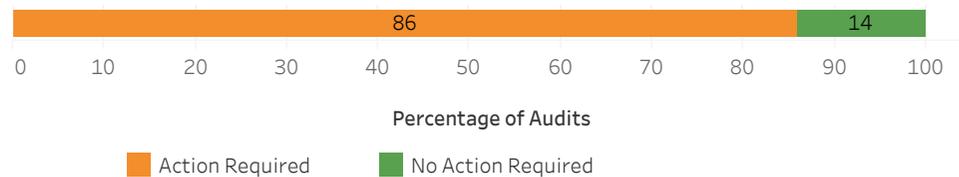
Tenement (group)	Operation Activity	July	August	September	Grand Total
Extractives	Audits completed	6	5	5	16
	Inspection	17	20	11	48
	Meetings	5	3	4	12
	Site Closure	2	3	1	6
	Total	30	31	21	82
Mining	Audits completed	2	4	7	13
	Inspection	15	7	11	33
	Meetings	5	8	6	19
	Site Closure	8	1		9
	Total	30	20	24	74
Grand Total		60	51	45	156

Graph 2.2 ERR 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:

ERR conducted 157 compliance activities on 123 duty holders. This included 30 compliance audits. Improvement actions were required in 86% of audits. These actions will be tracked in future inspections and audits. One notice was issued preventing further extraction until a work plan variation was approved.

ERR'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 of action

Risk	Total	Percentage
Community Impact	3	5
Extraction limits	7	11
Fire	3	5
Rehabilitation and Bonds	12	19
Security	6	10
Stability	2	3
Systems and Processes	16	26
Vegetation Management	4	6
Water	9	15

The majority of audits conducted during quarter one identified improvement actions as indicated in the graph and table. These actions included improving systems and processes to reduce the risk of incidents and non compliance; actions to clearly identify and comply with extraction limits; progressive rehabilitation and bond adjustments; and water management to prevent offsite impacts.

Enforcement actions in 2017/18 (Quarter 1) by sector

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

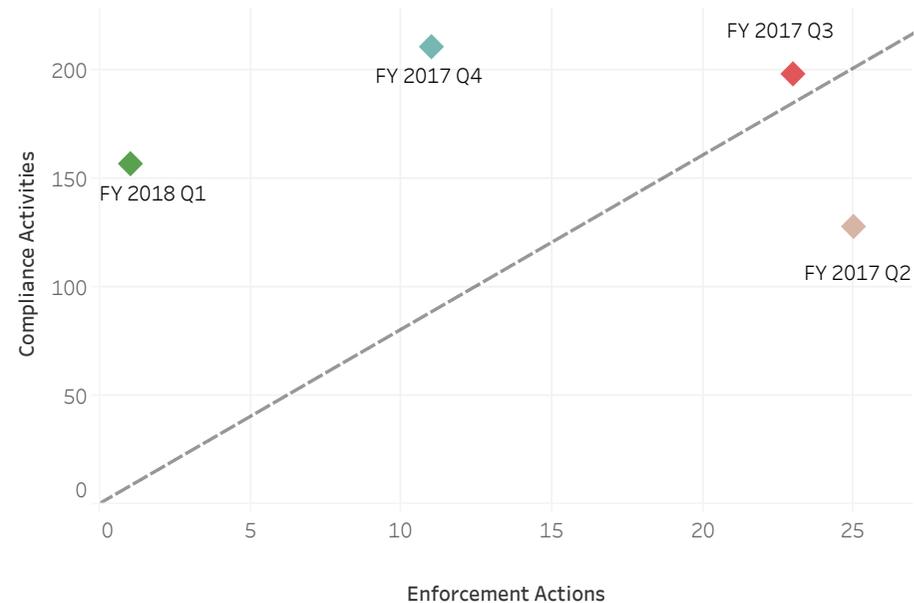
Enforcement activity - Issued vs Fully complied or withdrawn 2017/18 (Quarter 1)

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

Enforcement activity - Fully complied or withdrawn in 2017/18 (Quarter 1)

Enforcement Code	Enforcement Action Type	Action Type	Quarter of Date of Issue	Fully Complied & Withdrawn
17 - Slope Stability	s110 Notice	General Enforcement Action	FY 2017 Q3	1

Graph 2.4 - Compliance activities vs Enforcement actions



Enforcement actions summary:

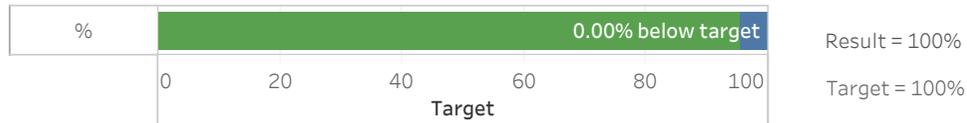
In Quarter 1, only 1 enforcement action was raised. The 1 enforcement action against an extractive industry duty holder was taken following 82 proactive compliance activities (0.01 enforcement actions per compliance activity). This is a reduction from the previous quarter (0.05 enforcement actions per compliance activity). No enforcement actions against mining industry duty holders were taken following 75 proactive compliance activities (0.0 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 responded to during the quarter



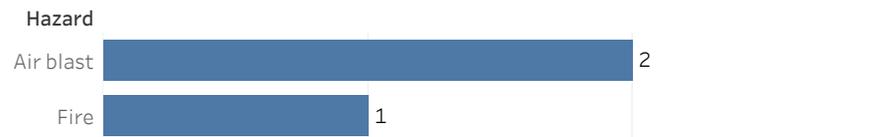
100% of reportable events were responded to in Quarter 1.

Reportable Incidents in the current quarter

Tenement:Group	Classification	Type	No Inspection	Grand Total
Extractives	Minor	Legislation Breach	2	2
Mining	Minor	Public Safety	1	1
Grand Total			3	3

Reportable Incidents by classification and hazard

Graph 3.2 - Number of reportable events in the quarter



Explanation for the result:

There were 3 reportable incidents in Quarter 1, 2 about blasting and 1 about fire. A total of 2 other incidents were recorded for the quarter, which also related to fire.

Reportable Incidents still unresolved

All reportable incidents were resolved in the current quarter.

Non-reportable Incidents in current quarter

Enforcement Code

14. Fire Precautions & Risk Control	2
Grand Total	2

Why this measure is important

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

Summary:

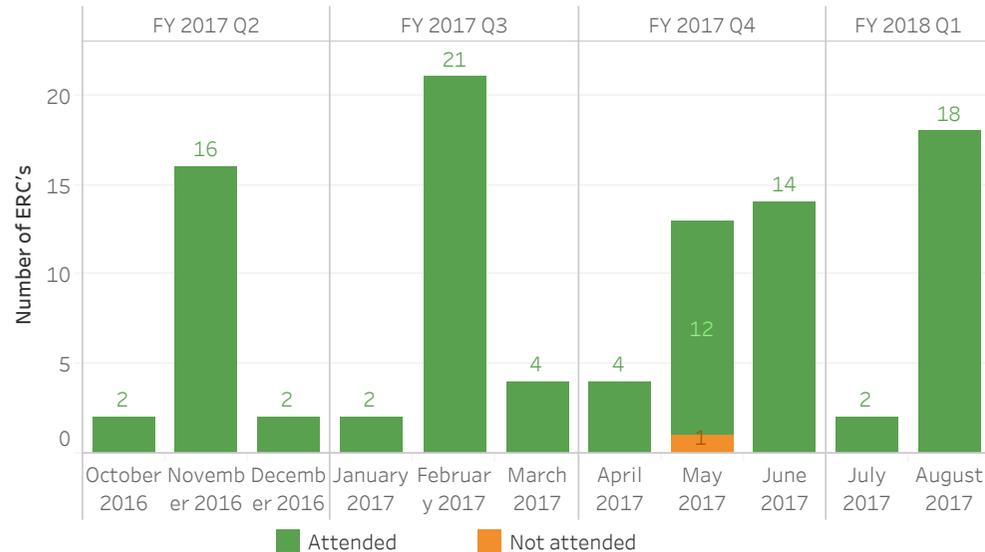
ERR will continue to proactively undertake compliance activities, focussing on stability, public safety and environmental impacts (dust, water discharge and hazardous waste management). The Mine Fire and Emergency Unit will also focus on mine fire mitigation and management strategies to ensure the fire risk is reduced so far as practicable in the upcoming warmer months.

KPI 4 Facilitation of Stakeholder Engagement

4 a) Environmental Review Committees

Graph 4.1 - ERR attendance at Environmental Review Committee meetings

ERC attendance



Explanation for the result:

ERR met the KPI, with a result of 100% attendance at ERC meetings in Quarter 1. Graph 4.1 shows the monthly split for ERC attendance. There were no meetings in September 2017.

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 2017/18

Indicator	Current Quarter	Target	Remaining
Number of Stakeholder Reference Group meetings held by ERR	1	6	5

Explanation for the result:

The Target is an annual figure based on SRG meetings being scheduled every two months. The Q1 meeting was held as scheduled on 17 August 2017.

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

Indicator	Current Quarter	Target	Remaining
Number of Earth Resources Regulators' Forum held by ERR	1	3	2

Explanation for the result:

The Target is an annual figure based on ERRF meetings being scheduled three times a year. The first of these meetings for 2017/18 was held as scheduled on 14 August 2017.

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, 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 2017/18 Q1

Tenement Group	Enforcement Code	Number of Complaints	Avg. Days to respond
Extractives	1. Authorized Activity Compliance	3	1
	11. Public Safety & Site Security	2	1
	17. Slope Stability	2	1
	24. Drainage, Erosion & Discharge	1	1
	29. Native Vegetation & Fauna	1	1
	32. Waterway Quality & Aquatic Habitat	1	1
	34. Groundwater Impacts	1	1
	35. Dust Emissions	1	1
	36. Noise Emissions	6	1
	38. Explosives Air & Ground Vibration	2	1
	46. Other (Not Specified Above)	1	1
Mining	46. Other (Not Specified Above)	1	1
Other	0. Work without License or Consents	5	1
	29. Native Vegetation & Fauna	1	1
Grand Total		28	1

■ Met target

The target for response times to complaints is 3 business days.

Explanation for the result:

28 complaints were received during the quarter, including 5 alleging illegal extraction or extraction without a permit. The average response time to the 28 complaints received in 2017/18 Q1 was 1 day, which is better than the target of 3 business days.

6 complaints were received relating to Noise emissions from quarries, and one from a mining licence. All complaints were investigated and determined that the quarries were operating in accordance with noise limits. ERR checks that operators are applying best practice measures to further reduce any potential impact on their activities on the local amenity.

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