

Earth Resources Regulation

Performance Report
2018-19 Quarter 2



Summary

This report provides a summary of the operating performance for financial year 2018-19 (Quarter 2) ending 31 December 2018.

Stand out performance indicators in Q2 of FY 2018-19:

- KPI 1 - 100% of licence applications and 100% of work plan stages were assessed within the statutory time.
- KPI 2 - There were 156 operational compliance activities undertaken, above the target of 75.
- KPI 3 - There were five reportable incidents which were responded to during this quarter.
- KPI 4 - Earth Resources Regulation held two Stakeholder Reference Group meetings, one Earth Resources Regulators' Forum and attended 100% of the Environmental Review Committee meetings in Q2
- KPI 5 - The time to respond to complaints took on average one business day.

Earth Resources Regulation will continue to engage with industry and the community in 2018-19 to 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 Jobs, Precinct and Regions' (DJPR) regulators. 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 over time. Earth Resources Regulation uses a range of indicators to monitor its activities and performance. 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 continue to monitor Earth Resources Regulation's progress.

This report complies with Earth Resources Regulation's reporting obligations under the Compliance Strategy 2016-18 and Client Service Standard 2016-2018.

KPI	High Level Indicators	Measurement	Target	Target period	Current Quarter	Previous Quarter	DJPR's compliance policy framework
KPI 1 Efficient Approvals Process	Percentage of Licence applications assessed in statutory timeframe	%	100	Quarterly	100%	96%	Outputs/activities
	Percentage of Work Plan stages with Earth Resources Regulation assessed in statutory timeframe	%	100	Quarterly	100%	98%	Outputs/activities
	Percentage of tenement applications assessed within Client Service Standard timeframes where a statutory timeframe does not exist	%	100	Quarterly	87%	85%	Outputs/activities
KPI 2 Ensuring Compliance	Number of operational compliance activities undertaken per quarter	Number of activities	75	Quarterly	156	98	Inputs
KPI 3 Effective Incident Management	Percentage of reportable events that are responded to during the 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	100%	100%	Outputs/activities
	Number of Stakeholder Review Group meetings held by Earth Resources Regulation	Number of meetings	4	Annual	Results in 2018-19 Q4		Outputs/activities
	Number of Earth Resources Regulator Forums held by Earth Resources Regulation	Number of meetings	3	Annual	Results in 2018-19 Q4		Outputs/activities
KPI 5 Complaint Management	Average number of days to respond to complaints made by community against tenements	Business days	3	Quarterly	1	1	Outputs/activities

Licence Applications Finalised (within Statutory Time Frame)

Quarter	Type	STF (Target Days)	N/A STF	Over STF	Within STF	Total (Over + Within STF)	% Within STF/ Total
FY 2018-19 Q2	Exploration Licence	90	N/A	0	3	3	100%
	Prospecting Licence	90	N/A	0	3	3	100%
	Retention Licence	120	N/A	0	1	1	100%
	Work Authority	N/A	5	0	0	0	N/A
	Total		5	0	7	7	100%
FY 2018-19 Q1	Exploration Licence	90	N/A	1	14	15	93%
	Mining Licence	120	N/A	0	1	1	100%
	Prospecting Licence	90	N/A	0	8	8	100%
	Work Authority	N/A	3	0	0	0	N/A
	Total		3	1	23	24	96%

Explanation for the result:

In Q2 7 applications were finalised and 100 percent were completed within the Statutory Time Frame (STF).
5 Work Authority applications were finalised in the quarter.

Licence Variations Finalised (Client Services Standard – CSS)

Quarter	Type	CSS (Target Days)	Over CSS	Within CSS	Total (Over + Within CSS)	% Within CSS/ Total
FY 2018-19 Q2	Exploration Licence	90	4	31	35	89%
	Mining Licence	120	0	16	16	100%
	Prospecting Licence	90	0	1	1	100%
	Retention Licence	120	1	1	2	50%
	Work Authority	30	3	3	6	50%
	Total		8	52	60	87%
FY 2018-19 Q1	Exploration Licence	90	4	18	22	82%
	Mining Licence	120	1	12	13	92%
	Prospecting Licence	90	0	7	7	100%
	Work Authority	30	3	9	12	75%
	Total		8	46	54	85%

Explanation for the result:

The number of variations finalised increase to 60 during Q2. 87% of the licence variations were completed within the client services standard (ie the measure where no statutory time frames exist).

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

Work Plans Performance (within Statutory Time Frame)

Quarter	Type	WP Finalised	WP under assessment	Stage STF (Target Days)	Stages Over STF	Stages Within STF	Total stages	% (Within STF/ Total)
FY 2018-19 Q2	Work Plan (Exploration)	8	11	28	0	13	13	100%
	Work Plan (Minerals)	1	5	28	0	8	8	100%
	Work Plan (WA)	3	14	28	0	21	21	100%
	Total	12	30		0	42	42	100%
FY 2018-19 Q1	Work Plan (Exploration)	2	10	28	1	12	13	92%
	Work Plan (Minerals)	1	7	28	0	17	17	100%
	Work Plan (WA)	5	16	28	0	19	19	100%
	Total	8	33		1	48	49	98%

Explanation for the result:

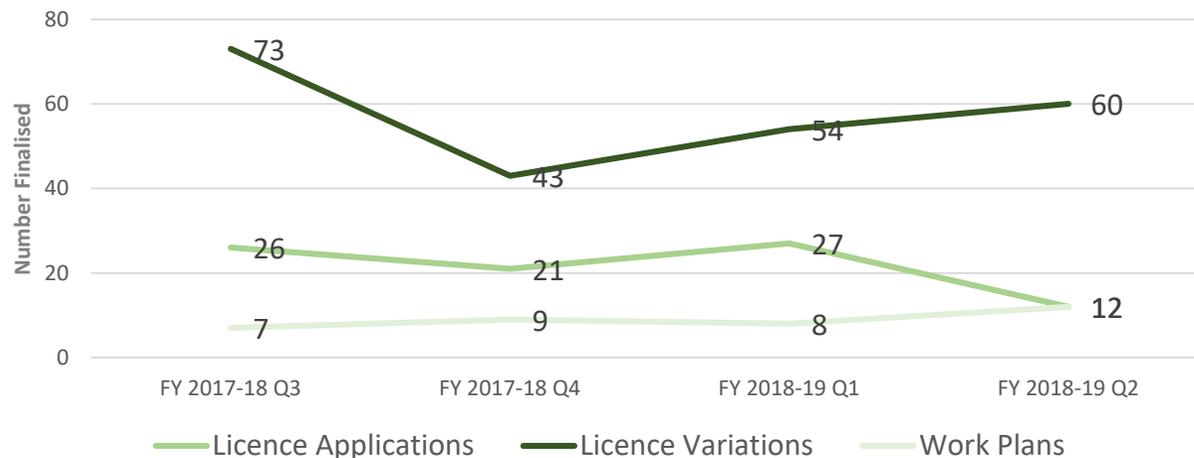
In Q2 Earth Resources Regulation assessed 42 work plan stages, of which 100% were assessed within the stage's statutory time frame.

Earth Resources Regulations assessed multiple stages from some work plans in the quarter as the 42 work plan stages assessed were from 30 unique work plans. During the Q2 quarter 12 work plans were finalised.

The improved assessment performance can be attributed to improvements gained through an increased focus on statutory timelines.

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

Applications, Variations and Workplans Finalised



Why are these measures important?

Earth Resources Regulation is the regulator responsible 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.

Earth Resources Regulation is striving for a consistent and transparent approvals process, balancing efficiency but maintaining the rigour required for comprehensive assessment, consistent with the legislation.

Non MRSDA Variations (Client Services Standard – CSS)

Quarter	Type	Full Surrender	Registration of Dealing	Renewal	Suspension and Extension	Transfer	Total
FY 2018-19 Q2	Offshore Pipeline Licence	0	0	0	0	2	2
	Onshore Petroleum Exploration Permit	0	0	0	5	0	5
	Total	0	0	0	5	2	7
FY 2018-19 Q1	Geothermal Exploration Permit	1	0	0	0	0	1
	Offshore Petroleum Exploration Permit	0	0	1	0	0	1
	Onshore Petroleum Exploration Permit	0	6	0	1	2	9
	Onshore Petroleum Production Licence	0	0	0	0	7	7
	Total	1	6	1	1	9	18

Explanation for the result:

There were 7 Non MRSDA licence variations finalised in Q2.

The Non MRSDA activities focused on Suspensions and Extensions

Non MRSDA Work Plans

Quarter	Type	WP Finalised	WP under assessment in Q2	Environment Plan Stages	Operation Plan Stages	Total Stage Assessed
FY 2018-19 Q2	Offshore Pipeline Licence	7	7	14	0	14
	Onshore Petroleum Production Licence	0	5	0	5	5
	Total	7	12	14	5	19
FY 2018-19 Q1	Offshore Pipeline Licence	1	8	9	0	9
	Onshore Petroleum Production Licence	1	1	0	2	2
	Total	2	9	9	2	11

Explanation for the result:

Offshore petroleum activities in Victorian waters centred on the assessment of pipeline environment plan renewals.

Compliance Activities Undertaken

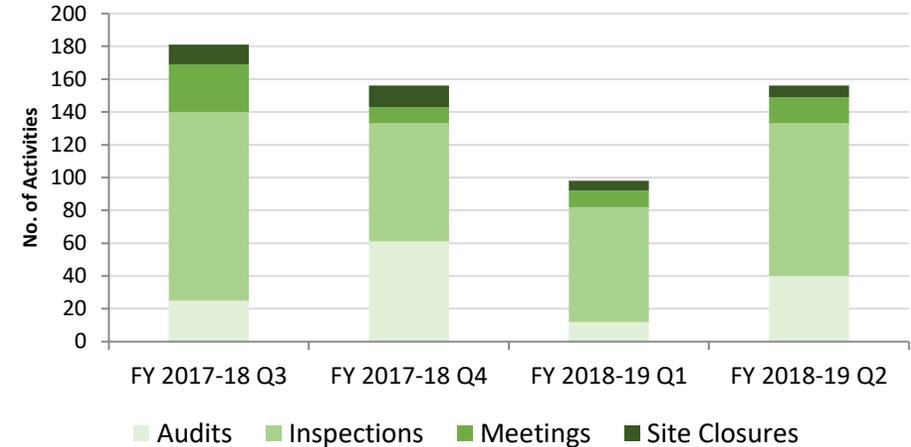
Compliance Activities – 2018-19 Q2

Licence Types	Activity	October	November	December	Total
Extractives	Inspection	18	14	20	52
	Audit	9	12	9	30
	Meeting	2	3	0	5
	Site Closure	0	1	3	4
	Total	29	30	32	91
Mining	Inspection	15	11	14	40
	Meeting	3	5	3	11
	Audit	3	3	3	9
	Site Closure	2	1	0	3
	Total	23	20	20	63
Petroleum	Audit	0	0	1	1
	Inspection	0	1	0	1
	Total	0	1	1	2
Total		52	51	53	156

Explanations for the results:

In Q2 Earth Resources Regulation conducted 156 proactive compliance activities on 117 duty holders, exceeding the 75 compliance activities target by 81.

Compliance Activities by Quarter



Why are these measures 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 undertaken 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 activities are actions designed to mitigate risk in the sector.

Earth Resources Regulation maintains a risk-based approach to targeting inspections and audits in order to mitigate acts of non-compliance by duty holders.

Number of Compliance Audits – by type of Audit

Type of Audits	FY 2017-18 Q3	FY 2017-18 Q4	FY 2018-19 Q1	FY 2018-19 Q2	Total	% Total
Plan and Conditions	6	16	5	12	39	28%
Progressive Rehabilitation	6	17	3	9	35	25%
Boundaries and Extraction limits	3	3	2	6	14	10%
Dust	5	1	0	5	11	8%
Water Management	1	5	0	2	8	6%
Fire & Emergency	1	3	0	2	6	4%
Exploration Drilling	0	4	1	0	5	4%
Plan and Conditions (High Risk)	1	3	0	1	5	4%
Pest, Plant and Animal	1	1	1	1	4	3%
GeoTechnical	1	2	0	0	3	2%
Impacts of Blasting	0	2	0	1	3	2%
Imported Materials	0	2	1	0	3	2%
Trailing Storage Facility	1	1	0	1	3	2%
Community Engagement	0	1	0	0	1	1%
Site Security and Buffer Zones	0	1	0	0	1	1%
Total	26	62	13	40	141	100%

Explanations for the results:

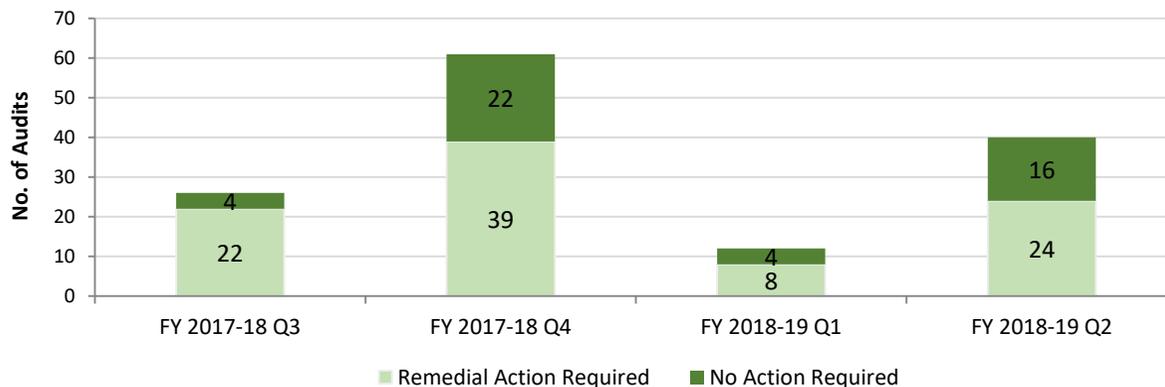
Of the 156 compliance activities conducted in Q2 on 117 duty holders, 40 were audits.

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: rehabilitation, fire, dust, noise, stability, water and approval conditions.

Fire and dust audits are usually undertaken during the summer months.

For further information on compliance priorities see the Earth Resources Regulation Compliance Strategy ([www.http://earthresources.vic.gov.au/earth-resources-regulation/regulatory-compliance](http://earthresources.vic.gov.au/earth-resources-regulation/regulatory-compliance))

Action requirements on Audits



Explanations for the results:

Industry non-compliance for 2018-19 Q2 was at 60%, 24 out of 40 compliance audits in Q2 required remedial actions to be taken, compared to 66% in Q1.

Why are these measures 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.

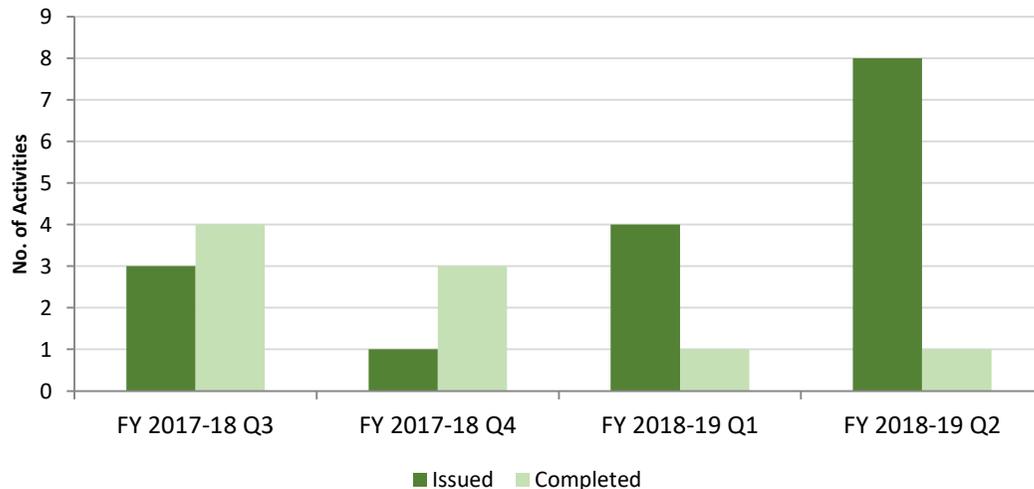
Enforcement Activity Issued in Quarter 2

Sector	Action Type	Enforcement Code	Enforcement Action Type	Status	No. of Notices
Mining	General Enforcement Action	24 - Drainage, Erosion and Discharge	s110 Notice	Issued	1
Mining	General Enforcement Action	9 - Documentation and Records	s110 Notice (Stop Work)	Issued	1
Extractives	General Enforcement Action	0 - Work Without Licence or Consents	s110 Notice	Issued	1
Extractives	General Enforcement Action	1 - Authorised Activity Compliance	s110 Notice	Issued	2
Extractives	General Enforcement Action	11 - Public Safety and Site Security	Direction	Issued	1
Extractives	General Enforcement Action	24 - Drainage, Erosion and Discharge	s110 Notice	Issued	1
Extractives	General Enforcement Action	27 - Buffer Zones	s110 Notice	Issued	1

Enforcement Activity Finalised in Q2

Sector	Action Type	Enforcement Code	Enforcement Action Type	Quarter Date of issue	Status
Extractives	General Enforcement Action	11 - Public Safety and Site Security	Direction	FY 2019 Q2	Complied

Enforcement Activities



Enforcement actions summary:

In Q2 eight notices were issued, 2 on Mining and 6 on Extractives. One tenement holder was issued with three notices for alleged breaches of working outside the allowed boundaries and waterway discharge. One Enforcement Action relating to public safety was closed out in the quarter as the direction had been complied with.

Charges were laid on a tenement holder for allegedly not obtaining landowner consent before starting work. Further details on enforcement actions can be found in the following media releases:

<http://earthresources.vic.gov.au/about-us/media-releases>

- Hazelwood Mine Fire Workforce in Place for Summer
- Regulator Charges East Gippsland Miner
- Mining Regulator Enforces Dust Controls at Woodvale Ponds

Reportable Incidents

Sector	Classification	Type	Hazard	Inspection	Incident Responded To	Incident Resolved
Mining	Minor	Infrastructure	Fire	No	Yes	Yes
Mining	Minor	Infrastructure	Ground instability	Yes	Yes	No
Mining	Minor	Legislation Breach	Biodiversity disturbance	Yes	Yes	No
Mining	Minor	Legislation Breach	Excessive dust	No	Yes	Yes
Mining	Minor	Legislation Breach	Noise pollution	No	Yes	Yes

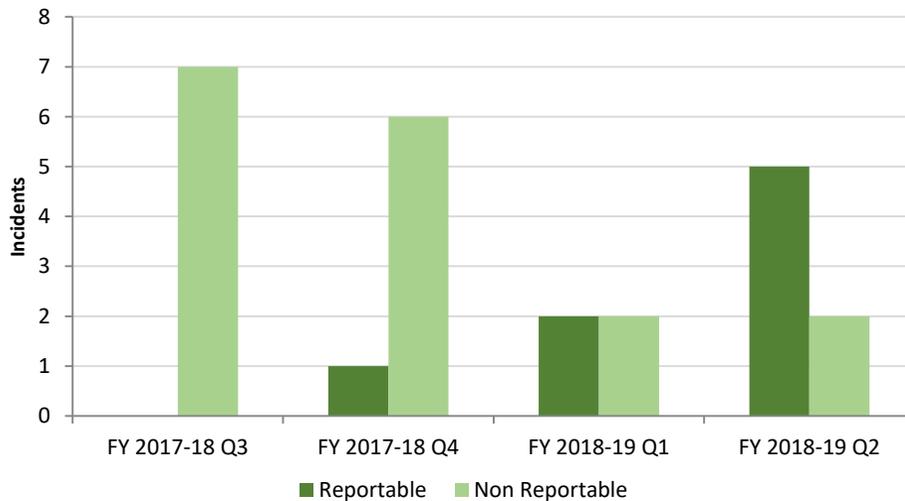
Non Reportable Incidents

Sector	Classification	Incident Type	Enforcement Code
Mining Licence	Minor	Legislation Breach	35. Dust Emissions
Mining Licence	Minor	Public Safety	14. Fire Precautions & Risk Control

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.

Incidents



Explanation for the result

There were five reportable incidents in Q2, an increase over the previous quarters. The incidents were related to alleged unauthorised vegetation clearance, high dust levels, heavy vehicles curfew breach, small fire from leaking hydraulic oil and rising water.

There were two non-reportable incidents in Q2 that related to dust emissions and a fire risk.

Summary

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

Environmental Review Committee Attendance

	2017-18 Q3	2017-18 Q4	2018-19 Q1	2018-19 Q2
Meeting Planned	30	20	19	19
Meeting Attended	30	19	19	19
% Attendance	100%	95%	100%	100%

Explanation for the result:

Earth Resources Regulation attended 19 of the 19 Environmental Review Committee meetings, achieving 100% 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 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.

Stakeholder Reference Group

2018-19 Q1	2018-19 Q2	2018-19 Q3	2018-19 Q4	Annual Total	Target
1	2	-	-	3	4

Explanation for the result:

The target is an annual figure based on Stakeholder Reference Group meetings being scheduled every three months.

There were two SRG meeting held by Earth Resources Regulation in Q2. On track to meet the annual target.

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

2018-19 Q1	2018-19 Q2	2018-19 Q3	2018-19 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.

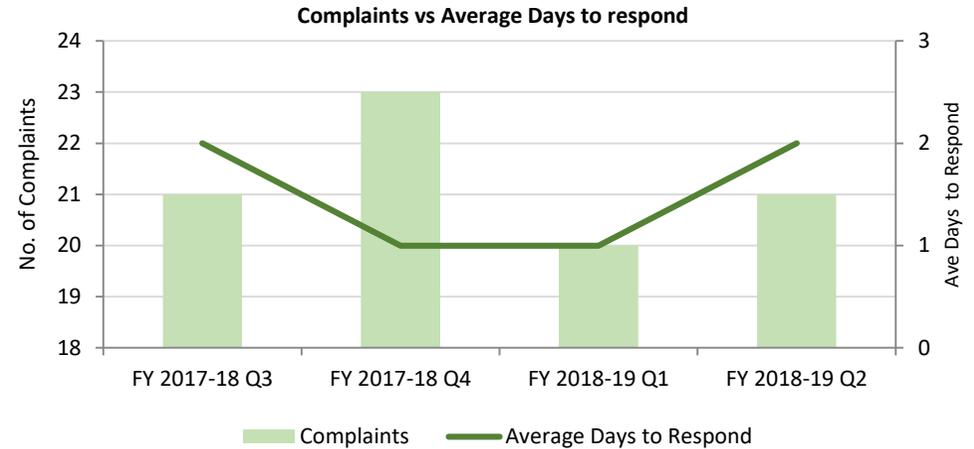
Earth Resources Regulation held one forum in Q2 and is on track to meet the annual target.

Why are these measures 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, reduce compliance and administrative costs to industry, and identify and resolve any regulatory gaps or overlaps. This will include a focus on more real-time communication, strategic sequencing, common risk assessment and partnerships with local government authorities.

Response Time to Complaints 2018-9 Quarter 2

Sector	Enforcement Code	Number of Complaints	Ave Days to respond
Extractives	35. Dust Emissions	5	1
Extractives	36. Noise Emissions	4	1
Extractives	38. Explosives Air & Ground Vibration	2	1
Extractives	6. Working Hours	2	1
Extractives	2. Environmental Incident Notification	1	2
Extractives	46. Other (Not Specified Above)	1	1
Extractives	32. Waterway Quality & Aquatic Habitat	1	1
Extractives	18. Ground Disturbance	1	1
Extractives	0. Work without License or Consents	1	1
Fossicking	0. Work without License or Consents	2	4
Fossicking	46. Other (Not Specified Above)	1	1
Total		21	1



Explanation for the result:

There were 21 complaints in Q2. The top 3 complaints were vibrations, dust and noise emissions. Nine of the complaints are resolved and eleven are under investigation. On average complaints were responded to within one business 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.