

Earth Resources Regulation

Performance Report
2018-19 Quarter 3

1st January 2019 to 31st March 2019



Jobs,
Precincts
and Regions



Summary

This report provides a summary of the operating performance for financial year 2018-19 Quarter 3 (1st January 2019 to 31st March 2019).

Actions to improve the operation of the regulatory system include:

New Work Plan Guidelines:

New work plan guidelines were released for mining and exploration projects and the risk management templates were released for the work plan guidelines for extractive industry projects. These guidelines aim to provide simple information regarding work plans and work plan processes.

More information on the guidelines can be found on the Earth Resources Regulation web site : <http://earthresources.vic.gov.au/earth-resources-regulation>

Stand out performance indicators in Q3 of FY 2018-19:

- KPI 1 - 100% of licence applications and 100% of work plan stages were assessed within the statutory time.
- KPI 2 - 152 operational compliance activities undertaken, above the target of 75.
- KPI 3 - Eight reportable incidents which were responded to during this quarter.
- KPI 4 - Earth Resources Regulation held one Stakeholder Reference Group meeting, one Earth Resources Regulators' Forum and attended 100% of the Environmental Review Committee meetings.
- KPI 5 - The time to respond to complaints took on average one business day.

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 a unit of the Department of Jobs, Precincts 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 will publishes 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.

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%	100%	Outputs/activities
	Percentage of Work Plan stages with Earth Resources Regulation assessed in statutory timeframe	%	100	Quarterly	100%	100%	Outputs/activities
	Percentage of tenement applications assessed within Client Service Standard timeframes where a statutory timeframe does not exist	%	100	Quarterly	91%	87%	Outputs/activities
KPI 2 Ensuring Compliance	Number of operational compliance activities undertaken per quarter	Number of activities	75	Quarterly	152	156	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	Achieved Target		Outputs/activities
	Number of Earth Resources Regulator Forums held by Earth Resources Regulation	Number of meetings	3	Annual	Achieved Target		Outputs/activities
KPI 5 Complaint Management	Average number of days to respond to complaints made by community against tenements	Business days	3	Quarterly	2	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 Q3	Exploration Licence	90	N/A	0	10	10	100%
	Work Authority	N/A	1	0	0	0	N/A
	Total		1	0	10	10	100%
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%

Explanation for the result:

In Q3 10 applications were finalised and all were completed within the Statutory Time Frame (STF). One Work Authority application was 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 Q3	Exploration Licence	90	4	66	70	94%
	Mining Licence	120	2	17	19	89%
	Retention Licence	90	0	3	3	100%
	Work Authority	120	4	10	14	71%
	Total			10	96	106
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

Explanation for the result:

The number of variations finalised increased to 106 during Q3. 91% 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)

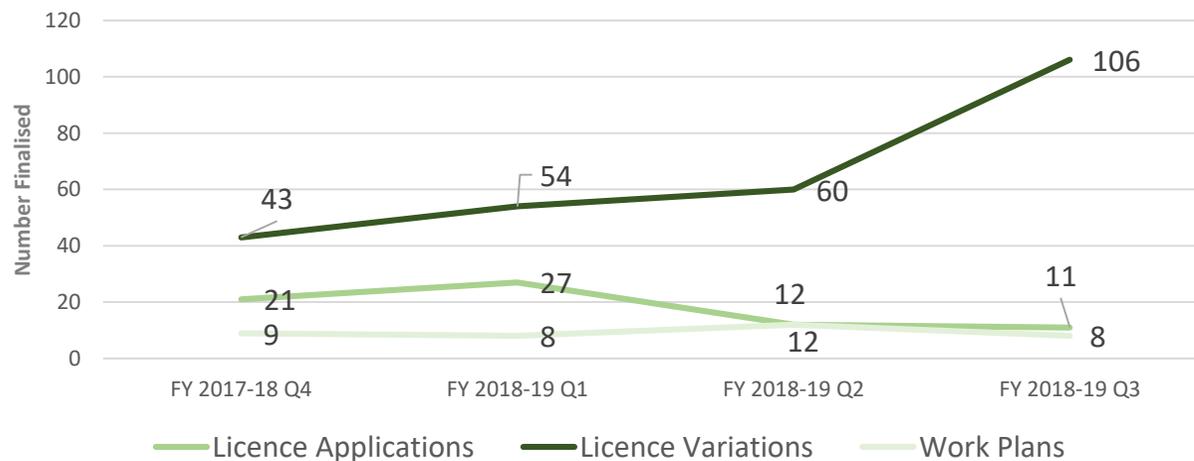
Quarter	Type	WP Finalised	WP under assessment	Stage STF (Target Days)	Stages Over STF	Stages Within STF	Total stages	% (Within STF/ Total)
FY 2018-19 Q3	Work Plan (Exploration)	1	2	28	0	2	2	100%
	Work Plan (Minerals)	2	5	28	0	11	11	100%
	Work Plan (WA)	5	19	28	0	23	23	100%
	Total	8	28		0	36	36	100%
FY 2018-19 Q2	Work Plan (Exploration)	8	14	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	33		0	42	42	100%

Explanation for the result:

In Q3 Earth Resources Regulation assessed 36 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 36 work plan stages assessed were from 28 unique work plans. During the Q3 quarter eight work plans were finalised. The assessment of work plans remains fully compliant with the statutory time frame.

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

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

Explanation for the result:

There were zero Non MRSDA licence variations finalised in Q3 compared to seven in Q2.

Non MRSDA Plans

Quarter	Type	Plans Finalised	Plans under assessment	Environment Plan Stages	Operation Plan Stages	Total Stage Assessed
FY 2018-19 Q3	Offshore Petroleum Production Licence	0	1	1	0	1
	Offshore Petroleum Retention Lease	1	1	2	0	2
	Offshore Pipeline Licence	2	2	2	0	2
	Onshore Petroleum Exploration Permit	1	1	0	2	2
	Onshore Petroleum Special Drilling Authorisation	0	1	0	1	1
	Total	2	9	5	3	8
FY 2018-19 Q2	Offshore Pipeline Licence	7	7	14	0	14
	Onshore Petroleum Production Licence	0	5	0	7	7
	Total	7	12	14	5	19

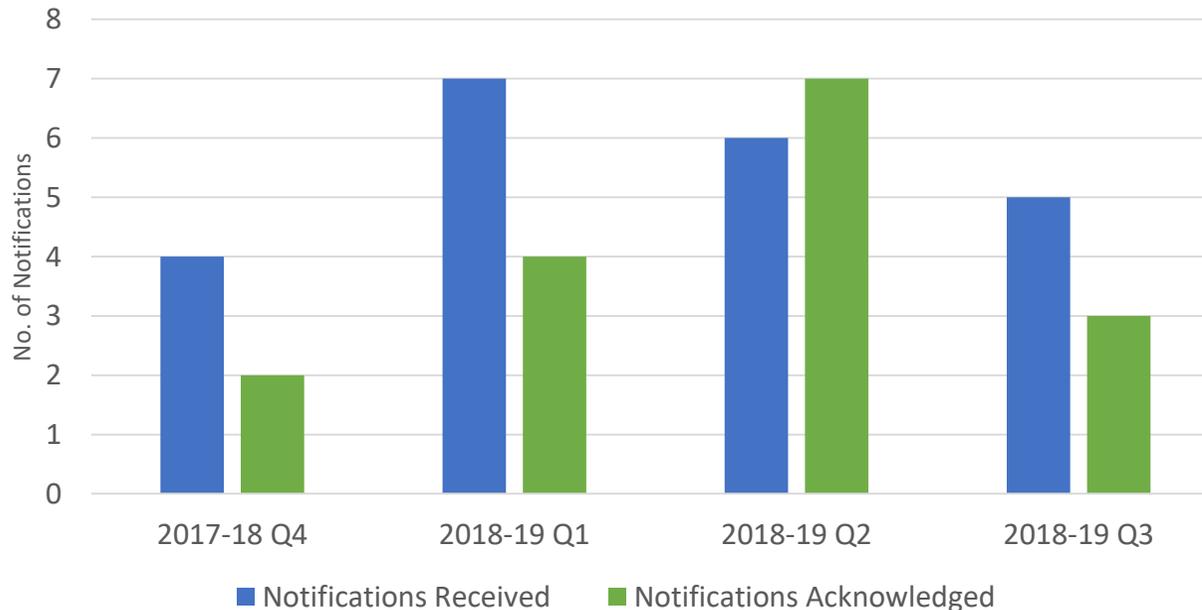
Explanation for the result:

Offshore petroleum activities included assessment of operating pipelines and new drilling works while onshore petroleum activities included assessment of the closure of an existing well.

Mining	2017-18 Q4	2018-19 Q1	2018-19 Q2	2018-19 Q3	Total
Notification Received	1	1	2	3	7
Notification Acknowledged	0	0	3	3	6

Extractives	2017-18 Q4	2018-19 Q1	2018-19 Q2	2018-19 Q3	Total
Notification Received	3	6	4	2	15
Notification Acknowledged	2	4	4	0	11

Quarterly Notifications Received and Acknowledged



Explanation for the result:
 In the last four quarters Earth Resources Regulation has received 22 notifications, acknowledged 17, rejected one and four pending as at 31st Mar 2019

Compliance Activities Undertaken

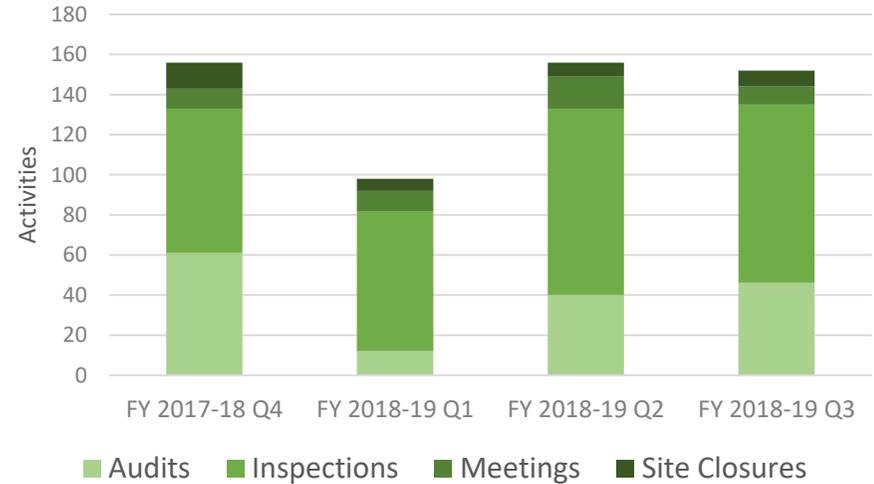
Compliance Activities – 2018-19 Q3

Licence Types	Activity	January	February	March	Total
Extractives	Inspection	14	15	19	48
	Audit	7	13	17	37
	Site Closure	2	3	0	5
	Meeting	2	3	0	5
	Total	25	34	37	95
Mining	Inspection	18	12	10	40
	Audit	0	3	5	8
	Meeting	2	2	0	4
	Site Closure	2	0	1	3
	Total	22	17	16	55
Petroleum	Audit	1	0	0	1
	Inspection	0	0	1	1
	Total	1	0	1	2
Total		48	51	53	152

Explanations for the results:

In Q3 Earth Resources Regulation conducted 152 proactive compliance activities on 113 duty holders, exceeding the 75 compliance activities target by 77.

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 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 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 Q4	FY 2018-19 Q1	FY 2018-19 Q2	FY 2018-19 Q3	Total	% Total
Plan and Conditions	16	5	12	18	51	32%
Progressive Rehabilitation	17	3	9	7	36	22%
Boundaries and Extraction limits	3	2	7	7	19	12%
Dust	1	0	5	5	11	7%
Water Management	5	0	2	1	8	5%
Fire & Emergency	3	0	2	3	8	5%
Exploration Drilling	4	1	0	2	7	4%
Plan and Conditions (High Risk)	3	0	1	0	4	2%
Impacts of Blasting	2	0	1	1	4	2%
TSF Management	1	0	1	1	3	2%
GeoTechnical	2	0	0	1	3	2%
Imported Materials	2	1	0	0	3	2%
Pest, Plant and Animal	1	1	0	0	2	1%
Community Engagement	1	0	0	0	1	1%
Site Security and Buffer Zones	1	0	0	0	1	1%
Total	62	13	40	46	161	100%

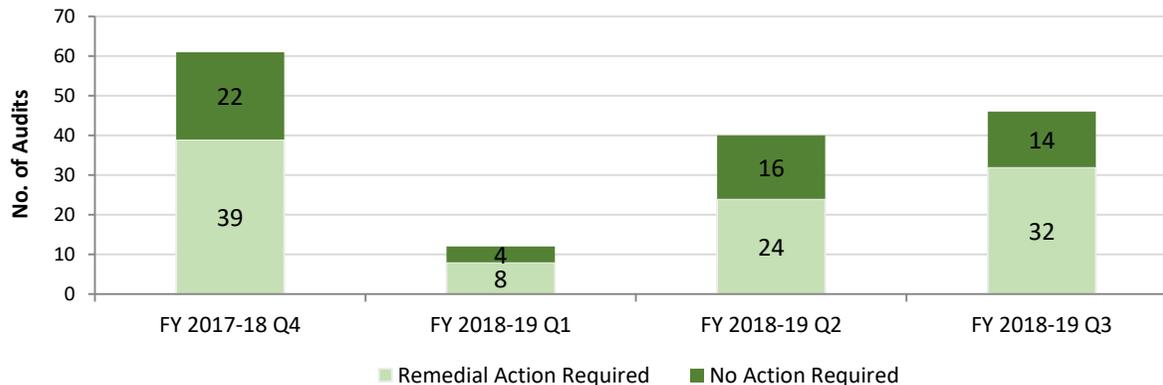
Explanations for the results:

Of the 152 compliance activities conducted in Q3, 46 were audits. Plan and Conditions, Progressive Rehabilitation and Boundaries & Extractions limits were the top three audits in the quarter. Fire and dust audits were a focus during the summer months.

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 ([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:

The audit program is risk based with a focus on more significant sites. Compliance improvements or enhanced risk controls were recommended at 70% of audited sites in 2018-19 Q3. 32 out of 46 compliance audits in Q3 required remedial actions to be taken, compared to 60% in Q2.

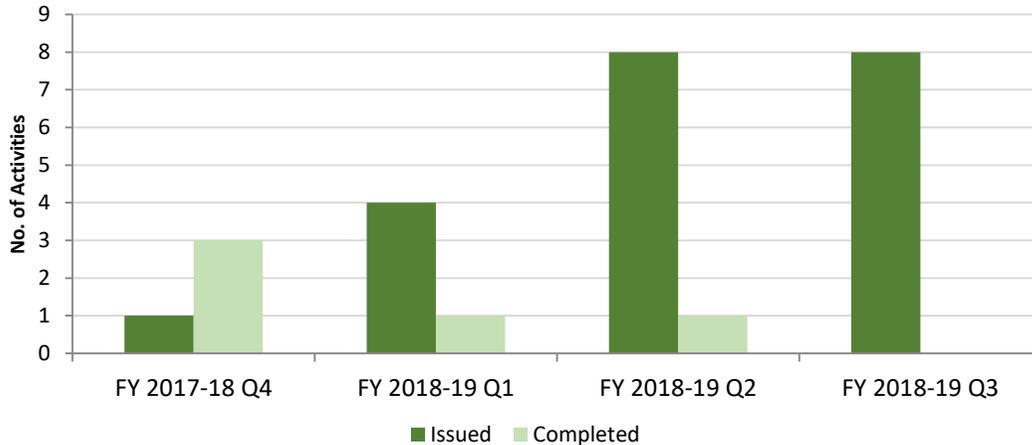
Why are these measures important?

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 3

Sector	Action Type	Enforcement Code	Enforcement Action Type	Status	No. of Notices
Extractives	General Enforcement Action	46 - Other - Not Specified	s110 Notice	Issued	3
Extractives	General Enforcement Action	27 - Buffer Zones	s110 Notice	Issued	2
Extractives	General Enforcement Action	0 - Work Without Licence or Consents	s110 Notice (Stop Work)	Issued	1
Extractives	General Enforcement Action	0 - Work Without Licence or Consents	s110a Notice	Issued	1
Extractives	General Enforcement Action	3 - Tenement Boundaries	s110 Notice	Issued	1

Enforcement Activities



Enforcement actions summary:

In Q3 eight notices were issued, all on Extractives. Majority of enforcement activities relate to alleged work undertaken on the land other than in accordance with the Work Plan under the Work Authority. Three notices were issued to one tenement.

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

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

- Regulator enforces public safety at Latrobe Valley quarry
- East Gippsland gold miner in court

Infringements and Official Warnings issued in Quarter 3

Actions	Issued in 2018-19 Q3
Infringement notices	39
Official Warning Letters	49
Prosecution Finalised	1

Infringements and Official Warnings summary:

In Q3 Earth Resources Regulations have issued out 39 infringements and 49 official warning letters to tenement holders who were late to submit their FY2017-18 annual legislative returns. One prosecution was finalised, the company was placed on a diversion to pay \$10K and write two letters of apology.

Reportable Incidents

Sector	Classification	Type	Hazard	Inspection	Incident Responded To	Incident Resolved
Mining Licence	Minor	Environmental	Noise pollution	No	Yes	No
Mining Licence	Minor	Environmental	Unmanaged hazardous waste	Yes	Yes	No
Mining Licence	Minor	Environmental	Flood	No	Yes	Yes
Mining Licence	Minor	Infrastructure	Fire	No	Yes	Yes
Mining Licence	Minor	Infrastructure	Fire	No	Yes	No
Mining Licence	Minor	Legislation Breach	Biodiversity disturbance	Yes	Yes	No
Mining Licence	Minor	Legislation Breach	Flood	No	Yes	Yes

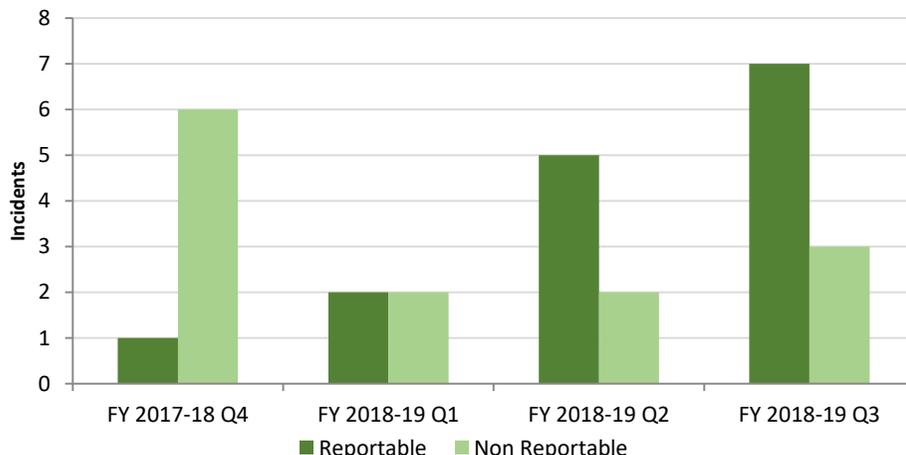
Non Reportable Incidents

Sector	Classification	Incident Type	Enforcement Code
Mining Licence	Minor	Legislation Breach	33. Water Dams
Mining Licence	Minor	Legislation Breach	35. Dust Emissions
Work Authority	Minor	Legislation Breach	38. Explosives Air & Ground Vibration

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 seven reportable incidents in Q3. The incidents were related to alleged small fires, various leakage of water pipes, and excessive noise at night time.

There were three non-reportable incidents in Q3 that related to ground vibration, dust emissions and minor water incidents.

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

Explanation for the result:

Earth Resources Regulation attended 19 of the 19 Environmental Review Committee meetings, achieving 100% attendance rate in Q3.

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	1	-	4	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 Q3 and the annual target is achieved.

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	1	-	3	3

Explanation for the result:

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

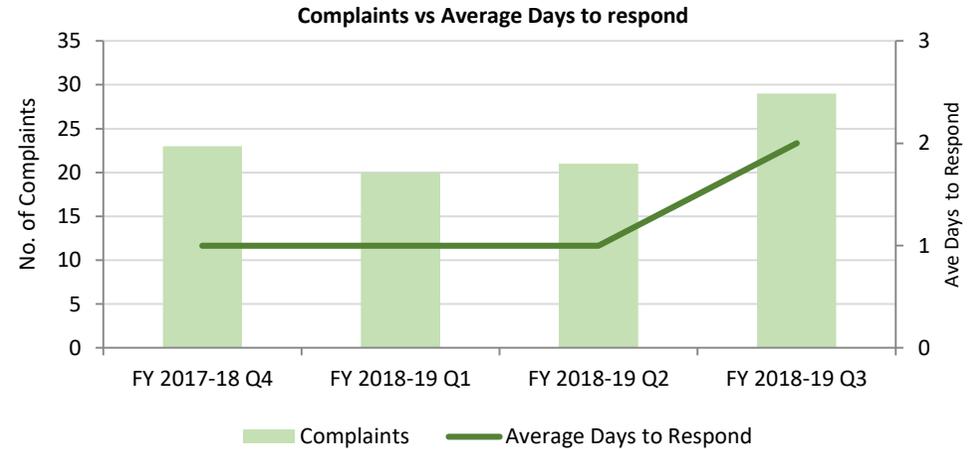
Earth Resources Regulation held one forum in Q3 and achieved the annual target.

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 3

Sector	Enforcement Code	Number of Complaints	Ave Days to respond
Extractives	35. Dust Emissions	5	2
Extractives	36. Noise Emissions	4	1
Extractives	38. Explosives Air & Ground Vibration	3	1
Extractives	0. Work without License or Consents	3	2
Extractives	28. Visual Amenity	1	1
Extractives	41. Impacts Outside Tenement Site	1	1
Extractives	40. Rehabilitation of Site	1	1
Extractives	2. Environmental Incident Notification	1	1
Extractives	24. Drainage, Erosion & Discharge	1	1
Extractives	3. Tenement Boundaries	1	1
Mining	0. Work without License or Consents	5	6
Mining	35. Dust Emissions	1	1
Mining	36. Noise Emissions	1	3
Mining	24. Drainage, Erosion & Discharge	1	1
Total		29	2



Explanation for the result:

There were 29 complaints in Q3. The top three complaints were working without license or consents, dust and noise emissions. Dust complaints increased to six in Q3 compared to five in Q2, mainly due to the dry summer.

13 of the complaints are resolved and 16 are under investigation. On average complaints were responded to within two days.

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.