



Earth Resources Regulation Performance Report 2017-18 (Quarter 4)



Economic Development,
Jobs, Transport
and Resources

Summary

This report provides a summary of the operating performance for Earth Resources Regulation for financial year 2017-18 (Quarter 4) ending 30 June 2018.

Actions to improve the operation of the regulatory system that continue include:

Standard Risk Management Plan

A standard risk management plan and risk assessment tool was developed further for consultation with key stakeholders in the first quarter of 2018-19. The proposed approach is to trial the tool between September and December 2018.

Standard Operating Procedures:

Work is underway to develop up-to-date standard operating procedures covering the key regulatory activities delivered by Earth Resources Regulation. This project will continue through to September 2018.

Stand out performance indicators in Q4 of 2017-18:

- KPI 1 - The percentage of licence applications assessed in statutory time frame remained at 100% for two quarters in a row.
- KPI 2 - There were 156 operational compliance activities undertaken, more than double the target of 75.
- KPI 3 - There was one reportable incident which was resolved this quarter.
- KPI 4 - Earth Resources Regulation held six Stakeholder Reference Groups and three Regulator forums in the 2017-18 financial year.
- KPI 5 - The time to respond to complaints, took on average one business day in Q4.

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 of Economic Development, Jobs, Transport and Resources' (DEDJTR) regulators. 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 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 2016-17 and Client Service Standard 2016-2018.

KPI	High Level Indicators	Measurement base	Target	Target period	Current Quarter	FY 2017-18 Q3	DEDJTR'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	65	54	Outputs/activities
	Percentage of tenement applications assessed within Client Service Standard timeframes where a statutory timeframe does not exist	%	100	Quarterly	66	80	Outputs/activities
KPI 2 Ensuring Compliance	Number of operational compliance activities undertaken per quarter	Number of activities	75	Quarterly	156	183	Inputs
KPI 3 Effective Incident Management	Percentage of reportable events that are responded to during the quarter	%	100	Quarterly	100%	No Reportable Incidents	Short-term & long-term outcomes
KPI 4 Facilitation of Stakeholder Engagement	Earth Resources Regulation attendance at Environmental Review Committee meetings	%	100	Quarterly	95%	100%	Outputs/activities
	Number of Stakeholder Review Group meetings held by Earth Resources Regulation	Number of meetings	6	Annual	6		Outputs/activities
	Number of Earth Resources Regulator Forums held by Earth Resources Regulation	Number of meetings	3	Annual	3		Outputs/activities
KPI 5 Complaint Management	Average number of days to respond to complaints made by community against tenements	Business days	3	Quarterly	1	2	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 2017-18 Q4	Exploration Licence	90	N/A	0	12	12	100%
	Retention Licence	120	N/A	0	1	1	100%
	Work Authority	N/A	8	0	0	0	N/A
	Total		8	0	13	13	100%
FY 2017-18 Q3	Exploration Licence	90	N/A	0	18	18	100%
	Prospecting Licence	90	N/A	0	4	4	100%
	Retention Licence	120	N/A	0	1	1	100%
	Work Authority	N/A	3	0	0	0	N/A
	Total		3	0	23	23	100%

Explanation for the result:

In Q4 there were 13 mineral licence applications approvals and all of the 13 mineral applications were finalised within the Statutory Time Frame (STF). For the second quarter in a row Earth Resources Regulations reached 100 % of tenement applications assessed in STF.

Eight Work Authority licence applications were finalised in Q4.

Licence Variations Finalised (Client Services Standard – CSS)

Quarter	Type	CSS (Target Days)	N/A CSS	Over CSS	Within CSS	Total (Over + Within CSS)	% Within CSS/ Total
FY 2017-18 Q4	Exploration Licence	90	N/A	3	15	18	83%
	Mining Licence	120	N/A	6	1	7	14%
	Prospecting Licence	90	N/A	0	1	1	100%
	Work Authority	N/A	17	0	0	0	N/A
	Total		17	9	17	26	66%
FY 2017-18 Q3	Exploration Licence	90	N/A	8	35	43	81%
	Mining Licence	120	N/A	4	15	19	79%
	Retention Licence	120	N/A	1	1	2	50%
	Work Authority	N/A	9	0	0	0	N/A
	Total		9	13	51	64	80%

Explanation for the result:

26 mineral licence variations were finalised during Q4. 66% of the mineral licence variations were completed within the client services standard (ie the measure where no statutory time frames exist).

17 Work Authority licence variations were also finalised in the quarter.

The decrease in meeting the client service standards from Q3 to Q4 is attributed to the focus on completing variations (mainly licence renewals), that had been with the department for a significant time.

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 in quarter	Stage STF (Target Days)	Stages Over STF	Stages Within STF	Total stages	% (Within STF/ Total)
FY 2017-18 Q4	Work Plan (Exploration)	3	9	28	5	8	13	62%
	Work Plan (Minerals)	3	7	28	2	7	9	78%
	Work Plan (WA)	3	17	28	10	17	27	63%
	Total	9	33		17	32	49	65%
FY 2017-18 Q3	Work Plan (Exploration)	1	6	28	4	4	8	50%
	Work Plan (Minerals)	2	12	28	10	11	21	52%
	Work Plan (WA)	4	16	28	9	12	20	57%
	Total	7	34		23	27	50	54%

Explanation for the result:

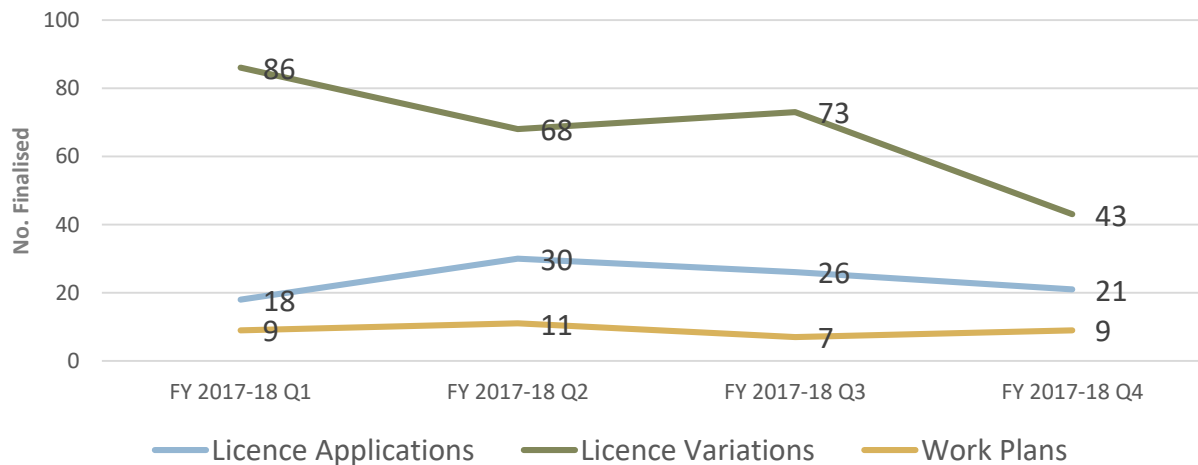
In Q4 Earth Resources Regulation assessed 49 work plan stages, of which 32 were assessed within the stage’s statutory time frame.

Earth Resources Regulations assessed multiple stages from some work plans in the quarter as the 49 work plan stages assessed were from 33 unique work plans .

During the quarter nine work plans were finalised.

* 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.

Compliance Activities Undertaken

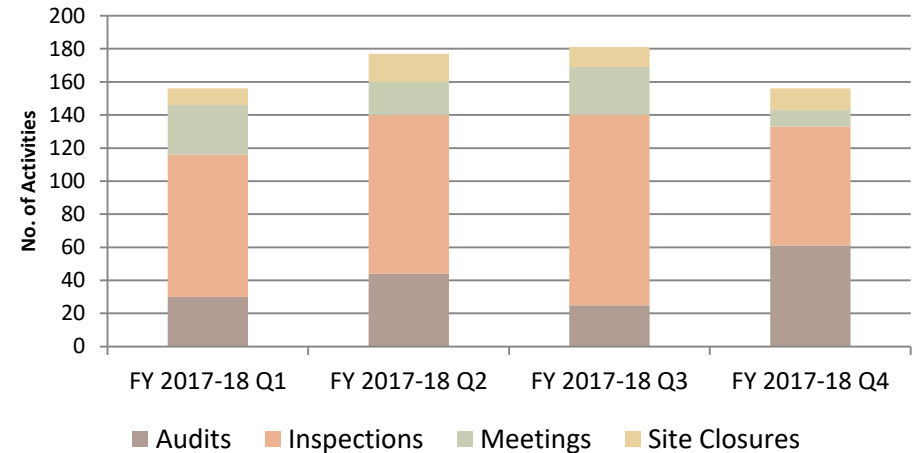
Compliance Activities – FY 2017-18 Q4

Licence Types	Activity	April	May	June	Total
Extractives	Audit	7	23	17	47
	Inspection	15	18	4	37
	Meeting	0	1	1	2
	Site Closure	0	0	1	1
	Total	22	42	23	87
Mining	Inspection	11	11	12	34
	Audit	2	2	8	12
	Site Closure	9	1	2	12
	Meeting	2	6	0	8
	Total	24	20	22	66
Petroleum	Audit	0	0	2	2
	Inspection	1	0	0	1
	Total	1	0	2	3
Total		47	62	47	156

Explanations for the results:

In Q4 Earth Resources Regulation conducted 156 proactive compliance activities on 131 duty holders, exceeding the 75 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.

Compliance Audits – Type of Risk

Type of Risk	FY 2017-18 Q1	FY 2017-18 Q2	FY 2017-18 Q3	FY 2017-18 Q4	Total	% Total
Plan and Conditions	19	15	6	15	55	34%
Progressive Rehabilitation	5	10	6	17	38	24%
Fire and Emergency	2	5	1	3	11	7%
Dust	1	3	5	1	10	6%
Boundaries and Extraction limits	0	2	3	3	8	5%
GeoTechnical	2	3	1	2	8	5%
Water Management	0	0	1	5	6	4%
Impacts of Blasting	0	3	0	2	5	3%
Plan and Conditions (High Risk)	0	1	1	3	5	3%
Exploration Drilling	0	0	0	4	4	3%
Pest, Plant and Animal	0	1	1	1	3	2%
Community Engagement	1	0	0	1	2	1%
Imported Materials	0	0	0	2	2	1%
Tailings Storage Facility Management	0	0	1	1	2	1%
Site Security and Buffer Zones	0	0	0	1	1	1%
Total	30	43	26	61	160	100%

Explanations for the results:

From the total of 156 compliance activities conducted in Q4 on 131 duty holders, 61 were audits.

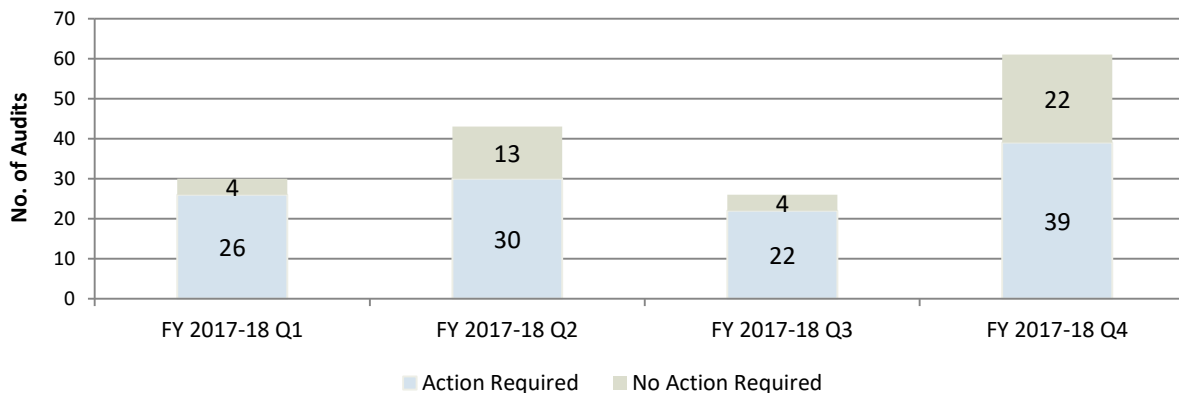
Progressive Rehabilitation and Plan and Conditions remained the focus in Q4.

64% of the compliance audits in Q4 required action to be taken. Improvement actions will be tracked in future inspections and 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.

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 or No Action required on Audits



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 Activities

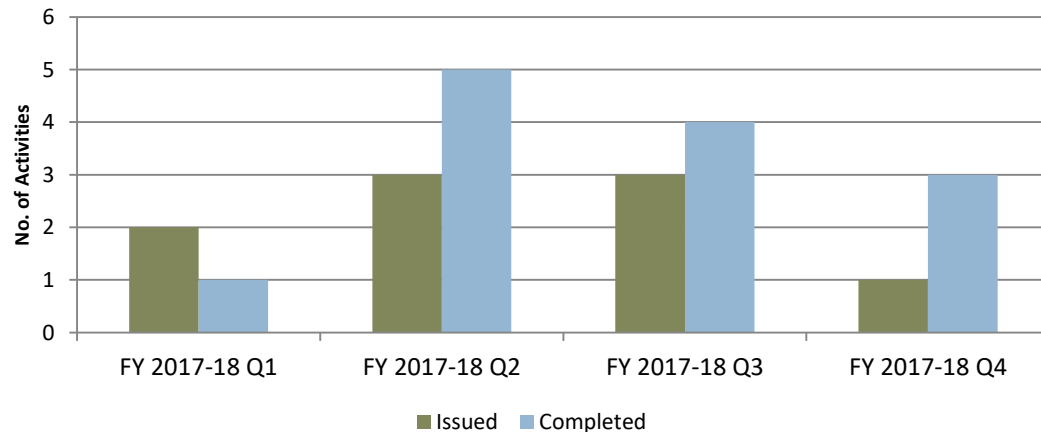
Enforcement Activity Issued in Q4

Sector	Action Type	Enforcement Code	Enforcement Action Type	Issued (Unresolved)
Mining	General Enforcement Action	24 - Drainage, Erosion and Discharge	s110 Notice	1

Enforcement Activity Completed in Q4

Sector	Action Type	Enforcement Code	Enforcement Action Type	Quarter Date of issue	Closed - Not Complied	Closed - Complied
Extractives	General Enforcement Action	36 - Noise Emissions	s110 Notice (Stop Work)	FY 2017 Q1	0	1
Extractives	General Enforcement Action	40 - Rehabilitation of Site	s110 Notice	FY 2017 Q1	1	0
Extractives	General Enforcement Action	40 - Rehabilitation of Site	s110 Notice	FY 2017 Q3	0	1

Enforcement Activities



Enforcement actions summary:

In Q4 one enforcement activity was issued, relating to unacceptable levels of contaminants in process mine water. This occurred at the end of Q4 and investigation is currently underway.

The three enforcement activities were completed in Q4. Two of the three enforcement completed were 'Closed Complied'. Alternate enforcement action is under investigation for the noticed that is 'Close - Not Complied'.

Reportable Incidents

Sector	Classification	Type	Hazard	Inspection	Incident Resolved
Work Authority	Minor	Legislation Breach	Air blast	No	Yes

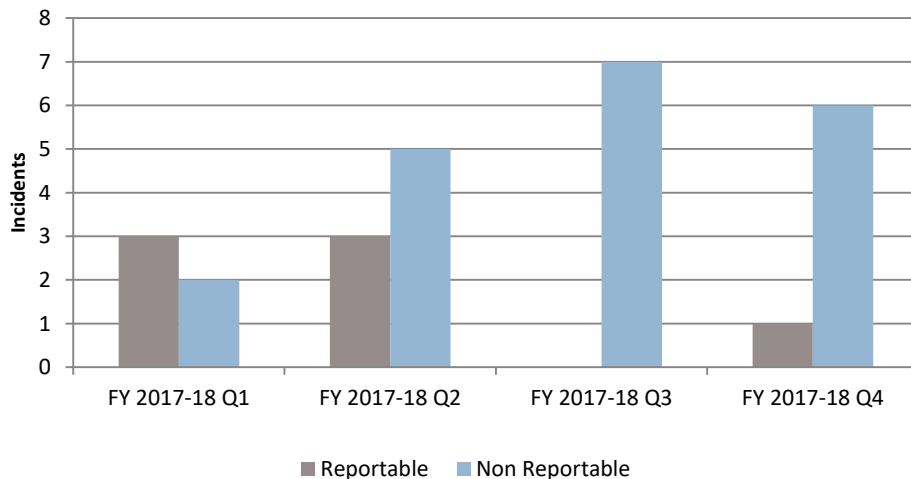
Non Reportable Incidents

Sector	Classification	Incident Type	Enforcement Code	Total
Exploration Licence	Minor	Environmental	2. Environmental Incident Notification	1
Mining Licence	Major	Legislation Breach	1. Authorized Activity Compliance	1
Mining Licence	Minor	Environmental	2. Environmental Incident Notification	1
Mining Licence	Minor	Environmental	7. Complaints Management	1
Mining Licence	Minor	Legislation Breach	14. Fire Precautions and Risk Control	1
Work Authority	Minor	Legislation Breach	3. Tenement Boundaries	1
Total				6

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.

Incidents



Explanation for the result

There was one reportable incident in Q4 relating to an air blast exceedance at a quarry. The measured level was 116.3dbL, the limit was 115dbL.

A total of six minor incidents were recorded for the quarter, four were resolved and two are still under investigation.

Summary

Earth Resources Regulation 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.

Environmental Review Committee Attendance

Sector	FY 2018 Q1	FY 2018 Q2	FY 2018 Q3	FY 2018 Q4	Total
Meeting Planned	20	20	30	20	90
Meeting Attended	20	20	30	19	89
% Attendance	100%	100%	100%	95%	99%

Explanation for the result:

Earth Resources Regulation attended 19 of the 20 Environmental Review Committee meetings, achieving a 95% attendance rate in Q4.

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

FY 2018 Q1	FY 2018 Q2	FY 2018 Q3	FY 2018 Q4	Annual Total	Target
1	2	1	2	6	6

Explanation for the result:

The Target is an annual figure based on stakeholder reference group meetings being scheduled every two months.

There were two SRG meetings held by Earth Resources Regulations in Q4.

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 Regulator's Forum

FY 2018 Q1	FY 2018 Q2	FY 2018 Q3	FY 2018 Q4	Annual Total	Target
1	1	0	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.

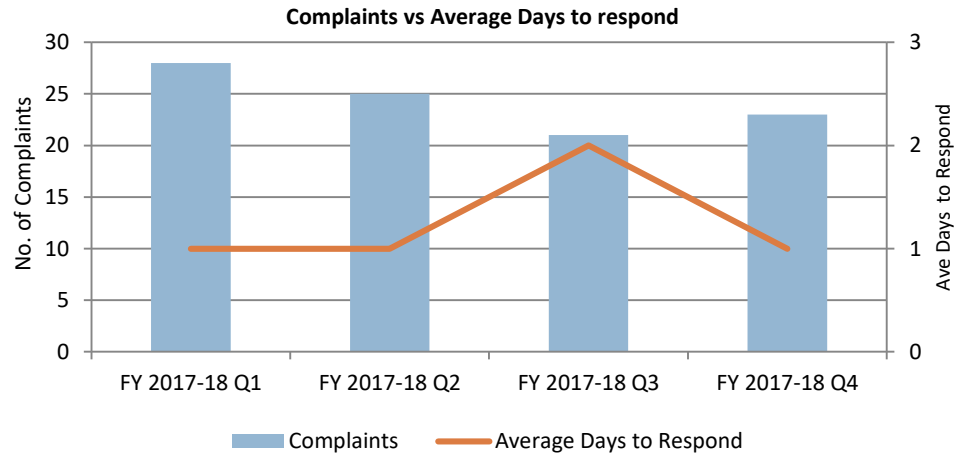
Earth Resources Regulations held one forum in Q4.

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 2017-18 Quarter 4

Sector	Enforcement Code	Number of Complaints	Ave Days to Respond
Extractives	35. Dust Emissions	4	1
Extractives	24. Drainage, Erosion & Discharge	3	1
Extractives	36. Noise Emissions	3	1
Extractives	0. Work without License or Consents	2	1
Mining	32. Waterway Quality & Aquatic Habitat	2	1
Extractives	6. Working Hours	2	1
Extractives	1. Authorized Activity Compliance	1	1
Extractives	15. Hazardous Materials Management	1	1
Extractives	30. Noxious Weeds & Plants & Pests	1	1
Extractives	38. Explosives Air & Ground Vibration	1	3
Extractives	40. Rehabilitation of Site	1	1
Mining	41. Impacts Outside Tenement Site	1	1
Extractives	46. Other (Not Specified Above)	1	1
Total		23	1



Explanation for the result:

There were 23 complaints in Q4. All complaints was responded to within three business days.

20 of the 23 complaints were resolved. Three are under investigation.

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.