

Earth Resources Regulation

Quarterly Performance Report

2021-22 Quarter 2

1 October to 31 December 2021



Summary

This report provides a summary of Earth Resources Regulation's operating performance for quarter two of financial year 2021-22 (1 October to 31 December 2021).

Overall, there is a continuing high level of demand for new applications. Work was also progressed during the quarter to identify further opportunities to improve the effectiveness and efficiency of regulatory practices for applications in consultation with agencies and stakeholders.

Performance highlights

KPI 1# - 68% of extractive work plan stages were assessed within the statutory time frames (p. 4).

- 100% of mineral work plan stages were assessed within the statutory time frames (p. 5).

KPI 2# - 112 operational compliance activities were undertaken (p. 10).

KPI 3# - 100% of reportable incidents were responded to during this quarter (p. 13).

KPI 5# - The time to respond to complaints took on average five business days (p. 14).

Explained in the next slide

Administrative updates by notification

- Four extractive industry administrative changes (notifications) were acknowledged (p. 9).
- One mining industry administrative change (notifications) was acknowledged (p. 9).

FY 2020-21 Industry annual returns

- 84% of extractive work authority annual returns were received by 05 Nov 2021 and the data was used in the FY 2020-21 Annual Statistical Report (p. 14).
- 94% of minerals (Mining, Prospecting, Retention and Exploration) annual returns were received by 05 Nov 2021 and the data was used in the FY 2020-21 Annual Statistical Report (p. 14).

Key Performance Indicator Reporting

Earth Resources Regulation is Victoria's earth resources regulator – our role includes granting rights to access resources, assessing works and setting controls for the extraction of resources, conducting compliance operations to ensure that authority holders fulfil their regulatory obligations, engaging with communities and stakeholders on regulatory matters, and ensuring that authority holders rehabilitate their sites. We are committed to being an effective regulator.

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 publishes key performance indicators on its website on a quarterly basis. Public reporting of the data allows stakeholders to continue to monitor Earth Resources Regulation's performance.

KPI	High Level Indicators	Measurement	Target	Target period	Current Quarter	Previous Quarter	DJPR's Compliance Policy Framework
KPI 1: Efficient Approvals Process	Percentage of extractive work plan stages assessed within statutory time frames.	%	95	Quarterly	68%	88%	Outputs/activities
	Percentage of mineral licence applications and mineral work plan stages assessed within statutory time frames.	%	95	Quarterly	67%	83%	Outputs/activities
	Percentage of tenement variations assessed within Client Service Standard time frames where a statutory time frame does not exist.	%	95	Quarterly	81%	87%	Outputs/activities
KPI 2: Ensuring Compliance	Number of operational compliance activities undertaken per quarter.	Number of activities	75	Quarterly	112	81	Inputs
KPI 3: Effective Incident Management	Percentage of reportable events that are responded to per quarter.	%	100	Quarterly	100%	100%	Short-term and 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 Industry Reference Group meetings.	Number of meetings	4	Annual	2		Outputs/activities
	Number of Earth Resources Regulators Forum meetings.	Number of meetings	3	Annual	2		Outputs/activities
KPI 5: Complaint Management	Average number of days to respond to complaints made by community against tenements.	Business days	3	Quarterly	5	3	Outputs/activities

Extractive work plan stages* assessed within statutory time frame (STF)

Quarter	Work Plan Type	Unique WP Under Assessment	Stage STF (Target Days)	Stages Over STF	Stages Within STF	Total Stages	% (Within STF/Total)
FY 2021-22 Q2	Work Plan (WA)	20	28	9	19	28	68%
FY 2021-22 Q1	Work Plan (WA)	10	28	2	15	17	88%

* A work plan stage represents a statutory decision point.

Extractive work plans endorsed or approved in the quarter

Quarter	Work Plan Type	Endorsed	Approved
FY 2021-22 Q2	Work Plan (WA)	5	7
FY 2021-22 Q1	Work Plan (WA)	2	0

Work authorities granted in the quarter

Quarter	Licence Type	Granted
FY 2021-22 Q2	Work Authority	3
FY 2021-22 Q1	Work Authority	6

Explanation for the result:

This performance indicator for extractive industries measures whether the work plan stages were assessed within the statutory time frames.

In Q2, 28 extractive work plan stages were assessed of which 68% were assessed within the statutory time frame from 20 unique work plans.

Seven work plans were approved in the quarter. Five work plans were statutorily endorsed and returned to the applicants to proceed with planning approval.

Three work authorities were granted in the quarter.

Why are these measures important?

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

(Table 1) Mineral licences and work plan stages assessed within statutory time frame (STF)

Quarter	Licence and Work Plan Stages	Over STF	Within STF	Total (Over + Within STF)	% Within STF/Total
FY 2021-22 Q2	Mineral Licence Applications – (A)	11	16	27	59%
	Mineral Work Plan Stages – (B)	0	6	6	100%
	Total	11	22	33	67%
FY 2021-22 Q1	Mineral Licence Applications – (A)	4	21	25	84%
	Mineral Work Plan Stages – (B)	2	9	11	82%
	Total	6	30	36	83%

Explanation for the result:

This performance indicator combines mining licence applications, exploration licence applications and mineral industry work plan stages, and measures whether these were assessed within the statutory time frames.

In Q2, there were 33 (6 mineral work plan stages assessed and 27 mineral licence applications granted) of which 67% were assessed within the statutory time frames.

(Table A) Mineral licence applications assessed within statutory time frame (STF)

Quarter	Licence Type	STF (Target Days)	Over STF	Within STF	Total (Over + Within STF)	% Within STF/Total
FY 2021-22 Q2	Exploration Licence	90	9	15	24	63%
	Prospecting Licence	90	0	1	1	100%
	Retention Licence	120	2	0	2	0%
	Total		11	16	27	59%
FY 2021-22 Q1	Exploration Licence	90	4	19	23	83%
	Prospecting Licence	90	0	2	2	100%
	Total		4	21	25	84%

Explanation for the result:

This table is an expanded subset of Table 1 above. It details the regulator’s performance in assessing mineral licence applications.

In Q2, 59% (16 out of 27) applications were granted within the statutory time frames. Some licences granted over the statutory time frames were due to legacy caseload (submitted prior to 1 July 2019), competing licence applications and pending consideration of the Victorian Environmental Assessment Council report on parks, reserves and forests of central west Victoria.

(Table B) Mineral work plan stages* assessed within statutory time frame (STF)

Quarter	Work Plan Type	WP Approved	Unique WP Under Assessment	Stage STF (Target Days)	Stages Over STF	Stages Within STF	Total Stages	% (Within STF/ Total)
FY 2021-22 Q2	Work Plan (Exploration)	2	2	28	0	4	4	100%
	Work Plan (Minerals)	1	2	28	0	2	2	100%
	Total	3	4		0	6	6	100%
FY 2021-22 Q1	Work Plan (Exploration)	4	7	28	2	6	8	75%
	Work Plan (Minerals)	1	3	28	0	3	3	100%
	Total	5	10		2	9	11	82%

Explanation for the result:

This table is an expanded subset of Table 1 above. It details the regulator’s performance in assessing mineral work plan application stages.

In Q2, six exploration and mining work plan stages were assessed from four unique work plans, of which 100% were assessed within the statutory time frames. Three work plans were approved in the quarter.

* A work plan stage represents a statutory decision point.

Tenement variations approved within Client Service Standard (CSS)

Quarter	Licence Type	CSS (Target Days)	Over CSS	Within CSS	Total (Over + Within CSS)	% Within CSS/ Total
FY 2021-22 Q2	Exploration Licence	90	2	55	57	96%
	Mining Licence	120	8	6	14	43%
	Prospecting Licence	90	0	0	0	0%
	Retention Licence	120	0	0	0	0%
	Work Authority	30	5	3	8	38%
	Total			15	64	79
FY 2021-22 Q1	Exploration Licence	90	4	29	33	88%
	Mining Licence	120	1	3	4	75%
	Prospecting Licence	90	0	3	3	100%
	Retention Licence	120	0	2	2	100%
	Work Authority	30	1	4	5	80%
	Total			6	41	47

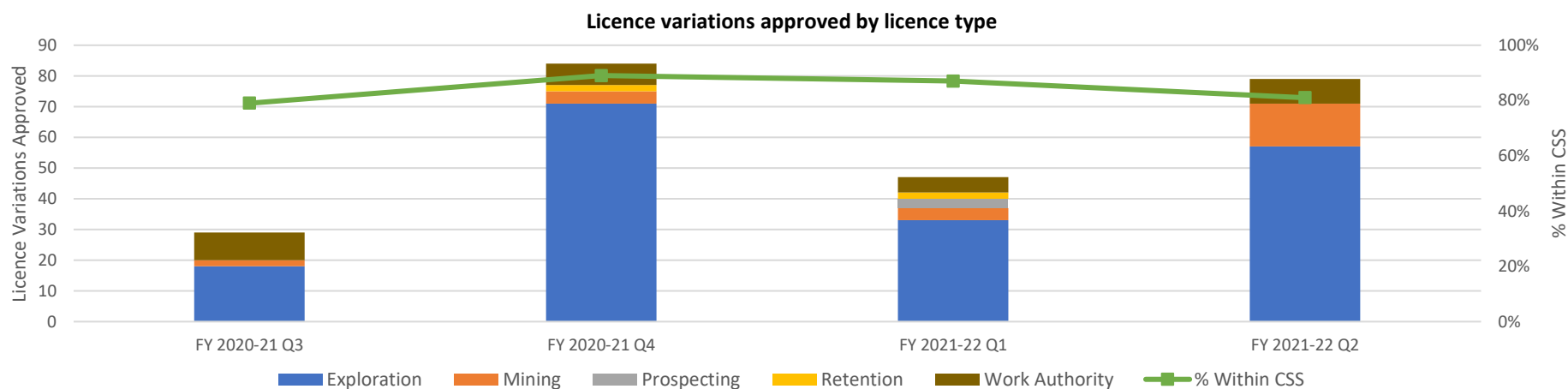
Explanation for the result:

The Client Service Standard (CSS) is the percentage of licence variations assessed within departmental agreed time frames where a statutory time frame does not exist.

In Q2, 81% (64 out of 79) of licence variations were completed within the Client Service Standard.

Why are these measures important?

Earth Resources Regulation began reporting on the Client Service Standard in July 2017. This indicator measures how well the department meets the Client Service Standard when processing licence variation approvals.



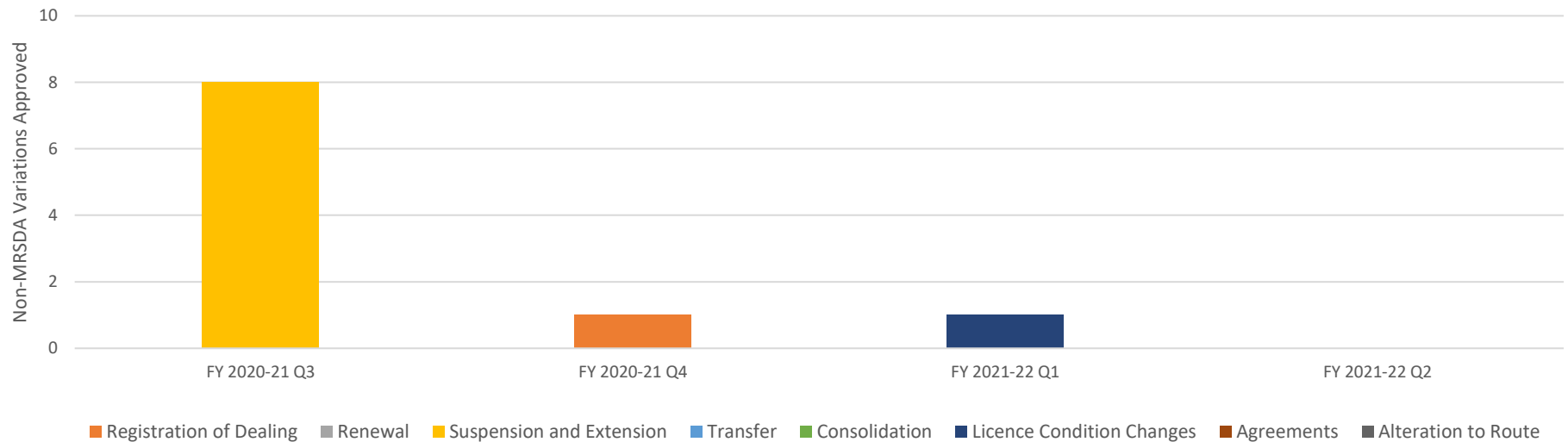
Non-MRSDA licence variations approved

Quarter	Licence Type	Registration of Dealing	Licence Conditions Change	Total
FY 2021-22 Q2	Total	0	0	0
FY 2021-22 Q1	Onshore Petroleum Exploration Permit	0	1	1
		0	1	1

Explanation for the result:

In Q2, there were zero Non-MRSDA licence variations approved. The Petroleum Licensing Team were awaiting the delegation of new sections within the *Petroleum Act 1998*. Once the delegation has been endorsed, the conditions for onshore authorities will be changed to align with the industry restart and the *Petroleum Act 1998*.

Non-MRSDA licence variations types approved



Non-MRSDA – Operation Plans

Quarter	Licence Type	Plans Accepted	Unique Plans Under Assessment	Environment Plan Stages	Operation Plan Stages	Total Stages Assessed
FY 2021-22 Q2	Onshore Petroleum Production Licence	0	1	0	1	1
	Total	0	1	0	1	1
FY 2021-22 Q1	Total	0	0	0	0	0

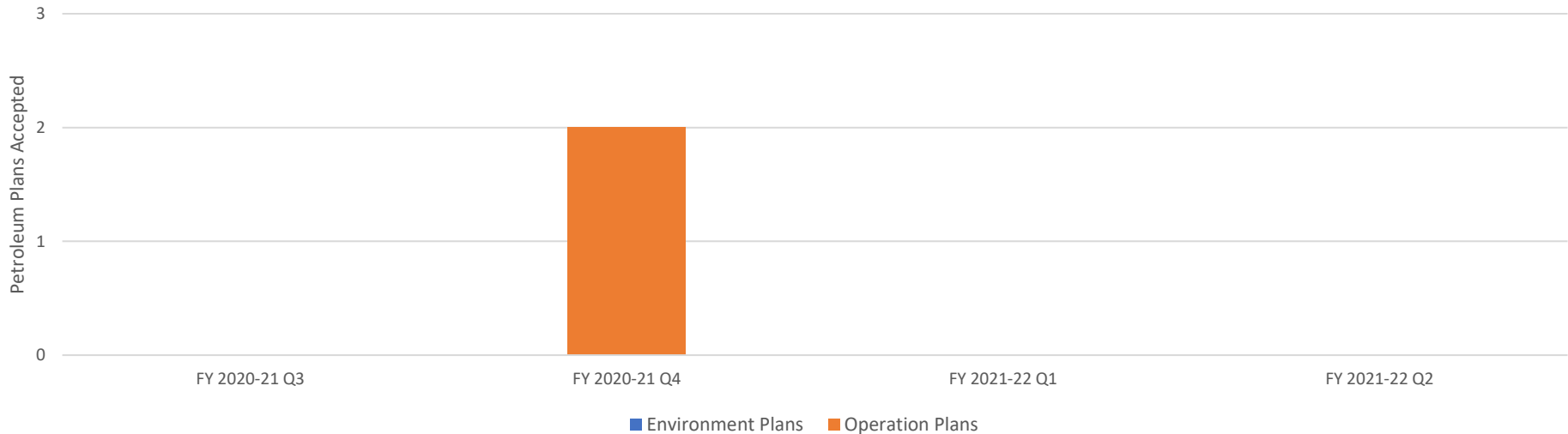
Explanation for the result:

In Q2, one operation plan stage was assessed.

From 1 July 2021, no operation plan could be submitted or assessed until the new Petroleum Regulations 2021 came into force. These came into force on 22 November 2021.

Note:
Hydraulic fracturing and coal seam gas exploration and extraction are banned in Victoria.

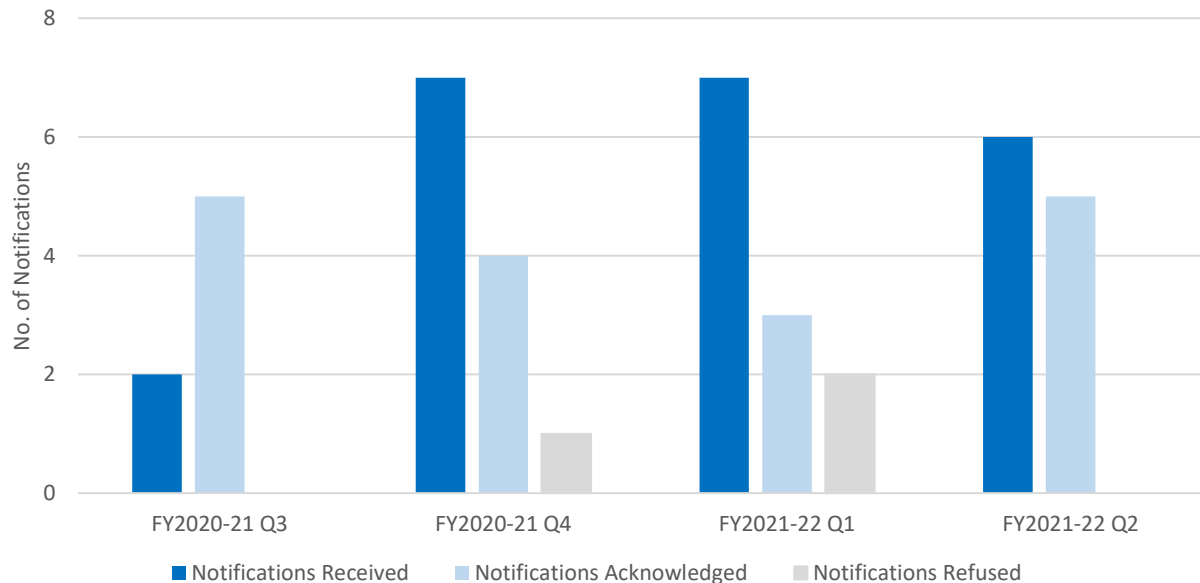
Non-MRSDA plans accepted



Mining	FY 2020-21 Q3	FY 2020-21 Q4	FY 2021-22 Q1	FY 2021-22 Q2	Total
Notifications Received	2	1	2	1	6
Notifications Acknowledged	2	2	1	1	6
Notifications Refused	0	0	0	0	0

Extractives	FY 2020-21 Q3	FY 2020-21 Q4	FY 2021-22 Q1	FY 2021-22 Q2	Total
Notifications Received	0	6	5	5	16
Notifications Acknowledged	3	2	2	4	11
Notifications Refused	0	1	2	0	3

Administrative updates by notification



Explanation for the result:

In Q2, one mining and four extractive industries administrative changes were acknowledged.

Administrative updates by notification:

New or changing work on existing work plans where it satisfies the following conditions:

- There is no significant increase in risk arising from the new or changing work.
- Council has been consulted and confirms in writing that the new or changing work does not require an amendment to the planning permit.
- Relevant referral agencies have been consulted and confirmed that the new or changing work raises no concerns.

More information is available on the website:

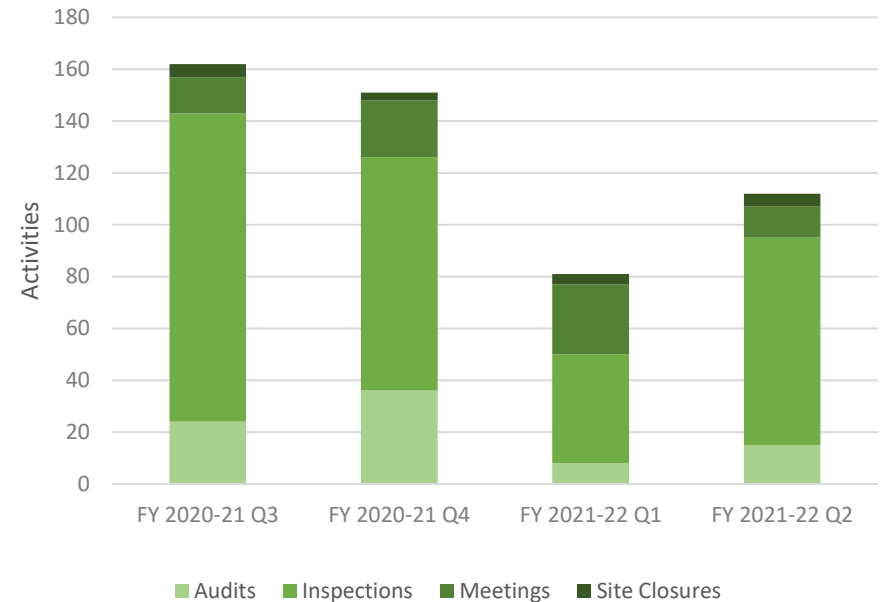
<https://earthresources.vic.gov.au/legislation-and-regulations/guidelines-and-codes-of-practice/extractive-industry-work-plan-guideline>

Compliance activities

Licence Types	Activity	Oct	Nov	Dec	Total
Extractives	Inspection	14	19	16	49
	Audit	4	5	3	12
	Meeting	2	0	0	2
	Site Closure	3	1	1	5
	Extractives Total	23	25	20	68
Mining	Inspection	5	6	10	21
	Meeting	4	4	2	10
	Audit	1	0	2	3
	Site Closure	0	0	0	0
	Mining Total	10	10	14	34
Petroleum	Inspection	9	0	1	10
	Petroleum Total	9	0	1	10
Total		42	35	35	112

In Q2, Earth Resources Regulation conducted 112 proactive compliance activities involving 93 authority holders. This quarter’s field activities were impacted by COVID-19 restrictions and resourcing constraints.

Compliance activities by quarter



Why are these measures important?

Earth Resources Regulation undertakes proactive compliance activities using a risk-based prioritisation approach. Activities include audits, inspections, meetings with duty holders and site closures after reviewing rehabilitation outcomes.

Earth Resources Regulation undertakes compliance actions under the *Mineral Resources (Sustainable Development) Act 1990*, *Petroleum Act 1998* and other legislation to identify and act on non-compliance by authority holders that have or are likely to result in a risk to public safety, the environment, land, property or infrastructure, or fail to comply with licence, work authority or approved work plan requirements.

Compliance audits

Type of Audit	FY 2020-21 Q3	FY 2020-21 Q4	FY 2021-22 Q1	FY 2021-22 Q2	Total	% Total
Progressive Rehabilitation	10	16	1	7	34	40%
Plan and Conditions	3	5	1	2	11	13%
Water Management	4	0	2	1	7	8%
Dust	0	3	0	0	3	4%
Noise	0	2	4	0	6	7%
GeoTechnical	0	4	0	0	4	5%
Fire and Emergency	3	0	0	2	5	6%
Boundaries and Extraction Limits	0	1	1	0	2	2%
Site Security and Buffer Zones	1	1	0	0	2	2%
Impacts of Blasting	1	1	0	2	4	5%
Exploration Drilling	1	1	0	0	2	2%
Imported Materials	1	0	0	0	1	1%
Plan and Conditions (High-Risk)	0	1	0	1	2	2%
Pest, Plant and Animal	0	1	0	0	1	1%
TSF Management	0	0	1	0	1	1%
Total	24	36	10	15	85	100%

Explanation for the results:

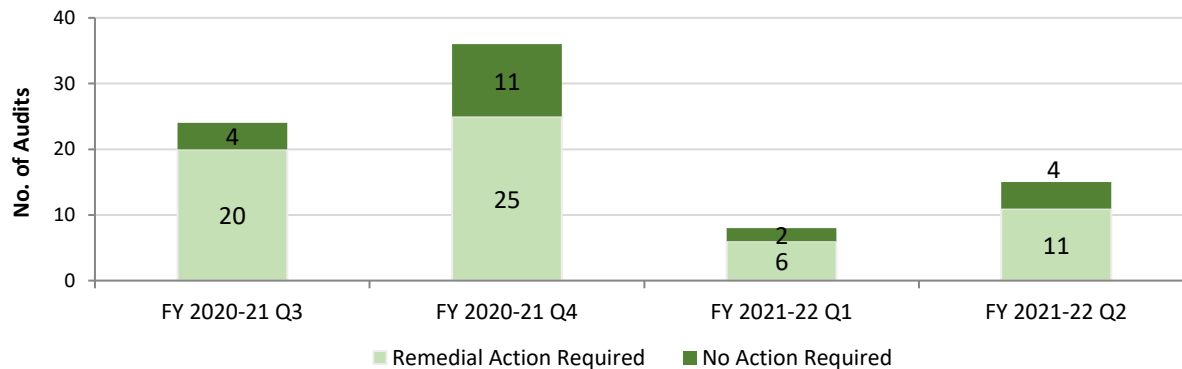
There were 15 audits conducted in Q2. Audit activities have been reduced due to operational capacity constraints and were also impacted by COVID-19 restrictions during this period.

Earth Resources Regulation's compliance program aims to drive improved industry performance by focusing on the management of the following risks to protect public safety and the environment: rehabilitation, fire, dust, noise, stability, water and approval requirements.

For further information on compliance priorities, see the Earth Resources Regulation Compliance Strategy on the website:

<https://earthresources.vic.gov.au/legislation-and-regulations/compliance-enforcement>

Remedial action / No action after audits



Explanation for the results:

The audit program is risk-based with a focus on more significant sites. The number of actions required can be dependent on the type of audits completed and if the audits were 'follow up' audits from previously identified risks. Of the audits completed during the quarter, 11 out of 15 required remedial actions.

Why are these measures important?

This indicator measures the number of current tenements that have had a compliance activity undertaken and shows how many authority holders are meeting requirements.

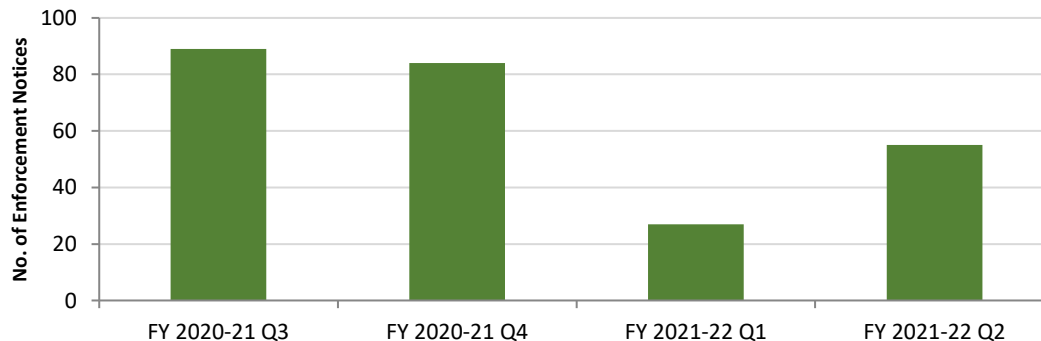
General enforcement notices issued in the quarter

Sector	Enforcement Action Type	Enforcement Code	No. of Notices
Extractives	s110 Notice	Other - Not Specified Above	2
Extractives	s110 Notice	Tenement Boundaries	1
Extractives	s110 Notice	Work Without Licence or Consents	1
Extractives	s110 Notice	Ground Disturbance	1
Extractives	s110 Notice	Dust Emissions	1
Extractives	s110 Notice	Drainage, Erosion and Discharge	1
Extractives	s110 Notice	Tailings and Slime Management	1
Mining	s110 Notice	Tailings and Slime Management	2
Mining	s110 Notice	Community Engagement	1
Mining	s110 Notice	Work Without Licence or Consents	1
Mining	s110 Notice	Authorised Activity Compliance	1
Mining	s110 Notice	Documentation and Records	1
Mining	s110 Notice	Drill Sites, Costeans and Trenches	1
Mining	s110 Notice	Drainage, Erosion and Discharge	1
Total			16

Infringements and official warnings issued

Actions	Issued in the quarter
Written Instruction	33
Infringement Notice	2
Official Warning Letter	2
Direction	2
Total	39

Enforcement notices issued



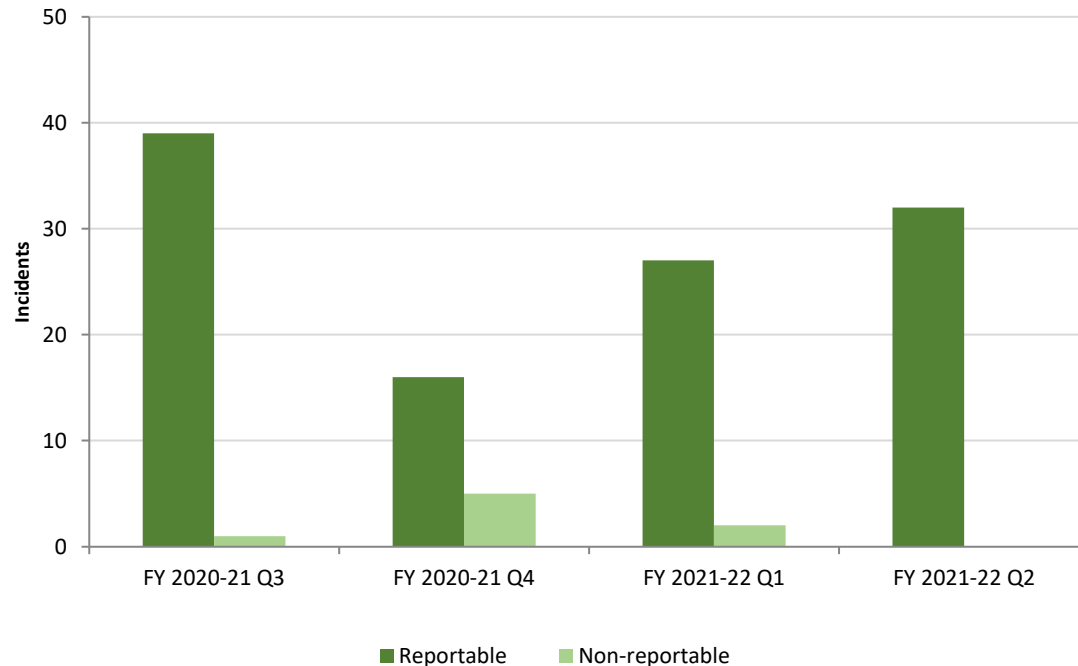
Enforcement actions summary:

In Q2, there were 55 enforcement actions issued, of which 16 were related to s110 notices and 39 were from written instructions, infringement notices, directions and official warning letters. Further details on enforcement actions can be found in the following media releases: <https://earthresources.vic.gov.au/about-us/news>

Reportable incidents in the quarter

Sector	Classification	Incident Type	Enforcement Code	Incident Responded To	Incident Status	Incident Count
Mining Licence	Major	Public Safety	Fire Precautions and Risk Control	Yes	Resolved	27
Mining Licence	Minor	Environmental	Environmental Incident Notification	Yes	Resolved	4
Work Authority	Minor	Legislation Breach	Explosives Air and Ground Vibration	Yes	Open	1
Total						32

Reportable vs Non-reportable incidents



Explanation for the result:

There were 32 reportable incidents in Q2 with a majority of these relating to small coal smoulders and drainage at mine operations.

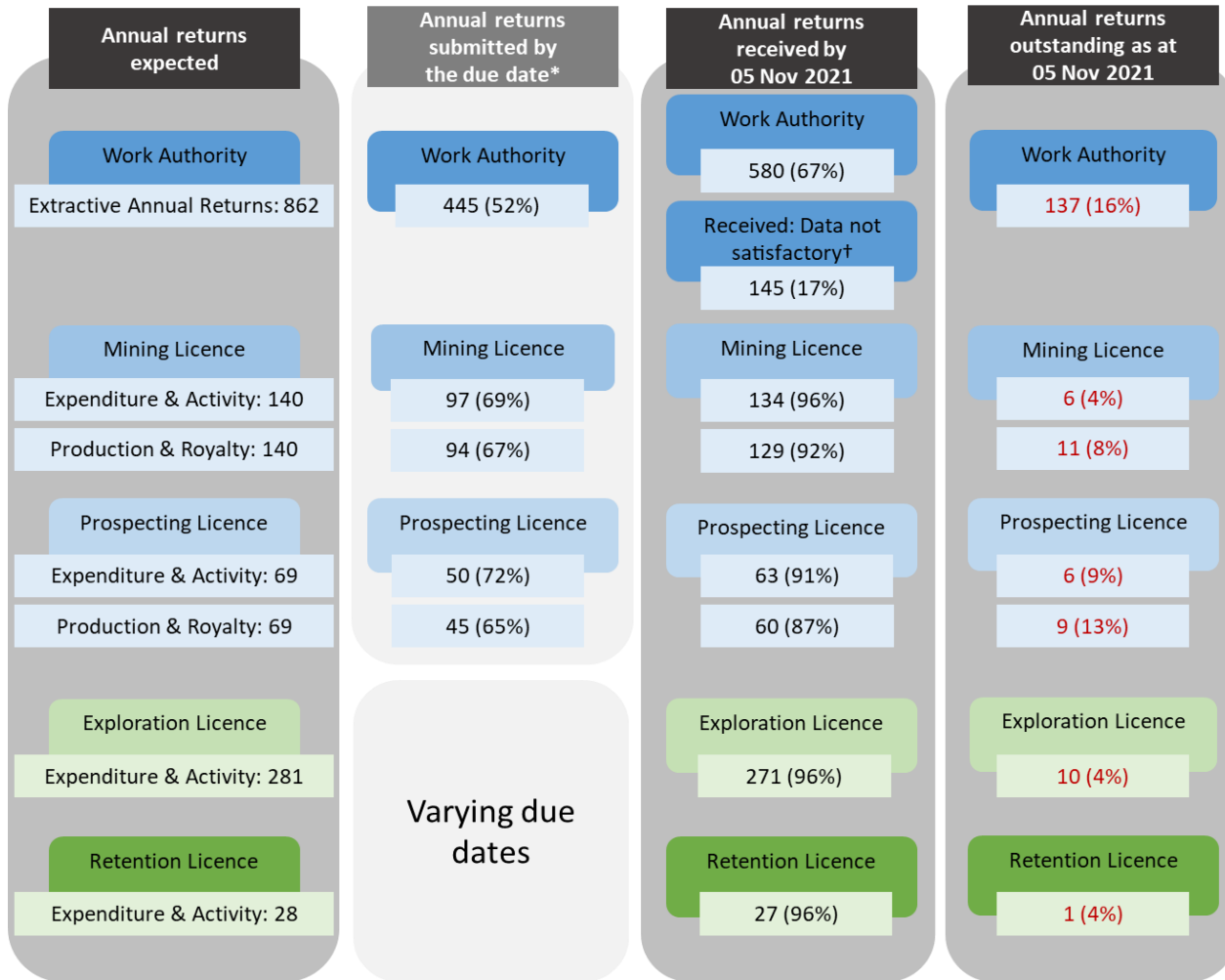
A recent change in reporting requirements now classifies smoulders as a reportable fire event. All incidents were responded to and one is still under investigation.

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

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 the current or subsequent quarter.

FY 2020-21 Industry annual returns submission rate



Annual report requirements:

All tenement holders are obliged to submit annual reports on their activities by the due date even if no work has been undertaken in the financial year. The information is used to monitor industry activities, specify regulatory fees and royalties and inform management of Victoria's earth resources sector by understanding the state of the industry and aiding further investment and jobs.

The FY 2020-21 Annual Statistical Report published on 21 December 2021 consists of Earth Resources Regulation operational data and aggregated industry data from 84% Work Authorities^ and 94% of all Mineral Licences ^ (i.e. Mining, Prospecting, Exploration and Retention) annual reports received by 05 November 2021.

The Annual Statistical Report is available via: <https://earthresources.vic.gov.au/legislation-and-regulations/regulator-performance-reporting/annual-statistical-reports>

^ Sum of returns received by 05 Nov 2021 / Sum of expected returns

*Due Date: Work Authority 31 July 2021 , Mining and Prospecting 28 July 2021. Also includes regulator approved extensions.
 †Annual returns received, data not satisfactory: Some components of the annual return were not satisfactory and therefore awaiting more details to be provided by tenement holders. The data from these records are included in the Annual Statistical Report.

Environmental review committee attendance

	2020-21 Q3	2020-21 Q4	2021-22 Q1	2021-22 Q2
Meetings Planned	14	13	14	20
Meetings Attended	14	13	14	20
% Attendance	100%	100%	100%	100%
Target	100%	100%	100%	100%

Explanation for the result:

Earth Resources Regulation attended 100% of the scheduled Environmental Review Committee (ERC) meetings in Q2. Many ERCs were held online during the period due to COVID-19 restrictions.

Why are these measures important?

The stakeholder engagement indicator covers the interaction between the regulator, authority holders, co-regulators and the community by reporting active participation by Earth Resources Regulation (ERR) at Environmental Review Committee(ERC) meetings. ERC meetings do not occur for all sites and ERR typically only attends meetings for priority sites or where significant community interest is present. Earth Resources Regulation has made a commitment in the Compliance Strategy to report on ERC attendance quarterly.

Industry Reference Group

2021-22 Q1	2021-22 Q2	2021-22 Q3	2021-22 Q4	Annual Total	FY Target
1	1	-	-	2	4

Explanation for the result:

The target is an annual figure based on Industry Reference Group (IRG) meetings being scheduled every three months.

The IRG held one meeting in Q2 and is on track to meet the annual target.

Why are these measures important?

The Industry 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

2021-21 Q1	2021-21 Q2	2021-22 Q3	2021-22 Q4	Annual Total	FY Target
1	1	-	-	2	3

Explanation for the result:

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

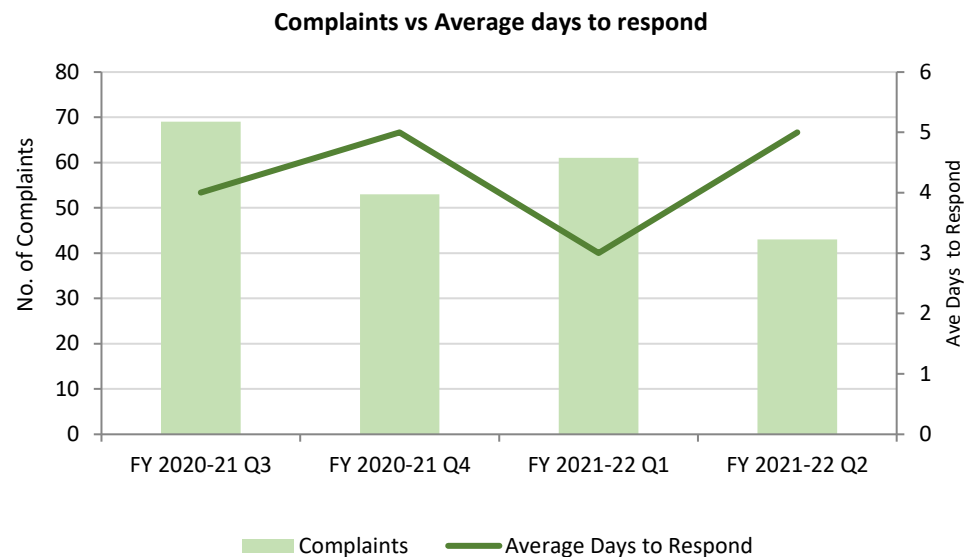
One ERRF meeting was held in Q2 and is on track to meet the annual target.

Why are these measures important?

The 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 coordinates 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 includes a focus on more real-time communication, strategic sequencing, common risk assessment and partnerships with local government authorities.

Response times to complaints in the quarter

Sector	Enforcement Codes	Number of Complaints	Ave Days to respond	*Median Days to respond
Extractives	Explosives Air and Ground Vibration	21	5	2
Extractives	Working Hours	5	10	14
Extractives	Noxious Weeds, Plants and Pests	3	4	1
Extractives	Waterway Quality and Aquatic Habitat	1	1	1
Extractives	Noise Emissions	1	1	1
Extractives	Work without Licence or Consents	1	1	1
Extractives	Dust Emissions	1	10	10
Extractives	Reporting, Monitoring and Auditing	1	1	1
Extractives	Other (Not Specified Above)	1	3	3
Mining	Explosives Air and Ground Vibration	2	1	1
Mining	Other (Not Specified Above)	1	2	2
Mining	Dust Emissions	1	1	1
Mining	Public Safety and Site Security	1	3	3
Mining	Work without Licence or Consents	1	1	1
Mining	Authorised Activity Compliance	1	1	1
Mining	Noise Emissions	1	2	2
		43	5	1



Explanation for the result:

There were 43 complaints in Q2. Of these, 48% were attributed to one licence holder relating to blasting noise and vibration.

Of the 43 complaints received, 16 were resolved and 27 are under investigation. The average number of days to respond to a complaint was five days and the median to respond was one day. Repeat complaints were addressed through combined responses after a compliance review.

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.

* **Median Days:** Arranging the days to respond in order and then selecting the middle value . Median is used to minimise the impact of outliers.

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