

Service Delivery Standards

QUARTERLY PERFORMANCE REPORT

1 JULY 2015 TO 30 SEPTEMBER 2015

Service Delivery Standards: Quarterly Performance Report 1 July 2015 to 30 September 2015

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Disclaimer: The information contained in this publication is based on knowledge and understanding at the time of writing (October 2015). However, because of advances in knowledge, users are reminded of the need to ensure that information upon which they rely is up to date and to check currency of the information with the appropriate officer of the NSW Department of Industry, Skills and Regional Development or the user's independent advisor.

Executive Summary

This report outlines the performance results for service delivery standards, implemented for the processing of applications under the *Mining Act 1992*.

This is the ninth report since the service delivery standards were introduced on 12 August 2013 and reports on the proposed decisions notified between 1 July 2015 and 30 September 2015.

There has been an overall decrease in the KPIs relating to the processing of applications and renewals.

The release of cash security deposits and subsidence management plans remain at 100%.

To address the decline in performance significant business improvement initiatives including structural changes and processes were introduced during late Qtr 3. We are confident that these changes will help to address these concerns over the short to medium term.

Further changes to systems and structures should deliver ongoing improved service levels. These include:

- Appointment of case managers to each application who are responsible for managing the entire application process.
- A new manual tracking process that provides visibility for the case manager of the entire application process to ensure that bottles necks are identified and remedied on a real time basis.
- Systemizing this tracking process with an electronic system to ensure each part of the process is completed within required timeframes and alerts are issued when applications are not progressing.
- A new Exploration Assessment's process that defines exploration activity as either common (CEA) or non common. This process should allow complete CEA applications received to be approved within the 10 working day timeframe.
- Focusing of resources to ensure current back logs are cleared as soon as practical.

The agreed targets and performance for this reporting period are:

Activity/Approval	Target	Performance*	Decisions notified
Title applications – coal exploration licence grants:	90% within 85 business days	0% N/A	0
Title applications – mineral exploration licence grants:	90% within 45 business days	42% ↓	31
Title application – mineral & coal mining lease grants:	90% within 45 business days	88% ↑	8
Title applications – coal exploration licence renewals:	90% within 45 business days	50% ↓	14
Title applications – mineral exploration licence renewals:	90% within 45 business days	42% ↓	59
Title application – mineral & coal Mining lease renewals:	90% within 45 business days	0% ↓	5
Review of Environmental Factors (REF) approvals:	90% within 30 business days	75% ↓	8
Subsidence Management Plan (SMP) approvals:	90% within 90 business days	83% ↓	6
Surface Disturbance Notice approvals:	90% within 10 business days	82% ↑	38
Mining Operations Plan (MOP) approvals:	90% within 30 business days	76% ↑	42
Security deposit release:	90% within 10 business days	100% ○	22
Security deposit reviews:	90% within 30 business days	59% ○	177

*** Performance key:**

- ↑ = compliant with target and up from previous quarter;
- = compliant with target and the same as previous quarter;
- ↓ = compliant with target and down from previous quarter;
- ↑ = not compliant with target and up from previous quarter;
- = not compliant with target and the same as previous quarter;
- ↓ = not compliant with target and down from previous quarter.

A number of factors affected the processing of SDNs, REFs and MOPs this quarter, including staffing and resource issues, the introduction of new systems, complexity of applications and completion of more site inspections. Risk analysis and prioritisation of SDNs, REFs and MOPs will occur and resource levelling workload versus resources will be presented to Executive for approval.

Reform work undertaken in relation to projects to review conditions of title, the process of accepting applications and the entire decision making process as well as

the internal restructure of the Division of Resources & Energy continue to impact on processing timeframes.

Information regarding the actual number of applications received in each reporting period is included at Appendix B.

Information regarding legacy work (dealings received prior to 1 January 2013) on hand is also provided at Appendix C.

The next report is due in January 2016.

Other related activity by DRE during this quarter

Improved Management of Exploration Regulation (IMER) Reforms Workshops

DRE has delivered a series of workshops to industry on the Improved Management of Exploration Regulation (IMER) reforms. These IMER workshops attended by around industry delegates from across the state have been a great success, with feedback from participants overwhelmingly positive.

The key issues addressed during the workshop included:

- An overview of IMER
- Changes to titles and conditions and the release of new industry guidelines
- The streamlined exploration activity assessment and approval process
- The new Exploration Codes of Practice
- The new Work Program and Annual Reporting Guidelines

In addition, Panel sessions were also conducted that addressed the array of questions that industry brought to DRE on the day.

A key component of the IMER reform is aimed at simplifying assessment requirements for lower impact exploration activities. Assessment of exploration activity applications have been streamlined for Common Exploration Activities (CEAs) that the Department has determined are unlikely to have a significant impact on the environment, such as those that meet specific location requirements, satisfy stringent impact thresholds and are undertaken in accordance with the relevant Codes of Practice.

Since the launch of the streamlined system on 1 September 2015, all CEA applications have been received and approved within 10 business days.

The IMER reforms, including the Codes of Practice and the streamlined exploration activity application process is on the DRE website.

Responsiveness to Industry feedback during Transition to the IMER Reforms

Significant feedback has been received in relation to the updated forms and guidelines to support IMER. DRE staff has provided timely updates and clarification to industry regarding the changes.

Feedback during Transition has highlighted areas that needed to be reviewed and / or modified to facilitate a smooth implementation. Work is continuing to improve processes during the IMER Transition phase.

The information now available on the DRE website provides greater clarity of the changes and requirements of industry.

Additionally:

- New format licences have been issued
- Web page modifications have been made (and will continue to be made) to improve the customer experience
- The review of forms project has commenced
- The restructure of the Titles sub unit to focus on KPIs has commenced

First Common Exploration Activities activity approval via the IMER

On 1 September 2015, the Department launched a streamlined assessment and approval process for Common Exploration Activities (CEAs). This was a significant deliverable of the IMER. CEAs comprise of exploration activities that meet specific location requirements, satisfy stringent impact thresholds and can be undertaken in accordance with the newly introduced exploration codes of practice.

On 3 September, the Environmental Sustainability Unit (ESU) received the first application for a CEA. This application was for an 11 hole drilling program south of Nyngan in central NSW. The application was assessed and approved by the ESU regional office in Orange within 4 business days. This was well within the 10 day KPI for CEAs under the Department's service delivery standards. This demonstrates the benefit to both Industry and the Department of streamlining the assessment and approval process.

This is a significant step forward in the streamlining of the assessment and approval process of low impact exploration activities that meet the CEA criteria.

DRE role in Integrated Mining Policy (IMP) Stage 2 - Integrated Mining Policy documents out for consultation

DRE continues to work proactively with the Department of Planning and Environment on the Integrated Mining Policy documents (and its public exhibition). This includes:

- Planning Agreement Guidelines; a summary document of water policy and regulation;
- Post Approval Guidelines in relation to Annual Reviews;
- Web-based Reporting; and
- Independent Audits.

DRE's input is critical to ensure that the necessary content for efficient and effective reporting is included in the proposed Annual Review report as part of the IMP reform process to ensure that future reporting of rehabilitation performance meets government and the society's expectations under Mining Lease reporting processes.

Extensive feedback into the development of the legislative reform package

DRE staff has spent significant amounts of time reviewing and providing feedback in relation to proposed legislative amendments including:

- *Mining and Petroleum Legislation Amendment (Grant of Coal and Gas Prospecting Titles) Bill 2015*
- *Mining and Petroleum Legislation Amendment (Land Access Arbitration) Bill 2015*
- *Mining and Petroleum Legislation Amendment (Harmonisation) Bill 2015*
- *Work Health and Safety (Mines) Amendments (Harmonisation) Bill 2015*

Introduction

As part of the Government's Quality Regulatory Services Initiative, NSW Department of Industry – Division of Resources & Energy (DRE) has implemented service delivery standards for the processing of applications under the *Mining Act 1992*.

Background

Regulatory processing delays represent one of the key areas of administrative burden for industry. The service delivery standards provide greater certainty and allow industry to manage operations and deadlines around the expected waiting times.

Processing of applications

In order to efficiently process and report on applications, a process has been implemented that includes 'stop the clock' provisions. In summary:

- The processing clock starts when a complete application, including all required supporting information is received.
- If an application is deficient, the applicant is notified immediately and given 10 business days (*Mining Regulation 2010* cl76(9)) to submit all required supporting information. If the required information is not received within this timeframe, the applicant is reminded of the need to provide the required information. If the information is not provided within 10 working days of the reminder being issued, action will be taken to refuse the application.
- Generally, the processing clock is only stopped where additional information is required from the applicant or in the event of an exception identified in *Appendix A*.
- With the exception of exploration licence applications and renewals for coal, processing is complete when the applicant is notified of the result of the decision (this may be a proposed grant, proposed refusal, request for partial relinquishment prior to grant) or in the case of withdrawal, when the withdrawal of the application is finalised. For exploration licence applications and renewals for coal, processing is complete for KPI related purposes, when a submission is prepared for the Minister's consideration.

Work is continuing to ensure the consistent and appropriate use of the 'stop the clock' provisions.

Reporting Period

The reporting period for this performance report is 1 July 2015 to 30 September 2015. This is the ninth report since the service delivery standards were introduced on 12 August 2013.

The service delivery standards reported here only cover a small percentage of the work completed by DRE. Other tasks include other administrative dealings in relation to authorisations under the *Mining Act 1992* and titles under the *Petroleum (Onshore) Act 1991* as well as audits, inspections and enforcement actions.

Where a 'stop the clock' event occurs the processing time is calculated by deducting the number of days for which the clock has stopped, from the total time taken from when a finalised application has been received to when the applicant is notified of the proposed action to be taken (i.e. grant/renewal/refusal/other action as appropriate), or for coal exploration licence matters, when the submission to the Minister for approval to make an offer has been prepared.

While steps are being taken to automate this reporting, most of this information has been compiled manually. It is anticipated that the next report will be collated automatically.

Detailed Results

The following report provides a snapshot of applications where a decision was made between 1 July 2015 and 30 September 2015.

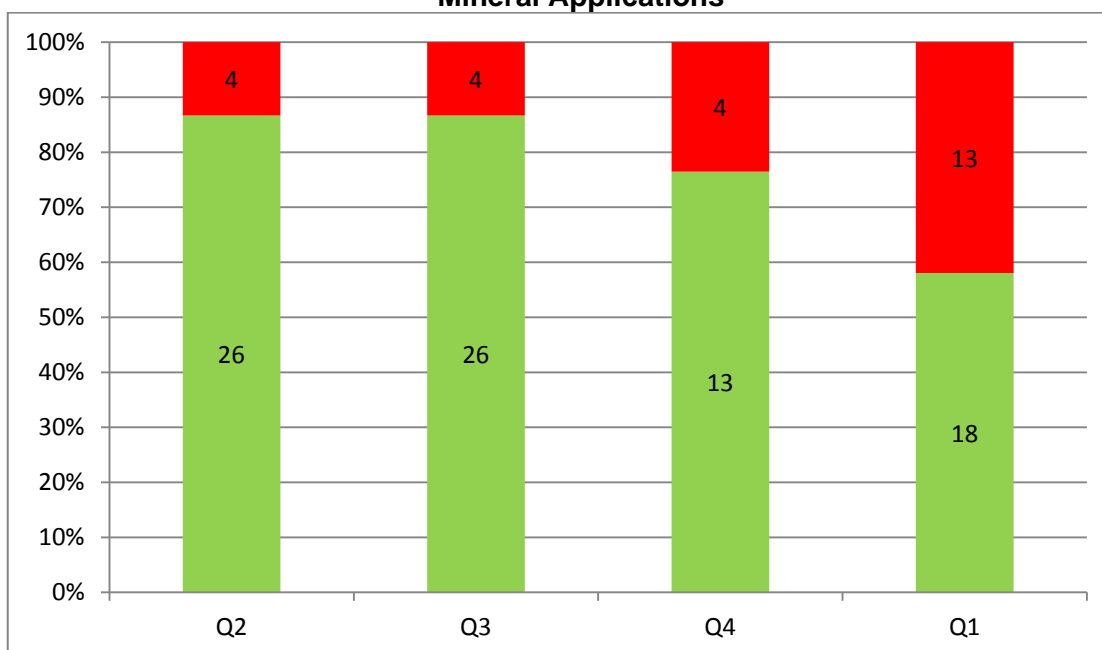
Mineral exploration licences

Title applications for minerals (defined as mineral groups 1-8, 10 and 11) include exploration licences, assessment leases and mining leases.

Mineral exploration licence applications

Target:	Number	90% within 45 business days
Decisions made	31	
Decisions made within target	13	42%
Decisions not made within target	18	58%

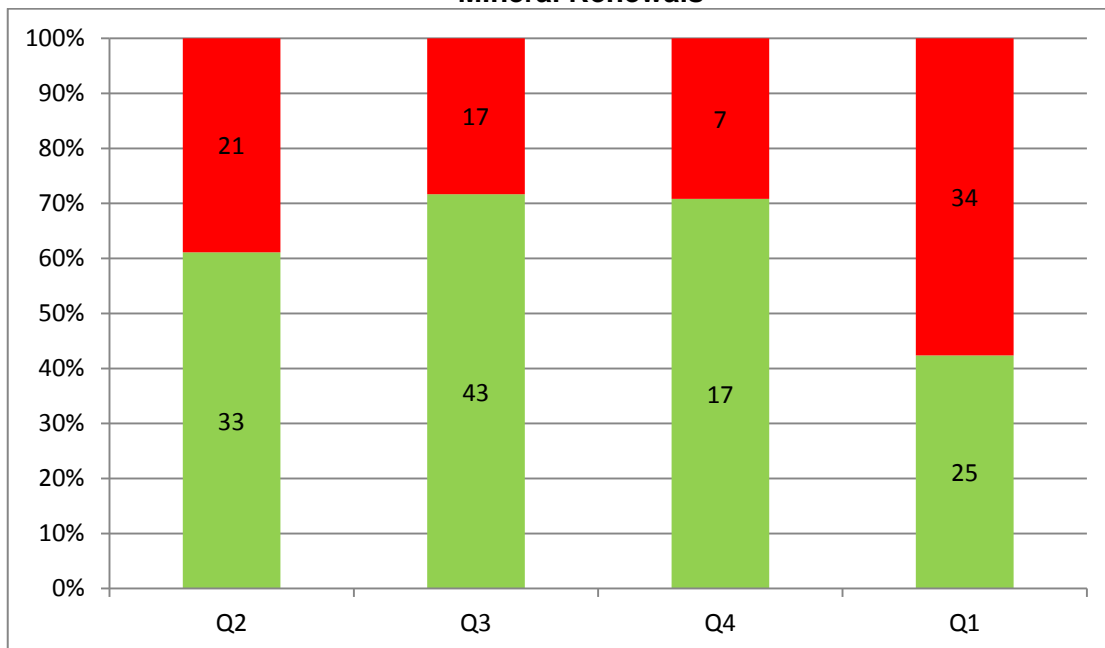
First Quarter 2015 - 2016 Mineral Applications



Mineral exploration licence renewals

Target:	Number	90% within 45 business days
Decisions made	59	
Decisions made within target	25	42%
Decisions not made within target	34	58%

First Quarter 2015 - 2016 Mineral Renewals



Coal

Compared to other minerals, additional processing time is required for coal exploration licence applications to allow for the public comment process and the applicant's right of reply to the public comment process. The processing for coal commences when a finalised application has been received and ends when the submission is initially prepared for Ministerial consideration.

Coal exploration licence applications

Target:	Number	90% within 85 business days
Decisions made	0	
Decisions made within target	N/A	N/A
Decisions not made within target	N/A	N/A

Coal exploration licence renewals

Target:	Number	90% within 45 business days
Decisions made	14	
Decisions made within target	7	50%
Decisions not made within target	7	50%

Mining leases

Mineral and coal mining lease applications

Target:	Number	90% within 45 business days
Decisions made	8	
Decisions made within target	7	88%
Decisions not made within target	1	12%

There were no offers for MLAs prepared during this quarter.

Mineral and coal mining lease renewals

Target:	Number	90% within 45 business days
Decisions made	5	
Decisions made within target	0	0%
Decisions not made within target	5	100%

Mining lease renewal applications must be lodged at least 12 months and can be lodged up to five years prior to the due expiry date of the lease. Mining leases with pending renewals can continue in force in accordance with section 117 of the *Mining Act 1992*.

Questions have been raised as to whether renewing a current mining lease prior to the due expiry date shortens the current term of a mining lease. It is strongly recommended that the target for the processing of mining lease renewals be varied to offers being made prior to the due expiry date.

Assessment leases

Mineral and coal applications

Target:	Number	90% within 45 business days
Decisions made	1	
Decisions made within target	0	0%
Decisions not made within target	1	100%

Mineral and coal renewals

Target:	Number	90% within 45 business days
Decisions made	0	
Decisions made within target	N/A	N/A
Decisions not made within target	N/A	N/A

Exploration activity approvals

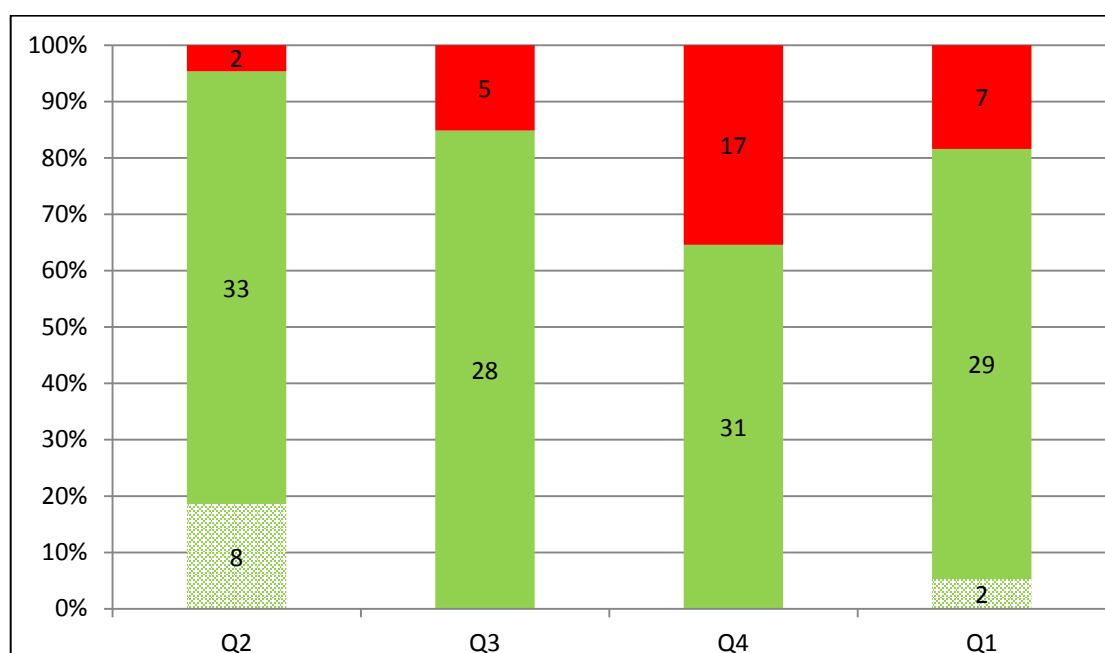
To allow time to collate data, the reporting period for exploration activity approvals runs to the 20th of each month.

Common Exploration Activity (CEA) & Category 2 – Surface Disturbance Notices (SDN)

Target:	Number	90% within 10 business days
Applications being reported on (target timeframe concluded within reporting period):	38	
Applications rejected or withdrawn ¹	2	
Applications that met the target timeframe:	29	82%
Applications that did not meet the target timeframe:	7	18%

There were fourteen 'stop the clock' events, which were related to non-compliance with *ESF4: Exploration Activities Application* and *ESG10: Surface Disturbance for Exploration Activities*.

First Quarter 2015 – 2016 Common Exploration Activities (CEAs) & Surface Disturbance Notices (SDNs)



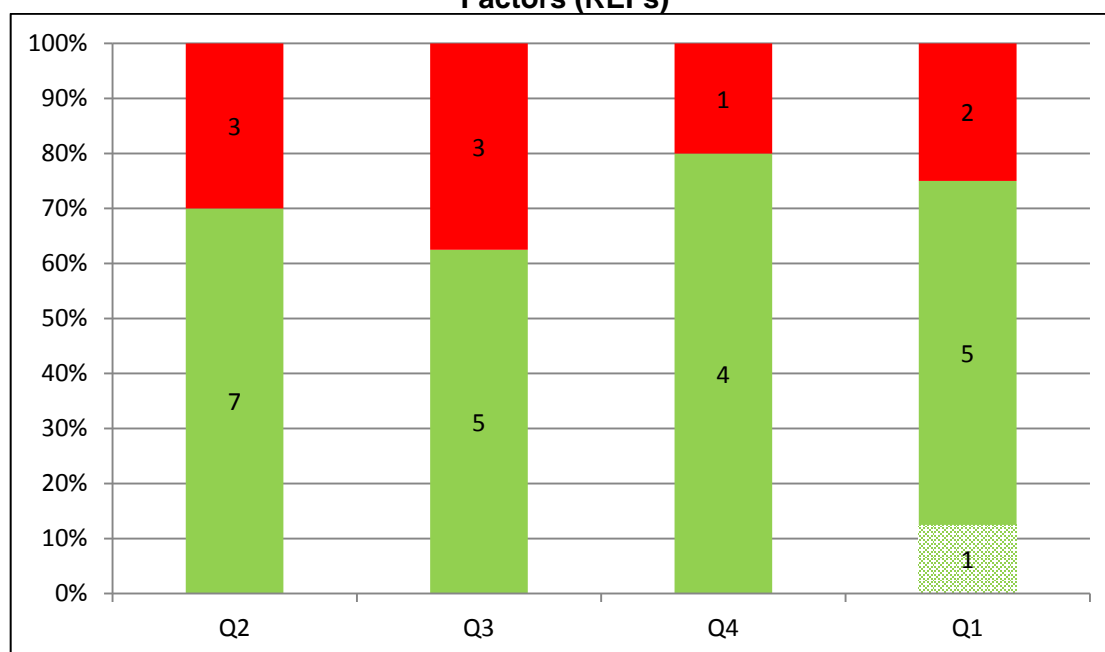
¹ Given the 'work effort' required to assess applications initially, applications rejected or withdrawn will be reported in this and future quarters and included in the 'applications that met the timeframe' target.

Category 3 – Review of Environmental Factors (REF)

Target:	Number	90% within 30 business days
Applications being reported on (target timeframe concluded within reporting period):	8	
Applications rejected or withdrawn ²	1	75%
Applications that met the target timeframe:	5	
Applications that did not meet the target timeframe:	2	25%

There were ten reported ‘stop the clock’ events related to non-compliance with *ESF4: Exploration Activities Application* and *ESG2: Environmental Impact Assessment Guidelines*, resulting in requests for additional information.

**First Quarter 2015 – 2016
Non-Common Exploration Activities (Non-CEAs) & Review of Environmental Factors (REFs)**



² Given the ‘work effort’ required to assess applications initially, applications rejected or withdrawn will be reported in this and future quarters and included in the ‘applications that met the timeframe’ target.

Mining approvals

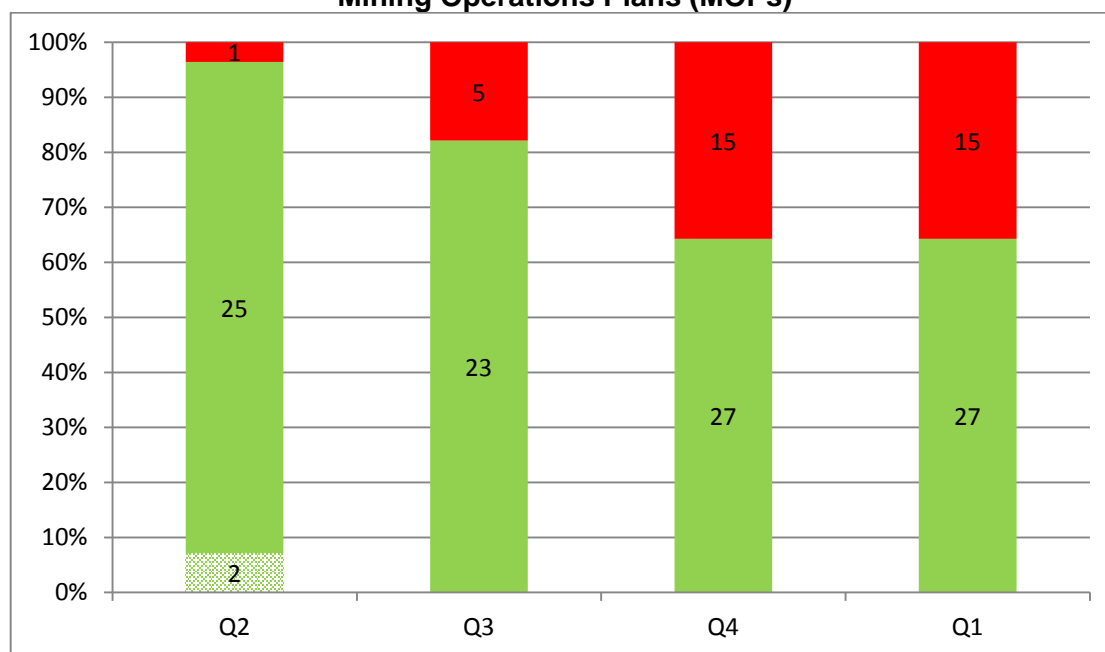
Mining Operations Plans (MOP)

Target:	Number	90% within 30 business days
Applications being reported on (target timeframe concluded within reporting period):	42	
Applications rejected or withdrawn ³	0	
Applications that met the target timeframe:	27	64%
Applications that did not meet the target timeframe:	15	36%

The MOP approval target timeframe of 96% within 30 business days was not met.

There were eleven reported 'stop the clock' events related to non-compliance with *ESG2: Environmental Impact Assessment Guidelines*, resulting in requests for additional information.

**First Quarter 2015 - 2016
Mining Operations Plans (MOPs)**

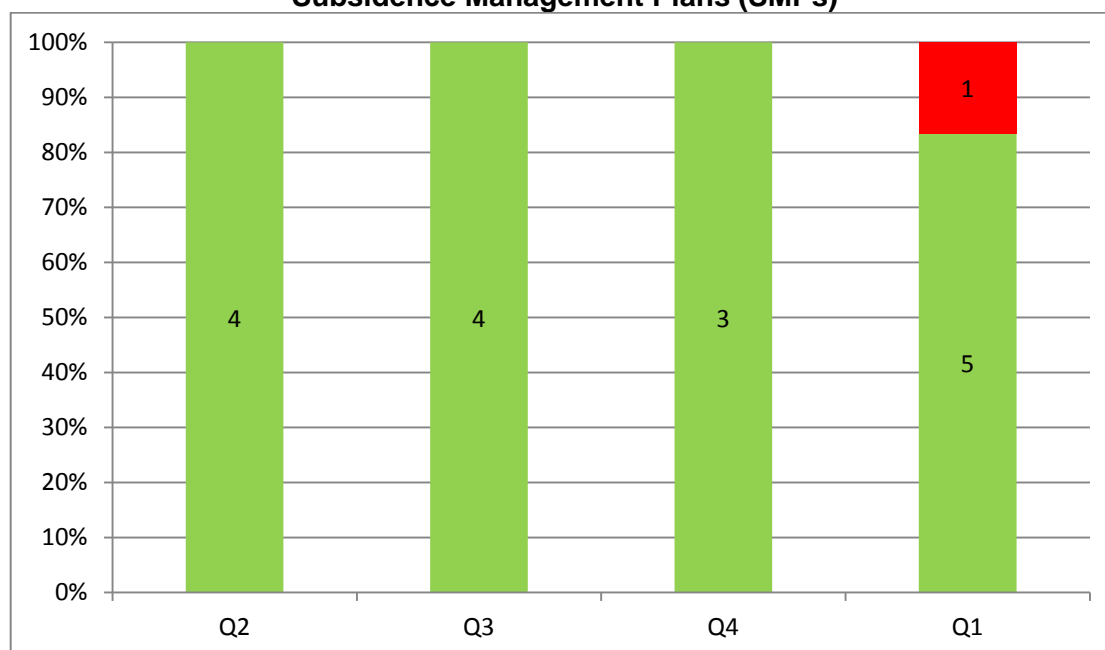


³ Given the 'work effort' required to assess applications initially, this will be reported in this and future quarters and included in the 'applications that met the timeframe' target.

Subsidence Management Plans (SMP)

Target:	Number	90% within 90 business days
Applications being reported on (target timeframe concluded within reporting period):	6	
Applications rejected or withdrawn	0	
Applications that met the target timeframe:	5	83%
Applications that did not meet the target timeframe:	1	17%

**First Quarter 2015 - 2016
Subsidence Management Plans (SMPs)**



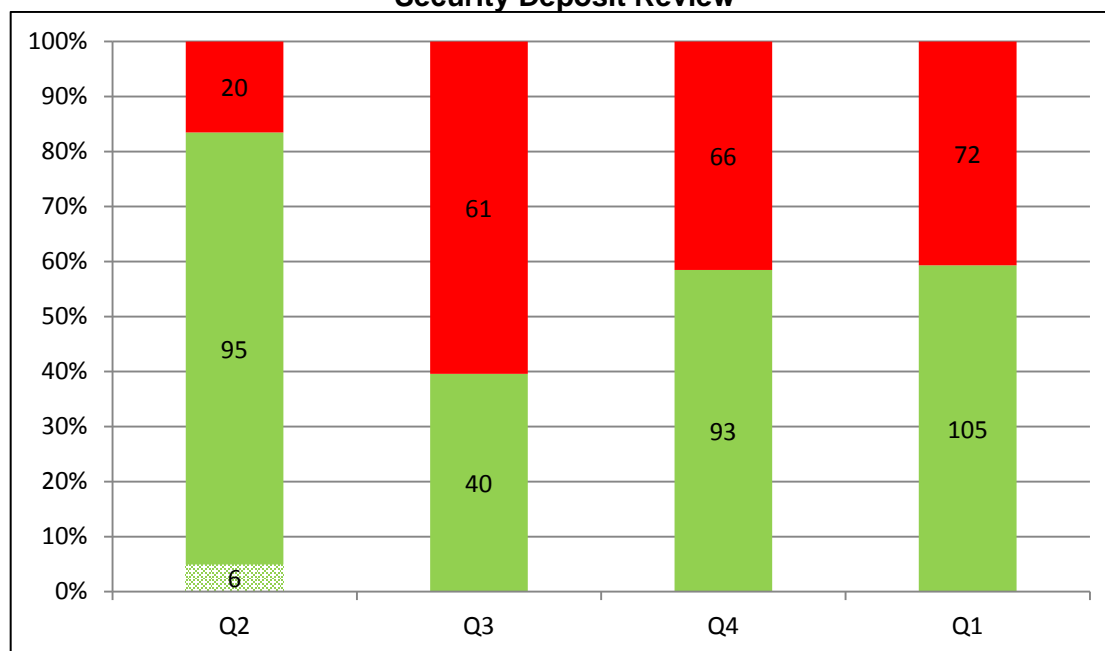
Security deposits

Security deposit review

Target:	Number	90% within 30 business days
Applications being reported on (target timeframe concluded within reporting period):	177	
Applications rejected or withdrawn	0	
Applications that met the target timeframe:	105	59%
Applications that did not meet the target timeframe:	72	41%

The security deposit review target timeframe of 90% within 30 business days was not met.

**First Quarter 2015 – 2016
Security Deposit Review**



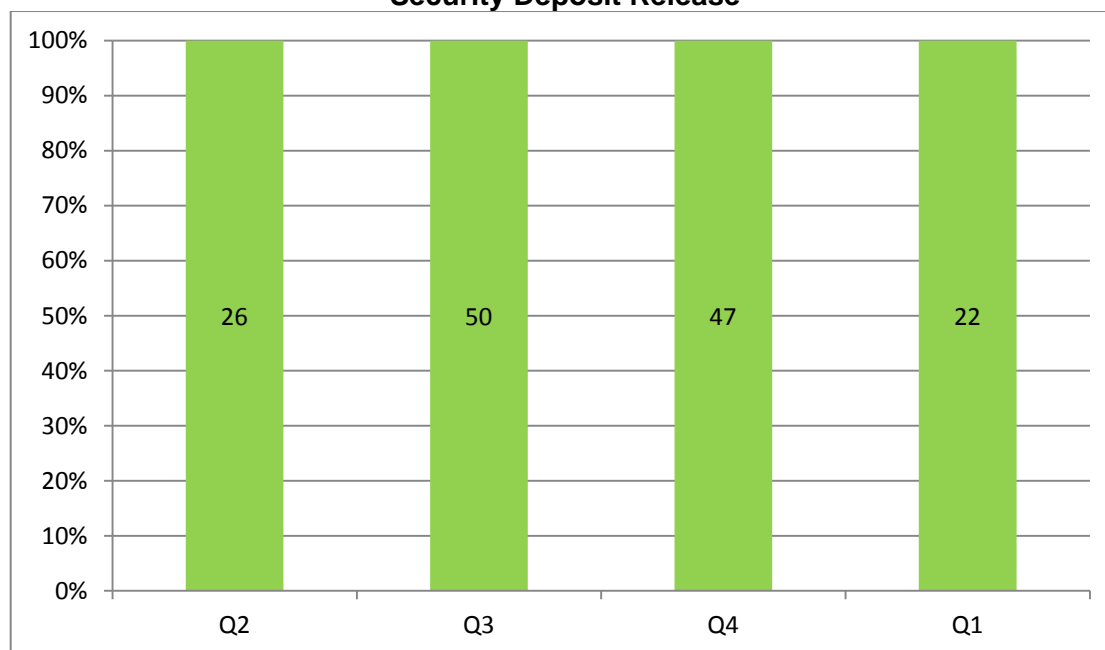
Security deposit release

The target timeframe for cash refunds is that requests will be made within 10 days following determination. The 90% target was met.

Please note that the processing of cash refunds is a function which is outside DRE control.

Target:	Number	90% within 10 business days
Refunds being reported on (target timeframe concluded within reporting period):	22	
Refunds that met the target timeframe:	22	100%
Refunds that did not meet the target timeframe:	0	0%

**First Quarter 2015 - 2016
Security Deposit Release**



APPENDIX A

Exception management

Exception management ('stop the clock') processes are essential to meaningful reporting of our service delivery performance. They identify circumstances which are beyond the control of DRE.

DRE will endeavour to minimise the use of the exception management ('stop the clock') triggers set out below. Where practicable:

- DRE will continue processing applications while the clock is stopped.
- If multiple triggers occur, the triggers will be dealt with in parallel rather than sequentially.

Application type	Exception	Processing clock triggers		Legislation preferences
		Stop clock	Restart clock	
All types of applications	Applicant requests that application is put on hold.	Request received from applicant to stop processing.	Request received from applicant to restart processing.	N/A
	Development consent required prior to <i>Mining Act 1992</i> approval.	Notification to applicant that processing cannot proceed without development consent.	Copy of relevant consent supplied to DRE.	Section 65 <i>Mining Act 1992</i> Clause 7(1) <i>State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007</i>
	EPBC Act referral decision or approval required of direct relevance to application or title.	Notification to applicant that processing cannot proceed until referral decision or approval is made.	Copy of referral decision or approval supplied to DRE.	<i>Environment Protection and Biodiversity Conservation Act 2000</i>
	Relevant litigation underway in relation to application or title.	Notification to applicant that litigation precludes further processing.	DRE notified that litigation has been resolved.	N/A
	Significant unresolved issue with 3rd party of direct relevance to application or title.	Notification to applicant that issue with 3rd party precludes further processing.	DRE notified that issue with 3rd party has been resolved.	N/A
	Serious compliance issue of direct relevance to application or title.	Notification to applicant that compliance issue precludes further processing.	Compliance issue has been resolved.	To be dealt with in accordance with DRE compliance/enforcement policy and procedures

	Deficiency in application which may otherwise result in application being refused. ¹	Notification to applicant of deficiency.	Requested information supplied to DRE or applicant does not supply information within requested timeframe.	Administrative law principles relating to the exercise of discretionary powers and procedural fairness
Title applications – grant or renewal	Right to negotiate process.	Commencement of right to negotiate process at request of applicant.	Completion of right to negotiate process	<i>Native Title Act 1993</i>
	Significant improvement determination (mining leases only).	Receipt of objection.	Determination of objection	Section 62(6A) <i>Mining Act 1992</i>
	Agricultural land determination (mining leases only).	Receipt of objection.	Determination of objection	Section 179 <i>Mining Act 1992</i>
	Survey outstanding (mining leases only).	Notification to applicant that survey required before processing can proceed.	Survey compliant with requirements supplied to DRE	Section 66 <i>Mining Act 1992</i>
Exploration activity approvals – Category 2 SDN Category 3 REF Mining approvals – Mining Operations Plan (MOP) Subsidence Management Plan (SMP)	<i>Mining Act 1992</i> authorisation (title) required prior to activity approval.	Notification to applicant	Authorisation (title) granted	Sections 5 and 6 <i>Mining Act 1992</i>
Exploration activity approvals – Category 3 REF	Consent required from the Minister for the Environment for exploration in State Conservation Areas.	Notification to applicant	Copy of consent supplied to DRE	Section 47J(7) <i>National Parks and Wildlife Act 1974</i>
Other reasons at Departments discretion				

APPENDIX B**Number of applications received in each reporting period to date****Applications and renewals received since 1 July 2013**

RESOURCE	PERIOD 1	PERIOD 2	PERIOD 3	PERIOD 4	PERIOD 5	PERIOD 6	PERIOD 7	PERIOD 8	PERIOD 9
	1/7/13 to 30/9/13	1/10/13 31/12/13	1/1/14 to 31/3/14	1/4/14 to 30/6/14	1/7/14 to 30/9/14	1/10/14 to 31/12/14	1/1/15 to 31/3/15	1/4/15 to 30/6/15	1/7/15 to 30/9/15
COAL									
Exploration Licence Applications	0	2	1	0	0	1	1	0	0
Assessment Lease Applications	0	1	1	0	0	0	0	0	0
Mining Lease Applications	4	5	4	6	3	0	4	6	8
TOTAL	4	8	6	6	3	1	5	6	8
Exploration Licence Renewals	6	0	0	18	15	13	10	8	8
Assessment Lease Renewals	1	5	4	0	1	1	0	1	0
Mining Lease Renewals	8	3	2	1	12	2	1	1	2
TOTAL	15	8	6	19	28	16	11	10	10
MINERALS									
Exploration Licence Applications	48	65	51	51	32	40	35	24	25
Assessment Lease Applications	0	0	0	0	0	0	0	1	1
Mining Lease Applications	1	2	0	5	1	1	2	2	3
TOTAL	49	67	51	56	33	41	37	27	29
Exploration Licence Renewals	62	72	71	68	44	64	49	52	37
Assessment Lease Renewals	0	0	0	0	0	0	0	0	0
Mining Lease Renewals	8	13	3	1	6	50	4	14	9
TOTAL	70	85	74	69	50	114	53	66	46
GRAND TOTAL	138	168	137	150	114	172	106	109	93

APPENDIX C**Legacy work on hand (dealings received prior to 1 January 2013)****PRE 2013 (legacy) Work on hand – MINERALS as at 4 October 2015**

MINERALS	Total as at 1 July 2013	Total as at 4 October 2015	Legacy Dealings processed 1 July 2013 to 4 October 2015	% reduction in legacy work
MINERALS				
TOTAL	1063	427	636	59.8%
DTA (Dead Title Action)	509	282	227	44.6%
REN (Renewals)	343	111	232	67.6%

PRE 2013 (legacy) Work on hand – COAL as at 4 October 2015

COAL	Total as at 1 July 2013	Total as at 9 October 2015	Legacy Dealings processed 1 July 2013 to 9 October 2015	% reduction in legacy work
COAL				
TOTAL	208	45	163	78.3%
DTA (Dead Title Action)	14	13	1	7.1%
REN (Renewals)	119	10	109	91.6%

This information is a summary only, showing the total number of dealings on hand and processed plus the actual numbers of renewals and dead title actions on hand and processed. There has been a significant reduction in the number of pending renewals over the last 12 months.