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**Resources Regulator**

Department of Regional NSW



## **Compliance audit program**

**EL8905 – North Broken Hill Project**

**NBH Resources Pty Ltd**

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# 1. Introduction

## 1.1. Background

Exploration licence 8905 (1992) (EL8905) was granted to NBH Resources Pty Ltd on 29 October 2019. The exploration area was about 70 kilometres north of Broken Hill in far western NSW.

Although owned by separate entities, NBH Resources operates EL8905 in partnership with AU Exploration Pty Ltd who hold the adjacent tenement EL8296. The companies share exploration personnel and the 2 exploration licences are operated together as one project.

As part of the compliance audit program, a desktop audit of the exploration activities associated with the North Broken Hill exploration projects within EL8905 was undertaken on 31 October 2023 by the Resources Regulator within the Department of Regional NSW.

## 1.2. Audit objectives

The objectives of the audit were to:

- undertake a compliance audit of the NBH Resources exploration activities against the requirements of the *Mining Act 1992* and the conditions of the exploration licence and activity approvals issued pursuant to that Act.
- assess the operational performance of the exploration activities and the ability of the licence holder and/or its operator to implement management systems and controls to provide for sustainable management of the operations.

## 1.3. Audit scope

The scope of the audit included:

- the exploration activities associated with the North Broken Hill exploration projects including:
  - exploration activities within EL8905 including a selected sample of exploration drillholes
  - borehole sealing and rehabilitation activities for selected drilling activities undertaken since October 2020.
- A review of documents and records pertaining to the exploration operations for the period commencing 1 November 2021 and ending 31 October 2023.

## 1.4. Audit criteria

The audit criteria against which compliance was assessed included:

- *Mining Act 1992*, specifically, Sections 5, 30, 140, 163C to 163E, 163G, 378D
- Mining Regulation 2016, specifically clauses 59 to 68
- Conditions attached to EL8905 (granted 29 October 2019)

- Assessable prospecting operations application dated 13 August 2023 for up to 14 RC drill holes as part of the North Broken Hill project, and associated approval dated 8 September 2023 (MAAG0016146)
- Exploration code of practice: Environmental management (Version 4, June 2021 and Version 5, March 2022)
- Exploration code of practice: Rehabilitation (Version 4, June 2021 and Version 5, March 2022)
- Exploration code of practice: Community consultation (Version 2.0, October 2022 and Version 2.1, May 2023)
- Exploration code of practice: Produced water management, storage and transfer (Version 3, September 2017, Version 4, June 2021 and Version 5, March 2022)
- Exploration Reporting: A guide for reporting on exploration and prospecting in New South Wales (Version 3, October 2021 and Version 4, January 2022)
- Exploration Guideline: Annual activity reporting for prospecting titles (Version 3.0, December 2020 and Version 4, October 2022) published by Department of Regional NSW

## 1.5. Publishing and disclosure of information

This audit report was published on the Regulator’s website consistent with:

- Section 365 of the *Mining Act 1992*
- Resources Regulator’s [Public comment policy](#)
- *Government Information (Public Access) Act 2009*.

## 2. Audit methods

The audit process involved the interview of site personnel, a review of documentation and samples of records provided by the licence holder and/or operator to determine the level of compliance of the operations and assess the status of the operational performance. The audit process and methodology are described in more detail in the sections below.

### 2.1. Opening meeting

An opening meeting was held at the Maitland office of the Regulator on 31 October 2023. The audit team was introduced, and the scope of their responsibilities was conveyed to the auditees. The objectives and scope of the audit were outlined. The methods to be used by the team to conduct the audit were explained, including the interview of personnel, review of documentation, examination of records and a site inspection to assess specific compliance requirements.

### 2.2. Site interviews and inspections

#### 2.2.1. Data collection and verification

Where possible, documents and data provided during the audit process were reviewed electronically on the day.

All information obtained during the audit process was verified by the audit team where possible. For example, statements made by site personnel were verified by viewing documentation and records, including site photographs, where possible. Where suitable verification could not be provided, this has been identified in the audit findings as not determined.

#### 2.2.2. Site inspections

A site inspection was not conducted as drilling was put on hold, to be completed later in 2023 or early 2024.

### 2.3. Closing meeting

A closing meeting was held at the Maitland office of the Regulator on 31 October 2023. The objectives of this meeting were to discuss any outstanding matters, present preliminary findings and outline the process for finalising the audit report.

### 2.4. Compliance assessment definitions

The reporting of results from the compliance audit was determined based on the definitions presented below in Table 1.

Table 1 Compliance assessment definitions

Assessment	Criteria
<b>Compliance</b>	Sufficient and appropriate evidence is available to demonstrate the particular requirement has been complied with.
<b>Non-compliance</b>	<p>Clear evidence has been collected to demonstrate the particular requirement has not been complied with. There are three subcategories of non-compliance reflecting the severity and level of risk associated with the non-compliance:</p> <p>NC1 – the absence of planning or implementation of a required operational element which has the potential to result in a significant risk.</p> <p>NC2 – an isolated lapse or absence of control in the implementation of an operational element which is unlikely to result in a significant risk.</p> <p>NC3 – an administrative or reporting non-compliance which does not have a direct environmental or safety significance.</p> <p>Note: The identification of a non-compliance in this audit may or may not constitute a breach of, or offence under, the <i>Mining Act 1992</i>. Non-compliances identified in this audit report may be further investigated by the Regulator and regulatory actions may be undertaken.</p>
<b>Observation of concern</b>	<p>Where an auditee may be compliant at the time of the audit but there are issues that exist that could result in the potential for future non-compliance if not addressed.</p> <p>Observation of concern was also used where an issue may not have particular compliance requirements, but which was not conducive to good management or best practice.</p>
<b>Suggestion for improvement</b>	Where changes in processes or activities inspected or evaluated at the time of the audit could deliver improvement in relation to risk minimisation, sustainable outcomes and management practices.
<b>Not determined</b>	<p>The necessary evidence has not been collected to enable an assessment of compliance to be made within the scope of the audit.</p> <p>Reasons why the audit team could not collect the required information include:</p> <p>insufficient information on the file relating to the period covered by the audit or insufficient evidence collected to reach a conclusion</p> <p>the wording on the criteria (approval condition) meant that no evidence could be gathered, or it was too difficult to gather the evidence.</p> <p>A 'not determined' assessment was also made where the condition was outside the scope of the audit.</p>
<b>Not applicable</b>	<p>The circumstances of the authorisation or licence holder have changed and are no longer relevant ( e.g. no longer mining, mining equipment and plant has been removed).</p> <p>An invoking element in the criteria was not activated within the scope of the audit.</p>



## 2.5. Reporting

Following completion of the audit, the audit checklists were completed, and audit notes were reviewed to compile a list of outstanding matters to be noted in the audit report. This report was prepared to provide an overview of the operational performance of the site in relation to the exploration activities and identify any non-compliances or observations of concern noted by the auditors during the documentation review and interviews.

The draft audit findings were forwarded to NBH Resources for comment. Consideration was given to the representations made during the finalisation of the audit report as discussed in the audit findings.

## 3. Audit findings

### 3.1. Work program

Condition 1 of EL8905 required the licence holder to carry out the operations described in the approved work program. Work program WP-EL8905-2019-2025 was in force during the audit period.

It was noted that very little on ground work was undertaken on EL8905 in the past 2 years. A reverse circulation drilling program began on EL8905 in October 2023 and was expected to be completed by late 2023 or early 2024.

The NBH Resources geologist monitored and reviewed the work program for each title through the annual activity reporting process. Exploration data was noted to be maintained by the NBH Resources geologist and submitted to Mining, Exploration and Geoscience (MEG) with the annual activity reports as required.

### 3.2. Access arrangements

Section 140 of the *Mining Act 1992* stated, ‘the holder of a prospecting title must not carry out prospecting operations on any particular area of land except in accordance with an access arrangement or arrangements applying to that area of land’. The access arrangement was required to be agreed in writing between the holder of the prospecting title and each landholder of that area of land.

Evidence was provided to confirm that a written land access agreement was in place for the exploration activities undertaken on EL8905, including the RC drilling program. The land access agreement reviewed during the audit was noted to be prepared using a MEG standard template. It was noted that no additional specific conditions were included by the land holder on the signed land access agreement.

### 3.3. Native title and exempted areas

Condition 2 of EL8905 required the licence holder to obtain the prior written consent of the Minister before carrying out any activities on land on which native title had not been extinguished. Similarly, Section 30 of the *Mining Act 1992* required the consent of the Minister before a licence holder undertook any activities within a state conservation area.

The NBH Resources geologist said exploration activities were generally being conducted in areas of freehold or leasehold land within EL8905. A review of mapping data showed no holes were drilled in any exempted areas within EL8905. No further approvals under section 30 of the *Mining Act 1992* were required.

The NBH Resources geologist said most of the licence area was under leasehold title where native title had been generally extinguished. Although not a compliance requirement, confirmation of extinguishment had not been sought from MEG. No further approvals under Condition 2 of the licence were required for EL8905.

## 3.4. Community consultation

Condition 3 of EL8905 required the licence holder to carry out community consultation in relation to the planning and conduct of exploration activities. Community consultation was required to be carried out in accordance with the requirements of Exploration code of practice: Community consultation.

An assessment against the mandatory requirements of the code of practice was undertaken as documented in the following sections.

### 3.4.1. Risk assessment

Mandatory requirement 1 of the code of practice required the licence holder to conduct a risk assessment to identify and consider the range of opportunities and potential threats associated with community consultation and engagement.

There was no evidence provided to demonstrate that NBH Resources had undertaken a community consultation risk assessment for the exploration operations on EL8905. It was noted during discussion with the exploration geologist that community consultation was occurring for the exploration licence. Given the remote location, the exploration geologist considered the consultation risks to be low, however this risk assessment was not documented. This was raised as non-compliance number 1.

NBH Resources must undertake a formal site-specific community consultation risk assessment for exploration operations on EL8905. It is recommended the risk assessment be completed with reference to the objectives for consultation (ie the risk assessment needs to focus on what risks need to be managed in order for effective and inclusive consultation to take place to achieve the objectives for consultation).

### 3.4.2. Community consultation strategy

Mandatory requirement 2 required the preparation of a community consultation strategy to manage the risks identified in the risk assessment. Mandatory requirement 3 set out the requirements for preparation of the community consultation strategy.

There was no evidence provided to demonstrate that NBH Resources prepared a community consultation strategy for the North Broken Hill project on EL8905. This was raised as non-compliance number 2. As previously noted, there was evidence to confirm that limited community consultation was occurring, but this consultation may not be comprehensive and inclusive of all stakeholders.

NBH Resources must prepare a community consultation strategy for the exploration operations on EL8905 that addresses the requirements of mandatory requirement 3 of the code of practice. The strategy must include:

- objectives for consultation
- a detailed description and analysis of potential community stakeholders
- describe how community consultation will be undertaken

- mechanisms for reviewing and revising the strategy, including an analysis of the results and outcomes of the consultation process.

### 3.4.3. Implementation and reporting

Mandatory requirement 4 required the licence holder to implement, monitor and report annually on the community consultation strategy.

Evidence was available to confirm that NBH Resources was undertaking some limited community consultation. Given the location of exploration activities remote from sensitive receptors, liaison with landholders on EL8905 was the key consultation undertaken.

It was noted some records of consultation activities were maintained by the company. As suggestion for improvement number 1, NBH Resources should consider the development of a consultation register to record and collate the consultation activities that were undertaken.

Up until the change to the code of practice in October 2022, annual community consultation reports were prepared and submitted by NBH Resources, generally in accordance with the reporting guidance in Appendix 2 of the code of practice.

## 3.5. Exploration activity approvals

Section 23A of the *Mining Act 1992* required the holder of an exploration licence to obtain an activity approval before carrying out assessable prospecting operations.

Evidence was available to confirm that exploration activity approvals were sought and granted for exploration activities. Exploration activity approvals granted included:

- assessable prospecting operations application dated 13 August 2023 for up to 14 RC drill holes as part of the North Broken Hill project, and associated approval dated 8 September 2023 (MAAG0016146)

At the time of the audit, 3 holes were drilled on EL8905 under the approval. Information provided by the NBH Resources geologist identified the 3 holes were drilled in different locations to that approved. It was noted the holes were drilled between 10 metres and 145 metres from the approved locations. The drilled locations were in the same land system, of the same land capability, and within the same soil types, as the approved locations.

Under the Exploration guideline: Application and assessment process for exploration activities, the change in location where the proposed changes were substantially the same as the existing approval, and the environmental impacts were consistent with those already assessed and approved, constitutes a minor change. Minor changes require the submission of a new application that identifies the proposed changes. It was noted NBH Resources had not submitted a new application before drilling the holes. However, it was noted an application was made to change the location of other holes that were not yet drilled. The drilling of 3 holes in a different location than that approved without a minor change approval was raised as non-compliance number 3. NBH Resources must submit new application in accordance with the guidelines when changes to drill locations are required in the future.

## 3.6. Environmental management

Condition 4 of EL8905 required the licence holder to prevent or minimise so far as is reasonably practicable, any harm to the environment arising from the activities carried out under the licence. Condition 2 of the exploration activity approval required the licence holder to carry out the activity in compliance with Part B of the Exploration code of practice: Environmental management.

A site inspection was not conducted as part of the audit. A full assessment against mandatory requirements 1 to 11 of the Exploration code of practice: Environmental management was not completed. Based on discussions with the NBH Resources geologist, the following general comments were made in relation to the RC drilling program on EL8905:

- Limited chemicals, fuels and oils were stored on site – typically only what was required for the day's work.
- Drilling was done using RC methods that did not require water. The NBH Resources geologist advised no groundwater was encountered during drilling.
- Air quality and noise impacts were low risk given the remote location of the drilling program.
- Domestic waste was collected each day and removed from site for disposal through the local council waste management system.
- RC drill cuttings were either disposed of downhole, or RC sample bags were collected for disposal at the local waste management facility.
- Drill locations had minimal vegetation and vegetation clearance was not required.
- Existing farm tracks were used to access drill locations – no new tracks were required.
- Vehicles were cleaned to prevent weed spread before accessing each property.
- Cultural heritage searches were conducted as part of the application for assessable prospecting operations. No items were recorded in the vicinity of drill locations.

### 3.6.1. Risk assessment

Mandatory requirement 12.1 required the licence holder to monitor the risks associated with activities and, if the risk associated with an activity changes, implement revised environmental management controls.

No evidence was provided to demonstrate a documented environmental risk assessment was conducted for the exploration operations on EL8905. It was noted during discussions with the NBH Resources geologist that environmental controls generally were implemented for the exploration activities, despite the lack of a documented environmental risk assessment.

The failure to undertake a documented environmental risk assessment was raised as non-compliance number 4. NBH Resources must undertake and document a risk assessment to identify and manage environmental risks associated with the exploration operations on EL8905.

## 3.7. Security deposit

Condition 5 of EL8905 required the licence holder to provide a security deposit to secure funding for the fulfilment of obligations under the licence.

The security amount required for EL8905 was \$10,000, which department records confirmed was held. The application for assessable prospecting operations for EL8905 was noted to include a review of the security deposit. However, the application and subsequent approval did not trigger an increase in security.

## 3.8. Rehabilitation

Condition 6 of EL8905 required the licence holder to carry out rehabilitation of all disturbance caused by activities carried out under the licence in accordance with the requirements of the Exploration code of practice: Rehabilitation.

An assessment against the mandatory requirements of the code of practice was undertaken for the exploration activities as documented in the following sections.

### 3.8.1. Risk assessment

Mandatory requirement 1 required the licence holder to conduct a risk assessment to evaluate the range of potential threats and opportunities associated with rehabilitating disturbed areas to a condition that could support the intended final land use.

Drilling operations were conducted on EL8905. No evidence was provided to demonstrate a risk assessment was conducted to evaluate the range of potential threats and opportunities associated with rehabilitating disturbed areas to a condition that could support the intended final land use. This was raised as non-compliance number 5. NBH Resources must document a rehabilitation risk assessment in accordance with mandatory requirements 1 and 6 of the code of practice. To facilitate the risk assessment, NBH Resources should consider identifying and relating rehabilitation risks to the rehabilitation objectives and completion criteria to provide a robust framework for managing rehabilitation risks.

### 3.8.2. Rehabilitation objectives and completion criteria

Mandatory requirement 2 required the licence holder, no later than 14 days before the commencement of surface disturbing activities, to provide to the Secretary a copy of clear, specific, achievable and measurable rehabilitation objectives and completion criteria (ROCC). For higher risk prospecting operations, a rehabilitation management plan was required to be prepared and submitted with the rehabilitation objectives and completion criteria.

The exploration activity approval application lodged by NBH Resources for EL8905 indicated the total surface disturbance area was less than 5 hectares. The drilling program did not fall within the definition of a higher risk activity under the code of practice and a rehabilitation management plan was not required to be developed.

Evidence was available in department records to confirm that ROCC were submitted for the drilling program on EL8905 as part of the application for assessable prospecting operations. It was noted

the ROCCs submitted were generally based on the template provided in Appendix 2 of the code of practice.

### 3.8.3. Rehabilitation program

Mandatory requirement 3 required the licence holder to develop, implement and complete a rehabilitation program (which includes a monitoring program) to rehabilitate disturbed areas to a condition that could support the intended final land use. Mandatory requirement 4 required the licence holder to commence rehabilitation of a site as soon as reasonably practicable following the completion of activities on that site.

The NBH Resources geologist said there were minimal requirements for rehabilitation, given the low impact drilling methods used and the limited ground disturbance for each hole. Typically, rehabilitation included removal of sample bags and other waste to leave the site in a clean state.

A photographic record was maintained for each hole with before, during and after drilling photos maintained. Rehabilitation was typically commenced within 3 to 4 months of drilling, once sample analysis results were received and reviewed to assess the need for further testing.

There was limited evidence to demonstrate that a rehabilitation monitoring program was implemented. The NBH Resources geologist said landholders would contact the company if there were any issues with rehabilitation. Inspections were completed when company personnel were on site, but these were infrequent and not documented. This was raised as observation of concern number 1. NBH Resources should develop a documented rehabilitation monitoring program for future exploration operations.

## 3.9. Annual activity reporting

Section 163C of the *Mining Act 1992*, clause 59 of the Mining Regulation 2016 and condition 8 of EL8905 required the licence holder to submit an activity report annually within one calendar month following grant anniversary date. Annual activity reports were required to be prepared in accordance with the Exploration guideline: Annual activity reporting for prospecting titles.

During the audit scope period, NBH Resources submitted annual activity reports comprising:

- annual geological report
- environmental rehabilitation and compliance report
- community consultation report (up to October 2022).

## 3.10. Core and sample storage

Section 163G of the *Mining Act 1992* required the licence holder to collect any samples of strata, minerals, water or any other thing required by the regulations. Clause 65 of the Mining Regulation 2016 required the holder of an authority to, so far as is reasonably practicable, collect, retain and preserve:

- all drill cores remaining after sampling
- characteristic samples of the rock or strata encountered in any drill holes.

All core and samples collected were required to be labelled, stored and managed in a manner that preserved the integrity of the core or samples.

RC drilling programs were noted to be completed on EL8905. During discussions with the NBH Resources geologist, it was noted no representative samples of the rock or strata encountered in the drill holes were collected. This was raised as non-compliance number 6. It was noted that neither section 163G of the Act or clause 65 of the Regulation contain offence provisions for failing to comply with this requirement. However, NBH Resources must collect and retain characteristic samples of the rock or strata encountered during drilling programs.

### 3.11. Record keeping

Sections 163D and 163E of the *Mining Act 1992* related to the creation and maintenance of records required under the Act, the Regulations, or a condition of title. Records must be kept in a legible form for production to any inspector and must be maintained for a period of four years after the expiry or cancellation of the title. Specific requirements for the types of records to be maintained for exploration activities were detailed in the mandatory requirements of the exploration codes of practice as follows:

- mandatory requirement 6 of the rehabilitation code of practice
- mandatory requirement 13.1 of the environmental management code of practice
- mandatory requirement 5 of the community consultation code of practice.

Records reviewed during the audit demonstrated NBH Resources were generally maintaining records as required by the licence conditions. It was noted that some of the mandatory records required by the codes of practice were maintained but some others were not maintained. Records maintained included:

- land access agreements and records of negotiation with landholders
- some waste management records
- before and after photos of exploration operations and rehabilitation.

Mandatory records not maintained included risk assessments and the review of those risk assessments. This was raised as observation of concern number 2. NBH Resources must review the mandatory record requirements of the codes of practice and develop systems to collect and maintain all required records.



## 4. Compliance management

### 4.1. Identifying compliance obligations

Identifying compliance obligations is a critical step in the development of an effective compliance management system. Compliance obligations for an exploration project can include:

- regulatory requirements (for example, the *Mining Act 1992*)
- conditions imposed on the grant, renewal, or transfer of exploration licences
- exploration activity approvals
- exploration codes of practice
- specific commitments made by the organisation (for example, commitments made in the approved exploration activity application).

Once identified, compliance obligations should be reviewed periodically to identify any changes in those obligations (for example, changes in legislation).

NBH Resources identified some of the compliance requirements for exploration activities, but several non-compliances and observations of concern were identified during the audit. This suggested exploration personnel were not familiar with the range of compliance obligations for exploration, particularly the exploration codes of practice.

It was noted that NBH Resources had a history of previous non-compliances. The Regulator undertook enforcement action for these non-compliances and penalty infringement notices were issued.

A more robust identification of compliance requirements and tracking of completion status may assist in preventing future non-compliances. As suggestion for improvement number 2, NBH Resources should consider using tools such as the Regulator's self-audit checklist for explorers, to increase familiarity with the compliance obligations and undertake its own compliance assessment. Case studies and other guidance material available on the Regulator's website may provide further guidance to the companies in fulfilling their compliance obligations.

### 4.2. Contractor management

Contractors are often used to undertake specialist tasks, for example, exploration drilling. Whilst the responsibility for compliance or the implementation of environmental controls is often passed to the contractor, the licence holder will retain accountability for compliance with its licence conditions and other compliance obligations. It is important that the licence holder exercises management control of its contractors by specifying contract requirements, providing oversight of contracted works, and evaluating the performance of the contractor during the contracted works.

NBH Resources used contract drillers to complete the exploration drilling program on EL8905. Drilling was suspended at the time of the audit and an assessment of the management of contractors was not undertaken.

### 4.3. Inspections, monitoring and evaluation

An effective inspection, monitoring and evaluation process is required to:

- monitor the implementation of the risk controls
- evaluate the effectiveness of those controls based on an assessment of inspection and monitoring data
- implement an adaptive management approach if monitoring shows that controls may be ineffective.

NBH Resources provided no evidence to demonstrate that effective inspection and monitoring programs were implemented on exploration operations. This was raised as an observation of concern in relation to rehabilitation monitoring but there is a need to expand an inspection and monitoring program to encompass all exploration operations.

Some inspections were reported to be undertaken but these were not documented. As suggestion for improvement number 3, NBH Resources should consider the development of an inspection and monitoring program for exploration operations. The inspection and monitoring program should be designed to confirm the implementation of identified risk controls and assess compliance to the requirements for exploration. Use of the Regulator’s self-assessment checklist for explorers would be a good starting point for the development of an inspection and monitoring program.

Evaluation of the inspection and monitoring results should be used to identify where changes to controls or management strategies may be required. As suggestion for improvement number 4, NBH Resources should consider the development of a process to evaluate the effectiveness of the risk controls implemented, with revised controls identified where those risks changed, or controls were identified as being ineffective.

## 5. Audit conclusions

From the evidence reviewed during the audit, it was concluded that NBH Resources was not compliant with all the requirements of the exploration licence, particularly in relation to compliance with the exploration codes of practice. No evidence was available to demonstrate that systems and processes were developed to identify and manage compliance requirements.

It was noted that the physical exploration operations appeared to be well managed on the ground with no environmental incidents reported and rehabilitation had achieved satisfactory sign-off from the Regulator.

Six non-compliances, 2 observation of concern and 4 suggestions for improvement were identified as summarised in Table 2, Table 3 and Table 4.

Table 2 Summary of non-compliances

Non-compliance No.	Description of Issue	Recommendation
1	There was no evidence provided to demonstrate that NBH Resources had undertaken a community consultation risk assessment for the exploration operations on EL8905, as required by mandatory requirement 1 of the Exploration code of practice: Community consultation.	NBH Resources must undertake a formal site-specific community consultation risk assessment for exploration operations on EL8905. It is recommended that the risk assessment be completed with reference to the objectives for consultation (i.e. the risk assessment needs to focus on what risks need to be managed for effective and inclusive consultation to take place to achieve the objectives for consultation).
2	There was no evidence provided to demonstrate that NBH Resources prepared a community consultation strategy for the North Broken Hill project on EL8905, as required by mandatory requirements 2 and 3 of the Exploration code of practice: Community consultation.	NBH Resources must prepare a community consultation strategy for the exploration operations on EL8905 that addresses the requirements of mandatory requirement 3 of the code of practice. The strategy must include: <ul style="list-style-type: none"> <li>objectives for consultation</li> <li>a detailed description and analysis of potential community stakeholders</li> <li>describe how community consultation will be undertaken</li> <li>include mechanisms for reviewing and revising the strategy, including an analysis of the</li> </ul>

Non-compliance No.	Description of Issue	Recommendation
		results and outcomes of the consultation process.
3	Information provided by the NBH Resources geologist identified the 3 holes drilled on EL8905 under the activity approval were drilled in different locations to that approved.	NBH Resources must submit minor change applications in accordance with the guidelines where changes to drill locations are required in the future.
4	No evidence was provided to demonstrate a documented environmental risk assessment was conducted for the exploration operations on EL8905, as required by mandatory requirement 12 of the Exploration code of practice: Environmental management.	NBH Resources must undertake and document a risk assessment to identify and manage environmental risks associated with the exploration operations on EL8905.
5	No evidence was provided to demonstrate a risk assessment was conducted to evaluate the range of potential threats and opportunities associated with rehabilitating disturbed areas to a condition that could support the intended final land use as required by mandatory requirement 1 of the Exploration code of practice: Rehabilitation.	NBH Resources must document a rehabilitation risk assessment in accordance with mandatory requirements 1 and 6 of the code of practice.
6	It was noted that no representative samples of the rock or strata encountered in the drill holes were collected.	NBH Resources must collect and retain characteristic samples of the rock or strata encountered during drilling programs.

Table 3 Summary of observations of concern

Observation of concern No.	Description of issue	Recommendation
1	There was limited evidence to demonstrate that a rehabilitation monitoring program was implemented. The NBH Resources geologist advised landholders would contact the company if there were any issues with rehabilitation. Inspections were completed when company personnel were on site, but these were infrequent and not documented.	NBH Resources should develop a documented rehabilitation monitoring program for future exploration operations.
2	It was noted that some of the mandatory records required by the codes of practice were maintained but some others were not maintained.	NBH Resources must review the mandatory record requirements of the codes of practice and develop systems to collect and maintain all required records.

Table 4 Summary of suggestions for improvement

Suggestion for Improvement No.	Description of Issue
1	It was noted some records of consultation activities were maintained by the companies. As a suggestion for improvement, NBH Resources should consider the development of a consultation register to record and collate the consultation activities that were undertaken.
2	NBH Resources should consider using tools such as the Regulator’s self-audit checklist for explorers, to increase familiarity with the compliance obligations and undertake its own compliance assessment. Case studies and other guidance material available on the Regulator’s website may provide further guidance to the companies in fulfilling their compliance obligations.
3	NBH Resources should consider the development of an inspection and monitoring program for exploration operations. The inspection and monitoring program should be designed to confirm the implementation of identified risk controls and assess compliance to the requirements for exploration.
4	NBH Resources should consider the development of a process to evaluate the effectiveness of the risk controls implemented, with revised controls identified where those risks changed, or controls were identified as being ineffective.