

Report on the Georesources Regulatory Compliance Plan 2019-2020

EOFY results and outcomes

This publication has been compiled by the Georesources Engagement and Compliance Unit, Department of Resources.

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Summary

The Department of Resources strives to be a best practice regulator. The Georesources Division delivers a robust resources compliance program, using a range of tools, technologies and strategies to achieve compliance outcomes.

This report on the Regulatory Compliance Plan 2019-20 identifies several key outcomes:

- Across the Georesources' regulatory jurisdiction there is a very high level of compliance with tenure and other statutory obligations.
- The majority of non-compliances identified are rectified or corrected with the appropriate compliance action (such as notices, warnings).
- Georesources has applied appropriate penalties (tenure cancellation) in a limited number of cases, particularly in relation to administrative compliance (payment of rent in particular).
- Technology will continue to drive improvements in the efficiency and effectiveness of our compliance program.
- The division's proactive engagement and education activities are vital aspects of the Georesources compliance approach.

These outcomes will guide future planning of compliance focus areas and performance measures.

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Education

Proactive engagement and education activities are an important part of the Georesources compliance approach. These activities provide an opportunity to raise awareness of regulatory framework with industry, resource communities and landholders and to clarify compliance roles and responsibilities.

Stakeholders are informed and educated of the programs and services offered, and resources available to assist them in achieving compliance obligations.

Notable engagement activities during 2019-20 included:

- The Georesources Industry Forum and an Authorised Holder Representative Forum, in which Georesources' officers shared important regulatory updates, strategic and operational initiatives, and engaged in rich discussions with key industry representatives.
- Planning and implementation of a range of support measures and fast-tracking industry development initiatives in response to the COVID-19 pandemic, such as the Collaborative Exploration Initiative and provision of greater flexibility with work program and expenditure commitments.
- Program of Resource Community Information Sessions (RCIS) delivered to locations with existing and emerging resource activities and identified information needs, specifically:
 - Richmond and Cloncurry focussed on building landholder and community awareness on the regulatory framework for minerals exploration and production, covering tenure management, land access, dispute resolution and environmental regulation.
 - Moura community information session focussed on the intersection of regulatory frameworks and operations for petroleum and gas, and coal sectors.
 - Brisbane-based information session targeting coal and mineral industry representatives, delivering valuable information about the Collaborative Exploration Initiative, land access framework and agreement negotiations, and dispute resolution options. Additional sessions during 2020 were deferred due to impacts of the COVID-19 pandemic.

Feedback collected from stakeholders who attended these sessions was positive and indicated that the information delivered helped them to better understand the resources sector regulatory framework and the roles of the various parties involved.

Proactive Compliance

Reduce unauthorised mining and fossicking

Unauthorised mining can result in loss of revenue for government or create anticompetitive distortions in the local market (especially for extractive operations). The use of technology has been increased, such as satellite imagery, interrogation of registers and databases to support a proactive and targeted approach with managing field campaigns and monitoring resource activities.

This has led to targeted and timely compliance inspections supported by accurate data and more efficient use of resources ensuring that field-based activities are risk-based.

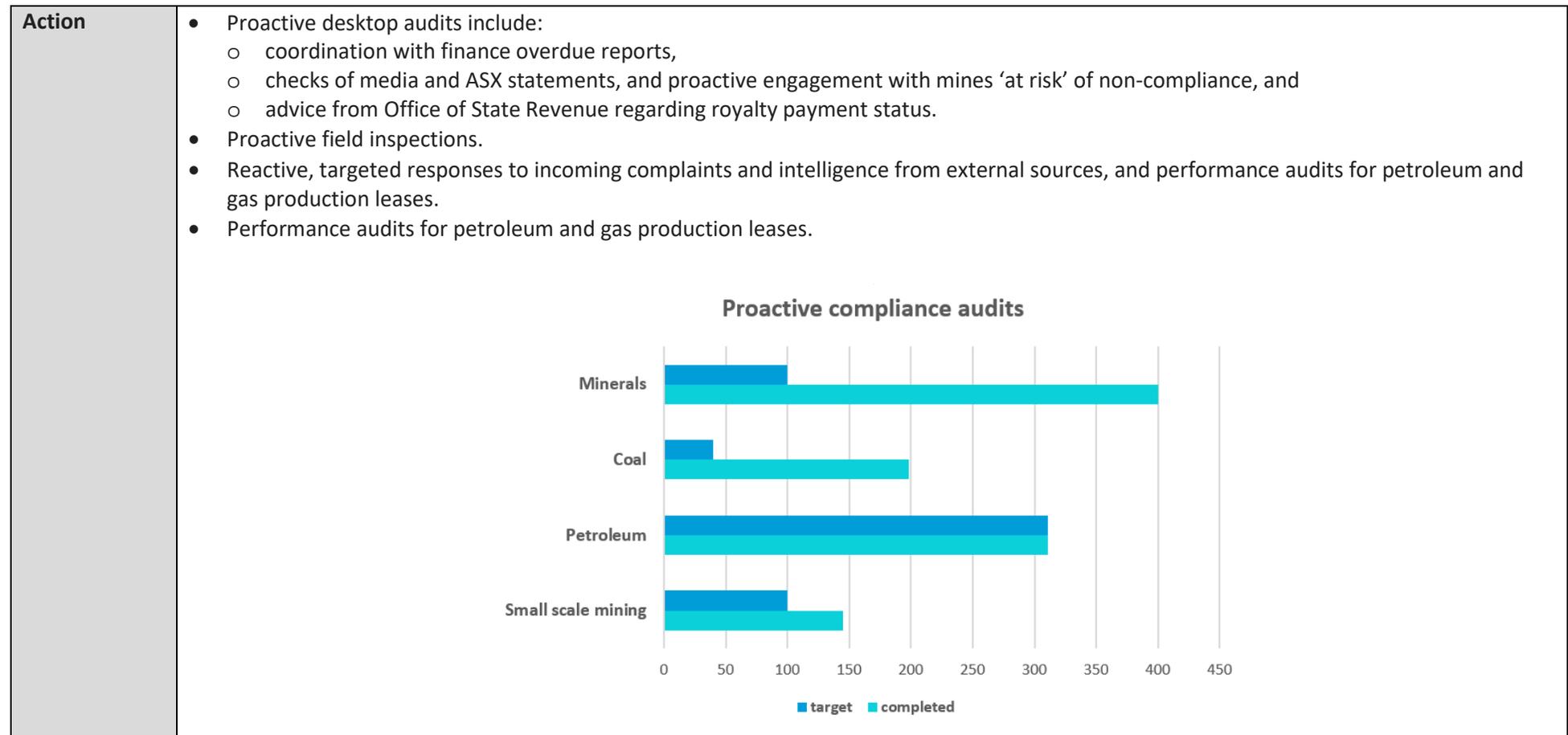
Action	<ul style="list-style-type: none"> • Proactive desktop assessment of satellite imagery resulting in unannounced field inspections. • Proactive field inspections. • Targeted fossicking field inspections especially during school holidays and long weekends. • Responses to complaints via phone, email and in person.
Outcomes	<p>Fossicking</p> <ul style="list-style-type: none"> • 96 inspections completed (performance measure of 20). • Included fossicking areas such as Young’s Block, Agate Creek, Lava Plains, Moonstone, the Gemfields fossicking areas and Clermont General Permission Areas. Inspections were primarily conducted during peak periods such as the June 2020 school holidays and public holiday long weekends. • Fossicking non-compliances included the absence of a licence or camping permit – and these were addressed by providing fossickers an opportunity to purchase a fossicking licence or camping permit, or to leave the area. <p>Minerals</p> <ul style="list-style-type: none"> • 3 proactive campaigns undertaken (performance measure of 2) focusing on unauthorised mining in addition to tenure conditions and the land access framework, specifically: <ul style="list-style-type: none"> ○ Vergemont (July 2019) ○ Opalton (September 2019) ○ Mareeba/Groganville (October 2019). • Non-compliance was low and of low risk, with common issues relating to boundary identification (post markings) and historical unauthorised mining. • Tenure holders were appropriately cautioned on their non-compliances and were reminded of their statutory obligations. Subsequently, letters detailing non-compliant activity were sent to tenure holders, requesting they provide evidence that the matter had been rectified. On receipt of requested evidence, the issue was closed out and no further action taken.

Enhance compliance with permit conditions on existing tenures

Regular and proactive checks of granted tenements, to ensure permit holders are maintaining compliance, are critical to delivering an effective regulatory framework.

Proactive desktop audits were undertaken, using key indicators and checking administrative obligations to identify issues and early signs of difficulties. These issues are promptly addressed with the resource authority holder, ensuring they are meeting their grant conditions, and commitments.

This compliance approach demonstrates and provides assurance to stakeholders that industry activities are effectively managed.



<p>Outcomes</p>	<p>Minerals</p> <ul style="list-style-type: none"> • During 2019-20, 28 mineral permits were cancelled or refused due to non-compliance matters and 26 notices to show cause issued, primarily relating to outstanding rates, rent and native title payments. • 35% reduction in outstanding debt (performance measure of 25% reduction), which equates to over \$327,000 recouped to the state. <p>Coal</p> <ul style="list-style-type: none"> • Coal audits included 23 random ‘spot’ audits on technical and administrative assessments, and 175 permit audits for compliance, covering exploration and production permits. • As a result of these audits, our coal assessment hub issued 33 Reminders of Obligation, 14 Notices to resolve non-compliance issues and 13 Notices to Show Cause, primarily related to failure to comply with permit conditions (for example, rent, reporting tenure relinquishment, work programs). As part of a risk-based approach to compliance, the 13 Notices to Show Cause resulted in five coal permits being cancelled. • 36% increase in debt from \$385,720.52 to \$525,606.90 (performance measure of 25% reduction). However, 99% of this debt has been progressed to appropriate channels, such as compliance action or debt recovery. <p>Petroleum and Gas</p> <ul style="list-style-type: none"> • All petroleum production leases in the Surat Basin and southern Bowen Basin were audited equating to 311 performance reviews of production leases. The production leases produce over 90% of the state’s gas. • As part of the performance reviews 10 potential compliance matters were identified for further analysis: <ul style="list-style-type: none"> ○ Seven of these potential non-compliances related to low or no production and/or development, which can reflect an ineffective use of the tenure and resulting loss of benefits to Queenslanders. The department investigated these potential non-compliance matters and sought further information from the holders. As a result, the department was able to establish that these holders were in substantial compliance with their tenure conditions and no further action was required. <p>Small Scale Mining</p> <ul style="list-style-type: none"> • 293 small scale mining permits inspected (performance measure of 80), resulting in approximately 80% of those inspected being issued with letters to resolve non-compliance. Of these, less than 5% required escalation to a Compliance Direction due to matters not being addressed in the first instance. All outstanding matters were subsequently checked for completion by compliance officers and closed out. • The key areas of non-compliance related to tenure conditions, in particular location of boundary posts, rubbish on site and structures. Where feasible, compliance activities were coordinated with other agencies and incorporated checks on nearby tenures to ensure information is up to date. These checks may include the accurate geolocation of tenure posts or ensuring the security deposit calculator has been applied to on-site works and improves our ongoing management of these tenures.
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Improving land access systems and operations of junior resource companies

Traditionally some small-scale mining and junior resource companies have struggled to fully understand and implement the legislative requirements with regards to field and land access due to their size, maturity, experience, and available resources.

To raise the capability of the junior resource companies a proactive, targeted campaign was undertaken to engage with identified small scale miners and junior resource companies during their initial planning stage of exploration activities. This involved providing critical review of documented processes and land access procedures before any field activity was to take place. This is then reviewed and monitored throughout the project at key milestones.

Ensuring effective land access systems are in place and being implemented is fundamental to a respectful and prosperous co-existence between the resources authority holders, landholders, and other stakeholders, and drives continuous improvement.

As a result of this campaign land access conflicts between miners and landholders have been identified and mitigated, resulting in better coexistence and relationships between the parties.

Action	<ul style="list-style-type: none">• Review land access systems and protocols and provide best practice advice to targeted small and junior exploration companies.• Reactive, targeted responses to incoming complaints and intelligence from external sources about land access.
Outcomes	<p>Petroleum and Gas</p> <ul style="list-style-type: none">• Five audit processes progressed (performance measure of five). The audits allowed us to review the procedures and documentation that the small and junior exploration companies have in place and provide feedback to improve their systems, processes and land access practices. <p>Minerals and Coal</p> <ul style="list-style-type: none">• Two audit processes progressed (performance measure of five).• COVID-19 restrictions resulted in deferment of field operations and travel limitations. These deferred field inspections will be resumed in 2020-21, subject to impacts on field operations due to COVID-19.

Reactive Compliance

Enquiries and Complaints

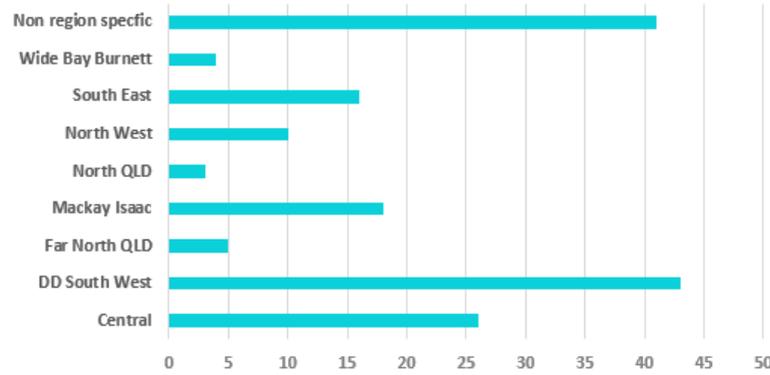
Being responsive to enquiries and complaints is a key aspect of Department of Resources' role as a regulator. A Single Point of Contact for Georesources has been established through the utilisation of a hotline and email account. Through adaptive management, we learn of systemic issues, areas of miscommunication between stakeholders and confusion on rights and responsibilities.

Information is regularly clarified so stakeholders understand their compliance obligations. Negotiating outcomes between parties assists the coexistence of resources activities and landholders. This is done through interactions with landholders and stakeholders via email, phone and on the ground inspections and investigations.

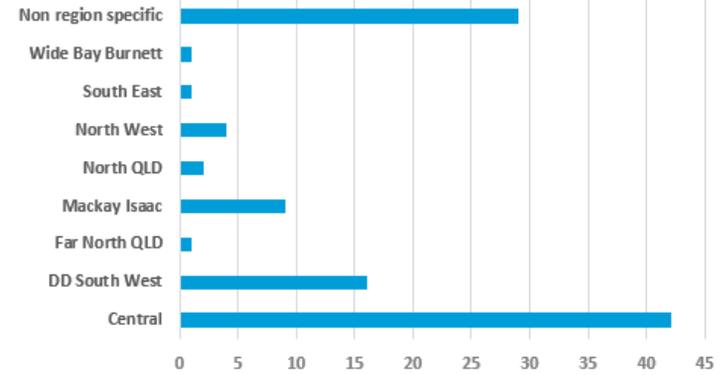
Action	<ul style="list-style-type: none">Reactive, targeted responses to incoming complaints and intelligence from external sources.														
Outcome	<ul style="list-style-type: none">272 enquiries and complaints across all sectors, comprising: <div data-bbox="869 699 1742 1316"><p>Number of enquiries and complaints (all sectors)</p><table border="1"><thead><tr><th>Category</th><th>Count</th></tr></thead><tbody><tr><td>Enquiries</td><td>150</td></tr><tr><td>Complaints</td><td>105</td></tr><tr><td>Request for information</td><td>9</td></tr><tr><td>Notifications</td><td>4</td></tr><tr><td>Technical advice</td><td>2</td></tr><tr><td>Bore investigation</td><td>1</td></tr></tbody></table></div>	Category	Count	Enquiries	150	Complaints	105	Request for information	9	Notifications	4	Technical advice	2	Bore investigation	1
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Outcome

Enquiries/Requests

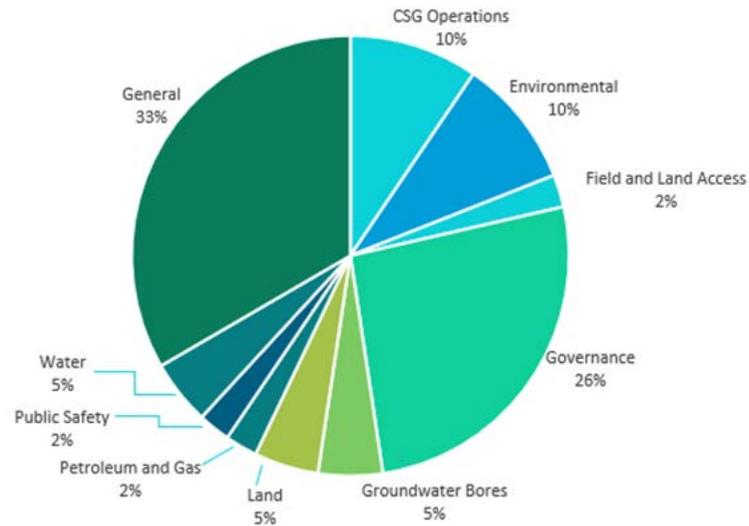


Complaints

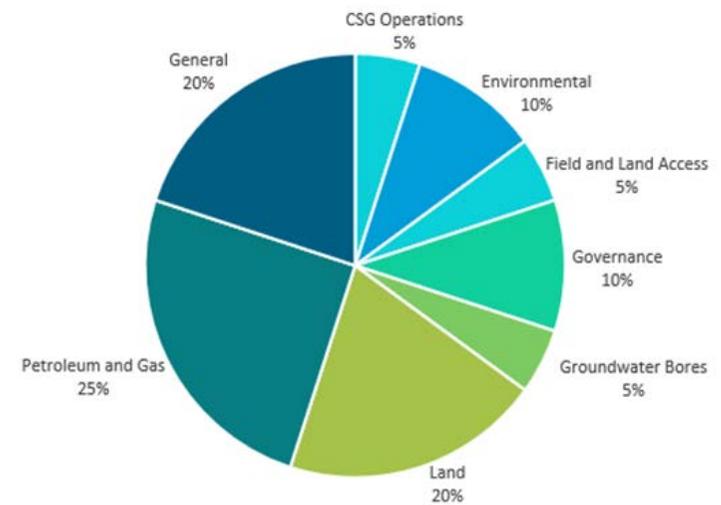


- Over 60% of enquiries and complaints received came from the regions of Central Queensland and Darling Downs South West region.

Darling Downs South West Enquiries - 42

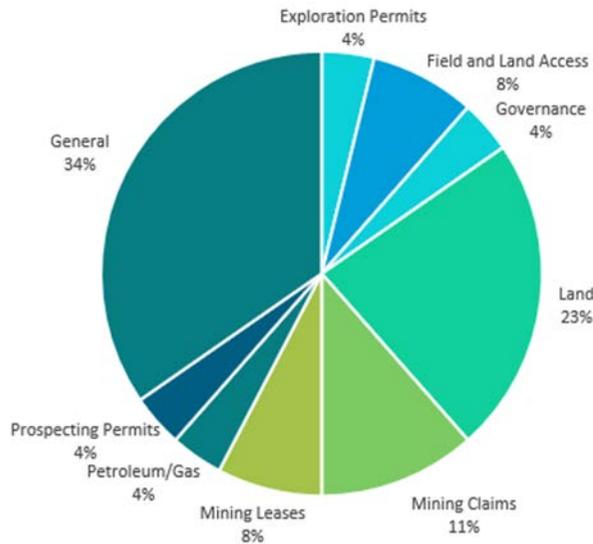


Darling Downs South West Complaints - 20

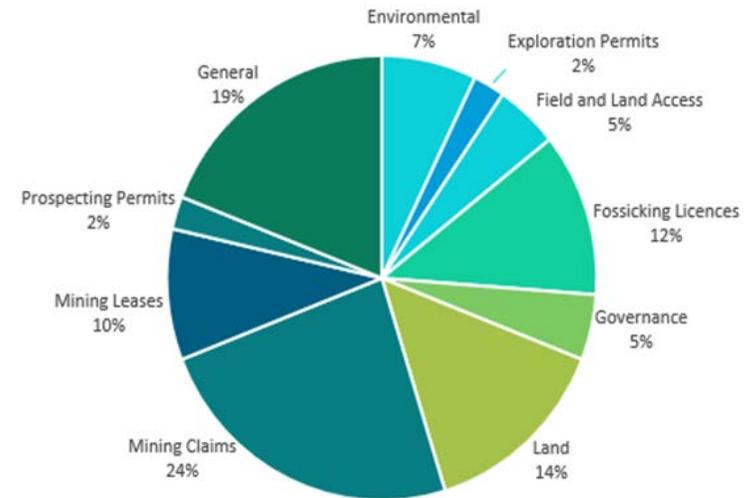


Outcome

Central Region Enquiries - 26



Central Region Complaints - 42



- Issues were varied but more common concerns raised in Darling Downs South West region included potential impacts on land and agricultural operations, environmental impacts (such as noise, dust) and land access, while in Central Queensland region included potential impacts on land, small scale mining matters and unauthorised activities.
- Policy and governance enquiries were common in south east region and Darling Downs South West, such as requests for information about particular policies and legislation.
- In the northern part of the state common concerns and complaints related to allegations of illegal, unauthorised activities or off-tenure activities, disputes between landholders and miners over land access and biosecurity matters.
- A total of 107 complaints were received. Of these:
 - 86 complaints were managed by the complaints management system and resolved,
 - 18 complaints resulted in a formal investigation and were resolved within the required three-month time frame,
 - three complaints required detailed investigations which resulted in their resolutions extending outside a three-month duration and
 - there were no outstanding complaints at the end of the 2019-2020 financial year.

Note: "complaint" for this purpose means: An expression of dissatisfaction made by a person or organisation relating to mineral and energy resources that has been reported to Department of Resources and may require investigation.