

**BOARD OF THE
ENVIRONMENT PROTECTION AUTHORITY**

TO: THE CHAIR AND MEMBERS

Minutes of Meeting No 172
18 April 2006 - 3.00 pm
Boardroom, 7/77 Grenfell Street, Adelaide

1.1 MEETING OPENED

The meeting was opened at 3.10 pm by the Chair.

1.2 PRESENT

Dr Paul Vogel (Chair)
Mr Stephen Hains (Deputy Chair)
Ms Megan Dyson (Member)
Mr Mike Elliott (Member)
Mr Andrew Fletcher (Member)
Mr Michael Nagel (Member)
Mr Greg Panigas (Member)

Ms Nada Popovic (A/Executive Officer to the Board)
Ms Corinne Kelly (Secretary to the Board)

1.3 APOLOGIES

Mr Allan Holmes (Member)
Ms Ann Shaw Rungie (Member)

Welcome

Dr Vogel welcomed Mr Panigas as a new member of the Board.

1.4 DECLARATION OF INTEREST

Due to his employment, Mr Hains declared an interest in agenda item 4(iv)(iv), EPA matters before the Court.

1.5 TABLED ITEMS

Agenda Item 4(ii)(i) 2006-07 Budget Process - Review of Priorities

2. CONFIRMATION OF MINUTES OF THE PREVIOUS MEETING

Following discussion the Board resolved that:

the Minutes of the meeting held on 21 March 2006 be taken as read and confirmed.

Carried

Minutes to be signed by Dr Vogel.

Copies of the Minutes of Meeting No 171, the Communique and declaration of interest, to be sent to the Minister for Environment and Conservation.

Action: Ms C Kelly

3. ACTIONS ARISING FROM PREVIOUS MINUTES AND FORWARD AGENDA

The Chair provided a report on action items arising from the previous Minutes.

Strategic Plan Review Session

Mr Hains asked that the issue of Director's reports to the Board be put on the agenda for the Board's Strategic Plan review session.

Dr Vogel advised that at the review session, Board members will need to consider the recently announced Government savings strategy.

Under expenditure and declining revenue

Dr Vogel provided a verbal report on his meeting with the Under Treasurer held to discuss the issues around under expenditure and declining revenue. As a result of discussion, the CE advised that all planned change program initiatives would recommence.

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Port Adelaide visit - debrief

Issues highlighted from the Port Adelaide visit included:

- the environmental auditing process and the need to clarify the roles of the auditor, proponents and the EPA's role;
- what the EPA can do to support and facilitate the use of alternative fuels in industry;
- land use planning - lessons learned by the EPA from the Port Adelaide redevelopment, other 'legacy issues' and how the EPA can provide earlier input to significant developments.

Following discussion the Board resolved to:

- (i) *request an agenda item on the standards and criteria for the environmental auditing process, and a publicly available statement clarifying the role of auditors, proponents, consultants and the EPA;*

Action: Mr G Hill/ Mr M Harvey

- (ii) *request a briefing for the next meeting on the issue of land use planning and the lessons learned by the EPA from the Port Adelaide redevelopment. The briefing to also consider other 'legacy issues' and advice on how the EPA can provide earlier input to significant developments;*
- (iii) *request that the land use planning matter be an agenda item for the Board's meeting with Minister Gago.*

Carried

Action: Mr P Dolan/Dr P Vogel

Mr P Dolan, Director Science and Sustainability Division entered the meeting at 3.50 pm.

4. OPERATIONAL ITEMS

4(i) Science and Sustainability Division Report

Mr Dolan reported on his Division's performance indicators and strategic plan priorities:

Clean and Healthy Air:

- conduct of preliminary air toxics verification monitoring;
- Vapour Recovery Installation at Birkenhead terminals;
- wood heaters behaviour change program.

Water quality that meets agreed environmental values:

- implementation of the National water quality management system;
- Adelaide Coastal Waters Study.

Communities protected from unacceptable noise:

- rail noise reduction strategy;
- EPA presentation to DTEI Executive on Northern Expressway.

Sustainable Land Use:

- improving DTEI's development assessment processes.

He outlined issues relating to the organisational change program:

- restructure Human Resources;
- Customer Service Desk review;
- accommodation, IT and budget coding issues.

Other key initiatives/issues/risks for this Division are:

- MoA between the LGA and EPA;
- resourcing the Local Government Subcommittee.

Mr Dolan presented a statistical report on Development Assessment Performance.

Mr Dolan left the meeting at 4.12 pm.

Ms Natalie Nelli, A/Director Corporate and Business Division, entered the meeting at 4.12 pm.

4(ii) Corporate and Business Division Report

Ms Nelli reported on her Division's performance indicators and strategic plan priorities:

- *Finance and Administration:*
 - asset stocktake commenced;
 - Victorian EPA comparison;
 - budget update.
- *Human Resources and Development:*
 - OHS&W working off site policy endorsed;
 - commenced work on strategic HR plan;
 - HR&D Report.
- *Information Technology:*
 - high level business continuity plans nearing completion;
 - IT applications report.

She outlined issues relating to the organisational change program:

- advertising Managers' positions;
- in house training completed;
- IT file structures revised;
- EPA email address approved and ready for roll out;
- accommodation plans nearing completion;
- revised chart of accounts endorsed for implementation.

Other key initiatives/issues/risks for the Division are:

- priority projects put on hold;
- CABS financial reports to Board;
- staff leaving in Finance and HR;
- follow up of learnings from Leadership Development Program.

Financial reports

Following the presentation the Board resolved to:

request that financial reports provide a similar level of detail as those provided to Executive and that they be emailed to members prior to each meeting.

Carried

Action: Ms N Nelli

4(ii)(i) Budget Process: Review of Priorities

Following discussion the Board resolved to:

- (i) *approve Option 3 as the level of involvement for the Board during the 2006-07 Budget Strategy Planning Process, incorporating an overview report from the Chair identifying resource allocation alignment with Strategic Plan priorities and further opportunities for delivery of projects;*
- (ii) *approve that ongoing commitments are not funded from the Environment Protection Fund (EPF), on the basis that if the above recommendation is endorsed, EPA Executive will ascertain the cost pressures and new initiatives to be funded, with the Board approving the overall budget at completion of the process;*
- (iii) *note the 2005-06 budget guidelines attached as an indication of the process proposed for 2006-07;*
- (iv) *note that the 2006-07 Budget Strategy Planning Process Guidelines will be provided to the Board for information at the May meeting;*
- (v) *request that, prior to budget confirmation in September, financial performance reports are presented based on the indicative EPA 2006-07 budget;*
- (vi) *approve that no new expenditure proposals are developed for the 2006-07 State Budget process;*

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Action: Ms N Nelli

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Ms Nelli left the meeting at 5.20 pm.

Mr M Harvey, Director Regulation and Compliance Division entered the meeting at 5.20 pm.

4(iii) Regulation and Compliance Division Report

Mr Harvey reported on his Division's performance indicators and strategic plan priorities:

- Cross Goal Strategy 5: Ensuring a predictable, consistent and fair approach to compliance enforcement:
 - three tiered licensing;
 - accredited licences;
 - licence fee review.

He outlined issues relating to the organisational change program:

- appointment of Managers to new branches;
- licence allocation to new branches;
- Customer Services Desk review.

Other key initiatives/issues/risks for this Division are:

- Landfill Guidelines - meeting of Collaborative Working Party;
- Risk Assessment Project - River Murray;
- Lower Murray Reclaimed Irrigation Areas.

Mr Hains left the meeting at 5.40 pm.

4(iii)(i) Licensing and funding comparison with the Victorian EPA - Progress Report

Following discussion the Board resolved to:

- (i) note the comparison in the type of activities that are licensed by the South Australian and Victorian EPAs;*
- (ii) note that the variations in legislation, licensing structures and use of regulatory tools impedes comprehensive comparisons between South Australia and Victoria;*
- (iii) note that a second report will be prepared providing a funding comparison of the South Australian and Victorian licensing systems once further information has been received from the Victorian EPA;*
- (iv) request an estimate of any potential savings and identify any revenue implications, once the licensing and funding comparisons have been analysed.*

Carried

Action: Ms S Behrendt

4(iii)(ii) Review of the EPA Guidelines for Compliance and Enforcement

Following discussion the Board resolved to:

approve the EPA Guidelines for Compliance and Enforcement (2nd edition), subject to amendments suggested and agreed by Board members.

Carried

Action: Mr M Harvey

4(iii)(iii) Collex Incinerator - Supplementary Information

Following discussion the Board resolved to:

- (i) *note the report;*
- (ii) *request additional information on the EIP and milestones in the lead up to installation of the upgraded plant scheduled for September 2007.*

Carried

Action: Mr M Harvey

4(iii)(iv) Outcome of the section 7 issue at Novar Gardens

The Board resolved to:

- (i) *note the report;*
- (ii) *request that the 'action taken' section of the briefing be updated to include "internal processes are now in place to ensure that all similar communications with the public are cleared through senior management prior to release".*

Carried

Action: Mr M Harvey

Mr Harvey left the meeting at 6.00 pm.

Mr T Circelli, Director Corporate Strategy, Governance and Communications Division, entered the meeting at 6.00 pm.

4(iv) Corporate Strategy, Governance and Communications Division Report

Mr Circelli reported on his Division's performance indicators and strategic plan priorities:

- Site Contamination Bill;
- Noise Environment Protection Policy (EPP);
- Waste to Resources EPP: Zero Waste SA taking up project delivery for EPP;
- implementation of Miscellaneous Amendment Bill:
 - Civil Penalties Calculations Policy;
 - implementation of other measures;
- Container Deposit Legislation;
- Position Statement on Precautionary Approach;
- Engagement Strategy.

He outlined issues relating to the organisational change program:

- performance measures project;
- *Environment Protection Act* delegations instrument review;

- EPA Web review;
- market research program.

Other key initiatives/issues/risks for this Division are:

- Round-table May 2006;
- State of the Environment Report 2008;
- CSGC Performance Measures and 05/06 Business Plan.

A media report was tabled for information.

The Board resolved to:

- (i) *note Mr Circelli's advice with regard to the cost of preparing the 2008 State of the Environment (SoE) Report;*

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Carried

Action: Ms N Nelli

Ms R Barratt, previously the Manager Communications and Engagement, entered the meeting at 6.14 pm.

4(iv)(i) Engaging Communities: EPA's Engagement Strategy - final version

Following discussion the Board resolved to:

- (i) *note the comprehensive program undertaken to engage the EPA Board, Executive and staff in developing and owning the outcomes of the EPA's first Engagement Strategy (the Strategy);*
- (ii) *endorse the Engagement Strategy, subject to the inclusion of:*
- *links with the EPA Culture Change Program;*
 - *actions related to working collaboratively with stakeholders/education from the previous version (EPA Engaging Communities - Communications, Consultation and Sustainability);*
 - *a section about the EPA being an 'employer of choice';*
- (iii) *recognise that the Strategy will be subject to regular review to account for emerging issues identified by the EPA and the Board;*
- (iii) *note the priority actions currently underway;*
- (iv) *note that adequate resources to deliver and manage the Strategy will be sought as part of the 06/07 EPA budget process;*
- (v) *note the Chief Executive will formally launch this Strategy to EPA staff.*

Carried

Ms Barratt left the meeting at 6.22 pm.

Mr P Watters, Senior Policy Officer, entered the meeting at 6.22 pm.

4(iv)(ii) Delegations under the Environment Protection Act 1993
(review)

Part 1: Review of Delegations under the Environment Protection Act 1993

Following discussion the Board resolved to:

- (i) *note the findings of the review into the use of delegations in the EPA;*

- (ii) *endorse the review elements incorporated into the delegation instrument. These are:*
 - (a) *delegations previously limited to Regulation and Compliance Managers have been broadened to include managers in Science and Sustainability;*
 - (b) *some powers previously limited to the Chief Executive broadened to include the Directors of Regulation and Compliance, Science and Sustainability and Corporate Strategy, Governance and Communications;*
 - (c) *when required, a directive to delegates of the circumstances in which they may exercise their powers;*
- (iii) *endorse the recommended improvements to the governance of delegations. These are:*
 - (a) *ongoing training for existing and potential delegates, including being part of the corporate induction;*
 - (b) *limiting the use of conditional delegations to minimise the chance of decisions being made that may not stand the test of legal scrutiny;*
 - (c) *development of a risk analysis cover-sheet for authorisations;*
 - (d) *development of an Internal Operating Policy on use of delegations;*
 - (e) *internal systems developed to flag potential update of the delegation instrument when human resource delegations are updated;*
 - (f) *changes to legislation to allow for sub delegation;*
- (iv) *note that the further system improvement aspects of the delegation instrument review will continue for the remainder of 2006;*

- (v) *seek a status report on improvements to the systems at the July 2006 meeting of the Board.*

Carried

Action: Mr P Watters

Part 2: Delegations during the Organisational Transition

Following discussion the Board resolved to:

- (i) *endorse the interim delegation instrument for use during the organisation restructure;*
- (ii) *revoke the previous delegation instrument dated 10 January 2006;*
- (iii) *delegate its powers and functions in accordance with section 115 of the Environment Protection Act as provided in the new instrument and tabled at this meeting of the Board;*
- (iv) *note that the interim delegation instrument will need to be reviewed in July 2006.*

Carried

Action: Mr P Watters

Mr Watters left the meeting at 6.42 pm.

4(iv)(iii) Civil Penalties Calculation Policy

The Board resolved to:

- (i) *note the report;*
- (ii) *request that, following public consultation, the Board seeks the endorsement of the Minister for the final draft of the Civil Penalties Calculations Policy.*

Carried

Action: Ms S Jackson

4(iv)(iv) EPA matters before the Court (including list of EPA requests for CSO advice)

The Board resolved to:

note the report.

Carried

Mr Circelli left the meeting at 6.47 pm.

5. STRATEGIC ITEMS

5(i) Chair's Report

The Chair advised that he will provide members with copies of COAG decisions from its February 2006 meeting (with issues relevant to the EPA highlighted).

Action: Dr P Vogel

5(ii) Members' Reports

Ms Dyson advised that she has been asked to assist the preparation of drafting instructions for the Premier's Bill for Climate Change.

5(iii) Executive Officer's Report

EPA Board 2006 Consultation Program

Following discussion the Board resolved to:

endorse the revised Board consultation program for 2006.

Carried

5(iv) Culture Change and Performance Improvement Program

Following discussion the Board resolved to:

- (i) note the progress achieved during the March period;*
- (ii) note the key milestones planned for the following three month period;*
- (iii) note the culture change and improvement program status chart;*
- (iv) note that change program initiatives previously on hold have recommenced where possible.*

Carried

6. MATTERS DEALT WITH OUT OF SESSION

6(i) Draft Communique for 21 March 2006

Following discussion the Board resolved to:

formally approve the 21 March 2006 communique for placement on the web.

Carried

7. OTHER BUSINESS

8. CLOSE

The Chair closed the meeting at 6.45 pm.

9. DATE OF THE NEXT MEETING

The next Board meeting will be held on Tuesday, 16 May 2006 in the EPA Boardroom, 7th floor, 77 Grenfell Street, Adelaide.

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Dr Paul Vogel
CHAIR
/ /2006

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Ms Corinne Kelly
SECRETARY TO THE BOARD