

# EPA Board Round-table 2009 Report



Exploring the Corporate Licence Concept

Environment Protection Authority



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## **Foreword**

The Environment Protection Authority (EPA) Board holds this forum as part of its consultation program, to both ensure we hear and learn about emerging issues relevant to industry, the community and government, as well as taking the opportunity to seek feedback from our stakeholders on how the EPA should respond to emerging environmental issues.

It is a unique forum; unlike many other forms of consultation, the Round-table allows participants from industry, government and the community to share their ideas and comments with each other, as well as with the EPA.

We have been listening to you and your feedback has driven us to make some innovative changes at the EPA, refocusing our strategic direction to look at bigger picture and longer-term environmental issues.

The Round-table is also about building trust and developing more effective relationships with our stakeholders, which is one of our new strategic priorities in order to achieve better environmental outcomes.

Round-table 2009 focused on the EPA's new strategic priority of 'business success and sustainability' and explored how we can support businesses to reduce environmental impacts through the better use of resources, whilst ensuring that we regulate in a fair and proportionate way.

This forum provided an opportunity to explore issues, and receive valuable feedback on how the EPA can further enhance relationships with our stakeholders to work towards a more sustainable environment both now and for future generations.

Since the Round-table the EPA has progressed the initiative with stakeholders by holding a follow-up forum with over 30 representatives from business and the community. This forum was used to test the scope of corporate licences and to better identify the business values and risks for stakeholders and the EPA. We have also commenced the development of four pilot sites, with a further two being currently considered. Two of these are expected to be completed this calendar year with the remainder in early 2010.

The EPA intends to communicate the outcomes of the pilot program in early 2010 for all participants of the Round-table and the subsequent stakeholder forum.

On behalf of the EPA, I look forward to working with you.

**Cheryl Bart**

**Presiding Member  
Environment Protection Authority Board**

## Introduction

### Background

The Environment Protection Authority (EPA) Round-table is a key element of the EPA Board's consultation program. It is a legislative requirement under section 19 of the *Environment Protection Act 1993* and provides an opportunity for EPA Board members (Appendix 1) to consult with representatives of the community, industry and local government, and relevant environmental and professional organisations.

A list of the attendees to the 2009 Round-table is provided in Appendix 1.

The EPA Board also undertakes a consultation program, which includes a number of regional or issues-based round-table meetings and consultations throughout the year with its various stakeholder groups.

### Purpose

The purpose of Round-table 2009 was to:

- hold a forum with a representative cross-section of stakeholders to consult on the further development of the corporate licence concept.
- ensure that the EPA understands significant stakeholder issues relevant to its role
- provide stakeholders present with the opportunity to raise issues directly with EPA Board members.

### Process and format

Round-table 2009 was held as a breakfast session from 7.30 to 9.30 am on 16 June 2009 at the Adelaide Pavilion with the following program:

- a formal opening by the Minister for Environment and Conservation, Hon Jay Weatherill MP
- introductory comments by the EPA Board Presiding Member, Cheryl Bart and EPA Chief Executive, Helen Fulcher
- address from keynote speaker, Allen Gale, General Manager Technical Services, Goulburn Valley Water, followed by questions with Terry A'Hearn, Director Business Development, EPA Victoria
- a facilitated small-group session incorporating discussion on participants views of the corporate licence concept.

# Introduction and opening of Round-table 2009

## Hon Jay Weatherill MP, Minister for Environment and Conservation

The Minister formally opened the Round-table and discussed the importance of the round-table process which demonstrates the commitment from both the EPA and government to engage with stakeholders.

Consultation is a key part of how the EPA undertakes its work. However, the Round-table is particularly important, as it gives all groups with an interest in the work of the EPA a chance to come together to discuss broader and emerging issues that will drive our state's sustainable future. It provides EPA Board members an opportunity to hear direct from EPA stakeholders.

The EPA has an important responsibility to regulate the prevention of environmental damage but also has a key role in promoting best practice for the protection and enhancement of wider environmental issues such as resource efficiency, waste minimisation and to play its part in the climate change agenda. Regulatory compliance—while of course, essential to the health of our environment—is not enough to ensure achieving a truly sustainable way of life.

The Minister also spoke of his excitement in the corporate licence concept and explained how this type of licence will keep EPA focus on risk-based and targeted compliance of local environmental risks, and will enable business to focus on broader sustainability issues, to go beyond compliance. The corporate licence provides a great opportunity to reduce red tape while improving, not compromising, environmental outcomes, as well as ensuring effective engagement of local communities.

The Minister concluded by urging participants to put ideas forward for the EPA's consideration and to participate in the opportunity to learn from each other.

## Cheryl Bart AO, Presiding Member, EPA Board

The Presiding Member followed the Minister's address, speaking of the importance of keeping in touch with what is happening in industry and the community, and listening to our stakeholders.

Some of the feedback that the EPA has received from its stakeholders has driven some innovative changes at the EPA, refocusing its strategic direction to look at the bigger picture and longer-term environmental issues.

The Round-table is also about building trust and developing more effective relationships with key stakeholders participating at the forum. Developing more effective relationships is one of the EPA's new strategic priorities.

She also explained that the 2009 Round-table was focusing on the EPA's number one strategic priority of 'business success and sustainability' and the forum provided the opportunity for stakeholders to come together to explore how the EPA can support businesses to reduce environmental impacts through the better use of resources, while ensuring that the EPA continues to regulate both firmly and fairly.

The EPA has considered best practice reform agendas in other similar environment protection organisations around Australia and internationally, and has been successful in introducing many reforms to its licensing system. It however sees real value in EPA Victoria's Corporate Licence and seeks to adapt the concept here in South Australia. This concept combines a sustainability agreement on broader environmental issues and integrates this with traditional compliance requirements which are outcome focused; written in plain English, and where appropriate cover multiple licensed sites.

She concluded her address by encouraging participants to work together and with the EPA to implement the necessary measures to tackle the environmental challenges that we are faced with today.

## **Helen Fulcher, Chief Executive, EPA**

The Chief Executive continued and provided an overview of the format for the Round-table proceedings. She spoke briefly about how the EPA is building on previous reforms to use a more collaborative style of regulation to address existing and emerging environmental problems. She encouraged participants to give their views on how the EPA should use a mix of regulation styles, from collaboration to enforcement.

She also spoke about the EPA's key strategic direction of 'business success and sustainability'. The EPA is keen to help its licensees adopt good environmental practice beyond focusing on necessary compliance standards. As well as providing greater environmental benefits, this has the potential to reduce business costs and improve profitability for business.

The EPA is also keen to ensure that communities adjacent to licensed businesses understand licence requirements and have confidence that they will be engaged where appropriate. Given this, the EPA is keen to bring the elements of compliance and sustainability together into a new style of licence, similar to that of EPA Victoria's Corporate Licence.

She concluded her address by encouraging participants to engage in some robust debate during group discussions and introduced keynote speaker, Allen Gale from Goulburn Valley Water in Victoria.

## Keynote speaker

### Mr Allen Gale, General Manager Technical Services, Goulburn Valley Water



Mr Allen Gale joined Goulburn Valley Water (GVW) in 1999 after more than 30 years working with national and international consulting engineering and science companies. Mr Gale, a civil engineer with a Master of Engineering Science, and who was based in Perth for 20 years prior to moving to GVW, has experience in all aspects of water and environmental engineering throughout Australia, the Asia-Pacific and USA.

In his current role he has responsibility for technical services group of GVW. This includes strategic and day-to-day operations, capital works, development and environmental services. He is also a member of the corporation's Executive Management Team.

Mr Gale spoke about how he worked closely with EPA Victoria over several months to initiate and develop the key objectives and general principles of the Corporate Licence. The common language used in the Corporate Licence and the sustainability commitments were two major outcomes from the consultative development approach. The development of the Corporate Licence presented an opportunity for GVW and EPA Victoria to collectively set common goals and aim to take a collaborative approach to environmental management to a new level.

The Corporate Licence provides an opportunity to shift from an 'end-of-pipe' focus and recognises that one size does not fit all. It also truly embraces a risk-based approach, and considers a holistic sustainability view in management decisions for optimal outcomes.

For GVW, the single Corporate Licence replaced 26 separate licences, and 226 pages of requirements are refocused to only eight.

GVW was particularly interested in developing the corporate licence concept with EPA Victoria because of the benefits of an enhanced relationship with the EPA, and the significant reduction in reporting and red tape benefits for GVW. However Mr Gale did point out to participants that the corporate licence concept *does not* reduce environmental obligation, and perhaps increases them albeit in a positive manner for business and the community.

The commitment to a Corporate Licence has also seen many other positive impacts for GVW. The corporate culture at GVW has changed significantly, with the thinking now going beyond a minimum compliance state of mind and towards a more integrated approach to meeting both compliance and sustainability objectives.

The structure of Round-table 2009 allowed for participants to field questions to the keynote speaker. Terry A'Hearn, Director Business Development from EPA Victoria also joined Mr Gale in answering participants' questions. The questions and answers are available in Appendix 3 of this report.

## Facilitated discussion group session

Following the keynote speech, participants were invited to provide feedback on a series of questions on their views on the corporate licence concept. Small groups discussed the following questions:

- What value do you see for business in the corporate licence concept?
- What are the risks for business?
- How would you suggest it is marketed?
- Should this licence concept be available to all businesses or should there be limited availability?
- What are your thoughts on the groundwork that needs to be prepared? Where should we start?

The following section summarises issues raised.

## Summary of key themes

A summary of the key themes and potential issues raised in the discussions about the corporate licence concept are provided below.

### **Benefits of the corporate licence and reduction in red tape**

Most of the groups agreed there were a number of potential benefits in developing and pursuing a corporate licence. The multi-site licences and outcome-based conditions were seen as mechanisms for red tape savings, while the sustainability agreement could be a key driver for integrated compliance and sustainability management.

Other potential benefits identified included the close relationship between the EPA, licensee and community; the increased flexibility a licence of this type may offer; the marketing opportunity for those committing to sustainability programs and the opportunity for the EPA to direct resources into the important sustainability arena.

### **Link between the EPA's corporate licence and other government sustainability initiatives**

All groups agreed that there needed to be strong integration between a corporate licence and other government sustainability initiatives. Examples given included the Premier's Climate Change Sector Agreements and SA Water's Water Sustainability Programs. Many saw that the corporate licence could provide benefits to these programs, particularly as a mechanism to implement actions and initiatives.

### **Eligibility and appropriateness for small businesses**

Much of the uncertainty about the corporate licence concept centred around who would be eligible for a corporate licence. Most groups highlighted the need for a high level of trust between the EPA and licensees as a key criterion for eligibility. Another key theme focused on the difference between a corporate licence and an accredited licence, with groups recognising this is an area requiring clear explanation in the marketing of the two products.

Some groups also highlighted their concerns around the availability of the product for small or struggling businesses. It was noted that many small businesses are unlikely to have the resources, expertise or budget to devote to a comprehensive sustainability agreement and that opportunities for support for these businesses should be investigated.

### **Impact on licence fees**

The discussion in the area highlighted the uncertainty around whether a corporate licence would offer any discount in licence fees, particularly when applied to multi-site licences. Groups agreed this was an area that required clear explanation in the marketing of the product.

### **Benefits and disadvantages of engaging the community**

All groups agreed that engaging the community very early in the process was paramount to the success of the corporate licence concept. Many licensees represented at the Round-table provided positive feedback on their community engagement programs and supported the need to consult their local communities, particularly when a significant paradigm shift may occur in the focus of their licences.

One noted disadvantage of engaging the community was the length of time the process could take, with groups agreeing that this important step must be factored into any corporate licence development.

## **Monitoring of businesses and EPA detection of when licensees who are not adhering to licence conditions**

The area of monitoring business was highlighted as a risk of rolling out corporate licences. This is because the concept shifts the focus to outcome-based conditions and self assessment through a certificate of compliance. This was agreed among the groups that the EPA will have to focus efforts on developing comprehensive programs to audit both corporate licensees as well as industry sectors to ensure regulations and compliance management stays relevant and focused in the right areas.

## Next steps

### Follow-up workshop (24 July 2009)

The broad and valuable information gained from Roundtable 2009 was passed back to the EPA's corporate licence project team for continued development of the product.

A positive outcome from Roundtable was the interest in an industry workshop to discuss the details of the corporate licence. The EPA ran this workshop on 24 July 2009 and it was attended by 32 people, including industry representatives, and community and local government stakeholders. The workshop provided detailed feedback on the specific modules proposed for the corporate licence product:

- voluntary sustainability agreement
- outcomes focused and plain English licence conditions
- multi-site licences on one licence
- certificates of compliance.

Since the workshop, the EPA has begun discussions with a number of licensees who are interested in participating in the corporate licence pilot program. Through this program, licensees will have an opportunity to input into further development of the product and will have the advantage of being the first licensees to be granted a corporate licence.

To date the EPA has had discussions with 10 licensees from a variety of industry sectors including manufacturing, wineries, local government and waste management which are all interested in being involved in the pilot program. The EPA is also working very closely with industry representative bodies to ensure that communication with industries is comprehensive and consistent.

Through the Business Sustainability Alliance, the EPA, as a signatory to the Alliance, is gathering valuable information on the business drivers and benefits of sustainability. These drivers will be closely considered while we are developing the products with pilot licensees and more broadly through positioning and further roll-out of the products.

The pilot program is expected to be completed by February 2010, after which time the EPA will report back on the next stage to participants of Round-table 2009 and the corporate licence workshop.

Since Round-table 2009, the EPA has awarded its second accredited licence to Constellation Wines Australia for their Berri Estates Winery. The winery has demonstrated a proactive commitment to compliance and beyond compliance measures over an extended period of time and continues to be a leader in best practice environmental management.

Together with the corporate licence development project, the EPA will continue to focus on the accredited licence tool and how the two products can be integrated to provide the best outcomes for licensees and the EPA.

## Appendix 1 EPA Board members



**Ms Cheryl Bart AO** is the Presiding Member. She was appointed for her practical knowledge of, and experience in, industry, commerce and economic development and is a company director and practises as a sole legal practitioner in the area of corporate and financial law. She currently chairs the South Australian Film Corporation, Adelaide Film Festival, Adelaide Film Festival Investment Fund and Shaw of Australia Pty Limited. She is a non-executive director on a number of boards, including ANZ Trustees Ltd, Spark Infrastructure Ltd, Alcohol Education and Rehabilitation Foundation and ETSA Utilities, and is an ambassador for the Peres Centre for Peace. She is a Fellow of the Australian Institute of Company Directors (FAICD), a member of the Law Society NSW and a member of the Young Presidents Organisation.



**Mr Stephen Hains** was appointed for his practical knowledge of, and experience in, local government as well as for his practical knowledge of, and experience in, the reduction, reuse, recycling and management of waste or the environmental management industry. Mr Hains is the City Manager of the City of Salisbury and has been in the role since 1991. He is the Deputy Presiding Member of the EPA Board and Chair of the EPA Board's Local Government Committee.



**Mr Allan Holmes** was appointed to the Board for his qualifications and experience relevant to environmental protection and management or natural resources management, as well as qualifications and experience relevant to management generally and public sector management. Mr Holmes is Chief Executive of the Department for Environment and Heritage, Chair of the Zero Waste SA Board and represents the state on the Murray-Darling Basin Commission.



**Ms Linda Bowes** was appointed to the Board for her practical knowledge of, and experience in, industry, commerce or economic development. From 1994-2007 she was Chief Executive of the South Australian Wine Industry Association. Ms Bowes has expertise in corporate management, strategic planning, legislative analysis and policy development. She is currently proprietor of the consultancy firm Linda Bowes & Associates and Chair of the Barossa Grape and Wine Association.



**Ms Megan Dyson** was appointed to the Board for her legal qualifications and experience in environmental law. She is a sole legal practitioner and consultant in environmental law and policy, advising a number of state governments and government agencies, as well as the Murray-Darling Basin Authority and Commonwealth Government, on legal issues related to water and other natural resource management matters. Ms Dyson is also a board member of Zero Waste SA.



**Mr Andrew Fletcher** was appointed to the Board for his practical knowledge of, and experience in, industry, commerce or economic development. He is Chief Executive of Defence SA, a member of the Defence Industry Advisory Board and a past member of the Economic Development Board. He is an engineer with over 35 years experience in senior management roles in the engineering and construction industry. He is also a board member of Penrice Soda Holdings and has extensive corporate governance experience in the private and public sectors.



**Mrs Cheryl Hill** is the Executive Director, Foundation for Australia's Most Endangered Species Inc and has worked with this organisation since 1997. She is also a member of both the Zero Waste SA and the Conservation Council of SA Boards. Previous positions she has held include Development Manager, Anglican Community Services (ACS), Executive Director, Flinders Medical Centre Research Foundation and Development Manager, Greenpeace Australia.



**Ms Jane Yuile** is an independent consultant who has extensive experience in finance and management. She has a Bachelor of Science, Master in Business Administration and is a Member of the Institute of Chartered Accounts in Australia (Fellow) and the Australian Institute of Company Directors (Fellow). She is on a variety of public, private and government boards in industries including technology, electricity, health, training and the arts. Ms Yuile was appointed to the Board for her finance management and finance expertise.

## Appendix 2 List of attendees

Adelaide Brighton Cement	National Environmental Law Association Ltd (SA)
Adelaide Brighton Cement Community Liaison Group	Natural Resources Management Council
Adelaide City Council	New Castalloy
Association of Consulting Engineers Australia	Office of the Hon Jay Weatherill MP
Australian Conservation Foundation	OneSteel
BHP Billiton	Peats Soil and Garden Soils
Business SA	Penrice Soda Products Pty Ltd
City of Mount Gambier	SA Water
City of Onkaparinga	Santos
City of Tea Tree Gully	SITA
Community Engagement Board (DPC)	South Australian Chamber of Mines and Energy Inc
Conservation Council of South Australia Inc	South Australian Farmers Federation Inc
Constellation Wines	South Australian Wine Industry Association
Department of Premier and Cabinet	TGR BioSciences Pty Ltd (Economic Development Board Member)
Department of Trade and Economic Development	The Jeffries Group
Engineering Employers Association	Transpacific Industries Group Ltd
Environment, Resources and Development Committee of SA Parliament	Veolia Environment
Environmental Defenders Office (SA) Inc	Waste Management Association South Australian Branch
KESAB Environmental Solutions	Yalumba Wines
Kimberly-Clark Australia	
Kraft Foods Ltd	
Land Management Corporation	
Landfill SA	
Local Government Association	
Motor Trade Association of SA	

## Appendix 3 Open discussion questions and answers

Question 1: What were the key outcomes of the Corporate Licence for Goulburn Valley Water?

Answer: The Corporate Licence has significantly reduced reporting and red tape for Goulburn Valley Water. There has also been some costs savings, but this may not be the case for all businesses. It is also important to keep in mind the Corporate Licence does not reduce environmental obligation.

Question 2: Is Goulburn Valley Water's Corporate Licence conditions available to the community?

Answer: Yes, Goulburn Valley Water's Corporate Licence is available on the company's website and is publicised in newsletters. EPA Victoria has a KPI to have 100% of licences available to the community. However, if there is an area where licensees have some conflict with the community, a different approach is considered.

Question 3: Is there an opportunity for the community to contribute to the conditions of the licence?

Answer: In some instances where there are real issues between a licensee and the community, these businesses will not have a Corporate Licence. If licence conditions are changed, the community does get the opportunity to comment.

Question 4: Who decides which licensees can have a Corporate Licence?

Answer: Any business who conducts polluting activities can have a Corporate Licence, but not all businesses may suit a Corporate Licence. However, the EPA Victoria will work with any licensee that has a desire to obtain a Corporate Licence.

Question 5: What improvements would you make to the Corporate Licence?

Answer: The induction program for the Corporate Licence has since been improved and the Victorian EPA is also considering how to achieve more collaborative reviews.

Question 6: Has the Corporate Licence framework enable Goulburn Valley Water to become more innovative?

Answer: Goulburn Valley Water had already made a commitment to innovation before the Corporate Licence was introduced, however EPA Victoria is very encouraging of sustainability and is more than happy to work with businesses to become more sustainable.