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Response to the Ministerial Advisory Committee for the Inquiry into the Environment Protection Authority

Please find attached our response to the Ministerial Advisory Committee for the Inquiry into the Victorian Environment Protection Authority.

We are supportive of the Ministerial Advisory Committee's comprehensive review of the operating environment of the Victorian EPA, to ensure the EPA is best equipped to meet both current and emerging challenges.

In light of this constructive review, we wish to highlight two issues that should be given careful consideration by the Ministerial Advisory Committee. The issues raised below are based on our own experience from interacting with the EPA over a number of years:

- 1) Improving regulatory efficiency in relation to the assessment and processing of landfill cell applications; and
- 2) Building sufficient flexibility and agility into regulatory approaches to maximise opportunity for recovery and re-use of waste.

If you have queries in relation to the attached, please contact me on (03) 8397 5232.

Yours sincerely,

Richard Pittard
Head of Health, Safety and Environment



Issue 1: Improving regulatory efficiency

Transpacific Cleanaway recognises the importance of the Victorian EPA's role in creating a healthy environment that supports a liveable and prosperous Victoria.

Providing an environment that creates certainty around the administration of regulatory process, and predictability of regulatory timeframes, is an important basis for both business investment in Victoria and efficiency of business conduct.

In respect to this we have observed and experienced a general increase, and in several instances material delay, in the time taken by the EPA to assess and process new landfill cell applications. The result is additional complexity, risk and cost when conducting our business in Victoria.

We believe there are efficiencies that can be realised from the current landfill cell approval process, without diminishing the EPA's regulatory outcomes. We request the opportunity for efficiency be considered by the Ministerial Advisory Committee, particularly in relation to:

- Duplication of assessment processes used for obtaining comfort over the landfill cell application, and
- Adequacy of resourcing within the EPA to support the preferred processes.

The current process for landfill cell approvals requires an EPA appointed environmental auditor to provide an opinion on the risk posed by the application. The auditor's report is issued to the EPA Victoria Approvals Team, who in turn provide it to their internal technical reviewer. In practice the EPA has only one person who can technically review these reports. This creates a "key man" risk that has led to significant approval delays, particularly when the technical reviewer becomes unavailable. We appreciate this also places an unreasonable pressure on the individual.

An analogous system relying on the work of an auditor is presented under the *Corporations Act 2001*, which requires certain companies to obtain an audit opinion over financial disclosures by a registered company auditor. Rather than the Australian Securities and Investment Commission reviewing the work of each auditor prior to accounts being published, which would obviously become unworkable, reliance is placed on the supporting auditing and assurance standards, and auditor oversight process, to ensure quality audit outcomes.

We suggest that reliance on the work of the EPA appointed environmental auditor should be sufficient to support the application of new landfill cells, without additional technical review.

We understand the EPA currently has in place a process for the assessment, appointment and oversight of its auditors, which includes review of a *sample* of all audit reports.

If the EPA cannot obtain sufficient comfort from the work of an EPA appointed environmental auditor, we suggest the process for appointment and oversight of auditors and the framework they operate under be bolstered, rather than adding layers of internal review over each individual application.

Issue 2: Optimising regulatory approaches to maximise recovery and re-use of waste

With improved scientific knowledge and changing technology, there are ever increasing opportunities to recover value from waste. There is also an ever increasing community expectation that industry and government will work together to adopt practices to realise this opportunity.

Transpacific Cleanaway is constantly looking for innovative solutions to sustainably extract additional value from each tonne of waste generated. To this end we have been working constructively with the Victorian EPA to bring a number of these opportunities to reality.

The recovery of resource value from waste is also aligned to the EPA's intent of increasing resource efficiency, so the needs of current and future generations can be met.

However, our experience has been that current legislation and regulatory approaches can make supporting the broader objectives of the EPA and meeting community expectations difficult. This is particularly the case with lower impact regulated wastes (i.e. food waste), or where the model of business activity moves beyond a simple two party transaction.

Whilst we understand there is an existing schedule of legislative review, we encourage the Ministerial Advisory Committee to consider whether current regulatory approaches contain sufficient flexibility to maximise recovery and re-use of waste in this rapidly changing environment.

We suggest that the Ministerial Advisory Committee consider recommending a program of legislative and regulatory review, to propose amendments that will maximise opportunities to take advantage of current and future waste recycling technologies and provide greater clarity and incentives to re-use all waste effectively.