

ENVIRONMENT PROTECTION AUTHORITY VICTORIA

Annual Plan 2011–2012



Delivering on our 5 Year Plan
Year One



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TRANSFORMING AND STRENGTHENING EPA

Each year an annual plan will accompany our *5 Year Plan*. Each annual plan will outline priorities, key activities and budgeted expenditure we commit to as part of delivering on the *5 Year Plan*.

This document sets out the priority areas for focus this year.

We will deliver these improvements by applying all the approaches in our operating model to ensure we adequately protect and improve environmental quality. Where required, we will have a strong compliance and enforcement presence to ensure current standards are met.

We will continue to transform and strengthen ourselves to deliver the *5 Year Plan*. A priority program for EPA this year will be Business Services Reform. This program is designed to integrate our systems and processes, improving the accessibility and quality of the information we use in our day-to-day operations.

Having already completed 14 of the recommendations, work will continue on implementing the outcomes of our Compliance and Enforcement Review. An additional 60 recommendations will commence this year as part of our commitment to improve our compliance and enforcement practices. One key focus will be the implementation of our new *Compliance and Enforcement Policy*, which will ensure a consistent approach in supporting compliance and enforcing the law to address risks to health and environment.

Effective regulators measure the impact of their interventions and changes in their operations. We are embarking on a social research program to continually improve our performance by tracking changes experienced by business, the public and other organisations. We will be asking for performance feedback on how we apply our operating model: informing and educating, setting standards, providing support to comply, monitoring compliance, enforcing the law and encouraging higher performance.

We look forward to getting out and about to discuss our *5 Year Plan* over the next 12 months and to highlight changes and outcomes you can expect from us.



Cheryl Batagol, Chairman

John Merritt, CEO

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OUR FOCUS — YEAR 1 2011–12

Our annual plan for each year reflects:

- the assessment and prioritisation of environmental issues based on actual or potential impact to environmental quality and experience
- opportunities to improve environmental quality and experience
- continued initiatives from the previous year
- prioritised activities that deliver our *5 Year Plan* outcomes.

EPA's strategic priorities below show what we will focus on in order to achieve our environmental outcomes; namely, clean air, safe land, healthy water and minimal disturbance from noise and odour for Victorians.

Deal with past pollution

Reduce environmental and health impacts of historical contamination

Objectives:

- Improve transparency of management of contaminated environments and their impacts.
- Enforce the law to ensure contaminated environments are safely managed.
- Support the conversion of contaminated environments to assets.
- Learn from the past to prevent future problems.

Tackle current environmental issues

Prevent pollution and improve efficiency of resource use

Objectives:

- Tackle pollution and ensure compliance using a risk-based approach.
- Support planning and development decisions to prevent impacts.
- Minimise impacts of resource use.

Shape the environmental future

Avoid future impacts by anticipating and acting

Objectives:

- Enhance the intelligence and communication of environmental quality and its drivers and impacts.
- Ensure science and other evidence underpins decision making at national, state and local levels.
- Lead and influence strategies and standards that safeguard from future impacts.

The following outlines our 2011–2012 priorities.

OUR STRATEGIC PRIORITIES

1 Deal with past pollution

This year we will lay the foundations for our five year approach to managing contaminated environments.

In 2011–12 we will:

Contaminated sites

- Strengthen our approach to managing compliance of known contaminated environments, including updating the identification, classification and prioritisation criteria for contaminated environments.
- Continue to manage sites that are of concern to communities and the environment.
- Explore a whole-of-government approach to the management of contaminated land.
- Collate and communicate information on contaminated environments to the Victorian community.

Polluted groundwater

- Ensure availability of information about contaminated groundwater known to EPA.
- Finalise risk-based management plans for all 'groundwater quality restricted use zones'.
- Update guidelines for clean-up and management requirements of contaminated groundwater.
- Improve public awareness of rights and potential restrictions on groundwater use.

Key indicators of progress:

- Progress on EPA's Contaminated Environment Strategy.
- Regulatory (notice) requirements on contaminated sites met or escalated in line with the *Compliance and Enforcement Policy*.
- Number of known sites cleaned up and suitable for use.

2 Tackle current environmental issues

A. Tackle pollution and ensure compliance using a risk-based approach

Operational strategy

As we improve how we identify environmental risks and opportunities, we will target our efforts to resolve more complex environmental problems, often in areas not traditionally licensed by EPA.

This year we will address issues in water, manufacturing, waste and agriculture through various components of our operating model.

Water sector

We will better understand water quality issues, and improve discharges from wastewater treatment plants. In 2011–12 we will:

- develop our capability to analyse and prioritise high risk areas and problems affecting our waterways
- investigate and confirm elevated metal levels in Dandenong Creek, and investigate sources of metal waste (also see ‘Manufacturing sector’ for compliance and enforcement action)
- investigate and confirm water quality in the La Trobe River and, if a poor condition is confirmed, target industries suspected of contributing to the condition
- analyse wastewater treatment infrastructure in areas with high population growth
- analyse non-compliance of small wastewater treatment plants in two areas and develop appropriate support material for system owners and operators
- work with water businesses to complete a statutory audit of their sewerage system management plan to address environmental risks.

Manufacturing sector

We will work to improve environmental management practices in the manufacturing sector.

In 2011–12 we will:

- inspect the surface finishing industry (electroplaters and powder coaters) and automotive wreckers and panel beaters to ensure they manage, store and dispose of their wastes appropriately. At least 20 per cent of businesses operating in three targeted geographical areas will be visited.

A. Tackle pollution and ensure compliance using a risk-based approach *continued*

Manufacturing sector continued

- work with the Australasian Institute of Surface Finishers and the Victorian Automobile Chamber of Commerce to build better awareness of environmental obligations and how to comply across these industries
- monitor and assess key indicators to determine the relationship between activities and environmental impacts.

Waste sector

We will drive improvements in the management of unlicensed landfills. In 2011–12 we will:

- inspect at least 30 per cent of 46 known unlicensed landfill sites in Victoria to assess environmental impacts
- where issues arise, work with local councils and regional waste management groups to develop effective and targeted treatment methods to mitigate these issues.

Additionally we will conduct compliance inspections at licensed landfill sites, focusing on sites where communities have raised concerns. We will also continue our efforts to reduce the illegal dumping of wastes ('targeting hotspots' and 'licensed inspections' sections).

Agriculture Sector

We will improve environmental management practices in the dairy farm industry, and animal intensive industries. In 2011/12 we will:

- create a 'library of knowledge' on pollution reports and statutory activity related to intensive animal industry, with a focus on broiler farms and dairy farms.
- finalise EPA's Guidelines for Odour environmental risk assessment for Victorian broiler farms.
- investigate and promote appropriate odour control systems for broiler farms.
- use existing audit data, water quality data and water maps to prioritise dairy farms to investigate. Follow-up outstanding notices issued to dairy farms in the past. Continue to work with the dairy industry to increase knowledge of compliance requirements.

Targeting hotspots

We will continue to target hotspots that affect communities and the environment. This year our priorities are:

- Brooklyn – achieve further reductions in odour and air quality events in the Brooklyn area
- Clayton South – this area has a large number of licensed landfills operating close to residential areas. Our aim is to reduce odour events from landfills
- illegal dumping – continue to investigate and enforce against those who illegally dump construction and demolition waste. We will continue to provide guidance to inform business of their responsibilities and alternatives.

Licence inspections

In addition to priority areas and hotspots, 180 licence inspections are planned for the approximately 650 licensed sites across the state. A portion of inspections will include a detailed assessment of the site's monitoring program and documentation that supports compliance reported in its annual performance statement.

Sites have been selected on a risk basis considering the risk or harm to health and environment, and the likelihood of non-compliance. Specific risk factors include:

- historical compliance – including Annual Performance Statement results
- officer compliance rating – based on community reports, site and environmental management
- time since last inspection.

Approximately two-thirds of these inspections represent the industry types outlined in the adjacent table.

Industry Type	Planned 2011–12 inspections	% of licensed industry type inspected
Prescribed industrial waste treaters	35	15%
Water treatment facilities – wastewater discharges	30	33%
Landfill operations	25	37%
Agricultural industry – including dairy and meat processors, broiler farms, piggeries and aquaculture	20	33%
Chemical works	15	40%
Fluoride emitters	10	45%

A. Tackle pollution and ensure compliance using a risk-based approach *continued*

Key indicators of progress:

Compliance

- 180 licensed site inspections by June 2012.
- 100 notice site (licensed and unlicensed) inspections by June 2012.
- 25 landfill post-closure pollution abatement notices (PANs) issued.
- All annual performance statements verified, with 100 detailed assessments by December 2011.
- 95 per cent of notices complied with by due date or escalated in line with the *Compliance and Enforcement Policy*.
- Progress made on Operational Strategies (water, manufacturing, waste and agriculture).

Hotspots

- 50 per cent reduction in odour events in Brooklyn.
- 50 per cent reduction in air quality events in Brooklyn.
- 50 per cent reduction in odour events in Clayton South.
- 15 per cent increase in number of notices issued for illegal dumping of waste.
- Increased community satisfaction with priority hotspots (baseline assessed in 2011–12 through survey).

B. Support planning and development decisions to prevent impacts

This year we will lay the foundations to improve our engagement with, and support for, planning agencies on priority environment and planning issues. In 2011–12 we will:

- work with others to confirm government agencies roles and responsibilities for priority planning issues and develop a strategic approach to engage across agencies on these
- update and improve guidance to support planning agencies on priority planning issues
- increase our involvement at VCAT on important planning matters.

Key indicators of progress:

- Progress on Planning Strategy in line with the above commitments.
- Planners increasingly satisfied with and understand EPA guidance (baseline assessed in 2011–12 via survey).

C. Minimise impacts of resource use

EPA's approach to improved resource efficiency will be to collaborate with the Department of Sustainability and Environment (DSE) and Sustainability Victoria to minimise resource use and increase resource efficiency across Victoria. As a regulator, our focus for 2011–12 will be to:

- ensure statutory requirements in Environment and Resource Efficiency Plans (EREP) and Works Approvals minimise resource use
- work with the above agencies to develop a long-term approach to reduce resource use in priority sectors.

Key indicators of progress:

- 100 per cent of EREP annual reports, plans and site inspections meet statutory requirements or are escalated in line with EPA's *Compliance and Enforcement Policy*.
- EREP program maintains or increases the following per unit savings: 5210 TJ of energy, 5700 ML of water and 124kT of solid waste.

3 Shape the environmental future

This year we will improve our understanding of the following issues and assess the likely impact and causes of environmental change. This will inform what EPA can do to reduce impacts through our role as environmental regulator and as an influential authority.

- Future air quality – Release and communicate projections of air quality into 2030 under a range of scenarios and identify the main factors affecting air quality. This work will be used to analyse future directions in air quality standards.
- Gippsland Lakes assessment – Analyse the quality of the lakes, and work with key stakeholders to identify and communicate what is driving change in environmental condition.
- Improve Victoria’s statutory policy framework. Joint EPA/DSE recommendations will be made for a new statutory policy framework. We will commence review of at least one statutory policy.
- Review the *Environment Protection (Vehicle Emissions) Regulations*, setting standards for motor vehicle air and noise emissions.
- Review our guidance – Assessing 270 guideline documents to prioritise updates and ensure our guidance is targeted and relevant.
- Review our environmental monitoring and research and development programs – Assessing these programs to ensure they are in line with community and government aspirations over the coming five years.

Key indicators of progress:

- Where EPA has sought to influence, there are demonstrable gains for the environment.
- Progress on ‘Shape the environmental future’ priority projects in line with the above commitments.

OUR CORPORATE CAPABILITIES

Transforming to an effective organisation – building our core capabilities

In our journey to become an effective regulator, EPA will invest in our people, systems and culture. These underpin our ability to deliver outcomes for the environment.

2011–12 Core Focus

Exercise our regulatory powers

- Develop and improve guidance, procedures, support tools and training for our field staff.
- Complete 60 of the 119 recommendations from the 2010–11 Compliance and Enforcement Review.
- Update our risk-based compliance model for licensed sites.

Apply our knowledge and authority

- Continue to develop a science and knowledge framework that understand impacts on the environment.
- Continue to develop and recognise expertise within our organisation.

Build strong partnerships

- Further develop how we engage with local government, planners, co-regulators and the Victorian community.
- Engage with relevant agencies to agree on a national approach for harmonising Victoria's regulatory practices.
- Work with industry groups to better support businesses to comply with the law.
- Ensure our new 24-hour customer service improves our response and follows up on reports and enquiries from community members.

Manage and improve our organisation

- Continue the major reform of our core business services and their related systems.
- Embed and improve our risk management approach.
- Continue to reduce our environmental footprint through EPA's environmental management system.
- Continue to build our preferred culture through reward and recognition, sound workforce planning and developing our leaders.
- Manage our expenditure to budget.

Key indicators of progress:

- Ensuring the programs that support our transformation are on track to deliver the above commitments.
- Ensuring EPA staff and target audiences are experiencing the desired outcomes of these programs.

EPA's comprehensive social research program is tracking whether business, community and our partners in government are experiencing a change as EPA continues on our journey to become a more effective regulator.

OUR TRANSFORMATION

We will undertake the following initiatives to help us deliver our corporate capabilities.

Corporate capabilities

Exercise our regulatory powers

- Confidently and consistently communicate and apply the law.
- Use the full range of our regulatory powers, skills and tools.
- Understand causes and sources of harm to prevent environmental impacts.
- Provide authoritative and constructive compliance advice.

Apply our knowledge and authority

- Use knowledge and evidence for:
 - authoritative decision-making.
 - strategy, priorities and evaluation.
- Develop and maintain our expertise and networks.

Build strong partnerships

- Build cooperation to harmonise environmental regulation.
- Work effectively with our co-regulators.
- Foster contribution and collaboration.

Transform to an effective organisation

- Build strong governance.
- Ensure integrated systems and processes.
- Develop positive culture and talented people.
- Maintain financial sustainability.

Transformation initiatives

1. Compliance and enforcement reform.
2. Licence reform.
3. Approvals review.
4. Statutory Policy Review.

5. Expertise framework.
6. Environmental assessment framework.
7. Research and development strategy.
8. Science capability plan.

9. National and state harmonisation on priority issues.
10. Local government and co-regulators strategy.
11. Community engagement and citizenship strategy.
12. Industry engagement strategy.
13. Customer service reform.

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| 13. Review of Act. | 20. Organisational alignment and role clarity. |
| 14. Governance charter. | 21. People and culture strategy. |
| 15. Risk management culture. | 22. Leadership development program. |
| 16. Business Services Reform. | 23. Reward and recognition strategy. |
| 17. Information management action plan. | 24. Finance reform. |
| 18. Project governance model. | 25. Financial assurance reform. |
| 19. Website redevelopment. | |

OUR ACCOUNTABILITY TO GOVERNMENT

As part of EPA's accountability to the Victorian Government, EPA is expected to achieve the following outputs and metrics in 2011–12.

Statutory activities and environment protection

The purpose of these activities is to protect, care for and improve beneficial uses of the environment by developing statutory and non-statutory processes, setting and enforcing goals and standards, and undertaking monitoring and research that ensures:

- beneficial uses of water are protected
- waste reduction, recycling and improved management of residual waste occurs
- noise in the community is managed
- contamination of land and groundwater is prevented
- better management of air quality is promoted
- global air quality issues are addressed
- through collaboration, communication and information programs, greater community involvement and ownership of environmental issues are also promoted.

Dedication in delivering the best environmental outcomes for Victoria requires understanding and responding to the changing environment. Outcomes will include:

- reducing local pollution problems
- helping clients ensure significant resource efficiency gains
- responding to our changing environmental needs.

	2011–12
Quantity	
Environmental condition research reports issued, improvement tools, guidelines, policies, systems and plans completed and issued	54
Increase in EPA notices issued for illegal dumping of waste	15%
Quality	
Hours during which air quality standards were met, as a proportion of hours in the reporting cycle	99%
Land audits complying with statutory requirements and system guidelines	90%
Notices complied with by due date or escalation in line with <i>Compliance and Enforcement Policy</i>	95%
Timeliness	
Pollution incident reports acted on within three days	92%
Statutory actions completed within required timelines	96%

OUR FINANCIAL PERFORMANCE

EPA'S (operational) 2011–12 financial performance statement (budget)

	\$ million
Revenue	
State Government funding (appropriation)	30.3
Specific project funding	4.3
Initiative funding	5.0
Municipal and industrial landfill levy	5.9
Prescribed industrial waste levies	15.9
Fees, fines, licence fees	2.2
Other (including interest)	7.3
Total revenue	70.9
Expenses	
Employee costs	40.8
Contractors, consultants, agency staff	7.0
Grants	2.7
Other	16.8
Total operating expenditure	67.3
Surplus before depreciation	3.6
Depreciation	3.5
Total expenditure	70.8
Surplus	0.1
Capital expenditure	12.5

FURTHER INFORMATION

For further information on EPA's *Annual Plan 2011–12* or the *5 Year Plan* contact EPA on 1300 EPA VIC (1300 372 842)



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