



AGENCY PERFORMANCE

Report on operations

In 2014–15, a number of new efficiency indicators were introduced, along with the Waste Strategies service area. The Department's performance against these new service areas and efficiency indicators will be outlined in the 2015–16 Annual Report. This Annual Report will outline performance against the two previous service areas.

A report on the Department's regulatory performance is published each quarter on the following functions:

- works approvals and licences—number and timeliness of works approvals and licences granted for major resource and other projects, and controlled waste licences;
- environmental compliance—industry regulation proactive compliance inspection program;
- native vegetation clearing permits—number and timeliness of decisions on clearing permit applications made by the Departments of Environment Regulation, and Mines and Petroleum (through delegation under the EP Act);
- contaminated sites—number of classifications of reported known or suspected contaminated sites, and number and timeliness of review of mandatory auditor's reports; and
- environmental enforcement—statistical and supporting information outlining the Department's enforcement activity and outcomes.

Quarterly approvals summaries and performance reports are publicly available at www.der.wa.gov.au/about-us/regulatory-performance-and-reporting.

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Service Areas

Service 1: Environmental Regulation

The Department has adopted a multi-faceted approach to delivering its regulatory role, which broadly fits into three main functions:

- approvals and licensing;
- monitoring, audit and compliance inspections; and
- enforcement, including complaint and incident investigation.



Licensing and Approvals

The Department assesses, determines and/or advises on environmental licences and approvals in the areas of:

- industry regulation;
- contaminated sites regulation;
- clearing regulation; and
- noise regulation.

Core regulatory instruments include works approvals, licences, classifications, clearing permits and exemptions. These are assessed and determined in accordance with statutory and target timeframes. Performance against timeframes is reported quarterly on the Department's website at www.der.wa.gov.au/about-us/regulatory-performance-and-reporting.

The Department maintains a regional presence to oversee the operational environmental management of activities subject to works approvals or licences.

Compliance

The Department conducts annual targeted risk-based compliance activities, including inspections, to assess compliance with the legislation and the regulatory instruments it administers.

Enforcement

The Department oversees its regulatory enforcement role by providing major environmental investigative capability and single-point accountability for regulatory complaints aimed at delivering consistent and appropriate statewide enforcement outcomes.

Investigations that are conducted into reported incidents and complaints may lead to the issuing of enforcement sanctions such as:

- formal letters of warning;
- infringement notices;
- modified penalty fines; and
- the commencement of court prosecution.

Investigations are undertaken to establish the facts and where a *prima facie* case is established, and it is in the public interest to do so, a sanction is administered. The aim is to promote compliance with the legislation administered by the Department by using sanctions as a deterrent. Investigations conducted by environmental enforcement also support other Departmental action, such as licence amendment, suspension or revocation and the issuing of statutory notices and orders.

Service 1—Environmental Regulation—Performance Summary

	2014–15 Target ⁽¹⁾ \$'000	2014–15 Actual \$'000	Variation ⁽²⁾ \$'000
Total cost of service	40,236	40,238	(2)
Less income	27,213	28,563	(1,350)
Net income (cost of service)	13,023	11,675	1,348
Employees (full-time equivalents)	275	232	43
Key efficiency indicators	\$	\$	\$
Average Cost per Air Monitoring Station	359,884	357,652	2,232
Average Cost per Industry Licence	27,882	25,735	2,147
Average Cost per Contaminated Site Assessment	5,315	5,672	(357)
Average Cost of Remediating State Sites	743,250	2,455,000	(1,711,750)

(1) As specified in the 2014–15 Budget Statements.

(2) Further explanations are contained in the Key performance indicator section of this Annual Report.

Service 1: Key deliverables

Industry regulation

While maintaining its regional presence, in December 2014 the Department restructured its delivery of industry regulation services into three broad industry sectors: process, resources and waste. This industry sector structure is expected to improve technical capability and efficiency in decision-making.



The Department continued its industry regulation reform program during the reporting period, and as part of this process released a number of draft documents for public comment, including:

- *Guidance statement: Regulatory principles* (November 2014)
- *Guidance statement: Setting conditions* (December 2014)
- *Guidance statement: Environmental Standards* (June 2015)
- *Environmental Standard: Composting* (June 2015).

Clearing regulation

On 1 January 2015, the assessment bilateral agreement between the Commonwealth of Australia and Western Australia came into effect. Implementation of the Agreement will streamline environmental assessment of proposed native vegetation clearing actions and minimise duplication while maintaining high environmental standards.

An upgrade to the Department's clearing permit system went live in February 2015, bringing improved public access and greater transparency to native vegetation clearing approvals under the EP Act.

Compliance

Proactive industry regulation compliance activities are coordinated through the annual *Industry Regulation Compliance* program. In 2014–15, the program covered five compliance streams—prescribed premises, controlled waste, native vegetation, waste and targeted industry sectors. The target of 971 inspections was exceeded in 2014–15, with 1,086 inspections being undertaken.

Noise regulation

Following amendments to the *Environmental Protection (Noise) Regulations 1997* on 5 December 2013, the Department published guidelines during 2014–15 for the new Regulations covering motorsports venues, shooting venues and major concert venues, and draft guidelines for waste collection and other works.

Air quality service

During 2014–15, the Department continued the maintenance and operation of eight metropolitan and five regional fixed air quality monitoring stations to assess the presence of NEPM criteria pollutants, including carbon monoxide, nitrogen dioxide, ozone, sulfur dioxide (SO₂) and particles. During this reporting period, an additional monitor was deployed for 12 months to measure SO₂ in Collie to compare and confirm measurements made by other SO₂ monitoring programs in the area.

The Department provided essential scientific advice and guidance for the development of the inaugural cumulative dust modelling estimates for Port Hedland to inform the Port Hedland Dust Taskforce in its deliberations regarding dust management in the town.

Field work for the Phase IV Kwinana Background Air Quality Study, which included monitoring of short-term odour and air pollutants around the Kwinana Industrial Area, was also completed. The data is being analysed and a report will be released in 2015–16.

Enforcement

The Department administered 183 environmental sanctions in the 2014–15 financial year, including infringement notices, formal warnings and prosecutions.

Pollution response

The Department responded to 184 pollution incidents within Western Australia including a number of hazardous materials fires, chemical spills, tanker roll overs, clandestine drug laboratories and illegal dumping of hazardous chemicals.

Contaminated sites

The report on the review of the *Contaminated Sites Act 2003* (CS Act) was tabled in Parliament in February 2015. Key guidance documents were revised to implement the findings of the review.

An Investigation Notice under the CS Act was served on a composting facility to delineate groundwater impacts from the facility.

A total of 3,000 sites were classified in accordance with the CS Act and entered on the Reported Sites Register by June 2015.

Service 2: Environment Policy*



**This service area was formerly named Environmental Sustainability and Climate Change and was revised and renamed Environment Policy during 2014–15. The Department's performance against the new service area's Key efficiency indicators will be outlined in the 2015–16 Annual Report.*

The Department of Environment Regulation develops and implements strategic policy and legislation to promote environmentally sustainable outcomes.

Under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), the Department:

- supported negotiations for assessment and approvals bilateral agreements with the Commonwealth Government to accredit the clearing permit process as part of the Australian Government's 'one-stop shop'; and
- continued to support the strategic assessment of the impact of development in the Perth and Peel regions on matters of national environmental significance.

The Department continued to implement:

- the provision of data to the National Pollutant Inventory, a publicly accessible national internet database (www.npi.gov.au) that provides the community, industry and government with information on the emissions of 93 selected substances from industry, transport and commercial premises to air, land and water. The Department worked with industry to collect, validate and provide publicly available emissions and transfers data from 829 industrial facilities in Western Australia;
- the BurnWise program to promote responsible wood heater operation. BurnWise provides support and tools for Environmental Health Officers to reduce the impacts of wood smoke in their communities. The BurnWise program released guideline materials in August 2014 to promote correct wood heater operation and provide support and tools to local government environmental health officers to reduce adverse impacts on air quality from wood heater smoke;



- the CleanRun program to address vehicle emissions. CleanRun is an implementation measure of the National Environment Protection (Diesel Vehicle Emissions) Measure and the Perth Air Quality Management Plan, consisting of a range of targeted initiatives to reduce vehicle emissions including driver behaviour change, on-road vehicle emissions testing and smoky vehicle reporting. Roadside monitoring with a remote sensing device was undertaken over ten days in late 2014, with a community vehicle testing day held in March 2015 at Kings Park;
- the Low Emissions Energy Development (LEED) fund to invest in the development of technologies to cut greenhouse gas emissions in the energy sector. More than \$1.8 million of LEED funding for successfully completed milestones was paid in 2014–15. During this year:
 - Carnegie Wave Energy completed its wave farm off Garden Island with a launch by the Federal Industry Minister, Hon Ian MacFarlane and the State member, Hon Phil Edman, on 18 February 2015. The launch received global media coverage. The system has now successfully operated for more than 10,000 hours of operation, an industry record, and the project is generating electricity as the first grid-connected wave array in the world;
 - Curtin University's Fuels and Energy Technology Institute has successfully tested its demonstration pyrolyser with mallee biomass to produce renewable solid, liquid and gas fuels; and
 - at least three LEED-funded projects have led to the development of new spin-off companies to commercialise aspects of the technologies, creating new clean energy jobs for Western Australians
- commencement of the assessment bilateral agreement with the Commonwealth Government to accredit the State's clearing permit process under the EPBC Act to streamline assessments and reduce duplication of existing Western Australian and Commonwealth processes on 1 January 2015. The Department is continuing to support negotiations for an approvals bilateral agreement.



Service 2 — Environment Policy—Performance Summary⁽¹⁾

	2014–15 Target ⁽²⁾ \$'000	2014–15 Actual \$'000	Variation ⁽³⁾ \$'000
Total cost of service	31,945	22,577	9,368
Less income	61,392	60,805	587
Net income (cost of service)	29,447	38,228	(8,781)
Employees (full-time equivalents)	65	73	(8)
Key efficiency indicators			
Cost of Administering Waste Avoidance and Resource Recovery Account as a Percentage of Total Funds	7%	10%	(3%)
Cost of Administering Low Emissions Energy Development Fund as a Percentage of Total Funds	0.65%	0.64%	0.01%

(1) This service was renamed Environment Policy in 2014–15 and the Department's performance against the new service area's Key efficiency indicators will be reported in the 2015–16 Annual Report.

(2) As specified in the 2014–15 Budget Statements.

(3) Further explanations are contained in the Key performance indicators section of this Annual Report.

Service 2: Key deliverables



Policy advice

In this reporting period the Department:

- progressed the statutory review, on behalf of the Minister for Environment, of the *Waste Avoidance and Resource Recovery Act 2007* (WARR Act) to assess its effectiveness in delivery of waste outcomes;
- continued to participate in the development of a new National Clean Air Agreement, which will provide a national air quality policy framework;
- continued to administer the Perth Air Quality Management Plan in 2014–15 in consultation with the Air Quality Coordinating Committee;
- in cooperation with industry, maintained its governance role in the monitoring of rock art on the Burrup Peninsula to ensure its protection against air pollutants; and
- provided climate change advice to State agencies, local governments and other stakeholders on climate change risk and vulnerability assessments and adaptation planning.



Service 3: Waste Strategies*

* *This service area was introduced in 2014–15 and the Department's performance against the Key efficiency indicators will be reported in the 2015–16 Annual Report.*

The Environment Minister has a statutory responsibility to resource the Waste Authority. The Department of Environment Regulation employs staff to support the Waste Authority, implements programs and projects in the Waste Authority Business Plan 2014–15, and advises the State Government on reducing the environmental impact of waste.

The Waste Avoidance and Resource Recovery Account is to be administered by the Waste Authority (s 79(2) of the WARR Act).

The Department progressed the statutory review of the WARR Act to assess its effectiveness in meeting its objectives, and its alignment with the Government's waste management policy. A discussion paper setting out potential reform proposals was released for public consultation from 1 December 2014 to 23 February 2015.

To assist in achieving landfill diversion targets, provide an incentive for the markets for waste-derived materials and aid the Department's assessment as to when certain waste-derived materials can be regarded as having ceased to be waste, the Department is implementing an end-of-waste framework.

A guidance statement was published on 14 November 2014 setting out the Department's intention to develop material guidelines for the production and use of waste-derived materials where their use does not cause an unacceptable risk to the environment, divert waste from landfill, or reduce the demand for raw materials and fossil fuels.

Material guidelines for clean fill and construction products were published on 2 January 2015. Material guidelines for soil products and road base (fly ash) are progressing in consultation with industry experts.

A guideline for submitting an application for a case-by-case determination for the use of waste-derived materials was published for consultation in April 2015. The guideline will outline the steps to be taken, including the information required in an application, to seek a case-by-case determination for production of waste-derived materials. Additional information requirements for manufactured fill are being finalised.

Service 3: Key deliverables

The landfill levy rates that apply to waste disposed of into putrescible and inert landfills were increased by the State Government from 1 January 2015 to address one of the key drivers of waste disposal—cheap landfilling.

Regulatory capacity to implement the landfill levy regime has been significantly increased following feedback from industry on the need to ensure that compliant operators are not competitively disadvantaged through additional inspection, compliance and illegal dumping staff. These staff will ensure that illegal dumping and levy evasion are not seen as viable options in response to increased landfill levy rates.

Amendments have been made to the *Waste Avoidance and Resource Recovery Levy Regulations 2008* to exempt asbestos from the landfill levy to encourage the proper disposal of this material.



Budget and key performance indicator summary

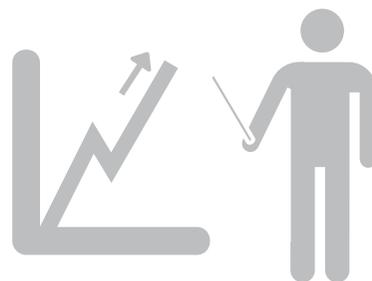
Target versus actual results

Financial targets			
	2014–15 Target ⁽¹⁾ \$'000	2014–15 Actual \$'000	Variation ⁽²⁾ \$'000
Total cost of services (expense limit)—sourced from Statement of Comprehensive Income	72,181	62,815	9,366
Net income (cost of services)—sourced from Statement of Comprehensive Income	16,424	26,553	(10,129)
Total equity—sourced from Statement of Financial Position	20,831	55,777	(34,946)
Net increase/(decrease) in cash held—sourced from Statement of Cash Flows	(1,196)	7,784	(6,588)
	2014–15 Target	2014–15 Actual	Variation
Approved full-time equivalent (FTE) staff level	340	305*	35

(1) As specified in the 2014–15 Budget Statements.

(2) Further explanations are contained in Note 34 'Explanatory statement' within this Annual Report.

*Average FTE for 2014–15



Summary of Key Performance Indicators			
Outcome 1: Emissions and discharges meet acceptable criteria	2014–15 Target ⁽¹⁾	2014–15 Actual	Variation ⁽²⁾
Key Effectiveness Indicator(s):			
Number of exceedances of approved environment criteria by regulated activities	25	21	4
Number of air National Environment Protection Measure exceedances per annum of criteria pollutants	21	20	1
Service Area 1: Environmental Regulation	2014–15 Target ⁽¹⁾	2014–15 Actual	Variation ⁽²⁾
Key Efficiency Indicator(s):			
Average Cost per Air Monitoring Station	\$359,884	\$357,652	\$2,232
Average Cost per Industry Licence	\$27,882	\$25,735	\$2,147
Average Cost per Contaminated Site Assessment	\$5,315	\$5,672	(\$357)
Average Cost of Remediating State Sites	\$743,250	\$2,455,000	(\$1,711,750)
Outcome 2: Adoption of environmentally sustainable practices to protect, manage and restore the State's natural resources	2014–15 Target ⁽¹⁾	2014–15 Actual	Variation ⁽²⁾
Key Effectiveness Indicator(s):			
Percentage of waste in the metropolitan area diverted from landfill through recycling	49%	45%	4%
Service Area 2: Environmental Sustainability and Climate Change	2014–15 Target ⁽¹⁾	2014–15 Actual	Variation ⁽²⁾
Key Efficiency Indicator(s):			
Cost of Administering Waste Avoidance and Resource Recovery Account as a Percentage of Total Funds	7%	10%	(3%)
Cost of Administering Low Emissions Energy Development Fund as a Percentage of Total Funds	0.65%	0.64%	0.01%

(1) As specified in the 2014–15 Budget Statements.

(2) Explanations for the variations between target and actual results are presented in the Key performance indicators section within this Annual Report.



SIGNIFICANT ISSUES



OVERVIEW



PERFORMANCE



SIGNIFICANT
ISSUES



DISCLOSURES
& COMPLIANCE



REQUIREMENTS

Department significant issues

Throughout 2014–15, the Department continued to focus upon its regulatory performance and reforms to streamline and improve regulatory processes. The Department is developing amendments to the EP Act and its regulations to streamline the processes for regulation of emissions and discharges, and clearing of native vegetation.

Participation in the State Government's negotiations with the Commonwealth to remove duplication for matters of national environmental significance regulated by clearing permits continued during the reporting period. A bilateral agreement to accredit the Department's clearing permit assessment for matters of national environmental significance commenced on 1 January 2015. A further bilateral agreement to accredit the clearing permit decision is also being negotiated, as this will remove all duplication with the Commonwealth's environmental approval process and decision under the Commonwealth EPBC Act.

The Department is reviewing the WARR Act to identify improvements in waste management to support achievement of the recycling targets in the Government's *Waste Strategy: Creating the right environment*.