

Environmental Protection Authority

**Quarterly Performance
Report to the Ministers**

**From 1 October to
31 December 2019**



Introduction

1. This report for the period 1 October to 31 December 2019 covers:
 - Delivering on the Letter of Expectations
 - Delivering on our strategy
 - General update
 - Financial overview.

Delivering on the Letter of Expectations

High-level priorities

Maintaining fiscal responsibility

2. The Environmental Protection Authority's (EPA's) financial sustainability is closely monitored, with regular internal reporting to management and the Board. This includes forecasting of the EPA's cash flow position into future years. The first of our two annual financial reforecasts has been completed.

Managing the Programme of Work (POW)

3. We continue to progress initiatives to address recommendations from the KPMG Project Management audit.
4. Active projects are the Knowledge programme, the Hazardous Substances (HS) Modernisation programmes, Mātauranga Māori, Compliance Shift, and environmental DNA (eDNA) projects.
5. The post-implementation review (PIR) report for the Industrial Allocations Processing System transfer for the NZETR has been reviewed and finalised for distribution. Work on the PIR for the HR System project has begun with an independent supplier selected and a high-level schedule agreed.

Increasing focus on Compliance, Monitoring and Enforcement (CME)

6. Work in the Compliance Shift programme has been focused on three areas:
 - completing a review of our regulatory approach and policy
 - streamlining our enforcement officer warranting programme
 - managing our information needs.

Hazardous substance (HS) compliance

7. KPMG has completed phase one of the Department of Conservation (DoC) vertebrate toxic agents (VTA) permissions audit. The draft report, including recommendations for phase two, was provided to the EPA for comment on 20 December 2019 and will be reviewed by the EPA before it is finalised.

8. The 2018 annual report on aerial 1080 operations has been published on our website. This report provides greater detail than previous years, giving more information on operations and research. In total, there were 29 operations covering 441,000 hectares of land. This compared with 50 operations across 877,000 hectares in 2016/17. Formal warnings have been given to two entities that failed to provide the EPA with aerial 1080 post-operation reports.
9. Verification inspections were undertaken in December 2019 at six sites as part of our investigation into firefighting foams containing perfluorooctane sulfonate (PFOS). Results show a low residual contamination level of PFOS in a sample from one site. We are considering what this means for the unverified sites and will work with the company concerned to ensure decontamination is undertaken.
10. The draft reports for our audits of Waikato Public Health Unit, Toi Te Ora Public Health, and MidCentral Public Health Service into their management of the VTA permission system, have been released for their comment.
11. A number of notifications of containment approval trials taking place this growing season have not met the control requirements. We are gathering and assessing information and enforcement options.

Land and ocean compliance (LOC)

12. We issued an abatement notice, a statutory notice under the EEZ Act, following a discharge of hydrocarbons to the sea from the Tui Field. The abatement notice prohibited the production of hydrocarbons with the potential to result in environmental effects if discharged to the sea.
13. Two separate inspections of the offices of Tamarind Taranaki Limited were completed as part of the investigation into an authorised discharge of hydrocarbons to the sea, related to the issue of the abatement notice above.
14. As part of the EPA compliance programme, we inspected the Maui A platform, targeting management of hazardous substances, compliance with EPA issued consents and the EEZ Act. The inspection findings are being collated and the inspection report drafted.
15. As part of the EPA compliance programme, an inspection of the COSLProspector drilling rig was completed to assess compliance with their EPA issued consents and the EEZ Act. The COSLProspector completed exploration drilling of the Gladstone-1 exploratory well in the Taranaki Basin in December 2019 on behalf of OMV NZ Ltd. Drilling failed to find commercial levels of hydrocarbons. The inspection findings are being collated and the inspection report drafted.
16. As part of their deemed consent, Coastal Resources Limited (CRL) are required to submit documents for approval prior to dumping sediment into the sea. In this period, we approved a disposal site monitoring and management plan, and a dredge sampling methodology for dumping operations.

17. We processed two permitted pre-activity notifications to undertake water column sampling and measurements, and to establishing a tsunami monitoring and detection network to the north and east of New Zealand using Deep-ocean Assessment and Reporting of Tsunami Buoys. This is the first stage required for users to be able to undertake activities in reliance of the permitted activity regulations.
18. We assessed the pre-activity notification for Rocket Lab's 'Running Out of Fingers' rocket launch. The rocket was launched on 6 December 2019.
19. We assessed compliance with 52 oil record books, seven dredge trip reports and seven discharge reports. Each was closed out with a letter to the operator identifying areas for improvement, where applicable. A Promapp process and a letter template were developed for desk-top monitoring of oil record books to standardise the process.
20. We attended the International Offshore Petroleum Environmental Regulators (IOPER) forum from 28 to 31 October 2019 in Washington. The IOPER forum is an association of regulators that manage the environmental risks associated with offshore oil developments. The event included the annual general meeting and seminars, with a particular focus on oil spill preparedness and response, decommissioning, environmental performance indicators, the science of marine sound, and advances in science, in particular eDNA.

Emissions Trading Scheme (ETS) compliance

21. We carried out three site and office-based inspections of participants in the oil and gas sector. A fourth inspection was postponed due to planned protest activity in New Plymouth and is being rescheduled for late-February 2020. A 3rd party-only audit was also carried out in November 2019. For all inspections and audits where site and office-based activities have been completed, we are now in the process of identifying any issues for follow-up and drafting reports.
22. On 3 December 2019, we issued a statutory request for information to one of the participants who we had recently inspected. The purpose was to get the necessary files to complete data reconciliation exercises that were not done during the inspection due to time constraints. The participant responded on 17 December 2019, but has not met the requirements of our request. On 19 December 2019, we informed the participant that we would be considering a further compliance and enforcement response. We have other statutory information-gathering powers available to us and will consider which is appropriate to use in this instance.

Interim Resource Management Act (RMA) Enforcement Unit

23. We presented at the Investigator Best Practice Network conference in Palmerston North in early October 2019. The conference was an opportunity to engage directly with frontline regional and unitary council investigation staff from around the country.

24. We assisted regional council officers in late October 2019, with inspections of a large (35 hectare) earthworks site and dairy effluent systems.
25. At the Environmental Compliance Conference in Christchurch, the EPA presented alongside the Ministry for the Environment (MfE) under the umbrella title of 'Central Government's Role in CME'.
26. Mining activities were inspected following an invitation from a regional council.
27. An independent review of an investigation was undertaken for a regional council and input was also provided to another regional council investigation in progress.
28. We hosted EPA Victoria in an informal discussion about regulatory reform.

Working with iwi/Māori

Te Herenga

29. On 17 October 2019, we met with four iwi from Te Tau Ihu and gave a presentation that outlined:
 - an overview of the EPA's functions
 - assistance that we can offer to help them provide Māori perspectives for applications and submissions
 - an overview of Te Herenga.
30. The feedback from the presentation was positive. We received questions on how Māori views are incorporated into the work that the EPA undertakes and how iwi can be supported with their aspirations in the industry areas that the EPA administers. We outlined how we can assist iwi, such as a regional/national Te Herenga Hui and Zoom workshops. The iwi representatives will now consider how they would like to be assisted and then contact their preference.
31. Preparations are underway for the bi-annual Te Herenga National Hui on 11 to 12 March 2020, being held at Takapuwhia Marae, Porirua. The hui includes a rangatahi (younger generation) summit, which aims to introduce rangatahi to the work of the EPA and, for some, to those of their iwi working in this area. Proposed agenda items include:
 - overview of the mātauranga programme
 - Ngāti Toa Rangatira: environmental aspirations
 - eDNA project in collaboration with Ngāti Toa Rangatira
 - rangatahi summit.

Mātauranga Programme

32. On 16 October 2019, we gave a presentation to the Chief Science Advisor forum on the mātauranga framework which was positively received. Key questions focused on the rigour and veracity of

mātauranga, our aspiration that evidence based on mātauranga should be capable of being given equal weight to evidence based on science and other disciplines, and whether we could hold mock hearings for various government departments present.

33. We conducted an internal mock hearing on 11 November 2019, using the same new organism scenario considered by the Hazardous Substance New Organism (HSNO) Committee in September 2019. The purpose was to familiarise the mātauranga framework and companion guide, and gain some insight into the use of the framework from the perspective of a decision maker.
34. On 13 November 2019, we presented to the Australia New Zealand Society of Risk Analysis conference, which had mātauranga and cultural assessment as one of its themes. The conference was attended by over 90 people from eight different countries. Feedback was very positive.
35. We also presented to the Ministry for Primary Industries' (MPI) Wai 262 Co-ordinating Group on 14 November 2019. There was strong interest in the process the EPA followed to build support for the Mātauranga programme and opportunities to provide mutual support.

He Whetū Mārama

36. Events and workshops in February 2020 will help the EPA celebrate Waitangi Day. Some scheduled events include a visit to the National Library and the He Tohu exhibition, a discussion of post-Treaty settlement management, and mihimihi/pepeha workshops for all staff.

Operational expectations

Improving HS – reassessments and chemical modernisation

Hazardous substances reassessment

37. The modified reassessment for methyl bromide hearings will be held in Auckland, Wellington and Tauranga, with March 2020 being an indicative date.
38. The paraquat hearing concluded, with the decision released in December 2019. The decision reapproved three approvals and revoked four approvals.
39. The EPA-initiated grounds to reassess neonicotinoids were granted by a Decision-making Committee (DMC) in December 2019.
40. EPA initiated grounds have been granted for reassessing benzalkonium chlorides. An application for the reassessment was formally received and publicly notified in December 2019. The submission period closes on 27 February 2020.
41. Grounds to reassess hydrogen cyanamide were established in September 2019 as part of an external application.

Hazardous Substances Modernisation

42. Chemical Map – the second iteration of executive view dashboards has been completed by the supplier. Iteration two included more New Zealand data sets and further metrics on harm and volume analysis. Iteration three will begin in January 2020 and will look to include international data sources.
43. The Globally Harmonised System implementation project is progressing. The first consultation document and an exposure draft of the new Classification Notice were released in October 2019. Consultation will close on 9 January 2020.
44. Quality Management System – Operational Performance Reporting: the dashboard work has been completed. The next phase is being planned. Delivery of leadership development workshops continues.
45. HS Database Replacement – testing of the IUCLID 2019 release continues, with no major issues being raised. A contract with the New Zealand based supplier for reporting, data migration and publishing functionality has been signed.

Working with Emissions Trading Scheme agencies

46. The EPA is continuing to work with MfE and MPI to support legislative amendment of the Climate Change Response Act. These changes will impact on the way that the ETS functions, including providing the EPA with more compliance and penalty tools to address non-compliance. The amendment bill is currently before the Environment Committee.

Sustainability

47. In November 2019, the EPA had its first audit under the Toitū Carbonreduce programme (previously CEMARS). Our certification programme runs to 2021 with audits each year. The results were encouraging, with a ten percent absolute reduction in carbon emissions from our base year 2017/18. We have also achieved significant reductions in the intensity of our emissions (emissions per staff member).

Source of emission	% Reduction Goal for 2021	% Reduction Achievement 2018/19
Travel	8	26
Energy	8	18
Waste to landfill	15	23

48. Toitū congratulated us on our reduction achievements and noted that our data quality was high.

Delivering on our strategy

One EPA

Raising the EPA's profile

49. The total reach (number of users who viewed our content) on Facebook from October to December 2019 was 157,296. Our Legionnaires Disease post had the highest reach during this period (21,309).
50. The number of Facebook followers (those who actively subscribe to our page) from October to December 2019 increased by 13.8 percent to 2,229. We received 12,161 engagements (people who actively engaged with our posts, including reactions, comments, post clicks and shares).
51. EPA-related media coverage ranged from approval of a release wasp biocontrol agent, the High Court appeal against the CRL marine dumping decision, Greenpeace's legal action over OMV GSB's applications, protest action on OMV decisions, delays in a water conservation order (WCO) decision relating to the Waikoropupu Springs, the release of the Native and Surrogate Species Report, methyl bromide, glyphosate, changes to the ETS, the enquiry into the 1080 aerial operation in Mapara, the annual report on aerial use of 1080, Tamarind Taranaki Limited abatement notice, the granting of marine discharge consents to OMV, and greater restrictions on the use of paraquat.
52. Media releases covered the decisions on the release of a wasp biocontrol agent, OMV GSB marine consent and marine discharge consent in the Great South Basin, the opening of submissions on proposed updates to the benzyl alkonium chloride approvals, the 1080 aerial operations annual report, findings from the Mapara 1080 enquiry, greater controls placed on the use of the herbicide paraquat, the publication of the Native and Surrogate Species report, the Tamarind Taranaki Limited abatement notice, and increased testing of methyl bromide operations at the Port of Tauranga.
53. Seven 'latest news' articles were also published on our website during this period. We gave an explanation of the process for non-notified marine consents, provided information on glyphosate and the rules around its use, gave background information on OMV GSB's plans for exploration in the Great South Basin, advised people of the publication of a report on the evaluation of New Zealand's HS compliance system (Technical Working Group report), noted the decision issued by the High Court on the CRL marine dumping consent, advised of a time extension on the OMV GSB decision, and published a 'year in review' message from the Chief Executive, that also featured in our end of year Te Pūtara Bulletin newsletter.

Customer centricity

54. We have launched our new customer survey system with a company called Big Ears. The surveys are focused on assessing whether and how well we are meeting our customers' needs. We can receive customer feedback in text, voice and graphical form to easily see common themes and track trends. In

December 2019, we delivered surveys for the ETS focusing on different experiences with the NZETR. In Q3, we are planning to design engagement and science surveys to assess the quality of our engagement and utility of the information we provide. The intention is to deliver these and agency surveys over the next six months. We are ensuring that the EPA is compliant with the Privacy Act and the EPA's 2019 Information Gathering policy.

55. We have developed a customer centricity maturity model and are testing and evaluating our maturity level in this area. Interim results are planned to be presented to the Executive Leadership Team (ELT) in March 2020. Then an independent assessment of EPA's overall customer centricity maturity level will be presented to the Board in May 2020.
56. Our customer complaints policy is under review and will be aligned to the 2019 Ombudsman's Guide to Effective Complaints Handling.

Consumer awareness

57. In October 2019, we presented the Safer Homes programme at the Gisborne A&P show. The stand featured activities for children and a community comments wall where members of the public had an opportunity to give us feedback on what's important to them. The stand was popular with over 200 comments provided and over 250 Safer Homes info bags shared among visitors.
58. In November 2019, we attended the Nelson A&P Show. The EPA's stand featured activities for children, including Safer Homes and pollinator activity sheets, and a community wall enabling public feedback on environmental issues that are important to them. Nelson is a target region for the Safer Homes programme (based on HSNO monitoring report data).
59. On 28 November 2019, we held our first 'Kai and Kōrero' community engagement initiative. We had some constructive discussions and gathered insightful feedback on 'what's important', 'think big' and 'bold ideas'.
60. The EPA's regular radio slots continued (monthly with Turanga FM in Gisborne and quarterly with Radio Kahungunu in Hastings) promoting our Safer Homes messaging.

Partnership plus

61. On October 31 2019, we held our annual stakeholder update to share our strategic direction over the next four years. Attendees included representatives from industry, local government, non-government organisations and community groups.

People potential

Leadership capability

62. The ELT remains focused on leading the EPA's cultural transformation, including building a strong leadership and coaching culture. A refresh of our approach to leadership capability has been included in the draft 2019–2023 People Strategy, as a core enabler for delivery and employee experience. Leadership coaching continues for the ELT and other senior leaders.

Organisational capability

63. We are working on a resourcing strategy, with a draft to be presented to ELT in February 2020. The strategy looks at solutions to the challenges faced in recruiting for highly specialised roles, and the flexible recruitment practices needed to respond to changing demands. Workshops are being held with hiring managers, and we are investigating new ways to attract and search for candidates.

General update

Proactive regulator

Fire Fighting Foams Group Standard 2017 amendment

64. Consultation on a proposal to amend the Fire Fighting Chemicals Group Standard 2017 closed on 16 December 2019. The proposed amendments provide for the phasing out of all PFAS (per- and poly-fluorinated alkyl substances) containing fire-fighting foam products. A total of 20 submissions were received, with nine submitters indicating that they want to speak at a hearing. Overall, submitters supported the proposals to prohibit and phase out fire-fighting foams containing PFAS. However, the majority of submitters wanted the proposal to phase out C6 foams at the same time as C8 foams to be reconsidered or delayed, citing ongoing doubts about the effectiveness of alternative fluorine-free foams.
65. Preparations for a hearing have begun. In light of the nature and volume of submissions received, the hearing date planned for the statutory 30 working days from the close of the consultation is planned to be extended. A waiver is currently being sought. Analysis of the submissions to determine what changes may be appropriate and what timeframe drafting these will require, is continuing. This analysis may raise legal questions that need to be addressed. For example, an option was proposed to establish a permissions scheme to cover the phasing out of C6 foams. Confirmation may be required of the extent to which such a scheme is permissible under the legislation.

Smoke-free Environments (Vaping) Amendment Bill

66. The EPA is continuing discussions with the Ministry of Health (MoH) regarding the timing of the amendment bill, MoH's development of product safety standards, and ways in which the overall regulatory landscape interacts around the proposed new Bill.

Update of the Hazardous Substances (Storage and Disposal of Persistent Organic Pollutants) Notice 2004

67. In May 2019, the Conference of the Parties decided to list more substances as Persistent Organic Pollutants (POPs) under the Stockholm Convention. As a signatory to the Stockholm Convention, New Zealand will need to amend the HSNO Act to include the new listings in Schedule 2A by the time the Convention listing comes into effect. This is likely to be in late 2020.
68. At the Conference of the Parties to the Basel Convention held in May 2019, general technical guidelines on the environmentally sound management of wastes consisting of, containing or contaminated with persistent organic pollutants were adopted. The Basel General Technical Guidelines provide internationally recognised best practice guidance on the environmentally sound management of wastes containing POPs.
69. Storage and disposal of POPs are regulated by the HSNO Act and the Hazardous Substances (Storage and Disposal of Persistent Organic Pollutants) Notice 2004. As a result of the above developments in the regulation of POPs, the Notice needs to be updated. A draft of the Notice and the consultation document has been prepared. The draft Notice:
- incorporates by reference the relevant provisions of the Basel general technical guidelines
 - removes the existing cross-references to revoked regulations and incorporates the applicable references to the replacement legislation
 - includes provisions to extend coverage to manufactured articles.

Consultation under the new Stockholm Convention chemicals

70. The Conference of the Parties to the Stockholm Convention meets every two years and makes decisions on proposed chemical listings. In April 2019, the Convention added dicofol, and perfluorooctanoic acid (PFOA), its salts, and PFOA-related compounds to Annex A of the Convention. These listings take effect internationally on 3 December 2020. In order for the listings to apply domestically, they need to be added to Schedule 2A of the HSNO Act. The process for this amendment involves the Minister for the Environment requesting the EPA to consult on the new Stockholm Convention chemicals, and to provide advice on the proposed amendments. The Minister has asked the EPA to report back on this by end of March 2020. We plan to commence the consultation in February 2020 and are currently finalising the discussion document.

Decision-making processes are robust, transparent and auditable

New organisms

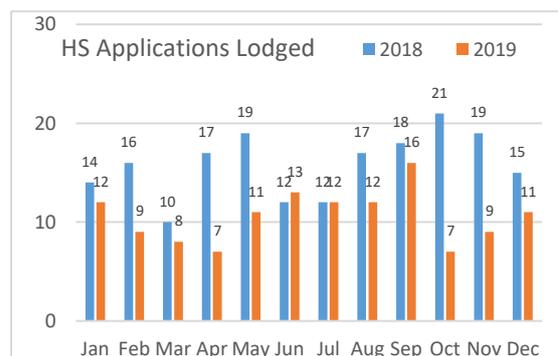
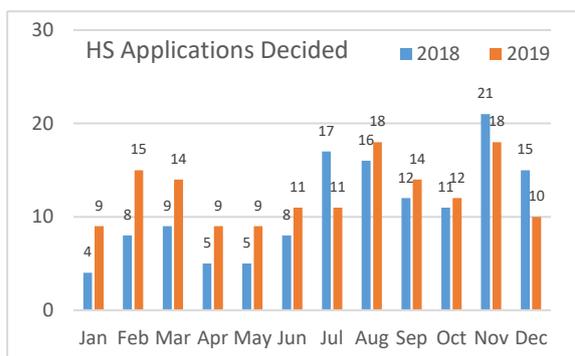
71. Following receipt of further information, the EPA referred its previous decision regarding eukaryotic cells treated with dsRNA to a Decision-making Committee (DMC) for reconsideration under section 26 of the HSNO Act. The DMC requested submissions from Landcare Research (the original applicant), as well as from Prof Jack Heinemann (University of Canterbury) and the Sustainability Council. These

submissions have been received, and MPI and DoC have been asked for any further information they hold. Staff advice is being prepared for the DMC.

72. New Zealand Forest Research Institute Ltd (Scion) applied to release the small parasitic wasp, *Pauesia nigrovaria*, as part of an effort to control and eradicate the giant willow aphid, *Tuberolachnus salignus*. The aphid was first reported in New Zealand in December 2013 in Auckland and has spread quickly across the country. The application was approved by the DMC on 3 December 2019.
73. We received an application from the Malaghan Institute to develop in containment murine cell lines, using replication-defective retroviral gene delivery systems for biomedical research to identify mechanisms in vitro and in vivo regulating the immune system during allergies, parasitic worm infections and cancers. This application was approved on 13 November 2019.

Hazardous substances applications

74. No appeals have been received for the decision on Kigali special permits (the remaining 20 percent allocation of hydrofluorocarbons (HFCs) not assigned during grand-parented eligibility). All import permits for new HFCs (grand-parented and special) for 2020 have been issued and entered into force on 1 January 2020.
75. A hearing took place on 30 October 2019 for Vayego, an insecticide containing the new active ingredient tetranilprole for use on various crops (grapes, pome fruit, stone fruit and kiwi fruit). The applicant Bayer provided new information eight working days before the hearing. Direction and Minute from the DMC are being drafted to ask for further information.
76. HS Application statistics for this quarter were: 40 decided, 34 lodged and eight formally received. Year-to-date comparative data is provided below for HS applications decided and lodged per month, per calendar year:



Exclusive Economic Zone applications

77. A decision is pending from the Court of Appeal on the marine consent for Trans-Tasman Resources.
78. On 3 December 2019, the High Court issued its decision regarding the marine dumping consent for CRL, quashing the EPA's decision and referring the matter back to the EPA for reconsideration. The Court ordered the EPA to have regard to the advice of Ngā Kaihautū Tikanga Taiao (NKTT) for

meaningful engagement with local iwi authorities and groups that may be affected by the application. A number of issues were raised around the decision-making process, as well as criticism of the consideration of the broader interpretation of existing interests and lack of consideration given to the NKTT report. We have begun working on operational implications of the decision and any changes to the EPA's processes that will be required.

79. On 16 December 2019, an EPA appointed DMC granted a marine consent and marine discharge consent in the Great South Basin, subject to conditions, to OMV GSB. This authorises the drilling of up to ten exploration and appraisal wells, as well as the associated discharges, within the Great South Basin. These applications were for non-notified activities, meaning public submissions were unable to be sought. For OMV GSB to proceed to production drilling in the Great South Basin after completion of its exploration and appraisal drilling programme, it will need to make publicly notified applications.
80. The OMV GSB decision was made shortly after the decision of the High Court on 12 December 2019 that dismissed an application for judicial review filed by Greenpeace. This judicial review submitted that the EPA should have exercised its power to hear related applications together in relation to the Exploration and Appraisal Drilling Programme application and an already decided marine discharge consent application. The Court took the view that the power allowed a non-notified and notified application together in the interests of expedience and efficiency, but was not intended to allow a non-notified application to be transformed into a notified application. It was satisfied that in this instance the power was exercised correctly in reaching a decision not to hear the applications together.
81. Tamarind Taranaki Limited the holder of a marine consent and discharge consent for development drilling in the Tui field in the Taranaki Basin, is now in liquidation. Receivers from Price Waterhouse Cooper have been appointed and have effective control of Tamarind Taranaki Limited while they assess the assets available for distribution to the secured creditor at which time control of the company will revert to the liquidators.
82. The contractual relationship between Tamarind Taranaki Limited and BW Offshore, the owner of the Umuroa, the vessel that was used as floating production storage and offloading vessel in the Tui field has ended. BW Offshore is seeking to disconnect the Umuroa. It has applied to the EPA for a ruling to disconnect its mooring lines and to leave the anchors on the seabed temporarily while seeking the necessary authorisations for removal or dumping of the anchors. It is also seeking to rely on a 2017 ruling made by the EPA to disconnect from Tamarind Taranaki Limited's subsea infrastructure. In addition to discussions with BW Offshore related to the authorisations it requires to the disconnect, the EPA has been involved in discussions with Tamarind Taranaki Limited's receivers and with New Zealand Petroleum and Minerals, Maritime New Zealand and WorkSafe in relation to the Tamarind Taranaki Limited liquidation.

83. OMV NZ has confirmed that the sale of its 69 percent interest in the Maari Field to Jadestone Energy Inc will be an asset sale and that transfers of consents will be required if the sale proceeds. The sale requires regulatory approvals and has not yet been completed and OMV NZ has advised that it is business as usual until that occurs.
84. OMV Taranaki Ltd have applied for a marine consent and marine discharge consent in relation to the Maui exploration and appraisal drilling programme within the Maui Field. The non-notified applications was lodged on 6 November 2019, with the first DMC meeting being held on 5 December. The DMC has a 50 working day statutory timeframe, in which to make its decision and provide it to the EPA.

Nationally Significant Proposals

85. The Special Tribunal deciding the application for a WCO for Waikoropupū Springs (Tasman) expects to deliver its final report in February 2020.

Emissions Trading Scheme

86. The NZETR Certification and Accreditation package has been signed off by the Chief Executive as the Accreditation Authority.
87. Preparatory work is under way with Datacom to enable the cancellation of privately held Kyoto units and replacement of the privately held New Zealand originated Assigned Amount Units with New Zealand Units. This is in line with previous governments' decisions, which are expected to be in the amended legislation once this is passed. Testing will take place over the next few months to ensure the functionality of these changes is correct.

Science team projects and update

88. The Science team has developed an eDNA community engagement program. eDNA is a rapidly developing tool when conducting environmental assessments, and familiarity with it will benefit assessment and compliance teams when evaluating applications that seek to collect environmental samples and apply eDNA technologies. The work undertaken in pilot eDNA programs is fostering collaborations with important external stakeholders including Zealandia, Greater Wellington Regional Council, Universities and iwi groups. Importantly the scientific credentials of the organisation are being increasingly recognised as we lead the national discussion in this developing area.
89. The EPA Principal Scientist is involved in follow-up work following scientific committee meetings of the Stockholm Convention and the Rotterdam Convention in Rome in October 2019. A Decision Guidance Document has been drafted for the flame retardant decabromodiphenyl ether, under the criteria of the Rotterdam Convention, and this has been reviewed by fellow members of the Chemicals Review Committee. A revised draft is being prepared. For the two chemicals which were introduced to the Stockholm POPs Review Committee assessment process – the insecticide methoxychlor, and the flame retardant dechlorane plus – draft risk profiles have been produced and are being reviewed.

Reporting

90. This quarter we responded to: 26 Official Information Act requests, ten Ministerials and nine Parliamentary Questions.

Financial overview

	Actual YTD \$000	Budget YTD \$000	Variance \$000	Budget FY \$000
Total Revenue	13,710	13,494	216	28,280
Total Expenses	14,447	14,407	(40)	28,938
Net operating deficit	(737)	(913)	176	(658)
Programme of Work Revenue	860	860	-	1,720
Programme of Work Expenses	1,621	1,874	253	4,432
Net Programme of Work	(761)	(1,014)	253	(2,712)
Net deficit	(1,498)	(1,927)	429	(3,370)

91. The EPA Board approved a deficit operating budget for 2019/20 to facilitate use of the accumulated cash reserves in achieving business and systems improvement projects under the EPA's POW.
92. The net deficit for the six months to 31 December 2019 is \$1.498 million compared with a budgeted deficit of \$1.927 million. The variance between Actual and Budget is mainly due to the following:
- Revenue is currently tracking \$0.216 million above budget. This is mainly due to higher than expected EEZ application fees for the first six months compared to budget.
 - Domestic and international travel costs are lower than budget due to a lower than expected number of trips having taken place.
 - The POW is currently tracking \$0.253 million behind budget but is expected to increase over the remaining six months of the financial year.

Summary of Costs by Appropriation for period ended 31 December 2019

Appropriation	Actual YTD \$000	Budget YTD \$000	Variance \$000	Annual Budget \$000
Decision Making	8,957	9,287	330	19,059
Monitoring & Enforcement	3,819	3,314	(505)	6,824
Emissions Trading Scheme	3,292	3,679	387	7,487
Total ¹	16,068	16,280	212	33,370

Note 1. This total balance comprises the costs reported as 'Total expenses' plus the 'Programme of Work' in the table above.

Summary Statement of Financial Position as at 31 December 2019

	Actual at 31 December 2019 \$000	Budget at 30 June 2020 \$000	Actual at 30 June 2019 \$000
Total Assets	12,656	9,686	14,607
Total Liabilities	2,631	2,604	3,084
Total General Fund	10,025	7,082	11,523
Working Capital ratio	3.2	2.0	3.2

93. The working capital ratio remains strong at 3.2 times.