

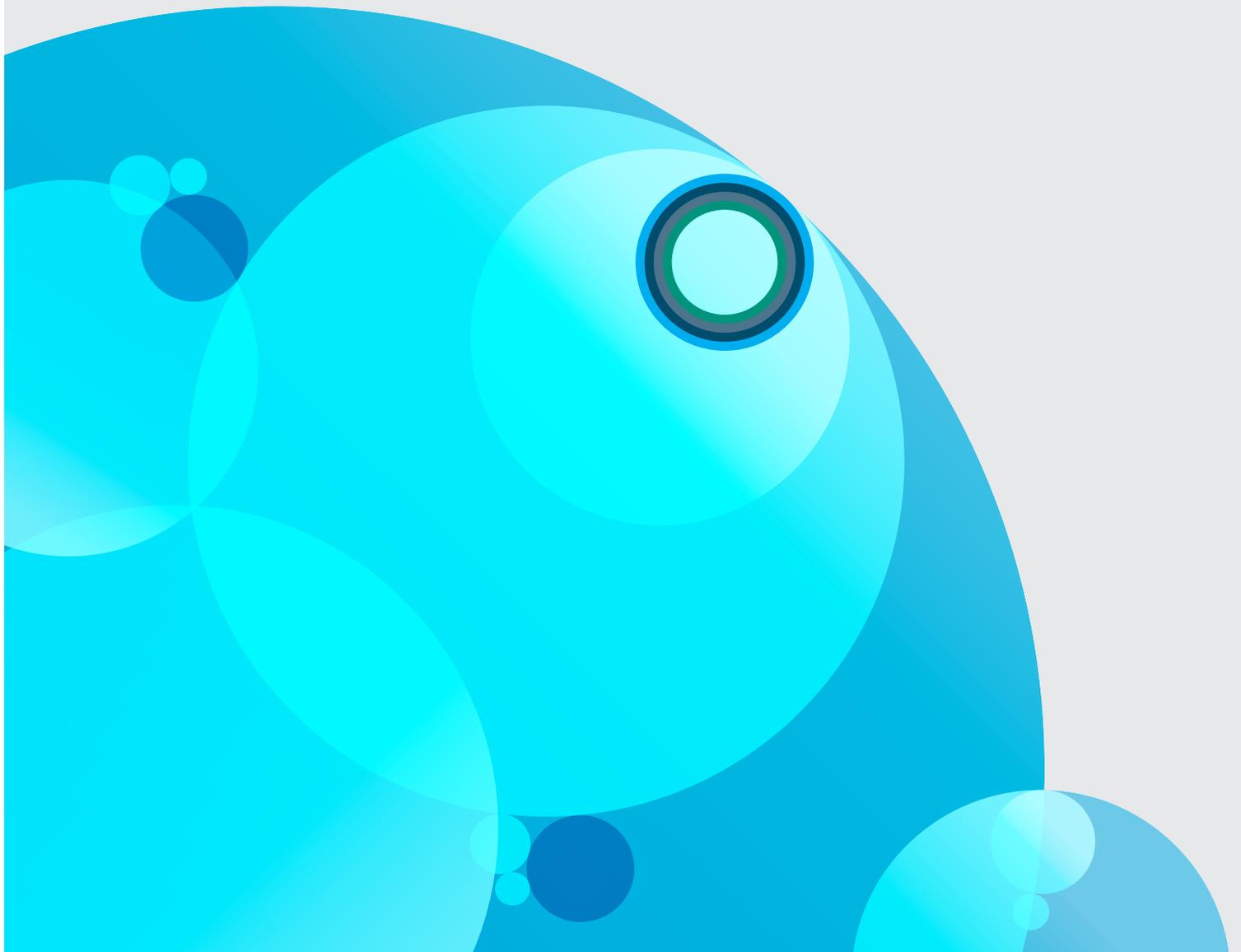


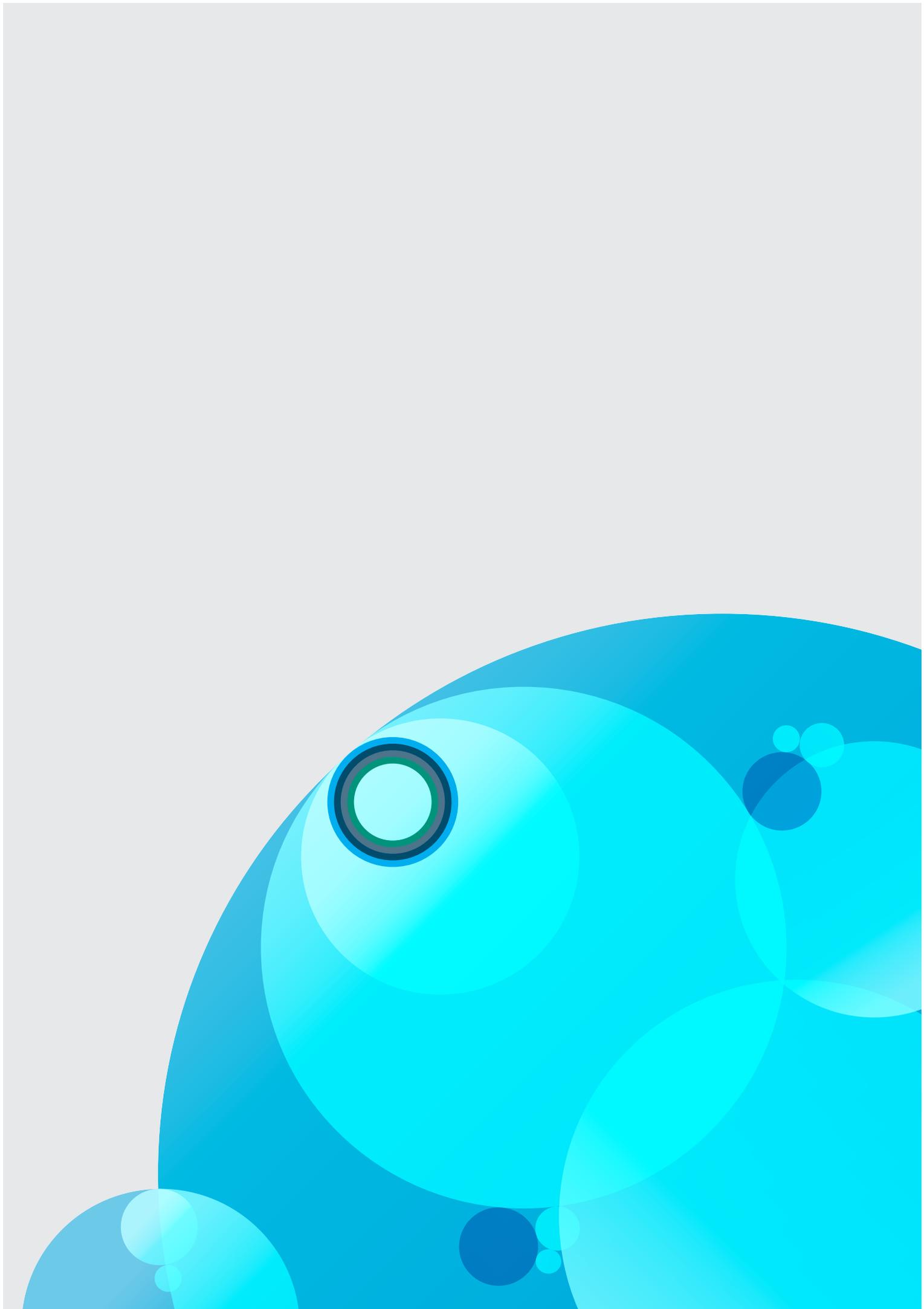
Environmental
Protection Authority
Te Mana Rauhi Taiao

Environmental Protection Authority

Statement of Intent

2014-18





Environmental Protection Authority
Statement of Intent
2014-18

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Strategy 2014-18

Our Vision

We will be a world-leading environmental regulator.



Our Mission

To protect people and the environment.



Our Approach



Our Work



Our Strategic Intentions

- We use evidence and science from New Zealand and overseas.
- We provide fair, transparent and timely service.
- We recognise the unique relationship of Māori to the environment in our decision-making.
- We work with others to achieve good outcomes.
- We are future focused and innovative.

We deliver robust, objective decisions and ensure compliance with rules to protect people and the environment.

-  Improve the efficiency of the regulatory framework for hazardous substances.
-  Maximise confidence in the integrity and service delivery of the Emissions Trading Scheme.
-  Embed the regulation of activities in the Exclusive Economic Zone and Continental Shelf.
-  Develop improved business capability through enhanced EPA systems.



Our People

We develop capable people who work to achieve our vision.

We share knowledge across the EPA and respond confidently to change.



Our Values

- We learn.
- We make a difference.
- We are professional.
- We deliver.

- We are a great team.
- We are well-connected.
- We are easy to deal with.



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Foreword

The Environmental Protection Authority (EPA) has a leading role in the efficient, effective, and transparent management of New Zealand's environment and natural and physical resources, and enables New Zealand to meet its international obligations (EPA Act 2011).

This document, our Statement of Intent 2014-18, together with our Statement of Performance Expectations (SPE) for 2014-15, forms our main accountability framework for the medium term.

The Statement of Intent contains our four key strategic intentions, from our refreshed EPA strategy:

- Improve the efficiency of the regulatory framework for hazardous substances.
- Maximise confidence in the integrity and service delivery of the Emissions Trading Scheme.
- Embed the regulation of activities in the Exclusive Economic Zone and Continental Shelf (EEZ).
- Develop improved business capability through enhanced EPA systems.

These four strategic intentions will form the main focus of our work over the next three to four years.

Early in 2014 the Board of the EPA adopted its Māori strategy, He Whetū Mārama, which will guide the EPA in undertaking its statutory obligations to Māori. It recognises that to achieve these obligations in an effective and sustainable way, a broad approach is required.

Our Minister has set clear expectations for the EPA in the letter of expectations. We are expected to not only focus on our strategic intentions as outlined above, but also to develop better and closer relationships with similar agencies, and with our industry stakeholders.

No entity can expect to make a difference by working alone. We need to ensure that we take some responsibility for results across the sector, and this is reflected in our higher-level performance indicators, where we may not control the outcome, but we do have influence. It is important that we accept our part in the wider outcomes that must be achieved

in the environmental sector, and monitor the results accordingly. These higher-level indicators, and the way in which we will measure them, are on pages 14 to 16. Further detail will be found in our SPE each year, including our progress over time towards the achievement of our strategic intentions.

During 2014-15 the Ministry for the Environment (MfE) will conduct a review of the effectiveness of the EPA over its first three years of operation. While the scope and timing of the review is still to be agreed, we will work to provide MfE with the information required and ensure that the evaluation is accurate and comprehensive. As part of our pre-review discussions with MfE, we will be exploring the use and timing of an EPA self-assessment using the Performance Improvement Framework. We anticipate a key part of the MfE review will be an assessment of our funding (including cost recovery provisions). The combination of the financial and operational reviews will ensure that the EPA is meeting its legislative and operational responsibilities, with the appropriate funding.

While our four strategic intentions identify where additional energy and focus is required, our 'business as usual' must continue to deliver robust, objective decisions and compliance requirements for the regulated sector. This is central to the achievement of the EPA's objectives (see the SPE 2014-15 for more detail). Page 19 shows how our strategic intentions align with the outputs we are funded to achieve. We will continue to benchmark our performance, including international comparators where available. We are growing and maturing as an organisation, while implementing major changes in our responsibilities. The work outlined above helps us work towards our vision to be "a world-leading environmental regulator".



Kerry Prendergast

CHAIR ENVIRONMENTAL PROTECTION AUTHORITY

Statement of Responsibility

The structure and content of this Statement of Intent follows the general requirements set out in the Crown Entities Act 2004, as amended by the Crown Entities Amendment Act 2013. The focus of the Statement of Intent is on public accountability and providing a base against which our medium-term performance can be assessed.

The Board members and the management of the Environmental Protection Authority (EPA) are responsible for maintaining systems and processes that support robust, objective decision making and compliance with the rules, and for providing reasonable assurance as to the integrity and reliability of financial reporting.

The performance to be achieved by the EPA for the years 1 July 2014 to 30 June 2018 that is specified in this Statement of Intent has been agreed with the Minister for the Environment, who is the Minister responsible for overseeing and managing the Crown's interests in the EPA. The Minister for Climate Change Issues has been consulted over issues relevant to that portfolio.

The Board acknowledges responsibility for the preparation of this Statement of Intent, which reflects the direction of the EPA for the financial years 2014-18.



Kerry Prendergast

CHAIR ENVIRONMENTAL PROTECTION AUTHORITY

29 May 2014



Kevin Thompson

DEPUTY CHAIR ENVIRONMENTAL PROTECTION AUTHORITY

29 May 2014

Who we are: New Zealand's national environmental regulator

The Environmental Protection Authority (EPA) was established as a Crown Agent under the Environmental Protection Authority Act 2011.

This Act requires us to:

- contribute to the efficient, effective, and transparent management of New Zealand's environment and natural and physical resources, and
- enable New Zealand to meet its international obligations.

We also have powers, duties and functions under various environmental Acts. When undertaking our functions under an environmental Act, we must act in a way that furthers any objectives (or purposes) stated in respect of that Act.

The relevant environmental Acts are:

- Resource Management Act 1991
- Hazardous Substances and New Organisms Act 1996
- Ozone Layer Protection Act 1996
- Climate Change Response Act 2002
- Imports and Exports (Restrictions) Act 1988
- Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012.



Who we are: part of New Zealand's environmental management system

We are part of a wider environmental regulation and management system in New Zealand, which is continually evolving. For example, we make decisions on applications to import potentially hazardous substances and new organisms, and on the environmental effects of oil, gas or mineral production in the EEZ.

We work closely with independent Boards of Inquiry appointed by the Minister for the Environment to make decisions on nationally significant proposals. While these decisions are not made by the EPA, we support each Board to run the process.

We administer the Emissions Trading Scheme and the New Zealand Emission Unit Register as well as helping represent New Zealand's interests in the work of international bodies dealing with climate change, chemicals regulation, chemicals and ozone-depleting substances governed by international conventions, and hazardous substances including hazardous waste and new organisms.

We work with others to achieve good outcomes. Our cooperation with other agencies ensures that elements of the wider natural resources sector are

aligned, and information and services are shared to support effective decision making. Our job is becoming more complex and the risks and benefits around each decision we make must be carefully weighed, not just from our own evidence, but also that received from many other sources within the sector, including consultation with iwi and community groups.

Our job is not only to deliver robust, objective decisions but, increasingly, to ensure compliance with rules and to take enforcement action when necessary. This is happening in particular around our role in the EEZ, and will involve a greater degree of partnership with other regulatory and operational agencies, at national and local level and also at times, internationally. Future compliance roles will include a new function for the import and manufacture of chemicals under the HSNO Act.

Specific key relationships are described on page 12.

What we do: make robust, objective decisions and ensure compliance

Our main activities are:

- regulation of pesticides, dangerous goods, household chemicals and other hazardous substances
- regulation of ozone-depleting substances, certain chemicals and hazardous waste controlled by international environmental agreements
- regulation of new organisms, including genetically modified organisms
- regulation of certain activities within the EEZ and Continental Shelf, for example the environmental effects of oil, gas or mineral production
- administration of Nationally Significant Proposals under the Resource Management Act
- administration of the New Zealand Emissions Trading Scheme and the New Zealand Emission Unit Register.

The Government expects the EPA to provide a consistent regulatory approach across the country and over a broad range of environmental issues. The EPA also provides advice on the implementation of government policy, environmental legislation and regulations. This includes providing advice to the Ministry of Foreign Affairs and Trade on environmental impact assessments for activities in Antarctica.

We participate, and help represent New Zealand's interests, in the work of international bodies dealing with climate change, chemicals regulation, chemicals and ozone-depleting substances governed by international conventions, and the regulation of hazardous substances, hazardous waste and new organisms.



What we do: work with other agencies to achieve good outcomes

Ministry for the Environment

The Ministry for the Environment is responsible for advising the Government on environmental management, including the environmental Acts and regulations established under these Acts, through which the EPA operates. Our technical knowledge and operational experience is an important practical input into the Ministry's advice to the Government about the regulatory framework. The EPA works closely with the Ministry in its capacity as New Zealand's National Greenhouse Gas Inventory agency.

We also liaise with the Ministry to ensure that the EPA's work is aligned with the priorities of the Government and in particular the Ministers for the Environment and Climate Change Issues.

The Ministry is also the monitoring department for the EPA. Each year, we agree a monitoring plan with the Ministry for the EPA's work. We have adopted a 'no surprises' approach that ensures that Ministers and the Ministry are kept fully informed. In particular, we provide regular updates to the Ministry on any potential issues that may be controversial or cause public comment.

Enforcement agencies

A number of agencies have responsibilities, either directly under one of the environmental Acts or through delegation from the EPA. (See the following diagram.) We work closely with WorkSafe New Zealand, which is responsible for enforcement of health and safety rules relating to exposure to hazardous chemicals in the workplace; with the Ministry for Primary Industries, which enforces new organism controls set by the EPA; and with the Ministry of Health, responsible for public health issues. Enforcement agencies report to us on a regular basis, with matters of concern addressed as they arise.

Working relationships

We are working to establish a Memorandum of Understanding (MoU) with individual regulatory agencies that have responsibilities in the EEZ, including Maritime NZ, WorkSafe New Zealand, the Ministry for Primary Industries and the Department of Conservation. These MoUs focus on ensuring clarity of each agency's roles and responsibilities in the EEZ and Continental Shelf, and how our respective marine management regimes interact. These MoUs provide an avenue to talk and work together so the operational regime works efficiently for operators, stakeholders and government.

The Ministry for Primary Industries manages the ETS forestry sector operations under delegation from the EPA. The EPA works with the New Zealand Transport Agency and also with the New Zealand Customs Service to administer the synthetic greenhouse gas provisions of the Climate Change Response Act.

The following diagram illustrates the relationship between the EPA and other government agencies with related roles.



Our strategic direction 2014-18

Our aspiration is to be a world-leading regulator. Our strategy establishes a mission of protecting people and the environment. We are committed to doing this in a way that considers New Zealand's

ability to develop economically, socially and culturally. We aim to deliver robust, objective decisions and ensure compliance with the rules.

Alignment with Government and Board priorities

The Government's priorities relevant to our work are:

- building a more productive and competitive economy
- delivering better public services within tight financial constraints.

There is an expectation that we operate with appropriate measures that demonstrate the difference we are making for applicants, other stakeholders and the wider public.

We will continue to generate efficiencies and streamline our processes so that we can contribute to reducing public sector expenditure, while improving our services. We are committed to working with other government agencies in the natural resources sector. We take advantage of shared services wherever appropriate, for example with the Ministry for the Environment. (see page 12 regarding key relationships).

We will continue to engage actively with the Office of the Chief Government Information Officer (Department of Internal Affairs) in relation to ICT developments, including the redevelopment of the New Zealand Emission Unit Register.

The Minister for the Environment and the Board of the EPA have agreed the following priorities for the EPA:

- Improve the efficiency of the regulatory framework for hazardous substances. We will simplify the controls, and improve the effectiveness of hazardous substances education, compliance and enforcement, to ensure workplace harm is minimised.
- Embed the regulation of activities in the EEZ, so that users understand their obligations and that the environment is protected, while minimising the compliance burden.
- Maximise confidence in the integrity and service delivery of the Emissions Trading Scheme and redevelop the New Zealand Emission Unit Register.
- Develop improved business capability through enhanced EPA systems.

In addition we will share the information and technical expertise the EPA holds to benefit the natural resources sector and the wider environmental management system as a whole, and continue to seek efficiencies and manage our business in a prudent and fiscally responsible manner.

Strategic framework

Our mission

To protect people and the environment

We work to protect the environment and keep people from harm, while ensuring New Zealand can continue to develop economically, culturally and socially.

To achieve this we will

Deliver robust, objective decisions relating to environmental matters and ensure compliance with the rules.

Although our responsibilities derive from many Acts, the heart of our work is about decisions and compliance relating to environmental matters — whether it is protecting people and the environment from the adverse effects of hazardous substances and new organisms, regulating restricted activities in the EEZ, managing applications for nationally significant proposals, or administering the Emissions Trading Scheme to enable New Zealand to respond to climate change obligations.

Measuring success:	Data source
Downward trend in number of serious harm injuries, fatalities, chronic health impacts and catastrophic events resulting from the use of hazardous substances and new organisms	StatsNZ, internal data, EPA
No EPA-approved organisms become a pest, weed or disease	Annual monitoring survey, EPA
No significant adverse events in the EEZ and Continental Shelf relating to the marine consenting regime	Internal data, EPA, case study
Contribute to the decrease in New Zealand's greenhouse gas emissions below business as usual levels by the effective operation of the Emissions Trading Scheme	MfE

Our strategic intentions

These four have been identified as priorities for the next three to four years. By identifying these strategic intentions, we are clear about where additional effort and resources are needed. We can measure our success in achieving them in the medium term.

1: Improve the efficiency of the regulatory framework for hazardous substances.

We will improve the rules for managing hazardous substances and encourage compliance with them.

 Measuring success:	Data source
1.1 New rules are in place on time and to budget	Internal data, EPA
1.2 There is a reduction in the rate of hazardous substances incidents	Stats NZ
1.3 There is an increasing level of consumer awareness of the need to use hazardous substances correctly	Baseline research survey
1.4 Importers and manufacturers of hazardous substances are increasingly aware of their compliance obligations	Annual research survey

2: Maximise confidence in the integrity and service delivery of the Emissions Trading Scheme.

We will provide a high integrity and user focussed emissions trading scheme, by implementing a redeveloped register and supporting an efficient market.

 Measuring success:	Data source
2.1 The redeveloped register and business processes are completed on time and to budget	Internal data, EPA
2.2 The cost and efficiency benefits targeted by the redevelopment of the register and business processes are achieved	Case study, EPA
2.3 The output measures for the administration of the ETS and NZEUR are achieved	EPA Internal data

3: Embed the regulation of activities in the Exclusive Economic Zone and Continental Shelf.

We will implement a regulatory regime that manages the environmental effects of activities in the EEZ.

 Measuring success:	Data source
3.1 Regulatory systems and policies are implemented on time and to budget	Internal data, EPA
3.2 External tests such as legal, audit or evaluation demonstrate that our decision making is robust and objective	Case study
3.3 No significant adverse events in the EEZ and Continental Shelf relating to the EPA's responsibilities in the regulatory regime	Agencies with EEZ responsibilities

4: Develop improved business capability through enhanced EPA systems.

We will use improved business systems and capability to make our work, interactions and communications easier and more effective.

 Measuring success:	Data source
4.1 IT projects are delivered on time and within budget	Internal data, EPA
4.2 Good information is available for management decision making	Internal data, EPA
4.3 Time and cost savings can be demonstrated	Internal data, EPA
4.4 Website usability improves	Research survey, case study
4.5 Awareness of the EPA's role and functions improves	Research survey

Our approach

1: We use evidence and science from New Zealand and overseas.

We use an evidence-based approach and draw on the best available science from New Zealand and around the world to support our assessment and decision-making processes. Our decisions are made by capable staff and expert decision makers at arm's length from the Government of the day and free of undue influence from interest groups and industry advocates.

2: We recognise the unique relationship of Māori to the environment in our decision making.

Our work with Māori is guided by He Whetū Mārama, a framework to ensure that their unique knowledge and experience of the Aotearoa/New Zealand environment is appropriately reflected in our decision making. Central to this is the need for policies, processes and productive relationships with Māori that facilitate the effective access and appropriate use of Māori knowledge.

3: We provide fair, transparent and timely service.

We provide high quality service and information to the regulated community, participants in our decision-making processes and the public of New Zealand. Our regulatory processes are carried out efficiently within statutory timeframes to give all parties certainty and prevent undue delay.

4: We are future focussed and innovative.

We seek opportunities to maintain and update our knowledge. We are active members of regional and global professional communities – we contribute information for the benefit of all and we adopt international good practice, helping us keep abreast of latest trends and developments.

5: We work with others to achieve good outcomes.

We work with the public, communities, private industry, non-governmental organisations, local and regional councils, other government departments in New Zealand and internationally, to deliver for New Zealand.

Our people

1: We develop capable people who work as a team to achieve our vision.

Our people expertly manage relationships, work as a team and apply critical thinking skills with a 'can-do' attitude. We value specialised expertise and big-picture thinkers. Our work is based on high quality analysis, as measured by external quality indicators and suitability for purpose.

Mentoring and other internal development processes are in place and used by staff to develop capability.

2: We share knowledge across the EPA and respond confidently to change.

Knowledge-sharing forums are used by staff both to learn and to teach. Changes in legislation, policies or internal procedures are understood, and adapted to as required.

Our people are resilient and adaptive. We learn from our experiences and respond nimbly to changes in our operating environment. We respond positively to criticism.

Data collection

In our previous Statement of Intent (2013-17), we used the following types of data to illustrate our outcome (higher) level achievements:

- Hazardous substances incident data, primarily from the New Zealand Fire Service, but also from media reports and from Statistics New Zealand.
- New organisms data, primarily relating to zoos (escapes or injury) or genetic modification incidents.
- An annual independent review of organisms that may have become a pest, weed or disease.
- Interviews and customer surveys regarding Boards of Inquiry.
- Feedback from Te Herenga, the Māori national network.
- Overall survey of EPA customer satisfaction from an independent provider.
- Linkage between work with international agencies and better-informed decision making.
- Emissions data from Ministry for the Environment reports.
- Emissions behaviour change due to ETS (internal information).
- Emission unit compliance by customers (internal information).

In future years we will be building on these sources and using more externally sourced information, while ensuring that we continue to collect relevant data for some performance indicators, for example, incidents and customer surveys.

External sources may include Statistics NZ, Ministry for the Environment, the Parliamentary Commissioner for the Environment, WorkSafe NZ, Maritime New Zealand and local authorities.

Specific data sources for each performance indicator are being developed and will be available before the beginning of each financial year.

How our strategic intentions link to our outputs

The EPA produces six outputs, each of which contributes to our strategic intentions (SI) in different ways. The following table sets out the contribution of our outputs to these intentions.

- Strategic Intention 1:** Improve the efficiency of the regulatory framework for hazardous substances.
- Strategic Intention 2:** Maximise confidence in the integrity and service delivery of the Emissions Trading Scheme.
- Strategic Intention 3:** Embed the regulation of activities in the Exclusive Economic Zone and Continental Shelf.
- Strategic Intention 4:** Develop improved business capability through enhanced EPA systems.

Our work	Output	SI 1	SI 2	SI 3	SI 4
Decision making	HSNO, ozone-depleting substances and hazardous waste decision making	Major contribution	Minor contribution	Minor contribution	Major contribution
	Resource management decision making	Minor contribution	Minor contribution	Major contribution	Major contribution
	EEZ decision making	Minor contribution	Minor contribution	Major contribution	Major contribution
Compliance	ETS and NZEUR decision making and compliance	Minor contribution	Major contribution	Minor contribution	Minor contribution
	HSNO, ozone-depleting substances and hazardous waste compliance and enforcement	Major contribution	Minor contribution	Minor contribution	Major contribution
	EEZ compliance	Minor contribution	Minor contribution	Major contribution	Major contribution


Major or primary contribution


Minor or secondary contribution



The legislative environment

Relevant laws and regulations

The Crown Entities Act 2004, as amended in 2013, established the accountability framework under which Crown Entities are expected to operate. The EPA Board is responsible for ensuring that we meet our obligations under the Crown Entities Act, the Environmental Protection Authority Act and other relevant legislation.

We have functions, duties and powers under a number of environmental Acts over and above our strategic intentions, as outlined below.

Resource Management Act 1991

The Resource Management Act (RMA) is the main legislation used to manage impacts on the New Zealand environment by promoting the sustainable management of natural and physical resources.

Amendments to the RMA in 2009 established an application process for proposals of national significance to be made. These amendments were intended to streamline the decision-making process for major infrastructure or public works.

Applications related to proposals of national significance are managed by us but we do not make the decisions. If the Minister decides the applications are nationally significant, decisions on these applications are made by an independent Board of Inquiry appointed for that purpose, or by the Environment Court.

Hazardous Substances and New Organisms Act 1996

The purpose of the Hazardous Substances and New Organisms (HSNO) Act is “to protect the environment, and the health and safety of people and communities, by preventing or managing the adverse effects of hazardous substances and new organisms”.

These substances and organisms are important to New Zealand’s economy and communities. Our role is to ensure that, if introduced, any risks can be managed.

We manage the risks associated with hazardous substances and new organisms through assigning controls or conditions to the approvals. In some cases, when the risk cannot be managed appropriately, we either decline an application (for a new hazardous substance or organism) or remove the approval through the reassessment process.

The enforcement of the requirements of the Act currently lies with other government agencies.

Work is underway to update this legislation in order to improve the health and safety of New Zealanders.

Ozone Layer Protection Act 1996

New Zealand’s commitments under the Montreal Protocol on substances that deplete the ozone layer are contained in the Ozone Layer Protection Act 1996 and the Ozone Layer Protection Regulations 1996. These prohibit the import, manufacture, sale or export of ozone-depleting substances, except as allowed under the regulations. The Act implements the phase-out of many ozone-depleting substances. There is provision for exemptions for essential uses.

We make decisions on applications for permits for the import and export of ozone-depleting gases and also have an enforcement role.

Climate Change Response Act 2002

This Act puts in place a legal framework to allow New Zealand to meet its obligations under the United Nations Framework Convention on Climate Change, and the Kyoto Protocol.

The Act established the New Zealand Emissions Trading Scheme (ETS), which is an important part of New Zealand's approach to meeting its international obligations. The purpose of the ETS is to reduce the amount of greenhouse gases emitted in New Zealand by attaching a cost to the emission of such gases during certain activities.

Since January 2012, we have managed the administration of the ETS, and the operation of the New Zealand Emission Unit Register (NZEUR) that records holdings, transfer and surrender of Units.

We are the main compliance and enforcement agency for the ETS, responsible for verifying that participants are complying with the scheme. We work closely with the Ministry for Primary Industries, which will continue to have delegated responsibility for ETS forestry policy and operations, and agriculture policy. We also work closely with the New Zealand Transport Agency and the New Zealand Customs Service to administer the synthetic greenhouse gas provisions of the Climate Change Response Act.

Exclusive Economic Zone and Continental Shelf (Environmental Effects) 2012 Act

Activities regulated by this Act are discretionary and require a marine consent, unless regulations specify an activity to be permitted (in which case no consent will be needed) or prohibited (in which case no application can be made).

We are the decision maker on applications for marine consents and are also responsible for monitoring and enforcing compliance.

Imports and Exports (Restrictions) Act 1988 and Prohibition Order (No 2)

This Order enables New Zealand to meet its obligations under international agreements.

These agreements impose requirements on New Zealand to control certain chemicals and trade in hazardous waste that are considered to pose a risk to people and the environment, and to provide information to other parties to these conventions.

We make decisions on import and export permits for these chemicals and hazardous waste, which are controlled by international conventions and we also have an enforcement role.

Ministerial consultation and reporting

Regular reporting to the Ministers for the Environment and Climate Change Issues

We provide Ministers with regular reports which present an overview of current performance. They outline any issues or risks that we are dealing with and recommend changes to our work programme where these are considered necessary.

We provide regular reports to our monitoring department, the Ministry for the Environment, in accordance with an agreed monitoring plan. The Ministry will advise the relevant Ministers of any concerns.

The operating environment

Government's enduring letter of expectations

The Government's key focus is to build a more competitive and internationally-focused economy that will improve New Zealand's longer-term productivity. It believes that balanced and sensible management of our resources will protect the environment while promoting stronger economic growth.

The Government intends to return to an operating surplus through tight fiscal discipline. This will include limiting growth in core Crown operating expenditure by seeking new and better ways to deliver services.

We will contribute through our decision making, fiscally prudent use of crown revenue, and cost recovery where appropriate and practical. In the medium term, cost recovery issues will become more important as we develop a well-thought-out and workable cost recovery process across all our decision-making processes.

Our stakeholders

Consultation with our stakeholders is undertaken through both formal and informal mechanisms. Members of the public may make submissions on applications for nationally significant proposals and publicly-notified applications under the HSNO, EEZ and Resource Management Acts. We hold regular HSNO conferences for those involved in the HSNO legislation. We are working with other regulated communities to improve our understanding of the sector, building relationships that make us easier to work with when issues arise. Together with Business New Zealand, we have set up an industry group in the petroleum and mineral sector that meets from time to time. More generally, we engage stakeholders such as environmental NGOs about our activities through hui, workshops, and meetings.

The EPA also engages with different groups of stakeholders of the ETS, including mandatory and

voluntary participants, entities carrying out activities eligible for industrial allocations, and traders. This engagement ensures that they are all sufficiently informed to comply with their obligations or to receive entitlements and that the service being provided facilitates any ETS transactions they might make.

Compliance processes for hazardous substances in the workplace will be transferring to the new Crown Agency, WorkSafe New Zealand, during 2014-15, and we will be working closely with them not only at the transfer stage, but also through data collection, information sharing and compliance issues over the longer term.

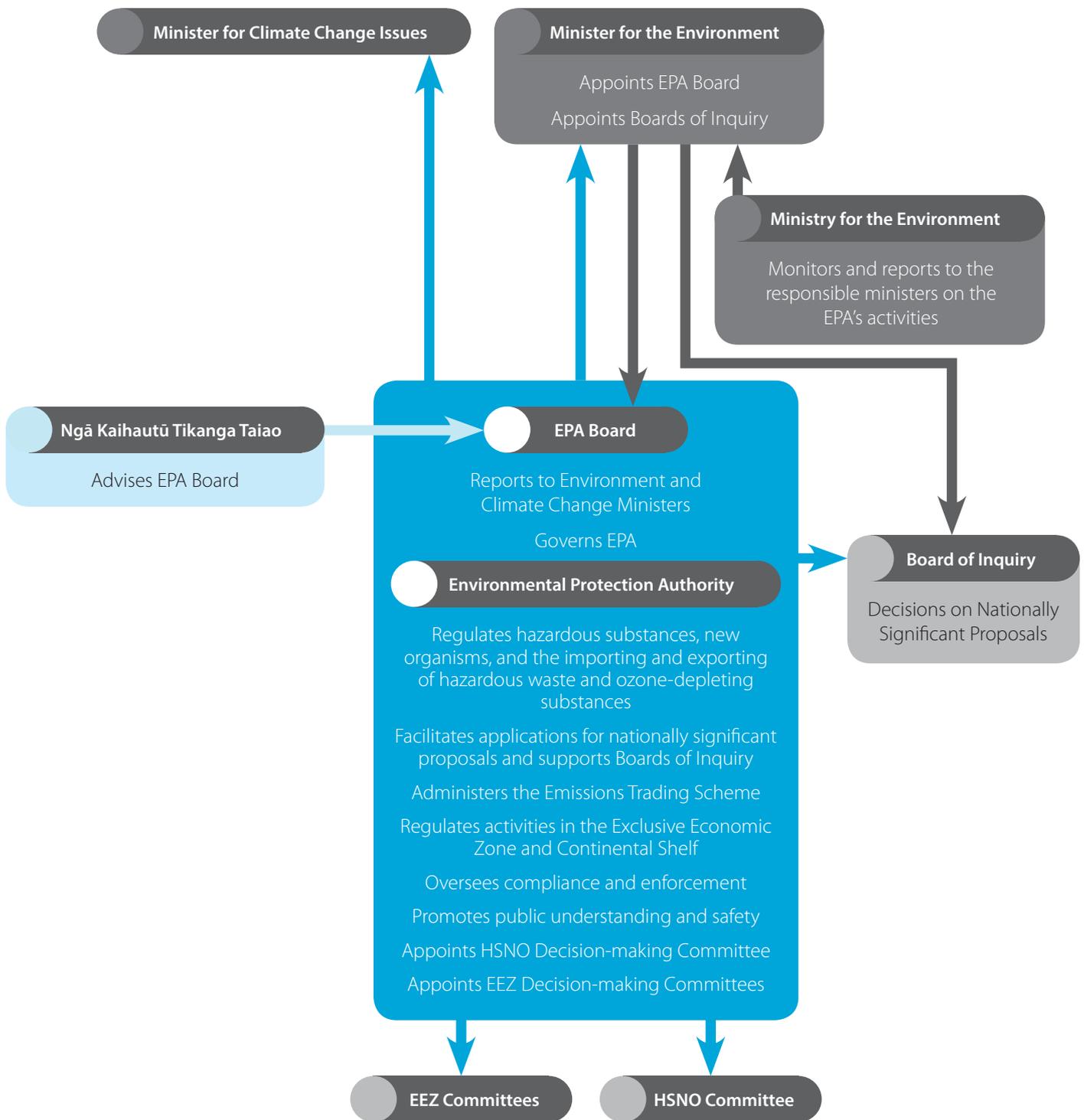
Māori engagement and participation

The EPA has a statutory Māori Advisory Committee, Ngā Kaihautū Tikanga Taiao, to provide advice and assistance on policy, process and decision making. In addition, the EEZ, Resource Management and HSNO Acts require those exercising functions, powers and duties to take into account the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu, valued flora and fauna, and other taonga. Our approach is guided by the principles identified in He Whetū Mārama, the Māori strategy for the EPA.

The EPA has a range of opportunities for Māori to participate in its decision-making processes and associated activities, including managing iwi-based relationships and a national network of iwi resource and environmental managers. These relationships and activities support and inform our decision-making activities, as well as contributing to the improvement of the effective engagement between applicants and Māori.

Our relationship strategies recognise the changing landscape of the growth of Māori business and investment, which sees Māori diversify into exploring the opportunities to unlock the potential within resources.

Structure and responsibilities



Governance

The EPA Board has between six and eight members, appointed by the Minister for the Environment. The Board is responsible for the governance of the organisation, including setting strategic direction and monitoring performance. It is also responsible for the statutory functions set out in legislation, some of which are delegated to Board committees or to the Chief Executive.

The role of the Board is to:

- set the strategic direction for the organisation within the mandate and expectations provided by legislation and by the Minister
- employ the Chief Executive
- ensure that the proper processes and capabilities are in place and used effectively
- engage with communities of interest to understand the broader context in which the EPA operates
- advise the Chief Executive and his team about contextual factors that could influence decision making so that the EPA is encouraged to consider the wider view
- oversee major change initiatives.

The Board usually meets each month to carry out governance functions and deal with major issues. Out-of-session decisions are made as required. The Board has delegated a range of functions and powers to committees.

Committees

The EPA is supported and advised by the statutory Māori Advisory Committee (Ngā Kaihautū Tikanga Taiao).

The Board has also appointed two standing committees to assist it in carrying out its governance responsibilities. These are the:

- Audit and Risk Committee, which oversees the accountability processes and matters of financial and organisational risk
- Performance Review and Remuneration Committee, which monitors the Chief Executive's performance and approves salaries for senior staff members.

In addition the EPA has decision-making committees for specific functions: for example, the Hazardous Substances and New Organisms Committee and expert decision-making committees for EEZ matters.

Organisational structure

EPA staff support the Board in carrying out its statutory functions and are responsible for delegated decision making in a number of areas. The organisation is structured into six Groups, each of which is led by a General Manager. They are:

- Applications and Assessment
- Compliance
- Corporate Services
- Emissions Trading Scheme
- Kaupapa Kura Taiao
- Policy and Legal.

Capability and capacity

The EPA was formed three years ago and is still a relatively new organisation with some very new functions.

Our organisational structure enables us to:

- drive consistency and remove duplication of effort
- reinforce the desired organisational culture
- encourage everyone to work across the organisation rather than in silos
- support our role as a technical leader within the natural resource and environment sectors
- facilitate the sharing of experience and knowledge to create a learning environment, both inside the organisation and within the sector
- be flexible and agile to incorporate new functions as required
- ensure manageable spans of control
- establish and consolidate purposeful stakeholder relationships and interactions
- provide clear points of contact for stakeholders.

Developing improved business capability

Over the next few years the EPA will be strongly focused on ensuring it has the capability, capacity and business systems to carry out its statutory functions and to meet the expectations of the Government. We will concentrate on the following priorities:

- Ensuring systems and business capability adequately support our functions. Improving our information technology systems and online customer services is one of four key priorities for the EPA in the medium term. We will need to ensure adequate resourcing for us to meet the expectations of government, our stakeholders and the regulated community.
- Ensuring that recruitment, training and remuneration are appropriate to attract and retain skilled, flexible, efficient and knowledgeable staff.
- Integrating operational activities where possible and seeking productivity gains.
- Engaging with stakeholders.
- Monitoring progress, managing risks and responding to change.

How we will measure progress

Developing capable people

The organisational health and capability of the EPA in large part depends on the development of staff. We will monitor the following areas to measure our progress:

- Staff development and performance plans will be in place and reviewed regularly.
- Individual training needs will be assessed and education programmes put in place.
- Staff will be surveyed on a regular basis.
- Leadership training initiatives will be in place.
- External salary comparisons will be conducted regularly and adjustments made as required.
- Recruitment activity, trends, and time to fill vacancies will be monitored and reported.
- Responses to entry and exit surveys will be reviewed and recommendations for improvements implemented where feasible.

Good employer obligations

The EPA recognises that, to be effective in delivering services, we require a productive and diverse workforce. We will prioritise the following areas and our progress will be reported to the Human Rights Commission annually.

Leadership, accountability and culture

Encourage the development of a culture that is supportive and equitable for all staff.

The development of a learning culture that will enhance the EPA's performance while supporting the aspirations of staff.

Recruitment, selection and induction

Ensure the continued use of robust and transparent recruitment and selection processes.

Use innovative channels to attract diverse applicants.

Monitor candidate and workforce demographics in relation to age, ethnicity, gender and disability.

Employee development, promotion and exit processes

Provide equal access to personal development and activities that may lead to promotion.

Ensure that our performance management practices are transparent and fair.

Give staff the opportunity to complete a confidential exit survey.

Flexibility and work design

Work towards an organisation-wide flexible work programme to recognise the needs of parents and other care givers.

Provide facilities for the use of parents.

Remuneration, recognition and conditions

Continue to provide transparent, equitable and gender-neutral job evaluation processes.

Review the remuneration system regularly.

Harassment and bullying prevention

Relevant policies and the code of conduct will be promoted to staff.

Managers and staff are trained in their responsibilities.

The leadership team ensures that there is zero tolerance of harassment and bullying.

Safe and healthy environment

Create an environment that supports employee participation in health and safety.

Take a proactive approach to employee health and well-being.

Ensure that staff have easy access to the Employee Assistance Programme.

Organisational risk management

The EPA has a risk management policy, organisational risk framework and risk register to assist it in identifying and managing risks. We have recently set up a Strategy and Risk team within the Policy and Legal Group in order to support the organisation to retain a risk management focus.

Information management

We are required to meet the requirements of the Public Records Act 2005 and the Official Information Act 1982 by providing appropriate responses to all requests within a statutory timeframe. We use our electronic document and records management system and paper records to ensure that information is easily searchable and that we retain and archive important documents.

Capital asset management

The EPA will manage its capital programme in line with the funding provided for capital costs through its internal asset management policy.



Appendix A:

Information required under HSNO Act s147

Environmental user charges and grounds for reassessment decisions

The following specific information is required under section 147(1)(d) — (f) of the HSNO Act on decisions relating to the grounds for reassessment of a substance or new organism and the use of environmental user charges:

The Board may consider imposing an environmental user charge as an alternative to or in addition to controls in granting an approval for a hazardous substance. To date, this has not been done by the EPA. With all approvals granted to date, it has been considered that the use of controls is the most effective means of managing the risks throughout the lifecycles of the substances approved, and the use of environmental user charges has, therefore, not been required.

Two decisions on grounds for reassessment of a substance and none for new organisms were made by the EPA in 2013-14 (at May 2014).

They were in respect of:

- Callisto (herbicide)
- Firebird (herbicide)

It was decided that there were grounds for a modified reassessment of approvals for plant protection substances containing acephate, dimethoate, methamidophos, methomyl or oxamyl.

Other information required under the HSNO Act, section 147: the EPA has a capital asset replacement programme which is updated annually and the EPA does not have not have any borrowings or finance leases.

Appendix B:

Terms and abbreviations

The following terms and abbreviations are used throughout this document and the Statement of Performance Expectations.

Terms describing the parts of the EPA

EPA — the entity, comprising: the Board, the Māori Advisory Committee, the staff, and delegated decision-making committees.

EPA Board — the appointed members responsible for exercising statutory functions and acting as the governing body of the Environmental Protection Authority.

Ngā Kaihautū Tikanga Taiao — the Māori Advisory Committee appointed by the EPA Board as required under the Environmental Protection Authority Act 2011.

Terms and abbreviations referring to the EPA's work and activities

Board of Inquiry — independent Board appointed by the Minister for the Environment (the Minister) to decide applications of national significance under the RMA. It must include no fewer than three and no more than five members, and the Chair must be a current, former or retired Environment Court judge or a retired High Court judge. Decisions of the Board of Inquiry are not made by the EPA.

Call in — the ability of the Minister to direct that an application made to the relevant decision maker be decided by a different decision maker in some situations.

Under the HSNO Act, the Minister can direct that he or she will decide the application if the Minister considers that the application will have significant effects or that there are significant effects in an area that the EPA lacks sufficient knowledge or experience.

Under the RMA, the Minister can direct that a matter which he or she considers is nationally significant be decided by a Board of Inquiry or the Environment Court. If the matter is partly or fully in the coastal marine area, the Minister of Conservation will also have a role in the direction.

CCRA — Climate Change Response Act 2002.

CVIU — Commercial Vehicle Inspection Unit of the New Zealand Police.

Days — working days, excluding weekends and public holidays and, for purposes of applications made under Part 5 of the HSNO Act, the period between 20 December and 15 January each year.

EEZ — the Exclusive Economic Zone and Continental Shelf.

Emissions Trading Scheme — the system in which New Zealand Units are traded in accordance with the Climate Change Response Act 2002. Effectively, one New Zealand Unit allows the holder to emit one metric tonne of carbon dioxide equivalent.

ETS — Emissions Trading Scheme.

Generic approvals — approvals covering a broad range of organisms or substances that fall into the same or similar risk categories.

Genetically modified organism — any organism whose genetic material has been modified by in vitro techniques.

HSNO Act — the Hazardous Substances and New Organisms Act 1996.

HSNO Committee — has delegated decision-making powers relating to applications made under the Hazardous Substances and New Organisms Act 1996.

Industrial allocation — an allocation of units to entities carrying out eligible activities to assist them to manage the increased costs as a result of the ETS, while they make the necessary changes to reduce their energy dependency and adjust to emissions pricing.

Institutional Biological Safety Committee — a committee set up by an approved institution that acts under delegation from the EPA.

International conventions — New Zealand has obligations under a number of international environmental agreements that require controls to be imposed on certain chemicals, hazardous waste, ozone-depleting substances and new organisms. These conventions are:

- Stockholm Convention on Persistent Organic Pollutants.
- Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade.
- Basel Convention on the Control of Transboundary Movements of Hazardous Waste and their Disposal.
- Waigani Convention (Convention to Ban the Importation into Forum Island Countries of Hazardous and Radioactive Wastes and to Control the Transboundary Movement and Management of Hazardous Wastes within the South Pacific Region).
- Vienna Convention and Montreal Protocol on the protection of the ozone layer.
- Cartagena Protocol on Biosafety to the Convention on Biological Diversity.

International Transaction Log — an international log maintained by the Secretariat of the United Nations Framework Convention on Climate Change to confirm the validity of transactions, including the issue and transfer of Kyoto units between registries and between accounts in the Register.

Kyoto Protocol — an international agreement under the United Nations Framework Convention on Climate Change, to address the problem of climate change. It sets binding targets for developed countries that ratify it, aimed at limiting the amount of greenhouse gases they emit.

Kyoto Units — all of the unit types specified in, or in accordance with, the Kyoto Protocol.

Methodology — the Hazardous Substances and New Organisms (Methodology) Order 1998, a regulation that the EPA must apply to decision making under Part 5 of the HSNO Act.

New organism — any organism, including genetically modified organisms, that was not present in New Zealand before 28 July 1998, the date on which the new organism elements of the HSNO Act came into force.

NZEUR — New Zealand Emission Unit Register.

New Zealand Units – the primary unit of trade in the New Zealand Emissions Trading Scheme, issued by the Crown. A New Zealand Emission Unit represents one metric tonne of carbon dioxide equivalent.

NZU — New Zealand Unit.

OLPA — Ozone Layer Protection Act 1996 and Amendment Act 2011.

Order, the — Imports and Exports (Restrictions) Prohibition Order (No 2) 2004 (SR2004/202).

Proposal of National Significance — an application made under the RMA that is determined by the Minister for the Environment, the Minister of Conservation or both Ministers jointly to be a proposal or in part a proposal of national significance when evaluated against the factors of national significance in section 142(3) of the RMA or other factors that the Minister(s) consider relevant.

Rapid assessment (hazardous substances) — the EPA may make a rapid assessment if it is satisfied a new substance has a similar composition and similar hazardous properties to an approved substance, where the hazardous properties of the new substance are low, or where the new substance has been formulated to be a lesser hazard than an approved substance.

The HSNO Act also provides for the rapid assessment and approval of hazardous substances in an emergency or a 'special emergency'.

Rapid assessment (new organisms) — the EPA may make a rapid assessment if it is satisfied the information supplied meets the prescribed criteria for the "release" of the new organism (sections 35 and 36 of the HSNO Act), or the development or import of genetically modified organisms (sections 42, 42A, 42B and 42C). In the latter case, the information provided must be sufficient to meet the criteria for a low-risk genetic modification specified in regulations made under section 41 of the HSNO Act.

Reassessment — occurs when the grounds for reassessment under section 62 of the HSNO Act are met. Reassessment means reviewing the risks, costs and benefits associated with an approved substance or a new organism. As a result of the reassessment the EPA may decide to change the controls placed on the approval or, in extreme cases, withdraw the approval altogether.

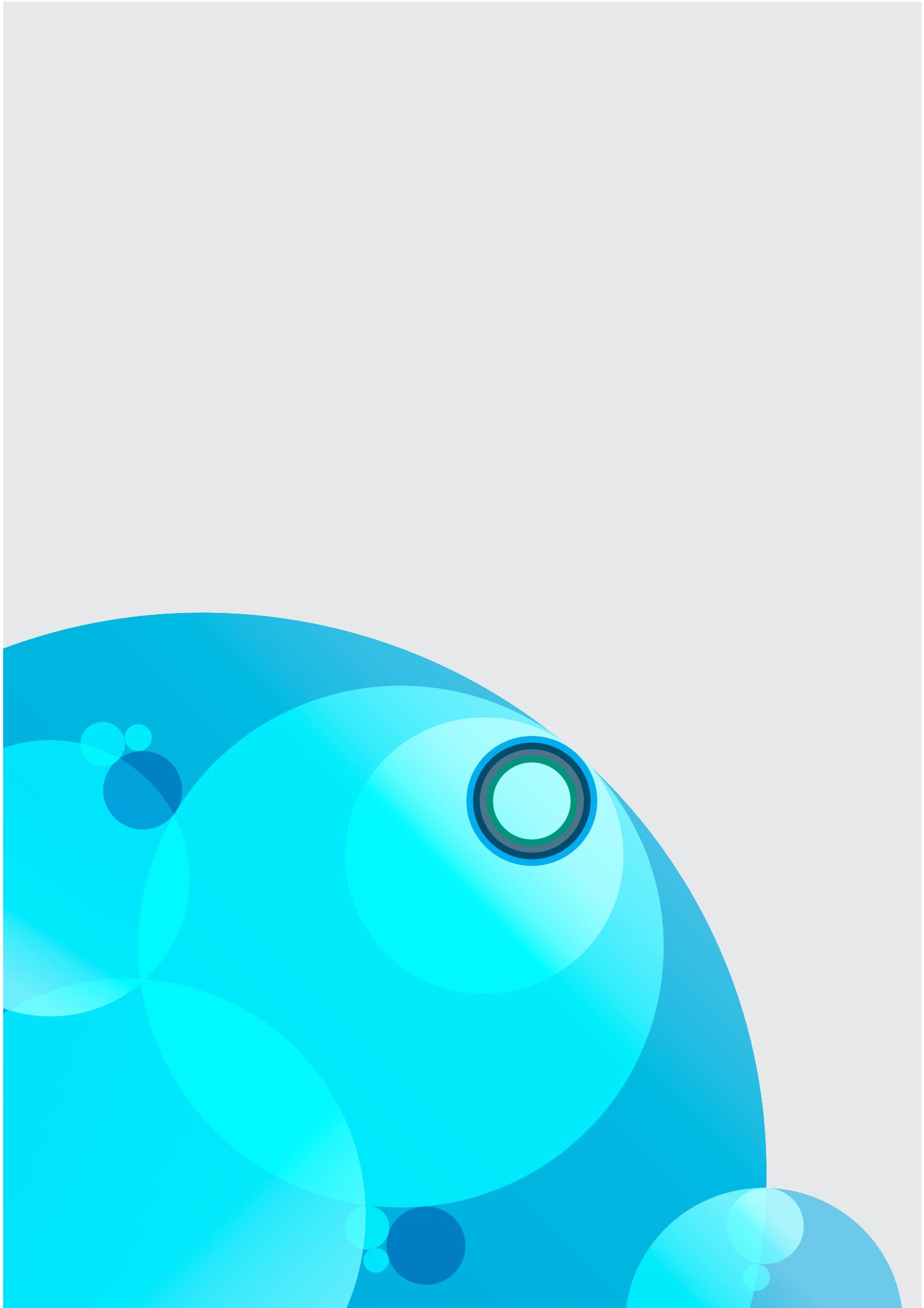
Registry — the New Zealand Emission Unit Register. All emission unit holdings are recorded in the Register.

Registrar — the employee of the EPA appointed to operate the New Zealand Emission Unit Register.

RMA — Resource Management Act 1991.

Te Herenga (Māori National Network) — a group made up of Māori resource and environmental managers, practitioners or experts who represent their iwi, hapū or Māori organisation on matters of relevance to the activities and decision making of the EPA.

UNFCCC: United Nations Framework Convention on Climate Change — the international environmental treaty that records the agreement of parties to the convention to reduce greenhouse gas emissions and creates the framework for doing so. The Kyoto Protocol exists under this Convention.





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