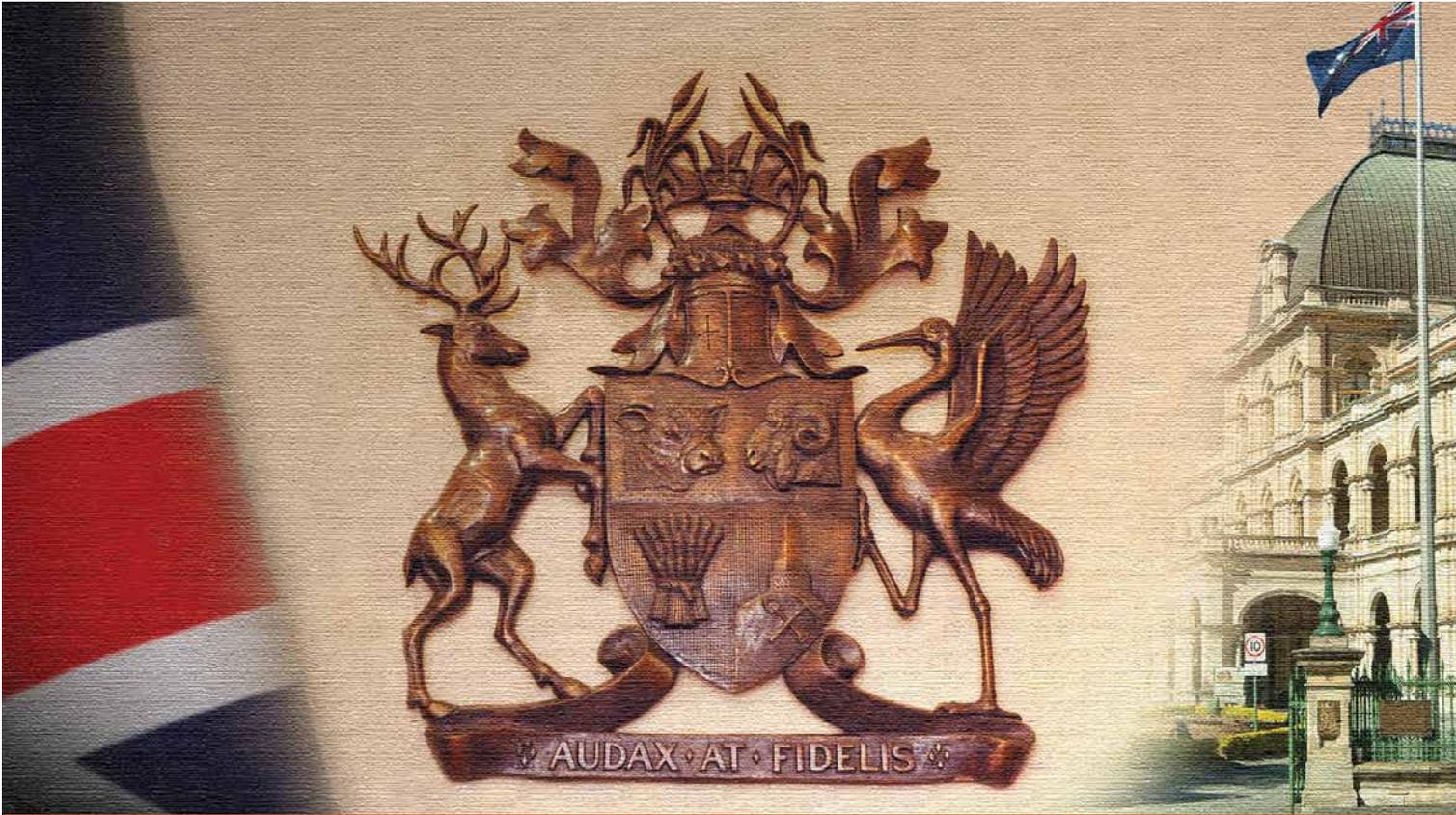


Auditor-General of Queensland



Performance audit

Report to Parliament No. 10 for 2011
Regulating waste: protecting the environment

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Report to Parliament No. 10 for 2011

Regulating waste: protecting the environment



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Auditor-General of Queensland

November 2011

The Honourable R J Mickel MP
Speaker of the Legislative Assembly
Parliament House
BRISBANE QLD 4000

Dear Mr Speaker

This report is prepared under Part 3 Division 3 of the *Auditor-General Act 2009*, and is titled *Regulating waste: protecting the environment*. It is number ten in the series of Auditor-General Reports to Parliament for 2011.

In accordance with s.67 of the Act, would you please arrange for the report to be tabled in the Legislative Assembly.

Yours sincerely



Glenn Poole
Auditor-General



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Executive summary

Performance audit mandate

On 18 August 2011, the *Auditor-General Act 2009* was amended to provide the Auditor-General with a mandate to undertake full performance audits of public sector entities in Queensland. This mandate change has resulted in the Queensland audit legislation being similar to the legislative processes of other Australasian Audit Offices and international practice.

A performance audit evaluates whether an entity, or specific program within an entity, is achieving its objectives economically, efficiently and effectively, and in compliance with all relevant legislation. A performance audit report can directly comment on the effectiveness of the area subject to audit.

The change to the audit mandate provides new opportunities for the Auditor-General to add value for the Queensland Parliament and the community. This report is the first performance audit completed under the new legislative provision. It represents an important milestone in the 151 year history of the Queensland Audit Office.

Further information on the approach adopted to performance auditing is outlined in Section 5.3.

Audit overview

Queensland is one of the largest generators of waste in Australia with the highest amount of waste per capita of any state.¹ In 2008, a reported 32.6m tonnes of waste was generated in Queensland, an increase of 40 per cent since 2003-04. Over the same period, the state's population only increased by 10 per cent and retail turnover increased by 21 per cent.²

Waste management today is a key consideration for all governments and local councils across Australia. If waste is not managed properly, it can lead to contamination of soil, surface water, groundwater and air, and have negative impacts on the health of humans and animals.³

In Queensland, responsibility for environmental protection rests largely with the Department of Environment and Resource Management (DERM). Under the *Environment Protection Act 1994*, DERM is responsible for the protection of Queensland's unique environment while allowing for ecologically sustainable development. DERM administers and enforces ecologically sustainable development through a range of strategies, one of which is a licensing system for activities that will or may release contaminants into the environment that could cause environmental harm.

This performance audit assessed whether DERM effectively administers and enforces the legislation aimed at mitigating the risk of harm to the environment from waste. The audit examined the administration of applications for development approvals and registration certificates, compliance monitoring and enforcement activity, and performance reporting and evaluation.

¹ Department of Environment and Resource Management 2010, *Queensland's Waste Reduction and Recycling Strategy 2010-2020*, p. i.

² Department of Environment and Resource Management 2009, *The state of waste and recycling in Queensland 2008: Technical Report*, p.19.

³ Working Group on Environmental Auditing (WGEA) of the International Organization of Supreme Audit Institutions (INTOSAI) 2003, *Towards Auditing Waste Management*, p. 13 & 14.

Audit conclusion

I found that DERM adopts policies and guidelines which are effective for assessing and processing development approvals and issuing registration certificates. The decision making process is transparent and accountable. However, there are inefficient practices causing delays in issuing development approvals and registration certificates, and in collecting annual returns and fees from operators. DERM is currently unable to accurately quantify the amount of the outstanding fees for current permits up to 30 June 2011, although corrective action is being instigated. Audit noted that while a wide range of data is collected on development approvals, registration certificates and compliance enforcement of registered waste operators, there are difficulties in extracting disaggregated data from the system. This reduces DERM's overall effectiveness at administering and enforcing the legislation.

DERM has a strategic approach to monitoring and enforcement to ensure operators comply with regulatory requirements and development conditions. This activity however, is not underpinned by effective planning at the regional level or supported by formal systems to ensure follow-up inspections and reporting occurs.

The reporting framework adopted by DERM does not adequately cover the necessary performance information from which to form a proper assessment of the effectiveness of its administration of key legislation. DERM's performance reporting focuses on outputs and not outcomes aimed at mitigating the risk of harm to the environment from waste. There was also a lack of relevant baseline data, benchmarks or trends.

To address the performance issues raised in this report, I have made six recommendations. Of these, I consider that the recommendations relating to the review of development conditions and annual returns, annual fee collection, compliance activity planning and performance reporting are the most critical to lifting DERM's performance.

Key findings

The key findings for this performance audit have been summarised under the following areas:

- DERM's processing of development approvals and issuing of registration certificates under the *Environmental Protection Act 1994* and the *Sustainable Planning Act 2009*.
- DERM's monitoring and enforcement of compliance with regulatory requirements and development conditions.
- DERM's performance reporting and evaluation of activities aimed at mitigating the risk of harm to the environment from waste.

Development approvals and registration certificates

Operators of waste facilities in Queensland must obtain a development approval and registration certificate to legally operate under the *Environmental Protection Act 1994* and the *Sustainable Planning Act 2009*. I found that DERM has clear roles and responsibilities for this business activity as well as detailed and clear guidelines to assist with decision making, including appropriate references to statutory requirements. Audit evidence shows that decision making is transparent, accountable and well documented. Where operators disagree with the outcome of their application, they have access to administrative review, which is consistent with natural justice principles.

The audit identified some administrative weaknesses in how DERM assesses and processes applications for development approval and registration certificates:

- Annual returns provided by operators are not always reviewed in a timely manner, with some annual returns and fees being outstanding for significant periods of time. Consequently, operators may be operating undetected in contravention of their development conditions.
- Existing development conditions are not regularly reviewed or updated to reflect current environmental practices. Such amendments, under current legislation, requires a request from the registered operator, by mutual agreement or following an environmental incident.
- The information provided by applicants at the point of lodgement is often not adequate for the purposes of informed decision making. This can result in project delays due to the need to make additional information requests and lead to administrative inefficiencies.

These administrative weaknesses could negatively impact on DERM's ability to fulfil its statutory obligation to mitigate the risk of harm to the environment from waste.

Monitoring and enforcing compliance

DERM has a highly visible, strategic and proactive approach to monitoring and enforcing compliance to help it achieve its objectives. This approach encompasses guidelines designed to deter non-compliant behaviour and reinforce statutory obligations.

I note that departmental-wide compliance planning activity occurs on an annual basis and involves both head office and regional staff. Annual compliance plans outline projects for priority focus which are informed by research and data analysis and are formally assessed and reported on. However, the lack of a system to ensure recommendations are actioned creates a risk that potential benefits from these projects may be lost.

The audit found that compliance planning at the regional level is inconsistent and there is limited oversight from DERM's central office to assist regions to plan effectively. These issues have given rise to significant inadequacies in the compliance planning approaches used across regions.

The enforcement measures adopted by DERM are extensive, varied, graduated and are underpinned by legislative provisions. However, DERM's analysis of its enforcement measures does not include lower level enforcement actions. For example, 29 per cent of all waste related enforcement actions over the past three years were warnings and these were not included in any analysis.

When compliance actions are undertaken they include a timeframe for addressing compliance issues. Because there are inadequate systems to ensure follow-up inspections occur, DERM could not provide assurance to audit that non-compliance is being addressed or escalated in a timely manner.

To support DERM's compliance and enforcement activity it operates a state-wide pollution hotline for public reporting of any alleged environmental concerns and breaches.

Performance reporting and evaluation

Under the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, it is the responsibility of each Queensland public sector entity to manage its performance efficiently, effectively and economically. A key element of performance management is performance reporting and evaluation.

I found that there is a clear link between performance measures contained in the Service Delivery Statement (State Budget documentation) and DERM's *Strategic Plan 2010-14*, *Operational Plan 2010-11* and *Annual Compliance Plan 2010-11*. Regional business plans also align with DERM's *Strategic Plan 2011-15*. However, there are no specific performance measures to capture regulating waste.

Consistent with statutory requirements, DERM prepares a *Report on the Administration on the Environmental Protection Act* as an annex to its Annual Report. The report for the financial year 2009-10 provides detailed point-in-time performance information on many significant aspects of environmental protection. I consider that a major constraint of the report is it focuses on departmental outputs and not outcomes and contains no baseline data, benchmarks or trends over time for assessing changes, outcomes or impacts. The report in its current form therefore, does not enable Parliament to properly assess the performance of DERM in relation to the administration of this Act, particularly in the context of continuous improvement. Moreover, the report does not fairly represent departmental performance under the Act.

Under the *Environmental Protection Act 1994*, DERM is also required to provide an in-depth assessment of the state of the environment at least every four years. The *State of the Environment Queensland 2007* report points to a lack of reliable information on the performance of the waste sector. I recognise that, without reliable and appropriate baseline data, it is difficult to set appropriate benchmarks, and adequately inform compliance activity planning.

DERM uses EcoTrack as its primary information management system to support its business activities. This system lacks the expected functionality to adequately support its performance reporting and evaluation activity. This has given rise to significant issues pertaining to the reliability of the performance data as well as inefficiencies as staff need to refer to hard copy files in order to produce the required performance information.

Recommendations

It is recommended the Department of Environment and Resource Management:

- 1. Implements, as planned, projects to:**
 - a. Review all existing high and very high risk environmentally relevant activity development approval conditions to reflect current environmental standards.**
 - b. Formalise a methodology to develop compliance plans and monitor the implementation of compliance plan project recommendations.**
- 2. Ensures that all annual returns from operators are reviewed in a timely manner and collects any outstanding annual fees in accordance with legislation.**
- 3. Provides assistance and oversight to ensure a rigorous, consistent approach to regional compliance planning which adequately covers identified risks and priorities.**

4. Regularly analyses and reports activity across its full suite of enforcement actions against levels of non-compliance to determine the timeliness and effectiveness of enforcement actions.
5. Reviews its performance measures, baseline data and external reporting to ensure these aspects of performance management represent the outcomes of regulatory activity on protecting the environment.
6. Ensures that its information systems produce data that is reliable, relevant, complete and easily accessed by all users of the systems.

Departmental response

The Director-General of the Department of Environment and Resource Management provided the following response on 24 October 2011.

The Department of Environment and Resource Management welcomes the Auditor-General's Report and accepts all the recommendations proposed in the Report. The Department's response below is divided into the three key areas highlighted in the Report.

1. Development Approvals and Registration Certificates

DERM welcomes Audit findings that it has detailed and clear guidelines to assist with decision making; that decision making was found to be transparent, accountable and well documented; and that administrative review practices are consistent with natural justice principles.

As advised to Audit, DERM has implemented a series of management actions to address outstanding annual notices and outstanding fees including:

- *Undertaking a data cleansing project to actively identify instances of outstanding annual notices and fees within the EcoTrack permitting system;*
- *Invoicing outstanding fees identified through the EcoTrack data cleansing project and linking invoices to a secondary debt management system (LAIS) in addition to EcoTrack, to ensure system reliability in tracking and following up outstanding fees;*
- *Improving financial and debt management processes, including adjusting debt management work flows through a centralised and specialised debt management team in the Implementation and Support Unit within DERM's Regional Service Delivery Division; and*
- *Where outstanding annual notices or fees are not rectified through the centralised procedures, ensuring there are clear escalation pathways for triggering regional follow-up action to inspect sites, determine site status and consider cancellation or suspension of registration certificates where necessary.*

DERM will implement, as planned, its project for updating ERA conditions for landfills. In addition, other high and very high risk ERAs will continue to be a focus of DERM proactive compliance activity. As noted in the Report, DERM's ability to amend development approval conditions is limited to where there has been a request from an operator; mutual agreement; or following an environmental incident.

2. Monitoring and Enforcing Compliance

DERM notes that Audit found the Department has a highly visible, strategic and proactive approach to enforcing compliance. DERM has arrangements underway to determine a single methodology for future compliance plans and to ensure recommendations from projects are implemented. In preparation for the 2012-13 compliance year DERM will implement a program of enhanced support to regional office staff to enable a consistent approach to regional compliance planning.

A newly formed Compliance Intelligence and Information Team has been established within DERM to analyse and report on the effectiveness of DERM's compliance actions. This will include comparing all types of enforcement action against levels of non-compliance to assess the timeliness and effectiveness of enforcement action.

3. Performance Reporting and Evaluation

DERM will undertake a review of its performance measures, baseline data and external reporting to enable a more outcomes focused assessment of performance. The Department will also undertake a review of DERM's primary permit system EcoTrack to ensure it is able to provide relevant, reliable and accessible data for users.

1 | Audit outline

1.1 Background

The Queensland *Environmental Protection Act 1994* (section 13 (1,2)) defines waste as: ‘anything, other than a resource approved under subsection (4) that is – leftover, or an unwanted by-product, from an industrial, commercial, domestic or other activity; or surplus to the industrial, commercial, domestic or other activity generating the waste. Waste can be a gas, liquid, solid or energy, or a combination of any of them.’

Waste generation in Queensland is increasing rapidly. Between 2003-04 and 2007-08 waste generation increased by 40 per cent, yet over the same period Queensland’s population increased by 10 per cent.⁴ Queenslanders are consuming goods and resources at record rates. Queensland is one of the largest generators of waste in Australia with the highest amount of waste per capita of any state.⁵

According to the International Organisation of Supreme Audit Institutions (2003), if waste is not managed properly it can lead to the contamination of soil, surface water, groundwater and air, and have negative impacts on the health of people and animals.⁶

Queensland is a signatory to the broad key principles underpinning the Australian Government’s *National Waste Policy: Less Waste, More Resources*. It is also a collaboration partner to the many waste initiatives and strategies to implement the new, coherent, efficient and environmentally responsible approach to waste management in Australia.

The Queensland Government’s plan for the future – *Toward Q2: Tomorrow’s Queensland* has a Green target: Protecting our lifestyle and environment.⁷ In December 2010, the Queensland Government released its *Queensland’s Waste Reduction and Recycling Strategy 2010-2020*. To achieve the aim of waste reduction, the Strategy includes five key approaches, two of which are introducing a waste disposal levy and reforming the legislative framework and regulatory approaches. The consultation period ended in August 2011 and a total of 96 submissions were received.

ClimateQ: toward a greener Queensland 2009 is a State government initiative designed to reduce the administrative and regulatory burden on business by reducing the cost of compliance and reporting requirements and for business to implement energy, water and waste efficiencies.

⁴ Department of Environment and Resource Management 2009, *Waste and Recycling Report Card 2007-08*, p. 2.

⁵ Department of Environment and Resource Management 2010, *Queensland’s Waste Reduction and Recycling Strategy 2010-2020*, p. i.

⁶ Working Group on Environmental Auditing (WGEA) of the International Organization of Supreme Audit Institutions (INTOSAI) 2003, *Towards Auditing Waste Management*, p. 13 & 14.

⁷ Queensland Government 2008, *Toward Q2: Tomorrow’s Queensland*.

1.2 Departmental overview

The Department of Environment and Resource Management (DERM) is Queensland's leading state environmental regulator. The core business of the department is to conserve, protect and manage the state's environment, natural resources and cultural heritage. The department is the lead agency for the *Towards Q2: Tomorrow's Queensland* green target. As stated in DERM's *Strategic Plan 2010-14*, its objective is; 'Cut Queenslanders' carbon footprint by one third with reduced car and electricity use and waste to landfill. DERM leads the implementation of the *ClimateQ strategy* and the development of a state-wide waste management strategy.'

DERM administers multiple pieces of legislation, including the *Water Act 2000* under the Energy and Water Utilities portfolio, 45 Acts under the Finance, Natural Resources and the Arts (Natural Resources component) portfolio, and 32 Acts under the Environment portfolio. The department has a significant regulatory role, developing and administering a streamlined regulatory framework for environmental protection.

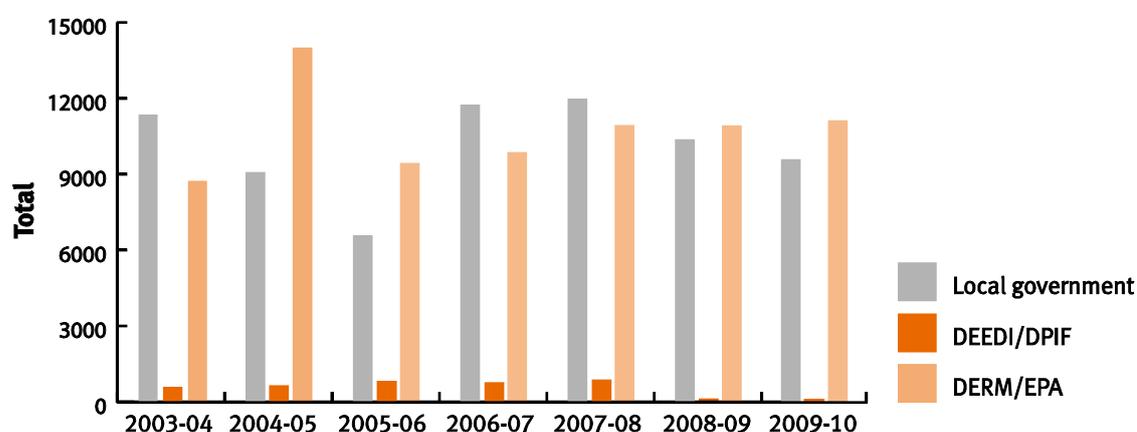
DERM regulates a range of waste related activities, including waste storage, transport, treatment, recycling and disposal. It also regulates specific requirements for the treatment of particular types of waste, including regulated waste, clinical waste and polychlorinated biphenyls. Regulatory activities include setting development approval conditions, registration, monitoring through inspections, audits and investigations and enforcement activities where it finds non-compliance. The department also collects information on the movement of regulated waste.

The operational arm of DERM responsible for waste management state-wide is the Regional Service Delivery Division. The Regional Service Delivery Division comprises four branches:

- Implementation and Support Unit.
- Strategy Implementation.
- Business Services Central Business District.
- Regions: North, Central West, South West and South East.

DERM is the key environmental regulator in Queensland, with the Department of Employment, Economic Development and Industry (DEEDI) and local government as co-regulators under the *Environmental Protection Act 1994*. Figure 1.1 shows the number of development approvals and registration certificates managed by DERM, DEEDI and local government by year. DERM and local government regulate the majority of authorisations. DERM was unable to provide the data for years 2008-09 and 2009-10 for DEEDI as co-regulator.

Figure 1.1 – Environmental development approvals and registration certificates



Source: Data provided by Department of Environment and Resource Management, 2011.

In 2009-10, DERM undertook 385 basic inspections,⁸ 510 condition inspections⁹ and 100 full inspections¹⁰ across all areas it regulates. The department provided data showing that 69 of the total 995 inspections relate to waste, which includes 34 follow-up inspections. This represents a seven per cent coverage by inspections in the waste area of regulation. Figure 1.2 shows the number and types of waste permits administered by DERM for 2009-10. Waste permits comprise 11 per cent of total permits.

Figure 1.2 – Waste permits administered by DERM

Permit type	Number of permits
Waste disposal	127
Waste regulated	575
Waste transfer station operations	23
Waste composting and soil conditioning	39
Total waste permits	764
Total DERM permits (all environmentally relevant activities)	7,224

Source: Data provided by Department of Environment and Resource Management, 2011.

Authorised persons are appointed under the *Environmental Protection Act 1994* to exercise the investigation and enforcement powers to protect and prevent harm to the environment. The majority of authorised persons are employed by local government. DERM has increased its number of authorised persons by 200 between 2005-06 and 2009-10. In comparison, local government has increased its number of authorised persons by more than 1,000 over the same period. Figure 1.3 shows the number of authorised persons for each regulating entity.

Figure 1.3 – Number of authorised persons by regulating entity

Agency	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	Total change
DERM [#]	**	166	168	210	345	366	200
DEEDI ^{##}	**	**	**	8	11	11	3
Local government	588	**	693	342	913	1,654	1,066
Total	588	166	861	560	1,269	2,031	1,443

Source: Data provided by Department of Environment and Resource Management, 2011.

** Information about authorised officers not available for these periods.

[#] Prior to 2009 staff were employed by the former Environmental Protection Authority.

^{##} Prior to 2009 staff were employed by the former Department of Primary Industries and Fisheries.

⁸ Basic inspection also known as level A – lowest level of detail, often involving a single issue such as assessing risk or verifying that enforcement action has been undertaken.

⁹ Condition inspection also known as level B – most common level of inspection undertaken at licensed premises, involves an assessment of compliance with regulation, licenses and standards.

¹⁰ Full inspection also known as Level C – highest and most detailed level of compliance assessment. Usually involves a comprehensive audit of the whole site's operation.

1.3 Audit objective

The objective of this performance audit was to determine whether DERM efficiently and effectively administers and enforces the legislation aimed at mitigating the risk of harm to the environment from waste. The audit also examined whether the department's performance measures are relevant, appropriate and fairly represent performance.

Specifically, the audit aimed to answer the following questions:

- Does DERM efficiently and effectively administer permits for waste activities?
- Does DERM efficiently and effectively monitor and report compliance with development conditions and regulatory requirements?
- Does DERM efficiently and effectively manage non-compliance with development conditions and regulatory requirements?
- Does DERM ensure performance information on regulating waste is relevant, accurate and complete?

1.4 Audit scope

1.4.1 Entity subject to audit

The Department of Environment and Resource Management (DERM) was the only department subject to audit.

1.4.2 Exclusions from audit scope

The performance audit did not examine:

- Local government waste management activities or planning approval processes.
- The new information system to regulate the new waste reduction legislation or levy currently under development.
- The regulation of waste tracking, waste water (sewage) and marine waste (the responsibility of the Australian Government).
- DERM's management of its budget on waste management activity.
- The waste reform currently being proposed by DERM.

2 | Development approvals and registration certificates

Summary

Background

Each waste facility in Queensland, regardless of its size or location, requires a development approval and a registration certificate. Development approvals and conditions are administered under the *Sustainable Planning Act 2009*, while registration certificates are administered under the *Environmental Protection Act 1994*. Operators of approved waste facilities are required to provide an annual return to the Department of Environment and Resource Management (DERM) on their activities and compliance with development approval conditions.

Key findings

- DERM's policies, guidance material, templates, documentation and training are appropriate to ensure decision making protocols and timeframes are met. The department however, cannot provide assurance that potential and actual conflicts of interest are being recorded by staff processing applications for development approvals and registration certificates.
- Comprehensive guidance material and additional assistance is available to applicants. Approximately one third of the applications result in the applicant being required to provide additional information. DERM has no process for determining whether the information available about the legislative requirements meets the applicants' needs.
- Existing development conditions are not regularly reviewed or updated to reflect current practices.
- Operator's annual returns on their environmentally relevant activities are not always reviewed in a timely manner by DERM.
- DERM has guidelines in place for managing outstanding annual returns and outstanding unpaid fees. Audit noted instances where annual returns and fees were outstanding for significant periods of time with operators continuing to operate.

2.1 Processing of applications

Each waste facility in Queensland requires a development approval and a registration certificate. Operators must apply for these approvals and registration certificates where their operations have the potential to cause harm to the environment. Figure 2.1 depicts the characteristics of development approvals and registration certificates.

Figure 2.1 – Characteristics of development approvals and registration certificates

Aspect	Development approvals	Registration certificates
Order of application	Applicant gains development approval first	Registration certificate granted after development approval
Legislation	<i>Sustainable Planning Act 2009</i> (or Codes)	<i>Environmental Protection Act 1994</i>
Applies to	Site (unless mobile or temporary)	Operator
Life span	No sunset clause or end date	No automatic expiry
Review of status	No review of approval conditions unless criteria under section 73C of <i>Environmental Protection Act 1994</i> are met	Annual
Subject to conditions	Yes	No
Fees	Initial application fee, but no annual fees	Initial application fees and annual fees
Application process	Integrated Development Approval System unless a Code is applied	DERM – Permit and License Management Unit
Responsibility of assessment and approval	Local Government and/or DERM	DERM or Local Government
Enforcement options – DERM	Warning Penalty Infringement Notice Environmental Evaluation Transitional Environmental Program Environmental Protection Order Direction notice Clean up notice Cost recovery notice Show cause notice Enforcement notice Prosecution Court order	Suspension of registration Cancellation of registration

Source: Queensland Audit Office, 2011.

Development approvals and conditions are administered under the *Sustainable Planning Act 2009*, while registration certificates are administered under the *Environmental Protection Act 1994*. The statutory requirements for a properly made application under the *Sustainable Planning Act 2009* are outlined in Appendix 5.7.

2.1.1 Permit and Licence Management unit

The Permit and Licence Management unit within DERM is the centralised lodgement point for applications for development approvals and registration certificates. The initial processing of applications is performed by the unit. The department's EcoTrack system provides the platform for the processing and recording of all applications for development approvals and registration certificates, annual returns and related information. Appendix 5.8 shows how an application for a development approval is assessed.

For the year ended 30 June 2011, the Permit and Licence Management unit processed approximately 3,500 applications for development approvals for all environmentally relevant activities, including mining, water and waste.¹¹ The processing of applications typically involves undertaking state interest checks, mapping and the receipting of application fees. The unit also checks whether each application is properly made in accordance with the legislation and requests further information from applicants, where necessary.

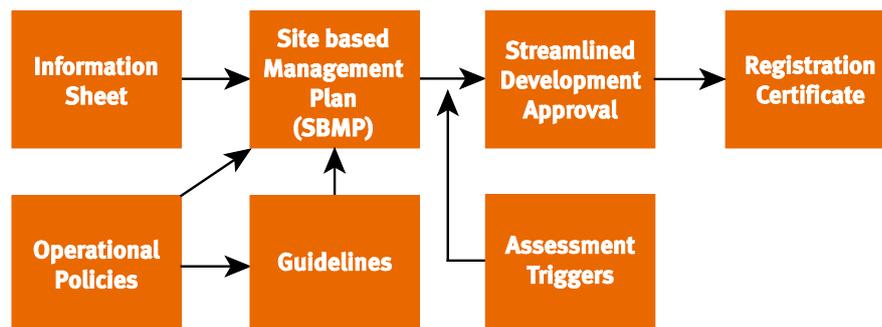
Efficient processing of applications is critical given the legislated timeframe of ten days for approval. The Permit and Licence Management unit performs its assessment within three business days of receiving an application. The application is then forwarded to the regional office for further assessment by environmental officers within the mandatory decision making period.

Audit considers that the initial processing of development applications and registration certificates is effective.

2.1.2 DERM regional offices

The regional office processing of applications for development approvals and registration certificates includes pre-lodgement meetings, codes of compliance, the application of operational policies and guidelines, and the setting of conditions and collection of fees for environmentally relevant activities. Figure 2.2 illustrates the flow of the application process and the relationship between DERM's operational policies, guidelines and the application for development approvals.

Figure 2.2 – Relationship between policies, guidelines and application



Source: Department of Environment and Resource Management, *ERA 75 Guideline*, p. 3.

¹¹ Department of Environment and Resource Management 2011, *Permit and Licensing Management*.

Time constraints affect the level of attention regional staff can give to thoroughly examining applications for development approvals and registration certificates. Timeframes for the assessment of applications for development approvals are set by the *Sustainable Planning Act 2009*. While there are slightly different processes for where DERM is a Referral Agency or an Assessment Manager, under the *Sustainable Planning Act 2009* DERM have 10 business days to decide whether to issue an information request to the applicant. This can be extended by a further 10 business days without agreement from the applicant and can be extended further in exceptional circumstances with the agreement of the applicant. If an information request is made the application clock stops until such time as the applicant responds. Upon response to an information request or in the event no information request is made by the due date, DERM will have 20 business days to assess the information and decide how it will respond to the application. This can be extended by a further 20 business days without the applicant's agreement and further again with the agreement of the applicant.

This application may lapse if the requested information is not provided by the applicant within the mandated timeframe. There is a risk that if an application is not decided within the mandated timeframe, then DERM cannot apply conditions to the development approval and harm to the environment could occur.

There are established governance protocols to oversee regional assessments of applications for development approvals and registration certificates and to ensure decisions are reviewed and approved by the appropriate staff. Decisions, including all factors considered during the assessment process, are well documented.

While there are departmental procedures for declaring and recording potential and actual conflicts of interest, audit noted during fieldwork that regional staff were not aware of the department's requirement to retain a Conflicts of Interest Register. DERM authorised officers undertake training in legislation, administrative decision making, departmental policy and procedures as well as ethical behaviour, including identification and documentation of conflicts of interest. Not documenting potential conflicts of interest and the actions taken to manage them could expose the department to having decisions and assessments challenged on the basis of perceived or actual conflicts of interest.

Audit considers DERM's policies, guidance material, templates, documentation and training are appropriate to ensure decision making protocols are met. However, the department cannot provide assurance that potential and actual conflicts of interest are being recorded.

2.1.3 Information supplied to support applications

DERM advised that *'the application process needs to be iterative and the legislation acknowledges this by having provisions for a 'further information' stage. It is the applicant's responsibility to understand their duties and responsibilities in respect of the Sustainable Planning Act 2009 and the Environmental Protection Act 1994 and to obtain all authorisations required to lawfully conduct an environmentally relevant activity in any particular place and circumstance.'*

The department established the Greentape Reduction Project to streamline, integrate and coordinate regulatory requirements under the *Environmental Protection Act 1994*. It is a key initiative of the Queensland Government's Smart Regulatory Reform Agenda to reduce the compliance burden on business and the administrative burden on government by \$150m each year by the end of 2013.

Guidance material and application forms for development approvals and registration certificates are available for applicants on DERM's website. Additional assistance is available to applicants on request. Applicants are also encouraged to participate in pre-lodgement meetings with regional staff to discuss the preparation of their application.

Information provided by regional staff and the Permit and Licence Management unit indicates that many applications for development approvals and registration certificates do not contain all of the required information. The department informed audit that approximately one in every three of the applications processed required the operator to supply additional information to comply with legislation. Additional information is usually sought by regional staff when they conduct further processing of the application. This adds to their workload when they are required to follow-up with applicants to ensure all information required is supplied before a development approval or registration certificate is granted. This audit finding is confirmed by the Greentape Reduction Discussion Paper and Regulatory Assessment Paper, released by DERM in May 2011, which states:

'DERM staff members have expressed concern that the quality of information provided by proponents (as part of an application) is sometimes inadequate and can lack the detail necessary to make an informed decision. This can lead to project delays due to the need to make additional information requests.'

The number of applications received with deficient information suggests that the information needs of applicants may not be met despite the level of information provided. Delays created through the provision of insufficient or inappropriate information by applicants have adverse flow on effects. Because the assessment of applications is resource intensive, this reduces the time regional staff have to undertake compliance inspections aimed at mitigating the risk of harm to the environment.

The Greentape Reduction Discussion Paper and Regulatory Assessment Paper (2011) also states:

'The resources consumed in assessment effort are a barrier to a business model that focuses on actual operational performance, and results in less resources being available for activities that pose a greater environmental risk.'

DERM considers that *'a reduction in assessment time will provide for a potential increase in compliance capability, however environmental assessment processes are an important compliance process in their own right, in that they determine whether an activity will be permitted at a geographical location and typically provide an ongoing framework of regulatory conditions.'*¹²

The department does not investigate or analyse the cause of insufficient and incomplete applications for development approvals and registration certificates that lead to processing delays. Processes such as stakeholder surveys seeking feedback from applicants and environmental officers would enhance the efficiency of the assessment process and address the negative workflows that are a consequence of reworking such applications.

¹² Department of Environment and Resource Management, August 2011.

2.1.4 Development conditions

Development approvals and registration certificates may be subject to conditions to mitigate the risk of environmental harm from the proposed environmentally relevant activity. Operators can appeal a decision and the conditions attached to the development approval or registration certificate.

Operators can also apply to vary the conditions before approval is granted.

DERM's Waste Disposal Compliance Project in 2009-10 reported that some development and registration certificate conditions were redundant and in some cases were over 10 years old and did not reflect current environmental management practices. As these conditions set the criteria for compliance inspections, redundant or inappropriate conditions could lead to poor practices and result in harm to the environment.

Changing specific conditions requires a request from the registered operator, by mutual agreement or following an environmental incident in accordance with the *Sustainable Planning Act 2009* and s.73C of the *Environmental Protection Act 1994*.

Audit considers that keeping conditions relevant ensures compliance activity is effective in reducing the risk of harm to the environment. Audit notes that an objective of a 2011-12 annual compliance plan project titled the *ERA benchmarking and performance compliance project* is to determine the best approach to amend conditions to reflect current standards.

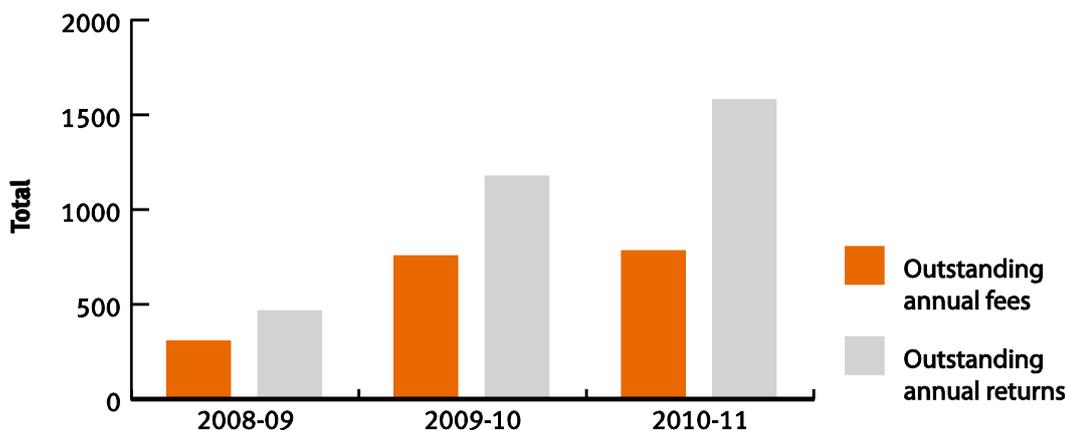
2.1.5 Annual returns and fees

DERM's standard operating procedure describes the detail the operator must provide in the annual return about the extent to which conditions of the approved development application and registration certificate have been met.

Audit found that while operators provide their annual returns to the department, this information is not always reviewed in a timely manner. This in turn, impacts on how this performance information is used to ensure compliance, particularly when an operator has made a declaration that proves to be false. The annual return requires disclosure by the operator of any historic non-compliance with development and registration certificates or penalty infringement notices. Operators who operate for substantial periods of time without submitting their annual returns may operate outside their registration certificate conditions. By not reviewing annual returns in a timely manner, operators may be operating undetected in contravention of their approval conditions and DERM is not fulfilling its role as the state's environmental regulator in an effective manner. However, such operators are potentially still subject to other compliance activities.

At the time of the audit, DERM advised that there were 7,224 active permits (Figure 1.2) that required an annual return on their environmentally relevant activities due in the 2010-11 financial year. As at 30 June 2011, 1,581 (Figure 2.3) annual returns remained outstanding. These outstanding returns have accumulated over the years 2008-09, 2009-10 and 2010-11. DERM has implemented a series of management actions to address this issue.

Figure 2.3 – Outstanding numbers of annual returns and fees



Source: Data provided by Department of Environment and Resource Management, 2011.

The *Environmental Protection Act 1994* authorises DERM to request payment of outstanding annual return fees that are up to six years overdue.¹³ Fees and annual returns outstanding before February 2011 are managed by the Implementation and Support Unit and the respective regional manager. Policy guidelines are in place to assist regional staff with managing outstanding or unpaid fees and annual returns. Operators with registration certificates have 10 business days in which to pay the overdue fees once an invoice and reminder notice has been issued.

Audit noted instances where annual returns and fees were outstanding for significant periods of time (more than three years) with operators continuing to operate. This is contrary to the requirements of the legislation which requires that the registration certificate be suspended after efforts to resolve the unpaid fee issue are undertaken by regional managers.

Total fees collected by DERM for environmentally relevant activities during the 2010-11 financial year amounted to approximately \$37m. As at 30 June 2011, there were 784 active permits that had outstanding fees. The value of outstanding ERA fees under new invoicing and debt management arrangements for invoices issued up to and including 30 June 2011 was \$2.86m. DERM advised that there is potentially up to an additional \$3.65m in outstanding fees for current permits for the period 1 July 2006 to 30 June 2011 not currently invoiced.

Audit noted that while the EcoTrack system captures a wide range of data, there are difficulties in extracting disaggregated data for more detailed reports on annual fees and returns. Further information on this issue is covered in section 4.2.2 of this report.

DERM also advised that a regulation amendment in 2009 contributed to some delay in fee collection. In addition, from July 2011 some 5000 new annual notices were issued to small miners who were required to pay a \$500 fee following commencement of the *Environmental Protection Regulation 2008*. Many miners have objected to both the fee and annual report requirements and DERM has been in protracted negotiations to achieve compliance.

¹³ Former Environmental Protection Agency 2009, *Environmental Protection Regulation, Administrative Practice Note 2/09*.

2.2 Conclusion and recommendations

DERM has prescriptive legislation guiding its management of waste activities. DERM's role as the state's environmental regulator may be compromised by negative perceptions of the time taken for development approvals, redundant development conditions, time taken for review of annual returns and the issue of outstanding fees.

The administration of applications for development approvals and registration certificates is an established process with clear direction provided. However, the number of applications with insufficient and incomplete information at the time of assessment creates inefficient workflows for staff and consequently less time for compliance activities.

The lack of review of development approval conditions has resulted in conditions that are redundant and not relevant to current environmental practices with a subsequent continuing risk of harm to the environment.

There are examples of annual fees and returns remaining outstanding for extended periods of time with operators continuing to operate without current permits.

Based on these findings, the following recommendations have been made.

It is recommended the Department of Environment and Resource Management:

- 1. Implements, as planned, projects to:**
 - a. Review all existing high and very high risk environmentally relevant activity development approval conditions to reflect current environmental standards.**
- 2. Ensures that all annual returns from operators are reviewed in a timely manner and collects any outstanding annual fees in accordance with legislation.**

3 | Monitoring and enforcing compliance

Summary

Background

As a regulator, the Department of Environment and Resource Management (DERM) is responsible for ensuring that businesses and individuals comply with regulatory requirements and development conditions. Better practice guidance for regulators recommends that this is best achieved through a monitoring program which includes both proactive and reactive inspections. Where non-compliance is detected, a suite of enforcement tools should be used to remedy environmental harm and encourage future compliance. Proactive monitoring should be informed by robust risk assessment and trend analysis to identify areas of priority where the program of inspections will make the most difference.

Key findings

- DERM's Compliance Framework and Compliance Strategy establish a clear strategic direction for compliance activities and outline a proactive and targeted approach to monitoring and enforcing compliance.
- At a departmental level, Annual Compliance Plans outline projects for priority focus which are informed by research and data analysis and are formally assessed and reported on. However, the lack of a system to ensure recommendations are actioned and monitored creates a risk that potential benefits from these projects may be lost.
- At a regional level, planning for regular compliance activity is inconsistent and DERM cannot provide assurance that regulatory and policy requirements are complied with, high priority risks are adequately covered and the monitoring regime is effective in promoting compliance and reducing the risk of harm to the environment from waste related activities.
- DERM has procedures in place to manage and prioritise complaints. However, audit found evidence of only limited analysis of the complaints.
- DERM guidance and training emphasises a graduated and flexible approach to enforcement. Audit found evidence which suggests that enforcement activity consists of mainly lower level enforcement actions which are not included in the analysis of non-compliance.
- Dates for follow-up of non-compliance are set, however, the department cannot provide assurance that follow-up activity is occurring in a timely manner to ensure non-compliance is addressed or escalated.

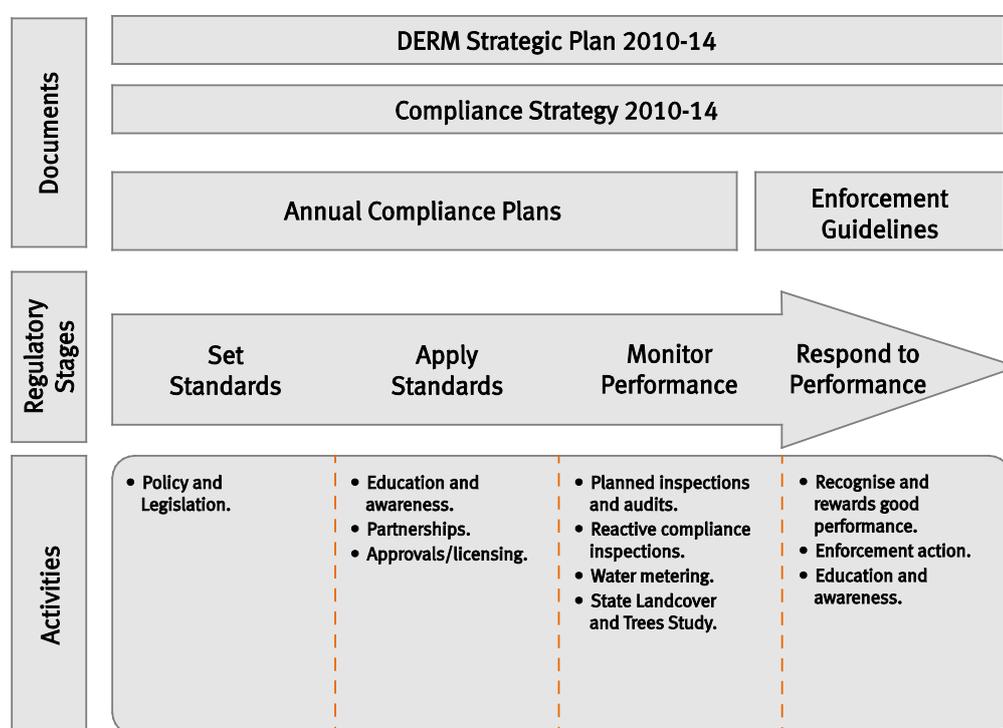
3.1 Compliance strategy and planning

Regulators have a responsibility to provide assurance to the community that statutory requirements are being met.¹⁴ This is best achieved through a cost-effective, risk-based compliance monitoring framework that ensures resources are targeted at the highest priority areas.

3.1.1 Compliance framework and strategy

As outlined in Figure 3.1, DERM's Compliance Framework links compliance activities with regulatory stages and key departmental documents.

Figure 3.1 – DERM Compliance Framework



Source: Department of Environment and Resource Management, *Compliance Strategy, 2010-14*, June 2010, p. 3.

The *Compliance Strategy 2010-14* links to the vision and role outlined in DERM's *Strategic Plan 2010-14* and includes strategies and actions for three of the six Strategic Plan objectives. The Compliance Strategy outlines DERM's commitment to 'proactively managing and monitoring risks to Queensland's environment and natural resources through the implementation of a compliance strategy founded on a targeted and transparent approach to compliance, supported by a modern and strong enforcement capability.'

Implementation actions highlight a focus on education, encouraging voluntary compliance and using 'accurate and contemporary science and information' to inform compliance planning and management decisions.

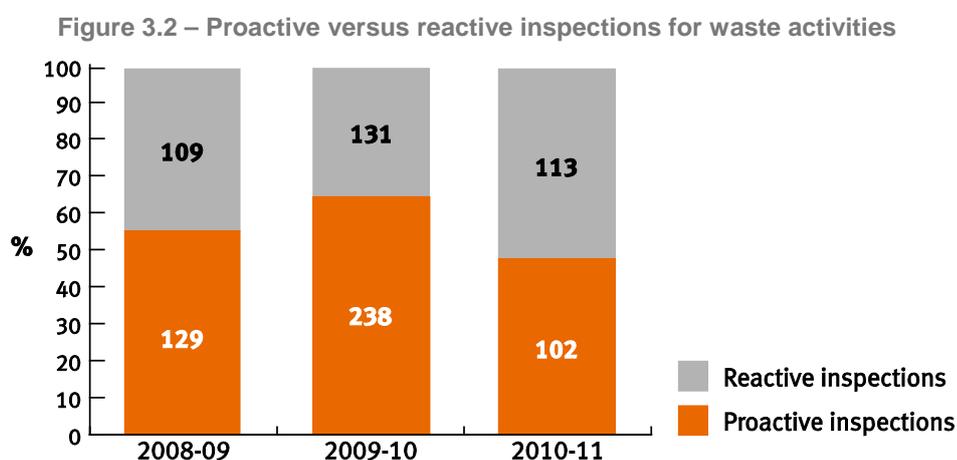
¹⁴ Australian National Audit Office 2007, *Administering Regulation: Better Practice Guide*, p. 51.

Audit considers that DERM's Compliance Framework and Compliance Strategy establish the strategic direction for compliance activities and outline a proactive and targeted approach to monitoring and enforcing compliance. The department also ensures that this information is communicated to staff.

3.1.2 Compliance program planning

DERM implements the proactive and targeted approach outlined in the Compliance Strategy through its annual compliance planning process. At the departmental level, an annual compliance plan outlines a program of priority projects to be implemented across the state. Each of the four regions subsequently develops its program of proactive activities which includes projects outlined in the annual compliance plan as well as additional local compliance activities.

Over the past three years, 55 per cent of waste related inspections and audits were covered by the planning process. Figure 3.2 shows a breakdown of proactive and reactive inspections of waste activities.



Source: Data provided by Department of Environment and Resource Management, 2011.

Annual compliance plans

DERM produced its first annual compliance plan in 2009-10 and its third annual compliance plan for 2011-12 is yet to be formally endorsed by senior management. Each annual compliance plan outlines priority projects across the range of areas the department regulates. For projects involving inspections, target inspection numbers are developed and reported internally and included in the Service Delivery Statement, but not the published compliance plan. Audit was advised that targets for the number of proactive inspections to be undertaken for projects are set by the regions.

Audit was advised that each of the annual compliance plans have been developed using a different methodology. However, a standard methodology for developing annual compliance plans in the future is currently being developed and documented. A comprehensive and consistent methodology should provide better assurance that areas of greatest risk across the state are being adequately identified and addressed to protect Queensland's environment.

DERM's *Draft 2011-12 Annual Compliance Plan* has been informed by an assessment of environmental trends and threats, current programs and incentives as well as an examination of compliance data. This assessment resulted in 50 scientific assessment based priorities and 14 compliance priorities. Input was also sought from regions on their assessed areas of greatest risk and a formal prioritisation tool was used to identify issues most appropriate for inclusion in the plan.

In each of the three years an annual compliance plan has been prepared, the issue identification process has resulted in waste related activities identified as a key risk requiring departmental action. Figure 3.3 provides an overview of the number of projects in each plan and projects relating to waste.

Figure 3.3 – Annual Compliance Plan projects

Year	Total projects	Waste projects	Waste project details
2009-10	15	1	Project to assess surface and groundwater management in landfills.
2010-11	13	1	Four year project initiated to develop a risk profile for landfill gas migration.
2011-12	18	1	Continuation of landfill gas migration project. This plan also provides a focus on waste reform and reference activities to foster compliance following the introduction of the waste levy.

Source: Department of Environment and Resource Management various years, *Annual Compliance Plans*, 2009-10, 2010-11 and 2011-12.

A departmental report on the *2009-10 Waste Disposal Compliance Project* was finalised in 2011. Details of this project are outlined in Case Study 3A.

Regions are required to report quarterly on progress of annual compliance plan projects, in accordance with a standard operating procedure. These reports include the number of inspections completed and whether projects are on track for completion. When projects are concluded, they are evaluated and a report is compiled including recommendations for further work. Reports viewed by audit contained assessment and recommendations which, if implemented, would ensure issues with both compliance and DERM's compliance monitoring processes continually improve.

Audit noted that reports are provided to the relevant area within the department to address but are not provided to senior management for information or oversight. There is no current process to ensure that recommendations are actioned and monitored. Audit is concerned that without a formal process to action and monitor recommendations in a timely manner, opportunities for improvement may not be realised and the potential for harm to the environment continues.

Case study 3A

2009-10 waste disposal compliance project

In recognition of the significant risk waste management activities pose to the environment, in 2009-10 DERM undertook a state-wide compliance project examining surface and groundwater management in landfills. The project targeted 55 sites identified as high and very high risk and sought to:

- Determine levels of compliance.
- Assess the appropriateness and enforceability of conditions.
- Review and report on departmental compliance inspection practices and standards.

Fieldwork inspections were completed in 2009.

A comprehensive review of the project was finalised in mid 2011. This review identified significant non-compliance, representing 'considerable' risk of harm to the environment. The post-project analysis revealed 84 per cent of sites were non-compliant with at least one water schedule condition and 33 per cent of sites were non-compliant with greater than 50 per cent of water conditions. The review resulted in seven recommendations covering all three areas. Responsibilities were assigned to each recommendation.

A follow-up project (phase 2) is planned for 2011-12 which will address some of the recommendations, including the development of an environmental performance standard, template conditions for waste disposal operations, and encouraging greater levels of voluntary compliance. However audit did not find evidence of a system to ensure the implementation of the remaining recommendations is monitored and reported. These recommendations include:

- Introducing a requirement to periodically review and update conditions.
- Expanding the focus of future proactive compliance efforts on high and very high risk waste disposal operations.
- Following up with regions to ensure non-compliances have been rectified.

Audit considers that these recommendations are critical to DERM's ability to provide assurance that risks to the environment posed by waste disposal activities are being minimised in a timely manner. Audit was advised that phase 3, which may be planned in 2012-13, will address the follow-up to ensure non compliance has been rectified.

This project demonstrates a proactive approach to identifying the risks posed to surface and ground water by Queensland landfills. Audit considers that recommendations arising from the project review will encourage improved regulatory practices, ultimately aimed at increasing compliance and reducing the risk of harm to the environment.

Source: Department of Environment and Resource Management 2011, *2009-10 Waste Disposal Compliance Project*.

Regional planning

Annual regional compliance planning may include: annual compliance plan projects; regional projects; regular inspections of higher risk operations and follow-up of previously identified non-compliance.

Audit noted that each region visited undertook and documented their own planning differently, with one region not formally documenting their annual plan of compliance activity. There was limited guidance to assist with developing and documenting regional projects or regional planning. A procedural guide exists to assist regions to assess the environmental risk of individual operators and sets the minimum required frequency of inspections for each risk category. However, there is no template to document regional planning.

While most regions reported basing their planning on an assessment of complaints and previous non-compliance, regional staff informed audit that much of their assessment of priorities and risks was based on 'gut feel'¹⁵ and knowledge of the region and regulated entities. This may be partly due to the difficulty in accessing reports from its EcoTrack system. This approach raises concerns for audit that key areas of compliance risk may be overlooked.

¹⁵ Evidence provided to audit by Department of Environment and Resource Management regional staff.

Audit was advised that regional compliance with DERM's procedural guidelines is not monitored and the department was unable to provide audit with data on risk rating and inspection dates for waste related activities. The 2009-10 landfill project evaluation identified that over 40 per cent of high and very high risk landfill sites for which previous inspection dates were available had not been inspected in the previous three years.¹⁶ This is despite analysis by the department indicating that the largest focus of inspection activities from 2008 to 2010 was in the area of waste.¹⁷ DERM's procedural guide on risk assessment states that, as a minimum, sites assessed as high or very high risk should be inspected annually and sites assessed as moderate risk should be inspected biannually. This suggests that although the department is identifying risks, it is not routinely ensuring that all risks are adequately managed according to its own guidelines.

Monitoring and reporting on the progress of regional compliance plans was also inconsistent across regions. Monitoring generally focused on the number of inspections completed and did not take account of the levels of compliance found. Based on this practice, it would be difficult for management to assess the effectiveness of plans in identifying and addressing compliance risks and inform future planning.

Audit considers that this ad-hoc approach to regional planning is inadequate. DERM cannot provide assurance that regulatory and policy requirements are complied with, that high priority risks are adequately managed, or that the monitoring regime is effective in promoting compliance and reducing the risk of harm to the environment from waste related activities.

3.2 Monitoring compliance

*'Monitoring compliance is essential to the success of an environmental management program.'*¹⁸ Monitoring generally occurs through on-site visits by qualified inspectors, public reporting of violations, and by reviewing information submitted by the regulated industry.¹⁹

Chapter 9 of the *Environmental Protection Act 1994* provides for the appointment of 'authorised persons' to undertake compliance inspections and prescribes a range of terms, powers and responsibilities for these persons.

The Queensland Ombudsman (2009) recommends that regulators should have a system to manage complaints which includes the following elements:

- *'Visibility and access.*
- *Responsiveness.*
- *Assessment and action.*
- *Feedback.*
- *Monitoring effectiveness.'*²⁰

¹⁶ Department of Environment and Resource Management, *2009-10 Waste Disposal Compliance Project*, p. 15.

¹⁷ Department of Environment and Resource Management 2010, *State of Compliance Report*, p. 179.

¹⁸ International Network for Environmental Compliance and Enforcement 2009, *Principles of Environmental Compliance and Enforcement Handbook*, p. 43.

¹⁹ International Network for Environmental Compliance and Enforcement 2009, *Principles of Environmental Compliance and Enforcement Handbook*, p. 7.

²⁰ Queensland Ombudsman 2009, *Tips and Traps for Regulators*, p. 105.

3.2.1 Conducting inspections and audits

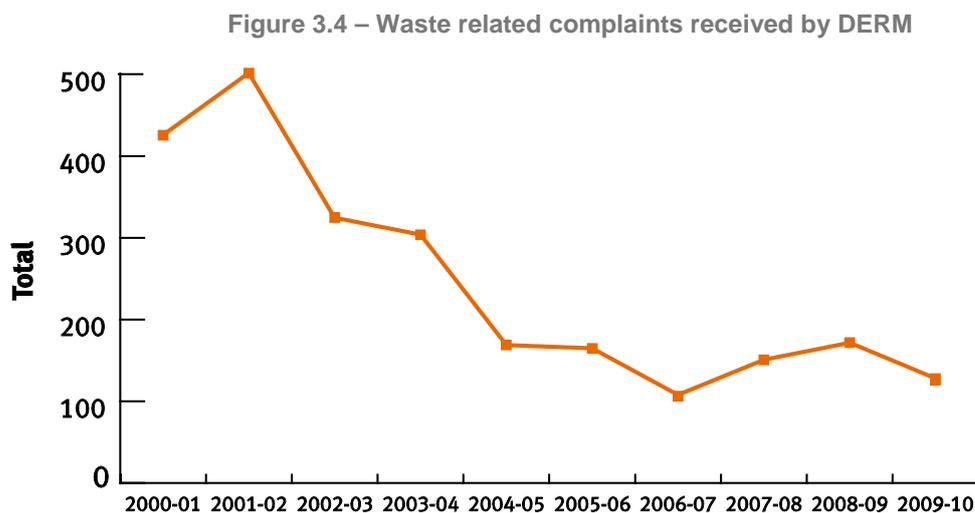
Inspections and audits are generally undertaken by regional staff. More complex investigations are conducted by the specialist Investigations Team. All staff undertaking inspections and audits are authorised as environmental officers and most are tertiary qualified. While there are staff with particular areas of expertise, environmental officers may be asked to undertake inspections and audits for a variety of regulated areas, and there is not a particular group of staff dedicated to undertaking inspections and audits on waste operators.

Procedures, guides, tools and templates are provided to assist environmental officers' plan, undertake and document inspections and audits. This is supported by formal and informal training and mentoring. This guidance and training references legislative requirements where appropriate and regional staff use these materials. In addition, centralised technical advice, support and referral services are available for more complex investigations.

Guidance on decision making has been developed. This reflects the principles outlined by the Queensland Ombudsman.²¹ Decisions are reviewed and approved by senior staff with approvals captured on hard copy files. Results of inspections and audits are documented and communicated to operators with a closing letter. Meeting statutory requirements and compliance in accordance with statutory timeframes is monitored and reported.

3.2.2 Responding to complaints

One of the key ways DERM becomes aware of regulatory breaches and illegal operators is through complaints from the public. Audit was advised that most complaints are received through a Pollution Hotline and complaint forms are available on DERM's internet site for making specific complaints associated with, for example, noise, odour and dust. The number of complaints relating to waste over the past 10 years indicates a general downward trend as indicated in Figure 3.4, from a high of 498 complaints in 2001-02 to 168 complaints in 2009-10.



Source: Data provided by Department of Environment and Resource Management, 2011.

²¹ Queensland Ombudsman 2007, *Good Decision Making Guide – Good decisions make good sense*.

DERM has two different procedures for managing complaints. The first specifically relates to complaints about service delivery, services, products, decisions or actions of the department or its staff. This procedure has been operational since 2007. Audit found that while regional staff are aware of the requirements and timeframes for handling complaints, they could not readily locate the documented procedure. Quarterly reporting of these complaints is undertaken.

The second procedure relates to regulatory service complaints about regulated entities. The progress of complaints is documented and monitored in the EcoTrack system and complainants are informed of the outcome of their complaint. Under this procedure, there is no quarterly analysis of complaint statistics.

DERM provides the total number of complaints each year in its annual report to Parliament on the administration of the *Environmental Protection Act 1994*.²² This information is aggregated and does not provide a breakdown of complaints by industry area (e.g. waste) or include trends over time.

Internal analysis of complaints was conducted by DERM to inform its *2011-12 Annual Compliance Plan*. This analysis includes complaints trends and provides a disaggregation of complaints and reveals that DERM received more complaints about the waste industry than any other industry. This analysis breaks down waste complaints into five areas, with most complaints under a 'general' category. The analysis does not, however, compare trends in the number of complaints to levels of compliance to identify if lower levels of complaints correlate to higher levels of compliance. This information would assist the department to understand the relationship between complaints and compliance and assist in its annual planning.

3.3 Responding to non-compliance

Enforcement refers to the action taken against non-compliant individuals and businesses to compel compliance with the law.²³ According to the International Network of Environmental Compliance and Enforcement (2009), '*enforcement is the backbone to a compliance program.*'²⁴ Further, '*...deterrence is strengthened by timely, predictable and appropriate enforcement actions that cause potential violators to determine that the risk of detection and punishment outweighs the potential benefits of non-compliance.*'²⁵

Regulators should consider which enforcement action is likely to be the most effective given the circumstances.²⁶ Graduated responses allow the regulator to escalate action if an entity does not respond appropriately to the initial regulatory action. Flexibility in addressing non-compliance ensures:

- Responses are proportionate to the risks posed.
- The entity's capacity and motivation to return to compliance is recognised.
- The seriousness with which the regulator views non-compliance is signalled.²⁷

²² Department of Environment and Resource Management 2010, *Report on the administration of the Environmental Protection Act 1994: 2009-2010*.

²³ International Network for Environmental Compliance and Enforcement 2009, *Principles of Environmental Compliance and Enforcement Handbook*, p. 8.

²⁴ International Network for Environmental Compliance and Enforcement 2009, *Principles of Environmental Compliance and Enforcement Handbook*, p. 65.

²⁵ International Network for Environmental Compliance and Enforcement 2009, *Principles of Environmental Compliance and Enforcement Handbook*, p. 13.

²⁶ Queensland Ombudsman 2009, *Tips and Traps for Regulators* p. 43.

²⁷ Australian National Audit Office 2007, *Administering Regulation: Better Practice Guide*, p. 64.

The *Environmental Protection Act 1994* identifies a number of offences, including contravening development conditions.²⁸ The *Environmental Protection Act 1994* and the *Sustainable Planning Act 2009* prescribe a range of enforcement options for responding to offences as outlined in Figure 3.5.

Figure 3.5 – Range of legislative enforcement options

Enforcement option	Act	Description
Environmental evaluation	EPA, Ch7, Pt2	An evaluation of an activity or event to decide the source, cause or environmental harm and the need for a transitional environmental program.
Transitional environmental program	EPA, Ch7, Pt3	A specific program designed to achieve compliance with the <i>Environmental Protection Act 1994</i> .
Environmental protection order	EPA, Ch7, Pt5	A written notice imposing requirements to prevent or minimise environmental harm.
Direction notices	EPA, Ch7, Pt5A	A written notice to remedy a breach relating to emissions.
Clean up notices	EPA, Ch7, Pt5B	A written notice to clean up a contamination incident.
Cost recovery notices	EPA, Ch7, Pt5C	To recover costs of clean up undertaken by the department.
Show cause notice	SPA, Ch7, Pt3	For development offences – an invitation to show cause why an enforcement notice should not be given.
Enforcement notice	SPA, Ch7, Pt3	A requirement to refrain from or remedy a development offence.

Source: *Environmental Protection Act 1994, Sustainable Planning Act 2009*.

EPA – *Environmental Protection Act 1994*.

SPA – *Sustainable Planning Act 2009*.

Checks should be conducted to ensure compliance issues are being addressed. One way to achieve this is through a remedial action plan which outlines the key steps the non-compliant entity needs to take to return to compliance.²⁹ The Queensland Ombudsman (2009) recommends that regulators should have electronic information systems which:

- *Record the dates by which critical operational actions must be completed.*
- *Generate reminders/bring-ups prior to the due date for an action.*
- *Notify the appropriate supervisors when an action has not been completed by the due date.*³⁰

3.3.1 Enforcement approach

DERM's regulatory compliance approach is to *'take consistent and proportionate responses to non-compliance in accordance with the Enforcement Guideline to achieve environmental and natural resource outcomes and deter further non-compliance.'*³¹ The department's enforcement approach allows for graduated responses to non-compliance as outlined in Figure 3.6.

²⁸ *Environmental Protection Act 1994*, s.435A.

²⁹ Australian National Audit Office 2007, *Administering Regulation: Better Practice Guide*, p. 68.

³⁰ Queensland Ombudsman 2009, *Tips and Traps for Regulators*, p. 41.

³¹ Department of Environment and Resource Management 2010, *Compliance Strategy 2010-14*, p. 1.

Figure 3.6 – DERM enforcement pyramid



Source: Department of Environment and Resource Management 2010, *Enforcement Guidelines*, p. 3.

Enforcement options prescribed in legislation cover the top three sections of the pyramid. Additional options of warnings are available for lower-level non-compliance. Warnings may be issued in the form of a warning notice, warning letter or verbal warning.

Departmental guidelines and templates outline the factors to be considered when deciding which response is most appropriate, as well as triggers for escalation and de-escalation of responses. This guidance is supported by centrally provided advice, assistance and training. While the majority of enforcement action is undertaken by regional officers, breaches which may result in litigation are investigated centrally and referred to DERM's Litigation Unit, where appropriate.

DERM's 2009-10 *Waste Disposal Compliance Project* identified significant state-wide non-compliance representing 'considerable' risk of harm to the environment. The project evaluation revealed that in all cases where non-compliance was found, a warning letter was issued in the first instance, regardless of the seriousness of the breach.

When staff undertaking inspections identify non-compliance, a recommendation for response is made for endorsement or modification by more senior staff. The department provides guidance and a checklist to ensure decisions comply with administrative requirements including evidence, documentation and natural justice. Timeframes have also been set to ensure decisions are made in a timely manner. Testing by audit confirmed that documentation and timeframe requirements are generally met.

Audit noted that while DERM monitors the number of statutory enforcement actions (including infringement notices and orders), the department does not report or analyse the number and proportion of warnings issued. Data analysis conducted by audit identified that over the past three years, on average 29 per cent of enforcement actions relating to waste were warnings. Audit is concerned that assessment based on only higher level actions provides an incomplete picture of non-compliance, particularly if warnings comprise a significant component of enforcement actions. Analysing trends in enforcement approaches against levels of non-compliance found could also assist the department determine whether its approaches are effective in promoting compliance.

It is unclear how DERM can be assured that it fully understands levels of non-compliance and can determine that its approach is effective in protecting the environment. The department's non-compliance analysis does not include lower level enforcement actions. Evidence suggests a preference for lower-level enforcement actions which may not provide a sufficient deterrent to discourage non-compliance.

3.3.2 Ensuring future compliance

When compliance actions such as warnings are actioned, they include a timeframe by which compliance issues need to be addressed. The inspection report template enables regional staff to set a date for a follow-up inspection to monitor progress towards compliance.

While timeframes for follow-up inspections may be set in personal performance plans, the department was unable to provide reports or evidence of how compliance with these timeframes is assessed. This means that DERM cannot provide assurance that non-compliance is being addressed or escalated in a timely manner. If follow-up is not emphasised, non-compliant operators may perceive the department is not serious about enforcing compliance, which may further exacerbate known potential and actual threats of harm to the environment.

3.4 Conclusion and recommendations

DERM has policies, guidance and a training program to fulfil its role as a regulator and to monitor and enforce compliance in accordance with environmental legislation. Its regional planning, analysis and reporting do not provide assurance that it is fulfilling its role efficiently and effectively and that identified risks to the environment are being adequately managed through the compliance program.

Based on these findings, the following recommendations have been made.

It is recommended the Department of Environment and Resource Management:

- 1. Implements, as planned, projects to:**
 - b. Formalise a methodology to develop compliance plans and monitor the implementation of compliance plan project recommendations.**
- 3. Provides assistance and oversight to ensure a rigorous, consistent approach to regional compliance planning which adequately covers identified risks and priorities.**
- 4. Regularly analyses and reports activity across its full suite of enforcement actions against levels of non-compliance to determine the timeliness and effectiveness of enforcement actions.**

4 | Reporting and evaluation of regulating waste data

Summary

Background

The Department of Environment and Resource Management (DERM) is accountable for preventing or minimising harm to the environment by regulating waste. The department's reports to key stakeholders contain information about its activities relating to environmentally relevant activities, which include waste related compliance activities.

Key findings

- DERM's performance management framework is well structured and clearly documented.
- There are no relevant performance measures specific to regulating waste.
- DERM does not have quality baseline data to adequately meet its reporting and evaluation requirements. This will be a key focus under the waste reforms.
- DERM cannot provide assurance that its electronic files are accurate, complete and well maintained. Further, inadequate reporting functionality means this information cannot be easily accessed for analysis and reporting purposes.
- Internal reports do not meet the department's identified reporting criteria.
- External reports do not provide a clear indication on the impact that the department's compliance activity has on protecting the environment from harm.

4.1 Performance information

The Australian National Audit Office issued a *Better Practice Guide* in 2007 for regulators to manage their performance. It states that regulators should have a structured and documented Performance Management Framework outlining the outcomes and priorities and should include documented processes and procedures to ensure quality management processes.³²

The Queensland Government's (2009) *A Guide to the Queensland Government Performance Management Framework* states that performance measures should '...provide an overview of the performance achieved by reporting ends (performance with respect to objectives), not means (performance with respect to services or activity).'³³

The Queensland Audit Office (2006) *Better Practice Guide – Output Performance Measurement and Reporting* states that performance measures should be relevant, appropriate and fairly represent the performance of the department.³⁴

4.1.1 Managing regulatory performance

DERM maintains a Board of Management and an Executive Management Group to oversee the department's strategic and operational management and governance. The Board of Management is responsible for strategic issues, performance management and corporate governance, while the Executive Management Group is responsible for policy development and reporting.

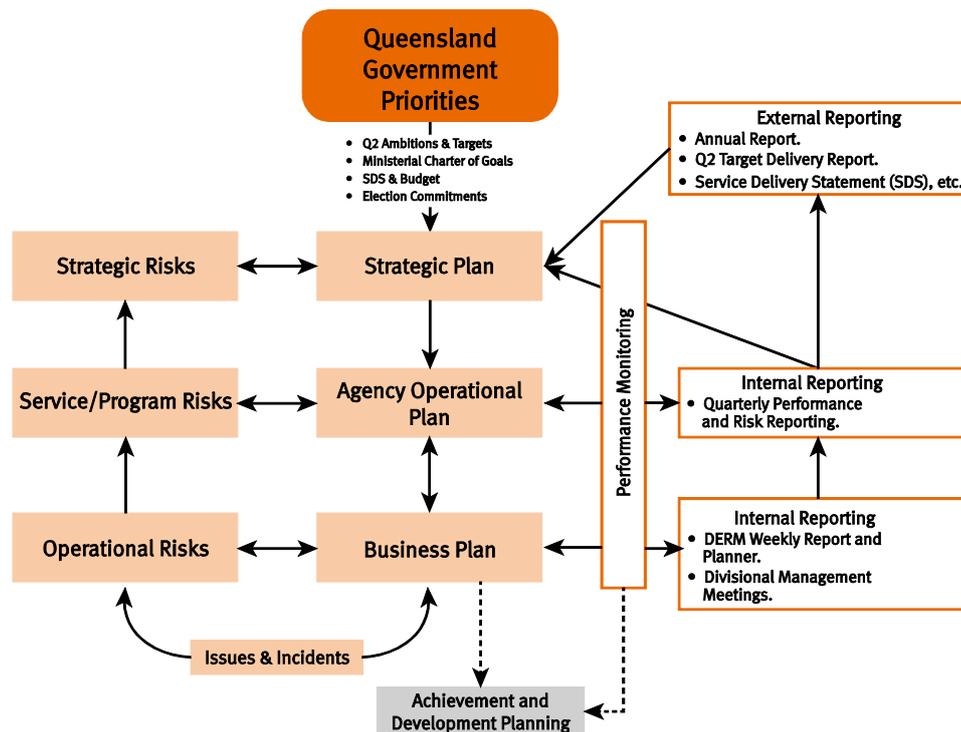
As outlined in Figure 4.1, DERM has a Performance Management Framework that sets out roles and responsibilities for managing its performance. The framework depicts the linkages between departmental risks, departmental plans and strategies and its reporting framework.

³² Australian National Audit Office 2007, *Administering Regulation, Better Practice Guide*, p.16.

³³ Queensland Government 2009, *A Guide to the Queensland Government Performance Management Framework*.

³⁴ Queensland Audit Office 2006, *Better Practice Guide – Output Performance Measurement and Reporting*.

Figure 4.1 – DERM's Performance Management Framework



Source: Department Environment and Resource Management, 2011.

DERM has a statutory obligation to prevent harm to the environment. This is reflected in all key strategic documents, such as DERM's *Strategic Plan 2011-15*, *Operational Plan 2010-11* and regional business plans. Each staff member within DERM has an individual performance plan to ensure staff roles and responsibilities are clear and understood.

Policies and procedures are established and applied. These are regularly reviewed to ensure they align with current regulatory and environmental practices. Training is provided to staff and up-to-date information about regulations and policies is available on DERM's intranet site.

Audit considers that DERM's Performance Management Framework is well structured and clearly documented.

4.1.2 Performance measures

DERM's performance measures applicable to waste are:

- Delivery against targets in the DERM *Annual Compliance Plan*.
- Improved government, business and industry waste management practices.³⁵

Audit found there is a link between measures contained in DERM's Service Delivery Statement (State Budget documentation), *Strategic Plan 2011-15*, *Operational Plan 2010-2011* and the *Annual Compliance Plan 2010-11*. Regional business plans also link with DERM's *Strategic Plan 2011-15* and outline objectives, performance measures and targets. The targets all list the number and category of compliance activities.

³⁵ Department of Environment and Resource Management 2011, *Strategic Plan 2011-15*.

Performance measures relating to regulating environmentally relevant activities track numbers of inspections but do not provide data on the outcome of compliance; that is, the actual number of breaches and an assessment of the seriousness of those breaches. This performance information would provide insights into whether inspections were appropriately targeted and effective in improving compliance. It is difficult to make a reasonable assessment of the impact of the department's regulatory activity.

DERM's performance measures do not provide assurance that the level of compliance with waste regulations is improving. There are no relevant performance measures specific to regulating waste. Given this, it is difficult to determine whether waste is being regulated efficiently and effectively. The compliance inspection data relates to all environmentally relevant activities administered by the department and there is no breakdown of the number of waste inspections.

While the measures have links to the government objectives, there is not sufficient information over time, and of sufficient quality and quantity for them to be appropriate. The inconsistencies and gaps in data collected from waste operators means that information is incomplete and inaccurate and therefore not able to be verified.

4.2 Evaluating data

Appropriate data capture and analysis, processes and procedures provide support and information for evaluating, measuring and reporting performance. The Australian Bureau of Statistics (2009) *Data Quality Framework* depicted in Appendix 5.9 shows the characteristics and dimensions of quality data.

4.2.1 Baseline data

The *State of Waste and Recycling in Queensland 2008* report states that its purpose is to provide clear and reproducible data on waste management in Queensland. On 5 June 2010, the Queensland Government released the draft *Waste Strategy: Waste Avoidance and Recycling 2010-2020* for public consultation. All industry sectors that made submissions during the public consultation period 'expressed little confidence in the baseline data used to calculate targets.'³⁶ Without quality baseline data it is not possible to formulate policy based on robust evidence nor make informed business decisions about regulating waste in Queensland.

Each of the five reports reviewed by audit (four of which were authored in Queensland by DERM, and the former Environmental Protection Agency) indicate that data for waste management in Queensland does not adequately meet the department's or stakeholder's reporting and evaluation requirements and requires improvement. Successive reports (e.g. *State of the Environment, National Waste Report*) at the state and national level point to a lack of reliable information on the performance of the waste sector.

³⁶ Department of Environment and Resource Management 2010, *Waste Strategy Consultation Summary Report*, p. 7.

The quality of the data is variable and gaps exist. As part of department's regulatory performance reporting requirements, it requests that local government and waste operators submit a questionnaire about their activities for the *Annual Report on the Administration of the Environmental Protection Act 1994*. This report is a legislated requirement. Of the 74 local councils required to complete the questionnaire, 15 did not respond in 2009-10. Other local councils did not complete some of the questions or left them blank. This means that departmental reporting is incomplete and DERM cannot provide Parliament with an assurance that the environment is being protected throughout the state.

DERM advised audit that it accepts that '*...compared with some other States, Queensland has less information available on the performance of the waste sector. However, the States that actively report on performance against baseline data have waste levies in place and have been collecting detailed data on volumes and waste types entering landfills for some time.*' The department commented that an improvement in data availability will be a positive outcome of the Queensland Waste Reforms due to be implemented in 2012.

4.2.2 Information systems

DERM uses the EcoTrack system as its primary information system to support its business activities. This system captures a wide range of data on development approvals, registration certificates and compliance enforcement of registered waste operators. It also captures conditions attached to development approvals, registration certificates, complaints, inspections, warnings, payment of annual fees, court orders and annual returns. The system is also used to help manage the legislated timeframes within which decisions about applications for development approvals and registration certificates must be made.

The EcoTrack system was originally developed as a permit management system by the former Environmental Protection Agency. The system has been updated or amended to accommodate a growing range of permit activities as the former Environmental Protection Agency functions expanded and again with the formation of DERM. The department runs data cleansing projects to ensure the system retains accurate land use and client contact information.

Audit was advised that there has never been a reporting function developed for the EcoTrack system. Regional staff use the data stored in the system for quarterly and annual reporting to the Assistant Director-General, Regional Service Delivery, on their compliance activities. Audit was informed that extracting required data for reports is time consuming and not easily accessible to all users, despite comprehensive instructions about how to extract data from the system. Without timely information, it would be difficult for the department to adequately address key risk areas and to be confident that its program of compliance inspections is efficient and effective.

Regional staff report that data collection and analysis for the purposes of performance reporting is not formalised. Regions do not analyse data to determine whether their reported quarterly activity has contributed to improving the risks of harm to the environment. Regional managers indicated that the data available from the EcoTrack system is unreliable and does not provide them with useful information.

DERM uses well documented hard copy files to maintain compliance information because the EcoTrack system cannot efficiently store maps, monitoring data or detailed compliance inspection records. Departmental staff are responsible for updating their own files on the system. The department requires the system to be updated within five days of activity by individual staff. It is unclear what procedures are in place to ensure the five day data entry requirement is met and that the data stored in the EcoTrack system is complete, accurate, up-to-date and maintained. The department is currently trialling a series of operating procedures to improve the consistency of data entry and processes for data entry review in the EcoTrack system.

Consistency of data is essential for effective evaluation of performance. A data dictionary plays a very important role in achieving consistency through describing the data needs of the entity, the data to be collected and explaining where the data is to be drawn, how often and for what purpose. The data dictionary also helps ensure that the data collected is fit for purpose and provides for consistency and quality of information for reporting that is relevant, accurate, timely, accessible, able to be interpreted and coherent.³⁷

While the department has a documented procedure for collecting data for performance reporting purposes, this activity is not supported by a data dictionary. DERM's *Guide to Organisational Performance Management* states in its 2011-12 Implementation Plan that a data dictionary will be developed between July and September 2011. The development of a data dictionary that provides consistency of terminology and methodology for data collection, analysis and reporting would enhance the capacity of the department to report on its performance at all levels of the organisation and provide confidence to stakeholders that it is preventing harm to the environment.

4.3 Performance reporting

DERM's *Guide to Organisational Performance Management* states that robust performance management requires an integrated approach to planning, performance reporting, risk management and evaluation. The Guide also states that reporting should include, but is not limited to, the following: '*...reporting should look forward as well as back; explain other factors critical to performance; provide comparative information and present credible information, fairly interpreted.*'³⁸ Comprehensive internal and external reporting would provide assurance that DERM is achieving its stated objectives.

4.3.1 Internal reporting

The Performance Reporting Unit within DERM collects and collates data from the regional offices and provides reports to the Executive Management Group and the Board of Management. The reports are in dashboard format that provide an overview of departmental performance. The only reporting relating to waste seen by audit was the public consultation conducted for the draft *Queensland Waste Strategy 2010-20* and the aftermath of the floods in Queensland in January 2011.

³⁷ Australian Government National Statistical Service, *National Statistical Services Handbook*, Chapter 9.

³⁸ Department of Environment and Natural Resources 2011, *Report to Board of Management*.

As outlined in Chapter 3, departmental reporting against the Annual Compliance Plan is undertaken quarterly and consists of regional reporting against the number of inspections completed and whether projects are on track for completion. Separate reports are generated for each compliance project which includes an evaluation and recommendations.

Regional staff described an ad hoc approach to reporting and generally rely on local knowledge and local procedures to manage and report on regulating waste related activities. Reporting is based on the number of compliance activities and there was no evidence that relevant data was collected and reported on regulating waste in the regions. Regional office reports do not provide comparative information or trends over time. Qualitative reporting is limited and reporting between regional staff and managers was anecdotal and not documented except for specific files and cases.

DERM's internal reports do not meet the department's stated reporting criteria. Without this performance data, the department's performance cannot be adequately assessed.

4.3.2 External reporting

DERM's Service Delivery Statement and Annual Report both provide information on overall number of inspections and compliance within statutory timeframes. These reports do not include information on the outcomes of compliance inspections and the levels of compliance found. This makes it difficult for the general community to gauge how effectively the department is performing its role as the key environmental regulator in Queensland.

Consistent with legislative requirements, DERM reports annually to Parliament on its administration of the *Environmental Protection Act 1994*. The latest report tabled in Parliament was for the 2009-10 period. This report presents information on compliance activity (such as the number of permits issued within legislated timeframes and inspections) but not the outcomes of compliance activity such as improved levels of compliance. Additionally, the report contains no benchmarks or trends over time to demonstrate whether performance or compliance is improving. Overall, an incomplete picture of compliance is presented.

The information presented in these external reports does not provide a breakdown by industry to provide a more detailed picture of compliance levels across industry sectors. It is not possible to accurately assess departmental performance in regulating waste specifically and to gauge those regulated areas where it is performing well and those areas where it is performing not so well.

4.4 Conclusion and recommendations

DERM's performance measures are consistent between its key reporting documents. However, the information is aggregated and there is no data specific to regulating waste. The information in the reports is quantitative and output based. There is no analysis of the information to inform stakeholders of the outcomes of the department's activities to protect the environment from harm.

Successive reports authored by DERM and the former Environmental Protection Agency since 2002 recognise that reliable, complete data for reporting on waste is insufficient for its purposes. The identified inconsistencies and gaps in the data on waste means that DERM cannot provide assurance that its objectives related to preventing harm to the environment have been met.

Based on these findings, the following recommendations have been made.

It is recommended the Department of Environment and Resource Management:

- 5. Reviews its performance measures, baseline data and external reporting to ensure these aspects of performance management represent the outcomes of regulatory activity on protecting the environment.**
- 6. Ensures that its information systems produce data that is reliable, relevant, complete and easily accessed by all users of the systems.**

5 | Appendices

5.1 Audit procedures

The audit was conducted between June and August 2011 and focused on the policies, procedures and processes in place at that time. The audit consisted of:

- Interviews with key staff members of the Department of Environment and Resource Management (DERM).
- Analysis of key documents with particular attention to strategic and operational plans, policies and procedures, legislation and performance measures.
- Field visits to regional offices at Mackay, Toowoomba, Ipswich and waste facility sites in South East Queensland.

To gain an understanding of regulating waste and strategic context in Queensland, audit reviewed relevant Australian and international literature and audit reports. Audit also examined and analysed the following departmental documents, policies and processes:

- The department's strategic documents.
- The relevant policy documents, procedures and guidelines.
- The governance and management procedures to coordinate planning, operations, monitoring and reporting across the various levels of the department.
- The policies, procedures and processes for granting permits and licences.
- The planning of compliance and enforcement activities.
- Data collection, information systems and the integrity of data used to support compliance and enforcement and performance information and reporting.
- The monitoring and reporting mechanisms.
- Performance data analysis.

5.2 Reason for the audit

To achieve DERM's aim of reducing waste in Queensland, *Queensland's Waste Reduction and Recycling Strategy 2010-2020* includes five key approaches, two of which – introducing a waste disposal levy and reforming the legislative framework – involve regulatory approaches. It has been recognised that the introduction of the waste levy may increase the incentive for non-compliance.

Findings from this performance audit may assist in ensuring that the new regulation and levy being introduced in 2011 are efficiently and effectively enforced. It is expected that any findings from the audit may also benefit other areas regulated by the department.

DERM's budget for the 2010-11 financial year was \$1.01b, with an estimated total cost of outputs of \$965.5m in controlled expenditure, which includes environmental protection and resource management. Total expenditure on the environmental protection service delivery output was \$487.34m. The Regional Services Delivery Division within DERM is responsible for managing the regulation of waste related activities. The division was allocated a budget of approximately \$152.03m.³⁹

5.3 Performance audit approach

On 18 August 2011, the Executive Council approved the proclamation for the commencement of amendments to the *Auditor-General Act 2009* that provides the Auditor-General with a mandate to undertake performance audits of public sector entities.

This audit was undertaken as a performance management systems audit up to the 18 August 2011 when the mandate changed. The audit objective was revised to a performance audit and extra field work was undertaken as a result of this change.

Under s.37A of the *Auditor-General Act 2009*, a performance audit is an independent examination which evaluates whether an entity, or specific program within an entity, is achieving its objectives effectively, economically and efficiently, and in compliance with all relevant legislation.

A performance audit report can directly comment on the performance of the area subject to audit.

A performance audit will not review or comment on government policy. A performance audit will have regard to any relevant prescribed requirements.

The intent of a performance audit is to provide independent assurance to Parliament, and to add value to the quality of public administration by assisting entities in the discharge of their governance obligations.

Section 37 of the *Auditor-General Act 2009* prescribes that the Auditor-General may conduct an audit in the way the Auditor-General considers appropriate. While the Auditor-General takes note of the entity's perspective, the scope of a public sector audit is at the sole discretion of the Auditor-General.

In accordance with the Auditor-General of Queensland Auditing Standards, the standards issued by the Auditing and Assurance Standards Board are applied to all audits and assurance engagements in the Queensland public sector to the extent that they are not inconsistent with the requirements of the Act and other legislation that prescribes the Auditor-General's work. In this regard, performance audits conducted under s.37A of the *Auditor-General Act 2009* are undertaken in accordance with *ASAE 3500 Performance Engagements*.

5.4 Audit cost

The cost of the performance audit, including staff costs and overheads, is estimated at \$439,500.

³⁹ Department of Environment and Resource Management 2011, State Budget, *Service Delivery Statement 2010-11*.

5.5 Audit team

The audit team included:

- R Heinritz (Engagement leader)
- B Pawagi (Team leader)
- J Bradley
- L Lindsay
- P Carney
- D Shield.

5.6 Related audits

DERM's systems for administering the *Environmental Protection Act 1994* (which includes waste) have been previously audited by the Queensland Audit Office in 2002-03, with a follow-up audit in 2004-05. *Report No. 5 for 2002-03 Performance Management Systems Audit of the Regulatory Aspects of the Ensuring a Clean Environment Output* of the Environmental Protection Agency found that the agency had been endeavouring to enhance its regulatory systems, procedures and processes. However, it made 12 recommendations for improvement in relation to the management of licence fees and charges, fee waivers, compliance activities, complaints, devolved and delegated activities and operational reporting. Of these recommendations, nine were accepted and three were accepted in principal. The follow-up audit found that six of the 12 recommendations had been fully or substantially implemented, with six recommendations still to be finalised.

A similar audit was conducted by the Victorian Auditor-General (2010), *Report on Hazardous Waste Management*, which found deficiencies in information and documentation and no evidence that the selection of investigations was risk-based. The audit concluded that, in Victoria, *the EPA is not effectively regulating commerce and industry's management of hazardous waste. Its monitoring and inspection activities lack coherence, purpose and coordination. This combined with poor business information because of the Environmental Protection Act 1994's lack of data reliability, poor analysis and reporting and inadequate documentation of its rationale for decisions, means that there is neither sound compliance monitoring nor effective enforcement regimes. As a consequence, there is little assurance that hazardous waste is stored and disposed of appropriately.*

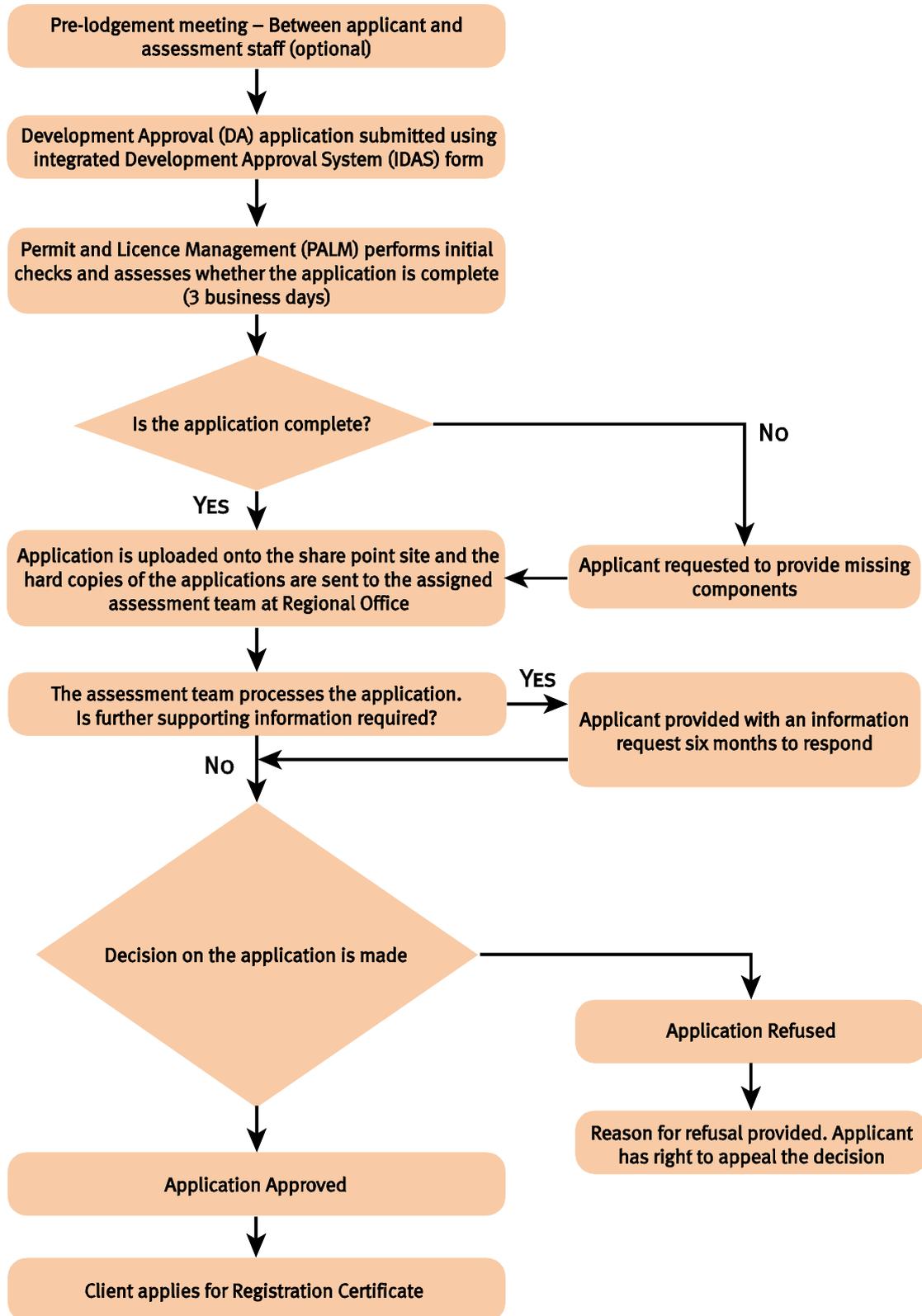
5.7 Sustainable Planning Act 2009, s.460

To be properly made the application must:

- Be made to the assessment manager.
- Be in the approved form (integrated development approval system (IDAS) form 1 and 8 and any other relevant IDAS forms) or made electronically using e-IDAS where available.
- Include the mandatory supporting information nominated on the form.
- Include the prescribed fee.
- Where necessary, include the owner's written consent or a declaration by the applicant that the owner has given written consent to the making of the application.

- *Where the application involves a State resource, one of the following:*
 - *Evidence of an allocation of, or entitlement to, the resource (a resource entitlement).*
 - *Evidence the chief executive of the department administering the resource is satisfied the development is consistent with a resource entitlement.*
 - *Evidence the chief executive is satisfied the development application may proceed without a resource entitlement.*

5.8 DERM's application assessment process



Source: Queensland Audit Office, 2011.

5.9 Characteristics and dimensions of quality data

Characteristic	Dimension
Institutional environment	This dimension refers to the institutional and organisational factors which may have a significant influence on the effectiveness and credibility of the agency producing the statistics.
Relevance	This dimension refers to how well the statistical product or release meets the needs of users in terms of the concept(s) measured, and the population(s) represented.
Timeliness	The delay between the reference period (to which the data pertain) and the date at which the data become available.
Accuracy	Accuracy refers to the degree to which the data correctly describe the phenomenon they were designed to measure.
Coherence	Coherence refers to the internal consistency of a statistical collection, product or release, as well as its comparability with other sources of information, within a broad analytical framework and over time.
Interpretability	Interpretability refers to the availability of information to help provide insight into the data.
Accessibility	Accessibility refers to the ease of access to data by users, including the ease with which the existence of information can be ascertained, as well as the suitability of the form or medium through which information can be accessed.

Source: Modified from Australian Bureau Statistics 2009, *Data Quality Framework*.

5.10 Acronyms

DEEDI	Department of Employment, Economic Development and Industry
DERM	Department of Environment and Resource Management.

5.11 Glossary

Appropriateness

Sufficient information over quality, quantity, timeliness and cost.

Authorised persons

Persons authorised under the *Environmental Protection Act 1994* to exercise the Investigation and Enforcement powers under the Act.

Dashboard

The dashboard format provides a succinct view of the performance of strategic key performance indicators to the Board of Management. This view is a high level summary of performance designed to inform the Board of Management about whether performance indicators are meeting their targets. They are typically in a traffic light format.

Data dictionary

Descriptions of the data needs of the public sector entity and describing the terminology of the data to be collected and explains from where the data is to be drawn, how often and for what purpose.

EcoTrack

DERM's primary information system supporting its business activities.

Effectiveness

The achievement of objectives or other intended effects of activities at a program or entity level.

Efficiency

The use of resources such that output is optimised for any given set of resource inputs, or input is minimised for any given quantity and quality of output.

Environmental authorities

An environmental authority means an environmental authority under Chapter 5 or 5A of the *Environmental Protection Act 1994*.

Evaluation

Evaluation is a complementary tool for accountability. Evaluation is the systematic, objective assessment of appropriateness, effectiveness and/or efficiency of a program or part of a program.

Fairly represent

Verifiable, consistent in all public documents, clear and understandable.

Monitoring

The process of repeated observation, for specified purposes, of one or more elements of the environment, according to prearranged schedules in space and time and using comparable data collection methods.

Outcome

The effects on, or consequences for, the community of government funded services and other government activities, such as the use of regulatory powers.

Outputs

Discrete services or products for external customers or consumers produced by agencies with funding from government.

Relevance

Performance measures to have a logical and consistent relationship to objectives which clearly define what is to be measured and are linked to the Government's desired outcomes.

5.12 References

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6 | Auditor-General Reports to Parliament

6.1 Tabled in 2011

Report No.	Subject	Date tabled in Legislative Assembly
1	<i>Auditor-General Report to Parliament No. 1 for 2011</i> <i>Management of offenders subject to supervision in the community</i> Performance Management Systems audit	25 February 2011
2	<i>Auditor-General Report to Parliament No. 2 for 2011</i> <i>Results of local government audits</i> Financial and Assurance audit	22 March 2011
3	<i>Auditor-General Report to Parliament No. 3 for 2011</i> <i>Follow up of 2008 audit on administration of grants and funding to community organisations by local government in Queensland</i> Performance Management Systems audit	9 June 2011
4	<i>Auditor-General Report to Parliament No. 4 for 2011</i> <i>Information systems governance and security</i> Financial and Assurance audit	21 June 2011
5	<i>Auditor-General Report to Parliament No. 5 for 2011</i> <i>Results of audits at 31 May 2011</i> Financial and Assurance audit	23 June 2011
6	<i>Auditor-General Report to Parliament No. 6 for 2011</i> <i>Systems to coordinate delivery of the Toward Q2: Tomorrow's Queensland target, Halve the proportion of Queensland children living in a household without a working parent</i> Performance Management Systems audit	6 July 2011
7	<i>Auditor-General Report to Parliament No. 7 for 2011</i> <i>National Partnership Agreement for Natural Disaster Reconstruction and Recovery</i> Performance Management Systems audit	22 September 2011
8	<i>Auditor-General Report to Parliament No. 8 for 2011</i> <i>Follow up of four audits completed in 2008-2009</i> Performance Management Systems audit	29 September 2011

9	<i>Auditor-General Report to Parliament No. 9 for 2011</i> <i>Acquisition and public access to the Museum, Art Gallery and Library collections</i> Performance Management Systems audit	11 October 2011
10	<i>Auditor-General Report to Parliament No. 10 for 2011</i> <i>Regulating waste: protecting the environment</i> Performance audit	November 2011

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