

# Appendix one – Responses from audited agencies



Planning,  
Industry &  
Environment



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Dear Ms Crawford, *Margaret,*

Thank you for the chance to consider and respond to your Performance Audit of the Department of Planning, Infrastructure and Environment (DPIE), the Environmental Trust (ET) and the Environment Protection Authority (EPA) - *Waste levy and grants for waste infrastructure*.

We would like to express our appreciation for the significant work of your audit team and their ongoing commitment to working through this process with our teams. The audit has identified areas where we can improve our governance of programs and transparency in relation to the information and policies related to the waste levy. We acknowledge that waste management is highly complex and DPIE, the EPA and the ET have been working collaboratively to progress a number of initiatives to increase reuse, recycling and diversion from landfill. We note that this audit looked at two specific parts of waste management being the waste levy and five waste infrastructure grants, comprising 4.9% of the Waste Less Recycle More program over the period of 2014 through June 30, 2019.

The New South Wales (NSW) Government delivers programs and activities through the *Waste Less, Recycle More* program, which delivers \$802 million in funding over nine years to support infrastructure development, education and compliance management. Aside from grants for waste infrastructure, *Waste Less, Recycle More* also includes works such as:

- Local Government Waste and Resource Recovery Program – which includes the Better Waste and Recycling Fund, support and funding for waste management in Aboriginal communities, the regional coordination and strategy for the voluntary regional and metropolitan waste groups and education campaign and support
- the Illegal Dumping Prevention and Enforcement Fund – including illegal dumping, clean up, prevention and engagement programs, Regional Illegal Dumping (RID) Squads and Programs and Compliance Programs
- the Litter Prevention and Enforcement Fund which comprises the EPA's litter prevention programs, including the Hey Tosser! Campaign which has directly contributed to meeting the NSW Government's priority to reduce waste by 40% by 2021.

NSW also has the most comprehensive regulatory regime to manage waste in Australia. Under this regime waste facilities and transporters are appropriately licenced and continuously monitored ensuring that licensees continue to meet their licence conditions, and where they may be non-compliant that appropriate action, including inspections, audits and other targeted activities, is taken to bring them back to a state of compliance.

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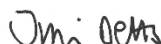
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To ensure that the management of waste continues to meet the needs of NSW, DPIE is leading the development of a 20-Year Waste Strategy – a whole-of-government initiative for NSW – in partnership with the EPA. The Strategy will provide a long-term strategic focus where communities, industry and all levels of government are working together to build resilient services and markets for waste resources. An issues paper was released in March/April 2020 for consultation and it is expected that the Strategy will be finalised in late 2021.

A detailed response to all recommendations has been provided in the attached Response to Recommendations.

In conclusion, we would like to again thank your team for their professionalism and commitment during the audit and acknowledge the challenging circumstances that the work was undertaken in due to COVID-19 restrictions.

Yours sincerely



**JIM BETTS**  
Secretary

20/11/20

Enclosure



**TRACY MACKEY**  
Chief Executive Officer

16.11.20

**Attachment 1 – Department of Planning, Industry and Environment; Environment Protection Authority; and Environmental Trust responses to recommendations from the performance audit of the waste levy and grants for waste infrastructure final report**

Recommendation	Response
<p><b>By June 2021 the EPA should:</b></p> <p>1. establish a schedule for reviewing the waste levy settings that includes:</p> <ul style="list-style-type: none"> <li>regular reviews to ensure the waste levy is set at the optimal level to achieve its policy objective</li> <li>transparent and objective criteria for determining which local government areas are levied</li> </ul>	<p><b>Noted</b></p> <p>The setting of the waste levy is a matter for Government. The NSW Government is developing a whole-of-government 20-Year Waste Strategy which will set the future direction of the state's waste and resource recovery system. Waste levy settings will be explored as part of the development of that Strategy. At this stage of the development of the Strategy it is premature for the EPA to provide a response to this recommendation.</p>
<p><b>By June 2021 the EPA should:</b></p> <p>2. improve the timeliness of reporting on the environmental outcomes from its waste levy compliance activities.</p>	<p><b>Agreed</b></p> <p>Since implementing best practice methods in measuring waste performance in NSW, the EPA has published recycling, diversion and generation rates for 2015-16, 2016-17 and 2017-18 in the Waste and Resource Recovery Progress Report which was published in June 2019.</p> <p>The EPA continues to improve the timeliness and accessibility of data. The EPA is working towards interactive data being presented via the EPA website and to be in place by June 2021. The roadmap for this work was delayed due to impacts of the 2019-20 bushfires and COVID-19 emergencies which both required response from the team accountable for the roadmap's delivery.</p>
<p><b>By December 2021 the Department of Planning, Industry and Environment should:</b></p> <p>3. determine the state's waste infrastructure needs to inform planning for and funding of waste infrastructure in NSW.</p>	<p><b>Agreed</b></p> <p>The NSW Government is developing a whole-of-government 20-Year Waste Strategy which will set the future direction of the state's waste and resource recovery system. The 20-Year Waste Strategy is intended to enable the state, businesses and the community to reduce waste, improve resource recovery and approach to waste management as well as generate new economic opportunities, reduce costs to citizens and businesses through a smarter approach, and increase resilience to external shocks.</p> <p>The Strategy will include examination of waste, resource recovery and circular economy infrastructure needs and priorities for the state. The Strategy is expected to be finalised in 2021.</p>
<p><b>By June 2021 the Environmental Trust should:</b></p> <p>4. improve record-keeping during grant program assessment committee meetings.</p> <p>5. ensure that conflict-of-interest declarations are completed for all members of assessment teams, and stored in accordance with documented record-keeping requirements.</p>	<p><b>Noted</b></p> <p>The gaps in record-keeping identified during the audit related to Technical Review Committee meetings and assessments held between 2013 to 2017. No gaps in record-keeping were identified during the audit for any committee meetings held since 2018. Current meeting procedures now ensure that all relevant records are kept as evidence of the grant assessment process.</p> <p>The conflict of interest declarations that could not be located related to Technical Review Committee meetings held between 2013 to 2017. All conflict of interest declarations relating to assessment meetings since 2018 were located and provided as part of this audit.</p>

**Attachment 1 – Department of Planning, Industry and Environment; Environment Protection Authority; and Environmental Trust responses to recommendations from the performance audit of the waste levy and grants for waste infrastructure final report**

Recommendation	Response	
		Current meeting procedures now ensure that conflict of interest declarations are completed by all parties involved in the assessment process and that they are maintained in accordance with documented record-keeping requirements.
<p><b>By June 2021 the EPA and the Environmental Trust should</b></p> <p>6. ensure that information provided to applicants and assessment committees is consistent.</p>	<b>Noted</b>	<p>The Environmental Trust and EPA agree that it is important to ensure that there are no discrepancies between information provided to applicants and information provided to Technical Review Committees in the assessment of applications.</p> <p>The Trust has updated its procedures to ensure alignment of all information provided to both applicants and assessment committees.</p>