

**Submission
No 19**

**EXAMINATION OF THE AUDITOR GENERAL'S PERFORMANCE AUDIT
REPORTS JUNE - DECEMBER 2020**

Organisation: NSW Department of Planning and Environment

Date Received: 28 January 2022



Our ref: DOC22/20521
Your ref: D21/64810

Mr Greg Piper
Chair
NSW Legislative Assembly Public Accounts
Committee
By email: pac@parliament.nsw.gov.au

Dear Mr Piper,

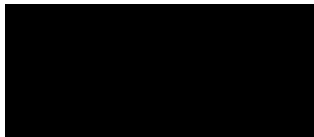
Auditor-General's performance audit report – *Waste levy and grants for waste infrastructure*

Thank you for your letter of 6 December 2021 requesting a submission outlining our response to the NSW Auditor-General's performance audit report *Waste levy and grants for waste infrastructure*, which was tabled in November 2020.

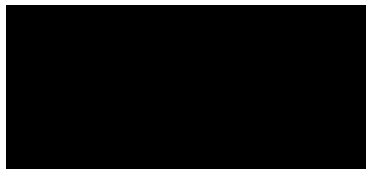
I welcome the Public Accounts Committee's examination of our response to the audit recommendations and enclose a submission outlining actions to date.

I trust this submission will be of assistance to the Committee in the exercise of its important functions.

Yours sincerely



Mick Cassel
Secretary
Department of Planning and Environment



Jacqueline Moore
A/ CEO
Environment Protection Authority

Encl.: Department of Planning and Environment Submission to Legislative Assembly Public Accounts Committee

SUBMISSION TO LEGISLATIVE ASSEMBLY PUBLIC ACCOUNTS COMMITTEE

RESPONSE TO AUDITOR-GENERAL'S PERFORMANCE AUDIT REPORT – WASTE LEVY AND GRANTS FOR WASTE INFRASTRUCTURE

Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status and Comment	Responsibility
<p>1 <i>By 30 June 2021 the Environment Protection Authority should establish a schedule for reviewing the waste levy settings that includes:</i></p> <ul style="list-style-type: none"> <i>i. regular reviews to ensure the waste levy is set at the optimal level to achieve its policy objective</i> <i>ii. transparent and objective criteria for determining which local government areas are levied</i> 	Noted	The Department's November 2020 response to the Audit Office advised that waste levy settings be established as part of the development of the NSW 20-Year Waste Strategy.	30 June 2021	<p>Complete</p> <p>In June 2021, the NSW Government released the NSW Waste and Sustainable Materials Strategy 2041. Stage 1 of the Strategy outlines the actions the Government will take over the next six years to deliver on its long-term circular economy objectives.</p> <p>Under the Strategy, the Government has committed to five-yearly reviews of the operation of the waste levy to ensure it is continuing to achieve its policy objectives.</p>	Environment Protection Authority
<p>2 <i>By 30 June 2021 the Environment Protection Authority should improve the timeliness of reporting on the environmental outcomes from its waste levy compliance activities.</i></p>	Accepted	The Department's November 2020 response to the Audit Office advised that the EPA is continuing to improve the timeliness and accessibility of reporting on environmental outcomes from its waste levy compliance activities being presented via the EPA website.	30 June 2021	<p>Complete</p> <p>The EPA continues to review its current waste performance framework, analyse any gaps and implement improvements to ensure that the EPA can better assess performance trends over time. The waste performance data for the financial year 2019-20 was updated and published on the EPA's website prior to 30 June 2021.</p> <p>The EPA is working towards increasing the amount of waste data made public, improving data transparency, and further reducing the time taken to publish information.</p>	Environment Protection Authority

Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status and Comment	Responsibility
3 <i>By 31 December 2021 the Department of Planning, Industry and Environment should determine the state's waste infrastructure needs to inform planning for and funding of waste infrastructure in NSW.</i>	Accepted	The Department's November 2020 response to the Audit Office advised that the 20-Year Waste Strategy will set the future direction of the state's waste and resource recovery system and include examination of waste, resource recovery and circular economy infrastructure needs and priorities for the state.	31 Dec 2021	Complete To complement the <i>NSW Waste and Sustainable Materials Strategy 2041</i> , the Department has published A Guide to Future Infrastructure Needs . The Strategy outlines the NSW Government's intention to strategically plan for critical waste infrastructure and includes actions and funding to support this, and the Guide outlines the emerging needs in NSW's waste and circular economy infrastructure network over the next 20 years. The Guide informs the EPA's work under the Strategy to plan for waste and circular economy infrastructure needs in NSW and design infrastructure investment funding programs.	Department of Planning and Environment
4 <i>By 30 June 2021 the Environmental Trust should improve record-keeping during grant program assessment committee meetings.</i>	Noted	The Department's November 2020 response to the Audit Office advised that the gaps in record-keeping identified during the audit related to Technical Review Committee meetings and assessments held between 2013 and 2017. No gaps in record-keeping were identified during the audit for any committee meetings held since 2018. Current meeting procedures ensure that all relevant records are kept as evidence of the grant assessment process.	30 June 2021	Complete As per the Department's November 2020 response, no further action is required in relation to this recommendation.	Environmental Trust

	Recommendation	Accepted or Rejected	Actions to be taken	Due Date	Status and Comment	Responsibility
5	<i>By 30 June 2021 the Environmental Trust should ensure that conflict-of-interest declarations are completed for all members of assessment teams, and stored in accordance with documented record-keeping requirements</i>	Noted	The Department's November 2020 response to the Audit Office advised that the conflict of interest declarations that could not be located related to Technical Review Committee meetings held between 2013 and 2017. All conflict of interest declarations relating to assessment meetings since 2018 were located and provided as part of this audit. Current meeting procedures 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.	30 June 2021	Complete As per the Department's November 2020 response, no further action is required in relation to this recommendation.	Environmental Trust
6	<i>By 30 June 2021 the Environment Protection Authority and the Environmental Trust should ensure that information provided to applicants and assessment committees is consistent.</i>	Noted	The Department's November 2020 response to the Audit Office advised that the Environmental Trust had already updated its procedures to ensure alignment of all information provided to both applicants and assessment committees.	30 June 2021	Complete As per the Department's November 2020 response, no further action is required in relation to this recommendation.	Environmental Trust
			The Department's November 2020 response to the Audit Office advised that the Environment Protection Authority agreed to ensure that there was no discrepancies between information provided to applicants and information provided to Technical Review Committees in the assessment of applications.	30 June 2021	Complete The EPA has updated its procedures to ensure alignment of all information provided to both applicants and assessment committees.	Environment Protection Authority

EFFECTIVENESS ELEMENTS	COMMENTS
<i>Benefit of the audit to agency and program delivery</i>	<p>EPA:</p> <p>The audit was an opportunity to reflect on audit and assurance controls for the waste levy grants for waste infrastructure and drive continuous improvement as part of the EPA's vision to be a world class regulator.</p>
<i>Costs of the audit</i>	<p>EPA:</p> <p>Costs associated with the implementation of the recommendations were not significant and have been absorbed within our existing operations budget.</p>
<i>Suggestions for improvement</i>	<p>Environmental Trust:</p> <p>Some of the grants the audit examined were awarded in 2014 so issues identified were historical rather than current, and had been addressed several years before the audit commenced. This is a risk with all audits where the focus is on older/ legacy grants rather than more recent grants.</p>