

**INQUIRY INTO PERFORMANCE OF THE NSW  
ENVIRONMENT PROTECTION AUTHORITY**

**Organisation:** Hawkesbury Environment Network  
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# Hawkesbury Environment Network Inc.

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**SUBMISSION TO THE GENERAL PURPOSE STANDING COMMITTEE NO 5:**  
**INQUIRY AND REPORT ON THE PERFORMANCE OF THE NSW ENVIRONMENT**  
**PROTECTION AUTHORITY.**

The Hawkesbury Environment Network (HEN) is concerned that the current operation of the NSW Environment Protection Authority (EPA) has proved to be insufficiently effective in both preventing significant pollution incidents in NSW as well as penalising offenders. This opinion is formed in the light of recent events both within the Hawkesbury region and elsewhere in NSW.

For businesses, the cost and reputational damage of penalties will always be weighed against the cost of compliance; with few exceptions, this is a fundamentally normal business approach. Therefore low penalties will guarantee regular breaches as they are cheaper than the alternative of upgrading infrastructure, staffing and management systems to ensure reduced pollution incidents.

The \$1,500 fine issued to Santos by the EPA after its pollution incident at the Narrabri Gas Project earlier this year was ridiculous in the extreme. For a multinational business like Santos oil and gas company, with 2012 revenues of \$2.53 billion and a \$753 million profit, such tiny fines make no difference to their operations. Even the proposed tenfold increase for pollution penalties, proposed by Environment Minister Stokes in May this year, would still be insignificant. Only the threat of licence cancellations, and the threats sometimes carried

out, would make such companies take note of the seriousness of their environmental obligations. There is further evidence of this with Newcastle's Port Waratah Coal Services company treating the EPA's compliance regime with indifference as it regularly breached its licence conditions with minimal penalty.

A local event that highlights the inability of the EPA to satisfactorily address community concerns about ongoing pollution is its failure to prevent offensive odours emanating from the Elf Farms mushroom composting facility at Mulgrave. Complaints about this facility date back to the 1980's and continue to this day with odours regularly drifting across Windsor, Bligh Park, Mulgrave and McGraths Hill. For the last two years there has been a concerted effort by community members to get remedial action from various Ministers and the EPA's Chief Executive. Despite many calls to the EPA Hotline, visits by EPA officers and scientific monitoring of the problem by consultants, there has been no effective preventive action taken.

Officers of the NSW Government have a great diversity of environment related responsibilities, including those that relate to regulation and compliance (reactive to offences) as well as those that work with programs to develop and enhance existing environmental management practices and behaviours (proactive measures). The restructuring of the Office of Environment and Heritage in 2012 that resulted in the creation of a separate office of the EPA was a positive step towards enabling strict compliance measures without limiting constructive engagement with industry from other governmental arms, and at the same time encouraged that improved engagement with industry free of the ever-present threat of investigations and penalty. However there is still a mixture of "reactive" and "proactive" programs within the current structure of the EPA and the operation of both would be improved by greater organisational separation. Such a structure existed prior to 2002 at which time the EPA was combined with other agencies in the formation of the mega-Department of Environment and Conservation. This separation of responsibilities

would also facilitate a higher level of community understanding of the various roles, clearer EPA/community relationships and improved outcomes for all parties.

Since the election of the current NSW government there has been the policy of reducing the number of public sector employees. This policy is detrimental to effective monitoring of pollution incidents and regulatory compliance. As an organisation responsible for regulating and monitoring pollution risks from thousands of licensed facilities across NSW, the EPA must have the human and financial resources as well as the political support necessary to drive the community's expectations of sustained reductions in air, water, noise and soil pollution. Much of the work of the EPA requires a physical presence onsite to inspect, measure and record acceptable baseline standards and document pollution incidents. This is a time-consuming and labour-intensive activity that is essential to deal promptly with reports of environmental breaches as well as to head off future incidents. HEN recommends an increase in the numbers of EPA staff and other resources necessary to tackle increasing environmental pressures in all areas.

Thankyou for the opportunity to have input to this review.

Yours Sincerely

John Street

Chairperson, Hawkesbury Environment Network