

# The EPA's approach to compliance and enforcement

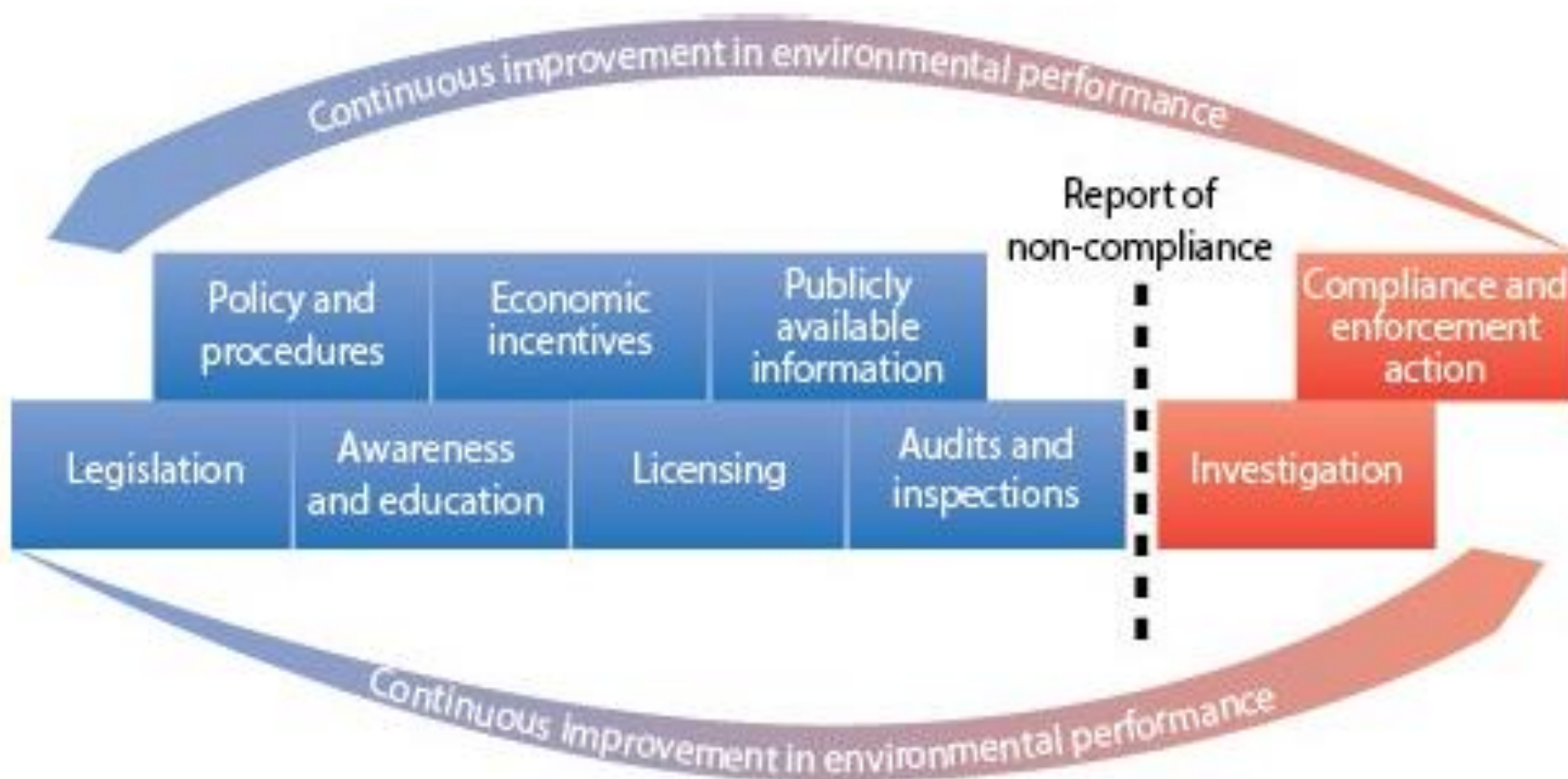
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**Narrabri Shire Council**  
**Tuesday 16 August 2016**

# Our foundational statements



# EPA's regulatory framework



# Environment Protection Authority Compliance Policy

Healthy Environment  
Healthy Community  
Healthy Business



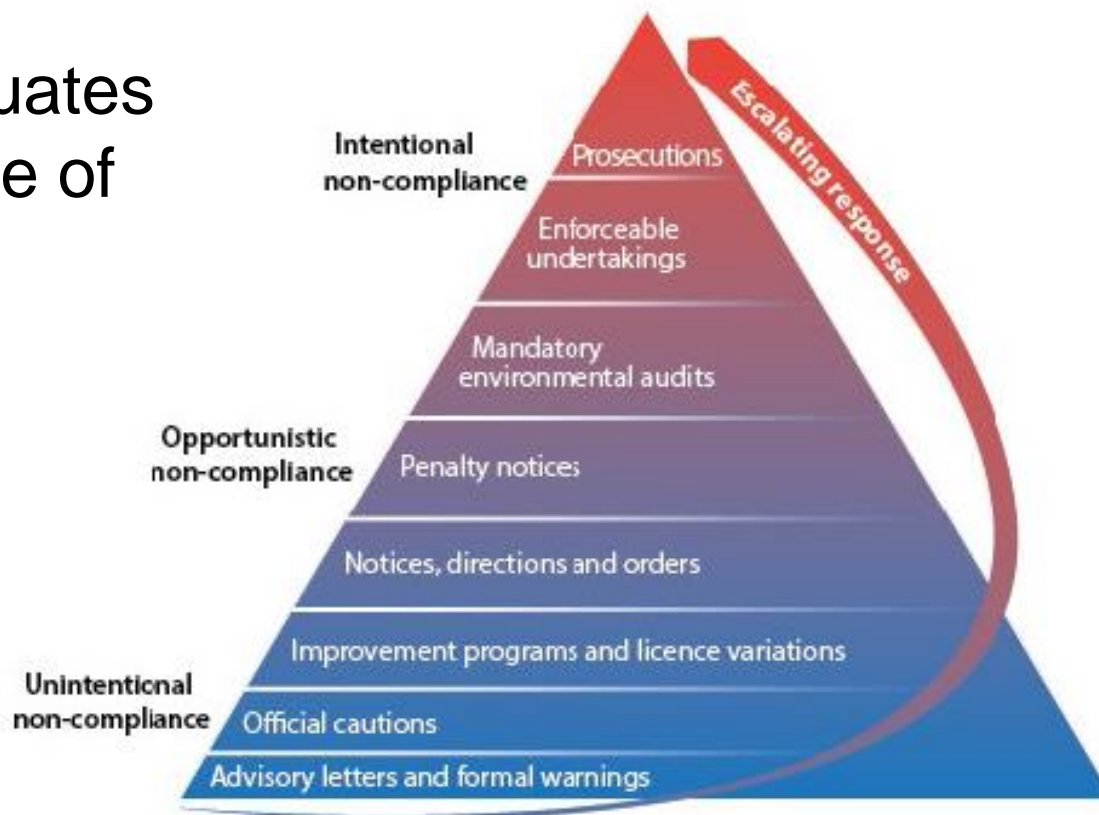
- The EPA's approach to compliance and enforcement
- Explains compliance activities
- Guides decision-making within the EPA to ensure compliance activities are consistent, fair and credible

# The EPA's approach to compliance

1. Establish compliance priorities
2. Provide information and compliance assistance
3. Use economic incentives
4. Compliance monitoring

# Response to non-compliances

The EPA evaluates the significance of the non-compliance to determine the regulatory response



# Appropriate regulatory response

- Advisory letters
- Official cautions
- Pollution reduction programs
- Notices, directions and orders
- Penalty notices
- Prosecutions

# NSW EPA Prosecution Guidelines

- Public document
- What the EPA considers in deciding whether, how and in what court, to prosecute environmental offences
- Premier's Memorandum M1997-26
  - Litigation involving Government authorities is undesirable and should be avoided



## Penalties & sentencing

- EPA fines are to be proportionate to seriousness, harm and nature of offence

**\$15,000 / \$7,500**

10 most serious offences

**\$8,000 / \$4,000**

19 lesser offences by  
smaller operators

# Risk-based licensing

- Increased scrutiny and regulation for biggest risks
- Assist licensees to identify areas for improvement
- Guides the EPA's focus for regulatory attention
- Provides incentives to improve environmental performance and compliance
- Ensures the EPA is well equipped to regulate high risk pollution facilities

## Changes to gas regulation in NSW

NSW Government announces changes to strengthen CSG regulation in NSW (2013)

A light green downward-pointing arrow indicating the flow from the first step to the second.

EPA becomes lead environmental regulator for CSG (2013)

A light green downward-pointing arrow indicating the flow from the second step to the third.

Chief Scientist & Engineer's Coal Seam Gas Review results released (2014)

A light green downward-pointing arrow indicating the flow from the third step to the fourth.

NSW Gas Plan announces EPA as the lead regulator for Gas Industry (2014)

## **The EPA's Gas Regulation Branch**

- **Dedicated branch to regulate gas activities in NSW**
- **Employs a number of specialists:**
  - **Hydrogeologists**
  - **Petroleum engineers**
  - **Operational officers**
  - **Policy officers**

## How the EPA obtains information?



# Transparent regulation

## MoU

- Defines responsibilities of key regulatory agencies
- Establishes systems and processes for performing roles
- Gives clarity to community and industry

## Standard conditions

- Government agencies eliminate duplication of regulations
- Conditions are reasonable and enforceable

## Codes of Practice

- Codes of Practice for petroleum extraction are issued by Department of Resources & Energy
- EPA review Codes to ensure they are enforceable

## Information and engagement

- Informative EPA website
- Invite public submissions and lead stakeholder consultation
- Participate in community consultation committees
- Community engagement

## **EPA's priorities for 2016-19**

- Contribute to planning for future of NSW
- Improve NSW air quality
- Improve water quality in Greater Metro area
- Minimise impact of hazardous substances
- Reduce litter
- Manage NSW waste
- Maintain native forests, including threatened species
- Community confidence in environmental regulation

## Rehabilitation of Gas Wells

- Planning
- Decommissioning
- Rehabilitation
- Relinquishment
- Long term environmental management



# Decommissioning

- Decommissioning = plugging of the well and removal of surface infrastructure.
- DRE approves the work program
- The EPA / DRE may inspect during the decommissioning work
- Conditions may be found in a range of documents
- The EPA reviews all decommissioning data

# Environment Protection Licence (EPL)

- All gas projects require an EPL
- Surrender of an EPL will be approved when:
  - the decommissioning work is deemed successful by the EPA
  - no other risk of pollution or environmental impact is present
  - EPA has necessary regulatory power under other instruments

# Rehabilitation

- Rehabilitation = the rehabilitation of the ground surface
- Rehabilitation conditions can be found in a range of documents
- The title holder submits a report to DRE.
- The EPA visits the site to confirm compliance and landholder satisfaction
- DRE determines return of the security bond.

# Notices

- The EPA can issue a title holder with a notices to do something
- These notices can contain additional conditions regarding the specific task
- Required action notices are enforceable

# Comments or questions