

Environmental Protection Authority

Quarterly Performance Report to the Ministers

**From 1 January to
31 March 2020**



Introduction

1. This report for the period 1 January to 31 March 2020 covers:
 - Delivering on the Letter of Expectations
 - Delivering on our strategy
 - General update
 - Financial overview.

Delivering on the Letter of Expectations

High-level priorities

Maintaining fiscal responsibility

2. The EPA's financial sustainability is closely monitored, with regular internal reporting to management and the Board. This includes forecasting of the cash flow position into future years. The second of our two annual financial reforecasts is in progress along with the development of the 2020/21 financial budget. At the time of writing, New Zealand's response to COVID-19 was starting to unfold, with lockdown procedures being imposed. As an organisation, the EPA is taking a cautious and measured approach to managing our cash flows and financial position. Our reforecast and financial budget will reflect these conservative measures.

Managing the Programme of Work

3. Active projects are the Hazardous Substances (HS) Modernisation, Knowledge, and Mātauranga Māori programmes, and environmental DNA (eDNA) project.
4. The Project Management Office continued to progress initiatives to address recommendations from the KPMG Review of Programme Governance and Project Management. The process and templates for benefit management were reviewed and updated, in collaboration with the Knowledge Programme, and next steps will be to use these for the eDNA and Industrial Allocation Processing Systems projects.
5. The post-implementation review for the Te Rito HR System project was adjusted in response to the COVID-19 lockdown. Onsite interviews and workshops were replaced with Zoom interviews and a survey, respectively, to enable these activities to continue with minimal disruption.
6. The Programme of Work was reviewed to identify projects and work that may be non-essential or pose unnecessary risks in the current environment. These will be suspended as necessary. The financial impact of changes will be reflected in the revised forecast for 2019/20 and the financial budget for next year, which are currently being completed.

Increasing focus on Compliance, Monitoring and Enforcement

7. The new operating model effective from 1 March 2020 established a permanent Compliance, Monitoring and Enforcement (CME) group and General Manager Compliance, consolidating all CME functions under one group.
8. Work in the Compliance Shift project focused on three areas, which are now largely completed:
 - completing a review of the regulatory approach and policy
 - streamlining the enforcement officer warranting programme
 - managing information needs.

Hazardous substance compliance

9. The EPA worked with KPMG to finalise the report on phase one of the Department of Conservation (DOC) Vertebrate Toxic Agents (VTA) permissions desktop review. Scoping of the second phase of the audit was completed. The EPA continued the review of the VTA permissions management system.
10. Audit reports on Waikato Public Health Unit, Toi Te Ora Public Health and Mid Central Public Health Service are in their final stages of review. On completion, these will be sent to the respective public health units and published on the EPA website. Given the current demands of the COVID-19 crisis for health services, the publication of these reports will be deferred until later in 2020.
11. Bayer NZ was served a compliance order on 15 January 2020 for failure to notify the EPA on 18 occasions prior to undertaking trials under various containment approvals. Bayer NZ has complied with the compliance order issued. The monthly reports submitted to the EPA were reviewed and issues discussed with Bayer NZ.
12. The content of the guidance document for the hazardous substances and new organisms (HSNO) enforcement agencies was finalised. The next stage is formatting and publication.
13. A number of companies intend to produce alcohol-based hand sanitisers in response to the shortages caused by COVID-19. The EPA is in the process of finalising a guide to hand sanitiser manufacturers to assist their regulatory compliance.

Land and ocean compliance

14. During this reporting period, the EPA:
 - opened eight investigations, completed six investigations and had 11 active investigations into incidents and potential non-compliance in the Exclusive Economic Zone (EEZ)
 - assessed the compliance of seven oil record-books, two dredge reports, one produced water discharge report and one benthic monitoring plan (ten were compliant and one non-compliant)
 - issued two warning letters for non-compliance
 - provided a compliance certificate for a burial at sea in the Northern Disposal Site

- assessed the pre-activity notification for Rocket Lab's next rocket launch, which was postponed due to COVID-19 restrictions.
15. The ongoing investigation into oil observed in the sea within the Tui field in November 2019 saw an abatement notice served, which remains in place, preventing further use of subsea infrastructure until conditions are met. Enquiries are under way into responsibility for any offences under the EEZ Act 2012 as a result of the observed oil.
 16. Inspections of the Tui field, Kupe field and Maari field were planned to begin in March 2020, but placed on hold due to the COVID-19 lockdown. The EPA continued to engage with other regulators following the receivership of Tamarind Taranaki Limited, and subsequent requests from the owner of the remaining Umuroa floating production storage and offtake facility, to disconnect from subsea infrastructure at the Tui field and leave New Zealand waters.

Emissions Trading Scheme compliance

17. The final inspection for the 2019/20 inspection programme was completed in February 2020. The 2019/20 inspection programme represented a shift to a sector-based approach, where each year we will target a specific industry sector. The inspection reports are currently being finalised and lessons learnt will be disseminated back to industry, to facilitate wider sector improvements.
18. The participant's response to a statutory information request that did not, in our opinion, meet the EPA's requirements was resolved, with the notice summoning a representative of the company to appear before the EPA revoked. An OIA request was received from the participant.
19. The Unique Emissions Factor application period for the 2019 reporting year ended. The EPA reduced the number of phone calls and email reminders to participants, and refocused resources on more technical scrutiny of applications. This is aligned to our pro-active regulator approach. All expected applications were received on time, as well as three first-time applicants.
20. The EPA previously signalled a changed approach to reporting deadlines and extensions to the Annual Emissions Return deadline of 31 March 2020, with reduced phone calls and a policy for deadline extensions. Final approval of the policy was paused, and a calling programme was completed to try to reduce rates of non-compliance resulting from the COVID-19 lockdown.
21. The EPA granted 49 deadline extensions for annual emissions returns, 28 through the Register, and 21 via email. 153 participants filed returns on time, and participants have until 1 May 2020 to report.
22. As at 31 March 2020, six non-forestry ETS participants had not filed an Annual Emissions Return. We will develop a work plan around completing default assessments on behalf of these participants.

Interim Resource Management Act 1991 Enforcement Unit

23. We finalised a review of a regional council investigation into sediment discharges to a stream.
24. Evidence in support of the EPA application to the District Court to extend the statute of limitations in relation to a hazardous substance investigation was prepared and later withdrawn.
25. The EPA worked with a regional council on a construction and demolition waste investigation. It was alleged that waste sourced from Auckland was unlawfully deposited at a site in Waikato.
26. Other Enforcement Unit activities are listed below:
 - a new investigator started
 - carried out a review of an investigation for another enforcement agency
 - engaged with another agency on an investigation of contaminants discharged near Campbell Island
 - engaged with MfE to consider intervention factors and their application, in anticipation of the EPA gaining powers under the RMA
 - developed a fact sheet for external stakeholders about the unit's role in RMA regulation.

Working with iwi/Māori

Te Herenga

27. Rāranga-tahi, the EPA's Te Herenga national hui, was hosted from 11 to 12 March 2020 at Takapuwahia Marae, Porirua. This was held in collaboration with Ngāti Toa iwi, with more than 70 participants, including kaumātua, environmental resource managers and practitioners, rangatahi (youth), and other invited guests. The hui focused on involving rangatahi, and the importance of weaving their perspectives when addressing current and future issues for our taiao (environment). We received positive feedback from attendees at the conclusion of the hui, via an EPA survey. Some key areas that were highly rated were:
 - the involvement of rangatahi in the hui
 - guest speakers, venue and kaupapa (topics)
 - the eDNA presentation.

Mātauranga Programme

28. We continued to share the Mātauranga Framework with other government agencies. We presented to the Treasury on 21 February 2020, and received requests for presentations from Te Arawhiti, New Zealand Transport Agency and DOC. The NZ Association of Scientists accepted an article about the programme for publication in the next NZ Science Review, special mātauranga edition, part 2.
29. We progressed three key pieces of work in collaboration with Ngā Kaihautū Tikanga Taiao and Ngā Parirau o te Mātauranga (Te Herenga kaumatua group) and Matakīrea (key expert group). These were the draft reports on Monitoring and Evaluation, Cultural Capability Building and the Research

paper on Māori Values and Risk projects within the programme. Final reports are expected by the end of April 2020, allowing for a brief extension due to the COVID-19 lockdown.

30. In light of COVID-19, further developments to test the training module with a group of EPA staff and deliver training to a pilot group of decision makers is on hold. We are also considering the options, such as online, to launch the Mātauranga Framework, with more details to follow.

He Whetū Mārama

31. Te reo lessons continued, with strong EPA staff attendance. Thirty staff members are signed up for te reo lessons, with a waiting list for the next round.
32. Due to COVID-19, other activities were put on hold. This included walking tours, workshop, and presentations focused on the Treaty of Waitangi. We are discussing worksop ideas that can be delivered easily through digital platforms, such as Zoom. Due to demand, there continues to be a focus on mihimihi and pepeha workshops for all staff.

Operational expectations

Improving hazardous substances – reassessments and chemical modernisation

Hazardous substances reassessment

33. The methyl bromide reassessment continued. Expert conferences were held on 30 January 2020 and 19 March 2020 to discuss and agree on parameters for methyl bromide air dispersion modelling. The Decision-making Committee (DMC) directed the applicant to complete the modelling. The applicant set the timeframe for this to occur, with the hearing now proposed for July 2020.
34. Submissions closed on the 2015 Chemical Review. There were five submissions, with none wanting to be heard. The application is under consideration by the DMC, with the decision expected in April 2020.
35. The EPA-initiated grounds to reassess neonicotinoids were granted by a DMC in December 2019, and notified on the website on 27 January 2020. Public notification of the reassessment of synthetic pyrethroids is tentatively scheduled for mid-2020. The EPA engaged with iwi at hui. The EPA reassessment is planned to run at the same time as the Australian Pesticides and Veterinary Medicines Authority review of neonicotinoids, and we will look at opportunities to work together on some technical aspects of the assessment.
36. The EPA-initiated grounds to reassess benzalkonium chloride are currently under consideration by the DMC, with the decision expected in April 2020. Submissions for the application closed on 27 February 2020, with three submissions received.
37. Grounds to reassess hydrogen cyanamide were established in September 2019 as part of an external application. The EPA called for information in late January 2020, which will further aid in completing

the Chief Executive-initiated application to reassess. The call for information was extended until 29 May 2020 due to the COVID-19 lockdown.

Hazardous Substances Modernisation

38. Chemical Map – the third, and final, iteration of the executive view dashboards was completed by the supplier. Iteration three includes sample international data from the United States and the European Union. Discussions on the future direction for the Chemical Map will take place by June 2020.
39. The Globally Harmonised System (GHS) implementation project – the Submissions Analysis Report outlined recommendations on the proposals included in the October 2019 consultation document. The EPA is finalising the draft of a second GHS consultation document, to seek feedback on proposals relating to updating HS approvals to transfer their current HSNO classifications to GHS classifications. This second consultation will be publicly released mid-year.
40. Quality Management System – Operational Performance Reporting: the dashboard work was completed. The delivery of leadership development workshops was put on hold as a result of the COVID-19 lockdown.
41. HS Database Replacement – requirements for the 2020 IULID release, due in October 2020, will be provided to the European Chemicals Agency by the end of May 2020. Design work began with the NZ-based supplier for reporting, data migration and publishing.

Working with Emissions Trading Scheme agencies

42. The EPA worked with MfE and MPI to support the passage of the Climate Change Response (Emissions Trading Reform) Bill. The report from the Environment Committee was scheduled for 2 April 2020, however, was pushed out due to the COVID-19 lockdown. We are continuing to work with agencies on material that may be incorporated into the Bill at the Committee stage by Supplementary Order Paper.

Sustainability

43. The Toitū Carbon reduce programme is continuing its natural course. One of the immediate actions taken by the EPA in response to COVID-19 was to stop all international travel, and this was followed subsequently by the cancellation of all domestic travel. This travel ban is likely to be in place for the foreseeable future, which should in turn reflect positively against our emission reduction targets. Remote working from home arrangements, which involve holding virtual meetings and working with softcopy documentation have been effective to date.

Delivering on our strategy

One EPA

Raising the EPA's profile

44. Key social media statistics for the quarter are:

- Total Facebook reach (number of users who viewed our content on Facebook) was 287,934 – an increase of 45 percent from the previous quarter (157,296).
- There were 11,259 total Facebook engagements. The previous quarter we received 12,161 engagements (people who actively engaged with our Facebook content – reactions, comments, post clicks and shares).
- The post with the highest reach (41,600) and most engagements (3,521) was the 'Meet our Pollinators' activity sheet.
- The EPA had 2,319 Facebook followers, an increase of 4 percent from 31 December 2019.

45. Other public and media information included:

- Eleven news articles on our website on topics including activity in the Tui oil field, Te Waikoropupū Springs recommendation report and ETS obligations.
- Five media releases were picked up positively by various media outlets, covering the Te Herenga hui, the review of hydrogen cyanamide rules, the reassessment of neonicotinoids, the granting of a marine discharge consent, and the EPA successfully reducing its greenhouse gas emissions.
- Advising interested journalists when the Te Waikoropupū Springs report was available. TVNZ, Stuff, and Radio NZ ran positive stories about the recommendations.
- Stuff and Carbon News ran positive stories on the EPA's offer of an extension of 20 working days for ETS emissions returns.
- Posting an article explaining our approach to regulating pesticides, following steady interest from several media outlets during the past few months in HS and protections for consumers.
- Familiarising journalists with EPA Notices, Group Standards and the self-assigning process for manufacturers and importers, following media interest about consumer information compliance with HSNO controls. This then prompted us to use our monthly HS Update newsletter to remind industry of compliance obligations regarding consumer information and product labelling.
- One public address – Dr Allan Freeth presented to the Canterbury University Alumni Association (Wellington Chapter) on 26 February 2020.

Customer centricity

46. The EPA developed surveys using our new supplier, BigEars. These surveys will enable us to measure how well we are meeting customer needs. The EPA's set of customer needs covers all aspects of service delivery, from making accurate information accessible, to ensuring transparency of timeframes, clarity of decision making, and providing meaningful engagement. The customer needs

were developed based on several years of customer feedback data. One survey was completed, outlined above, to collect feedback from the Te Herenga hui. Another survey has been operating since mid-December 2019 to gather feedback on ETS customers' experience using the Register. Surveys for HS applications and government agencies are expected to be launched in April 2020.

47. The EPA customer centricity maturity model was considered by the Executive Leadership Team (ELT) in March 2020, following an independent assessment by a consultant. The consultant reported that progress in customer centricity adoption, capability and maturity was significant in the last year.

Consumer awareness

48. Consumer awareness staff attended several events in March 2020 before the COVID-19 lockdown. Safer Homes presented to the Rotary Club and held a stand at Creekfest, we held a Women in Science breakfast at the Sustainability Trust for secondary school students, and had a stand at the networking event Ngā Here: Many Connections, hosted by Forest and Bird Youth. Engagement staff also supported the Te Herenga national hui, and the eDNA hui on Matiu/Somes Island.
49. Due to the COVID-19 lockdown, we have shifted our engagement focus to online channels and social media. At the end of March 2020, we provided an update to the public via Te Pūtara newsletter sharing a range of new content on the Community Involvement section of our website.
50. The EPA is exploring ways to offer interactive engagement opportunities online, including developing an online audio survey for public feedback, and a quiz to raise awareness and understanding of the EPA's work.
51. The EPA continued the monthly radio slot with Turanga FM in Gisborne and quarterly slot with Radio Kahungunu in Hastings, promoting our Safer Homes messaging.

Partnership plus

Resource Management Review and RMA work arising from COVID-19

52. The Resource Management Review Panel continued to meet remotely during the COVID-19 lockdown. The Panel discussed the role of the EPA in the future resource management system, and asked for any papers about possible future roles.
53. The EPA was invited to participate in the inter-agency work, led by MfE that is considering a fast-track consenting process that overrides the standard provisions of the RMA. Emergency legislation is being developed to address the effects of COVID-19 on the economy, in particular employment.

Heads of EPA Australia and New Zealand

54. Due to COVID-19 the Heads of EPA Australia and New Zealand meeting scheduled for 19 and 20 March 2020 was cancelled. The next meeting is scheduled for October 2020.

People potential

Leadership capability

55. The ELT remained focused on leadership, including building a strong leadership and coaching culture. Internal promotions into new general manager roles, as well as other leadership roles, highlighted the commitment to developing our own talent. We also have active development opportunities with acting leadership arrangements. A dedicated coaching-based leadership approach will begin after the COVID-19 lockdown, focusing on forming the new Executive team.

Organisational capability

56. The new operating model and structure became effective from 1 March 2020. All general manager positions were filled. Work on phase two of the realignment will begin in April 2020. This will involve evaluating the next level roles, structure, and capabilities needed to deliver the EPA's strategy.
57. The People Strategy final draft has been reviewed and will be presented to the Performance and Remuneration Committee (PRC) for noting at the April 2020 meeting. Following endorsement of the People Strategy, a review and prioritisation of the People and Capability work programme will be undertaken in April 2020, focusing on delivering priority projects for the remainder of 2020 and four-year planning.
58. The Resourcing Strategy was endorsed at the February 2020 ELT meeting, and will be presented to the April 2020 PRC meeting. The strategy takes a proactive approach to ensuring we have the right capability to deliver in our focus areas of operations, compliance, monitoring and enforcement, and engagement. The strategy and approved actions will ideally be implemented over the next 12 to 24 months, with a review planned for July 2021.

General update

Proactive regulator

Fire Fighting Chemicals Group Standard 2017 amendment

59. Consultation on proposals to amend the Fire Fighting Chemicals Group Standard 2017 closed on 16 December 2019. The proposed amendments provide for the phasing out of all fire-fighting foam products containing PFAS (per- and polyfluoroalkyl substances). Twenty submissions were received, with nine submitters indicating that they want to speak at a hearing. Overall, submitters supported the proposals, but the majority of submitters wanted the phase-out of C6 foams at the same time as C8 foams to be reconsidered or delayed, citing ongoing doubts about the effectiveness of alternative fluorine-free foams. A DMC has been appointed and a hearing scheduled for 16 and 17 May 2020.

Update of the Hazardous Substances (Storage and Disposal of Persistent Organic Pollutants) Notice 2004

60. At the Conference of the Parties to the Basel Convention held in May 2019, technical guidelines were adopted on the environmentally sound management of wastes consisting of, containing or contaminated with persistent organic pollutants (POPs). These guidelines provide internationally recognised best practices on the management of wastes containing POPs.
61. Storage and disposal of POPs are regulated by the HSNO Act 1996 and the HS (Storage and Disposal of POPs) Notice. As a result of the above international developments related to the regulation of POPs, the Notice needs to be updated. A draft of the Notice and the consultation document has been prepared. The draft Notice:
- incorporates by reference the relevant provisions of the Basel Technical Guidelines
 - removes the existing cross-references to revoked regulations and incorporates the applicable references to the replacement legislation
 - includes provisions to extend coverage to manufactured articles.
62. The draft Notice has been reviewed internally by Legal and will be reviewed with further technical input from the business.

Consultation under the new Stockholm Convention chemicals

63. The Conference of the Parties to the Stockholm Convention meets every two years and makes decisions on proposed chemical listings. In May 2019, the Convention added dicofol, and PFOA (Perfluorooctanoic acid), its salts, and PFOA-related compounds to Annex A of the Convention. These listings take effect internationally on 3 December 2020. In order for the listings to apply domestically, they need to be added to Schedule 2A of the HSNO Act. The process for this amendment involves the Minister for the Environment requesting the EPA to consult on the new Stockholm Convention chemicals, and to provide advice to him on the proposed amendments. A consultation document was published on 28 February 2020, with the closing date for submissions being 30 March 2020. Five submissions were received, which either supported or did not oppose the proposed changes. The submission period included time during the COVID-19 lockdown which appears to have resulted in fewer submissions than expected. A report to the Minister has been prepared.

Decision-making processes are robust, transparent and auditable

New organisms

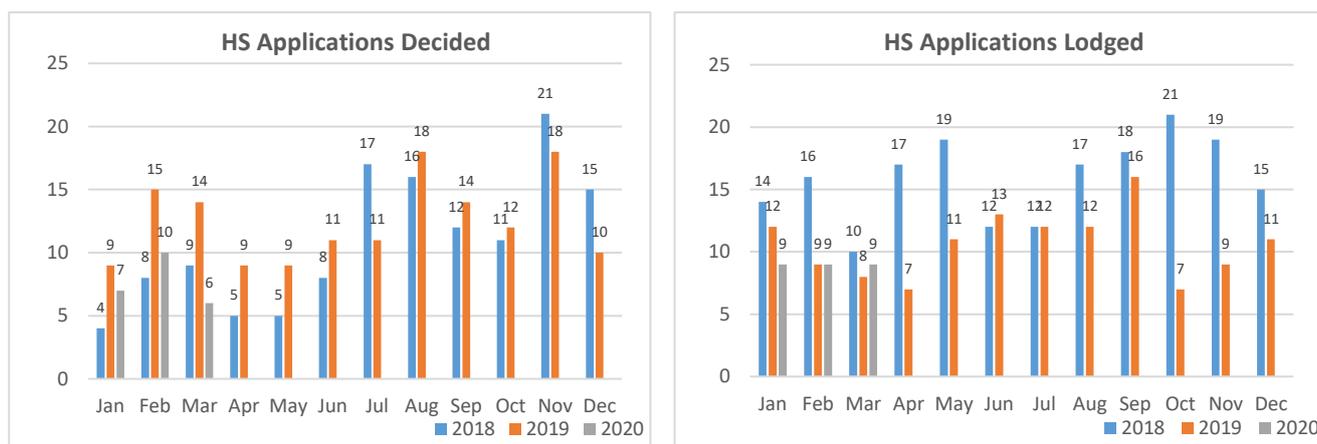
64. An application from Auckland Zoo to import three primate species into containment for display and breeding was approved on 30 March 2020, covering De Brazza's monkey, white-faced saki monkey, and red ruffed lemur.
65. Two broad approval applications were granted to Massey University on 21 January 2020 for the import and development of low-risk genetically modified organisms. These broad approval applications are

similar to those provided to Otago University and Auckland University following the removal of Institutional Biological Safety Committee delegated decision making in these institutions.

- 66. An application from Manaaki Whenua Landcare Research to import into containment New Caledonian stick insects was approved by a DMC on 24 February 2020. The applicant intends to assess their thermal traits and forecast which will survive climate change.
- 67. Other rapid approvals granted include an approval to import for release Kauri trees in the grounds of the Auckland Botanic Gardens only, an approval to develop in containment gene-edited pigs with improved human immune capability and an approval to develop in containment NZ salmon immortal fish cell-lines to use as a research tool. Marine cell cultures of NZ-relevant fish species are currently almost totally unexplored.

Hazardous substances applications

- 68. HS Application statistics for this quarter were: 23 decided, 31 lodged and 27 formally received. Year-to-date comparative data is provided below for HS applications decided and lodged per month, per calendar year:



Exclusive Economic Zone applications

- 69. At the time of finalising this report on 3 April 2020, the Court of Appeal released its decision on the Trans-Tasman Resources Limited (TTRL) iron sand mining application. This application had been granted by a DMC but appealed to the High Court which quashed that decision. The High Court decision was appealed to the Court of Appeal. The Court of Appeal reversed the finding on adaptive management but concluded that the DMC made errors of law that meant the decision is quashed and referred back to the EPA for reconsideration. Parties are able to seek leave from the Supreme Court to appeal this decision. In the meantime the Court of Appeal has ordered TTRL to pay the court costs of the other parties.
- 70. We continue to process or support the non-notified application by OMV for a marine consent and marine discharge consent in the Māui field towards a decision release, the application for a marine

dumping consent to scuttle the vessel the Don Wong, and the DMC appointed for the Coastal Resources Limited reconsideration (see below).

71. We also dealt with two changes of consent and four Emergency Spill Response Plans (including amendments), and are processing two applications for rulings from BWO, with the first ruling released.
72. Coastal Resources Limited withdrew its application to dispose of dredged material east of Great Barrier Island. It still holds a deemed dumping consent until 2032 for up to 50,000 m³ of dredged material annually in the same area. This ends the DMC process required after the High Court appeal/judicial review. It is expected there will be some ongoing discussion about costs.

Tamarind Taranaki Limited

73. The receivership of Tamarind Taranaki Limited, the holder of a marine consent and discharge consent for development drilling in the Tui field in the Taranaki Basin, continues. Once the receivers complete their job and resign, any remaining assets will be in the hands of the liquidators. The Crown is seeking the costs of decommissioning from the liquidation process, which would be paid out of any funds available for distribution. On completion of the liquidation process, the permit for the Tui field will go to the Crown.
74. In the meantime, BW Offshore as owner of the Umuroa, the floating production storage and offloading vessel in the Tui field, sought two rulings for activities associated with disconnecting the Umuroa and departing. The first ruling is for removal of the mooring lines and for either removal or temporary leaving of the anchors on the seabed with retrieval in the next five years. The second ruling is for disconnecting of the pipelines connected to the Umuroa and capping of the flowlines, umbilicals and gas lift lines, and temporary placement of these on the seabed. This would leave responsibility for this equipment and its subsequent decommissioning with the owner – currently Tamarind Taranaki. Given Tamarind Taranaki insolvency it is likely that this obligation will pass to the Crown.
75. In accordance with the EPA's usual process of seeking information as appropriate to assist in deciding whether to grant a consent, or in this case a ruling, the EPA invited views from those iwi with have mana whenua on the land closest to the proposed activities by BW Offshore on how their existing interests may be affected.

Beach Energy

76. No further news has been received on whether the necessary regulatory approvals have been obtained for completion of the sale of OMV NZ's 69 percent interest in the Maari Field to Jadestone Energy Inc. If this goes ahead, transfers of consents would be required.
77. Beach Energy lodged its notified offshore processing drainage application for a marine discharge consent for a mobile offshore drilling on 25 March 2020. This relates to exploration and appraisal drilling in the Canterbury Basin. Under Regulation 16 of the Exclusive Economic Zone and Continental

Shelf (Environmental Effects – Dumping and Discharge) Regulations 2015, the discharge of harmful substances from offshore processing drainage (deck drainage) from a new structure (in this case the drilling rig for exploration drilling) is classified as a discretionary activity.

78. Beach Energy has also indicated its intention to lodge non-notified applications for a marine consent and marine discharge consent for exploration drilling activities and the associated discharge of drilling fluids and other hazardous substances around August 2020.

Nationally Significant Proposals

79. The Special Tribunal that heard the application for the Te Waikoropupū Springs Water Conservation Order provided their report and recommendation to the Minister for the Environment on 17 March 2020. The applicant and submitters had 15 days to make submissions to the Environment Court. This period was extended to 1 May 2020, due to the COVID-19 lockdown. The Environment Court provided a Minute on 25 March 2020 setting out the reasons for the extension and further guidance.
80. The Minister for the Environment has formally requested advice from the EPA on whether the Otago Regional Council plan change meets the criteria for a proposal of national significance. The Otago Regional Council plan change is intended to provide an adequate interim consenting and planning framework to manage freshwater up until the time that new discharge and allocation and limits are set (as recommended by the Minister for the Environment in November 2019). The Otago Regional Council have requested that it be called in as a response to the Minister's recommendation.

Emissions Trading Scheme

81. We have liaised with MPI and MfE regarding messaging to ETS customers during the COVID-19 lockdown period, in regards to their ETS obligations.
82. Work is progressing to update the Register's terms and conditions, security and privacy pages.
83. The EPA has authored two chapters of NZ's greenhouse gas inventory. These chapters summarise the Register's activity, Kyoto Protocol accounting and public reporting. The chapters, and supporting technical files will be submitted to the United Nations Climate Change Secretariat in April 2020.
84. The Interagency Climate Change Data and Modelling Group met for the first time in February 2020. This technical group provides a forum for agencies to share and test their approaches to providing robust data around climate change. Terms of reference are being prepared and the next step is to ensure there is a consistent understanding around agencies' data work. The EPA will cover what data we hold, for example in the Register, and improving data available to the public.

Science team projects and update

85. The Chief Scientist has been working inside the science advisors forum and the Prime Minister's Chief Science Advisor's office in the all-of-government response to COVID-19.
86. The eDNA programme continues on its journey of running small-scale eDNA engagements in collaboration with important external stakeholders including Zealandia, Greater Wellington Regional Council, Universities, MfE, and QEII trust. We have finalised a partnership with 'House of Science' to co-develop a kit that goes into primary schools. The eDNA programme was presented to Te Herenga at the Takapuwahia Marae. We also had a hui on 19 and 20 March 2020 on Matiu Somes Island with the bicultural team to discuss programme names and goals.
87. The EPA's principal scientist is involved in follow-up work following participation in meetings of the scientific committees of the Stockholm Convention and the Rotterdam Convention in Rome in October 2019. The drafted Decision Guidance Document for the flame retardant Decabromodiphenyl ether, under the criteria of the Rotterdam Convention, has been sent to all Parties (161 countries) and observers to the Rotterdam Convention. It is currently being revised, following the receipt of comments. The draft risk profiles are still under review for the two chemicals which were introduced to the Stockholm POP's Review Committee assessment process – the insecticide methoxychlor, and the flame retardant Dechlorane Plus.

Reporting

88. This quarter we responded to: 16 Official Information Act requests, eight Ministerials and eight Parliamentary Questions. We also had three notifications of complaints to the Ombudsman regarding OIA requests.

Financial overview

| | Actual YTD \$000 | Budget YTD \$000 | Variance \$000 | Budget FY \$000 |
|----------------------------|-----------------------------|-----------------------------|---------------------------|----------------------------|
| Total Revenue | 20,993 | 20,695 | 298 | 28,280 |
| Total Expenses | 21,052 | 21,196 | 144 | 28,938 |
| Net operating deficit | (59) | (501) | 442 | (658) |
| | | | | |
| Programme of Work Revenue | 1,290 | 1,290 | - | 1,720 |
| Programme of Work Expenses | 2,690 | 2,986 | 296 | 4,432 |
| Net Programme of Work | (1,400) | (1,696) | 296 | (2,712) |
| | | | | |
| Net deficit | (1,459) | (2,198) | 738 | (3,370) |

89. The EPA Board approved a deficit operating budget for 2019/20 to facilitate use of the accumulated cash reserves in achieving business and systems improvement projects under the EPA's POW.
90. The net deficit for the nine months to 31 March 2020 is \$1.459 million compared with a budgeted deficit of \$2.198 million. The variance between Actual and Budget is mainly due to the following:

- Revenue is currently tracking \$0.298 million above budget. This is mainly due to higher than expected EEZ application fees for the first nine months compared to budget.
- Domestic and international travel costs are lower than budget due to a lower than expected number of trips having taken place.
- The POW is currently tracking \$0.296 million behind budget. Indications are that this underspend is expected to remain for the final three months of the financial year due to savings and deferral of activity to the next financial year.

| Summary of Costs by Appropriation for period ended 31 March 2020 | | | | |
|---|-----------------------------|-----------------------------|---------------------------|--------------------------------|
| Appropriation | Actual YTD \$000 | Budget YTD \$000 | Variance \$000 | Annual Budget \$000 |
| Decision Making | 13,288 | 13,534 | 246 | 19,059 |
| Monitoring & Enforcement | 5,616 | 5,720 | 104 | 6,824 |
| Emissions Trading Scheme | 4,838 | 4,928 | 90 | 7,487 |
| Total ¹ | 23,742 | 24,182 | 440 | 33,370 |

Note 1. This total balance comprises the costs reported as 'Total expenses' plus the 'Programme of Work' in the table above.

| Summary Statement of Financial Position as at 31 March 2020 | | | |
|--|--|---|---|
| | Actual at 31 March 2020 \$000 | Budget at 30 June 2020 \$000 | Actual at 30 June 2019 \$000 |
| Total Assets | 13,039 | 9,686 | 14,607 |
| Total Liabilities | 2,975 | 2,604 | 3,084 |
| Total General Fund | 10,064 | 7,082 | 11,523 |
| Working Capital ratio | 3.0 | 2.0 | 3.2 |

91. The working capital ratio remains strong at 3.0 times.