



## LEGAL EXPERT

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# AN ENVIRONMENTAL MANAGEMENT SYSTEM CAN IMPROVE YOUR BUSINESS

An Environmental Management System (EMS) can be used to develop and implement a policy committed to the prevention of pollution and compliance with legal and non-legal requirements. In Australia, the EMS tool is based on the Australian and New Zealand standard for environmental management, AS/NZS ISO14001. Case studies indicate that businesses that implement an EMS gain many benefits. Participation in an EMS is voluntary, unless it forms part of a regulatory regime or is in response to an AS/NZS ISO 14001 certification requirement. Clause 4 of AS/NZS ISO14001 contains the requirement to be audited in order for an organisation to achieve certification of its environmental management system.

In NSW, in accordance with the NSW Government Code of Practice for Procurement (Code), tenderers and service providers of major projects (greater than \$10 million) are required to have an EMS accredited by a government agency. Within the building and construction industry, the NSW Government Environmental Management System Guidelines Edition 3 (Guidelines) and AS/NZS ISO 14001:2004 provide a framework for an EMS in accordance with the Code. Similar regulations and guidelines apply to major projects in other Australian states.

In addition to Code requirements, a common reason for seeking certification is that it allows independent verification and provides assurance to internal and external stakeholders of the integrity of an organisation's management system. Companies seeking certification of their EMS need to complete a legal register as part of an EMS. The legal register refers to legislative requirements that are directly

relevant to the organisation and its operations. Accordingly, not all environmental state and federal legislation must be included in the legal register. NSW Government Construction Agencies may only accept an EMS if they are provided with:

- Evidence that the EMS was accredited in accordance with the Guidelines; and
- An audit report provided by an authorised assessor, attesting that the EMS complies with AS/NZS 14001 and all relevant environmental and other legislation.

An EMS accredited in accordance with the Guidelines and Code will be deemed to be acceptable for three years after the date of accreditation.

### How an EMS can lower business costs

Despite the stringent guidelines, an EMS brings with it many benefits. For example, it may improve business profitability by lowering business costs through reduced resource consumption and waste production. The production of waste can be expensive, requiring the use of costly end-of-pipe systems or disposal fees.

The generation of waste may be a sign of an inefficient production process, requiring greater use of raw materials than actually needed. By recognising these costs, an organisation can develop ways to reduce waste, such as re-using waste internally or even selling parts of that waste for other processes and uses. In addition to financial benefits, an EMS has the potential to improve an organisation's relations with environmental regulators and the broader community. Promoting a positive environmental image to customers has the potential to increase the demand for products and services.

***"It is important for all organisations to exercise their due diligence in identifying and assessing the specific environmental risks of their activities."***