



Terms of Reference

HAZARDOUS SUBSTANCES AUDIT

PURPOSE

1. This audit is to be undertaken to meet the Secretary of Defence's statutory obligation to audit the controls on hazardous substances in the New Zealand Defence Force (NZDF).

CONTEXT

2. Under section 3(6) of the Hazardous Substances & New Organisms Act 1996 (HSNO) there is a statutory obligation upon the Secretary of Defence to audit the controls on hazardous substances in the NZDF.
3. The Ministry of Defence's (MoD) Evaluation Division (now called Tū Aromatawai *Independent Review*) has previously undertaken these audits approximately every three years. The most recent audit was completed in 2016, around the time that the new Health & Safety at Work Act 2015 (HSAW) was being introduced.
4. The HSNO Act does not apply to any hazardous substance controlled by the Minister of Defence if the Chief of the Defence Force prescribes "codes of practice" for handling hazardous substances that are consistent with HSNO. The codes of practice take the form of a Defence Force Order (DFO) and New Zealand Defence Publications (NZDP). The DFO outlines how hazardous substances are to be managed within NZDF and the NZDP provide detailed instructions for compliance.
5. The current hazardous substance DFO is called 'DFO 41 Safe Management of Hazardous Substances' and is issued under section 27 of the Defence Act. The two hazardous substance NZDPs are '4.2.2 Hazardous Substances: Class 1 Ammunition and Explosives', and '4.2.3 Hazardous Substances: Classes 2-9'.
6. In order for NZDF's codes of practice to be consistent with the requirements of the HSNO Act, the codes of practice must:
 - be based on the controls imposed by the Environmental Protection Agency (EPA) under the HSNO Act;
 - meet the relevant requirements prescribed in notices issued by the EPA under the HSNO Act; and
 - be consistent, as far as practicable, with the controls imposed under the Health and Safety at Work (Hazardous Substances) Regulations.

18. Out of scope: this audit will not replicate NZDF-commissioned technical and site audits by external experts. They will be carried out by the Canadian Defence Force and Responsible Care NZ in March and April 2019. Tū Aromatawai will use the findings and recommendations from these technical audits when carrying out its audit of compliance 'on the ground'.
19. This audit will not replicate any other audit processes currently underway, for example, the All of Government review of potential PFAS (per- and poly-fluoroalkyl substances) firefighting foam contamination on NZDF sites. The audit may however make reference to these issues in the final report if relevant to provide context.

KEY DELIVERABLES

20. The first stage of the audit will deliver a report examining whether NZDF's codes of practice for hazardous substances as outlined in DFO 41 and NZDP 4.2.2 & 4.2.3 are consistent with the EPA controls. The results of the report will be delivered to the Minister for the Environment and the Minister of Defence as required by the HSNO Act.
21. The second stage will deliver a further report looking at the changes that have been implemented at NZDF sites in order to action the recommendations made by the technical audits.

METHODOLOGY

22. In the first stage we will undertake a desktop exercise examining MoD & NZDF internal documentation, online resources, legislation and regulations.
23. We will interview key personnel involved in the creation and implementation of NZDF's codes of practice on hazardous substances.
24. To prepare for the second stage of the audit, the Tū Aromatawai reviewer will shadow one or more of the technical audits to gain a better understanding of how the codes of practice are implemented on NZDF sites.
25. Once the technical audits have been finalised, the NZDF sites will be given approximately 6 months to implement any changes recommended by the audits before the Tū Aromatawai reviewer visits one of the sites to see what progress has been made.

CONSULTATION

26. The reviewers will consult with key NZDF personnel and the Defence Business Committee as appropriate.
27. The list of key NZDF personnel is likely to include Chief Joint Defence Services, Commander Logistics, Principal Advisor Logistics Policy & Doctrine, as well as members of the Hazardous Substances Unit. Other personnel may be interviewed if appropriate.
28. External consultation will also be held with relevant government agencies including the EPA, WorkSafe and the Ministry for the Environment.