

NSW Environment Protection Authority

# Annual Report

2021-22





**In this year's annual report, we showcase our achievements and commitment to protect, restore and enhance the quality of the environment and human health through restoration, education and regulation.**

The report summarises our initiatives, activities and performance as measured against the targets set out in our *Strategic Plan 2017–21*. It highlights the achievements we're proud of and the challenges we faced between 1 July 2021 and 30 June 2022. It also outlines how we are guided by our new *Strategic Plan 2021–24* and *Regulatory Strategy*.

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#### **Photos**

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River, nature and ceremony, Devils Elbow, Wiradjuri Country, NSW. Photo: EPA

## Our cover image



Watchful kookaburra in the Blue Mountains, Gundungurra and Dharug Country, NSW.

## The photographer

William Goodwin\*



'I have this photo on my desk and it's hard not to feel watched. I think that's a good thing, though: working in the environmental space myself I need to be doing the right thing by nature. Having that bird staring at me is a pretty good reminder.'

\*Will's Dad is James Goodwin, Director Regulatory Operations Metro.

## Other photos

Many of the photos in this report were provided by EPA staff members.

The EPA would like to thank its many talented shutterbugs for their creativity and generosity.

**Back cover:** Boat Harbour in Port Stephens, Worimi Country, NSW. Photo: Greg West.



An aerial photograph of a rocky stream with green vegetation. The water is dark and flows over large, reddish-brown rocks. The surrounding area is covered in lush green plants and trees. The text is overlaid on the left side of the image.

# Acknowledgement of Country

The NSW Environment Protection Authority acknowledges the Traditional Custodians of the land on which we live and work, honours the ancestors and the Elders both past and present and extends that respect to all Aboriginal people.

We recognise Aboriginal people's spiritual and cultural connection and inherent right to protect the land, waters, sky and natural resources of NSW. This connection goes deep, and has since the Dreaming.

We also acknowledge our Aboriginal and Torres Strait Islander employees who are an integral part of our diverse workforce, and recognise the knowledge and wisdom embedded forever in Aboriginal and Torres Strait Islander custodianship of Country and culture.

Dharawal Country, Royal National Park, NSW





## EPA Statement of Commitment to **Aboriginal** People of NSW

We, the NSW Environment Protection Authority, acknowledge Aboriginal people as the enduring custodians of the land, sea, waters and sky of NSW.

We recognise the entire NSW landscape, including the lands, waters, plant and animal species and seas, has spiritual and cultural significance to all Aboriginal people of NSW. By this understanding there is no separation of nature, wellbeing and culture. The health of the natural environment, land animals, marine animals and the health of people and culture are intimately connected. In the spirit of reconciliation, the EPA is committed to:

- work in respectful partnership with Aboriginal people
  - actively learn from and listen to Aboriginal voices, culture and knowledge
  - respect Aboriginal people's knowledge and science as an equal to western science
  - weave Aboriginal knowledges and science with conventional science into the EPA's decision-making
  - act boldly and bravely to play our part to mend and heal Country together
- ensure Aboriginal knowledge, science and Indigenous cultural and intellectual property (ICIP) is protected, and Aboriginal people have free, prior, informed consent
  - address both the tangible and intangible cultural elements of environmental protection
  - deliver on results that have direct benefits for Aboriginal communities
  - embed consistent, meaningful, and trustworthy engagement with Aboriginal communities
  - develop Aboriginal cultural competency across the agency
  - increase Aboriginal employment across the agency to exceed public sector Aboriginal employment targets and to identify specific occupational gaps
  - monitor the impact of the commitment to Aboriginal people, Country, culture and spirit.

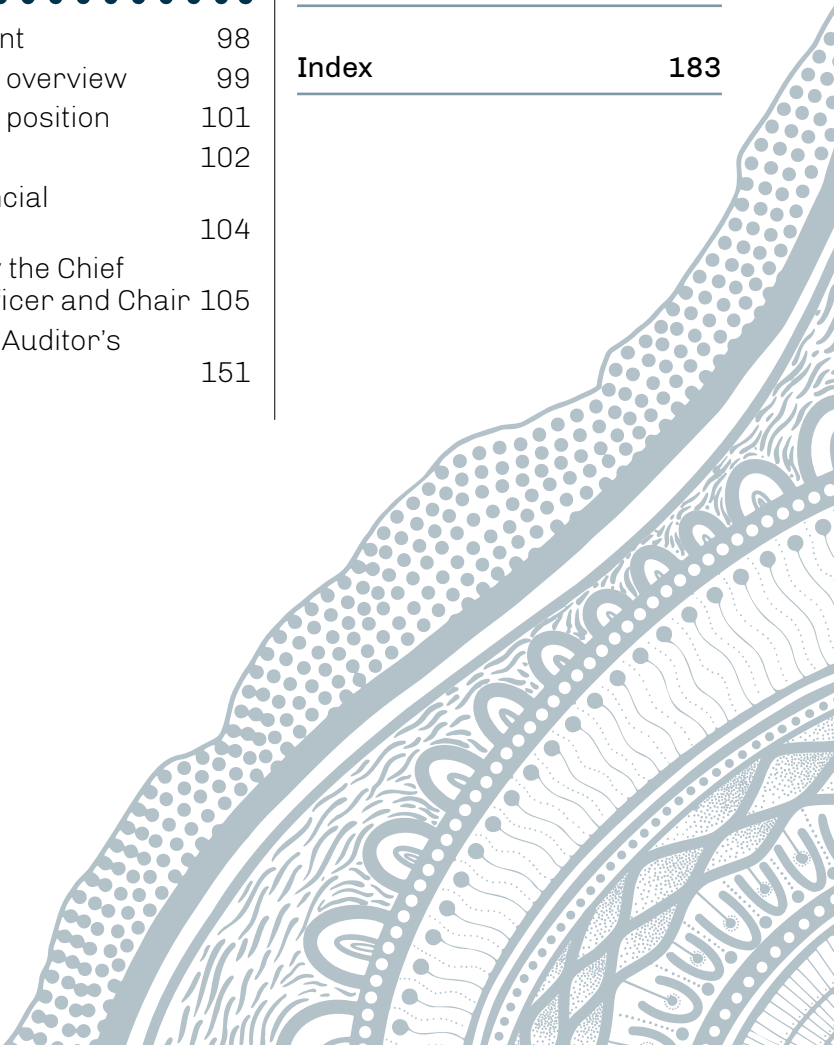








Tackling illegal dumping	69	<b>Supporting initiatives</b>	<b>89</b>	<b>Appendices</b>	<b>153</b>
<b>Water quality</b>	<b>70</b>	Recycling plant boosts the circular economy	89	●●●●●●●●●●●●●●●●	
Taking a deep dive	70	Long-time support	90	<b>Appendix A:</b> Acts administered by the EPA	154
Dead in the water	70	<b>Preventing issues</b>	<b>90</b>	<b>Appendix B:</b> Prosecutions completed under EPA legislation	155
Marine Litter Campaign 2022	71	Getting the jump on problem ponds	90	<b>Appendix C:</b> Enforceable undertakings	163
Safe for swimming	72	Tracking radioactive sources from cradle to grave	91	<b>Appendix D:</b> Penalty notices	164
Sights on the sites	72	Stopping truck fires before they start	92	<b>Appendix E:</b> Statistical information on access applications	165
<b>Legacy and emerging contaminants</b>	<b>73</b>	<b>Prosecuting polluters</b>	<b>93</b>	<b>Appendix F:</b> Public interest disclosures	169
Things that smell bad, look ugly and can kill you	73	Holding polluters to account	93	<b>Appendix G:</b> Cyber Security	170
Emerging chemicals: what's next?	74	Enforceable undertakings	94	<b>Appendix H:</b> Grants and subsidies	171
Site auditor scheme	75	Minister's role	94	<b>Glossary</b>	<b>180</b>
Asbestos: tackling an ongoing problem	75	Legislative changes in 2021–22	94	<b>Index</b>	<b>183</b>
Making progress in the fight against PFAS	76	Prosecution case studies	95		
Making sure fines are fine	77	<b>Finances</b>	<b>97</b>		
<b>Climate change</b>	<b>78</b>	●●●●●●●●●●●●●●●●			
The greatest threat	78	CFO Statement	98		
Going carbon neutral	80	Our financial overview	99		
<b>What we've achieved</b>	<b>81</b>	Our financial position	101		
●●●●●●●●●●●●●●●●		Expenditure	102		
<b>Celebrating milestones</b>	<b>82</b>	Annual Financial Statements	104		
Thirty years of making a difference	82	Statement by the Chief Executive Officer and Chair	105		
In for the long haul	83	Independent Auditor's Report	151		
A three-yearly report card of the environment	84				
Seven billion containers and counting	84				
<b>Responding to incidents</b>	<b>85</b>				
After the rains	85				
Helping communities at flood recovery centres	86				
Cabbage Tree Island clean-up	87				
Saving Ernie	87				
The Wickham fire	88				
Bushfire recovery programs	89				







# Letter from the CEO

## Letter of submission

The Hon. James Griffin BA MP  
Minister for Environment  
and Heritage  
52 Martin Place  
Sydney NSW 2000

Dear Minister,

I am pleased to submit the *Annual Report 2021–22* for the NSW Environment Protection Authority.

This report was prepared in accordance with the provisions of the *Annual Reports (Statutory Bodies) Act 1984* and *Annual Reports (Statutory Bodies) Regulation 2015*.

This annual report must be presented in both Houses of Parliament within one month of receipt.

Yours sincerely

**Tony Chappel**

Chief Executive Officer  
NSW Environment  
Protection Authority

**Rayne de Gruchy AM PSM**  
Chair of the Board

31 October 2022

**It is with great pride – and just a little bit of trepidation – that I write this letter for the EPA's 2021–22 Annual Report.**

The pride stems from working with the purpose-driven staff of the NSW Environment Protection Authority, who have such a strong track record of protecting the community and environment over the 30 years the EPA has existed. The trepidation comes from knowing I've joined the organisation at a very challenging time, especially given the recent spate of natural disasters. But despite the pressures these climatic events have placed on our resources, the EPA has continued to demonstrate its capability as a strong and independent steward of the environment.

In the past year we have developed a draft *Climate Change Policy* and *Climate Change Action Plan*. These lay out the framework we're putting in place to support the community and economy to reduce emissions while we enhance our resilience to the impacts of climate change. Although the policy and action plan were released for public consultation in September 2022, after the period of this report, a

huge amount of effort went into developing them throughout 2021–22.

We have five strategic priorities for 2021–24: ecologically sustainable development, waste, water quality, legacy and emerging contaminants, and climate change. Our immediate focus is on the most significant and hazardous risks to the community and environment. These include the threats posed by illegal stockpiling of end-of-life tyres and end-of-life plastics, hazardous and liquid waste, radioactive sources, pesticides and chemicals. In the past year the EPA has built a solid foundation for dealing with these hazards and we'll now build further on that, to protect the community and the environment.

I'd like to acknowledge the enormous contribution of those who recently came before me as CEO – Tracy Mackey, Jacqueline Moore and Carmen Dwyer – and express my gratitude for their leadership. I look forward to continuing to work with the highly capable EPA team to restore and protect our land, air and water, and to help NSW achieve both sustainability and prosperity in the years ahead.





# Letter from the Chair

**The year 2021–22 was both eventful and significant for the EPA. There were changes in our overarching legislation, executive leadership, and the environment we regulate.**

The Board welcomes our new CEO, Tony Chappel, and we look forward to Tony leading the EPA into the future. The Board would also like to acknowledge and thank Jacqueline Moore for her very capable management of the organisation throughout the five-month recruitment process. I would like to express the Board's gratitude and thanks to former CEO Tracy Mackey for her leadership during a time of major challenges such as the 2019–20 bushfires and the COVID-19 pandemic.

This year the *Environment Legislation Amendment Act 2022* came into effect, making changes to seven Acts and two Regulations. These changes resulted in expanded powers for our protection of the environment and the prosecution of polluters (see page 48). There were also changes made to the governing structure of the EPA.

Another milestone was the launching of the EPA's *Strategic Plan 2021–24*. This was jointly

developed by the Board and the whole organisation and focuses the EPA's work on targeted priorities over the coming years.

Complementing the *Strategic Plan* is the EPA's *Regulatory Strategy 2021–24*, which was launched in July 2021. This was followed with the *Regulatory Policy*, which sits under the *Regulatory Strategy*. The Policy guides the EPA's decisions in response to non-compliance and environmental or human health issues. It describes the tools we use and actions we may take under each of the eight elements of our regulatory approach. The Board wholeheartedly endorses both the *Regulatory Strategy* and the *Regulatory Policy*.

In March 2022, to help mark the EPA's 30-year anniversary, I was in Sydney's Centennial Park for a special planting of a commemorative 'EPA tree'. I couldn't help pondering on what it symbolised, the protection of our environment and the continual growth of our organisation. This was a proud moment for the EPA, and an honour for me as Chair.

Looking ahead, the Board is keen for both the Board and the EPA to increase and improve

our two-way communications with community and industry stakeholders. In this way, the Board's visits to regulated sites are very valuable as we're able to speak directly with the people who work in industry and see their operations firsthand. This then informs how we communicate and guide EPA regulation.

I would like to acknowledge Professor Richard Bush, who left the EPA Board in May this year to pursue interests overseas. Richard made a valuable contribution to the Board. Recruitment is underway with a focus on diversity of skills and experience to ensure the EPA's Board is well able to steer the EPA into the future.

On behalf of the Board, I thank the passionate and talented EPA executive and staff for their work securing the best environmental outcomes for the NSW community. The work is challenging but forever rewarding.

**Rayne de Gruchy AM PSM**  
Chair of the Board



# Where we've come from

The year 2022 was a significant one for the EPA, as we turned thirty. In the spirit of this milestone, we'd like to briefly look back over those three eventful decades and chart our journey to this point.

In 1988 a newly incoming government changed the criminal law governing pollution offences. The following year, pollution offences related to air, water and waste were brought together under a single piece of legislation for the first time.

The changes didn't stop there. In 1991 the government replaced the environmental regulator at the time, the State Pollution Control Commission (SPCC), with the Environment Protection Authority (EPA).

## A more powerful regulator

The EPA assumed all the regulatory functions of the SPCC and also acquired a range of regulatory functions formerly exercised by other departments. These changes were effected by the *Protection of the Environment Administration Act 1991*.

## Integrated legislation

Part of the EPA's brief was to develop an integrated legislative structure for licensing and regulating activities that might harm human health and the environment, and prosecuting offences related to these activities.

This led to the passage of 'omnibus legislation', the *Protection of the Environment Operations Act 1997*.

## Building a solid reputation

The EPA quickly built a reputation as an effective and innovative regulator. We had early successes in improving the water quality of the State's beaches and waterways, and in regulating forestry and logging.

In 2003 we were incorporated into a newly formed Department of Environment and Conservation.

## Incident at Kooragang

In 2011 a major pollution incident at the Orica plant on Kooragang Island in Newcastle became another turning point for the EPA. We were re-established as an independent authority with a reinvigorated Board, a clearly defined mandate and identity, and enhanced powers.

## Looking ahead

For the past decade we've gone from strength to strength, forging a relationship of trust, respect and recognition with the people of NSW. We strive to be a better organisation through our values of being collaborative, curious, bold, inclusive and kind. We now also acknowledge Aboriginal people in NSW as the original custodians and protectors of Country and work with them under a formal Statement of Commitment. ■



Kooragang Island. Photo: Nick May



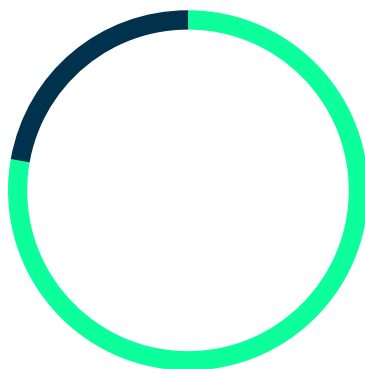
# Performance overview

The EPA directly employs 805 people with most staff working in metropolitan areas. This year we continued to focus on safety and wellbeing. With the impact of the pandemic, we supported our employees to work remotely and partnered with the Black Dog Institute to roll out mental health training for employees and managers.

## Key facts

- 61% of senior leadership roles are held by women
- 89 staff safety incidents, accidents and injuries were reported

## Staff by location 2022



- Regional: 22.5% of employees
- Sydney metropolitan area: 77.5% of employees

## The year in review

### Focus areas

In July 2021 we launched our *Strategic Plan 2021–24*. This outlined our five key areas of focus for the year and beyond.

Our five key focus areas		
1		ecologically sustainable development
2		waste
3		water quality
4		legacy and emerging contaminants
5		climate change

(For more details, see *What matters to us*.)

### Waste and contaminants

Much of our work on both waste and contaminants centres around developing effective ways to prevent or reduce risks to the human and environmental health. Key achievements in these areas have been:

- our container deposit scheme, *Return and Earn*, hitting a milestone – seven billion containers returned (page 84)





- ongoing progress in dealing with legacy asbestos (page 75)
- increased awareness of PFAS (page 76)
- beginning of the *Environment Legislation Amendment Act 2022* on 4 March 2022 with increased powers and tools for dealing with contamination and pollution (page 48).

### Responding to events

When harm does happen, we aim to take a leading role in managing it. Examples of this are the clean-up and recovery efforts after the flooding events in February and March 2022, and the Wickham warehouse fire in Newcastle. (For more details, see *What we've achieved.*)

### Communication, engagement and education

Communication, engagement and education are at the heart of our work. Often these approaches work in tandem. Examples of this include our successful stakeholder roadshows (page 40), our marine litter and lead awareness education campaigns (pages 71 and 43 respectively), and our own internal communications regarding COVID-19 restrictions and how they impacted our people and our work (page 39).

### Holding polluters to account

We also continued to hold polluters to account. In 2021–22 we successfully prosecuted 63 cases (out of 65 completed) and the courts imposed over \$2.3 million in penalties (page 93). In July 2021 we launched our *Strategic Plan 2021–2024* which outlined our five key areas of focus for the year and

beyond. These are ecologically sustainable development, waste, water quality, legacy and emerging contaminants and climate change (see '*What matters to us*').

### Our challenges

Once again COVID-19 caused widespread disruption and constrained our operations. Many of us started the 2021–22 year in strict lockdown due to a spike in infections.

This changed how we could deliver programs and engage with stakeholders. Staff largely worked from home, often dealing with home schooling, isolation or health worries, and staff movements and travel were reduced. When necessary, inspections of licensed sites were conducted virtually and officers did desktop assessments and used photographs instead of going in person.



State Emergency Operations Centre during the 2022 floods. Photo: EPA



In February and March heavy rains again drenched much of NSW, flooding communities in the State's north, around the Hawkesbury and Nepean rivers and in parts of Sydney. We responded quickly, working with other government agencies on the clean-up.

A warehouse fire in the Newcastle inner-city suburb of Wickham was another emergency to respond to. It was feared the fire might have spread asbestos into surrounding suburbs. We assessed the dangers and held community information sessions to keep the locals informed.

Throughout these challenges we had to adapt, remain flexible and change our regulatory practices, while still ensuring we were engaging the community and fulfilling our regulatory requirements. ■



Curious goat at Curraweela. Photo: Anne Claire Collee





# EPA program performance

The EPA delivers a diverse range of programs that support the *NSW EPA Strategic Plan 2021–24* ambitions and targets, and outcomes identified by the NSW Government to protect human and environmental health, and deliver a circular economy.

Reporting on our performance helps us assess the effectiveness of our work towards realising the EPA's vision for a healthy and thriving environment for the future. This section provides an overview of core results and how the EPA has been tracking over time.

Indicator	2017–18	2018–19	2019–20	2020–21	2021–22	Status
High-risk native forestry operations are assessed for compliance (annual target 95%)	82%	98%	100%	90.9%	100%	✓
Proportion of regulated contaminated sites remediated annually (annual target 5%)	-	-	5%	4%	1% <sup>A</sup>	○
Notified contaminated sites are assessed, and a decision on whether regulation is required is made, within four months of notification (annual target 95%)	100%	92%	86%	91%	38% <sup>A</sup>	○
Percentage of targets met for public education and awareness programs about environmental matters (annual target 95%)	-	-	100%	95%	95%	✓
Beverage container recovery rate across NSW (target 80% by June 2025)	55%	61%	67%	67%	65% <sup>B</sup>	✓
Community access to NSW Container Deposit Scheme return points (target >90% by June 2025)	85%	95%	98%	99.5%	99.1%	✓
Resource recovery rate (target 80% by June 2030)	-	65%	64%	66%	63% <sup>B</sup>	○
Litter reduction (plastics) – survey items per square metre (target 111 items per square metre by June 2025 – a 30% reduction)	-	158	139	103	131 <sup>B</sup>	✓
Overall litter reduction – survey items per square metre (target 76 items per square metre by June 2030 – a 60% reduction)	-	190	158	123	157 <sup>B</sup>	✓

**Key:** ✓ Achieved or on track    ○ Monitor or improve

**Notes:**

A In some cases results were affected by the impacts of COVID-19 and weather events on EPA operations

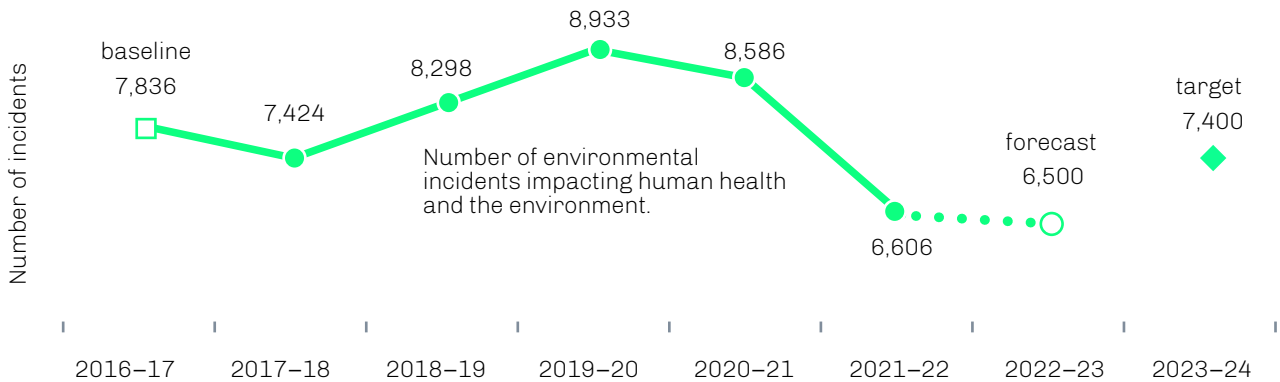
B Forecast result, complete data not yet available



## Spotlight on human and environmental health

### Environmental incidents

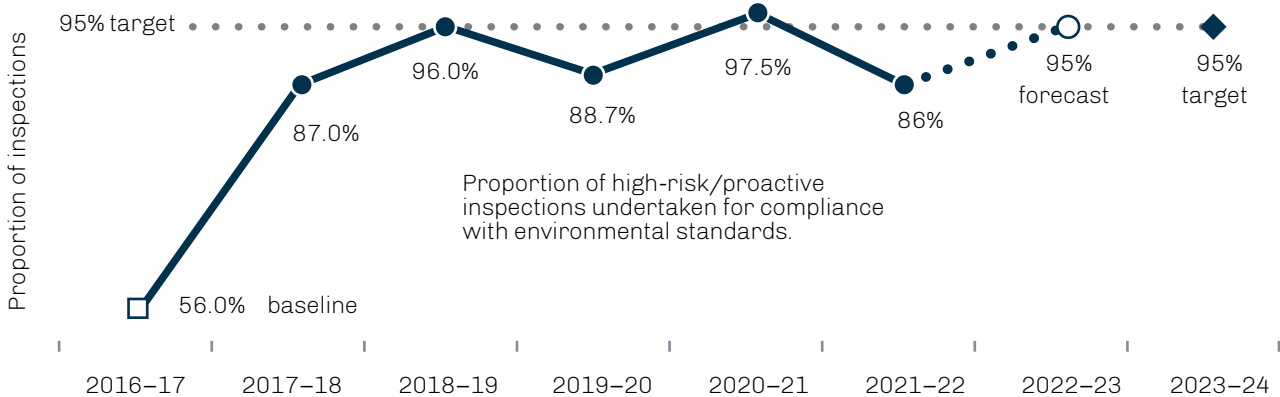
The EPA keeps track of environmental incidents reported by the community. The number of incidents reported may increase due to increased public awareness, effective education campaigns, and extreme events such as flooding or bushfires. The large drop in numbers at 2020–21 reflects a change in how the EPA records incidents, where similar and related reports from the community are now counted as one incident.



### Regulation of high-risk licences

The EPA regulates licensed industries to help protect land, air and water. We track the proportion of inspections at premises and industries that pose a greater environmental risk. We have a very good track record of reaching inspection targets but COVID-19 and wet-weather conditions presented extra challenges for our field officers in 2021–22. Disruptions due to wet weather are expected to continue into 2022–23.

### Proportion of inspections







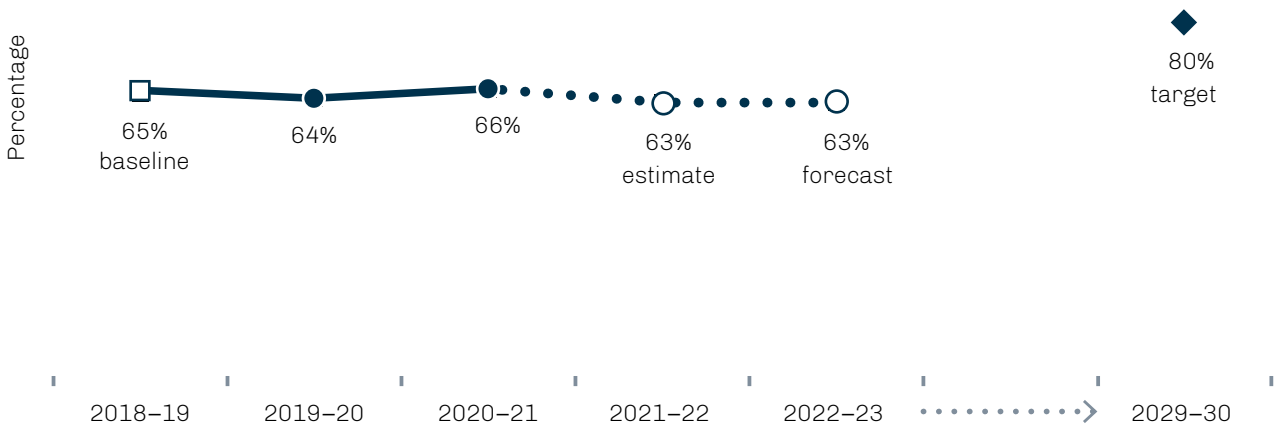
## Spotlight on circular economy

### Resource recovery rate

Our target is an 80% average recovery rate from all waste streams by 2030 to reduce waste and improve progress towards better use of natural resources. The overall resource recovery rate for NSW during 2020–21 was 66%, driven largely by a strong recycling rate of 79% in the construction industry.

While 2021–22 results are not yet available, the forecast is 63% and is not expected to change in 2022–23. Challenges, such as a need to increase recycling rates for municipal solid waste and commercial and industrial waste, are recognised in the *NSW Waste and Sustainable Materials Strategy 2041* and the *NSW Waste Delivery Plan*.

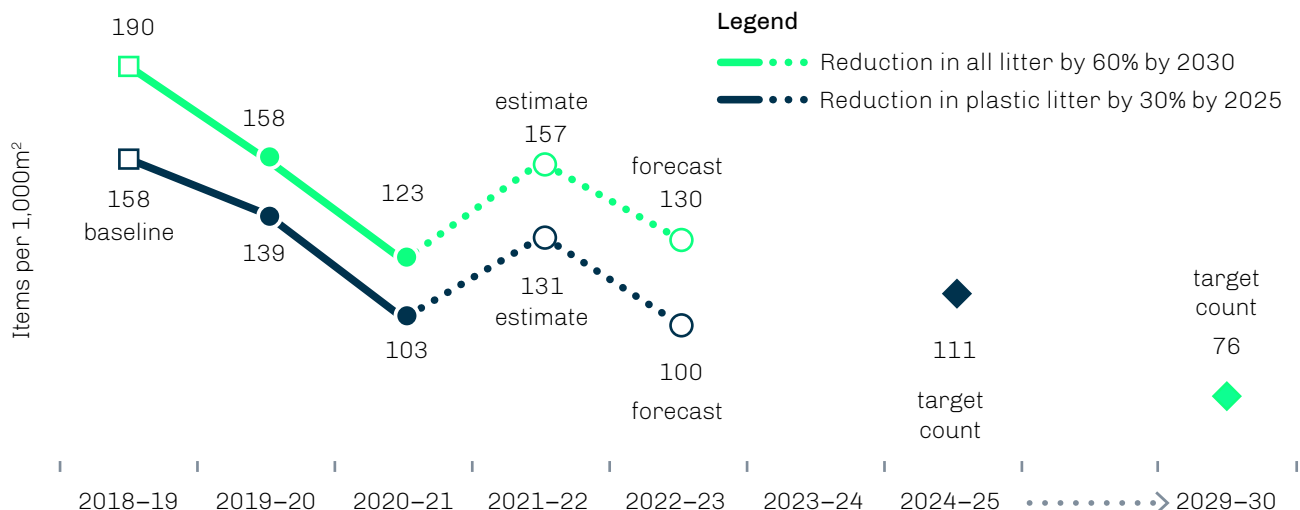
### Resource recovery rate



### Reducing litter

Litter reduction is another long-term aim. The overall target is to reduce litter of all types by 60% by 2030. For plastic litter, the target is a reduction of 30% by 2025. These targets align with commitments in the *NSW Plastics Action Plan* and the *NSW Waste and Sustainable Materials Strategy 2041*.

### Circular economy – litter



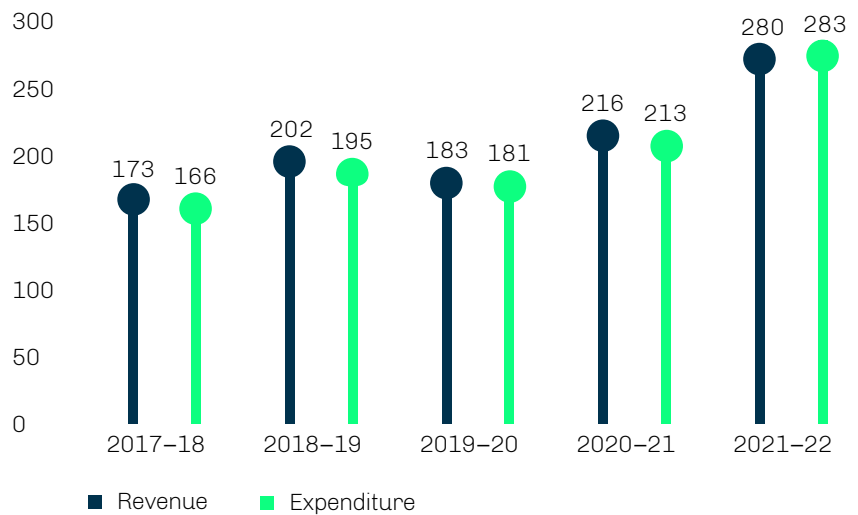


# Financial summary

In 2021–22 the EPA maintained its sound financial position while responding to the challenges that came from changes within the business and the operating environment.

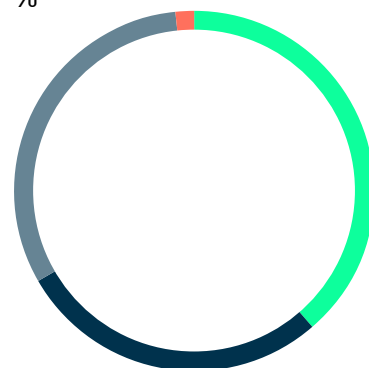
The independent audit report confirms that the EPA financial statements present fairly the organisation's financial position and are compliant with reporting requirements. EPA income and expenditure increased in 2021–22.

## Five-year revenue and expenditure snapshot (\$ million)



## Our expenditure

%



- Employee-related 39%
- Personnel services expenses 0%
- Grants and subsidies 28%
- Other operating costs 32%
- Depreciation and amortisation 1%





# Calendar of key events 2021–22





# Who we **are**

Saltbush plains, Mutawintji  
National Park, NSW.





# Who we are

## Organisational identity

## We are EPA

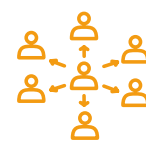


Image collage: Mark Pallot/EPA

### This is not a slogan. It's a simple statement of identity.

Our mission is to create healthy and thriving environments, economies and communities for now and for the future. We're proud to work closely with Aboriginal people so their culture and perspectives are always a central part of our decisions and policies, and also of who we are as an organisation.

Our people are energised and inspired by our purpose. We're passionate and committed to making a difference and we do it with integrity, transparency and accountability. We put people first, maintaining a cooperative, diverse and inclusive culture where everyone can be their true selves. We prioritise safety and wellbeing.



Our people are **energised and inspired** by our purpose

The stories in this chapter show how we've remained true to our organisational identity throughout 2021–22. ■

# Integrating Aboriginal perspectives into our work



Visual identity, 'Spirited Country Journey Now'. Artist: Gerard Black

**Governments have worked with Aboriginal people before. Although they've meant well, the experience hasn't always been positive for Aboriginal people.**

In 2021 the EPA committed to integrating Aboriginal cultural values and perspectives into our work. The Aboriginal Initiatives team was formed, with its first task being to help get our relationship right.

The EPA's most recent *NSW State of the Environment* report, released in February 2022, was a high-profile opportunity to show our commitment to Aboriginal people in NSW. We wanted to hear Aboriginal people's views on the health of the environment. A working group, the Aboriginal Peoples Knowledge Group, was formed to support this initiative.

We also developed a Statement of Commitment to Aboriginal people. The statement sets out our intent to respectfully engage with Aboriginal people and include Aboriginal cultural values to further strengthen the protection of the environment. This statement will eventually lead to an Aboriginal Cultural Framework, which will guide how we incorporate Aboriginal cultural values into our everyday work.



'I looked at NSW maps through the eyes of Baiame, who is the spirit god and spirit creator of the land'

## Visually incorporating Aboriginal values

One of the first steps in integrating Aboriginal cultural values into our work has been to develop an 'Aboriginal visual identity' to enhance our visual brand.

In 2021 more than 200 staff took part in 18 'yarning' sessions during NAIDOC week (a week celebrating the history, culture and achievements of Aboriginal and Torres Strait Islander peoples). From these sessions we developed a collective story of what an Aboriginal visual identity would mean to the EPA.

We gave the collective story to Gerard Black, a Worimi artist, who used it to guide his creation of an artwork. This work is titled *Nyuragil Barray Yawutung Warri* in the Gathang language of the Worimi People; in English, it's *Spirited Country Journey Now*.

'I looked at NSW maps through the eyes of Baiame, who is the spirit god and spirit creator of the land,' Gerard said. Filmmaker Wayne Quilliam documented Gerard's creative journey. The artwork was officially launched at the all-staff SHINE awards in September 2021. It has become a special part of the EPA's visual brand.

The Aboriginal visual identity represents our organisation's relationship with Country and with Aboriginal people, and creates awareness of our commitment to Aboriginal people. It's now on everything we work with – document templates, online meeting backgrounds, email signatures, banners, EPA shirts, cars and more – and on bottles and other merchandise.

Having this Aboriginal artwork before us every day is the first step in integrating Aboriginal cultural values into our everyday work. ■



# Who we are

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## Recruiting for **success**



EPA Officers at Tomingley Gold Operations. Photo: Grant Smith/EPA

### What attracts staff to work at the EPA?

What do they think makes us a great place to work? When we ask them, they consistently tell us that the EPA gives them:

- the opportunity to be part of a purpose-led organisation where they can make a difference and have an impact
- diverse work and challenges to solve
- a culture where they are valued, recognised and have a voice
- an environment where they feel included and diversity is valued
- a place where they are part of a collaborative team, and their development and career growth are supported
- a place where they have the flexibility to find balance in their life.

These insights help shape the benefits that we continue to develop, offer and promote to our current staff and to the talented and passionate people we want to attract.

On our careers webpage and LinkedIn profile we share the details of why we are a great place to work and the varied career opportunities we can offer. We've also told our stories through videos that cover what our operations officers do in a typical week. 'The videos show the diverse work we do and the broad impact we have on the community,' says EPA's Director of Capability and Talent, Erin Torsello.

### Focus on Aboriginal officers

We created a video specifically for Aboriginal people who might think about joining the EPA team as an operations officer. It shows what Aboriginal people and knowledge means to us and the value Aboriginal officers can add to the EPA, the NSW community and Country by bringing their culture and knowledge with them.

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'The videos show the **diverse work we do** and the broad impact we have on the community'

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We're focused on incorporating cultural activities into our work that enable Aboriginal people to care for Country, engage in knowledge sharing, and gain skills and employment in protecting the environment and community.

We aim to be an employer of choice and to nurture talent. With purpose, passion, pride and people at our heart, we create an organisation where we can protect tomorrow together.






# How our people see the EPA

In August and September 2021 EPA staff, along with all other NSW Government employees, were invited to take part in the People Matter Employee Survey (PMES). This is the public sector's annual opinion survey. The EPA's participation rate of 96% shows how engaged and willing to offer feedback our people are.

The anonymous survey asked employees about their experiences with their work, workgroup, managers and organisation. The results showed that there are many things we do well as an organisation and there are also areas that need improvement.

So, what did our people feel about how we foster the EPA's values? ■

## Some results from the People Matter Employee Survey 2021

Topic	Staff who saw it favourably in 2021 (%)	Difference from 2020 (%)	Difference from NSW Govt Sector (%)
 Team collaboration	86	8 ↑	10 ↑
 Manager-led improvement	85	9 ↑	10 ↑
 Staff autonomy at work	85	0	11 ↑
 Support for career advancement of women	77	3 ↑	14 ↑
 Staff care about each other	86	1 ↑	2 ↑
 The EPA meets the needs of the communities, people and businesses of NSW	56	1 ↓	14 ↓

# Who we are



# Where we work

The EPA head office is in Parramatta and there are 16 offices throughout NSW. The public can report pollution and

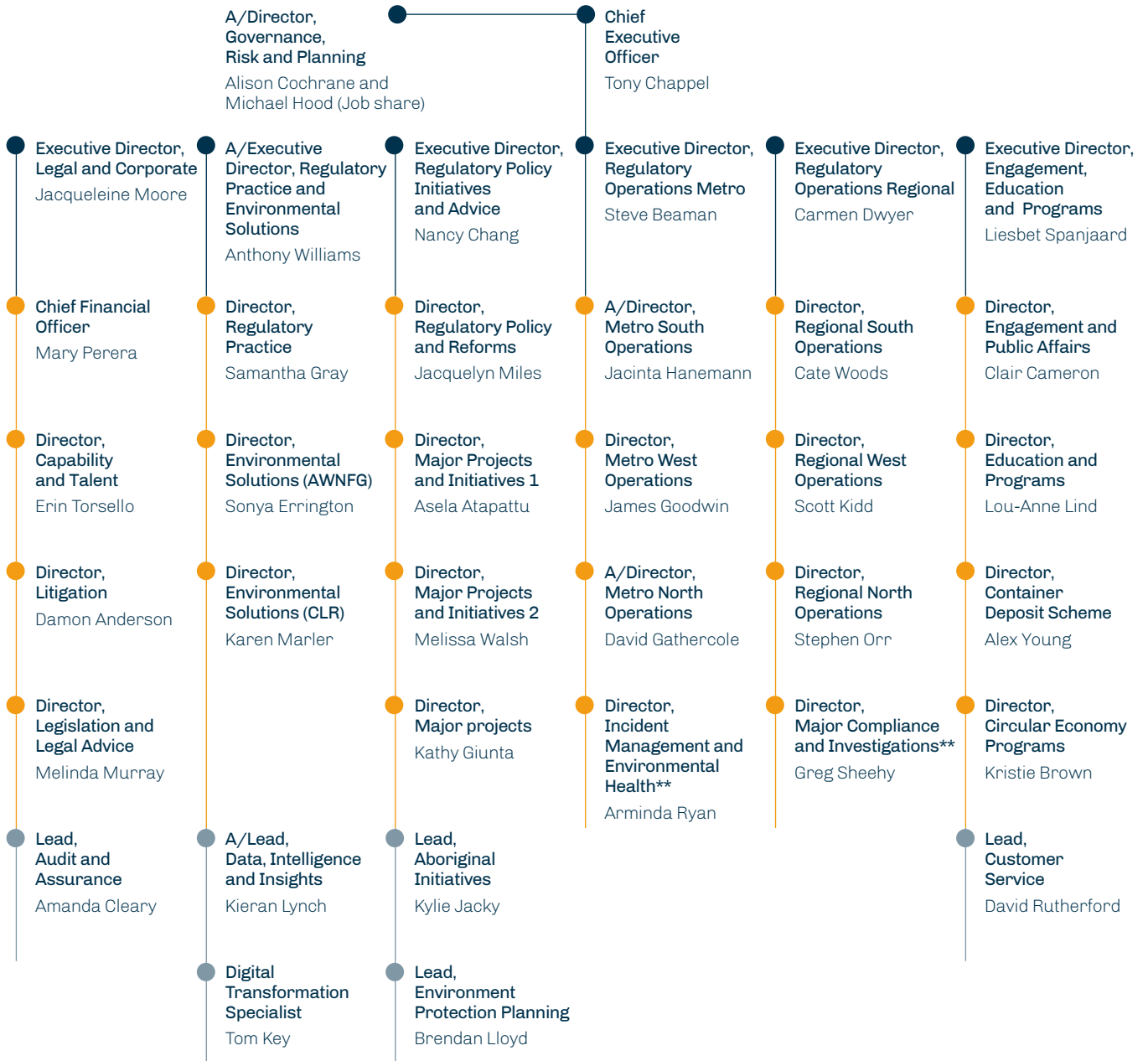
environmental incidents through Environment Line, 131 555. Other contact details are available on the EPA website. ■

## EPA Office locations



# Organisational structure

## Organisation chart



\*\* Supports both operational divisions

- Divisions
- Branches
- Team Leads



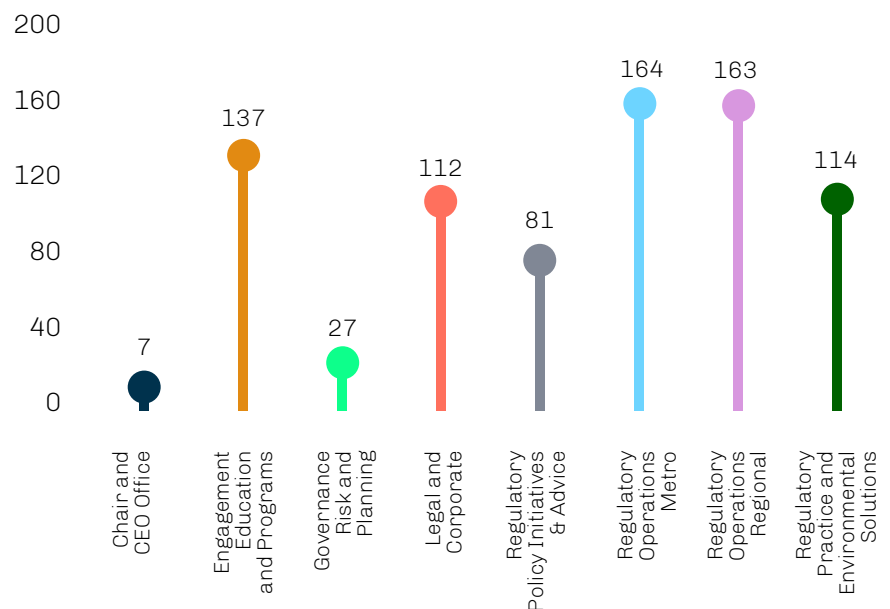
# Who we are

## Staff profile


### Our people

The EPA directly employs 805 people with most staff working in metropolitan areas. This year we continued to focus on safety and wellbeing. With the impact of the pandemic, we supported our employees to work remotely and partnered with the Black Dog Institute to roll out mental health training for employees and managers (see also p11).


### Staff by division



### Key facts

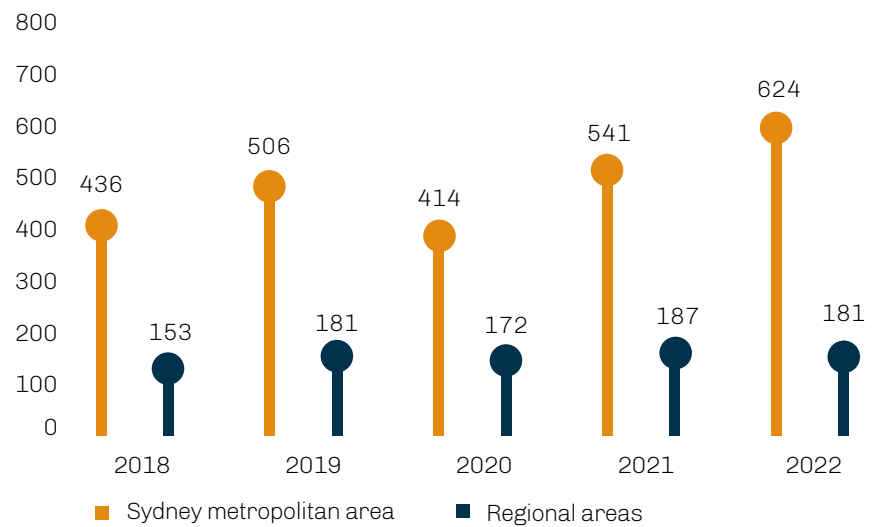


**61%** senior leadership roles are held by women




**89** incidents, accidents and injuries were reported


### Staff by location



### Staff by location



**77.5%** Sydney Metropolitan area



**22.5%** Regional employees

## Trends in the representation of workforce diversity groups

Workforce diversity group	Benchmark <sup>1,2</sup>	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022
Women	50% <sup>1</sup>	56.1%	57.6%	55.5%	57.1%	58.9%
Aboriginal and Torres Strait Islander People	3.3% <sup>2</sup>	1.8%	1.8%	1.9%	2.2%	1.2%
People whose first language spoken as a child was not English	23.2% <sup>3</sup>	13.7%	11.9%	11.5%	11.8%	13.6%
People with a disability	5.6 <sup>4</sup>	3.1%	3.5%	2.9%	2.1%	2.4%
People with a disability requiring work-related adjustment	n/a <sup>4</sup>	1.0%	1.2%	1.2%	1.1%	1.2%

**Note 1.** The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

**Note 2.** The NSW Public Sector Aboriginal Employment Strategy 2014–17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.

**Note 3.** A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for 'people whose first language spoken as a child was not English'. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.

**Note 4.** In December 2017 the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. More information can be found at: *Jobs for People with Disability: A plan for the NSW public sector*. The benchmark for 'people with a disability requiring work-related adjustment' was not updated.

# Who we are

## Trends in the distribution of workforce diversity groups

Workforce diversity group	Benchmark <sup>1,2</sup>	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022
Women	100	93	95	96	96	96
Aboriginal and Torres Strait Islander People	100	n/a	n/a	n/a	n/a	n/a
People whose first language spoken as a child was not English	100	96	97	97	98	95
People with a disability	100	104	101	n/a	n/a	102
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a	n/a

**Note 1.** A distribution index score of 100 indicates that the distribution of members of the workforce diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the workforce diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the workforce diversity group tend to be more concentrated at higher salary bands than is the case for other staff.

**Note 2.** The distribution index is not calculated when the number of employees in the workforce diversity group is less than 20 or when the number of other employees is less than 20. ■



Blue Mountains rockpool. Photo: William Goodwin



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# The EPA Board



From left to right: Michael Rennie, Carolyn Walsh, Rayne de Gruchy, Elizabeth Wild and Richard Bush. Photo: Mark Pallot/EPA

**Our Board members oversee and monitor the EPA. Between them they have a wealth of knowledge and experience in environmental law and science, and corporate, financial and risk planning and management. They also have strong connections to business and community groups.**

It's safe to say they have the EPA's best interests at heart.

The Board is established under section 15 of the *Protection of the Environment Administration Act 1991*. The Chair and part-time members are appointed by the NSW Governor on the recommendation of the Minister for Environment and Heritage. Members are appointed terms not exceeding five years and they may be reappointed. The CEO is a non-voting member of the Board.

So, what does the EPA Board do? It:

- determines our policies and long-term strategic plans
- oversees the effective, efficient and economical management of the EPA
- develops guidelines relating to the institution of criminal and related proceedings
- decides whether we should institute proceedings for serious environment protection offences
- advises the Minister on any matter relating to the protection of the environment
- provides the Minister with an annual regulatory assurance statement.

## Board meetings held

In 2021–22 the EPA Board met six times:

- 12 August 2021
- 14 October 2021
- 9 December 2021
- 3 February 2022
- 7 April 2022
- 16 June 2022.

Tracy Mackey was CEO until January 2022 and attended the meetings in August, October and December 2021. Jacqueline Moore was acting CEO from January to June 2022 and attended meetings in February, April and June 2022. All voting Board members were present at all six meetings, except for Carolyn Walsh, who did not attend the meeting on 12 August 2021 and Richard Bush, who did not attend the meeting on 16 June 2022 as he resigned on 17 May 2022. ■

# Who we are

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## Our Board members

This section outlines the members of the Board during 2021–22.



**Rayne de Gruchy AM PSM**

### Chair

Term of appointment: 28 September 2020 to 27 September 2025.

Rayne de Gruchy was previously chief operating officer at the Australian Competition and Consumer Commission, and executive director of the Australian Financial Institutions Commission.

A lawyer by training, Rayne first worked in commercial and finance law. She spent a decade as CEO of the Australian Government Solicitor.

Rayne holds bachelor's degrees in Arts and Law (Honours), and has experience as a non-executive director of two public companies. She was awarded the Public Service Medal in 2003 and made a Member of the Order of Australia in 2008.



**Professor Richard Bush**

### Board member

Term of appointment: 16 December 2020 to 15 December 2025 (noting Richard resigned effective 17 May 2022).

Richard Bush's career has been dedicated to environmental science and management. He is highly experienced in managing complex stakeholder landscapes, working with multiple government departments and commercial and community organisations across NSW. In 2018 he was appointed as the first NSW Crown Lands Commissioner.

Richard holds a Bachelor of Science and a PhD in Environmental Science, and has completed the Company Directors Course at the Australian Institute of Company Directors. Richard is a professor for sustainable development at Monash University.







Michael  
Rennie

**Board member**

Term of appointment: 7 December 2018 to 6 December 2023

Michael Rennie has worked extensively for many of Australia's large industrial companies, as well as in the mining, oil and gas, telecommunications and government sectors.

He was CEO of McKinsey & Company in Australia and New Zealand for five years, a member of the firm's Global Board until 2017, and founding sponsor of McKinsey's environment practice in Australia.

Michael is a Rhodes Scholar, holding a Master of Arts from Oxford University as well as bachelor's degrees in Jurisprudence (Honours) and Law. He is a Fellow of the Australian Institute of Company Directors.



Carolyn  
Walsh

**Board member**

Term of appointment: 7 December 2020 to 6 December 2025

Carolyn Walsh is a specialist consultant in the areas of industry policy, safety, risk and regulation, with 35 years experience in advising private-sector, Commonwealth and State Government clients.

Carolyn is Chair of the National Transport Commission and of the NSW Asbestos Coordination Committee. She has also been Commissioner at the Australian Transport Safety Bureau and Chief Executive of the Independent Transport Safety and Reliability Regulator, a NSW statutory authority.

Carolyn holds a Bachelor of Economics. She is qualified in risk management and auditing, and is a graduate of the Australian Institute of Company Directors.



Elizabeth  
Wild

**Board member**

Term of appointment: 7 December 2018 to 6 December 2023

Elizabeth Wild is a solicitor of the Supreme Court of NSW and a Partner and Board member of the law firm Norton Rose Fulbright. She has more than 25 years experience in environmental law.

Elizabeth is an expert in contaminated land and remediation issues. Her understanding of contaminated land regulation in several jurisdictions has allowed her to provide strategic advice to private sector, Commonwealth and state government clients.

Elizabeth holds a Master of Environmental Law. She is a member of both the Law Society of NSW and the Australasian Land and Groundwater Association.

Fig tree, Jubilee Park. Photo: Anne Claire Collee





# Who we are

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## Our Executive members



Tony Chappel

### Chief Executive Officer

Tony joined the EPA with strong experience in highly regulated industries and a commitment to the environment. He brings a useful perspective on what is required of licensees, and the community impact of industry actions.

Prior to joining the EPA, Tony was Executive General Manager, Corporate Affairs, Legal Risk and Governance at the Australian Energy Market Operator. His role included responsibility for stakeholder engagement, regulatory strategy and policy.

Tony holds a master's degree in Environmental Change and Management from the University of Oxford and a master's degree in Environmental Technology from Imperial College, London. He has also worked as a researcher at the Smith School for Enterprise and the Environment in Oxford.



Steve Beaman  
PSM

### Executive Director, Regulatory Operations Metro

Steve has worked for almost 30 years on developing and implementing policy change and programs, enabling practical solutions to improve the quality of the NSW environment. In 2017 he was awarded a Public Service Medal (PSM) for his outstanding contribution to the environment.

Steve has overseen a diverse range of policy and program areas, including natural resources management, environmental planning and regulation, resource recovery and community programs. His areas of expertise include evidence-based analysis of complex policy issues and delivering innovative regulation programs to protect the community and environment.

Steve holds a Bachelor of Science and is currently completing a Master of Emergency Management.



Nancy Chang

### Executive Director, Regulatory Policy, Initiatives and Advice

Nancy leads the EPA's Regulatory Policy, Initiatives and Advice Division, which is responsible for the EPA's operational policy and practice advice.

Before joining the EPA in 2020, Nancy was the Executive Director of Early Childhood Education at the Department of Education, and oversaw the NSW Regulatory Authority for Early Childhood Education and Care Services in NSW.

Nancy's key achievements in the NSW Government include her contributions to the establishment of the National Disability Insurance Scheme, funding for 600 hours of early childhood education in the year before school, and major child protection reforms.

Nancy holds a Bachelor of Economics (Economics and Econometrics) and a Bachelor of Laws.



Alison Cochrane  
and Michael Hood

### Job Share A/Director, Governance, Risk and Planning

Alison started her career in the social housing sector providing support to clients in need of government assistance. She went on to work in environment protection in the NSW Government.

She holds a Bachelor of Applied Science (Coastal Management), Southern Cross University and a Masters of Environmental Law, University of Sydney.

Michael has over 30 years' leadership, experience in environmental regulation, natural resource management, environmental impact assessment and planning, Aboriginal heritage management and protected area establishment and management.

Michael holds a Bachelor of Science (Physical Geography) (Honours) and an Executive Masters of Public Administration.



Carmen Dwyer

**Executive Director, Regulatory Operations Regional**

Carmen is a passionate advocate for regional and remote NSW, having lived in regional areas of NSW all her life.

She is extremely experienced in dealing with complex environmental problems, policies and regulation, having worked across the mining, coal seam gas, waste and agricultural sectors in the areas of policy development and implementation, and behaviour change.

At the EPA, Carmen leads a team of around 180 staff to ensure compliance with the Acts the EPA administers.

Carmen has experience as a non-executive board director. She holds a Bachelor of Applied Science (Environmental Science) and a Master of Applied Science (Environmental Restoration, Rehabilitation and Management).



Jacqueline Moore

**Executive Director, Legal and Corporate**

Jacqueline has focused her legal career on protecting the community's interests through a variety of government roles.

She leads the EPA's Legal and Corporate Division, which represents the EPA in prosecutions and civil matters; provides support and advice on finance, people and regulatory assurance issues; and delivers the government's legislative program for Acts the EPA administers.

Jacqueline has previously worked in senior roles in several NSW Government agencies, including the Department of Premier and Cabinet and the former Department of Industry, and in legal roles with the Australian Government Solicitor and Commonwealth Director of Public Prosecutions.

Jacqueline holds a Bachelor of Laws (Hons) and a Bachelor of Arts.



Liesbet Spanjaard

**Executive Director, Engagement, Education and Programs**

Liesbet has experience as a senior partner in a global professional services firm, with a focus on infrastructure advice, policy and strategy. She has also worked in the NSW Government's planning portfolio and the Department of Premier and Cabinet, leading the development of strategy and policy.

Liesbet has extensive experience in engaging with stakeholders and believes strongly in a client-centred approach to engagement and service delivery. At the EPA she leads the Engagement, Education and Programs Division, which is responsible for engaging with stakeholders and designing and delivering effective programs to drive behaviour change.

Liesbet holds a Bachelor of Commerce and Administration and an MBA.



Tony Williams

**A/Executive Director, Regulatory Practice and Environmental Solutions**

Tony brings a wealth of regulatory experience to the EPA having held numerous senior roles overseeing the delivery of frontline regulatory services by SafeWork NSW, NSW Liquor and Gaming and Fair Trading NSW. This provides an in-depth understanding of industry environments and regulatory challenges that support the EPA's focus on delivering the highest standards of regulatory practice and scientific leadership.

Tony has worked in both the private and public sectors in the forestry, power generation, rail and defence aircraft maintenance industries.

Tony holds a master's degree in Applied Science from the University of Western Sydney, a Graduate Diploma in Public Service Management from the University of Sydney and a range of trade qualifications.

# Who we are

## The EPA Executive

**Table 1 Average remuneration of Senior Executive staff\***

Band	Range	Average remuneration 2020–21	Average remuneration 2021–22
Band 4 Secretary	\$499,251 – \$576,700	n/a	n/a
Band 3 Group/Deputy Secretary	\$354,201 – \$499,250	\$410,000	\$422,184
Band 2 Executive Director	\$281,551 – \$354,200	\$305,131	\$321,263
Band 1 Director	\$197,400 – \$281,550	\$235,194	\$237,606

\* The percentage of total employee-related expenditure for senior executives in 2021–22 was 7.4%.

**Table 2 EPA Senior Executive staff Full Time Equivalents (FTE)**

Band	Female 2019–20	Male 2019–20	Total 2019–20	Female 2020–21	Male 2020–21	Total 2020–21	Female 2021–22	Male 2021–22	Total 2021–22
Band 4	0	0	0	0	0	0	0	0	0
Band 3	1.2	0	1.2	1	0	1	1	0	1
Band 2	4.9	1	5.9	4	2	6	4	2	6
Band 1	10	11	21	14	11	25	14.8	10.6	25.4
<b>Totals</b>	<b>16.1</b>	<b>12</b>	<b>28.1</b>	<b>19</b>	<b>13</b>	<b>32</b>	<b>19.8</b>	<b>12.6</b>	<b>32.4</b>



## Inclusion and diversity

# Embracing the sum of us

One of the EPA's core values is 'be inclusive'. Our staff-run Inclusion and Diversity Committee fosters this value by providing advice and organising programs and events.



'We want people from all over the organisation, whatever their role, to join us'

During 2021–22 the EPA focused on helping staff navigate the COVID-19 pandemic. The committee was less visible than

usual. But that didn't diminish its commitment to inclusion and diversity. It's now on a renewed drive to recruit interested staff members.

'This initiative is for staff, by staff,' says our Executive Director of Regulatory Operations Regional, Carmen Dwyer, the Committee's executive sponsor. 'We want people from all over the organisation, whatever their role, to join us and help us become a better employer, an employer of choice.'

The committee has done a lot since it formed in 2017. Its initiatives led to the EPA being the only NSW Government agency to be named as an inclusive employer on Diversity Council Australia's *Inclusion@Work* Index in 2020–21: an impressive achievement. It has organised well-attended

staff-led workshops on mental health and navigating carers' responsibilities. It also works closely with LGBTQIA+ professional network Rainbow Connection, the Environment and Heritage Spokeswomen's Committee and the Young Professionals Network (see adjacent stories).

## Increased focus on people with a disability

Over the next year the committee wants to focus more on people with any kind of disability.

'Many people are living with conditions that the rest of us can't see,' Carmen Dwyer says. 'Ability and disability vary for all of us. Knowing how to support varying abilities is a challenge and sometimes it's something we need to be more courageous and diligent about.' ■

# The Rainbow Connection

It's a famous song crooned wistfully by a famous frog, but it's also the name of an official network across the DPE cluster for LGBTQIA+ staff.

The group works behind the scenes to ensure LGBTQIA+ employees feel empowered and valued and are able to bring their true selves to work each day. As well as organising social events, the network provides advice on issues relating to LGBTQIA+ employees and customers. Many EPA employees are active members and have made valuable connections across the cluster, both professional and social.

Many EPA employees are active members and have made valuable connections across the cluster

This year's highlight was running the first employee network stall at the Mardi Gras Fair Day in Sydney in February. It was a day full of colour, joy and fabulousness, not to mention lots of new contacts across the DPE cluster.

'Rainbow Connection is a great professional network for LGBTQIA+ staff and allies,' says



EPA staff assisting at the Rainbow Connection stall at Mardi Gras Fair Day. Photo: Gary Fishlock/EPA

Mathew Jardine, Principal Policy Officer in the EPA's Major Projects and Initiatives. 'It advances equality across the agency and creates a workplace where staff can enjoy the freedom to be their genuine selves without fear or prejudice.' ■

# Who we are

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## Breaking the bias

**Gender equality is very important to the EPA.**

Over the years, many EPA staff identifying as women and with a passion for gender equality have represented us on the Environment and Heritage Spokeswomen's Committee. This is the longest-running inclusion and diversity committee in the NSW Government. It works to remove barriers and increase opportunities for women by championing gender equity.

The theme for International Women's Day in March 2022 was 'break the bias'. It drew attention to the many subtle instances of day-to-day bias against women that are rooted in our modern society and culture. People were

encouraged to post photos of themselves crossing their arms to show commitment to calling out gender bias.



The highlight of the committee's year is the Spokeswomen's Awards event

The Spokeswomen's Committee annually presents four awards to recognise work on gender equality. Three of those awards are Woman of the Year, Young Woman of the Year and Equality Champion. The fourth is based on that year's theme for International Women's Day. In March 2021 this was 'Choose to Challenge' – another powerful call to highlight gender bias and inequity in everyday situations and challenge it.

'These awards recognise the achievements of our colleagues

across the Environment and Heritage group and their commitment to making it a great place to work for those who identify as women,' says Heather Wilson from the EPA's Regulatory Operations Metro Division and one of the committee's current longest-serving members.

The awards ceremony was held in September 2021. The COVID-19 lockdown meant it had to be held online, but the participants' passion was undiminished. ■



**Jaquelyn Miles and Heather Wilson.**  
Photo: Ellie Lenihan/EPA

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## Future environmentalists

**People aged under 22 are a large proportion of the NSW population and will be our future custodians of the environment.**

One of the best ways to reach them is through the people who are educating them today. In April 2022 we attended the NSW Conference of the Australian Association of Environmental Educators, held at Ourimbah in Darkinjung Country. The EPA was a main sponsor and presented learning resources, tools and information to over 100 schoolteachers and other environmental educators.



'We have valuable information to share and the conference was an amazing opportunity to present some of our resources, environmental reporting and tools,' says Manager of our

Knowledge, Strategy and Reporting team, Rick Noble.

In March 2022 NSW Minister for Environment and Heritage, James Griffin, announced that the EPA would set up a Youth Advisory Council, to actively engage with people between 15 and 22. The council members – 12 young people with different backgrounds and life stories from all across the State – were selected in the first half of 2022 and met with the Minister and EPA Executive in June. They'll be involved in our policies, programs and youth-targeted initiatives.

We'll also create a Youth Engagement Strategy to guide how we work with young people over the next three years. ■



# How we work

Rainforest walk amongst tall trees and lush green foliage in Dorrigo National Park, World Heritage area, Gumbaynggirr Country, NSW



# How we work

## Communicating

### A unified workforce



Image collage: Mark Pallot/EPA

**Internal communication knits an organisation together. It informs, engages and inspires our people, fostering pride and connection to create a unified workforce with a thriving culture. Internal communication takes place across many channels.**

'At the heart of communication is the art of storytelling,' says Principal Internal Communications Officer, Mark Pallot. 'Curating stories and encouraging others to share stories across the different platforms is key to effective engagement.'

At the start of 2021–22 we saw we could be doing this better. Not everyone was engaged in our social network, Workplace. Our internal newsletter had

an open rate of 48%. While this was on par with that of other government agencies, there was room for improvement.



'At the heart of communication is the art of storytelling'

#### **This year we crafted a new engagement strategy**

Data showed that video storytelling generated the greatest engagement. This informed our new communication strategy and in 2022 we launched *EPA TV*, *Executive News* and the *Behind the Leader* podcast.

'The objective was to increase the voice of our leadership and showcase some of the priorities, great work and people across the divisions,' Mark Pallot says.

We also needed to rethink how we shared stories across our social enterprise channels. We redesigned the internal newsletter, *Grapevine*, to make it more engaging and increase the rate of click-throughs to Workplace. We crafted the stories into smaller, bite-sized nuggets and moved from fortnightly to weekly issues, with more video-story segments,

The result? In less than 12 months open rates rose to an average of 81%, click-through rates also rose, and we drove more traffic to the Workplace platform.

## We're revamping the intranet

Our intranet houses policies, information and core documents. We're now rebuilding it to make it a more modern and 'digestible' information hub for employees.

## We're introducing a new tool

As we enter 2022–23 we're replacing Workplace with a new social enterprise tool, Yammer. This will be integrated with the Microsoft Office 365 suite and provide more opportunities for collaboration.

Our engagement strategy will continue to evolve, allowing our people to share more of their stories, which will bring us closer together. ■

## Vision and values

### How an organisation operates is shaped by its vision and values.

At the EPA we are guided in our work by five identified characteristics of a world-class regulator: having a learning mindset, being outcomes-focused, being responsive and adaptive, being purpose- and people-centred, and being service-oriented. We are also guided by our core values of being collaborative, curious, bold, inclusive and kind.

The stories in this chapter show how our work has followed these guiding principles in 2021–22. ■

## Transforming the media narrative

**Seeing the EPA in action makes a difference, as the Parramatta River fish kill in February 2022 showed. We first heard about the fish kill from a fishing channel on YouTube. Soon the media were on our doorstep (figuratively speaking), asking what killed the fish and what we were doing about it.**

We immediately told them we were looking into it, and bumped up our visibility. Regular social media posts showed our officers out on the water, testing. We then invited Channel 7 onto one of our boats to report firsthand on the fish kill and our response.

The more visible we became, the more chances we had – online and elsewhere – to discuss the complex factors that caused the kill. The local community became engaged, waving from boats at our officers and asking them questions as they came into the jetty.

'People stopped and talked to us. That kind of community chatter is really important,' says our Manager for Public Affairs and Communications, Alvin Stone. 'The public's confidence came with seeing us in action, and our proactive engagement with the media to explain the causes of the kill.'

And we're ready if this happens again. We've set up permanent monitors in the Parramatta River so we can respond more quickly

to any future event and even anticipate it.

The 2022 fish kill showed how having the community see our officers at work builds transparency and trust in the EPA. ■

## Connecting during COVID

**This year has been far from tranquil. Its start saw many of us in lockdown due to COVID 19 and since then we've had months of fires, floods and environmental incidents.**

In these challenging times our number-one priority has been the safety, health and wellbeing of our employees. Effective, clear and timely communication has been key to maintaining a unified and connected culture.

Regular updates, tools, guides and leader packs have been some of the ways we've communicated how we would manage through the pandemic and during our measured return to the workplace. That return to the workplace has allowed for people's varied personal circumstances while also meeting the EPA's needs.

We are still having to live and work with COVID-19. As we do so, we will be drawing upon two of our world-class regulator characteristics: being responsive and adaptive, and having a learning mindset. ■

# How we work

## Engaging

## Hittin' the road again



Steve Beaman, Executive Director of Regulatory Operations Metro, addresses the attendees at the Sydney Roadshow. Photo: Mark Pallot/EPA

**Working with and listening to our stakeholders is a high priority for the EPA. We value having effective and genuine relationships with our stakeholders, and look for opportunities to meet them and develop these relationships.**

We want to have two-way conversations and share knowledge. Our stakeholder forums, which we started in 2021, are a prime way to achieve this.

Our Roadshow forums for councils and licensees in early 2021 were a huge success. We followed up in November 2021 with forums for peak bodies and the community – online, because of COVID-19. Then in the first half of 2022 we held in-person meetings with regulated stakeholders.

### Online forums

On 12 November 2021 we held a two-hour online forum with senior executives from 45 peak bodies. All were keenly interested in the EPA's policies, guidelines and priorities. We discussed how we could work better together, how industry reports to us and how we could develop engagement opportunities. Attendees were interested in our strategic focus areas, our digital transformation, our waste strategy and our approach to climate change.

A week later we held another interactive online forum, this time inviting community members and interest groups. We talked about how we protect the community and then broke up into smaller groups to engage more closely and hear and answer questions.

Some of the main issues discussed were air quality, waste, odours and forestry.



We want to have two-way conversations and share knowledge

### In-person events

Between March and June 2022 we travelled to nine locations around NSW to meet with regulated stakeholders and hold targeted discussions. The discussion topics were nominated by stakeholders and ranged from resource recovery and incident management to pesticides and radiation. ■



# Noise annoys



Noise is not only annoying: it can also cause issues with sleep, work and health. In NSW complaints about noise are managed by local councils, the EPA, NSW Police, Transport for NSW and other agencies.

Our *Noise Guide for Local Government* gives councils practical advice for dealing with neighbourhood noise. It explains the regulatory framework for managing noise, who is responsible for managing noise from different sources, and the options councils have to prevent and manage noise.

In 2021 we put a new draft of the guide out for public consultation. This new draft reflects changes in the Protection of the Environment (Noise Control) Regulation 2017 and other legislation. The consultation period ended in September 2021 and we're revising the draft in response to stakeholders' comments. ■

## Visiting Port Botany



View of Patrick Terminals from the tower. Photo: EPA

Each year the EPA Board visits a regulated site to see it first-hand and talk with people who work there. In April 2022 the Board, the Executive and some EPA staff members visited the Botany Industrial Park and Patrick Terminals in inner Sydney.

### Botany Industrial Park

The 60-hectare industrial park is home to chemical manufacturing facilities, remediation projects and logistics operations, among other businesses. All companies in the park are EPA licensees. The Board visited two, Orica and Qenos.

'We were surprised to see how close the site is to residential areas. This is a result of Sydney's industrial legacy,' said EPA's Acting Director of Governance Risk and Planning, Alison Cochrane.

The visitors were shown around the park so they could understand its complexity, geography and the chemicals on site. They were also shown how technology is being used to address issues, such as groundwater contamination, that have been problems in the past.

Information flowed both ways, as the companies were keen to learn from the visitors. 'They asked us how the EPA engages with the community, since they are looking to be more proactive with their engagement rather than just when there is an issue on site,' Alison Cochrane said.

### Patrick Terminals

While at Port Botany the Board also visited Patrick Terminals, one of the three container terminals that operate out of the site. Each year Patrick processes 3.11 million shipping containers, moving them from vessels to storage areas or trucks. Some containers hold chemicals, waste or dangerous goods – substances the EPA regulates. From a high tower overlooking the terminals, the visitors watched the containers being moved – a mesmerising dance of coloured dots.

The visits to regulated sites help the Board members better understand local issues and inform how they direct EPA regulation. ■

# How we work

## One three one, **triple** five



Information from calls is recorded in the Compliance Incident Reporting and Management system. Every call we receive is a valuable opportunity for us to listen and act. ■



### Number of reports

Chemicals and waste	13,886
Noise	4,149
Air	3,743
Water	3,744
EPA licensing	6,692
Land management	1,581
Legal	378
Development and planning	558
Administration	1,650
Other	2,135

It's the number to call to report pollution and environmental incidents. It's one of the most significant points of contact between the EPA and the public we serve. It's Environment Line, and its operators are ready to receive your call.

And people do call. Lots of them.

In 2021–22 the Environment Line team fielded a total of 35,367 calls, actioned 35,818 enquiries and logged more than 11,000 environmental incidents. Most of these interactions concerned water pollution, odour, noise, waste management and air quality. There was also a surprising number of calls about chemtrails – the vapour trailing off aircraft wings – so many, in fact, that a special code was created to report on them.

'The chemtrails calls can be very hard work and take our time away from other callers who need our assistance,' Environment Line Team Leader, Zane Scott, says. 'Recently one person kept calling to try different operators for a response that was more favourable, and of course they didn't [get one].'



The Environment Line team fielded a total of **35,367** calls

Often there are clusters of calls related to major environmental events. Two of our biggest volume of enquiries were related to floods and the warehouse fire at Wickham in inner-city Newcastle.

## Educating

# Targeted teaching



Rebecca Black, Education Facilitator, with Lead Ted and Dusty, teaches kids about lead. Photo: EPA

Getting educational messages out there is often challenging. But when the audience is small children it's especially important to make the messaging creative and engaging.

## Enter Lead Ted and Dusty

These two characters, created by the EPA, have an important job – to teach schoolchildren about the dangers of lead and how they can protect themselves from it. Lead is a legacy contaminant that can impair brain function, leading to lower IQ, and it can also damage the kidneys. Decades of mining has spread lead dust far and wide, especially in places such as Broken Hill. Lead dust is hard to remove from the environment.

'There are squeals of excitement from the children when Lead Ted appears, and our audience is immediately captivated.'

Lead Ted, a life-sized mascot, works with a trained facilitator employed by the Broken Hill Environmental Lead Program (and with Dusty, the lead-dust puppet). Together they use songs, games, animation and dancing to teach kids from kindergarten up how they can avoid absorbing lead. The kids learn about washing their hands after playing outside or with pets, good food habits, and ways to keep lead dust out of the house.

'There's something about a life-sized, cheerful bear that makes anyone, no matter their age, smile,' said Rebecca Black, Education Facilitator for the Broken Hill Environmental Lead Program. 'There are squeals of excitement from the children when Lead Ted appears, and our audience is immediately captivated. The children are excited to learn and share their knowledge, and the age-appropriate nature of the program ensures the children are able to immediately make connections to their everyday lives and walk away empowered with the knowledge and skills to stay lead-safe.'

A few weeks after each session we reach out to the kids to find out how much they learned and how we might improve the sessions. This LeadSmart School Program is one example of how we tailor educational messages for their audience.

Since its launch in September 2019, the program has been delivered to over 500 preschool to Year 2 students in Broken Hill. Follow-up surveys of teachers highlight noticeable positive changes in children's attitudes and behaviours to the lead issue directly following the sessions. ■



# How we work

## The power of **young** people

Engaging with tomorrow's talent today makes sound business sense, and any organisation worth its salt knows this. Young people can bring energy, drive, innovative thinking and fresh ideas to the workplace, all things that help an organisation stay resilient and thrive.



'The program gives you not only a supervisor who supports you on the work side but also a buddy to talk to'

The EPA taps into the creativity of young people through graduate programs and internships.

### We give graduates real-world experience

Our graduate program offers recent graduates employment across many different parts of the organisation. This lasts for two years and involves three different placements.

The graduates usually have tertiary qualifications in disciplines such as environmental science, law, engineering and technology. Their employment at the EPA gives them valuable real-world experience of the workplace, including lots of regular mentoring along the way, plus many networking opportunities.

'Because of the graduate program, I've been involved in all sorts of projects within the Knowledge, Strategy and Reporting team and I've gotten to know everything the EPA is doing through these projects,' says a graduate from the 2022 intake, Brian Lee. 'And the program gives you not only a supervisor who supports you on the work side but also a buddy to talk to.'

'Being a grad has been an interesting and helpful journey for me so far,' says Armin Kavehei, from Environmental Solutions. 'The graduate program is a great learning opportunity for skilled young people to learn about the different work that is being done at a large organisation like the EPA.'



EPA graduates of the 2022 intake celebrate the end of their orientation. Photo: Pilar Angon/EPA

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## We give students a taste of the workforce

For younger people the EPA runs student internships. Some are general while others target specific groups – Aboriginal undergraduates and people with a disability.

Since 2015 we've been partnering with CareerTrackers, an organisation that links young Aboriginal talent with employers for paid, multiyear internships. We also collaborate with the Australian Network on Disability through its Stepping Into program, which matches university students

with a disability to employment opportunities. ■



Since **2021**, we've had a total of **23** graduates through the program

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# Positive change, one keep cup at a time

The EPA's sustainability group, Changemakers, does a lot more than distribute and champion the daily use of keep cups. But the EPA-branded re-usable coffee containers are probably the group's most visible success.

Changemakers is a group with many sustainability strings to its bow. It regularly takes part in Clean-up Australia's Business Clean-up Day in March, with staff volunteering to clean-up litter and dumped rubbish from parks and waterways near their offices. Unfortunately the 2022 event had to be cancelled due to heavy rain.



An EPA keep cup. Photo: Gary Fishlock/EPA

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Changemakers is a group with many sustainability strings to its bow.

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The group also promotes Plastic Free July. This is an international campaign that raises awareness of how much plastic waste we generate in our everyday lives, and ways to reduce some of that waste.

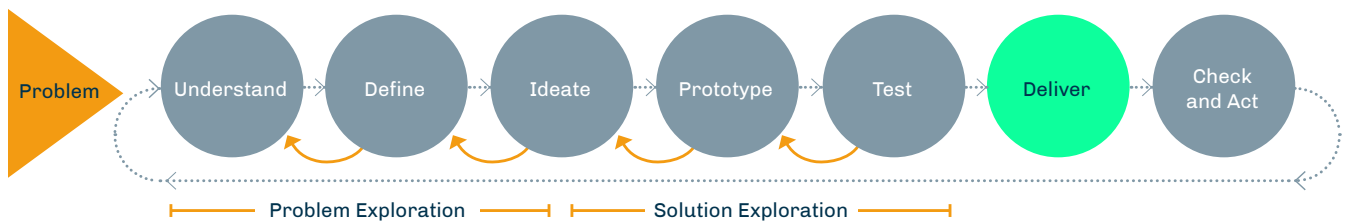
In 2021 the EPA's Plastic Free July campaign was totally digital. Twenty-six items were posted on the EPA's internal communication platform, Workplace, leading to 91 comments and 316 reactions. 'We were very happy with the level of engagement,' says Christine Dundas, one of the campaign's coordinators. 'We had to cancel our planned morning tea because of Delta [COVID-19], so being able to reach that many people digitally was great.'

The EPA's *Love Food Hate Waste* team gave away re-usable veggie bags as prizes in categories including Most Creative Post, Best Plastic Free Recipe, Best Photo and Best Video. ■

# How we work

## Better than yesterday

### EPA innovation and continual improvement methodology



#### How does an organisation keep up with an ever-changing world?

The Continual Improvement Team is on a quest to embed a culture of innovation and continual improvement in the EPA.

It works closely with other teams to deliver ongoing improvements and breakthrough change to our products, services and processes. It's currently doing this in three ways.

First, the CI Team teaches other teams to step back and apply a 'human-centred methodology' – making the customer or user the focus of their work and listening to them with empathy to figure out how to best deliver value.

Second, it facilitates 'innovation sprints' – fast-paced events that bring people together from across the EPA to solve problems. Staff are trained in a live environment to apply innovation principles from Design Thinking – a set of processes for creative problem-solving – and Lean Thinking – which focuses on what the customer sees as value.

Sprints are used to identify how we can regulate for better environmental and human health outcomes. In 2021–22 we ran two innovation sprints, one on the uptake of the Food Organics and Garden Organics (FOGO) scheme and another on the future regulation of pesticides.

This year we also started trialling a third initiative: using 'coaches' in five branches to help facilitate innovation and continual improvement at a local level. The trial will continue into 2022–23. If it's successful, we'll start using coaches in other parts of the EPA. ■

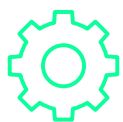


## Regulating

# New regulatory policy

Our new Regulatory Policy, published in December 2021, sits under the EPA Regulatory Strategy and replaces the former EPA Compliance Policy. It covers all types of regulatory work the EPA does, not just compliance and enforcement actions.

The policy sets out the different tools we may use and regulatory actions we may take and describes these tools and actions under each of the eight elements of our regulatory approach: listen, educate, enable, act, influence, require, monitor and enforce.



We are now incorporating the Regulatory Policy into our work, focusing on using a full suite of tools to achieve better outcomes

The policy also explains how we make decisions. It covers:

- decision-making principles – the values that guide our regulatory decision-making
- what we consider when we make a regulatory decision.

In developing the policy we considered feedback from the EPA Roadshow sessions in 2021, online consultation about the Regulatory Strategy, best-practice research, and input from across the EPA.

We are now incorporating the Regulatory Policy into our work. We are focusing on using a full suite of tools to achieve better outcomes, and rolling out initiatives that will support our staff when they make regulatory decisions.

Together, the Regulatory Policy and Regulatory Strategy outline how we regulate and inform the actions we are taking under the *EPA Strategic Plan 2021–24*.

To implement them over the next two years we'll:

- develop partnerships, education and behaviour-change programs
- work with Aboriginal communities and other communities across NSW
- engage the science and research sector
- use data, evidence, intelligence and insights to inform our decisions across all aspects of our work. ■

# How we work

## Closing loopholes



EPA Officers at work. Photo: EPA

### Pollute and you'll pay! Legal loopholes that let polluters dodge prosecution have now been closed.

In March 2022, the *Environment Legislation Amendment Act 2022* was passed. This strengthened existing environment protection legislation to ensure that those responsible for contamination or pollution can be made to clean it up or manage it into the future.

So, what's changed?

### More individuals can be targeted

The EPA can now target directors, managers and related companies where a company fails to comply with a clean-up, prevention or prohibition notice. Also, it is now an offence for related persons to receive monetary benefits as a result of a company committing an offence. The EPA can recover monetary benefits from related persons after an offence is proved.

The owners of vehicles used for illegal dumping are also now liable. Previously the EPA could only prosecute the driver of the vehicle or the owner of the dumped waste.

### Clean-up notices can be used more widely

The EPA can now issue a clean-up notice to someone who contributed to a pollution incident. We can also issue a clean-up or prevention notice as soon as we are notified of contamination. Previously we had to wait until the land had been assessed and declared to be significantly contaminated.

### Authorised officers are better protected

For authorised officers investigating environmental crimes under our legislation, there are new protections. Before, when an EPA officer was threatened, the relevant offence in the *Protection of the Environment Operations Act*

1997 required proof of intent. A newly created offence no longer requires this.

There are also expanded protections that cover different behaviours. These will make it safer for our officers when responding to environmental issues and assisting the community.

'These amendments are hugely exciting for the legal team and other teams too,' says Mai Nguyen, Principal Legal Officer from Legislation and Legal Advice. 'Some of these ideas have been on our legislation wish list for a while. Seeing them become a reality gives us a great sense of satisfaction.'

### Plastic Reduction and Circular Economy Act 2021

Working closely with the Department of Planning and Environment, we developed the *Plastic Reduction and Circular Economy Act 2021*. This is expected to prevent nearly 2.7 billion pieces of plastic from entering the rivers, ocean and bushland of NSW over the next 20 years and will help deliver on the *NSW Plastics Action Plan* and the *NSW Waste and Sustainable Materials Strategy 2041*. We will be responsible for the enforcement of the *Plastic Reduction and Circular Economy Act 2021*, which creates legislative frameworks to:

- prohibit the supply of problematic or unnecessary plastics
- set design standards for items for environmental, human health or economic reasons
- set product stewardship

requirements for brand owners of regulated products. A ban on the supply of lightweight plastic bags started on 1 June 2022. On 1 November 2022 prohibitions will be extended to the supply of other problematic plastic products, including expanded polystyrene food-service items and plastic single-use straws, cutlery, stirrers, plates, bowls and cotton buds. Design standards preventing the supply of rinse-off personal care products containing microbeads will also commence on 1 November 2022.

The bans on the supply of problematic plastic items exclude integrated packaging (plastic items integrated or attached to packaging by a machine-automated process: for example, sealed straws attached to juice boxes) and barrier bags (lightweight plastic bags designed and intended to be used to contain waste, items for medical purposes or unpackaged food). *The Plastic Reduction and Circular Economy Act 2021* provides for the EPA to grant exemptions from the bans and the EPA has been working closely with stakeholders, including disability groups, to ensure that appropriate exemptions are in place.

## Legal context

The EPA:

- issues and reviews environment protection licences
- issues statutory notices, such as clean-up and prevention notices
- issues penalty notices
- prosecutes individuals

and companies that are alleged to have committed environmental offences

- enters into enforceable undertakings.
- See Appendix A for the full list of Acts administered by the EPA in 2021–22.

## New and amending legislation

The following new Acts and Regulations were made in 2021–22:

- *Plastic Reduction and Circular Economy Act 2021*
- Protection of the Environment Operations (Clean Air) Regulation 2021
- Protection of the Environment Operations (General) Regulation 2021

The following amending Acts and Regulations were made in 2021–22:

- *Environment Legislation Amendment Act 2022*
- Radiation Control Amendment Regulation 2021
- Protection of the Environment Operations (General) Amendment (Kooragang Island Premises) Regulation 2021
- Protection of the Environment Operations (Waste) Amendment Regulation 2022
- Pesticides Amendment Regulation 2021.

The amending Regulations continued the diverse and involved work of the EPA as the primary environmental regulator in NSW. The amendments were facilitated by public engagement and stakeholder consultation with the objective

of reducing risks to human health, preventing degradation of the environment and providing exemptions where appropriate. The amending Regulations furthered the development of a simpler and more efficient regulatory framework across EPA-administered legislation. ■

## When shorter is better

**Problem:** Pesticide licences were issued only for five years but the seasonal workers who used them needed them for only one year. A five-year licence cost the employer \$405.

**Solution:** Provide the option of one-year licences.

This was easier said than done, as the legislative framework did not support it. We worked to change the legislation and upgrade eConnect, our online licensing system.

The necessary amendment was passed in December 2021 and eConnect was updated to allow one-year licences. These cost only \$107. ■



# How we work

## Resourcing

# Talented and **capable**



EPA officers at work in our Dubbo office. Photo: EPA

The EPA wants its people to be purpose-led, passionate and highly capable. To this end we consult our staff and invest in their development, as well as working to attract new people who share our aspirations.

We show the many ways people can make a difference through a career with the EPA (see adjacent stories). We also support people who are at the beginning of their working lives through structured graduate and intern programs and development pathways.

Staff say they value technical and professional training, a diversity of work, and the chance to work in teams, to learn from others and help solve problems. 'We build staff capability in many ways,' says EPA's Director Capability and Talent, Erin Torsello. 'We have a lot of training programs, both online and in-person; talent development

and performance management; internal expressions of interest processes; and leadership development.'



We offered more than **20** core courses and over **200** staff took part in face-to-face training

In 2021–22 staff development included corporate compliance and systems, wellbeing, health and safety, technical training, professional development and investigations. We offered more than 20 core courses. Over 200 staff took part in face-to-face training, with many more taking technical and professional development courses online. We also ran sessions to support staff wellbeing; covering sleep, diet, movement, ergonomics and resilience. ■

# Public access to **government information**

Members of the public, the media, business and other organisations have the right to access government information under the *Government Information (Public Access) Act 2009* (GIPA Act), unless releasing this information is against the public interest. This includes information that is not usually available to the public.

Under sections 7(3) and 125 of the GIPA Act and clause 8 of the Government Information (Public Access) Regulation 2018, the EPA has annual reporting obligations relating to:

- the review of its proactive release of information to the public
- its response to formal applications for access to information.



Approaching thunderstorm at Pilliga. Photo: Don Fishlock

## Proactive release program

The EPA program for the proactive release of information requires each of the agency's branches to examine information that has been informally released or formally requested under the GIPA Act. This is as well as information held that may interest the public and can be made available for public use.

In 2021–22, information proactively released on the EPA website included:

- a report on the NSW EPA's review of Snowy Hydro Limited's Cloud Seeding Program 2020 Annual Compliance Report
- an air monitoring program to provide local air quality information during construction of the Warringah Freeway upgrade and Western Harbour Tunnel project, including links to view regular update on air quality data
- information on legacy lead in soils in Wollongong, including a copy of the report *Literature review of the levels of lead and other heavy metals in soil and roof dust in Wollongong and measures to manage any associated health risks* prepared by the University of Queensland, dated 29 June 2020; and a copy of the Port Kembla surface soil testing report

- information in relation to Minchinbury odours, including regular updates on monitoring results
- information in relation to the clean-up of the oily wastewater overflow at Kurnell in April 2022, including actions taken by the EPA and sampling results
- information in relation to the approved methods for the sampling and analysis of air, water and noise in NSW, including implementation and transitional arrangements, response to submissions and summary of changes.

## Access applications received in 2021–22



This year the EPA received 108 valid applications for access to information. Most applications were made by members of the public.

We finalised 111 applications, including some received in the previous year. Some applications will be decided (and reported on) in 2022–23.

More than one decision can be made in relation to an access application. For the 111 applications we finalised this year, we made 122 decisions. Those decisions are on the table following.

Outcome	
Access granted in full	<b>51</b>
Access granted in part	<b>23</b>
Access refused in full	<b>7</b>
Information not held	<b>26</b>
Information already available	<b>2</b>
Refuse to deal with application	<b>0</b>
Refuse to confirm or deny whether information was held	<b>0</b>
Application withdrawn	<b>13</b>

For full details of the applications and outcomes, in accordance with statutory reporting requirements under clause 8 of the GIPA Regulation, see *Appendix E: Statistical information on access application*. ■

# How we work

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## Avoiding risky business

Managing risk is an important part of an organisation's resilience. This work may not be visible but it positions us as well as possible to deal with disruptions.

### Planning for business continuity

In 2021–22 the EPA's Governance, Risk and Planning Branch focused on setting up a risk framework roadmap, which includes the policy and plan for business continuity.

We ran a crisis-management exercise, which was like a 'dress rehearsal' for how we'd respond to a major disruption to our operations. 'The exercise was a valuable way for us to build our organisational resilience and explore how business disruptions could impact the EPA. It also helped us validate our new procedures, identify gaps and test our response in a crisis scenario,' says our Manager Risk and Governance, Joseph Budnik.

### Managing risks to achieving EPA objectives

In 2021–22 the EPA embedded the Risk Management Policy, the Risk Management Framework and Operating Procedures and a new EPA strategic risk register into its operations.

Risk coordinators started presenting a 'deep dive' analysis of a selected risk to each meeting of the Audit and Risk Committee.

Throughout the year, the EPA consistently applied its assurance framework. This framework provides transparency for the EPA Chair and Board, the Chief Executive Officer (CEO) and the Executive about whether the organisation's regulatory work is achieving its committed outputs and outcomes.

The assurance framework:

- includes a review process that lets us identify and mitigate risks to service delivery
- allows us to capture and regulate best practice
- supports the continuous improvement of EPA practice and risk management.



Photo: William Goodwin



## Climate-change risks to EPA operations

This year the EPA prepared its first Climate Change Impacts, Risks and Adaptation Statement. As its name indicates, the statement sets out the economic, financial and physical impacts, risks and opportunities of climate change on our operations. It is consistent with the framework established by the Task Force on Climate-related Financial Disclosures.

We'll integrate climate-change risk into our existing risk management framework. We'll also do regular 'horizon scanning' to identify external drivers of change and macro-trends across different fields, including climate change, that can create risks or opportunities and influence the EPA's regulatory response.

## The Environment Legislation Amendment Act 2022 strengthens the EPA's independence

The Act makes administrative changes to the governance of the EPA, including formalising the separation of the Chair and CEO roles.

The Act provides that the CEO, rather than the Chair, is to manage and control the affairs of the EPA, subject to policies and decisions of the Board and directions of the Minister under the *Protection of the Environment Administration Act 1991* (POEA Act). The Chair of the EPA is now called the Chair of the Board.

In terms of the Board, the Act provides that the functions of the Board include determining policies and plans relating to organisational governance and risk management.

## Audit and Risk Committee

The EPA's Audit and Risk Committee (ARC) is the EPA Board's only subcommittee and reports directly to the Chair. The committee has been established in accordance with the NSW Treasury's *Internal Audit and Risk Management Policy for the General Government Sector* (TPP20-08). This independent committee has no executive powers.

The committee provides assurance to the Board that the EPA has effective and efficient systems, policies and processes to manage risk. It does this by monitoring, reviewing and providing advice about the EPA's governance processes and risk management and control frameworks.

Refer to the *Audit and Risk Attestation Statement* on the following page for a list of the ARC members.

In 2021–22 ARC meetings were held in July, September and November of 2021, and in April and May 2022.

In fulfilling their duties, the EPA's Chief Financial Officer, Chief Risk Officer and Chief Audit Executive have independent access to the committee and the Board. This approach increases assurance for the Board that the EPA is managing its risks appropriately while discharging its regulatory, financial and audit responsibilities.

The CEO completes an internal audit and risk management attestation statement that indicates all Treasury requirements have been met. This begins on the next page.

## Cyber security

The EPA has assessed its cyber security risks, which are discussed at Executive and Board level during quarterly risk review and assessment processes. Cyber security is provided through DPE corporate cluster services. Incident response protocols are tested annually.

**The Cyber Security Attestation Statement for 2021–22 is reproduced in Appendix G.**

# How we work



**Internal Audit and Risk Management Attestation Statement  
2021-2022 Financial Year  
ENVIRONMENT PROTECTION AUTHORITY**

I, Carmen Dwyer, Acting Chief Executive Officer and Accountable Authority of the Environment Protection Agency (EPA), am of the opinion that the EPA has internal audit and risk management processes in operation that are, excluding any exemptions or transitional arrangements described below, compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements	Compliant, Non-Compliant, or In Transition
<b>Risk Management Framework</b>	
1.1 The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the Agency.	Compliant
1.2 The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the Agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	Compliant
<b>Internal Audit Function</b>	
2.1 The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose	Compliant
2.2 The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3 The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
<b>Audit and Risk Committee</b>	
3.1 The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.2 The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

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## Audit and Risk Committee – Membership

The independent chair and members of the Audit and Risk Committee are:

- **Chair** – Christine Hawkins AM (5 year term of appointment, commenced 11 April 2019)
- **Member** – Michael Rennie (3 year term of appointment, commenced on 18 May 2020)
- **Guest** – Elizabeth Wild (attended during 2021-22 as a guest and achieved prequalification on 22 June 2022, with a proposed 3 year term of appointment commencing on 30 July 2022)



Carmen Dwyer  
Accountable Authority  
A/Chief Executive Officer  
Environment Protection Authority  
Date 30.06.2022



Amanda Cleary  
Chief Audit Executive  
Amanda.Cleary@epa.nsw.gov.au

## EPA internal audit

The *Government Sector Audit Act 1983* requires statutory bodies to establish and maintain an effective internal audit function.

The EPA's internal audit program is an independent and objective assurance and consulting activity that is part of the EPA's wider integrated assurance function. Along with other assurance activities, it is designed to improve the organisation's operations, which it does by evaluating and improving the effectiveness of risk management, control and governance processes.

The EPA conducts its own program and, where there is benefit, may also participate jointly in the internal audit programs of the Department of Planning and Environment.

The Lead Audit and Assurance heads the EPA's internal audit function. The *NSW EPA Internal Audit Charter* provides the framework for internal audits and the EPA's *Audit and Assurance Forward Plan* sets out the program for conducting assurance activities (including internal audit) for 2020–21. This plan is reviewed at least annually to ensure that assurance work remains fit for purpose and appropriately focused on the EPA's risks.

The Audit and Risk Committee conducted its annual review of the EPA's internal audit charter to ensure it continues to be consistent with the agency's financial, risk management and governance arrangements and current best practice.

## Public interest disclosures and reportable conduct

A public interest disclosure is a disclosure of alleged corrupt conduct, maladministration, serious and substantial waste of public money or a breach of the *Government Information (Public Access) Act 2009* (GIPA Act). In 2021–22 no public interest disclosures were made to the EPA: see *Appendix F*. The EPA's *Public Interest Disclosure: Internal Reporting Policy and Procedures* is available to staff on the EPA intranet.

Allegations of corrupt conduct are reported to the Independent Commission Against Corruption. In 2021–22 the EPA made five such reports.



# How we work

## Operational and key risk areas

The EPA maintains risk registers that detail the potential risks and their management. The table below summarises our management approach to key risk areas.

Risk	Management approach
<p><b>Business continuity and disaster recovery</b></p> <p>An incident could cause a disruption to, or loss of, EPA physical infrastructure and/or kill or injure people.</p>	<p>Building organisational resilience through the development and implementation of the Business Continuity Framework, which provides the leadership requirements, roles and responsibilities, team structures, workflows for each program component and processes for monitoring performance.</p> <p>Putting in place security audit and management plans for EPA offices.</p> <p>Putting in place emergency management systems for all offices. This includes training fire wardens in how to act in emergencies and performing periodic evacuation drills.</p> <p>Putting in place an information management framework.</p> <p>Periodically backing-up electronic data.</p>
<p><b>Internal controls and safeguards</b></p> <p>If the internal control environment is inadequate, there could be a loss of funds and of community trust.</p>	<p>Providing management oversight via the Executive.</p> <p>Putting in place an internal audit program and regularly reviewing its priority areas, findings and the completion of follow-up actions.</p> <p>Segregating duties and internal controls, to help to prevent and detect fraud.</p> <p>Participating in performance audits conducted by the NSW Audit Office.</p> <p>Regularly reviewing the <i>EPA Code of Ethics and Conduct</i>.</p> <p>Including ethics and conduct in induction training.</p> <p>Putting in place an internal reporting policy and procedures for public interest disclosures.</p> <p>Having in place the <i>Managing Misconduct and Serious Misconduct</i> policy.</p>
<p><b>Technology</b></p> <p>ICT services, including cybersecurity, are provided at the cluster level.</p> <p>If the EPA were not able to access ICT services or the integrity of the systems were compromised, this could impact business continuity.</p>	<p>Developing a service partnership agreement with the Department of Planning and Environment (DPE) that outlines service provision and requirements.</p> <p>Seeking feedback on, and conducting regular reviews of, the service partnership agreement.</p> <p>Using a change-management approach to upgrading and updating ICT systems, to facilitate better outcomes and staff uptake.</p>
<p><b>Fraud and corruption risk</b></p>	<p>The EPA is updating its <i>Fraud and Corruption Prevention Policy and Framework</i>, which outlines the EPA's approach to developing and maintaining controls to prevent fraud and corruption.</p> <p>This year our regulatory officers and grants management team conducted training in the prevention of fraud and corruption run by the NSW Independent Commission against Corruption (ICAC), with a focus on the administration of grants and regulatory operations.</p>

## Risk

## Management approach

### Climate-change risk

The EPA follows a systematic process for identifying and articulating our climate-related risks, based on the *Climate Risk Ready NSW Guide*. In accordance with the guide, we have identified our climate-related risks as:

- physical risks caused by increasing intensity and frequency of severe (acute or chronic) weather events
- transition risks (policy, legal, reputational) associated with transitioning to a decarbonised economy
- liability risks (the result of either physical or transition risks) resulting from people or businesses holding the EPA responsible for not acting sufficiently on climate change and seeking compensation from the EPA for losses they may have suffered.

## EPA insurance

The EPA's insurance arrangements are provided through the Treasury Managed Fund (TMF), which is managed by the NSW Self-Insurance Corporation.

The table shows the cost of the EPA's insurance premiums over the past five years.

Area of risk	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000
Workers compensation	287	217	268	182	476
Public liability	41	55	74	104	262
Property	9	12	17	5	12
Motor vehicles	44	48	40	31	72
Miscellaneous losses*	0	0	0	2	4
<b>Total</b>	<b>358</b>	<b>332</b>	<b>398</b>	<b>324</b>	<b>827</b>

\* Insurance cover includes miscellaneous losses such as employee dishonesty, personal accident and protection during overseas travel.

Workers compensation costs have varied with changes in the number of employees over the five years reported.

### Consumer enquiries, reports and complaints

EPA staff regularly handle general enquiries about environmental issues, reports on pollution incidents, and feedback and complaints about our work.

The agency values these interactions with consumers and stakeholders and stipulates in its *Code of Ethics and Conduct* that, when interacting with the public, EPA staff will:

- act professionally, with honesty, consistency and impartiality
- build relationships based on mutual respect
- provide services fairly with a focus on customer needs.

Complaints from the public sometimes relate to dissatisfaction with the EPA's response to a specific issue or the timeliness of action on a pollution report. Others reflect the community's expectation that the EPA is the appropriate regulatory authority when, in fact, another State agency or a local council is responsible for the issue. In these cases, the complaint is referred to the appropriate body

# How we work

## Controlled entities

In 2021–22 the Environment Protection Authority Staff Agency ('EPA Staff Agency') was the only controlled entity of the EPA. The EPA Staff Agency is a Division of the Government Service responsible to the Minister for Environment and Heritage, established under the Administrative Arrangements Order 2014, dated 29 January 2014. Under the Order, the former Office of the Environment Protection Authority became the EPA Staff Agency.

As a not-for-profit entity, the EPA Staff Agency employs staff to enable the EPA to exercise its functions. This entity is consolidated with the EPA as part of the NSW Total State Sector Accounts. The EPA Staff Agency's objectives, operations, activities, performance targets and performance measures are included throughout this Annual Report.

## Privacy management

The *Privacy Management Plan* outlines ways in which the EPA complies with the principles of the *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Privacy Act 2002*. The plan is available on the EPA website. ■

## Passing the testing test

Our protection from pollution is only as strong as the standards that control it.

Whether it's air, noise or water pollution, if there are holes in the testing practices, we all end up with a false sense of security.

That's why the testing practices and standards have been set out in black and white. The EPA's *Approved Methods* documents for air, water and noise pollution have been written so that the same rigour and quality control will be applied no matter what's being tested or who's doing the testing.

The noise measurement and analysis document is a new one, while the air and water documents were streamlined and amended this year to update the sampling and test methods. The methods in all three documents now align with the standards used for good laboratory and field practice and need to be complied with. Developing and updating the documents was a collaborative effort involving the EPA's expert teams across air, noise and water pollution and DPE Science, Economic and Insights. ■

## Supporting

# Safe and well

We believe prevention is better than cure – for our staff as well as for our regulatory operations. So we start by giving staff information and resources to support their wellbeing. But we also provide extra support when their resilience is tested – as it very much has been in the last few years.



## Support during the COVID-19 pandemic

We put in place a wide range of resources to support staff during the COVID-19 pandemic. We ran a staff hotline; continued 'Road to recovery' engagement with staff through surveys and communications; offered wellbeing programs, training and resources; and supported staff as they started working more from an office, while still offering flexibility.

'We also relaxed the bandwidth of our core working hours,' says Director of Capability and Talent,



Erin Torsello. 'This gave people, especially carers and home-schooling parents, more flexibility. We also let people get their vaccinations during work hours. These little things can make a big difference to people's mental health.'



We put in place a wide range of resources to support staff during the COVID-19 pandemic.

### Guidance and training

We continue to develop the safety documentation and guidance our staff need. Core training courses we ran this year included:

- Dealing with threatening and aggressive behaviours
- 4WD and defensive driver training
- First aid – general and remote
- CPR refresher training
- Managing for team wellbeing.

### A safety-aware culture

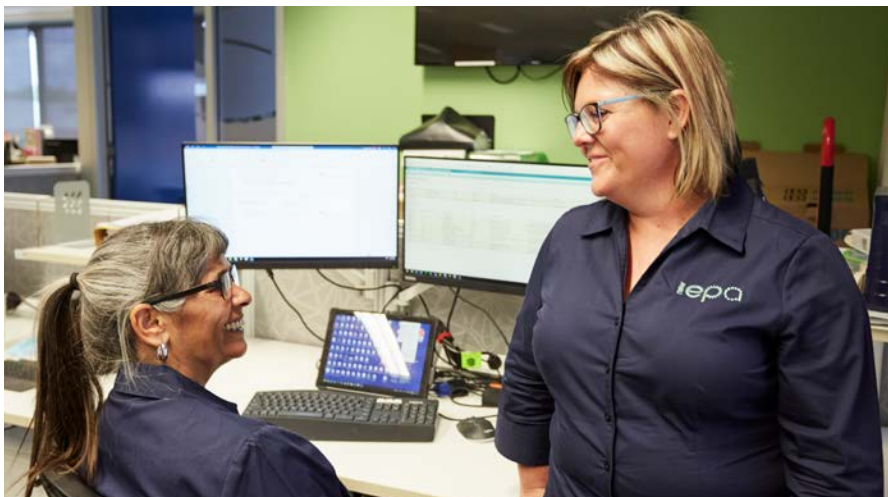
Our focus on safety and wellbeing is reflected in our reporting and discussions at the Executive level, in Board reports, in Audit and Risk Committee reports, and in 'deep dives' to explore risks and opportunities to improve. The Executive reviews safety measures and pays attention to safety reporting and discussions. At the EPA wellbeing, health and safety is very much a priority for everyone. ■

### EPA claims and reports

	2017-18	2018-19	2019-20	2020-21	2021-22
Incidents, accidents and injuries reported	58	53	47	55	89
Workers compensation claims made	9	2	10	10	10
Value of workers compensation claims*	\$108,870	\$5,315	\$150,357	\$184,168	\$419,934

\* Based on net incurred

## Are they really OK?



On 9 September 2021 EPA staff across all divisions and locations came together online to mark RUOK? Day.

This day formed part of our broader program focused on wellbeing and led into mental health month (October 2021). Our online event covered topics from 'wellbeing during lockdown and beyond' and time management to Qigong sessions (breath, posture, movement, relaxation and concentration).

EPA staff checking in with each other. Photo EPA

# How we work

It reflected our commitment to supporting team members as whole people, and recognising that 'RUOK' conversations are for every day, not just one day of the year.



The last few years have been challenging for individuals, families and communities.

The theme for 2021 was 'Are they *really* OK?'. Admitting you're not coping with life's ups and downs isn't always easy.

To keep these conversations happening we need to create an environment where people feel supported in raising how they feel.

'The EPA has always been a strong supporter of RUOK? Day and its focus on mental health and wellbeing,' says our Director of Capability and Talent, Erin Torsello. 'The day is an opportunity for colleagues to chat about things that might be causing them some anxiety and to listen to others' stories.'

We're building team cultures that encourage RUOK conversations. We know that the last few years have been challenging

for individuals, families and communities. Everyone has gone through the COVID-19 pandemic and has witnessed its effect on society, health, the economy and everyday life.

Many of us have had to work more from home. Some of us have also had to home-school children. And some of us have been ill.

In addition, our teams have been working with communities ravaged by fires and floods. Meeting with colleagues online over a cuppa and talking frankly about mental health issues is a great way to build our resilience. ■

## Folks with spokes

**EPA staff took part in Biketober 2021. We scored a very impressive second place in the 'medium-sized organisation' category, just pipped at the post by Wollongong City Council.**

Biketober is a month-long event that coincides with October's Mental Health Awareness month. People sign up for Biketober to improve their physical and mental health, and to encourage more people to ride bikes.

'I love cycling.  
It keeps me sane'

In 2021 the EPA was well represented by 102 cycling enthusiasts. This was the fourth year we'd taken part.

'I really enjoyed our Biketober social ride along Newcastle's premier bike path, the Fernleigh Track,' said Mitchell Bennett from the EPA's Newcastle office. 'Cycling is a great way to stay fit, enjoy the outdoors and socialise with a minimal carbon footprint.'

Even when injured you can do your rides at home like Julian Thompson, from the EPA's Queanbeyan office, who clocked up his klicks on a home trainer in his garage. 'I love cycling. It keeps me sane,' he says. 'Fifty per cent of it is for staying fit and fifty per cent is for mental health. Biketober is a great initiative all round.'

EPA staff rode a combined 30,000 km during Biketober 2021. The winning division



**Newcastle EPA staff enjoying a social ride together as part of Biketober. Photo: Mitchell Bennett/EPA**

was Regulatory Operations, topping the tally by riding over 2,200 km. ■



# What matters to us





# What matters to us

## Our priorities

On 29 July 2021 we launched our *Strategic Plan 2021–24*. This document describes how we care for the environment, protecting and enhancing it today and into the future.



The plan identifies **five key areas of focus** for the next three years.

1. Ecologically sustainable development
2. Waste
3. Water quality
4. Legacy and emerging contaminants
5. Climate change

This chapter shows some of the important work we've done in these five areas in 2021–22.

We've also identified **five regulatory priority areas** for the coming twelve months. These areas will be our focus for 2022–23: where we'll direct our energy, efforts and activities to achieving environmental and human health outcomes. They are as follows.

1. Climate change outcomes
2. Waste strategy implementation
3. Plastic ban implementation
4. Compliance prioritisation to address foreseeable environmental challenges
5. Improving our 'front door' customer service

In addition, we've identified our **compliance priorities** for 2022–23. These reinforce our position as an independent regulator, our principles, and our core compliance priorities for keeping safe people and the NSW environment. ■



Ecologically sustainable development

## Environment and economy thriving together



There's a common belief that protecting the environment comes at the expense of economic development – that when one benefits, the other loses.

Our first key focus area – ecologically sustainable development – lays to rest this idea that it's a zero-sum game. We take part in government and industry decision-making about planning and land-use, always striving to have the environment and the economy thrive together. Our regulatory decisions use a 'place-based' approach and take a holistic view of ecosystems such as water catchments, airsheds, ecological communities and climatic regions.

The stories in this section show the work we're doing to promote ecologically sustainable development. ■

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## What's happening with forestry?



Officer measuring a tree. Photo: EPA

**'Ancient trees are precious,' says renowned naturalist Sir David Attenborough. 'There is little else on Earth that plays host to such a rich community of life within a single living organism.'**

The native forests of NSW are no exception. They're complex natural ecosystems that give shelter to the wildlife within their boundaries. They also provide

benefits to the NSW community and economy in the form of timber production. Management of native forests therefore needs to consider all needs.

Through policy, regulation and proactive compliance efforts during 2021–22, the EPA continued to influence, enforce and educate about ecologically sustainable forest management. We did this through a range of

regulatory tools including audits, field inspections, investigations, desktop assessment, notices, orders, penalty notices and education.

Our aims were to promote native forestry operations' compliance with integrated forestry operations approval conditions or private native forestry codes, and to reduce potential environmental harm.

We gave greatest attention to operations with higher environmental or regulatory risks. We use environmental risk criteria that can be adapted to emerging issues and trends in environmental compliance.

Our forestry work will continue to focus on maintaining ecological processes within forests and preserving their diversity, while still enabling a range of environmental, economic, social and cultural benefits for the NSW community. ■

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## Advising for the Aerotropolis

The Western Sydney Aerotropolis is an area of land around the Western Sydney International (Nancy-Bird Walton) Airport. It will be a thriving economic centre, creating about 100,000 new jobs and 11,400 new homes.

Planning the Aerotropolis has involved the development of the Aerotropolis Precinct Plan. The plan includes place-based objectives and environmental



An artist's impression of the Aerotropolis. Credit: DPE

# What matters to us

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requirements. We've worked with other government agencies to set the environmental directions in the plan.

One of the important environmental outcomes involves the restoration of waterway health in the South Creek catchment. These restored waterways will become blue-green open space for the new Western Parkland City. They also respect the importance of the area to communities, including Aboriginal communities.

The next step will be the development of masterplans. We expect that certain activities in the Aerotropolis will need environment protection licences.

We've developed new risk-based tools to help guide our engagement in planning matters, and will use these to work out where the highest priorities are for working on the masterplans for the Aerotropolis.

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## Certain activities in the Aerotropolis will need an environment protection licence

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'There's no doubt the Western Sydney Aerotropolis presents an opportunity to continue to seek ecologically sustainable development for Western Sydney,' says Brendan Lloyd from the EPA's Environmental Protection Planning Section. 'We'll target effort on those planning matters which pose the highest risk to the environment and human health.' ■

## Breathing easy

In February 2022 the NSW Government released the **NSW Clean Air Strategy 2021–30**. This is aimed at improving air quality, reducing emissions and protecting communities.



The strategy sets out actions under five priority areas where the biggest gains for air quality and health can be made:

- better preparedness for pollution events
- cleaner industry
- cleaner transport, engines and fuels
- healthier homes
- better places.

The strategy uses a whole-of-government approach. We're working with the NSW Department of Planning and Environment, and other agencies across government, to implement it.

'Managing and reducing air pollution is an important part of ecologically sustainable development, especially for people's health,' says our Manager Environment Protection Policy, Michele Weight. ■



## The road to a circular economy

**We often hear the phrase 'circular economy'. But what does it actually mean?**

A circular economy is all about valuing our resources. It's about getting as much use out of products and materials as possible and creating less waste.

Goods often follow a linear, one-way path, from manufacture to consumption to disposal (usually landfill). But in a circular economy they go from manufacture to consumption and then are recycled or re-used. This keeps products and materials in useful circulation.

Some goods are already on these circular paths. Households send paper, glass and metals for recycling. Clothes are sold as 'pre-loved' or 'vintage'. Neighbours share books in little street libraries. Industries look everywhere for savings to be made by recycling or on-selling 'waste'.

The circular economy is one of our key focus areas. We're building on the *NSW Circular Economy Policy Statement: Too Good to Waste*. ■



# Resourceful waste

**Waste becomes rubbish. But what if we could use it for another purpose?**

The Resource Recovery Framework sets the regulatory requirements for waste to be safely re-used in the circular economy.



## The review is part of our Waste and Sustainable Materials Strategy 2041

The framework includes resource recovery orders and resource exemptions. The orders and exemptions allow some waste to be beneficially and safely re-used outside the NSW laws or regulations that usually apply.

## Review of the framework

This year we initiated an independent review of the Resource Recovery Framework. This will make sure the best possible measures are in place for protecting community health and the environment, and that the framework supports our transition to a circular economy.

The review is part of our *Waste and Sustainable Materials Strategy 2041*, which aims to achieve an 80% recovery rate from all waste streams by 2030. The review is being led by the former head of EPA Victoria, Dr Cathy Wilkinson. A wide range of stakeholders has been consulted to examine how the existing framework operates and whether it's effective and fit for purpose.

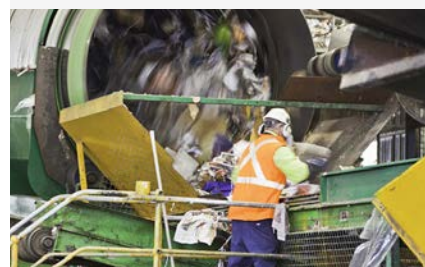
## Canvassing issues

In late 2021 we consulted with stakeholders – local government, waste groups, industry and businesses – about the scope of an issues paper for the review. The issues paper was on public exhibition from March to May 2022. Submissions made in response to the paper have been analysed and will inform the review's final report. Dr Wilkinson also met with key stakeholders to workshop issues and note their concerns and suggestions.

We expect the review to be completed early in the 2022–23 financial year. We'll develop a work program for resource recovery in response to recommendations in its final report. ■

# Remaking the State

**How do you keep 180,000 tonnes of waste materials out of landfill and within the circular economy?**



This was the challenge we faced in March 2020 when the Council of Australian Governments (COAG) banned the export of discarded plastic, paper, glass and tyres. These waste materials quickly started to pile up.

## 'Remanufacture NSW ensures the State is leading by example by maximising recycling and re-use activities'

But an innovative solution came soon in the form of Remanufacture NSW. This program, co-funded by the NSW and Australian Governments, was designed to expand the recycling and remanufacturing capacity of industry and businesses across the State.

The first round of grant funding under the program, opened in January 2021 to the tune of \$35 million. By August 2021, 19 projects had been awarded \$21.5 million. Together these projects will

# What matters to us

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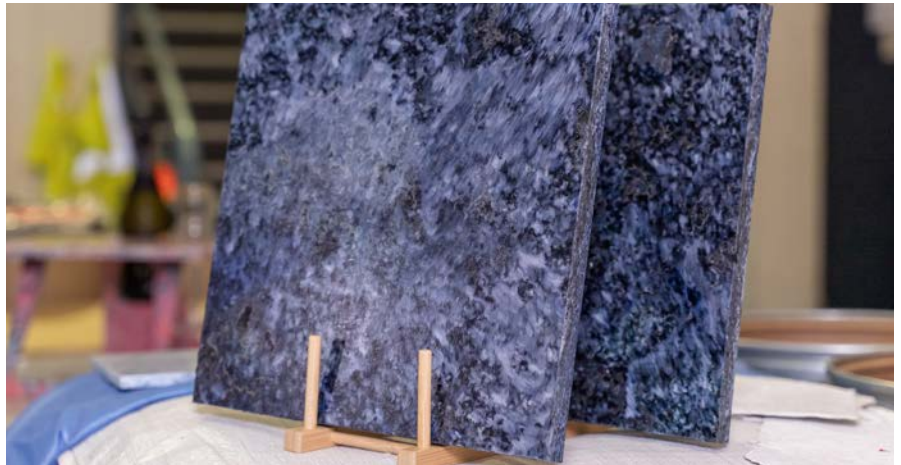
create 120,000 tonnes of additional recycling capacity, enough for about two-thirds of the banned materials.

The successful projects target all materials subject to the export ban. They include re-use of plastics for new applications, tyre recycling, the processing of crushed glass for beneficial re-use, and infrastructure improvements that will reduce contamination during recycling.

A second round of funding will allocate the \$13.5 million left over from Round 1. Applications for this closed in April 2022 and are now being assessed. We hope that the successful projects will bridge the remaining 60,000-tonne gap in recycling capacity.

'Remanufacture NSW ensures the State is leading by example by maximising recycling and re-use activities and meeting the NSW Government's resource recovery targets, while keeping resources within a circular economy,' says Sam Lewis from our Waste and Recycling Infrastructure team. ■

## Worn out, Worn Up



Uniforms are processed into Fabtec, which is then used for making furniture. Photo: EPA

Each year the average NSW primary school discards between **100** and **200** kilograms of unwearable uniforms.

Sydney business Worn Up realised this clothing could be recycled. It collects it, converts it into a durable material called Fabtec, then turns this into products ranging from school desks to pet beds. To date it has processed 50 tonnes of uniforms.

'Sixty-six schools work with Worn Up, including International Grammar School Sydney. So do seven Sydney councils and one regional council,' says EPA Organics Manager Amanda Kane.

As well as diverting material from landfill, Worn Up is creating jobs in the circular economy and reducing emissions.

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Products range from school desks to dog beds.

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In 2021–22, Worn Up received a \$100,000 grant from our Circulate, NSW Industrial Ecology Program as an enterprise that diverts materials from landfill. The grant was one of 16 from a total pool of \$1.6 million. ■

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# In the bag

Why is plastic waste such a huge problem? Because it hangs around for a very, very long time.



Plastic Ban. Photo: NSW Government

NSW generates 800,000 tonnes of plastic waste a year and only 10% of it is recycled. Most ends up in landfill (which takes valuable resources out of the economy) or as plastics litter that accumulates in our land and marine environments

The **NSW Plastics Action Plan** sets out six actions to reduce the impact plastics have on the environment.

Single-use plastics are a key target. Sixty percent of all litter in NSW is single-use plastics and plastic packaging.

In November 2021 the NSW Government passed the *Plastic Reduction and Circular Economy Act 2021*. This is helping NSW transition towards a circular economy by phasing out the supply of problematic single-use plastics.

## What is being phased out?

On 1 June 2022 a ban on lightweight plastic bags (ones less than 35 microns thick) came into effect in NSW.

In November 2022 more items will be phased out. We'll be saying goodbye to single-use plastic straws, cutlery, stirrers, plates, bowls, cotton buds, expanded polystyrene food-service items and plastic microbeads in certain personal care products.



The bans also cover alternatives made from biodegradable or compostable materials, and bioplastics. These materials sound 'green' but don't break down as readily as consumers might think.

The bans will prevent nearly 2.7 billion plastic items from entering our environment and waterways over the next 20 years.

The EPA is the sole regulator of the new legislation and bans.

## Education and support

The NSW Government is committed to supporting businesses as they transition from plastics to more sustainable alternatives. It has partnered with the National Retail Association to run an extensive education and engagement program for NSW businesses, through online sessions and in store visits.

The EPA has also partnered with the Civic Futures Lab, which is running the Great Plastic Rescue campaign to help small businesses and community organisation recycle their leftover stock.

Consumers are encouraged to swap single-use plastic items for re-usable and sustainable alternatives. The digital and social media campaign Let's Stop It and Swap It is running until January 2023.

We're committed to a fair and considered approach to regulation, so we're focusing first on awareness and education to help businesses and the community make the switch away from problem plastics. ■



# What matters to us

## Let's get our scrap together



The Scrap Together campaign. Photo: EPA

Forty-three councils in NSW provide a food organics and garden organics (FOGO) service. Residents in these areas can place all food waste and garden waste in their green lid kerbside bins.

But how can we encourage people in these areas to use the services? We pulled together educators from councils across NSW to find the best ways to engage communities. The FOGO Deep Dive Education

Project was established to help councils with a FOGO service recover all available food waste, by designing, developing and testing education materials that encouraged residents to put more food scraps in the green lid bins.

The program revealed that some members of the community didn't know what happened to their waste, some didn't know food waste was accepted in their bins, and some had concerns

about bin hygiene. Only 44% of household FOGO was being disposed of in the green lid bins.



It aims to increase the amount of food waste diverted from landfill.

### Educating the community

We used findings from the FOGO Deep Dive Education Project to develop **Scrap Together** – a community education campaign aimed at increasing the amount of food waste diverted from landfill. Scrap Together explains that all food scraps are accepted, why it's important to keep out contaminants such as plastic bags and packaging, and how to keep caddies and bins fresh.

The campaign was promoted through council communication channels, which allowed for a tailored approach for each community. A successful Scrap Together pilot in three FOGO council areas saw an average of 10% increase in food waste in the green lid bins and lower levels of contaminants.

'It was fantastic to have such high-quality resources produced by the EPA and ready to roll out,' says a representative of Clarence Valley Council.

The campaign has been expanded to more LGAs. In April 2022, \$240,150 in funding was awarded to **11 projects covering 25 councils**. These grants are helping to get more FOGO waste into the right bin. ■

# Tackling illegal dumping



Report Illegal Dumping flyer. Photo: EPA and Waverley Council

## Illegal dumping is a serious problem in NSW.

In 2021–22 we continued to help local councils and other managers of public lands deal with the problem through our Combating Illegal Dumping: Clean-up and Prevention Program. This program sits under the NSW Government's Waste Less, Recycle More initiative.

Round 7 of the program awarded \$1.5 million to 21 projects under two categories:

- funding to support an integrated approach to clean-up and prevention
- funding to help local councils and public land managers capture baseline data of illegal dumping, to identify dumping trends.

The grants target all aspects of illegal dumping.

They fund:

- messaging on local and social media about where to legally dispose of waste
- cameras, signs and lighting at dumping hotspots
- barriers and other enforcement devices
- media and educational material to change illegal dumping behaviour
- surveys and public events to show councils how effective their campaigns have been.

Director, Circular Economy Programs, Kristie Brown says she was impressed with the quality of the projects being funded through the program. 'The successful applicants included a mix of metropolitan and regional council areas across NSW,' she says. 'The projects aim to identify local hotspot sites and tackle illegal dumping to protect the health and environment of our communities.'



These activities led to illegal dumping falling in **7** out of **11** of the identified hotspot streets

Waverley Council in Sydney received a grant of \$107,000 to deliver the *My street is your street* program, which included education for strata residents, better educational resources and more media communications across the local government area. ■

# What matters to us

## Water quality

### Taking a deep dive

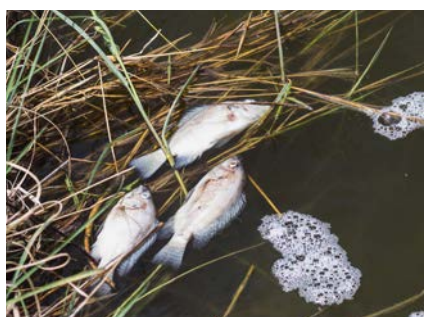


Improving the quality of the State's beaches and waterways was one of our very early successes. Keeping NSW water fit for drinking, cooking, washing, agriculture and recreation is still one of our priorities today.

Water pollution has a range of causes. Chemical spills and contamination, treated sewage discharges and stormwater run-off are common ones, and led to some major water pollution events in 2021–22. The stories in this section show some of what we've been doing to ensure water quality, our third focus area. ■

## Dead in the water

A mass of dead fish in a river is distressing to see. Why does it happen?



Dead fish washing onshore in February.

Many people are quick to identify pollution. But disease, poor water quality and lack of dissolved oxygen are also common causes. Fish kills can result from entirely natural processes, such as flooding or high temperatures, or be linked to human activity, such as chemical releases or excess nutrients degrading water quality.

### What happened on the Parramatta River?

On 3 February 2022, a fish kill was reported at Haslams Creek, a tributary of Parramatta River. Over the next few days more dead fish washed up on the riverbank from Rydalmere to Homebush Bay. In total, some 4,000 fish may have died. Community concern was high, both for the river and for any potential risk to people nearby.

The EPA and Department of Planning and Environment (DPE) worked together to find out what had happened. They took samples from the water and the fish, and set out instruments for continuous monitoring. They didn't find any sign of pesticides in the fish, and the pattern of fish deaths was not consistent with a release of chemicals from an industrial site. Instead, the monitoring showed that oxygen levels were critically low, especially near the bottom of the river – too low for fish to survive. Once reoxygenated, the water was not toxic to organisms.

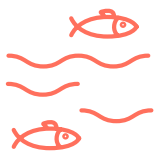


EPA Officer Annaclaire McDonald conducts water tests in Rydalmere. Photo: Aidan Hall/EPA



## Why did it happen?

The low oxygen levels were caused by a combination of natural processes. Intense storms swept organic material such as leaves into the river. Tidal currents mixed sediment with organic material far up into the water. As this organic material decomposed it used up oxygen. In addition, fresh rainwater on the river surface slowed the diffusion of oxygen back into the water. Years of improving the health of Parramatta River has increased the number and diversity of fish in the river, meaning more fish died when oxygen levels fell.



Estimates put the number of dead fish at up to **4,000**

## Following up

City of Parramatta Council and Sydney Olympic Park Authority acted swiftly to remove the rotting fish from the shore. DPE scientists left monitors in place to track oxygen levels in Parramatta River and Haslam's Creek. To reassure the community, a public webpage was set up to release the results of the investigations and the additional monitoring. ■

# Marine Litter Campaign 2022



Don't be a Tosser! display at the Overseas Passenger Terminal.  
Photo: Catherine Khuat/EPA

**Litter harms our environment, wildlife and waterways. Over 80% of marine litter comes from land-based sources. Sea creatures suffer when they swallow litter or get tangled up in it.**

In April and May 2022 we held several Marine Litter Campaign roadshows as part of our Don't be a Tosser! campaign, to explain 'why litter matters' and strengthen the reasons to 'Put our rubbish in the bin'.

Our roadshows ran at high-profile NSW locations including the Sydney Royal Easter Show, the Hawkesbury Show, the Overseas Passenger Terminal in Sydney and Manly Beach. They reached over 30,000 people.

To educate the community, we displayed sculptures of the most harmful litter items found in the marine environment and of animals injured by litter.

Visitors spent a good amount of time interacting with the displays and said that they found the content engaging and confronting, and that it delivered a powerful message.

Learn more about what you can do to reduce litter at **Don't be a Tosser!** ■

# What matters to us

## Safe for swimming



The Parramatta River after heavy rainfall. Photo: Gary Fishlock/EPA

The Parramatta River runs through the heart of Sydney. Thousands of people could easily pop down to it for a dip on a hot day.

However, decades of pollution have meant the river is used less for recreation than it could be. Fishing has been restricted and many swimming sites closed. The EPA is a member of the Parramatta River Catchment Group, which is working to make more parts of the river swimmable again by 2025. 'This is a great example of agencies collaborating for public and environmental benefit,' says EPA's Director Regulatory Operations, James Goodwin.

Four sites – Cabarita Park beach, Chiswick Baths, Dawn Fraser Baths and Lake Parramatta – are already open for swimming and four more – McIlwaine Park, Bayview Park, Putney Park and Bedlam Bay – are being assessed for both swimming and recreation. Assessment has several steps, including determining both the water quality and the potential for contamination, and developing a framework under which councils will manage the sites. As of mid-2022 Bayview Park was on track to open in September 2022.

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'This is a great example of agencies collaborating for public and environmental benefit'

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### Monitoring the swim sites

Rivers are at their most dangerous after floods and other major wet-weather events. Strong currents can stir up potentially contaminated sediments, stormwater can wash in pollution and sewage systems can overflow into the river. The Riverwatch program monitors the safety of the swimming sites along the Parramatta River and advises on their current and predicted state. 'The general advice is to avoid swimming in rivers and waterways three days after any major wet weather events,' says James Goodwin. ■

## Sights on the sites

In May 2022, after much of the State had seen months of heavy rain, we joined the month-long Get the Site Right campaign.

Launched by the Parramatta River Catchment Group, it's a joint initiative of catchment groups, local councils and government agencies that targets erosion and sediment run-off at construction sites.



EPA staff alongside local council examine a construction site in Blacktown as part of the Get the Site Right Blitz Day. Photo: EPA

'Sediment leaving building sites can pollute water and may damage the health of our urban waterways,' says one of our officers in Regulatory Operations, Nathan Hale. 'This is an issue that became front of mind for many people after the large-scale death of fish in the Parramatta River.' (See page 70.)

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## Compliance blitz

Get the Site Right ran a compliance blitz on 19 May. Our focus was supporting local councils, which regulate most small construction sites.

'Several councils – including Blue Mountains, Fairfield, Goulburn, Lithgow, Shellharbour and Wollongong – joined the campaign for the first time this year,' Nathan Hale said. 'Council staff and EPA officers reviewed erosion and sediment controls at more than 140 building sites.' In addition, EPA and DPE officers inspected several large infrastructure projects across Sydney.

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'Council staff and EPA officers reviewed erosion and sediment controls at more than **140** building sites'

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A compliance blitz helps make sure large and small construction sites are meeting their legal obligations to control erosion and sediment. It's also a great opportunity to work with other regulators on shared issues. Spending a day with colleagues from other agencies lets our officers share their knowledge, learn from others, and better understand the regulatory challenges and approaches of each agency. ■

## Legacy and emerging contaminants

# Things that smell bad, look ugly and can **kill** you



**This is the EPA's fourth key focus area – in the words of one of our senior staff.**

In January 2022, our Executive Director of Regulatory Operations Regional, Carmen Dwyer, was visiting western NSW with our new Minister for Environment and Heritage, along with colleagues from other departments who manage national parks and environmental water.

Some of our interagency colleagues showed the Minister the beauty of the Macquarie Marshes and rare birds, and got him to release a bilby. But the EPA took him to scary, more hazardous sites.

As Carmen said wryly to the Minister, 'They've got all the fabulous things that are cute and cuddly and green. What I've got to show you are things that smell bad, look ugly and can kill you.'

This was a timely reminder of all the crucial work we do on contaminants. They may not be cute or cuddly. And the work may not be glamorous. But its importance is undisputed. Because without it, we'd have far less of the things that are cute, cuddly and green. ■



# What matters to us

## Emerging chemicals: what's next?

Industry and agriculture use a huge array of chemicals, and the list is growing. We need to be alert for any sign these substances might harm people and the environment.

Sometimes chemicals have been in use for a while before their risks become evident. The chemical family called PFAS is an example (see page 76). Investigating PFAS contamination in NSW has been a big job.

'In the wake of PFAS, how can we anticipate what the next emerging chemical issue might be?' asks Dr Anna Ramarosandratana, Principal Technical Adviser in

Environmental Solutions CLR. 'With tens if not hundreds of thousands of chemicals in use, how can we proactively anticipate the chemicals and situations that have the potential to cause environmental harm, and then prioritise them so the EPA can target its efforts in the right place?'

'How can we anticipate what the next emerging chemical issue might be?'

### Developing a framework and tools

We're working to create a framework for emerging chemical issues: a robust, evidence-based way of identifying emerging chemicals of concern and chemical issues, and of assessing their relevance to, and importance for, NSW.

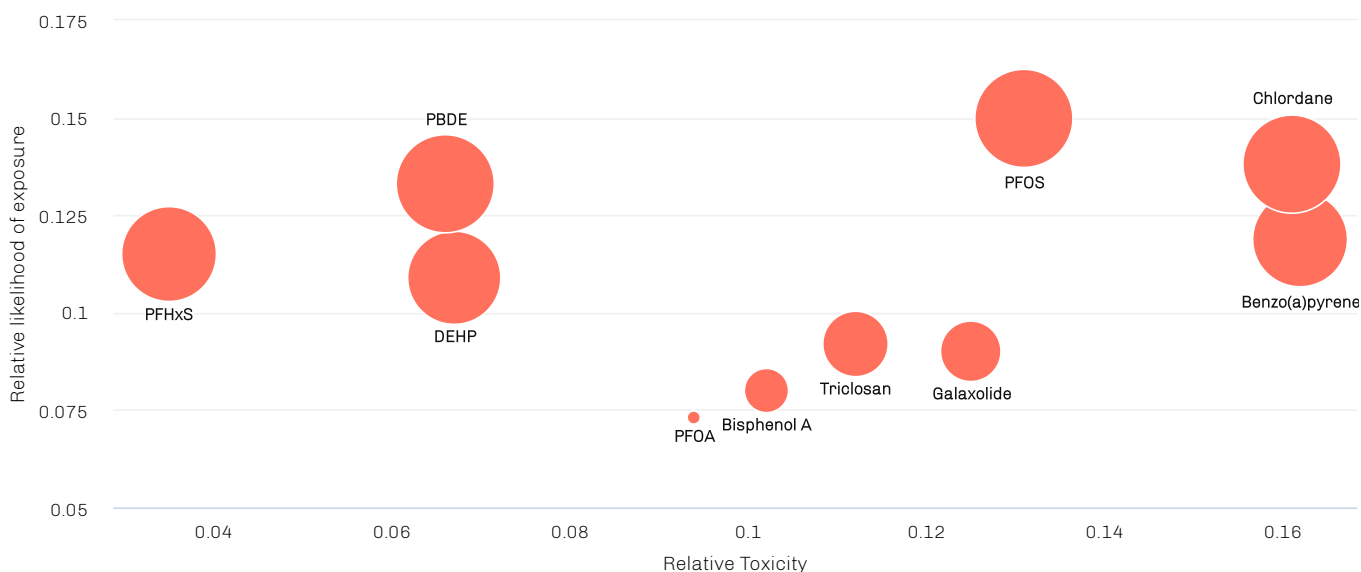
We began by developing a 'bubble diagram' – a tool that evaluates chemical toxicity, exposure and emerging concern to prioritise chemicals against one another.

For this work we look to see which issues regulators around the world are facing, and what research scientists are learning about chemicals and the risks they might pose.

### Microplastics under the microscope

'Microplastics are on our radar as an emerging issue,' says Dr Julie Cattle, Unit Head in Environmental Solutions CLR. 'They transport and release chemicals, and they also have adverse physical and biological effects. There's emerging evidence that they're present in recovered wastes that are beneficially applied to land and we really need to understand the magnitude of this issue. ■

### Prioritisation of a selection of chemicals of emerging concern in wastewater



## Site auditor scheme



The NSW site auditor scheme provides a pool of accredited site auditors who can independently review work done by contaminated land consultants.

Auditors are part of a process that protects people's health and the environment. When contaminated land is going to be developed for a new use, councils and other planning authorities must make sure it is assessed and suitably remediated. The independent review by an auditor provides them and the community with confidence that this has been done properly.

We administer the site auditor scheme and grant site auditors their accreditation. Anyone who wants to become a site auditor must go through our rigorous assessment process. Applicants have to be highly knowledgeable and experienced in contaminated land management and have a great deal of technical expertise. They must submit a detailed application and pass both an exam and an interview.

We invite applications from would-be auditors about once every three years. As at 30 June 2022 there were 44 accredited site auditors in NSW and another intake is under way. ■

## Asbestos: tackling an ongoing problem



**This year 16 teams across six EPA divisions worked on 33 projects related to asbestos. But what's the problem with asbestos and why do we pay it such attention?**

### What is the problem?

Asbestos is a naturally occurring mineral with many desirable properties that was widely used in construction last century. Asbestos is low risk as long as it is in good condition and not disturbed. However, if asbestos fibres become airborne, they can get into your lungs and cause cancer and other diseases. In Australia, the use of asbestos in residential buildings was phased out by 1990, and its importation and use was banned completely in 2003. Yet Australians are still dying from asbestos-related disease: more than 4,000 each year, it's estimated – triple the annual national road toll.

Asbestos-related disease is set to burden us for over a century unless we take more action.

The use of asbestos in residential buildings was phased out by 1990

### Setting our directions

To tackle the unhappy legacy of asbestos, in 2019 the EPA published the *NSW Asbestos Waste Strategy 2019–21*. All strategy actions were delivered by 2021. Some of them will also carry on through the *NSW Waste and Sustainable Materials Strategy 2041: Stage 1 2021–2027* and *Asbestos in NSW: Setting the Direction 2021–22*. The latter document is an EPA-led, whole-of-government statement, released in November 2021 on behalf of the NSW Asbestos Coordination Committee.

# What matters to us

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## What we're doing

The Direction statement highlights five immediate priorities for action in 2021 and 2022. The EPA has played a lead role in the delivery of all five. In particular, to address

**Priority 4: Improving asbestos awareness**, we developed and launched a statewide public awareness campaign, informed by behaviour-change science. Social research we commissioned showed that many

do-it-yourself (DIY) renovators and tradespeople don't know they are exposing themselves and their families to asbestos. The 'Be Asbestos Ready' campaign is helping remedy this. ■

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# Making progress in the fight against PFAS

## First of all, what's PFAS?

PFAS stands for per- and poly-fluoroalkyl substances. It's a group of over 3,000 heat-, water- and stain-resistant chemicals used in lots of things, most notably in firefighting foams.

The EPA leads the NSW Government's response to PFAS across the State. Throughout 2021–22 we continued to assess sites where PFAS might have been used in the past, to better understand the extent of PFAS use and manage contamination. These sites included ones managed by NSW Fire and Rescue, NSW Rural Fire Service, Airservices Australia and the Department of Defence.



Throughout 2021–22 we continued to assess sites where PFAS might have been used in the past

## Responding to PFAS

PFAS chemicals are very stable. They bioaccumulate, do not easily break down, and can persist for a long time in the environment. However, finding PFAS in the environment does not mean there is a human or ecological health risk. The NSW Government adopts a precautionary approach to help reduce people's exposure to PFAS. Where there is a high concentration of PFAS, the response typically includes limiting groundwater use and the consumption of home-grown animals and their produce (such as chickens and their eggs).

For example, this was the approach adopted at a residential property in Sydney where the backyard had been contaminated by PFAS from a nearby fire station. Remediation was carried out swiftly (and at the polluter's expense).

It included excavating the backyard and creating new, raised garden beds so the owners could continue growing vegetables. The resident hen, Patricia, received a new chicken

coop on clean soil so she could go on laying healthy eggs.



Patricia is now a happy chook after the PFAS remediation of her coop. Photo: EPA

## Regulating firefighting foam

The EPA has policies aimed at reducing the potential impact of PFAS. The Protection of the Environment Operations (General) Regulation 2021 includes provisions designed to reduce the discharge and sale of certain types of firefighting foam containing PFAS. We're providing guidance to help users comply with these restrictions. ■



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## Making sure **fin**es are fine



### What are recovered fines in skip bins all about?

Well, they have nothing to do with infringement notices. They're actually the fine and dusty sand or soil detritus that ends up in the bottom of skip bins, usually from construction and demolition activities.

The reason this can be an environmental issue is because these 'crumbs' can contain dangerous materials such as asbestos.

When the fines are processed into soil supplements, so are the contaminants – and they end up with gardeners and landscapers.

A 2019 review raised concerns for the EPA about the quality of recovered fines at processing facilities and about how contaminant testing was occurring.

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### These 'crumbs' can contain dangerous materials such as asbestos

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To ensure compliance, the EPA proposed the tightening of regulations around asbestos and the blending, screening and retesting of waste to lift the standards and improve quality control, quality assurance and the tracking of waste.

We also spoke with the many stakeholders who may have been affected by these changes including laboratories, recyclers, landscapers, the construction industry and skip bin owners.

Following this, the EPA decided not to move ahead with the proposed changes to the rules governing how recovered fines are managed and recycled. Instead, we'll focus on waste industry education, monitoring and compliance to improve environmental outcomes. ■

# What matters to us

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## The greatest threat



### **Climate change. It's here and it's happening all around us.**

It affects the air we breathe, the water we drink, our weather patterns, food security, industry supply chains, financial markets, and all the natural, economic and social systems we've come to depend on. It damages our infrastructure and harms both our health and the health of other living things.

Our planet has warmed by about 1°C since industrialisation (taking 1850–1900 as the baseline period). And it's on track to warm further. This will mean more serious and frequent heat extremes and bushfires, fewer cold extremes, rising sea levels, melting glaciers and warming oceans.

The World Health Organization calls climate change the greatest threat to global health in the 21st century.

### **Our role in countering climate change**

One way or another, a lot of our work relates to climate change.

'The EPA has a two-pronged approach to mitigating the effects of climate change,' says our Executive Director for Engagement, Education and Programs, Liesbet Spanjaard. 'A lot of our programs are designed to help prevent the effects of climate change, especially in the waste space. We also manage the clean-up and recovery efforts of major climatic events like bushfires and floods.'





weather events have been linked to climate change. And the catastrophic bushfires of 2019–20 were promoted by high temperatures and prolonged dry weather, also attributed to climate change. Nearly three years on from those fires we're still providing support for the clean-up efforts, through five major recovery programs.

### A formal action plan

In August 2021 the Land and Environment Court ordered the EPA to take steps to safeguard against climate change. This was after a bushfire survivors' group, Bushfire Survivors for Climate Action, argued to the court that the EPA hadn't been doing enough to curb greenhouse-gas pollution of the atmosphere. In response, we're developing a formal climate change action plan. The court ruling has only served to strengthen our resolve to work with government, industry and the people of NSW in reducing emissions. ■

In 2021 the NSW Government released the *NSW Waste and Sustainable Materials Strategy 2041: Stage 1 2021–2027*. This document explains how NSW will transition to a circular economy. It focuses on cutting the State's emissions of greenhouse gases such as carbon dioxide and methane, which are major culprits in warming the atmosphere.

Diverting materials from landfill is the ultimate objective of many of our programs and policies such as *Love Food Hate Waste*, *Bin Trim*, NSW's 20-year waste strategy, the *New South Wales Plastics Action Plan* and *Remanufacture NSW*.

Under the State's *Net Zero Plan Stage 1: 2020–2030*, the EPA is working to make sure activities in NSW take at least as much greenhouse-gas pollution out of the air as they put into it. This is the bedrock for other State actions on climate change.

We were very busy in 2022 with recovery and clean-up efforts after the floods that affected northern NSW and communities around the Hawkesbury and Nepean rivers. These extreme



'The EPA has a two-pronged approach to mitigating the effects of climate change'





# What matters to us

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## Going carbon neutral

We've started our journey to become a carbon neutral government agency.

Our Carbon Neutral Working Group is looking to change processes and behaviour within the EPA. And that in turn will be another step towards achieving the NSW Government's Net Zero Plan Stage 1: 2020–2030.

The working group has 18 members from across the EPA. It has identified key

areas where real change can be made: transport, data collection, working from home, procurement and communications.

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'The Carbon Neutral Working Group is passionate and active'

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'The Carbon Neutral Working Group is passionate and active,' says Audrey Yim from the group's communications team. 'There's been sustained interest in participating. It just matches the values of the staff.'

This year we also engaged consultancy 2XE to advise on how we can reduce our carbon footprint. 2XE found most of our carbon emissions are from electricity use (55%)

and fuel-driven fleet vehicles (21%). It suggested three major changes: using light sensors and energy-efficient equipment in the office; using hybrid or electric vehicles for our car fleet; and switching our energy supply to renewable sources. ■



Our vehicles are currently transitioning to hybrid and electric. Photo: Nerida Green



Creek landscape, Brayton NSW. Photo: Anne Claire Collee



# What we've achieved



Ryde Bridge, Parramatta River,  
Dharug Nation, NSW

# What we've achieved

## Celebrating milestones

# Thirty years of making a difference

In March 2022 the EPA turned 30.

The significant milestone was marked in many ways: a large all-staff event, speeches and presentations, and the planting of a commemorative tree in Sydney's Centennial Park. Special EPA cupcakes also helped mark the occasion.



We've stopped cruise ships from polluting our harbours with high-sulfur fuel.

In 2011 we investigated and prosecuted Orica for its dangerous chemical leaks from its plant on Newcastle's Kooragang Island on Awabakal Country, an incident which led to enhanced powers for the EPA.

In 2015 we spearheaded the clean-up of the Wollangambe River, removing thousands of tonnes of coal fines from Clarence Coal Colliery. The clean-up involved 14,000 hours of labour and 800 helicopter flights.

'The Board is justifiably proud of the EPA and its people,' said EPA Chair Rayne De Gruchy.

We've enforced countless remediations of industrial sites at Botany, Cockle Creek, Newcastle, Homebush Bay and many other locations across the State.

We've regulated forestry and logging, particularly in our coastal and central western native forests, putting in place an innovative program to deal with the pollution these activities can create. After the 2019–20 bushfires we developed site-specific rules to help protect recently burnt coastal forests.

We've created innovative programs encouraging waste avoidance and waste minimisation, working with councils and the community.

We've addressed illegal dumping by bringing in new waste legislation and sending out regional illegal dumping squads.

In 2017, we created the hugely successful *Return and Earn* container deposit scheme, which has now seen more than seven billion containers returned.



Planting the EPA tree at Centennial Park. Photo: Mark Pallot/EPA



A/CEO Jacqueline Moore at the birthday event. Photo: Mark Pallot/EPA

'Thirty years ago, by an act of parliament, the EPA was formed,' said NSW Minister for Environment and Heritage, James Griffin. 'Today, people have an environmental defender they know and love.'

But most inspiring of all was reflecting on our rollcall of achievements, many of them hard-won. Turns out we've done a lot in 30 years.

We've improved water quality of the State's beaches and waterways, something former EPA Director General, Lisa Corbyn, described as 'one of the proudest moments we've had'.








We've delivered Australia's largest waste recycling program, *Waste Less, Recycle More*, which included community recycling centres and successful campaigns such as *Love Food Hate Waste* and *Hey Tossler!*

That's a lot to celebrate. And a lot to be proud of. 'These are not things that are easily won or held,' said former NSW Environment Minister, Tim Moore. 'They need to be

continually fought for and the EPA has been very strong in making that case to government, in ensuring that money is well spent and targeted to what's going to make a difference.' ■

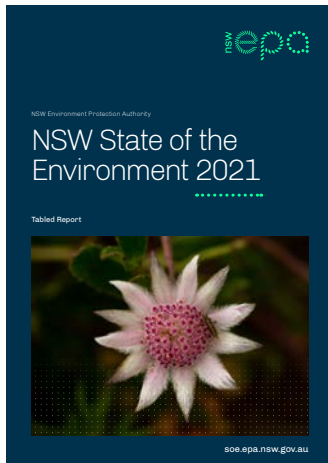
## In for the long haul

Five long-term EPA staff members share their memories and thoughts.

 <p><b>James Allen</b> Regulatory Operations Metro</p>	<p>Starting year <b>1992</b></p>	<p>'My most vivid and fondest memories are from when I was a young operations officer in the early '90s. Doing site inspections at some of the biggest and most iconic industrial and manufacturing plants in Sydney, experiencing the scale of their plant and operations up close, was often mind-blowing and incredible!'</p>
 <p><b>Patricia Fabiano</b> Regulatory Practice and Environmental Solutions</p>	<p>Starting year <b>1992</b></p>	<p>'I've thoroughly enjoyed working at the EPA because of what it stands for and the people it attracts. I'm proud to be working in an organisation that is effective and innovative. Most of all, I've been honoured to have worked with – and continue to work with – many dedicated and brilliant people.'</p>
 <p><b>Peter Lawson</b> Regulatory Policy, Initiatives and Advice</p>	<p>Starting year <b>1992</b></p>	<p>'The people at the EPA are dedicated and professional and the work we do really makes a difference. It's hard to imagine such a rewarding career anywhere else.'</p>
 <p><b>Tim Riding</b> Regulatory Practices and Environmental Solutions</p>	<p>Starting year <b>1993</b></p>	<p>'I've stayed at the EPA for a long time as water quality issues are always interesting, ever-changing and so important for public health, the economy, recreation and ecosystems.'</p>
 <p><b>Winston Wickremeratne</b> Regulatory Operations Regional</p>	<p>Starting year <b>1993</b></p>	<p>'It's been a great pleasure to work with like-minded, passionate and dedicated people in the EPA, committed to protecting and sustaining the environment we live in for future generations.'</p>

# What we've achieved

## A three-yearly report card of the environment



Our most recent *NSW State of the Environment* report was officially launched in February 2022.

The report gives a snapshot of environmental conditions in NSW and comes out every three

years. We compile and publish it, but many agencies – Forestry Corporation of NSW, Hunter Water Corporation, Transport for NSW and others – provide input.

'*NSW State of the Environment* is always a mammoth undertaking, but important for NSW,' says Rick Noble, Manager of the Knowledge, Strategy and Reporting team that produces the report.

The most recent report is the second to be housed on a purpose-built website. This allows for lots of interactive features such as graphs, charts and maps. And, importantly, we included Aboriginal perspectives, an acknowledgement of the deep

connection Aboriginal people have to the land, water and sky. Including their perspectives also led to the EPA adopting a *Statement of Commitment to Aboriginal People*, which acknowledges Aboriginal people as the enduring custodians of the land, sea, waters and sky of NSW.

'We're very excited about having Aboriginal perspectives in the 2021 report,' Rick Noble says. 'Aboriginal people have cared for Country for thousands of generations, and we are grateful to the members of the State of the Environment Aboriginal Peoples Knowledge Group for their valuable insights.' ■

## Seven billion containers and counting

Seven billion containers! That's how many had gone through the NSW Container Deposit Scheme, *Return and Earn*, by 24 February 2022. Placed end-to-end they'd reach to the Moon and back.

Over **717,000** tonnes of materials have been recycled.

When *Return and Earn* launched in late 2017 no-one could have predicted this success.

The NSW public has embraced the scheme, with more than three-quarters of adults having

used it. There are more than 620 return points across the State.

And more than \$30 million has been returned to charities and community groups via donations and fees from hosting return points.



The network operator's contract has been extended until December 2026 and soon we'll see even more return points, with more flexibility and automation. NSW residents will find it even easier to return the next seven billion containers. ■

**717,400**



tonnes of materials have been recycled since commencement

**620+**

return points across the State

**78%**

of adults have participated in the scheme

**89%**

of people support the scheme

**82%**



satisfaction rate among participants

Over **\$30 million**



returned to charities and community groups via donations and fees from hosting return points

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## Responding to incidents

# After the rains



River clean-up crews collect and remove debris washed away during the floods along the Tweed River and transport them to a central hub. Photo: EPA

When the 2021 March floods created debris and waste across NSW, the EPA quickly formed response teams for the massive recovery and clean-up efforts.

The teams were challenged again when record-breaking rain lashed the State in February and March 2022, putting communities under water in northern NSW and along the Hawkesbury and Nepean rivers.

Manager of our Flood Programs team, Martin Puddey, is clear that this is part of the reality of climate change. 'We need to be prepared for more flood events like this,' he says.

Flood waste and debris includes natural hazards – trees and animal carcasses – and man-made ones such as chemical containers, plastics, gas bottles, fridges, water tanks, building parts, tyres and fuel.

## What have the flood recovery teams been doing?

Shoreline and land-based clean-ups are being managed differently. For the debris washed onto shorelines and into rivers, the EPA has engaged specialist contractors whose crews remove waste using boats, cranes, barges, 4WD vehicles and hand picking. Between April 2021 and May 2022 we removed more than 11,000 cubic metres of flood debris from shorelines and waterways – the equivalent of 137 semitrailer loads.

Of this, more than 8,500 cubic metres was removed from beaches on the Central and Mid North Coast, and the Hawkesbury River and surrounds. A further 2,500 cubic metres of debris was cleared from the north of the state, including the beaches around Ballina, Cabbage Tree Island and the Northern Rivers.

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We removed more than **11,000** cubic metres of flood debris from shorelines and waterways – the equivalent of **137** semitrailer loads

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We try to re-use or recycle as much collected flood debris as possible rather than have it go to landfill. The first step is to sort debris at our waste collection areas. Natural debris, such as logs, can be mulched and returned to local councils and land management groups for community landscaping. Some man-made items are also spared a one-way ticket to the landfill: for example, gas cylinders still in good repair are sent back to their manufacturers to be refurbished and re-used.

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Underwater debris is a **navigational hazard** that can damage boats and hurt swimmers and other recreational water users.

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It ranges from green waste to objects as large as a *Return and Earn* reverse-vending machine – a 20-foot shipping container! (See page 87.) Contractors find these items with sonar scanning then the shoreline team removes them. Sometimes a combination of crane barges, punts and commercial divers using underwater chainsaws is needed to remove trees at a safe level below the surface. This complex work is done in consultation with other agencies such as Transport for NSW, Maritime and Department of Primary Industries – Fisheries. Advice from these agencies helps balance the



# What we've achieved

need to remove navigational and safety risks against the loss of aquatic habitat.



For the land-based clean-ups,

we've concentrated first on public land with the help of a land management consultant. We've been working through council reserves and parks to remove the man-made debris.



Heavy machinery is used in the clean-up effort along the Tweed River. Photo: EPA

## We're also helping the community

Local councils bear the weight of most of the clean-up. We're talking to local councils about what they need and how we can help. We first directed help to councils with significant reports of flood debris. The clean-up then continued in other flood-impacted local government areas.

After the initial focus on public land, the land-based program expanded in July 2022 to include the clean-up of eligible large or hazardous man-made debris on private land across flood-affected communities.

This helped those landowners without the skills, capacity, specialist equipment or money needed to remove flood waste and debris. ■

## Helping communities at flood recovery centres

After the floods in March and April 2022 we teamed up with other government agencies to support affected communities.

We stationed our staff at flood recovery centres set up to support the community with accommodation, health services, financial assistance and advice.



Water levels in Broadwater reached halfway up buildings. Photo: Steve Orr/EPA

Residents could visit the centres in person and speak to government agency representatives directly. Most of their questions to the EPA were about the clean-up process and asbestos.

Our staff also worked at Recovery Coordination Centres as liaison officers to coordinate flood recovery efforts quickly and effectively. At these centres, government agencies worked together as one team and were able to respond to any matter. ■

## Clean-up at Broadwater

Broadwater is a small town in the Northern Rivers region of NSW. When the entire town went under water, two large diesel storage tanks and waste oil from local industries mixed with the floodwater, polluting homes and soil.

We engaged a specialist environmental consultant, GHD, to manage the clean-up and help residents directly.



24 homes were professionally cleaned using biodegradable detergent.

We also conducted a rigorous soil sampling program and worked with residents to develop and implement action plans to remediate soils. Many residents have thanked us for our efforts. ■

## Cabbage Tree Island clean-up

In March 2022 we supported the Cabbage Tree Island community to clean-up after the floods. The residents warmly welcomed the clean-up crews who also engaged local cultural knowledge holders to guide the work that was carried out. This involvement helped the community that had endured repeated floods. ■

# Saving Ernie



The crane lifting a waterlogged Ernie out of the river. Photo: Nicholas Payne/EPA

**In March 2022 rising floodwater in the northern NSW town of Murwillumbah wrought havoc on the town's reverse-vending machine, nicknamed 'Ernie'.**

Ernie was part of the EPA's *Return and Earn* recycling program. He was a hefty piece of infrastructure – basically a fitted-out shipping container.

But the water's power split Ernie apart and swept his pieces away like toy boats.

Half of him was found 5 km downriver near the local sugar mill while the other half ended up 10 km away in another village. The two pieces were completely submerged, posing a hazard to river users.

Salvaging Ernie was a complex operation, involving many agencies. First his pieces had to be found – no easy task. Then they were raised to the surface with special flotation devices. Finally, a huge crane winched them from the water. Sadly, Ernie was too damaged to repair. His raw materials will be re-used and recycled.

A new reverse-vending machine has now taken his place. The people of Murwillumbah can once again earn money while helping the environment. ■



# What we've achieved

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## The Wickham fire



Photo: Fire and Rescue NSW

**On 1 March 2022 a large fire broke out at a storage facility in the inner Newcastle suburb of Wickham, on Awabakal Country.**

The roofs of the burning buildings contained asbestos, which the smoke plume carried to neighbouring areas. As a result, hundreds of nearby homes and businesses had to be evacuated.

An emergency operations centre was established the day after the fire. It brought together representatives from the EPA, NSW Police, Fire & Rescue NSW (FRNSW), Public Works Advisory, NSW Health, Hazmat Services and the City of Newcastle. The key agencies quickly mobilised and started the huge task of cleaning up homes and public areas.

The EPA received over 400 reports related to this fire through Environment Line.

'A key concern residents had was about asbestos possibly contaminating their homes and yards and what impact that might have on them,' said Senior Engagement Officer Jamie Ferguson. 'All agencies worked together to get evacuated residents back home as quickly as possible and then we focused on the homes most affected.'

Air monitoring was carried out daily in areas where asbestos was being removed. Reassuringly, there were no detections of asbestos fibres in the air above normal background levels.

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Within two weeks of the fire more than 130 households had been given the all-clear to return home.

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With the help of other key agencies, we hosted community drop-in sessions where residents were invited to ask questions and share their concerns. It was a great way to keep the community up to date about the clean-up efforts. We also distributed flyers to over 3,500 properties.

We spoke with environmental scientists, doctors and the local health district authorities to help with our health messaging and ease residents' minds about the health risks. ■



# Bushfire recovery programs



Conjola National Park. Photo: EPA

**We've delivered five major programs to help communities recover from the 2019–20 Black Summer bushfires.**

These programs, the majority of which are now nearing completion, have given sustained support for recovery and clean-up to local councils, public land managers and Local Aboriginal Land Councils.

- **The Green Waste Clean-up and Processing Program** targets bushfire-generated green waste, including fallen trees and branches. In 2021–22 this program provided \$25.2 million.
- **The Aboriginal Lands Bushfire Recovery Program** helps with the clean-up of bushfire-generated waste and deterrence of illegal dumping. This program is a partnership between the EPA, Public Works Advisory and Local Aboriginal Land Councils. Funding has been provided in two rounds, going to nine Local Aboriginal Land Councils in the first round and 19 in the

second round. In 2021–22 this program funded works to the value of \$4.1 million.

- **The Bushfire Dumping Program** provides funds to public land managers to deal with dumped bushfire waste, now and in the future. In 2021–22 grants totalled \$1.1 million.
- **The Bushfire Recovery Program for Council Landfills** helps ensure that councils are not disadvantaged by accepting bushfire waste for disposal at their landfill. It also provides funding to improve landfill facilities. In 2021–22 grants totalled \$3.9 million.
- **The FenceCycle Program** helps with the collection and recycling of the metal components of burnt rural fencing. This program has provided \$989,000 so far.

These programs are funded by either the NSW Government or the joint Commonwealth–State Disaster Recovery Funding Arrangements. ■

## Supporting initiatives

### Recycling plant boosts the **circular economy**



**A \$45-million plastics recycling plant opened in Albury in March 2022. It's Australia's largest recycling facility of its kind and can process up to 28,000 tonnes of plastic a year – the equivalent of 114,000 plastic bottles an hour or one billion a year!**

The EPA provided \$4.8 million for the new facility – more than 10% of the total cost – as a grant from our Major Resource Recovery Infrastructure Program.

Other contributors were Pact Holdings Ltd, Cleanaway Waste Management Ltd, Asahi Beverages and Coca-Cola Europacific Partners.

Acting CEO Jacqueline Moore was at the facility's opening. 'It's exciting to see this huge new facility being formally opened, knowing the EPA played an important role,' she said. 'It not only represents a big step towards a circular economy but will also create employment in this region.' ■

# What we've achieved

## Long-time support



Robyn Smith, from Incident Management and Environmental Health, at the EPA's booth. Photo: Danyelle Carter/EPA

The Coffs Harbour Waste Management Conference has been held annually since 1996 and the EPA has been a proud sponsor for over twenty years.

'We had a commitment to be there on the frontline and answer people's questions directly,' says Danyelle Carter, Unit Head Local Government in our Circular Economy Programs branch.

The event is widely considered to be Australia's leading waste management conference. It provides a venue at which industry, local government and other stakeholders can meet, talk and learn about the latest developments in waste management and resource recovery. The EPA has provided

speakers, booths and financial support to the event as part of our ongoing commitment to work collaboratively and engage with our stakeholders.

The 2022 event was back to full capacity after a break caused by COVID-19. Of the 662 attendees, 559 were present in person and 103 joined online.

The EPA presented on the new 20-year waste strategy, litter, illegal dumping, food and garden organics, Indigenous waste management and the circular economy. We took part in panels on managing disaster waste, extended producer responsibility and *Return and Earn* (the NSW Container Deposit Scheme). People came to our large booth to talk with us about topics they were passionate about. ■

### Preventing issues

## Getting the jump on problem pong

The old adage is true: prevention is better than cure. Knowledge gained from past experience can show us how to keep a problem from happening again.

For example, every year we get complaints about horrible smells. From investigating these we've learned which conditions promote problem pong – for instance, lots of rain.

### Spring Odour Campaign

In 2021 the spring rainfall was forecast to be higher than normal. We knew a wet spring could also be a stinky one in some areas, due to a build-up of leachate, effluent and wastewater at odour-prone facilities.

So to prevent this we created the Spring Odour Campaign – a proactive approach. We wrote letters to licensees at high-risk licensed facilities, surveyed them by phone and made follow-up inspections.

Fortunately, we didn't find any conditions of major concern. We'll keep monitoring licensed premises at times of heavy rainfall to make sure wet-weather contingency measures are working.



## Hunting down a stink

When an offensive odour does strike, we're on the case. In March 2022 we got a spate of calls from residents around Minchinbury in Sydney's west.

Our monitors detected a spike in hydrogen sulfide, which was traced back to the nearby Bingo waste facility. Bingo reported that heavy rains were causing the odours. We eventually issued Bingo with a prevention notice.

Our operations officers now patrol the area regularly to make sure the problem doesn't come back.



We rely on the community to be our eyes, ears and especially noses

## Help us with your nose!

In the Spring Odour Campaign we stressed to the community that we want people to report bad smells. We rely on the community to be our eyes, ears and especially noses, so we can continue to learn from these events and pre-empt them. ■



EPA officer inspecting effluent management ponds at an intensive livestock facility. Photo: Matthew Davidson/EPA

## Tracking radioactive sources from cradle to grave



Radioactive sources are used in medicine, research and industry. These sources need to be monitored and safely disposed of.

EPA radiation management licences require owners to list all their radioactive sources, from when they are acquired until they are sold or disposed of.

Before a radioactive source can be disposed of, the EPA must give consent. Before it can be removed from the radiation management licence, the applicant must notify us of the disposal path and provide evidence that the source has reached its destination. ■



# What we've achieved

## Stopping truck fires before they start

More than 200 trucks catch fire in NSW each year.

Cargo and vehicle may be totally destroyed. And water or any other substance used to put out the blaze contaminates nearby land and watercourses.

Truck fires involving dangerous goods can turn into major incidents. The EPA regulates to make sure dangerous goods are transported safely. We saw an opportunity to help the transport industry prevent truck fires.

We engaged a consultant who specialises in forensic truck fire investigation. He identified the main causes of truck fires and we built this information into a public guide. The guide applies to all heavy vehicles such as trucks and buses, not just to trucks carrying dangerous goods.

The guide is aimed at workshop managers but is also useful for inspectors, maintenance workers and drivers. It says what to look for to prevent fires and what to do when there is a fire.



We published the *Preventing Fires – Truck Inspection Manual* in June 2022 and will distribute it widely to industry in July and August 2022. ■



A burnt-out truck. Photo: EPA



Petrol tanker fires are very hard to put out and can cause significant pollution. Photo: Fire and Rescue NSW.

Prosecuting polluters

# Holding polluters to account



Of the completed prosecutions, 56 were for substantive offences. Here our prosecution success rate was 100%. The other nine prosecutions were for court-elected matters where recipients of penalty notices for littering chose to have the matters determined by a court instead of paying the fine.

The 56 substantive prosecutions resulted in the outcomes below.

**52 convictions**

**4 matters** where the offence was proven but a conviction was not recorded.

The nine court-elected littering prosecutions resulted in the outcomes below.

**6 convictions**

**1 matter** where the offence was proven but a conviction was not recorded

**2 dismissals**

Appendix B provides details of the substantive prosecutions completed under EPA legislation in 2021–22. ■

The EPA has responsibilities and powers under environmental legislation to protect the environment and public health. We hold individuals and organisations to account when their actions pose significant potential or actual threats to human health and the environment.

## Prosecutions

This year we conducted successful prosecutions for environmental offences related to areas including:

- water pollution
- breaches of environment protection and biodiversity conservation licences
- illegal waste disposal and storage

- radiation
- transport of dangerous goods
- native forestry.

We began 100 prosecutions and completed 65, of which 63 were successful. The courts imposed \$2,339,602 in financial and other penalties.

### Value of penalties imposed for EPA prosecutions

Fines	\$2,074,660
Other financial penalties (excluding legal costs)	\$264,942
<b>Total fines and other financial penalties</b>	<b>\$2,339,602</b>

# What we've achieved

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## Enforceable undertakings

**Enforceable undertakings are an enforcement tool that can be used instead of prosecution.**

Through an enforceable undertaking we can secure outcomes such as:

- environmental restoration measures
- improvements to a company's environmental systems
- a monetary contribution to an environmental project or initiative
- publicising events in industry – or location-specific publications.

These undertakings are enforceable in the Land and Environment Court.

This year we entered into three enforceable undertakings. These required the parties to take corrective actions and make monetary contributions

(totalling over \$1.2 million) to environmental projects and initiatives. Appendix F summarises key actions and contributions. ■

## Minister's role

In line with section 13(2) of the *Protection of the Environment Administration Act 1991*, the EPA is not subject to the control and direction of the Minister regarding any decision to institute criminal or related proceedings under environment protection legislation. However, we keep the Minister informed of the progress of significant investigations and prosecutions. ■

## Legislative changes in 2021–22

**The *Environment Legislation Amendment Act 2022* is the most significant environmental reform of the last five years.**

We developed the Act to update the environment protection legislation we administer and ensure that the law keeps pace with changes in the world: emerging environmental and human health issues, changing criminal behaviours, and new models. The Environment Legislation Amendment Act makes changes to seven Acts and two Regulations. The effects of these changes are described on page 48 (Closing loopholes). ■



Minister for Environment and Heritage, the Hon James Griffin, with A/CEO Jacqueline Moore at the EPA's 30th birthday event. Photo: EPA



# Prosecution case studies

The following case studies provide insight into the range of offences the EPA regularly prosecutes and highlight significant outcomes in the courts.



## CASE STUDY

### Cleanaway Equipment Services Pty Ltd

**Offence:** Two offences of water pollution and one offence of failing to notify of a pollution incident that caused or threatened material harm to the environment.

On 14 May 2020, due to failures of certain valves, 2,500 litres of kerosene solvent escaped from Cleanaway's premises in Queanbeyan into the stormwater system and the Molonglo River. Despite becoming aware of the pollution incident at approximately 12 pm on 14 May 2020, Cleanaway did not notify the EPA until 5 pm that day. Pollutants were pumped out of the river on 15 May 2020 and returned to the premises, where 1,500 litres of polluted waters again escaped the premises due to the same valve failures, and the pollutants flowed into the river. The incidents caused actual harm to the environment and significant short-term impacts on macroinvertebrates in the river.

**Plea: Guilty**

**Result:** In April 2022 the Land and Environment Court convicted Cleanaway Equipment Services Pty Ltd of two offences of water pollution and one offence of failing to notify of a pollution incident that caused or threatened material harm to the environment.

Cleanaway Equipment Services Pty Ltd was ordered to pay:

- \$617,500 in total fines, 50% of which was required to be paid as moiety to the EPA
- the EPA's investigation costs of \$110,778
- the EPA's legal costs.

Cleanaway Equipment Services Pty Ltd was ordered to publicise details of the offences in *The Australian Financial Review*, *The Canberra Times* and *Inside Waste*, and on Facebook and Twitter. ■



# What we've achieved



## CASE STUDY

### Forestry Corporation of New South Wales

**Offence:** Three offences of failing to comply with requirements imposed by an integrated forestry operations approval.

In April and May 2019 Forestry Corporation of New South Wales carried out licensed native forestry activities in Compartment 3133 of Dampier State Forest, near Bodalla. During harvesting operations, Forestry Corporation of New South Wales failed to mark an environmentally sensitive area in the field as an exclusion zone.

The area was required to be excluded from harvesting to protect a potential subterranean bat roost, namely of the Eastern horseshoe bat.

As a result, trees were felled within and around the exclusion zone and harvesting machinery was used in the exclusion zone.

The harvesting operations did not cause actual harm to the potential subterranean bat roost, but probably caused minor harm to any Eastern horseshoe bats roosting at the time.

#### **Plea: Guilty**

**Result:** In June 2022 the Land and Environment Court convicted Forestry Corporation of New South Wales of three offences of failure to comply with requirements imposed by an integrated forestry operations approval.

Forestry Corporation of New South Wales was ordered to pay:

- \$185,000 in total fines, 50% of which was required to be paid as moiety to the EPA
- \$45,000 to the Australasian Bat Society Inc. for the purposes of the project titled *Preliminary Assessment of the Impacts of a 2019/2020 Wildfire on a Key Roost of the Eastern Horseshoe Bat on the South Coast of NSW*

- the EPA's investigation costs of \$8,000
- the EPA's legal costs.

Forestry Corporation of New South Wales was ordered to publicise details of the offence in *The Australian Financial Review*, *The South Coast Register*, *The Bay Post/Moruya Examiner*, *Australian Forests & Timber News* and *Australasian Timber Magazine*. Forestry Corporation of New South Wales was also ordered to engage a registered training organisation (RTO) to undertake an audit and training of authorised persons and provide the EPA with a written report outlining the outcomes and any recommendations made by the RTO. ■



The Eastern horseshoe bat. Photo: Brian Tolhurst/DPE



# Finances



Dunns Swamp on the upper  
Cudgegong River, Wollemi National  
Park, Wiradjuri Nation, NSW



# Finance

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## CFO Statement



The EPA has achieved a responsible financial outcome for the 2021–22 year. There were operational challenges such as COVID-19, natural disasters and significant contamination remediation that had financial impacts that are reflected in the results.

The EPA's operating result was a deficit of \$2.3 million. Total expenses of \$281.8 million increased from last year by \$69.1 million. This was principally driven by increased activity in the flood and bushfire clean-up programs.

Total revenue of \$279.5 million is an increase from last year by \$63.5 million due mainly to an increase in grants and contributions to fund project related activities. Our cash position is strong at \$35.1 million, which is \$1.8 million higher than last year. Our net assets are \$35.7 million, up slightly on last year. These are the indications of a solid, stable position upon which to build into the future.

*Mary Perera*

**Mary Perera**  
Chief Financial Officer, EPA

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Lake Burrendong. Photo: Amanda Cleary/EPA

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# Our financial overview

The EPA's net result for 2021–22 was a loss of \$2.1 million, \$7.7 million lower than the \$5.6 million positive net operating result originally estimated as part of the 2021–22 State budget process. The decrease was mainly due to additional expenses incurred and the timing of programs delivered.

In 2021–22 our expenses and revenue have both increased compared to the previous year. The main reason for the increase was the project work conducted in response to floods and bushfires throughout NSW.

The table shows the EPA's approved budgets over the last five years.

<b>Our approved budget</b>	<b>2017–18</b>	<b>2018–19</b>	<b>2019–20</b>	<b>2020–21</b>	<b>2021–22</b>
Total revenue (\$ million)	162.8	174.3	261.3	219.9	368.3
Total expenses (\$ million)	169.8	177.5	255.5	213.6	362.7
Net operating result (\$ million)	<b>-7.0</b>	<b>-3.2</b>	<b>5.8</b>	<b>6.3</b>	<b>5.6</b>

## Managing operational risks: funding

The EPA receives government funding as well as income derived from fees paid by the regulated community. Inadequate funding could reduce the EPA's ability to achieve its objectives. The EPA manages this risk through:

- a robust budget submission and reporting system with frequent monitoring in place
- budget allocations linked to strategic priorities
- enhanced tracking of waste flows to better monitor and collect fees derived from the waste levy.

## Where our money came from

The EPA receives government funding as a grant from DPE. Revenue is also derived from other NSW agencies as well as from environmental licensing and administration fees paid by regulated industries.

Our total revenue for 2021–22 was \$279.5 million, a decrease of \$88.8 million on our approved budget of \$368.3 million. The decrease was largely due to lower grant revenue with timing delays in major projects by \$88.5 million.

Our total revenue for 2021–22 was 29% higher (\$63.5 million) than the \$216.0 million reported for 2020–21. The increase was due to the increase in grants received, including grants for major disaster project work conducted during the year (\$64.2 million).

# Finance

## EPA revenue sources over the last 5 years

Revenue by source – actuals	2017–18	2018–19	2019–20	2020–21	2021–22
NSW Government (\$ million)	137.5	160.6	146.4	174.5	238.7
Licensing fees and other charges (\$ million)	31.2	32.0	33.0	37.4	40.3
Acceptance by the Crown Entity of employee benefits and other liabilities (\$ million)	2.7	7.3	2.9	4.0	(0.2)
Other income (\$ million)	2.2	2.0	0.4	0.1	0.7
<b>Total revenue (\$ million)</b>	<b>173.6</b>	<b>201.9</b>	<b>182.7</b>	<b>216.0</b>	<b>279.5</b>

The EPA also collects revenue on behalf of the Crown from waste and environment levies. This annual revenue is paid to the NSW Treasury. Greater detail is provided in the *Financial statements* section of this report, under note 23 – Administered assets, liabilities and income.

## How we spent our money

In 2021–22, most EPA expenditure – about 39% of the total – was for employee-related expenses, with the rest used for grant programs and operating expenditure. We paid \$79.0 million in grants to various entities for a range of purposes. Greater detail is provided in Appendix H.

In 2021–22 total expenditure was \$281.8 million, a decrease of \$80.9 million on our original budget of \$362.7 million. The variance was largely due to:

- \$59.1 million in other operating expenses including lower spend than budget on clean-up related to flood events
- \$11.4 million in grant expenses due to lower spend than budget on waste-related projects
- \$10.0 million relating to employee-related expenses, including some delayed recruitment and lower employee leave provision expense.

We reported a \$69.1 million (32%) increase in expenditure this year compared to the previous year (see expenditure table below).

## EPA expenditure over the last 5 years

Expenditure by category – actuals	2017–18	2018–19	2019–20	2020–21	2021–22
Employee-related (\$ million)	76.3	88.5	84.1	94.2	108.9
Personnel services expenses (\$ million)	-	-	6.7	-	-
Grants and subsidies (\$ million)	26.4	39.9	41.6	34.9	79.0
Other operating costs (\$ million)	61.2	63.0	44.9	80.0	89.7
Depreciation and amortisation (\$ million)	2.4	3.1	3.4	3.6	4.2
<b>Total</b>	<b>166.3</b>	<b>194.5</b>	<b>180.7</b>	<b>212.7</b>	<b>281.8</b>



# Our financial position

The EPA maintained a sound financial position in 2021–22.

Most of our assets and liabilities are of a financial rather than physical nature. Total EPA assets at 30 June 2022 were \$88.8 million, an increase of \$15.6 million from 30 June 2021. Cash remains one of our largest assets, being \$35.1 million at 30 June 2022. We also have \$28.6 million in receivables mostly from waste and environment licences and cost reimbursements. Our current and non-current liabilities at 30 June 2022 were \$53.2 million, an increase of \$17.5 million from last financial year due to payables of \$17.7 million including flood and bushfire project payables.

## Solvency ratio: current position

At 30 June 2022 we had \$1.22 in current assets to meet every \$1.00 of our current liabilities. This year's solvency ratio is at same level as the previous year's although both current assets and liabilities have increased.

The current assets have increased by \$17.5 million over 2020–21, due mainly to additional receivables. Current liabilities have increased by \$21.0 million, due mainly to an increase in payables relating to project activities.

## EPA current assets, liabilities and ratio over the last five years

Current assets, liabilities and ratio	2017–18	2018–19	2019–20	2020–21	2021–22
Current assets (\$ million)	28.9	34.8	37.8	46.1	63.6
Current liabilities (\$ million)	19.2	19.1	21.5	31.2	52.2
Current ratio	1.5	1.8	1.8	1.5	1.2

## Cashflow management

In 2021–22 the EPA generated \$7.6 million from its operating activities. This was \$6 million less than in the previous year, largely due to the timing of payments and receipts relating to project activities.

## EPA receivables, sales revenue and collection of debts over the last 5 years

Debtor management	2017–18	2018–19	2019–20	2020–21	2021–22
Receivables (\$ million)	6.6	7.2	5.1	6.2	5.2
Sales revenue (\$ million)	31.2	32.0	33.0	37.4	40.3
Average days to collect debts	77.4	81.7	56.0	60.5	47.1

## Credit management

During the year, the average number of days to pay creditors increased to 151.3 days due to the large accruals for project costs as at 30 June 2022.

## EPA payables, operating cost and payment of creditors over the last five years

The increase in average days to pay in the table below is due to some large accruals and payables that were recognised close to the end of the year 2021–22, which increased the overall payable balance.

# Finance

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Credit management	2017–18	2018–19	2019–20	2020–21	2021–22
Payable (\$ million)	9.8	9.2	9.9	19.4	37.1
Other operating cost (\$ million)	61.2	63.0	44.9	79.9	89.5
Average days to pay creditors	58.4	53.3	80.5	88.6	151.3

## Expenditure

### Exceptional movements in wages, salaries and allowances

There were no exceptional movements in wages, salaries or allowances in 2021–22. All increases to wages, salaries and allowances were consistent with the NSW Government wages policy.

### Investment performance

The EPA does not borrow or invest with the NSW Treasury Corporation (TCorp) and has no investment performance to report here.

### Liability management performance

The EPA has not accrued any debt greater than \$20 million.

### Land disposal

As the EPA does not own any land, there was none to dispose of in 2021–22.

### Implementation of price determination

The EPA is subject to the recommendations of the Independent Pricing and Regulatory Tribunal of NSW (IPART) under section 18(4) of the Independent Pricing and Regulatory Tribunal Act 1992.

### Disclosure of subsidiaries

The EPA had no subsidiaries in 2021–22.

### Major assets acquired (other than land holdings)

There were no major retirements of property, plant and equipment (PPE) assets during the year.

At 30 June 2022, the total of the EPA's PPE assets was \$6.0 million.

### Production costs of the Annual Report

The total external production costs for the 2021–22 Annual Report were \$1,413 for editing and printing. Design costs were in-house with some elements shared with other reporting.

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## Consultants

### Consultancies of \$50,000 or more

Consultant	Category	Consultancy description	Cost
Deloitte Touche Tohmatsu	Organisational review	Digital & Customer Transformation review	\$555,700
Marsden Jacob Associates	Environmental	Project report on carbon abatement	\$115,450
2ROG Consulting Pty Ltd	Environmental	Ecological and environmental research and analysis	\$78,538
Deloitte Consulting Pty Limited	Management services	Delivery of alignment feasibility report	\$75,000
ENEA Australia Pty Ltd	Environmental	Landfill gas capture consulting	\$74,600
Doll Martin Associates Pty Ltd	Environmental	Controlled waste tracking advice	\$74,000
The Change Executive	Organisational review	Process and systems review	\$69,200
<b>Subtotal</b>			<b><u>\$1,042,488</u></b>

### Consultancies of less than \$50,000

Category	Number	Cost
Environmental	13	\$368,918
Management services	13	\$240,217
Organisational review	5	\$45,074
<b>Subtotal</b>	<b>31</b>	<b><u>\$654,209</u></b>

### Total consultancies



# Finance

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Environment Protection Authority

## Annual Financial Statements

for the year ended 30 June 2022

<b>Statement by the Chief Executive Officer and Chair</b>	<b>105</b>	12. Intangible assets	133
<b>Consolidated statement of financial position as at 30 June 2022</b>	<b>107</b>	13. Fair value measurement of non-financial assets	134
<b>Statement of changes in equity as at 30 June 2022</b>	<b>108</b>	14. Restricted assets	136
<b>Consolidated statement of cash flows for the year ending 30 June 2022</b>	<b>109</b>	15. Current liabilities – payables	137
<b>Notes to the financial statements for the year ended 30 June 2022</b>	<b>110</b>	16. Current/non-current liabilities – borrowings	137
1. Summary of significant accounting policies	110	17. Current/non-current liabilities – provisions	139
2. Expenses excluding losses	113	18. Equity	141
3. Revenue	116	19. Commitments for expenditure	142
4. Gain/(loss) on disposal	120	20. Contingent liabilities and contingent assets	142
5. Other gains/(losses)	120	21. Budget review	142
6. State outcomes	121	22. Reconciliation of cash flows from operating activities to net result	143
7. Current assets – cash and cash equivalents	121	23. Administered assets, liabilities and income	144
8. Current assets – receivables	122	24. Financial instruments	145
9. Contract assets and liabilities	124	25. Related party disclosures	150
10. Non-current assets – property, plant and equipment	125	26. Events after the reporting period	150
11. Leases	129	<b>Independent Auditor's Report</b>	<b>150</b>



# Statement by the CEO and Chair

for the year ended 30 June 2022

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), we state that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the Government Sector Finance Regulation 2018 and the Treasurer's directions, and
- present fairly the Environment Protection Authority's financial position, financial performance and cash flows.

**Tony Chappel**

Chief Executive Officer, EPA

20 October 2022

**Rayne de Gruchy AM PSM**

Chair of the Board

20 October 2022

# Finance

## Consolidated statement of comprehensive income for the year ended 30 June 2022

	Notes	Consolidated			Environment Protection Authority	
		Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
<b>Continuing operations</b>						
<b>Expenses excluding losses</b>						
Employee-related expenses	2(a)	108,903	118,870	94,202	463	746
Personnel services expenses	2(a)	-	-	-	108,440	93,456
Other operating expenses	2(b)	89,522	148,589	79,927	89,522	79,927
Depreciation and amortisation expenses	2(c)	4,246	4,811	3,616	4,246	3,616
Grants and subsidies	2(d)	79,017	90,397	34,896	79,017	34,896
Finance costs	2(e)	129	81	97	129	97
<b>Total expenses excluding losses</b>		<b>281,817</b>	<b>362,748</b>	<b>212,738</b>	<b>281,817</b>	<b>212,738</b>
<b>Revenue</b>						
Sale of goods and services	3(a)	9,043	32,311	8,559	9,043	8,559
Retained taxes, fees and fines	3(b)	31,252	407	28,816	31,252	28,816
Grants and contributions	3(c)	238,692	327,173	174,535	238,692	174,535
Acceptance by the Crown of employee benefits and other liabilities	3(d)	(177)	6,271	3,991	(177)	3,991
Other income	3(e)	713	2,188	76	713	76
<b>Total revenue</b>		<b>279,523</b>	<b>368,350</b>	<b>215,977</b>	<b>279,523</b>	<b>215,977</b>
<b>Operating result</b>		<b>(2,294)</b>	<b>5,602</b>	<b>3,239</b>	<b>(2,294)</b>	<b>3,239</b>
Gain/(loss) on disposal	4	(15)	-	(6)	(15)	(6)
Other gains/(losses)	5	230	-	-	230	-
<b>Net result from continuing operations</b>		<b>(2,079)</b>	<b>5,602</b>	<b>3,233</b>	<b>(2,079)</b>	<b>3,233</b>
<b>Other comprehensive income</b>						
<i>Items that will not be reclassified to net result in subsequent periods</i>						
Changes in revaluation surplus of property, plant and equipment	10	282	-	30	282	30
<b>Total other comprehensive income</b>		<b>282</b>	<b>-</b>	<b>30</b>	<b>282</b>	<b>30</b>
<b>Total comprehensive income</b>		<b>(1,797)</b>	<b>5,602</b>	<b>3,263</b>	<b>(1,797)</b>	<b>3,263</b>

The accompanying notes form part of these financial statements.



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## Consolidated statement of financial position as at 30 June 2022

	Notes	Consolidated			Environment Protection Authority	
		Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	7	35,070	17,988	33,340	35,070	33,340
Receivables	8	28,579	12,417	12,801	28,579	12,801
Contract assets	9	-	5,228	-	-	-
<b>Total current assets</b>		<b>63,649</b>	<b>35,633</b>	<b>46,141</b>	<b>63,649</b>	<b>46,141</b>
<b>Non-current assets</b>						
Property, plant and equipment						
Land and buildings	10	4,270	4,059	4,101	4,270	4,101
Plant and equipment	10	1,766	1,292	2,034	1,766	2,034
<b>Total property, plant and equipment</b>		<b>6,036</b>	<b>5,351</b>	<b>6,135</b>	<b>6,036</b>	<b>6,135</b>
Right-of-use assets	11	646	4,845	4,452	646	4,452
Intangible assets	12	18,496	25,337	16,444	18,496	16,444
<b>Total non-current assets</b>		<b>25,178</b>	<b>35,533</b>	<b>27,031</b>	<b>25,178</b>	<b>27,031</b>
<b>Total assets</b>		<b>88,827</b>	<b>71,166</b>	<b>73,172</b>	<b>88,827</b>	<b>73,172</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Contract liabilities	9	469	365	340	469	340
Payables	15	37,052	9,972	19,373	37,052	19,373
Borrowings	16	302	897	926	302	926
Provisions	17	14,332	10,677	10,549	183	53
Payable to the EPA Staff Agency	17	-	-	-	14,149	10,496
<b>Total current liabilities</b>		<b>52,155</b>	<b>21,911</b>	<b>31,188</b>	<b>52,155</b>	<b>31,188</b>
<b>Non-current liabilities</b>						
Borrowings	16	354	4,111	3,640	354	3,640
Provisions	17	641	583	870	314	515
Payable to the EPA Staff Agency	17	-	-	-	327	355
<b>Total non-current liabilities</b>		<b>995</b>	<b>4,694</b>	<b>4,510</b>	<b>995</b>	<b>4,510</b>
<b>Total liabilities</b>		<b>53,150</b>	<b>26,605</b>	<b>35,698</b>	<b>53,150</b>	<b>35,698</b>
<b>Net assets</b>		<b>35,677</b>	<b>44,561</b>	<b>37,474</b>	<b>35,677</b>	<b>37,474</b>
<b>Equity</b>						
Reserves		1,619	1,398	1,337	1,619	1,337
Accumulated funds		34,058	43,163	36,137	34,058	36,137
<b>Total equity</b>		<b>35,677</b>	<b>44,561</b>	<b>37,474</b>	<b>35,677</b>	<b>37,474</b>

The accompanying notes form part of these financial statements.

# Finance

## Statement of changes in equity as at 30 June 2022

Consolidated and parent	Accumulated funds	Asset revaluation surplus	Total
	\$'000	\$'000	\$'000
<b>Balance at 1 July 2021</b>	<b>36,137</b>	<b>1,337</b>	<b>37,474</b>
Net result for the year	(2,079)	-	(2,079)
<b>Other comprehensive income:</b>			
Net change in revaluation surplus of property, plant and equipment	-	282	282
<b>Total other comprehensive income</b>	<b>-</b>	<b>282</b>	<b>282</b>
<b>Total comprehensive income for the year</b>	<b>(2,079)</b>	<b>282</b>	<b>(1,797)</b>
<b>Balance at 30 June 2022</b>	<b>34,058</b>	<b>1,619</b>	<b>35,677</b>
<b>Balance at 1 July 2020</b>	<b>32,904</b>	<b>1,307</b>	<b>34,211</b>
Net result for the year	3,233	-	3,233
<b>Other comprehensive income:</b>			
Net change in revaluation surplus of property, plant and equipment	-	30	30
<b>Total other comprehensive income</b>	<b>-</b>	<b>30</b>	<b>30</b>
<b>Total comprehensive income for the year</b>	<b>3,233</b>	<b>30</b>	<b>3,263</b>
<b>Balance at 30 June 2021</b>	<b>36,137</b>	<b>1,337</b>	<b>37,474</b>

The accompanying notes form part of these financial statements.

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## Consolidated statement of cash flows for the year ending 30 June 2022

	Notes	Consolidated			Environment Protection Authority	
		Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
<b>Cash flows from operating activities</b>						
<b>Payments</b>						
Employee-related		(106,403)	(112,599)	(90,868)	(463)	(746)
Personnel services expenses		-	-	-	(105,940)	(90,122)
Grants and subsidies		(79,017)	(90,397)	(34,896)	(79,017)	(34,896)
Finance costs		(129)	(81)	(97)	(129)	(97)
Other*		(79,395)	(148,590)	(72,879)	(79,395)	(72,879)
<b>Total payments</b>		<b>(264,944)</b>	<b>(351,667)</b>	<b>(198,740)</b>	<b>(264,944)</b>	<b>(198,740)</b>
<b>Receipts</b>						
Grants and other contributions		221,856	327,175	173,189	221,856	173,189
Sale of goods and services		7,643	32,311	3,594	7,643	3,594
Retained taxes, fees and fines		31,252	-	28,816	31,252	28,816
Cash reimbursements from the Crown**		1,726	-	1,138	1,726	1,138
Other		10,074	2,644	5,625	10,074	5,625
<b>Total receipts</b>		<b>272,551</b>	<b>362,130</b>	<b>212,362</b>	<b>272,551</b>	<b>212,362</b>
<b>Net cash flows from operating activities</b>	22	<b>7,607</b>	<b>10,463</b>	<b>13,622</b>	<b>7,607</b>	<b>13,622</b>
<b>Cash flows from investing activities</b>						
<b>Cash received</b>						
Proceeds from sale of land and buildings, plant and equipment and infrastructure systems		159	-	-	159	-
Purchase of intangible assets		(4,698)	(14,075)	(6,598)	(4,698)	(6,598)
Purchase of property, plant and equipment		(156)	-	(255)	(156)	(255)
<b>Net cash flows from investing activities</b>		<b>(4,695)</b>	<b>(14,075)</b>	<b>(6,853)</b>	<b>(4,695)</b>	<b>(6,853)</b>
<b>Cash flows from financing activities</b>						
Payment of principal portion of lease liabilities		(1,182)	(860)	(923)	(1,182)	(923)
<b>Net cash flows from financing activities</b>		<b>(1,182)</b>	<b>(860)</b>	<b>(923)</b>	<b>(1,182)</b>	<b>(923)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,730</b>	<b>(4,472)</b>	<b>5,846</b>	<b>1,730</b>	<b>5,846</b>
Opening cash and cash equivalents		33,340	22,460	27,494	33,340	27,494
<b>Closing cash and cash equivalents</b>	7	<b>35,070</b>	<b>17,988</b>	<b>33,340</b>	<b>35,070</b>	<b>33,340</b>



# Finance

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\* Includes payment to Department of Planning and Environment for corporate and other specialist support.

\*\* Includes reimbursement of long-service leave.

The accompanying notes form part of these financial statements.

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## Notes to the financial statements for the year ended 30 June 2022

### 1. Summary of significant accounting policies

#### a. Reporting entity

The Environment Protection Authority ('the EPA'), a NSW Government entity, is constituted under Section 5 of the *Protection of the Environment Administration Act 1991* as a statutory body corporate. The EPA is a not-for-profit entity (as profit is not its principal objective) and it has no cash-generating units. The EPA is consolidated as part of the NSW Total State Sector Accounts.

The EPA as a reporting entity comprises the Environment Protection Authority Staff Agency (the Staff Agency), an entity under its control. The EPA Staff Agency's objective is to provide personnel services to the EPA.

In the process of preparing the consolidated financial statements for the economic entity, consisting of the controlling and controlled entity, all inter-entity transactions and balances have been eliminated and like transactions and other events are accounted for, using uniform accounting policies.

The EPA Staff Agency is a Division of the Government Service responsible to the Minister for Environment and Heritage established under the Administrative Arrangements Order 2014 (the Order), dated 29 January 2014. Under the Order, the former Office of the Environment Protection Authority became the EPA Staff Agency.

The EPA is responsible for licensing and regulating air emissions, contaminated sites, hazardous materials (including dangerous goods), noise, pesticides, forestry activities, waste, water quality and state of the environment reporting.

Administered activities undertaken on behalf of the Crown in right of the State of New South Wales (the 'Crown') are consolidated in the Treasury Accounts.

These consolidated financial statements for the year ended 30 June 2022 have been authorised for issue by the Chief Executive Officer and the Chairperson of the EPA.

#### b. Basis of preparation

The EPA is a going concern and its financial statements are general purpose financial statements, which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the *Government Sector Finance Act 2018* (GSF Act) and *Government Sector Finance Regulation 2018*
- Treasurer's Directions issued under the GSF Act.

Property plant and equipment is measured using the fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations that management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the EPA's presentation and functional currency.

#### c. Statement of compliance

The financial statements and notes comply with AAS, which include Australian Accounting Interpretations.

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#### **d. Administered activities**

The EPA administers, but does not control, certain activities on behalf of the Crown. It is accountable for the transactions relating to those administered activities but does not have the discretion to deploy the resources for the achievement of the EPA's own objectives.

Transactions and balances relating to the administered activities are not recognised as the EPA's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules as 'Administered income', 'Administered expenses', 'Administered assets' and 'Administered liabilities'. Refer to note 23.

The accrual basis of accounting and applicable accounting standards has been adopted.

#### **e. Accounting for the Goods and Services Tax (GST)**

Income, expenses and assets are recognised net of the amount of GST, except that the:

- amount of GST incurred by the EPA as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

#### **f. Comparative information**

Except when an AAS permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

#### **g. Changes in accounting policy, including new or revised Australian Accounting Standards**

##### *(i) Effective for the first time in FY2021–22*

The following amendments and interpretations apply for the first time in 2021–22, and do not have an impact on the financial statements of the EPA.

- AASB 2020-7 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures*
- AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*
- AASB 2020-9 *Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments*
- AASB 2021-1 *Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities*
- AASB 2021-3 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021*
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*
- AASB 2022-2 *Amendments to Australian Accounting Standards – Extending Transition Relief under AASB 1 (effective for annual periods ending on or after 30 June 2022)*

# Finance

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## (ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective (NSW Treasury mandate TPG 22-07):

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* (effective from 1 January 2022)
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments* (effective from 1 January 2022)
- AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* (effective from 1 January 2022)
- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* (effective from 1 January 2023)
- AASB 2021-6 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards* (effective from 1 January 2023)
- AASB 2021-7a *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* (effective from 1 January 2022)
- AASB 2022-1 *Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information* (effective from 1 January 2023)
- AASB 2022-3 *Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15* (effective from 1 July 2022)
- AASB 2021-7b *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* (effective from 1 January 2022)

- AASB 2021-7c *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* (effective from 1 January 2022).

EPA has assessed the impact of the new standards and interpretations issued but not yet effective and considers the impact to be not material.

However, when AASB 2021–22 is adopted there will be a disclosure amendment due to the change in the presentation of accounting policies as 'material accounting policies' instead of 'significant accounting policies'.

## **h. Impact of COVID-19 on financial reporting for 2021–22**

The financial statements are prepared on a going concern basis. There is no significant impact identified or reported on EPA revenue collection due to the COVID-19 pandemic. The fair value assessment of assets at 30 June 2022 by independent valuers includes increase in construction costs for buildings and infrastructure due to supply chain issues. The uncertainty in the market due to COVID-19 is expected to continue and WAMC will regularly assess any impact on its assets. Refer note 26.



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## Superannuation on Annual Leave Loading

The EPA has determined that it is not probable a liability arises to pay superannuation on annual leave loading. This position has been formed based on current enquiries, other information currently available to management, and after considering the facts from a decision in the Federal Court of Australia: Finance Sector Union of Australia v Commonwealth Bank of Australia [2022] FedCFamC2G 409. That decision confirmed that, in relation to the industrial agreement considered in that case, annual leave loading did not form part of ordinary time earnings and therefore, did not require superannuation contributions to be made under superannuation guarantee legislation because the obligation to pay annual leave loading was not referable to ordinary hours of work or to ordinary rates of pay. Rather, it was paid by reference to the period of annual leave, and for the purpose of compensating employees for their loss of opportunity to work additional hours at higher rates during this period.

This position will be re-assessed in future reporting periods as new information comes to light on this matter.

## 2. Expenses excluding losses

### a. Employee-related expenses and personnel services

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Salaries and wages (including annual leave)	94,765	78,869	(627)	668
Redundancy payments	-	4	-	-
Superannuation – defined benefit plans	561	1,070	-	-
Superannuation – defined contribution plans	8,960	6,570	627	45
Long-service leave	(989)	3,095	-	-
Workers compensation insurance	477	364	-	-
Payroll tax and fringe benefits tax	5,127	4,228	463	33
Other	2	2	-	-
Personnel services expenses	-	-	108,440	93,456
	<b>108,903</b>	<b>94,202</b>	<b>108,903</b>	<b>94,202</b>

The amount of employee-related costs that have been capitalised, in particular intangible assets account, and therefore excluded from the above i.e. \$421,722 (2021: \$310,887).

# Finance

## b. Other operating expenses

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Auditor's remuneration (audit or review of the financial statements)	101	75	101	75
Communication costs	400	334	400	334
Consultants	1,697	1,509	1,697	1,509
Contractor – projects	35,972	31,272	35,972	31,272
Corporate support	16,207	17,010	16,207	17,010
Expense relating to short-term leases	101	179	101	179
Fees and services	14,925	7,611	14,925	7,611
Fleet costs	654	560	654	560
Impairment (reversal) of assets and bad debts	3,438	4,101	3,438	4,101
Information dissemination	5,379	4,627	5,379	4,627
Insurance	345	283	345	283
Legal costs	3,074	2,284	3,074	2,284
Maintenance*	1,376	1,449	1,376	1,449
Other	459	1,903	459	1,903
Other occupancy costs	358	251	358	251
Payments to NSW Government agencies	2,293	3,174	2,293	3,174
Stores and minor assets	709	1,018	709	1,018
Training	1,240	1,576	1,240	1,576
Travel costs	794	711	794	711
	<b>89,522</b>	<b>79,927</b>	<b>89,522</b>	<b>79,927</b>

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
* Reconciliation – Total maintenance expense				
Maintenance expense – contracted labour and other (non-employee-related), as above	1,376	1,449	1,376	1,449
<b>Total maintenance expenses included in note 2(b)</b>	<b>1,376</b>	<b>1,449</b>	<b>1,376</b>	<b>1,449</b>

## Recognition and measurement

### Maintenance expense

Day-to-day servicing or maintenance costs are expensed as incurred, except where they relate to the replacement of a material part or component of an asset, then the costs are capitalised and depreciated. Refer to note 2b, note 2(c) and note 10.

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## Insurance

The EPA's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

## Lease expense

EPA recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

- leases that meet the definition of short-term, i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- leases of assets that are valued at \$10,000 or under when new.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

## c. Depreciation and amortisation expense

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Depreciation</b>				
Buildings and improvements	113	111	113	111
Plant and equipment	409	424	409	424
Right-of-use asset	1,078	1,020	1,078	1,020
	<b>1,600</b>	<b>1,555</b>	<b>1,600</b>	<b>1,555</b>
<b>Amortisation</b>				
Intangibles	2,646	2,061	2,646	2,061
	<b>2,646</b>	<b>2,061</b>	<b>2,646</b>	<b>2,061</b>
	<b>4,246</b>	<b>3,616</b>	<b>4,246</b>	<b>3,616</b>

For recognition and measurement policies on depreciation and amortisation refer to notes 10, 11 and 12.



# Finance

## d. Grants and subsidies

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
NSW government	18,598	149	18,598	149
Local government	38,104	15,379	38,104	15,379
Waste Less, Recycle More payments	9,750	9,750	9,750	9,750
Rebates	1,681	1,264	1,681	1,264
Non-government organisations	10,884	8,354	10,884	8,354
	<b>79,017</b>	<b>34,896</b>	<b>79,017</b>	<b>34,896</b>

### Recognition and Measurement

Grants are generally recognised as an expense when the EPA transfers control of the contribution. The EPA is deemed to have transferred control when the grant is paid or payable.

### Finance costs

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Interest expense from lease liabilities	129	88	129	88
Unwinding of discount on provisions	-	9	-	9
	<b>129</b>	<b>97</b>	<b>129</b>	<b>97</b>

### Recognition and Measurement

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW general government sector entities.

## 3. Revenue

### Income recognition

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15 *Revenue from Contracts with Customers*. Comments regarding the accounting policies for the recognition of income are discussed below.

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**a. Sale of goods and rendering of services from contract with customers**

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Sale of goods</b>				
Minor fees and charges	9,043	8,559	9,043	8,559
	<b>9,043</b>	<b>8,559</b>	<b>9,043</b>	<b>8,559</b>

**Sale of goods**

Revenue from sale of goods is recognised as when the EPA satisfies a performance obligation by transferring the promised goods. The payments are typically due to the EPA upon satisfaction of its performance obligations.

**Rendering of services**

Revenue from rendering of services is recognised when the EPA satisfies the performance obligation by transferring the promised services.

Refer to note 8 for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, and when EPA expects to recognise the unsatisfied portion as revenue.

**b. Retained taxes, fees and fines**

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Fees</b>				
Licensing administration fees	29,052	27,810	29,052	27,810
<b>Fines</b>				
Parking, court and other	2,200	1,006	2,200	1,006
	<b>31,252</b>	<b>28,816</b>	<b>31,252</b>	<b>28,816</b>

**Recognition and Measurement**

Revenue from retained taxes, fees and fines is recognised on receipt of returns or licences issued.

# Finance

## c. Grants and contributions

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Other grants with sufficiently specific performance obligation	65,283	26,440	65,283	26,440
Grant without sufficiently specific performance obligation	173,409	148,095	173,409	148,095
	<b>238,692</b>	<b>174,535</b>	<b>238,692</b>	<b>174,535</b>

### Recognition and Measurement

Grants are received by the consolidated entity to support its service delivery objectives and the funding agreements typically specify purpose of grants.

Revenue from grants with sufficiently specific milestones/performance obligations and agreed funding against each milestone is recognised as when the EPA satisfies its performance obligation by transferring promised goods/achieving milestones.

Revenue from funding without sufficiently specific performance obligations is recognised when the EPA obtains control over the granted assets i.e. (cash received). Where the total funding amount in a contract is not allocated to distinct milestones/performance obligations and specifies purpose only, revenue is recognised when the EPA obtains control over the funds i.e. (cash received).

No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. This is based on past experience and terms specified in the contract.

Receipt of volunteer services is recognised when and only when the fair value of those services can be reliably determined and the services would have been purchased if not donated. Volunteer services are measured at fair value. EPA has not recognised any volunteer services in the financial statement as at 30 June 2022.



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**d. Acceptance by the Crown of employee benefits and other liabilities**

The following liabilities and/or expenses have been assumed by the Crown.

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Superannuation – defined benefit	561	1,024	-	-
Long-service leave *	(759)	2,916	-	-
Payroll tax – defined benefit	21	51	-	-
Contributions by the Crown	-	-	(177)	3,991
	<b>(177)</b>	<b>3,991</b>	<b>(177)</b>	<b>3,991</b>

For recognition and measurement of liabilities assumed by the Crown refer to note 17.

\*Based on the present value of long-service leave which is based on the Commonwealth bond rate as at 30 June 2022.

**e. Other income**

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Miscellaneous revenue	713	76	713	76
	<b>713</b>	<b>76</b>	<b>713</b>	<b>76</b>

**Recognition and measurement**

Miscellaneous revenue includes receipt of returned grants for waste and contaminated lands programs.

**f. Deemed appropriations**

The *Appropriation Act 2021* (Appropriation Act) appropriated the sum of \$3.9 billion to the Minister for Planning out of the Consolidated Fund for the services of the Department of Planning and Environment (the department) for the 2021–22 financial year. The spending authority of the Minister from the Appropriation Act has been delegated to the Secretary of the department (the Secretary) and sub-delegated to departmental public service employees, including those engaged to enable cluster agencies to exercise their functions, such as the EPA.

The responsible Minister for each GSF agency is taken to have been given an appropriation out of the Consolidated Fund under the authority s 4.7 of the *Government Sector Finance Act 2018*, at the time the GSF agency receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the GSF agency. The spending authority of the responsible Minister for deemed appropriation money has been delegated to the Secretary and then further sub-delegated to officers of the EPA for expenditure on their services.

A summary of compliance is disclosed in the financial statements of the Annual Report of the department. It has been prepared on the basis of aggregating the spending authorities of both the Minister for Planning for the services of the department and the responsible Ministers for the services of other cluster agencies which receive or recover deemed appropriation money. It reflects the status at the point in time this disclosure statement is being made. The EPA's spending authority and expenditure is included in the summary of compliance.

# Finance

The delegations for the 2020–21 and 2021–22 financial years authorising officers of the EPA to spend Consolidated Fund money, impose limits to the amounts of individual transactions, but not the overall expenditure of the EPA. However, as it relates to expenditure in reliance on a sum appropriated through an annual Appropriation Act, the delegations are referrable to the overall authority to spend set out in the relevant Appropriation Act. The individual transaction limits have been properly observed. The information in relation to the limit from the Appropriation Act is disclosed in the summary of compliance table included in the financial statements of the Annual Report of the department.

## 4. Gain/(loss) on disposal

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Plant and equipment	(15)	(6)	(15)	(6)
<b>Net gain/(loss) on disposal</b>	<b>(15)</b>	<b>(6)</b>	<b>(15)</b>	<b>(6)</b>

## 5. Other gains/(losses)

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Derecognition of right-of-use assets and lease liabilities with Property NSW*	159	-	159	-
Gain/(loss) in other provisions	71	-	71	-
<b>Net gain/(loss) on disposal</b>	<b>230</b>	<b>-</b>	<b>230</b>	<b>-</b>

\* The net gains/(losses) are recognised from the derecognition of the right-of-use asset and lease liability with Property NSW (PNSW) as at 30 June 2022. Please refer to note 11 and note 17 for further details on the derecognition.

The net gains below are from the derecognition of the right-of-use asset and lease liability with Property NSW only at 30 June 2022 and are reconciled as below.

	Consolidated Buildings 2022 \$'000	Environment Protection Authority Buildings 2022 \$'000
Right-of-use asset		
Gross carrying value	(8,205)	(8,205)
Less: accumulated depreciation and accumulated impairment provision	1,735	1,735
<b>Net book value</b>	<b>(6,470)</b>	<b>(6,470)</b>
Lease liability	6,629	6,629
<b>Net gains/(losses)</b>	<b>159</b>	<b>159</b>

## 6. State outcomes

### State outcome: Connecting communities to resilient and sustainable energy and local environments

Description: Protecting and preserving the quality of our environment and heritage through active stewardship to support a resilient and sustainable New South Wales and build a brighter future for all.

The EPA delivers credible, targeted and cost-effective regulatory services for environmental protection. It implements market-based programs and provides audit and enforcement programs and emergency services designed to reduce environmental impacts. It works closely with industry and local government to encourage proactive compliance with environmental regulations and implementation of waste programs.

The total operations of EPA contribute to resilient and sustainable environment and heritage. Separate State outcome statements are not required.

## 7. Current assets – cash and cash equivalents

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash at bank and on hand	35,070	33,340	35,070	33,340
Closing cash and cash equivalents (as per statement of cash flows)	<b>35,070</b>	<b>33,340</b>	<b>35,070</b>	<b>33,340</b>

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows.



# Finance

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash and cash equivalents (as per statement of financial position)	35,070	33,340	35,070	33,340
Closing cash and cash equivalents (as per statement of cash flows)	<b>35,070</b>	<b>33,340</b>	<b>35,070</b>	<b>33,340</b>

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank and cash on hand.

Refer to note 14 for details on restricted cash balances.

Refer to note 24 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

## 8. Current assets – receivables

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade receivables from contracts with customers	12,266	9,267	12,266	9,267
Less: allowance for expected credit losses*	(7,871)	(4,441)	(7,871)	(4,441)
Accrued income	23,446	6,610	23,446	6,610
GST Receivable	738	1,365	738	1,365
	<b>28,579</b>	<b>12,801</b>	<b>28,579</b>	<b>12,801</b>

Details regarding credit risk of trade debtors that are neither past due nor impaired are disclosed in note 24.

	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
*Movement in the allowance for expected credit losses				
Balance at the beginning of the year	4,441	480	4,441	480
Amounts written off during the year	-	(140)	-	(140)
Increase/(decrease) in allowance recognised in net results	3,430	4,101	3,430	4,101
<b>Balance at the end of the year</b>	<b>7,871</b>	<b>4,441</b>	<b>7,871</b>	<b>4,441</b>

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## **Recognition and measurement**

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

## **Subsequent measurement**

The EPA holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method less impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

## **Impairment**

The EPA recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the EPA expects to receive, discounted at the original effective interest rate.

For trade receivables, the EPA applies a simplified approach in calculating ECLs. The EPA recognises a loss allowance based on lifetime ECLs at each reporting date. The EPA has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable. The provision matrix considered the impact of COVID-19 and recent natural disasters and took into account the following:

- increased credit risk associated with debtors as a result of poor trading conditions
- higher receivables balances (i.e. exposure at default) due to recent credit deferment policies of government and/or late payment
- lost-time value of money, if contractual payment dates are extended or amounts are expected to be received later than when contractually due.

# Finance

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## 9. Contract assets and liabilities

Consolidated and parent	2022 \$'000	2021 \$'000
Contract liabilities – current	469	340
<b>Contract receivables (included in note 7)</b>	<b>12,266</b>	<b>9,267</b>

### Recognition and measurement

Contract assets relate to the EPA's right to consideration in exchange of goods transferred to customers/ works completed, but not billed at the reporting date in respect of such transfer of goods to customers/ works completed.

Contract receivables has increased in 2022 due to increased receivables relating to cost recoveries from customers.

Contract liabilities relate to consideration received in advance from customers for licence application fee. The liability will be recognised as revenue when the application is accepted and the licence is issued. The balance of contract liabilities at 30 June 2022 was determined by the value and timing of the completion of performance obligations.

	2022 \$'000	2021 \$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	340	96
Revenue recognised from performance obligations satisfied in previous periods	-	-
<b>Transaction price allocated to the remaining performance obligations from contracts with customers</b>	<b>469</b>	<b>340</b>



## 10. Non-current assets – property, plant and equipment

Consolidated and parent	Buildings \$'000	Plant and equipment \$'000	Total \$'000
<b>At 1 July 2020 – fair value</b>			
Gross carrying amount	5,540	3,898	9,438
Accumulated depreciation and impairment	(1,357)	(1,952)	(3,309)
<b>Net carrying amount</b>	<b>4,183</b>	<b>1,946</b>	<b>6,129</b>
<b>Year ended 30 June 2021</b>			
Net carrying amount at start of year	4,183	1,946	6,129
Purchase of assets	-	255	255
Site restoration	(1)	263	262
Revaluation	30	-	30
Disposals	-	(6)	(6)
Depreciation expense – asset owned	(111)	(424)	(535)
<b>Net carrying amount at end of year</b>	<b>4,101</b>	<b>2,034</b>	<b>6,135</b>
<b>Consolidated and parent</b>			
	Buildings \$'000	Plant and equipment \$'000	Total \$'000
<b>At 1 July 2021 – fair value</b>			
Gross carrying amount	5,580	4,362	9,942
Accumulated depreciation and impairment	(1,479)	(2,328)	(3,807)
<b>Net carrying amount</b>	<b>4,101</b>	<b>2,034</b>	<b>6,135</b>
<b>Year ended 30 June 2022</b>			
Net carrying amount at start of year	4,101	2,034	6,135
Purchase of assets	-	156	156
Revaluation	282	-	282
Disposals	-	(15)	(15)
Depreciation expense – asset owned	(113)	(409)	(522)
<b>Net carrying amount</b>	<b>4,270</b>	<b>1,766</b>	<b>6,036</b>
<b>At 30 June 2022 – fair value</b>			
Gross carrying amount	5,972	4,466	10,438
Accumulated depreciation and impairment	(1,702)	(2,700)	(4,402)
<b>Net carrying amount</b>	<b>4,270</b>	<b>1,766</b>	<b>6,036</b>

Further details of the fair value measurements of property, plant and equipment are disclosed in note 13.

# Finance

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## **Recognition and measurement**

### **Acquisition of property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value, less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other AAS.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent i.e. deferred payment amount is effectively discounted over the period of credit.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

### **Capitalisation thresholds**

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

### **Major inspection costs**

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

### **Restoration costs**

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

### **Depreciation of property, plant and equipment**

Depreciation is provided for on a straight-line basis so as to write-off the depreciable amount of each asset as it is consumed over its useful life to the EPA.

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All material identifiable components of assets are depreciated separately over their useful lives.

The following depreciation rates have been adopted:

- plant and equipment: 10–20% (2021: 10–20%)
- buildings : 2% (2021: 2%)

### **Right-of-use assets acquired by lessees**

AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. The EPA has elected to present right-of-use assets separately in the statement of financial position.

Further information on lease is contained at note 11.

### **Revaluation of property, plant and equipment**

Physical non-current assets are valued in accordance with the Treasury Policy and Guidelines Paper TPP 21-09 *Valuation of Physical Non-Current Assets at Fair Value* and Treasurer's Direction TD 21-05 '*Valuation of Physical non-current Assets at Fair Value*'. TD 21-05 and TPP 21-09 adopt fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and takes into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach or cost approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to note 13 for further information regarding fair value.



# Finance

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Revaluations shall be made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The EPA conducts a comprehensive revaluation of its buildings at least every three years.

An indexation of buildings was done as at 31 March 2022 with an update for movements to 30 June 2022. Australis Asset Advisory Group, an independent valuer provided the indexation rates.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from the carrying value.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value. The EPA has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are recognised in 'other comprehensive income' and credited directly to the asset revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus in respect of the same class of asset, in which case they are debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation surplus in respect of that asset is transferred to accumulated funds.

The useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

## **Impairment of property, plant and equipment**

As the EPA is a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

At each reporting date, the EPA assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the EPA estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The amount assessed for impairment in FY2021–22 was nil (FY2020–21: nil).

Specialised assets held for continuing use of their service capacity are rarely sold and their cost of disposal is typically negligible. Their recoverable amount is expected to be materially the same as fair value, where they are regularly revalued under AASB 13.

As the EPA is a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so

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that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in the net result, a reversal of that impairment loss is also recognised in the net result.

## 11. Leases

### EPA as a lessee

EPA leases various properties, equipment and motor vehicles. Lease contracts are typically made for fixed periods of two to eight years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The EPA does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the EPA and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

AASB 16 *Leases* requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

EPA has elected to recognise payments for short-term leases and low-value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets with a fair value of \$10,000 or less when new and comprise mainly plant and equipment.

During financial year ended 30 June 2022, EPA has accepted changes in the office accommodation arrangements with Property NSW (PNSW). The main change is the introduction of the 'substitution right' clause, that gives PNSW a right to relocate the entity during the term of the agreement. The clause provides PNSW with a substantive substitution right. Therefore, these agreements are not accounted for as a lease within the scope of AASB 16. The corresponding right-of-use assets and lease liabilities have been derecognised on 30 June 2022, the effective date of the new clauses. The net impact of the derecognition is recognised in 'Other Gains/(Losses)' (refer to note 5). From 1 July 2022, the accommodation charges will be recognised as expenses when incurred over the agreement duration.

EPA continues to be responsible to make good, and to control the fit-out during the remaining occupancy period, as EPA receives the economic benefits through using the fit-out, or through expected compensation from PNSW, if PNSW exercises its right to relocate EPA.

Therefore, EPA's accounting treatment for its make-good provisions and fit-out costs in relation to the relevant accommodation remains unchanged. EPA does not have any incentives received prior to 30 June 2022, hence there will be 'nil' liability in relation to the amortised balance of incentives received.

# Finance

## a. Right-of-use assets under leases

The following tables present right-of-use assets that do not meet the definition of investment property.

Consolidated and parent	Buildings \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 July 2021	3,919	533	4,452
Additions	3,285	457	3,742
Depreciation expense	(734)	(344)	(1,078)
Derecognition of right-of-use asset	(6,470)	-	(6,470)
<b>Balance at 30 June 2022</b>	<b>-</b>	<b>646</b>	<b>646</b>

Consolidated and parent	Buildings \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 July 2020	1,774	641	2,415
Additions	2,858	199	3,057
Depreciation expense	(713)	(307)	(1,020)
<b>Balance at 30 June 2021</b>	<b>3,919</b>	<b>533</b>	<b>4,452</b>



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## b. Lease liabilities

The following table presents liabilities under leases (refer to note 16).

Consolidated and parent	2022 \$'000	2021 \$'000
Balance at 1 July	4,566	2,432
Additions	3,741	3,060
Interest expenses	129	88
Payments	(1,151)	(1,014)
Derecognition of lease liabilities	(6,629)	-
<b>Balance at 30 June</b>	<b>656</b>	<b>4,566</b>

## c. Right-of-use expenses under leases

The following amounts were recognised in the statement of comprehensive income during the year in respect of leases where the EPA is the lessee.

Consolidated and parent	2022 \$'000	2021 \$'000
Depreciation expense of right-of-use assets	1,078	1,020
Interest expense on lease liabilities	129	88
Expense relating to short-term leases	101	179
Gains or losses arising from derecognising right-of-use assets and lease liabilities with Property NSW	(159)	-
<b>Total amount recognised in the statement of comprehensive income</b>	<b>1,149</b>	<b>1,287</b>

The EPA had total cash outflows for leases of \$1.15 million in FY2021–22 (FY2020–21: \$1.014 million).

## Recognition and measurement

The EPA assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The EPA recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

### (i) Right-of-use assets

The EPA recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- motor vehicles and other equipment 2 to 5 years
- buildings 3 to 8 years.

If ownership of the leased asset transfers to the EPA at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

# Finance

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The right-of-use assets are also subject to impairment. The EPA assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the EPA estimates the asset's recoverable amount. When the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the assets in prior years. Such reversal is recognised in the net result. The amount assessed for impairment in FY2021–22 is nil (FY2020–21: nil).

## *(ii) Lease liabilities*

At the commencement date of the lease, the EPA recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable
- variable lease payments that depend on an index or a rate
- amounts expected to be paid under residual value guarantees
- exercise price of a purchase options reasonably certain to be exercised by the EPA
- payments of penalties for terminating the lease, if the lease term reflects the EPA exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the EPA's leases, the lessee's incremental borrowing rate is used, being the rate that the EPA would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The EPA's lease liabilities are included in borrowings (refer to note 16).

## *(iii) Short-term leases and leases of low-value assets*

The EPA applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

## 12. Intangible assets

Consolidated and parent	Software \$'000	Capital work in progress \$'000	Total \$'000
<b>At 1 July 2020 – fair value</b>			
Cost (gross carrying amount)	16,728	6,126	22,854
Accumulated amortisation and impairment	(10,947)	-	(10,947)
<b>Net carrying amount</b>	<b>5,781</b>	<b>6,126</b>	<b>11,907</b>
<b>Year ended 30 June 2021</b>			
Net carrying amount at start of year	5,781	6,126	11,907
Additions	1,857	4,741	6,598
Amortisation (recognised in 'depreciation and amortisation')	(2,061)	-	(2,061)
<b>Net carrying amount at end of year</b>	<b>5,577</b>	<b>10,867</b>	<b>16,444</b>
<b>At 1 July 2021 – fair value</b>			
Cost (gross carrying amount)	17,470	10,867	28,337
Accumulated amortisation and impairment	(11,893)	-	(11,893)
<b>Net carrying amount</b>	<b>5,577</b>	<b>10,867</b>	<b>16,444</b>
<b>Year ended 30 June 2022</b>			
Net carrying amount at start of year	5,577	10,867	16,444
Additions	2,117	2,581	4,698
Transfer from work in progress	9,230	(9,230)	-
Amortisation (recognised in 'depreciation and amortisation')	(2,646)	-	(2,646)
<b>Net carrying amount</b>	<b>14,278</b>	<b>4,218</b>	<b>18,496</b>
<b>At 30 June 2022 – fair value</b>			
Cost (gross carrying amount)	28,817	4,218	33,035
Accumulated amortisation and impairment	(14,539)	-	(14,539)
<b>Net carrying amount</b>	<b>14,278</b>	<b>4,218</b>	<b>18,496</b>

### Recognition and measurement

The EPA recognises intangible assets only if it is probable that future economic benefit will flow to the EPA and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for the EPA's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.



# Finance

## Software

The useful lives of software assets are assessed to be finite.

Software assets are subsequently measured at fair value only if there is an active market. As there is no active market for the EPA's intangible software assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

The EPA's software assets are amortised using the straight-line method over a period ranging 4–10 years.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

## 13. Fair value measurement of non-financial assets

### Fair value measurement and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the EPA categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted (unadjusted) prices in active markets for identical assets/liabilities that the EPA can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The EPA recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Refer to note 24 for further disclosures regarding fair value measurements of financial assets.

### a. Fair value hierarchy

Consolidated and parent 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Property, plant and equipment (note 10)				
Buildings	-	-	4,270	4,270
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,270</b>	<b>4,270</b>
Consolidated and parent 2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Property, plant and equipment (note 10)				
Buildings	-	-	4,101	4,101
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,101</b>	<b>4,101</b>

There were no transfers between Level 1 or 2 during the current or prior year.

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## b. Valuation techniques, inputs and processes

### Highest and best use

Non-financial assets are valued on a highest and best-use basis.

### Level 3 measurements

EPA non-financial assets classed as Level 3 in the fair value hierarchy are valued using a cost approach given that their use is specialised in nature and they are not actively traded in the marketplace. Cost has been derived using actual costs plus reference to industry costing guides based on the characteristics of the relevant asset.

Comprehensive independent valuations are conducted for buildings at least once every three years. A comprehensive revaluation of buildings as at 31 March 2021 was undertaken by Colliers International Valuation & Advisory Services Pty Ltd. The fair value of the assets is adjusted annually for material movements between comprehensive valuations. An indexation of buildings was done as at 31 March 2022 with an update for value movements to 30 June 2022. Australis Asset Advisory Group, an independent valuer provided the indexation rates.

EPA engages independent, qualified valuers with appropriate experience to conduct external valuations.

Annual movements in industry costing guides or relevant indexes will result in corresponding changes to the fair value of EPA Level 3 assets.

## c. Reconciliation of recurring Level 3 fair value measurements

	Buildings \$'000	Total recurring Level 3 fair value \$'000
<b>Consolidated and parent 2022</b>		
Fair value as at 1 July 2021	4,101	4,101
Revaluations	282	282
Depreciation	(113)	(113)
<b>Fair value as at 30 June 2022</b>	<b>4,270</b>	<b>4,270</b>
	Buildings \$'000	Total recurring Level 3 fair value \$'000
<b>Consolidated and parent 2021</b>		
Fair value as at 1 July 2020	4,183	4,183
Additions	(1)	(1)
Revaluations	30	30
Depreciation	(111)	(111)
<b>Fair value as at 30 June 2021</b>	<b>4,101</b>	<b>4,101</b>

# Finance

Type (Level 3)	Valuation technique	Inputs	Relationship of unobservable inputs to fair value
Buildings	Current replacement cost (CRC) approach	<ul style="list-style-type: none"> <li>• Current construction cost estimates as published in Rawlinson's Handbook</li> <li>• Actual comparable construction costs</li> <li>• Gross floor area and total and remaining useful life</li> </ul>	The valuer has determined the fair value of buildings by assessing the replacement cost and making appropriate adjustments for age, condition and functional and technical obsolescence. The higher the unit cost rate the higher the fair value or the older or the poorer the condition, the lower the fair value. During the revaluation process, the valuer physically inspected the Environmental Science Facility.

## 14. Restricted assets

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Current</b>				
Contributions	23,210	16,957	23,210	16,957
<b>Restricted cash</b>	<b>23,210</b>	<b>16,957</b>	<b>23,210</b>	<b>16,957</b>

The above amounts are recognised as restricted assets as there are specific legislative or contractual conditions associated with the use of these funds.



## 15. Current liabilities – payables

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Accrued salaries, wages and on-costs	2,647	1,849	578	-
Creditors	32,274	17,444	32,274	17,444
Unearned revenue	2,131	80	2,131	80
Payable to the EPA Staff Agency	-	-	2,069	1,849
	<b>37,052</b>	<b>19,373</b>	<b>37,052</b>	<b>19,373</b>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in note 24.

### Recognition and measurement

Payables represent liabilities for goods and services provided to the EPA and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

## 16. Current/non-current liabilities – borrowings

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Current</b>				
Lease liability	302	926	302	926
	<b>302</b>	<b>926</b>	<b>302</b>	<b>926</b>
<b>Non-current</b>				
Lease liability	354	3,640	354	3,640
	<b>354</b>	<b>3,640</b>	<b>354</b>	<b>3,640</b>

Details regarding liquidity risk, including a maturity analysis of the above payables, are disclosed in note 24.

# Finance

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## Recognition and measurement

Borrowing represents interest-bearing lease liabilities.

## Financial liabilities at amortised cost

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

## Changes in liabilities arising from financial activities

	Leases \$'000	Total liabilities from financing activities \$'000
<b>1 July 2020</b>	2,432	2,432
Cash flows	(1,014)	(1,014)
New leases	3,060	3,060
Interest expenses	88	88
<b>30 June 2021</b>	<b>4,566</b>	<b>4,566</b>
Cash flows	(1,151)	(1,151)
New leases	3,741	3,741
Interest expenses	129	129
Derecognition of leases	(6,629)	(6,629)
<b>30 June 2022</b>	<b>656</b>	<b>656</b>

## 17. Current/non-current liabilities – provisions

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Current</b>				
Restoration costs	183	53	183	53
<b>Employee benefits and related on-costs</b>				
Annual leave <sup>1</sup>	9,539	6,003	-	-
Annual leave on-costs <sup>1</sup>	1,359	902	-	-
Long-service leave on-costs <sup>2</sup>	3,251	3,591	-	-
Payable to the EPA Staff Agency	-	-	14,149	10,496
<b>Total current</b>	<b>14,332</b>	<b>10,549</b>	<b>14,332</b>	<b>10,549</b>
<b>Non-current</b>				
Restoration costs	314	515	314	515
<b>Employee benefits and related on-costs</b>				
Long-service leave on-costs <sup>2</sup>	327	355	-	-
Payable to the EPA Staff Agency	-	-	327	355
<b>Total non-current</b>	<b>641</b>	<b>870</b>	<b>641</b>	<b>870</b>
<b>Total provisions</b>	<b>14,973</b>	<b>11,419</b>	<b>14,973</b>	<b>11,419</b>
<b>Aggregate employee benefits and related on-costs</b>				
Provisions – current	14,149	10,496	-	-
Provisions – non-current	327	355	-	-
Accrued salaries, wages and on-costs (note 14)	2,647	1,849	-	-
Payable to the EPA Staff Agency	-	-	17,123	12,700
	<b>17,123</b>	<b>12,700</b>	<b>17,123</b>	<b>12,700</b>

1. The value of employee benefits and related on-costs expected to be paid after 12 months is \$0.33 million (2021: \$0.36 million).
2. The EPA's liabilities for long-service leave are assumed by the Crown. However, the EPA has an obligation to meet the long-service related on-costs.



# Finance

## Movements in provisions (other than employee benefits)

Movements in provision for restoration costs during the financial year are set out below:

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Carrying amount at 1 July	568	306	568	306
Additional provisions recognised	-	253	-	253
Gain or loss in other provisions	(71)	9	(71)	9
Carrying amount at 30 June	<b>497</b>	<b>568</b>	<b>497</b>	<b>568</b>

## Recognition and measurement: employee benefits and related on-costs

### Salaries and wages, annual leave and sick leave

Salaries and wages (including non-monetary benefits) and paid sick leave, expected to be settled wholly within 12 months after the period employees render the service, are recognised and measured at the undiscounted amounts of the benefits.

Annual leave not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, is to be measured at present value in accordance with AASB 119 *Employee Benefits*.

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 8.4% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The EPA has assessed the actuarial advice based on its circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the EPA does not expect to settle the liability within 12 months as the EPA does not have an unconditional right to defer settlement.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be materially greater than the benefits accrued in the future.

### Long-service leave and superannuation

The EPA's liabilities for long-service leave and defined benefit superannuation are assumed by the Crown. The EPA accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item is described as 'Acceptance by the Crown of employee benefits and other liabilities'.

Long-service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using Commonwealth Government bond rate at the reporting date.

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The superannuation expense for the financial year is determined using the formulas specified in the Treasurer's Directions. The expense for certain superannuation schemes, (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employee's salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme) the expense is calculated as a multiple of the employee's superannuation contributions.

### **Consequential on-costs**

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers compensation insurance premiums and fringe benefits tax.

### **Other provisions**

Provisions are recognised when EPA has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the EPA expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the statement of comprehensive income.

If the effect of the time value of money is material, provisions are discounted at 3.5%, which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

## **18. Equity**

### **Recognition and measurement**

#### **Revaluation surplus**

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with EPA policy on the revaluation of property, plant and equipment as discussed in note 1.

#### **Accumulated funds**

The category 'Accumulated funds' includes all current and prior period retained funds.

#### **Equity transfers**

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector entities and 'equity appropriations' are designated or required by the Accounting Standards to be treated as contributions by owners and recognised as an adjustment to 'Accumulated funds'. This treatment is consistent with AASB 1004 *Contributions and Australian interpretation* and AASB 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure, in most instances this will be approximate fair value.

# Finance

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## 19. Commitments for expenditure

Consolidated and parent	2022 \$'000	2021 \$'000
<b>Capital commitments</b>		
Aggregate capital expenditure for the acquisition of plant and equipment contracted for at balance date and not provided for:		
Not later than one year	175	216
<b>Total (including GST)</b>	<b>175</b>	<b>216</b>

## 20. Contingent liabilities and contingent assets

### Contingent liabilities

#### a. Claims on the Treasury Managed Fund

The EPA is a member of the NSW Treasury Managed Fund (TMF) self-insurance scheme. The fund manages civil claims against the EPA in relation to issues such as negligence and public liability. As at 30 June 2022, there was no material claim on the Treasury Managed Fund.

#### b. Other claims

There are presently no unresolved civil claims where legal action has been taken against the EPA seeking damages or similar.

The EPA is not aware of any significant or material contingent liability in existence at 30 June 2022 or which has emerged subsequent to this date, which may materially impact on the financial position of the EPA as shown in the financial statements.

### Contingent assets

The EPA has no contingent assets as at 30 June 2022.

## 21. Budget review

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget, e.g. adjustment for transfer of budget between entities, are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

### **Net result: Actual net result of \$2.1 million loss against the budget of \$5.6 million profit, a variance of \$7.7 million.**

The lower than budgeted net result was due mainly to:

**Total expenses being lower than budget by \$80.9 million.** The lower total expenses was mainly due to lower other operating expenses of \$59.1 million, which includes underspend of the project to clean-up and remove waste for flood-affected areas of \$77.2 million. This was partially offset by higher temporary staff/contractor costs of \$12.8 million and advertising costs of \$4.1 million. Grants and subsidies expense was lower by \$11.4 million due to the lower expenditure in waste-related projects. Employee-related expenses are lower than budget by \$10.0 million resulting from delayed recruitment during the year and lower than budget long-service leave expense.

**Total revenue being lower than budget by \$88.8 million.** The reason for the variation of lower total revenue of \$88.8 million was due mainly to \$88.5 million lower grants and contributions received, which was impacted by lower than budgeted grants for the project to clean-up and remove waste for flood-affected of \$69.3 million and grant funding for waste related projects of \$13.7 million.



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**Net assets: Actual net assets of \$35.7 million against the budget of \$44.6 million – a variance of \$8.9 million**

The total assets are higher than budget by \$17.7 million, mainly due to increased cash at bank by \$17.1 million, which was a result of the increased restricted cash of \$13.2 million including funds received for the bushfire grant, increase in current receivables by \$16.2 million is due to increase in accrued income. This was partially offset by a reduction in right-of-use assets of \$4.2 million with the derecognition of property leases, and intangible assets of \$6.8 million due to lower capital spend during the year. The total liabilities are higher than budget by \$26.5 million, mainly due to increase in payables of \$27.1 million, including flood clean-up and bushfire program payables. Provisions were higher by \$3.7 million due to an increase in employee provisions. Borrowings were lower by \$4.4 million due to a derecognition of property lease liabilities during the year.

**Cash flow: Closing cash and cash equivalents of \$35.1 million against a budget of \$18.0 million – a variance of \$17.1 million**

Total payments from operating activities were lower than budget by \$86.7 million due to other operating payments, of \$69.2 million, and grants and subsidies, of \$11.4 million, which is a reflection of the operating results as there was an underspend on project-related operations. Total receipts were lower than budget by \$89.6 million mainly due to lower grants received of \$105.3 million. Net cashflows from investing activities was \$9.4 million lower than budget due to the business experiencing lower capital expenditure during the year.

**22. Reconciliation of cash flows from operating activities to net result**

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Net cash used on operating activities	7,607	13,622	7,607	13,622
Depreciation and amortisation	(4,246)	(3,616)	(4,246)	(3,616)
Gain/(loss) on disposal of asset	445	(6)	445	(6)
Increase/(decrease) in receivables	15,785	2,506	15,785	2,506
Decrease/(increase) in provisions	(3,625)	102	(3,625)	102
Decrease/(increase) in creditors	(17,686)	(9,400)	(17,686)	(9,400)
Decrease/(increase) in contract liabilities	(359)	25	(359)	25
<b>Net result</b>	<b>(2,079)</b>	<b>3,233</b>	<b>(2,079)</b>	<b>3,233</b>

# Finance

## 23. Administered assets, liabilities and income

Consolidated and parent	2022 \$'000	2021 \$'000
<b>Administered assets</b>		
Receivables	118,151	110,573
Allowance for impairment	(29,264)	(24,120)
Cash	554	943
Remittance clearing	741,949	(943)
<b>Total administered assets</b>	<b>831,390</b>	<b>86,453</b>
<b>Administered liabilities</b>		
Creditors	-	-
<b>Total administered liabilities</b>	<b>-</b>	<b>-</b>
<b>Administered income</b>		
Pollution licences and approvals	28,819	25,957
Waste-related levies and fees	727,213	763,021
Coal wash levy	2,414	2,977
Waste levy rebates	(10,717)	(3,735)
Fines	1,396	1,957
<b>Total administered income</b>	<b>749,125</b>	<b>790,177</b>
Impairment loss	5,144	10,213
<b>Total impairment loss</b>	<b>5,144</b>	<b>10,213</b>

The above receipts were collected by the EPA on behalf of the Crown in right of the State of New South Wales.

These are not included in the EPA's statement of financial position and statement of comprehensive income. They are brought to account as revenue in the Treasurer's Public Accounts.

## 24. Financial instruments

The EPA's principal financial instruments are outlined below. These financial instruments arise directly from the EPA's operations or are required to finance these operations. The EPA does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The EPA's main risks arising from financial instruments are outlined below, together with the EPA's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The EPA Board and Chief Executive Officer have overall responsibility for the establishment and oversight of risk management and reviews and agree to policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the EPA, set risk limits and control and monitor risks. Compliance with policies is reviewed by the Audit and Risk Committee and internal auditors on a periodic basis.

### a. Financial instrument categories

#### Consolidated and parent

Financial assets	Note	Category	Carrying Amount 30 June 2022 \$'000	Carrying Amount 30 June 2021 \$'000
<b>Class</b>				
Cash and cash equivalents	7	N/A	35,070	33,340
Receivables <sup>1</sup>	8	Receivables (at amortised cost)	27,841	11,436
<b>Financial liabilities</b>	Note	Category	Carrying Amount 30 June 2022 \$'000	Carrying Amount 30 June 2021 \$'000
<b>Class</b>				
Payables <sup>2</sup>	15	Financial liabilities at amortised cost	34,921	19,293
Borrowings	16	Financial liabilities at amortised cost	656	4,566

#### Notes:

1. Excludes GST receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes GST payables and unearned revenue (i.e. not within scope of AASB 7).

### b. Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or the EPA transfers the financial asset:

- where the EPA has substantially transferred all the risks and rewards; or
- where the EPA has not transferred substantially all the risks and rewards and the EPA has not retained control.

Where the EPA has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the EPA's continuing involvement in the asset. In that case, the EPA also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the EPA has retained.



# Finance

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Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the EPA could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

## **c. Financial risks**

### **Credit risk**

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the EPA. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the EPA, including cash and receivables. No collateral is held by the EPA. The EPA has not granted any financial guarantees.

Credit risk associated with the EPA's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

### **Cash**

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances of specified restricted cash at the monthly average NSW Treasury Corporation (TCorp) 11 am unofficial cash rate, adjusted for a management fee to NSW Treasury.

## **Accounting policy for impairment of trade receivables**

### **Receivables – trade and other debtors**

Collectability of trade receivables is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

The EPA applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

The loss allowance for trade debtors as at 30 June 2022 and 30 June 2021 was determined as follows:

<b>Consolidated and parent 30 June 2022</b>	<b>Current \$'000</b>	<b>&lt;30 days \$'000</b>	<b>30–60 days \$'000</b>	<b>61–90 days \$'000</b>	<b>&gt;91 days \$'000</b>	<b>Total \$'000</b>
Expected credit loss rate	-	-	-	-	97.4%	
Estimated total gross carrying amount	3,882	99	14	192	8,079	12,266
<b>Expected credit loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,871</b>	<b>7,871</b>

<b>Consolidated and parent 30 June 2021</b>	<b>Current \$'000</b>	<b>&lt;30 days \$'000</b>	<b>30–60 days \$'000</b>	<b>61–90 days \$'000</b>	<b>&gt;91 days \$'000</b>	<b>Total \$'000</b>
Expected credit loss rate	22%	-	91%	1%	83%	
Estimated total gross carrying amount	4,134	1,013	2,523	107	1,490	9,267
<b>Expected credit loss</b>	<b>898</b>	<b>-</b>	<b>2,306</b>	<b>1</b>	<b>1,236</b>	<b>4,441</b>

**Note:** The analysis is calculated based on trade debtors only (excluding accrued income and statutory receivables, as these are not within the scope of AASB 7). The total will therefore not reconcile with the receivables total in note 8.

The EPA is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors.

### Liquidity risk

Liquidity risk is the risk that the EPA will be unable to meet its payment obligations when they fall due. The EPA continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current and prior year, there were no defaults of loans payable. No assets have been pledged as collateral. The EPA's exposure to liquidity risk is deemed insignificant, based on data from prior periods and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the head of an authority (or a person appointed by the head of an authority) may automatically pay the supplier simple interest.

The rate of interest applied during the year was 8.07% (2021: 8.01%).

# Finance

The table below summarises the maturity profile of the EPA's financial liabilities, together with the interest rate exposure.

Consolidated and parent	\$'000							
	Weighted average effective interest rate	Nominal amount <sup>1</sup>	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1–5 yrs	> 5 yrs
<b>2022</b>								
Payables	N/A	34,921	-	-	34,921	34,921	-	-
Borrowings	2.90%	656	656	-	-	302	354	-
		<b>35,577</b>	<b>656</b>	-	<b>34,921</b>	<b>35,223</b>	<b>354</b>	-
<b>2021</b>								
Payables	N/A	19,293	-	-	19,293	19,293	-	-
Borrowings	3.03%	4,566	4,566	-	-	926	3,640	-
		<b>23,859</b>	<b>4,566</b>	-	<b>19,293</b>	<b>20,219</b>	<b>3,640</b>	-

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the EPA can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.

## Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The EPA has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variables is outlined in the information below for interest rate risk and other price risk. A reasonably possible change in risk variables has been determined after taking into account the economic environment in which the EPA operates and the timeframe for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position date. The analysis is performed on the same basis as for 2021. The analysis assumes that all other variables remain constant.

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## Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the entity's interest-bearing liabilities.

The EPA does not account for any fixed-rate financial instruments at fair value through profit or loss. Therefore, for these financial instruments, a change in interest rates would not affect the carrying value or interest paid/earned. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The EPA's exposure to interest rate risk is set out below.

Consolidated and parent	Carrying amount \$'000	Profit \$'000	-1% Equity \$'000	Profit \$'000	+1% Equity \$'000
<b>2022</b>					
<b>Financial assets</b>					
Cash and cash equivalents	35,070	(351)	(351)	351	351
Receivables	27,841	(278)	(278)	278	278
<b>Financial liabilities</b>					
Payables	34,921	349	349	(349)	(349)
Borrowings	656	7	7	(7)	(7)
<b>2021</b>					
<b>Financial assets</b>					
Cash and cash equivalents	33,340	(333)	(333)	333	333
Receivables	11,436	(114)	(114)	114	114
<b>Financial liabilities</b>					
Payables	19,293	193	193	(193)	(193)
Borrowings	4,566	46	46	(46)	(46)

### d. Fair value compared to carrying amount

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates fair value because of the short-term nature of the financial instruments.



# Finance

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## 25. Related party disclosures

The EPA's key management personnel compensation are as follows:

	Consolidated		Environment Protection Authority	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Short-term employee benefits</b>				
Salaries*	3,279	3,111	724	668
<b>Total remuneration</b>	<b>3,279</b>	<b>3,111</b>	<b>724</b>	<b>668</b>

\* Excludes payroll tax

During the year, the EPA incurred \$2.3 million (2021: \$2.4 million) for the provision of key management personnel services that are provided by the EPA Staff Agency.

During the year, the EPA entered into transactions with other agencies that are controlled/jointly controlled/significantly influenced by the NSW Government. These transactions allow the EPA to meet its objectives and in aggregate are a significant component of the EPA's operations. These transactions are primarily in the form of grants paid and received and are disclosed in notes 2(d), 3(c) and 3(d) respectively.

There are no material related party transactions between the EPA and the key management personnel, their close family members and controlled or jointly controlled entities thereof.

## 26. Events after the reporting period

There are no known events that would impact on the state of the EPA or have a material impact of the financial statements.

**End of audited financial statements.**



## INDEPENDENT AUDITOR'S REPORT

### Environment Protection Authority

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of the Environment Protection Authority (the EPA), which comprise the Statement by the Chief Executive Officer and Chair, the Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information of the EPA and the consolidated entity. The consolidated entity comprises the EPA and the entity it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the financial position, financial performance and cash flows of the EPA and the consolidated entity.

My opinion should be read in conjunction with the rest of this report.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the EPA and the consolidated entity in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Chief Executive Officer’s Responsibilities for the Financial Statements**

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the GSF Act, GSF Regulation and Treasurer’s Directions. The Chief Executive Officer’s responsibility also includes such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the ability of the EPA and the consolidated entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## **Auditor’s Responsibilities for the Audit of the Financial Statements**

My objectives are to:

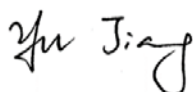
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor’s Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). The description forms part of my auditor’s report.

The scope of my audit does not include, nor provide assurance:

- that the EPA or the consolidated entity carried out their activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Reiky Jiang  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

21 October 2022  
SYDNEY



# Appendices



Dolphins catching waves off Sydney's coast.  
Eora Nation. Photo: Destination NSW



# Appendices

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## Appendix A: Acts administered by the EPA

The following Acts were administered by the EPA from 1 July 2021 to 30 June 2022:

- *Contaminated Land Management Act 1997* No. 140
- *Dangerous Goods (Road and Rail Transport) Act 2008* No. 95, so far as it relates to the transport of dangerous goods by road or rail (remainder: Minister for Fair Trading)
- *Environmentally Hazardous Chemicals Act 1985* No. 14
- *Forestry Act 2012* No. 96 – Parts 5A and 5B jointly with the Minister for Agriculture (remainder: Minister for Agriculture)
- *Local Land Services Act 2013* No. 51 – Part 11 and Part 12, Divisions 2 and 3 jointly with the Minister for Agriculture (remainder: Minister for Agriculture)
- *National Environment Protection Council (New South Wales) Act 1995* No. 4
- *Ozone Protection Act 1989* No. 208
- *Pesticides Act 1999* No. 80
- *Plastic Reduction and Circular Economy Act 2021* No. 31
- *Protection of the Environment Administration Act 1991* No. 60
- *Protection of the Environment Operations Act 1997* No. 156
- *Radiation Control Act 1990* No. 13
- *Recreation Vehicles Act 1983* No. 136 (except Parts 4 and 6 administered jointly by the Minister for Transport, the Minister for Metropolitan Roads and the Minister for Regional Transport and Roads)
- *Waste Avoidance and Resource Recovery Act 2001* No. 58. ■

# Appendix B: Prosecutions completed under EPA legislation

Details of prosecutions completed under EPA legislation, excluding littering matters, are recorded below.

LEC = Land and Environment Court;

LC = Local Court

s 10 = Under section 10 of the *Crimes (Sentencing Procedure) Act 1999*, the Court, although finding the defendant guilty of the offences charged, did not record a conviction.

Unless otherwise stated, the dollar amount referred to in the Result/Penalty column is a fine.

## Tier 1 offences

Tier 1 offences are the most serious offences and attract the highest maximum penalties.

### Protection of the Environment Operations Act 1997

Defendant	Charge	Result/Penalty	Court
Al-Sarray, Munaf	Provide false and misleading information about waste	\$135,000 Ordered to publicise details of the offence in <i>Inside Waste</i> magazine.	LEC
Al-Sarray, Munaf	Provide false and misleading information about waste	\$135,000 Ordered to publicise details of the offence in <i>Inside Waste</i> magazine.	LEC

## Tier 2 offences

### Protection of the Environment Operations Act 1997

Defendant	Charge	Result/Penalty	Court
Afram, Fayed	Provide false and misleading information about waste	\$30,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>The Daily Telegraph</i> and <i>Inside Waste</i> magazine. Also ordered to pay investigation costs of \$31,250.25.	LEC
Afram, Fayed	Pollute land	\$127,500 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>The Daily Telegraph</i> and <i>Inside Waste</i> magazine. Also ordered to pay investigation costs of \$31,250.25.	LEC

# Appendices

Defendant	Charge	Result/Penalty	Court
Afram, Fayed	Provide false and misleading information about waste	\$67,500 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>The Daily Telegraph</i> and <i>Inside Waste</i> magazine. Also ordered to pay investigation costs of \$31,250.25.	LEC
Afram, Fayed	Provide false and misleading information about waste	\$15,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>The Daily Telegraph</i> and <i>Inside Waste</i> magazine. Also ordered to pay investigation costs of \$31,250.25.	LEC
Arja, Fouad	Breach prevention notice	\$60,000 Ordered to pay 50% of fine moiety to the NSW EPA. Also ordered to pay investigation costs of \$5,000.	Liverpool LC
Arja, Fouad	Pollute land	\$60,000 Ordered to pay 50% of fine moiety to the NSW EPA. Also ordered to pay investigation costs of \$7,500.	Liverpool LC
Arja, Fouad	Carry out a scheduled activity without a licence	\$60,000 Ordered to pay 50% of fine moiety to the NSW EPA. Also ordered to pay investigation costs of \$7,500.	Liverpool LC
Aussie Skips Recycling Pty Ltd	Breach licence condition	s 10 Ordered to publicise details of the offence in <i>Inside Waste</i> magazine.	Bankstown LC
Aussie Skips Recycling Pty Ltd	Breach licence condition	s 10 Ordered to publicise details of the offence in <i>Inside Waste</i> magazine.	Bankstown LC
Aussie Skips Recycling Pty Ltd	Breach licence condition	\$1,500 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine.	Bankstown LC
Aussie Skips Recycling Pty Ltd	Breach licence condition	\$3,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine.	Bankstown LC
Aussie Skips Recycling Pty Ltd	Breach licence condition	\$3,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine.	Bankstown LC
Binos, Christopher	Failure to comply with clean-up notice	\$110,000 Ordered to pay 50% of fine moiety to the NSW EPA and lawfully remove and dispose of the waste within one year.	Wollongong LC



<b>Defendant</b>	<b>Charge</b>	<b>Result/Penalty</b>	<b>Court</b>
<b>Binos, Christopher</b>	Failure to comply with clean-up notice	\$110,000 Ordered to remove contaminated fill from the Premises within six months of being released from custody and pay landowner \$30,596.11 in compensation to remediate land. Also ordered to pay 50% of fine moiety to the NSW EPA.	Parramatta LC
<b>Binos, Christopher</b>	Unlawfully deposit asbestos waste	\$110,000 Ordered to remove contaminated fill from the Premises within six months of being released from custody and pay landowner \$30,596.11 in compensation to remediate land. Also ordered to pay 50% of fine moiety to the NSW EPA.	Parramatta LC
<b>BSV Tyre Recycling Australia Pty Ltd</b>	Breach licence condition	\$2,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine. Also ordered to pay investigation costs of \$1,925..	Bankstown LC
<b>BSV Tyre Recycling Australia Pty Ltd</b>	Breach licence condition	\$2,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine.	Bankstown LC
<b>BSV Tyre Recycling Australia Pty Ltd</b>	Breach licence condition	\$2,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine.	Bankstown LC
<b>BSV Tyre Recycling Australia Pty Ltd</b>	Breach licence condition	\$2,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine.	Bankstown LC
<b>BSV Tyre Recycling Australia Pty Ltd</b>	Breach licence condition	\$2,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine.	Bankstown LC
<b>Cleanaway Equipment Services Pty Ltd</b>	Pollute waters	\$280,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>The Canberra Times</i> and <i>Inside Waste</i> magazine, Facebook and Twitter. Also ordered to pay investigation costs of \$36,926.	LEC

# Appendices

Defendant	Charge	Result/Penalty	Court
Cleanaway Equipment Services Pty Ltd	Pollute waters	\$150,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>The Australian Financial Review</i> , <i>The Canberra Times</i> and <i>Inside Waste</i> magazine, Facebook and Twitter. Also ordered to pay investigation costs of \$36,926.	LEC
Cleanaway Equipment Services Pty Ltd	Failure to notify of a pollution incident that caused or threatened material harm to the environment	\$187,500 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>The Australian Financial Review</i> , <i>The Canberra Times</i> and <i>Inside Waste</i> magazine, Facebook and Twitter. Also ordered to pay investigation costs of \$36,926.	LEC
Dirt Doctors Geotechnical Testing Services Pty Ltd	Provide false or misleading information about waste	\$4,000	Picton LC
El Zaher, Rabih	Failure to comply with an investigative requirement under Chapter 7	\$6,000 Ordered to pay 50% of fine moiety to the NSW EPA and to provide a response to the Notice to the EPA within 14 days.	Parramatta LC
*Grafil Pty Ltd	Unlawful use of land as a waste facility	Ordered to pay investigation costs of \$46,772.	LEC
Laird, Michael Anthony	Failure to comply with an investigative requirement under Chapter 7	\$7,500	Parramatta LC
*Mackenzie, Robert Bruce	Unlawful use of land as a waste facility	s 10	LEC
Majidi, Yahya	Unlawfully transport and deposit waste	\$3,750 Ordered to pay investigation costs of \$1,105.	Campbelltown LC
Maules Creek Coal Pty Ltd	Pollute waters	Ordered to pay \$25,000 to the Environmental Trust and to publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Daily Telegraph</i> , <i>The Australian Financial Review</i> , <i>The Northern Daily Leader</i> and on the Whitehaven Coal Ltd Company website. Also ordered to pay investigation costs of \$1,000.	LEC

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Defendant	Charge	Result/Penalty	Court
Maules Creek Coal Pty Ltd	Pollute waters	Ordered to pay \$93,750 to the Environmental Trust and to publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Daily Telegraph</i> , <i>The Australian Financial Review</i> , <i>The Northern Daily Leader</i> and on the Whitehaven Coal Ltd Company website. Also ordered to pay investigation costs of \$1,002.70.	LEC
Maules Creek Coal Pty Ltd	Pollute waters	Ordered to pay \$40,000 to the Environmental Trust and to publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Daily Telegraph</i> , <i>The Australian Financial Review</i> , <i>The Northern Daily Leader</i> and on the Whitehaven Coal Ltd Company website. Also ordered to pay investigation costs of \$1,000.	LEC

\*These matters are currently the subject of an EPA appeal.

#### Protection of the Environment Operations (Waste) Regulation 2014

Defendant	Charge	Result/Penalty	Court
BSV Tyre Recycling Australia Pty Ltd	Failure to comply with requirements regarding weighbridge operation	\$2,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine.	LEC
BSV Tyre Recycling Australia Pty Ltd	Failure to comply with requirements regarding weighbridge operation	\$2,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine.	LEC
BSV Tyre Recycling Australia Pty Ltd	Failure to comply with requirements regarding weighbridge operation	\$2,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine.	LEC
BSV Tyre Recycling Australia Pty Ltd	Failure to comply with requirements regarding weighbridge operation	\$2,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine.	LEC
BSV Tyre Recycling Australia Pty Ltd	Failure to comply with requirements regarding weighbridge operation	\$2,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine.	LEC

# Appendices

Defendant	Charge	Result/Penalty	Court
BSV Tyre Recycling Australia Pty Ltd	Failure to comply with requirements regarding weighbridge operation	\$2,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine.	LEC

## Biodiversity Conservation Act 2016

Defendant	Charge	Result/Penalty	Court
Forestry Corporation of New South Wales	Breach biodiversity conservation licence condition	\$60,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>Coffs Coast News of the Area</i> , Forestry Corporation's annual report, Facebook and Instagram.	LEC
Forestry Corporation of New South Wales	Breach biodiversity conservation licence condition	\$27,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>Coffs Coast News of the Area</i> , Forestry Corporation's annual report, Facebook and Instagram.	LEC
Forestry Corporation of New South Wales	Breach biodiversity conservation licence condition	\$27,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>Coffs Coast News of the Area</i> , Forestry Corporation's annual report, Facebook and Instagram.	LEC
Forestry Corporation of New South Wales	Breach biodiversity conservation licence condition	\$21,600 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>Coffs Coast News of the Area</i> , Forestry Corporation's annual report, Facebook and Instagram.	LEC



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## Forestry Act 2012

Defendant	Charge	Result/Penalty	Court
Forestry Corporation of New South Wales	Failure to comply with requirement imposed by an integrated forestry operations approval	\$45,000 Ordered to pay \$45,000 to the Australasian Bat Society Inc. for the purposes of the project titled 'Preliminary Assessment of the Impacts of a 2019/2020 Wildfire on a Key Roost of the Eastern Horseshoe Bat on the South Coast of NSW', pay 50% of fine moiety to the NSW EPA and publicise details of the offence in <i>The Australian Financial Review</i> , <i>The South Coast Register</i> , <i>The Bay Post/Moruya Examiner</i> , <i>Australian Forests &amp; Timber News</i> and <i>Australasian Timber Magazine</i> . Also ordered to engage a Registered Training Organisation (RTO) to undertake an audit and training of authorised persons, provide the EPA with a written report outlining the outcomes and any recommendations made by the RTO and pay \$4,000 in investigation costs.	
Forestry Corporation of New South Wales	Failure to comply with requirement imposed by an integrated forestry operations approval	\$75,000 Ordered to pay 50% of fine moiety to the NSW EPA and publicise details of the offence in <i>The Australian Financial Review</i> , <i>The South Coast Register</i> , <i>The Bay Post/Moruya Examiner</i> , the <i>Australian Forests &amp; Timber News</i> and the <i>Australasian Timber Magazine</i> . Also ordered to engage a Registered Training Organisation (RTO) to undertake an audit and training of authorised persons, provide the EPA with a written report outlining the outcomes and any recommendations made by the RTO and pay \$2,000 in investigation costs.	
Forestry Corporation of New South Wales	Failure to comply with requirement imposed by an integrated forestry operations approval	\$65,000 Ordered to pay 50% of fine moiety to the NSW EPA and publicise details of the offence in <i>The Australian Financial Review</i> , <i>The South Coast Register</i> , <i>The Bay Post/Moruya Examiner</i> , the <i>Australian Forests &amp; Timber News</i> and the <i>Australasian Timber Magazine</i> . Also ordered to engage a Registered Training Organisation (RTO) to undertake an audit and training of authorised persons, provide the EPA with a written report outlining the outcomes and any recommendations made by the RTO and pay \$2,000 in investigation costs.	

# Appendices

## Radiation Control Act 1990

Defendant	Charge	Result/Penalty	Court
The University of Sydney	Failure to ensure regulated material was not used by a person who did not hold an appropriate licence	\$51,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>The Sydney Morning Herald</i> , the quarterly newsletter of the Australasian Radiation Protection Society, and its website and Facebook page.	LEC
The University of Sydney	Dispose of regulated material without consent of the Chair of the EPA	\$10,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>The Sydney Morning Herald</i> , the quarterly newsletter of the Australasian Radiation Protection Society, and its website and Facebook page.	LEC

## Dangerous Goods (Road and Rail Transport) Act 2008

Defendant	Charge	Result/Penalty	Court
Buttie, Rodney	Failure to ensure dangerous goods transported in a safe manner	\$500 Ordered to pay 50% of fine moiety to the NSW EPA.	Downing Centre LC
Buttie, Rodney	Failure to ensure dangerous goods transported in a safe manner	\$500 Ordered to pay 50% of fine moiety to the NSW EPA.	Downing Centre LC
Buttie, Rodney	Failure to ensure dangerous goods transported in a safe manner	\$500 Ordered to pay 50% of fine moiety to the NSW EPA.	Downing Centre LC
Elsayed, Bilal	Failure to ensure dangerous goods transported in a safe manner	\$500 Ordered to pay 50% of fine moiety to the NSW EPA.	Downing Centre LC
Elsayed, Bilal	Failure to ensure dangerous goods transported in a safe manner	\$500 Ordered to pay 50% of fine moiety to the NSW EPA.	Downing Centre LC
Elsayed, Bilal	Failure to ensure dangerous goods transported in a safe manner	\$500 Ordered to pay 50% of fine moiety to the NSW EPA.	Downing Centre LC

## Appendix C: Enforceable undertakings

Incident	Company	Agreed actions	Amount
<p><b>10 June 2020</b></p> <p>Purple dye (organic triarylmethane dye) entered the stormwater system at DIC Australia Pty Ltd's premises at Auburn. DIC Australia failed to remove the water containing purple dye from the stormwater system causing purple dye to overflow into the outlet pipe that runs directly to Duck River in Auburn being a southern tributary of the Parramatta River.</p> <p>Date of EU: 28 October 2021</p>	DIC Australia Pty Ltd	<ul style="list-style-type: none"> <li>• Monetary contribution towards the delivery of environmental related projects</li> <li>• Measures to improve environmental performance through training</li> <li>• Measures to improve internal auditing, monitoring and reporting</li> </ul>	\$30,000
<p><b>9 January 2020 – 24 February 2020</b></p> <p>Seven sewage overflow incidents occurred from arising main in Grasmere and Glenmore due to certain sections of the rising main pipeline having been impacted by internal corrosion caused by hydrogen sulphide gas in sewage. During the incidents, an estimated 88,000 litres of untreated sewage was discharged into the environment impacting a wet-weather gully, an unnamed pond and a quarry dam.</p> <p>Date of EU: 13 March 2022</p>	Sydney Water Corporation (Grasmere)	<ul style="list-style-type: none"> <li>• Measures to prevent future incidents</li> <li>• Monetary contribution towards funding the 'Detection of Rising Main Breaks Research Project'</li> <li>• Monetary contribution towards the delivery of environmental related projects to Camden Council and Wollondilly Council to benefit the community</li> <li>• Print media notice in the <i>Camden Advertiser</i>, the <i>Macarthur Chronicle</i>, the <i>Wollondilly Advertiser</i>, Sydney Water Corporation's Facebook, Instagram and Twitter accounts</li> </ul>	\$620,800
<p><b>28 July 2020</b></p> <p>Approximately 430,000 litres of untreated sewage was discharged from a rising main due to external corrosion that extended through the wall of the pipe. The sewage consisted of residential sewage and some commercial trade waste that flowed into and damaged properties. The sewage also flowed into the stormwater system and into a creek as well as Shellharbour Beach South, which is used for primary recreation.</p> <p>Date of EU: 13 March 2022</p>	Sydney Water Corporation (Shellharbour)	<ul style="list-style-type: none"> <li>• Monetary contribution towards the delivery of environmental related projects including the 'Shellharbour Beach Dune Restoration Project' and 'Detection of Rising Main Breaks Research Project'</li> <li>• Print media notice in the <i>Illawarra Mercury</i>, Sydney Water Corporation's Facebook, Instagram and Twitter accounts</li> </ul>	\$613,600
<b>Total monetary contributions towards environmental works</b>			<b>\$1,264,400</b>

# Appendices

## Appendix D: Penalty notices

Infringement type	EPA		Other NSW Government*		Local government	
	No.	Penalty	No.	Penalty	No.	Penalty
POEO** Air: Motor vehicle – smoky	-	-	-	-	-	-
POEO Air: Motor vehicle – other air	-	-	2	\$800	-	-
POEO Air Pollution: Non-motor vehicle – control of burning	-	-	1	\$500	31	\$18,500
POEO Air Pollution: Non-motor vehicle – emission of air impurities or odours from premises	-	-	-	-	3	\$12,000
POEO Noise: Motor vehicle	2	\$500	7	\$1,750	-	-
POEO Noise: Non-motor vehicle	-	-	152	\$45,600	17	\$5,100
POEO Littering: Aggravated litter – motor vehicle	2	\$900	13	\$5,850	166	\$80,100
POEO Littering: Aggravated litter – non-motor vehicle	-	-	3	\$1,350	3	\$1,350
POEO Littering: Motor vehicle	2,515	\$668,250	137	\$28,980	1,010	\$265,330
POEO Littering: Non-motor vehicle	-	-	62	\$11,570	158	\$14,680
POEO Land pollution and waste	7	\$90,500	3	\$600	371	\$1,116,750
POEO Land pollution and waste: Asbestos/hazardous	1	\$15,000	-	-	8	\$40,000
POEO Water: All offences	6	\$67,500	-	-	284	\$2,084,000
Other offences, e.g. contravene licence conditions	29	\$307,500	2	\$2,250	525	\$762,000
Dangerous goods: All offences	-	-	21	\$52,510	70	\$84,250
Pesticides: All offences	4	\$2,750	1	\$500	-	-
Native vegetation: All offences	-	-	-	-	-	-
Radiation	-	-	-	-	-	-
Coal seam gas	-	-	-	-	-	-
<b>Total</b>	<b>2,566</b>	<b>\$1,152,900</b>	<b>404</b>	<b>\$152,260</b>	<b>2646</b>	<b>\$4,484,060</b>

\* 'Other NSW Government' includes all non-EPA environment-related organisations, such as OEH, NPWS, Botanic Gardens and Parklands Trusts.

\*\*POEO = *Protection of the Environment Operations Act 1997*



## Appendix E: Statistical information on access applications

Under clause 8 of the Government Information (Public Access) Regulation 2018, statistical information must be provided about the formal access applications received by the EPA under section 9 of the *Government Information (Public Access) Act 2009* (GIPA Act) during the current reporting year.

### Number of access applications received: clause 8(b)

During 2021–22, the EPA received 113 access applications, 88 of which were initially assessed as being invalid. Of these, 83 subsequently became valid and have been included in the total of 108 valid applications.

### Number of access applications refused under Schedule 1: clause 8(c)

During the reporting period, the EPA refused six applications in part because the information requested was information referred to in Schedule 1 of the GIPA Act.

### Statistical information about access applications: clause 8(d) and Schedule 2

Of the 13 applications received in the previous reporting year, 12 were completed in 2021–22 and one was withdrawn.

More than one public interest consideration may apply in relation to an access application and, if this occurs, each consideration must be recorded (but only once per application).

**Table A: Applications by type of applicant and outcome**

Type of applicant	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny if information held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector businesses	25	4	1	19	0	0	0	2
Not-for-profit organisations/ community groups	14	14	4	2	2	0	0	2
Members of the public – application by legal representative	4	2	1	5	0	0	0	3
Members of the public (other)	8	3	1	0	0	0	0	6

# Appendices

**Table B: Applications by type of application and outcome**

Type of application	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny if information held	Application withdrawn
Access applications – other than personal information applications	0	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	51	22	7	26	2	0	0	12
Members of the public (other)	0	1	0	0	0	0	0	1

\* A 'personal information application' is an application for access to personal information (as defined in clause 4 of Schedule 4 to the GIPA Act) about the applicant (the applicant being an individual).

**Table C: Invalid applications**

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	5
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	88
Invalid applications that subsequently became valid	83

**Table D: Conclusive presumption of overriding public interest against disclosure – matters listed in Schedule 1 to the Act**

Public interest considerations against disclosure – Schedule 1 of the Act	Times consideration used
Overriding secrecy laws	0
Cabinet information	3
Executive Council information	0
Contempt	0
Legal professional privilege	3
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0

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	<b>Times consideration used</b>
<b>Public interest considerations against disclosure – Schedule 1 of the Act</b>	
Care and protection of children	0
Ministerial Code of Conduct	0
Aboriginal and environmental heritage	0
Information about complaints to Judicial Commission	0
Information about authorised transactions under the <i>Electricity Network Assets (Authorised Transactions) Act 2015</i>	0
Information about authorised transactions under the <i>Land and Property Information NSW (Authorised Transaction) Act 2016</i>	0
	<hr/>

**Table E: Other public interest considerations against disclosure**

	<b>Occasions application not successful</b>
<b>Other public interest considerations against disclosure</b>	
Responsible and effective government	16
Law enforcement and security	11
Individual rights, judicial processes and natural justice	18
Business interests of agencies and other persons	13
Environment, culture, economy and general matters	
Secrecy provisions	0
Exempt documents under interstate freedom of information legislation	0
	<hr/>

**Table F: Timeliness**

	<b>Number of applications</b>
<b>Time frame</b>	
Decided within the statutory time frame (20 days plus any extensions)	99
Decided after 35 days (by agreement with applicant)	12
Not decided within time frame (deemed refusal)	0
<b>Total</b>	<hr/> <b>111</b>

# Appendices

**Table G: Applications reviewed under Part 5 of the Act (by type of review and outcome)**

Type of review	Decision varied	Decision upheld	Total	
Internal review		0	6	6
Review by Information Commissioner*		1	0	1
Internal review following recommendation under section 93 of the Act		0	1	1
Review by NCAT**		0	0	0
<b>Total</b>		<b>1</b>	<b>7</b>	<b>8</b>

\* The Information Commissioner does not have the authority to vary decisions but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the decision has been made.

\*\* NSW Civil and Administrative Tribunal (NCAT)

**Table H: Applications for review under Part 5 of the Act (by type of applicant)**

Type of application	Applications reviewed
Applications by applicants for access to information	5
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	3

**Table I: Applications transferred to other agencies under Division 2, Part 4 of the Act (by type of transfer)**

Type of transfer	Applications transferred
Agency-initiated transfers	0
Applicant-initiated transfers	0



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## Appendix F: Public interest disclosures

In accordance with clause 4 of the Public Interest Disclosures Regulation 2011, information for the EPA for 1 July 2021 to 30 June 2022 is set out below.

<b>Public interest disclosure type</b>	<b>Number</b>
Public interest disclosures made by public officials in performing their day-to-day functions	0
Other public interest disclosures that are made under a statutory or legal obligation	0
All other public interest disclosures	0
<b>Public interest disclosures relating to possible or alleged:</b>	0
• corrupt conduct	0
• maladministration	0
• serious and substantial waste of public money	0
<b>Total number of public interest disclosures received</b>	<b>0</b>
<b>Total number of public interest disclosures finalised</b>	<b>0</b>

# Appendices

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## Appendix G: Cyber Security

### Cyber Security Annual Attestation for the 2021–22 Financial Year for

#### Environment Protection Authority NSW

I, Steve Beaman, Acting Chief Executive Officer, am of the opinion that the Environment Protection Authority NSW have managed cyber security risks via the Department of Planning and Environment in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

During the 2021–22 financial year, the Department of Planning and Environment has completed independent audits of its Cyber Security Uplift Program, cyber security controls, and the department’s maturity against the NSW Cyber Security Policy. These audits identified both positive progress and opportunities for improvement, consistent with the evolving cyber security threat landscape.

The Department of Planning and Environment has a Cyber Security Strategy in place to ensure continuous improvement and management of cyber security governance, risk, and resilience. Risks to the information and systems of DPE are continually assessed and managed through ongoing cyber security projects and business-as-usual initiatives.

The Department of Planning and Environment has a cyber security response plan that has been exercised during the 2021–22 financial year. The plan will continue to be reviewed and tested to maintain its currency and effectiveness.

The Department of Planning and Environment’s Digital Information Office has maintained compliance with the international security standard, *ISO 27001 Information Technology – Security techniques – Information security management systems*, as certified by an Accredited Third Party (BSI) during the 2021–22 financial year (Certificate Number: IS 645082).

The Department will continue to harden its technology environments and increase awareness of cyber security and privacy risks for all staff.



**Steve Beaman**  
**Acting Chief Executive Officer**  
**Environment Protection Authority NSW**

Date: 30 September 2022

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# Appendix H: Grants and subsidies

## Waste Programs

The EPA offers grants to government, business and the community. These grants support recipients to reduce waste, combat illegal dumping, increase the capacity for recycling and educate people about effective ways to help the environment.

This year (2021–22) was a transition year from the *Waste Less, Recycle More* (WLRM) program to the *Waste and Sustainable Materials Strategy 2041*, which commenced on 1 July 2021.

All waste grant funding detailed below comes from recurrent EPA funding unless stated otherwise.

### Local government program

*Waste Less, Recycle More* provided local government with funding to support local communities to increase recycling and reduce illegal dumping and littering. The fund included payments through the following programs:

- Better Waste and Recycling Fund
- Regional Coordination and Strategy Support Program for Greater Sydney
- Regional Coordination and Strategy Support Program for rural and regional NSW.

In 2021–22 local councils were provided with more than \$16.9 million in contestable and non-contestable grants.

For details of grant programs and recipients in 2021–22 go to the EPA website.

### Local government

In 2021–22 total payments were \$16.9 million dollars.

These included:

- a total of \$9.75 million under the Better Waste and Recycling Fund, comprising:
  - \$8,287,500 for local councils in the waste levy-paying area
  - \$1,462,500 for regional groups of councils in the waste-levy-paying area
- \$3.13 million to the Regional Coordination and Strategy Support Program for regional waste groups across NSW
- \$586,440 to Local Government NSW
- \$152,000 to Local Government NSW for waste-related projects.

### Local government community organisations

In 2021–22 payments totalled \$18,000.

### Non-government organisations

In 2021–22 payments totalled \$6.4 million dollars.

### Community organisations

To foster community-led actions that support the NSW Plastics Action Plan and the bans on single-use plastics, 17 organisations received small grants, to the total value of \$961,800. These grants will go towards encouraging sustainable behaviours and social norms in the recipients' communities and organisations.

## Aboriginal Communities Waste Management Program

The Aboriginal Communities Waste Management Program aims to assist the 61 discrete Aboriginal communities (former missions/reserves) across NSW to improve waste management systems, reduce litter, illegal dumping and bulky waste, improve the safety and environmental health of Aboriginal communities and improve relationships with service providers and local government.

Thirty-one communities are currently participating in the statewide program, which has three stages:

- **Stage 1** – Community engagement
- **Stage 2** – Development of community rubbish management plans
- **Stage 3** – Communities eligible for up to \$100,000 to implement their plans.

In 2021–22 seven communities progressed to stage 3.

Stage 3 funding can be used to employ a project manager and a community engagement adviser, remove waste and litter, purchase infrastructure to improve waste management and provide educational activities and resources.

In 2021–22 total payments to community organisations under this program were \$585,912. Community organisations received payments either directly or through an auspice, an organisation that manages grant funding on behalf of the recipient.

# Appendices

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## Payments made to community organisations under the Aboriginal Communities Waste Management Program

Community name	Recipient/Auspice	Amount paid
Narwan Village	Armidale Local Aboriginal Land Council	\$38,911
Brungle	Brungle Tumut Local Aboriginal Land Council	\$10,000
Red Rock Camp and Wongala Estate	Coffs Harbour & District Local Council	\$55,643
Gulargambone Top Mission and Gulargambone Bottom Mission	Armidale Local Aboriginal Land Council	\$38,911
Jubullum	Jubullum Local Aboriginal Land Council	\$39,389
Green Hills	Kempsey Local Aboriginal Land Council	\$30,000
Murrin Bridge	Murrin Bridge Local Aboriginal Land Council	\$104,972
Namatjira Avenue and New Merinee	Dareton Local Aboriginal Land Council	\$125,351
Bellwood Reserve	Nambucca Heads Local Aboriginal Land Council	\$29,992
Purfleet-Taree	Purfleet-Taree Local Aboriginal Land Council	\$70,000
Toomelah	Toomelah Local Aboriginal Land Council, under the auspice of Many Rivers Regional Housing	\$54,082
Walhallow	Walhallow Local Aboriginal Land Council	\$7,500
<b>Total</b>		<b>\$585,912</b>

## Aboriginal Land Clean-up and Prevention Program

The Aboriginal Land Clean Up and Prevention (ALCUP) program aims to reduce the occurrence and impacts of illegal dumping on Aboriginal land. The program works through surveillance and monitoring measures, community education, and the incorporation of cultural activities that enable Aboriginal people to care for Country, engage in knowledge sharing and gain skills and employment in land management.

During 2021–22, total payments to community organisations were \$722,208.



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**Payments made to community organisations under the Aboriginal Land Clean-up and Prevention Program**

<b>Recipient</b>	<b>Auspice</b>	<b>Amount paid</b>
Amaroo Local Aboriginal Land Council		\$18,032
Bega Local Aboriginal Land Council		\$36,630
Brewarrina Local Aboriginal Land Council		\$42,000
Cobowra Local Aboriginal Land Council		\$21,640
Coffs Harbour and District Local Aboriginal Land Council		\$18,563
Coonabarabran Local Aboriginal Land Council		\$57,342
Eden Local Aboriginal Land Council		\$59,988
Gandangara Local Aboriginal Land Council		\$65,000
Illawarra Local Aboriginal Land Council		\$26,600
Karuah Local Aboriginal Land Council		\$62,800
La Perouse Local Aboriginal Land Council		\$57,213
Menindee Local Aboriginal Land Council		\$6,020
Mindaribba Local Aboriginal Land Council		\$18,750
Ngambri Local Aboriginal Land Council		\$18,750
Ngulingah Local Aboriginal Land Council		\$18,575
Nowra Local Aboriginal Land Council		\$18,325
Cowra Local Aboriginal Land Council	Skillset	\$18,000
Tibooburra Local Aboriginal Land Council		\$9,775
Toomelah Local Aboriginal Land Council		\$60,000
Wamba Wamba Local Aboriginal Land Council		\$58,155
Wanaruah Local Aboriginal Land Council		\$18,750
Worimi Local Aboriginal Land Council		\$11,300
<b>Total</b>		<b><u>\$624,750.10</u></b>

# Appendices

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## Bin Trim program

The Bin Trim program continued in 2021–22 to encourage and support improved waste and recycling practices in NSW's commercial and industrial sector. The program had two components: Bin Trim grants and Bin Trim rebates.

### Bin Trim grants

In 2021–22 payments to Bin Trim grantees totalled \$3,047,349, broken down as follows.

#### Non-government organisations

In 2021–22 payments totalled \$1,097,703.

#### Local government

During 2021–22, payments to local governments for Bin Trim Milestones totalled \$222,301.

#### Community organisations

Payments to community organisations totalled \$46,620. This was a milestone payment made to the Ethnic Communities' Council of NSW.

### Bin Trim rebates: small-scale recycling equipment

Bin Trim grants are complemented by Bin Trim rebates. Rebates fund 50% of the cost of recycling equipment to divert waste from small and medium businesses. Rebates of between \$1,000 and \$50,000 were available under WLRM to fund source-separation bins, balers, shredders and organics processing equipment.

In 2021–22 rebate milestone payments totalled \$1,680,725. The milestone payments are linked to the installation of equipment, follow-up assessments and performance reports.

### Illegal dumping

The *Waste Less, Recycle More* initiative, guided by the NSW *Illegal Dumping Strategy 2017–21*, used education, capacity-building, prevention, clean-up and enforcement programs to reduce the incidence of illegal dumping

In 2021–22 total payments of \$1,625,577 were made for grant programs under this initiative.

#### Local government grants

- In 2021–22 total payments were \$1,295,729 for the Regional Illegal Dumping Program.
- In 2021–22 total payments were \$329,848 for Illegal Dumping Clean Up and Prevention grants.

For details of grant recipients go to the EPA website.

#### Local government community organisations

In 2021–22 no payments were made to local government community organisations.

#### Community organisations

In 2021–22, \$15,000 non-contestable funding was provided to Garage Sale Trail.

#### NSW Budget sector agencies

In 2021–22 payments totalled \$10.8 million including flood related grants.

## Improvements to systems for household problem wastes

The EPA provides NSW householders with two convenient ways to safely and easily dispose of items such as leftover paint, cleaners and gas bottles: the Household Chemical CleanOut and Community Recycling Centres (CRC) programs.

In 2021–22 total grant payments of \$781,991 were made under these programs. For details of grant programs and recipients in 2021–22, go to the EPA website.

#### Local government

In 2021–22 payments totalling \$602,858 were made to local councils to promote their CRCs through communication and education grants.

#### Regional groups of councils

In 2021–22 payments totalling \$179,133 were made to regional groups of councils to run Household Chemical CleanOut events.

#### Local government community organisations

In 2021–22 no payments were made to local government community organisations

#### Non-government organisations

In 2021–22 no payments were made to non-government organisations

## Organics Infrastructure Fund

The Organics Infrastructure Fund is providing \$105 million over nine years to support the avoidance, re-use and recycling of food and garden waste from NSW households and businesses.

Projects awarded under these programs run over many financial years, with payments made as milestones are achieved. Four grant programs are managed by the EPA.

In 2021–22 total payments of \$1,107,136 were made as Organics Infrastructure Fund grants across different sectors. For details of grant programs and recipients in 2021–22, go to the EPA website.

### Love Food Hate Waste

Love Food Hate Waste grants support food waste avoidance education. Recipients are teaching their local communities about ways to avoid food waste using the EPA-designed Food Smart program for households and Your Business is Food for businesses.

### Local government

During 2021–22, total payments of \$112,460 were made.

### Non-government organisations

During 2021–22, total payments of \$14,875 were made.

### Organics Market Development grants

Grants of up to \$200,000 are awarded for projects that will increase the market for compost made from source-separated recycled organics.

During 2021–22, total payments of \$439,552 were made for grant programs under this initiative.

### Non-government grants

During 2021–22, payments totalled \$391,095.

### Local government

During 2021–22, no payments were made to local councils.

### NSW budget sector agencies

During 2021–22, payments totalled \$48,457.

### Food Donation Education grants

Grants of up to \$100,000 were available to organisations working in the food relief sector to improve their capacity to sign up more donors, work collaboratively and collect more surplus food for redistribution.

The grants complement funding available through the Organics Infrastructure (Large and Small) Program administered by the NSW Environmental Trust, which funds equipment used by food relief agencies such as fridges, freezers and refrigerated vans.

In 2021–22 total payments of \$300,098 were made for grant programs under this initiative.

### Local government

In 2021–22 payments totalled \$62,893.

### Community organisations

In 2021–22 payments totalled \$237,236.

## Payments made to community organisations for Food Donation Education grants

Recipient	Activity	Amount Paid
OzHarvest (Newcastle)	Milestone payment	\$12,150
OzHarvest (Sydney)	Milestone payment	\$27,778
Camden Community Connections	Milestone payment	\$14,688
Addison Road Centre for Arts	Milestone payment	\$120,136
Healthy People Illawarra	Milestone payment	\$26,442
Winmalee Neighbourhood Centre	Milestone payment	\$11,825
Bay City Care	Milestone payment	\$4,473
Christian Community Aid Services	Milestone payment	\$12,379
Carevan Wagga Incorporated	Milestone payment	\$7,365
<b>Total</b>		<b>\$237,236</b>

# Appendices

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## Scrap Together FOGO Education grants

New grant programs were introduced in 2021–22 to support councils with an existing food and garden organics (FOGO) service to educate their communities to use the service well. Pilots demonstrated the EPA-designed Scrap Together resources increased recovery of available food out of the red bin and into the green-lid bin by an average of 10%. Grants of up to \$10,000 were available.

During 2021–22 total payments of \$240,150 were made for grant programs under this initiative, all to local government.

## Industrial ecology and business recycling Circulate programs

Industrial ecology is a strategy for increasing resource recovery by recycling waste materials across different industries. Under the *Waste Less, Recycle More* extension 2017–21, \$5 million was allocated to support councils, households, business, industry, not-for-profit organisations and charities to develop industrial ecology projects. These projects divert waste from landfill and support the continued development and upgrade of necessary infrastructure and services across NSW.

This funding was delivered via two programs: the Civil Construction Market Program and the Circulate, NSW Industrial Ecology Program.

For details of grant programs and recipients in 2021–22, go to the EPA website.

### Local government grants

During 2021–22, payments totalling \$184,000 were made to support the Civil Construction Market Program (\$150,415) and the Circulate, NSW Industrial Ecology program (\$33,585).

### Non-government grants

During 2021–22, payments totalling \$1,561,594 were made to support the Civil Construction Market Program (\$472,784) and the Circulate, NSW Industrial Ecology Program (\$1,088,810).

## Circular Solar grants program

The NSW Government created a \$10 million fund to reduce landfilling of solar panels and battery systems. This investment is intended to future-proof the management of this growing waste stream and help NSW transition to renewable energy sources within a circular economy.

In January, phase 1 projects were awarded a combined \$2.1 million. In April, phase 2 projects were awarded a combined \$7.4 million.

The remaining \$1 million will be used to support product stewardship and circular economy research. The program is now closed, with all funding allocated.

### Non-government grants

In 2021–22 payments totalled \$1,590,117. There were no local government grant recipients.

## Waste and Recycling Infrastructure Fund

*Waste Less, Recycle More* infrastructure funding is designed to accelerate and stimulate investment in infrastructure that will increase the amount of waste recycled in NSW and divert additional waste from landfill. The fund supports projects within NSW that improve the quality of recycled materials produced by material recovery facilities; increase the capability and capacity to recover and reprocess waste materials; increase the use of recycled content in the manufacture of products and increase the recovery of identified priority waste materials.

Individual programs delivered under the Waste and Recycling Infrastructure Fund are described below.

### Product Improvement Program

The Product Improvement Program is part of the NSW Government's response to China's National Sword Policy.

Investment in infrastructure can stimulate the local remanufacturing capacity of NSW and generate new industries and jobs in regional and rural communities. Funding recycling infrastructure can also mitigate the effects of China's policy of restricting the quality of foreign recycling material it accepts. The program provides an opportunity for industry to identify new uses and markets for recyclable materials and develop local processing and



remanufacturing capability to help ensure recycling services are maintained into the future.

For details of grant programs and recipients in 2021–22, go to the EPA website. This program is now closed, with all funding allocated.

In 2021–22 a total of \$1,153,299 was paid as Product Improvement Program grants.

#### **Local government grants**

In 2021–22 payments totalled \$60,725.

#### **Non-government grants**

In 2021–22 payments totalled \$1,092,574.

### **Expansion and Enhancement Program**

Resource Recovery Facility Expansion and Enhancement grants aim to increase the amount of waste diverted from landfill in NSW by accelerating and stimulating investment in existing licensed recycling facilities.

This program is now closed, with all funding allocated.

In 2021–22 a total of \$350,882 was paid as Expansion and Enhancement grants.

#### **Local government grants**

In 2021–22 payments totalled \$66,882.

#### **Non-government grants**

In 2021–22 payments totalled \$284,000.

### **Weighbridge Fund**

The Weighbridge Fund supports eligible recycling facilities and landfills to install weighbridges that will facilitate the collection and payment of the Waste and Environment Levy. Weighbridge

infrastructure will ensure better measurement of waste and support improved environmental performance at these facilities.

This program is now closed. All funding has been allocated and the final projects were completed by 30 June 2022.

#### **Non-government grants**

In 2021–22 payments totalled \$91,971.

#### **Local government grants**

In 2021–22 there were no local government grant recipients.

### **Litter Prevention**

Projects supported by the Litter Prevention Grant Program enable local councils, regional waste groups and community groups to target litter hotspots.

In 2021–22 total payments of \$1.2 million were made for litter prevention grants.

For details of grant programs and recipients in 2021–22, go to the EPA website.

#### **Local Litter Prevention government grants**

This program provides grants to NSW regional waste groups and local governments to deliver litter prevention projects. In 2021–22 payments totalled \$490,238.

#### **Community Litter Prevention program**

The objective of this grant program is to fund local communities targeting local litter hotspots and build partnerships in their neighbourhoods. In 2021–22 payments totalled \$389,327.

### **Cigarette Butt Litter Prevention grants**

These grants support a range of stakeholders in delivering local projects that target cigarette butt litter hotspots. In 2021–22 payments totalled \$327,953.

### **Alternative Waste Treatment**

The Alternative Waste Treatment (AWT) transition package was developed to assist the AWT industry and councils to transition to sustainable resource recovery practices following the 2018 EPA revocation of the order and exemption allowing mixed waste organic outputs (MWOO) to be applied to land.

A phase one package was introduced in October 2018 to provide support for kerbside collection services and ensure that any additional landfill costs would not be passed on to councils or ratepayers. The phase one transition package concluded on 28 February 2020.

A temporary waste levy exemption has been in place since November 2018 for disposal of limited amounts of MWOO produced at approved scheduled waste facilities in NSW. The levy exemption was extended in May 2022 until 23 November 2023 for scheduled waste facilities that demonstrate they are transitioning to sustainable resource recovery practices.

Consultation with the industry and councils in late 2019 informed phase two of the AWT Transition Package.

# Appendices

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The \$24 million phase two AWT transition package was announced by the Minister for Energy and Environment in March 2020. The investment includes:

- \$12.5 million in Organics Collections grants
- \$5 million in Local Council Transition grants
- \$6.26 million in Research and Development grants, consisting of:
  - \$2.51 million for alternative uses for general waste
  - \$3.75 million for Organics Infrastructure grants.

In 2021–22, total payments to AWT operators for research and development into alternative uses for general waste totalled \$345,916.

## Local government grants

- In 2021–22 payments to local government totalled \$36,000. ■

## Grants other than for waste programs

### Contaminated land management

#### Local government

The Council Regional Capacity Building Program aims to improve the management of contaminated land in NSW. Grants have been provided to fund 10 contaminated land experts until 2021 to provide regional NSW councils with a local source of advice and improve their technical capacity to manage contaminated land.

In 2021–22, total payments to grant recipients under the Council Regional Capacity Building Program amounted to \$1.37 million dollars.

For details of grant recipients, go to the EPA website.

### Broken Hill Environmental Lead Program

#### Non-government

Lead contamination in the Broken Hill region arises from both naturally occurring deposits and as a legacy of mining operations. Exposure to lead has human health implications, with greater impacts for children under five.

In 2021–22 a grant of \$118,356 was provided to Maari Ma Health, to address ongoing lead exposure issues and respond to elevated blood-lead levels in Aboriginal children at Broken Hill. The funding provides for an expansion of blood-lead level screening for children under five, education and awareness-raising, case management and remediation programs.

In 2021–22 a grant of \$73,000 was provided to Far West Local Health District (FWLHD), to fund medical staff and equipment to address ongoing lead exposure issues and respond to elevated blood-lead levels in children at Broken Hill. The funding provides for an expansion, in addition to what is provided by FWLHD, of blood-lead level screening for children under five, education and awareness raising, case management and home visits leading to remediation of properties under the program.

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## Bushfire recovery and clean-up grants

Clean-up and recovery of the 2019–20 Black Summer bushfires is delivered through major projects. For more information, see **Bushfire recovery programs** story on page 89. Grants provided in 2021–22 were:

- \$25.2 million for the Green Waste Clean-up and Processing Program
- During 2021–22, total payments were \$1.1 million for the Bushfire Dumping Program
- \$3.9 million for the Bushfire Recovery Program for Council Landfills
- \$989,000 for the FenceCycle Program

The fifth program, The Aboriginal Lands Bushfire Recovery Program, does not provide grants. ■



# Glossary

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**Audit:** A tool to monitor compliance and/or best practice with licence, code or approval conditions and legislative requirements. The EPA uses both compliance and environmental audits as part of its regulatory process.

**Audit and Risk Committee**

**(ARC):** A subcommittee of the EPA Board. The ARC provides assurance to the Board that the EPA has effective and efficient systems, policies and processes in place to manage its risk.

**Bin Trim Program:** Free program to provide support to NSW businesses to maximise their recycling and minimise landfill waste.

**Black Dog Institute:** A medical research institute in Australia that investigates mental health across the lifespan.

**Business continuity:** An organisation's ability to maintain essential functions during and after a short event that disrupts normal operations

**Circular economy:** A systematic approach to changing the way we produce, assemble, sell and use products so as to minimise waste and reduce our environmental impact.

**Clean-up notice:** A notice requiring a person to take specified clean-up action under section 91 of the POEO Act when it is reasonably suspected that a pollution incident, as defined in the Act, has occurred or is occurring.

**Compliance incident reporting and management:** The current EPA case management system.

**Cluster:** NSW Government departments, agencies and organisations are arranged into nine groups, called clusters. The EPA is an independent statutory authority that sits in the portfolio of the Minister for Energy and Environment as part of the Planning and Environment Cluster.

**Community Recycling Centres:** Permanent drop-off centres for common household problem wastes that can't be collected via council kerbside waste and recycling collection services. NSW householders can drop off problem wastes at these centres year-round, free of charge.

**Compliance:** Meeting the environmental standards and protections as set out by licence, Code or approval under the appropriate Act or regulation that the EPA administers.

**Contaminated land:** Land that has been used for industrial, agricultural, waste disposal or other purposes, leading it to contain substances in soil or groundwater that are potentially harmful to human health or the environment.

**Contaminated land management:**

The approach to managing contaminated land so as to prevent harm to human health and the environment. Depending on the type and extent of the contamination, it may include investigation, containment of the contamination, removal and treatment of soil and ongoing monitoring.

**COVID-19:** A disease caused by a new strain of coronavirus, formerly referred to as 2019 novel coronavirus or 2019-nCov.

**Don't be a Tosser!** An anti-litter campaign run by NSW EPA, an evolution of the highly recognised *Hey Tosser!* campaign. *Hey Tosser!* was started in 2014 to create community dialogue around the problem of littering.

**Enforceable undertakings:**

Voluntary and binding written agreements between the EPA and another party where the other party is alleged to have contravened a provision of an Act administered by the EPA on behalf of the Minister for Energy and Environment.

**Environmental improvement**

**program (EIP):** EIPs involve licensees proactively undertaking actions to improve the environment and reduce pollution, consistent with the objectives of the POEO Act. EIPs are conditions of a licence and as such are enforceable. Fulfilling an EIP may lead to reduced licence administration fees.



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**Environmental liabilities:** The potential costs of remediating a site to counter environmental harm caused by activities on the site.

**Environment Line:** The EPA's contact centre. It handles general enquiries about environmental issues and takes reports of pollution for which the EPA has regulatory responsibilities. This service is provided by the Department of Planning, Industry and Environment.

**Environment protection licence (EPL):** A licence issued to the owners or operators of various industrial premises under the POEO Act. An EPL may contain conditions that relate to preventing and monitoring pollution, recycling, re-use of materials, and/or the implementation of best practice.

**Get the Site Right:** A joint program of the Parramatta River Catchment Group, Cooks River Alliance, Georges River Combined Councils Committee, Sydney Coastal Councils group, Lake Macquarie Council, NSW EPA, the Department of Planning and Environment and local councils. It targets erosion and sediment control on commercial and residential building sites.

**Government Information (Public Access) Act 2009 (GIPA Act):** This Act provides a legally enforceable right to access government information except when it would be contrary to public interest to provide that information.

**Hazardous materials:** Materials that are potentially harmful to human health or the environment.

**Inspection:** A proactive, routine or responsive site visit to check compliance with the appropriate legislation, regulations and licence conditions.

**Licence conditions:** Conditions associated with an issued licence. These include the activity or activities licensed, the scale of activity, monitoring requirements, reporting requirements, and conditions included in the general terms of approval as a result of the development assessment.

**Licensee:** A business, organisation, or individual that has been granted legal permission by the EPA to engage in an activity prescribed by legislation.

**Love Food Hate Waste:** A program to help businesses and organisations prevent unnecessary food waste or donate unwanted quality food to people in need.

**Notice:** A regulatory instrument used to manage compliance for a licensed or non-licensed premises or activity.

**Penalty notice:** A notice issued under legislation administered by the EPA. Penalty notices are used mainly to deal with one-off breaches that can be remedied easily.

**People Matter Employee Survey (PMES):** An annual survey run by the NSW Public Service Commission that gathers information about public servants' working life.

**PFAS:** Per- and polyfluoroalkyl substances are a group of man-made chemicals that have multiple fluorine atoms attached to a chain of carbon atoms. They have historically been used in firefighting foam, among other things, and are of concern as they can contaminate land and groundwater.

**POEA Act:** The *Protection of the Environment Administration Act 1991* establishes the EPA, the EPA Board and the requirements of making a State of the Environment report every three years.

**POEO Act:** The *Protection of the Environment Operations Act 1997* is a key piece of environmental protection legislation administered by the EPA.

# Glossary

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**Private Native Forestry Code:**

The Private Native Forestry (PNF) Code of Practice (the Code) establishes a regulatory framework for the sustainable management of native forests. It is the key piece of legislation guiding private native forestry operations in NSW.

**Public interest disclosure:** The process for NSW public service employees to report concerns about possible misconduct or serious wrongdoing.

**Return and Earn:** NSW's container deposit scheme. The scheme operates by requiring the purchase price of eligible drinks to include a refundable container deposit. This deposit is refunded when the clean and

empty container is returned at a return point.

**Risk-based licensing:** The EPA's risk-based licensing system aims to ensure that all environment protection licensees receive an appropriate level of regulation based on the level of risk they pose. This approach means that all licensed premises have a risk rating attached to them and the regulatory approach to the management of the site is proportionate to the rating.

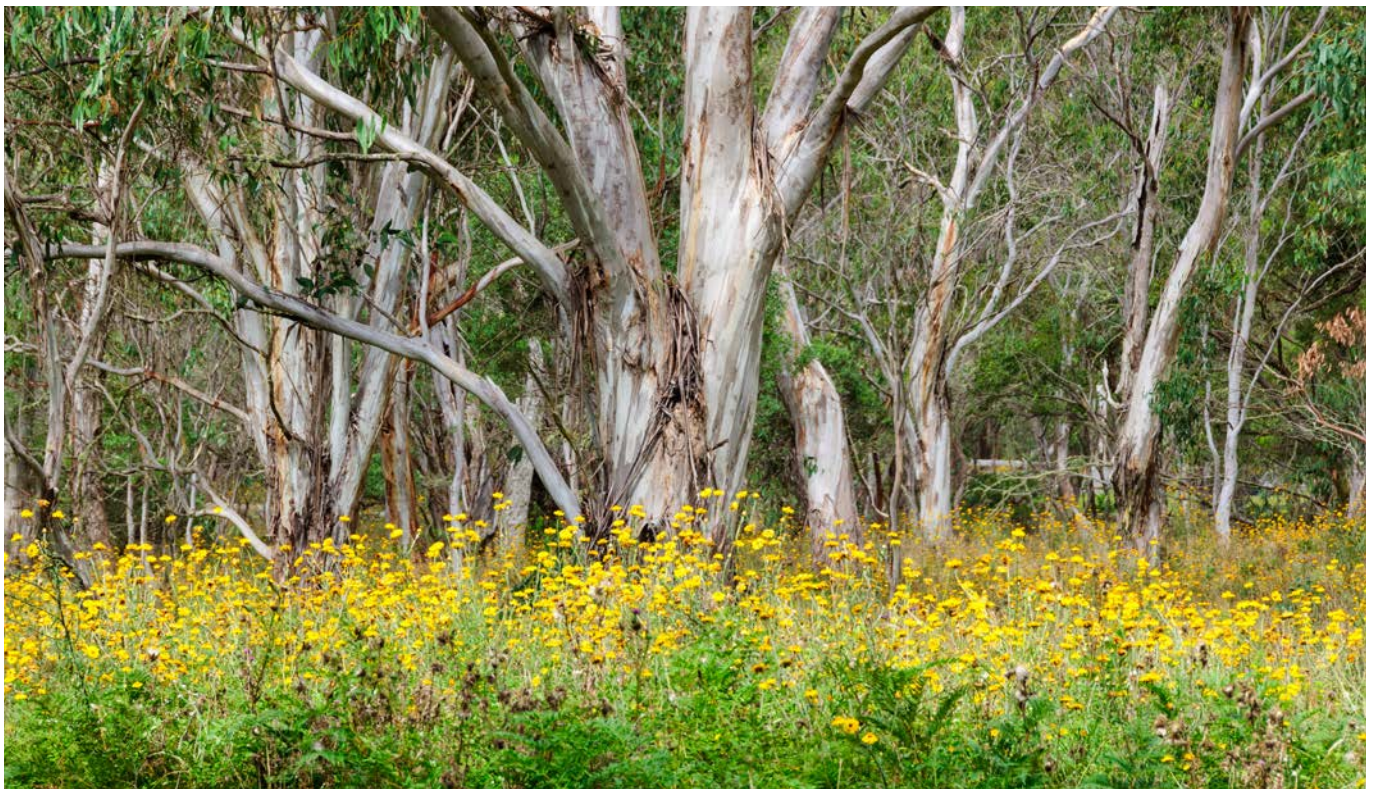
**State of the Environment report:** A report prepared every three years as a requirement under section 10 of the POEA Act. The report describes the status and trends in the key environmental issues facing NSW.

**Voluntary management proposal:**

A proposal from a landowner that outlines how contamination will be managed at a site. A proposal may be accepted with or without conditions.

**Waste levy:** A per tonne charge on waste disposed to landfill in specified regulated areas of NSW.

**World-class regulation:** A standard of excellence that the EPA strives for in everything we do. Our five pillars of world-class regulation are: (1) having a learning mindset and being (2) outcomes-focused (3) responsive and adaptive (4) purpose- and people-centred and (5) service-oriented. ■



# Index

## A

Aboriginal Peoples Knowledge Group 21, 84  
 Aboriginal Visual Identity 18, 21  
 Access applications 51, 165, 166  
 Acknowledgement of Country 4  
 air quality 40, 42, 51, 64  
 Albany 89  
 Allen, James 83  
 Asbestos 12, 13, 18, 75, 76, 77, 86, 88, 157  
 Audit and Risk Committee 52–55, 59, 180  
 Australian Association of Environmental Educators 36  
 Australian Network on Disability 45  
 Awabakal Country 82, 88

## B

Beaman, Steve PSM 32, 40, 170  
 Biketober 60  
 Bin Trim 79, 174, 180  
 Bingo waste facility 91  
 Black, Gerard 21  
 Botany Industrial Park 41  
 Broadwater 86, 87  
 Broken Hill Environmental Lead Program 43, 178  
 Bush, Professor Richard 9, 29, 30  
 bushfire recovery programs 89, 179  
 Bushfire Survivors for Climate Action 79

## C

Cabbage Tree Island 85, 87  
 Calendar of key events 2021–22 18  
 Capability and Talent 50  
 Carbon Neutral Working Group 80  
 CareerTrackers 45  
 Chang, Nancy 32  
 Changemakers 45  
 Chappel, Tony 8, 9, 32, 105  
 chemtrails 42  
 circular economy 14, 16, 18, 48, 64–67, 79, 89, 90, 176, 180  
 Civic Futures Lab 67  
 Clean-up Australia 45  
 Cleanaway Equipment Services Pty Ltd 89, 95, 157, 158  
 climate change 8, 11, 12, 18, 40, 53, 57, 62, 78, 79, 85  
 Climate Change Action Plan 8, 79  
 Cochrane, Alison 32  
 Coffs Harbour Waste Management Conference 18, 90  
 Communication 9, 12, 38, 39, 45, 58, 68, 69, 80  
 Continual Improvement Team 46  
 COVID-19 9, 12, 14, 15, 18, 35, 36, 39, 40, 45, 58  
 cyber security 53, 170

## D

Darkinjung Country 36  
 de Gruchy, Rayne AM PSM 9, 29, 30, 82, 105  
 Delta lockdown 18, 45  
 Department of Planning and Environment (DPE) 48, 55, 56, 64, 70, 170, 180  
 Diversity Council Australia 35  
 Don't be a Tosser! 71, 83, 180  
 Dwyer, Carmen 8, 33, 54, 55

## E

ecologically sustainable development 8, 11, 12, 62–64  
 emerging chemicals 74  
 enforceable undertakings 94, 163, 180  
 Environment Legislation Amendment Act 2022 9, 12, 48, 49, 53, 94  
 Environment Line 24, 42, 88  
 EPA Board 9, 10, 18, 29–31, 41, 52, 53, 82, 105, 145, 180  
 EPA Executive 9, 32–34, 36, 41, 52, 56, 59  
 EPA office locations 24  
 EPA Statement of Commitment to Aboriginal People of NSW 5, 10, 21, 84  
 EPA thirtieth birthday 9, 18, 82, 83, 94  
 EPA TV 38  
 Ernie 87

## F

Fabiano, Patricia 83  
 Fabtec 66  
 Financial overview 99–103  
 Fire and Rescue NSW 76, 88, 92  
 firefighting foam 76, 181  
 fish kills 39, 70–72  
 flood recovery centres 86  
 flood response and clean-up 12, 13, 18, 79, 85–87, 98–101, 142, 143  
 Food Organics and Garden Organics (FOGO) 46, 68, 176  
 Forestry 10, 14, 40, 63, 82, 93, 182  
 Forestry Corporation of New South Wales 84, 96, 160, 161



# Index

## G

Get the Site Right campaign 72, 73, 181  
 Governance, Risk and Planning 52  
 Government Information (Public Access) Act 2009 (GIPA Act) 50, 51, 55, 165, 166, 181  
 graduate program 44, 45, 50  
 Grapevine 38  
 Griffin, The Hon James 8, 36, 82, 94

## H

Haslams Creek 70, 71  
 Hawkesbury River 13, 18, 79, 85  
 Hood, Michael 32

## I

illegal dumping 48, 69, 82, 89, 90, 171, 172, 174  
 Inclusion and Diversity Committee 35, 36  
 International Women's Day 36  
 Internships 44, 45, 50

## K

keep cups 45  
 key focus areas 9, 11, 64  
 Kooragang Island 10, 82

## L

Land and Environment Court 18, 79, 94–96, 155  
 Lawson, Peter 83  
 Lead Ted and Dusty 43  
 legacy and emerging contaminants 9, 11, 12, 62, 73–77  
 legislation (new and amending) 49  
 Let's Stop It and Swap It 67  
 LGBTQIA+ employees 35  
 Love Food Hate Waste 45, 79, 83, 175, 181

## M

Mackey, Tracy 8, 9, 18, 29  
 Macquarie Marshes 73  
 Major Resource Recovery Infrastructure Program 89  
 Marine Litter Campaign 2022 12, 71  
 Mental Health Awareness Month 60  
 microplastics 74  
 Minchinbury 51, 91  
 Moore, Jacqueline 8, 9, 18, 82, 89  
 Murwillumbah 87

## N

NAIDOC Week 2021 18, 21  
 Nepean River 13, 18, 79, 85  
 Net Zero Plan Stage 1: 2020–2030 79, 80  
 Noise Guide for Local Government 41  
 Northern Rivers 85, 87  
 NSW Asbestos Waste Strategy 2019–21 75  
 NSW Clean Air Strategy 2021–30 64  
 NSW Plastics Action Plan 16, 48, 67, 79, 171  
 NSW Waste and Sustainable Materials Strategy 2041 Stage 1 Plan: 2021–2027 16, 48, 65, 75, 79

## O

Organisation Chart 25  
 Orica 10, 41, 82

## P

Parramatta River 39, 70–72, 81, 163, 181  
 Parramatta River Catchment Group 72, 181  
 Patrick Terminals 41  
 People Matter Employee Survey (PMES) 23, 181  
 Per- and polyfluoroalkyl substances (PFAS) 12, 74, 76, 181  
 Perera, Mary 98  
 pesticide licences 49  
 plastic bag ban 18, 49, 67  
 Plastic Free July 45  
 Plastic Reduction and Circular Economy Act 2021 18, 48, 49, 67, 154  
 Port Botany 18, 41  
*Preventing Fires – Truck Inspection Manual* 92  
 private native forestry 63, 182  
 prosecutions 93, 94, 155–162

## Q

Qenos 41  
 Quilliam, Wayne 21

## R

radiation 40, 91, 93, 162, 164  
 Rainbow Connection 35  
 recovered fines 77  
 regulatory policy 9, 18, 47  
 Regulatory Strategy 2, 9, 47  
 Remanufacture NSW 65, 66, 79  
 Rennie, Michael 29, 31, 55  
 Resource Recovery Framework 65  
 Return and Earn 11, 18, 82, 84, 85, 87, 90, 182



Riding, Tim 83  
 risk management 52–57, 145  
 Riverwatch program 72  
 Road to Recovery 58  
 Roadshows 12, 40, 47, 71  
 RUOK? Day 59, 60

**S**

safety 11, 20, 26, 39, 50, 59, 72, 86  
 Scrap Together 68, 178  
 SHINE Awards 18, 21  
 single-use plastics 18, 67  
 site auditor scheme 75  
 Spanjaard, Liesbet 33  
 Spokeswomen's Awards 18, 36  
 Spring Odour Campaign 18, 90, 91  
 staff profile 26  
 State of the Environment Report 2021 21, 84, 181, 182  
 Stepping Into program 45  
*Strategic Plan 2021–24* 2, 9, 11, 12, 14, 18, 47, 62

**T**

training and development 50, 59  
 truck fires 92

**U**

University of Sydney 162

**V**

vaccinations 59  
 values 10, 21, 23, 35, 39, 47, 80  
 vision 14, 39

**W**

Walsh, Carolyn 29, 31  
 waste 8, 10–12, 16, 18, 33, 40–42, 45, 48, 49, 62, 64–69, 77, 78, 82, 83, 85–87, 89–91, 93, 99  
 Waste Less, Recycle More 69, 83, 171, 174, 176  
 water quality 9–12, 62, 70–72, 82, 83  
 Waverley Council 69  
 wellbeing, health and safety 11, 20, 26, 39, 50, 59  
 Western Sydney Aerotropolis 63, 64  
 Wickham fire 12, 13, 18, 42, 88  
 Wickremeratne, Winston 83  
 Wild, Elizabeth 29, 31, 55  
 Williams, Tony 33  
 Wollangambe River 82  
 Workplace 38, 39, 45  
 World Health Organization 78  
 world-class regulator characteristics 39, 182  
 Worn Up program 66

**Y**

Yammer 39  
 Youth Advisory Council 36

