

Annual Report 2022–23

NSW Environment Protection Authority



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 environmental stewardship and modern, effective regulation.

The report summarises our initiatives, activities and performance as measured against the targets set out in our *Strategic Plan 2021–24* and our regulatory priorities. It highlights the achievements we're proud of, and the challenges we faced, between 1 July 2022 and 30 June 2023.

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Cover: A creek line at Langidoon-Metford in Far West NSW. Photo: John Spencer/DPE

Back cover: In wet years, floodwaters from the Murray River rise among the river red gums of Barmah-Millewa Forest. Photo: Anne Stringer

Other photos: Many of the photos in this report were taken by EPA staff members. The EPA thanks its many talented shutterbugs for their creativity and generosity.

EPA Aboriginal artwork: 'Nyuragil Barray Yawutung Warri', which translates as 'Spirited Country Journey Now' depicting the area from desert to mountains by Gerard Black.

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Environment Line:

131 555 (NSW only) or
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See also www.epa.nsw.gov.au

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This report summarises the activities and performance of the NSW Environment Protection Authority in 2022–23

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An aerial photograph of a rocky stream flowing through a lush green forest. The water is dark and turbulent, cascading over large, reddish-brown rocks. The surrounding vegetation is dense and vibrant green, with some bare branches visible. The overall scene is natural and serene.

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 Peoples

The NSW Environment Protection Authority acknowledges Aboriginal peoples as the enduring Custodians of the land, sea, waters and sky of New South Wales.

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

Upon the release of this Statement of Commitment and in the spirit of reconciliation, the EPA is committed to:

1. Work in respectful partnership with Aboriginal peoples
2. Actively learn from, and listen to, Aboriginal voices, cultures and knowledges
3. Respect Aboriginal people's knowledges and science as an equal to western science
4. Weave Aboriginal knowledges and science with conventional science into the EPA's decision making
5. Act boldly and bravely to play our part to mend and heal Country together
6. Ensure Aboriginal knowledge, science and Indigenous Cultural Intellectual Property is protected, and Aboriginal peoples have Free, Prior and Informed Consent
7. Address both the tangible and intangible cultural elements of environmental protection
8. Deliver on results that have direct benefits for Aboriginal communities
9. Embed consistent, meaningful and trustworthy engagement with Aboriginal communities
10. Develop Aboriginal cultural competency across the agency
11. Increase Aboriginal employment across the agency to exceed public sector Aboriginal employment targets, and to identify specific occupational gaps
12. Monitor the impact of this Statement of Commitment on Aboriginal peoples, Country, cultures and spirit.

Section from the Gerard Black artwork: 'Nyuragil Barray Yawutung Warri', which translates as 'Spirited Country Journey Now' depicting the area from desert to mountains.





Letter from the Chair

Much progress was made over the course of 2022–23 as the EPA continued to develop its style of regulation and environmental stewardship. It strives to balance its work in reacting to environmental harms and breaches of our legislation with its efforts to proactively put in place policies and take actions that will create better environmental and health outcomes in the future.

The EPA has benefited from the steady leadership of the CEO, Tony Chappel, in focusing on stronger consultation and engagement with communities and industry and in leading a dedicated and passionate team of EPA executives and staff to tackle the hard problems and come up with innovative policies, programs and solutions.

A highlight of the year was the EPA's work on its Climate Change Policy and plan for implementation. The policy and action plan were developed through extensive public consultation which commenced in September 2022 and culminated in their publication in January 2023. The EPA team is steadfastly implementing this groundbreaking policy.

Similar proactive work includes our drafting of a sustainable construction policy, and actioning the recommendations of an independent review of the State's resource recovery framework.

Another highlight of the 2022–23 year has been the joint development between the Board and the EPA's Executive of our annual Regulatory Priorities. These align with the EPA's *Strategic Plan 2021–24*, but are shorter-term risks that require thought leadership and action to manage risks that could be detrimental to the NSW environment and the health of NSW people. Solid progress was made on issues such as the stockpiling of tyres, chemical spray drift from farms, protecting forests from logging in sensitive areas, and problem waste such as plastics and liquid waste. These outcomes are described in the report.

The EPA, during the year, responded strongly in support of communities suffering floods and helped communities to remove waste, sometimes toxic waste, and debris from their homes, communities and waterways.

At the end of the year, the EPA took action to support the community around the Cadia mine investigating the presence of unacceptable levels of dust.

The Board's diversity was strengthened during the year. We were delighted to welcome two scientists to the Board, Professor Chris Turney and Associate Professor Bradley Moggridge, whose profiles are contained in this report. This gives us skill sets in climate change, water management and, in the case of Brad, Indigenous culture and knowledge. I thank the whole Board for their valuable insights and contributions over the course of the year.

Lastly, on behalf of the Board, I thank Tony and the whole EPA team. They work tirelessly for the environment and are always willing to listen, learn and find new and better ways to make a difference for NSW and its environment.

A handwritten signature in black ink, appearing to read 'Rayne de Gruchy'.

Rayne de Gruchy AM PSM
Chair of the Board



Message from the CEO

Letter of submission

The Hon. Penny Sharpe, MLC
Minister for Climate Change
Minister for Energy
Minister for Heritage
Minister for the Environment
52 Martin Place
Sydney NSW 2000

Dear Minister,

We are pleased to submit the *Annual Report 2022–23* for the NSW Environment Protection Authority.

This report was prepared in accordance with the provisions of the *Government Sector Finance Act 2018* and NSW *Treasury Annual Reporting Framework 2023*.

This annual report must be presented in both Houses of Parliament within five months of the relevant reporting period, being no later than 30 November 2023.

Yours sincerely

Tony Chappel
Chief Executive Officer
NSW Environment
Protection Authority

Rayne de Gruchy AM PSM
Chair of the Board

31 October 2023

I am pleased to introduce the EPA's *Annual Report 2022–23*, highlighting the valuable work and outcomes our organisation is delivering as an environmental steward for the State of NSW.

This reporting year has seen many significant milestones in our journey towards a sustainable future for NSW. Key among these was the historic release in January of the EPA *Climate Change Policy* and *Climate Change Action Plan 2023–2026*. These two documents outline how we will navigate the ongoing threat of climate change and help NSW reach the target of net zero emissions by 2050.

Tackling the impact of problematic plastics continues to be a high priority for the EPA. This year we reached a key milestone, with the implementation of the phase-out of several consistently littered single-use plastic items, including cutlery, straws and bowls. There's more to follow, including the release of the *NSW Plastics: Next Steps* discussion paper for community consultation.

With a continued focus on the future we released our *Youth Engagement Strategy*. This was an important step in ensuring we are listening to tomorrow's leaders, and benefitting from their direct input into how we better protect our environment and community.

The EPA has carried out its work against a backdrop of challenging climatic and environmental conditions, including multiple damaging rain events and mass fish kills in the Darling-Barka River in Menindee. These distressing events serve to strengthen our resilience and commitment to protecting the beautiful natural environment of our state. I am both proud of, and grateful for, the hard work and dedication shown by all of our EPA people.

As NSW strives for a zero carbon, circular economy, it is apparent that regulators need to evolve. We commissioned a review of our resource recovery settings and are now implementing its recommendations to ensure regulation is not a barrier to the environmentally sustainable businesses and activities we aim to attract and grow in NSW.

Success in all of this depends on the relationships we forge with our stakeholders. I look forward to working with communities and industry in delivering more effective environmental stewardship and regulation as we protect tomorrow, together.

Tony Chappel
Chief Executive Officer

Overview

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Our vision

A healthy and thriving environment for the future

Our purpose

Securing healthy environments, economies and communities

Who we are

The Environment Protection Authority (EPA) was established under the *Protection of the Environment Administration Act 1991*. We are an independent statutory authority, and the State's primary environmental regulator.

We have responsibilities and functions under several pieces of NSW environmental legislation, including *Protection of the Environment Operations Act 1997*, *Plastics Reduction and Circular Economy Act 2021*, and *Forestry Act 2012*. For a full list, see Appendix A.

As the environmental steward and regulator of our State, we are committed to a sustainable future. Our people are proud to play a role in protecting the environment of NSW. We partner with Aboriginal people, industry and the wider community to protect, restore and enhance our diverse ecosystems.

We respond to urgent current issues, including climate change, and educate and support our stakeholders to create an environmentally healthy future, which includes the transition to a circular economy (page 23).

We regulate a broad range of activities and the environmental or human health risks associated with:

- Air
- Chemicals
- Climate change
- Coal seam gas
- Contaminated land
- Dangerous goods
- Litter and illegal dumping
- Native forestry
- Noise
- Odour
- Pesticides
- Plastics
- Radiation

- Recycling and re-use
- Waste
- Water

We act in the public interest and deliver public value. We do this by delivering outcomes that have collective meaning or value to the people of NSW. These outcomes include:

- improving air, land and water quality
- conserving biodiversity
- reducing human exposure to harmful substances
- improving environmental amenity.

Our objectives

Our main objectives, as set out in section 6 of the *Protection of the Environment Administration Act 1991*, are to:

- protect, restore and enhance the quality of the environment in NSW, having regard to the need to maintain ecologically sustainable development

- reduce risks to human health and prevent harm to the environment.

To achieve these objectives, we listen, educate and partner with others to influence views about what can harm our environment or health. When needed, we take action against individuals, businesses and organisations in the interests of the people and environment of NSW.

Our values

Our values and the way we work together are the key to making the EPA a great place to work. We are:

- collegiate and collaborative
- creative and curious
- decisive and bold
- inclusive, kind and respectful
- committed to delivering results.

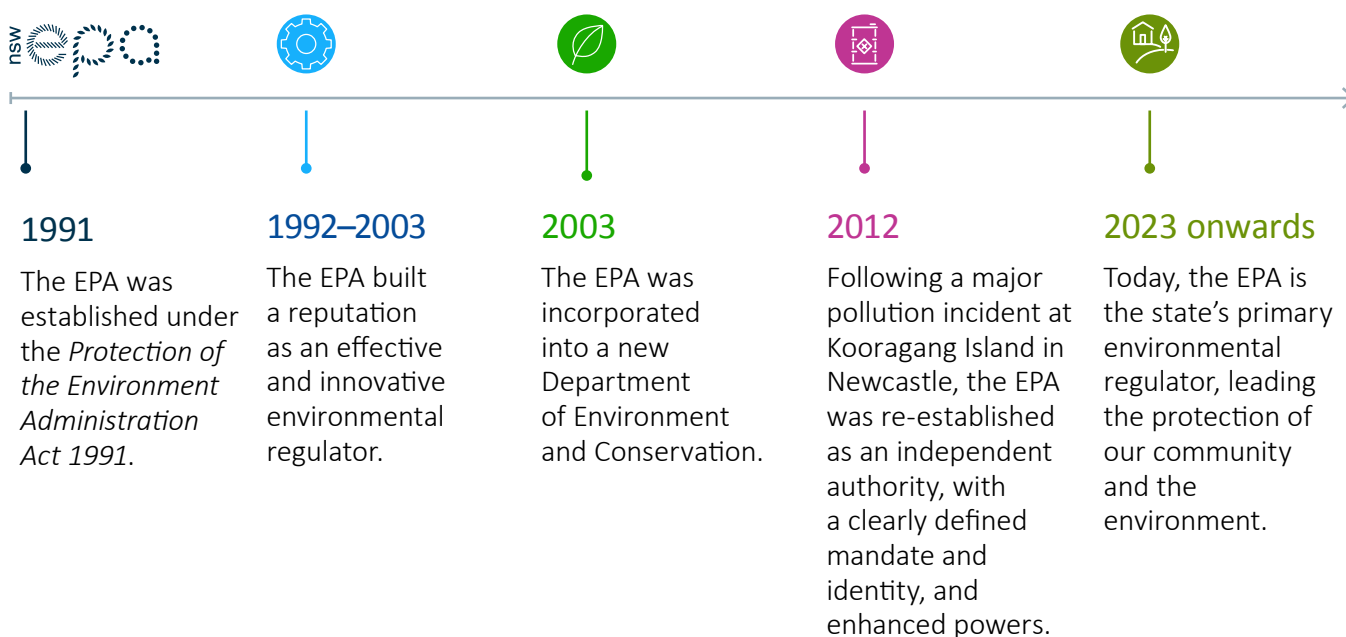
Our code of ethics

Our customers and stakeholders rely on us to be transparent and ethical, and to act in their best interests.

The EPA's Code of Ethics and Conduct helps us understand the standards of behaviour expected of us in our day-to-day work. It guides our decision-making so we can:

- maintain the trust of the public and all our stakeholders
- act ethically and in the public interest
- act in a professional and non-political way while implementing the decisions of the NSW Government
- use public resources efficiently and appropriately.

Our history



Our core business

We continue to work towards the future our State deserves. It's a future where:

- the land is healthy, the water is clean and the air is clear

- Aboriginal culture, knowledge and stories guide us to protect our diverse ecosystems together
- we contribute our science, regulation and expertise to take on climate change
- we partner with industry

and community to care for what matters most.

As environmental stewards we are guiding NSW towards a sustainable future. To read about our strategic plan and regulatory approach, turn to page 19. ■

Aboriginal Peoples Knowledge Group

In June 2023, the EPA Executive took a significant step towards enacting the *Statement of Commitment to Aboriginal People* by approving the re-establishment and expansion of the Aboriginal Peoples Knowledge Group (APKG).

The group was first formed in 2021 to assist with the EPA's *State of the Environment* report. The inaugural membership included members of the EPA Aboriginal Initiatives team, Department of Planning, Industry and Environment and NSW Aboriginal Land Council, and two independent members: Wally Stewart, Walbunja man from the south coast of NSW, and Associate Professor Bradley Moggridge, Kamilaroi water scientist. In 2023 a new and expanded APKG will take on a wider role for the EPA, ensuring that the perspectives of Aboriginal peoples are heard and considered in matters relating to their cultural values, knowledges and sciences across the EPA.

The APKG will be composed of seven Aboriginal representatives, each hailing from diverse Country regions of NSW, including Desert, Saltwater, Freshwater and Rainforest. The APKG will guide, advise, nurture and challenge the EPA in its commitment to meeting the **12 principles** outlined in its *Statement of Commitment to Aboriginal People*. ■

State of the Environment



The EPA prepares a *State of the Environment* report every three years, as required under section 10 of the *Protection of the Environment Administration Act 1991*. The report describes the status of the environment, and the key environmental trends and issues facing NSW.

The last report (in 2021) included cultural perspectives on the health of the environment from the specially formed Aboriginal Peoples Knowledge Group – the first time that Aboriginal people had been given an opportunity to contribute their knowledge to these regular reports.

Sharing stories and knowledge through video

This year, to mark the start of work on the next report, due in 2024, we launched a social media campaign featuring seven **video interviews** with 24 Aboriginal people in NSW about their connection to Country and the best way to care for it.

Those interviewed hail from the lands of five Aboriginal Nations: Wiradjuri, Bundjalung, Yuin, Barkandji and Gumbaynggirr.

These stories showcase how learning from Aboriginal people, and the knowledge they've gained over thousands of years, gives us a better understanding of our environment and how to manage it.

'Sharing what Country means to us brings pride back to our people. Looking after Country is looking after everything that sustains us.'

Wally Stewart, Walbunja Nation.

Calendar of key events 2022–23



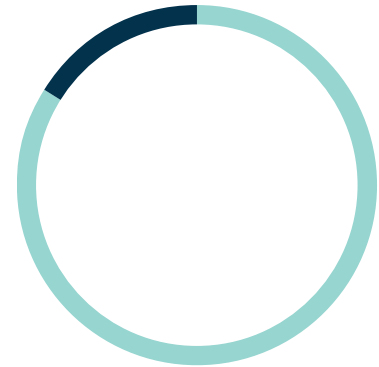
Our people

The EPA directly employs 864 people, with most staff working in metropolitan areas.

Key facts

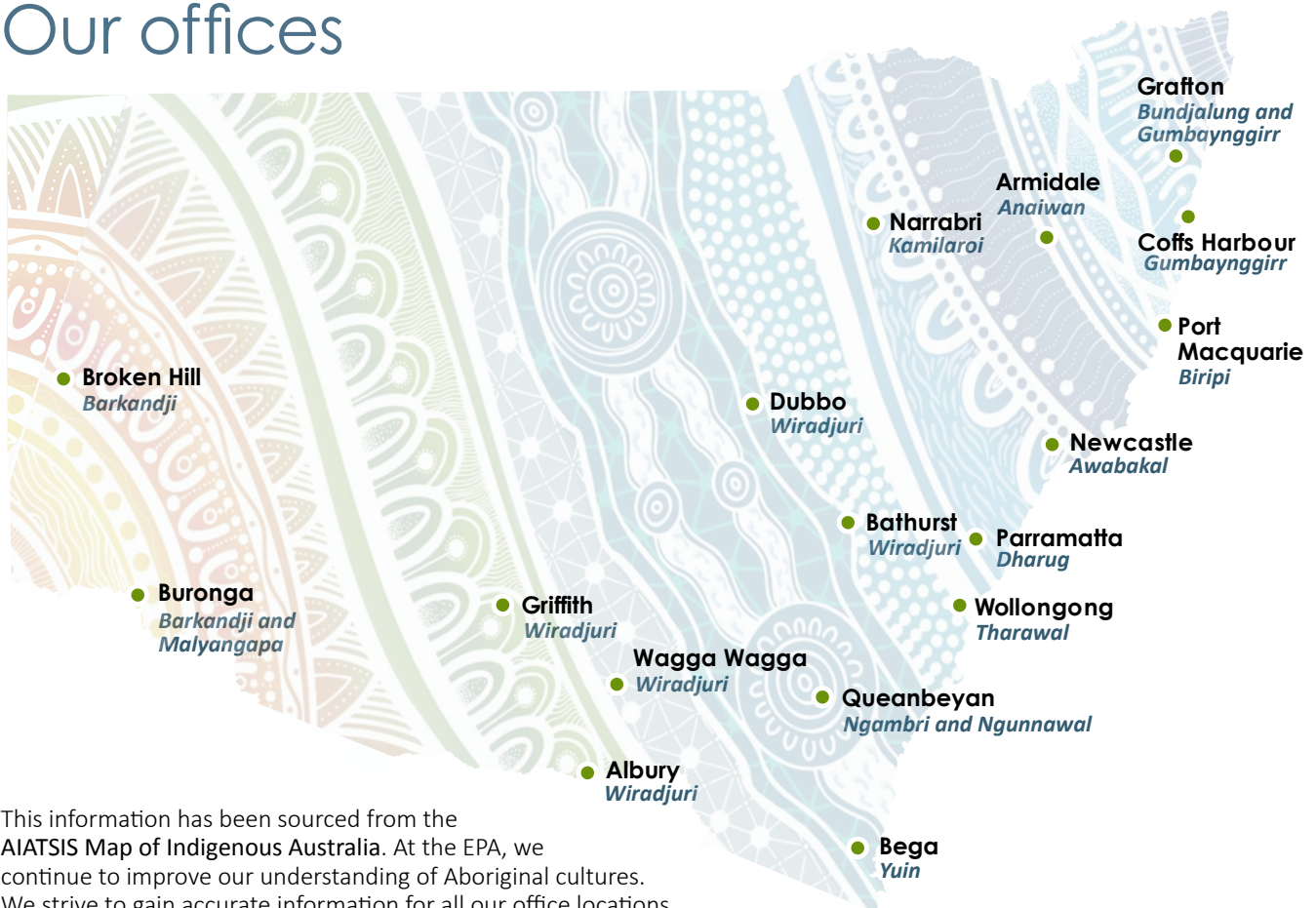


Staff by location



- Regional 16%
- Greater metropolitan Sydney 84%

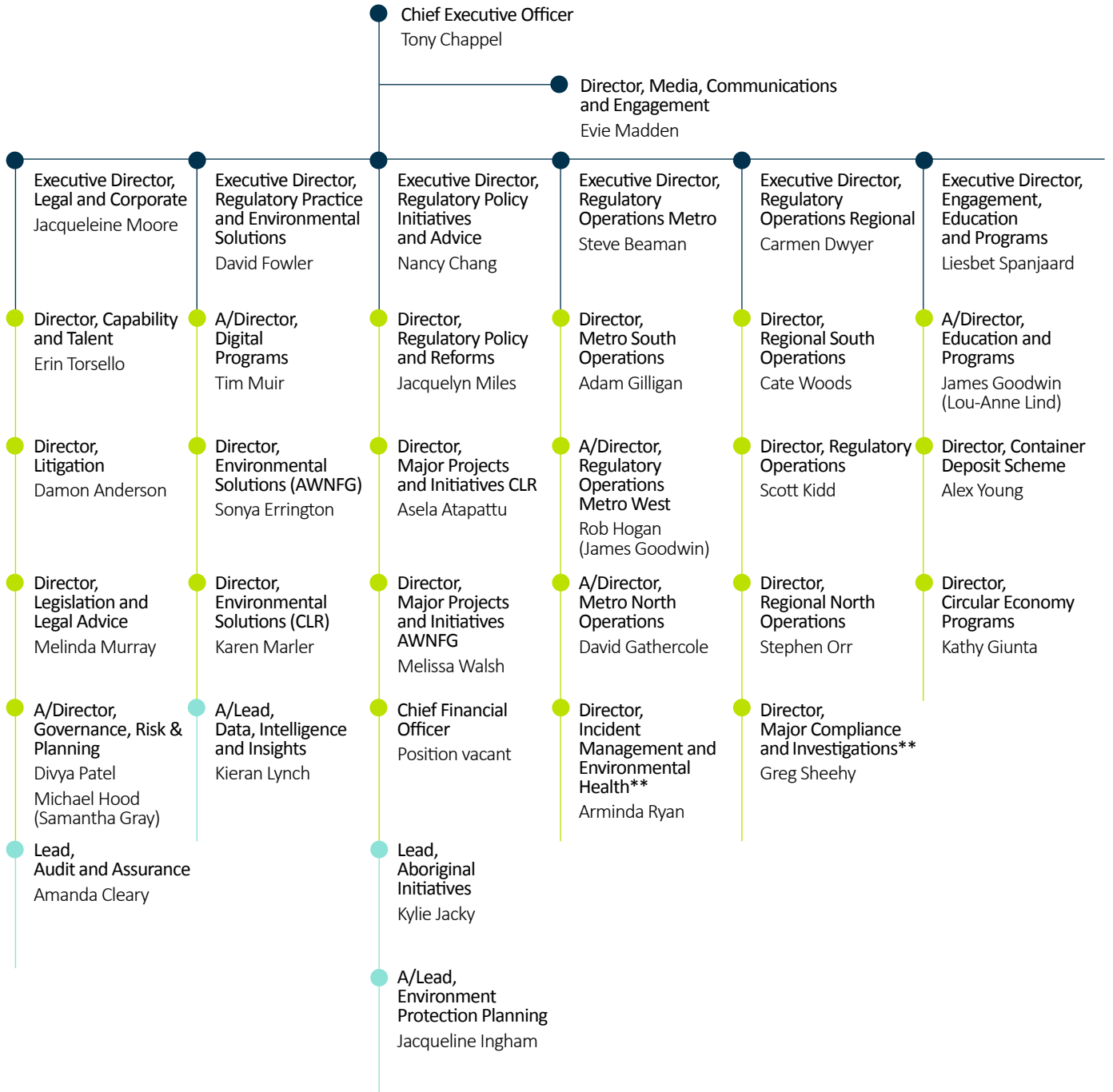
Our offices



This information has been sourced from the AIATSIS Map of Indigenous Australia. At the EPA, we continue to improve our understanding of Aboriginal cultures. We strive to gain accurate information for all our office locations. However, we recognise that not all NSW Aboriginal Nations are included in this map, and some Nations and their spellings are contested.

Organisational structure

Organisation chart at 30 June 2023



** Supports both operational divisions

- Divisions
- Branches
- Team Leads

EPA program performance

We continue to deliver a diverse range of programs that support our *Strategic Plan 2021–24* ambitions and targets, as well as 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. ■

EPA Program Performance Measures

Key: ✓ Achieved or on track ○ Monitor or improve

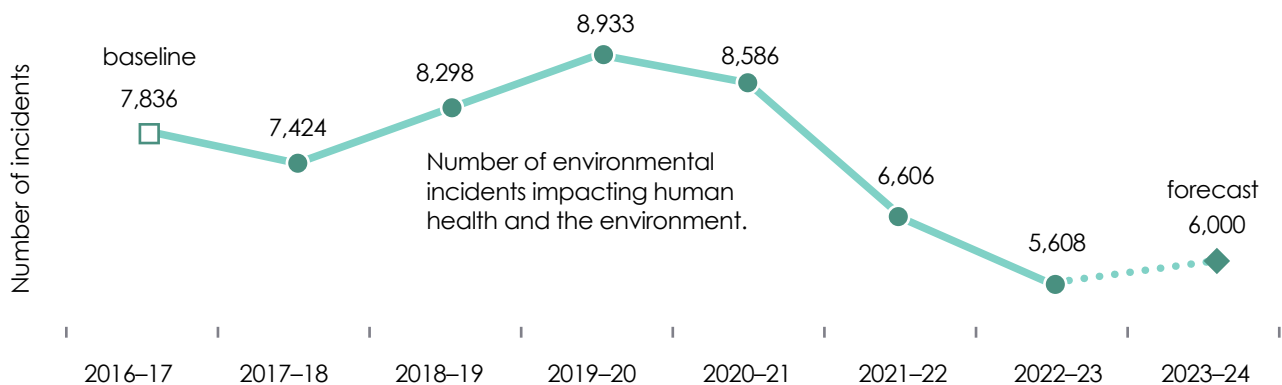
Indicator	2018–19	2019–20	2020–21	2021–22	2022–23	Status
High-risk Crown forestry operations are inspected (annual target 95%)	98%	100%	90.9%	100%	100%	✓
<p>Analysis: We regulate native forestry operations on both publicly owned (Crown) forests and private land in NSW, and inspect for compliance with legislative and statutory frameworks. Our compliance program aims to protect the environment while enabling a sustainable supply of native timber. This measure focuses on native forestry operations in Crown forests. The EPA website reports forestry compliance actions taken in the last five financial years.</p>						
Notified contaminated sites are assessed, and a decision on whether regulation is required is made, within four months of notification (annual target 95%)	92%	86%	91%	38% ^A	34.5% ^A	○
<p>Analysis: When the EPA becomes aware of contaminated land, it assesses the significance of the contamination. This requires a detailed desktop assessment and often a site inspection. Sometimes the EPA may request further information to complete this task. Assessment of contaminated sites has proved to be challenging in recent years due to the impacts of COVID-19 and the subsequent limited access to information and site inspections. Performance is expected to return to pre-COVID levels in 2023–24. In addition, the EPA is reviewing procedures to help ensure that it receives sufficient information early in the assessment process.</p> <p>Note: A In some cases results were affected by the impacts of COVID-19 and weather events on EPA operations</p>						
Percentage of targets met for public education and awareness programs about environmental matters (annual target 95%)	–	100%	95%	95%	95%	✓
<p>Analysis: Since 2019 the EPA has measured the effectiveness of public education and awareness programs based on reach, participation, interaction and engagement. This measure has performed well. In 2023–24 the EPA will shift its focus to understanding the community’s awareness of the EPA and community levels of trust in the EPA as the State’s primary environmental regulator.</p>						
Community access to NSW Container Deposit Scheme return points (target >90% by June 2025)	95%	98%	99.5%	99.1%	99%	✓
<p>Analysis: Beverage container return points deliver clean streams of high-quality recyclable material, which contributes to the development of a circular economy in NSW. To be able to participate, communities need convenient access to return points to redeem their containers. In 2022–23, only five of 433 collection points remained to be established, or re-established after closure, indicating a 98.8% achievement, with performance expected to continue to exceed the target of more than 90%.</p>						

Spotlight on human and environmental health

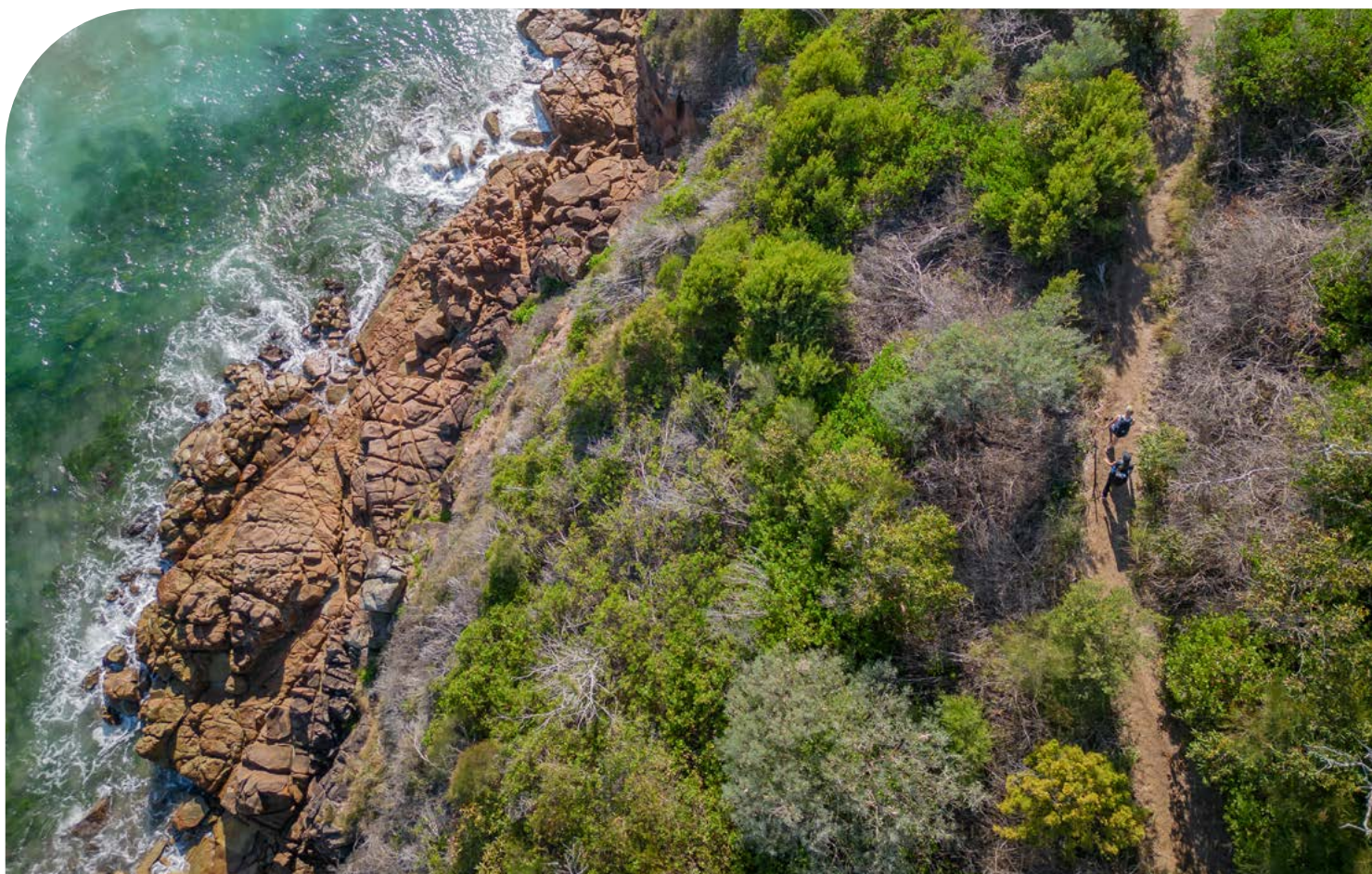
Environmental incidents

We keep 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 we record incidents: similar and related reports from the community are now counted as one incident.

Reported environmental incidents



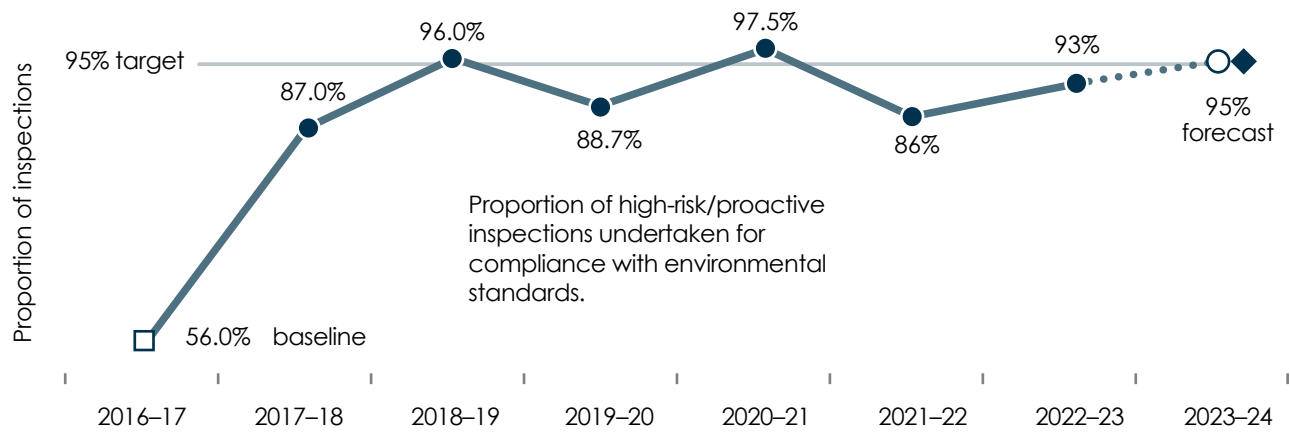
Tomaree Coastal Walk in the Port Stephens region.



Regulation of high-risk licences

We regulate 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 and 2022–23. However, we expect to achieve our targeted inspection rates in 2023–24.

Proportion of inspections



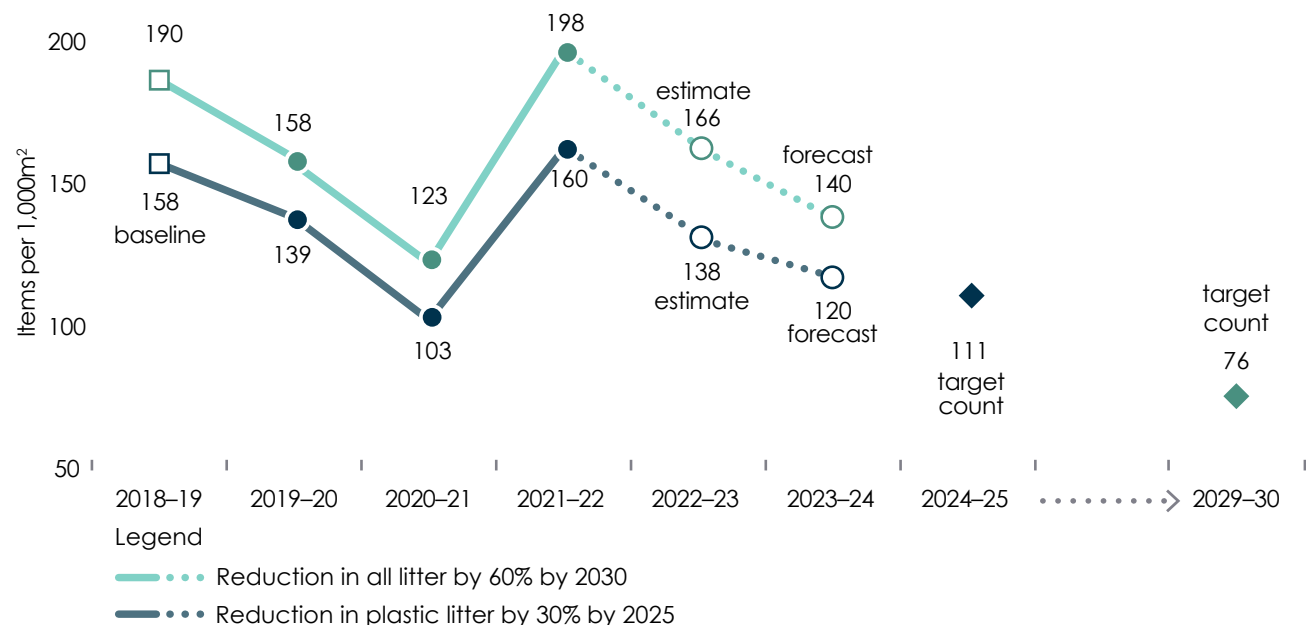
Spotlight on achieving a circular economy

Reducing litter

Litter reduction is one of our long-term aims. 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 (WaSM)*.

Preliminary data for 2022–23 indicates a 13% reduction in overall litter alongside the launch of the new WaSM litter program. Further reductions in overall litter are expected in 2023–24.

Litter reduction trends



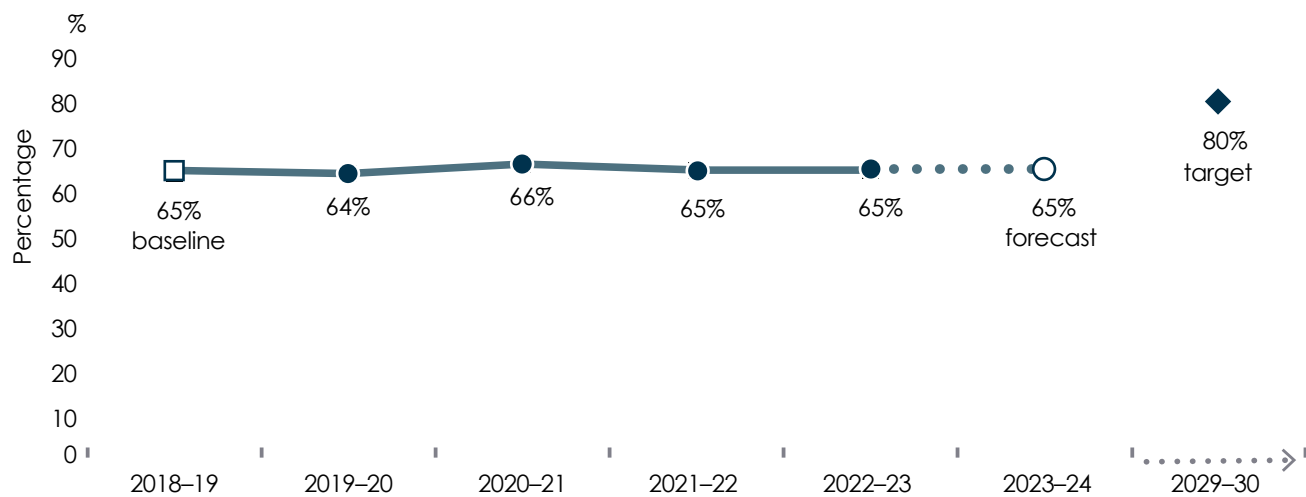
Resource recovery rate

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 80% target is based on longer-term policy and regulatory settings. Program outcomes will take time to come into effect but we expect improvements before 2030.

The overall resource recovery rate for NSW during 2021–22 was 65%. This was largely the result of the high recycling rate (80%) in the construction industry. While 2022–23 results are not yet available, the forecast is 65%. No change is expected for 2023–24.

Reviews of the NSW waste levy and the resource recovery framework may lead to improvements in the resource recovery rate. Other measures that will help us achieve the 80% target are regulations (including the 2022 ‘energy from waste’ regulation), potential expansion of the container deposit scheme Return and Earn, and mandated organics collections. We will be closely monitoring the trend of this measure over coming years as we work to reach the 80% target.

Resource recovery percentages

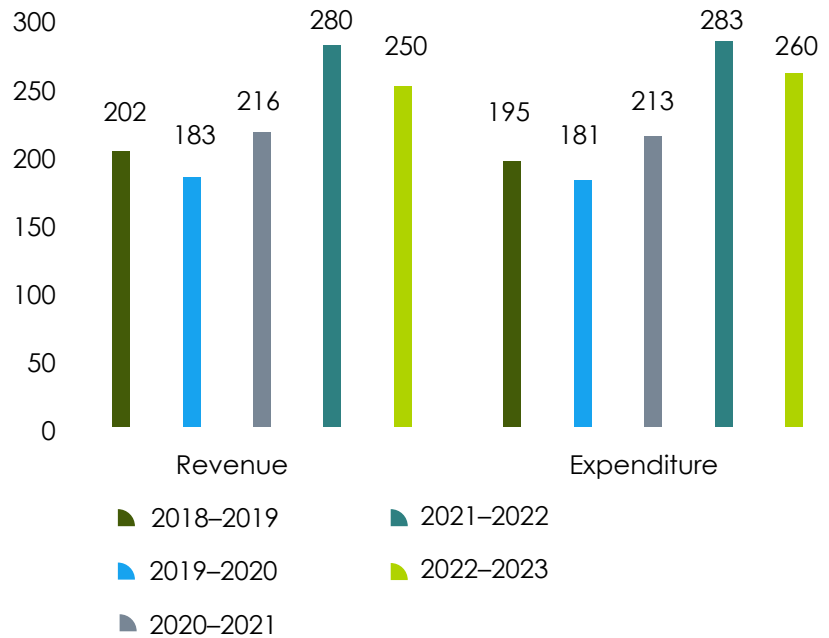


Financial summary

In 2022–23 the EPA maintained its sound financial position while responding to the challenges that came from changes within the agency and its 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 decreased in 2022–23.

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



Our expenditure



Strategy

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Our remit – protecting the environment and human health – is very broad. To act effectively and efficiently, we set both strategic focus areas and short-term regulatory priorities. To regulate consistently, we follow a formalised, publicly available regulatory framework. Our performance is reviewed annually by the EPA Board.

Our strategic plan

As we respond to urgent current issues, including climate change, we educate and support our stakeholders to create an environmentally healthy future. One of our key roles is to protect the community and environment from harm.

Our *Strategic Plan 2021–24* sets out our priorities for protecting and enhancing the environment over the medium term. The plan identifies five key focus areas – areas that are considered major challenges:

- waste
- water quality
- legacy and emerging contaminants
- ecologically sustainable development
- climate change.

We review these focus areas every three years, to ensure our efforts and resources are being wisely allocated.

Our *Regulatory Framework 2021–24* outlines the regulatory actions we may take to address environmental issues: listen, educate, enable, act, influence, require, monitor and enforce.

The framework is risk-based – that is, it directs us to prioritise areas and activities that have the greatest potential to cause harm. It is outcomes-focused. And it emphasises modern regulatory approaches (for instance, the use of influence and education) to drive environmentally responsible behaviour.

Our regulatory decisions are informed by science, evidence, data and Aboriginal knowledge, including cultural values and the 12 principles outlined in the EPA’s Statement of Commitment to Aboriginal People.

Our regulatory priorities

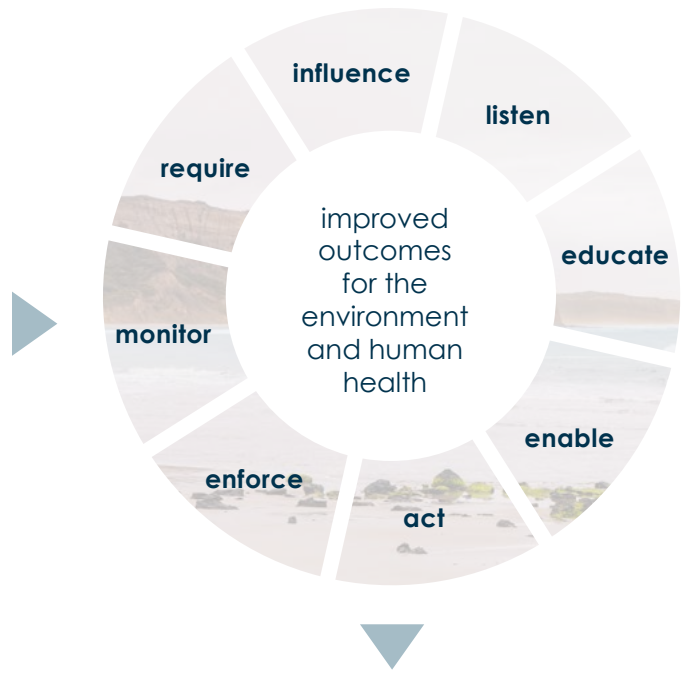
Each year, we identify priority areas on which to focus regulation. These are hazards to community and environmental health that we want to mitigate before they escalate. They are important issues we expect we can make significant progress on within 12 months.

Our regulatory priorities are broadly consistent with our strategic focus areas, and contribute to our strategic plan. In 2022–23, we identified six areas as priorities for regulatory action:

- forestry
- end-of-life tyres
- end-of-life plastics
- hazardous gas and liquid wastes
- radiation
- pesticides and chemicals.

Our mission is to protect tomorrow together.

We apply these eight regulatory tools (right) to our strategic focus areas (below) and the more urgent regulatory priorities.



	<u>Our vision</u>	<u>Our purpose</u>
Ambitions	A healthy and thriving environment for the future	Securing healthy environments, economies and communities
Strategic focus areas	 Ecologically sustainable development	 Waste
	 Water quality	 Legacy and emerging contaminants
		 Climate change
Regulatory priorities	End-of-life plastics End-of-life tyres	Forestry Hazardous and liquid waste
		Pesticides and chemicals Radioactive sources
The core areas we regulate every day	<ul style="list-style-type: none"> • Air • Chemicals • Climate change • Coal seam gas • Contaminated land • Dangerous goods 	<ul style="list-style-type: none"> • Litter and illegal dumping • Native forestry • Noise • Odour • Pesticides • Plastics
		<ul style="list-style-type: none"> • Radiation • Recycling and re-use • Waste • Water

Reporting and reviewing

Each year the EPA Board provides the Minister for Climate Change, Minister for Energy, Minister for the Environment, Minister for Heritage with an annual statement reporting on the performance of the EPA.

The report, which is published on the EPA website, considers performance measures, case studies and assessments of EPA performance. It summarises:

- how successful the EPA has been in reducing risks to human health and preventing degradation of the environment
- how the level of environmental protection in NSW compares with that of other Australian jurisdictions
- how well industries regulated by the EPA are performing in regard to reducing risks to human health and preventing environmental degradation
- the impact these industries have had on the environment
- how these industries could improve their environmental performance
- how the EPA could improve its own environmental performance.

This formal annual review is tabled in Parliament and published on

the EPA's website, to provide transparency and accountability to the community of NSW. The Board's assessment also supports a culture of continual learning and improvement, by making recommendations for improving EPA performance. These are incorporated into the EPA's strategic and forward planning for the next financial year.

We report quarterly on our State Outcome and Program performance measures to NSW Treasury (see page 14). Our efficiency and effectiveness measures appear throughout this report. Section 5 includes our human resources measures, and the EPA's results from the People Matter Employee Survey.

Restructuring for resilience

In June 2023 the EPA refined its structure to create a more collaborative, effective and purposeful organisation. Ahead of this, we carried out internal staff consultation and undertook an anonymous employee survey. The restructure was designed to:

- increase collaboration
- make teams more consistent across the organisation

- improve organisational culture
- better retain technical expertise
- establish a Project Management Office.

Innovation and improvement

Innovation is key to achieving our environmental goals, and we achieve it through continual improvement.

Our Continual Improvement team works closely with other staff to design solutions that apply a user-centric approach to our products, services and processes.

This year the team:

- helped other EPA teams solve problems by applying the principles of 'human-centred design'
- helped develop a new regulatory approach for biosolids
- helped design how the EPA will tackle the regulatory priorities chosen for 2023–24
- supported a network of improvement coaches within the EPA
- developed resources, such as a handbook for the improvement coaches, and an innovation toolkit for staff.

Key policies and strategies for the EPA

Developed by the EPA

Regulatory Strategy 2021–24
Regulatory Policy
EPA Climate Change Policy
Climate Change Action Plan 2023–26
NSW Illegal Dumping Prevention Strategy 2022–2027
NSW Litter Prevention Strategy 2022–30
EPA Youth Engagement Strategy 2022–25

Developed by the NSW Government

NSW Waste and Sustainable Materials Strategy 2041: Stage 1 plan: 2021–2027
NSW Plastics Action Plan
Net Zero Plan: Stage 1: 2020–2030
NSW Clean Air Strategy 2021–30
Asbestos in NSW: Next Horizon

3

Operations and performance

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WASTE

NSW is rethinking waste. Our economy has been based on a 'take, make, dispose' model that sees resources taken from the natural environment, often used just once, and then sent to landfill. We need to change this.

The stories in this section highlight some of the ways we're helping NSW transition to a circular economy – an economic system that minimises waste and repeatedly re-uses resources. You can see what we're doing to:

- phase out problematic and unnecessary plastics
- change the framework of policies and legislation around resource recovery, so more resources can be beneficially recovered
- develop policy that will drive the uptake of recovered and recycled materials.

The move to a circular economy



Opening of the 100th Community Recycling Centre at Camden in south-west Sydney. Photo: EPA

NSW has a roadmap for our transition to a circular economy, and the EPA is leading the implementation.

The *NSW Waste and Sustainable Materials Strategy 2041* (WaSM) supports the government's goal to reach net zero emissions by 2050 through the *NSW Net Zero Plan Stage 1: 2020–2030*.

There are targets for 2025 and 2030.

By 2025

- Phase out problematic and unnecessary plastics
- Reduce plastic litter by 30%

By 2030

- Reduce total waste generated by 10% per person
- Recover, on average, 80% of waste from all waste streams
- Reduce all litter items by 60%

The strategy has sub-targets for two key focus areas, plastics (see page 24) and organics (page 28).

Plastics sub-targets

- Eliminate problematic and single-use plastics by 2025
- Triple the plastics recycling rate by 2030

The plastics sub-targets are supported by the *NSW Plastics Action Plan*.

Organics sub-targets

- Halve the amount of organic waste sent to landfill by 2030
- Net zero emissions from organics to landfill by 2030

In July 2022 we kicked off stage one of the WaSM strategy with a funding package for tackling high-priority areas, such as plastics and organics waste. We're also working with other agencies to improve infrastructure, regulations and markets for waste and sustainable materials, as well as how they are managed.

The goal is to minimise the impacts of waste on the environment and human health, and explore economic opportunities attached to managing waste. ■

What is a circular economy?

In a circular economy, the goal is to:

- design out waste and pollution
- keep products and materials in use
- regenerate natural systems.

To achieve this, we need to:

- reduce as much as possible the use of items or materials that can't be re-used or recycled
- recover more material and re-use it in a beneficial way
- increase the use of recycled content.

Eliminating problem plastics

The EPA is responsible for implementing staged bans on single-use and other problem plastics, under the *Plastic Reduction and Circular Economy Act 2021*.

Stage two of the bans came into force on 1 November 2022, and targeted problem items such as plastic straws, cutlery, stirrers, plates and bowls. We also farewelled plastic cotton buds, expanded polystyrene food-service items and plastic microbeads in certain personal care products.

These followed the stage one bans on lightweight plastic bags that took effect on 1 June 2022. Together, the combined bans are expected to prevent almost 2.7 billion items of plastic litter from entering the environment in NSW over the next 20 years.

We're grateful for the cooperation of businesses and the community

in embracing these big changes, especially businesses and consumers in retail and hospitality.

Getting the message out

We activated our communications, engagement and awareness strategy long before 1 November 2022. We engaged with consumers and industries across the entire single-plastics supply chain.

Our *'Stop It and Swap It!'* campaign ran on multiple communication channels, including radio and social media. The campaign explained why we needed to reduce our reliance on single-use plastics, and outlined steps for consumers to replace their plastics with alternative products. Our enthusiastic multilingual staff spread the word on SBS Radio, in languages such as Cantonese and Tamil.

In addition to our media campaign, we held dedicated webinars for Local Government, education and health care providers, and released special guidance to industry groups. Electronic mail-outs to businesses and consumers also encouraged visits to our website and online resources.

Support for retailers

Peak industry body, National Retail Association (NRA), assisted the EPA with a massive digital and in-person education campaign. This included targeted webinars and shop visits across shopping centre precincts and malls in the lead-up to the bans. The NRA provided support and education to more than 23,000 businesses and retailers around the State in 15 different languages, and held weekly webinars to answer questions from businesses.



The EPA's plastic compliance team spreads the word on the streets of Parramatta in Sydney's west. Photo: EPA



More than 20 EPA volunteers worked with the Great Plastic Rescue to sort excess stock from both bans for their rescue, recycling and remanufacturing program. Photo: EPA

Following implementation of the bans, we continued our education-driven compliance approach by conducting in-person site visits across NSW. We complemented the work of the NRA by visiting areas they had not already targeted, and locations where the public had reported non-compliance. We completed a total of 320 retail visits in areas including Parramatta, Watsons Bay, Marrickville, Harris Park and Bankstown.

‘The teams were usually received positively by the businesses they visited,’ says Acting Manager for Policy, Kate Doutney. ‘Most people we encountered were happy to have a chat, ask about certain items and check if they were doing the right things.’

Our information and education-driven approach resulted in a good rate of compliance. During our visits, we found that many businesses still had the materials they had received from us or the NRA.

Recycling banned stock

We partnered with Great Plastic Rescue (GPR) to give leftover single-use plastic stock a second life. GPR collected excess banned stock for recycling into new products, which provided an alternative to simply landfilling banned items.

GPR successfully supported many small businesses and community organisations to part ways with their excess stock. By the end of December 2022, 37,733 kg of single-use plastic was sorted and recycled from 210 registered businesses.

Together, the combined bans are expected to prevent almost 2.7 billion items of plastic litter from entering the environment in NSW over the next 20 years.

What's next?

In 2023, we informed more than 23,000 businesses and associations about the next bans, encouraging them to plan ahead, review the design of their packaging, and support NSW’s transition to a circular economy.

Despite the massive environmental benefits, we knew that the bans would be a big change for NSW communities.

We’ll be actively consulting with the public on the next tranche of bans through 2023 and 2024. ■

Communities act on waste



CEO Tony Chappel (second from right) joins in with EPA sustainability partners. Take 3 for the Sea to collect plastics at Sydney’s Manly Beach. Photo: EPA

Everyone has a part to play in reducing plastic waste. That’s why we partnered with 17 organisations working on smart waste reduction initiatives in the community. Here’s a taste.

Ground Swell

Tourism brings many benefits to NSW communities, but it can also bring a lot of litter. In September last year, we collaborated with the environmental group Take 3 for the Sea to set up the Ground Swell project. Ground Swell, which offers resources and support to tourism-related businesses, aims to reduce litter in visitor hotspots by 30% and phase out unnecessary plastics by 2025.

The project is initially targeting 150 businesses, using Take

3’s *Litter Reduction Toolkit for Tourism Operators* to help them develop tailored solutions for litter and plastic problems in their business and local area.

It’s a WRAP

Thanks to EPA funding, more than 2,000 students from 21 schools reduced their school’s waste last year through a new sustainability education program. Our partnership with NSW Environmental & Zoo Education Centres (EZEC) supported students and staff to assess how much waste their school was producing, and develop a Waste Reduction Action Program (WRAP).

Like school communities, each WRAP was unique. At one school, kids visited a local waste facility to find out what happens to waste. At another, Year 11 students built a waste-sorting

station. Several schools set up *Return and Earn* collection points and many students created posters and videos to educate their classmates (and teachers) about recycling. One school even locked up their bins for a waste-free Wednesday to encourage students to think about how they could reduce waste.

Over two terms, in addition to the 2,691 students directly involved, the program indirectly reached an estimated 7,313 students and 29,252 parents and family members.

Waste in translation

What do soap-making, photography and crochet have to do with waste? Quite a lot, for the Plastic Free Future Project delivered by TAFE NSW and Addison Road Community Centre. The project supported bilingual community educators to run a variety of fun, creative and culturally responsive workshops to help spark conversations about single-use plastics in their communities.

Conducting these workshops was part of a larger training program that aimed to build the educators’ capacity to engage with communities about environmental issues. The educators also developed presentations for community information sessions and social media images, with taglines translated into 15 languages. ■

Tackling the soft plastic stockpile



EPA officer carrying out a soft plastics inspection. Photo: EPA

REDcycle operated a return-to-store program in NSW for recovering soft plastics until November 2022, when it announced it was suspending operations. As no other program of the same kind was operating, shoppers who had diligently collected their soft plastic packaging for recycling were left wondering what to do. Attention quickly turned to the scheme's 5,200 tonnes of soft plastic stockpiled across the state.

Australia's largest supermarkets, Coles and Woolworths, had been collecting the material and took responsibility for the stockpiles. Chief Executive Officer Tony Chappel says this was welcomed by the EPA.

'Our first priority is the safety of our communities, and we have a regulatory responsibility to ensure appropriate action is taken as soon as possible,' he says.

Supermarkets put on notice

In February 2023 the EPA issued Coles and Woolworths clean-up notices to manage the recovery, recycling and lawful removal of the stockpiled plastic. It gave them seven weeks to move the soft plastics to an appropriate site, to reduce the risk of fire.

We all need to work together to invest in infrastructure and develop markets that support a step change in recycling initiatives.

We also notified Fire and Rescue NSW of the high-risk storage facilities in 11 Local Government areas, and asked that the operators of these sites take immediate action to manage risks.

By July 2023 Woolworths and Coles had met their immediate obligations under the notices, with more than 5,000 tonnes of soft plastic moved to safe storage. They have until February 2024 to develop a long-term solution for the material.

That solution could be processing it at a local recycling facility, exporting it or, as a last resort, sending it to landfill.

'All manufacturers and retailers have a responsibility to deliver sustainable solutions for plastic packaging,' says Chappel.

'This has been a challenging situation for all parties, but enormous opportunities lie ahead for industry and government to improve governance and collaboration around new solutions to address problematic waste streams.

'We all need to work together to invest in infrastructure and develop markets that support a step change in recycling initiatives.'

The EPA will continue to work closely with its counterparts in other states and territories to ensure that we take a coordinated approach and understand the issues underpinning REDcycle's collapse. And together we'll work with the Soft Plastics Taskforce – made up of industry members and chaired by the federal Department of Climate Change, Energy, the Environment and Water – to consider what regulatory support is needed.

Soft plastics recycling is supported by the *NSW Waste and Sustainable Materials Strategy 2041* and *NSW Plastics Action Plan*. Under these two plans, NSW will invest \$356 million to support innovative projects that drive our transition towards a circular economy. ■

Helping councils slash food and garden waste



Organic waste grants help us divert food scraps towards compost rather than landfill. Photo: Western Sydney Regional Organisation of Councils

Households generate the greatest volume of organic waste going to landfill in NSW. When food waste decays in landfill, it creates methane, a potent greenhouse gas. It's better to collect food waste and turn it into compost or animal feed, or use it to generate electricity.

The EPA's *Go FOGO* grants program is designed to help NSW local councils drive down the volume of organic waste by delivering new weekly food-only (FO) or food organics and garden organics (FOGO) collection services to their communities.

In this financial year we awarded \$6.2 million to 10 projects across metro and regional areas. All NSW councils are eligible to apply, providing they meet eligibility requirements. These include delivering education campaigns on how to avoid food waste, and supplying a kitchen caddy to each household.

The *Go FOGO* grants program supports broader FOGO action in the NSW Government's **Waste and Sustainable Materials Strategy 2041 (WaSM)**. The strategy requires local councils to provide organics waste collection services to all households by 2030.

This mandate in turn supports the Government's goal for net zero emissions from landfilled food, garden and textile waste from 2030.

The *Go FOGO* grants program will have two application rounds per year until 2027, with a total funding pool of \$46 million. We expect that by the time the program finishes in 2030 it will have helped roll out organics waste collection services to two million NSW households.

In this financial year, we awarded \$6.2 million to 10 projects.

How do we safely process organic waste?

The EPA's recent *What's the GO with FOGO?* study will inform decisions about how to manage the processing and supply of recovered organics in a safe and sustainable way. The study assessed composts made from food organics and garden organics (FOGO) and gardens organics (GO) across NSW. It has created a large evidence base by carrying out tests for more than 260 chemicals, microorganisms and physical contaminants.

In related work, the EPA has also funded reports by the CSIRO on biodegradable and compostable plastics.

Our research found that NSW needs to better control what ends up in the green-lid bins, and needs to remove more physical contaminants before GO and FOGO are processed. For instance, paper-based food contact materials such as baking paper and food containers can be sources of PFAS; and lint from vacuum cleaners and tumble dryers can contain microplastics. These chemical contaminants don't break down during composting and should not be added to the green-lid bins.

The study also pointed to the importance of good hygiene practices when handling composts, to minimise risks from pathogens. The FOGO team will consider whether pathogens and key chemicals need to be monitored.

You can download the EPA and CSIRO reports from the [EPA website](#).

Return and Earn



Inside a sorting and counting centre at Eastern Creek, where mountains of containers are processed. Photo: EPA



Self-service reverse vending machines are a convenient way to deposit smaller quantities of containers. Photo: Exchange for Change

Last year, the hugely successful NSW Container Deposit Scheme *Return and Earn* hit a new milestone.

Nine billion eligible containers have been returned since the scheme started in 2017. That's almost a million tonnes of materials that have been recycled. And at the time of publishing this report, we've already hit the 10 billion mark!

At the EPA, we're very proud of the scheme, which we administer in partnership with the waste and beverage industry. Not only does it get litter off the streets and out of our parks and waterways, it funnels that waste back into the system to remanufacture into bottles and food-grade packaging.

And with most of the reprocessing being done in NSW, we're reducing the contribution that water use, energy use and landfill emissions make to climate change.

We're not just kicking environmental goals, either. 'The scheme is well designed that way – it offers social, environmental and economic benefits,' says Audrey Yim, Principal Project Officer, Engagement and Projects.

More than \$47 million has been returned to charities and community groups via donations and fees from hosting return points. ■

Collecting for the community



Gerringong Lions Club members deposit thousands of empty containers at their local return points each week. Photo: Exchange for Change

One of the many groups to raise money through *Return and Earn* is the Gerringong Lions Club. Its members have collected one million drink containers since they started five years ago.

They've raised \$100,000 for a range of charities and services, including medical research, local sporting facilities and drought relief.

Lions provides 60 dedicated bins around town for empty drink containers. Bruce Ray, a past president and active member of the club, says they have the bins at the hotel, the bowling club and campgrounds. They also provide bins for events such as weddings and New Year's Eve.

Ray says he gets a sense of satisfaction knowing they are helping the community while also looking out for the environment.

'I enjoy doing it,' he says. 'It keeps you busy, and we take pride in knowing it all goes back into recycling.'

Research and development partnerships

As part of our work fighting food and plastic waste, we have developed partnerships with various Cooperative Research Centres (CRCs).

Our Organics Unit is a participant in the Healthy Soils and Fight Food Waste CRC, and has supported several initiatives that align with our objectives, including household food waste behavioural research.

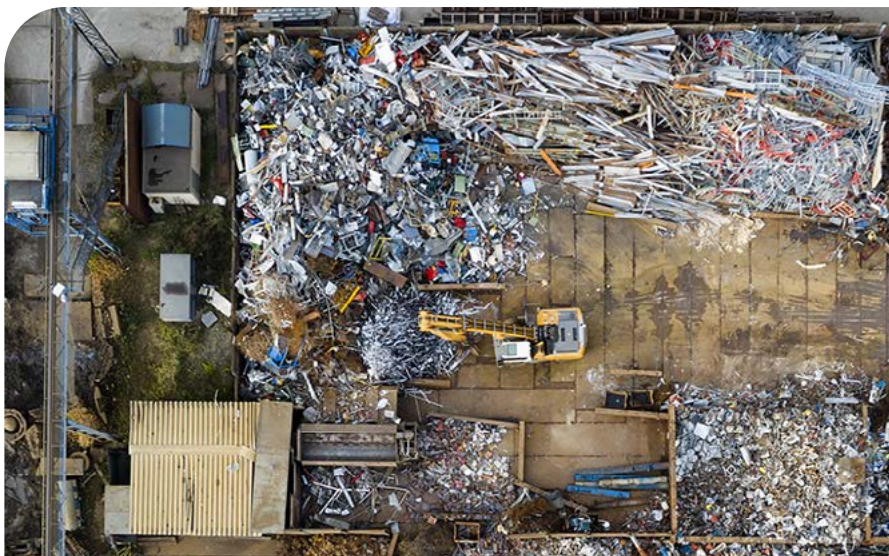
We recently agreed to partner with the Solving Plastic Waste CRC (led by Griffith University) which aims to enhance industry-driven research and collaboration across the entire plastics value chain. Their research programs closely align with our own as we progress implementation of the *NSW Plastics Action Plan*.

We are also working closely with the CSIRO to develop methods for microplastics analysis in

recovered wastes, and are considering a partnership with Melbourne University's MicroFAB Hub (an Australian Research Council initiative) to progress research on the impacts of microplastics in our environment. While outside of the reporting year, the Litter Prevention Unit currently has a Collaborative Research Agreement with the University of NSW, effective 25 August 2023 to 30 June 2024. ■

Reviewing the way we recover waste

A circular economy is a system where we can minimise waste and continue to re-use resources. We have ambitious targets, such as an 80% recovery rate of all waste streams by 2030.



The resource recovery framework means we keep materials out of landfill and give them a second life. Photo: EPA

In late 2021, we commissioned Dr Cathy Wilkinson, former head of EPA Victoria, to conduct an independent review of the state’s resource recovery framework. This review involved extensive consultation with government, industry and community stakeholders. It was an action the NSW Government had committed to in the *Waste and Sustainable Materials Strategy 2041*, our framework for moving NSW towards a circular economy over the next two decades.

Components of the framework

The resource recovery framework is the policy, regulatory and compliance framework that facilitates the recovery of resources in NSW. The EPA administers it. Resource recovery is important because keeping materials circulating in the economy uses them more

efficiently and reduces overall greenhouse gas emissions.

The main instruments that form the framework are:

- *Protection of the Environment Operations Act 1997*
- *Waste Avoidance and Resource Recovery Act 2001*
- Protection of the Environment Operations (Waste) Regulation 2014 (NSW)
- Resource recovery orders and exemptions.

Resource recovery orders and resource recovery exemptions are key components of the resource recovery framework. They allow some wastes to be beneficially and safely re-used outside the usual NSW laws on applying waste to land, using waste as a fuel, or using waste in connection with a process of thermal treatment.

Orders and exemptions work together. Orders have conditions that suppliers must meet to supply recovered waste as a resource; exemptions have conditions that waste users must meet to use it.

Review findings and our response

Dr Wilkinson presented her review findings (*Independent Review of the Resource Recovery Framework*) in September 2022. Her report makes 22 recommendations to strengthen the resource recovery framework, grouped into four outcome areas:

1. improved administration and decision-making
2. the definition of waste and enhancing the regulatory framework
3. enabling high-quality materials to facilitate circularity
4. improving approaches to known and emerging contaminants.

We welcomed the recommendations, supporting all of them. We published our formal response to the review in December 2022.

We have also been working on a **delivery plan** that sets out the actions we’ll take to implement the recommendations. We published this plan just outside the reporting year, in July 2023. We’ll continue to engage with stakeholders on the delivery plan actions. ■

Tackling stockpiled tyres



Stockpiled tyres can leach chemicals, and contaminate soil and water. They also make dreadful, smelly fires that are difficult to put out. Photo: EPA

More than 460,000 tonnes of tyres reach the end of their life in Australia each year. Tyres don't decompose. When they're stockpiled, chemicals in them slowly leach into the environment.

End-of-life tyres have long been recognised as problem waste. In October 2022 a meeting of Australian Environment Ministers identified them as a priority for regulation and compliance.

In 2018–19, 55% of Australian used tyres were exported, 31% were disposed of, and only 14% were processed for domestic recycling and energy use. In 2021 the Australian Government restricted the types of tyre waste that can be exported. ABS data shows that export volumes have since fallen. In the long run, it is an important step towards a circular economy. But in the short term, it has led to a greater likelihood of tyres being stockpiled.

Stockpiled tyres are a problem in several ways. They can leach chemicals, contaminating soil and water. They are a fire hazard as tyre fires produce toxic smoke; firewater run-off contaminates soil and water; and these fires can cost hundreds of thousands of dollars to extinguish. Also, by holding rainwater, stockpiled tyres can become a breeding ground for mosquitos, contributing to the spread of mosquito-borne diseases.

A safer way forward

In NSW you must hold an environment protection licence to stockpile 500 or more tyres.

Operators who don't treat tyres lawfully risk a fine or prosecution. We've investigated serious stockpiling offences across NSW. At the policy level, we're continuing to put in levers and initiatives to promote a safe and appropriate circular economy.

Tyres can be – and are being – recycled. Tyre material can be remanufactured into new rubber products such as 'soft fall' surfaces and brake pads. Trial projects have incorporated it into products such as concrete road barriers and road surfaces, and as a substitute for coke in steelmaking. There is scope for increasing these uses.

But in the circular economy our first priority for tyres should be to prolong their life. Australia imports all its tyres. National design standards could help ensure that they last longer, can be readily re-treaded, and are more useful as recycled material when they reach end of life.

We're working with all jurisdictions on tyre product stewardship and to ensure that waste tyres are managed responsibly. We've been focusing on:

- addressing the risks of improper tyre disposal, including illegal dumping
- improving how we track waste tyres
- encouraging the safe storage of waste tyres
- supporting greater resource recovery. ■

WATER QUALITY

Clean water is a fundamental need. Polluted water kills and harms the creatures that live in it, and can present risks to the people who use that water source.

The EPA has two major roles in protecting water quality. In both cases, we work with other organisations to achieve our goals.

The first is to try to prevent pollution in the first place. We're doing this in the case of nurdles – small pellets of plastic used in manufacturing – which easily escape into waterways and pollute shores and water.

Our second role is to measure water quality, to guide management decisions. Our ongoing water testing at Lake Macquarie will help authorities plan the lake's future uses. At Menindee in the State's far west, our tests of the Darling-Barka River following a fish kill helped rule out pesticide as the cause.

This former coal ash repository in the Central Tablelands has been declared significantly contaminated. The EPA is working with the licensee to remediate the site. Photo: Allan Adams



Taking swift action on the Menindee fish kills



DPE Science and EPA staff take water samples on the Darling-Barka River at Pamamaroo. Photo: Cristin Sheehan

In March 2023, millions of dead fish were found floating in the Darling–Barka River at Menindee, 100 km south-east of Broken Hill in Barkandji Country.

This massive ‘fish kill’ was a distressing sight. It followed previous fish kills in 2018 and 2019 but was much larger, affecting perhaps 20 million fish. Most of the native fish that died were bony bream (*Nematalosa erebi*, a.k.a. bony herring), but there were also Murray cod, golden perch and silver perch.

We treated the fish kill as a top priority, immediately flying a specialist team to the emergency operations centre at Menindee as part of a multi-agency response. Our team helped dispose of the dead fish, and collected and tested water and sediment samples from the affected areas.

The community was concerned the fish may have been killed by pesticide, so the first round of testing focused on making sure there were no dangerous pollutants in the water. We also tested for nutrients from farm run-off (nitrogen and phosphorus), metals and algal toxins.

We tested for more than 600 pesticides but none of the tests were positive. Nitrogen and phosphorus were at slightly increased levels: this was probably due to rotting fish.

We concluded that the fish deaths were caused by a lack of oxygen in the water, due to the breakdown of organic matter in flood debris. High temperatures and a lack of water released from upstream weirs compounded the problem.

We’ve continued monitoring water quality, in partnership with other government agencies.

We posted sampling results on our website and provided printed fact sheets to the local community. Government and the community will be alerted if water conditions deteriorate again so steps can be taken to prevent more fish deaths.

After the initial response, our CEO joined the Premier and Minister for Climate Change, Minister for Energy, Minister for the Environment, Minister for Heritage to see firsthand the recovery work and meet with the community. In addition, a member of our Aboriginal Initiatives team visited the area specifically to meet with the local Barkandji community.

In April 2023 we launched an investigation into the fish kill to determine if pollution offences had been committed and whether regulatory action should be taken. We expect to conclude this investigation before the end of 2023. ■

Monitoring Lake Macquarie



Samples collected at Lake Macquarie are put into an esky with ice for immediate delivery to the lab. Photo: EPA

As power stations prepare to close, the EPA is monitoring the condition of neighbouring lakes to help inform rehabilitation plans.

Coal-fired power stations heat water to make steam. They often draw this water from a nearby lake. However, ash from the burnt coal, and other contaminants, can find its way into lakes. Monitoring is important to understand the current condition of these ecosystems, provide a baseline of information for comparison in the future, and help support remediation activities.

Lake Macquarie was chosen as the first site for monitoring. There has been industrial and urban activity near the lake for decades, including two active coal-fired power stations, Vales Point and Eraring.

Our technical team consulted the Hunter Community Environment Centre before selecting 29 sampling sites around the lake and power stations. We then worked with water science experts in the NSW Department of Planning and Environment to design and conduct a monitoring plan that will address community concerns and answer questions on the condition of the lake.

Since monitoring began in March 2022, we've collected 350 surface water samples and more than 80 surface sediment samples, with more sampling still being done. We've analysed the samples to gain a picture of the health of the lake and any potential impacts on the local ecosystem.

The EPA's Principal Operational Policy Officer, Peter Lloyd-Jones, says, 'It's important that we can talk to the community about the impacts of legacy industries and work with the community to inform rehabilitation.'

This monitoring program was triggered by a parliamentary inquiry into the costs of remediating sites containing coal ash repositories (see box, below). There were 12 recommendations made to government agencies by the Legislative Committee, with several for the EPA. As well as coordinating cross-agency action, the EPA supported all recommendations and saw the monitoring program as a valuable research opportunity.

The results of the program will be reviewed by independent external experts and published on the EPA website. They can be compared with new observations as environmental conditions change, and will help guide remediation activities. ■

What is coal ash?

- Coal ash is what's left after coal is burnt to generate electricity.
- It's mostly silicon, with some other minerals and trace elements.
- It's stored in coal ash repositories, which can be dry emplacements or wet coal ash dams.
- If not managed properly, coal ash may leach contaminants into groundwater, overflow into surface water, or become airborne.

Solving the nurdle problem



Nurdles found in the sand. Photo: EPA

Nurdles – a cute word, but also a big environmental problem if not managed properly.

These plastic resin pellets, about the size of lentils, are melted down by plastics manufacturers to make products.

If not properly contained when being shipped, stored or handled, they easily escape into the wild. Here they become yet another source of plastic that harms the environment, including the food chain.

Nurdles are washed into stormwater drains and waterways, and end up polluting beaches, estuaries, lakes, creeks and rivers.

Cleaning up nurdles is difficult and costly, mainly due to their tiny size. The most effective way to reduce their impact on the environment is by not letting them escape in the first place.

In the fight to contain nurdles, the NSW Government has launched Operation Clean Sweep, a new program designed to help plastics manufacturers improve their systems. The program will partner with local councils, which are responsible for regulating the areas that nurdles can leak from.

Operation Clean Sweep is being delivered as part of the *NSW Plastics Action Plan 2021*. ■

LEGACY AND EMERGING CONTAMINANTS

Last century, 'wonder materials' of many kinds were deployed on a huge scale. We now know these products have a dark side. Their effects linger, long after they've been removed from sale. The EPA works to lessen the harm caused by legacy contaminants – two of our targets are PFAS and asbestos. And an exciting research project using AI has been gathering pace, with the potential to redefine the way we pinpoint, manage and investigate chemicals of emerging concern.

The latest on PFAS and asbestos



PFAS chemicals can harm the environment if not properly contained. The EPA has developed guidance for industry and users of PFAS firefighting foam to comply with the Regulation. Photo: EPA

The EPA leads the NSW Government's response to PFAS chemicals. PFAS stands for per- and polyfluoroalkyl substances and is a group of more than 3,000 chemicals that are resistant to heat, water and stains.

PFAS chemicals are very stable and they bioaccumulate, which means they stick around for a long time in the environment and in living things. A notable source of contamination from PFAS is firefighting foam.

Our policies are aimed at lowering the potential impact of PFAS. This year we implemented a ban on prescribed long-chain PFAS firefighting foam (with a handful of use exemptions, such as responding to a catastrophic fire). This came into effect on 26 September 2022 under the *Protection of the Environment Operations (General) Regulation 2022*.

We also contributed to developing the draft PFAS National

Environmental Management Plan version 3. This establishes a consistent guide on PFAS management across the country. Stakeholder feedback on the draft was sought by the Commonwealth Government and all states and territories in late 2022 to early 2023.

Companies in NSW that still need to use prescribed long-chain PFAS firefighting foams are required to apply for a PFAS firefighting foam exemption.

To date we've approved nine exemptions, for 14 premises. We expect to see essentially all premises free from long-chain PFAS firefighting foams within about five years.

Asbestos – the next horizon

Asbestos has been a major stream of the EPA's work for many years – with good reason. Throughout last century, Australia was one of the highest users of asbestos in the world. It's estimated that the

naturally occurring fibrous mineral can still be found in one third of Australian homes.

Left undisturbed, asbestos is generally of low risk, however renovations and other building activities can turn it into a serious health hazard. This is especially true when the asbestos is old – asbestos starts to break down as it nears the end of its product life.

With more than 4,000 people dying from asbestos-related illnesses in Australia every year, effective management of the mineral is literally a matter of life or death.

In December 2022, the EPA published *Asbestos in NSW: Next Horizon*. The report outlines the issues the government intends to focus on in relation to asbestos over the next five years. This will be a joint, coordinated effort of local, state and federal government agencies (including the NSW EPA), peak bodies for Local Government, and Aboriginal land councils. ■

Getting the jump on emerging contaminants

Better collaboration with other environment protection authorities and innovative work using artificial intelligence (AI) could revolutionise how we identify and prioritise emerging chemicals of concern for further investigation.

All the EPAs from Australia and New Zealand got together in March 2023 for the first EPAs Science Symposium. The goal was to identify areas where they would benefit from sharing research and resources, and develop action plans for collaboration.

Karen Marler, Director Technical, says every EPA cited emerging contaminants as one of their highest priorities, and agreed the work being done in this space by different states and territories shouldn't be done in isolation.

'We're actively sharing our work and promoting aligned approaches for the development of tools to identify and respond to emerging contaminants because there are huge advantages in all jurisdictions pooling their combined expertise, resources and experience,' says Marler.

'We're doing a brilliant piece of work, and other jurisdictions and the Commonwealth are tackling the same problem from different angles. If we bolt all those things together, we'll have a really powerful tool that everyone can use.'

Narrowing the field

The 'brilliant piece of work' being done by the NSW EPA involves distilling the thousands of potentially harmful chemicals in our environment to a shortlist

of those most likely to cause problems in NSW.

Until now, searching multiple databases for global scientific research has been hugely time consuming. Also, a chemical that emerges as a problem in one country or jurisdiction may not end up posing a threat in another.

However, we've been tackling the problem with innovative work that's years ahead of what's being done in Europe.

Our goal is to get ahead of the curve by identifying, managing and preventing legacy contamination.

Putting AI to work

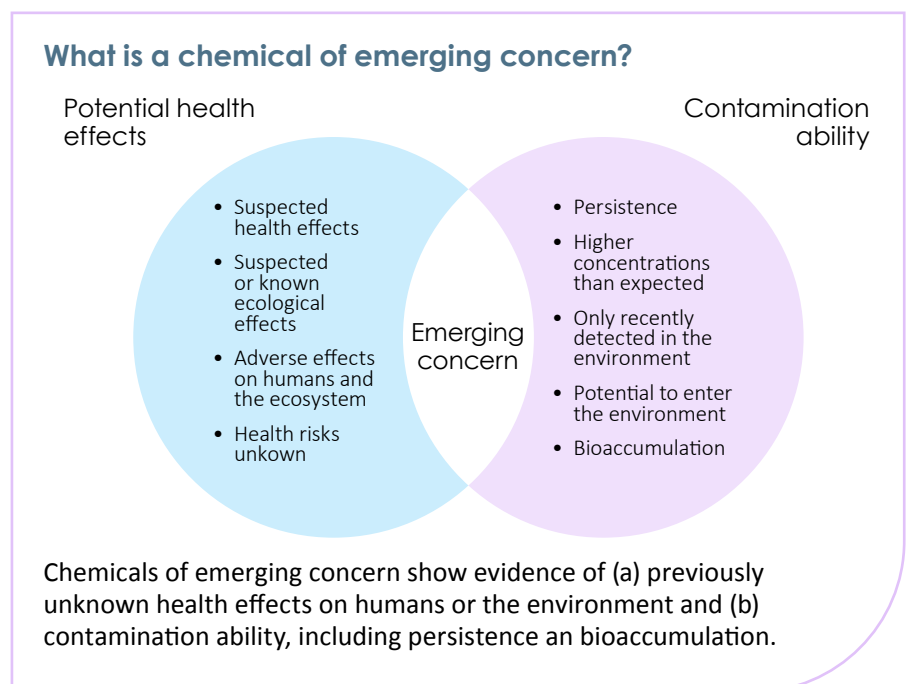
Led by Principal Technical Advisor Resource Recovery, Dr Julie Cattle, we have been working with a New Zealand company, HazEL (Hazard Evaluation Ltd), to develop code to find the right papers in the

databases and use AI to 'read' them. They've come up with a definition of what a chemical of emerging concern is, and started feeding carefully worded prompts into the AI software to identify the chemicals most relevant to NSW.

'It's like a virtual toddler,' says Cattle. 'It has no adult reasoning skills. But it's trainable. The results are improving all the time.'

As the picture of chemical harm continues to evolve, our goal is to get ahead of the curve by identifying, managing and preventing legacy contamination.

'New chemicals pop up all the time,' says Cattle. 'But it might not be just new chemicals. It might be new exposure pathways for a chemical. Or something we knew was a problem but now we have the techniques to measure it. Maybe new data has come to light that shows a chemical we thought was okay is actually quite persistent and has toxic effects. We're looking for all of those things.'



Once potential problems are identified, the next step is to decide, either independently or in conjunction with Commonwealth bodies, if any regulatory intervention is needed. Our work will help us to respond early to

red flags rather than wait for harm to manifest, possibly in 20 or 30 years' time.

In the immediate term, the plan is to integrate the new AI methodology into the cloud-based application called HazEL.

And for anyone worried that AI is taking their job, fear not.

Julie Cattle says, 'Although AI can do all these great things, you'll always need people who know what they're doing to look at what the AI produces and make sure it's fit for purpose.' ■

ECOLOGICALLY SUSTAINABLE DEVELOPMENT

The EPA protects the environment and human health through regulation. We do this in two ways, both illustrated in this section.

In a 'hands on' approach, we actively enforce existing policy and legislation, using the different tools in our regulatory toolkit: monitoring the actions of others; educating them; requiring them to take certain action or provide information; and enforcing regulations through legal means where necessary. You can see these actions at work in our campaigns to prevent pesticide spray drift and in our oversight of forestry operations.

We also shape regulation and policy settings, which influence outcomes more broadly. For instance, we can develop policy settings that will promote the circular economy, and so make more efficient use of materials and reduce greenhouse gas emissions. This deeper level of influence is at work in the new Protection of the Environment Policy (PEP) for sustainable construction.

Protecting our forests for future generations



Forestry and EPA officers checking bushland. Photo: EPA

The native forests of NSW are a precious asset. They are home to numerous plant and animal species; they provide a renewable resource, timber; and they are highly valued recreational areas for the community.

The EPA plays a crucial role in regulating timber harvesting to ensure forest ecosystems are safe, and future generations can enjoy their benefits. We regulate through inspections, education and penalties, focusing on forestry operations that have the highest level of environmental risk.

Forestry Corporation of NSW manages commercial native and plantation forests. In June 2023, the NSW Audit Office released a report assessing how well Forestry Corporation of NSW manages its public native forestry activities to comply with

the State Government’s rules for safe, ecologically sustainable harvesting.

The report also assessed the EPA’s regulation of these activities. It found that our approach is consistent and effective, especially in coastal areas.

We accepted the report’s three EPA-specific recommendations for how we can further strengthen our capacity to protect native forests, and a joint recommendation for the EPA and Forestry Corporation to improve how we work together.

Two recommendations have already been implemented. We have:

- introduced additional advanced training sessions for regulatory officers who conduct forestry inspections

- fully implemented the Memorandum of Understanding with Forestry Corporation, signed during the 2019–20 Black Summer bushfires, which sets out how the agencies will develop a more cooperative relationship to implement ecologically sustainable forest management.

We’re making progress on the remaining recommendations. By the end of 2023 we’ll have refined our approach to undertaking risk assessment in the three Western Integrated Forestry Operations Approval Areas, to ensure that we have oversight of all high-risk forestry sites across the State. We are also investing in new technologies and equipment so that our staff are better resourced to undertake forestry inspections. ■

Stopping the drift



EPA officers flew over farmland in a helicopter to observe where and how pesticides were being applied. Photo: EPA

If you live in a city, chances are you haven't had to worry about spray drift – but it can be a huge problem for the farmers who produce our food and other commodities.

Farmers who spray their crops to protect them from weeds and insects must do it under the right conditions so the chemicals don't drift away and damage native vegetation or other people's crops. This is especially important when spraying on very large farms that grow broadacre crops such as wheat and cotton.

Farmers who use pesticides must be licensed to do so and follow the requirements set out in laws and regulations. Most farmers do act responsibly, but spray drift incidents can have devastating impacts on agriculture and our environment, causing millions of dollars' worth of damage.

To help farmers and crop sprayers manage pesticides safely, we are running the Broadacre Pesticides project. This has nine sub-projects, and includes compliance and education campaigns.

Compliance campaign

This year we designed and delivered a compliance campaign in areas with high rates of pesticide use, across nine Local Government areas in NSW. The targeted region runs from Moree and Walgett in the northwest to Griffith and Leeton in the south. Our officers visited more than 140 premises to inspect:

- how pesticides were stored and used
- pesticide licensing and training certification

- how pesticide use was recorded
- local impacts of spray drift.

We gave out educational materials such as a template for properly recording pesticide use and 'How to report spray drift' cards. We also issued more than 120 advisory letters, to remind farmers of their obligations.

An aerial survey by helicopter helped EPA officers monitor large areas of farmland to help us identify properties where pesticides were being applied. We then sent notices to the property owners that required them to provide information about their pesticide use on the day of the survey.

Other project activities

We've been working closely with peak industry bodies, landholders and agronomists to understand why there has been an increase in spray drift, and identify solutions. Some causes – for example, unexpected weather – are outside farmers' control, but there is plenty they can do to stop spray drift.

We've developed a series of short videos designed to help communities understand the risks of spray drift and how to prevent it. The videos, which include messages from farmers and agricultural advisors, are available on the EPA website.

In collaboration with Local Land Services, we hosted a stall at Riverina Field Days in Griffith in May. Field days attract high

numbers of people involved in all aspects of the agriculture industry. They are a great opportunity for our staff to chat to the farming community about their concerns, offer to review their pesticide spray records, and support them to stop farm chemicals causing harm. We plan to attend more field days in other parts of NSW in coming months. ■

Sustainable construction policy

The way materials are produced, used and disposed of contributes up to 45% of global carbon emissions. A new EPA construction policy will reduce embodied carbon emissions and encourage the use of materials made from remanufactured waste.

In early 2023 we partnered with Infrastructure NSW to start developing a Protection of the Environment Policy (PEP) for sustainable construction.

Under this policy, the proponents of public infrastructure projects will have to measure and reduce their embodied carbon emissions. Embodied emissions are those generated when materials are produced, transported, used in construction and disposed of. By keeping materials circulating in the economy for as long as possible, we can reduce total emissions.

The PEP will contribute to achieving Action 10 of our Action Plan 2023–26 – 'Develop and implement programs to reduce greenhouse gas emissions from the waste sector'. It should lead to more recycled materials being used in public infrastructure. This greater market demand will help stimulate supply – another step towards a circular economy in NSW.

How will it work?

Public authorities, as builders or approvers of projects, will be required to consider the provisions of the PEP for all new public infrastructure proposals. For example, they will have to consider how a proposal:

- measures and reports embodied carbon emissions
- analyses options to reduce embodied carbon in the design and construction stages
- prioritises the use of low-carbon, recycled or remanufactured materials derived from waste streams generated in NSW.

An independent analysis published by the EPA in 2022 identified three problematic waste streams – coal ash, crumbed waste tyres and recycled asphalt – that offer recycling potential in the construction sector.

Next steps

The PEP is being piloted on three Transport for NSW projects: the Edmondson Park North multi-storey commuter carpark, St Marys Footbridge, and the M12 West (a section of the new M12 Motorway in Western Sydney).

We'll release the draft PEP and impact statement for public consultation in late 2023. Following any changes arising from the consultation, we expect to finalise and implement the PEP in 2024. ■

CLIMATE CHANGE

The release of our climate change policy and action plan has been the culmination of a great deal of work, and a true highlight of the year for us.

We are now in a position to regulate greenhouse gases like any other pollutant. NSW is the first state in Australia to have a comprehensive plan for reducing greenhouse gases.

Tackling the challenges of climate change

In January 2023 we released our climate change policy and associated action plan. This is an important part of our work in protecting the environment from the threat of climate change and in delivering actions that will support NSW to achieve net zero emissions by 2050.

Together, the *Climate Change Policy* and *Climate Change Action Plan 2023–26* outline our comprehensive regulatory approach and actions we'll take to address the causes and consequences of climate change in NSW. The policy and action plan are a result of extensive research, consultation and stakeholder engagement to identify how we can best support industry to decarbonise and build greater preparedness and resilience to climate change risks.

The policy commits us to mitigating the cumulative impacts of industry on local communities and environments. It also signals the stronger regulatory action we'll take over the medium to longer term to support the State Government's climate change commitments and policies.

Our focus for now is on enabling and supporting best practice and building collaborative processes to ensure the actions we take are meaningful, feasible and cost-effective. The policy is supported by a three-year action plan.

The policy commits us to mitigating the cumulative impacts of industry on local communities and environments.

Regulation of greenhouse gases

With our new policy and action plan, we'll now look to regulate greenhouse gases like any other pollutant. NSW is the first state in Australia to have a comprehensive plan for reducing greenhouse gases.

Our climate change policy and action plan build on a number of NSW Government plans and strategies. Chief among these are the *Net Zero Plan Stage 1: 2020–2030* and *NSW Climate Change Adaptation Strategy*. Both are aimed at reducing greenhouse gas emissions while also growing the economy, creating new jobs and lowering the cost of living. To support the plans, the government will phase in legislation to realise net zero targets.

The policy and action plan at a glance

The *Climate Change Policy* and *Climate Change Action Plan (2023–26)* are published on the EPA website.

They set out clear expectations and a regulatory framework for licensed industries, to help them reduce greenhouse gas emissions and build resilience to climate change.

The regulatory tools we'll use will depend on the needs of the industry sector. They include education, research, grants, behaviour change programs, best-practice guidelines, standards and targets, and licensing.

Policy

The climate change policy has three focus areas.

Inform and plan

- Work with industry, government and experts to

improve the evidence base for regulating climate change

- Embed climate change into planning and regulatory decisions
- Help licensees prepare, implement and report on climate change mitigation and adaptation management plans
- Work with Aboriginal people and our Environment Youth Advisory Council to evolve the EPA's climate change response.

Mitigate

- Establish cost-effective emission reduction targets for key industry sectors
- Provide industry with best-practice guidelines to help it reduce emissions
- Phase in greenhouse gas emission limits on licences for key industry sectors

Adapt

- Develop resilience programs and best-practice guidance for adaptation
- Harness citizen science, and develop and implement community education programs

Implementation

The climate change action plan sets out new and continuing actions to help regulate carbon emissions, reduce climate change impacts, and support adaptation over the next three years and beyond. We undertake to work collaboratively with industry and all levels of government to ensure actions are meaningful, feasible and cost-effective, and do not duplicate other regulatory arrangements.

We'll track the progress of implementation on our [website](#).

Public consultation

We carried out extensive public consultation on draft versions of our policy and action plan over eight weeks, from 7 September 2022 to 3 November 2022. Invitations to make a written submission or complete an online survey were advertised widely via targeted emails, media articles, Facebook and Twitter posts.

We hosted six information sessions and held more than 30 meetings to provide an overview of the draft documents. At these meetings, stakeholders were able to discuss the drafts, ask questions and raise issues and concerns.

We received 1,071 submissions in total: 103 unique written submissions, 128 online surveys and 840 submissions via a *GetUp!* survey.

Feedback from all forms of consultation indicated that our stakeholders generally supported our response to climate change, with nearly 98% of submissions (or 90% excluding the *GetUp!* form submissions) supporting or being neutral towards the draft policy and action plan.

Our **consultation summary** outlines the submissions and survey results, and details other stakeholder engagement activities.

Stages of implementation

Our climate change action plan describes how we're phasing in the climate change policy's objectives over the next three years.

Stage one Listen to understand what industry is already doing to address climate change. We've begun doing this in 2023, the first year of the action plan.

Stage two Phase in feasible, evidence-based emission reduction targets for key industry sectors we license, and provide guidance for reaching the targets.

Stage three Require our licensees – that is, holders of environment protection licences – to prepare climate change mitigation and adaptation plans.

Stage four Require improved performance from our licensees, using a range of tools – for example, by placing pollution reduction programs on licences, where this is needed.

At every stage of the process, we'll be transparent about what we're doing so that the industries we regulate understand the steps we're taking, and what's required of them.

Progress against targets

We're tracking progress in implementing our plan on the EPA [website](#). Below is a summary of what we've achieved in the first six months of implementation to 30 June 2023. ■

Item in action plan

What we've done to support the action

2 Engage and collaborate with climate change experts across the NSW Government, and with other jurisdictions, as the EPA develops and implements its climate change actions

Provided ongoing input and advice on the Commonwealth Safeguard Mechanism reforms.

Established, with the NSW Office of Energy and Climate Change, a Climate Change Policy and Action Plan Project Partnership Steering Group.

We have also continued to work with other cross-government steering committees and working groups. These committees and groups help us track progress, align priorities, reduce duplication and collaborate in other ways.

Worked with our colleagues in the Heads of EPAs Australia and New Zealand (HEPA) group, to establish the HEPA Climate Change Community of Practice. This will improve national collaboration and help us harmonise emission targets and limits, and align with the Commonwealth Safeguard Mechanism. We began chairing this group in February 2023.

3 Monitor emerging issues, trends, risks and opportunities surrounding the issue of climate change and the transition to a decarbonised economy

Prepared the EPA's first Climate Change Horizon Scan, to help us keep abreast of emerging issues, trends, risks and opportunities surrounding the issue of climate change and the transition to a decarbonised economy.

5a Focus our regulatory effort by first listening to our regulated community, so we understand the climate change actions already being taken

Developed a survey to be sent to our licensees – holders of environment protection licences – to help us understand:

- what they are currently doing to reduce greenhouse gas emissions and the impacts of climate change on their operations
- how we can support them in doing this.

The survey ran from 7 August to 1 September 2023, and its results will inform the development and implementation of other actions in the action plan.

Item in action plan

What we've done to support the action

<p>5c Partner with DPE to seek to ensure climate change is being adequately addressed by proponents of activities we'll regulate, and that approvals contain appropriate conditions</p>	<p>Commenced draft climate change assessment requirements in cooperation with the Office of Energy and Climate Change, and the Department of Planning and Environment, to ensure climate change is considered in planning assessments.</p> <p>Prepared draft guidelines to support the EPA's new role in regulating net zero emissions from firming infrastructure. We are working with AEMO (the Australian Energy Market Operator) and the Consumer Trustee, to ensure long term service agreements enable the EPA to regulate effectively.</p>
<p>7 Regularly discuss our climate change approach with the EPA's Environment Youth Advisory Council, to ensure we're putting intergenerational equity into practice</p>	<p>Engaged with the EPA Youth Advisory Committee on our climate change policy and action plan.</p>
<p>8 Prepare an annual EPA statement on climate change impacts, risks and adaptation to better understand and prepare for the impacts of climate change on our operations</p>	<p>Developed and released the EPA's first climate change impacts, risks and adaptation statement.</p>
<p>10 Develop and implement programs to reduce greenhouse gas emissions from the waste sector, including our target of net zero emissions from organic waste in landfills by 2030</p>	<p>Released a statement of intent for a Protection of the Environment Policy for embodied emissions in government infrastructure and tools to support carbon abatement in the circular economy.</p>
<p>14 Regulate short-lived climate pollutants from our licensees</p>	<p>Trialled new methane measurement and monitoring techniques with the University of New South Wales to support more accurate assessment and verification of methane emissions from licensed facilities. The trials included a pilot greenhouse gas survey in western Sydney.</p>
<p>19 Encourage and support our regulated community to innovate</p>	
<p>15 Lead by example, maintaining efforts to become a carbon-neutral organisation by 2030</p>	<p>Progressed action towards making EPA a net zero organisation.</p>
<p>20 Protect the environment during emergency response and recovery, and strengthen our approach by being better prepared for the impacts of climate change</p>	<p>Continued to deliver flood clean-up programs, monitor water quality and support councils in removing eligible flood debris.</p>

INCIDENT RESPONSE AND DISASTER RECOVERY

We don't just act behind the scenes: we're out there, responding to the community. We respond daily. Bad smells, waste out of place, dirty air and water – when people spot these, they pick up the phone to the EPA. This year our Environment Line phone service took more than 30,000 calls from the community.

We also respond to incidents – fires, vehicle accidents, chemical spills – that happen less often but still many times a year. Our response can include getting a team out to the incident, day or night.

And we respond during and after natural disasters. Bushfires and floods generate huge amounts of waste and can spread chemical contaminants into air, soil and water. The EPA works with other agencies to help communities clean up and recover. (Through our *Climate Change Action Plan*, we're also helping businesses prepare better for natural disasters: see page 43.)

We're just a phone call away

The Environment Line team fielded a total of 32,093 calls.

When you need to report pollution or environmental incidents, the number to call is 131 555.

This is Environment Line, a vital point of contact between the public and the EPA.

Operating round-the-clock, it's a convenient and accessible way for the community and businesses to seek help and advice on environmental issues. And it plays an essential role in our efforts to build a cleaner, more sustainable future for everyone.

We're here to listen and act. In 2022–23 the Environment Line team fielded 32,093 calls, actioned 38,892 email and online

enquiries, and logged more than 7,816 environmental incidents.

Most of these interactions concerned chemicals, waste, noise and odours.

Often there are clusters of calls related to major environmental events. Two of our biggest volumes of enquiries this year were related to pollution incidents: the oily wastewater overflow from Ampol fuel terminal at Kurnell, and the Metropolitan Collieries coal waste incident impacting Camp Gully Creek.

Every call we get is a chance for us to respond effectively and address concerns.

Number of email, phone and web reports

Chemicals	7,404
Waste	5,519
Radiation Non-Licensing	72
Licensee Reports	2,302
Noise	3,283
Air	3,361
Water	3,557
EPA Licensing	9,374
Land Management	1,365
Legal	416
Planning	623
Corporate	1,654
Other	3,198

Ready for the rain

When NSW was struck by rain in July and November 2022, and again in early 2023, the EPA was ready with a number of clean-up programs.

Shoreline teams trawled the beaches and rivers from the Shoalhaven River in the south to the Tweed River on the Queensland border. Together with our contractors, we recovered boats, caravans, chemical drums, tyres and even a huge shipping container (see page 49). This amounted to more than 24,400 cubic metres of waste across NSW – enough to fill almost eight Olympic swimming pools.

Additionally, our land-based clean-up program expanded to help private landowners remove large or hazardous debris from their properties. This program removed 975 tonnes of flood debris from public land, 279 tonnes of flood debris from private properties and 163 tonnes of debris from cane farms.

Further inland, the team established the Central West Clean-up Program, which focused on the Parkes, Forbes and Cabonne Local Government Areas (LGAs). The concentration of debris across the three LGAs has been a significant challenge for the community. Over the course of the year, we've removed more than 1,796 m³ of debris from the Central West, of which 800 m³ was hazardous.

'You see these volumes of debris coming out of the environment and you know you're making an impact straightaway,' says Martin Puddey, manager of the Floods Program team.



During floods, many household items such as furniture, appliances and electronics may become waterlogged and unusable. These items must be sorted and discarded properly. Photo: EPA

The later stages of flood recovery

By mid-2023 final inspections were taking place and programs were wrapping up in many parts of northern NSW that had suffered from flood debris. The team continues to run a maintenance program to manage any debris that might become remobilised following the initial clean-up.

'We're moving into the wrap-up stage for most of the clean-up programs we're running,' says Puddey.

'There will be a focus now on evaluating the effectiveness of what we've done and reporting on how programs have met their objectives.'

Water sampling after the floods

The EPA is also closely monitoring the recovery of river systems in the wake of the 2022 floods. We're working with the Department of Planning and Environment to deliver a comprehensive two-year water quality program in significantly impacted catchments along the east coast of NSW.

The two-year program kicked off in September 2022. We've been working with community stakeholders to gather new data that helps us understand how floods change indicators of water quality such as sedimentation, nutrient load, dissolved oxygen, chemical contamination and bacteria.

This information will be shared with communities through a new online water-quality platform we're now developing. ■

Assessing flood-contaminated land

In November 2022, Chief Executive Officer Tony Chappel announced the EPA's new Flood Contaminated Lands Assessment Program. The program offers free, independent soil assessments for eligible properties in the Northern Rivers area.

'Today is about giving people confidence that their homes are safe,' said Chappel during a trip to Lismore.

'We have been here from day one and we will be here until the job is done.'

To June 2023, we have received 86 applications under the program, and completed 57 risk assessments and 41 site investigations. To date only six sites have required further sampling, with the rest showing no flood-related contamination of concern.

Sonar technology elevates clean-up efforts



We lead the submerged debris program, which uses cutting-edge sonar technology to locate and identify underwater debris. Over the past year, our specialist contractors detected more than 1,700 items that pose a potential safety or environmental hazard. They included large fuel tanks, steel gangway structures and cars. Photo: EPA

Efforts in 2022–23 were focused on priority locations, such as the Tweed, Wilsons, Richmond, Clarence, Woronora and Shoalhaven rivers. Among the largest items identified and removed was a six-metre shipping container in Wilsons River, just south of Lismore.

Our specialist dive team took a dip into murky waters to rig up the container. It was floated to the surface with a giant airbag – an incredible feat considering it weighed more than 15 tonnes when filled with water.

There was much excitement, too, about cracking open the container. What would be inside? As it turned out, nothing very exciting – just a stack of window frames!

Sonar is the best way to find objects hidden underwater.

Data from the submerged debris program is used to create our interactive visual flood debris map, which includes 30,000 data points. A final data report and flood debris map will be released in late 2023. ■

Working together at Ukerebagh

Flood clean-up in Ukerebagh Nature Reserve was a positive and rewarding experience for everyone involved.

Rangers from the Tweed Byron Local Aboriginal Land Council (LALC) and the Tweed Aboriginal Co-operative Society accompanied EPA crews to share their valuable knowledge of the local area, and to help preserve culturally sensitive sites during the clean-up.

Chairperson of the Tweed Aboriginal Co-operative Society, Nicole Rotumah, says rangers provided cultural support to the clean-up crews.

‘Ukerebagh Island is important to our local Aboriginal people, including the Blue Hole, for traditional hunting and gathering oysters, crabs and fish,’ she says.

CEO of the Tweed Byron LALC, Leweena Williams, agrees it was really important that the LALC was part of the clean-up and making the area safe.

‘This river system is really important to our people,’ she says. ‘We’re a saltwater people and we have a responsibility to take care of it.’

‘This river system is really important to our people. We’re saltwater people and we have a responsibility to take care of it.’

The teams successfully cleared more than 50 m³ of flood debris, while keeping the area safe. Debris included a 12-tonne pontoon, which had been washed into the area after multiple flood events in 2022. ■

EPA crews worked with local rangers to clean up Ukerebagh Reserve near the mouth of the Tweed River. Photo: EPA



Supporting bushfire recovery



The FenceCycle Program supported eligible councils with the collection and recycling of metal components of burnt rural fencing materials. Photo: Snow Valleys Council

At the end of this financial year, we wrapped up four of our five bushfire recovery programs.

These vital programs have supported public land managers, Local Aboriginal Land Councils and local councils as they recover from the devastating 2019–20 bushfires.

The programs targeted ongoing waste issues, such as illegal dumping, green waste, rural fencing waste, clean-up of asbestos and repair of council landfills. A total of \$6.6 million was awarded through grants and contracts for clean-up works, data collection and bushfire impact assessments.

The first completed program was the Aboriginal Lands Bushfire Recovery Program. This funding was specifically for clean-up and rehabilitation projects on land managed by Aboriginal communities.

The program provided regional employment and training opportunities.

By listening to local communities and giving them control of the work plan we get better program outcomes.

Under this program we cleaned up and disposed of bushfire waste, including legacy asbestos made friable from fire. We also installed deterrence infrastructure, such as fencing and gates, to prevent future illegal dumping.

Throughout the process, we have worked respectfully with Aboriginal landowners and communities.

We've listened to local communities, given them control over what works are undertaken and by whom, and conducted program work in a way that meets their needs.

All up, the Aboriginal Lands program has delivered more than \$7.3 million to 22 Aboriginal communities, for projects across 64 locations. We've worked for Country as far flung as Bundjalung on the North Coast, down to Yuin Country on the South Coast, and out to Wiradjuri Country (Bathurst) in the west. Our collaboration has enabled legacies such as the building of a campground by Eden Local Aboriginal Land Council.

The Council Landfill component is ongoing, but all five bushfire recovery programs are currently being evaluated. ■

Listening to communities

Every community deserves clean air and a healthy environment. We make it a priority to support stakeholders in protecting their local land, air and water.

We've been working to have a more consistent and collaborative dialogue with stakeholders, so we can better understand the issues affecting them and create more opportunities to work together.

This year we finalised a new stakeholder engagement strategy. This recognises the valuable contribution that stakeholders make to looking after our environment, and sets out our new approach.

We've also increased capability in our Engagement team so that community groups, councils and licensees can have a regular, familiar contact person in the organisation. This helps us engage directly with stakeholders more often, and increases our presence in the community.

The Cadia mine

When there's a pollution incident, to get the best outcome we have to listen to the community affected.

That's why, in March this year, we responded quickly to community concerns about dust from the Cadia gold mine near Orange – concerns that it could be contaminating air, soil and water with metals.

We immediately investigated the mine's operations and sampled rainwater tanks for contamination. We engaged with the Cadia community by:

- responding to complaints through Environment Line
- talking with local councils to better understand key concerns
- hosting two drop-in sessions in the local town of Millthorpe, so that we could meet community members and hear from them directly
- providing water testing results to individual residents
- providing timely updates to the community through personal emails, a dedicated webpage and media releases. This was part of a tailored communications strategy.

We also established an independent expert panel to provide advice for our ongoing investigations and monitoring.

Looking ahead

With its first meeting set down for August 2023, the independent expert panel will advise on potential sources of pollutants, and suggest ways to reduce the risk of harm. It will also ensure the community is provided with the best advice on what is being done about the mine's emissions, and why.

In the coming year we'll continue to investigate and regulate Cadia's operations to ensure the environment and community are safe. We will also support the community through our strong engagement plan.

The community has told us it wants easy access to reliable environmental monitoring data. We plan to create more opportunities for the community to take part in an expanded air and water quality monitoring program, and will continue providing regular updates on test results. We'll also hold more drop-in sessions, as these are important opportunities for locals to give their perspectives, which inform and improve our regulatory actions. ■

HOLDING POLLUTERS TO ACCOUNT

The EPA has responsibilities and powers under environmental legislation to protect the environment and public health. As the primary environmental regulator for NSW, the EPA holds individuals and organisations to account when their actions pose significant potential or actual threats to human health and the environment.

Below is a summary of prosecutions conducted during 2022–23, along with case studies and a list of legislative changes.

Prosecutions

This year the EPA conducted successful prosecutions for a range of environmental offences including:

- water pollution
- breaches of environment protection licences
- illegal waste disposal and storage
- providing false and misleading information
- failing to comply with clean up notices
- transport of dangerous goods.

We also conducted a successful prosecution under the NSW Container Deposit Scheme, for presenting a container to a collection point where the container had previously been redeemed for a refund.

The EPA successfully prosecuted 51 cases (out of 57 completed) and the courts imposed \$2,870,650 in fines and financial penalties against defendants. Our prosecution success rate was about 93% for substantive prosecutions (excluding littering). Case studies of successful prosecutions are included in this section of the report. ■

Value of penalties imposed for EPA prosecutions

Fines	\$2,528,150
Other financial penalties (excluding legal costs)	\$342,500
Total fines and other financial penalties	<u>\$2,870,650</u>

In 2022–23, of the completed prosecutions, 54 were for substantive offences and the other three 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 54 substantive prosecutions resulted in:

- 49 convictions
- 1 matter where the offence was proven but a conviction was not recorded
- 1 dismissal
- 2 acquittals
- 1 permanent stay

The three court-elected littering prosecutions resulted in:

- 1 conviction
- 1 acquittal
- 1 dismissal

Appendix B provides full details of the substantive prosecutions completed under EPA legislation in 2022–23.

Minister's role

In line with section 13(3) 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, the EPA keeps the Minister informed of the progress of significant investigations and prosecutions.

Prosecution case studies

The following case studies illustrate the range of offences for which the EPA regularly prosecutes and highlight significant outcomes in the courts in 2022–23.

ACE Demolition & Excavation Pty Ltd

Offence: Four offences of providing false or misleading information about waste

In 2017, ACE Demolition & Excavation Pty Ltd (ACE) was contracted by two building development companies to carry out excavation and related works, including the removal and disposal of excavation waste, at two building sites in Wollie Creek and Zetland in Sydney.

On four occasions in 2017 (18 April, 2 June, 12 June and 2 December) ACE supplied to the two building development companies false or misleading weighbridge disposal dockets and related documents that purported to account for the disposal of waste, including asbestos contaminated waste, from the two building sites. The dockets and related documents purported to have been issued by various waste facilities for the disposal of the waste from the two building sites, when in fact they related to the disposal of waste from other sites.

Plea: Guilty

Result: In February 2023, the Land and Environment Court convicted ACE of four offences of providing false or misleading information about waste.

ACE was ordered to pay:

- \$943,650 in total fines, 50% of which was required to be paid as a moiety to the EPA
- the EPA's legal costs.

ACE was ordered to publicise details of the offences in *Inside Waste* magazine, *The Daily Telegraph* and on the company's website.

ACE has filed an appeal against the decision.

Luke Cauchi and Crush and Haul Pty Ltd

Offence: One offence of liability of director for offence by corporation and one offence of carrying out a scheduled activity without a licence

Crush and Haul Pty Limited (Crush and Haul) operate at Corindi Quarry, at Corindi Beach north of Coffs Harbour. Crush and Haul extract, process and store rock and clay for sale. Luke Cauchi is the sole director of Crush and Haul. From 1 January 2018 to 31 December 2018, Crush and Haul sold 92,966.28 tonnes of extractive materials from Corindi Quarry. An environment protection licence is required for the extraction, processing or storage of more than 30,000 tonnes of extractive material per year. Crush and Haul did not hold an environment protection licence, and its director Luke Cauchi was aware of the amount being extracted from the quarry, and that an environment protection licence was required.

Plea: Guilty

Result: In September 2022, the Land and Environment Court convicted Mr Cauchi of liability of director for offence by corporation and Crush and Haul of carrying out a scheduled activity without a licence.

Luke Cauchi was ordered to pay:

- \$22,500 in total fines, 50% of which was required to be paid as a moiety to the EPA
- the EPA's legal costs.

Crush and Haul was ordered to pay:

- \$225,000 in total fines, 50% of which was required to be paid as a moiety to the EPA
- the EPA's legal costs.

Luke Cauchi and Crush and Haul were ordered to publicise details of their offence in *The Sydney Morning Herald*, *The Daily Telegraph*, *Coffs Coast News of the Area*, *The Northern River Times* and *Quarry Magazine*.

Charlotte Pass Snow Resort Pty Ltd

Offence: One offence of water pollution and one offence of breaching a licence condition

Charlotte Pass Snow Resort Pty Ltd (Charlotte Pass) holds an environment protection licence which authorises it to carry out the scheduled activity of sewage treatment processing at the Charlotte Pass Village located within Kosciuszko National Park in Perisher Valley, NSW. Charlotte Pass's sewage treatment plant discharges treated effluent in accordance with its licence conditions, into a tributary of Spencers Creek in the Perisher Valley.

Between 9 July 2019 and 24 September 2019, over a period of 78 days, Charlotte Pass discharged partially treated effluent from the sewage treatment plant into the tributary of Spencers Creek, which was found to have elevated levels of ammonia and total nitrogen – in excess of what was permitted under its licence. Part of the sewage treatment plant relies on rubber diffusers to help oxygenate tanks as part of the sewage treatment process. The diffusers were

found to be heavily fouled and not transferring oxygen effectively, which would have resulted in the high levels of ammonia in the effluent being discharged. The incident caused actual and potential harm to the environment.

Plea: Guilty

Result: In November 2022, the Land and Environment Court convicted Charlotte Pass of one offence of water pollution and one offence of breaching a licence condition.

Charlotte Pass was ordered to pay:

- \$144,000 in total fines, 50% of which was required to be paid as a moiety to the EPA
- the EPA's investigation costs of \$92,453.79
- the EPA's legal costs.

Charlotte Pass was ordered to publicise details of the offence in *The Sydney Morning Herald*, *The Monaro Post*, Facebook, Instagram and the company's website.

Sphere Healthcare Pty Ltd

Offence: One offence of water pollution

Sphere Healthcare Pty Ltd (Sphere), a manufacturer of pharmaceutical products and complementary medicines, operated at a factory in Moorebank, in Sydney’s west. In 2020 Sphere began manufacturing hand sanitiser using ethanol. In May 2020 about 60,000 litres of ethanol, contained in plastic drums, was delivered to the Moorebank premises for the purpose of producing hand sanitiser. The drums were stacked at the rear of the premises next to a grated stormwater drain. On 9 and 10 July 2020 a large fire at the rear of the Moorebank premises consumed the plastic drums of ethanol. As a result of the fire, ethanol made its way into the grated stormwater drain and into Clinches Pond about 600 m from the premises. Blue flames (consistent with burning ethanol) were seen coming from the stormwater drains along the driveway of the premises and on the surface of Clinches Pond.

The incident caused actual environmental harm and a strong odour at Clinches Pond. The ethanol depleted the oxygen levels in Clinches Pond to such an extent that it became uninhabitable to aquatic organisms and caused the death of fish and eels.

Plea: Guilty

Result: In July 2022 the Land and Environment Court convicted Sphere of one offence of water pollution.

Sphere was ordered to pay:

- \$297,500 to the Environmental Trust
- the EPA’s investigation costs of \$63,496.63
- the EPA’s legal costs.

Sphere was ordered to publicise details of the offence in *The Liverpool City Champion* and *The Sydney Morning Herald* and cause a notice to be delivered to residents of various locations in Moorebank.

Zoya Investments Pty Ltd

Offence: One offence of failing to comply with direction or requirement in a management order without reasonable excuse

Zoya Investments Pty Ltd (Zoya) owns a petrol station site located at 68 Craigie Avenue, Kanwal, on the NSW Central Coast. Zoya’s premises, and part of the neighbouring premises, have been declared significantly contaminated under the *Contaminated Land Management Act 1997* since 2018 due to petroleum hydrocarbon contamination in the soil and groundwater and their migration offsite. The EPA issued a management order to Zoya that required it to complete action items by specified due dates for the purpose of further investigation of the contamination. Under the management order, Zoya was required to engage a duly qualified person to carry out immediate rectification works on any operational issues identified in an equipment integrity test carried out on its underground petroleum storage system and provide a report to the EPA detailing those works. The equipment integrity test

report identified a leak in one of the fuel lines, and that three of four underground petrol storage tanks had failed equipment integrity testing, both of which required immediate action. Zoya failed to take action to address these operational issues for approximately a year after the date for compliance under the management order.

Plea: Guilty

Result: In December 2022 the Land and Environment Court convicted Zoya of one offence of failing to comply with direction or requirement in a management order without reasonable excuse.

Zoya was ordered to pay:

- \$320,000 in total fines, 50% of which was required to be paid as a moiety to the EPA
- the EPA’s legal costs.

Zoya was ordered to publicise details of the offence in the online magazine and online weekly newsletter of the Australasian Convenience and Petroleum Marketers Association.

Enforceable undertakings: an alternative to a court hearing

An enforceable undertaking is a voluntary and legally binding agreement between the EPA and a person, business or organisation alleged to have breached environmental legislation. Through an enforceable undertaking, the EPA may 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.

In 2022–23 the EPA entered into four enforceable undertakings. These required the parties to take corrective actions and make monetary contributions totalling \$2,739,608.32 to environmental projects and initiatives.

Appendix C summarises key actions and contributions. ■

Legislative changes in 2022–23

Legal context

Under legislation administered by the Minister for Climate Change, Minister for Energy, Minister for the Environment, Minister for Heritage, the EPA:

- issues penalty notices (see Appendix D)
- prosecutes individuals and companies that are alleged to have committed environmental offences
- enters into enforceable undertakings instead of prosecution
- develops environmental quality objectives, guidelines and policies to ensure environment protection.

See Appendix A for the full list of Acts administered by the EPA in 2022–23.

Clean air



EPA officer doing an air monitoring check. Photo/EPA

We have developed the Protection of the Environment Operations (Clean Air) Regulation 2022 (Clean Air Regulation) to improve NSW air quality and our regulation of pollution. The Clean Air Regulation started on 16 December 2022 and replaced the Protection of the Environment Operations (Clean Air) Regulation 2021. Key changes include:

- requiring the cleaner supply of cleaner petrol for a longer

period over summer

- stricter limits on volatile liquids in storage tanks
- more stringent air emission standards for older activities and plant
- revised transition periods and processes
- the creation of exemptions for electricity generators directed to maintain energy supply.

General environment protection

The Protection of the Environment Operations (General) Regulation 2022 (General Regulation) is the result of a comprehensive review and public consultation process during which the EPA worked closely with the NSW public. The new Regulation started on 1 September 2022 and replaces the Protection of the Environment Operations (General) Regulation 2021.

It continues the key provisions of the previous Regulation, with the following key changes:

- introduction of an environment protection licence application fee
- changes to 'extractive activities' thresholds
- alignment of thresholds, terms, and definitions
- amendment to the scheduled activity of 'Petroleum products and fuel production'
- changes to 'approved methods' provisions.

Contaminated land management

We developed legislation to support the administration of the *Contaminated Land Management Act 1997*. The Contaminated Land Management Regulation 2022 (CLM Regulation) replaces the Contaminated Land Management Regulation 2013 and makes the following changes:

- requires the EPA to observe its own Financial Assurance Policy and its guideline for estimating financial assurances
- prescribes the EPA's protocol for calculating monetary benefits as

the protocol to be used by the Land and Environment Court in determining the amount that represents monetary benefit for offences under the Act

- increases the amounts for penalty notice offences
- introduces a new power to waive or refund site auditor accreditation fees.

Dangerous goods – road and rail transport

The Dangerous Goods (road and Rail Transport) Regulation 2022 (Dangerous Goods Regulation) was developed by the EPA to implement the national Model Laws and make changes to clarify and strengthen safeguards for the NSW community and environment. The new Regulation started on 19 August 2022 and replaces the Dangerous Goods (road and Rail Transport) Regulation 2014. It makes changes to:

- requirements for roll stability systems
- determinations power
- specified prohibited routes
- notification obligations in emergencies
- approvals and applications for tank designs
- obligations when undertaking maintenance
- prescribe certain offences as penalty notice offences
- licensing and other fees.

New and amending Acts

No new Acts were made between 1 July 2022 and 30 June 2023.

New and amending Regulations

The following Regulations were made or remade in 2022–23:

- Contaminated Land Management Regulation 2022
- Dangerous Goods (Road and Rail Transport) Regulation 2022
- Protection of the Environment Operations (Clean Air) Regulation 2022
- Protection of the Environment Operations (General) Regulation 2022
- Protection of the Environment Operations Amendment (Waste Storage) Regulation 2023
- Protection of the Environment Operations (Clean Air) Amendment Regulation 2022
- Protection of the Environment Operations (General) Amendment (Thermal Energy from Waste) Regulation 2022
- Protection of the Environment Operations Legislation Amendment (Miscellaneous) Regulation 2023
- Protection of the Environment Operations (Waste) Amendment (Waste Contributions) Regulations 2023
- Waste Avoidance and Resource Recovery (Container Deposit Scheme) Amendment (Miscellaneous) Regulation 2023.

The amending and new Regulations were made to reduce risks to human health, prevent degradation of the environment, and make the regulatory framework simpler and more efficient.

4

Management and accountability

The EPA Board
Our Board members
Members of our Executive

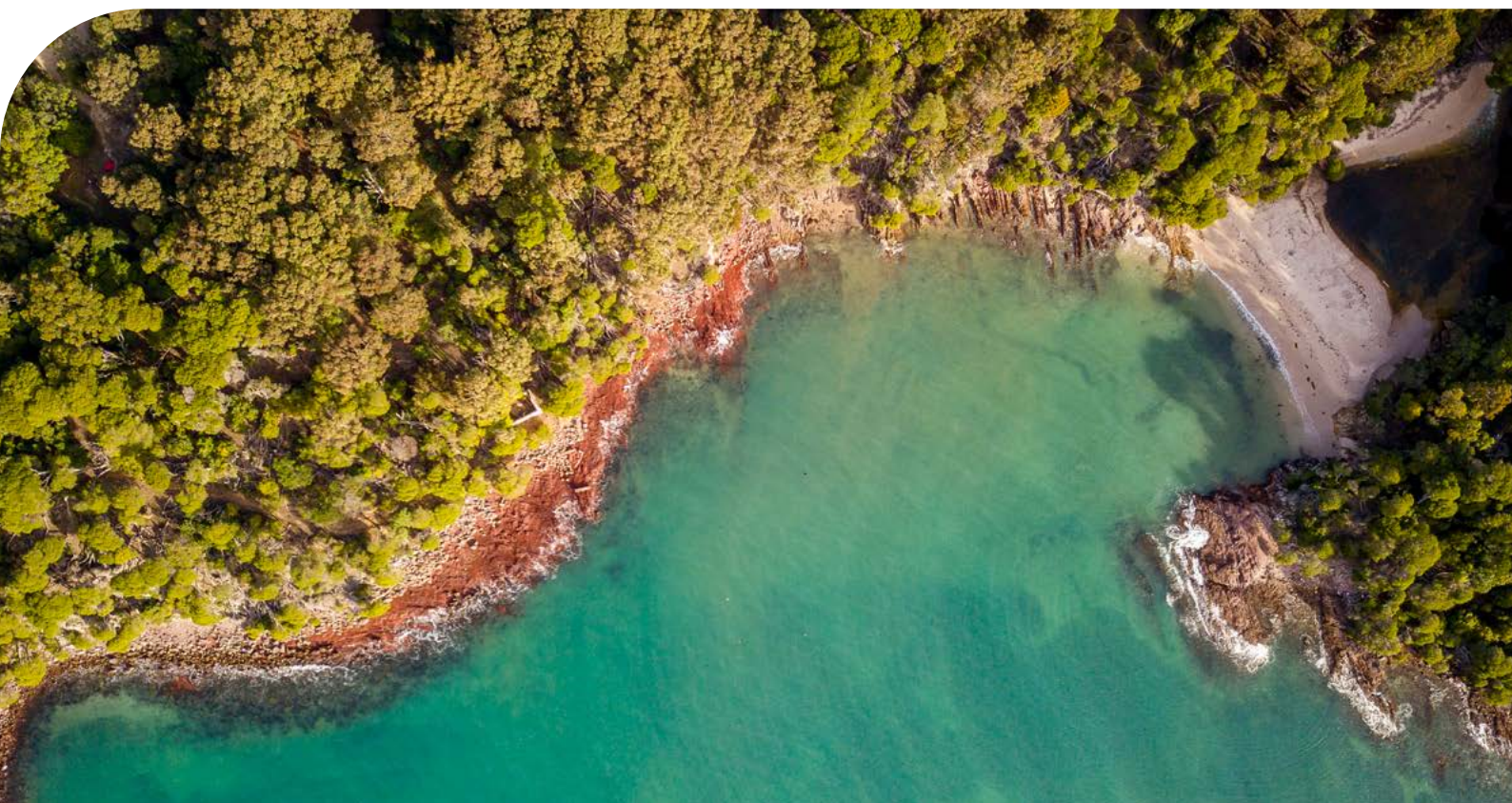
60 | The EPA Executive
61 | Risk and governance
63 | Working with integrity

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66
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Just like the industries we regulate, we need to meet a range of formal obligations. These include obligations under legislation, policies, and internal controls and procedures. We also need to identify risks that could affect our operations, act to try to prevent those risks, and prepare to respond if they do occur.

This section outlines how we do those things and the parts of the EPA that do them.

Bittengabee Bay in Beowa National Park. Photo: DPE



The EPA Board



From left to right: Michael Rennie, Carolyn Walsh, Tony Chappel, Rayne de Gruchy, Associate Professor Bradley Moggridge, Elizabeth Wild and Professor Chris Turney. Photo: EPA

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

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 responsible Minister (Minister for Climate Change, Minister for Energy, Minister for the Environment, Minister for Heritage). Members are appointed terms not exceeding five years and they may be reappointed. The CEO is a non-voting member of the Board.

What does the Board do?

The functions of the Board are to:

- determine the EPA’s policies and long-term strategic plans
- oversee the effective, efficient and economical management of the EPA
- develop guidelines relating to the institution of criminal and related proceedings
- decide whether the EPA should institute proceedings for serious environment protection offences
- advise the Minister on matters relating to the protection of the environment
- provide the Minister with an annual regulatory assurance statement.

Board meetings held

In 2022–23 the EPA Board met six times, on:

- 11 August 2022
- 20 October 2022
- 8 December 2022
- 9 February 2023
- 6 April 2023
- 8 June 2023.

Tony Chappel has been CEO since 1 August 2022, and attended all six Board meetings in 2022–23. Associate Professor Bradley Moggridge and Professor Chris Turney were appointed on 23 November 2022. All voting members attended the Board meetings, with the following exceptions:

- 8 December 2022 – Carolyn Walsh and Professor Chris Turney
- 6 April 2023 – Associate Professor Bradley Moggridge
- 8 June 2023 – Carolyn Walsh. ■

Our Board members



Rayne de Gruchy AM PSM

Chair

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

Rayne 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.



Michael Rennie

Board member

Term of appointment: 7 December 2018 to 6 December 2023

Michael 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 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 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.



Associate Professor Bradley Moggridge

Board member

Term of appointment:
23 November 2022 to
22 November 2027

Bradley is a proud Murri man of the Kamilaroi Nation in northern NSW. He is an environmental hydrogeologist, with extensive experience in Indigenous water research

Bradley feels that being a part of the Board brings together the link between protecting the environment and caring for Country, which has been the touchstone of his career, research and personal journey.

He was appointed to the Board of the Biodiversity Council in late 2022 and is a member of the Wentworth Group of Concerned Scientists, a Governor for WWF Australia, and a Fellow of the Peter Cullen Trust's Science to Policy Leadership Program. He holds a Master of Science (Hydrogeology & Groundwater Management) and Bachelor of Science (Environmental Science).



Professor Chris Turney

Board member

Term of appointment:
23 November 2022 to
22 November 2027

Chris is an internationally recognised climate and environmental scientist, and is currently the Pro Vice-Chancellor of Research at University of Technology Sydney.

He has extensive research experience in the carbon cycle, the climate system, biodiversity and tipping points in the Earth system, with a focus on mitigating the impacts of environmental change in Australia and globally.

He has worked from the poles to the tropics, including multiple seasons in the Antarctic, to improve our understanding of the stability of ice sheets and likely future sea level rise. Chris champions the value of research findings in decision-making, and is passionate about universities supporting the decarbonisation of the economy to reach a net zero economy.

Members of our Executive



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 Masters 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 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.



Michael Hood
and Divya Patel

Job share A/Director,
Governance,
Risk and Planning

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

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

Divya has more than 20 years' experience in developing social policy, programs and regulation. She worked in the UK for a decade, in medical regulation and community mental health programs. At the EPA, Divya had a lead role on the NSW Container Deposit Scheme *Return and Earn*, NSW Plastics Action Plan and the *Waste and Sustainable Materials Strategy 2041*.

Divya holds a Bachelor of Arts (International Relations) 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 about 180 staff to ensure compliance with the Acts administered by the EPA.

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 administered by the EPA.

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 from the University of Sydney.



**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.



**David
Fowler**

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

David has more than 20 years’ experience in environmental engineering and regulation. He leads the development and implementation of regulatory strategies, solutions and technical guidance. He also works to build the capabilities of the EPA and its people in regulation.

David has held senior positions throughout the environment portfolio. He has managed teams delivering regulatory reforms, providing operational support for enforcement actions related to land clearing, and administering environment protection licences.

Before taking roles in environmental regulation, David spent five years in environmental consulting, working with industrial facilities across Australia.



**Evie
Madden**

**Director, Corporate Affairs,
Office of the CEO**

Evie is a communications professional with extensive experience in the private and public sector. She specialises in media, government relations, corporate communications, and stakeholder management.

Evie has worked in broadcast journalism and across key industries in energy, construction, agriculture, water, environment and trade. She is recognised for her strategic approach to crisis management while also protecting organisational reputation.

As a member of UN Women Australia, Evie is passionate about helping younger communications professionals to not just hone their skills but also find their voice.

She holds a Bachelor of Communications and a Bachelor of Journalism.

The EPA Executive

Table 1 Average remuneration of Senior Executive staff*

Band	Range	Average remuneration 2021–22	Average remuneration 2022–23
Band 4 Secretary	\$509,251 – \$588,250	n/a	n/a
Band 3 Group/Deputy Secretary	\$361,301 – \$509,250	\$422,184	\$488,558
Band 2 Executive Director	\$287,201 – \$361,300	\$321,263	\$334,499
Band 1 Director	\$201,350 – \$287,200	\$237,606	\$242,970

* The percentage of total employee-related expenditure for senior executives in 2022–23 was 7.0%.

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

Band	Female 2020–21	Male 2020–21	Total 2020–21	Female 2021–22	Male 2021–22	Total 2021–22	Female 2022–23	Male 2022–23	Total 2022–23
Band 4	0	0	0	0	0	0	0	0	0
Band 3	1	0	1	1	0	1	0	1	1
Band 2	4	2	6	4	2	6	4	2	6
Band 1	14	11	25	14.8	10.6	25.4	11.5	11.5	23
Totals	19	13	32	19.8	12.6	32.4	15.5	14.5	30

Risk and governance

Managing risks to achieve our objectives

In 2022–23 we continued to improve our management of risk in a number of ways.

- We refreshed our register of strategic risks – the greatest risks to the organisation.
- We developed a set of regulatory priorities to address the risk of severe or catastrophic pollution events that could have a major impact on human health and/or the environment.

- Risk coordinators presented a ‘deep dive’ analysis of a selected risk to each meeting of the Audit and Risk Committee (see below).
- We consistently applied the EPA’s assurance framework. This framework shows the EPA Chair and Board, the Chief Executive Officer (CEO) and the Executive whether the organisation’s regulatory work is achieving the outputs and outcomes it has committed to. The review process built into the framework lets us identify and mitigate risks to service delivery, and continually improve our practice and risk management.

Plans for 2023–24 include:

- further development of the EPA’s risk maturity, with a revitalised approach to embedding the risk management framework into practice across all divisions
- establishing stronger relationships with divisional stakeholders
- promoting a culture of risk-awareness, with a view to enabling a more robust, risk-informed approach to decision-making.

Strengthening our governance

We have updated our Fraud and Corruption Prevention Policy Framework and introduced a complementary training program for EPA officers.

We have also implemented a new Ethics Portal to help employees complete mandatory declarations, such as conflict of interest declarations and annual declarations required under the EPA Code of Ethics and Conduct.

Audit and Risk Committee

The Audit and Risk Committee is a sub-committee of the Board and reports to the Board on a regular basis.

The Committee was established in accordance with Treasury Policy *Internal Audit and Risk Management Policy* for the General Government Sector (TPP20-08).

It provides assurance to the Board and the EPA Chief Executive Officer that we have in place 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, risk management and control frameworks.

In 2022–23 the ARC met in July, September, November, March and June. The current members of the Committee are:

- Christine Hawkins AM, Chair, 11 April 2020 – 11 April 2023
- Michael Rennie, independent member, 17 April 2023 – 17 April 2026
- Elizabeth Wild, independent member, 14 July 2022 – 14 July 2025

In fulfilling their duties, the EPA's Chief Financial Officer (now Director, Finance), Chief Risk Officer and Chief Audit Executive have independent access to the Committee, the Chief Executive Officer and the Board. This approach increases assurance that we are managing risks appropriately while discharging our regulatory, financial and audit responsibilities.

Each year the Chief Executive Officer and Chief Audit Executive complete an internal audit and risk management attestation statement that indicates all Treasury requirements have been met. This is presented on the next page. ■

EPA internal audit

The *Government Sector Finance Act 2018* requires statutory bodies to establish and maintain an effective internal audit function.

Our internal audit program is an independent and objective assurance and consulting activity that is part of the EPA's overall assurance function. Like our other assurance activities, it is designed to improve our 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 in the internal audit programs of the Department of Planning and Environment.

The Lead Audit and Assurance heads the EPA's internal audit function and is the Chief Audit Executive. 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 2022–23. This plan is reviewed at least annually to ensure that assurance work remains fit for purpose and appropriately focused on the EPA's risks.

In 2022–23 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.

Internal Audit and Risk Management Attestation Statement
2022-2023 Financial Year
ENVIRONMENT PROTECTION AUTHORITY

I, Tony Chappel, 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 NSW Treasury Policy and Guidelines Paper (TPP20-08) *Core Requirements of the Internal Audit and Risk Management Policy for the General Government Sector* specifically:

Core Requirements	Compliant, Non-Compliant, or In Transition
Risk Management Framework	
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
Internal Audit Function	
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
Audit and Risk Committee	
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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Sensitive: NSW Government
DOC23/605530-2

Audit and Risk Committee – Membership

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

- Independent Chair, Christine Hawkins AM, 11 April 2020 – 31 December 2023
- Independent Member, Michael Rennie, 17 April 2023 – 17 April 2026
- Independent Member, Elizabeth Wild, 14 July 2022 – 17 July 2027



Tony Chappel
Accountable Authority
Chief Executive Officer
Environment Protection Authority
Date 25 July 2023



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

Key risk areas

The EPA maintains a risk register which details potential risks and proposed responses. The table below summarises our management approach to key risk areas.

Risk	Management approach
<p>Business continuity and disaster recovery</p> <p>Risk that an incident may disrupt or cause the loss of EPA physical infrastructure, and/or kill or injure people</p>	<p>Putting in place:</p> <ul style="list-style-type: none"> • a Business Continuity Framework, which provides the leadership requirements, roles and responsibilities, team structures, workflows for each program component and processes for monitoring performance • a Security Framework to protect EPA assets, staff and operations • emergency management systems for all offices. This includes training fire wardens in how to act in emergencies and performing periodic evacuation drills • an incident management and response plan.
<p>Compliance management</p> <p>Risk that the EPA may not fulfil the obligations it has under legislation, regulations and government policies</p>	<p>Updating and implementing the EPA’s obligations framework. This helps employees to:</p> <ul style="list-style-type: none"> • be aware of their obligations under legislation, NSW Government policy, cluster policy, EPA policy, contractual terms and conditions that bind the EPA, and internal procedures and protocols • apply relevant and proportionate controls to prevent non-compliance • act on a regular basis to monitor and detect instances of non-compliance • identify non-compliance, and manage the risks that may result from non-compliance • promptly report instances of serious non-compliance to senior executives • take proportionate corrective action in response to instances of non-compliance.
<p>Governance risk</p>	<p>We have strengthened our internal controls to demonstrate the NSW Government’s core values of integrity, trust, service and accountability. This year we introduced a new EPA Ethics Portal to help employees complete mandatory declarations, such as conflict of interest declarations and annual declarations required under the <i>EPA Code of Ethics and Conduct</i>.</p>
<p>Fraud and corruption risk</p>	<p>We have updated our <i>Fraud and Corruption Prevention Policy and Framework</i>, which outlines our approach to developing and maintaining controls to prevent fraud and corruption.</p> <p>This year managers, regulatory officers and grant administrators had the chance to take corruption-prevention training facilitated by the NSW Independent Commission Against Corruption (ICAC).</p>

Risk	Management approach
Climate-related risks	<p>We follow a systematic process for identifying and articulating our climate-related risks, based on the <i>Climate Risk Ready NSW Guide</i>. The risks we've identified are:</p> <ul style="list-style-type: none"> • 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. <p>Last year the EPA piloted its first voluntary climate-related financial disclosure in line with the framework established by the Task Force on Climate-Related Financial Disclosures. The Climate Change Impacts, Risks and Adaptation Statement outlines the EPA's approach to identifying climate-change risks and management strategy. Our updated statement is on page 86.</p>
Waste and Sustainable Materials (WaSM) Strategy Risks associated with the delivery of the strategy	<p>The WaSM steering committee has engaged with the EPA's Governance, Risk and Planning branch to improve the governance of risks associated with delivering the NSW <i>Waste and Sustainable Materials Strategy 2041</i>. The committee plans to create a strategic risk register, and follow a risk management approach that gives it greater oversight of risk mitigation activities.</p>

EPA insurance

The EPA is insured through the Treasury Managed Fund (TMF), which is managed by the NSW Self-Insurance Corporation.

The table below shows the cost of the EPA's insurance premiums over the past five years. All amounts are rounded to the nearest one thousand dollars.

Area of risk	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Workers compensation	217	268	182	476	684
Public liability	55	74	104	262	311
Property	12	17	5	12	15
Motor vehicles	48	40	31	72	88
Miscellaneous losses*	0	0	2	4	4
Total	332	398	324	827	1102

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

Cyber security

The EPA has assessed its cyber security risks, which are discussed at Executive and Board level as part of 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 2022–23 is reproduced in Appendix G.

- information on an independent review of the NSW Resource Recovery Framework, and the EPA’s responses to the 22 recommendations to help refine and strengthen the framework
- information on the review of Metropolitan Collieries’ licence review, which was undertaken after coal material was found deposited on the banks and the bed of Camp Gully.

Working with integrity

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 clauses 8(a) and (b) 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.

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, and also information we hold that may interest the public and can be made available for public use.

In 2022–23, information released on the **EPA website** included:

- a report on the EPA’s review of the way contaminated land information is provided on planning certificates in NSW
- our regulatory approach to coal ash repositories, including a monitoring project at Lake Macquarie (see page 35)
- a report on the approved methods for the modelling and assessment of air pollutants in NSW

Access applications received in 2022–23

This year, the EPA received 76 valid applications for access to information. Most applications were made by members of the public.

More than one decision can be made in relation to an access application. The EPA made 94 decisions during 2022–23, including for applications received in the previous year. Some applications will be decided (and reported on) in 2023–24. For 2022–23 the outcomes of the 89 finalised applications are shown in the table below.

Outcome

Access granted in full	40
Access granted in part	19
Access refused in full	1
Information not held	10
Information already available	7
Refuse to deal with application	0
Refuse to confirm or deny whether information was held	0
Application withdrawn	17

For full details of the applications and outcomes, in accordance with statutory reporting requirements under clause 8 of the GIPA Regulation, see Appendix E.

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 2022–23 two 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 2022–23 the EPA made five such reports.

Privacy management

We have updated and implemented our *Privacy Management Plan*, which 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 our website.

Officers in the Governance, Risk and Planning branch provide specialist privacy advice and training to EPA staff. And each year we become a ‘privacy champion’ during Privacy Awareness Week.

‘Privacy by design’ means incorporating privacy protections into the design of information products and services. To promote it in all areas, officers of the Governance, Risk and Planning branch advise staff across the EPA. Privacy considerations are also built into policies and procedures such as the *EPA Code of Ethics and Conduct* and internal guides on handling personal information. ■

Licence reviews

Environment protection licences issued under the *Protection of the Environment Operations Act 1997* must be reviewed every five years in accordance with section 78 of the Act. Reviews ensure that licence requirements are updated to reflect changes over

time, for example in technology or surrounding environmental conditions. We provide notification to licensees, and list licences that are due for review on our website so that the public can contribute to these reviews.

In 2022–23, a total of 327 licences were due for review.

Of these, the EPA completed all reviews, with 303 reviews by the due date. With more than 92% of reviews completed on time, this upholds our commitment to ensuring that licences are reviewed in accordance with the Act. The table shows details of licence reviews over a five-year period.

Year	Total number of licence reviews	Licence reviews completed by due date	Licence reviews not completed by due date
2018–19	597	592	5
2019–20	743	724	19
2020–21	639	606	33
2021–22	284	200	84
2022–23	327	303	24

5

Sustainability

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Caring for each other and the planet is central to our responsibility to protect the environment and human health. It's fitting that we extend that care to each other – to fellow staff members and others we interact with – and take steps to reduce our carbon footprint.

This section provides information on how we recruit staff; how we celebrate their diversity; and how we support, extend and develop our people, including through training and awareness of Aboriginal culture. Also in this section is how we involve young people, through our graduate training program and Youth Advisory Council. And finally, we provide some information about our second and voluntary climate-related financial disclosure statement.



Building a strong and capable workforce



Our stall at a recruitment career expo, where we engage with the community and share what it's like to work for the EPA. Photo: EPA

The capabilities of our people are a large part of our strength as an organisation. We pride ourselves on always striving to attract the most talented and purpose-led staff. We do this through a transparent, focused and rigorous recruitment process.

But attracting the most talented staff is only part of the story. We also need to keep them engaged and growing in their careers by actively supporting and developing their talents. This in turn builds the overall capability of the EPA.

‘We build staff capability in many ways,’ says Erin Torsello, Director Capability and Talent. ‘We have many training programs, both online and in-person; a graduate program and internships; talent development and performance management; internal expressions of interest processes; and leadership development. We also recognise the importance of creating opportunities to develop and learn from others every day in our roles.’

In 2022–23 staff development covered many different areas, including corporate compliance and systems, wellbeing, health and safety, technical training, professional development and investigations. We offered 83 courses, training 1,025 EPA staff.

Engaging our employees

We place employee voices at the forefront of our communication strategy. It is centred on embracing high-impact and cost-effective solutions to create authentic content. We’ve built innovative communication channels which are featured on our internal social platforms. This includes news-style videos like ‘EPA TV’, ‘From the CEO’ and ‘Executive News, and our podcast ‘Behind the Leader’.

We’ve revamped our internal newsletter to include bite-sized stories and video features. Our intranet was also upgraded for a modern user experience. And as a result, we’ve seen continuous growth in engagement and

contributions through online events, training, polls and stories from employees ‘on the ground’.

We’ve been able to:

- Use employee feedback to enhance our communication and engagement on social platforms
- Pioneer video storytelling with a TV channel for employees
- Enabled the transition from Workplace to Yammer, for better collaboration across the EPA
- Streamline communication through targeted email lists
- Curate online and hybrid events, including expert panels, CEO Q&As, Reconciliation Week, and our employee recognition program, the SHINE Awards.



Looking ahead, we remain committed to fostering even stronger connections across the organisation. We are dedicated to empowering employees and advancing our communication strategies to meet our evolving needs.

Staff wellbeing and safety



Together, we seek to understand and address potential challenges, for a safer and secure work environment. Photo: EPA

In 2022–23 our resilience and wellbeing were tested yet again, with our people experiencing the sustained effects of the COVID-19 pandemic, lockdowns and related isolation. Environmental disasters such as floods, and economic changes, were also front of mind when our staff engaged with members of the community who were experiencing such issues in their own lives.

To support our staff we ran a staff hotline, regularly updated policy to reflect the change in virus controls, offered wellbeing and safety awareness training modules, and continued to support flexible working.

‘We have continued our focus on flexibility and the benefits it brings for our staff. Our leaders discuss flexible working agreements with their team members.

We recognise we are individuals and that different people value different aspects of flexibility,’ says Erin Torsello, Director Capability and Talent. ‘We looked to give people, especially carers and parents, greater balance in their work–home lives. We also let people get their vaccinations during work hours. These may seem like little things, but they can make a big difference to people’s mental health and preventing burnout.’

We’ve established a highly engaged and passionate work health and safety (WHS) committee to further improve WHS consultation and support our health and safety representative network. This is working to better understand workplace risks. It is promoting conversations about driving, security and safety in the field, and developing ways to manage these risks and others.

We’ve also added to the WHS team a WHS strategic business partner and two WHS advisors. The people in these roles have started looking at how we manage safety across the organisation, including how we reinforce our safety culture.

The EPA’s Audit and Risk Committee reports wellbeing, health and safety matters to the Board and Executive members. Executive members aim for at least one safety interaction every month to foster a safety-aware culture. The current focus is on embedding ‘safety moments’ when staff engage as teams. This helps keep WHS part of ‘the way we do things around here’. ■

WHS claims and reports

The number of reported WHS incidents and the number of compensation claims made in 2022–23 were both slightly lower than in 2021–22. The value of the claims was significantly lower.

EPA claims and reports

	2018–19	2019–20	2020–21	2021–22	2022–23
WHS incidents, accidents and injuries reported	53	47	55	89	86
Workers compensation claims made	2	10	10	10	8
Value of workers compensation claims*	\$5,315	\$150,357	\$184,168	\$419,934	\$246,072

* Based on net incurred

Supporting mental health

This year we ran several programs to improve mental health in the workplace, build resilience and enhance wellbeing. They included:

- Avoiding and managing burnout
- Introduction to vicarious trauma
- Mental health in the workplace, building resilience and enhancing wellbeing.

The programs focused on prevention and early intervention, and increased understanding of mental health.

Staff profile

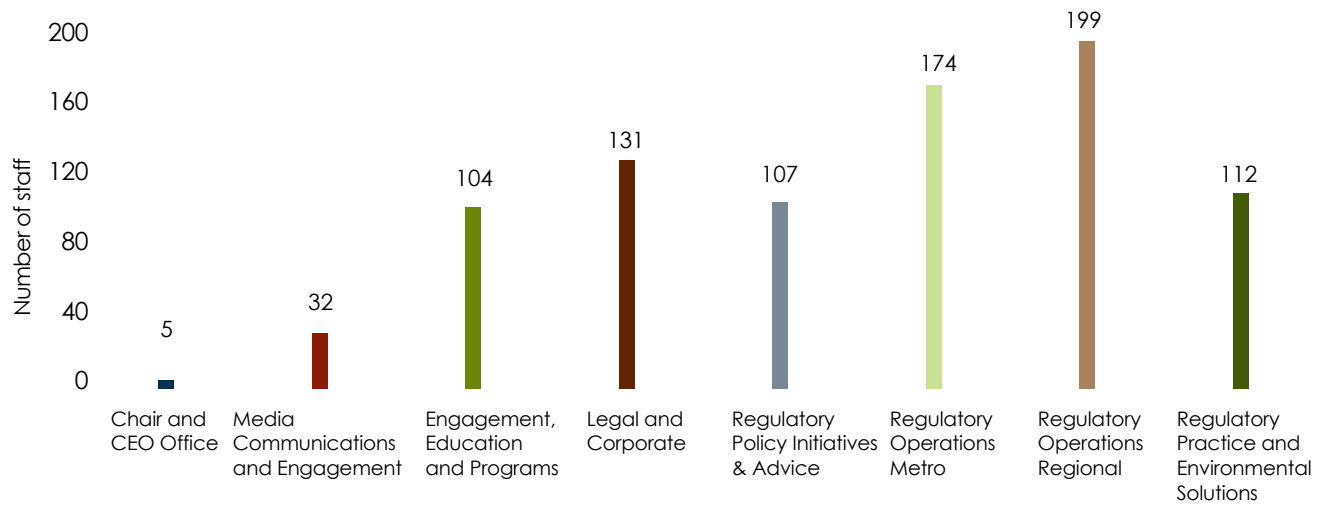
The EPA directly employs 864 people, with most staff working in metropolitan areas (see tables).

EPA staff by category

Total staffing by category (head count*)	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023
Permanent full-time	414	407	492	580	641
Permanent part-time	115	70	79	80	88
Temporary full-time	138	96	140	126	122
Temporary part-time	17	13	11	16	13
Casual	3	0	6	3	0
Total	687	586	728	805	864

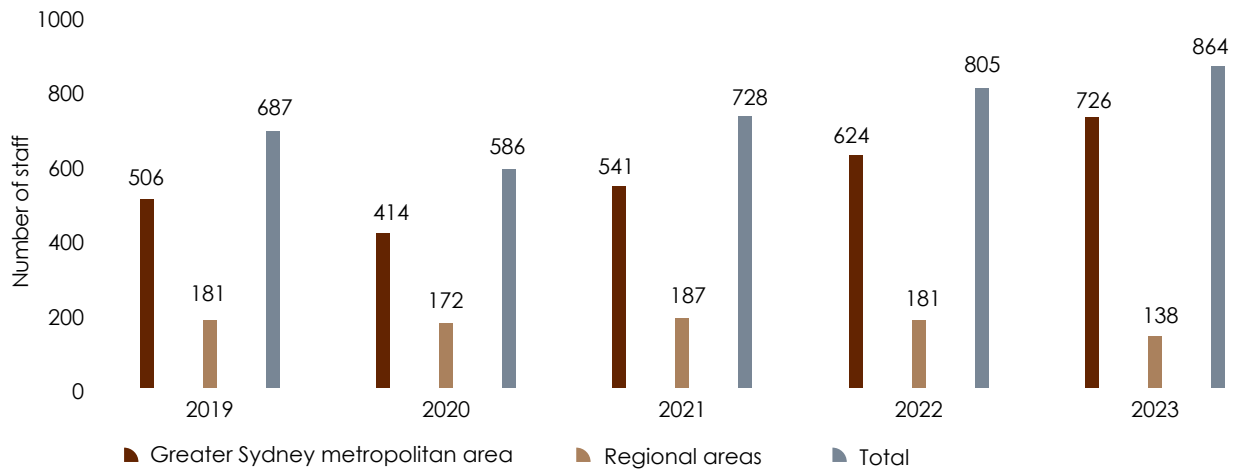
* Head count numbers include all EPA employees by classification.

EPA staff by division



Total staffing by category.

EPA staff by location



Workforce diversity

Of our 36 senior leaders (leads, directors, executive directors and CEO) 19 are women (52%). This places us above the Premier's Priority of 50% women in the workforce. One of those female leaders is also from a 'culturally and linguistically diverse' (CALD) background.

The representation and distribution of workforce diversity groups are shown in the tables below.

Trends in the representation of workforce diversity groups

Workforce diversity group	Benchmark ^{1,2}	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023
Women	50% ¹	57.6%	55.5%	57.1%	58.9%	60.6%
Aboriginal and Torres Strait Islander people	3.3% ²	1.8%	1.9%	2.2%	1.2%	0.9% ²
People whose first language spoken as a child was not English	23.2% ³	11.9%	11.5%	11.8%	13.6%	14.9%
People with a disability	5.6 ⁴	3.5%	2.9%	2.1%	2.4%	3.8%
People with a disability requiring work-related adjustment	n/a ⁴	1.2%	1.2%	1.1%	1.2%	1.4%
Women in senior leadership	40% by 2021	41.91%	57.3%	65%	61%	52%

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

Note 2. The NSW Public Sector Aboriginal Employment Strategy 2019–25 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%. The EPA's total employee headcount has grown significantly over the past three years. We continue to work closely with our Aboriginal Initiatives team and the DPE's Aboriginal Career Pathways team for stronger outcomes in line with

our commitment to Aboriginal employment, supported by the use of Aboriginal targeted recruitments and recruitment to Aboriginal Identified roles.

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. The benchmark for 'People with disability requiring work-related adjustment' is not available.

Trends in the distribution of workforce diversity groups

Workforce diversity group	Benchmark ^{1,2}	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023
Women	100	95	96	96	96	97
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	97	97	98	95	95
People with a disability	100	101	n/a	n/a	102	99
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. n/a stands for ‘not available.’ 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. ■

Shared services and initiatives

In 2022–23 DPE Cluster Corporate Services provided human resources services for the EPA under a Service Partnership Agreement.

DPE’s Capability and Inclusion team led a number of workforce diversity initiatives that were implemented across the DPE cluster, including in the EPA. These were the:

- Workforce Diversity and Inclusion Strategy
- Aboriginal Employment Plan
- Disability Inclusion Action Plan
- Gender Equality Plan
- Multicultural Plan
- Flexible Workplace Plan.

The EPA will continue to work closely with DPE’s Capability and Inclusion team and the NSW Public Service Commission to enhance workforce diversity. ■

How our people see the EPA

The People Matter Employee Survey (PMES) is the NSW public sector’s annual employee engagement survey. In 2022 it ran in August and September. The EPA had a participation rate of 94%, providing a strong positive indicator of engagement and willingness to share feedback.

The anonymous survey asked employees about their experiences with their work, work group, managers and organisation. The results showed that while there are many things we do well as an organisation, and which we should continue to reinforce, there are also areas that we can improve on. We developed both organisational and Divisional priorities and engagement plans to continue to reinforce strengths and focus on areas for improvement.

So, what did our people feel about how we support and reinforce the EPA as a great place to work?

Topic	Staff who saw it favourably in 2022 (%)	Difference from 2021 (%)	Difference from NSW govt sector (%)
Teamwork and collaboration	65%	+2	+3
Inclusion and diversity	73%	-	+5
Risk and innovation	79%	-	+6
Ethics and values	76%	-	+7
Job purpose and enrichment	80%	+4	+10
'The EPA meets the needs of the communities, people and businesses of NSW'	60%	+4	-4

The power of young people

Engaging with tomorrow's talent today makes sound business sense. Young people can bring energy, drive, innovative thinking and fresh ideas to the workplace, all things that help keep an organisation resilient and thriving.

The EPA taps into the creativity of young people through graduate programs and internships and our Youth Advisory Council.

The graduate program

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 themselves usually have tertiary qualifications in environmental science, or in law combined with science, engineering or technology. Their employment at the EPA gives them valuable real-world experience with lots of mentoring along the way, plus networking opportunities.

Many of our graduates move out of the program early into promotional roles within our agency because their qualifications, skills and enthusiasm for the work we do are so highly sought after by our people leaders. In 2022–23 we retained 100% of those who completed our graduate development program. We are currently preparing for our February 2024 intake of graduates, and hope to increase the number of Aboriginal or Torres Strait Islander people taking part.

Alex Wootton, a member of the 2022 intake, says, 'The graduate program gave me an opportunity to work across the organisation, letting me gain a level of understanding far beyond the scope of my initial expertise. It also provided me with a network across teams and within the program, giving me access to a level of support and knowledge that I probably wouldn't have been able to acquire in a conventional role.' ■

A gap year with the EPA



In April, we welcomed three high school graduates to our regional office in Dubbo. As part of a gap year graduate program, these school leavers experience what it is like to pursue a career in environmental sciences. Part of the work involves engaging with local industries to help improve their practices towards a more sustainable future. It's a bonus that these graduates grew up in the region and understand its history, community and needs. ■

Environment Youth Advisory Council

Protecting the environment is important for everyone, but especially for young people. They are the group that will be most affected by climate change and environmental degradation.

To involve young people in serious conversations about these matters, in 2022 we established the EPA's Environment Youth Advisory Council.

The council is made up of 12 people aged 15–22, from diverse backgrounds and different parts of NSW. It meets three times a year, either online or in person, to discuss issues and give the EPA advice and recommendations on policies and projects that affect young people.

Our commitment to young people is also reflected in action 7 of our *Climate Change Action Plan*. This says we will '[r]egularly discuss our climate change approach with the EPA's Environment Youth Advisory Council, to ensure we're putting intergenerational equity into practice'.

Council members have already provided valuable input for the EPA's *Youth Engagement Strategy*, our *Climate Change Action Plan*, and initiatives to reduce single-use plastics. ■

Young people are the group that will be most affected by climate change and environmental degradation.

The Youth Advisory Council meet to give their perspective on the topics they want the EPA and government to focus on. Photo: EPA



Diversity and inclusion

We are always looking for ways to incorporate inclusion and diversity initiatives into everyday operations. Our goal is to get the best out of the best people, recognising that we all have different ways of working. We value having a broad diversity of thought and voice to inform our programs and policy.

Initiatives over the past year include:

- Expanding our Aboriginal Initiatives team. We continue to embed our Statement of Commitment to Aboriginal People, recognising its significance in fostering inclusion.
- Celebrating significant days, such as Wear it Purple Day (annual LGBTQIA+ awareness day especially for young people) and NAIDOC Week.
- Introducing a dedicated resource (a Diversity and Inclusion Partner) to centralise our diversity and inclusion efforts, support the development and implementation of initiatives, and ensure a comprehensive approach throughout the organisation.

Ongoing training for staff, of many different kinds. This has included training in the use of tools, such as DISC profiling to facilitate teamwork, and bespoke Wininga-Li Aboriginal Cultural Awareness and Capability training. We've also drawn from our membership with Diversity Council Australia to equip staff with training and resources that support diversity and inclusion. ■

We get up, stand up and show up for NAIDOC Week

Whether it's seeking proper environmental, cultural and heritage protections, or calling out racism, we are committed to working together with Aboriginal people. NAIDOC Week is an opportunity for us to listen and share.

The EPA's Aboriginal Initiatives team led our NAIDOC celebrations from head office on Burramattagal Country of the Dharug Nation in July 2022. We celebrated the theme of Get Up! Stand Up! Show Up! This calls on all Australians to rally around Aboriginal people, Elders and communities and support systemic changes that will improve outcomes for Aboriginal people.

Our celebrations included daily posts on our intranet informing staff about the importance of NAIDOC and reconciliation, and a staff quiz to increase awareness of Aboriginal peoples and cultures. Our Broken Hill Environmental Lead Program also hosted a morning tea in South Broken Hill on Barkandji Country, enjoying snacks and sunshine with families and workers from local services.

The week's highlight was our first in-person NAIDOC event since COVID. This moving and inspiring event at head office was also live-streamed to staff across the state. Following Local Elder Uncle Bruce Gale's Welcome to Country, we were treated to a special cultural dance performance by the Tribal Warrior dancers. Hosted by Andrew Beach from the Aboriginal Initiatives team, we had the honour of listening to esteemed guests Shane Phillips, CEO of Tribal Warrior, Sharni Jones from Aboriginal & Cultural Affairs at DPE and Aboriginal Initiatives team member Veronica Williams, who shared their experiences and insights on what Get Up! Stand Up! Show Up! means to them.

'The theme is a chance for us to celebrate and acknowledge the mob who came before us, who got up, stood up and showed up,' says Veronica. 'They did it with such courage, resilience, and perseverance, all in an attempt to obtain equal rights and opportunities for Aboriginal people.' ■

Cause to celebrate

Our staff-run Inclusion and Diversity Committee is now in its sixth year. It provides advice to staff and other stakeholders, and organises programs and awareness-raising events.

Many of the events the committee organised this year were related to gender equity. With more than half of the EPA's leadership roles being held by women, and a solid history of women CEOs, the EPA has a thriving culture of gender equity.



A panel discussion where voices unite for gender equality and progress. Photo: EPA

To mark International Women's Day on 8 March, we held a special morning tea in our Parramatta headquarters, along with a staff panel discussion on issues affecting working women. Staff in other regions were encouraged to participate with their own morning teas and activities, and all staff were invited to pledge to call out gender bias in everyday situations. ■

Proud to show we're on a journey



The Aboriginal Initiatives team, in collaboration with EPA Brand and Publishing, contracted a registered business (Look Smart Uniforms) and created an EPA-branded, Australian-made polo shirt showcasing Gerard Black's artwork. Photo: EPA

Gerard Black is a proud Worimi man. His work connects ancient Aboriginal art with modern design to promote reconciliation and connection.

Gerard was commissioned by the EPA to create an artwork to inform an Aboriginal visual identity and represent a journey for the EPA with the Aboriginal people of NSW. ■

The Inclusion and Diversity Committee also works closely with Rainbow Connection, the staff-led LGBTQIA+ network within the Department of Planning and Environment. Rainbow Connection works tirelessly behind the scenes to educate and lobby leaders to ensure LGBTQIA+ employees feel empowered, valued and included within their workplaces.

One of the highlights of 2023 for Rainbow Connection was having a stall at the Mardi Gras Fair Day event in Sydney. This coincided with World Pride, which made the event more fabulous than ever. More than 50,000 people descended on Victoria Park on Sunday 18 February in a colourful rainbow explosion. Rainbow Connection had more than 100 volunteers from all over the department staffing the stall. Many people who stopped by the stall were impressed to hear how committed the EPA is to the welfare of its LGBTQIA+ employees.



Several EPA staff members volunteered at the Mardi Gras Fair Day. Photo: Gary Fishlock

Reducing our carbon footprint

Our energetic and enthusiastic Carbon Neutral Working Group has been working to make the EPA carbon neutral by 2030.

It has had its sights on five activities through which the agency can reduce its carbon footprint: data collection, travel, communications, procurement, and working from home.

Each activity has been tackled by its own sub working group. The groups have met monthly to collaborate and compare notes.

The data sub working group has been focused on measuring the EPA's greenhouse gas emissions. 'You can't improve what you don't measure,' says one volunteer.

The travel group has targeted the EPA's vehicle fleet. Only 30% of

the EPA's passenger vehicles are hybrid or fully electric. The travel group looked at putting charging stations at regional offices. That has now been done at some locations, and there are plans to install more.

The vehicles themselves may change in future, too. 'It would be amazing for the EPA to have its own fully electric fleet one day,' says David Posniak, a volunteer from the travel sub working group.

In February 2023 the Carbon Neutral Working Group gave the EPA Executive an update on its work. It also recommended that the EPA continue data collection and reporting, and set up an implementation plan for emission-reduction projects for the period to 2030.

The work will now be progressed by one of the EPA's Divisions (Legal, Governance & People), with the Carbon Neutral Working Group continuing to play an advisory role.

One volunteer emphasised that, while the road to carbon neutrality and net zero is long, it is a path we must take to help preserve the planet for future generations.

'We've got to take carbon reduction seriously as individuals, households, communities and workplaces. The planet isn't going to wait for us to act. It's really important for the EPA to be on the frontline, to be a leader in reducing carbon emissions, and to help demonstrate a pathway for others.'

Modern slavery statement of action

We follow the NSW Government Procurement Policy Framework, which requires us to take reasonable steps to ensure that goods and services we procure are not the product of modern slavery.

We work with our procurement business partner in the Department of Planning and Environment to have modern slavery risks considered at each stage of the procurement process.

In 2022–23, modern slavery risks were assessed and addressed as part of the open tender, evaluation and award of EPA contracts for:

- the Household Chemical Cleanout program
- the Community Recycling Centre waste collection services
- the development of a tracking and data system for hazardous and controlled waste.

Respondents had to demonstrate in their tender documents their commitment to

prevent or minimise the risk of modern slavery in their supply chain. The contracts require the suppliers to take reasonable steps to ensure that modern slavery is not occurring in their operations and supply chains and those of any entity they own or control, and to give us any information or assistance we reasonably request to enable us to meet our obligations under modern slavery laws.

The Anti-slavery Commissioner has not identified or raised any significant issues concerning the EPA's operations in 2022–23. ■

Climate-related financial disclosure

Disclaimer: The EPA was one of three agencies asked by NSW Treasury to pilot the concept of climate-related financial disclosure in 2021–22. This subsequent 2022–23 disclosure has been prepared by the NSW EPA as a voluntary and simplified update. This statement is an early adoption based on best endeavours, delivered ahead of sector-wide guidance being available, and therefore there may be limitations to the robustness and consistency of reporting.

The EPA plays an important role in responding to the environmental impacts of climate-induced incidents, emergencies and disasters under the State's emergency management arrangements, including response and recovery activities.

The EPA's actions and responses to climate change will increase and adapt over time, based on science and current practices.

Strategy

The EPA's *Climate Change Policy* and *Climate Change Action Plan 2023–26* adopt, support and build on foundations set by the NSW Government. The EPA strategy is to provide actual and potential impacts of climate related risks and opportunities on our strategy and financial planning, where such information is material. By preparing this statement voluntarily, the EPA notes an aspiration over time to further enhance reporting to the community in this area. For more detail refer to page 43.

Climate-related risks and opportunities

The EPA recognises the risks and opportunities posed by climate change. Our *Regulatory Strategy 2021–24* identifies climate change as one of the key regulatory

challenges for the EPA. Climate change is also a key focus area under our *Strategic Plan 2021–24*.

Climate-related risks

We followed a systematic process for identifying and articulating our climate-related risks, based on the *Climate Risk Ready NSW Guide*. For more detail, see page 71.

The *Climate Risk Ready NSW Guide* helps State Government staff manage risks and opportunities associated with climate change. The guide was published by the NSW Government in 2021 and outlines a four-step process to help increase the capacity of the NSW Government agencies to identify and manage climate change risks to public assets, services and objectives.

The most significant climate-related risks to the EPA are included in the risk tables below. These risks are either climate-related risks that directly impact the EPA's own operations (for example, work, health and safety risks to EPA officers), or risks that may impact the EPA in undertaking its regulatory functions to manage climate-related impacts, under its regulatory remit.

As we better understand these risks across the organisation, we will determine appropriate time horizons over which these risks will manifest. An example of time horizons could be short- (1–3 years), medium- (3–10 years) and long- term (> 10 years). We will then incorporate management of these risks across the different time horizons into our financial planning processes.

In order to manage risks associated with the rapidly changing climate change policy landscape in NSW and at the national level, we will continue to monitor policy changes and adjust our strategy accordingly.

Climate-related opportunities

In January 2023, we released the EPA's first *Climate Change Policy* and *Climate Change Action Plan 2023–26*.

This helps us deliver on our strategic plan commitments, our statutory duty to develop climate-change related environmental quality objectives, guidelines and policies, and to fulfil the orders of the Land and Environment Court (NSWLEC 92, 2021). ■

	Physical risks	Example risk mitigation
Liability	<p>Work, health and safety (WHS) risks due to severe weather, leading to:</p> <ul style="list-style-type: none"> • greater numbers of health and safety incidents • greater number of insurance claims, under- insurance or increased premiums • increased demand on PPE equipment. 	<p>Climate-related risks have been integrated into the EPA's strategic risk register and are considered in the WHS management system.</p>
Acute and chronic	<p>Increased frequency and/or severity of pollution events, leading to:</p> <p>Acute risks:</p> <ul style="list-style-type: none"> • additional cost to organisation in disaster recovery programs and support to the community to reduce risks and/or impacts of climate change • increase in EPA costs of disposal/ processing of disaster waste, in the absence of capacities amongst local council facilities. <p>Chronic risks:</p> <ul style="list-style-type: none"> • increased resources required to support the regulated community to reduce chronic impacts of climate change (for example, odour issues at landfills due to sustained heavy rainfall). 	<p>Continued implementation of our <i>Climate Change Policy</i> and <i>Climate Change Action Plan 2023–26</i>, which details actions to support our regulated community to become more resilient to a changing climate.</p> <p>Access to specific disaster recovery funding under the National Disaster recovery Funding Arrangements (DRFA) between the Commonwealth and NSW Governments.</p>
Liability	<p>Increased frequency and/or severity of pollution events leading to:</p> <ul style="list-style-type: none"> • the EPA not having adequate resources to perform its full suite of regulatory functions (for example, significant resources are diverted away from regular job functions and into climate-induced impact response and recovery work, or some sites are inaccessible). 	<p>Climate-related risks and opportunities have been integrated into the EPA's strategic risk registers and workforce plan. The EPA is building capability across the organisation to enhance its capacity to take a more active role and to implement the Climate Change Action Plan.</p> <p>Continued implementation of our <i>Climate Change Policy</i> and <i>Climate Change Action Plan 2023–26</i>.</p>

	Transitional risks	Example risk mitigation
Reputational	The EPA being unable to meet its carbon neutral commitment. For example, the carbon neutral plan does not adequately quantify emissions or identify all emission sources, or EPA cannot meet the costs required to mitigate emissions. This can lead to reputational harm.	Technical review or compliance with a carbon neutral standard.
Policy and legal	The EPA's regulated community considering that the EPA's climate change requirements are too onerous or costly, leading to legal challenges.	Continued implementation of our <i>Climate Change Policy</i> and <i>Climate Change Action Plan 2023–26</i> , which sets out staged actions to minimise regulatory burden and costs on our regulated community.
Policy and legal	The broader community considering that the EPA is not doing enough to manage the causes and/or impacts of climate change, leading to legal challenges.	<p>Implementation of the EPA's <i>Strategic Plan 2021–24</i>, including addressing climate change as a focus area for the organisation.</p> <p>Continued implementation of our <i>Climate Change Policy</i> and <i>Climate Change Action Plan 2023–26</i>, which details actions to support our regulated community contribute in appropriate ways to the State's net zero target, and to the State's goal of making NSW more resilient to a changing climate.</p> <p>Regular horizon scanning will identify emerging climate-related risks and opportunities. A Climate Change Horizon Scan is available on the EPA's website.</p>
Liability	The EPA not having the capability or capacity to support the regulated community to mitigate emissions or climate change impacts, leading to the EPA being incapable or unable to adequately perform its regulatory functions, resulting in litigation and reputational harm.	<p>Implementation of the EPA's <i>Strategic Plan 2021–24</i>, including addressing climate change as a focus area for the organisation.</p> <p>Climate-related risks have been integrated into the EPA's strategic risk register and the workforce plan. The EPA is building capability across the organisation to enhance its capacity to take a more active role and to implement the <i>Climate Change Action Plan</i>.</p> <p>The EPA will continue to build capacity to integrate climate change risk into its existing risk management framework, identify risk treatment and controls for each of the risks identified in the climate-related risk assessment and incorporate risks and controls into strategic and divisional risk registers.</p> <p>In 2023–24 the EPA will continue to build its risk management maturity, as per the NSW Treasury Risk Maturity Matrix and for consistency with the NSW <i>Government Climate Change Adaptation Strategy</i> will establish metrics to quantify resilience in the regulated community.</p>

Where we are today

We have made climate change a strategic priority

The EPA's *Strategic Plan 2021–24* identifies ecologically sustainable development and climate change as strategic priorities for the EPA. Under the strategic plan, we are committed to:

- taking action to reduce emissions, mitigate climate change impacts and build greater environmental and community resilience aligned with the principles in the NSW Net Zero Plan
- championing sustainable approaches to mitigate the cumulative impacts of industry on local communities and environments.

We have identified climate change as a key regulatory challenge.

Our *Regulatory Strategy 2021–24* explains how we work collaboratively with the NSW Government to achieve net zero emissions by 2050 and to make NSW more resilient to a changing climate.

We are prioritising Aboriginal knowledge and perspectives

- We aim to make sure Aboriginal knowledge and perspectives are taken into account and are incorporated within the EPA's work, by building relationships with communities and maintaining these relationships for the long term.

We are incorporating environmental justice principles.

We are considering these principles, including the impact of climate change on disadvantaged and vulnerable communities and people (now and into the future). We are also ensuring our climate actions are fair and, where appropriate, allow for meaningful involvement regardless of age, ethnic background, socio-economic background and status, and seek to achieve intergenerational equity.

We are supporting the NSW Government climate change objectives.

The EPA works collaboratively with the NSW Government to support the delivery of its climate change objectives under the Climate Change Policy Framework, including the *Net Zero Plan Stage 1: 2020–2030*, the *Net Zero Plan Stage 1: 2020–2030 Implementation Update* and the *NSW Climate Change Adaptation Strategy* and the upcoming State Resilience Strategy.

The *NSW Climate Change Adaptation Strategy* sets out the NSW Government's strategic approach for managing the impacts of climate change on the State.

Future priorities

Continued implementation of our *Climate Change Policy* and *Climate Change Action Plan 2023–26*.

Continued implementation of our *Climate Change Policy* and *Climate Change Action Plan 2023–26*.

Continued implementation of our *Climate Change Policy* and *Climate Change Action Plan 2023–26*.

The Aboriginal Peoples Knowledge Group will be established by mid FY 2023-24. It will ensure Aboriginal peoples knowledge and perspectives are heard and incorporated in the EPA's response to climate change.

Continued implementation of our *Climate Change Policy* and *Climate Change Action Plan 2023–26*.

Regularly discuss our climate change approach with the EPA's new Youth Advisory Council, to ensure we're putting intergenerational equity into practice.

Continued implementation of our *Climate Change Policy* and *Climate Change Action Plan 2023–26*. These documents outline actions to support our regulated community to contribute in appropriate ways to the State's net zero target by 2050 and the State's goal of making NSW more resilient to a changing climate.

Where we are today

We are managing the Government's commitment to achieve net zero emissions from organic waste from landfills by 2030.

The EPA is the lead agency responsible for delivering on the NSW Government's commitment to achieve net zero emissions from organic waste from landfills by 2030, under the NSW Government's Net Zero Plan. This commitment was also reaffirmed in the *NSW Waste and Sustainable Materials Strategy 2041*.

We are protecting the environment during climate-induced emergencies

The EPA works to protect the NSW environment during emergency and disaster responses, helping to manage the impact of pollution incidents on the environment and communities. In doing this, we work closely with NSW agencies such as Fire and Rescue NSW and Resilience NSW.

Our role in emergency management is detailed under the *NSW State Emergency Management Plan (EMPLAN)* and the *NSW Environmental Services Functional Area Supporting Plan (EnviroPlan)*.

In accordance with EnviroPlan and in collaboration with other NSW agencies, the EPA:

- determines measures to prepare for and help prevent environmental incidents that may impact on public health and the environment
- coordinates environment protection during emergency response and recovery
- evaluates our clean-up programs across NSW
- coordinates the clean-up of land and inland waters affected by serious environmental incidents.

The EPA sits on the State Emergency Management Committee Climate Change Advisory Group and the Australasian Fire and Emergency Service Authorities Council Climate Change Group, which both aim to provide advice on climate-related risks to inform emergency management strategies, planning, processes and decision-making.

We are establishing a carbon-neutral pathway

The EPA is aiming to become a carbon-neutral organisation by 2030. We've already started examining Scope 1 and 2 greenhouse gas emissions from our operations and we are working towards establishing a robust, clear and accountable carbon-neutral pathway for the EPA.

Future priorities

Continued implementation of our *Climate Change Policy* and *Climate Change Action Plan 2023–26*.

These documents outline actions to support other industry sectors (which we regulate) to contribute in appropriate ways to the State's net zero target by 2050.

Implementation of a Business Continuity Program and Recovery Plan. This involves identifying vulnerabilities in our waste management process during an incident or disruption. Stakeholders will be provided an overview on recovery preparations for such events. A Business Recovery Plan will be developed for the EPA for use in supporting these efforts.

The EPA is assessing state-wide waste infrastructure needs based on material flows and waste generation projections and waste generation during and after natural disasters.

We have committed to using spatial mapping and scenario modelling using NARCLiM climate projections and data to inform strategic infrastructure planning for the management of wastes generated in extreme weather events. This will continue to be investigated.

We will continue work on identifying Scope 1 and 2 emissions across the EPA in FY 2023–24.

Where we are today

The EPA's first *Climate Change Policy* and *Climate Change Action Plan 2023–26* was released in January 2023.

Our *Climate Change Policy* and *Climate Change Action Plan 2023–26* outline a comprehensive regulatory approach and set of actions to address the causes and consequences of climate change in NSW. They support and build on the NSW Government's climate change policies and initiatives, helping industry to decarbonise and build greater preparedness and resilience to climate change risks.

Our *Climate Change Policy* describes the causes and consequences of climate change in NSW and outlines our commitment to deliver on our statutory objectives and duty to address climate change and our *Strategic Plan 2021–24* commitments.

Our policy adopts, supports and builds on the NSW Government's overarching climate change objectives, which include reducing greenhouse gas emissions and making NSW more resilient and adapted to a changing climate. The policy also gives our stakeholders certainty on our climate change regulatory approach.

Our *Climate Change Action Plan 2023–26* describes how we'll deliver on the objectives of our policy. It outlines the specific actions we'll take over the next three years, as part of our evolving regulatory response to climate change.

Our action plan also signals the stronger regulatory action we intend to take over the medium- to longer-term, if an increased regulatory response is required to support the NSW Government's climate change actions and commitments, including achieving net zero emissions in NSW by 2050.

The implementation of our policy and action plan will help to mitigate many of the climate-related risks identified in the climate-related risk assessment.

Future priorities

We will continue to implement our *Climate Change Policy* and *Climate Change Action Plan 2023–26*.

Climate- related risk and opportunities have been incorporated into our financial planning through the annual budget (one year) and forward estimate (10 year) process.



Financial performance

CFO Statement

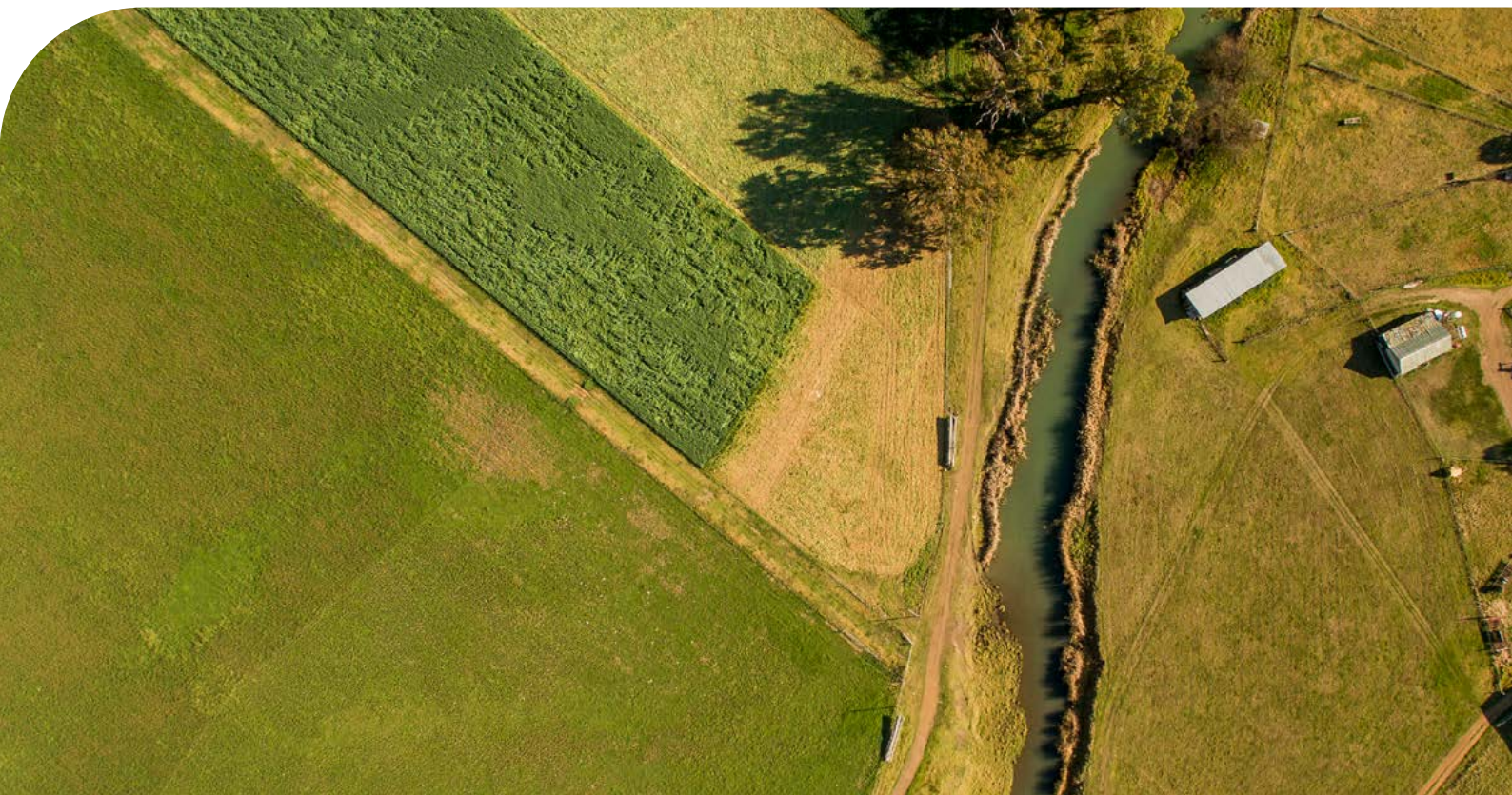


The EPA has achieved a responsible financial outcome for the 2022–23 year.

The EPA's operating result was a loss of \$9.4 million. Total expenses of \$259.8 million decreased from last year by \$22 million. This was principally driven by a decrease in grants and subsidies as the timing of waste reduction and flood clean-up programs varies across years. Bushfire programs were also winding down during 2022–23. Total revenue of \$250.5 million is a decrease from last year of \$29 million attributable to the wind down of bushfire program funding.

Our cash position is strong at \$20.3 million at the end of 2022–23. Our net assets are \$27.2 million. These are the indications of a solid, stable position upon which to build into the future while still supporting the EPA's core service delivery.

Nancy Chang
Executive Director,
Strategy and Policy



Our financial overview

The EPA's net result for 2022–23 was (\$9.4) million, \$9.5 million lower than the \$0.1 million positive net operating result originally estimated as part of the 2022–23 State budget process.

Our expenses and revenue have both increased over the last five years. The forecast budget for 2022–23 was higher than the 2021–22 outcome, mainly due to budget allocated for disaster recovery in the 2022–23 year.

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

Our approved budget	2018–19	2019–20	2020–21	2021–22	2022–23
Total revenue (\$ million)	174.3	261.3	219.9	368.4	429.4
Total expenses (\$ million)	177.5	255.5	213.6	362.7	429.3
Net operating result (\$ million)	-3.2	5.8	6.3	5.7*	0.1

* Totals may not align due to rounding

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 2022–23 was \$250.5 million, a decrease of \$178.9 million on our original budget of \$429.4 million. The decrease was largely due to:

- \$142.4 million reduction in grants for disaster recovery projects due to timing and reduced scope.
- \$39.4 million reduction in cluster grants received from DPE.

These reductions were somewhat mitigated by \$8.5 million in additional revenue from licensing fees and litigation.

Our total revenue was \$250.5 million (10%) lower than the \$279.5 million reported for 2021–22.

EPA revenue sources over the last 5 years

Revenue by source – actuals	2018–19	2019–20	2020–21	2021–22	2022–23
NSW Government (\$ million)	160.6	146.4	174.5	238.7	205.9
Licensing fees and other charges (\$ million)	32.0	33.0	37.4	40.3	40.8
Acceptance by the Crown Entity of employee benefits and other liabilities (\$ million)	7.3	2.9	4.0	(0.2)	3.4
Other income (\$ million)	2.0	0.4	0.1	0.7	0.4
Total revenue (\$ million)	201.9	182.7	216.0	279.9	250.5

The EPA also collects revenue on behalf of the Crown from waste and environment levies and through the licensing of industries we regulate. 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 2022–23, most EPA expenditure – about 45% of the total – was for salaries, with the rest used for grant programs and operating expenditure. We paid \$39.5 million in grants to various entities for a range of purposes. Greater detail is provided in Appendix H: Grants.

In 2022–23 total expenditure was \$259.8 million, a decrease of \$169.5 million on our original budget of \$429.3 million. The decrease was largely due to:

- \$114.5 million lower in the ‘other operating costs’ mainly due to lower disaster recovery program expenditure.
- \$35.2 million reduction in grants and subsidies, due mainly to changes in the timing of programs
- \$18.3 million lower salary costs due to delays in recruitment.

We reported a \$22 million (8%) decrease in expenditure this year compared to the previous year (see expenditure table below).

EPA expenditure over the last 5 years

Expenditure by category – actuals	2018–19	2019–20	2020–21	2021–22	2022–23
Salaries (\$ million)	88.5	84.1	94.2	108.9	116.4
Personnel services expenses (\$ million)	-	6.7	-	-	-
Grants and subsidies (\$ million)	39.9	41.6	34.9	79.0	39.5
Other operating costs (\$ million)	63.0	44.9	80.0	89.7	99.5
Depreciation and amortisation (\$ million)	3.1	3.4	3.6	4.2	4.4
Total	194.5	180.7	212.7	281.8	259.8

Our financial position

The EPA maintained a sound financial position in 2022–23.

Most of our assets and liabilities are of a financial rather than physical nature. Total EPA assets at 30 June 2023 were \$85.6 million, a decrease of \$3.2 million from 30 June 2022. Cash remains one of our largest assets, being \$20.3 million at 30 June 2023. We also have \$38 million in receivables, including funding to be received from disaster expenditure and contracts with customers, mostly from waste and environment licences. Our liabilities at 30 June 2023 were \$58.4 million, an increase of \$6.2 million from last financial year.

Solvency ratio: current position

At 30 June 2023 we had \$1.04 in current assets to meet every \$1.00 of our current liabilities. This year's solvency ratio is at lower than the previous year's ratio.

The current assets have decreased by \$5.3 million over 2022–23, due mainly to additional cash held in 2021–22 relating to disaster recovery funding. Current liabilities have increased by \$3.9 million, due mainly to an increase in payables.

EPA current assets, liabilities and ratio over the last 5 years

Current assets, liabilities and ratio	2018–19	2019–20	2020–21	2021–22	2022–23
Current assets (\$ million)	34.8	21.5	46.1	63.6	58.3
Current liabilities (\$ million)	19.1	1.8	31.2	52.2	56.1
Current ratio	1.8	37.8	1.5	1.2	1.0

Cashflow management

In 2022–23, the EPA generated \$247.1 million from its operating activities. This was \$25.5 million less than in the previous year, largely due to lower grants and contributions.

EPA receivables, sales revenue and collection of debts over the last 5 years

Debtor management	2018–19	2019–20	2020–21	2021–22	2022–23
Receivables (\$ million)	7.2	5.1	6.2	5.2	8.7
Sales revenue (\$ million)	32.0	33.0	37.4	40.3	40.8
Average days to collect debts	81.7	56.0	60.5	47.1	77.8

Credit management

During the year, the average number of days to pay creditors was 152.

EPA payables and vendor management over the last 5 years

Credit management	2018–19	2019–20	2020–21	2021–22	2022–23
Payable (\$ million)	9.2	9.9	19.4	37.1	41.4
Other operating cost (\$ million)	63.0	44.9	79.9	89.5	99.4
Average days to pay creditors	53.3	80.5	88.6	151.3	152.0

Expenditure

Exceptional movements in wages, salaries and allowances

There were no exceptional movements in wages, salaries or allowances in 2022–23. 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 2022–23.

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*.

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 2023, the total of the EPA's PPE assets was \$6.5 million.

Production costs of the Annual Report

There were no external production costs for the 2022-23 report. Design costs were in-house with some elements shared with other reporting.

Major works in progress

Over the last four years, the EPA has invested heavily in enhancing its software systems and ICT platforms to achieve synergies and efficiencies that align with the agency's proposed Digital Transformation Strategy. The EPA's main ICT program of work is the Regulatory Systems Transformation.

Consultants

Consultancies of \$50,000 or more

Consultant	Category	Consultancy description	Cost
KPMG Australia Pty Ltd	Information Technology	IT solution for waste related activities	\$607,923
Nous Group Pty Ltd	Organisational Review	Organisational Structure design	\$344,142
Hamel Group Ltd	Management Services	Services for waste related activities	\$244,683
National Retail Association Ltd	Environmental Services	Consulting in plastics waste reduction	\$194,100
Marsden Jacob Associates	Environment	Services for waste related activities	\$179,460
Maximus International Pty Ltd	Organisational Review	Structural business review	\$175,236
FTI consulting (Australia) Pty Ltd	Organisational Review	Organisational Change Management	\$137,016
Kantar Public Australia Pty Ltd	Management Services	Plastics consulting services	\$93,750
Connley Walker Pty Ltd	Management Services	Security consulting services	\$71,000
Subtotal			\$2,047,310

Consultancies of less than \$50,000

Category	Number	Cost
Environmental	9	\$174,025
Information technology	3	\$19,985
Management services	13	\$153,214
Subtotal	25	\$347,224

Total consultancies

Size	Number	Cost
Consultancies of \$50,000 or more	9	\$2,047,310
Consultancies of less than \$50,000	25	\$347,224
Total consultancies	34	\$2,394,534

Environment protection Authority

Annual financial statements

For the year ended 30 June 2023

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Environment Protection Authority

Statement by the Chief Executive Officer and Accountable Authority

For the year ended 30 June 2023

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
31 October 2023



Rayne de Gruchy AM PSM
Chairperson, EPA Board
31 October 2023

Consolidated Statement of Comprehensive Income for the year ended 30 June 2023

	Notes	Consolidated			Environment Protection Authority	
		Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000	Actual 2023 \$'000	Actual 2022 \$'000
Continuing operations						
Expenses excluding losses						
Employee-related expenses	2(a)	116,435	134,678	108,903	903	463
Personnel services expenses	2(a)	–	–	–	115,532	108,440
Other operating expenses	2(b)	99,401	213,928	89,522	99,401	89,522
Depreciation and amortisation expenses	2(c)	4,426	5,937	4,246	4,426	4,246
Grants and subsidies	2(d)	39,478	74,712	79,017	39,478	79,017
Finance costs	2(e)	92	29	129	92	129
Total expenses excluding losses		259,832	429,284	281,817	259,832	281,817
Revenue						
Sale of goods and services	3(a)	9,305	31,346	9,043	9,305	9,043
Retained taxes, fees and fines	3(b)	31,525	929	31,252	31,525	31,252
Grants and contributions	3(c)	205,924	388,301	238,692	205,924	238,692
Acceptance by the Crown of employee benefits and other liabilities	3(d)	3,368	6,514	(177)	3,368	(177)
Other income	3(e)	354	2,310	713	354	713
Total revenue		250,476	429,400	279,523	250,476	279,523
Operating result		(9,356)	116	(2,294)	(9,356)	(2,294)
Gain/(loss) on disposal	4	(744)	–	(15)	(744)	(15)
Other gains/(losses)	5	–	–	230	–	230
Net result from continuing operations		(10,100)	116	(2,079)	(10,100)	(2,079)
Other comprehensive income						
Items that will not be reclassified to net result in subsequent periods		–	–	–	–	–
Changes in revaluation surplus of property, plant and equipment	10	1,629	–	282	1,629	282
Total other comprehensive income		1,629	–	282	1,629	282
Total comprehensive income		(8,471)	116	(1,797)	(8,471)	(1,797)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position as at 30 June 2023

	Notes	Consolidated			Environment Protection Authority	
		Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000	Actual 2023 \$'000	Actual 2022 \$'000
Assets						
Current Assets						
Cash and cash equivalents	7	20,269	22,659	35,070	20,269	35,070
Receivables	8	38,042	6,141	28,579	38,042	28,579
Contract assets	9	–	6,610	–	–	–
Total current assets		58,311	35,410	63,649	58,311	63,649
Non-current assets						
Property, plant and equipment						
Land and buildings	10	5,740	3,887	4,270	5,740	4,270
Plant and equipment	10	1,968	1,328	1,766	1,968	1,766
Total property, plant and equipment		7,708	5,215	6,036	7,708	6,036
right-of-use assets	11	438	582	646	438	646
Intangible assets	12	19,130	29,196	18,496	19,130	18,496
Total non-current assets		27,276	34,993	25,178	27,276	25,178
Total assets		85,587	70,403	88,827	85,587	88,827
Liabilities						
Current liabilities						
Contract liabilities	9	475	340	469	475	469
Payables	15	41,447	19,373	37,052	41,447	37,052
Borrowings	16	243	153	302	243	302
Provisions	17	13,951	10,550	14,332	18	183
Payable to the EPA Staff Agency	17	–	–	–	13,933	14,149
Total current liabilities		56,116	30,416	52,155	56,116	52,155
Non-current liabilities						
Borrowings	16	205	451	354	205	354
Provisions	17	2,060	871	641	1,724	314
Payable to the EPA Staff Agency	17	–	–	–	336	327
Total non-current liabilities		2,265	1,322	995	2,265	995
Total liabilities		58,381	31,738	53,150	58,381	53,150
Net assets		27,206	38,665	35,677	27,206	35,677
Equity						
Reserves		3,248	1,337	1,619	3,248	1,619
Accumulated funds		23,958	37,328	34,058	23,958	34,058
Total equity		27,206	38,665	35,677	27,206	35,677

The accompanying notes form part of these financial statements.

Consolidate Statement of changes in equity as at 30 June 2023

Consolidated and parent	Accumulated funds \$'000	Asset revaluation surplus \$'000	Total \$'000
Balance at 1 July 2022	34,058	1,619	35,677
Net result for the year	(10,100)	–	(10,100)
Other comprehensive income:			
Net change in revaluation surplus of property, plant and equipment	–	1,629	1,629
Total other comprehensive income	–	1,629	1,629
Total comprehensive income for the year	(10,100)	1,629	(8,471)
Balance at 30 June 2023	23,958	3,248	27,206
Balance at 1 July 2021	36,137	1,337	37,474
Net result for the year	(2,079)	–	(2,079)
Other comprehensive income:			
Net change in revaluation surplus of property, plant and equipment	–	282	282
Total comprehensive income for the year	(2,079)	282	(1,797)
Balance at 30 June 2022	34,058	1,619	35,677

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows for the year ended 30 June 2023

	Notes	Consolidated			Environment Protection Authority	
		Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000	Actual 2023 \$'000	Actual 2022 \$'000
Cash flows from operating activities						
Payments						
Employee related		(114,903)	(128,164)	(106,403)	(903)	(463)
Personnel services expenses		–	–	–	(114,000)	(105,940)
Grants and subsidies		(39,478)	(74,712)	(79,017)	(39,478)	(79,017)
Finance costs		(20)	(29)	(129)	(20)	(129)
Other*		(102,102)	(213,928)	(79,395)	(102,102)	(79,395)
Total payments		(256,503)	(416,833)	(264,944)	(256,503)	(264,944)
Receipts						
Grants and other contributions		200,068	388,301	221,856	200,068	221,856
Sale of goods and services		7,768	31,346	7,643	7,768	7,643
Retained taxes, fees and fines		31,525	–	31,252	31,525	31,252
Cash reimbursements from the Crown**		1,862	–	1,726	1,862	1,726
Other		5,832	3,239	10,074	5,832	10,074
Total receipts		247,055	422,886	272,551	247,055	272,551
Net cash flows from operating activities	22	(9,448)	6,053	7,607	(9,448)	7,607
Cash flows from investing activities						
Cash received						
Proceeds from sale of land and buildings, plant and equipment and infrastructure systems		–	–	159	–	159
Purchase of intangible assets		(4,877)	(16,066)	(4,698)	(4,877)	(4,698)
Purchase of property, plant and equipment		(147)	–	(156)	(147)	(156)
Net cash flows from investing activities		(5,024)	(16,066)	(4,695)	(5,024)	(4,695)
Cash flows from financing activities						
Payment of principal portion of lease liabilities		(329)	(400)	(1,182)	(329)	(1,182)
Net cash flows from financing activities		(329)	(400)	(1,182)	(329)	(1,182)
Net increase/(decrease) in cash and cash equivalents		(14,801)	(10,413)	1,730	(14,801)	1,730
Opening cash and cash equivalents		35,070	33,072	33,340	35,070	33,340
Closing cash and cash equivalents	7	20,269	22,659	35,070	20,269	35,070

* 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.

1. Summary of significant accounting policies

(a) Reporting entity

The Environment Protection Authority (the 'EPA'), a NSW Government entity and controlled by the State of New South Wales, 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. Also, as part of EPA reporting entity, there are four Special Deposit Accounts namely – Environment Protection Authority Fund, Tradeable Emission Schemes Fund, Green Offsets Fund, Environmental Monitoring Fund.

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 Climate Change, Minister for Energy, Minister for the Environment, Minister for 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 2023 have been authorised for issue by the Chief Executive Officer 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 Australian Accounting Standards, which include Australian Accounting Interpretations.

(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 Australian Accounting Standard permits or requires otherwise, comparative Information is disclosed in respect of the previous period for all amounts reported in the financial statements.

Prior period error

A prior year error in the Note 23 Administered assets, liabilities, and income (Note 23) of the 30 June 2022 financial statements has been corrected this year. The amount for remittance clearing in Note 23 was incorrectly reported as \$741,949k rather than (\$554) k. Transactions and balances relating to the administered activities are not recognised as the EPA's income, expenses, assets, and liabilities. Therefore, this error does not impact the EPA's income, expenses, assets, and liabilities.

(g) Changes in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in FY2022–23

The following amendments and interpretations apply for the first time in 2022–23, and do not have an impact on the financial statements of the EPA.

- 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 2021–7a *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* (effective from 1 January 2022)
- AASB 2022–3 *Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-profit Entities accompanying AASB 15*

(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 23–04):

- AASB 17 *Insurance Contracts* (effective from 1 January 2023)
- AASB 2020–1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* (effective from 1 January 2024)
- AASB 2021–2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* (effective from 1 January 2023)
- AASB 2021–5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (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 2021–7b *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* (effective from 1 January 2023)

(g) Changes in accounting policy, including new or revised Australian Accounting Standards (continued)

(ii) Issued but not yet effective (continued)

- 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 2023)
- AASB 2022–1 *Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information* (effective from 1 January 2023)
- AASB 2022–5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback* (effective from 1 January 2024)
- AASB 2022–6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants* (effective from 1 January 2024)
- AASB 2022–7 *Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards* (effective from 1 January 2023)
- AASB 2022–8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments* (effective from 1 January 2023)
- AASB 2022–9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector* (effective from 1 July 2026)
- AASB 2022–10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-profit Public Sector Entities* (effective from 1 January 2024)

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 2021–2 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 2022–23

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.

(i) 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 inquiries, 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Salaries and wages (including annual leave)	96,305	94,765	798	(627)
Redundancy payments	245	–	–	–
Superannuation – defined benefit plans	502	561	–	–
Superannuation – defined contribution plans	9,840	8,960	61	627
Long-service leave	2,920	(989)	–	–
Workers compensation insurance	587	477	–	–
Payroll tax and fringe benefits tax	6,034	5,127	44	463
Other	2	2	–	–
Personnel services expenses*	–	–	115,532	108,440
Total employee related expenses and personnel services	116,435	108,903	116,435	108,903

The amount of employee related costs that has been capitalised to the intangible assets account, and which therefore has been excluded from the above, i.e., \$374,506 (2022: \$421,722).

(b) Other operating expenses

	Consolidated		Environment Protection Authority	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Auditor's remuneration (audit or review of the financial statements)	68	101	68	101
Communication costs	512	400	512	400
Consultants	3,359	1,697	3,359	1,697
Contractor – projects	52,416	35,972	52,416	35,972
Corporate support	8,396	16,207	8,396	16,207
Expense relating to short-term leases	–	101	–	101
Fees and services	16,357	14,925	16,357	14,925
Fleet costs	452	654	452	654
Impairment (reversal) of assets and bad debts	(55)	3,438	(55)	3,438
Information dissemination	2,237	5,379	2,237	5,379
Insurance	419	345	419	345
Legal costs	3,832	3,074	3,832	3,074
Maintenance*	2,212	1,376	2,212	1,376
Other	60	459	60	459
Other occupancy costs	1,133	358	1,133	358
Payments to NSW Government agencies	3,428	2,293	3,428	2,293
Stores and minor assets	1,753	709	1,753	709
Training	1,417	1,240	1,417	1,240
Travel costs	1,405	794	1,405	794
Total other operating expenses	99,401	89,522	99,401	89,522

	Consolidated		Environment Protection Authority	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
* Reconciliation – Total maintenance expense				
Maintenance expense – contracted labour and other (non-employee related), as above	2,212	1,376	2,212	1,376
Total maintenance expenses included in note 2(b)	2,212	1,376	2,212	1,376

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 2(b), note 2(c) and note 10.

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Depreciation				
Buildings and improvements	159	113	159	113
Plant and equipment	434	409	434	409
right-of-use asset	329	1,078	329	1,078
Total depreciation expense	922	1,600	922	1,600
Amortisation				
Intangibles	3,504	2,646	3,504	2,646
Total amortisation expense	3,504	2,646	3,504	2,646
Total depreciation and amortisation expense	4,426	4,246	4,426	4,246

For recognition and measurement policies on depreciation and amortisation refer to notes 10, 11 and 12.

(d) Grants and subsidies

	Consolidated		Environment Protection Authority	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Government	*29,465	*56,702	*29,465	*56,702
Waste less recycle more payments	–	9,750	–	9,750
Rebates	65	1,681	65	1,681
Non-government organisations	9,948	10,884	9,948	10,884
Total grants and subsidies	39,478	79,017	39,478	79,017

*Include grants and subsidies from NSW and Local Government.

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.

(e) Finance costs

	Consolidated		Environment Protection Authority	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Interest expense from lease liabilities	20	129	20	129
Unwinding of discount on provisions	72	–	72	–
Total finance costs	92	129	92	129

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.

(a) Sale of goods and rendering of services from contracts with customers

	Consolidated		Environment Protection Authority	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Sale of goods				
Minor fees and charges	9,305	9,043	9,305	9,043
Total sale of goods and services	9,305	9,043	9,305	9,043

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Fees				
Licensing administration fees	29,512	29,052	29,512	29,052
Fines				
Parking, court and other	2,013	2,200	2,013	2,200
Total retained taxes, fees and fines	31,525	31,252	31,525	31,252

Recognition and Measurement

Revenue from retained taxes, fees and fines is recognised on receipt of returns or licenses issued. Environmental protection licenses are issued on successful application and fees are determined as set out in legislation. Fees are charged for application, annual administrative fee and certain load-based fees for scheduled activities.

(c) Grants and contributions

	Consolidated		Environment Protection Authority	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Other grants with sufficiently specific performance obligation	37,338	65,283	37,338	65,283
Grant without sufficiently specific performance obligation	168,586	173,409	168,586	173,409
Total grants and contributions	205,924	238,692	205,924	238,692

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 revenue 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 2023.

(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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Superannuation - defined benefit	502	561	–	–
Long-service leave	2,841	(759)	–	–
Payroll tax – defined benefit	25	21	–	–
Contributions by the Crown	–	–	3,368	(177)
Total other income	3,368	177	3,368	177

For recognition and measurement of liabilities assumed by the Crown refer to note 17.

(e) Other income

	Consolidated		Environment Protection Authority	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Miscellaneous revenue	354	713	354	713
Total other income	354	713	354	713

Recognition and Measurement

Miscellaneous revenue includes receipt of returned grants for waste and contaminated lands programs.

(f) Deemed appropriations

The *Appropriation Act 2022* (Appropriation Act) and the subsequent variations, if applicable, appropriates the sum of \$5.3 billion (2022: \$3.9 billion) to the Minister for Planning out of the Consolidated Fund for the services of the Department of Planning and Environment (DPE) for the 2022–23 financial year. The spending authority of the Minister under the Appropriations Act has been delegated to the Secretary and subdelegated to departmental/DPE Public Service employees for expenditure on the services of the DPE and entities funded from the amount appropriated to that Minister, including EPA.

The *Treasury and Energy Legislation Amendment Act 2022* made some amendments to sections 4.7 and 4.9 of the *Government Sector Finance Act 2018* (the GSF Act). These amendments commenced on 14 November 2022 and are applied retrospectively. As a result, the lead Minister for EPA, being the Minister for Planning (Minister for Planning and Public Spaces from 5 April 2023) is taken to have been given an appropriation out of the Consolidated Fund under the authority of section 4.7 of the GSF Act, at the time EPA receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by EPA. These deemed appropriations are taken to have been given for the services of DPE.

In addition, government money that EPA receives or recovers, from another GSF agency, of a kind prescribed by the GSF regulations that has been paid from an amount appropriated from the Consolidated Fund under an annual Appropriation Act, is now capable of being handled and accounted for as deemed appropriation money where the Minister who holds the appropriation from which the payment was made is different to the lead Minister for EPA (within the meaning given by section 4.7(8)).

On 16 June 2023, the GSF Amendment (Deemed Appropriations) Regulation 2023 was made triggering the application of the amendments to section 4.7 of the GSF Act which govern the treatment of inter-agency cross-appropriation payments.

The summary of compliance is disclosed in the financial statements of the Annual Report of DPE. It has been prepared by aggregating the spending authorities of the Minister for Planning/Minister for Planning and Public Spaces for the services of the department and includes that Minister's authority as lead Minister for EPA to expend deemed appropriation money received or recovered by EPA. It reflects the status at the point in time this disclosure statement is being made.

The delegation/sub-delegations for the 2022–23 and 2021–22 financial years, authorising officers of EPA to spend Consolidated Fund money, impose limits on the amounts of individual transactions, but not the overall expenditure of EPA. However, as they relate to expenditure in reliance on a sum appropriated by legislation, the delegation/sub-delegations are subject to the overall authority of DPE to spend monies under relevant legislation. The individual transaction limits have been properly observed. The information in relation to the aggregate expenditure limit from the Appropriations Act and other sources is disclosed in the summary of compliance table included in the financial statements of the Annual Report of DPE.

EPA receives its funding under appropriations from the grant funding received from Department of Planning and Environment, which receives appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriation Bill that is prepared and tabled for that year. The State Budget and related 2023-24 Appropriation Bill was tabled on 19 September 2023. Pursuant to section 4.10 of the GSF Act, the Treasurer has authorised the Minister for Climate Change to spend specified amounts from Consolidated Fund. This authorisation is current from 1 July 2023 until the earlier of 30 September 2023 or enactment of the 2023-24 Appropriation Act.

The Minister for Climate Change, Minister for Energy, Minister for the Environment, Minister for Heritage has delegated their appropriation expenditure functions (including authority to expend pursuant to section 4.10 of the GSF Act) to the Secretary effective 1 July 2023 and the Secretary has subdelegated those appropriation expenditure functions to Departmental Public Service employees effective 1 July 2023.

4. Gain/(loss) on disposal

	Consolidated		Environment Protection Authority	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Intangible asset	(739)	–	(739)	–
Plant and equipment	(5)	(15)	(5)	(15)
Net gain/(loss) on disposal	(744)	(15)	(744)	(15)

5. Other gains/(losses)

	Consolidated		Environment Protection Authority	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Derecognition of right of use assets and lease liabilities with Property NSW*	–	159	–	159
Gain/(loss) on other provisions	–	71	–	71
Net gain/(loss) on disposal	–	230	–	230

* The net gains/(losses) were 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 were from the derecognition of the right-of-use asset and lease liability with PNSW only at 30 June 2022 and are reconciled as below.

	Consolidated Buildings	Environment Protection Authority Buildings
	2022 \$'000	2023 \$'000
right-of-use asset		
Gross carrying value	(8,205)	(8,205)
Less: accumulated depreciation and accumulated impairment provision	1,735	1,735
Net book value	(6,470)	(6,470)
Lease liability	6,629	6,629
Net gains/(losses)	159	159

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 to 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash at bank and on hand	20,269	35,070	20,269	35,070
Closing cash and cash equivalents (as per statement of cash flows)	20,269	35,070	20,269	35,070

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.

	Consolidated		Environment Protection Authority	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash and cash equivalents (as per statement of financial position)	20,269	35,070	20,269	35,070
Closing cash and cash equivalents (as per statement of cash flows)	20,269	35,070	20,269	35,070

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade receivables from contracts with customers	14,790	12,266	14,790	12,266
Less: allowance for expected credit losses*	(7,763)	(7,871)	(7,763)	(7,871)
Accrued income	29,302	23,446	29,302	23,446
GST Receivable	1,713	738	1,713	738
Total receivables	38,042	28,579	38,042	28,579

Details regarding credit risk of trade debtors that are neither past due nor impaired are disclosed in note 24.

	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Allowance for expected credit losses				
*Movement in the allowance for expected credit losses				
Balance at the beginning of the year	7,871	4,441	7,871	4,441
Amounts written off during the year	(53)	–	(53)	–
Amounts recovered during the year	–	–	–	–
Increase/(decrease) in allowance recognised in net results	(55)	3,430	(55)	3,430
Balance at the end of the year	7,763	7,871	7,763	7,871

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.

9. Contract liabilities

Consolidated and parent	2023 \$'000	2022 \$'000
Contract liabilities – current	475	469

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 liabilities relate to consideration received in advance from customers for license 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 2023 was determined by the value and timing of the completion of performance obligations.

	2023 \$'000	2022 \$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	469	340
Transaction price allocated to the remaining performance obligations from contracts with customers	475	469

10. Non-current assets – property, plant and equipment

Consolidated and parent	Buildings funds \$'000	Plant and equipment \$'000	Total \$'000
At 1 July 2021 – fair value			
Gross carrying amount	5,580	4,362	9,942
Accumulated depreciation and impairment	(1,479)	(2,328)	(3,807)
Net carrying amount	4,101	2,034	6,135
Year ended 30 June 2022			
Net carrying amount at start of year	4,101	2,034	6,135
Purchase of assets	–	156	156
Net Revaluation increments less revaluation decrements	282	–	282
Disposals	–	(15)	(15)
Depreciation expense – asset owned	(113)	(409)	(522)
Net carrying amount	4,270	1,766	6,036

	Buildings funds \$'000	Plant and equipment \$'000	Total \$'000
Consolidated and parent			
At 1 July 2022 – fair value			
Gross carrying amount	5,972	4,466	10,438
Accumulated depreciation and impairment	(1,702)	(2,700)	(4,402)
Net carrying amount	4,270	1,766	6,036
Year ended 30 June 2023			
Net carrying amount at start of year	4,270	1,766	6,036
Purchase of assets	–	641	641
Net Revaluation increments less revaluation decrements	1,629	–	1,629
Disposals	–	(5)	(5)
Depreciation expense – asset owned	(159)	(434)	(593)
Net carrying amount	5,740	1,968	7,708
At 30 June 2023 – fair value			
Gross carrying amount	8,200	5,046	13,246
Accumulated depreciation and impairment	(2,460)	(3,078)	(5,538)
Net carrying amount	5,740	1,968	7,708

Further details of the fair value measurements of property, plant and equipment are disclosed in note 13.

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 Australian Accounting Standards.

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.

All material identifiable components of assets are depreciated separately over their useful lives.

The following depreciation rates have been adopted:

- plant and equipment: 6.7–25% (2022: 10–20%)
- buildings: 2% (2022: 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 in 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 “Valuation of Physical non-current Assets at Fair Value”* (TD 21–05). TD 21–05 and TPP 21–09 adopts 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 take 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.

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.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from the carrying value.

A desktop revaluation of buildings was completed by an independent valuer, Australis Asset Advisory Group as at 28 February 2023. The valuer also provided an analysis of indexation movements from 1 March to 30 June 2023. EPA has one building at Lidcombe which is mainly used for science testing and as a storage facility. EPA has adjusted the value of this building to the movement in indexation, an amount of \$390k.

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 residual values, 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 FY2022–23 was nil (FY2021–22: 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 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 had accepted changes in the office accommodation arrangements with Property NSW (PNSW). The main change was the introduction of the “substitution right” clause, that gave PNSW a right to relocate the entity during the term of the agreement. The clause provided PNSW with a substantive substitution right. Therefore, these agreements were not accounted for as a lease within the scope of AASB 16.

The corresponding right-of-use assets and lease liabilities were derecognised on 30 June 2022, the effective date of the new clauses. The net impact of the derecognition were recognised in “Other Gains/ (Losses)” (refer to note 5). From 1 July 2022, the accommodation charges are 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 2023, hence there will be ‘nil’ liability in relation to the amortized balance of incentives received.

(a) Right-of-use assets under leases

The following tables presents 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 2022	–	646	646
Additions	–	106	106
Remeasurement	–	15	15
Depreciation expense	–	(329)	(329)
Balance at 30 June 2023	–	438	438

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)
Balance at 30 June 2022	–	646	646

(b) Lease liabilities

The following table presents liabilities under leases (refer to note 16):

Consolidated and parent	2023 \$'000	2022 \$'000
Balance at 1 July	656	4,566
Additions	106	3,741
Remeasurement	15	–
Interest expenses	20	129
Payments	(349)	(1,151)
Derecognition of lease liabilities	–	(6,629)
Balance at 30 June	448	656

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	2023 \$'000	2022 \$'000
Depreciation expense of right-of-use assets	329	1,078
Interest expense on lease liabilities	20	129
Expense relating to short-term leases	–	101
Gains or Losses arising from derecognising right-of-use assets and lease liabilities with Property NSW	–	(159)
Total amount recognised in the statement of comprehensive income	349	1,149

The EPA had total cash outflows for leases of \$0.35 million in FY2022–23 (FY2021–22: \$1.15 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
- Building 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.

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 asset in prior years. Such reversal is recognised in the net result. The amount assessed for impairment in FY2022–23 is nil (FY2021–22: 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 works in progress \$'000	Total \$'000
At 1 July 2021 – fair value			
Cost (gross carrying amount)	17,470	10,867	28,337
Accumulated amortisation and impairment	(11,893)	–	(11,893)
Net carrying amount	5,577	10,867	16,444
Year ended 30 June 2022			
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)
Net carrying amount	14,278	4,218	18,496
Consolidated and parent			
At 1 July 2022 – fair value			
Cost (gross carrying amount)	28,817	4,218	33,035
Accumulated amortisation and impairment	(14,539)	–	(14,539)
Net carrying amount	14,278	4,218	18,496
Year ended 30 June 2023			
Net carrying amount at start of year	14,278	4,218	18,496
Additions	2,944	1,933	4,877
Disposals	(439)	(300)	(739)
Transfer from work in progress	2,204	(2,204)	–
Amortisation (recognised in 'depreciation and amortisation')	(3,504)	–	(3,504)
Net carrying amount	15,483	3,647	19,130
At 30 June 2023 – fair value			
Cost (gross carrying amount)	31,065	3,647	34,712
Accumulated amortisation and impairment	(15,582)	–	(15,582)
Net carrying amount	15,483	3,647	19,130

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.

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Consolidated and parent 2023				
Property, plant and equipment (note 10)				
Buildings	–	–	5,740	5,740
Total	–	–	5,740	5,740
Consolidated and parent 2022				
Property, plant and equipment (note 10)				
Buildings	–	–	4,270	4,270
Total	–	–	4,270	4,270

There were no transfers between Level 1 or 2 during the current or prior year.

(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. EPA engages independent, qualified valuers with appropriate experience to conduct external valuations.

A comprehensive revaluation of buildings was undertaken by Colliers International Valuation & Advisory Services Pty Ltd as at 31 March 2021. The fair value of the assets is adjusted annually for material movements between comprehensive valuations using indexation rates provided by qualified external valuers. A desktop valuation was completed as at 28 February 2023 with a review of indexation rate movements till 30 June 2023. Australis Asset Advisory Group, an independent valuer was engaged to provide the indexation rates that have been applied to the EPA's building assets.

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

Consolidated and parent 2023	Buildings \$'000	Total recurring Level 3 fair value \$'000
Fair value as at 1 July 2022	4,270	4,270
Revaluations	1,629	1,629
Depreciation	(159)	(159)
Fair value as at 30 June 2022	5,740	5,740

Consolidated and parent	Buildings \$'000	Total recurring Level 3 fair value \$'000
Fair value as at 1 July 2021	4,101	4,101
Revaluations	282	282
Depreciation	(113)	(113)
Fair value as at 30 June 2022	4,270	4,270

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"> • Current construction cost estimates as published in Rawlinson's Handbook • Actual comparable construction costs • Gross floor area and total and remaining useful life 	<p>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. So, 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.</p> <p>Current year cost indices were developed by building type through analysis of industry indices including producer price index, ABS construction material index, wage index, architectural, engineering and technical services index, engineering design and consultation services index, Australian Institute of Quantity Surveyors (AIQS) and Rawlinson's construction indices. Management assessed that the above appropriately reflected the movement in the fair value of building assets.</p>

14. Restricted assets

	Consolidated		Environment Protection Authority	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current				
Contributions	8,782	23,210	8,782	23,210
Total restricted cash	8,782	23,210	8,782	23,210

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Accrued salaries, wages and on-costs	2,868	2,647	–	578
Creditors	37,295	32,274	37,295	32,274
Unearned revenue	1,284	2,131	1,284	2,131
Payable to the EPA Staff Agency	–	–	2,868	2,069
Total current payables	41,447	37,052	41,447	37,052

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current				
Lease liability	243	302	243	302
Total current borrowings	243	302	243	302
Non-Current				
Lease liability	205	354	205	354
Total non-current borrowings	205	354	205	354

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in note 24.

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
1 July 2021	4,566	4,566
Cash flows	(1,151)	(1,151)
New leases	3,741	3,741
Interest expenses	129	129
Derecognition of leases	(6,629)	(6,629)
30 June 2022	656	656
Cash flows	(349)	(349)
New leases	121	121
Interest expenses	20	20
30 June 2023	448	448

17. Current/non-current liabilities – provisions

	Consolidated		Environment Protection Authority	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current				
Restoration costs	18	183	18	183
Employee benefits and related on-costs				
Annual leave	9,097	9,539	–	–
Annual leave on-costs	1,444	1,359	–	–
Long-service leave on-costs*	3,392	3,251	–	–
Payable to the EPA Staff Agency	–	–	13,933	14,149
Total current provisions	13,951	14,332	13,951	14,332
Non-current				
Restoration costs	1,045	314	1,045	314
Storage costs	679	–	679	–
Employee benefits and related on-costs				
Long-service leave on-costs*	336	327	–	–
Payable to the EPA Staff Agency	–	–	336	327
Total non-current provisions	2,060	641	2,060	641
Total provisions	16,011	14,973	16,011	14,973
Aggregate employee benefits and related on-costs				
Provisions – current	13,933	14,149	–	–
Provisions – non-current	336	327	–	–
Accrued salaries, wages and on-costs (Note 15)	2,868	2,647	–	–
Payable to the EPA Staff Agency	–	–	17,137	17,123
	17,137	17,123	17,137	17,123

*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.

Movements in provisions (Other than employee benefits)

Movements in provision for restoration costs during the financial year are set out below:

	Consolidated					
	Restoration costs 2023 \$'000	Storage costs 2023 \$'000	Total 2023 \$'000	Restoration costs 2022 \$'000	Storage costs 2022 \$'000	Total 2022 \$'000
Carrying amount at 1 July	497	–	497	568	–	568
Additional provisions recognised	494	679	1,173	–	–	–
Unwinding/change in the discount rate	72	–	72	(71)	–	(71)
Carrying amount at 30 June	1,063	679	1,742	497	–	497

	Environment Protection Authority					
	Restoration costs 2023 \$'000	Storage costs 2023 \$'000	Total 2023 \$'000	Restoration costs 2023 \$'000	Storage costs 2022 \$'000	Total 2022 \$'000
Carrying amount at 1 July	497	–	497	568	–	568
Additional provisions recognised	494	679	1,173	–	–	–
Unwinding/change in the discount rate	72	–	72	(71)	–	(71)
Carrying amount at 30 June	1,063	679	1,742	497	–	497

Recognition and measurement

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 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.

The superannuation expense for the financial year is determined using the formulae 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 3.79% (2022: 3.50%), 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 10.

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.

19. Commitments

Consolidated and parent	2023 \$'000	2022 \$'000
Capital commitments		
Aggregate capital expenditure for the acquisition of plant and equipment contracted for at balance date and not provided for: Not later than one year	410	175
Total (including GST)	410	175

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 2023, 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 2023 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.

(c) Non-current liabilities

It is probable that the EPA will incur a cash outflow in the storage of items at the EPA's Environmental Science facility (ESF). Refer Note 17 for the Provision related to the ESF.

Contingent assets

The EPA has no contingent assets as at 30 June 2023.

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 \$10.1million loss against the budget of \$0.1 million, a variance of \$9.5 million.

The lower than budgeted net result was due mainly to:

Total expenses being lower than budget by \$169.5 million. The lower total expense was mainly due to lower other operating expenses \$114.5 million which includes underspend of the project to clean up and remove waste for flood effected areas \$96.1 million due to delays in project execution. Grant and Subsidies expense was also lower than budget \$35.2 million due mostly also to the flood clean-up project. Employee related expenses are lower than budget by \$18.2 million resulting from higher vacancies and some delayed recruitment during the year.

Total revenue being lower than budget by \$178.9 million. The reason for the lower total revenue was due mainly to \$182.4 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 areas \$141.1 million and grant funding from NSW Government \$39.4 million.

The EPA did a carry forward of its capital funding of \$11 million during the year for the Regulatory Systems Transformation project. This resulted in an adjusted budget deficit of \$7 million (\$11 million carry forward offset by an amount received from the Office of Environment and Climate Change (OECC) of \$3.8 million).

Net assets: Actual net assets of \$27.2 million against the budget of \$38.7 million – a variance of \$11.5 million.

Net assets are lower than budget mainly due to increased liabilities \$26.0 million arising from a higher level of payables and accruals \$22.1 million due to delayed grants payments and corporate charges. Assets were higher than budget by \$15.2 million as higher receivables \$31.9 million including flood cost recoveries was partially offset by lower cash \$2.4 million and intangible assets \$10.1 million which was impacted by lower than budget capital expenditure during the year.

Cash flow: Closing cash and cash equivalents \$20.3 million against a budget of \$22.7 million, a variance of \$2.4 million.

Total payments were lower than budget by \$160.3 million due to other operating payments \$111.8 million, grants and subsidies \$35.2 million and employee related payments \$13.3 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 \$175.8 million, mainly due to lower grants received \$188.2 million offset in part by higher receipts from sales of goods and services/retained taxes/other receipts \$10.5 million. Net cashflows from investing activities was \$11 million favourable than budget due to the business experiencing lower capital expenditure during the year \$11.2 million.

22. Reconciliation of cash flows from operating activities to net result

	Consolidated		Environment Protection Authority	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Net cash used on operating activities	(9,448)	7,607	(9,448)	7,607
Depreciation and amortisation	(4,426)	(4,246)	(4,426)	(4,246)
Gain/(loss) on disposal of asset	(744)	445	(744)	445
Increase/(decrease) in receivables	9,456	15,785	9,456	15,785
Decrease/(increase) in provisions	(544)	(3,625)	(544)	(3,625)
Decrease/(increase) in creditors	(4,388)	(17,686)	(4,388)	(17,686)
Decrease/(increase) in contract liabilities	(6)	(359)	(6)	(359)
Net result	(10,100)	(2,079)	(10,100)	(2,079)

23. Administered assets, liabilities and income

Consolidated and parent	2023 \$'000	Related 2022 \$'000
Administered assets		
Receivables	123,846	118,151
Allowance for impairment	(50,215)	(29,264)
Cash	1,375	554
Total administered assets	75,006	89,441
Administered liabilities		
Payables	1,375	554
Total administered liabilities	1,375	554
Administered income		
Pollution licences and approvals	35,010	28,819
Waste-related levies and fees	900,329	727,213
Coal wash levy	14,027	2,414
Waste levy rebates	(41,196)	(10,717)
Fines	1,110	1,396
Total administered income	909,280	749,125
Impairment loss	20,951	5,144
Total impairment loss	20,951	5,144

The above receipts were collected by the EPA on behalf of the Crown in right of the State of New South Wales. The receipts relate to the waste levy payable by waste facilities under the *Protection of the Environment Operations Act*. The levy is calculated on a rate per tonne for different types of waste. Waste disposed of is recorded and reported by the waste facility operator and the EPA calculates the levy and invoices the operator. Controls and compliance activities undertaken include independent site audits, review of volumetric surveys, use of anti-illegal dumping activities and covert surveillance are used to monitor the site activities and self-reported data of the waste facility operators.

These items are not included in the EPA's statement of financial position nor the statement of comprehensive income. They are brought to account as revenue in the Treasurer's Public Accounts.

Administered assets and liabilities are reported on the same basis adopted for the recognition of assets and liabilities in the financial statements.

The prior year financial statements disclosed the remittance clearing amount incorrectly as \$741,949 k and has been restated to \$(554) k in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The Remittance Clearing amount has been changed to reflect the the correct value of administered assets, as all waste levy revenue collected on behalf of the Crown is remitted to Treasury NSW on a daily basis and the prior year clearing amount was misstated. .

The adjustments have no impact on the entity's primary financial statements for the 2021–22.

Restated Administered assets, liabilities and income

	Per Audited Financials 2022 \$'000	Prior Year Adjustment 2022 \$'000	Restated 2022 \$'000
Consolidated and parent			
Administered assets			
Receivables	118,151		118,151
Allowance for impairment	(29,264)		(29,264)
Cash	554		554
Remittance clearing	741,949	(741,949)	–
Total administered assets	831,390	(741,949)	89,441
Administered liabilities			
Payables	–	554	554
Total administered liabilities	–	554	554
Administered income			
Pollution licences and approvals	28,819		28,819
Waste-related levies and fees	727,213		727,213
Coal wash levy	2,414		2,414
Waste levy rebates	(10,717)		(10,717)
Fines	1,396		1,396
Total administered income	749,125		749,125
Impairment loss	5,144		5,144
Total impairment loss	5,144		5,144

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 2023 \$'000	Carrying Amount 30 June 2022 \$'000
Class				
Cash and cash equivalents	7	Amortised cost	20,269	35,070
Receivables ¹	8	Receivables (at amortised cost)	36,329	27,841
Financial liabilities				
Class				
Payables ²	15	Financial liabilities at amortised cost	40,163	34,921
Borrowings	16	Financial liabilities at amortised cost	448	656

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.

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

i. 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 and cash equivalents

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) 11am 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 2023 and 30 June 2022 was determined as follows:

Consolidated and Parent 30 June 2023	Current \$'000	<30 days \$'000	30–60 days \$'000	61–90 days \$'000	>91 days \$'000	Total \$'000
Expected credit loss rate	–	–	–	–	96.3%	
Estimated total gross carrying amount	6,453	102	173	1	8,061	14,790
Expected credit loss	–	–	–	–	7,763	7,763

Consolidated and parent 30 June 2022	Current \$'000	<30 days \$'000	30–60 days \$'000	61–90 days \$'000	>91 days \$'000	Total \$'000
Expected credit loss rate	–	–	–	–	97.4%	
Estimated total gross carrying amount	3,882	99	14	192	8,079	12,266
Expected credit loss	–	–	–	–	7,871	7,871

Notes: 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.

ii. 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 for the period to 30 June 2023 was 11.46% (2022: 8.07%). The rate of interest is determined by the Office of State Revenue.

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 ¹	Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1–5 yrs	> 5 yrs
2023								
Payables	N/A	40,163	–	–	40,163	40,163	–	–
Borrowings	4.50%	448	448	–	–	243	205	–
		40,611	448	–	40,163	40,406	205	–
2022								
Payables	N/A	34,921	–	–	34,921	34,921	–	–
Borrowings	2.90%	656	656	–	–	302	354	–
		35,577	656	–	34,921	35,223	354	–

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.

iii. 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

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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 2022. The analysis assumes that all other variables remain constant.

iv. 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	-1% Profit \$'000	Equity \$'000	+1% Profit \$'000	Equity \$'000
2023					
Financial assets					
Cash and cash equivalents	20,269	(203)	(203)	203	203
Receivables	36,329	(363)	(363)	363	363
Financial liabilities					
Payables	40,163	402	402	(402)	(402)
Borrowings	448	4	4	(4)	(4)
2022					
Financial assets					
Cash and cash equivalents	35,070	(351)	(351)	351	351
Receivables	27,841	(278)	(278)	278	278
Financial liabilities					
Payables	34,921	349	349	(349)	(349)
Borrowings	656	7	7	(7)	(7)

(d) Fair value measurement

i. Fair value compared to carrying amount

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. 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.

25. Related party disclosures

The EPA's key management personnel compensation are as follows:

	Consolidated		Environment Protection Authority	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Short-term employee benefits				
Salaries*	3,557	3,279	859	724
Total remuneration	3,557	3,279	859	724

* Excludes payroll tax

During the year, the EPA incurred \$2.5 million (2022: \$2.3 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. As indicated in note 2(d), Local Government grants and subsidies are around \$32.3 million in 2023 (2022: \$38.1 million), NSW Government grants and subsidies are around (\$2.8) million in 2023 (2022: \$18.5 million).

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. Special Deposit Accounts

The EPA has the following four Special Deposit Accounts (SDA's) which are controlled by the EPA. The results of these SDA's are aggregated into the results of the EPA in the financial statements of the EPA.

Name of the Fund	Environment Protection Authority Fund
Purpose of the Fund	The purpose of the SDA is to receive and pay out of the fund monies prescribed under the s 34 of the <i>Protection of the Environment Administration Act 1991</i> (POEA Act). Payment into the funds include any fees with respect to environment protection licences, including fees for applications made for or with respect to those licences and annual licence fees (other than load-based fees), associated interest, and penalties. Payment out of the fund includes monies required by the EPA for the purposes of carrying out the functions of the EPA.
Applicable Legislation	Section 34A of the <i>Protection of the Environment Administration Act 1991</i>

Name of the Fund	Tradeable Emission Schemes Fund
Purpose of the Fund	Payment into the fund includes contributions paid by participants in a tradeable emission scheme. Monies paid out of the fund include costs of management and administration of tradeable emission schemes.
Applicable Legislation	Section 295I, <i>Protection of the Environment Operations Act 1997</i>

Name of the Fund	Green Offsets Fund
Purpose of the Fund	Payment into the fund includes all contributions for green offset schemes paid by the holders of licences. Monies paid out of the fund include the costs of green offset schemes, including management and administration of schemes.
Applicable Legislation	Section 295U, <i>Protection of the Environment Operations Act 1997</i>

Name of the Fund	Environmental Monitoring Fund
Purpose of the Fund	Payment into the fund includes any environmental monitoring levy paid by a licence holder and money advanced by the Treasurer for payment into the Fund. Monies paid out of the fund include the costs of environmental monitoring programs.
Applicable Legislation	Section 295ZA, <i>Protection of the Environment Operations Act 1997</i>

27. Events after the reporting period

The NSW Premier recently announced that the Department of Planning and Environment will become two new departments to better deliver on the Government’s priorities of addressing the energy challenges, climate change, the environment and housing.

From 1 January 2024, the Department of Planning and Environment will be split into two entities:

- The Department of Planning, Housing and Infrastructure; and
- The Department of Climate Change, Energy, the Environment and Water

The EPA will be related to the newly established Department of Climate Change, Energy, the Environment and Water. The EPA expects no changes to its structure nor operations as a result of these Machinery of Government changes.

There are no other known events that would impact on the state of the EPA or have a material impact on 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 Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information of the EPA and the consolidated entity. The consolidated entity comprises the EPA and the entities 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 EPA's 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 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).

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 have fulfilled my other ethical responsibilities in accordance with APES 110.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other Information

The EPA's annual report for the year ended 30 June 2023 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Chief Executive Officer is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the draft annual report.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

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, 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 EPA's ability 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. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the EPA carried out its 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.



Susan Prichard
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

31 October 2023
SYDNEY

Appendices

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Appendix A: Acts administered by the EPA

The following Acts were administered by the EPA from 1 July 2022 to 30 June 2023:

- *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 Work Health and Safety)
- *Environmentally Hazardous Chemicals Act 1985* No. 14
- *Forestry Act 2012* No. 96, Parts 5A and 5B (remainder: Minister for Agriculture)
- *Local Land Services Act 2013* No. 51, Part 11 and Divisions 2 and 3 of Part 12, so far as they relate to private native forestry (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: Minister for Transport, Minister for Roads and 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 or impose a penalty.

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
ACE Demolition & Excavation Pty Ltd	Provide false and misleading information about waste	Convicted/\$300,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine and <i>The Daily Telegraph</i>	LEC
ACE Demolition & Excavation Pty Ltd	Provide false and misleading information about waste	Convicted/\$270,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine and <i>The Daily Telegraph</i>	LEC
ACE Demolition & Excavation Pty Ltd	Provide false and misleading information about waste	Convicted/\$133,650 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine and <i>The Daily Telegraph</i>	LEC

Tier 2 offences

Protection of the Environment Operations Act 1997

Defendant	Charge	Result/Penalty	Court
Abi-Merhi, Anthony	Failure to comply with clean-up notice	Convicted/\$25,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and lawfully remove the imported material within sixteen weeks, providing the EPA with disposal docket, WasteLocate information and a clearance certificate produced by an Occupational Hygienist for the section of the Premises on which the Imported Material was removed. Also ordered to publicise details of the offence in <i>The Western Weekender</i> and <i>Hawkesbury Gazette</i> and pay investigation costs of \$545.	Windsor LC
Abi-Merhi, Anthony	Pollute land	Convicted/\$30,000 Ordered to undertake a restoration order at Catherine Fields premises and pay 50% of the fine as a moiety to the NSW EPA. Also ordered to pay investigation costs of \$20,000	Liverpool LC
Abi-Merhi, Anthony	Pollute land	Convicted/\$40,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and pay investigation costs of \$20,000	Liverpool LC
ACE Demolition & Excavation Pty Ltd	Provide false and misleading information about waste	Convicted/\$240,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine and <i>The Daily Telegraph</i>	LEC
Aussie Skips Recycling Pty Ltd	Carry out a scheduled activity without a licence	Convicted/\$60,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine	Bankstown LC
Beauty 398 Pty Ltd	Failure to comply with clean up notice	Convicted/\$15,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>Liverpool Leader</i>	Liverpool LC
Beauty 398 Pty Ltd	Failure to comply with clean up notice	Convicted/\$15,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>Liverpool Leader</i>	Liverpool LC
Beauty 398 Pty Ltd	Failure to comply with clean up notice	Convicted/\$15,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>Liverpool Leader</i>	Liverpool LC

APPENDICES

Defendant	Charge	Result/Penalty	Court
Beauty 398 Pty Ltd	Failure to comply with clean up notice	Convicted/\$30,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>Liverpool Leader</i> . Also ordered to pay investigation costs of \$1,755.75	Liverpool LC
Cannuli, John Paul	Pollute land	Convicted/\$50,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and pay investigation costs of \$7,867.62	Penrith LC
Cauchi, Luke	Liability of director for offence by corporation	Convicted/\$22,500 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Daily Telegraph</i> , <i>Coffs Coast News of the Area</i> , <i>The Northern Rivers Times</i> and <i>Quarry</i> magazine	LEC
Charlotte Pass Snow Resort Pty Ltd	Pollute waters	Convicted/\$96,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Monaro Post</i> , Facebook, Instagram and the company's website. Also ordered to pay investigation costs of \$46,226.90	LEC
Charlotte Pass Snow Resort Pty Ltd	Breach licence condition	Convicted/\$48,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Monaro Post</i> , Facebook, Instagram and the company's website	LEC
Coffs Harbour City Council	Breach licence condition	Convicted/\$8,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>The Daily Telegraph</i> , <i>News of the Area</i> , <i>Coffs Coast Advocate</i> and the Council's website	Coffs Harbour LC
Coffs Harbour City Council	Breach licence condition	Convicted/\$12,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>The Daily Telegraph</i> , <i>News of the Area</i> , <i>Coffs Coast Advocate</i> and the Council's website	Coffs Harbour LC
Cootamundra-Gundagai Regional Council	Unlawful use of land as a waste facility	Convicted/\$8,500 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>The Daily Advertiser</i> , <i>The Gundagai Independent</i> and <i>Cootamundra Herald</i> . Also ordered to pay investigation costs of \$4,430 and legal costs of \$10,570	Cootamundra LC

Defendant	Charge	Result/Penalty	Court
Crush and Haul Pty Ltd	Carry out a scheduled activity without a licence	Convicted/\$225,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Daily Telegraph</i> , <i>Coffs Coast News of the Area</i> , <i>The Northern Rivers Times</i> and <i>Quarry</i> magazine	LEC
El-Masri, Maher	Provide false and misleading information in response to statutory notice	Convicted/\$30,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>Liverpool City Champion</i> . Also ordered to pay Prosecutor's costs of \$10,000.	Parramatta LC
Eveston, Christopher James	Failure to comply with condition of a notice revoking licence	Convicted/\$37,500 Ordered to pay 50% of the fine as a moiety to the EPA and publicise details of the offence in <i>Goulburn Post</i> . Also ordered to pay investigation costs of \$11,300	LEC
Eveston, Christopher James	Failure to comply with condition of a notice revoking licence	Convicted/\$18,000 Ordered to pay 50% of the fine as a moiety to the EPA and publicise details of the offence in <i>Goulburn Post</i> . Also ordered to pay investigation costs of \$11,300	LEC
Geta Skip Pty Ltd	Failure to comply with clean up notice	Convicted/\$9,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine and <i>Fairfield City Champion</i>	Parramatta LC
*Grafil Pty Ltd	Unlawful use of land as a waste facility	Convicted/\$100,000 Ordered to pay investigation costs of \$46,772	Court of Criminal Appeal
Hardstand Solutions Pty Ltd	Failure to comply with clean-up notice	Convicted/\$7,500 Ordered to pay 50% of the fine as a moiety to the NSW EPA	Parramatta LC
Harte, Ashlee Marie	Failure to comply with clean-up notice	Convicted/\$2,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and provide a waste classification report, remove identified waste and provide documentation demonstrating the lawful use of WasteLocate to track all loads of asbestos removed from the premises. Also, provide a waste removal report which details the removal of all the waste	Parramatta LC
Harte, Ashlee Marie	Failure to comply with clean-up notice	Convicted/\$15,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and provide a waste classification report, remove identified waste and provide documentation demonstrating the lawful use of WasteLocate to track all loads of asbestos removed from the premises. Also, provide a waste removal report, detailing removal of all the waste	Parramatta LC

APPENDICES

Defendant	Charge	Result/Penalty	Court
Harte, Ashlee Marie	Failure to comply with clean-up notice	Convicted/\$2,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and provide a waste classification report, remove identified waste and provide documentation demonstrating the lawful use of WasteLocate to track all loads of asbestos removed from the premises. Also, provide a waste removal report which details the removal of all the waste	Parramatta LC
Harte, Ashlee Marie	Failure to comply with clean-up notice	Convicted/\$2,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and provide a waste classification report, remove identified waste and provide documentation demonstrating the lawful use of WasteLocate to track all loads of asbestos removed from the premises. Also, provide a waste removal report which details the removal of all the waste	Parramatta LC
Harte, Ashlee Marie	Failure to comply with clean-up notice	Convicted/\$2,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and provide Waste Classification Report, remove identified waste and provide documentation demonstrating the lawful use of WasteLocate to track all loads of asbestos removed from the premises. Also, provide Waste Removal Report which details the removal of all the waste	Parramatta LC
Lee, Mitchell Warren	Failure to comply with an investigative requirement under Chapter 7	Convicted/\$3,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and comply with notice for information and records	Parramatta LC
Lee, Mitchell Warren***	Failure to comply with an order	Dismissed	LEC
*MacKenzie, Robert Bruce	Unlawful use of land as a waste facility	s. 10	Court of Criminal Appeal
**McMurray, Phillip Anthony	Unlawful use of land as a waste facility	Permanent Stay	Young LC
Paper Trade Processing (Aust) Pty Ltd	Breach licence condition	Convicted/\$25,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine	Liverpool LC
Paper Trade Processing (Aust) Pty Ltd	Breach licence condition	Convicted/\$25,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine	Liverpool LC

Defendant	Charge	Result/Penalty	Court
Rana, Rizwan	Failure to attend and answer questions	Convicted/\$2,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA	Parramatta LC
Sphere Healthcare Pty Ltd	Pollute waters	Convicted/Ordered to pay \$297,500 to the Environmental Trust for general environmental purposes, publicise details of the offence in <i>Liverpool City Champion</i> and <i>The Sydney Morning Herald</i> and cause a notice to be delivered to residents of various locations in Moorebank. Also ordered to pay investigation costs of \$63,496.63	LEC
Sydney Water Corporation	Pollute waters	Acquitted	LEC
Sydney Water Corporation	Pollute waters	Convicted/\$155,000 Ordered to pay \$45,000 to Fairfield City Council for the purposes of the Carramar Vegetated Swale Project, pay 50% of the fine as a moiety to the NSW EPA and publicise details of the offence in <i>The Daily Telegraph</i> , Facebook, Instagram and Twitter. Also ordered to cause a notice to be delivered to letterboxes of all properties which overlook and/or back onto Prospect Creek at Carramar and Lansvale and ordered to pay investigation costs of \$14,650	LEC
Sydney Water Corporation	Breach licence condition	Acquitted	LEC
The Cobra Group (Aust) Pty Ltd	Breach licence condition	Convicted/\$55,000 Ordered to pay 50% of the fine as a moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine	Mount Druitt LC
Winter, Lisa Jean	Liability of director for offence by corporation	Convicted/\$7,500 Ordered to pay 50% of the fine as a moiety to the NSW EPA	Parramatta LC

* The EPA appealed the sentences imposed on Grafil Pty Ltd and its Director, Robert Mackenzie by the Land and Environment Court in *Environment Protection Authority v Grafil Pty Ltd*; *Environment Protection Authority v Robert McKenzie*. The matter was heard in the NSW Court of Criminal Appeal.

The Court of Criminal Appeal allowed the EPA's appeal against the sentence imposed on Grafil Pty Ltd and re-sentenced Grafil to a fine of \$100,000.00 for the offence.

The Court of Criminal Appeal dismissed the EPA's appeal against the sentencing of Robert Mackenzie. This was because, upon resentencing, the Court of Criminal Appeal came to the same conclusion as the sentencing judge, that is, to dismiss the charge without recording a conviction.

** The EPA has filed a notice of appeal.

*** This case was commenced by the EPA to civilly enforce a breach of the *Protection of the Environment Operations Act 1997*.

Waste Avoidance and Resource Recovery Act 2001

Defendant	Charge	Result/Penalty	Court
***Clarence Valley Metal Recyclers Pty Ltd	Present container to a collection point for a refund where the container has previously been processed by a material recovery facility operator for re-use or recycling	Convicted/\$15,000 Ordered to pay 50% of fine moiety to the NSW EPA and pay investigation costs of \$2,963	Coffs Harbour LC
***Clarence Valley Metal Recyclers Pty Ltd	Present container to a collection point for a refund where the refund amount has previously been paid for	Convicted/\$15,000 Ordered to pay 50% of fine moiety to the NSW EPA	Coffs Harbour LC
***Clarence Valley Metal Recyclers Pty Ltd	Present container to a collection point for a refund where the container has previously been processed by a material recovery facility operator for re-use or recycling	Convicted/\$15,000 Ordered to pay 50% of fine moiety to the NSW EPA	Coffs Harbour LC

***The EPA has filed a notice of appeal

Contaminated Land Management Act 1997

Defendant	Charge	Result/Penalty	Court
Zoya Investments Pty Ltd	Failure to comply with direction or requirement in a management order without reasonable excuse	Convicted/\$320,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in the online magazine and online weekly newsletter of the Australasian Convenience and Petroleum Marketers Association	LEC

Dangerous Goods (road and Rail Transport) Act 2008

Defendant	Charge	Result/Penalty	Court
Xpress Transport Solutions Pty Ltd	Failure to ensure dangerous goods transported in a safe manner	Convicted/\$3,500 Ordered to pay 50% of fine moiety to the NSW EPA	Downing Centre LC
Xpress Transport Solutions Pty Ltd	Failure to ensure dangerous goods transported in a safe manner	Convicted/\$3,500 Ordered to pay 50% of fine moiety to the NSW EPA	Downing Centre LC
Xpress Transport Solutions Pty Ltd	Failure to ensure dangerous goods transported in a safe manner	Convicted/\$4,000 Ordered to pay 50% of fine moiety to the NSW EPA	Downing Centre LC
Xpress Transport Solutions Pty Ltd	Failure to ensure dangerous goods transported in a safe manner	Convicted/\$3,500 Ordered to pay 50% of fine moiety to the NSW EPA	Downing Centre LC
Xpress Transport Solutions Pty Ltd	Failure to ensure dangerous goods transported in a safe manner	Convicted/\$3,500 Ordered to pay 50% of fine moiety to the NSW EPA	Downing Centre LC
Xpress Transport Solutions Pty Ltd	Failure to ensure dangerous goods transported in a safe manner	Convicted/\$3,500 Ordered to pay 50% of fine moiety to the NSW EPA	Downing Centre LC

Appendix C: Enforceable undertakings

Incident	Company	Agreed actions	Amount
<p>24 March 2021 – 25 March 2021</p> <p>A sewage overflow incident occurred from a section of a rising main located in Arnotts Reserve at Allen Street, Homebush. An estimated 3,000,000 to 5,000,000 litres of untreated sewage was discharged into the environment. The discharge impacted Arnotts Reserve, Powells Creek and the Parramatta River.</p> <p>The incident was caused by erosion of the internal concrete pipe lining, leading to internal corrosion of the metal pipe wall.</p> <p>Date of EU: 30 March 2023</p>	Sydney Water Corporation	<p>Monetary contribution towards the delivery of environmental related projects</p> <p>Print media notice in <i>Parramatta Advertiser</i>, <i>The Daily Telegraph</i>, Sydney Water Corporation's Facebook, Instagram and Twitter accounts</p>	\$347,100
<p>17 February 2020, 27 July 2020 and 24 March 2021</p> <p>The rising main situated under Wollongong Golf Club course failed on three separate occasions (due to holes and breakage in the rising main due to external corrosion), causing a discharge of approximately 2,872,000 litres of untreated sewage to flow over the golf course, to an unnamed canal and Gurungaty Waterway.</p> <p>Evidence suggests the rising main had not been maintained in a proper and efficient condition.</p> <p>Date of EU: 23 September 2022</p>	Sydney Water Corporation	<p>Monetary contribution towards the delivery of environment-related projects</p> <p>Print media notice in <i>The Illawarra Mercury</i>, Sydney Water Corporation's Facebook, Instagram and Twitter accounts</p>	\$1,250,000
<p>26 October 2022 – 30 October 2022</p> <p>A partial blockage formed in an oviform-shaped sewer and adjoining maintenance hole at Dawson Street, Naremburn. The blockage caused sewage to back up into, and overflow from, three upstream parts of the reticulation system in Naremburn, including a sewer and adjoining maintenance hole which were under repair, and two emergency relief structures.</p> <p>Date of EU: 14 February 2023</p>	Sydney Water Corporation	<p>Monetary contribution towards the delivery of environment-related projects</p>	\$500,000
<p>11 February and 16 March 2021</p> <p>An inspection conducted by EPA officers found fragments of potential asbestos-containing material across a significant proportion of landfilled areas at the Horsley Park Waste Management Facility including the daily cover layer and intermediate cover layer. Potential asbestos was also observed in the alternative daily cover stockpiles and on roads within the premises.</p> <p>Date of EU: 15 September 2022</p>	Veolia Environmental Services (Australia) Pty Ltd	<p>Monetary contribution towards the delivery of environment-related projects</p> <p>Print media notice in any public document in relation to the incident or the projects which are subject of the enforceable undertaking</p>	\$642,508.32
Total monetary contributions towards environmental works			\$2,739,608.32

Appendix D: Penalty notices

In 2022–23, the EPA issued 2,188 penalty notices. Other State and Local Government agencies issued 3,280 penalty notices. The total value of all penalty notices was \$7,533,740.

Infringement type	EPA		Local Government		Other NSW Government*	
	No.	Penalty	No.	Penalty	No.	Penalty
POEO** Air: Motor vehicle – smoky	–	–	–	–	–	–
POEO Air: Motor vehicle – other air	–	–	–	–	5	\$3,750
POEO Air Pollution: Non-motor vehicle – control of burning	–	–	33	\$20,000	4	\$2,000
POEO Air Pollution: Non-motor vehicle – emission of air impurities or odours from premises	–	–	1	\$4,000	–	–
POEO Noise: Motor vehicle	5	\$1,450	–	–	6	\$1,400
POEO Noise: Non-motor vehicle	–	–	17	\$5,550	110	\$33,500
POEO Littering: Aggravated litter – motor vehicle	2	\$900	403	\$188,100	10	\$4,500
POEO Littering: Aggravated litter – non-motor vehicle	–	–	2	\$900	3	\$1,350
POEO Littering: Motor vehicle	2132	\$572,500	310	\$81,250	50	\$12,500
POEO Littering: Non-motor vehicle	–	–	647	\$109,540	77	\$13,900
POEO Land Pollution and Waste	3	\$37,500	541	\$1,731,500	3	\$8,000
POEO Land Pollution and Waste: Asbestos/hazardous	1	\$15,000	1	\$4,000	–	–
POEO Water: All offences	7	\$105,000	450	\$3,360,000	–	–
Other offences, e.g. contravene licence conditions	27	\$249,300	497	\$772,900	2	\$1,500
Dangerous goods: All offences	8	\$11,700	73	\$95,500	35	\$67,750
Pesticides: All offences	1	\$500	–	–	–	–
Native Vegetation: All offences	1	\$15,000	–	–	–	–
Radiation	1	\$1,500	–	–	–	–
Coal Seam Gas	–	–	–	–	–	–
Total	2,188	\$1,010,350	2975	\$6,373,240	305	\$150,150

Notes

*'Other NSW Government' includes all non-EPA environment-related organisations such as Environment and Heritage, National Parks & Wildlife Service, botanic gardens, and parklands trusts.

**POEO = Protection of the Environment Operations

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 2022–23, the EPA received 86 access applications, 78 of which were initially assessed as being invalid. Of these, 68 subsequently became valid and have been included in the total of 76 valid applications.

Number of access applications refused under Schedule 1: clause 8(c)

During the reporting period, the EPA refused 5 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 14 applications received in the previous reporting year, all were completed in 2022–23.

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	Refused to deal with application	Refuse to confirm/deny if information held	Application withdrawn
Media	1	1	0	0	0	0	0	1
Members of Parliament	0	1	0	0	0	0	0	0
Private sector businesses	21	6	0	4	3	0	0	6
Not-for-profit organisations/ community groups	1	8	1	1	2	0	0	3
Members of the public – application by legal representative	3	0	0	3	0	0	0	1
Members of the public (other)	14	3	0	2	2	0	0	6

Table B: Applications by type of application and outcome

Type of Applicant	Access granted in full	Access granted in part	Access refused	Information not held	Information already available	Refused to deal with application	Refuse to confirm/deny if information held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	1
Access applications – other than personal information applications	40	18	1	10	7	0	0	16
Access applications that are partly personal information applications and partly other	0	1	0	0	0	0	0	0

*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)	11
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	78
Invalid applications that subsequently became valid	67

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	4
Executive Council information	0
Contempt	0
Legal professional privilege	1
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
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

Table E: Other public interest considerations against disclosure

Other public interest considerations against disclosure	Occasions application not successful
Responsible and effective government	12
Law enforcement and security	0
Individual rights, judicial processes and natural justice	5
Business interests of agencies and other persons	8
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate freedom of information legislation	0
Responsible and effective government	12

Table F: Timeliness

Time frame	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	76
Decided after 35 days (by agreement with applicant)	13
Not decided within time frame (deemed refusal)	0
Total	89

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	2	5	7
Review by Information Commissioner*	0	1	1
Internal review following recommendation under section 93 of the Act	0	0	0
Review by NCAT**	0	0	0
Total	2	6	8

* 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	4
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	4

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	2
Applicant-initiated transfers	0

Appendix F: Public interest disclosures

In accordance with clause 4 of the *Public Interest Disclosures Regulation 2011*, information for the EPA for 1 July 2022 to 30 June 2023 is set out below.

Public interest disclosure type	Number
Public interest disclosures made by public officials in performing their day-to-day functions	2
Other public interest disclosures that are made under a statutory or legal obligation	0
All other public interest disclosures	0
Public interest disclosures relating to possible or alleged:	
Corrupt conduct	0
Maladministration	2
Serious and substantial waste of public money	0
Total number of public interest disclosures received	2
Total number of public interest disclosures finalised	0

Appendix G: Cyber security policy attestation

Cyber Security Annual Attestation for the 2022-2023 Financial Year for NSW Environment Protection Authority

I, Tony Chappel, Chief Executive Officer, am of the opinion that the Environment Protection Authority 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.

The Department of Planning and Environment has a Cyber Security Strategy in place to ensure a constant focus on improving and managing cyber security governance, risk, and resilience. Continuous assessment and management of risks to the Department's information and critical systems is accomplished through our cyber security program and routine operational activities.

Throughout the previous financial year, the Department of Planning and Environment has undertaken independent audits of its Information Security Management System, cyber security controls, and compliance with the NSW Cyber Security Policy. These audits uncovered areas of positive progress as well as potential areas for improvement, all in alignment with the dynamic cyber security threat landscape.

The Department of Planning and Environment regularly updates its cyber security incident response plan and conducts annual testing to ensure its effectiveness.

The Department of Planning and Environment's Digital Information Office successfully 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 Certificate Number: IS 645082).

The Department remains committed to bolstering its technology environments and raising awareness among all employees regarding cyber security and privacy risks.



TONY CHAPPEL
Chief Executive Officer
NSW Environment Protection Authority

Date: 12 October 2023

Appendix H: Grants

The EPA offers grants to government, business and the community. These grants support recipients in their efforts to reduce and clean-up waste, combat illegal dumping, increase the capacity for recycling, and educate people about effective ways to help the environment. All waste grant funding comes from recurrent EPA funding unless stated otherwise.

Program payments have been categorised according to whether they have been made to government organisations or non-government organisations. Government organisations include entities such as Local Government, councils, government agencies and departments. Non-government organisations are those that operate independently of government, such as charities, businesses, community groups and not-for-profit organisations.

Bushfire recovery programs

Bushfire recovery programs have continued to address issues relating to green waste, rural fencing waste, illegal dumping and council landfills from the 2019–20 bushfires. Four of our five bushfire recovery programs wrapped up in the last financial year and the Aboriginal Land Bushfire Program, was wrapped up in the previous financial year. These programs were funded through a mix of State and Commonwealth funding.

Program	Govt organisation payment
Bushfire-Generated Green Waste Clean-Up and Processing Program	\$11,534,319
Bushfire Recovery Program for Council Landfills	\$10,145,839
FenceCycle Program	\$265,748
Bushfire Dumping Program	\$352,365
Total	\$22,298,271

Flood recovery programs

Flood recovery programs have helped with the collection and disposal of debris from the storms and floods of March 2021, February–March 2022 and June–July 2022. The program helps councils clean up and ‘make safe’ their community and recreation assets.

Program	Govt organisation payment
Council Community and Recreation Assets Clean-up Program	\$888,314
Total	\$888,314

Business recycling grants

We have several programs that help NSW businesses test and implement commercial and industrial waste solutions that will allow them to avoid, reduce, re-use and recycle waste and transition to a circular economy.

One of these programs is the Bin Trim Networks Program. This is designed to establish or enhance circular economy networks for businesses that have factors in common such as location, supply chain, industry sector or specific waste materials.

Program	Govt organisation payment	Non-govt organisation payment
Bin Trim Networks Program	\$299,820	\$942,795
Bin Trim Grants	–	\$114,479
Circulate Grants	\$39,651	\$412,117
Equipment Rebates	–	\$23,780
Business Innovation Program	–	\$7,000
Total	\$339,471	\$1,500,171

Funding for local councils and voluntary regional waste groups

Local Government programs help councils and voluntary regional waste groups deliver outcomes that relate to the targets and priorities of the *NSW Waste and Sustainable Materials Strategy 2041* and help NSW transition to a circular economy.

Program	Govt organisation payment
Local Government Transition Fund	\$267,000
Local Government Program (regional Coordination Support Program)	\$3,120,590
Local Government Waste Solutions Fund	\$375,535
Total	\$3,763,125

Waste and Recycling Infrastructure Fund

Infrastructure funding is designed to accelerate and stimulate investment in infrastructure to increase the amount of resources recovered in NSW and keep materials within the circular economy.

Program	Govt organisation payment	Non-govt organisation payment
Civil Construction Grants	\$96,565	192,275
Solar Panels and Batteries		\$2,170,493
Circular Plastics Program		\$375,000
Resource Recovery Facility Expansion and Enhancement Program		\$174,000
Product Improvement Program		\$404,338
Total	\$96,565	\$3,316,106

Litter prevention grants

The EPA runs a number of programs aimed at preventing and managing litter. The table below shows the amounts these programs disbursed in 2022–23.

In addition, the NSW Government has opened the *Waste and Sustainable Materials Strategy 2041 (WaSM)* Litter Prevention Grants Program. This will help councils, community groups and other key stakeholders deliver litter prevention projects and develop strategic plans to address litter in their local environments. Up to \$10 million is available through this program from 2022 to 2027.

Program	Govt organisation payment	Non-govt organisation payment
Cigarette Butt Litter Prevention Grants Program	\$875,741	\$866,542
Local Government Litter Grants	\$119,144	–
Cigarette Butt Litter Grants	\$31,436	\$82,680
Litter Management	–	\$58,500
Community Litter Grants	–	\$219,800
Container Deposit Scheme	–	\$342,349
Total	\$1,026,321	\$1,569,871

Illegal dumping

Through a number of programs, the EPA funds councils and public land managers to clean up and prevent illegal dumping and to establish illegal dumping baseline data.

Program	Govt organisation payment	Non gov organisation payment
Illegal Dumping Prevention Program	\$1,958,815	–
Regional Illegal Dumping (rID) squads and programs	\$1,079,044	–
Kerbside dumping projects (for Garage Sale Trail)	–	\$15,000
Combating Illegal Dumping: Clean-up and Prevention Grants	\$56,689	160,457
Education and programs	\$12,688	\$17,000
Charitable recyclers	–	\$35,000
Aboriginal Land Clean-up and Prevention Program	–	\$61,550
Aboriginal Community Waste Management Program*	–	–
Total	\$3,107,236	\$289,007

* Not reported in this financial year due to a net negative balance from a return of grants from the grantee.

Organics funding

The NSW Government's *Waste and Sustainable Materials Strategy 2041* (WaSM) aims to reduce the amount of organics waste in landfill. It also supports the NSW Government's Net Zero Plan Stage 1 goal for net zero emissions from food, garden and textile waste landfilled from 2030.

The WaSM includes a \$65 million allocation to support the transition to source-separation of food and garden organics and \$4 million to increase food donation.

Program	Govt organisation payment	Non-govt organisation payment
Scrap Together Grants	\$77,214	
Go FOGO Grants	\$3,579,006	
Waste Less, Recycle More Food Donation Education Grants		\$6,068
Total	\$3,656,220	\$6,068

Household problem wastes

A wide range of potentially harmful products used in households cannot be disposed of in kerbside bins. This 'problem waste' includes leftover or unwanted cleaners, paints, pool and garden products and hobby chemicals.

Through the Waste Less, Recycle More initiative, NSW householders have two convenient collection systems for safely and easily disposing of household problem waste: Community Recycling Centres and Household Chemical CleanOut events.

Program	Govt organisation payment
Community Recycling Centre Education Program	\$906,095
Household Chemical CleanOut events (regional)	\$60,000
Community Recycling Centre equipment and signage	\$36,272
Total	\$1,002,367

Contaminated land

The contaminated land grants help councils manage land contamination. They build councils' capacity in this area, provide opportunities for landowners in Lake Macquarie to remediate contaminated residential land, and support health services in Broken Hill to identify children affected by lead contamination.

Program	Govt organisation payment	Non-govt organisation payment
Managing Lead Contamination: Lake Macquarie	\$725,400	
Council Regional Capacity Building Program	\$899,393	\$77,000
Asbestos – Aboriginal programs		\$47,880
Asbestos – coordination and clean-ups		\$210,841
Total	\$1,624,793	\$335,721

AWT research and development grants

These grants are to help eligible alternative waste treatment (AWT) owners and operators research and develop end products and markets for general waste that has been processed in eligible AWT facilities. They are intended to accelerate or enhance existing research and development activities and support new ones.

Program	Non-govt organisation payment
AWT Research and Development	\$238,666
Total	\$238,666

Sustainability partnerships

The 2023 Sustainability Partnerships program sought organisational partners that want to act on climate change.

This year we partnered with:

- Civic Futures Lab
- Hunter Joint Organisation
- NSW Government Schools
- Boomerang Labs Limited
- National Association of Charitable Recycling Australia
- The Australasian College for Emergency Medicine.

A total of \$846,324 was paid out in the last year.

Partnerships

We work with partners to develop solutions to complex problems and to deliver better environmental and human health outcomes.

Partnerships bring together diverse expertise, knowledge and audiences. More and more regulators work with partners to develop solutions to complex problems and to deliver better environmental and human health outcomes.

This year we partnered with:

- Civic Futures Lab
- Take 3 Ltd
- Plastic Free Foundation Limited
- NSW Government Schools
- NSW Meals On Wheels
- OzGREEN
- Surfing NSW Inc
- Kindergarten Union Children’s Services.

A total of \$193,113 was paid out in the last year.

Glossary

Aboriginal Peoples Knowledge Group: A group established to ensure that the perspectives of Aboriginal peoples are heard and considered in matters that relate to Aboriginal cultural values, knowledges and science across the agency.

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: A free EPA program that helps NSW businesses maximise their recycling and minimise landfill waste.

Circular economy: Designing, making and selling products in a way that minimises waste, recovers resources for re-use, and reduces products' 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.

Climate-related financial disclosure: A report that outlines the financial risks and opportunities associated with climate change in line with the framework by the Task Force on Climate-related Financial Disclosures. It considers how climate-related factors such as extreme weather events or environmental regulations can impact the organisation's operations, assets and financial performance.

Carbon Neutral Working Group (CNWG): A group of volunteers developing strategies and action plans to reduce the organisation's carbon emissions.

Code: A practical guide (which may be legislated in a regulation) that sets out the requirements for achieving certain standards; for example, in relation to the construction of buildings and infrastructure.

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 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.

Dangerous goods: Dangerous goods are substances and objects that pose acute risks to people, property and the environment due to their chemical or physical characteristics. The EPA (along with SafeWork NSW) regulates the transport of dangerous goods in NSW.

Ecologically sustainable development (ESD): A holistic approach to economic growth and resource management that seeks to meet the present needs of society while ensuring the preservation and enhancement of natural ecosystems for future generations. It emphasises responsible use of resources, reduced environmental impact and ecological balance.

Emerging contaminant: Refers to a substance or compound that has been newly identified or recognised as potentially harmful to the environment or public health. These contaminants may not yet have established regulatory standards or monitoring protocols but are of growing concern due to their potential risks.

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.

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 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.

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, individual or organisation that has been granted legal permission by the EPA to engage in an activity prescribed by legislation.

Modern slavery: Any exploitative practice, such as human trafficking, servitude, forced labour, debt bondage and forced marriage, is a form of modern slavery. These practices are serious crimes under Australian law. The EPA takes all steps reasonable to prevent modern slavery in its procurement supply chain.

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 persist in the environment. Historically, they were used in many products, including firefighting foam.

Plastics ban: The NSW Government has banned several problematic single-use plastic items, with further items to be reviewed. The ban prohibits and restricts production, sale, or use of specific plastic products. In the reporting period we banned a range of items, including plastic bags, straws, cutlery and cups.

POEA Act: The *Protection of the Environment Administration Act 1991* established the EPA. The Act sets out the EPA's objectives, the scope of its powers and responsibilities, and how the agency will be managed.

POEO Act: The *Protection of the Environment Operations Act 1997* is a key piece of environmental protection legislation administered by the EPA that lists the activities that the agency can carry out and the instruments available – such as licensing, audits and legal proceedings – that help us ensure industry is managed safely and polluters can be held to account.

Protection of the Environment

Policy (PEP): The POEO Act enables the Government to develop explicit policies to enhance protection of the environment and adopt more innovative approaches to reducing pollution. PEPs are instruments for setting environmental standards, goals, protocols and guidelines.

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 deposit for the container. This deposit is refunded when the clean and empty container is presented at a return point.

Regulatory priority: A strategic focus area or specific issue that has been identified as particularly significant for regulatory and enforcement activities during the reporting period. The priorities guide the EPA's efforts in allocating resources, implementing policies and ensuring compliance with environmental regulations to address critical environmental challenges.

Resource recovery framework: The policy, regulatory and compliance framework administered by the EPA to facilitate beneficial resource recovery and circular economy outcomes.

Resource recovery: The process of collecting or extracting valuable materials or energy from waste streams for re-use or recycling. It is aimed at minimising waste disposal and reducing environmental impact while maximising the use of resources.

Spray drift: Agricultural chemicals that are sprayed on crops may, under some weather conditions, remain airborne and drift away from the area where they have been applied to adjacent properties or native vegetation.

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.

Strategic Plan 2021–24: This document outlines our five focus areas, and the outcomes to be achieved over the three-year period. These areas are ecologically sustainable development, waste, water quality, legacy and emerging contaminants and climate change.

Waste levy: A weight-based charge on waste disposed of landfill in specified regulated areas of NSW.

Youth Advisory Council: A 12-person group that represents the diversity of young people living in NSW. Members are aged 15–22 years. They meet three times a year to discuss issues and provide advice and recommendations to the EPA on environmental issues, policies and projects that affect young people in NSW.

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