



NSW Environment Protection Authority

# Annual Report 2020–21



Protecting, restoring and enhancing the environment



**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 world class regulation.**

The report summarises our initiatives, activities and performance as measured against the targets set out in our Strategic Plan 2017–21. It highlights the achievements we're proud of and the challenges we faced between 1 July 2020 and 30 June 2021. It also outlines how we are moving towards becoming a world class regulator, guided by our new Strategic Plan 2021–24 and Regulatory Strategy.

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Cover: Xanthorrhoea species, Worimi country, Royal National Park, NSW Myall Lakes National Park. Photo: John Spencer/DPIE

Published by:

**NSW Environment Protection Authority**

4 Parramatta Square  
12 Darcy Street, Parramatta NSW 2150  
Locked Bag 5022, Parramatta NSW 2124

Phone: +61 2 9995 5000 (switchboard)  
Phone: 131 555 (NSW only – environment information and publications requests)  
Fax: +61 2 9995 5999  
TTY users: phone 133 677, then ask for 131 555  
Speak and listen users: phone 1300 555 727, then ask for 131 555

Email: [info@epa.nsw.gov.au](mailto:info@epa.nsw.gov.au)

Website: [www.epa.nsw.gov.au](http://www.epa.nsw.gov.au)

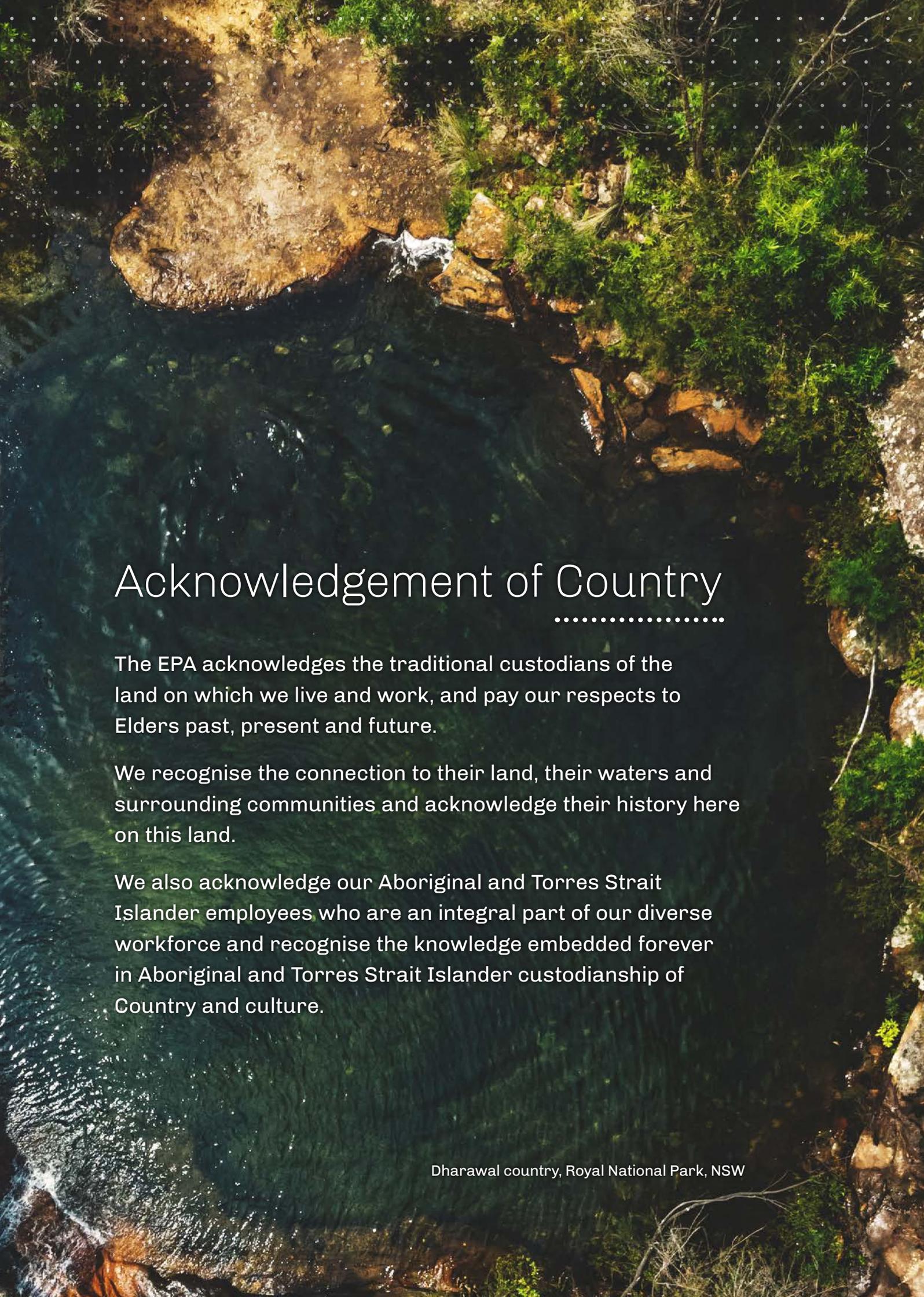
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[info@epa.nsw.gov.au](mailto:info@epa.nsw.gov.au)  
See also [www.epa.nsw.gov.au](http://www.epa.nsw.gov.au)

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An aerial photograph of a rocky stream flowing through a lush green forest. The water is dark and clear, reflecting the surrounding vegetation. The rocks are brown and jagged, creating a natural barrier for the water. The forest is dense with various shades of green, indicating a healthy ecosystem. The overall scene is serene and natural.

# Acknowledgement of Country

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The EPA acknowledges the traditional custodians of the land on which we live and work, and pay our respects to Elders past, present and future.

We recognise the connection to their land, their waters and surrounding communities and acknowledge their history here on this land.

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



## Letter from the CEO

Healthy businesses, communities and environments are at the heart of what we do at the NSW EPA and support our ambition to be a world class regulator. How we work, regulate and respond to environmental events have been challenged throughout 2020–21. The challenges of operating in a COVID-19 environment have strengthened our drive for innovation and excellence and activate all the regulatory tools available to us.

Despite these constraints, we have delivered positive outcomes for the environment, and communities across NSW. Here are some key highlights from 2020–21:

- implementing modern regulatory approaches and systems outlined in the Regulatory Strategy, Digital Transformation Strategy and Data roadmap (page 12, 65, 66)
- securing the future of environmental regulation through a 10-year funding horizon enabling the EPA to look to the future (page 23)
- championing regulatory reform to ensure the protection of human health and the environment. This includes the PFAS ban and Waste and Sustainable Materials Strategy 2041 (page 66)

- leveraging our role in environmental emergency management to be a key partner with other NSW agencies in recovery efforts and clean-up after major environmental events (page 85)
- regularly listening to and learning from our communities through open and honest engagement. These include Aboriginal communities, the Waste Advisory Group, the Local Government Advisory Group and roadshows (page 62)
- focusing on our most important asset, our people, through the delivery of our Workforce Strategy, making sure wellbeing and safety are paramount and embedded in our culture (page 40).

## Looking to the future

This year we have come together as an organisation that is always looking ahead and shaping our role in enhancing and protecting the environment. Our new strategic plan was developed to address some of the key environmental challenges we face in NSW and where we can have the biggest impact.

Over the next three years, we will continue to find evidence and science-based solutions to some of our most formidable challenges including climate change, ecologically sustainable development, water quality, waste, and legacy and emerging contaminants.

We will take a proactive, protective approach to make sure our land, air and water are future-proofed and enhanced for our children and generations to come.

Our core business will remain focused on protecting, restoring and enhancing the quality of the environment in NSW, preventing its degradation and reducing risks to human health. We aim to be a better regulator, always taking a holistic, outcomes-focused approach to how we operate. We will collaborate with universities and industry to continue to plan for, prepare for and respond to climate and pollution emergencies. We will better anticipate what is approaching over the horizon and develop plans and programs to meet these challenges.

Our commitment, as an organisation striving to be a world class regulator, is to bring a learning mindset to what we do and continue to be responsive and adaptive with an outcomes-focused lens to all we do.

I thank all our staff, the community and stakeholders for working with us to protect the community and the environment in NSW for current and future generations.

## Letter of submission

The Hon Matt Kean MP  
Treasurer, and Minister for  
Energy and Environment  
52 Martin Place  
Sydney NSW 2000

Dear Treasurer,

I am pleased to submit the *Annual Report 2020–21* for the NSW Environment Protection Authority.

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

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

Yours sincerely



**Tracy Mackey**  
Chief Executive Officer  
NSW Environment Protection Authority



## Letter from the Chair

I am pleased to present the EPA Annual Report and accompanying Board's regulatory assurance statement for 2020–21. The Board's statement provides an opportunity for the Board to reflect on the EPA's performance and the performance of industry over the financial year.

As the State's primary environmental regulator, the EPA faces complex challenges in reducing risks to human health and preventing environmental degradation. Many of these challenges, such as the effects of climate change, and transitioning towards a circular economy that uses resources more efficiently and generates less waste, have social and economic causes which extend beyond our state and national borders. In taking on these challenges, the Board strongly supports the EPA's shift to becoming a world class regulator, and notes the focus areas identified in the new EPA Strategic Plan 2021 under which the EPA is taking action to be the courageous voice of the environment.

In assessing the performance of the EPA and industry this year, the Board has considered the results of a range of EPA programs and measures and has tracked the EPA's progress towards implementing last year's recommendations from the Board.

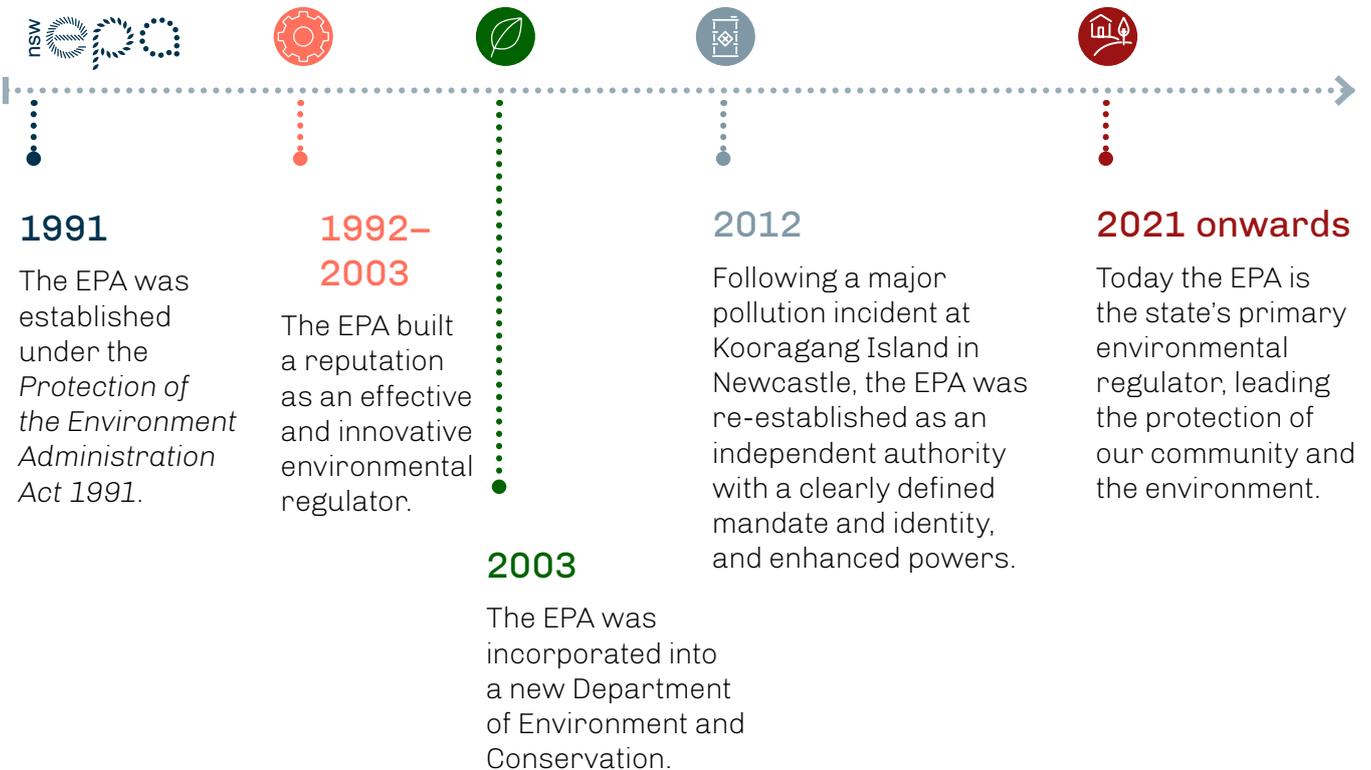
These included progressing the regulatory review, enhancing data capabilities, resetting native forestry regulatory practice, updating prosecution guidelines, increasing the EPA's preparedness for emergencies, and engaging with industry.

One of the key attributes of a world class regulator is a learning mindset. In its assessment, the EPA Board has considered the extent to which the EPA has shared and learnt from the experiences of regulators in other jurisdictions. It has also monitored the EPA's strong progress in engaging with its stakeholders and in forging networks and partnerships to deliver environmental protection outcomes. It is by working with the community, and with industry, that we can achieve the best environmental outcomes for NSW.

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

**Rayne de Gruchy AM PSM**  
Chairperson of the Authority

# About the EPA



## Driving world class regulation

The NSW Environment Protection Authority (EPA) aims to be a world class regulator, shaping positive environmental outcomes to ensure healthy environments and communities in NSW. We are an independent statutory authority, sitting in the portfolio of the Minister for Energy and Environment as part of the Planning, Industry and Environment Cluster.

The EPA works in partnership with business, government and the community to protect human health, reduce pollution and waste, and prevent degradation of the environment.

The EPA is responsible for regulating the environment, using a suite of legislation and tools which establishes a strong basis for environmental regulation that is outcomes-focused, proactive and contains appropriate compliance mechanisms and actions. As a statutory authority with an independent, expertise-based governing Board, the EPA is able to operate effectively to achieve the environmental and human health outcomes we are responsible for.

As a modern world class regulator, the EPA is focused on achieving real-world outcomes for the environment and the community of NSW. This means carefully balancing the priorities of the government, community and business in our regulatory approach and decision-making.



### Building on our strengths

Our core business is focused on protecting, restoring and enhancing the quality of the environment in NSW, reducing risks to human health and preventing degradation of the environment. We will continue to plan for, prepare for and respond to emergencies where human health and the environment are at risk.



### Listening and learning from different voices

We aim to ensure Aboriginal knowledge and perspectives are sought and incorporated into the EPA's work and important environmental issues, by building relationships with communities and working to maintain these relationships for the long term.

We listen to and learn from our communities by taking a place-based approach that considers the specific circumstances of a place, and engaging with local communities to understand complex local factors and share decision-making.



EPA Operations Officer responding to odour reports, Coffs Harbour. Photo: EPA

# Our Vision

Best living on the planet **FOREVER**

# Our Purpose

Healthy environments, economies and communities

# Our Principle

We strive to be a world class regulator



## Learning mindset

We continuously develop to build and maintain trusted expertise in all relevant disciplines and operations



## Outcomes focused

We articulate and are relentlessly accountable for clear outcomes that focus on the effective delivery of public value



## Responsive and adaptive

We proactively listen to, identify and respond to risks with contemporary tools, technology and data to reduce harm



## Purpose and people-centred

We are fundamentally purpose driven and enable a people-centred culture to create a safe and great place to work



## Service oriented

We work collaboratively with community, government, stakeholders and our people to influence and enable outcomes

## Working with stakeholders

Protecting the environment is everyone's responsibility. And by working together, we can be more effective. That's why the EPA works with a variety of stakeholders to reduce impacts on the environment. We are committed to:

- listening to our stakeholders
- creating opportunities for stakeholders to be involved in protecting the environment
- building relationships with our stakeholders through trust and mutual learning.

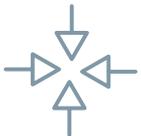
We regularly survey representatives of industry, government, environment groups and the general public. In a survey conducted in 2020, our stakeholders said that:

- the EPA is valued and respected by all groups
- industry stakeholders appreciate their personal relationships with our staff but want greater consistency in regulatory outcomes
- the general community wants greater clarity about the EPA's role.



Local government and local land managers

We partner with local government and local Aboriginal Land Councils to protect the environment and human health, engage with local communities and solve problems.



Clarifying roles and responsibilities

We partner with other regulators to identify and solve environmental problems, lead regulatory practice and reduce regulatory overlap.



Delivering evidence-based advice

We partner with government, research organisations, universities and peak bodies to identify current and future problems and develop the best environmental solutions using the best available science.



Strengthening collective leadership

We work with industry on modern best practice solutions to issues. We work with the regulated community to help deliver better outcomes.



Fostering collaboration

We work with and empower communities to understand the environmental issues affecting them and what they need from us or others to protect and restore the environment.



Technological enablement

We work with interest groups and NGOs to understand and gain important insights about the environmental issues they are concerned about and how these will inform our work.

# Our regulatory approach



Throughout 2020–21, the EPA crafted its first Regulatory Strategy, launching it in July 2021. The new strategy document will improve our regulatory approach and is a vital part of our commitment to becoming a world class regulator.

The strategy is underpinned by our establishing legislation (*the Protection of the Environment Administration Act 1991*). It outlines our purpose and guiding principles for improving the environment and human health, and sets out what can be expected from us, why we regulate and how we do it.

We are committed to continual improvement of our regulatory approach.

We will make changes to improve our services and regulatory processes over time.

We will plan, carry out and then measure the success or otherwise of a change to ensure that it results in a better outcome.

We **influence** people, businesses, government, research and science to make changes for better environmental and human health outcomes. We encourage change and innovation through partnerships and collaboration. We provide incentives for people and businesses to protect, restore and enhance the environment.

We **require** compliance with obligations – under legislation, regulatory instruments, licences, duties, mandatory training and accreditation.

We **monitor** the state of the environment and monitor compliance against legal obligations. We investigate environmental issues and non-compliance.

We use our powers to compel people and businesses to achieve **compliance** with their legal obligations when needed.

We **listen** and actively engage with people to understand the issues affecting them and their ideas for addressing the issues.

We **educate** community, industry and government about environmental and human health issues. We empower the decision making of others to take environmental outcomes into account in their businesses and practices. We provide guidance about how people or industry can meet or exceed their legal obligations.

We **enable** the people of NSW – we inform the community about what we do and how we do it. We assist individuals, businesses, co-regulators and we partner with industry and government to protect, restore and enhance the environment.

We **act** to investigate and solve problems by engaging with the community, partnering with research organisations, industry and government, using our investigation powers, developing policy and programs, using science and research and undertaking regulatory reform.



## CASE STUDY

# Our new regulatory approach in action Remediating Kendall Bay



Jemena's Kendall Bay, Sediment Remediation Project. Photo: Ventia

**The EPA regulated the remediation of Kendall Bay, a bay of the Parramatta River between the Sydney suburbs of Cabarita and Breakfast Point. The bay was contaminated by the former Mortlake Gasworks at Breakfast Point. After the gasworks site was remediated, the EPA turned its attention to sediments in the bay.**

The EPA required the polluter, Jemena Limited (Jemena), to assess both short-term and ongoing toxicity of the sediments through extensive baseline measurements. The EPA also influenced the setting up of site-specific remediation criteria, a process carried out by CSIRO and paid for by Jemena.

The local community called for remediation that:

- did not involve any access or treatment within Cabarita Park (which lies on the eastern side of the bay)
- ensured the preservation of mangroves and sandstone seawalls around the foreshore.

The EPA and Jemena listened. The result was 'bespoke' remediation of these areas that included excavating (by hand) coke and coal from the upper layer of sand and placing clean sand cover in mangrove areas. This satisfied the residents' requests and also improved the beach wading areas.

The EPA negotiated the performance criteria. Through bench and field trials, Jemena was able to show that stabilising contaminated sediments had reduced leachate by the required 90%. An accredited site auditor has reviewed the remediation work, as required by the EPA, and confirmed that it has been successful.

Kendall Bay's existing depth will be preserved, and in-river sheet pile walls and ongoing monitoring will protect the surrounding waters.

## Understanding external factors that affect regulatory activities

The EPA aims to identify changing conditions and emerging issues early and then develop effective regulatory responses as quickly as possible. We examine social and economic trends, opportunities and challenges.

Economic factors – local, national and global – affect the NSW environment by influencing the:

- demand for natural resources
- amount of waste and emissions generated.

Changes in economic activity may alter the environmental performance of households and businesses. The EPA needs to be aware of these changes so we can work more effectively with business and the community to manage emerging environmental issues.

### Economic growth

The impact of the COVID-19 pandemic and the rate at which NSW reopens are likely to dominate economic performance over the next few years.

Measures taken in 2020 and 2021 to suppress the spread of the virus have had a significant impact on the NSW economy (which had already been affected by bushfires and drought in the last few years). While Australia's gross domestic product (GDP) fell by 0.3% in 2020, NSW's gross state product (GSP) fell by 0.7%<sup>1</sup> over the same period. This fall in activity led to an overall improvement in environmental outcomes, most notably in greenhouse gas emissions, air quality and waste production.

### Economic recovery opportunities and impacts

The NSW Government will continue to invest in infrastructure to stimulate economic activity and has a record \$107.2 billion of public works in the pipeline. Investment in infrastructure creates demand for raw materials (sand, rocks, timber and steel), generates industrial waste, and may require land clearing for 'greenfield' developments. Nevertheless, growth-related pressures will be limited in 2021 because GSP is expected to be -0.5%.

Economic growth will recover in 2022, when GSP is expected to be 2.75%<sup>2</sup>.

Overall, the outlook for NSW exports (both goods and services) is positive. Growth in beef production and exports, however, will remain subdued while herds are being rebuilt in the wake of the drought. Pressure for land clearing may be low until NSW's cattle numbers are rebuilt but it will increase if exporters can establish alternative markets and beef prices are strong. Falling global demand for coal may translate into falling demand for NSW coal exports and so reduce land clearing and other environmental impacts related to coal mining.

### Workforce trends

Employment in NSW rebounded when COVID-19 lockdowns ended in the second half of 2020. Despite this, the NSW unemployment rate rose to 6.5% in June 2021. It is expected to fall to 6% in 2022<sup>2</sup>.

After the lockdowns ended, many organisations (including the EPA), adopted flexible working arrangements, which meant fewer staff in the EPA offices at any one time. If these practices continue, demand for office space may fall in the medium term, reducing private investment in construction and hence industrial waste from 'brownfield' development.

1. ABS 2020, 5220.0 Australian National Accounts: State Accounts 2019–20, Bureau of Statistics, Canberra  
[www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-state-accounts/latest-release](http://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-state-accounts/latest-release)

2. NSW Government 2021, Economic outlook, NSW Treasury, Sydney  
[www.treasury.nsw.gov.au/nsw-economy/about-nsw-economy/economic-outlook](http://www.treasury.nsw.gov.au/nsw-economy/about-nsw-economy/economic-outlook)

## Transport

International and domestic border closures to stop the spread of COVID-19 cut Australian air travel by about 90%. Domestic travel only partly recovered between October 2020, when most state and territory borders were open, and July 2021, when many closed again.

Internationally, if COVID-19 is not well controlled, governments may keep borders closed. According to the International Air Travel Association, international travel is unlikely to recover to pre-pandemic levels before 2024. This protracted fall in air travel, plus the reduction in commuter travel and the movement of people between states, reduced NSW's transport-related carbon emissions from the beginning of 2020.

## Waste management

In the short-term, NSW household expenditure is not expected to rebound from current levels until the extent of current lockdown measures are unwound.

Policy changes are shaping our approach to waste management. In 2018, China began to enforce restrictions on the import of waste. In March 2020, the Council of Australian Governments agreed to ban the export of waste plastic, paper, glass and tyres. Joint investments in reprocessing infrastructure will help bridge the gap in capacity to take the waste that NSW used to export, and remanufacture it locally.

In 2021, more than \$24 million in grants was awarded under 'Remanufacture NSW' – a program jointly funded by the Australian and NSW governments. The NSW Government's *Waste and Sustainable Materials Strategy 2040, Stage 1: 2021-2041*, also responds to the challenges of the export ban.

## Our commitments for 2021 and beyond

This year the EPA developed a new guiding document – its **Strategic Plan 2021–24**, which came into effect on 1 July 2021.

Our previous strategic plan was due to be refreshed in 2021, giving us the chance to consider new ways we could adapt and respond to future environmental challenges and embed the principles of world class regulation.

In preparing the plan, our Board and Executive worked with the senior management team and staff to choose the areas to focus on over the next three years. We also gathered significant feedback from meetings with stakeholders that helped inform our future direction.

Our Strategic Plan 2021–24 together with our Regulatory Strategy outlines how we will achieve our ambition to be a world class regulator. The plan describes how we will be stewards of the environment and will use all our regulatory tools to protect and enhance the environment we live in today and in the future.

The EPA has identified five areas of focus for the next three years. See *Our new strategic focus* (pages 18–19) for more details.



# Our new strategic focus



## Ecologically sustainable development

**We champion sustainable approaches to mitigate the cumulative impacts of industry on local communities and environments.**

## Outcomes

- Government and industry decision-making about planning and the environment mitigates against the cumulative impact of environmental degradation.
- Local government is supported to drive sustainability and environmental enhancement through regulation and land use planning.
- Regulatory decisions use a 'place-based approach' and consider as a whole ecosystems such as water catchments, airsheds, ecological communities and climatic regions, and work with industry, our co-regulators and the community in these areas.



## Waste

**We take action to reduce the harmful impact of waste and drive behaviours that create a circular economy.**

## Outcomes

- The harmful impacts of waste are reduced and waste minimised.
- Community and industry actively contribute to a circular economy.
- Resilient systems and robust markets are available to keep waste materials circulating and to de-carbonise the NSW economy.



## Water quality

**We take action to ensure sustainable and safe water for the community, ecosystems and for economic prosperity and to support cleaner waterways.**

## Outcomes

- The supply of safe drinking water for all NSW communities is increased through cleaner waterways.
- Water quality is improved in beaches, rivers, creeks and community water supply dams.

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## Our systems and capabilities to achieve success

### Regulatory strength and innovation

**We are fundamentally changing the way we regulate.**

We are building a regulatory strategy that focuses our regulatory activities and approaches to achieve the best outcomes.

### Smart with data

**Our decisions and actions are informed by data, science and research.**

We are building a data and digital strategy that will invest in horizon scanning, intelligence, scientific analysis and data.



## Legacy and emerging contaminants

**We take action to prevent harm by targeting our efforts on high-risk legacy, current and emerging contaminants.**

### Outcomes

- Our regulatory approach adapts to mitigate risks from identified emerging and legacy contaminants. The EPA is a trusted and influential source of advice for community and business about contaminants.
- Industry is supported to identify hazards, assess the risks, and implement effective controls to protect the environment and the community from contaminants.
- Communities are safe from harmful contaminants.



## Climate change

**We take action to reduce emissions, mitigate climate change impacts and build greater environmental and community resilience aligned with principles in the NSW Net Zero Plan.**

### Outcomes

- The EPA is an active government partner on climate change policy, regulation and innovation.
- Communities and industries are better prepared to respond to extreme weather events.
- Industry contributes to Net Zero objectives and adapts to climate change impacts.
- Consumers are supported to make better choices in response to the causes and impacts of climate change.
- Government decision-making about planning and the environment mitigates against the risks and impacts of climate change.

## Powered by people

**Our people are our greatest asset.**

We are building a workforce strategy to develop, attract and retain the right staff with the right skills.

## Influencing for positive outcomes

**We influence by building and sustaining networks, coalitions and partnerships.**

We are building customer service partnerships and engagement initiatives that create value and enhance our capability to solve environmental problems.

# Our performance at a glance 2020–21

The EPA is committed to the NSW State Outcome which is to *connect communities to resilient and sustainable energy and local environments*. To do this, we have developed a new regulatory approach to shift our focus from not only managing harm when it occurs, to looking at better ways to prevent harm or reduce risks to the environment or human health in the future.

The EPA has a balanced regulatory approach with a number of elements. We consider these elements as a whole and individually. We may use one or more of these elements at the same time, in any combination or in any series (depending on the individual circumstances or the type of environmental issue). We use a fit-for-purpose approach.



## Environment

We continued to lead in protecting air, waterways, land and the health of the community for the future



## Protection

We worked with communities, government and business to reduce the impacts on the environment



## Authority

We held people and organisations accountable through licensing, monitoring, regulation and enforcement



## Listen

We engaged with 170 licensees and over 80 councils through genuine in-person conversations at our state wide roadshow forums (page 62)



## Educate

We informed the waste industry and local councils of changes to operations after the bushfires and during the COVID-19 pandemic, with targeted communications and programs (page 87)



## Enable

We made it possible for the community to improve their waste and recycling through over \$33 million in grant funding for programs and projects such as Bin Trim (page 90)



## Act

We led a multi-agency response in the NSW flood recovery to manage the clean-up of over 1,000 km of shorelines and support affected communities (page 85)



## Enforce

We undertook 66 prosecutions for pollution offences resulting in 53 convictions, tackling issues such as illegal dumping, littering and contaminated sites (page 106)



## Monitor

We installed air monitoring devices at a Sydney landfill that was found to have odours affecting the community, and published the data on our website (page 98)



## Require

We focused on forestry regulation and increased our presence on the ground, and conducted 120 inspections which resulted in commencing ten prosecutions (page 88)



## Influence

We continued to drive behaviour change through our Don't be a tosser campaign which has reached 88% of the population and contributed to a 43% reduction in litter volume in NSW since its launch (page 104)



## Respond

We adopted new intelligent state-of-the-art digital systems, software and technology to support timely responses to incidents (page 101)

## Our challenges

- COVID-19 placed major constraints on how we operated as an organisation. It disrupted our internal processes and the way we delivered programs and impacted on how we engaged with our stakeholders. With most staff working from home, it also meant many staff events had to be conducted virtually, which reduced networking opportunities.
- Extreme rainfall on the east coast of Australia in March 2021 led to widespread flooding in NSW, affecting regions from the North Coast to the Sydney metropolitan area in the south. The EPA responded by quickly assessing risks and providing an emergency response to communities and impacted ecosystems. This was on top of our ongoing response to the 2019–20 bushfires from the previous year.
- Catastrophic weather events and the COVID-19 pandemic meant that we needed to adapt the way we regulate, be flexible and change our regulatory practices in response to these challenges (e.g. changing inspection regimes or reporting deadlines or providing new guidance and processes); while still ensuring we were engaging the community and regulated community, using data, intelligence and insights to inform our decision making and retaining regulatory oversight.
- As the State's primary environmental regulator, we continue to work with complex issues that span local, state and national boundaries. This provides challenges and opportunities to collaborate with multiple stakeholders with competing interests, while protecting human health, stopping the degradation of the environment, ensuring sustainable development, and reducing pollution and waste.



View of a tree canopy. Photo: Brent Mail Photography/EPA

# Financial summary

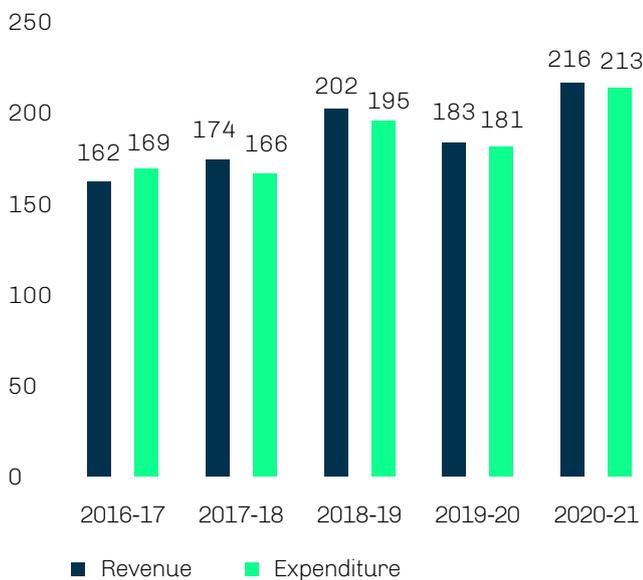
In 2020–21, the EPA maintained its sound financial position while responding to the challenges that came from changes within the business and the operating environments.

The independent audit report confirms that the EPA financial statements provide a true and fair view of the organisation’s financial position and are compliant with reporting requirements. EPA income and expenditure increased in 2020–21.

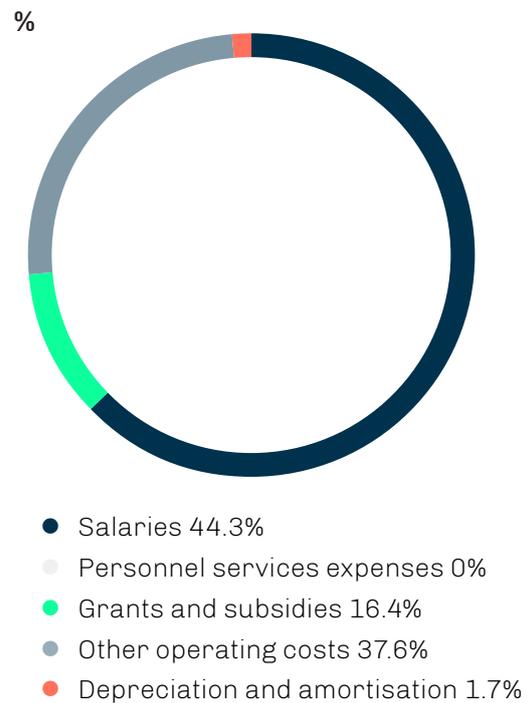


The Regulatory Operations Metro team working on the surveillance of NSW flood response. Photo: EPA

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



## Our expenditure





## CFO statement

**The last financial year the EPA broadened its activities to respond to new issues within the community. Responsible financial management was a key consideration throughout the business.**

We have delivered an operating result of \$3.2 million. Total expenses of \$212.7 million increased from last year by \$32.0 million. Principally, this was driven by increased activity in the flood and bushfire clean-up programs and remediation of contaminated sites.

Total revenue of \$216 million is an increase from last year by \$33.2 million, due mainly to an increase in grants and contributions.

Our cash position is strong at \$33.4 million, which is \$5.8 million higher than last year. Our net assets are \$37.5 million higher than last year's figure of \$34.2 million. These are the indications of a solid, stable position for the business.

Additionally, in June 2020, the NSW Treasurer announced that the EPA had secured significant funding as part of the Waste and Environment Levy Envelope funding for the next 10 years. This allows us to continue our work of becoming a world class regulator and acknowledges the critical role and work of the EPA. It is especially significant given the adverse impacts of the COVID-19 pandemic to government finances.

COVID-19 presented obstacles to business that needed flexibility and adaption in the way we operate. We are well placed to continue to address the challenges that exist in the year ahead.

A handwritten signature in black ink that reads "Mary Perera". The signature is written in a cursive, flowing style.

**Mary Perera**  
Chief Financial Officer, EPA

Our financial overview and financial statements can be found on the Our finances chapter from page 112 of this report.



 The Board's  
 statement



# The Board's statement

## What is the Board's statement?

The Board is an independent, expertise-based governing body that oversees and monitors the functions of the EPA.

Each year the Board provides the Minister with a statement that addresses:

- (a) an assessment of the EPA's success in reducing risks to human health and preventing environmental degradation, and of whether the level of environment protection achieved by the EPA is satisfactory compared to other Australian jurisdictions
- (b) an assessment of the performance of industries regulated by the EPA in reducing risks to human health and preventing environmental degradation, and of the impact those industries have on the environment
- (c) recommendations for improving the EPA's performance and the performance of industries regulated by the EPA as they relate to (a) and (b)
- (d) any other matters the regulations prescribe.

This statement covers items (a), (b) and (c) in more detail. The Board has not identified any matters under item (d) in this year's assessment.

## a. The EPA's performance and success

**Each year the Board considers how the EPA has reduced risks to human health and prevented environmental degradation.**

### Performance assessment summary

The Board regularly monitors the EPA's performance and publicly reports the outcomes in the annual report, on the EPA website and to Parliament. The Board supports the EPA's shift towards becoming a world class regulator. This helps the EPA further reduce risks to human health and prevent environmental degradation.

The Board acknowledges the EPA has progressed significant corporate initiatives to support these objectives. The *EPA Strategic Plan 2021–24*, delivered in July 2021, commits to the key attributes of world class regulation:

- learning mindset
- outcomes-focused
- responsive and adaptive
- purpose and people-centred
- service-oriented.

The EPA Executive has worked with the Board to make climate change a focus for 2021–24, along with ecologically sustainable development, waste, legacy and emerging contaminants and water quality.

Key corporate initiatives include the EPA's *Workforce Strategy*, which considers capability and future-building, a revised *Risk Framework*, which is regularly audited by the EPA Audit and Risk Committee, and the EPA's significant *Digital Transformation Strategy*.

# The Board's statement

The EPA's regulatory efforts have delivered positive impacts and tangible outcomes in the financial year to June 2021. These include how well it has responded to health and environmental incidents, consulted with industry and local government, and taken a lead in responding to environmental issues following natural disasters.

Examples include:

- protecting communities, waterways and the aquatic environment from pollution following severe storms and flooding in March 2021
- enhancing native timber forest protection, with a significant focus on recovery after the 2019–20 bushfires

- helping communities directly by reducing the risks from legacy contamination from past industrial activities, such as lead and asbestos
- managing programs and incentives to reduce the harmful impacts of waste, fight littering and waste crimes, and support a circular economy.

This statement also provides an overview of the EPA's performance compared to regulators in other Australian jurisdictions. Section B provides examples of EPA programs aimed at regulating key industry sectors to reduce risks to human health and prevent environmental degradation.



Near Bellingen, NSW. Photo: iStock

# The Board's statement

## The EPA's progress since 2019–20

In its previous statement in 2019–20, the Board made several recommendations to improve both the EPA's performance and that of the industries it regulates. The Board reports good progress on these recommendations.

	Commencement	Under way	Established	Delivered
Progress on the Board's previous recommendations from <i>EPA Board Regulatory Assurance Statement 2019–20</i>	Program is under development	Program has commenced and is working towards outcomes	Program is achieving results	Program sees results towards achieving environmental outcomes

### Regulatory review

Establish an approach to formally review and compare initiatives, systems and approaches taken by environmental regulators in other jurisdictions that could improve the EPA's regulatory performance.



Striving to become a world class regulator



- The EPA has consulted broadly across its environmental and regulatory networks, other EPAs (including Victoria, South Australia and the USA) and other national and international organisations, to continually improve its services, boost its regulatory effectiveness and be consistent.
- The *Audit and Risk Committee Charter* and the *EPA Internal Audit Charter* are reviewed annually. Audit and assurance recommendations are recorded and shared with internal stakeholders. Implementing the recommendations is monitored and reported quarterly.
- The *EPA Strategic Plan 2021–24* has the EPA setting new metrics in its first year towards measuring the achievement of environmental outcomes for NSW. The plan will be further supported by the EPA's *Regulatory Strategy*. The EPA will also explore how feasible it is to set common benchmarks for environmental regulation in Australia or globally.
- The EPA reports its performance quarterly under the NSW Treasury and government reporting frameworks.

### Data and strategy

Continue to improve the application and use of data collected by the EPA for trend analysis, development of priorities and risk-based compliance campaigns by progressing its Regulatory Strategy and Digital Transformation Strategy.



Learning mindset



The EPA's *Digital Transformation Strategy 2021–24*, data strategy, draft approaches to science and science partnership services promote adoption of intelligent, efficient and effective digital tools.

In 2020–21 the way data is applied and used were improved by:

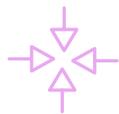
- using the EPA's new Environment Protection Incident and Cases (EPIC) management system, which allows the EPA to track investigations and inspections from beginning to end
- undertaking intelligence work to understand emerging issues, trends, risks and opportunities. This information aids policy development, improves compliance approaches to regulatory challenges and supports environmental crime investigations.

# The Board's statement

	Commencement	Under way	Established	Delivered
Progress on the Board's previous recommendations from <i>EPA Board Regulatory Assurance Statement 2019–20</i>	Program is under development	Program has commenced and is working towards outcomes	Program is achieving results	Program sees results towards achieving environmental outcomes

## Regulatory action

Take regulatory action (including prosecutions) when appropriate and apply the proposed update to public interest considerations in the *EPA Prosecution Guidelines*.

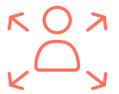


Responsive and adaptive

- The EPA continues to take appropriate regulatory action against breaches of the environment protection legislation it administers. This includes commencing prosecutions in court.
- The *EPA Prosecution Guidelines* were updated in 2020, adding extra factors to determine if a prosecution is required in the public interest. In 2020–21, the EPA commenced more than 100 prosecutions, completing 66 (more detail can be found in the *EPA Annual Report 2020–21*).

## Forestry reset

Support the reset of forestry regulatory practice, including actions to improve regulatory consistency and coherence for stakeholder engagement, and enhance regulatory capacity, oversight, technology use and education.



Outcomes focused

In 2020–21 the EPA created two additional teams to enhance its regulatory capacity across regional NSW, with increased focus on native forestry compliance, noting that non-compliance with native forestry regulations was a persistent issue that placed considerable demand on the EPA's resources.

- The EPA has created an automated risk-assessment tool for Crown native forestry areas to ensure high-risk operations were swiftly identified and inspected.
- Incorporating the Forestry Operations View into forestry regulatory practice has enabled a better intelligence-based vision.
- Focusing resources has helped the EPA account for native forestry operations against strict licensing approvals. Substantial reforms followed a health-check of native forestry operations and the results include improved governance, risk and stakeholder processes.
- The EPA has developed a forestry stakeholder strategy guide to lead effective communication about forestry operations on public land. Workshops with community stakeholders interested in forestry allowed the EPA to explain its role in forestry regulation, seek views and listen to concerns. The EPA also consulted with stakeholders on improvements to how the EPA receives and shares information about forestry regulation.
- Significant information on the EPA's regulatory decision-making is now publicly available through its website and other media.

# The Board's statement

	Commencement	Under way	Established	Delivered
Progress on the Board's previous recommendations from <i>EPA Board Regulatory Assurance Statement 2019–20</i>	Program is under development	Program has commenced and is working towards outcomes	Program is achieving results	Program sees results towards achieving environmental outcomes

## Emergency preparedness

Advise all environment protection licensees to consider the impacts of natural disasters in their pollution incident response management plans.



Purpose and people-centred



The EPA provides critical information and early warnings to prepare for emergencies, including storms and floods.

- During the 2019–20 bushfires, the EPA dispatched alerts to licensees to assist with their preparedness and contacted any who were managing premises in the fire paths, an approach well received by licensees.
- A new alert issued in November 2020 assisted emergency preparedness for the La Niña weather pattern forecast by the Bureau of Meteorology. This included advice from the bureau and the NSW Rural Fire Service about the increased risks of flooding and grassfires associated with a La Niña event. After the La Niña forecast, licensees were alerted to be ready to activate their pollution incident response management plans. The alerts gave specific advice about managing dam capacity and made sure any licensees undertaking high-risk activities had appropriate monitoring and controls to minimise potential impacts.
- During the COVID-19 pandemic, an EPA campaign helped licensees and councils manage their operations. This included supporting and communicating with the waste sector and negotiating with government so the waste industry could continue operating essential services.

## Industry participation

Encourage industry through targeted awareness and education programs aimed at industry sectors



Service oriented



The EPA consulted extensively with industry stakeholders and increased its engagement with them in response to its Stakeholder Survey findings.

In 2020–21 it took actions that included establishing:

- roadshows with forums for councils and licensees at 12 different locations around the state, with more planned to include community and peak interest bodies
- a local government advisory group and a waste advisory group to inform and consult with councils and the waste sector on key and emerging issues, including the EPA's regulatory work and support
- education and consultation sessions for industry on key regulatory matters, which involved developing guides to make licensees more aware of their responsibilities in environment protection and what they can expect from the EPA
- a customer service strategy and new compost training resources that continually address technology, regulations and requirements for organics processing
- an online program, Your Business is Food, to help businesses reduce food waste under the Love Food Hate Waste program. Further resources for the aged-care sector will be published online by December 2021.

# The Board's statement

## Comparing the EPA's performance to that of regulators in other jurisdictions

### International approaches to agile regulation

The EPA participated in a World Economic Forum project, collaborating with other regulators to find new ways of adapting to the fast pace of technological and digital change. It undertook a self-assessment using the forum's characteristics of an agile regulator and collaborated with other international regulators to talk through shared challenges.

The EPA aligned with its peer regulators in having shared strengths of being proportionate, fair, open and outcomes-focused. It showed potential improvement in the areas of coordination, responsiveness, proactiveness and being experimental.

The EPA and its peer agencies identified opportunities for growth through innovation and international collaboration.

The forum's findings shaped the context for the EPA's new strategic plan. They further enhanced a commitment to innovation and partnerships to respond to environmental challenges. This is reflected in the *EPA Strategic Plan 2021–24*.

### Jurisdictional networks and communities of practice

The EPA's connection with other agencies helps it share knowledge with these agencies and learn from them. This now forms a continual improvement process, and is fundamental in working towards world class regulation. The Board is satisfied the level of environment protection achieved by the EPA compares favourably with that in other Australian jurisdictions.

It is also keen for the EPA to strive towards leading the work in climate change, as set out in its strategic plan.



As a member of the Heads of Australian and New Zealand EPAs (HEPA), the EPA works with environmental regulators across jurisdictions to prevent harm, influence policy and practice, share scientific expertise and drive strategic interventions in environmental issues. Participation by the NSW EPA Chair and CEO in HEPA allows the Board to keep up-to-date with the regulatory approaches taken by environmental regulators across Australia. It allows EPA staff to work with their counterparts in other agencies to improve environmental regulation.



The Australian and New Zealand School of Government's National Regulators Community of Practice is an active network of public sector regulators who are keen to learn from each other. They come from all levels of government in Australia and Aotearoa–New Zealand and are from every regulatory sector, professional background, role and level of seniority. The EPA's membership supports a learning mindset, building capabilities and connections.



Many EPA staff participate in the professional network for environmental regulators across Australasia, the Australasian Environmental Law Enforcement and Regulator's network (AELERT), partnering with jurisdictional regulators to collaborate, and share ideas and learnings.

# The Board's statement

## b. EPA-regulated industry performance

**The Board assesses EPA programs aimed at regulating and assessing the performance of key industry sectors to reduce risks to human health and prevent environmental degradation.**

The EPA is fundamentally changing its approach to regulation by developing and implementing the *EPA Strategic Plan 2021–24* and *EPA Regulatory Strategy 2021–24*. It selects optimal regulatory approaches to achieve the best outcomes for human health and the environment. This is achieved by applying a suite of tools and legislation as the basis for strong environmental regulation that is proactive, bold, fair and appropriate. It includes licensing and working with industries that have the potential to harm the environment, and regulating industry sectors according to levels of actual or potential risk.

For this assessment, the Board focused on particular industry sectors and their performance, and how the EPA is responding.

- For the gas sector, the EPA progressed the last outstanding recommendation of the *NSW Chief Scientist and Engineer's Independent Review of Coal Seam Gas Activities in NSW*, which relates to recovering the cost of regulating and supporting the coal seam gas industry.
- The EPA's outcomes for the waste sector are being reframed under a waste sector delivery plan. In 2020–21 a key community and regulatory focus was responding to notable odour events associated with licensed waste facilities.

- The EPA revised the *NSW Energy from Waste Policy Statement* to ensure NSW has air quality standards that meet and exceed world's best practice for this industry. The standards ensure that wherever energy-from-waste facilities operate in NSW there are strict controls in place to protect air quality and community health.
- Along with air quality, a high proportion of environmental reports received by the EPA in 2020–21 were about water quality (see Figure 1). The EPA regulates water discharges through environment protection licences and has been including additional conditions and programs for improving water quality.

### Environmental issues and community concern

The EPA responds to reports of environmental issues, incidents and concerns. When a report is received, such as for an air, noise, water or waste issue, the EPA may investigate, inspect, take photos and samples, and collect records. It may work with councils and other agencies. In some cases, it takes other regulatory action. Figure 1 shows the types of reports of environmental issues the NSW community is concerned about.

# The Board's statement

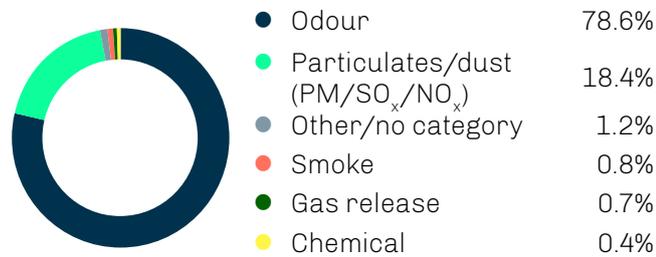
**Figure 1. Reports to the EPA by type, 2020–21**

Incident type	No. of reports*
Air	3,357
Water	3,300
Noise and vibration	1,327
Waste dumping	909
Land	530

**Breakdown of noise and vibration reports**



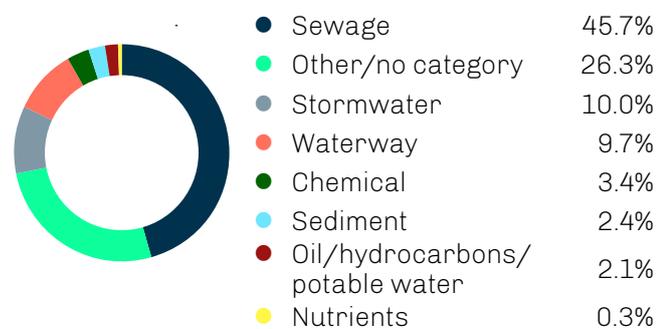
**Breakdown of air reports**



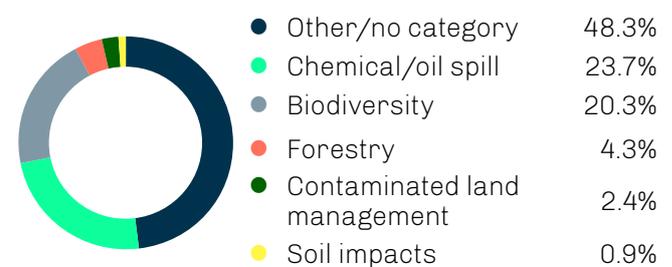
**Breakdown of waste dumping reports**



**Breakdown of water reports**



**Breakdown of land reports**



\* The total number of incidents by type includes reports counted in more than one category. For example, a report counted in sewage/water may also be counted in odour/air.



# The Board's statement

## Outcomes of EPA programs regulating and assessing the performance of key industry sectors

Title	Measure	2018–19	2019–20	2020–21	Status
Licence conditions	99% of environment protection licence conditions complied with (calendar year)	99.3%	99.3%	99.2%	✓
Pollution incident response management plans	100% of environment protection licensees have a pollution incident response management plan	100%	100%	99.5%	✓
Licences risk-assessed	100% of licences are risk-assessed (includes licences with an assessment due by end of financial year)	99.9%	89%	99.6%	✓
High-risk licences inspected twice	100% of high-risk licences inspected every six months*	95.9%	88.7%	98%	✓
Environmental improvement programs	Number and value of voluntary environmental improvement programs	13 \$9.6m	10 \$16.6m	2 \$30.0m	✓
Forestry	95% of high-risk native forestry operations are assessed for compliance	98%	100%	90.9%	●
Gas	90% of licensed premises in priority sectors, such as gas and waste (excluding landfills) have secure funding for environmental liabilities in place <sup>◊</sup>	47%	49%	49%	●
Contaminated sites	100% of new significantly contaminated land declarations have had a stakeholder communications evaluation	–	100%	100%	✓
	100% of sites declared to be significantly contaminated land that have regulatory instruments, in place or under preparation, to manage the contamination	–	95%	87%	●
	95% of terms and conditions of approved voluntary management proposals complied with (these are proposals for voluntary site management of significantly contaminated land)	98%	83%	79%	●

**Key:** ✓ achieved or on track ● monitor

\* 2016–17 was the first year of risk-based licensing reporting. The frequency of inspections measure was revised in 2018–19.

– Measure not reported in annual report period.

◊ The EPA is developing policy frameworks to guide its management of financial risks from environmental liabilities.

# The Board's statement

## c. The Board's recommendations

The Board makes recommendations to help improve the EPA's performance and the performance of EPA-regulated industries

### New recommendations for the EPA

The Board looks forward to supporting the EPA with the implementation of the *EPA Strategic Plan 2021–24* in continuing to drive towards being a world class regulator. The Board recommends:

- **Stakeholder engagement strategy:** the stakeholder engagement strategy be updated to build on progress from the EPA roadshows and other proactive engagement activities.
- **Technology, data and science:** the EPA reconsiders its science strategy as this presents an opportunity for the EPA to further support a world class regulator culture by integrating technology, data and science across the organisation.
- **Measures:** as part of developing new measures for the Strategic Plan, the EPA benchmarks against global and Australian environmental regulators and aligns its horizon scanning and data processes to identifying trends and challenges.
- **Transparency:** the EPA build on its commitment to providing up-to-date and relevant information to its stakeholders, with increased transparency around the strategic and regulatory initiatives it is progressing, including reporting on strategic risks and treatments.

### The Board's recommendations for industry

Under the EPA's *Strategic Plan 2021–24*, the Board is keen to see industry being proactive in driving better environmental performance individually, as an industry or as a partner of the EPA, for businesses large and small. It includes the key focus areas: water, climate change, ecologically sustainable development, contaminants and waste.

For 2021–22, the Board's recommendations for industry are:

- **Partner** with the EPA, community and other agencies to actively support greenhouse-gas emission reductions, to plan for managing and adapting to climate-change risks and to innovate around markets for recyclables.
- **Embrace** strong levels of governance, and leave no room for enterprises flouting compliance requirements.
- **Engage** with the EPA to streamline regulatory frameworks that apply to the sector, while preserving the intent of the regulation to reduce the regulatory impact.
- **Actively work** with the EPA to develop industry profiles that illustrate the performance of industry in mitigating risks or harm to the environment and human health, and to take steps to increase emergency preparedness.



# Our people



# Our people

## Our values



Be collegiate.  
Be collaborative.



Be creative.  
Be curious.



Be decisive.  
Be bold.



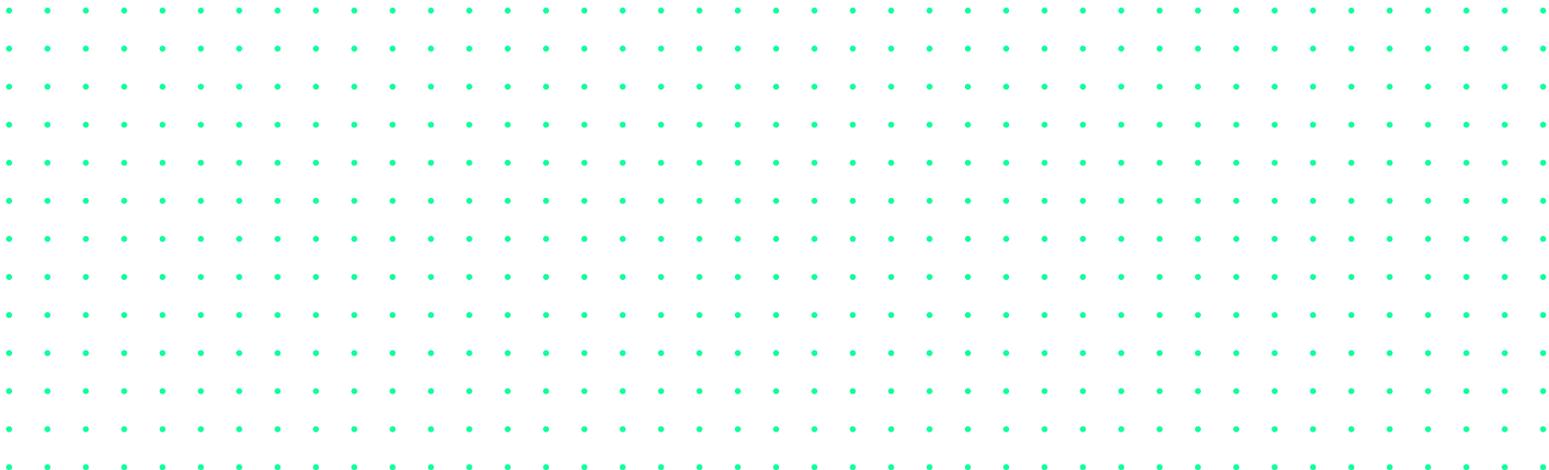
Be inclusive.  
Be respectful.



Be kind.



Deliver  
results.





NSW EPA

Planning & Environment  
Phone: 9111 1022, 9999 5000

# Our people

## Staff profile

Purpose and people are at the heart of everything we do. Why? Because to be a world class regulator, we must have a people-centred culture that puts safety first and makes the EPA a great place to work.

The EPA is led by a Senior Leadership Team with many years' experience in the protection of the environment, regulation, policy development and related fields.

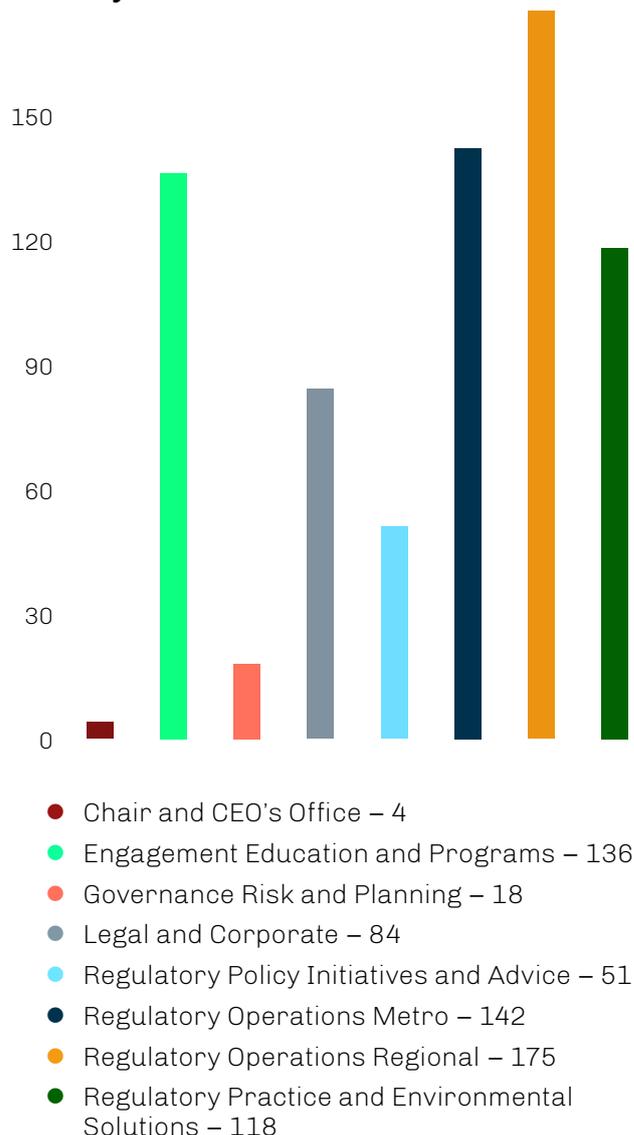
Our staff work in many areas, from regulatory functions (such as engagement and education, licensing, inspections, audits and investigations) to policy and program development, management of grant programs, and legal services. Highly skilled and dedicated, they uphold our organisational values and contribute to a healthy environment. The EPA works to support their wellbeing.

In 2020–21, the EPA:

- invested significantly in staff development programs – technical programs, wellbeing programs, and professional and leadership development
- continued to support the CareerTrackers program for Indigenous Australians, with four interns returning to the EPA
- participated in the public sector partnership with the Australian Network on Disability (AND) internship program, with two interns joining the EPA
- was named an Inclusive Employer in the biennial Inclusion@Work Index run by the Diversity Council of Australia
- supported staff wellbeing, particularly that of staff working from home during the COVID-19 pandemic, and provided return-to-office guidance before and while we moved to hybrid working.

The EPA directly employs 728 people with most employees working in metropolitan areas.

### Staff by division

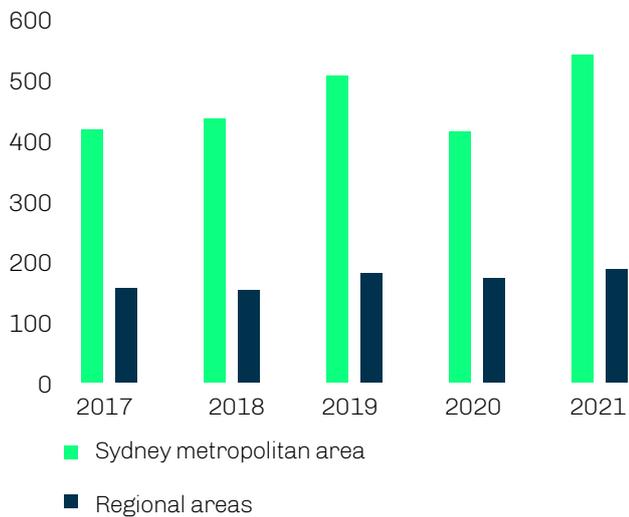


# Our people

## EPA staff by category

Total staffing by category (head count)	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021
Permanent full-time	393	377	414	407	492
Permanent part-time	45	82	115	70	79
Temporary full-time	121	117	138	96	140
Temporary part-time	12	11	17	13	11
Casual	2	2	3	0	6
<b>Total</b>	<b>573</b>	<b>589</b>	<b>687</b>	<b>586</b>	<b>728</b>

## EPA staff by location (head count)



## Our NSW EPA Offices



# Our people

## Walking the talk: values, culture and delivery

In May 2021 we launched our *Workforce Strategy and Employee Career Journey*. This document will guide us in developing our teams and organisational capabilities to become an adaptive, modern environmental regulator. It prompts us to integrate the characteristics of a world class regulator into all that we do. It also gives us the 'why' and 'how' of the workforce strategy we'll be implementing during 2021–22.

The illustration below shows how an EPA staff member can navigate and drive their career. This career journey was developed and refined over many weeks with EPA leaders and staff.

The EPA wants to attract, engage and retain the right people. This year we've started talking to staff about what they value about working at the EPA and what they need for the EPA to remain their employer of choice. The answer is to design and promote meaningful work, invest in people, and cultivate a stimulating and supporting culture.

The EPA has also introduced a structured talent-management approach to support its current and future staff and leaders. By focusing on the career journeys of our employees we will build a more engaged workforce (as measured through the annual People Matter Employee Survey) and see our people develop and progress within the EPA.

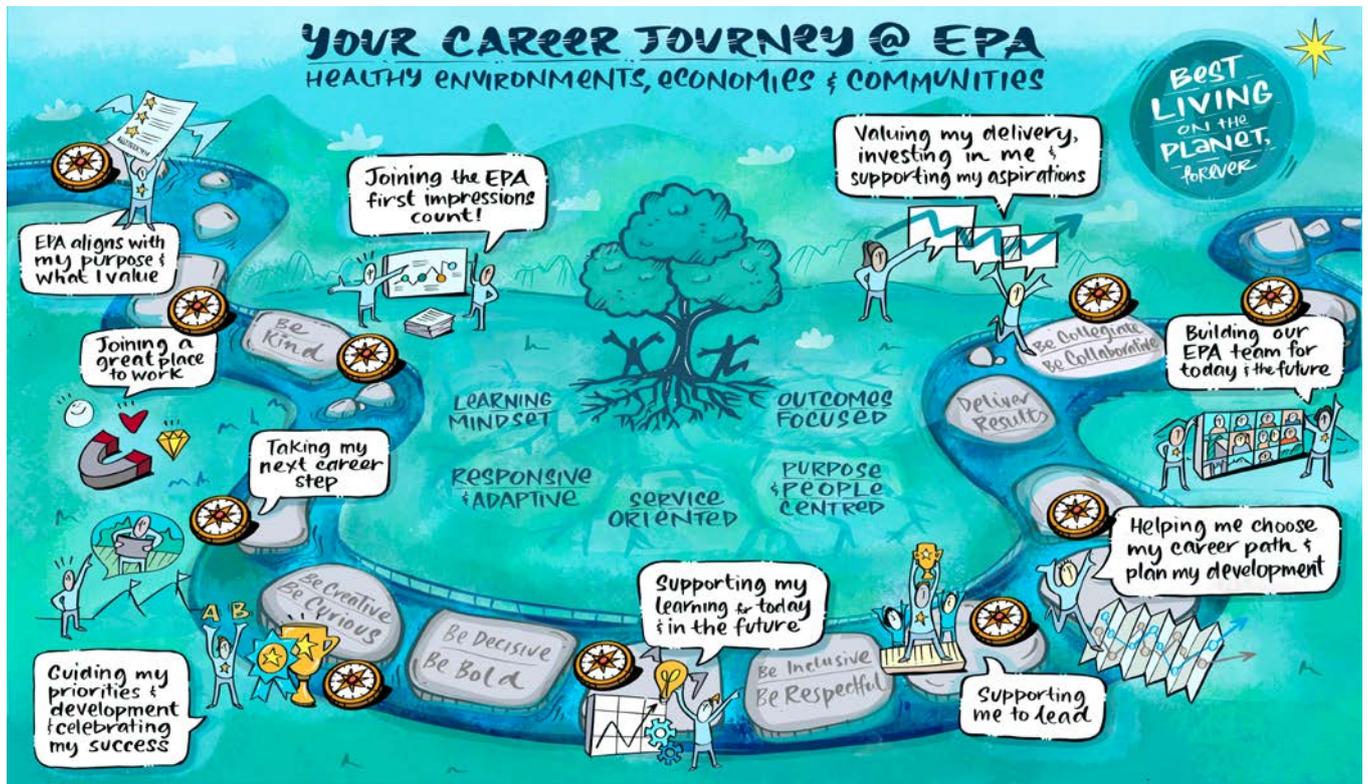


Illustration of a typical employee career journey starting with how someone may consider working for us through to developing their career today and growing their future career aspirations. Artist: Swivel Creative

# Our people

## Organisational structure



\* These two branches work across both metro and regional divisions

# Our people

## Our Board and Executive members



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

### The Board

Established under section 15 of the *Protection of the Environment Administration Act 1991*, the EPA Board is an independent, expertise-based governing body that oversees and monitors the EPA. The Board has five members appointed by the NSW Governor on the recommendation of the Minister for Energy and Environment. The functions of the Board are to:

- determine, with the support of the CEO, the policies and long-term strategic plans of the EPA
- oversee the effective, efficient and economical management of the EPA
- develop, and make available for public information, guidelines relating to the institution of criminal and related proceedings

- determine whether the EPA should institute proceedings for serious environment protection offences
- advise the Minister on any matter relating to the protection of the environment (at the request of the Minister or on its own initiative)
- provide the Minister with an annual regulatory assurance statement.

Other functions of the Board, including additional statutory functions, are to:

- receive reports from the EPA on any failure of the EPA to comply with its requirement to review environment protection licences every five years
- approve the EPA granting an exemption to any person or class of persons from provisions of the POEO Act.

# Our people

## The EPA Board members

The current Board members have expertise in environmental law and science, corporate, financial and risk planning and management, as well as established ties to business and community groups.



Rayne de Gruchy  
AM PSM

### Chair

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

Rayne de Gruchy brings to the EPA strong experience in regulation. She 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.

"We support people from a diverse range of backgrounds, ethnicities, genders and abilities and encourage their personal growth within our organisation."

Rayne de Gruchy

### Board meetings held

In 2019–20, the EPA Board met six times:

- 6 August 2020
- 5 November 2020
- 17 December 2020
- 11 February 2021
- 15 April 2021
- 10 June 2021.

Carolyn Walsh was acting Chair until Rayne de Gruchy was appointed to the role in September 2021. Former Board members Chris Knoblanche AM and Julie Savet Ward attended meetings in August and November 2020 until Richard Bush joined the Board in December 2021 and Carolyn moved from the Chair role to a Board member role. Michael Rennie and Richard did not attend the meeting on 17 December 2020.

Chris Knoblanche and Julie Savet Ward were valuable board members from 29 February 2012 to 6 December 2020. Both contributed strongly to the board, supported the Executive team and helped the EPA develop its approach to transparency and accountability. During their appointment, Chris and Julie demonstrated a high level of engagement with the CEO and Executive team, calling for transparency and accountability.

# Our people

## The EPA Board members

The current Board members have expertise in environmental law and science, corporate, financial and risk planning and management, as well as established ties to business and community groups.



Professor  
Richard Bush

### Board member

Term of appointment:  
16 December 2020 to  
15 December 2025

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

Richard holds a Bachelor of Science and a PhD in environmental science, and has completed the Company Directors Course at the Australian Institute of Company Directors.



Michael  
Rennie

### Board member

Term of appointment:  
7 December 2018 to  
6 December 2023

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

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

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



Carolyn  
Walsh

### Board member

Term of appointment:  
7 December 2020 to  
6 December 2025.

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

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

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



Elizabeth  
Wild

### Board member

Term of appointment:  
7 December 2018 to  
6 December 2023

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

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

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

# Our people

## Our Executive members

This section outlines the members of the Executive as at 30 June 2021.



Tracy Mackey

### Chief Executive Officer

Tracy Mackey has dedicated her career to safeguarding communities. Since entering the public sector in 2002, she has applied her inclusive leadership style and progressive approach to strategy and policy development across a range of government agencies.

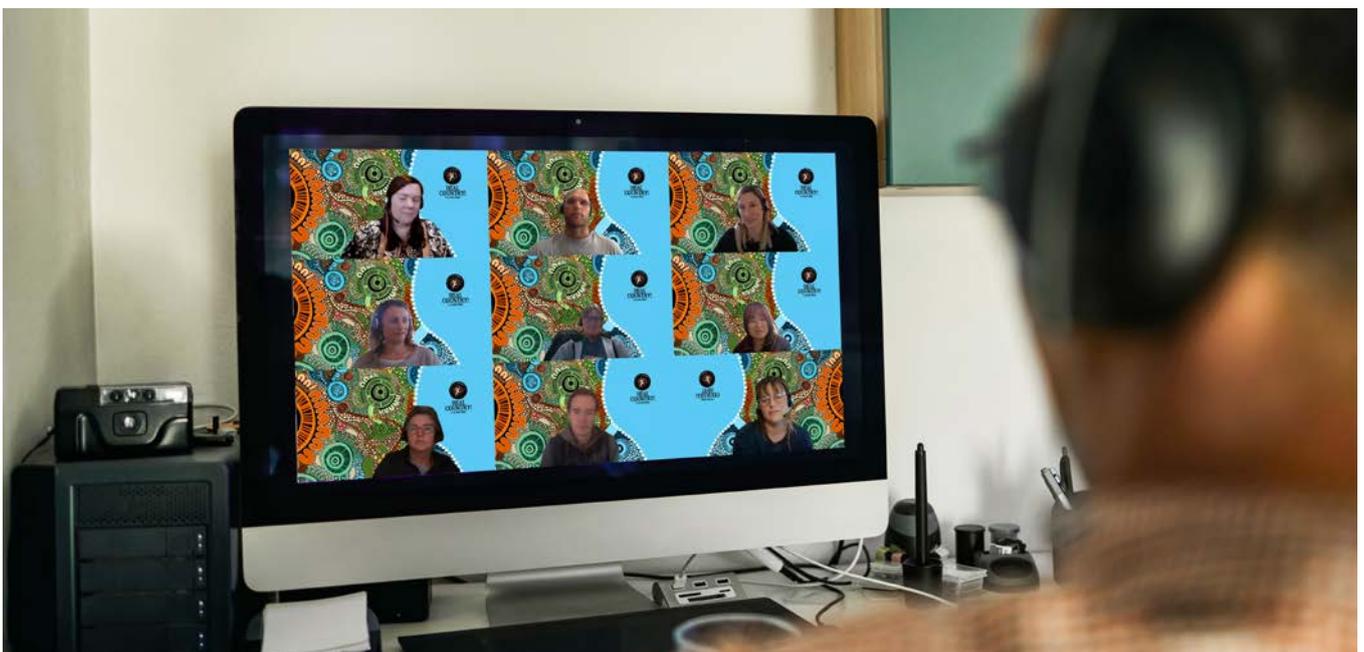
As EPA CEO, she is responsible for delivering outcomes and providing regulatory assurance that protects the environment and enables industry to contribute to a strong economy.

Tracy has had executive-level experience at a large not-for-profit provider and a multinational consulting firm, has led her own consulting practice, and has been a non-executive director on a number of boards.

Tracy holds a Bachelor of Arts (Hons) and Master of Housing Studies (Hons).

“People and purpose are at the centre of everything we do at the EPA. That is why in the first year of transformation we have focused on our people. We have been considering the incredible level of skill that already exists in the EPA against the needs of the future, and achieving our vision and strategic intent through the development of our workforce strategy.”

Tracy Mackey



Zoom meeting during NAIDOC week. Photo: EPA

# Our people

## Our Executive members

This section outlines the members of the Executive as at 30 June 2021.



**Steve Beaman**  
PSM

### **Executive Director, Regulatory Operations Metro**

Steve Beaman 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.

During his career 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.



**Alisa Chambers**

### **Director, Governance, Risk and Planning**

Throughout her career, Alisa Chambers has worked in areas that deal with highly sensitive and complex social issues, such as aged care, child protection services, early childhood education and environmental regulation. She is committed to improving communities, particularly for the most vulnerable among us.

Alisa leads the EPA's Governance, Risk and Planning Division, which supports the CEO, parliamentary process and the implementation of the organisation's strategy. Her inclusive leadership approach, coupled with her qualifications in change leadership, allow her to skilfully manage diverse stakeholder priorities to get the best result.

Alisa holds a Bachelor of Arts and is certified in Agile Project Management.



**Nancy Chang**

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

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

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

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

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



**Carmen Dwyer**

### **Executive Director, Regulatory Operations Regional**

Carmen Dwyer is a passionate advocate for regional and remote NSW, having lived in the Western, Central Western and Orana regions of NSW all her life.

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

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

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

# Our people

## Our Executive members

This section outlines the members of the Executive as at 30 June 2021.



David  
Fowler

### Executive Director, Regulatory Practice and Environmental Solutions

David Fowler 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.



Jacqueline  
Moore

### Executive Director, Legal and Corporate

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

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

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

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



Liesbet  
Spanjaard

### Executive Director, Engagement, Education and Programs

Before joining the EPA in 2020, Liesbet Spanjaard was 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.

# Our people

## Executive remuneration

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

Band	Range	Average remuneration 2019–20	Average remuneration 2020–21
Band 4 Secretary	\$487,051 to \$562,650	n/a	n/a
Band 3 Group/Deputy Secretary	\$345,551 to \$487,050	\$405,000	\$410,000
Band 2 Executive Director	\$274,701 to \$345,550	\$291,611	\$305,131
Band 1 Director	\$192,600 to \$274,700	\$222,470	\$235,194

\* The percentage of total employee-related expenditure for senior executives in 2020–21 was 9.7%.

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

Band	Female 2018–19	Male 2018–19	Total 2018–19	Female 2019–20	Male 2019–20	Total 2019–20	Female 2020–21	Male 2020–21	Total 2020–21
Band 4	0	0	0	0	0	0	0	0	0
Band 3	0.4	0.6	1	1.2	0	1.2	1	0	1
Band 2	2.2	3.5	5.7	4.9	1	5.9	4	2	6
Band 1	9.6	12.9	22.5	10	11	21	14	11	25
<b>Totals</b>	<b>12.2</b>	<b>17</b>	<b>29.2</b>	<b>16.1</b>	<b>12</b>	<b>28.1</b>	<b>19</b>	<b>13</b>	<b>32</b>



Executive members David Fowler and Steve Beaman. Photo: EPA

# Our people

## Designing a future-focused workforce

### Talent and performance development

The strength of a world class regulator like the EPA lies in the capability and talent of its staff. We build staff capability through:

- training programs
- a graduate program and internships
- talent development and performance management
- internal Expressions of Interest processes
- external recruitment
- leadership development.

### Learning and development

The Capability and Talent Branch is responsible for developing and delivering content tailored to our business needs.

#### Learning opportunities cover many areas



Corporate compliance and systems



Wellbeing, health and safety



Technical training



Professional development



Investigations

All courses are led by experts and are designed to give officers specialist skills and knowledge.

EPA staff and external regulators access training programs through the online portal EPA Learning. In 2020–21 we offered 71 courses, delivering:

- 20 in person
- 32 through online self-paced eLearning
- 16 through webinars
- 3 through blended modes.



In 2020–21 we trained 489 EPA staff plus 265 officers from external agencies.

### Developing our leaders

EPA staff who are moving into leadership roles or already lead teams can take leadership training through DPIE Learning and Development. The EPA also pays course fees to help nominated leaders gain external qualifications such as the:

- Graduate Certificate in Business (Public Sector Management) offered by the Queensland University of Technology
- Executive Master of Public Administration, offered by the Australia and New Zealand School of Government.

Investment in the development of our current and emerging leaders is part of our broader commitment to developing our talent for today and the future.

### The right people in the right place at the right time

#### Bulk recruitment

A key element of talent acquisition is our bulk recruitment process. This approach builds a pipeline of talent through talent pools we can draw on to quickly fill roles. Moving to regular bulk recruitment also supports awareness of the rhythm of regular recruitment by the EPA, for both external candidates attracted to a purpose-led role with the EPA and existing staff planning their next career move.



## Learning mindset

We continuously develop  
to build and maintain trusted  
expertise in all relevant  
disciplines and operations

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# Our people

We also aim to become an employer of choice to attract talented team members at different stages of their career. We are achieving this by improving the efficiency and transparency of the process, and by building visibility of who we are, our culture, the benefits of working with the EPA, and what we offer as a purpose-led, people-centred inclusive employer.

## EOI processes

Internal Expressions of Interest (EOIs) have long been a way for the EPA to identify opportunities for staff development and ensure we have the right people in the right place at the right time.

To streamline the process, the EPA developed and deployed an intranet form and dashboard for all staff roles to enable staff wanting to work in new areas for short-term acting arrangements to express their interest and capabilities. People leaders across the organisation were able to have a full view of these staff, their skills and availability.

## Supporting our frontline staff through blended learning

Training and development for frontline staff, such as our authorised officers, is an essential part of the EPA having a learning mindset.

In 2020–21 we developed and delivered three new online training programs to enhance regulatory operations officers' skills and knowledge:

- Regulating under the POEO Act
- Introduction to Native Forestry Regulation in NSW
- Introduction to Contaminated Land Regulation in NSW.

These programs are offered to current staff and are also part of the development path for our new employees.

Staff can access the online modules whenever it suits them. This has been particularly beneficial for those working flexible hours from home during the COVID-19 lockdowns.

In early 2021 the NSW Government eased lockdown restrictions and staff began to return to the office. We were able to run face-to-face training, giving staff access to a broader range of courses.

## Graduate program and internships

The EPA's internal graduate program employs recent graduates with a tertiary qualification in environmental science, engineering, technology, or law plus science.

Placements are temporary and run for two years, with four 6-month rotations across the organisation. The aim is to give participants a range of experiences that will develop them into well-rounded, multiskilled regulatory officers.

The two graduates who started in the EPA's graduate program in January 2019 secured employment with us in September and October 2020.

In February 2021, six graduates commenced at the EPA. Five graduates started in our graduate program, and another one was placed with us through the Public Service Commission's 18-month graduate program.

"The graduate program has deepened my understanding of the environmental issues facing NSW today, while both diversifying my professional skills and exposing me to a breadth of knowledge from my colleagues."

Victoria Seeck, placed in the Governance, Risk and Planning Division

The EPA also offers both general student internships and two kinds of targeted internships.

# Our people

## Targeted intern programs

The EPA partners with two organisations, CareerTrackers and the Australian Network on Disability, to offer paid internships through their programs.

CareerTrackers supports Indigenous undergraduates in their quest to graduate and find employment by linking them with employers for paid, multi-year internships. The EPA has partnered with CareerTrackers since 2015 to attract young Indigenous talent to the EPA (and in doing so, gain a fresh perspective on the way we work).

The Australian Network on Disability offers services to help improve accessibility and the inclusion of people with a disability into the workforce. Its *Stepping Into* program is a paid internship scheme that matches talented university students with a disability with roles in leading Australian businesses.

This year:



4 CareerTrackers interns returned to continue their EPA placements



2 new interns from the Australian Network on Disability started with us.



2021 EPA Graduates on orientation day. Photo: EPA

## Leading on inclusion and diversity

The EPA has a strong and ongoing commitment to inclusion and diversity. We value all lived experience and encourage our staff to bring their whole selves to work. As a NSW public agency, it is important that our staff represent all communities and bring their diverse perspectives to their roles.

Our Inclusion and Diversity Committee is a staff-run committee that leads and advises on diversity and inclusion initiatives. The committee is made up of members who are genuinely driven to increase the EPA's diversity and ensure every employee feels valued and included.

### Women in leadership roles



Women senior leaders in the EPA

65%

Premier's priority of women senior leaders

50%

Two-thirds (65%) of our senior leaders are women, a proportion well above the Premier's Priority of 50%.

Appendix 1 gives a breakdown of staff diversity.

# Our people

## Our employee networks

The EPA aims to make all employees feel safe, encouraged and supported in their work. We recognise the value of social support in achieving this aim. EPA employees are encouraged to join the employee networks available to them, which include the following.

### Disability Employee Network

This network is open to EPA employees with a disability and their supervisors, carers and supporters. It works to improve cultural awareness, provide networking opportunities and develop ideas.

### Rainbow Connection

This is the official LGBTIQ+ network for the DPIE cluster. The group works to advance equality and provide a voice for LGBTIQ+ staff and to create an inclusive, safe and diverse workplace. Many EPA staff are proud and grateful members of Rainbow Connection.



The Rainbow Connection Committee met over Zoom in May 2021. Photo: EPA

### Young Professionals Network

This group provides a professional and social networking platform for new and/or young (35 years and under) staff and plays an advocacy role on relevant issues. This year its focus has been on bringing groups together from across the DPIE and running networking and development events.

### Aboriginal Employee Network

This group:

- supports and promotes the values and aspirations of Aboriginal staff, and cultural identity and renewal
- builds sustainable relationships across the organisation
- provides an opportunity for Aboriginal staff to raise concerns and issues and have them addressed appropriately
- allows Aboriginal staff to network professionally and culturally.

The network can provide input to the new EPA Aboriginal Initiatives program.

### Harmony Council

This cluster-wide committee aims to embed diversity and inclusion within all aspects of the DPIE operations. It works with senior leaders to accelerate progress towards diversity and inclusion goals. Council members represent individuals of different genders and sexual orientations, ages, abilities, cultural backgrounds, departments and other dimensions of diversity.

### Spokeswomen's Program

This employee-led group aims to improve gender equity. It works to improve women's skills, provide networking opportunities, and encourage the recruitment, development and retention of women.



## Purpose and people-centred

We are fundamentally purpose driven and enable a people-centred culture to create a safe and great place to work

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# Our people

## Cluster-wide initiatives

In 2020–21, DPIE Cluster Corporate Services provided human resources services for the EPA under a Service Partnership Agreement.

DPIE's Capability and Inclusion team led a number of workforce diversity initiatives that were implemented across the DPIE 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 the DPIE's Capability and Inclusion team and the NSW Public Service Commission to enhance workforce diversity.

All Workforce Diversity strategies and achievements, Multicultural Plan initiatives and Disability Inclusion Action Plan initiatives for the EPA now fall under the Department of Planning, Industry and Environment and will be reported in the DPIE Annual Report 2020–21.

## Working with Aboriginal people

The Aboriginal Initiatives unit of the Regulatory Policy Initiatives and Advice Division was formed in May 2021. The unit is responsible for ensuring that the EPA has a contemporary Aboriginal Strategy that is well embedded in the organisation. It will partner with teams across the EPA to drive and improve Aboriginal outcomes, specifically the EPA's:

- employment of Aboriginal people
- cultural capability
- engagement with Aboriginal people and communities.

One of the unit's first projects was the development of an Aboriginal identity – a visual identity to be used on clothing, digital materials and other products. More than 200 EPA staff took part in 'yarning sessions' (with a focus on the theme of 'healing Country') to explore what the EPA's Aboriginal identity should convey. The results will shape a design brief for an artwork to be commissioned from an Aboriginal artist.

Another project now under way is the NSW State of the Environment First Peoples' Knowledge Group. This group will have wide representation from Aboriginal people and provide direct input into the *NSW State of the Environment report*, which is prepared by the EPA. Each report theme will have an Aboriginal point of view, to share knowledge, cultural values, stories and perspectives on the environment.

## Ensuring a safe working environment

### Managing for wellbeing: people and culture

The success of the EPA, and our ability to become a world class regulator, depends on our people. From our administrative and operational staff to our Senior Leadership Team and CEO, we all play a part in achieving our purpose.

To succeed in an environment of rapid change, we are designing and building for the future in everything we do. Equipping our people with sector-leading adaptive skills and attributes will make a long-lasting impact on the protection of the environment and our evolution as a world class regulator.

# Our people

In 2020–21 we saw the continuation of a worldwide pandemic and significant floods in NSW. We do not underestimate our responsibility for keeping our staff safe. This section outlines some of the ways we do that.



CPR demonstration on manikin. Photo: iStock

## Wellbeing, health and safety

The EPA's wellbeing, health and safety (WHS) performance is reported to the Board through the Audit and Risk Committee, and to the Executive members, who reinforce our focus on creating a safe and great place to work. All Executive members have a performance target of a minimum of one safety interaction per month, which helps to drive a 'safety first' culture.

Also helping to progress the 'safety first' approach has been a program of WHS training modules. These have included:

- Black Dog Institute wellbeing modules
- Remote First Aid – 32 staff completed
- Provide First Aid – 71 staff completed
- Defensive Driving – 26 staff completed
- Driving Four Wheel Drives – 33 staff completed
- Training for the new WHS reporting system, CAMMS.

Our WHS training modules are subject to ongoing review and updating. Key updates under way include:

- EPA Dealing with Aggressive Stakeholders
- EPA WHS for All
- EPA WHS for Leaders.

## Progressing the WHS Management System

The EPA has started to deliver a new wellbeing, health and safety framework that will underpin a safety culture and improve how we respond to our dynamic operating environment.

The framework includes:

- updated divisional and organisational WHS risk registers
- revised documentation to guide accountabilities, operations and procedures
- pathways to build the capability of the agency and its people.

While our work, health and safety services are provided by DPIE Cluster Corporate Services, we have also increased our in-house WHS expertise. We partner with the DPIE WHS team on key safety initiatives, system improvements and policy and procedure reviews.

We also carry out investigations to identify:

- the root causes of potential issues
- potential trends
- continuous improvement and corrective actions required.

Last year saw a significant drop in reports of near misses, hazards and incidents (see table on next page). This was observed across NSW (and Australia), and was likely due to changes to work and lifestyle in response to the lockdown. Timely investigations were completed for the majority of reports, to investigate the root cause of potential issues, identify trends and continuous improvement and corrective actions required.

When staff began returning to the office in March 2021, the EPA stayed vigilant to ensure that staff wellbeing was supported and health and safety processes were maintained during the transition.

# Our people

## EPA claims and reports

Item	2016–17	2017–18	2018–19	2019–20	2020–21
Incidents, accidents and injuries reported	52	58	53	47	55
Workers compensation claims made	3	9	2	10	10
<b>Value of workers compensation claims*</b>	<b>\$34,195</b>	<b>\$108,870</b>	<b>\$5,315</b>	<b>\$150,357**</b>	<b>\$184,168</b>

\* Based on net incurred.

\*\*Correction on 2019–20 figure reported in the Annual Report 2019–20.



We are continuing to work toward reducing the overall number of incidents, accidents and injuries through a strong commitment to making the EPA a safe place to work for everyone.

To support this focus, our Audit and Risk Committee asked for a deep dive into a WHS issue of concern: aggressive behaviour of stakeholders. This was carried out in the last quarter of 2020–21. Findings will inform how we might better engage and monitor stakeholders, develop capability, manage and report on interactions, and identify hazards.

## Health and safety representatives to support EPA employees

Health and Safety Representatives have contributed to wellbeing, health and safety activities throughout the past year. They promoted their role and participated in hazard identification workshops and Job Safety Analysis (JSA) development. They will continue to consult with work groups across the EPA, providing a voice for staff in the event they don't feel represented or heard during the consultation process.

## Support during the COVID-19 pandemic

Throughout 2020–21, the global COVID-19 pandemic triggered psychological and physical challenges for our people. Hybrid and remote working became a requirement and the norm; we adapted our work practices

to fit this new reality. We also put in place new measures to support our staff and leaders during this difficult period.

## Two-way communication

During this time we:

- introduced a hotline for staff questions about COVID-related requirements and resources
- ran regular 'Road to Recovery' sessions online
- used several 'Road to Recovery' surveys to:
  - learn about the staff's experience of flexible working
  - address COVID-19 safety concerns
  - capture any additional areas of support required.

## Training and development online

As an organisation with a **learning mindset**, we aim to continually develop the skills and knowledge of our teams and people leaders. In 2020–21 we converted many of our training and development programs to an online format or developed them in that format from the start. Content areas included our regulatory environment and key activities such as sampling.

Short online programs such as our Leadership Learning 'bites' helped our leaders:

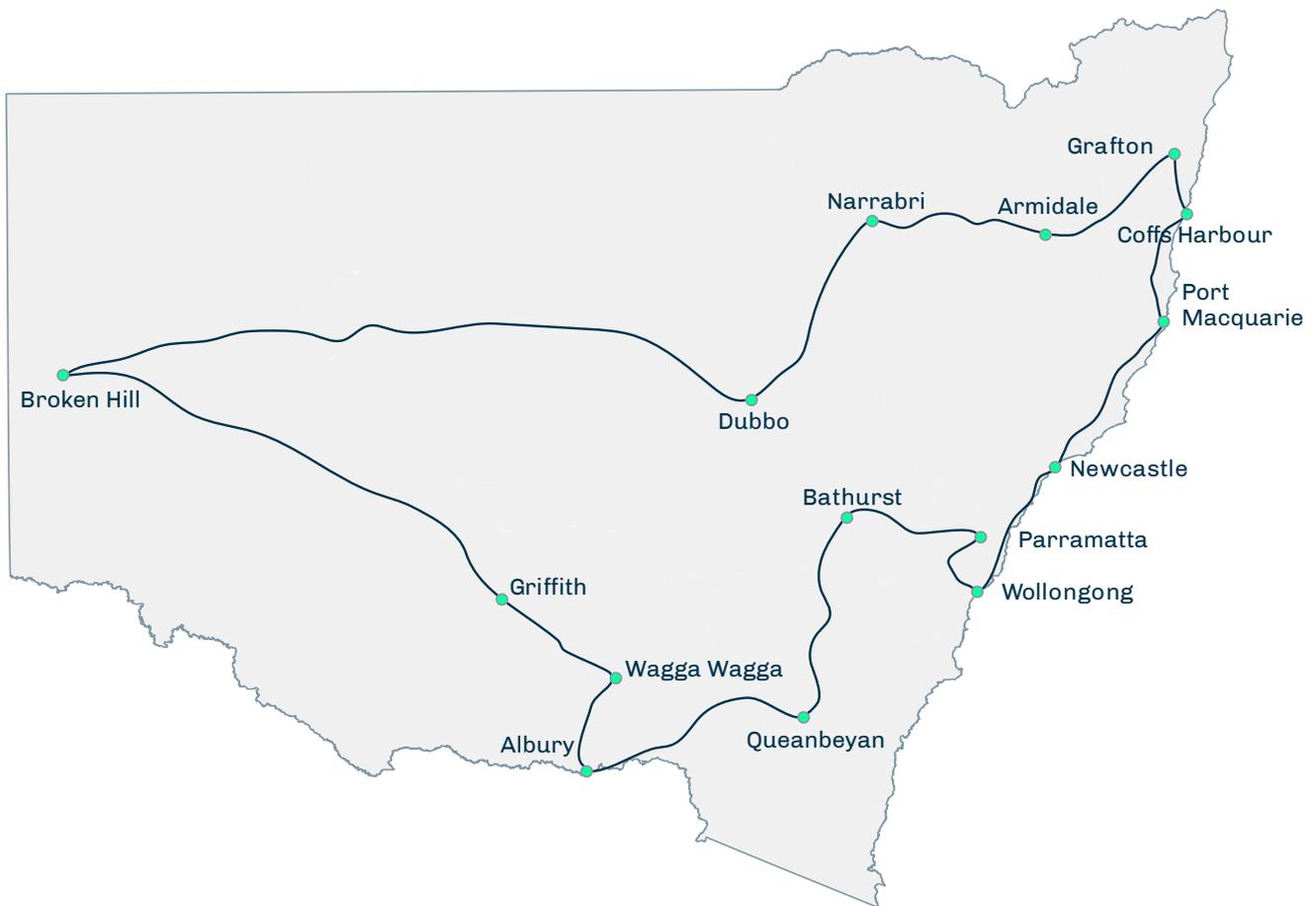
- engage and coach their people, particularly through change
- support their own wellbeing.

# Our people

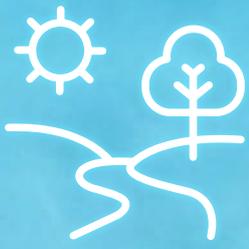
## Exercise challenge

In April 2020 we set up an EPA Exercise Challenge to boost staff morale and overall wellbeing during lockdown. Hard work by the Regulatory Operations Project team created an impressively automated online weekly reporting tool that used the web-based platform SharePoint and the analytics toolkit Power BI. This was an excellent example of digital collaboration across the EPA.

The Exercise Challenge itself was also a great success. It ran for a year, to April 2021. It got bodies moving and generated some EPA-wide camaraderie with good-natured competition. It also resulted in some impressive statistics: staff clocked up more than 87,000 push-ups, 111,000 sit-ups, 171,000 squats and a whopping 13,980,850 metres walked! (That's the equivalent of making three round trips of all EPA offices across the state).



The 2020–21 Exercise Challenge, visualised as a walking round trip of all EPA offices.



# Our priorities



# Our priorities

## Our key priorities

In 2019–20 we began an organisational transformation that put the EPA on the path to becoming a world class regulator – a leader in protecting human health and the environment. To carry out this transformation, we committed to:

- collaborate and engage more closely with stakeholders

- be adaptive and responsive
- put people at the centre of what we do, continually building the capacity and capability of our teams to deliver on our priorities and making the EPA a great place to work.

Our work priorities are tied to, and must align with, these objectives.

### Our priorities for 2020–21 were:



#### Actions towards being a world class regulator

- Making more use of data and insights
- Having our compliance and enforcement panel take a new look at our investigations and penalties
- Delivering major reforms around contaminated land and increasing our powers to hold people to account for non-compliance in this area
- Amplifying our stakeholder engagement, starting with our roadshows



#### Strategic planning and implementation

- Working with our Board to achieve best outcomes
- Launching our new
  - *Strategic Plan 2021–24*
  - *Regulatory Strategy 2021–24*
- Working towards our new
  - *Digital Transformation Strategy*
  - *Data and Analytics Strategy*
- Preparing to implement the NSW Waste and Sustainable Materials Strategy 2041



#### Continued investment in our people

- Investing in our people leaders
- Growing our capabilities and systems across the organisation
- Implementing the EPA Workforce Strategy and Employee Career Journey
- Focusing on talent and succession planning

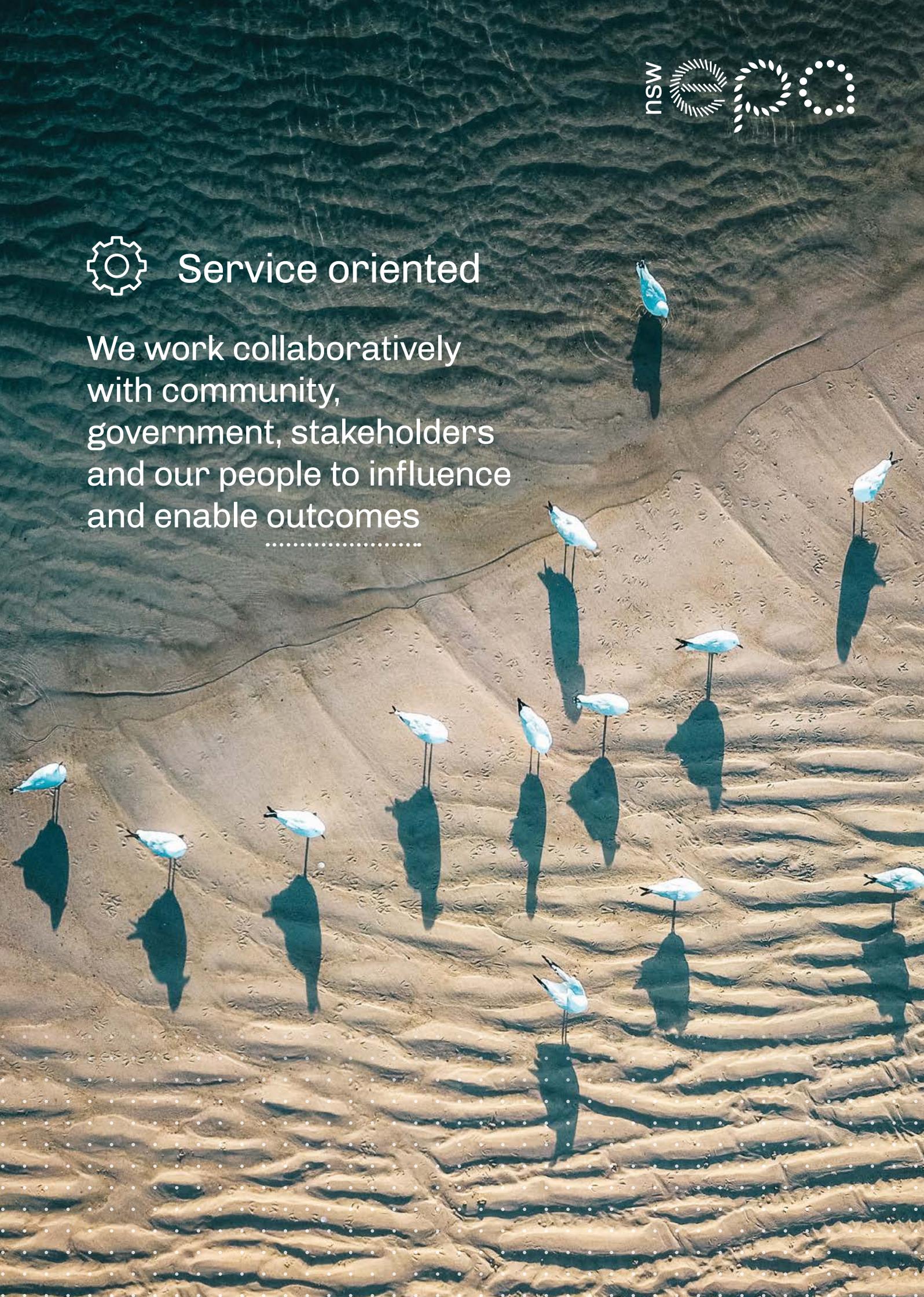
The EPA aspires to be a contemporary, risk-based regulator and an innovative, creative problem-solver. These aspirations guide actions we have taken and are taking, such as developing a regulatory strategy and prosecution guidelines, reviewing our compliance policy, working from a shared purpose and risk framework, and aligning our resources with what we need to deliver.

A white gear icon is positioned to the left of the section header text.

## Service oriented

We work collaboratively  
with community,  
government, stakeholders  
and our people to influence  
and enable outcomes

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# Our priorities

## Transforming how we work with stakeholders

### Listening to our stakeholders at EPA roadshows

A new feature on the EPA's annual engagement calendar, the **EPA Roadshows** give us valuable opportunities to listen to our stakeholders, hear about their priorities and discuss local environmental matters. Having genuine, meaningful conversations with our stakeholders is key to the EPA being a service-oriented, responsive and outcomes-focused world class regulator.

EPA CEO Tracy Mackey and members of the Executive team hit the road in February and March 2021, meeting with more than 80 local councils and 170 licensees at 12 locations in metropolitan and regional NSW.

In these forums we sought feedback on our draft Regulatory Strategy. We also held question and answer sessions, hosted by the CEO and Executive – 'open mic' events that let everyone be heard and answered.

Our staff listened closely to stakeholders talking about local matters of interest: waste management, contaminated land, planning and development, and emergency and incident management. We heard feedback about our newly launched operations system, **The Hub**; (page 67), we also learnt that stakeholders wanted better collaboration, increased coordination between government agencies, and more support and education. We are acting on these requests by communicating them to our colleagues across government, creating new guides and increasing our engagement with stakeholders.

The roadshows helped us strengthen our relationships with stakeholders.

Attendees said they valued meeting EPA staff in person, having the opportunity to network, and gaining a better understanding of what we do and why we do it. Overall, stakeholders found the forums open and receptive, and a great way to engage with the EPA.



EPA Executive members speak to stakeholders at the International Convention Centre, Sydney in February 2021. Photo: EPA

# Our priorities



The Board and Executive team at the Vales Point Power Station at Mannering Park. Photo: EPA

## EPA Board visits to regulated sites

In mid-April 2021, the EPA Board travelled to the Hunter Valley to inspect regulated sites and meet some of the staff at these sites.

The first stop was Vales Point Power Station at Mannering Park, on the southern shores of Lake Macquarie. Here the Board looked at coal-ash dams and talked to stakeholders about environmental remediation.

After meeting with EPA staff at the Newcastle office, the Board then visited the huge Orica facility on Kooragang Island. Board members were interested to hear from Orica staff about the rigorous safety measures in place, particularly given the devastating explosion of an ammonium nitrate store in 2020 at the port of Beirut in Lebanon.

The next day the Board went to the site of the former Truegain oil refinery near Maitland. The EPA is monitoring this site closely because it is near residential areas and holds a large volume of contaminated water. The EPA has prevented almost three million litres of this water flowing from the site but a long-term solution is still being explored.

The Board's final visit was to Mount Thorley Warkworth, two adjacent open-cut mines near Singleton that are run as a single operation. The Board listened to staff and inspected the mines' regulatory practices.

"The Board's annual trip is a really important opportunity for the Board to speak to stakeholders about challenges and opportunities, and to get to know our EPA people and find out more about the important work they do"

Alisa Chambers, Director, Governance, Risk and Planning

# Our priorities

## CASE STUDY

### Engaging with stakeholders on chemical solvent contamination



**Preparing the drill rig and location for groundwater monitoring well installation at Jannali. Photo: EPA**

This year the EPA completed a detailed investigation into soil and groundwater contamination in the commercial precinct of the Sydney suburb of Jannali. We have been proactively investigating the contamination since it was first reported in December 2017. We completed preliminary investigations in 2020 and then carried out a detailed investigation in 2021, as a polluter could not be identified due to the historical nature of the contamination.

The contamination is from a chemical solvent called tetrachloroethylene (also known as perchloroethylene or PCE), which is mostly used in industrial processes and dry-cleaning of fabrics. Soil and groundwater contaminated with PCE has the potential to generate vapour, known as soil vapour: this can migrate from the soil into overlying buildings, where it can pose a risk to human health. PCE can also migrate long distances in groundwater and may impact on down-gradient ecosystems.

Our investigations focused on the commercial precinct, where three historical sources of contamination were identified. Sutherland Shire Council conducted concurrent investigations to support the development of a nearby commuter car park. The EPA and Sutherland Shire Council have worked together to investigate the contamination by sharing relevant information.

The primary objective of our investigations has been to determine if the contamination poses a risk to human health or the environment. We engaged a certified contaminated land professional who installed monitoring wells for groundwater and soil vapour and collected samples of surface water and indoor air. The resulting data was used to develop a conceptual site model to understand potential risks to the environment and human health.

The EPA has put stakeholder engagement at the centre of the investigations. We developed a thorough communications strategy that involved meeting with people, discussing their concerns and carrying out letterbox drops to update the community about the investigations. This engagement has been crucial because the site investigations have been highly visible within the community. The EPA and Sutherland Shire Council continue to work together on this issue to make sure the community is appropriately informed.

To date, the investigations have suggested that contamination is historical and does not pose a risk to the occupants of existing commercial and residential land-uses within the Jannali commercial precinct. The results also indicate the contamination does not pose a risk to down-gradient waterways or ecosystems.

We will apply what we learn from this investigation to future investigations of PCE contamination.

# Our priorities

## Setting our strategic direction

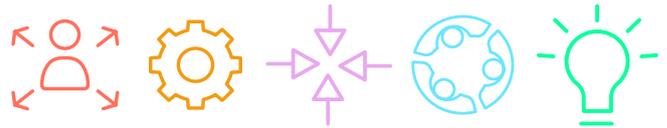
Our strategic direction establishes how we work: how we interact with stakeholders, how we deliver government policy, and how we align our operations with our values. In setting our strategic direction we have kept in mind the characteristics of a world class regulator: being responsive and adaptive – willing to try new approaches; being outcomes-focused – concentrating on what matters most; and basing our decisions on data.

## Integrating world class technology into all areas of the EPA

Digital technologies are fundamentally and rapidly changing how people, businesses and governments work together.

Our *Digital Transformation Strategy 2021–24* promotes the adoption of intelligent, efficient and effective digital tools so our regulation can be more efficient and effective. It sets out both a strategy and a delivery plan. We are already introducing intelligent digital tools – systems, software and technology – into our everyday work and the strategy will guide how we'll continue to do this.

The strategy has four focus areas that show how our digital transformation will contribute to the EPA attaining the characteristics of a world class regulator.



Characteristics of a world class regulator: being outcomes-focused, service-oriented, responsive and adaptive, purpose and people-centred, and having a learning mindset.

The strategy sets out the digital capabilities we want and the outcomes we want those capabilities to deliver for the environment, the people of NSW and our staff.



The Digital Transformation Strategy is a living strategy that will continue to be informed by ongoing engagement with our stakeholders

The projects delivered under the strategy will also respond to changes in our priorities, needs, capability and resources.



Hexham bridge, Kooragang, NSW

# Our priorities

## Empowering data-driven decisions

To regulate effectively, the EPA needs to respond quickly to changing conditions and emerging issues. To identify such changes, we need evidence gained from data and analytics.

The EPA's *Data and Analytics Strategy 2021–24* builds on our existing data and analytics successes. The strategy sets our data priorities and initiatives so we can be an evidence-based and intelligence-led world class regulator. It guides how we consume, organise, govern, analyse and deploy internal and external data.

The three-year strategy covers changes to culture, capability, quality, governance and technology. The main premises on which the strategy is built are:

- Gathering data-based evidence is essential for an outcomes-focused approach.
- Continually developing our data and analytical capability makes us more purpose- and people-centred as it improves our understanding of who we are and what we do.
- Investing in the data skills and capabilities of our workforce is part of a learning mindset.
- In a service-oriented approach, we partner with business, government, environmental groups and the community to collect the best available evidence and use it to enable better environmental outcomes.

## Delivering the Waste and Sustainable Materials Strategy 2041

In 2020 the EPA collaborated with the DPIE on developing the *Waste and Sustainable Materials Strategy 2041: Stage 1 2021–2027* (the Strategy) and the *NSW Plastics Action Plan*. The EPA works to reduce the harmful impact of waste and drive behaviours that create a circular economy; the Strategy and Plastics Action Plan have the same aims. These documents will provide the basis for our future waste management policies and programs.

The Strategy:

- updates our *Waste Avoidance and Resource Recovery Strategy 2014–2021*
- builds on the success of our **Waste Less, Recycle More** programs
- aligns with the *NSW Circular Economy Policy Statement 2019* and the *Net Zero Plan Stage 1: 2020–2030*
- sets the NSW Government's response to the commitments and targets of the *National Waste Policy Action Plan 2019*.

Under the Strategy and Plastics Action Plan, the EPA will:



tackle plastic waste



influence strategic infrastructure planning and investment



reduce carbon emissions, by enabling more sustainable material use



protect the community from polluting waste.

Our delivery of the Strategy and Plastics Action Plan is driven by our fundamental purpose of 'healthy environments, economies and communities' and takes us further towards being a world class regulator.

# Our priorities

## Leading by example: going carbon neutral

This year the EPA embarked on a journey to become carbon neutral by 2030. This was a statement to the community and industry that we are serious about our role in protecting the environment and human health. We are asking others – including those we regulate – to embrace carbon neutrality: we must therefore set an example. We and our community will take this journey together.

This commitment is strongly aligned with our organisation's purpose and with the passion and values of its staff. We've set ourselves a clear and ambitious target and we acknowledge the challenges that lie ahead.

We've started work to determine our current carbon footprint, taking into account emissions associated with facilities, business travel (including our car fleet), procurement, waste and water. This current footprint will be a baseline against which to measure progress.

Our commitment to go carbon neutral embodies many of the characteristics of being a world class regulator:

- We're adopting a learning mindset by understanding what drives our carbon consumption, what steps we can take and where we can learn from others.
- We'll need to be adaptive and responsive as we move to being carbon neutral while continuing to deliver on our regulatory obligations.
- Being purpose and people-centred has been a key driver of this commitment.
- We've made the commitment with a clear goal: to protect the environment for future generations by limiting our carbon footprint.

## Being contemporary, responsive and adaptive

### The Hub and 'huddles' make us more nimble

The EPA responds to environmental incidents, performs regulatory tasks and carries out enforcement actions. We need to allocate this work to our operations staff as efficiently as possible. To improve our efficiency, in September 2020 we drew together experienced operational staff to form a new statewide team, 'The Hub'.

The Hub's role is to:

- allocate work across operational teams
- help prioritise regulatory actions
- provide guidance on difficult issues
- redirect resources to meet changing priorities.

The Hub team meets daily with the operations leadership team in a 'huddle'. Here the teams assess work tasks and assign them to work units, allocating them according to each unit's capability and capacity. In the process, the teams share their expertise and understanding of stakeholders.



In its first year, The Hub has absorbed 16% of work from frontline staff, who now have more time to respond to stakeholders.

 Responsive and adaptive

We proactively listen, identify,  
and respond to risks with  
contemporary tools, technology  
and data to reduce harm

.....

# Our priorities

To be more agile and responsive, we have moved away from both allocating work to EPA offices by location and the 'responsible officer' model. Our case management and information management systems allow cases to be handled by operations staff across NSW. Stakeholders may now deal with more than one office or officer, rather than a single one as they may have in the past. No longer allocating work by geography gives us greater 'surge capability'. The bushfires, floods and COVID-19 pandemic of the last few years have shown how important it is to be able to quickly mobilise resources across the organisation.

Surveys have told us that stakeholders want us to be more consistent in our approach, and more responsive. The Hub is doing this. By scheduling work across teams, the Hub also helps the EPA:

- better identify emerging issues and important trends
- regulate more consistently
- collaborate across the organisation
- prevent regulatory capture.

## Embedding a culture of continual improvement

In 2019 the EPA Board recommended a 'focus on continuous improvement in EPA regulatory practices from end to end'. From this, our Continual Improvement Program was born. The program's aim is to make us a more effective regulator by:

- improving our work processes
- learning from best practice in other agencies
- fostering a culture of continual improvement.

A culture of continual improvement necessarily involves a learning mindset – a characteristic of a world class regulator.

The Continual Improvement team works with other teams across the organisation on their problems, big or small. It has a variety of tools and techniques that can identify needs and drill down to root causes. This year the team's initiatives included:

- reviewing how the EPA fulfils its requirements under the *Government Information (Public Access) Act 2009*, to improve response times
- identifying how we could be more effectively involved in land-use planning processes
- making key administrative processes more consistent and efficient
- exchanging practice insights between the EPA and other regulatory authorities.

## A new digital 'backbone' for regulatory activities

The EPA's new Environment Protection Incident and Cases (EPIC) management system went live in March 2021. EPIC is a cloud-based, end-to-end case management system designed specifically for the way we work and the legislation we administer. We consulted extensively with stakeholders on its design.

EPIC is the digital 'backbone' of our regulatory activities. It integrates with our core systems for records management, licensee management, stakeholder relationship management and geospatial tools, and supports work such as:

- responding to incidents, reports and complaints
- taking regulatory action
- tracking investigations and inspections
- issuing and tracking requests for technical and legal advice to support case management
- flagging safety risks to staff.

# Our priorities

EPIC provides a framework within which we can track investigations and inspections from beginning to end. It integrates several systems, eliminating the need to duplicate records.

Through EPIC, we can easily validate information such as incident locations, stakeholder details and ABN numbers, making it easier to report and analyse data.

We recorded 8,568 environmental incidents impacting human health and the environment in 2020–21.

The trend shows an increase from the baseline of 7,434 in 2015–16. While the target is to reduce the number of environmental incidents, due to increased public awareness and direct education campaigns, the target is to also increase the number of incidents reported. As a result, performance since 2015–16 is considered to be on track.

## Understanding emerging issues, trends and opportunities

Regulatory intelligence helps us to understand, respond and adapt to key environmental and human health issues.

The EPA collaborates with partners across Australia to ensure its intelligence systems and skills are at the forefront of the craft. It receives and shares relevant intelligence with partners, for instance by linking into a national network for horizon scanning and using interagency platforms for sharing intelligence.

Leveraging intelligence is key to meeting the challenges set out in our Regulatory Strategy and to achieving our objectives of protecting, restoring and enhancing the environment and reducing the risks to human health.



Rural sunset, NSW. Photo: iStock

# Our priorities

The EPA collects and uses intelligence for four main purposes.

1



We use intelligence to identify and understand emerging issues, trends, risks and opportunities. Horizon scans conducted by our intelligence team in 2020–21 generated insights into economic development, technology, climate change, community values and urban land use that informed the EPA's strategic planning and decision-making.

2



We use intelligence to inform the development of policy and compliance approaches to regulatory challenges in areas such as native forestry, pesticides, dangerous goods transport and waste management. In 2020–21, intelligence assessments across these areas helped the EPA see and take opportunities to intervene and respond.

3



We use intelligence to identify and understand companies, individuals and networks that may be involved in environmental crime or present a security threat to EPA officers. In 2020–21 the EPA identified and implemented policy reforms to make it harder for environmental criminals to stay in business.

4



We use intelligence to guide the development of our capabilities. For example, intelligence on African Swine Fever received in 2020–21 supported the EPA in collaborating with government on incident-preparedness exercises and developing specialist knowledge and spatial products that could be quickly deployed in the event of a biosecurity outbreak.

## Responding promptly to customer enquiries

### Correspondence

The EPA replies to correspondence it receives directly from the public, and also provides replies on behalf of the NSW Government and the Minister for Energy and Environment.

The EPA aims to reply to all correspondence that it receives. In 2020–21 we dealt with 2,218 items, a 50% increase on the previous year. We replied to:

- 91% of general correspondence within the target time of four weeks, falling only slightly below the target of 95%

- 59% of parliamentary correspondence within the target time of two weeks, 21% less than in the previous year. This below-target rate was due to the large volume of correspondence, much of it about koala habitat and matters related to the 2019–20 bushfires (such as logging in native forests and rebuilding communities).

### Environment Line

Environment Line is a significant channel of interaction with the public. It is a 'one-stop shop' for people reporting pollution and environmental incidents to the EPA (and to the Department of Planning, Industry and Environment). Information from calls is recorded in the Compliance Incident Reporting and Management system. Every call received is a valuable opportunity for us to listen and act.

# Our priorities

In 2020–21, Environment Line:



received **63,794** phone calls, with more than half (57%) being solely for the EPA



generated **10,139** incident reports of pollution where the EPA had regulatory responsibility, 17% more than in the previous year



resolved **74%** of issues during the initial call



received **29,950** email inquiries and reports, 17% fewer than in the previous year

Most contacts related to water pollution, odour, noise, waste management and air quality.

The total number of contacts has fallen by about 20% since 2019–20. It is returning to a more typical value after a spike caused by the 2019–20 bushfires and the start of the COVID-19 pandemic.

## EPA All-Staff Festival goes digital

In September 2020 the EPA broke new ground with its first online All-Staff Festival. The theme of the festival was 'Storytelling' and its power in building naturally influential relationships with all EPA stakeholders.

We initially planned the event as a traditional face-to-face gathering. But the COVID-19 pandemic meant we couldn't bring people together in person. So we reworked the one-day festival into an online event that ran over two weeks on the @Workplace platform.

The festival worked extraordinarily well. Viewers posted more than 6,600 comments and reactions in the festival month. Almost 5,000 of these posts were made in real time, during sessions.



CEO Tracy Mackey and EPA Chair Rayne de Gruchy with Matt Kean, Treasurer, and Minister for Energy and Environment at the EPA All-Staff Festival 2020. Photo: EPA

When participants were surveyed:

- 82% agreed or strongly agreed that the festival had been a valuable use of their time
- 78% rated the event four or five out of five
- only 9.5% said they'd prefer an in-person event in future.

After this success, we can feel confident about running more such events

# Our priorities

## CASE STUDY

### Adopting remote inspections



First spans being installed for the new Batemans Bay Bridge over Clyde River. Photo: Transport for NSW

In 2020 the COVID-19 pandemic restricted travel and gatherings. As a result, the EPA had to rapidly change many of its regulatory practices, such as how we interacted with our stakeholders and carried out work previously done in the field.

One way we adapted was to start doing remote inspections. We used a variety of technologies for these, including up-to-date satellite imagery and site walk-throughs on virtual meeting platforms. The project to replace the Batemans Bay bridge demonstrates this.

Construction was taking place over a sensitive waterway with high conservation value; community interest was correspondingly high. The project needed close engagement. Traditionally this would have included an EPA officer visiting every month to inspect.

Because of COVID-19 restrictions, we adapted to use virtual tools. The licensee surveyed the large and complex premises by drone and sent the EPA a high-definition video showing the entire premises and associated works. We found that the drone survey accurately identified all the challenges associated with the works. In some instances, it provided a better contextual understanding of the works than an in-person inspection.

# Our priorities

## Managing risks to achieve EPA objectives

### Our commitment to embedding a risk-management philosophy

The EPA's commitment to becoming a world class regulator includes a commitment to:

- identify risks
- take opportunities to reduce harm
- embrace a risk-management philosophy.

### Refreshed risk-management tools

In 2020–21 we refreshed our approach to risk management. We updated our Risk Management Policy, our Risk Management Framework and Operating Procedures, and our Risk Register – three important tools for managing risk.

Risk coordinators showed how robust and flexible the new Risk Management Policy was by presenting detailed analyses of selected risks at 2020–21 meetings of the EPA's Audit and Risk Committee.

### Risk-based regulation

The EPA applies a risk-based approach to regulation, focusing our regulatory activities on the biggest risks – both current and emerging – to the environment and human health.

In doing this, we have been both responsive and adaptive. By using contemporary tools, technology and data, we have become better at listening, identifying and responding to risks and opportunities to reduce or prevent harm.

We continue to improve our risk management maturity through implementation of our risk management framework and continued effort and engagement within the EPA. Protective, detective and corrective controls will be in place to ensure robust risk management including early detection of emerging risk.

### Assurance framework

The EPA assurance framework is another important tool for managing risk. It:

- shows the EPA Board, the CEO and the Executive team whether the organisation's work is achieving its goals
- includes a review process that allows risks to service delivery to be identified and reduced
- allows best practice to be captured and copied
- supports the continuous improvement of EPA practice and risk management.

We applied this framework consistently throughout the year.



EPA staff member engaged in a workshop about asbestos waste management. Photo: Anne-Claire Collee/EPA

# Our priorities

## Audit and Risk Committee

The EPA's Audit and Risk Committee (ARC) is a subcommittee of the Board and reports directly to the Chair. It is independent of the EPA and monitors, reviews and provides advice about our:

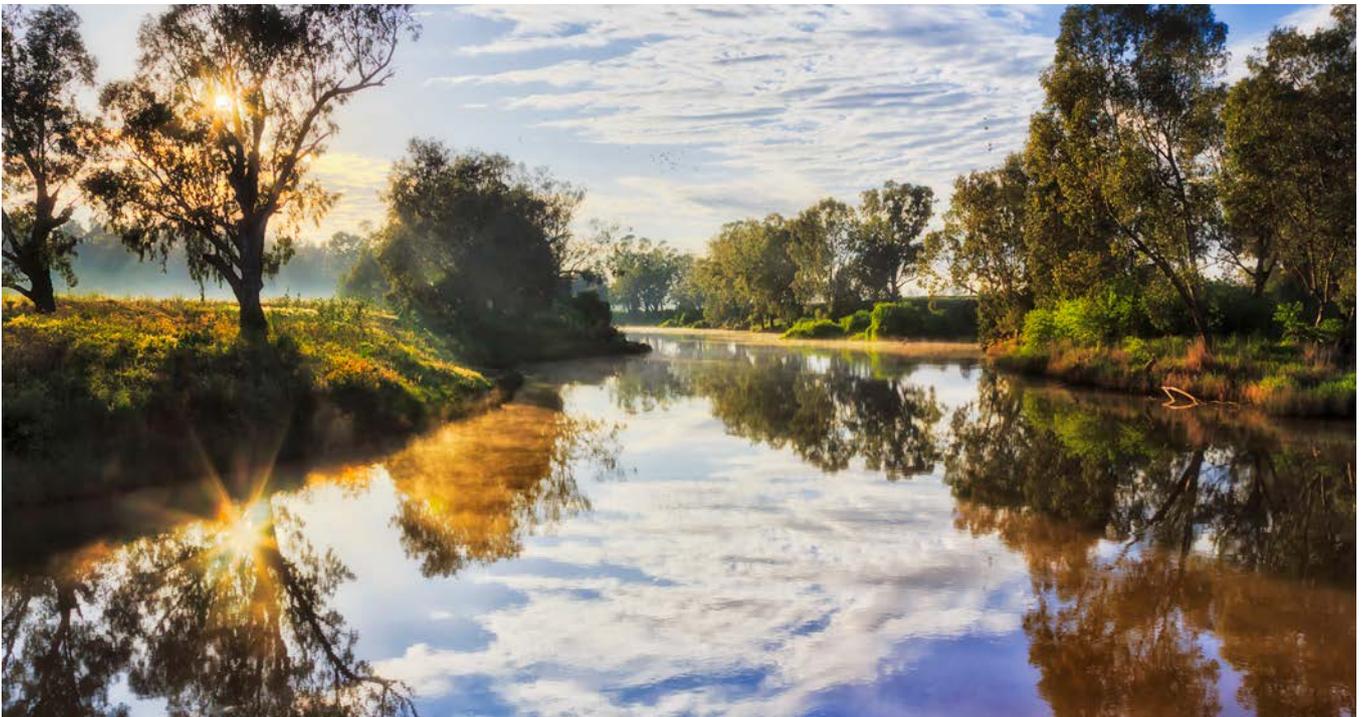
- governance processes
- risk management and control frameworks
- external accountability obligations.

The EPA's Chief Financial Officer, Chief Risk Officer and Chief Audit Executive can call on the committee to provide independent assurance to the Board that the EPA is managing its risks appropriately in the course of carrying out its regulatory, financial and audit responsibilities.

The current members of the Committee are:

- **Christine Hawkins: Chair**  
Original appointment 11 April 2016–10 April 2019, reappointed for five years
- **Michael Rennie: Independent member 1**  
Appointed 18 May 2020–18 May 2023
- **Elizabeth Wild: Independent member 2**  
Three-year appointment, pending qualification under Treasury.

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



Macquarie River at sunrise in Dubbo, NSW. Photo: iStock

# Our priorities



**Internal Audit and Risk Management Attestation Statement  
2020-2021 Financial Year  
ENVIRONMENT PROTECTION AUTHORITY**

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

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

Phone 131 555  
Phone +61 2 9995 5555  
(from outside NSW)

TTY 133 677  
ABN 43 692 285 758

Locked Bag 5022  
Parramatta  
NSW 2124 Australia

4 Parramatta Square  
12 Darcy St, Parramatta  
NSW 2150 Australia

[info@epa.nsw.gov.au](mailto:info@epa.nsw.gov.au)  
[www.epa.nsw.gov.au](http://www.epa.nsw.gov.au)

# Our priorities

- 3.2 The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the Compliant 'model charter'

## Audit and Risk Committee – Membership

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

- **Chair** – Christine Hawkins AM (5 year term of re-appointment, commenced on 11 April 2019)
- **Member** – Michael Rennie (3 year term of appointment, commenced on 18 May 2020)
- **Member** – Elizabeth Wild (3 year term of appointment, pending prequalification)



Tracy Mackey  
Chief Executive Officer  
Accountable Authority (by delegation)  
Environment Protection Authority  
Date 1.4.21



Amanda Cleary  
Lead Audit & Executive  
amanda.cleary@epa.nsw.gov.au

## Working with integrity

### Public access to government information

The *Government Information (Public Access) Act 2009* (GIPA Act) gives members of the public, the media, business and other organisations the right to access government information – including information not usually available to the public – unless releasing this information is against the public interest.

Under the Act, every year the EPA must:

- review its proactive release of information to the public
- report on how it has responded to formal applications for access to information.

### Proactive release program

The EPA program for the proactive release of information requires the agency to examine information, additional to that routinely made available to the public, which has been informally released or formally requested under the GIPA Act.

In 2020–21, information proactively released on the EPA website included:

- information in relation to energy recovery facilities, including a copy of the NSW Chief Scientist and Engineer's report *Energy from Waste (2020)* and the response to the report
- fact sheets on the monitoring of remediated land at Rhodes Peninsula, in English and community languages
- information on bushfire-affected forestry operations, including:
  - site-specific operating conditions, Protocol 5 reports and fire severity maps for each state forest

# Our priorities

- the report *2019–20 Wildfires: Environmental impacts and implications for timber harvesting in NSW State Forests* by Forestry Corporation of NSW (FCNSW)
- the report *Review of CIFOA Mitigation Conditions for Timber Harvesting in Burnt Landscapes* by independent ecologist Dr Andrew Smith
- a letter from FCNSW to the EPA and the EPA's letter in response
- information in relation to water quality in Darcy Road Drain at Port Kembla, including sampling results
- information in relation to Minchinbury odours resulting from the Bingo 'Dial A Dump' facility.

## Access applications received, decided and finalised in 2020–21

In 2020–21, the EPA:

- received 80 applications for access to information (most of them from the public) and found 69 of them to be valid
- decided 80 applications, including some received in the previous year
- finalised 71 applications, including nine carried forward from the previous year.

More than one decision can be made in relation to an access application. The table below lists the application outcomes for the 2020–21 financial year.

Decision outcomes	Number of decisions
access granted in full	37
access granted in part	23
access refused in full	10
information not held	8
information already available	1
refuse to deal with application	1
refuse to confirm or deny whether information was held	0
application withdrawn	6

Appendix 2 gives full details of the applications and outcomes.



EPA Officer responding to public enquiries.  
Photo: EPA

## Shared governance and essential services

Corporate and essential services for 2020–21 were provided by the DPIE Cluster Corporate Services under various service partnership agreements.

The following EPA statutory reporting requirements are covered by a shared service arrangement and compliance is reported in the DPIE Annual Report 2020–21:

- work health and safety
- personnel policies and practices
- industrial relations policies and practices
- Disability Inclusion Action Plans initiatives
- Multicultural Plan initiatives
- Workforce Diversity strategies and achievements
- agreements with Multicultural NSW
- digital information security.

# Our priorities

## Public enquiries, reports and complaints

EPA staff receive general enquiries about environmental issues, reports on pollution incidents, and feedback and complaints about our work. We value these interactions with stakeholders. Our Code of Ethics and Conduct specifies that EPA staff, when interacting with the public, will:

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

Members of the public may complain because they are unhappy with how the EPA has responded to an issue or the time it has taken to act on a pollution report. These complaints are appropriately addressed to the EPA. But we also receive complaints about matters for which we are not the regulatory authority. In such cases we refer the complaint to the appropriate body.

Allegations of corrupt conduct are reported to the NSW Independent Commission Against Corruption. In 2020–21 the EPA made three such reports.

## Public interest disclosures

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 2020–21, no public interest disclosures were made to the EPA – see Appendix 3.

Our staff are made aware of their responsibilities by relevant information provided on the EPA intranet. An updated *Public Interest Disclosure: Internal Reporting Policy and Procedures* document was published in 2019.

We treat all people with whom we have contact equally, without prejudice or favour and with honesty, consistency and impartiality.

## Privacy management

The EPA's **Privacy Management Plan** outlines how the EPA complies with the principles of the *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Privacy Act 2002*.

## Cyber security

We have assessed our cyber security risks, which are discussed at Executive and Board level during quarterly risk-review and assessment processes. DPIE Cluster Corporate Services provides cyber security for the EPA, and tests incident-response protocols each year – see Appendix 4.

## Controlled entities

In 2020–21, the Environment Protection Authority Staff Agency (EPA Staff Agency) was the only controlled entity of the EPA as defined under the *Government Sector Finance Act 2018*. The EPA Staff Agency is a Division of the Government Service responsible to the Minister for Energy and Environment, established under the Administrative Arrangements Order 2014, dated 29 January 2014. Under the Order, the former Office of the Environment Protection Authority became the EPA Staff Agency.

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

# Our priorities

## Direction from the Minister

The EPA has been directed by the Minister for Energy and Environment to include an assessment of the *NSW Net Zero Plan Stage 1: 2020–2030* (the Plan) in State of the Environment reports between 2020 and 2030, including the next issue due in late 2021.

This was directed under section 13.(3)(a) of the *Protection of the Environment Administration Act 1991*.

## EPA internal audit and assurance

Our internal audit and assurance program provides an independent assurance and advisory service. It adds value by applying a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, internal controls and governance processes. The program monitors, analyses and communicates lessons learned, contributing to us becoming a world class regulator.

The EPA *Internal Audit Charter* provides the audit framework and the forward plan for audit and assurance activities for 2021–22.

The forward plan is reviewed from time to time to make sure work remains focused on addressing risks.

The Chief Audit Executive leads the internal audit and assurance section and reports quarterly to the EPA Audit and Risk Committee. Reporting covers the results of completed audits and the progress of management actions to address the findings of internal and external audits. The table shows the number of assurance activities undertaken for the financial year.

Type of assurance activities	2020–21
Internal audit	4
Assurance review	2
External audit: NSW Audit Office	2
<b>Total audits and assurance activities</b>	<b>8</b>

## EPA insurance

The EPA's insurance arrangements are made through the Treasury Managed Fund, 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.

## EPA insurance premiums

Area of risk	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000
Workers compensation	258	287	217	268	182
Public liability	41	41	55	74	104
Property	7	9	12	17	5
Motor vehicles	52	44	48	40	31
Miscellaneous losses*	0	0	0	0	2
<b>Total</b>	<b>358</b>	<b>381</b>	<b>332</b>	<b>399</b>	<b>324</b>

\* Miscellaneous losses include employee dishonesty, personal accident insurance and protection during overseas travel.

The cost of workers compensation insurance has varied with changes in the number of employees over the five years reported.

# Our priorities

## Government resource efficiency

The NSW Government Resource Efficiency Policy (GREP) sets out actions, targets and minimum standards for resource efficiency in NSW Government operations. In 2020–21 the EPA complied with GREP through the DPIE Cluster Corporate Services (CCS) Sustainability Program.

The sixth GREP report for the DPIE cluster, which includes the EPA, was delivered in 2020. This report:

- tracks resource consumption for 2019–20
- tracks progress towards the energy-efficiency target
- includes a statement of compliance.

## Green leases

A 'green lease' is a lease between the landlord and tenant that incorporates energy efficiency and other sustainability goals throughout the lease term. DPIE has established green-lease committees for 4 Parramatta Square, 105 Prince Street Orange, The Store, Newcastle and 231 Elizabeth Street. The green leases included modifying operations to save energy and generate less office waste.

## Energy

In the previous financial year, much of the Department moved to newer, more energy-efficient buildings. Staff spent much of 2020–21 working from home due to the COVID-19 pandemic: as a result, there was little opportunity (and reduced need) to run campaigns around energy efficiency, but such campaigns will resume when staff return to the office.

When staff were largely working from home in 2020–21, several floors in 4 Parramatta Square were closed down. This reduced operational costs. But even in 2019–20, energy efficiency projects had cut costs by 46% on the 2014–15 baseline.

## NABERS ratings

There were no further NABERS ratings commissioned at the EPA's major tenancies because many have been vacated or will be in the next year. The newly built office spaces at 4 Parramatta Square (4PSQ) and 105 Prince St, Orange, will be rated after staff return to the workplace.

## Waste

Due to the Whole of Government (WoG) waste contract being reviewed and awarded to selected contractors, a number of the current waste service providers have neglected to supply the required data for our sites.

A solution to this challenge has been provided by NSW Procurement by modelling the waste data for the 2019–20 financial year for top streams at cluster level, based on previous years.

There will be further waste disposal categories introduced due to extra reporting facilities across our new sites, with teams capturing many types of waste disposal to report on including garden/compost waste, single use coffee cups and batteries. The added waste streams provide a more accurate account of what we are disposing of as a Department across the state.

During the consolidation into 4PSQ a large amount of furniture was repurposed to complete various upgrades and fitout projects (including 92 Rusden St, Armidale, and 84 Crown St, Wollongong), thereby avoiding landfill.



There was a financial saving of \$777,242 in repurposing furniture versus disposing of used and purchasing new furniture.



# Our priorities

## Grants and sponsorships

The EPA provides grants to government, business and the community to help them target specific environmental issues. In 2020–21 most grants related to waste management: some were directed to bushfire recovery and dealing with lead contamination. See Appendix 5 for the full details of waste and non-waste grants in 2020–21.

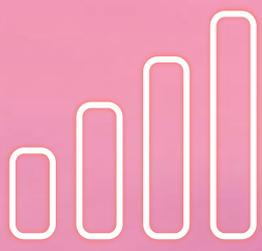
The EPA sponsors activities and events such as awards, scholarships, meetings and conferences. These sponsorships help us raise awareness, share knowledge, recognise achievements, support best practice and demonstrate our commitment to working constructively with business and the community.

In 2020–21 the EPA paid a total of \$24,370 to sponsor relevant conferences, including the Litter Congress, Waste 2021 Conference and Australian Organics Recycling Association conferences.

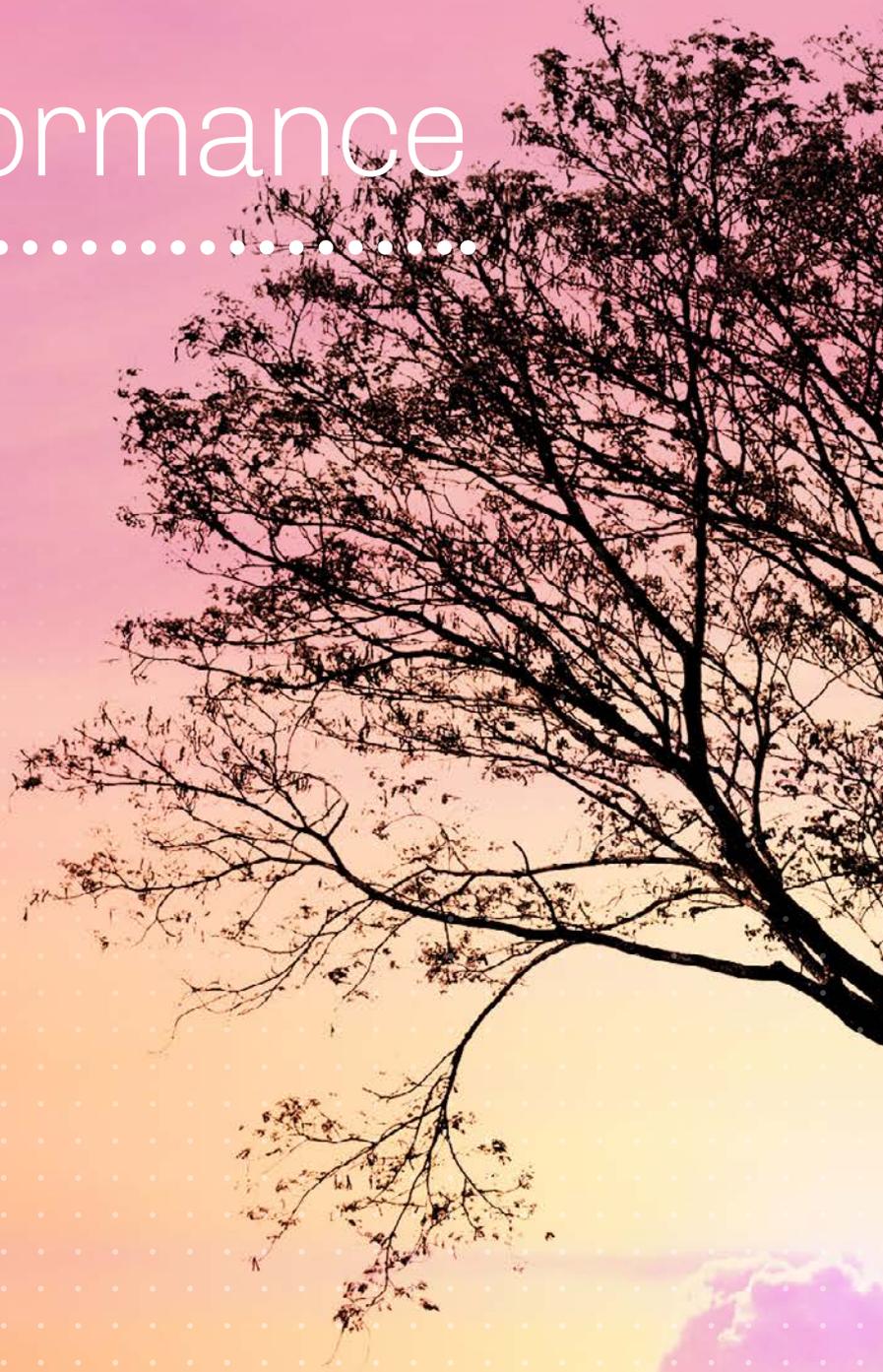
- The Litter program paid \$10,689 to Keep Australia Beautiful NSW (organiser of the Litter Congress).
- The Local Government program paid \$3,682 to Impact Environmental Consulting Pty Ltd (organiser of the Waste 2021 Conference).
- The Organics program paid \$10,000 to the Australian Organics Recycling Association.



EPA Organics Market Development Grant recipient, Applied Horticultural Research, tests mushrooms in local compost: Photo: Adam Goldwater



# Our performance



# Our performance

## Supporting recovery from the 2021 floods

Heavy rain started falling on Australia's east coast on 18 March 2021, causing flooding up and down NSW. On 21 March the floods were declared a natural disaster. We immediately activated our Incident Management Team, deploying officers to the:

- State Emergency Operations Centre in Homebush
- SES (State Emergency Service) State Command Centre in Wollongong
- regional Emergency Operations Centres across NSW.

The EPA's action was part of a coordinated response from the NSW Government. We worked alongside:



Resilience  
NSW



Public Works  
Advisory



Office of  
Local Government

Our role was to provide environmental advice and services. We did this in a number of ways.

### Support for licensees

We contacted licensees within the flood zone to assess how they were affected and provided support where possible.

### Support for flood-affected communities

We assigned staff to multi-agency teams that were deployed around the state to help with the relief effort.

### Waste management

We contacted affected councils to discuss their options for disposing of waste or storing it temporarily. We also provided communities with guidance on how to clean up flood waste and what to do with asbestos.

### Waste levy exemptions

We waived the waste levy in flood-affected areas to reduce communities' clean-up costs.

### Community presence

Our community recovery centre representatives attended meetings where we listened and responded to concerns raised by people directly impacted by the floods.

### Safety and protection of the environment

We distributed information to local councils and stakeholders about safety and protection of the environment, covering topics such as:

- dealing with asbestos
- blackwater events (high levels of dissolved carbon)
- fish kills
- sewage.

### Clean-up of shorelines and waterways

- We led the collection and removal of flood debris on shorelines and waterways through the **NSW Storm and Flood Shoreline Clean-up Program**.
- We guided volunteers in how to clean up debris while protecting vulnerable shoreline plants and ecosystems in these environments.
- We appointed specialist maritime salvage companies (Varley and Avcon) to collect and remove debris.
- We worked with the National Parks and Wildlife Service and the NSW RFS State Air Desk to obtain flyovers of the impacted areas, which gave us real-time aerial views of

# Our performance

riverbanks and shorelines along the entire NSW coast. We combined these views with on-ground intelligence from the public, community groups, councils and other agencies to map and identify waste and debris. High-risk debris, such as:

- hazardous waste
  - animal carcasses
  - debris posing a threat to safe navigation or aquaculture
  - debris posing an immediate environmental threat
- Were prioritised for removal.
  - We also collaborated closely with the National Parks and Wildlife Service and the Department of Planning, Industry and Environment to identify areas that were environmentally or culturally sensitive, so we could ensure our clean-up did not cause more harm than the debris itself.



The clean-up of shorelines and waterways after the floods extended from Sydney to the Queensland border and included all the major coastal river systems. It was the largest such clean-up ever undertaken in NSW.

## Acting in line with our responsibilities and values

The EPA acted in line with its responsibilities under the *State Emergency and Rescue Management Act 1989*, namely, to act safely and efficiently in “the process of returning an affected community to its proper level of functioning after an emergency” (SERM Act, Section 5(d)), with a focus on minimising impacts on the environment.

Our response showed the characteristics of a world class regulator:

- we were service-oriented in supporting impacted communities
- the tools and technology we used let us be responsive and adaptive
- we showed a learning mindset in applying lessons learned from our 2019–20 bushfire response
- we took the initiative on the shoreline clean-up, and were outcomes-focused.

Throughout our response we were committed to delivering value to the public by improving environmental and human health outcomes.



Clean-up operations on the Manning River. Photo: EPA

# Our performance

## Our response to the 2019–20 bushfires

During the summer of 2019–20, much of NSW experienced extreme bushfires. In December 2020, after consulting extensively with stakeholders from affected communities, the NSW Government announced five EPA Bushfire Recovery Programs:

- the **Bushfire-Generated Green Waste Clean-Up and Processing Program**, which ensures the appropriate management of remaining green waste generated by the bushfires. The amount of bushfire-generated green waste is estimated to be 165,000 tonnes.
- the **Aboriginal Lands Program**, which supports Aboriginal landowners and communities in assessing, planning and cleaning up waste in bushfire-affected areas
- the Bushfire Recovery Program for **Council Landfills**, which ensures councils are no worse off as a result of receiving bushfire waste at their landfills
- the **FenceCycle Program**, which helps councils collect the metal components of burnt rural fencing from landholders and recycle these
- the **Bushfire Dumping Program**, which helps public land managers clean up and dispose of bushfire waste that has been illegally dumped on public land.

These innovative and specific programs to clean up bushfire-affected communities have generated valuable jobs and helped local recovery.

The three programs targeting illegal dumping, fence recycling and council landfills are funded by the NSW Government, while the clean-up programs for green waste and Aboriginal lands are funded under the joint Commonwealth–State Disaster Recovery Funding Arrangements.



**New growth on a burnt forest tree after the bushfires.**

All programs have a strong emphasis on accountability and probity to ensure the funding goes to specific environmental recovery projects with clearly defined outcomes for local communities. These programs benefit bushfire-affected communities in the long term by improving infrastructure. They also benefit them immediately by generating local employment and removing and recycling waste.

Extensions to four programs were granted to applicants affected by the NSW floods in February and March 2021. Applications for all programs closed on 30 June 2021. The Aboriginal Lands Program is already being rolled out to 24 eligible Local Aboriginal Land Councils. Work is completed or under way in many of these areas. Actions have included installing gates, fencing and signage to prevent illegal dumping, removing waste and capping burnt waste dumps with soil and tree seedlings. Three of the companies engaged for this work are Aboriginal-owned, and employment has been provided for 28 Aboriginal contractors across nine Local Aboriginal Land Councils.

Announcements of the successful applicants for the Green waste, FenceCycle, Council landfills and Bushfire dumping programs will be made in the second half of 2021.

# Our performance

## A focus on forestry

In 2020–21 the EPA focused on its forestry regulation. This was in response to the significant impact of bushfires and as part of our ambition to be a world class regulator. The EPA conducted 120 forestry inspections.



We assessed **90.9%** of high-risk native forestry operations for compliance against the native forestry regulations and guidelines



**80** inspections across **43** different Crown forestry operations



**40** inspections across **36** different private native forestry operations

The work involved:

- enhancements to guidance and training for regulatory officers, IT systems and regulatory tools, including the development of a new environmental risk assessment tool
- increased operational, technical and legal resources for forestry regulation to increase the speed of on-ground deployment and timeliness of investigations
- more engagement with local communities interested in ecological sustainable forestry management, Forestry Corp NSW and Local Land Services.

We increased our presence on the ground and provided more compliance education at all stages of logging operations. We also worked closely with the:

- general community
- industry

- Aboriginal groups
- environment groups concerned about the impact of logging on the environment, their communities and their regional economies.

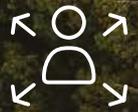
In 2020 the EPA issued extra environmental conditions ('site-specific operating conditions') to the Forestry Corporation of NSW. These were to supplement the existing IFOA conditions in 66 fire-affected state forest compartments. These extra controls were placed on forestry operations in burnt forests to minimise further environmental impacts.

In 2020–21 the EPA started ten forestry prosecutions (five under the Forestry Act 2012 and five under the Biodiversity Conservation Act 2016) against Forestry Corporation of NSW. The number of operations that were issued with a compliance action can be found on our website.

The events of the last two years have shown how in forestry regulation, as in other areas of regulation, the EPA takes a risk-based approach, engages with communities and industry on complex regulatory frameworks, and adapts its regulatory approach when necessary.

## Environmental monitoring to inform forest management decisions

In 2020–21 the EPA continued engagement in the development and implementation of a long-term environmental monitoring program alongside multiple agencies and independent experts collaborating with oversight from the Natural Resources Commission. We continue to input into this developing program and functions, along with the Department of Primary Industries, as an approval authority, approving the monitoring program approach in December 2020. This approach to monitoring uses several interdependent strategies that target various environmental features of interest such as: forest structure and function, species occupancy and persistence, and water quality and forest regeneration. The program should be fully under way by the end of 2021.

A white icon of a person with four arrows pointing outwards from the head, symbolizing focus or direction.

## Outcomes-focused

We articulate and are relentlessly accountable to clear outcomes that focus on the effective delivery of public value

.....

# Our performance

Another core feature of the monitoring program is targeted research projects. Research projects currently near completion include: the response of koalas to different harvesting intensities and bushfire impacts, and how climate change might affect the outcomes of the Coastal IFOA over time.

In response to the devastation of the 2019–20 wildfires, the design of the monitoring program has been expanded to track the recovery of the above broad range of environmental features post wildfire and the interaction of this recovery with past and future logging.

## An outcomes-focused organisation

### Adaptive and responsive Business Recycling Unit during COVID-19

The EPA's Business Recycling Unit helps businesses avoid, reduce and recycle waste and develop circular economy initiatives. Bin Trim, Rebates and Circulate programs help NSW meet future infrastructure and service needs as waste volumes continue to grow.

In May 2020 Round 4 of one of our main programs in this area, Bin Trim, awarded 22 grants with a combined value of \$5 million.

Bin Trim grantees visit businesses to carry out waste and recycling assessments. Round 4 grantees aimed to engage nearly 8,000 businesses, but when these grant projects started it wasn't clear how COVID-19 might affect them. This year the EPA's Business Recycling Unit helped grantees adapt their programs to meet pandemic conditions, as well as supporting them with training and communication.

With the EPA's support, some grantees changed their plans to target business sectors that were less impacted by COVID-19. Others went to great lengths to accommodate the changing COVID restrictions and specific needs of participating businesses: for example, environmental consultancy WildBlueGlobal was able to work with the aged care sector by doing extra planning and taking extra health and hygiene measures. The EPA also allowed grantees to change how and when they engaged with businesses, with some grantees using technology to conduct assessments remotely and many receiving extensions to compensate for time lost in lockdowns.

Bin Trim grantees have achieved outstanding results and are on track to hit their targets by the end of the program round in late 2021.

Since June 2020:



grantees have engaged more than **7,300** businesses



each business has received at least one site assessment



more than **4,500** businesses have acted to reduce waste and increase recycling



more than **25,000** tonnes of waste are now being diverted from landfill each year (an estimate from follow-up assessments).

This result has added to the success of Bin Trim's previous rounds.

# Our performance



Since the program began in 2014, 37,000 businesses have taken part.

Collaboration and a focus on customer service have allowed the Bin Trim program to thrive in 2020–21 despite unexpected and unprecedented conditions.



An ANZ employee implementing Bin Trim labelling system for paper and cardboard. Photo: EPA

## Returning, earning and delivering: the NSW container deposit scheme

The NSW container deposit scheme, *Return and Earn*, was launched on 1 December 2017. It is the largest litter reduction scheme ever introduced in the State. Before *Return and Earn*, more than 160 million drink containers were littered each year, representing 44% (by volume) of all litter in NSW.

*Return and Earn* has become part of life in NSW: it has more than 620 collection points across the State and 77% of adults have used it.



Family using a Return and Earn facility. Photo: EPA

As at June 2021 more than 5.7 billion containers have been returned for recycling. The redemption rate has risen year on year and has now reached 68% of all containers supplied into NSW (rolling 12-month average). Over the scheme's lifetime, it has cut the volume of eligible drink containers ending up as litter by 52%.

As well as cutting litter and boosting recycling, *Return and Earn* has delivered economic and community benefits. It has put more than \$570 million in refunds back into the hands of the community. It has also become an important fundraising channel, generating more than \$24 million for charities and community groups via donations and fees from hosting return points. We can truly say that the scheme's focus on people is at the heart of its success.

## Ensuring compost quality

Source separated **food organics and garden organics** (FOGO) is a valuable resource when collected from the kerbside and processed into compost.

In late 2020 and early 2021, the EPA conducted a study into the characteristics of recovered organics taken from FOGO and Garden Only (GO) source-separated waste. This study was part of a package to help councils and the

# Our performance

alternative waste management industry move to collecting and processing source-separated organic wastes.

Samples were taken from:

- 13 food organics and garden organics composting facilities
- 5 garden organics composting facilities
- 3 units that dehydrate food waste.

The samples were taken from metropolitan, regional and rural areas of NSW and analysed for about 260 chemical and physical, contaminants, pathogens relevant to human health, and other attributes.



**Unavoidable waste in bowl ready for composting.**  
Photo: Evolving Images/EPA

The data is still being analysed and interpreted. (For some of the analytes, there are no established guideline values for recovered organic materials.) When this process is complete, the data will form an evidence base for future decisions about ensuring quality product from source-separated FOGO.

The EPA will share the study's results with the organics industry, councils and the community. We encourage and support processors and the community to take up best practices. This study will help make sure recovered organics are safe and provide sustainable and beneficial uses.

## Waste Crime Taskforce

The EPA Waste Crime Taskforce addresses the most serious and complex waste-related crimes and organised criminal behaviour. It brings together experienced investigators, waste-compliance, legal and intelligence staff from the EPA with officers of the NSW Police Force and other agencies. It works to deter and disrupt waste crime through intelligence-led investigations and other regulatory interventions.

Waste crime in NSW is organised: there are networks of offenders involved at each stage of the waste process. Many waste offenders have been or are currently involved in other crimes, and some have links to other organised groups such as outlaw motorcycle gangs.

Most waste crime relates to the disposal of waste, although the waste industry has also been used to launder money. A common crime is to illegally dispose of waste – typically building and demolition material including asbestos – on rural and other landholdings within the greater Sydney metropolitan area, to cut disposal costs and avoid paying the waste levy. Some landowners accept money to have waste left on their property however, they often don't know that the material contains asbestos and other contaminants. In 2020–21 the EPA detected another practice: building and demolition waste being illegally disposed of in warehouses.

False waste records are often created and supplied to developers and others to conceal that waste has been disposed of unlawfully. Industry's use of paper waste records, including waste classification reports and waste disposal dockets, enables waste fraud and illegal disposal. Online systems and other information security solutions would reduce opportunities for waste fraud.

This year the Waste Crime Taskforce started eight prosecutions against several individuals and companies for waste crime offences including the pollution of land and the supply of false or misleading information about waste.

# Our performance

One person has received a jail sentence and others have been heavily fined. The NSW Police Force has also prosecuted some of the same people for deception, money laundering and criminal group offences.

An example of a matter finalised in 2020–21 was the investigation and subsequent prosecution of Michael Laird for land pollution (page 110).

## Helping communities and charities dispose of waste

Each year the EPA issues numerous exemptions to the waste levy. This is to help communities faced with unusually large clean-up tasks (such as after bushfires, storms and floods, animal disease outbreaks or whale deaths) and charities that carry out services for the community. It's an instance of the EPA putting its principles – to be service-oriented and people-centred – into action.

A waste levy exemption was also granted by gazette for a further 12-month extension to 1 May 2022 to four of the five existing alternative waste treatment facilities that had demonstrated progress to transition to sustainable resource recovery outcomes.

In 2020–21:



we approved **77** applications for levy exemptions

community service	<b>66</b>
natural disaster	<b>7</b>
biological (disease outbreaks)	<b>1</b>
whale carcass	<b>3</b>



**60,000 tonnes** of waste were collected under all existing exemptions.

The natural disaster exemptions related to the seven natural disasters declared in NSW this year. Such exemptions are usually issued soon after a disaster declaration is finalised and left in place until the clean-up is completed. This assures councils and residents of affected areas they will not have an additional financial burden on top of the costs of clean-up.

Community service exemptions help registered charity groups who have to dispose of waste arising from their activities. Most of this waste is unwanted or unusable donations. NSW charity groups spend more than \$7 million a year disposing of unsaleable items, which eats into the services they can provide for clients. Exempting them from the waste levy relieves them of additional cost.

## Regulating to prevent harm

### Best practice regulation

Operational regulatory work is our core business. Through best-practice regulation, we improve the behaviour of individuals and businesses and hold poor environmental performers to account.

In 2019–20 EPA operational teams regulated and managed a wide range of licences and approvals, including:

- 2,750 environment protection licences (for licensed premises)
- 7,300 dangerous goods (driver) licences
- 19,500 radiation licences
- 1,240 tanker approvals
- 6,875 pest-control licences
- 202 orders and approvals that regulate the management of significantly contaminated land.

# Our performance

Our regulatory activities ensured continued high rates of compliance this year. For example, of licensed premises with environment protection licences, 99.2% complied with all their conditions.

## Improving environmental performance with risk-based licensing

The EPA operates a risk-based licensing system for licences held under the *Protection of the Environment Operations Act 1997*. This means licensed premises receive a level of regulatory oversight proportional to the level of risk their operations pose to the environment. In addition, the EPA imposes higher licence fees for poor environmental performance and lower ones for better performance. This gives businesses an economic incentive to maintain and/or improve their environmental performance.

Currently only 3% of the 2,086 premises licensed by the EPA are in the high-risk category. The EPA aims to inspect these premises at least twice a year to ensure they are managing their activities in accordance with the conditions of their environment protection licences (and so minimising their environmental impacts). Those with a lower rating are inspected on a regular schedule at intervals determined by their risk level.



98% of high-risk/proactive inspections were undertaken for compliance with environmental standards. This was an increase of 42% since 2016–17.

## 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 2020–21, a total of 639 licences were due for review. Of these, the EPA completed 39 reviews, with six reviews by the due date. With over 94% 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.

	No. of licence reviews	Licence reviews completed by due date	Licence reviews not completed by due date
2016–17	233	232	1
2017–18	274	271	3
2018–19	597	592	5
2019–20	743	724	19
2020–21	639	606	33

## Planning

The EPA seeks to improve the environment and human health and eliminate or reduce land-use conflict, increasing regulatory certainty for industry and improving the quality of life for residents.

The strategic planning and development assessment process under the *Environmental Planning and Assessment Act 1979* (EP&A Act) plays a central role in avoiding and/or managing environmental impacts.

Preventing harm through the NSW planning and development system

Through engagement in strategic planning exercises, the EPA seeks to ensure that land-use planning takes account of environmental issues such as air and water quality, noise, waste and contaminated land.

As part of the development assessment process, we provide expert advice on how development may affect air or water quality, noise management, waste, contaminated land, and chemical and radiation issues. Through our advice and recommendations, we can influence proponents and consent authorities.

# Our performance

In 2020–21, the EPA dealt with 577 planning matters – 131 of these were Integrated Development Applications where local government must adopt the EPA's General Terms of Approval.



100% of DAs for significant development contain conditions recommended or agreed to by the EPA in 2020–21.

## Laying the groundwork for better planning

In 2020–21 the EPA developed a staff planning matters training program with Macquarie University funded by the Department of Planning, Industry and Environment. The training will be rolled out in 2021–22. The training will support the EPA to meet NSW Government priorities on the timeliness and quality of planning matters processes, and to support the EPA to obtain better outcomes for the environment and human health within the NSW planning and development framework.

## Land and resources

The EPA protects land in NSW by regulating activities that have the potential to contaminate our soil and water tables. It also oversees remediation of sites that are already contaminated.

### Contaminated sites

The EPA regulates the management of significantly contaminated land to:

- protect people and the environment
- make better living environments by allowing the land to be put to good use – for instance, as public open space.



4% of regulated contaminated sites were remediated in 2020–21.

We work with communities, local councils, industry and other responsible authorities to raise awareness of contaminated land and its management. We also listen to our stakeholders, which builds their confidence in the work we do. Where necessary, we exercise our regulatory powers to ensure industry and other responsible parties appropriately manage contaminated land.



Illegal dumping of asbestos near a river. Photo EPA

In 2020–21:

- the EPA received and prioritised 49 new notifications of contaminated land for potential regulation, mostly from landowners
- 21 of the 30 notifications that had enough information were assessed within four months, a completion rate of 70%
- 12 new sites were declared significantly contaminated, requiring management under the *Contaminated Land Management Act 1997*
- EPA regulation ended for 6 sites declared significantly contaminated, because the contamination had been cleaned up or managed
- for land declared to be significantly contaminated, 72% complied with management order conditions and 79% complied with the terms and conditions of approved voluntary management proposals.



Of our target to notify 95% of assessed contaminated sites within four months on a decision on whether regulation is required, we achieved 91%.

# Our performance

## CASE STUDY:

### Community soil sampling in Captains Flat



**EPA staff sampling soil at Captains Flat Public School.**  
Photo: EPA

Captains Flat is a town of about 600 people, 45 km south of Queanbeyan, NSW. From the 1880s to the 1960s it was home to an underground mine that produced metals, including lead, and an associated smelter. The mine site is heavily contaminated with lead and other substances and has been derelict since it closed.

In late 2020 the EPA learned that the rail corridor next to the mine was contaminated with lead. This sparked concern that contamination might have spread to the town.

In January 2021 the NSW Government brought together staff from several government agencies, including the EPA, to form the Captains Flat Contamination Taskforce. This group's role was to investigate the contamination and engage closely with the Captains Flat community.

EPA officers measured lead levels in surface soil at 80 public areas including parks, reserves, roads and schools. They then compared them with the 'health investigation level' set by national guidelines: if these levels are exceeded, further investigation is warranted.

Fourteen of the 80 tested sites had lead levels higher than the health investigation level. In the northern part of the village, levels were generally low, but in the southern part – closer to the former mine – some sites had higher readings. However, lead levels above the health investigation level don't necessarily pose a risk to human health.

The EPA presented this information to residents at two well-attended community drop-in sessions in town. We also distributed:

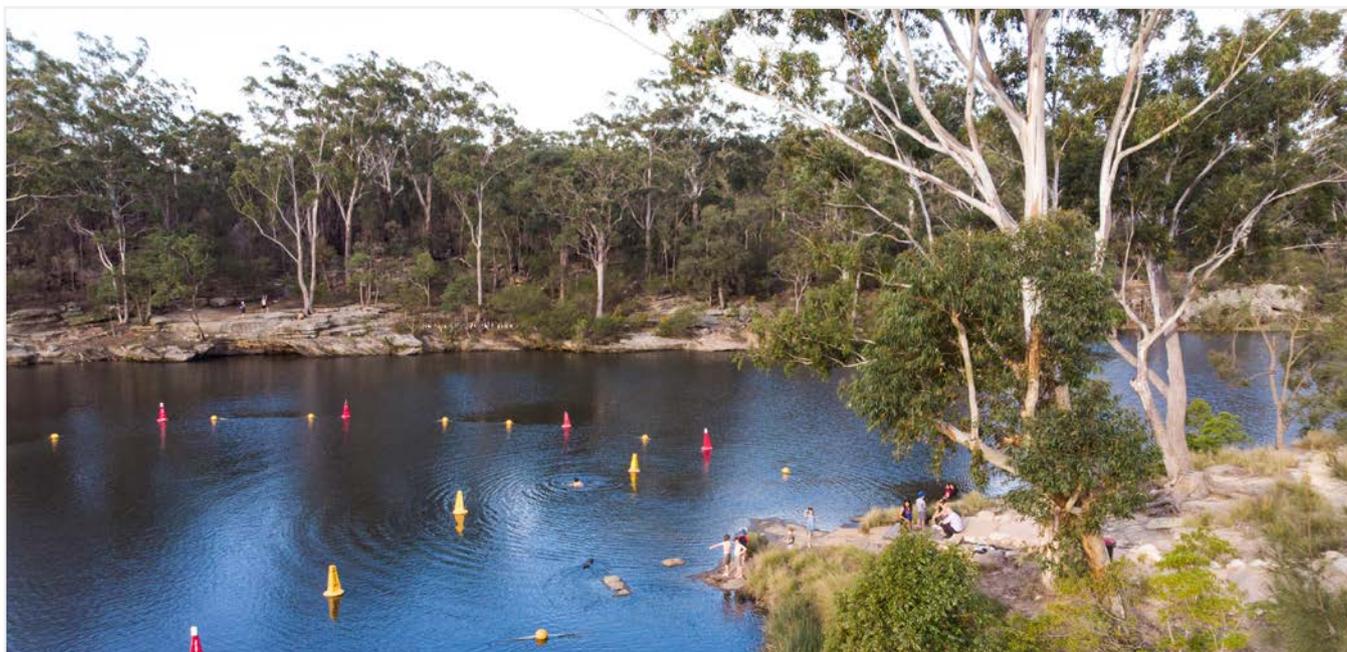
- a report with the test results
- a fact sheet that explained how to manage lead contamination around the home. We distributed this via letterbox drops and posted it on the EPA website.

The EPA offered to test surface soil and water tanks on residents' properties for free. Forty people responded. About half the properties tested had lead contamination in the surface soil above the health investigation level.

The EPA and other members of the taskforce are continuing to work with the Captains Flat community to keep people safe from contaminants from the former mine. The taskforce is developing an area-wide management plan for the town that will include:

- further testing on the former mine site and in the town
- remediation of soil and groundwater
- engagement with the community.

# Our performance



Parramatta River swimming area. Photo: EPA

## Protecting water

The EPA aims to protect water bodies and aquatic ecosystems from harmful industrial and sewage discharges, and from substances such as oil, chemicals, pesticides, sediments and fertilisers carried in run-off from the land or stormwater systems.

The EPA uses licence conditions and powers under the *Protection of the Environment Operations Act 1997* to regulate discharges to water from industry or sewage treatment plants, and collaborates with other agencies to improve water quality.

Some swimming sites along the NSW coast can be affected by stormwater and occasional sewage system overflows. The NSW Government's *Beachwatch* program monitors water quality at these sites. The most recent available data (for 2019–20) shows that water quality was 'very good' or 'good' at 89% of the 228 monitored sites. This is a slight increase on the previous year and exceeds the EPA's target of 83%. The 126 monitored ocean beaches had excellent water quality, with 98% being 'good' or 'very good'.

## Steps to a healthy Parramatta River

The EPA is working with member agencies of the Parramatta River Catchment Group and the community to make Parramatta River 'swimmable' by 2025. This project will benefit the surrounding community by creating more accessible swimming locations and improving the river's ecosystem health. New swimming spots will be opened by 2025, joining current sites at Cabarita Park beach, Chiswick Baths, Dawn Fraser Baths and Lake Parramatta. We are helping to deliver several components of the *Parramatta River Masterplan* by:

- ensuring activities to reduce sewage overflows target the right catchments
- continuing to participate in the successful Get the Site Right compliance and education campaign in the catchment. This campaign targets erosion and sediment control on building and construction sites
- taking part in intergovernmental workshops
- protecting the community by looking at potential health risks at the proposed swimming sites.

The EPA will continue to be actively involved in delivering the *Parramatta River Masterplan*.

# Our performance

## CASE STUDY

### Responding to odour at Minchinbury



**EPA Officer undertaking odour surveys in the Minchinbury and Eastern Creek area. Photo: EPA**

In March 2021 residents in and around Minchinbury in Sydney's western suburbs began reporting an unpleasant odour, likened to rotten eggs. The EPA received over 800 reports. We responded by stepping up the number of odour surveys and inspections of potential source sites and engaging external qualified odour surveyors to support our efforts.

Our investigations confirmed the odour was coming largely from Bingo's Dial-A-Dump landfill in Eastern Creek.

In April 2021 we issued Bingo with a Clean-Up Notice that directed it to take immediate steps to reduce odours, and in May 2021 we amended Bingo's environment protection licence to limit the volume and type of waste accepted at

the landfill. Bingo has now installed a system for collecting and flaring landfill gas and has improved how it covers waste. These steps have greatly reduced the odour.

We kept the local community informed about our progress through social media, email, a pop-up community information stall, and by speaking at community meetings and issuing a media statement. We installed temporary air monitoring devices at several locations and published their data on our website.

We will continue to investigate potential offences by Bingo and/or Dial-A-Dump in relation to this odour event and are committed to working towards a long-term solution for this problem.

# Our performance

## Engaging with our communities

In 2019–20 the EPA committed itself to becoming a world class regulator. As part of this transformation, we committed to collaborating and engaging more closely with stakeholders. The need to do this was reinforced by what we heard from an in-depth survey of stakeholders in 2020. This section describes some of the ways we engage with stakeholders, and specific instances of engagement.

## Dynamic online ‘Have your say’ channel informs our work

The EPA is committed to listening to our stakeholders’ views and responding to them. Our **online consultation platform** draws and collates valuable feedback on all new and draft policies, guidelines and regulations. This feedback shapes our next steps on regulatory updates and new policy directions or guidelines. After you ‘have your say’ we post summaries of feedback and next steps. We also use the platform to run short internal and external surveys.

**In 2020–21 we ran 11 targeted or public consultations. These attracted 880 submissions. Three documents were particularly notable.**



The *EPA Regulatory Strategy* received the most submissions – 315.



The updated *Energy from Waste Policy* set out a planned expansion of restrictions to air emissions, reflecting the latest advice on standards from the NSW Chief Scientist and Engineer. It drew 190 survey responses and 135 written submissions.



The *Construction Noise Guideline* contained ways to reduce the impacts of construction noise, and requirements for construction project managers to connect with and speak to their communities early. We received 46 submissions about it from stakeholders, including the transport industry, acoustics industry, local councils and community. We expect to finalise the guideline in late 2021.

Several consultations are already active or planned for 2021–22. These include:

- a model transport infrastructure licence designed to provide clear and consistent environmental conditions for major transport infrastructure construction projects
- changes to requirements for radiation licensees.

# Our performance

## Informing, consulting and involving our stakeholders

The EPA is continuing to improve engagement processes to better inform, consult and involve our stakeholders.

In 2020 we commissioned an independent research firm to conduct an in-depth stakeholder survey. This reached 2,010 members of the public and 1,120 direct EPA stakeholders (who include regulated businesses, local councils, licensees and community groups). It told us about our stakeholders' interests and priorities, and how they view our actions.

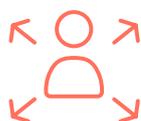
The survey results suggested how we could improve our engagement processes and the way we deliver services. We welcomed these insights and acted on them by:

- creating a Charter of Engagement that outlines our commitment to working with others
- running roadshows at 12 locations around NSW, at which the EPA Executive met with council and licensee stakeholders and consulted on the EPA's Regulatory Strategy
- setting up a new central system called The Hub to coordinate licensing requests and starting more targeted, industry-specific engagement with waste, forestry and council stakeholders.

The 2020 stakeholder survey also found that:



most of the NSW community (72%) agrees that the aim of environmental regulation should be to improve, rather than maintain, the health of the environment



the community wants to know more about the environmental priorities for NSW, with 40% asking for more leadership from the EPA in setting the environmental agenda and explaining what work is critical for the environment



awareness in the community of the EPA is high – 85% (as in previous years) – but genuine knowledge of the EPA's work is low



overall, industry and government stakeholders are more satisfied with the EPA (62% and 68%) than community and environmental stakeholders. Key stakeholders see the EPA brand as professional (66%), approachable (62%) and trustworthy/honest (58%). These were the top-rated attributes and were based on interactions and experiences with EPA staff.

# Our performance

## CASE STUDY

### EPA helps communities assess asbestos risk and safety



**Regulatory Operations staff member with the Fire and Rescue NSW Lidar Drone in Moree. Photo: EPA**

In some parts of NSW, local councils have to manage asbestos in many burnt and derelict buildings. These buildings may pose a health risk to neighbours, worry people in the community and hamper economic growth. Unfortunately, the cost of remediation is often greater than the value of the land on which the buildings sit, which means owners are unable or unwilling to clean up. The buildings then become the community's problem.

In late 2020 the EPA worked closely with the NSW Asbestos Coordination Committee Working Group on a pilot project to develop a management tool – a hazard and risk assessment methodology – that could help councils reduce the risks posed by asbestos and other materials in burnt or derelict buildings.

Moree Plains Shire Council, in the state's north-west, asked the EPA for help with assessing asbestos risk at 60 burnt or derelict properties. In late 2020 this council's area was selected as the pilot site for testing the new management tool.

We led a multi-agency team (which included some of the agencies that had developed the tool) in using the new tool to assess the properties identified by the council. The team also mapped the area using the latest drone-based technology and monitored ambient air for asbestos fibres. It found that:

- 48 properties contained asbestos
- 20 were classified as being of 'greatest danger to the community'
- 3 were recommended for immediate demolition and clean-up.

Air monitoring showed no asbestos readings of concern to the community.

The team devoted much effort to engaging with the community, particularly the local Aboriginal community. This was done with invaluable input from:

- the Moree Local Aboriginal Land Council
- Embrace, a local Aboriginal community engagement business
- Aboriginal Affairs NSW.

The team also used social media to update the community about the work while it was being carried out.

As the lead agency for the NSW Asbestos Coordination Committee, we are pleased with the outcomes focus of the Committee's Working Group and proud of its involvement in this important trial. The Working Group is finalising the assessment methodology and building a package that will be available to all local councils to help them address this important environmental and community issue.

# Our performance

## Reducing all types of illegal dumping incidents

Preventing harm gives better environmental outcomes than just cleaning up after damage is done. That's why targeted education campaigns and measures to influence behaviour change are valuable regulatory tools that can deliver great benefits for the community.

Influencing and engaging with communities to improve environment protection is an important aspect of robust regulation. It is one of the key activities taking us towards being a world class regulator.

## Raising awareness around donating responsibly

This year the EPA trialled a communication campaign in Lismore on the NSW north coast and Penrith in Sydney's west to encourage responsible donating and reduce dumping at charity shops and donation points. The campaign messages were based on research which found that half the people who leave items outside charity shops or donate items in poor condition:

- don't realise these items are often unusable
- are unaware of the financial impact they are having on charities.



Charity dumping social media campaign.

In October and November 2020, five key behavioural messages were distributed across both communities via a targeted social media campaign and ads on local radio and in newspapers. Participating charities and councils displayed the messages as signs, posters, donation bin stickers and flyers.

Across both areas the social media campaign achieved 713,000 impressions, with a reach of 273,000. Community surveys found 94% of respondents agreed they would 'definitely donate responsibly in future'. Dumping also fell significantly during the campaign, with an average decrease of 61% across sites.

## Giving homeowners the low down on 'free fill'

Since 2019, we have been alerting property owners to the dangers and potential harm of receiving free fill through a **Free fill – is it worth it?** media campaign. This is aimed at changing people's behaviour when sourcing fill so they don't receive contaminated material. The campaign is part of a larger program on illegal landfilling that's guided by the *NSW Illegal Dumping Strategy 2017–21*.

The campaign supports landowners, who are often targeted by unscrupulous operators looking to get rid of contaminated material

under the guise of 'clean free fill'. Targeted videos, social media ads and posters highlight the EPA's message that 'free fill could be packed with dangerous contaminants such as lead, asbestos and building rubble'.

The online education campaign displayed our ads when landowners used search engines to look for free fill. It provided a safety checklist and reinforced the message that bad fill:

- damages the environment
- impacts human health
- devalues private property
- is costly to clean up.

# Our performance



## Free fill lead asbestos awareness social media campaign.

The campaign had a wide reach on social and digital media, with over 13,000 clicks on link ads leading to the EPA 'clean fill' webpage and 936,000 Facebook video views.

The materials for this campaign have been translated into three community languages (simplified Chinese, Arabic and Vietnamese) and all resources are available on the EPA website for councils to use as part of local campaigns.

## Making it convenient to dispose of problem wastes

The EPA has two free and convenient programs for the collection of problem wastes:

- *Community Recycling Centres (CRCs)* – permanent drop-off centres for common household problem wastes
- *Household Chemical CleanOut* – free special events for the safe disposal of potentially hazardous household chemicals.

The programs are funded by the waste levy and promoted to the community through local newspapers, social media, radio, council newsletters and other channels.

In 2020–21 the two programs together collected a total of 5,670 tonnes of potentially hazardous household waste – 32% more than in 2019–20. Both programs experienced unprecedented demand as many people renovated and cleared out their homes and garages while travel was restricted.

## Encouraging communities to properly dispose of household waste

In 2020–21 illegal dumping of household waste accounted for 64% of all illegal dumping. Most of this waste is dumped on the kerbside, often because people think it is fine to leave out bulky household items without booking a collection service. But cleaning up bulky household waste is costly, dumped items look unsightly, and dumping often leads to items going to landfill when they might have been re-used or recycled.

In early 2021 we launched a social media campaign about illegal dumping of household waste targeting Greater Sydney via Facebook video ads. The campaign aimed to make people more aware of how to lawfully dispose of household items and of options for re-use.

The campaign reached more than 1.7 million people and provided useful insights into people's awareness of, and attitudes to dumping household items. The results showed many people in the community still think it's acceptable to leave unwanted items on the kerbside even when they haven't booked a collection with their council. We will continue to work with stakeholders and refine messaging to reduce dumping of household waste.

# Our performance

## Evolving the conversation with the community about litter

Launched in 2014, the EPA's highly successful education and awareness campaign **Don't be a Tosser!** established a new social norm in NSW – to not litter. The campaign is based on detailed research into what drives littering behaviour. It is re-evaluated every year and continues to evolve to reach specific audiences and target their respective littering behaviours.

*Don't be a Tosser!* is a critical part of the EPA's litter prevention strategy. It places responsibility for littering on the individual and encourages people to think about their actions.

The campaign supports the EPA's ambitious new targets to:

- reduce all litter items by 60% by 2030
- reduce plastic litter items in particular by 30% by 2025

as outlined in the *Waste and Sustainable Materials Strategy 2041 – Stage 1 2022–2027*. Since 2013–14 *Don't be a Tosser!* has achieved an impressive reach – about 88% of the population – and contributed to a 43% reduction in litter volume in NSW (as against 19% nationally). It has also achieved significant success in changing attitudes: 94% of the campaign audience approve of the Tosser message.



Don't be a Tosser! campaign 2020. Photo: EPA

# Our performance

## CASE STUDY

### Collaboration and engagement on Snowy 2.0



**EPA officers inspecting the sediment and erosion controls at Tantangara with Snowy Hydro contractors.**  
Photo: Debora Vidal

Snowy 2.0 is the largest renewable energy project now under way in Australia, and an important part of the nation's transition to a low-carbon emissions future. It is also a Critical State Significant Infrastructure project. Located in Kosciuszko National Park in the Snowy Mountains – a sensitive environment – Snowy 2.0 involves building:

- a power station about 600 m below ground
- 20 km of access tunnels
- 27 km of water tunnels to link two existing dams.

The EPA is the primary environmental regulator for the project. We are working closely with Snowy Hydro Limited (the project proponent), the NSW National Parks and Wildlife Service and the NSW Department of Planning, Industry and Environment to protect the significant environmental values of Kosciuszko National Park.

Our approach is twofold. We have issued an environment protection licence that authorises construction works subject to strict requirements to protect the surrounding environment. We have undertaken extensive engagement and education, first identifying the environmental values that need to be protected and then providing Snowy Hydro, its contractors and the entire Snowy 2.0 workforce, with the skills, knowledge and power to protect these values.

We regularly brief the Snowy 2.0 workforce and make clear our expectations. Our current focus is protecting the pristine water quality of Kosciuszko National Park. We are working closely with Snowy Hydro to protect water bodies near the construction site by ensuring water is carefully managed during the construction process.

# Our performance

## 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, we hold individuals and organisations to account when their actions pose significant potential or actual threats to human health and the environment.

This year we conducted successful prosecutions for a range of environmental offences including water pollution, breaches of environment protection licences, illegal waste disposal and lapses in radiation control.

We successfully prosecuted 59 cases and the courts imposed \$1,612,028 in financial and other penalties. Our prosecution success rate was 95% for substantive prosecutions (excluding littering). Case studies of successful prosecutions are included in this section of the report.

### Minister's role

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

## Legislative changes

### Legal context

The EPA:

- issues and reviews environment protection licences
- issues statutory notices, such as clean-up and prevention notices
- issues penalty notices
- prosecutes individuals and companies that are alleged to have committed environmental offences
- enters into enforceable undertakings.

See Appendix 6 for the full list of Acts administered by the EPA in 2020–21.

As well as administering Acts, the EPA has a role in developing legislation. Examples of this work are described below.

### PFAS firefighting foam

We have developed legislation to help prevent pollution created by certain types of PFAS (per- and polyfluoroalkyl substances) firefighting foam. The Protection of the Environment Operations (General) Amendment (PFAS Firefighting Foam) Regulation 2021 introduces the following offences in stages over a 19-month period:

- It is now an offence to discharge PFAS firefighting foam for the purposes of firefighting training or a firefighting demonstration.
- From 26 September 2022, the following actions will be banned or heavily restricted:
  - discharging PFAS firefighting foam from a portable fire extinguisher
  - discharging certain long-chain PFAS firefighting foam
  - supplying portable fire extinguishers containing the precursor to PFAS firefighting foam.

# Our performance

These measures will minimise and manage potential risks to human health and the environment. The provisions will still allow certain authorities to use PFAS firefighting foam to extinguish catastrophic fires.

## COVID-19 pandemic

We continued to show our adaptability in responding to the ongoing COVID-19 pandemic. This involved amending legislation so we have the tools we need and included the Protection of the Environment Operations (General) Amendment (COVID-19 Audio and Audio Visual Links) Regulation 2020 and subsequent amendments to the *Protection of the Environment Operations Act 1997*, to provide for ongoing altered arrangements for attendance to answer questions during EPA investigations.

We made amendments to the *Waste Avoidance and Resource Recovery Act 2001* to extend temporary exemption powers related to the COVID-19 pandemic.

## Amendments to existing regulations

In 2020–21 we also amended a range of existing regulations. These amendments included:

- providing limited exceptions to the prohibition on burning of native forest bio-material to generate electricity
- updating different levels of control of burning in local government areas
- implementing recent changes to the Model Subordinate Instrument on the Transport of Dangerous Goods by Road and Rail.

### The following regulations were made in 2020–21:

- Protection of the Environment Operations (General) Amendment (Native Forest Bio-material) Regulation 2020
- Dangerous Goods (Road and Rail Transport) Amendment (Model Law) Regulation 2020
- Protection of the Environment Operations (Waste) Amendment Regulation 2020
- Protection of the Environment Operations (General) Amendment (COVID-19 Audio and Audio Visual Links) Regulation 2020

- Protection of the Environment Operations (General) Amendment (PFAS Firefighting Foam) Regulation 2021
- Protection of the Environment Operations (Clean Air) Amendment Regulation 2021.

The amending Regulations had the objective of reducing risks to human health and preventing degradation of the environment. The amendments contributed to a simpler, more efficient legislative framework and were facilitated by public consultation and stakeholder engagement.

## Prosecutions for pollution offences

In 2020–21 the EPA started 101 prosecutions and completed 66, of which 59 were successful. Of the completed prosecutions, 43 were for substantive offences and the other 23 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 43 substantive prosecutions resulted in:

- 39 convictions
- 2 matters where the offence was proven but a conviction was not recorded
- 1 dismissal
- 1 acquittal.

The 23 court-elected littering prosecutions resulted in:

- 14 convictions
- 4 matters where the offence was proven but a conviction was not recorded
- 5 acquittals.

The value of prosecutions under EPA legislation was:

- fines – \$850,150
- other financial penalties (excluding legal costs) – \$761,878.

Total fines and other financial penalties amounted to \$1,612,028.



# Our performance

Appendix 7 provides full details of the substantive prosecutions completed under EPA legislation in 2020–21.

## Enforceable undertakings: an alternative to a court hearing

Enforceable undertakings are an enforcement tool that can be used instead of prosecution. 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 2020–21 the EPA entered into seven enforceable undertakings. These required the parties to take corrective actions and make monetary contributions totalling over \$2 million to environmental projects and initiatives. Appendix 8 summarises key actions and contributions.

## Penalty notices

In 2020–21 we issued 2,607 penalty notices for infringements against environmental legislation. Other state and local government agencies, such as the National Parks and Wildlife Service, issued 5,548. The total value of all penalty notices was \$14,630,010.

There were 5,638 penalty notices issued for environmental offences under the POEO Act, resulting in over \$5.9 million in fines.

Littering from motor vehicles led to the largest number of fines, with 4,427 infringements resulting in \$1.26 million in fines.

Penalty notices for other littering offences led to over \$46,000 in fines. After littering, the most common offences related to land pollution and waste: these attracted over \$1.1 million in fines.

See Appendix 9 for the full list of penalties.

## Prosecution case studies

The following case studies provide insight into the range of offences the EPA regularly prosecutes and highlight significant outcomes in the courts in 2020–21.

### **Aussie Earthmovers Pty Ltd & Paul Mouawad (also known as Isaac Boulos)**

**Offence:** Two offences each of providing false or misleading information about waste

In 2016 Aussie Earthmovers Pty Ltd (Aussie Earthmovers) was engaged to carry out demolition and excavation works at a site in Darlington, and to dispose of all asbestos waste at a licensed waste facility. Mr Paul Mouawad was the representative of Aussie Earthmovers for the works.

Around June or July 2016 Mr Mouawad and Aussie Earthmovers arranged for approximately 1,400 tonnes of asbestos-contaminated soil to be transported from the Darlington site and disposed of. The tipping dockets and reports provided by Aussie Earthmovers indicated that the waste was disposed of at the waste facility operated by Suez Recovery & Recycling Pty Ltd at Kemps Creek. However, the tipping dockets and reports were found to be false, and none of the asbestos-contaminated soil was transported to the Suez waste facility, with the exception of one truckload.

The EPA's investigation revealed Mr Mouawad was involved in a scheme of falsifying tipping dockets and ticket list reports. The scheme involved lawfully disposing of one load of asbestos-contaminated soil in order to obtain a legitimate tipping docket and report which were subsequently used to create a large number of fake tipping dockets and reports.

**Plea:** Both defendants pleaded guilty

**Result:** In February 2021 the Land and Environment Court convicted Aussie Earthmovers and Paul Mouawad of two offences each of providing false or misleading information about waste.

# Our performance

Aussie Earthmovers Pty Ltd was ordered to pay:

- \$450,000 in total fines
- the EPA's legal costs.

Paul Mouawad was ordered to:

- serve an aggregate term of 12 months' imprisonment by way of intensive correction in the community subject to conditions
- pay the EPA's legal costs
- publicise details of the offences in *The Daily Telegraph* and *Inside Waste* magazine.

## Koppers Carbon Materials & Chemicals Pty Ltd

**Offence:** One offence of breach of licence condition and two offences of air pollution caused by a failure to operate a plant in a proper and efficient manner

Koppers Carbon Materials & Chemicals Pty Ltd (Koppers) holds an environment protection licence to carry out chemical production, chemical storage and shipping in bulk at its premises in Mayfield North, Newcastle. On 20 October 2018, approximately 20 metric tonnes of coal tar pitch was released from a hole in a valve at Koppers' premises. On 21 and 22 May 2019, odorous coal tar pitch fumes were emitted from a tank at Koppers' premises. On all three occasions, the EPA received many calls to its Environment Line reporting service from members of the public who were complaining about the odour.

**Plea:** Guilty

**Result:** In February 2021, the Land and Environment Court convicted Koppers of one offence of breaching a licence condition and two offences of air pollution caused by failing to operate a plant in a proper and efficient manner.

Koppers was ordered to pay:

- \$82,500 to the Port Stephens Koalas and Wildlife Preservation Society Pty Ltd
- the EPA's legal costs.

- Koppers was ordered to publicise details of the offences in *The Australian Financial Review*, *The Sydney Morning Herald* and *The Newcastle Herald*.

## Michael Anthony Laird

**Offence:** Two offences of land pollution

Mr Michael Anthony Laird was engaged by the landowners of 49 Cleary Drive, Pitt Town, to arrange for the delivery of fill material to create a house pad, access road and shed pad on their vacant lot. Mr Laird was then subsequently engaged by the landowners of 51 Cleary Drive, Pitt Town, to also arrange for the delivery of fill material to help level their backyard. Between 1 July 2017 and 27 July 2017, Mr Laird, with the assistance of his employee Mr Richard Kestenberg, organised over 1,300 tonnes of fill material to be deposited, spread and compacted at the properties.

On 27 July 2017, following a complaint about unlawful landfilling, Hawkesbury City Council officers attended the properties and stopped the works after observing contaminants, including small fragments of suspected asbestos-containing material, within the fill material. Subsequent sampling confirmed that asbestos was widespread and randomly distributed across the imported material and all of the imported fill material was classified as asbestos waste. The subsequent clean-up of the asbestos waste cost the properties' owners \$73,793.30 and \$211,322.20 respectively.

**Plea:** Guilty

**Result:** In May 2021, Windsor Local Court convicted Mr Laird of two offences of polluting land.

Mr Laird was ordered to pay:

- \$28,000 in total fines
- a total of \$173,793.30 to the properties' owners in compensation for clean-up costs
- the EPA's investigation costs of \$10,000
- the EPA's legal costs.

# Our performance

## Narrabri Shire Council

**Offence:** Two offences of failure to notify of a pollution incident that caused or threatened material harm to the environment

During 2018 Narrabri Shire Council caused 4,300 m<sup>3</sup> of concrete stockpiled at the Narrabri Waste Management Facility to be crushed and used to construct internal access roads at the premises. On 1 November 2018 an environmental consultant informed the Council's Manager of Environmental Services that the crushed concrete used to build the roads was contaminated with asbestos, giving rise to a pollution incident threatening material harm to the environment and human health. However, the Council did not notify the EPA and activate its Pollution Incident Response Management Plan until 13 November 2018, thereby breaching its duties under sections 148 and 153F of the

*Protection of the Environment Operations Act 1997.*

**Plea:** Guilty

**Result:** On 27 July 2020 Narrabri Local Court convicted Narrabri Shire Council of two offences of failing to notify of a pollution incident that caused or threatened material harm to the environment.

Narrabri Shire Council was ordered to pay:

- a \$35,000 fine
- the EPA's investigation costs of \$687.50
- the EPA's legal costs.

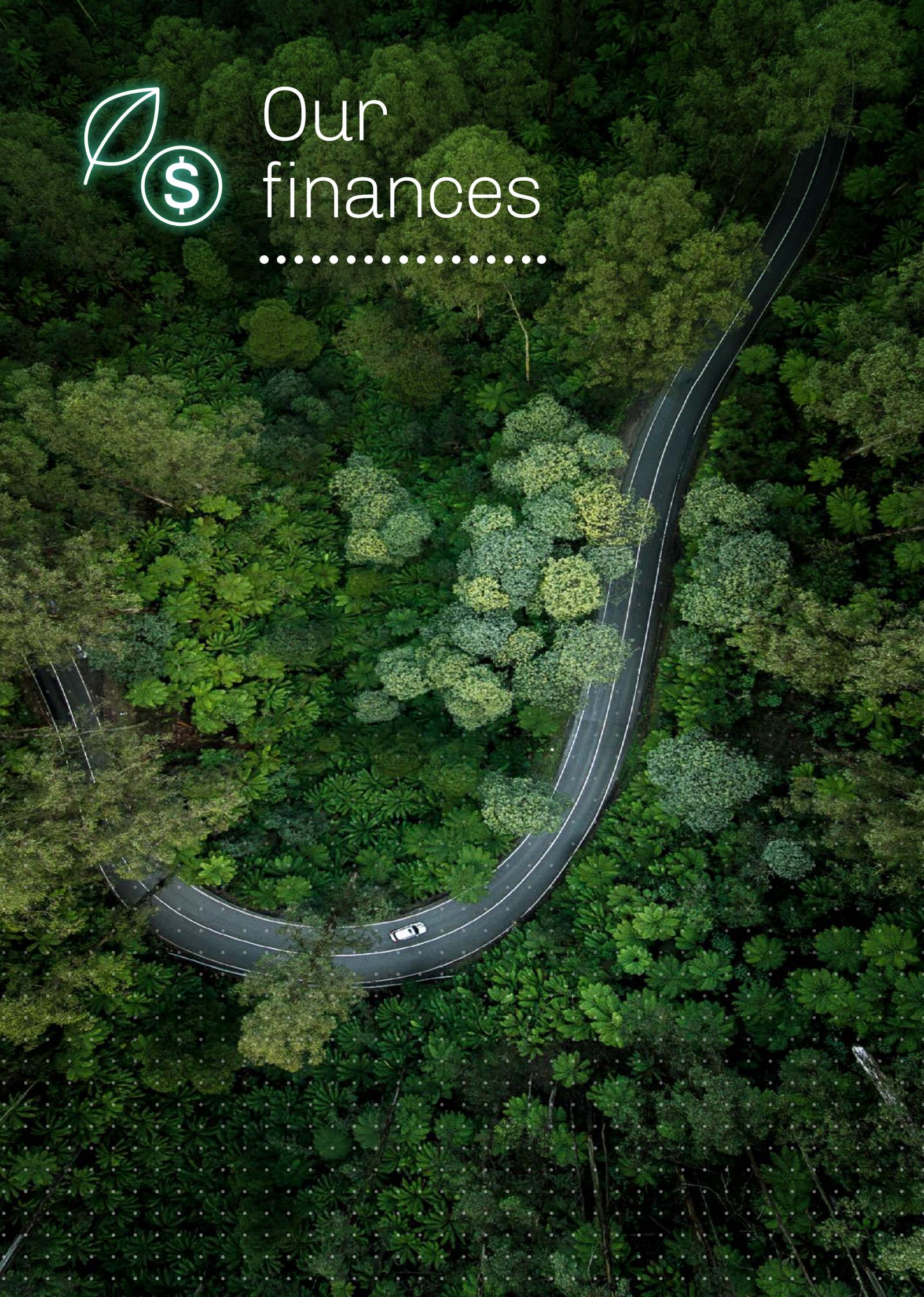
Narrabri Shire Council was ordered to publicise details of the offences in *The Courier* (Narrabri) *The Northern Daily Leader* and *LGNSW Weekly* (published by Local Government NSW).



The EPA works in partnership with business, government and the community to protect human health, reduce pollution and waste, and prevent degradation of the environment. Photo: iStock



# Our finances



# Our finances

## Our financial overview

The EPA's net operating result for 2020–21 was \$3.2 million, \$3.1 million lower than the \$6.3 million positive net operating result originally estimated as part of the 2020–21 State budget process.

Our expenses and revenue have both increased over the last five years. The forecast budget for 2021–22 is significantly higher than the 2020–21 outcome due to increased project-related activity planned for the 2021–22 year.

The table shows our approved budgets over the last five years.

### Approved budgets, 2016–17 to 2020–21

Our approved budget	2016–17	2017–18	2018–19	2019–20	2020–21
Total revenue (\$ million)	156.9	162.8	174.3	261.3	219.9
Total expenses (\$ million)	158.1	169.8	177.5	255.5	213.6
Net operating result (\$ million)	-1.2	-7.0	-3.2	5.8	6.3

### 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 our ability to achieve our objectives. We manage 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 DPIE. 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 2020–21 was \$216 million, a decrease of \$3.9 million on our original budget of \$219.9 million. The decrease was largely due to:

- a \$7 million reduction in grants received, due to the timing of projects
- \$5.3 million in additional revenue from licensing fees and litigation, offset by a \$2.2 million reduction in the Crown reimbursement for long-service leave, payroll tax and super adjustments.

Our total revenue was \$33.3 million (18%) higher than the \$182.7 million reported for 2019–20.

# Our finances

## EPA revenue sources, 2016–17 to 2020–21

Revenue by source – actuals	2016–17	2017–18	2018–19	2019–20	2020–21
NSW Government (\$ million)	132.7	137.5	160.6	146.4	174.5
Licensing fees and other charges (\$ million)	24.7	31.2	32.0	33.0	37.4
Acceptance by the Crown Entity of employee benefits and other liabilities (\$ million)	3.8	2.7	7.3	2.9	4.0
Other income (\$ million)	1.0	2.2	2.0	0.4	0.1
<b>Total revenue (\$ million)</b>	<b>162.2</b>	<b>173.6</b>	<b>201.9</b>	<b>182.7</b>	<b>216.0</b>

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 *Annual Financial Statement* section of this report, under note 22 – Administered assets, liabilities and income.

## How we spent our money

In 2020–21 about 44% of total expenditure was for salaries, with the rest used for grant programs and operating expenditure. We paid \$34.9 million in grants to various entities for a range of purposes. Greater detail is provided in Appendix 5.

In 2020–21 total expenditure was \$212.7 million, a decrease of \$0.9 million from our original budget of \$213.6 million. The overall decrease was mainly due to:

- \$21.4 million higher than budget 'other operating expenses', including expenditure on bushfire and flood recovery programs and additional site clean-up costs
- \$9.6 million lower than budget for grants paid
- \$11.7 million lower than budget employee-related expenses, due to delayed recruitment.

Our expenditure was \$32 million (18%) greater this year than in 2019–20 (see table below).

## EPA expenditure, 2016–17 to 2020–21

Expenditure by category – actuals	2016–17	2017–18	2018–19	2019–20	2020–21
Salaries (\$ million)	73.7	76.3	88.5	84.1	94.2
Personnel services expenses (\$ million)	-	-	-	6.7	-
Grants and subsidies (\$ million)	38.1	26.4	39.9	41.6	34.9
Other operating costs (\$ million)	54.9	61.2	63.0	44.9	80.0
Depreciation and amortisation (\$ million)	1.9	2.4	3.1	3.4	3.6
<b>Total</b>	<b>168.6</b>	<b>166.3</b>	<b>194.5</b>	<b>180.7</b>	<b>212.7</b>

# Our finances

## Our financial position

The EPA maintained a sound financial position in 2020–21.

Most of our assets and liabilities are of a financial rather than physical nature. Total EPA assets at 30 June 2021 were \$73.2 million, an increase of \$14.9 million from 30 June 2020. Cash remains one of our largest assets, being \$33.3 million at 30 June 2021. We also have \$12.8 million in receivables, mostly from waste and environment licences. Our liabilities at 30 June 2021 were \$35.7 million, an increase of \$11.7 million from last financial year.

### Solvency ratio: current position

At 30 June 2021, for every dollar of current liabilities we had \$1.48 in current assets. This solvency ratio was lower than the previous year's, although both current assets and liabilities have increased.

The current assets have increased by \$8.3 million from 2019–20, due mainly to additional cash held for projects. Current liabilities have increased by \$9.7 million, due mainly to an increase in payables relating to ongoing projects.

#### EPA current assets, liabilities and ratio, 2016–17 to 2020–21

Current assets, liabilities and ratio	2016–17	2017–18	2018–19	2019–20	2020–21
Current assets (\$ million)	19.6	28.9	34.8	37.8	46.1
Current liabilities (\$ million)	15.8	19.2	19.1	21.5	31.2
Current ratio	1.2	1.5	1.8	1.8	1.5

### Cashflow management

In 2020–21 we generated \$13.6 million from our operating activities. This was \$8.6 million higher than in the previous year, mainly due to higher grants received during 2020–21.

#### EPA receivables, sales revenue and collection of debts, 2016–17 to 2020–21

Debtor management	2016–17	2017–18	2018–19	2019–20	2020–21
Trade receivables (\$ million)	4.6	6.6	7.2	5.1	6.2
Sales revenue (\$ million)	24.7	31.2	32.0	33.0	37.4
Average days to collect debts	68.6	77.4	81.7	56.0	60.5

### Credit management

In 2020–21 the average number of days to pay creditors increased to 89.

#### EPA receivables, sales revenue and collection of debts, 2016–17 to 2020–21

Credit management	2016–17	2017–18	2018–19	2019–20	2020–21
Payable (\$ million)	7.1	9.8	9.2	9.9	19.4
Other operating cost (\$ million)	54.9	61.2	63.0	44.9	79.9
Average days to pay creditors	47.2	58.4	53.3	80.5	88.6

# Our finances

## ■ Expenditure

### Exceptional movements in wages, salaries and allowances

There were no exceptional movements in wages, salaries or allowances in 2020–21. 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 2020–21.

### Implementation of price determination

The EPA is subject to the recommendations of the Independent Pricing and Regulatory Tribunal of NSW (IPART) under section 18(4) of the *Independent Pricing and Regulatory Tribunal Act 1992*.

### Disclosure of subsidiaries

The EPA had no subsidiaries in 2020–21.

### 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 2021 the total value of the EPA's PPE assets was \$6.1 million.

### Production costs of the Annual Report

Total external production costs for the 2020–21 Annual Report were approximately \$1,800 for editing. 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.

# Our finances

## Major works in progress

### Major works in progress at 30 June 2021

Regulatory and communication system enhancement

Cost to date \$'000	Cost overrun	Estimated date of completion
8,678	Nil	2024

## Consultants

### Consultancies of \$50,000 or more

Consultant	Category	Consultancy description	Cost
Marsden Jacob Associates	Management	Preparation of economic and financial analysis for 20-year waste strategy	\$321,456
Land Insight & Resources Pty Ltd	Environment	Consulting in relation to remediation of contaminated sites	\$75,000
GWI PTY LTD	Environment	Engagement of services in relation to the Data and Analytics Strategy and data audit	\$74,400
Weir Consulting	Organisational review	Business review	\$53,430
The Growth Activists Australia	Organisational review	Communications and engagement strategy	\$50,278
<b>Subtotal</b>	-	-	<b>\$574,564</b>

### Consultancies of less than \$50,000

Category	Number	Cost
Environmental	10	\$330,715
Management services	14	\$328,972
Organisational review	6	\$230,222
Training	2	\$35,319
Recruitment services	1	\$9,225
<b>Subtotal</b>	<b>33</b>	<b>\$934,453</b>

### Total consultancies

Size	Number	Cost
Consultancies of \$50,000 or more	5	\$574,564
Consultancies of less than \$50,000	33	\$934,453
<b>Total consultancies</b>	<b>38</b>	<b>\$1,509,017</b>

# Our finances

## **Environment Protection Authority**

### **Annual Financial Statements**

*for the year ended 30 June 2021*

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# Our finances



Tracy Mackey, CEO

## Statement by the Chief Executive Officer and Chair

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.

Handwritten signature of Tracy Mackey in black ink.

**Tracy Mackey**

Chief Executive Officer, EPA  
October 2021

Handwritten signature of Rayne de Gruchy AM PSM in black ink.

**Rayne de Gruchy AM PSM**

Chairperson of the Authority  
October 2021



## INDEPENDENT AUDITOR'S REPORT

### Environment Protection Authority

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of the Environment Protection Authority (the EPA), which comprise the Statement by the Chief Executive Officer and Chair, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information of the EPA and the consolidated entity. The consolidated entity comprises the EPA and the entity it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- present fairly the financial position, financial performance and cash flows of the EPA and the consolidated entity.

My opinion should be read in conjunction with the rest of this report.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the EPA and the consolidated entity in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

# Our finances

## Other Information

The EPA's annual report for the year ended 30 June 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Board 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.

## The Board's Responsibilities for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the GSF Act, GSF Regulations and Treasurer's Directions. The Board's responsibility also includes such internal control as the Board 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 Board is responsible for assessing the ability of the EPA and the consolidated entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

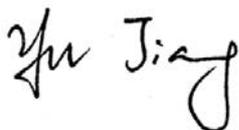
A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). The description forms part of my auditor's report.

# Our finances

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The scope of my audit does not include, nor provide assurance:

- that the EPA or the consolidated entity carried out their activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Reiky Jiang  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

19 October 2021  
SYDNEY

# Our finances

## Consolidated statement of comprehensive income for the year ended 30 June 2021

	Notes	Consolidated			Environment Protection Authority	
		Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
<b>Continuing operations</b>						
<b>Expenses excluding losses</b>						
Employee-related expenses	2(a)	94,202	105,945	84,090	746	831
Personnel services expenses	2(a)	-	-	6,676	93,456	89,935
Other operating expenses	2(b)	79,927	58,456	44,787	79,927	44,787
Depreciation and amortisation expenses	2(c)	3,616	4,626	3,443	3,616	3,443
Grants and subsidies	2(d)	34,896	44,518	41,620	34,896	41,620
Finance costs	2(e)	97	76	55	97	55
<b>Total expenses excluding losses</b>		<b>212,738</b>	<b>213,621</b>	<b>180,671</b>	<b>212,738</b>	<b>180,671</b>
<b>Revenue</b>						
Sale of goods and services	3(a)	8,559	31,748	8,340	8,559	8,340
Retained taxes, fees and fines	3(b)	28,816	408	24,710	28,816	24,710
Grants and contributions	3(c)	174,535	181,547	146,415	174,535	146,415
Acceptance by the Crown Entity of employee benefits and other liabilities	3(d)	3,991	6,176	2,879	3,991	2,879
Other income	3(e)	76	16	387	76	387
<b>Total revenue</b>		<b>215,977</b>	<b>219,895</b>	<b>182,731</b>	<b>215,977</b>	<b>182,731</b>
<b>Operating result</b>		<b>3,239</b>	<b>6,274</b>	<b>2,060</b>	<b>3,239</b>	<b>2,060</b>
Gain/(loss) on disposal	4	(6)	-	(530)	(6)	(530)
<b>Net result from continuing operations</b>		<b>3,233</b>	<b>6,274</b>	<b>1,530</b>	<b>3,233</b>	<b>1,530</b>
<b>Other comprehensive income</b>						
Changes in revaluation surplus of property, plant and equipment		30	-	-	30	-
<b>Total other comprehensive income</b>		<b>30</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>3,263</b>	<b>6,274</b>	<b>1,530</b>	<b>3,263</b>	<b>1,530</b>

The accompanying notes form part of these financial statements.

# Our finances

## Consolidated statement of financial position as at 30 June 2021

	Notes	Consolidated			Environment Protection Authority	
		Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	6	33,340	28,621	27,494	33,340	27,494
Receivables	7	12,801	5,067	10,295	12,801	10,295
Contract assets	8	-	5,228	-	-	-
<b>Total current assets</b>		<b>46,141</b>	<b>38,916</b>	<b>37,789</b>	<b>46,141</b>	<b>37,789</b>
<b>Non-current assets</b>						
Property, plant and equipment						
Land and buildings	9	4,101	4,166	4,183	4,101	4,183
Plant and equipment	9	2,034	1,645	1,946	2,034	1,946
<b>Total property, plant and equipment</b>		<b>6,135</b>	<b>5,811</b>	<b>6,129</b>	<b>6,135</b>	<b>6,129</b>
Right-of-use assets	10	4,452	2,166	2,415	4,452	2,415
Intangible assets	11	16,444	16,777	11,907	16,444	11,907
<b>Total non-current assets</b>		<b>27,031</b>	<b>24,754</b>	<b>20,451</b>	<b>27,031</b>	<b>20,451</b>
<b>Total assets</b>		<b>73,172</b>	<b>63,670</b>	<b>58,240</b>	<b>73,172</b>	<b>58,240</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Contract liabilities	8	340	365	365	340	365
Payables	14	19,373	9,973	9,973	19,373	9,973
Borrowings	15	926	474	527	926	527
Provisions	16	10,549	10,677	10,677	53	12
Payable to the EPA Staff Agency	16	-	-	-	10,496	10,665
<b>Total current liabilities</b>		<b>31,188</b>	<b>21,489</b>	<b>21,542</b>	<b>31,188</b>	<b>21,542</b>
<b>Non-current liabilities</b>						
Borrowings	15	3,640	1,740	1,905	3,640	1,905
Provisions	16	870	582	582	515	294
Payable to the EPA Staff Agency	16	-	-	-	355	288
<b>Total non-current liabilities</b>		<b>4,510</b>	<b>2,322</b>	<b>2,487</b>	<b>4,510</b>	<b>2,487</b>
<b>Total liabilities</b>		<b>35,698</b>	<b>23,811</b>	<b>24,029</b>	<b>35,698</b>	<b>24,029</b>
<b>Net assets</b>		<b>37,474</b>	<b>39,859</b>	<b>34,211</b>	<b>37,474</b>	<b>34,211</b>
<b>Equity</b>						
Reserves		1,337	1,398	1,307	1,337	1,307
Accumulated funds		36,137	38,461	32,904	36,137	32,904
<b>Total equity</b>		<b>37,474</b>	<b>39,859</b>	<b>34,211</b>	<b>37,474</b>	<b>34,211</b>

The accompanying notes form part of these financial statements.

# Our finances

## Statement of changes in equity as at 30 June 2021

Consolidated and parent	Notes	Accumulated funds	Asset Revaluation Surplus	Total
		\$'000	\$'000	\$'000
<b>Balance at 1 July 2020</b>		<b>32,904</b>	<b>1,307</b>	<b>34,211</b>
Net result for the year		3,233		3,233
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment		-	30	30
Total other comprehensive income		-	30	30
Total comprehensive income for the year		3,233	30	3,263
<b>Transactions with owners in their capacity as owners</b>				
Increase/(decrease) in net assets from equity transfers	17	-	-	-
<b>Balance at 30 June 2021</b>		<b>36,137</b>	<b>1,337</b>	<b>37,474</b>
<b>Balance at 1 July 2019</b>		<b>30,646</b>	<b>1,307</b>	<b>31,953</b>
Changes in accounting policy		-	-	-
<b>Restated balance at 1 July 2019</b>		<b>30,646</b>	<b>1,307</b>	<b>31,953</b>
Net result for the year		1,530	-	1,530
<b>Other comprehensive income:</b>				
Net change in revaluation surplus of property, plant and equipment		-	-	-
Total other comprehensive income		-	-	-
Total comprehensive income for the year		<b>1,530</b>	-	<b>1,530</b>
<b>Transactions with owners in their capacity as owners</b>				
Increase/(decrease) in net assets from equity transfers	17	728	-	728
<b>Balance at 30 June 2020</b>		<b>32,904</b>	<b>1,307</b>	<b>34,211</b>

The accompanying notes form part of these financial statements.

# Our finances

## Consolidated statement of cash flows for the year ended 30 June 2021

	Consolidated			Environment Protection Authority	
	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
Notes					
<b>Cash flows from operating activities</b>					
<b>Payments</b>					
Employee related	(90,868)	(99,770)	(81,424)	(746)	(831)
Personnel services expenses	-	-	(6,676)	(90,122)	(87,269)
Grants and subsidies	(34,896)	(44,518)	(41,621)	(34,896)	(41,621)
Finance costs	(97)	(76)	(55)	(97)	(55)
Other*	(72,879)	(58,455)	(48,478)	(72,879)	(48,478)
<b>Total payments</b>	<b>(198,740)</b>	<b>(202,819)</b>	<b>(178,254)</b>	<b>(198,740)</b>	<b>(178,254)</b>
<b>Receipts</b>					
Grants and other contributions	173,189	181,547	143,453	173,189	143,453
Sale of goods and services	3,594	31,748	9,846	3,594	9,846
Retained taxes, fees and fines	28,816	-	24,710	28,816	24,710
Cash reimbursements from the Crown Entity**	1,138	-	1,636	1,138	1,636
Other	5,625	424	3,621	5,625	3,621
<b>Total receipts</b>	<b>212,362</b>	<b>213,719</b>	<b>183,266</b>	<b>212,362</b>	<b>183,266</b>
<b>Net cash flows from operating activities</b>	<b>21</b>	<b>13,622</b>	<b>5,012</b>	<b>13,622</b>	<b>5,012</b>
<b>Cash flows from investing activities</b>					
Purchase of intangible assets	(6,598)	(9,061)	(4,423)	(6,598)	(4,423)
Purchase of property, plant and equipment	(255)	(50)	(256)	(255)	(256)
<b>Net cash flows from investing activities</b>	<b>(6,853)</b>	<b>(9,111)</b>	<b>(4,679)</b>	<b>(6,853)</b>	<b>(4,679)</b>
<b>Cash flows from financing activities</b>					
Payment of principal portion of lease liabilities	10b	(923)	(497)	(923)	(497)
<b>Net cash flows from financing activities</b>		<b>(923)</b>	<b>(497)</b>	<b>(923)</b>	<b>(497)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>5,846</b>	<b>(164)</b>	<b>5,846</b>	<b>(164)</b>
Opening cash and cash equivalents		27,494	27,658	27,494	27,658
<b>Closing cash and cash equivalents</b>	<b>6</b>	<b>33,340</b>	<b>27,494</b>	<b>33,340</b>	<b>27,494</b>

\* Includes payment to Department of Planning, Industry and Environment for corporate and other specialist support.

\*\*Includes reimbursement of long-service leave.

The accompanying notes form part of these financial statements.

# Our finances

## Notes to the financial statements for the year ended 30 June 2021

### 1. Summary of significant accounting policies

#### Reporting entity

The Environment Protection Authority (the EPA), a NSW Government entity, is constituted under Section 5 of the *Protection of the Environment Administration Act 1991* as a statutory body corporate. The EPA is a not-for-profit entity (as profit is not its principal objective) and it has no cash-generating units. The EPA is consolidated as part of the NSW Total State Sector Accounts.

The EPA as a reporting entity comprises the Environment Protection Authority Staff Agency (the Staff Agency), an entity under its control. The EPA Staff Agency's objective is to provide personnel services to the EPA.

In the process of preparing the consolidated financial statements for the economic entity, consisting of the controlling and controlled entity, all inter-entity transactions and balances have been eliminated and like transactions and other events are accounted for, using uniform accounting policies.

The EPA Staff Agency is a Division of the Government Service responsible to the Minister for Energy and Environment 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 Secretary of the Department of Planning, Industry and Environment (the Department) and the Chief Executive Officer of the EPA agreed to transfer employees of the Waste programs unit in the Department to the EPA, effective from 1 August 2020. The transfer included the employees and their related employee benefits and related on-costs to the EPA. The EPA is responsible for licensing and regulating air emissions, contaminated sites, hazardous materials (including dangerous goods), noise, pesticides, forestry activities, waste and water quality, and for state of the environment reporting.

Administered activities undertaken on behalf of the Crown Entity are consolidated in the Crown Entity Accounts.

These consolidated financial statements for the year ended 30 June 2021 have been authorised for issue by the Chief Executive Officer of the EPA.

#### Basis of preparation

The EPA is a going concern (refer to note 1 (h)) 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.

# Our finances

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.

## Statement of compliance

The financial statements and notes comply with AAS, which include Australian Accounting Interpretations.

## Administered activities

The EPA administers, but does not control, certain activities on behalf of the Crown Entity. 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 22.

The accrual basis of accounting and applicable accounting standards have been adopted.

## 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 that are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

## Comparative information

Except when an AAS permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

The EPA restated the comparative information in 2019–20 following a review in accordance with TPP 20-09. An amount of \$5.2 million was reclassified from 'contract assets' to 'current assets – receivables' to better reflect the nature of the asset. Refer to note 7. There is no impact on the total current assets, non-current assets, total liabilities, total net result and equity position for the 2019–20 financial year.

Also, a total amount of \$0.3 million representing the Payable to the EPA Staff Agency in current and non-current provisions is reclassified as restoration costs to appropriately reflect the nature of these current and non-current provisions.

The 2019–20 comparative details in note 16 relating to the disclosure of Payable to the EPA Staff Agency has been updated to reflect further analysis undertaken during the 2020–21 financial year. There is no impact on the total current and non-current liabilities, total liabilities, total net result and equity position for the 2019–20 financial year. Refer to note 16.

# Our finances

## Changes in accounting policy, including new or revised Australian Accounting Standards

(i) *Effective for the first time in FY2020–21*

### **AASB 1059 Service Concession Arrangements: Grantors**

AASB 1059 is effective for the EPA from 1 July 2020. At the same time NSW Treasury Policy and Guideline Paper TPP 06-8, *Accounting for Privately Financed Projects*, was withdrawn effective from 1 July 2020.

Service concession arrangements are contracts between an operator and a grantor, where the operator provides public services related to a service concession asset on behalf of the grantor for a specified period of time and manages at least some of those services.

Where AASB 1059 applies, the grantor recognises the service concession asset when the grantor obtains control of the asset and measures the service concession asset at current replacement cost. At the same time the grantor recognises a corresponding financial liability or unearned revenue liability or a combination of both.

The adoption of AASB 1059 has not had an impact on the financial statements of the EPA.

(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 TC 20-08):

- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*
- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments*
- AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*
- AASB 2020-7 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures*
- AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2.*

These standards have been assessed for their possible impact on the financial statements, if any, in the period of their initial application. These new accounting standards have been estimated to have no material impact on the EPA's financial statements.

### **Impact of COVID-19 on Financial Reporting for 2020–21**

There is no significant impact identified or reported on EPA revenue collection due to the COVID-19 pandemic.

# Our finances

## Notes to the financial statements for the year ended 30 June 2021

### 2. Expenses excluding losses

#### Employee-related expenses and personnel services

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Salaries and wages (including annual leave)	78,869	70,560	668	754
Redundancy payments	4	251	-	-
Superannuation – defined benefit plans	1,070	1,104	-	-
Superannuation – defined contribution plans	6,570	5,781	45	40
Long-service leave	3,095	1,813	-	-
Workers compensation insurance	364	291	-	-
Payroll tax and fringe benefits tax	4,228	4,284	33	37
Other	2	6	-	-
Personnel services expenses*	-	6,676	93,456	89,935
	<b>94,202</b>	<b>90,766</b>	<b>94,202</b>	<b>90,766</b>

\* Represents personnel services expenses related with the services received from the Department (refer to note 16).

# Our finances

## Other operating expenses

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Auditor's remuneration (audit or review of the financial statements)	75	57	75	57
Communication costs	334	326	334	326
Consultants	1,509	1,664	1,509	1,664
Contractor – projects	31,272	14,166	31,272	14,166
Corporate support	17,010	17,784	17,010	17,784
Expense relating to short-term leases	179	-	179	-
Expenses capitalised	-	(17)	-	(17)
Fees and services	7,611	1,296	7,611	1,296
Fleet costs	560	520	560	520
Impairment (reversal) of assets and bad debts	4,101	(41)	4,101	(41)
Information dissemination	4,627	635	4,627	635
Insurance	283	108	283	108
Legal costs	2,284	2,061	2,284	2,061
Maintenance*	1,449	642	1,449	642
Other	1,903	105	1,903	105
Other occupancy costs	251	74	251	74
Payments to NSW Government agencies	3,174	2,537	3,174	2,537
Stores and minor assets	1,018	739	1,018	739
Training	1,576	818	1,576	818
Travel costs	711	1,313	711	1,313
	<b>79,927</b>	<b>44,787</b>	<b>79,927</b>	<b>44,787</b>

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
*Reconciliation – Total maintenance expense				
Maintenance expense – contracted labour and other (non-employee related), as above	1,449	642	1,449	642
<b>Total maintenance expenses included in note 2(b)</b>	<b>1,449</b>	<b>642</b>	<b>1,449</b>	<b>642</b>

# Our finances

## 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) and note 9.

### 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.

### Lease expense

The 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 are 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.

## Depreciation and amortisation expense

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Depreciation</b>				
Buildings and improvements	111	110	111	110
Plant and equipment	424	383	424	383
Right-of-use asset	1,020	514	1,020	514
	<b>1,555</b>	<b>1,007</b>	<b>1,555</b>	<b>1,007</b>
<b>Amortisation</b>				
Intangibles	2,061	2,436	2,061	2,436
	<b>2,061</b>	<b>2,436</b>	<b>2,061</b>	<b>2,436</b>
	<b>3,616</b>	<b>3,443</b>	<b>3,616</b>	<b>3,443</b>

For recognition and measurement policies on depreciation and amortisation refer to notes 9, 10 and 11.

# Our finances

## Grants and subsidies

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
NSW Government	149	4,662	149	4,662
Local government	15,379	9,290	15,379	9,290
Waste less recycle more payments	9,750	9,750	9,750	9,750
Rebates	1,264	411	1,264	411
Non-government organisations	8,354	17,507	8,354	17,507
	<b>34,896</b>	<b>41,620</b>	<b>34,896</b>	<b>41,620</b>

## Recognition and measurement

Grants are generally recognised as an expense when the EPA transfers control of the contribution. The EPA is deemed to have transferred control when the grant is paid or payable.

## Finance costs

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Interest expense from lease liabilities	88	55	88	55
Unwinding of discount on provisions	9	-	9	-
	<b>97</b>	<b>55</b>	<b>97</b>	<b>55</b>

## Recognition and measurement

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's mandate to not-for-profit NSW GGS 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.

# Our finances

## Sale of goods and rendering of services from contract with customers

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Sale of goods</b>				
Minor fees and charges	8,559	8,340	8,559	8,340
	<b>8,559</b>	<b>8,340</b>	<b>8,559</b>	<b>8,340</b>

### Sale of goods

Revenue from sale of goods is recognised when the EPA satisfies a performance obligation by transferring the promised goods. The payments are typically due to the EPA entity 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.

## Retained taxes, fees and fines

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Fees</b>				
Licensing administration fees	27,810	23,494	27,810	23,494
<b>Fines</b>				
Parking, court and other	1,006	1,216	1,006	1,216
	<b>28,816</b>	<b>24,710</b>	<b>28,816</b>	<b>24,710</b>

### Recognition and measurement

Revenue from retained taxes, fees and fines is recognised on receipt of returns or licenses issued.

## Grants and contributions

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Other grants with sufficiently specific performance obligation	26,440	34,248	26,440	34,248
Grant without sufficiently specific performance obligation	148,095	112,167	148,095	112,167
	<b>174,535</b>	<b>146,415</b>	<b>174,535</b>	<b>146,415</b>

# Our finances

## Recognition and measurement

Grants are received by the consolidated entity to support its service delivery objectives and the funding agreements typically specify the purpose of the grants.

Revenue from grants with sufficiently specific milestones/performance obligations and agreed funding against each milestone is recognised 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.

## Acceptance by the Crown Entity of employee benefits and other liabilities

The following liabilities and/or expenses have been assumed by the Crown Entity.

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Superannuation – defined benefit	1,024	1,104	-	-
Long-service leave	2,916	1,718	-	-
Payroll tax – defined benefit	51	57	-	-
Contributions by the Crown Entity	-	-	3,991	2,879
	<b>3,991</b>	<b>2,879</b>	<b>3,991</b>	<b>2,879</b>

For recognition and measurement of liabilities assumed by the Crown Entity refer to note 16.

## Other income

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Miscellaneous revenue	76	387	76	387
	<b>76</b>	<b>387</b>	<b>76</b>	<b>387</b>

# Our finances

## Recognition and measurement

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

## Deemed appropriations

Movement of Section 4.7 GSF Act – deemed appropriations:

	2021 \$'000	2020 \$'000
Cluster Grants	-	-
Total spending authority from parliamentary appropriations, other than deemed appropriations	-	-
<b>Add:</b>		
Deemed appropriations earned during the year	14,950	-
Deemed appropriations balance brought forward from prior years	-	-
Total spending authority from parliamentary appropriations	<b>14,950</b>	-
Less: total expenditure from parliamentary appropriations	<b>(4,389)</b>	-
Variance	10,561	-
<b>Less:</b>		
The spending authority from appropriations lapsed at 30 June	-	-
Deemed appropriations balance carried forward to following year	<b>10,561</b>	-

## Recognition and measurement

Section 4.7 of the Government Sector Finance Act 2018 (GSF) defines deemed appropriation money as government money that the EPA (a GSF agency) receives or recovers (including from the Commonwealth or another entity) of a kind prescribed by the regulations that

- forms part of the Consolidated Fund; and
- is not appropriated under the authority of an Act

The deemed appropriations earned and spent during the year are funds relating to disaster recovery activities. These funds are received from Resilience NSW.

## 4. Gain/(loss) on disposal

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Intangible asset	-	(372)	-	(372)
Plant and equipment	(6)	(158)	(6)	(158)
<b>Net gain/(loss) on disposal</b>	<b>(6)</b>	<b>(530)</b>	<b>(6)</b>	<b>(530)</b>

# Our finances

## 5. State Outcomes delivered by the Planning, Industry and Environment cluster

### State Outcome: Resilient and sustainable environment and energy

Description: Protecting and preserving our environment to support a healthy New South Wales while securing an affordable, reliable and sustainable energy future.

The EPA delivers credible, targeted and cost-effective regulatory services for environment 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 the EPA contribute to resilient and sustainable environment and energy. Separate State Outcome statements are not required.

## 6. Current assets – cash and cash equivalents

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash at bank and on hand	33,340	27,494	33,340	27,494
Closing cash and cash equivalents (as per statement of cash flows)	<b>33,340</b>	<b>27,494</b>	<b>33,340</b>	<b>27,494</b>

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows.

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash and cash equivalents (as per statement of financial position)	33,340	27,494	33,340	27,494
Closing cash and cash equivalents (as per statement of cash flows)	<b>33,340</b>	<b>27,494</b>	<b>33,340</b>	<b>27,494</b>

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank and cash on hand.

Refer to note 13 for details regarding restricted cash balances.

Refer to note 23 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

# Our finances

## 7. Current assets – receivables

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade receivables from contracts with customers	9,267	5,246	9,267	5,246
Less: allowance for expected credit losses*				
Trade receivables from contracts with customers	(4,441)	(480)	(4,441)	(480)
Accrued income	6,610	5,264	6,610	5,264
GST	1,365	265	1,365	265
	<b>12,801</b>	<b>10,295</b>	<b>12,801</b>	<b>10,295</b>

Details regarding credit risk of trade debtors that are neither past due nor impaired are disclosed in note 23.

	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
*Movement in the allowance for expected credit losses				
Balance at the beginning of the year	480	531	480	531
Amounts written off during the year	(140)	(21)	(140)	(21)
Increase/(decrease) in allowance recognised in net results	4,101	(30)	4,101	(30)
<b>Balance at the end of the year</b>	<b>4,441</b>	<b>480</b>	<b>4,441</b>	<b>480</b>

### 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, including trade receivables, prepayments etc. are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Receivables are initially recognised at fair value plus any directly attributable transaction costs.

The EPA holds receivables with the objective of collecting the contractual cash flows and therefore measures them at amortised cost using the effective interest method.

Subsequent measurement is at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

# Our finances

## 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:

- 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 contractually due.

## 8. Contract assets and liabilities

Consolidated and parent	2021 \$'000	2020 \$'000
Contract liabilities – current	340	365
Contract receivables (included in note 7)	9,267	5,246

## Recognition and measurement

Contract liabilities relate to consideration received in advance from customers for licence application fees. The balance of contract liabilities at 30 June 2021 was determined by the value and timing of the completion of performance obligations.

	2021 \$'000	2020 \$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	96	417
Revenue recognised from performance obligations satisfied in previous periods	-	-
Transaction price allocated to the remaining performance obligations from contracts with customers	340	365

# Our finances

## 9. Non-current assets – property, plant and equipment

Consolidated and parent	Buildings \$'000	Plant and equipment \$'000	Total \$'000
<b>At 1 July 2019 – fair value</b>			
Gross carrying amount	5,539	3,916	9,455
Accumulated depreciation and impairment	(1,246)	(1,991)	(3,237)
<b>Net carrying amount</b>	<b>4,293</b>	<b>1,925</b>	<b>6,218</b>
<b>Period ended 30 June 2020</b>			
Net carrying amount at start of year	4,293	1,925	6,218
Purchase of assets	-	256	256
Site restoration	-	306	306
Disposals	-	(158)	(158)
Depreciation expense – asset owned	(110)	(383)	(493)
<b>Net carrying amount at end of period</b>	<b>4,183</b>	<b>1,946</b>	<b>6,129</b>
<b>Consolidated and parent</b>			
<b>At 1 July 2020 – fair value</b>			
Gross carrying amount	5,540	3,898	9,438
Accumulated depreciation and impairment	(1,357)	(1,952)	(3,309)
<b>Net carrying amount</b>	<b>4,183</b>	<b>1,946</b>	<b>6,129</b>
<b>Year ended 30 June 2021</b>			
Net carrying amount at start of year	4,183	1,946	6,129
Purchase of assets	-	255	255
Site restoration	(1)	263	262
Revaluation	30	-	30
Disposals	-	(6)	(6)
Depreciation expense – asset owned	(111)	(424)	(535)
<b>Net carrying amount at end of year</b>	<b>4,101</b>	<b>2,034</b>	<b>6,135</b>
<b>At 30 June 2021 – fair value</b>			
Gross carrying amount	5,580	4,362	9,942
Accumulated depreciation and impairment	(1,479)	(2,328)	(3,807)
<b>Net carrying amount</b>	<b>4,101</b>	<b>2,034</b>	<b>6,135</b>

Further details of the fair value measurements of property, plant and equipment are disclosed in note 12.

# Our finances

## Recognition and measurement

### Acquisition of property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value, less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other AAS.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent; i.e. the 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: 10–20% (2020: 10–20%)
- buildings: 2% (2020: 2%)

### Right-of-use assets acquired by lessees

AASB 16 *Leases* 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 leases is found in note 10.

### 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*. This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

# Our finances

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 participant's perspective, using valuation techniques (market approach or cost approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to note 12 and note 23 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 once every three years. An independent comprehensive revaluation of buildings as at 31 March 2021 was undertaken by Colliers International Valuation & Advisory Services Pty Ltd. The valuer provided an update for the valuation as at 30 June 2021.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from the carrying value.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value. The EPA has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are recognised in 'other comprehensive income' and credited directly to the asset revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus in respect of the same class of asset, in which case they are debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation surplus in respect of that asset is transferred to accumulated funds.

The useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

# Our finances

## **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 FY2020–21 was nil (FY2019–20: 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 neither exceeds its recoverable amount nor exceeds 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.

## **10. Leases**

The 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.

The 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.

# Our finances

## 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 2020	1,774	641	2,415
Additions	2,858	199	3,057
Depreciation expense	(713)	(307)	(1,020)
<b>Balance at 30 June 2021</b>	<b>3,919</b>	<b>533</b>	<b>4,452</b>

Consolidated and parent	Buildings \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 July 2019	2,062	356	2,418
Additions	-	511	511
Depreciation expense	(288)	(226)	(514)
<b>Balance at 30 June 2020</b>	<b>1,774</b>	<b>641</b>	<b>2,415</b>

## Lease liabilities

The following table presents liabilities under leases (refer to note 15):

Consolidated and parent	2021 \$'000	2020 \$'000
Balance at 1 July	2,432	2,418
Additions	3,060	511
Interest expenses	88	55
Payments	(1,014)	(552)
<b>Balance at 30 June</b>	<b>4,566</b>	<b>2,432</b>

## Right-of-use expenses under leases

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the EPA is the lessee.

Consolidated and parent	2021 \$'000	2020 \$'000
Depreciation expense of right-of-use assets	1,020	514
Interest expense on lease liabilities	88	55
Expense relating to short-term leases	179	-
<b>Total amount recognised in the statement of comprehensive income</b>	<b>1,287</b>	<b>569</b>

The EPA had total cash outflows for leases of \$1.014 million in FY2020–21 (FY2019–20: \$0.552 million).

# Our finances

Based on the assessment of AASB 16, the EPA has been required to recognise five leased properties as the right-of-use assets during the year. Four of these five lease agreements were previously in the name of the Department, and have now been transferred to the name of the EPA. The fifth is a new property in Mascot, leased for 5 years.

## 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.

## 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 to Lease liabilities 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 neither exceeds its recoverable amount nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the assets in prior years. Such reversal is recognised in the net result. The amount assessed for impairment in FY2020–21 is nil (FY2019–20: nil).

## 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 option 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.

# Our finances

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 15).

## 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.

## 11. Intangible assets

	Software \$'000	Capital work in progress \$'000	Total \$'000
<b>Consolidated and parent</b>			
At 1 July 2019 – fair value			
Cost (gross carrying amount)	14,504	4,657	19,161
Accumulated amortisation and impairment	(8,869)	-	(8,869)
<b>Net carrying amount</b>	<b>5,635</b>	<b>4,657</b>	<b>10,292</b>
<b>Year ended 30 June 2020</b>			
Net carrying amount at start of year	5,635	4,657	10,292
Additions	1,254	3,169	4,423
Disposals	-	(372)	(372)
Transfer from work in progress	1,328	(1,328)	-
Amortisation (recognised in 'depreciation and amortisation')	(2,436)	-	(2,436)
<b>Net carrying amount at end of year</b>	<b>5,781</b>	<b>6,126</b>	<b>11,907</b>

# Our finances

<b>Consolidated and parent</b>	<b>Software</b>	<b>Capital work in progress</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>At 1 July 2020 – fair value</b>			
Cost (gross carrying amount)	16,728	6,126	22,854
Accumulated amortisation and impairment	(10,947)	-	(10,947)
<b>Net carrying amount</b>	<b>5,781</b>	<b>6,126</b>	<b>11,907</b>
<b>Period ended 30 June 2021</b>			
Net carrying amount at start of year	5,781	6,126	11,907
Additions	1,857	4,741	6,598
Amortisation (recognised in 'depreciation and amortisation')	(2,061)	-	(2,061)
<b>Net carrying amount at end of year</b>	<b>5,577</b>	<b>10,867</b>	<b>16,444</b>
<b>At 30 June 2021 – fair value</b>			
Cost (gross carrying amount)	17,470	10,867	28,337
Accumulated amortisation and impairment	(11,893)	-	(11,893)
<b>Net carrying amount</b>	<b>5,577</b>	<b>10,867</b>	<b>16,444</b>

## 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 of four 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 the recoverable amount and the reduction is recognised as an impairment loss.

# Our finances

## 12. 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 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 23 for further disclosures regarding fair value measurements of financial assets.

### Fair value hierarchy

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Consolidated and parent 2021</b>				
Property, plant and equipment (note 9)	-	-	-	-
Buildings	-	-	4,101	4,101
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,101</b>	<b>4,101</b>
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Consolidated and parent 2021</b>				
Property, plant and equipment (note 9)	-	-	-	-
Buildings	-	-	4,183	4,183
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,183</b>	<b>4,183</b>

There were no transfers between Level 1 and Level 2 during the current or prior year.

### 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.

# Our finances

Full external valuations are conducted at least once every three years. A comprehensive revaluation of buildings as at 31 March 2021 was undertaken by Colliers International Valuation & Advisory Services Pty Ltd. The fair value of the assets is adjusted annually for material movements in relevant publicly available indexes between comprehensive valuations. The EPA engages independent, qualified valuers with appropriate experience to conduct external valuations.

Annual movements in industry costing guides or relevant indexes will result in corresponding changes to the fair value of EPA Level 3 assets.

## Reconciliation of recurring Level 3 fair value measurements

	Buildings \$'000	Total recurring Level 3 fair value \$'000
<b>Consolidated and parent 2021</b>		
Fair value as at 1 July 2020	4,183	4,183
Additions	(1)	(1)
Revaluations	30	30
Depreciation	(111)	(111)
<b>Fair value as at 30 June 2021</b>	<b>4,101</b>	<b>4,101</b>
	Buildings \$'000	Total recurring Level 3 fair value \$'000
<b>Consolidated and parent 2020</b>		
Fair value as at 1 July 2019	4,293	4,293
Depreciation	(110)	(110)
<b>Fair value as at 30 June 2020</b>	<b>4,183</b>	<b>4,183</b>

Type (Level 3)	Valuation technique	Inputs	Relationship of unobservable inputs to fair value
Buildings	Depreciated replacement cost (DRC) approach	<ul style="list-style-type: none"> <li>current construction cost estimates as published in Rawlinson's Handbook</li> <li>actual comparable construction costs</li> <li>gross floor area and total and remaining useful life</li> </ul>	The valuer has determined the fair value of buildings by assessing the replacement cost and making appropriate adjustments for age, condition and functional and technical obsolescence. So the higher the unit cost rate, the higher the fair value, and the older or poorer the condition, the lower the fair value. During the revaluation process, the valuer physically inspected the Environmental Science Facility.

# Our finances

## 13. Restricted assets

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current</b>	-	-	-	-
Contributions	16,957	6,779	16,957	6,779
<b>Restricted cash</b>	<b>16,957</b>	<b>6,779</b>	<b>16,957</b>	<b>6,779</b>

The above amounts are recognised as restricted assets as there are specific legislative or contractual conditions associated with the use of these funds.

## 14. Current liabilities – payables

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Accrued salaries, wages and on-costs	1,849	2,053	-	-
Creditors	17,444	7,110	17,444	7,110
Unearned revenue	80	810	80	810
Payable to the EPA Staff Agency	-	-	1,849	2,053
	<b>19,373</b>	<b>9,973</b>	<b>19,373</b>	<b>9,973</b>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in note 23.

### 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.

## 15. Current/non-current liabilities – borrowings

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current</b>				
Lease liability	926	527	926	527
	<b>926</b>	<b>527</b>	<b>926</b>	<b>527</b>
<b>Non-current</b>				
Lease liability	3,640	1,905	3,640	1,905
	<b>3,640</b>	<b>1,905</b>	<b>3,640</b>	<b>1,905</b>

Details regarding liquidity risk, including a maturity analysis of the above payables, are disclosed in note 23.

# Our finances

## 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 the net result when the liabilities are derecognised as well as through the amortisation process.

## 16. Current/non-current liabilities – provisions

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current</b>				
Restoration costs	53	12	53	12
<b>Employee benefits and related on-costs</b>				
Annual leave <sup>1</sup>	6,003	6,231	-	-
Annual leave on-costs <sup>1</sup>	902	855	-	-
Long-service leave on-costs <sup>2</sup>	3,591	3,310	-	-
Allowances	-	269	-	-
Payable to the EPA Staff Agency	-	-	10,496	10,665
<b>Total current</b>	<b>10,549</b>	<b>10,677</b>	<b>10,549</b>	<b>10,677</b>
<b>Non-current</b>				
Restoration costs	515	294	515	294
<b>Employee benefits and related on-costs</b>				
Long-service leave on-costs <sup>2</sup>	355	288	-	-
Payable to the EPA Staff Agency	-	-	355	288
<b>Total non-current</b>	<b>870</b>	<b>582</b>	<b>870</b>	<b>582</b>
<b>Total provisions</b>	<b>11,419</b>	<b>11,259</b>	<b>11,419</b>	<b>11,259</b>
<b>Aggregate employee benefits and related on-costs</b>				
Provisions – current	10,496	10,665	-	-
Provisions – non-current	355	288	-	-
Accrued salaries, wages and on-costs (note 14)	1,849	2,053	-	-
Payable to the EPA Staff Agency	-	-	12,700	13,006
	<b>12,700</b>	<b>13,006</b>	<b>12,700</b>	<b>13,006</b>

# Our finances

1. The value of employee benefits and related on-costs expected to be paid after 12 months is \$355,212 (2020: \$322,086)
2. The EPA's liabilities for long-service leave are assumed by the Crown Entity. 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		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Carrying amount at 1 July	306	-	306	-
Additional provisions recognised	253	306	253	306
Unwinding/change in the discount rate	9	-	9	-
<b>Carrying amount at 30 June</b>	<b>568</b>	<b>306</b>	<b>568</b>	<b>306</b>

## Recognition and measurement: employee benefits and related on-costs

### Salaries and wages, annual leave and sick leave

Salaries and wages (including non-monetary benefits) and paid sick leave, expected to be settled wholly within 12 months after the period employees render the service, are recognised and measured at the undiscounted amounts of the benefits.

Annual leave not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, is to be measured at present value in accordance with AASB 119 *Employee Benefits*.

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 7.9% 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 Entity. 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 Entity 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 the Commonwealth Government bond rate at the reporting date.

# Our finances

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: the 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 0.4%, 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.

## **17. 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 9.

#### **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. Subject to below, in most instances this will approximate fair value.

# Our finances

As at 1 August 2020, employees in Waste programs within the Department of Planning, Industry and Environment were transferred back to their original unit in EPA in accordance with an arrangement between the Secretary of the Department and the Chief Executive Officer of the EPA. Employees and their related employee benefits and on-costs were transferred to the EPA at the date of transfer. Because these employees have returned to their original unit in the EPA, all the associated costs have been treated as an employee expense and grant income.

	2021 \$'000	2020 \$'000
<b>Liabilities</b>		
Current liabilities	-	-
Provisions	-	(717)
<b>Total current liabilities</b>	-	(717)
<b>Non-current liabilities</b>		
Provisions	-	(11)
<b>Total non-current liabilities</b>	-	(11)
<b>Total liabilities</b>	-	(728)
<b>Total employee-related provisions transferred to DPIE</b>	-	(728)

## 18. Commitments for expenditure

As at 30 June 2021, the EPA has capital commitments of \$0.216 million (2020: nil capital commitments).

## 19. Contingent liabilities and contingent assets

### Contingent liabilities

#### 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 2021, there was one material claim on the Treasury Managed Fund.

#### Other claims

There are presently no other 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 2021 or that has emerged subsequent to this date, which may materially impact on the financial position of the EPA as shown in the financial statements.

### Contingent assets

The EPA has no contingent assets as at 30 June 2021.

# Our finances

## 20. 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 \$3.2 million against the budget of \$6.3 million, a variance of \$3.1 million**

Lower than budgeted net result was due mainly to:

- The variation of lower total expenses of \$0.9 million was due to \$11.7 million in employee-related expenses, mainly resulting from delayed recruitment during the year and \$9.6 million in lower grant and subsidies expense. This was partially offset by \$21.5 million higher than budgeted operating expenses on programs such as bushfire and flood recovery, \$8.0 million; unbudgeted clean up costs, \$6.6 million; and an impairment charge relating to debtors, \$3.9 million.
- The overall reason for the variation of lower total revenue of \$3.9 million was due mainly to \$7.0 million lower than budget for grants and contributions received. This was partially offset by \$5.2 million higher retained taxes, fees and fines as well as the sales of goods and services.

### Assets and liabilities

**Actual net assets of \$37.5 million against the budget of \$39.9 million – a variance of \$2.4 million**

The total assets increased by \$9.5 million mainly due to increased cash at bank by \$4.7 million which was a result of the increased restricted cash received for the bushfire grant and increase in receivables by \$7.47 million. The total liabilities increased by \$11.9 million mainly due to increase in payables, \$9.4 million, due to flood clean up and restoration programs, education programs and the waste and circular economy programs.

### Cash flows

**Closing cash and cash equivalents \$33.3 million against a budget of \$28.6 million, a variance of \$4.7 million**

Total payments from operating activities were lower than budget by \$4.0 million due to lower employee payments, \$8.9 million, and grants and subsidies, \$9.6 million. This was partially offset by higher other operating payments, \$14.4 million. Total receipts decreased by \$1.3 million mainly due to a reduction in grants received, \$8.3 million.

# Our finances

## 21. Reconciliation of cash flows from operating activities to net result

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Net cash used on operating activities	13,622	5,012	13,622	5,012
Depreciation and amortisation	(3,616)	(3,443)	(3,616)	(3,443)
Gain/(loss) on disposal of asset	(6)	(530)	(6)	(530)
Increase/(decrease) in receivables	2,506	3,130	2,506	3,130
Decrease/(increase) in provisions	102	(1,458)	102	(1,458)
Decrease/(increase) in creditors	(9,400)	(816)	(9,400)	(816)
Decrease/(increase) in contract liabilities	25	(365)	25	(365)
<b>Net result</b>	<b>3,233</b>	<b>1,530</b>	<b>3,233</b>	<b>1,530</b>

## 22. Administered assets, liabilities and income

	2021 \$'000	2020 \$'000
<b>Consolidated and parent</b>		
Administered assets		
Receivables	110,573	132,616
Allowance for impairment	(24,120)	(13,907)
Cash	943	250
Remittance clearing	(943)	(250)
Accrued income	-	-
<b>Total administered assets</b>	<b>86,453</b>	<b>118,709</b>
<b>Administered liabilities</b>		
Creditors	-	-
<b>Total administered liabilities</b>	<b>-</b>	<b>-</b>
Administered income		
Pollution licences and approvals	25,957	27,885
Other fees and licences	-	2
Waste-related levies and fees	763,021	757,991
Coal wash levy	2,977	215
Waste levy rebates	(3,735)	(8,857)
Coal wash rebates	-	(364)
Fines	1,957	2,398
<b>Total administered income</b>	<b>790,177</b>	<b>779,270</b>
Impairment loss	10,213	13,907
<b>Total impairment loss</b>	<b>10,213</b>	<b>13,907</b>

The above receipts were collected by the EPA on behalf of the Consolidated Fund.

# Our finances

These are not included in the EPA's statement of financial position and statement of comprehensive income. They are brought to account as revenue in the Treasurer's Public Accounts.

## 23. 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.

### Financial instrument categories

Financial Assets	Note	Category	Carrying Amount 30 June 2021	Carrying Amount 30 June 2020
<b>Consolidated and parent</b>			<b>\$'000</b>	<b>\$'000</b>
<b>Class:</b>				
Cash and cash equivalents	6	N/A	33,340	27,494
Receivables <sup>1</sup>	7	Receivables (at amortised cost)	11,436	10,030
<b>Financial Liabilities</b>			<b>Carrying Amount 30 June 2021</b>	<b>Carrying Amount 30 June 2020</b>
			<b>\$'000</b>	<b>\$'000</b>
<b>Class:</b>				
Payables <sup>2</sup>	14	Financial liabilities at amortised cost	19,293	9,163
Borrowings	15	Financial liabilities at amortised cost	4,566	2,432

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).

# Our finances

## 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.

## Financial risks

### Credit risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the EPA. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the EPA, including cash and receivables. No collateral is held by the EPA. The EPA has not granted any financial guarantees.

Credit risk associated with the EPA's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

### Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances of specified restricted cash at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

## Accounting policy for impairment of trade debtors

### Receivables – trade and other debtors

Collectability of trade debtors 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. This uses a lifetime expected loss allowance for all trade debtors.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

# Our finances

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 macro-economic factors affecting the ability of the customers to settle the receivables. The EPA has identified the GDP and the unemployment rate as being the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include 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 2021 and 30 June 2020 was determined as follows.

Consolidated and parent 30 June 2021	Current \$'000	<30 days \$'000	30–60 days \$'000	61–90 days \$'000	>91 days \$'000	Total \$'000
Expected credit loss rate	-	-	-	-	7%	
Estimated total gross carrying amount at default	4,134	1,013	2,523	107	1,490	9,267
<b>Expected credit loss</b>	-	-	-	-	104	104

Consolidated and parent 30 June 2020	Current \$'000	<30 days \$'000	30–60 days \$'000	61–90 days \$'000	>91 days \$'000	Total \$'000
Expected credit loss rate	-	-	-	-	73.7%	
Estimated total gross carrying amount at default	3,156	994	354	91	651	5,246
<b>Expected credit loss</b>	-	-	-	-	480	480

**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 7.

The EPA is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors.

## Liquidity risk

Liquidity risk is the risk that the EPA will be unable to meet its payment obligations when they fall due. The EPA continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current and prior year there were no defaults of loans payable. No assets have been pledged as collateral. The EPA's exposure to liquidity risk is deemed insignificant, based on data from prior periods and current assessment of risk.

# Our finances

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the head of an authority (or a person appointed by the head of an authority) may automatically pay the supplier simple interest.

The rate of interest applied during the year was 8.01% (2020: 9.08%).

The table below summarises the maturity profile of the EPA's financial liabilities, together with the interest rate exposure.

Consolidated and Parent							\$'000		
	Weighted average effective interest rate	Nominal amount <sup>1</sup>	Interest Rate Exposure			Maturity Dates			
			Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1–5 yrs	> 5 yrs	
<b>2021</b>									
Payables	N/A	19,293	-	-	19,293	19,293	-	-	
Borrowings	3.03%	4,566	4,566	-	-	926	3,640	-	
		23,859	4,566	-	19,293	20,219	3,640	-	
<b>2020</b>									
Payables	N/A	9,163	-	-	9,163	9,163	-	-	
Borrowings	3.19%	2,432	2,432	-	-	527	283	1,622	
		11,595	2,432	-	9,163	9,690	283	1,622	

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the EPA can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.

## Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The EPA has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variables is outlined in the information below for interest rate risk and other price risk. A reasonably possible change in risk variables has been determined after taking into account the economic environment in which the EPA operates and the timeframe for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2021. The analysis assumes that all other variables remain constant.

# Our finances

## Interest rate risk

The EPA does not account for any fixed-rate financial instruments at fair value through profit or loss. Therefore, for these financial instruments, a change in interest rates would not affect the carrying value or interest paid/earned. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The EPA's exposure to interest rate risk is set out below.

Consolidated and Parent	Carrying amount \$'000	Profit \$'000	-1% Equity \$'000	Profit \$'000	+1% Equity \$'000
<b>2021</b>					
<b>Financial assets</b>					
Cash and cash equivalents	33,340	(333)	(333)	333	333
Receivables	11,436	(114)	(114)	114	114
	6,610	(66)	(66)	66	66
<b>Financial liabilities</b>					
Payables	19,293	193	193	(193)	(193)
Borrowings	4,566	46	46	(46)	(46)
<b>2020</b>					
<b>Financial assets</b>					
Cash and cash equivalents	27,494	(275)	(275)	275	275
Receivables	10,030	(100)	(100)	100	100
	5,228	(52)	(52)	52	52
<b>Financial liabilities</b>					
Payables	9,163	92	92	(92)	(92)
Borrowings	2,432	24	24	(24)	(24)

## Fair value compared to carrying amount

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates fair value because of the short-term nature of the financial instruments.

# Our finances

## 24. Related party disclosures

The EPA's key management personnel compensation is as follows:

	Consolidated		Environment Protection Authority	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Short-term employee benefits</b>				
Salaries*	3,111	2,900	668	754
Termination benefits	-	251	-	-
<b>Total remuneration</b>	<b>3,111</b>	<b>3,151</b>	<b>668</b>	<b>754</b>

\* Excludes payroll tax

During the period, the EPA incurred \$2.4 million (2020: \$2.4 million) for the provision of key management personnel services that are provided by the EPA Staff Agency.

During the year, the EPA entered into transactions with other agencies that are controlled/jointly controlled/significantly influenced by the NSW Government. These transactions allow the EPA to meet its objectives and in aggregate are a significant component of the EPA's operations. These transactions are primarily in the form of grants paid and received and are disclosed in notes 2(d), 3(c) and 3(d) respectively.

There are no material related party transactions between the EPA and the key management personnel, their close family members and controlled or jointly controlled entities thereof.

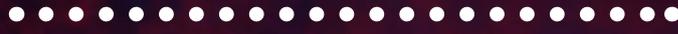
## 25. Events after the reporting period

There are no 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.



# Appendices



# Appendices

## Appendix 1: Workforce diversity profiles

### Trends in the representation of workforce diversity groups

Workforce diversity group	Benchmark	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021
Women	50% <sup>1</sup>	53.7%	56.1%	57.6%	55.5%	57.1%
Aboriginal and Torres Strait Islander people	3.3% <sup>2</sup>	1.1%	1.8%	1.8%	1.9%	2.2%
People whose first language spoken as a child was not English	23.2% <sup>3</sup>	13.1%	13.7%	11.9%	11.5%	11.8%
People with a disability	5.6% <sup>4</sup>	3.8%	3.1%	3.5%	2.9%	2.1%
People with a disability requiring work-related adjustment	n/a <sup>4</sup>	1.0%	1.0%	1.2%	1.2%	1.1%
Women in senior leadership	40% by 2021	31.8%	33.3%	41.91%	57.3%	65%

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

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

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

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

# Appendices

## Trends in the distribution of workforce diversity groups

Workforce diversity group	Benchmark <sup>1,2</sup>	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021
Women	100	92	93	95	96	96
Aboriginal and Torres Strait Islander people	100	n/a	n/a	n/a	n/a	n/a
People whose first language spoken as a child was not English	100	98	96	97	97	98
People with a disability	100	101	104	101	n/a	n/a
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a	n/a

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

**Note 2:** The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20.

## Appendix 2: Statistical information on access applications

Under clause 8 of the Government Information (Public Access) Regulation 2018, the EPA must provide statistical information about the formal access applications it has received 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)

In 2020–21 the EPA received 80 access applications, 58 of which were initially assessed as being invalid. Of these, 48 subsequently became valid and have been included in the total of 69 valid applications.

### Number of access applications refused under Schedule 1: clause 8(c)

In 2020–21 the EPA refused three 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 nine applications received in the previous reporting year, all were completed in 2020–21.

More than one public interest consideration may apply in relation to an access application. If this occurs, each consideration must be recorded (but only once per application).

# Appendices

**Table A: Applications by type of applicant and outcome**

Type of applicant	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny if information held	Application withdrawn
Media	0	2	0	1	0	0	0	2
Members of Parliament	1	0	1	0	0	0	0	0
Private sector businesses	11	6	5	2	1	0	0	2
Not-for-profit organisations/ community groups	9	4	0	1	0	0	0	1
Members of the public – application by legal representative	5	7	2	0	0	1	0	1
Members of the public (other)	11	4	1	3	0	0	0	0

**Table B: Applications by type of application and outcome**

Type of application	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny if information held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications – other than personal information applications	36	21	10	7	1	1	0	6
Access applications that are partly personal information applications and partly other	1	1	0	1	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).

# Appendices

**Table C: Invalid applications**

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	58
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	58
Invalid applications that subsequently became valid	48

**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	1
Executive Council information	0
Contempt	0
Legal professional privilege	6
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

# Appendices

**Table E: Other public interest considerations against disclosure**

Other public interest considerations against disclosure	Occasions application not successful
Responsible and effective government	14
Law enforcement and security	8
Individual rights, judicial processes and natural justice	14
Business interests of agencies and other persons	12
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate freedom of information legislation	0

**Table F: Timeliness**

Timeframe	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	51
Decided after 35 days (by agreement with applicant)	11
Not decided within timeframe (deemed refusal)	0
<b>Total</b>	<b>62</b>

**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	4	6
Review by Information Commissioner*	1	1	2
Internal review following recommendation under section 93 of the Act	0	0	0
Review by NCAT**	0	1	1
<b>Total</b>	<b>3</b>	<b>6</b>	<b>9</b>

\* The Information Commissioner does not have the authority to vary decisions but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the decision has been made.

\*\* NSW Civil and Administrative Tribunal (NCAT)

**Table H: Applications for review under Part 5 of the Act (by type of applicant)**

Type of application	Applications reviewed
Applications by applicants for access to information	4
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	5

# Appendices

**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	1
Applicant-initiated transfers	0

## Appendix 3: Public interest disclosures

In accordance with clause 4 of the Public Interest Disclosures Regulation 2011, information for the EPA for 1 July 2020 to 30 June 2021 is set out below.

Public interest disclosure type	Number
Public interest disclosures made by public officials in performing their day-to-day functions	0
Other public interest disclosures that are made under a statutory or legal obligation	0
All other public interest disclosures	0
Public interest disclosures relating to possible or alleged:	
• corrupt conduct	0
• maladministration	0
• serious and substantial waste of public money	0
Total number of public interest disclosures received	0
Total number of public interest disclosures finalised	0

# Appendices

## Appendix 4: Cyber security

### Cyber Security Annual Attestation for the 2020-2021 Financial Year for

#### Environment Protection Authority

I, David Fowler, Acting Chief Executive Officer of the NSW Environment Protection Authority (EPA), am of the opinion that the EPA has an Information Security Management System in place via the Department of Planning, Industry and Environment (DPIE) Cluster Corporate Services and has managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy and in alignment with DPIE's enterprise risk management framework.

Governance is in place to manage the cyber security maturity and initiatives of DPIE, including for the EPA.

Risks to the information and systems of DPIE, including for the EPA, have been assessed and are managed.

There exists a current cyber incident response plan for DPIE, including for the EPA, which has been tested during the reporting period.

The DPIE Cluster Corporate Services has maintained certified compliance with ISO 27001 Information technology - Security techniques - Information security management systems - Requirements by an Accredited Third Party (BSI) during the 2020/2021 financial year (Certificate Number: IS 645082).

The DPIE Cluster Corporate Services has a Cyber Security Strategy including for the EPA in place to ensure continuous improvement and management of cyber security governance and resilience.



**David Fowler (Acting)  
Chief Executive Officer  
Environment Protection Authority**

Date: 24/09/2021

## Appendix 5: Grants and subsidies

### Grants – waste programs

The EPA offers grants to government, business and the community to help them:

- reduce waste
- combat illegal dumping
- increase the capacity for recycling
- educate people about effective ways to help the environment.

The NSW Government's *Waste Less, Recycle More* initiative provides grants and funding for waste and recycling projects. In 2020–21 the *Waste Less, Recycle More* grants were funded and administered by the EPA, after a machinery-of-government change saw waste programs transferred from the Department of Planning, Industry and Environment (DPIE) to the EPA. Any new rounds of *Waste Less, Recycle More* grants in 2020–21 were awarded by and paid through the EPA.

Milestone payments made against grants are listed below.

All grant funding for waste programs detailed below comes from recurrent EPA funding unless stated otherwise.

In 2020–21, the EPA disbursed \$33.1 million in grant payments for waste and recycling projects.

#### Local government program

*Waste Less, Recycle More* is providing local government with \$70 million over four years to 30 June 2021 to help local communities increase recycling and reduce illegal dumping and littering. This funding largely consists of payments made through the:

- Better Waste and Recycling Fund
- Regional Coordination and Strategy Support Program for Greater Sydney
- Regional Coordination and Strategy Support Program for Rural and Regional NSW
- Support to Local Government NSW for waste policy and programs.

Payments to local government in 2020–21 under this program totalled \$13,588,665. They included:

- \$9,750,000 under the Better Waste and Recycling Fund, comprising
  - \$8,287,500 for local councils
  - \$1,462,500 for regional groups of councils in the waste levy paying area
- \$1,148,400 to the Regional Coordination and Strategy Support Program for Greater Sydney
- \$2,000,001 to the Regional Coordination and Strategy Support Program for Rural and Regional NSW
- \$499,245 to Local Government NSW to help council improve waste practices in their local government area.

Details of grant programs and recipients in 2020–21 are on the EPA website.

# Appendices

## Aboriginal Communities Waste Management Program

The *Aboriginal Communities Waste Management Program* (ACWMP) aims to support the 61 discrete Aboriginal communities (former missions or reserves) across NSW in:

- reducing litter, illegal dumping and bulky waste
- improving:
  - waste management systems
  - the safety and environmental health of their communities
  - relationships with service providers and local government.

The program has three stages:

- **Stage 1** – Expression of Interest
- **Stage 2** – Community engagement and development of community rubbish management plans
- **Stage 3** – Communities are eligible for up to \$100,000 to implement their plans.

Thirty communities are currently participating. In 2020–21 six progressed to stage 3.

Communities can use the program funding to:

- employ a project manager and a community engagement advisor
- remove waste and litter
- install infrastructure to improve waste management
- provide educational activities and resources.

Payments to Aboriginal community organisations in 2020–21 totalled \$555,655.

**Table 1 Payments made under the Aboriginal Communities Waste Management Program, 2020–21**

Recipient	Community	Amount paid
Amaroo Local Aboriginal Land Council	Summervale	\$30,000
Armidale Local Aboriginal Land Council	Narwan Village	\$59,023
Brungle–Tumut Local Aboriginal Land Council	Brungle	\$59,988
Baryulgil Land Council	Baryulgil	\$67,472
Coffs Harbour and District Local Aboriginal Land Council	Red Rock Camp and Wongala Estate	\$131,285
Great Lakes Community Resources Inc. – Forster Local Aboriginal Land Council	Cabarita Avenue	\$30,000
Great Lakes Community Resources Inc. – Murrawari Local Aboriginal Land Council	Clara Hart Village	\$30,000
Great Lakes Community Resources Inc. – Walgett Local Aboriginal Land Council	Gingie Road	\$75,106
Many Rivers Housing Association – Toomelah Local Aboriginal Land Council	Toomelah	\$10,000
Weilwan Local Aboriginal Land Council	Gulargambone Top and Bottom Missions	\$62,781
<b>Total</b>		<b>\$555,655</b>

# Appendices

## Aboriginal Land Clean Up and Prevention Program

The *Aboriginal Land Clean Up and Prevention* (ALCUP) program is aimed at reducing the incidence and impacts of illegal dumping on Aboriginal land. It enables:

- surveillance and monitoring
- community education
- cultural activities that enable Aboriginal people to care for Country, share knowledge, and gain skills and employment in land management.

ALCUP program payments to community organisations in 2020–21 totalled \$128,170.

**Table 2 Payments made to community organisations under the Aboriginal Land Clean Up and Prevention Program, 2020–21**

Recipient	Amount paid
Dubbo Local Aboriginal Land Council	\$18,750
Wanaruah Local Aboriginal Land Council	\$18,750
Coffs Harbour Local Aboriginal Land Council	\$18,563
Amaroo Local Aboriginal Land Council	\$18,032
Worimi Local Aboriginal Land Council	\$11,300
Tibooburra Local Aboriginal Land Council	\$ 9,775
Gandangara Local Aboriginal Land Council	\$15,000
Cowra Local Aboriginal Land Council – Skillset	\$18,000
<b>Total</b>	<b>\$128,170</b>

## Bin Trim program

The EPA developed the *Bin Trim* program to improve waste and recycling practices in NSW's commercial and industrial sector. The program provides grants and rebates.

Details of grant programs and recipients in 2020–21 are on the EPA website.

### Bin Trim grants

*Bin Trim* grant payments in 2020–21 totalled \$2,205,590. They comprised:

- non-government organisations – program milestones 2 and 3 – \$1,850,628
- local governments – program milestone 2 – \$292,802
- community organisation (the Ethnic Communities' Council of NSW) – program milestone 2 – \$62,160.

### Bin Trim rebates

*Bin Trim* rebates fund 50% of the cost of recycling equipment that allows small and medium businesses to divert waste from landfill. Rebates of between \$1,000 and \$50,000 are available to fund source-separation bins, balers, shredders and organics processing equipment. Program milestone payments are linked to the installation of equipment, follow-up assessments and performance reports.

*Bin Trim* rebate milestone payments in 2020–21 totalled \$1,264,203.

# Appendices

## Illegal dumping

The *Waste Less, Recycle More* initiative has provided \$65 million over the five years to 2021 to combat illegal dumping. The EPA's illegal dumping programs have been guided by the *NSW Illegal Dumping Strategy 2017–21*, and have used education, capacity-building, prevention, clean-up and enforcement to reduce the incidence of illegal dumping.

Grant payments made under this initiative in 2020–21 totalled \$3,631,210. They went to:

- local government – \$3,581,210
- community organisations – \$50,000.

The figure for local government includes grants approved in previous financial years. The payment to community organisations was non-contestable funding provided to a single organisation, Garage Sale Trail Foundation Ltd.

More details of grant programs and recipients are on the EPA website.

## Improvements to systems for household problem wastes

NSW householders can safely and easily dispose of items such as leftover paint, cleaning products and gas bottles through the:

- *Household Chemical CleanOut* program
- *Community Recycling Centres* program.

Of the 3,516 tonnes of waste paint collected through both programs this year 2,500 tonnes were collected under the Paintback product stewardship program.

EPA payments made to local government under these programs in 2020–21 totalled \$870,226 .

## Household Chemical CleanOut program

In the Sydney Metropolitan, Illawarra, Central Coast and Hunter regions, the EPA partners with local government to deliver the program. In rural and regional NSW, the EPA funds voluntary regional waste groups to run collection events where householders can dispose of hazardous wastes free of charge.

In 2020–21 the EPA approved grants for this program to the value of \$104,000.

## Community Recycling Centres (CRCs)

The *Community Recycling Centres* program is aimed at establishing permanent facilities across NSW where householders can drop off their problem waste free of charge, all year round.

As at June 2021, 105 CRCs and mobile units had been funded through infrastructure grants administered by the NSW Environmental Trust.

The EPA provides additional funding to councils to support:

- community and education activities
- branded signage
- tablets for online reporting
- safety cabinets for hazardous materials
- spill kits at the CRCs.

In 2020–21 the EPA approved grants for these items to the value of \$766,226.

# Appendices

## Organics Infrastructure Fund

The *Organics Infrastructure Fund* is providing \$105 million over nine years to support waste avoidance and the re-use and recycling of food and garden waste from NSW households and businesses.

Projects awarded under the fund's programs run over many financial years, with payments made as milestones are achieved.

The EPA manages three of the fund's five programs:

- Love Food Communities
- Organics Market Development
- Food Donation Education.

EPA grant payments under the *Organics Infrastructure Fund* in 2020–21 totalled \$581,124.

Details of grant programs and recipients are on the EPA website.

## Love Food Communities

The Love Food Communities program provides up to \$250,000 for education initiatives aimed at reducing food waste. Recipients are teaching their local communities about ways to avoid food waste, using the EPA-designed *Food Smart* program for households and the *Your Business is Food* program for businesses.

Grant payments under this program in 2020–21 totalled \$117,029. All payments went to local government.

## Organics Market Development grants

Grants of up to \$200,000 are awarded for projects that will increase the market for compost made from source-separated recycled organics.

Grant payments under this program in 2020–21 totalled \$186,395. All payments went to non-government recipients.

## Food Donation Education grants

Grants of up to \$100,000 were available to organisations working in the food relief sector to help them sign up more donors, work collaboratively and collect more surplus food for redistribution.

These grants complement funding available through the *Organics Infrastructure (Large and Small)* program administered by the NSW Environmental Trust. That program funds equipment used by food relief agencies, such as fridges, freezers and refrigerated vans.

During the COVID–19 pandemic, a \$250,000 underspend was reallocated from other *Organics Infrastructure Fund* grants into a new *Food Donation Top Up* grant program. This funding helped existing grant recipients manage the extra demand for their services that the pandemic created.

Grant payments under Food Donation Education in 2020–21 totalled \$277,700. They went to:

- community organisations – \$150,924
- local government – \$126,776.

# Appendices

**Table 3 Payments made to community organisations for Food Donation Education grants, 2020–21**

Recipient	Activity	Amount Paid
Healthy People Illawarra Inc.	Milestone payment	\$44,069
Griffith Meals on Wheels Inc.	Milestone payment	\$40,812
Camden Community Connections	Milestone payment	\$24,481
Second Bite	Milestone payment	\$20,100
OzHarvest Limited	Milestone payment	\$15,891
Carevan Wagga Inc.	Milestone payment	\$12,275
Queanbeyan–Palerang Regional Council	Refund	-\$6,704
<b>Total</b>		<b>\$150,924</b>

## Industrial ecology and business recycling programs

Industrial ecology is a strategy for increasing resource recovery by recycling waste materials across different industries. Under an extension to the *Waste Less, Recycle More* initiative, \$5 million was allocated to support councils, households, business, industry, not-for-profit organisations and charities to develop industrial ecology projects. These projects divert waste from landfill and support the continued development and upgrade of necessary infrastructure and services across NSW.

Details of grant programs and recipients are on the EPA website.

In 2020–21, payments totalling \$1,710,415 were made to support the *Civil Construction Market Program* and *Circulate*, the NSW Industrial Ecology Program. They went to:

- non-government organisations – \$1,649,198
- government organisations – \$61,217.

## Waste and Recycling Infrastructure Fund

*Waste Less, Recycle More* infrastructure funding is designed to accelerate and stimulate investment in infrastructure that will increase the amount of waste recycled in NSW and divert more waste from landfill. The fund supports projects within NSW that increase:

- the quality of recycled materials produced by material recovery facilities
- capability and capacity to recover and reprocess waste materials
- the use of recycled content in the manufacture of products
- the recovery of identified priority waste materials.

Grant payments under this initiative in 2020–21 totalled \$1,727,779.

Details of grant programs and recipients are on the EPA website.

## Product Improvement Program

The *Product Improvement Program* is part of the NSW Government's response to China's *National Sword Policy*.

Investment in infrastructure can stimulate the local remanufacturing capacity of NSW and generate new industries and jobs in regional and rural communities. Funding recycling infrastructure can also mitigate the effects of China's policy to restrict the quality of foreign recycling material it accepts. The program provides an opportunity for industry to identify new uses and markets for recyclable materials and develop local processing and remanufacturing capability to maintain recycling services into the future.

# Appendices

Details of grant programs and recipients are on the EPA website.

Payments for *Product Improvement Program* grants in 2020–21 totalled \$1,476,348. They went to:

- non-government recipients – \$1,465,250
- local government – \$11,098.

## **Expansion and Enhancement Program**

*Resource Recovery Facility Expansion and Enhancement* grants aim to increase the amount of waste diverted from landfill in NSW by accelerating and stimulating investment in existing licensed recycling facilities.

This program is now closed for new applicants and has been incorporated into the *Product Improvement Program*. Existing approved applicants are still being managed under the Expansion and Enhancement program.

Payments made under this program in 2020–21 totalled \$141,481. They were directed to local government.

## **Weighbridge Fund**

The *Weighbridge Fund* helps eligible recycling facilities and landfills install weighbridges. These will:

- ensure better measurement of waste
- support improved environmental performance at the facilities where they are installed
- facilitate the collection and payment of the NSW Waste and Environment Levy.

Grant payments under the *Weighbridge Fund* in 2020–21 totalled \$109,950. They went to:

- non-government recipients – \$68,160
- local government – \$41,790.

## **Litter Prevention Grants Program**

Projects supported by the *Litter Prevention Grants Program* enable local councils, regional waste groups and community groups to target litter hotspots.

Payments for litter prevention grants in 2020–21 totalled \$1,199,135. They were distributed under three programs, as follows.

### **Cigarette Butt Litter Prevention Grants Program**

Councils, community organisations and state government agencies received \$445,092 to tackle cigarette butt litter hotspots.

### **Council Litter Grants**

NSW councils received \$220,657 to deliver on-ground and strategic litter prevention projects.

### **Community Litter Grants**

Community groups across NSW received \$533,386 to deliver on-ground and strategic litter prevention projects.

Details of grant programs and recipients in 2020–21 are on the EPA website.

# Appendices

## Alternative Waste Treatment

In 2018 the EPA revoked the order and exemption that had allowed mixed-waste organic outputs (MWOO) to be applied to land. Following this, the NSW Government developed an alternative waste treatment (AWT) transition package to help the AWT industry and councils transition to sustainable resource-recovery practices.

### AWT transition package – phase 1

A phase 1 package was introduced in October 2018 to provide support for kerbside collection services and ensure that any additional landfill costs would not be passed on to councils or ratepayers. This package ended on 28 February 2020.

A temporary waste levy exemption was put in place in November 2018 for the disposal of limited amounts of MWOO produced at approved scheduled waste facilities in NSW. This exemption applied until 1 May 2021. A further extension was granted for four scheduled waste facilities – Suez Kemps Creek, Suez Port Stephens, Veolia at Tarago and Eastern Creek Operations – that showed they were transitioning to sustainable resource-recovery practices.

### AWT transition package – phase 2

Consultation with the industry and councils in late 2019 informed phase 2 of the AWT transition package, a \$24-million investment announced by the Minister for Energy and Environment in March 2020. This phase of the package includes:

- \$12.5 million in organics collections grants
- \$5 million in local council transition grants
- \$6.26 million in research and development grants, consisting of:
  - \$2.51 million for alternative uses for general waste
  - \$3.75 million for organics infrastructure grants.

Grant payments under this initiative in 2020–21 totalled \$5,039,923. They went to:

- local government – \$4,527,900
- non-government recipients – \$512,023.

## Recycling of solar panels and battery storage systems

The International Energy Agency has forecast that:

- by 2025 NSW will generate 3,000–10,000 tonnes a year of waste solar PV panels and battery storage systems
- by 2035 this figure will rise to 40,000–71,000 tonnes a year.

The *Circular Solar* program is a new \$10-million program funded over four years (2019–20 to 2022–23) to pilot initiatives to recycle and re-use these materials.

Grant payments under this program in 2020–21 totalled \$554,130. All went to non-government organisations.

# Appendices

## Grants other than for waste programs

In 2020–21 the EPA allocated \$2.1 million in grants through programs not related to waste.

### Contaminated land management

#### Local government

The *Council Regional Capacity Building Program* was designed to improve the management of contaminated land in NSW. It has provided grants to fund 10 contaminated land experts until 2021, to give regional NSW councils local sources of advice and improve their technical capacity to manage contaminated land.

Grant payments made under this program in 2020–21 totalled \$1,228,820.

Details of grant recipients are on the EPA website.

### North Lake Macquarie Lead Program

#### Local government

Until 2003 Pasminco operated a lead and zinc smelter near North Lake Macquarie, south-west of Newcastle. The now-closed smelter has left a legacy of lead contamination: there is lead in the soil on residential properties around the smelter site. From 2007 to 2013 a lead abatement strategy was put in place to reduce residents' exposure. In 2014 the EPA established the Lead Expert Working Group to consider the effectiveness of this strategy and develop future actions to reduce the community's exposure to lead.

The working group issued its final report in December 2016 with 22 recommendations for managing legacy lead contamination. The NSW Government supported all recommendations and allocated funding over four years to 2020–21. Payments to the local council in 2020–21 under this program amounted to \$200,000.

### Broken Hill Environmental Lead Program

Lead contamination in the Broken Hill region arises from both naturally occurring deposits and as a legacy of mining. Exposure to lead has implications for human health, with impacts being greatest for children under the age of five.

#### Non-government

In 2020–21 Maari Ma Health received a grant of \$250,000 to address ongoing lead exposure and respond to elevated blood-lead levels in Aboriginal children at Broken Hill. The funding provides for more screening of blood-lead levels in children under five, education and awareness-raising, case management and remediation programs.

#### Government

In 2020–21 the Far West Local Health District received a grant of \$250,000 to step up monitoring and intervention for children under five and pregnant women.

### Asbestos Management

#### Local government

The EPA supports the NSW Asbestos Coordination Committee, which is a whole-of-government committee that aims to reduce the impacts of asbestos on the NSW community by taking a coordinated and strategic approach.

As part of the program, the EPA funds a position at Local Government NSW to support councils in improving all aspects of asbestos management. In 2020–21, \$191,019 was spent on this grant.

# Appendices

## Bushfire Recovery Programs

### Local government

The five Bushfire Recovery Programs provide up to \$95 million in support and funding for public land managers and local councils to recover from the 2019–20 bushfires. Four of the five programs provide funding as grants. These programs are the:

- *Bushfire-Generated Green Waste Clean-Up and Processing Program* (Green Waste Program)
- *FenceCycle Program*
- *Bushfire Dumping Program*
- *Council Landfills Program*.

The fifth program (the *Aboriginal Lands Program*) does not provide grants.

In 2020–21, grants totalling \$130,000 were provided to nine councils and a joint organisation under the Green Waste Program.

The other three programs (*FenceCycle*, *Bushfire Dumping* and *Council Landfills*) did not provide grant funding during the 2020–21 financial year as they were still accepting and/or assessing applications.

## Appendix 6: Acts administered by the Minister through the EPA

The following Acts were administered by the EPA from 1 July 2020 to 30 June 2021:

- *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 administered by the Minister for Better Regulation and Innovation)
- *Environmentally Hazardous Chemicals Act 1985* No. 14
- *Forestry Act 2012* No. 96 – Parts 5A and 5B jointly with the Deputy Premier, Minister for Regional New South Wales, Industry and Trade (remainder administered by the Deputy Premier, Minister for Regional New South Wales, Industry and Trade)
- *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, jointly with the Minister for Agriculture and Western New South Wales (remainder administered by the Minister for Agriculture and Western New South Wales)
- *National Environment Protection Council (New South Wales) Act 1995* No. 4
- *Ozone Protection Act 1989* No. 208
- *Pesticides Act 1999* No. 80
- *Protection of the Environment Administration Act 1991* No. 60
- *Protection of the Environment Operations Act 1997* No. 156
- *Radiation Control Act 1990* No. 13

# Appendices

- *Recreation Vehicles Act 1983* No. 136 (except Parts 4 and 6, which were administered by the Minister for Transport and Roads jointly with the Minister for Regional Transport and Roads)
- *Waste Avoidance and Resource Recovery Act 2001* No. 58.

## Appendix 7: Prosecutions completed under EPA legislation

Details of prosecutions completed under EPA legislation, excluding littering matters, are recorded below.

LEC = Land and Environment Court

LC = Local Court

s 10 = Under section 10 of the *Crimes (Sentencing Procedure) Act 1999*, the Court, although finding the defendant guilty of the offences charged, did not record a conviction.

Unless otherwise stated, the dollar amount referred to in the 'result or penalty' column is a fine.

### Tier 1 and serious environment protection offences

Tier 1 and serious environment protection offences are the most serious offences and attract the highest maximum penalties.

#### **Pesticides Act 1999**

Defendant	Charge	Result or penalty	Court
McInnes, Warwick Ronald	Negligently use a pesticide in a manner that injures another person	Acquitted	LEC

#### **Protection of the Environment Operations Act 1997**

Defendant	Charge	Result or penalty	Court
Aussie Earthmovers Pty Ltd	Provide false and misleading information about waste	\$400,000	LEC
Aussie Earthmovers Pty Ltd	Provide false and misleading information about waste	\$50,000	LEC

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Defendant	Charge	Result or penalty	Court
Mouawad, Paul (also known as Boulos, Isaac)	Provide false and misleading information about waste (first charge)	Sentenced to an aggregate term of 12 months imprisonment to be served by way of intensive correction in the community subject to the conditions: i) must perform 250 hours of community service ii) must not commit any offence iii) must submit to the supervision of the Parramatta Community Corrections District Office iv) must report to the Parramatta Community Corrections District Office.  Also ordered to publicise details of the offence in <i>The Daily Telegraph</i> and <i>Inside Waste</i> magazine.	LEC
Mouawad, Paul (also known as Boulos, Isaac)	Provide false and misleading information about waste (second charge)	Sentenced to an aggregate term of 12 months imprisonment to be served by way of intensive correction in the community subject to the conditions: i) must perform 250 hours of community service ii) must not commit any offence iii) must submit to the supervision of the Parramatta Community Corrections District Office iv) must report to the Parramatta Community Corrections District Office.  Also ordered to publicise details of the offence in <i>The Daily Telegraph</i> and <i>Inside Waste</i> magazine.	LEC

## Tier 2 offences

### Contaminated Land Management Act 1997

Defendant	Charge	Result or penalty	Court
McMullen, Kate Lyall	Provide false or misleading information	\$30,000	LEC

### Protection of the Environment Operations Act 1997

Defendant	Charge	Result or penalty	Court
A to Z Demolition Pty Ltd	Provide false and misleading information about waste (first charge)	\$12,000  Ordered to publicise details of the offence in the <i>Inside Waste</i> magazine	Parramatta LC
A to Z Demolition Pty Ltd	Provide false and misleading information about waste (second charge)	\$12,000  Ordered to publicise details of the offence in the <i>Inside Waste</i> magazine	Parramatta LC
Abbas, Sam (also known as Abbas, Osama)	Unlawful use of land as a waste facility	\$30,000  Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence (publications to be determined)	LEC

# Appendices

Defendant	Charge	Result or penalty	Court
Abbas, Sam (also known as Abbas, Osama)	Pollute land	\$10,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence (publications to be determined)	LEC
Abbas, Sam (also known as Abbas, Osama)	Unlawfully transport and deposit waste	\$60,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence (publications to be determined). Also ordered to pay investigation costs of \$80,157.24	LEC
Aussie Skips Recycling Pty Ltd	Breach licence condition	\$9,000 Ordered to publicise details of the offence in the <i>Inner West Courier</i>	Burwood LC
Aussie Skips Recycling Pty Ltd	Breach licence condition	Dismissed	Burwood LC
Aussie Skips Recycling Pty Ltd	Breach licence condition	\$5,000 Ordered to publicise details of the offence in <i>Inside Waste</i> magazine	Burwood LC
Bartter Enterprises Pty Limited	Breach licence condition	\$50,000 Ordered to pay investigation costs of \$837	LEC
BSV Tyre Recycling Australia Pty Ltd	Breach licence condition	\$9,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine	Bankstown LC
BSV Tyre Recycling Australia Pty Ltd	Breach licence condition	\$5,000 Ordered to pay 50% of fine moiety to the NSW EPA and to publicise details of the offence in <i>Inside Waste</i> magazine	Bankstown LC
Donpat Investment Pty Ltd	Failure to comply with an investigative requirement under Chapter 7	\$750	Parramatta LC
Ghama, Mohamed	Failure to comply with an investigative requirement under Chapter 7	\$1,500 Ordered to pay 50% of fine moiety to the NSW EPA	Parramatta LC
Hobbs, Benjamin Dennis	Carry out a scheduled activity without a licence	s 10 Ordered to enter a conditional release order for two years	Nowra LC
Hussein, Abdalah	Wilfully delay an authorised officer in the exercise of the authorised officer's powers	\$7,500 Ordered to pay 50% of fine moiety to the NSW EPA	Downing LC

# Appendices

Defendant	Charge	Result or penalty	Court
JM & BP Superannuation Fund Pty Limited	Failure to comply with an investigative requirement under Chapter 7	\$750	Parramatta LC
Koppers Carbon Materials & Chemicals Pty Ltd	Breach licence condition	Ordered to pay \$30,000 to the Port Stephens Koalas and Wildlife Preservation Society Ltd for the purpose of training volunteers to assist veterinary staff and to publicise details of the offence in <i>The Australian Financial Review</i> , <i>The Sydney Morning Herald</i> and <i>The Newcastle Herald</i>	LEC
Koppers Carbon Materials & Chemicals Pty Ltd	Failure to operate a plant in a proper and efficient manner	Ordered to pay \$30,000 to the Port Stephens Koalas and Wildlife Preservation Society Ltd for the purpose of training volunteers to assist veterinary staff and to publicise details of the offence in <i>The Australian Financial Review</i> , <i>The Sydney Morning Herald</i> and <i>The Newcastle Herald</i>	LEC
Koppers Carbon Materials & Chemicals Pty Ltd	Failure to operate a plant in a proper and efficient manner	Ordered to pay \$22,500 to the Port Stephens Koalas and Wildlife Preservation Society Ltd for the purpose of training volunteers to assist veterinary staff and to publicise details of the offence in <i>The Australian Financial Review</i> , <i>The Sydney Morning Herald</i> and <i>The Newcastle Herald</i>	LEC
Laird, Michael Anthony	Pollute land	\$16,000 Ordered to pay property owners \$100,000 in compensation for clean-up costs and pay investigation costs of \$5,000	Windsor LC
Laird, Michael Anthony	Pollute land	\$12,000 Ordered to pay property owners \$73,793.30 in compensation for clean-up costs and pay investigation costs of \$5,000	Windsor LC
Langford, Drew Alexander	Failure to comply with an investigative requirement under Chapter 7	\$1,500 Ordered to pay 50% of fine moiety to the NSW EPA	Parramatta LC
McClelland, Kenneth Sydney	Wilfully delay an authorised officer in the exercise of the authorised officer's powers	\$10,000	*Blacktown LC and LEC
Narrabri Shire Council	Failure to notify of a pollution incident that caused or threatened material harm to the environment	\$0	Narrabri LC

# Appendices

Defendant	Charge	Result or penalty	Court
Narrabri Shire Council	Failure to implement pollution incident response management plan	\$35,000 Ordered to publicise details of the offence in the <i>Narrabri Courier</i> , the <i>Northern Daily Leader</i> and <i>LGNSW Weekly</i> (published by Local Government NSW). Also ordered to pay investigation costs of \$688	Narrabri LC
Pullinger, Robert Lenard	Failure to comply with an investigative requirement under Chapter 7	\$750 Ordered to publicise details of the offence in <i>The Newcastle Herald</i>	Parramatta LC
Pullinger, Robert Lenard	Furnish false or misleading information in response to investigative requirement under Chapter 7 requirement	\$750 Ordered to publicise details of the offence in <i>The Newcastle Herald</i>	Parramatta LC
Roussakis, Emmanuel	Breach licence condition	s 10	Burwood LC
Sader, Antonio	Provide false and misleading information about waste	\$9,000	Parramatta LC
South Coast Plant Hire Pty Ltd	Failure to comply with prevention notice	\$20,000 Ordered to publicise details of the offence in the <i>Illawarra Mercury</i> and the <i>South Coast Register</i>	Nowra LC
Sydney Water Corporation	Pollute waters	Ordered to pay \$97,175 to the City of Parramatta Council for the purposes of the project titled 'Parramatta River Fish Lift Refurbishment and Fish Habitat Improvement Proposal' and \$24,325 to the City of Parramatta Council for the purposes of the project titled 'Toongabbie Creek Riparian Restoration Project Proposal'. Also ordered to publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Daily Telegraph</i> and the <i>Parramatta Advertiser</i> , and on Facebook, Twitter and Instagram. Also ordered to pay investigation costs of \$11,447	LEC
Sydney Water Corporation	Pollute waters	Ordered to pay \$54,000 to the City of Parramatta Council for the purposes of the project titled 'Toongabbie Creek Riparian Restoration Project Proposal' and to publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Daily Telegraph</i> and the <i>Parramatta Advertiser</i> , and on Sydney Water Corporation's Facebook page, Twitter account and Instagram account. Also ordered to pay investigation costs of \$11,447	LEC

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Defendant	Charge	Result or penalty	Court
Sydney Water Corporation	Breach licence condition	Ordered to pay \$62,500 to Sutherland Shire Council for the purposes of the Watercourse Rehabilitation and Bush Regeneration Project at Sabugal Gully, Engadine, pay a fine of \$42,500 (with a 50% moiety payable to the EPA), and publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Daily Telegraph</i> and <i>The Leader</i> , and on Facebook, Twitter and Instagram. Also ordered to pay investigation costs of \$5,379	LEC
Sydney Water Corporation	Failure to comply with clean-up notice	Ordered to pay \$37,500 to Sutherland Shire Council for the purposes of the Watercourse Rehabilitation and Bush Regeneration Project at Sabugal Gully, Engadine, pay a fine of \$42,500 (with a 50% moiety payable to the EPA), and publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Daily Telegraph</i> and <i>The Leader</i> , and on Facebook, Twitter and Instagram. Also ordered to pay investigation costs of \$5,379	LEC
Sydney Water Corporation	Breach licence condition	Ordered to pay \$63,500 to the NSW National Parks and Wildlife Service for the purposes of the Proposal for Bush Regeneration within Lane Cove National Park, pay a fine of \$9,000 (with a 50% moiety payable to the EPA), and publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Daily Telegraph</i> and the <i>North Shore Times</i> , and on Facebook, Twitter and Instagram. Also ordered to pay investigation costs of \$12,185	LEC
Sydney Water Corporation	Pollute waters	Ordered to pay \$63,500 to the NSW National Parks and Wildlife Service for the purposes of the Proposal for Bush Regeneration within Lane Cove National Park, pay a fine of \$9,000 (with a 50% moiety payable to the EPA), and publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Daily Telegraph</i> and the <i>North Shore Times</i> , and on Facebook, Twitter and Instagram. Also ordered to pay investigation costs of \$12,185	LEC

## Pesticides Act 1999

Defendant	Charge	Result or Penalty	Court
McInnes, Warwick Ronald	Use pesticide in a manner that injured another person	\$48,000 Ordered to pay the victims support levy of \$85 in accordance with section 106(1) of the <i>Victims Rights and Support Act 2013</i> and pay 50% of fine moiety to the NSW EPA	LEC

\* Kenneth Sydney McClelland appealed against his sentence in the Land and Environment Court. The appeal was dismissed, and the original sentence handed down by Blacktown Local Court was upheld.

# Appendices

## Appendix 8: Enforceable undertakings

Incident	Company	Agreed actions	Amount
<p>4 September 2019</p> <p>A hole in the 'B' Ravensworth Ash Pipeline resulted in the release of slurry which entered the dry bed of Bayswater Creek.</p> <p>Date of EU: 3 September 2020</p>	AGL Macquarie Pty Ltd	<ul style="list-style-type: none"> <li>• Monetary contribution towards the delivery of environment-related projects</li> <li>• Undertake upgrade works to pipeline</li> <li>• Measures to improve environmental performance through training</li> <li>• Print media notice in <i>Newcastle Herald</i>, <i>Singleton Argus</i>, the <i>Hunter River Times</i> and <i>Coal Face</i> magazine</li> </ul>	\$1,108,000
<p>March 2019 – January 2020</p> <p>The waste contribution monthly report submitted by Central Waste Plant Pty Ltd contained errors. This is the third consecutive year the Company has breached its licence condition.</p> <p>Date of EU: 1 February 2021</p>	Central Waste Plant Pty Ltd	<ul style="list-style-type: none"> <li>• Monetary contribution to the Department of Planning, Industry and Environment to fund 'Protecting Cessnock Forests and Woodland' project to support and enhance the conservation of the Regent Honeyeater</li> <li>• Undertake clean-up and remediation works of asbestos and other waste</li> <li>• Print media notice in the <i>Newcastle Herald</i> and <i>Inside Waste</i></li> </ul>	\$111,570
<p>Between late 2017 and early 2018</p> <p>Two incidents involving the unlawful transport and deposit of lead contaminated material at a site known as 'Camp 2' in Broken Hill, and the unlawful transport and deposit of sand material and soils to 134 Pinnacles Road, Broken Hill.</p> <p>Date of EU: 3 March 2021</p>	Consolidated Mining & Civil Pty Ltd and Consolidated Broken Hill Holdings Pty Ltd	<ul style="list-style-type: none"> <li>• Monetary contribution to Landcare Broken Hill for the Northern Broken Hill Landcare Hub Project</li> <li>• Measures to procure the lawful removal and disposal of stockpiled waste material at 134 Pinnacles Road, and material deposited at Camp 2</li> </ul>	\$200,000

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Incident	Company	Agreed actions	Amount
<p>Between 19 August 2019 and 17 September 2019</p> <p>Three unlicensed discharges of sediment laden water from a road construction site due to activities associated with the construction of the Berry to Bomaderry Princes Highway Upgrade.</p> <p>Date of EU: 15 September 2020</p>	<p>Downer EDI Works Pty Ltd and Seymour White Constructions Pty Ltd (Joint Venture)</p>	<ul style="list-style-type: none"> <li>• Measures to improve environmental performance through training</li> <li>• Measures to improve internal auditing, monitoring and reporting</li> <li>• Contribution to waterway restoration works in Abernethys Creek catchment area by way of payment and in-kind support</li> <li>• Distribution of <i>Environmental Alert</i> within current projects, including to subcontractors, consultants and suppliers, detailing the alleged breaches and lessons learned</li> <li>• Print media notice in <i>The South Coast Register</i> and <i>Illawarra Mercury</i></li> </ul>	<p>\$14,500</p>
<p>28 August 2019</p> <p>Failure of a moulded fitting in the 20,000-litre caustic soda (sodium hydroxide) bulk storage tank at 107 Brays Lane, Wallerawang, NSW 2845.</p> <p>Date of EU: 7 July 2020</p>	<p>Lithgow City Council</p>	<ul style="list-style-type: none"> <li>• Undertake to have a consultant prepare and implement new Pollution Incident Response Management Plans for all the Council's sewage treatment plants</li> <li>• Measures to improve environmental performance by appointing a Work Health and Safety and Environment Officer, Asset Maintenance Coordinator and Water and Wastewater Engineer</li> <li>• Measures to deliver benefits to the local environment and community through the Farmers Creek Weed Eradication Project</li> <li>• Measures to improve environmental performance through training</li> <li>• Measures to prevent future incidents</li> <li>• Print media notice in the <i>Village Voice</i>, the <i>Lithgow Mercury</i> and <i>The Sydney Morning Herald</i>.</li> </ul>	<p>\$517,000</p>

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Incident	Company	Agreed actions	Amount
<p>Between 1 July 2017 and 24 October 2017</p> <p>Waste from the construction site at 122–136 Lake Road, Elermore Vale, NSW (owned by Pepperwood Close Pty Ltd), was transported to and deposited at the disposal site, 102 Lake Road, Elermore Vale (owned by Pepperwood Ridge Pty Ltd). The waste transported comprised approximately 6,994 cubic metres of material including asbestos.</p> <p>Date of EU: 17 November 2020</p>	Pepperwood Ridge Pty Ltd	<ul style="list-style-type: none"> <li>• Monetary contribution to Hunter Wetlands Centre</li> <li>• Measures to improve environmental performance through training</li> <li>• Measures to prevent future incidents by engaging a consultant to undertake audit of systems and procedures.</li> <li>• Measure to prepare asbestos waste removal plan and clean up waste</li> <li>• Print media notice in local newspaper and industry publication</li> </ul>	\$50,000
<p>Between July 2017 and September 2017</p> <p>Unlawfully stored and transported PCB-contaminated oil at and from its facilities in locations including Seven Hills and Gosford West. In July and September 2017, Southern Oil transported PCB-contaminated oil from its Seven Hills and Gosford West facilities to Scarfone Flowers, a flower grower in Horsley Park. Scarfone Flowers does not hold an EPL allowing it to store or process PCB waste. Southern Oil Collection may also have provided false/misleading information to transporters as it was aware of PCB contamination but did not inform transporters.</p> <p>Date of EU: 10 September 2020</p>	Southern Oil Collection Pty Ltd	<ul style="list-style-type: none"> <li>• Engage an expert to prepare an annual report verifying environmental compliance for 3–5 years</li> <li>• Monetary contributions to Landcare NSW or Greater Sydney Landcare for <i>Local Streams, Local Communities</i> project</li> <li>• Monetary contributions to industry improvement project involving workshops, guidelines and training</li> <li>• Print media notice in <i>Waste Management Review</i> and post on website</li> </ul>	\$275,000
<b>Total monetary contributions towards environmental works</b>			<b>\$2,276,070</b>

# Appendices

## Appendix 9: Penalty notices 2020–21

Infringement type	EPA		Other NSW Government*		Local government	
	No.	Penalty	No.	Penalty	No.	Penalty
POEO** Aggravated litter – motor vehicle	9	\$4,050	29	\$13,050	64	\$29,250
POEO Air Pollution: Non-motor vehicle – control of burning	-	-	3	\$1,500	36	\$20,000
POEO Air Pollution: Non-motor vehicle – emission of air impurities or odours from premises	3	\$24,000	-	-	2	\$4,000
POEO Dangerous goods: All offences	-	-	1	\$750	142	\$171,250
POEO Land pollution and waste	4	\$52,500	4	\$17,200	351	\$1,021,850
POEO Land pollution and waste: Asbestos/hazardous	2	\$8,250	-	-	4	\$20,000
POEO Littering: Motor vehicle	2,488	\$672,250	237	\$48,790	1,247	\$298,260
POEO Motor vehicle – other air	2	\$1,500	2	\$800	-	-
POEO Noise: Motor vehicle	21	\$5,650	6	\$1,600	1	\$200
POEO Noise: Non-motor vehicle	-	-	232	\$70,500	21	\$6,600
POEO Other offences e.g. contravene licence conditions	64	\$602,250	11	\$21,250	344	\$580,250
POEO Water: All offences	6	\$90,000	2	\$15,000	300	\$2,144,000
Dangerous Goods: All offences	5	\$16,000	75	\$175,660	-	-
Native Vegetation: All offences	-	-	1	\$3,300	-	-
Other offences e.g. contravene licence conditions	-	-	73	\$550,500	2,238	\$7,822,500
Pesticides: All offences	3	\$3,750	-	-	-	-
Water: All offences	-	-	122	\$111,750	-	-
<b>Total</b>	<b>2,607</b>	<b>\$1,480,200</b>	<b>798</b>	<b>\$1,031,650</b>	<b>4,750</b>	<b>\$12,118,160</b>

\*'Other NSW Government' includes any NSW Government agency that has issued environmental penalty notices other than those notices issued by the EPA. The highest volume of penalty notices for 'Other NSW Government' were issued by NSW Police and the Resources Regulator.

\*\*POEO = *Protection of the Environment Operations Act 1997*

# Appendices

## Appendix 10: Requirements for conflict of interest disclosure by EPA Board members

Clause 7 of Schedule 1 to the *Protection of the Environment Administration Act 1991* and the provisions of the *Protection of the Environment Administration Regulation 2012* contain detailed requirements on:

- disclosure of the pecuniary and personal interests of Board members
- the keeping of publicly available records about disclosures
- the effect disclosures have on Board members' participation in Board business.

A member must disclose if they have a direct or indirect pecuniary interest in a matter being considered, or about to be considered, at a meeting of the Board where the interest appears to raise a conflict with the proper performance of the member's duties because:

- they are a member of, or are employed by, a specified company or other body
- they are a partner of, or are employed by, a specified person
- they have some other specified interest relating to a specified company or other body or to a specified person
- a matter being considered or about to be considered at a meeting of the Board relates to the institution of criminal or related proceedings against a person and a member has any personal or financial interest in the matter.

Board members have an ongoing duty to make additional disclosures whenever there is a relevant change in circumstances. At the start of each meeting, members are given an opportunity to declare any potential, perceived or actual conflicts of interest and these are recorded in the minutes of each meeting.

In accordance with NSW Treasury directions and Australian Accounting Standards, the EPA has implemented procedures to ensure the requirements of *Australian Accounting Standard 124 - Related Party Disclosures* are met.

The Board agreed on a new Conflict of Interest protocol in December 2020. The Board will review this Protocol together with the EPA Board Code of Conduct and EPA Board Charter every two years to ensure it remains fully consistent with the EPA's objectives and responsibilities and up to date with developments within the EPA and corporate governance in general.

# Glossary

**ARA:** An authority that has the power to regulate an activity as per the appropriate legislation. ARAs include: The EPA; local councils and other local authorities; public authorities declared by regulation.

**Audit:** A tool utilised by the EPA to monitor compliance and/or best practice with licence, Code or approval conditions and legislative requirements. The EPA utilises both compliance and environmental audits as part of its regulatory process.

**Audit and Risk Committee (ARC):** is the subcommittee of the EPA Board. The ARC provides assurance to the Board that the EPA has effective and efficient systems, policies and processes in place to manage its risk.

**Bin Trim Program:** Free program to provide support to NSW businesses to maximise their recycling and minimise landfill waste.

**CAMMS:** The EPA's hazard, incident and near-miss reporting management system.

**Circular economy:** A systematic approach for changing the way we produce, assemble, sell and use products to minimise waste and reduce our environmental impact.

**Clean-up notice:** A notice requiring a person to take specified clean-up action under s91 of the POEO Act when they reasonably suspect that a pollution incident, as defined in the Act, has occurred or is occurring.

**Compliance Incident Reporting and Management:** The current EPA case management system.

**Cluster:** NSW Government departments, agencies and organisations are arranged into nine groups, called clusters. The EPA is an independent statutory authority that sits in the portfolio of the Minister for Energy and Environment as part of the Planning, Industry and Environment Cluster.

**Coal ash:** Waste generated as a by-product from the burning of coal in coal-fired power stations, also known as fly ash.

**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 and associated regulations 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 land or groundwater that are potentially harmful to human health or the environment.

**Contaminated land management:** The management approach of contaminated land to prevent harm to human health and the environment. Approaches can include a range of options including investigation, containment of the contamination, removal and treatment and ongoing monitoring, depending on the type and extent of the contamination.

**COVID-19:** A disease caused by a new strain of coronavirus, formerly referred to as 2019 novel coronavirus or 2019-nCov.

**Don't be a Tosser!** A litter campaign run by NSW EPA, an evolution of the highly recognised 'Hey Tosser!' campaign that originated in 2014 to create community dialogue around the ongoing problem of littering.

**End of Financial Year (EOFY):** The financial year is a time period of 12 months (1 July - 30 June) used for tax purposes.

**Enforceable undertakings:** Voluntary and binding written agreements between the EPA and another party where the other party is alleged to have contravened a provision of an Act administered by the EPA on behalf of the Minister for Energy and Environment.

**Environmental improvement programs (EIP):** Involves licensees proactively undertaking actions that lead to environmental improvements and a reduction in pollution,

# Glossary

consistent with the objectives of the POEO Act. EIPs are attached as conditions of a licence and as such are enforceable. EIPs are intended to encourage voluntary environmental improvements by providing a potential financial incentive. Where an EIP is entered into and placed on a licence, it can improve a licensee's environmental management score which may lead to reduced licence administration fees.

**Environmental liabilities:** The potential costs of remediating a site due to any environmental harm caused by activities occurring on the site.

**Environment Line:** The EPA's contact centre that handles general inquiries about environmental issues and takes reports of pollution for which the EPA has regulatory responsibilities. Environment Line is a one-stop pollution and environmental incident reporting service provided by the Department of Planning, Industry and Environment.

## **Environmental Services Functional Area**

**Supporting Plan (EnviroPlan):** A supporting plan of the NSW Emergency Management Plan. It details the provision of support and coordination of prevention measures; and planning for, response to and recovery from hazards impacting or potentially impacting the environment and causing damage. The principles within EnviroPlan are applied during incidents and emergencies and are not limited to the declaration of a State of Emergency.

**Environment protection licence:** A licence issued to the owners or operators of various industrial premises under the POEO Act. These licences contain conditions that relate to pollution prevention and monitoring, and cleaner production through recycling and re-use and the implementation of best practice.

**EPL Map Viewer:** EPA's Environment Protection Licence secure spatial map viewer displaying licensed premises and other spatial layers.

**Get the Site Right:** A joint program between the Parramatta River Catchment Group, Cooks River Alliance, Georges River Combined Councils Committee, Sydney Coastal Councils group, Lake Macquarie Council, NSW EPA and DPIE, and local councils.

**Government Information (Public Access) Act 2009 (GIPA Act 2009):** Replaces the Freedom of Information Act 1989 (FOI Act) and provides a legally enforceable right to access government information except when it would be contrary to public interest to provide that information.

**Government Resource Efficiency Policy (GREP):** A policy to ensure the NSW Government meets the energy, water and waste goals of NSW 2021: A plan to make NSW number one.

**Greenfields:** Undeveloped land either used for agriculture or landscape design or left to evolve naturally.

**Green leases:** A lease between a landlord and tenant that aims to ensure the environmental impact associated with the ongoing use and operation of the building is minimised.

**Household Chemical CleanOut:** A free service available for the disposal of a range of common household chemicals, many of which could harm the environment if not disposed of properly.

**Hazardous materials:** Materials which are potentially harmful to human health or the environment.

**IFOA:** The EPA monitors compliance with Integrated Forestry Operations Approvals (IFOAs), which regulate environmental planning and assessment, protection of the environment and threatened species conservation in native forests on public land. The terms and conditions of all forestry operations, including logging, are set out in integrated forestry operations.

**Licence conditions:** Conditions associated with an issued licence. These include the activity or activities licensed, the scale of activity, monitoring requirements, reporting requirements, and conditions included in the general terms of approval as a result of the development assessment.

**Licensee:** A business, organisation, or individual that has been granted legal permission by the EPA to engage in an activity prescribed by legislation.

# Glossary

**Machinery-of-government:** The interconnection of government structures and processes, sometimes referred to as MoG.

**Non-Governmental Organisation (NGO):**

A non-profit group or institution with a social mission, which operates independently from the government.

**Notice:** A broad range of regulatory instruments utilised to manage compliance for a licensed or non-licensed premise/activity.

**NSWRFS:** NSW Rural Fire Service Association

**Penalty notice:** A notice issued under legislation administered by the EPA. It is designed primarily 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. The survey is anonymous and includes questions about NSW public servants' experiences with their work, workgroups, managers and organisation.

**PFAS:** Per- and polyfluoroalkyl substances are a group of manufactured chemicals that have multiple fluorine atoms attached to a chain of carbon atoms. They have historically been used in firefighting foam, among other things, and are of concern as they can contaminate land and groundwater.

**Pollution reduction programs (PRP):** Legally binding regulatory instruments aimed to improve the environmental performance and reduce pollution of licensees. PRPs generally require licensees to undertake studies before implementing steps to address environmental problems, including significant upgrading of controls and equipment.

**POEO Act:** *The Protection of the Environment Operations Act 1997* is a key piece of environment protection legislation administered by the EPA.

**Pollution Incident Response Management**

**Plan (PIRMP):** A document that outlines what procedures are in place to minimise the risk of a pollution incident at a premises. All holders of environment protection licences, or licensees, are required to prepare a PIRMP which meets the requirements of the POEO Act.

**Private Native Forestry Code:** The Private Native Forestry (PNF) Code of Practice (the Code) establishes a regulatory framework for the sustainable management of forests. It is the key piece of legislation guiding private native forestry operations in NSW.

**Public interest disclosure:** The process for NSW public service employees to report concerns about possible misconduct or serious wrongdoing.

**Return and Earn:** NSW's container deposit scheme. The scheme operates by requiring the cost of purchasing eligible drink to include a refundable deposit. This deposit is refunded on return of the clean and empty container to a return point.

**Risk-based licensing:** The EPA's risk-based licensing system aims to ensure that all environment protection licensees receive an appropriate level of regulation based on the level of risk they pose. This approach means that all licensed premises have an associated risk rating attached to them and the regulatory approach to the management of the site is proportionate to the rating.

**Sewage:** The waste matter or effluent carried away by sewers or drains. (Sewerage refers to the physical facilities – pipes, drains and treatment facilities through which sewage flows).

**Snowy Hydro 2:** A pumped hydro expansion of the existing Snowy Hydro Scheme using surplus electricity at times of low demand to pump and store water, which can be used to generate power on demand when it is needed.

**State of the Environment report:** A report prepared every three years as a requirement under Section 10 of the POEO Act. The report describes the status and trends in the key environmental issues facing NSW.

# Glossary

**Subsidiary:** A company that is owned by another company – either a parent company or a holding company.

**Voluntary management proposal:** A proposal from a landowner that outlines how contamination will be managed at a site. A proposal may be accepted with or without conditions.

**Waste levy:** A per tonne charge on waste disposed of to landfill in specified regulated areas of NSW.

**Wet weather overflow:** When raw or partially treated sewage is released into the environment

**World-class regulation:** a standard of excellence that the EPA strives for in everything we do. Our five pillars of world class regulation are: having a learning mindset, being outcomes focused, responsive and adaptive, purpose and people-centred and service oriented.



View of Aboriginal fishing pools, Hacking River, Bungoona. Photo: iStock

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Aerial view of Stockton, Newcastle. Photo: Nick May/EPA

