




NSW Environment Protection Authority

Annual Report 2018–19



EPA activity highlights 2018–19

The NSW Environment Protection Authority is a:

 <h3>Leader</h3> <p>We lead in protecting our air, waterways, land and the health of the community for the future.</p>	<h4>In 2018–19:</h4> <p>We developed new waste policies and reforms which will keep valuable resources out of landfill (pages 42 and 63)</p> <p>61 regulatory officers across Australia received best practice environmental auditing training from us (page 86)</p>
 <h3>Partner</h3> <p>We work with communities, government and business to reduce impacts on the environment.</p>	<h4>In 2018–19:</h4> <p>Over 1,600 people at Sydney home show exhibitions asked us for advice on how to avoid harm from lead and asbestos (page 78)</p> <p>Our grants supported 14 Aboriginal communities to reduce waste through innovative community engagement programs (page 189)</p>
 <h3>Protector</h3> <p>We hold people and organisations to account through licensing, monitoring, regulation and enforcement.</p>	<h4>In 2018–19:</h4> <p>57 successful prosecutions resulted in \$748,210 in penalties for environmental offences (page 91)</p> <p>We assessed 98% of high risk native forestry operations (page 30)</p>

We made it easier to calculate **monetary benefit orders**, which **strip environmental offenders of the financial advantage** they gained from breaking the law (page 45)

To improve regulation and enforceability we led reforms to the **rules for public native forestry in coastal NSW** (page 32)

Assumed responsibility for **coordinating the management of asbestos issues in NSW** through the NSW Asbestos Coordination Committee (page 27)

We scored **72% for staff engagement** in the *People Matter Employee Survey*, ahead of the public sector average of 66% (page 86)

As part of the drive to make **Parramatta River swimmable** by 2025, we **worked with 16 councils to inspect 1,182 building sites** (page 38)

Community and councils became our partners on a **collaborative air quality monitoring project in the Blue Mountains and Lithgow** (page 37)

We joined **eight other state agencies to minimise environmental harm and protect the community** from the Kooragang Island underground fire (page 54)

The City of Newcastle and Maitland City Council collaborated with us on a campaign to encourage **battery recycling** (page 72)

59 licensed premises storing hazardous waste were inspected by us (page 29)

The container deposit scheme, **Return and Earn**, has **reduced drink container litter by 57%** since it began in December 2017 (page 67)

Dedicated EPA staff worked to **minimise potential environmental impacts of the Snowy Hydro** and inland rail projects (page 74)

We ensured the **Gloucester gas wells were safely decommissioned** and the site made safe for use (page 35)

Message from the Chief Executive Officer

I am pleased to present the NSW EPA's Annual Report for 2018–19.

This year's report demonstrates our continued performance in leading environmental regulation in NSW and partnering with business, government and the public to protect the health of the community and the environment.

EPA staff have worked to operate consistently with integrity, trust, service, accountability, transparency and innovation, making our core values a part of their everyday role and the basis of interactions with stakeholders and the community. I am proud of the enormous commitment of all staff to this work, as evidenced by the NSW Government *People Matter Employee Survey* results outlined in this report.

This year we met or exceeded most of the key performance measures set out in the *EPA Strategic Plan 2017–21*. Important achievements for 2018–19 include the following:

- We hit a significant milestone of **2 billion containers returned** through Return and Earn, the NSW Container Deposit Scheme.
- We published the ***State of the Environment 2018*** Report and corresponding new, innovative, customer-centric website. Published on a three-yearly basis, the report and website provide a snapshot of the status of the main environmental issues facing NSW.
- We **successfully prosecuted Australian Aged Dental Care** for allowing unlicensed operators to take X-rays of thousands of school children, which resulted in the business being fined \$198,000.
- We also successfully prosecuted **Viva Energy Australia** for an oil spill in Gore Bay in Sydney Harbour, which led to the deaths of oysters and other marine organisms. Viva was ordered to pay \$100,000 to the NSW Environmental Trust.

- We **released the NSW Circular Economy Policy Statement**, which sets the goals and approach for reducing waste by retaining more resources within the NSW economy.
- Working with other NSW Government agencies, we confirmed that all **gas sites** purchased under the NSW Government buy-back scheme had been rehabilitated.
- We **provided advice and guidance on the dangers of lead and asbestos in the home and garden** to hundreds of home renovators at the Sydney Home Show and Camden Show.
- We **encouraged safer pesticide spraying behaviour** through a pilot program developed with local farmers, agronomists and pesticide resellers in the Macquarie Valley.
- Development of our first *Inclusion and Diversity Strategy*.

We performed strongly in the NSW Government *People Matter Employee Survey 2019*. We had a response rate of 89% this year, which gave us a very strong representation of staff views and experiences across the EPA. Very encouragingly, the EPA's results showed improvement across nearly all measures in the survey compared to last year (when we also performed well against most benchmarks). The results were also high compared to those of other public sector agencies. However, more work needs to be done in some key areas.

The **EPA Board's Regulatory Assurance Statement** is the Board's report to the Minister for the Environment on the performance of the EPA. It provides more information on our regulatory performance and plans for important issues that are not covered in detail by this report. These include predicting future risks and our role in providing strategic advice on planning policies.

The EPA also faced some changes and new developments this year.

One of these was the need for a prompt response to technical and scientific advice that the application of mixed waste organic outputs on agricultural land should be stopped due to its limited benefits and potential environmental risks. The EPA provided initial support to assist the industry and councils adapt to this change while further research and assessment was undertaken.

Following the state election in early 2019, the Honourable Matt Kean MP was appointed Minister for Energy and Environment. Departmental changes came into effect on 1 July 2019 and the EPA is now within the Environment, Energy and Science Group of the Department of Planning, Industry and Environment. Importantly the EPA remains a Statutory Authority with a skills-based Board.

The change also ensures the EPA retains the functions necessary to support its status as a strong, active and effective regulator. We will also continue to support and partner with some of the Waste and Resource Recovery functions and the Container Deposit Scheme areas that have moved to the Environment, Energy and Science Group.

The Government has now also separated the roles of the EPA Chair and CEO, with Ms Carolyn Walsh appointed as Acting Chair of the EPA from 1 July 2019. Ms Walsh brings with her considerable expertise in regulation, risk and safety.



Tracy Mackey, Chief Executive Officer

I also want to take this opportunity to thank those who acted in the Chair and CEO role in 2018–19, including Anissa Levy (to 8 November 2018) and Mark Gifford (from 8 November 2018). Anissa led a number of important projects including consultations with community and stakeholders, changes to regulation and new legislation. Mark led the EPA through the organisational machinery of government changes and oversaw continued achievements in Return and Earn and the development of our first *Inclusion and Diversity Strategy*.

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

A handwritten signature in black ink, appearing to read 'Tracy Mackey'.

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

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Letter of submission

The Hon. Matt Kean MP
Minister for Energy and
Environment
52 Martin Place
SYDNEY NSW 2000

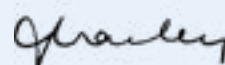
Dear Minister

I am pleased to submit the
2018–19 Annual Report for the
New South Wales 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

About the EPA

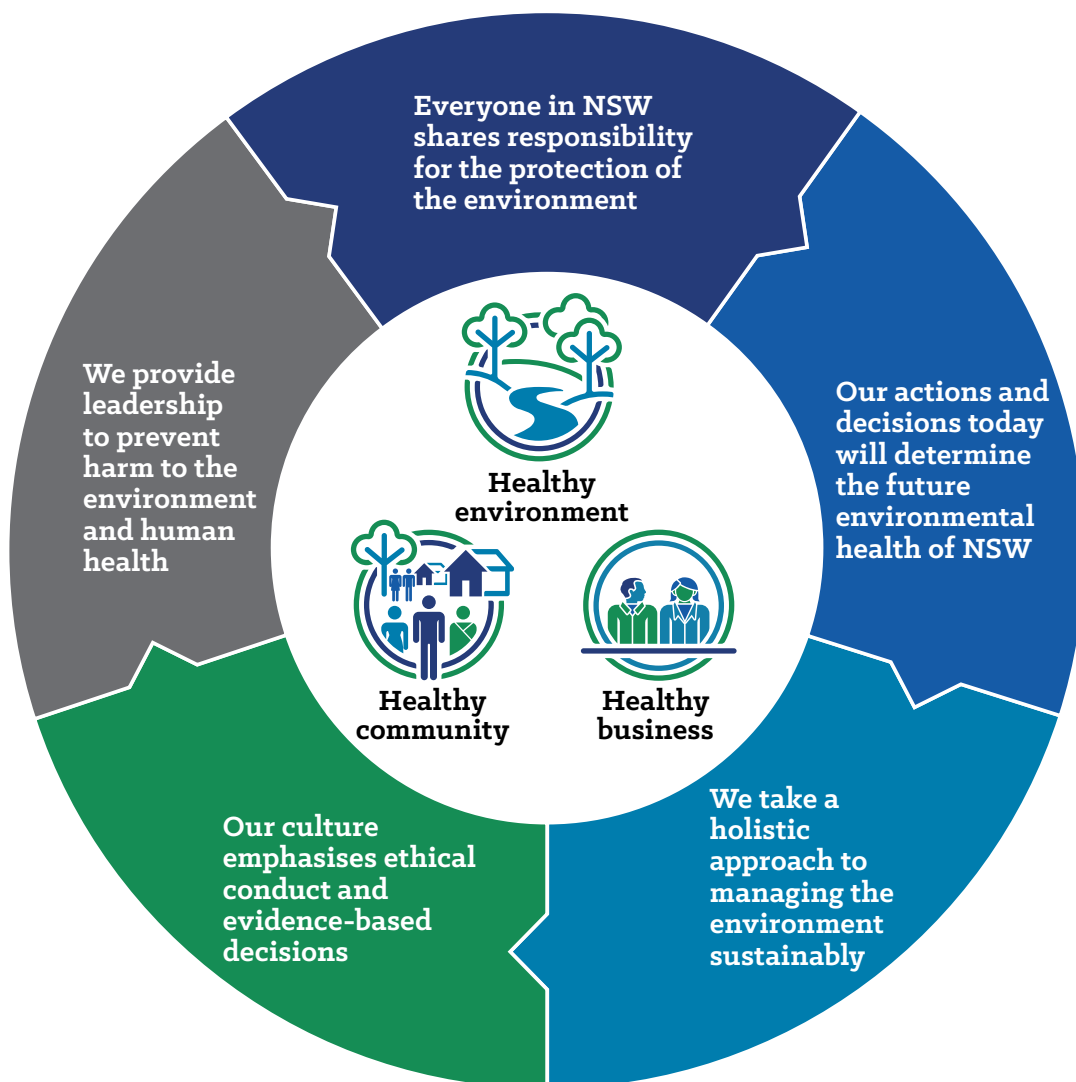
The NSW Environment Protection Authority protects the community and our environment.

Our values

Integrity, trust, service, accountability, transparency and innovation.

Our vision

Our vision is for NSW to have a healthy environment, healthy community and healthy business. We believe healthy ecosystems are the foundation for healthy communities, a healthy economy and for enhanced liveability.



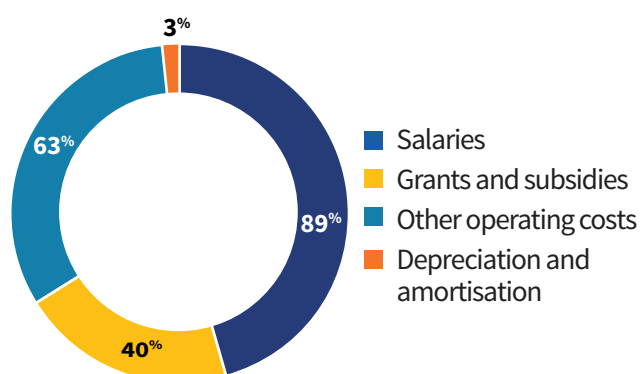
Our performance at a glance 2018–19

Our finances

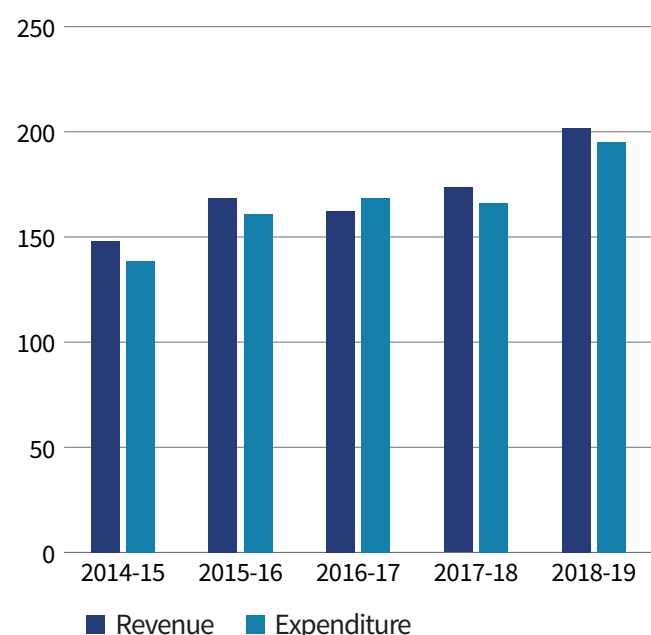
The EPA maintained a sound financial position in 2018–19, with an income of \$202 million and expenditure of \$195 million. The independent audit report confirms that the EPA financial statements provide a true and fair view of the organisation's financial position and are compliant with reporting requirements.

EPA income and expenditure have increased over the past five years, reflecting both an increase in state economic activity as well as an increase in our scope of operations.

EPA expenditure



Five-year snapshot (\$millions)



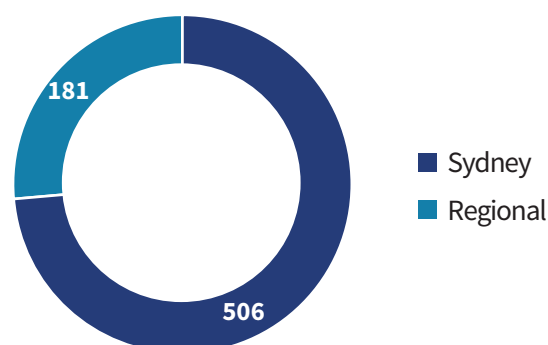
Our people

The EPA directly employs 687 people with most staff working in metropolitan areas. This year we maintained our drive to support diversity and inclusion in the workplace, as well as our good record of low rates of health and safety incidents.

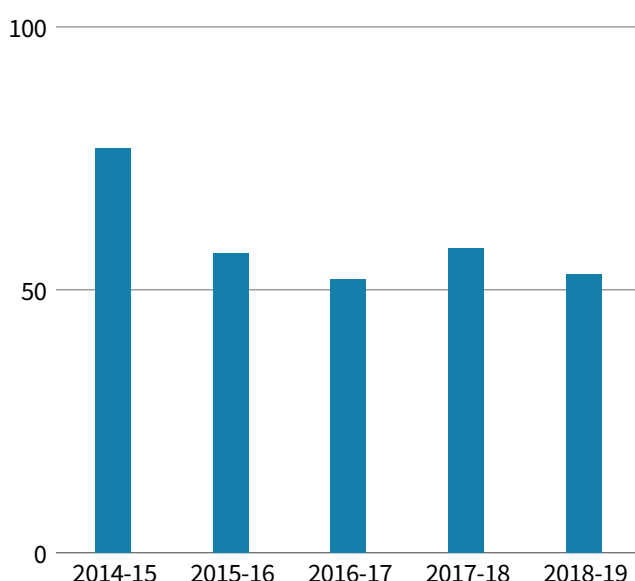
Key facts

- 81% of staff are satisfied with diversity and inclusion
- 42% of senior leadership roles are held by women
- 76% of staff are satisfied with our flexible working arrangements

Staff by location 2019



No. of incidents, accidents and injuries reported



Our performance at a glance 2018–19

Snapshot of performance against the EPA Strategic Plan 2017–21 measures

The EPA monitors results achieved for the targets we set in the Strategic Plan. More detailed results are provided in the **Our performance** chapter.

1. Improved human health and environmental protection

Measure	2016–17	2017–18	2018–19	Status
By 2019, 100% of gas sites in the NSW Gas Plan buy-back scheme are compliant with conditions	90%	95%	100%	✓
At least 95% of management order conditions are complied with	n/a	n/a	98%	✓
Before completion, 95% of high-risk native forestry operations are assessed for compliance	100%	82%	98%	✓
95% of new contaminated sites are assessed and prioritised within four months of notification where sufficient information is available	94%	100%	92%	●

For more information about our performance against Commitment 1 performance measures see page 26.

2. Best practice environmental regulator

Measure	2016–17	2017–18	2018–19	Status
90% prosecution success rate (except litter and test cases)	98%	98%	100%	✓
100% of licences are risk-assessed in the risk-based licensing framework	100%	99.6%	99.9%	✓
100% of high-risk licenses are inspected every six months	56%	87%	95.9%	✓
At least 99% of environment protection licence conditions are complied with (calendar year)	99.5%	99.4%	99.3%	✓

✓ achieved or on track

● monitor or improve

For more information about our performance against Commitment 2 performance measures see page 41.

Our performance at a glance 2018–19

3. Effective management of environmental incidents

Measure	2016–17	2017–18	2018–19	Status
100% of environment protection licensees have a pollution incident response management plan	100%	99.8%	100%	✓
100% of recommendations from debriefs of major environmental incidents (involving the EPA and where the EPA attended) are adopted or acted on (within six months)	76%	100%	100%	✓
In 95% of cases, the EPA responds or decides on appropriate action within 30 minutes of being notified of an environmental incident	100%	100%	98%	✓
90% of licensed premises in priority sectors, such as gas and waste (excluding landfills), have secure funding for environmental liabilities in place by the end of 2021	n/a	n/a	47% on track	✓

For more information about our performance against Commitment 3 performance measures see page 52.

4. Innovative waste management

Measure	2016–17	2017–18	2018–19	Status
Reduce beverage container litter volume by 50% by 2020 from the 2013–14 baseline as measured in the National Litter Index	n/a	-33%	-57%	✓
The volume of littered items is reduced by 40% per 1,000 square metres by 2020	-19%	-37%	n/a	●
90% of NSW households have access to a Return and Earn collection point	n/a	n/a	96.8%	✓
90% of NSW households have access to problem waste services by 2021	62%	75%	73% on track	✓

For more information about our performance against Commitment 4 performance measures see page 60.

5. Sound strategic and planning advice

Measure	2016–17	2017–18	2018–19	Status
100% of development approvals for major infrastructure, where environment protection licences are issued, contain conditions recommended or agreed to by the EPA (representative audit sample)	100%	100%	100%	✓
The EPA responds to 100% of planning referrals within agreed or statutory timeframes	83%	86%	89%	●

For more information about our performance against Commitment 5 performance measures see page 73.

Our performance at a glance 2018–19

6. Effective communication and stakeholder engagement

Measure	2016–17	2017–18	2018–19	Status
The community is notified when an environmental issue or incident poses a risk to human health	100%	100%	100%	✓
Response times are met for 95% of general correspondence within agreed timeframes	94%	95%	97.2%	✓
100% of calls to the EPA via Environment Line or reporting apps are allocated to an appropriate officer for response	97%	99.4%	99.8%	✓

For more information about our performance against Commitment 6 performance measures see page 75.

7. Exemplary and innovative organisation

Measure	2016–17	2017–18	2018–19	Status
75% retention rate for graduates	n/a	67%	83%	✓
Employee engagement (e.g. motivation, attachment and pride) is above the public sector average (EPA/public sector average)	75%/65%	70%/66%	72%/66%	✓
Net annual increase in Aboriginal and Torres Strait Islander EPA staff	1.1%	1.8%	1.7%	●
Women comprise 50% of the EPA executive (Senior Management Group) by 2021	31.8%	33.3%	41.7%	✓

For more information about our performance against Commitment 7 performance measures see pages 82, 90, 103 and 111.

Looking forward

In 2019–20, the EPA will continue to focus on:

- delivering outcomes for the NSW community and environment through evidence-based and transparent decision-making
- being responsive – reacting quickly and effectively to incidents and holding ourselves accountable for our actions
- providing a great service to everyone we work with and treating all our stakeholders – be they citizens of NSW, licensees, or others – with respect.

Over the coming year, we will continue to align our work with the priorities set out in the *EPA Strategic Plan 2017–21*. These priorities emphasise our response to changing global and government policies, community needs and significant environmental issues.

The EPA Board and Executive have also identified some continuing and new areas of focus for the organisation. The EPA Board's *Regulatory Assurance Statement* provides more information about these focus areas. They include:

- supporting environmental outcomes in planning for the future, particularly as greater Sydney expands including:
 - new aerotropolis and special activation precincts
 - South Creek Sector Review
- continuing to build informed and risk-based approaches to identifying future risks to human health and the environment, including from emerging chemicals
- continuing to lead in managing legacy risks such as lead and PFAS by:
 - developing a strategic approach and ongoing program to protect communities from environmental lead
 - ensuring ongoing engagement with communities and other agencies with the PFAS program

- ensuring that the disposal of asbestos is more accessible and cheaper, including through progression of an Asbestos Strategy
- developing a data and technology strategy that is responsive to emerging opportunities and challenges, strengthens technological capabilities and embraces emerging trends
- sharing knowledge and results and learning about best practice in Australia and globally
- continuing to resource initiatives that improve safety and compliance during dangerous goods transport
- building on the success of EPA-initiated programs and exploring new programs and ways that citizens can help to look after the environment
- collaborating, developing connections and facilitating coordination with partners in the Department of Planning, Industry and Environment to progress waste reduction, recycling, new uses for household waste, and reduce the impact of microplastics.

Departmental changes

The machinery of government changes introduced by the NSW Government in July 2019 brought together a number of agencies as the Department of Planning, Industry and Environment (DPIE) cluster. Some of these agencies, such as the former Office of Environment and Heritage and Department of Planning and Environment became the Department of Planning, Industry and Environment. The EPA has worked closely with these agencies to deliver environmental outcomes for NSW and continues to work with the new DPIE and its Environment, Energy and Science Group (EES).

1 Section Our operations



Section 1

Our operations

As the primary environmental regulator for NSW, the EPA is a leader, partner and protector for our community and the environment.

The EPA is a statutory authority that sits in the Environment Portfolio as part of the Planning, Industry and Environment Cluster in the NSW Government.

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

We work with businesses to ensure their activities do not harm human health or the environment. We do this by:

- issuing environment protection licences
- enforcing strict operating conditions and pollution reduction programs
- monitoring compliance with licence conditions and investigating pollution reports
- ordering the clean up of pollution
- imposing fines or prosecuting organisations and individuals who break the law.

We also:

- respond to and manage pollution incidents involving hazardous materials, in collaboration with other government agencies
- develop and inform environmental programs and policy
- deliver education and awareness programs
- support activities that protect the environment through grants and sponsorships
- provide technical support and expertise to other government agencies.

Our work is informed by contemporary scientific evidence, best practice management and feedback from our stakeholders.

The EPA Strategic Plan sets out our work priorities and key result areas – see Section 2: Our performance. The plan is updated each year to reflect changes in focus and emerging issues.

Our history

1991: The EPA was established under the *Protection of the Environment Administration Act 1991*.

1991–2003: The EPA built a reputation as an effective and innovative environmental regulator.

2003: The EPA was incorporated into a new Department of Environment and Conservation that had several name changes in following years.

2012: Following a major pollution incident at Kooragang Island in Newcastle, the EPA was re-established as an independent authority with a clearly defined mandate, identity and enhanced powers.

2019: Today the EPA is the state's primary environmental regulator, leading the protection of our community and the environment.

Our operations

Our organisational structure



Note: The Chair and CEO role was split on 1 July, 2019.

Our operations

Who we work with

Protecting the environment is everyone's responsibility. This is why we work with communities, government and businesses to reduce impacts to the environment. In both our Strategic Plan and carrying out our responsibilities under the *Protection of the*

Environment Operations Act 1997, we are committed to listening to and creating opportunities for the involvement of our stakeholders. We seek to build relationships through trust and mutual learning.

We work closely with the following key stakeholders:

Community



Includes individuals, groups, members of the EPA community consultation committees and all other community members who might be affected by or interested in environmental issues.

Government



Includes the Minister for Energy and Environment, the NSW Parliament, local government and other state and federal agencies, such as emergency services. May include partners, co-regulators, grant recipients, advisors and environment protection licensees.

Environment groups



Includes local or issue-based groups and large non-government conservation organisations. Participants may be involved in consultation, sit on community consultative committees or be grant recipients.

Industry and business



Ranges from large-scale construction and mining industries to small businesses. Includes environment protection licensees, peak bodies and grant recipients.

Section 1

Our operations

Where we work

The EPA head office is in Sydney and there are 19 offices throughout NSW. Contact details are available on the EPA website: www.epa.nsw.gov.au



Section 1

Our operations

How we work

At the EPA we value integrity, trust, service, accountability, transparency and innovation. We are committed to maintaining and enhancing the liveability of NSW by preventing harm to human health and the environment.

These values are embedded in our day-to-day work and how we go about this as a leader, partner and protector for the environment.

As individual public servants, resilience and integrity are vital – this is how we deal with change and how we maintain the trust of the citizens of NSW. People want good decisions and they want us to be transparent, fair and balanced. It is important that we base our decisions on facts, evidence and good sense.

Our regulatory scope

The EPA's regulatory work is carried out across NSW by:

- regional and specialist branches within the Regulatory Services Division, including Forestry and Gas
- the Waste and Resource Recovery branch
- the Hazardous Incidents and Environmental Health branch.

Our Hazardous Incidents and Environmental Health (HIEH) and Waste and Resource Recovery (WARR) branches also play a role in regulating the use, storage, transport and disposal of hazardous materials and waste.

The Regulatory Services Division has over 250 staff in 17 locations across NSW. Our specialist gas and forestry branches focus on regulating these issues across the state, while three regional branches focus on regionally specific matters.

Waste and Resource Recovery

The Waste and Resource Recovery branch protects the environment and human health from the inappropriate use of waste, promotes waste avoidance and facilitates greater resource recovery in NSW through:

- development of policy and strategies
- advice on long-term infrastructure planning
- education and community engagement
- program design, delivery and evaluation
- regulation of licensed premises (landfills and recycling facilities)
- regulation of illegal dumping
- deliver grant programs to councils, communities and businesses
- economic instruments (levies and the Container Deposit Scheme)
- end-of-life waste regulation.

Hazardous Incidents and Environmental Health

The EPA's Hazardous Incidents and Environmental Health branch protects the community and the environment from hazardous materials and legacy contamination. The branch comprises the following sections:

- Contaminated Land Management, which:
 - assesses contaminated sites notified to the EPA
 - regulates significantly contaminated land
 - runs programs to assist councils to deal with legacy contamination.
- Hazardous Materials, Chemicals and Radiation, which:
 - regulates the storage, treatment and transport (including interstate transport) of hazardous waste
 - implements the National Code of Practice for the Security of Radioactive Sources.
- HAZMAT and Specialised Support, which:
 - advises the Police and Fire and Rescue NSW on the response and clean-up of hazardous materials following an incident
 - performs environmental audits of industry sectors and licensed premises
 - trains EPA operational and technical staff and external agencies to improve their regulatory capabilities.

Section 1

Our operations

Regulatory services

Metro

Operates across Sydney and the Illawarra, which has a population of over 6 million people, from two office locations. Local focus areas include:

- leading efforts in sustainable river management including the Hawkesbury Nepean catchment, the Parramatta River/Sydney Harbour catchment and the South Creek catchment in partnership with Local Land Services and local government
- reducing the environmental impacts of urbanisation
- maintaining air quality for liveable cities.

North

Operates across the Hunter, north coast and inland regional areas of north west NSW from four office locations. Local focus areas include:

- regulating major industry
- mitigating and reducing the impacts from coal mining, power stations and intensive agriculture, including blueberry and poultry farms, through effective stakeholder engagement and regulatory approaches.

South and West

Operates across the south coast and inland regional areas in south west and western NSW from eight office locations. Local focus areas include:

- providing expert input and oversight over the environmental aspects of Snowy 2.0
- leading the Broken Hill Environmental Lead Program
- Special Activation Precincts Masterplan for Parkes and Wagga
- Springvale Colliery water reuse project.

Forestry

Regulates over 2 million hectares of state forests, Crown timbered land and private native forests in NSW. Forestry Branch is split into two regions: North and West Region; and Central and South Region. It has five office locations.

Statewide focus areas include:

- implementing the new Coastal Integrated Forestry Operations Approval
- maintaining a risk-based compliance and enforcement program for public and private forests
- responding to contentious forestry operations across the state
- undertaking regulatory reviews for western state forests and private land.

Gas

The lead regulator for gas activities in NSW based out of five office locations across the state. Responsible for the compliance and enforcement of all conditions of approval for gas (excluding WHS matters).

Statewide focus areas include:

- implementing the Government's NSW Gas Plan, including leadership of the interagency Gas Working Group
- inspecting active gas infrastructure and monitoring rehabilitation of decommissioned sites
- providing detailed advice to other agencies to inform gas planning decisions
- attending community consultative meetings to maintain good communication and engagement with community stakeholders.

Section 1

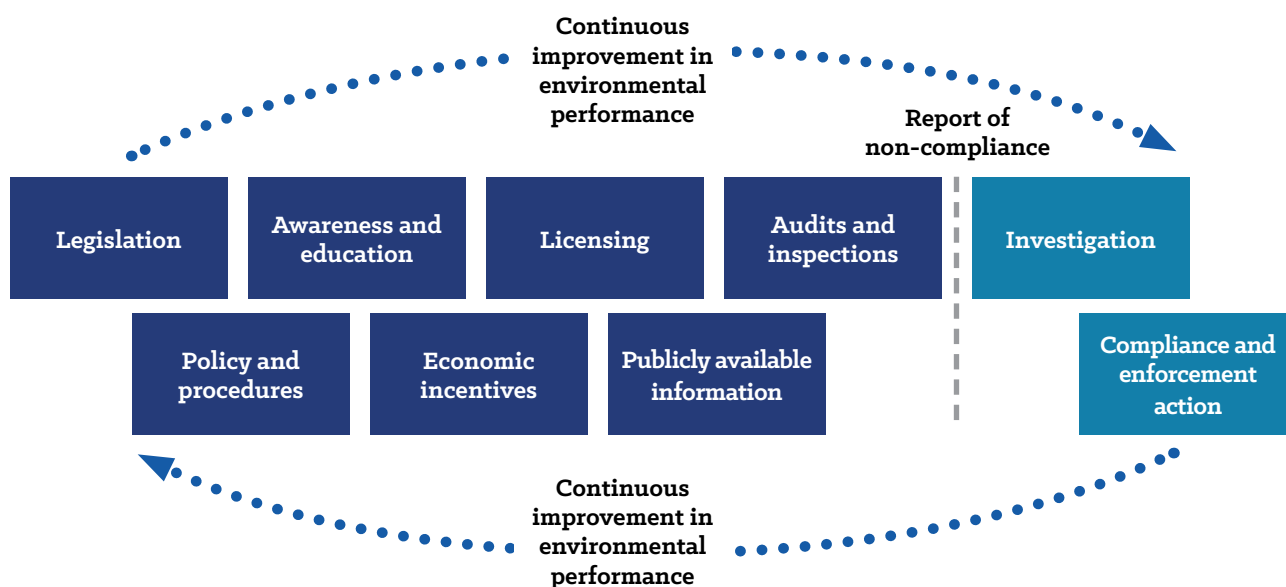
Our operations

Our regulatory approach

As the chart below shows, we aim for continuous improvement in our regulatory performance. Findings from our inspections, audits and research help inform policy development and legislative change. This in turn strengthens our regulatory powers through improvements to licensing and other regulatory tools, and helps us fine-tune our education materials and stakeholder engagement activities.

Our regulatory approach consists of four key elements which work together:

- **clear and appropriate legislation**, policies and programs that underpin and guide our evidence-based regulatory decisions, approaches and strategic directions
- **a risk-based approach** so that our compliance and enforcement activities focus on the biggest risks to the environment and human health and target those businesses and people that are least likely to comply
- **escalating compliance and enforcement actions based on the risk** to human health and the environment, the seriousness of the non-compliance and attitudes to compliance and compliance history; with responses ranging from formal warnings, official cautions, licence conditions, notices and directions to enforceable undertakings and prosecutions
- **accountability** through financial management, corporate governance, knowledge management, informing the public and review of our performance to support and document our evidence-based decision-making.



Section 1

Our operations

Incident response

We plan for, prepare and respond to incidents. We provide effective incident management support, analysis and investigation to minimise environmental harm and to facilitate environmental restoration or the clean-up of pollution by the responsible party.

We are the primary agency responsible for the Environmental Services Functional Area Supporting Plan (ENVIROPLAN) operating under the NSW Emergency Management Plan (EMPLAN) and the lead agency for managing major environmental incidents.

The EPA has a coordinating role in emergencies where the environment is at risk. We work co-operatively with emergency management agencies to respond to hazardous incidents, chemical spills and disaster waste. We partner with other agencies to clean up and restore the environment following pollution events, hazardous incidents and natural disasters.

Education

We work with businesses and communities as environmentally friendly partners. Along with local government we make it easy for householders and businesses to recycle more and to dispose of problem wastes, such as batteries, ink and toner cartridges, paints and tyres.

We deliver campaigns, programs and initiatives that generate awareness and knowledge in the community. We regularly improve our website to make it easy for householders and businesses to find out how to recycle and reduce waste, report pollution and safely handle hazardous materials. EPA mobile apps, webpages and social media make it easy to find out about environmental issues and to report littering, illegal dumping or pollution. We want these behaviours to become widely considered socially unacceptable.



We partnered with young people in Wilcannia through the development of music, a song and a video to educate their communities about better waste disposal. Photo: Desert Pea Media

Our operations

External factors affecting the EPA

Our society's environmental responses can be affected by broader, external issues at local, national and global levels. These issues can result in unexpected changes to patterns of growth and consumption. It is important for the EPA to be aware of these changes and how they may affect the environmental performance of households and businesses across NSW. We can then work more effectively with business and the community to mitigate the environmental impacts.

In 2018 the population of NSW grew by approximately 124,000. By December there were just over 8 million people living in NSW, 65% of whom lived in greater Sydney. Population growth can lead to a range of environmental impacts such as greater demand for water, land, resources and energy, and increased waste and emissions.

China's National Sword Policy continues to influence our operations. The Policy, introduced in early 2018, restricts the amount and type of waste that China will accept for recycling. It requires a rapid and comprehensive response to establish alternative markets and minimise the impacts on the NSW waste industry, local councils and the community.

EPA responses

The rapid increase in business investment and public infrastructure spending to accommodate a growing population is expected to drive ongoing growth in construction. The EPA provides expert advice and regulates major projects, including residential development and expanding transport infrastructure, to protect the community and the environment from associated impacts, such as noise, emissions and increased waste.

The EPA's work in developing a 20-Year Waste Strategy complements the Federal Government's new push to develop a national solution to waste management within Australia.

Incentives for innovation in alternative waste technologies (AWT) form a major part of the EPA's strategy to manage increased waste.

The EPA keeps abreast of international and local research on emerging contaminants and their broad-reaching implications. Already a strong support agency for NSW stakeholders affected by PFAS (a national Defence issue), the EPA continues to be vigilant about the potential risks of new or emerging contaminants.

Section 1

Our operations

A day in the life of an EPA operations officer



2 Section Our performance



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Commitment 5: Sound strategic and planning advice	73
Commitment 6: Effective communication and stakeholder engagement	75
Commitment 7: Exemplary organisation	82

Section 2:

Our performance

The EPA's achievements in 2018–19 align with the priorities set in the *EPA Strategic Plan 2017–21*. These priorities emphasise our response to changing global policies, government priorities, community needs and significant environmental issues.

The EPA's priorities also reflect the importance of our ongoing partnerships with government, business and the community to prevent and reduce negative environmental impacts.

The EPA has been directly accountable for delivering the Premier's Priority 'Keeping our environment clean'. We also contribute to other state priorities such as 'Improving government services' and 'Driving public sector diversity'.

In 2018–19, our priorities have reflected the following five focus areas.

Protect communities affected by environmental issues and emerging problems: This includes working to anticipate risks and address environmental threats before they become a problem – see Inspecting hazardous waste facilities on page 29 for example.

Protect the health and wellbeing of communities by minimising the impact of contamination and hazardous substances on our environment: This includes effective management of contaminated land and ensuring polluters pay to clean up the environment.

Protect the environment from the impacts of waste: This includes embedding the NSW Container Deposit Scheme, progress toward the Premier's Priority to reduce the volume of litter by 40% by 2020 and halting the growth in per capita waste generation.

Ensure people feel cared about when faced with environmental issues: This includes strengthening our capacity to listen to and engage with all stakeholders so that we can address community concerns with compassion.

Protect environmental values: This includes supporting our local government partners and regulating to protect human health, air quality, our rivers and groundwater, threatened species and habitats.

Our work to address these priorities this year is organised under seven commitment areas, each with corresponding outcomes, strategies and success measures:

1. Improved human health and environmental protection
2. Best practice environmental regulation
3. Effective management of environmental incidents
4. Innovative waste management
5. Sound strategic and planning advice
6. Effective communication and stakeholder engagement
7. Exemplary organisation.

The following sections report on our performance in 2018–19 for each of these commitments.

This year we performed well against most of our success measures. Details are provided throughout this report.

1

Commitment

Improved human health and environmental protection

The EPA protects the health of the NSW community, now and for future generations, by protecting our air, waterways and land.

Our performance measures for this commitment area are aligned to our regulatory role. We regulate according to strict environmental rules and set mandatory targets to prevent and minimise pollution.

In 2018–19, we maintained a strong focus on cleaning up contaminated sites, leading and implementing forestry reforms and overseeing gas site rehabilitation. We met or exceeded our performance measures in all these areas.

Other highlights included:

- continued involvement in the project to make Parramatta River swimmable by 2025, with our joint compliance blitzes showing construction sites are getting better at preventing sediments from polluting the river
- taking on leadership for cross-government coordination in managing asbestos through the NSW Asbestos Coordination Committee, a role which enables us to drive a range of activities to protect the health of NSW citizens from the impacts of legacy asbestos contamination
- partnerships with local councils, researchers, business and communities to improve air quality monitoring in the Blue Mountains
- inspecting all facilities storing hazardous waste in NSW to reduce the risk of incidents such as the disastrous fire at a similar facility in Victoria, Bradbury Industrial Services, in April 2019.

For more information about our day to day regulatory performance, see Commitment 2: Best practice environmental regulator, page 41.

Contaminated land

The EPA regulates the management of significantly contaminated land to protect people and the environment, enhance local amenity and keep land available for beneficial use. To achieve this, we work with communities, local councils, industry and other responsible authorities to raise awareness of contaminated land and its management. Listening to our community and stakeholders builds confidence in the work we do and helps industry understand and comply with the regulatory framework. Where necessary, we exercise our regulatory powers to ensure industry and responsible authorities appropriately manage contaminated land.



We prioritised and assessed

92%
of newly reported
contaminated sites
within four months

In 2018–19:

- 41 new notifications were received and prioritised
- 12 of the 13 (92%) new notifications with enough information were assessed within four months
- nine new sites were declared significantly contaminated, requiring management under the *Contaminated Land Management Act 1997*
- regulation of eight sites finished, as the EPA's involvement with their remediation was complete
- invoices totalling \$86,273 were issued to recover the EPA's costs associated with orders and voluntary management proposals
- for land declared to be significantly contaminated, 98% of management order conditions and 97% of the terms and conditions of approved voluntary management proposals were complied with.

Commitment 1:

Improved human health and environmental protection

Coordinating asbestos management across NSW

Asbestos was once a commonly used building product which was phased out as knowledge of its harmful properties became clear. Fibres from broken asbestos can cause lung disease if inhaled. While asbestos is no longer used in building, people may be exposed to it during construction and renovations or when asbestos waste is uncovered by natural disasters such as fire.

In 2018, the EPA assumed responsibility for the Heads of Asbestos Coordination Authorities, a cross-government group that coordinates asbestos management activities across the state. After rejuvenating the group as the NSW Asbestos Coordination Committee (NACC), the EPA worked to progress a range of initiatives to protect the people and environment of NSW.

The NACC is charged with delivering on the recommendations of the NSW Ombudsman's 2017 report *Asbestos: How NSW government agencies deal with the problem and beyond*. A new team in the EPA is driving this work, which is funded for four years from 2018–19.

Results

The EPA focused this year on building community awareness. Our team:

- supported Asbestos Awareness Month in November 2018 through direct promotion and by providing resources for councils
- ran stalls at the Sydney Home Show in October 2018 and April 2019 to educate home owners and renovators about asbestos (see page 78)
- presented at six local government forums designed to showcase best practice for handling asbestos (five of which were in regional areas)
- released a series of asbestos fact sheets and launched an interim whole-of-government website (asbestos.nsw.gov.au) while a more comprehensive website is being developed

- reviewed research into asbestos behaviours within the community before undertaking targeted social research.

In addition to community engagement, the EPA responded to problems from legacy asbestos contamination which included:

- cleaning up at Jubullum and Baryulgil Aboriginal communities after bushfires exposed areas of asbestos
- working with the Aboriginal community at Baryulgil to address issues associated with a former asbestos mine and ensure that any ongoing health impacts were minimised or eliminated.

Looking ahead

Over the coming year, the EPA will develop a new statewide asbestos plan to guide all NSW regulatory agencies that deal with asbestos.

Across the four-year program, we will work towards an integrated whole-of-community approach where state and local governments, industry, workers and the community all play a part in preventing impacts from asbestos and keeping each other safe.



Home renovators learnt how to protect themselves from lead and asbestos at the Sydney Home Show. Photo: Rosemary Pryor/EPA

Commitment 1

Improved human health and environmental protection

Partner and Protector: Remediation of former gasworks at Barangaroo



Tents (at right) help contain odours at the remediation site. Photo: Infrastructure NSW

EPA regulation of the clean-up of a former gasworks site in the Barangaroo precinct on the western waterfront of Sydney CBD showcases a highly effective collaboration between agencies delivering a complex remediation project.

In 2019, Infrastructure NSW and its contractor, Lendlease, started remediation of some of the most heavily contaminated parts of the old Millers Point Gasworks site. While best management practices were being used with the works subject to strict licensing requirements, the clean-up had the potential to generate substantial unpleasant odours. Surrounding neighbours who might be affected included residents, businesses, childcare centres and Sydney's iconic Darling Harbour.

The EPA partnered with NSW Health and worked with Infrastructure NSW and Lendlease to prepare for this phase of the remediation, support the community and provide appropriate odour control and management measures.

Activities included:

- comprehensive planning and engagement to ensure a consistent understanding of potential environmental and health impacts
- working with Infrastructure NSW to confirm its stakeholder engagement strategy was effective
- requiring additional air quality monitoring points and real-time air quality data collection
- development of a joint EPA–NSW Health fact sheet on the remediation, available on the agencies' websites
- amending Infrastructure NSW's environment protection licence requiring it to provide more information to enable NSW Health and the EPA to understand and proactively respond to any odour impacts that might arise.

To date, odours have been successfully contained with very few complaints.

Commitment 1:

Improved human health and environmental protection

Hazardous substances

The EPA aims to reduce risks from hazardous sources, including radiation, pesticides and chemicals. We regulate the use of potentially hazardous materials and the storage and transport of dangerous goods. Increasing awareness about these safe practices is also a priority for the EPA.

Inspecting hazardous waste facilities

Assessment of emerging risks from hazardous substances is a key focus of the *EPA Strategic Plan 2017–21*. Following a fire at a chemical storage facility in Victoria this year, the EPA inspected 59 sites that are licensed to store hazardous waste in NSW. Our aim was to identify whether there were similar risks in NSW and discuss any arising issues with licensees. The month-long campaign took place in Orange, Blayney, Queanbeyan and metropolitan Sydney.

The campaign focused on:

- correct storage of flammable liquid wastes
- incident risk management.

Results

Our inspections found no evidence of stockpiling beyond legal thresholds. However, some incorrect management practices were identified including:

- poor maintenance of ageing infrastructure
- inappropriate labelling, storage and handling
- staff with inadequate training in preparing dangerous goods for transport
- inadequate controls at facilities storing and processing waste oil and oily water to ensure this waste would not be contaminated by other waste materials which might make it flammable
- lack of safety controls in flammable storage areas.

The EPA required the licensees to rectify these incorrect practices and will follow up to ensure compliance in future.

The inspections also found that liquid hazardous waste storage facilities were receiving less or no flammable solvent wastes due to limited treatment or disposal options. This places pressure on businesses that are trying to properly manage their waste and could contribute to waste stockpiling. We are working with industry and other stakeholders to resolve this problem.

A collaborative approach to tackling spray drift

Pesticide spray drift is an ongoing issue that affects rural communities in NSW. If used inappropriately, pesticides can contaminate soil, water, vegetation and crops and can be toxic to birds, fish and beneficial insects. They can harm human health and cause environmental contamination and property damage.

It can be difficult to identify the source of spray drift, as spraying can occur at night, multiple properties may be sprayed at one time and pesticide dust or droplets may travel many kilometres from a spraying site. The EPA has adopted a collaborative approach to this issue, working with a local community and industry stakeholders in the Macquarie Valley near Dubbo to co-design a pilot program. This will:

- help local pesticide users understand the regulatory requirements for correct pesticide use
- encourage changes in practices to ensure that pesticide spray stays on target.

During 2018–19, we implemented the pilot in collaboration with the Macquarie Valley Stop Off-target Spraying (SOS) Committee, a group of local farmers, agronomists and pesticide resellers concerned about the impacts of spray drift on their community.

Commitment 1:

Improved human health and environmental protection

The program included examination of local spraying behaviours, water quality testing, and co-designing awareness-raising and educational materials to encourage behaviour change. Around 600 people attended all or some of the following activities:

- six evening educational events
- a field day (attended by over 230 agronomists, spray contractors and farmers)
- six on-farm meetings
- an agronomist workshop
- behavioural and equipment survey (around 100 people surveyed).



Stakeholders learn about safer spraying practices at the field day. Photo: Nicola Cottee/EPA

Results

The pilot program had a high level of engagement. This demonstrated the reach of the SOS Macquarie Valley Committee and the participants' strong motivation to improve spray practices to protect the local community and environment. Overall there has been a positive response on key metrics since 2018, with:

- 57% of those surveyed claiming their approach to spraying this summer has changed from the previous summer
- 83% 'very confident' in their ability to keep spray on target (an increase of 30%)
- spraying at risky times has decreased, with 84% claiming they did not spray at night.

Looking ahead

The Macquarie Valley pilot program shows that local communities are key to initiating and implementing change. The pilot has inspired other regional areas to adopt a similar approach. SOS Macquarie Valley has developed a 'Spray Safe Strategy' to assist other communities in NSW to engage with local growers in working towards improving their spraying behaviour. The EPA is fully supportive of these efforts and will continue to partner with the SOS Macquarie Valley Committee in these types of events.

Forestry

The NSW Government has introduced environmental rules for native forestry on public and private land to ensure soils, water and threatened plants and animals are protected during harvesting. On public land, these rules are the Integrated Forestry Operations Approvals (IFOA) while the Private Native Forestry Codes of Practice (PNF Codes) apply to private land.

The EPA plays a key role in:

- making sure that harvesting operations follow the rules
- helping the government review and improve these rules to ensure they provide the best protections possible.

Assessing native forestry compliance

The EPA has a proactive compliance program that focuses its regulatory effort on those native forestry operations that pose the highest environmental risk. Risk is determined case-by-case for each forestry operation by evaluating specific environmental and social criteria for the site. These criteria include the proximity of environmental features that may be harmed and the operator's compliance record.

Commitment 1:

Improved human health and environmental protection



Ensuring waterways are protected during forestry operations is a compliance priority for the EPA.
Photo: Brent Mail Photography/EPA



We assessed
98%
of high-risk forestry
operations for compliance
with environmental licence
conditions

This risk assessment approach forms just one part of the way in which we prioritise our regulatory activities for native forestry. We also consider other local and regional priorities and conduct investigations in response to concerns raised by the public.

Results

In 2018–19, the EPA:

- identified 29 high-risk operations
- assessed 98% of these operations for compliance against requirements within the PNF Codes and IFOA (ahead of its target to assess 95%)
- visited 85 forestry operations across NSW.

Our operations officers identified and addressed a range of alleged non-compliances, primarily:

- poor selection and protection of important habitat trees
- inadequate drainage of roads, tracks and crossings, leading to actual or potential water pollution.

We continued to focus regulatory efforts on these matters across the state to promote ongoing compliance.

Looking ahead

In 2019–20, the EPA will:

- continue to focus compliance and enforcement on high-risk forestry operations to drive improvements in environmental performance
- use the expanded range of enforcement tools now available to us under the *Biodiversity Conservation Act 2016* to help improve environmental outcomes for native forestry
- focus regulatory efforts on the staged implementation of the Coastal IFOA to ensure the new rules are being designed and implemented correctly and are effective in delivering the intended environmental outcomes.

Commitment 1:

Improved human health and environmental protection

Implementing new legislation and rules to regulate native forestry

The NSW Government has introduced significant reforms to modernise and strengthen the regulatory frameworks for native forestry on the state's public and private lands. These include preparation of the *Forestry Legislation Amendment Act 2018* and a remake of the four coastal Integrated Forestry Operations Approvals (IFOAs). These reforms were led by the EPA.



EPA Operations Officers inspecting a site to check if harvesting has complied with forestry regulation requirements. Photo: Brent Mail Photography/EPA

The Act provides stronger penalties for non-compliance and introduces new enforcement tools, allowing the EPA to drive better environmental outcomes and correct poor performance. The new Coastal IFOA outlines rules to protect plants, animals, habitats and waterways during native forestry operations on public land. Both the Act and the IFOA started in November 2018.

The NSW Government is also reviewing the Private Native Forestry (PNF) Codes of Practice. Local Land Services is leading the review in collaboration with the EPA and Department of Agriculture.

Results

In 2018–19, we worked closely with Forestry Corporation of NSW to start the transition to the new Coastal IFOA rule sets. This included:

- preparing joint guidance material to support implementation
- designing new protections to preserve important wildlife habitats
- supporting training programs.

The EPA also supported Local Land Services during the first round of public consultation for the PNF review from November 2018 to February 2019.

Challenges

The regulatory frameworks for native forestry must balance environmental, industry and social needs. We continue to work closely with other agencies and the community to ensure this balance is achieved (see breakout box).

Looking ahead

In 2019–20, the EPA will:

- start a review of the three Western IFOAs
- complete the review of the PNF Codes
- continue the transition to the Coastal IFOA, including greater engagement with communities and industry as the new rule sets are implemented.

Commitment 1

Improved human health and environmental protection

Partner: Over 3,000 people have their say on coastal forestry regulation

In remaking the rules for native forest harvesting in coastal NSW, the EPA's Forestry Branch undertook extensive consultation with stakeholders interested in the regulation of native forestry operations on state forests.



Imagery from the IFOA consultation materials reflecting recreational values for native forests. Photo: Circus Group

Over eight weeks, we worked with the Natural Resources Commission and the Regions, Industry, Agriculture and Resources Group within DPIE and Forestry Corporation to provide information and answer questions on the new Coastal IFOA. This involved meeting with industry and environment groups in Sydney, Grafton, Lismore, Port Macquarie, Batemans Bay, Narooma and Eden.

Videos, fact sheets and case studies on our online engagement portal provided support for stakeholders to lodge submissions.

Over 3,000 submissions were received, highlighting the important role that forests play in the lives of NSW residents. This consultation helped inform the new rules.

Gas

Leading gas regulation in NSW

As the lead regulator for all gas activities in NSW, the EPA's Gas Regulation Branch is responsible for compliance and enforcement of all conditions of approval and environment protection licence conditions.



We confirmed the rehabilitation of

100%

of gas sites in the NSW Government buy-back scheme a year ahead of target

Results

In 2018–19, the branch achieved two key performance measures.

NSW Government buy-back scheme

In 2014, the NSW Government established a one-off buy-back of petroleum exploration licences from title holders across the state. Twenty titles were bought back as part of this scheme.

The EPA worked with other government agencies to facilitate transparent and efficient regulation of these titles, ensuring the sites were rehabilitated and complied with requirements. This included engagement with landowners to assess rehabilitation and recommending strategies for title holders to improve vegetation coverage and reduce the impacts from sediment and erosion.

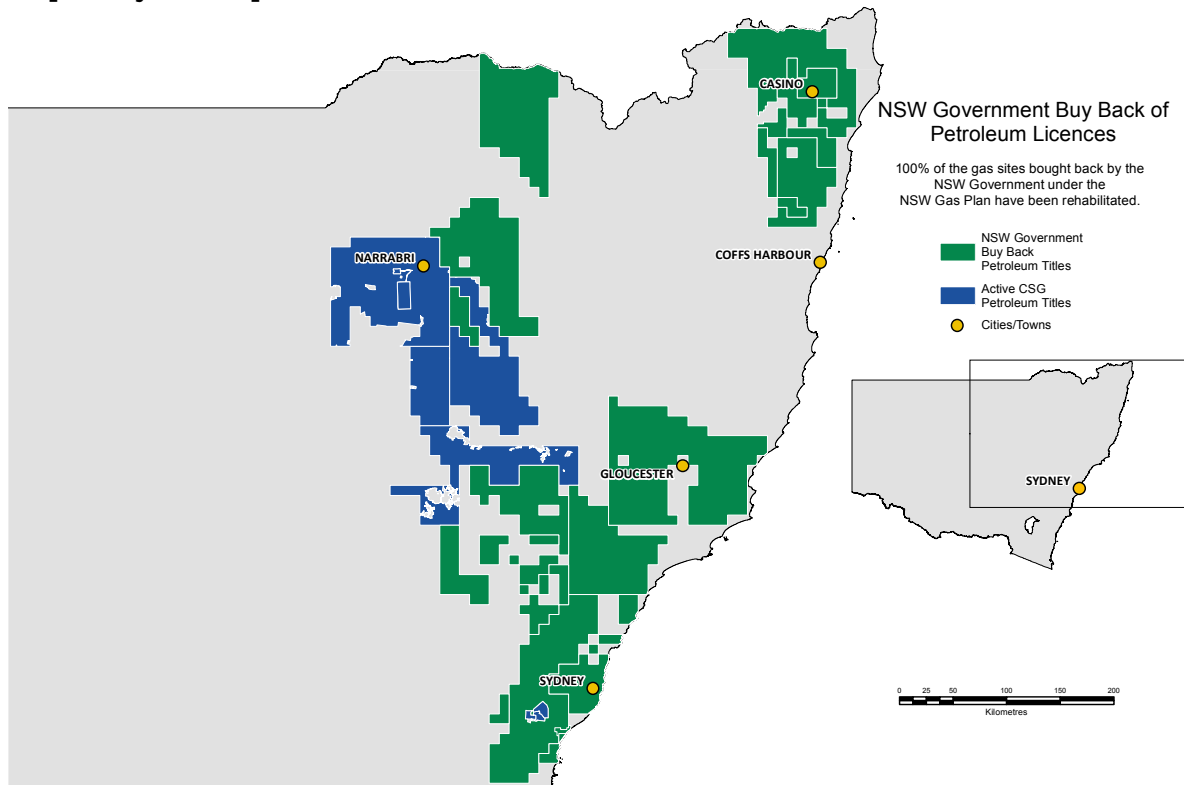
By July 2018:

- 100% of the gas sites bought back under the scheme had been rehabilitated (see map)
- the scheme had been completed a year earlier than anticipated
- the area of NSW covered by petroleum titles had reduced from 60% to 8%.

Commitment 1:

Improved human health and environmental protection

Map of buy back of petroleum licences



Gas site inspections

This year we met our performance measure of inspecting 100% of petroleum titles with active wells in NSW.

A total of 252 inspections were completed, comprising:

- 172 leak detection and repair inspections
- 58 general inspections
- 22 rehabilitation inspections.

Leak detection

In 2019, the Gas Regulation Branch acquired an optical gas imaging camera to improve monitoring during leak detection and repair inspections. The EyeCGas camera detects radiation from potential leaks and displays this visually for the user. Operations staff have used the camera at numerous leak detection and repair inspections and it has detected leaks at several well sites.



EyeCGas camera in use. Photo: Nicholas Payne/EPA

Commitment 1:

Improved human health and environmental protection

Protector: Gloucester gas project closure



EPA officers inspect the restoration of a gas site. Ensuring that these sites are rehabilitated is an essential part of the EPA's role as lead regulator for gas. Photo: John Spencer/EPA

In February 2016, AGL announced it would cease operations in Gloucester and hand back its petroleum exploration licence.

The EPA worked closely with the Resource Regulator and the division of Resources and Geoscience within the Department of Industry to provide a whole-of-government approach to safely closing AGL's Gloucester wells.

We had regulatory oversight of decommissioning activities such as:

- development of the closure plan
- removal of infrastructure, including the well and storage tanks
- plugging gas wells and monitoring bores
- cleanout and disposal of wastewater and contaminated sediment from storage dams
- remediation of irrigation areas impacted by wastewater
- rehabilitating the sites.

Our petroleum engineers and hydrogeologists ensured the sub-surface integrity of decommissioned wells by:

- confirming compliance with all applicable title and approval conditions, including the mandatory decommissioning requirements in the NSW Code of Practice for Coal Seam Gas Well Integrity
- working with AGL to resolve technical issues
- technical evaluation of logs to assess the integrity of wells, for example cement bond logs which show whether gas is escaping through cracks in the cement that plugs the well
- regular inspections and monitoring.

Where sites did not meet the standards, we directed AGL to undertake further works.

All 14 wells were successfully decommissioned, rehabilitated and confirmed to be compliant with conditions. Final sign-off occurred in July 2018.

Commitment 1:

Improved human health and environmental protection

Air quality

Clean air is essential for our health and wellbeing. The EPA works in partnership with others to reduce air pollution and improve air quality. We regulate emissions and establish programs that protect the community from air pollution.

Air quality across the state varies due to the impacts of different pollution sources. The most recently reported air quality data for NSW shows that in 2018 air quality met national standards on most days. For example standards were met on 98% of days on the Central Coast and 87% of days in South West Sydney. The drought and need for more hazard reduction burns has contributed to an increase in the number of days with fine particle pollution in some areas.

Reducing dust pollution with Operation Dust Patrol

Dust particles can be harmful to human health. Coal mines are required to implement procedures to reduce dust from their operations, such as by watering unsealed roads, avoiding dust-generating activities during windy weather and minimising the impact of drilling operations.

This year the EPA developed a dust risk forecasting system in partnership with the Department of Planning, Industry and Environment (formerly Office of Environment and Heritage) and in consultation with the Upper Hunter Air Quality Advisory Committee. The system predicts days when small but harmful dust particles are likely to increase in the Hunter Valley. These small particles can be a health problem.

Our North Branch launched Operation Dust Patrol, a targeted inspection campaign that aimed to reduce dust from the 21 coal mines in the Upper Hunter between Merriwa and Singleton using the dust risk forecasting system. Operation Dust Patrol ran during spring and summer, the seasons with the highest rates of dust generation due to the hot, dry and windy weather.

The dust forecasting system enabled the EPA to time its mine inspections to coincide with high dust risk days and allow assessment of mine dust controls. Our stakeholder engagement team also tweeted local communities to raise awareness of the campaign and to alert them to high risk days.

Results

During Operation Dust Patrol, most mines complied with EPA requirements on the eight high risk days that were predicted. There was only one day when coal dust generated from the mining area exceeded the target. Despite the dry conditions, mine dust emissions were their lowest since monitoring began in 2012. This was much better than other dry years when up to 20 days exceeded the EPA's target during spring and summer.



Monitoring mine dust emissions. Photo: Joel Curran/EPA

Looking ahead

The EPA will continue to develop and implement compliance programs to regulate coal mine dust as dry conditions persist throughout NSW.

Commitment 1:

Improved human health and environmental protection

Partner: Air Watch project



Blue Mountains and Lithgow Air Watch Katoomba air monitoring station. Photo: J Stuckey/EPA

Concerns about the health impacts of air quality in the Blue Mountains and Lithgow areas led to the launch in May 2019 of Air Watch, a community-based air monitoring initiative.

The EPA engaged the DPIE air scientists to install and operate an air quality monitoring station at Katoomba. Twelve low-cost air quality sensors, known as 'KOALAs' (Knowing Our Ambient Local Air-Quality), were also placed at schools and businesses in Wentworth Falls, Springwood, Katoomba and Lithgow. Data from the station and the KOALAs is available live on the EPA and Department of Planning, Industry and Environment websites.

Air quality data from the Katoomba station can be compared against national standards in the National Environment Protection Ambient Air Quality Measure, while the KOALAs provide

indicative data able to be compared between sites. KOALAs measure in real time and demonstrate trends in air quality.

The Blue Mountains and Lithgow Project Steering Committee oversees the project and is chaired by the EPA. The Committee includes representatives from community and environmental groups, local and state government agencies and Western Sydney University.

The community and steering committee have been invaluable in getting the project up and running by:

- deciding on KOALA locations
- arranging volunteers to host and maintain the KOALAs
- sharing information about the project with the broader community.

Commitment 1:

Improved human health and environmental protection



Launch of the Parramatta River Masterplan. From left: Jessica Datt and Jo Taranto (Parramatta River Catchment Group – PRCG), Phil Birtles (Sydney Water), Nadia Young and Sarah Clift (PRCG), PRCG Chair, Councillor Mark Drury (Inner West Council) and Deputy Chair, Councillor Penny Pedersen (Ryde Council). Photo: Giselle Howard/EPA

Water

The EPA aims to protect water quality from harmful discharges. The Department of Planning, Industry and Environment's Beach Watch program helps us measure our success by monitoring recreational water quality in NSW. Data for 2018–19, shows that water quality is 'very good' or 'good' at 86% of coastal or estuarine beaches. This is slightly higher than previous years and exceeds the EPA's target of 83%.

Making Parramatta River swimmable

The EPA continues to work in partnership with member agencies of the Parramatta River Catchment Group and the community, to make Parramatta River swimmable by 2025. This exciting project will have

many environmental and social benefits, including improved water quality and habitat for native animals and plants and more recreational spaces for the community.



Our joint compliance campaigns inspected

1,182

construction sites to protect water quality from run-off

In October 2018, an important milestone was reached with the release of the Parramatta River Masterplan – *DUBA, BUDU, BARRA: Ten Steps to a Living River* – the title of which ('DUBA, BUDU, BARRA' = 'land, water, sky') recognises the important knowledge and involvement of the local Aboriginal custodians.

Commitment 1:

Improved human health and environmental protection

The masterplan was launched at the 21st International River Symposium, which provided an opportunity to showcase Parramatta River as a world-class river to national and international delegates. EPA representatives participated in panel sessions at the symposium and staffed an information booth where delegates could learn about the agency and its work in improving water quality.

The masterplan identifies three new swimming locations at Putney Park, McIlwaine Park in Rhodes East and Bayview Park in Concord which will be opened by 2025, joining current swimming sites at Cabarita Park beach, Chiswick Baths, Dawn Fraser Baths and Lake Parramatta.



EPA Operations Officer Hala Fua enjoys a picnic with his family on the Parramatta River. In the background, markers show one of the new swimming areas.
Photo: Nick May/EPA

We are taking leadership and partner roles in delivering several components of the masterplan which include:

- leading Step 6: Improve Overflows to ensure activities undertaken to reduce sewage overflows target the right catchments

- continued participation in the successful Get the Site Right compliance and education campaign which targets erosion and sediment control on building and construction sites across Sydney
- starting a compliance campaign targeting chemical storage at industrial sites that drain into the river to ensure harmful chemicals do not adversely affect water quality.

Results

Get the Site Right

The May 2019 campaign was a joint initiative between the EPA, the Parramatta River Catchment Group, Cooks River Alliance, Georges River Riverkeeper, Sydney Coastal Councils Group, Department of Planning, Industry and Environment and 16 councils.

In 2018–19:

- 1,182 inspections were conducted, a 37% increase on the last campaign in May 2018
- a compliance rate of 85% was found at sites where managers had a good understanding of erosion and sediment control, up 10% on the previous campaign.

Chemical storage compliance campaign

The initial phase of this campaign found appropriate levels of compliance at those sites inspected. This also helped identify opportunities to improve awareness and understanding of good chemical storage practices in the next phases of the campaign.

Looking ahead

In 2019–20, we will:

- continue our active involvement in delivering the Parramatta River Masterplan
- expand the chemical storage compliance campaign and partner with councils to include council-regulated sites where the opportunity arises
- continue to promote and support Get the Site Right campaigns.

Commitment 1:

Improved human health and environmental protection

Protector: Regulating Sydney Water's sewage overflow response



EPA officer collecting water sample to assess impact of a sewage overflow on the waterway.

Photo: Benn Treharne/EPA

Sewage overflows contain high concentrations of pathogens and pollutants which can harm humans and natural environments. Pollutants include nutrients, ammonia, heavy metals, suspended solids and pesticides. Humans can be exposed to high levels of these substances from sewage that overflows into recreational waterways.

Overflows in dry weather are usually more harmful and are a sign of problems with the sewage infrastructure which need to be addressed.

The EPA regulates Sydney Water's sewage treatment systems through 23 environment protection licences. Two compliance campaigns identified that the company was not meeting its licence obligations to adequately clean up dry-weather sewage overflows.

Our initial regulatory actions included issuing:

- eight penalty notices related to concerns at six sites in October 2018
- three penalty notices for three sites in April 2018.

Several sites impacted on national parks and one impacted on the yards of several residential properties.

In addition to these actions, we have amended Sydney Water's licences to require an independent review of the company's management and operational framework for responding to dry-weather sewage overflows. The review should identify necessary improvements to systems and procedures to address poor performance.

The EPA's regulatory work is our core business and is vital to achieving good environmental outcomes. Through regulation, we can improve the behaviour of individuals and businesses, and hold poor environmental performers to account.

As of June 2019, our operational teams regulated and administered a wide range of licences and approvals including:

- 3,000 environment protection licences
- 7, 600 dangerous goods licences (drivers)
- 18,000 radiation licences
- 1,130 tanker approvals
- 4,460 pest control licences
- 117 orders and approvals regulating the management of significantly contaminated land.

Effective regulation requires a foundation of good policy and strong standards. In 2018–19 the EPA continued to strengthen this foundation by developing:

- new standards for managing construction waste
- a new framework for regulating discharges for sewage treatment plants in the Lower Hawkesbury-Nepean River catchment
- a new framework for calculating the value of monetary benefits from environmental crime, which will assist courts when imposing penalties.

In addition, our regulatory activities ensured continued high rates of compliance, with 99.3% of environment protection licence conditions complied with this year.

Managing operational risks: Protecting the environment and human health

Ineffective regulatory action or response could affect the EPA's ability to protect human health and the environment. To reduce these risks, the EPA:

- targets our compliance and enforcement campaigns to ensure our regulatory priorities are addressed
- identifies and assesses emerging environmental risks
- implements a risk-based licensing system
- reviews and analyses licence conditions and annual returns.

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 list licences that are due for review on our website so that the public as well as licensees can contribute to these reviews.

In 2018–19, a total of 597 licences were due for review. Of these, the EPA completed 592 reviews by the due date. With over 99% of reviews completed, this maintains our strong compliance record. The table shows details of licence reviews for each financial year from 2014–15.

Best practice environmental regulator

Financial year	No. of licence reviews	Licence reviews completed by due date	Licence reviews not completed by due date
2014–15	647	628	19
2015–16	566	562	4
2016–17	233	232	1
2017–18	274	271	3
2018–19	597	592	5

The reasons why five licences out of 597 were late reviews in 2018–19 were:

- complexity and volume (two cases)
- waiting on submissions by the licensee (one case)
- a failure by the supporting technology to issue a trigger alert (one case)
- a licensee ceasing operations and being placed in administration causing delays in confirming relevant information (one case).

The EPA Board has been advised of these results in accordance with section 78(3) of the POEO Act.

Leadership

The EPA provides local, state and national leadership on emerging environmental issues. We protect NSW citizens and the environment by looking ahead and working to predict risks and emerging environmental threats before they become a problem.

Ending use of mixed waste on agricultural land

In October 2018, the EPA announced it would stop approval of the application of Mixed Waste Organic Outputs (MWOO) to agricultural land, and cease their use on plantation forests and mining rehabilitation land while it considered further controls. MWOO is a soil amendment used to improve soil quality. It is made predominantly from organic material found in household general waste bins.

A Technical Advisory Committee established by the EPA concluded that further use of the material should be stopped.

A comprehensive, independent research program found limited benefits for agriculture and soils from applying MWOO at the current regulated rates and potential environmental risks from physical contamination. The technical committee's findings confirmed that current land application of MWOO did not meet the objective that such waste application must provide a benefit, in this case, to the land where applied. The EPA:

- received the final technical advisory report in April 2018
- reviewed the report and sought further information from industry, including records from alternative waste technology operators about the amounts and distribution of this material and information about how alternative waste treatment facilities were operated
- convened and sought specialist advice from an interagency committee that reviewed the information and commissioned a human health and ecological risk assessment.

An independent expert risk assessment consultant subsequently considered pathways where agricultural land could potentially be exposed to contaminants from MWOO.

Best practice environmental regulator

Results

The EPA is providing a two-phase support package for those affected by the stoppage. Phase 1 provided an immediate response for the first 12 months (up to 1 November 2019). It aims to reduce the risks of disruptions to household waste collection services, minimise disruptions to the industry during a period of regulatory uncertainty and reduce potential out-of-pocket cost impacts on local councils.

Key components of the Phase 1 package include:

- a 12-month waste levy exemption for MWOO sent to landfill
- funding for 12 months to cover direct costs associated with landfilling MWOO
- assistance to farmers by facilitating the removal of MWOO stockpiles.

The Phase 2 package is intended to provide targeted support for alternative waste treatment operators to transition to higher order and sustainable resource recovery outcomes for household general waste. The package includes funding grants for:

- upgrades to alternative waste treatment infrastructure
- technical or strategic advice
- research into new processes and technologies to produce new or improved products from general waste.

Looking forward

The EPA will hold a public consultation on future uses of MWOO, household waste and the Phase 2 support package.

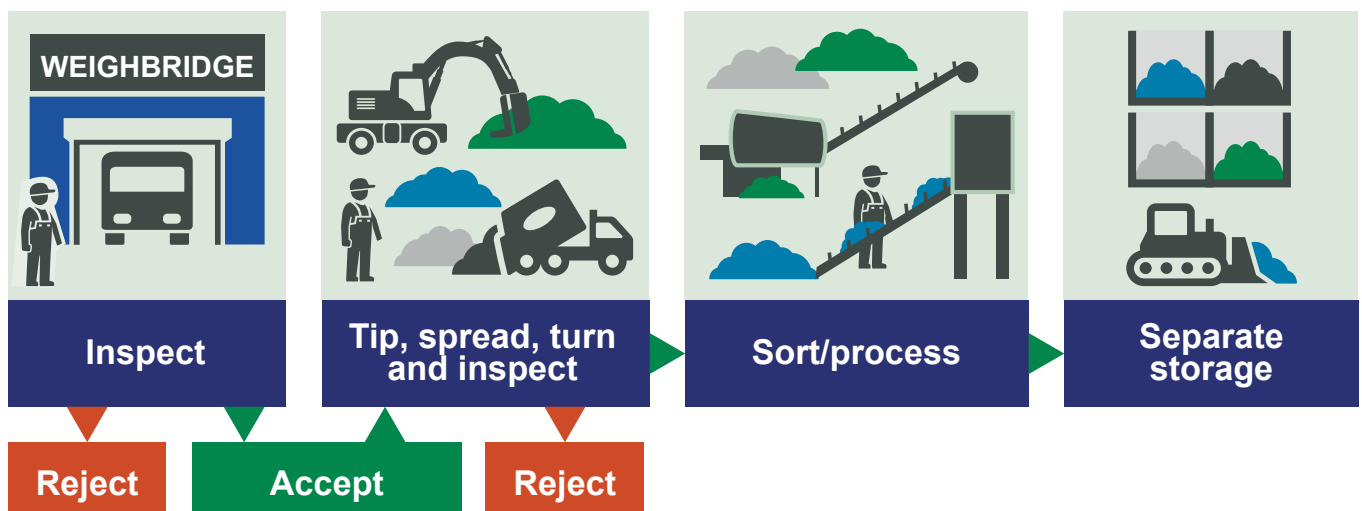
Standards for managing construction waste in NSW

From May 2019, new standards developed by the EPA came into effect for waste facilities that handle construction and demolition waste. These standards were designed to minimise the risks to the community and environment from contaminated material, including asbestos.

The standards require construction and demolition waste facilities to:

- implement a two-stage inspection process that ensures asbestos waste and other unpermitted wastes do not enter the facility
- implement sorting and waste storage requirements to improve the quality of recovered resources and avoid cross-contamination of materials

The new process outlined in Standards for Managing Construction Waste in NSW. Image/EPA



Best practice environmental regulator



The Hawkesbury River at Windsor. Photo: Rashad Danoun/EPA

- ensure construction waste is only transported from the facility where it has been handled in accordance with the standards on-site
- ensure that all staff managing, supervising and undertaking tasks required by the standards have been appropriately trained.

The *Standards for Managing Construction Waste in NSW* were developed after investigations into industry practices and extensive consultation with waste facility operators, local government and industry associations.

This consultative process has led to a positive response to implementation of the standards and genuine improvement in waste management practices at many construction waste facilities. The standards will also help improve industry and community confidence in the quality of resources recovered from construction and demolition waste.

Protecting Hawkesbury–Nepean River water quality

The Hawkesbury–Nepean river system provides many benefits to the community, including drinking water and recreation, as well as supporting a diverse range of ecosystems. However, elevated nutrient levels and prolonged periods of reduced water flows put these benefits at risk.

In a system like the Hawkesbury–Nepean River both the concentration and load of nutrients (such as nitrogen and phosphorus) discharged from sewage treatment plants must be limited. This is to avoid impacts such as algal blooms and outbreaks of aquatic weeds, which in turn threaten both the ecosystems and community values.

While improved catchment practices and upgrades to sewage treatment plants have significantly improved water quality, nutrients still contribute to algal blooms and weed outbreaks in parts of the river system.

Best practice environmental regulator

The population in western Sydney is predicted to increase from 2.3 million in 2016 to 3.4 million in 2036. This will increase the volume of effluent discharges from sewage treatment plants. As a result, nutrient loads are expected to grow by around 50% for nitrogen and 20% for phosphorus, increasing the risk and frequency of aquatic weed outbreaks. The current caps for nutrient loads in sewage treatment plant licences are inadequate for managing this risk. In response, the EPA has developed a new framework to regulate nutrients from plants in the Lower Hawkesbury–Nepean River catchment.

Results

The new regulatory framework:

- provides concentration limits for nutrients from sewage treatment plants
- caps nutrient loads discharged to the river at 2019 levels, which will reduce the nitrogen load in 2030 to 30% below projected levels
- allows plant operators to use alternative and cost-effective options to meet their load requirements such as
 - load-trading between plants
 - offsetting treated sewage water loads with other types of loads, for example from agricultural premises.

Challenges

Development of the framework included a lack of specific scientific information for the catchment. This included how aquatic weeds would respond to changing nutrient loads and the contribution and fate of nutrients from different sources. The EPA will conduct further research to help improve our understanding of these issues.

Looking ahead

The EPA will implement the regulatory framework for nutrients by amending the environment protection licences of sewage treatment plant operators in the Hawkesbury–Nepean catchment. Operators will have until 2024 to meet the required nutrient loads.

We will review the framework every four years and the loads permitted to be discharged from the licensed sewage treatment plants will continue to be reduced over time. The loads will be based on scientific evidence and population figures for the catchment with the intent of meeting the community's values for the Hawkesbury–Nepean River in the long term.

Enforcement

Enforcing environmental law sends an important message about the serious nature of non-compliance and environmental crimes. Our enforcement actions lead to improved compliance, redress harm and act as deterrents to reoffending.

In addition to the important achievements reported below, this year we achieved a 100% success rate for substantive prosecutions (excluding litter) – see Legal section.

Stepping up efforts to recover the proceeds of environmental crime

Environmental offenders should not profit from committing an offence, considered a 'monetary benefit'. These include funds that should have been used to comply with environmental legislation (such as plant improvements) and profits from illegal operations.

Monetary benefit orders:

- strip offenders of the financial advantage they gained through non-compliance
- are additional to any other penalty a court might impose, such as a fine
- are an incentive for operators to take proper precautions to protect the environment
- provide a strong deterrent for possible future offenders.

Commitment 2

Best practice environmental regulator

However, while the EPA has been able to apply to the court for a monetary benefit order to be part of a sentencing decision, the mechanism for setting the value of an offence has been inadequate.

In response, this year we introduced a robust and transparent framework which makes it easier for courts and the EPA to calculate this value.

The new monetary benefits framework includes:

- a *Protocol for calculating monetary benefits* (using this is now a regulatory requirement)
- supporting guidance
- calculation tools.

The EPA is a leader in developing monetary benefit approaches in Australia, partnering closely with the EPA Victoria. We are also supporting other jurisdictions to develop their own approaches through the Australasian Environmental Law Enforcement and Regulators neTwork (AELERT).



Poor landfill management is the type of activity that may attract a monetary benefit order.

Photo: Evolving Images/EPA

Protector: Successful conviction for the illegal X-rays of 30,000 children

In late 2015, the EPA learned that a mobile dental service for school children, Australian Aged Dental Care (AADC), was using staff to X-ray children without the required licences to do so.

During a large investigation involving over a dozen of our staff, the EPA obtained and reviewed hundreds of documents, identified and interviewed over 30 of the individuals involved and issued a substantial volume of correspondence, notices and subpoenas. This resulted in the operator being taken to the Local Court for nine offences under the *Radiation Control Act 1990*.

The matter was first heard in court in November 2016 and, after protracted delays, was concluded in August 2018. Australian Aged Dental Care Pty Ltd was convicted for failing to ensure that staff, employed to X-ray children, held the necessary radiation management licences to perform the

procedure. The magistrate's decision made clear that:

- the offences were systemic and widespread with little regard for best practice
- the offences were committed for financial gain
- the non-compliant activity was a breach of trust with the children who attended the service.

AADC were fined a total of \$198,000, the maximum permitted by a Local Court, and the EPA was awarded costs of \$125,000. The EPA noted that AADC had showed a blatant disregard for environmental regulations and the court's decision reflected the seriousness of the offence and the importance of complying with environmental laws and standards.

The EPA has subsequently provided assistance to NSW Health in developing its own mobile dental capability.

Best practice environmental regulator

Evidence-based decision-making

EPA decisions are based on rigorous scientific and technical evidence and the best information available. Our compliance and enforcement activities are guided by strategic, operational and tactical intelligence.

The EPA's Intelligence and Analysis Unit provides an intelligence-led approach to compliance and regulation, ensuring a sound evidence base for all decisions. We also partner with other agencies for activities such as laboratory analyses and research programs.

Remote sensing aids gas regulation

Remote sensing is the collection of information about objects and locations using satellites, aircraft or drones. This technology is used in other jurisdictions (such as Queensland) to assess the compliance of coal seam gas activities. It enables frequent monitoring over large geographic areas and analysis of the relationships between different elements in an environment (see breakout).

Remote sensing provides a rapid assessment of conditions, which helps:

- improve response time when environmental incidents occur
- reduce long periods of fieldwork.



An EPA Operations Officer inspects a gas site in north western NSW. Remote sensing helps reduce time spent in the field assessing compliance with licence conditions. Photo: John Spencer/EPA

Results

The EPA's Gas Regulation Branch currently regulates 715 active licence conditions in the Narrabri Santos Gas Project. Investigations by the branch this year found that 142 of these could be regulated using remote sensing, including those related to such matters as:

- location of petroleum infrastructure
- rehabilitation
- vegetation clearing and soil/erosion controls.

We also conducted a cost-benefit analysis to see which compliance tasks could be aided by the use of remote sensing. This demonstrated that 100% of tasks were more effectively performed by remote sensing, provided imagery and data was available at the required quality.

Based on these results, the Gas Regulation Branch will incorporate remote sensing methods into its inspection program.

Best practice environmental regulator

Protector: Compliance assessment protects waterways

Where gas wells are to be constructed within 40 metres of a watercourse, regulatory guidelines require the work to be designed by a suitably qualified person to ensure that water is safe from potential gas leaks.

The remotely-sensed photo below shows Santos wells at Bibblewindi in northern NSW are outside this buffer zone and therefore exempt from this requirement. If the wells were within 40 metres of the watercourses, the EPA would check that construction was designed in accordance with requirements.

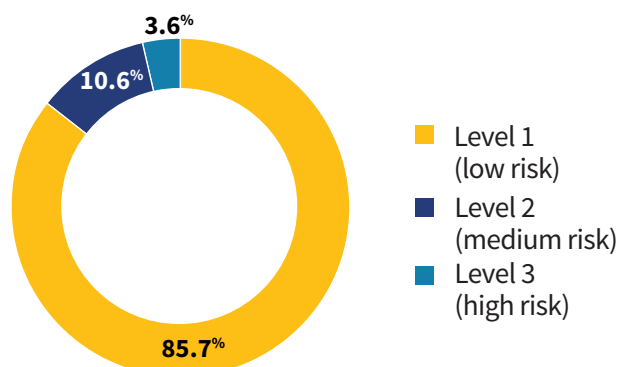


Remote sensing image of Bibblewindi gas wells. Red dots indicate the wells, blue shaded areas show the 40 metre buffer zones. Image courtesy of Department of Finance, Services & Innovation

Risk

Risk-based licensing

The EPA's risk-based licensing system aims to ensure that all environment protection licensees are regulated according to the level of risk their operations pose to the environment. Risk-based licensing provides an economic incentive for businesses to maintain and improve their environmental performance. It does this by imposing higher licensing fees for poor environmental performance and setting lower fees for better performance.



Risk levels associated with environment protection licences at over 2,000 licensed premises

Licensees with low-risk premises and/or good environmental performance also benefit from simplified regulation. Over time this is likely to result in more streamlined licences for these licensees.

Currently only 3.65% of the over 2,000 premises licensed by the EPA are in the highest Level 3 category (see chart). These premises are inspected at least twice a year to ensure they are managing their activities to minimise environmental impacts in accordance with their environment protection licence conditions.

Best practice environmental regulator

Results

In 2018–19:

- 99.9% of licences were risk-assessed
- 95% of high-risk licences were inspected at least twice
- licensees entered into 13 voluntary environmental improvement programs worth \$9.6 million
- just under 86% of licensees received a 5% fee discount because they were determined to be good environmental performers.

This year the EPA also started a review of the risk-based licensing system to ensure it is meeting its objectives and identify improvements. As part of the review process, we conducted a detailed analysis of licensing data, a compliance audit and a licensee survey.



We completed risk assessments for
99.9%
of environment protection licences

Looking ahead

A proposal paper which outlines the key findings and recommendations of the review will be released for stakeholder feedback in the next financial year.

Compliance

Auditing licensees to improve environmental performance

The EPA's risk-based licensing system recognises certified or specified environmental management systems and practices that licensees use when determining the environmental management category for their licence. These systems and practices, which mitigate environmental risk, can result in a reduction of licence administrative fees.

Between 2017–18 and 2018–19, we audited 30 licensees to:

- assess the accuracy of their reported information
- establish whether fee reductions were appropriate and justified
- collect information to assist in reviewing the risk-based licensing system.

The audited licensees provided a representative sample geographically and across industry sectors (including mines, waste facilities, construction, power generation and bulk shipping). Nine licensees had a certified environmental management system and the remainder had other environmental management systems or practices in place. Certification is designed to provide for consistent environmental benchmarks and standards across different industries.

Results

Half of the audited licensees had incorrectly reported information in their annual returns relating to their environmental management systems or equivalent practices. Certification was not associated with better practice.

Common issues included:

- lack of compliance with requirements for Pollution Incident Response Management Plans
- environmental management systems that focused on quality and/or occupational health and safety rather than environmental issues
- reporting of internal site audits and third-party audits which had not taken place
- not identifying significant environmental aspects or impacts
- not training staff in environmental issues
- poor quality certification audit reports and lack of competent certification auditors
- not auditing licensed sites during the annual return period.

Commitment 2

Best practice environmental regulator

The EPA has required licensees who reported information incorrectly to resubmit their annual returns and repay any fees that were incorrectly reduced.

The findings have informed our three-year review of the risk-based licensing system. As a result, in July

2019 we revised our environmental management systems guidelines and annual return questions. These revisions will help improve licensees' environmental performance and ensure the fee reduction scheme under the risk-based licensing system is effective. Other changes are also being considered.

Protector: Regulating the Inland Rail project

The Inland Rail is an Australian government-funded project to build the capacity of the national freight network and reduce transit times between Melbourne and Brisbane. The initiative is being implemented by the Australian Rail Track Corporation (ARTC) and includes upgrades to existing rail and infrastructure as well as building new tracks.

Construction in the Parkes to Narromine section of the Inland Rail started in early 2019 and will continue until 2022. This includes replacement of sleepers and track, realigning tracks, raising foundations and replacing and upgrading culverts.

The EPA provided input to the project's planning determination. This included expert technical advice on appropriate controls. The EPA's Central West region has a dedicated officer monitoring the works to ensure compliance with the environment protection licence. Since construction began, the EPA has:

- investigated community complaints about noise and dust
- brokered a meeting with affected stakeholders and the construction company to discuss how noise impacts can be addressed
- undertaken several unannounced inspections which included engagement with construction staff to ensure they understood their environmental responsibilities.

Our inspections found that the works to date have been compliant with licence conditions.



Inland rail culvert awaiting upgrade.
Photo: Sandie Jones/EPA

Best practice environmental regulator

Reporting

NSW State of the Environment 2018 report and website

NSW State of Environment 2018 (SoE 2018) provides a snapshot of the health of our environment – our land, water, air and ecosystems and the urban areas of NSW. The report details the condition of natural systems across the state, major environmental issues and trends and how these affect human and environmental health. It also describes the progress made in responding to pressures and protecting and enhancing the environment in NSW.

Preparation of the SoE report every three years is a major undertaking that uses the best available data and scientific information, drawn from numerous agencies across government in NSW.

SoE 2018 marks 25 years of state of the environment reporting in NSW and is the 10th report since 1993.

The release of SoE 2018 demonstrates the EPA's ongoing commitment to reporting that supports informed environmental decision-making and transparency in government. Through this report the EPA continues to provide leadership and direction in improving and enhancing the environment of NSW.

Results

SoE 2018 was presented to the Minister for the Environment in December 2018 and tabled in both Houses of Parliament in May.

Development of the online report

For the first time, the SoE has been made available as an online report on an engaging purpose-built and innovative website. This format provides easy access for the community and interested groups to key environmental indicators and trends at a glance. It has a clear, responsive design that works on a wide range of devices – computers, tablets and smartphones.

The improved format has received noticeably more attention, praise and media coverage than previous reports and provides greater access to content for decision-makers, the community and business.

The website contains additional summaries and functions (such as interrogation of the data behind the charts) that were not available in print. The website will be updated with new findings as they become available to enhance the SoE's currency and relevance.

Findings

The report identified many aspects of the environment that are in generally good condition including:

- air quality
- waste management
- the coastal environment
- a progressive decoupling of economic growth from energy use and carbon emissions.

The report also noted continuing environmental challenges in a number of areas including:

- the growing impacts of climate change
- an increase in the number of species listed as threatened
- increases in greenhouse gas emissions from transport
- concerns about native vegetation and rivers.

Looking ahead

Continued refinements to the SoE 2018 website and additional functions will further enhance the presentation of information, enhance mapping and enable live updating of charts and tables as new data becomes available.

3

Commitment

Effective management of environmental incidents

The EPA plays a key role in preventing harm to the environment and human health in the aftermath of incidents such as polluting discharges of waste and chemicals and spills of hazardous materials (HAZMAT).



We responded to
98%
of hazardous incidents
within 30 minutes
of being notified

The EPA makes sure that:

- it is ready to collaborate with emergency services and other agencies to ensure effective responses, including alerting the public to risks and making affected areas as safe as possible
- it learns from incidents to improve its response
- industry is prepared for incidents and able to pay for clean-up costs.

This year we met key targets that measure our performance in these areas, including:

- acting on notifications of 98% of environmental incidents within 30 minutes
- ensuring 100% of licensed premises have Pollution Incident Response Management Plans.

Other important achievements this year included:

- cleaning up after the Kooragang Island underground fire
- participating in a flood planning scenario exercise
- working with other agencies to improve emergency management in NSW.

Managing operational risks: incident and emergency response

A catastrophic incident can cause significant impacts on the environment and human health and often requires a multi-agency response across different government levels. To prepare for and address these risks, the EPA:

- is represented on the State Emergency Management Committee and is the coordinating agency for the Environmental Services Functional Area (EnvSFA)
- regularly reviews the EnvSFA supporting plan (ENVIROPLAN) for the NSW State Emergency Management Plan
- has a Memorandum of Understanding with Fire & Rescue NSW
- has its own incident management framework in place
- participates in emergency management exercises that focus on both response and recovery.

Response

Responding effectively to environmental incidents

The EPA must respond effectively and in a timely manner to a range of environmental incidents that might include release of hazardous materials, accidents or spills during the transport of dangerous goods, discharges or leaks at licensed facilities and natural disasters.

Appropriate response depends on having adequately trained staff, the necessary resources at hand and rapid and effective decision-making. Our role is to lead or coordinate with emergency services to ensure a whole-of-government, multi-agency response to incidents. This enables us to collectively share knowledge and experience and achieve positive environmental outcomes.

Commitment 3

Effective management of environmental incidents

We achieve this by:

- maintaining a 24/7 Duty Incident Advice Coordinator (DIAC) as a first point of contact between emergency services and EPA incident and emergency response capability
- maintaining and improving access to intelligence and information on internal and external agency platforms that informs incident response and resourcing
- maintaining and improving the field response capability for incidents and emergencies and conducting environmental sampling and analysis
- improving the notification processes for hazardous materials (HAZMAT) response between the EPA and Fire & Rescue NSW, as well as other combat agencies
- increasing the number of staff with scientific and technical expertise within our Incident and Emergency Coordination Unit (IECU), which has improved the EPA's response capabilities.

Results

In 2018–19, the IECU received 256 incident reports from emergency services and other stakeholders requiring an EPA response, advice or support. In 98% of these cases we took response actions within 30 minutes of receiving incident notifications.

The EPA attended 50 pollution incidents reported by emergency services through IECU requiring our support and assistance for inspection, analysis, clean up or enforcement actions. This was an increase of 14% over the previous year.

The number of engagements where advice and support services were provided to EPA regions increased by 65% this year, while those to external emergency services and partner agencies rose by 35%.

Environmental sampling, analysis and response

The Environmental Sampling, Analysis and Response team brings together staff with specialised scientific and technical skills and capabilities to support the EPA during investigations and incident response. This has included water and soil sampling, on-site water and air quality measurement, incident management, clean-up operations and technical advice.

During 2018–19, environmental sampling included:

- coal ash sampling at Bayswater power station
- water run-off at Hunter Valley Operations coal mine
- a fuel tanker truck fire at West Wollongong
- a paint spill at Prospect Creek
- mine tailings sampling at Cobar
- a diesel spill at Pambula Lake.

We also continued a statewide investigation program to assess the legacy of per- and poly-fluorinated alkyl substances (PFAS) use and contamination across NSW. These chemicals can spread via ground or surface water and harm human health and the environment. Our investigation included systematically checking potentially affected sites where industries have used PFAS in products or manufacturing processes.

Results

In 2018–19 the EPA:

- was involved in nine investigations where specialised sampling was required and on a further eight occasions the team advised on effective incident response
- worked collaboratively with Fire & Rescue NSW during a trial of PV Stop, a new product used to render solar panels safe during fires
- completed assessments at 842 sites that may have been contaminated by PFAS. Most sites were found to be low risk, with no pathways offsite that could expose humans to these chemicals. These investigations have been closed.

Commitment 3

Effective management of environmental incidents

We are actively working on 46 high-risk sites identified through the PFAS investigation program. These are sites where these chemicals may have been used in large quantities, such as defence bases,

airports, firefighting training facilities and some industrial sites where there is a history of using firefighting foams containing PFAS. For more details go to the EPA website.

Partner: Collaborative management of the Kooragang Island fire



Large volumes of water were needed to extinguish the fire. Photo: Anthony Van Der Horst/EPA

In January 2019, an underground fire was discovered in a waste coal storage site owned by the former BHP Newcastle steelworks on Kooragang Island. Underground fires are particularly challenging to manage as it is difficult to determine their exact location and extent.

Putting the fire out required significant resources and the coordination of eight state agencies working together. The EPA provided advice to these agencies to minimise environmental harm from the contamination of waterways and impacts on human health, such as harmful air emissions.

Surface and groundwater were also monitored to assess the potential impacts of run-off from

the large volumes of water needed to extinguish the fire.

The fire was extinguished in late April 2019 with minimal impact to the environment and human health.

Monitoring showed limited impacts to air quality throughout the incident and no movement of contaminated groundwater beyond the site.

The Hunter Central Coast Development Corporation is now remediating the site. The EPA is continuing to work collaboratively with the agencies involved to ensure ongoing monitoring and maintenance.

Effective management of environmental incidents

Planning and preparation

To reduce the harm caused by pollution incidents, all licensed premises that handle hazardous materials must have an up-to-date Pollution Incident Response Management Plan. These plans ensure businesses have identified potential risks and set out appropriate procedures to respond effectively should an incident occur.

In 2018–19, annual returns showed that 100% of all licensees had Pollution Incident Response Management Plans in place.

For the EPA, appropriate training for staff is essential for successful incident management. This year we established a new performance measure to ensure that 95% of newly authorised officers are trained in the Incident Management System. At 92%, we are well on track to achieve this target by the end of 2019.

Debriefing from incidents, and participation in the State Emergency Management Framework, described below, also increase the EPA's capacity to protect the community and the environment from pollution incidents.



Licensees' annual returns show that

100%

have plans to deal with pollution incidents

Strengthening our role within the State Emergency Management Framework

As the lead agency for the Environmental Services Functional Area (EnvSFA), the EPA is a member of the NSW State Emergency Management Committee (SEMC). We are also a member of subsidiary committees of the SEMC including the Risk and Resilience and Capability Development subcommittees. As an active participant in these committees, we provide expertise in developing strategic statewide directions for the management, prevention, response and recovery from incidents and emergencies.

Results

Collaboration with other emergency services in 2018–19 has improved our effectiveness and engagement in incident and emergency management. Examples include:

- endorsement of the EnvSFA Supporting Plan by the NSW State Emergency Management Committee
- drafting and review of a Memorandum of Understanding between the EPA and combat agencies to support agencies and stakeholders involved in incident and emergency response
- deployment of resources to address recovery and waste management issues from bushfires in northern NSW with the EPA chairing a Waste and Environment Recovery subcommittee between February and June 2019
- working with Fire & Rescue NSW and other state agencies to develop policy documentation for the management of asbestos during and after emergencies.

Effective management of environmental incidents

Sharing lessons learned in incident response

The EPA places a strong emphasis on learning from our involvement in incident responses to improve our capability in this vital area. We actively undertake debriefs with all agencies involved as an integral part of the overall operational response.

The debriefs explore the relevance of current procedures and policies and identify efficiencies and improvements that we can make within the EPA.



Dawn Lewis, from the CareerTrackers indigenous intern program, takes her first sample when checking a reservoir for fire retardants following a large bushfire response which involved water-bombing activities.
Photo: Daniel Stoke/EPA

The lessons learnt and recommendations identified through debriefs continue to improve the way in which we respond to incidents and work with other agencies. In 2018–19, we achieved this by:

- enhancing the coordination procedures for multi-agency response to incidents where the EPA is the lead agency
- developing guidance material for external agencies to improve notification and response actions where impacts on the environment occur
- improving incident debriefing capability by aligning our approach with the principles of the NSW Lessons Management framework.

Results

Multi-agency debriefs were undertaken for four significant events. As a result of the debrief process, 87% of recommendations to identify or achieve operational improvements were acted upon and the rest are continuing to be progressed.

Commitment 3

Effective management of environmental incidents

Partner: Exercise Deerubbin



An EPA officer in the Deerubbin incident room. Photo: Daniela Heubusch/EPA

In the case of catastrophic natural events, such as heavy floods, it is vital that the EPA's collaboration with other agencies is seamless. Simulation exercises based on real data and risk assessment, that enable staff to rehearse the emergency response to such events, help improve collaboration and maintain best practice.

In June 2019, EPA staff participated in the state-level Exercise Deerubbin, which tested agency preparedness in the hypothetical scenario of a catastrophic flood event in the Hawkesbury-Nepean river system.

The exercise had three phases:

1. Response
2. Mass evacuation
3. Recovery.

Each was conducted a week apart. EPA staff were involved in the development of the overall exercise as well as playing key roles during Phases 1 and 3.

During Phase 1 – Response, our role included:

- acting as EPA and EnvSFA liaison officers in the State Emergency Operations Centre and the SES Metro Zone Operations Centre
- identifying licensed and other facilities that would be threatened by a catastrophic flood event
- identifying environmental hazards that might pose risks for rescue and evacuation operations.

During Phase 3 – Recovery, we:

- identified and assessed the quantities and types of waste generated by the flood and during recovery
- implemented strategies to manage this waste
- identified strategies to ensure clean-up activities did not further harm the environment.

The EPA's involvement in exercises such as Deerubbin enhances our capacity to contribute as a partner agency. It also improves other agencies' understanding of our role in emergency management.

Effective management of environmental incidents

Recovery

The EPA has been working with licensees in priority sectors such as gas and waste to ensure that they are able to pay the costs of clean up and remediation after pollution incidents. This policy reduces the risk that the NSW government will have to bear these costs. With 47% of licensed premises having secure funding in place this year for clean up and remediation, we have exceeded the annual 30% target and are well on track to meet the 2020–21 target of 90%.

On 1 July 2018, the EPA took over the management of the Emergency Pollution Clean Up Program (EPCUP). The program, previously operated by the NSW Environmental Trust, reduces the risks from asbestos waste by ensuring councils are funded to cover the costs of clean up where the party responsible for the pollution cannot be identified or is unable to pay.

In our first year of managing the program:

- 15 asbestos-related incidents requiring clean-up and support were reported
- the EPA received 43 applications for EPCUP funding
- 26 eligible claims totalling \$228,867 were paid to clean up asbestos-contaminated waste.

Partner: Bushfire recovery

In February 2019, bushfires broke out on the Tingha Plateau in the Armidale local government area (LGA) and Tabulam and Drake in the Tenterfield LGA. An area of nearly 30,000 hectares was burnt with 28 homes destroyed and 14 damaged. The fires also exposed asbestos in some areas, which needed to be safely cleaned up.

As the lead agency for Environmental Services during NSW emergency management, the EPA participated in the Infrastructure, Waste and Environment subcommittees for the council areas affected.

We assisted the councils by:

- helping develop waste action plans for the management of the various types of waste generated by the bushfires
- providing regulatory exemption to enable landfill sites and waste facilities to accommodate the extra volume of waste generated by the bushfires
- collaborating with recovery agencies to provide public information fact sheets relating to waste collection and disposal
- coordinating an asbestos clean-up program for the Jubullum Aboriginal community near Tabulam in conjunction with the EPA's Asbestos Coordination Unit.

Effective management of environmental incidents

Partner and protector: Cleaning up after the Iron Chieftain fire



EPA Manager for the Illawarra region, Peter Bloem, speaks to media about our actions to contain pollution from the *Iron Chieftain*. Photo: EPA

In June 2018, EPA officers collaborated with emergency services and other agencies to respond to a major fire on the *Iron Chieftain*, a bulk shipping carrier berthed in Port Kembla Harbour.

The fire took several days to extinguish and generated large volumes of liquid waste which was contained on board the ship. While the incident did not result in any significant impact to the waters of the harbour, the waste had to be cleaned up before the ship could be towed away for recycling.

In our role as a key responder to environmental incidents, the EPA worked with the ship's owner, CSL Australia Ltd, and government agencies and industries to provide advice and guidance and help ensure ongoing protection of the environment.

Over a sustained nine-month period, our actions included:

- ensuring CSL conducted and paid for clean-up activities
- ensuring all wastes were managed in a timely, lawful and environmentally responsible manner

- ensuring effective measures were always in place to prevent harm to the environment
- weekly meetings with CSL, industry and other port-related agencies to obtain regular updates on the progress of the clean-up and status of the ship
- assisting CSL and the Commonwealth Department of Environment and Energy to finalise an export licence application for disposal of the ship in a scrapyard in Turkey
- working with port users to help maintain safe and efficient port operations.

About 8,000 cubic metres of liquid waste (firefighting water and foams) was pumped out of the ship's hull. Smaller amounts of heavy fuel oil and solid wastes (such as oil-soaked coal) were also removed. All wastes were lawfully disposed of at approved facilities.

The clean-up finished in early 2019 and the ship has now arrived at the scrapyard in Turkey.

4

Commitment

Innovative waste management

Recycling and re-using waste can reduce the environmental impacts associated with the extraction of new resources and current disposal approaches. Household and construction waste can also have significant impacts on human health and the environment if not managed well.

The EPA partners with communities, businesses and local government to deliver programs that help the people of NSW reduce their waste, increase recycling and improve littering and waste disposal behaviour.

Our work is guided by the *NSW Waste Avoidance and Resource Recovery Strategy 2014–21*, which provides a framework for waste management and sets targets and strategies for addressing waste issues.

We regulate the collection, transport, storage and disposal of waste to protect human health and the environment and improve the liveability of our communities.

We also develop policies and contribute to legislative changes that help improve waste management.

This year:

- following the EPA's appointment as Chair of the National Sword Taskforce, we worked with key intergovernmental agencies to progress a longer-term strategic response to China's restricted acceptance of foreign recyclables
- we published the *NSW Circular Economy Policy Statement*, which provides principles to guide resource use and management
- we improved the quality of the waste data we collect, allowing us to better track and target our strategies to reduce waste
- our grant programs and sponsorships provided \$27.1 million for a wide range of waste management, infrastructure and educational activities.

Reduce waste, recycle more

Bin Trim: Supporting business to divert waste from landfill

Every year, almost 1.8 million tonnes of waste are sent to landfill from commercial and industrial (C&I) sources in NSW. The Bin Trim program aims to reduce the generation of this business waste and is made up of two components – grants and rebates.

In 2018–19, the EPA delivered Round 3 of the NSW Government's Bin Trim program grants. Sixteen grantees were awarded \$5.16 million to engage with 7,111 NSW businesses and divert 42,000 tonnes of waste from landfill. This work is part of the Waste Less, Recycle More initiative which is funded by the waste levy.

Free advice and support for businesses

Bin Trim grants fund organisations to engage waste assessors who provide support to businesses to avoid, re-use and recycle their waste. Businesses registered for Bin Trim receive:

- a visual waste assessment of their waste volumes and profile
- a tailored waste reduction action plan
- assistance to apply for a Bin Trim rebate, if eligible
- access to resources such as source-separation bins, posters, stickers and fact sheets
- a follow-up assessment to verify progress
- a revised action plan if necessary, with further suggestions.

Commitment 4

Innovative waste management

Up to \$50,000 available to help buy equipment

Bin Trim rebates fund up to 50% of the cost of recycling and waste management equipment. This helps businesses divert waste from landfill. Rebates of between \$1,000 and \$50,000 are available. Examples of eligible equipment include:

- cardboard and plastic balers
- expanded polystyrene compactors
- shredders
- source-separation bins
- worm farms
- wood chippers
- milk tap systems.



Bin Trim grants helped

5,000

businesses reduce waste and recycle more

Results

In 2018–19, a total of 5,000 businesses registered for the Bin Trim program, accounting for 70% of the target for Bin Trim Round 3. A total of 59 Bin Trim rebates were approved to the value of \$713,010. These rebates will help divert an estimated 2,876 tonnes of waste from landfill a year.

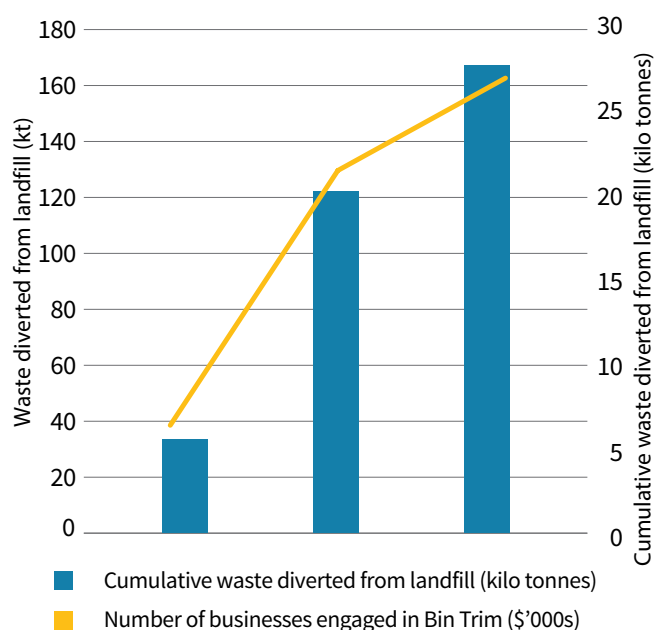
Challenges

A new Bin Trim web application was launched for Round 3. This system allows assessors to process data from businesses' waste assessments and produce tailored action plans. Because none of the assessors had used this system before, the EPA provided specialised training at five locations across NSW. One-on-one and refresher training was also available throughout the year.

Looking ahead

Bin Trim Round 4 will be held in 2019–20. Bin Trim rebates will continue to be available to businesses until June 2021.

Bin Trim impact on business waste



Commitment 4

Innovative waste management

Partner: Bin Trim helps hotel chain use kitchen scraps for gardens



Hospitality staff using a food waste macerator. Photo: EPA

Escarpment Group owns and operates hotels in the Blue Mountains and Hunter Valley. Much of the hotels' waste is generated by their restaurants, events and catering.

A Bin Trim assessor completed visual waste assessments and used the Bin Trim App to produce a tailored action plan for each hotel. Food waste was a significant portion of the waste stream, leading the operator to investigate the use of food processing equipment.

The Bin Trim assessor helped the Escarpment Group prepare and submit rebate applications for each facility. This resulted in three of its hotels in the Blue Mountains – Echoes Hotel, The Hydro Majestic and Lilianfels – successfully receiving Bin Trim rebates worth over \$127,190 to install five food macerators across the three locations.

Food macerators transform food waste into recyclable pulp, which is then used to produce organic fertiliser.

Outcomes

- Across the three hotels, the equivalent of 405 cubic metres of food waste – or around 1,600 240-litre wheelie bins – is now diverted each year.
- Echoes Hotel increased waste diversion from 40% to 76% with the new system and Lilianfels from 43% to 77%.
- The Hydro Majestic reduced the annual cost of waste management by 10% and increased waste diversion from 21% to 55%.

The Escarpment Group is now considering further organics processing at its Hunter Valley hotels.

Innovative waste management

Leading NSW toward a circular economy

In early 2018, the EPA acted quickly to address the impacts of China's National Sword Policy decision to restrict the quality of foreign recyclable materials it will accept. Our response included an initial one-off \$47-million package to support local government and industry in NSW.

In April 2018, we were appointed Chair of the Intergovernmental National Sword Taskforce, which was established to urgently progress a longer term strategic response.

The taskforce's work includes:

- increasing the use of recycled products
- developing a circular economy policy and principles for NSW
- investigating opportunities to streamline the approval and operation of new and expanded recycling facilities
- supporting better risk-sharing and contractual outcomes for waste-related services.

Results

Key Agency Liaison Group

In December 2018, the NSW Government set up the Key Agency Liaison Group. This was to help streamline development applications for state significant recycling facility projects that propose recovery and/or recycling of plastic, paper, cardboard, metal or glass (known as 'National Sword Projects').

The Group comprises experts from the Department of Planning, Industry and Environment's Industry Assessments team, the EPA and Fire & Rescue NSW. It may also include a representative from the local government in which any new proposal occurs. Members provide coordinated and ongoing strategic and technical advice during key phases for a new project as well as assessment of development applications.

The Group had its first applicant meeting in December 2018. It is currently facilitating four potential state significant development applications or modifications.

Circular Economy Policy

In February 2019, the EPA published the *NSW Circular Economy Policy Statement*. This followed policy development and public consultation which demonstrated overwhelming support for the concept from a wide array of organisations and private individuals.

Circular economy models aim to maximise product life, encourage re-use, increase recycling and capture value from all resources. The experience of other jurisdictions, such as Scotland and Japan, shows that this approach can have significant positive impacts on waste avoidance, recycling, job creation and economic growth.

The policy statement sets the ambition and approach for a circular economy in NSW, and provides principles to guide resource use and management. It will help guide government decision-making while NSW transitions to a circular economy.

Looking ahead

The Energy, Climate Change and Sustainability directorate of the Department of Planning, Industry and Environment is working in close collaboration with the EPA to lead the development of a waste and resource recovery strategy for NSW. The *20-Year Waste Strategy* is a long-term vision for reducing waste, driving sustainable recycling markets and identifying and improving the state and regional waste infrastructure network. The strategy will be underpinned by the principles provided in the *NSW Circular Economy Policy Statement*.

We are also collaborating with the Commonwealth and other jurisdictions to develop a National Action Plan to implement the 2018 *National Waste Policy*, based on circular economy principles.

Commitment 4

Innovative waste management

Partner: Identifying avenues for recycled glass



Laying asphalt containing crushed glass on Carlingford Road. Photo: Transport for NSW

As part of the National Sword Response, the EPA has partnered with agencies to increase the use of recycled products. Roads and Maritime Services (RMS) is our key construction agency partner.

The use of recycled glass in roads was commonplace until a break in the quality of supply about five years ago led to a reduction in its use. RMS specifications previously allowed 2.5% of recycled crushed glass in roads as a sand substitute.

In April 2019, RMS demonstrated the use of recycled crushed glass in road pavement along Carlingford Road at Epping. The site was divided into three sections of 130 metres each, with a recycled crushed glass content of nil, 2.5% and 5% respectively. The recycled glass was crushed to the correct size, washed and blended with other

sand products before being added to the asphalt. RMS will monitor the road for the next 12 months to review its longer-term performance.

RMS also commissioned the Australian Road Research Board to undertake a literature review of industry practice in the use of recycled crushed glass for road pavements. This resulted in recent updates to four of their asphalt specifications, allowing up to 10% recycled crushed glass in all layers, other than the top layer which is limited to 2.5%.

RMS has identified other demonstration sites around the state to use the updated specifications.

The EPA is continuing this partnership as well as with local councils so that the use of recycled glass and other materials may be increased in local construction activities.

Commitment 4

Innovative waste management



Litter affects our enjoyment of public spaces and can harm wildlife. Photo: Evolving images/EPA

Supporting the industrial ecosystem

'Industrial ecology' reduces the waste that goes to landfill by turning the by-product of one process or company into a resource for another organisation to use. Linking organisations to use each other's by-products extends the life of the materials used and avoids the need to generate new raw materials for production.

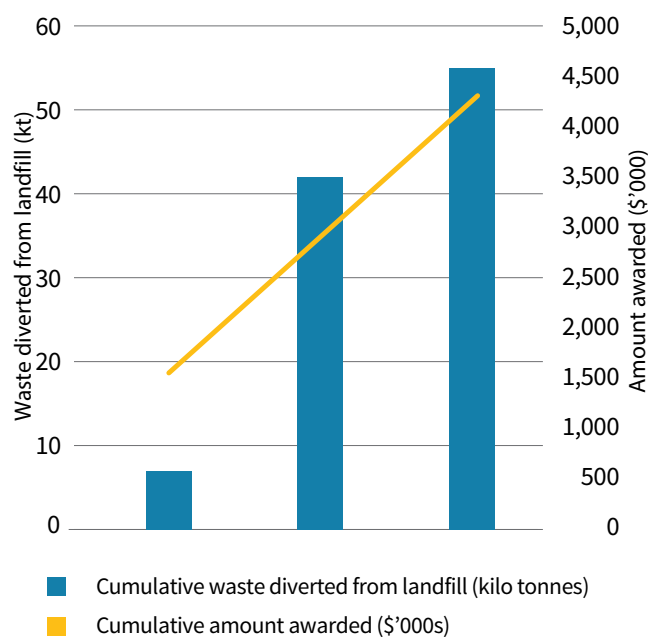
The EPA's Circulate program supports innovative, commercially oriented industrial ecology projects that recover materials that can be used in other commercial, industrial and construction processes.

Results

In 2018–19, a total of \$1.39 million was awarded under the Circulate program to 11 organisations to ultimately divert 12,900 tonnes of waste for industrial ecosystem processes. To date, 279 tonnes have been diverted including:

- 20 tonnes of plastic milk bottles
- 176 tonnes of plastic film
- 83 tonnes of timber.

Circulate waste diverted and amount funded



Commitment 4

Innovative waste management

Challenges

The projects funded through the Circulate program are innovative in nature and therefore encounter a number of challenges during their execution. These include the transport of by-products to other organisations and concerns about the quality of a new product made from recycled materials. To address these challenges, grantees establish relationships with key stakeholders to assist with transportation and conduct trials to test the quality of new products.

Reducing litter

A multi-faceted approach to reach our litter target

The Premier's Priority litter target to reduce the volume of litter in NSW by 40% by 2020 is almost within reach. The 2017–18 National Litter Index showed litter volumes in NSW have already fallen by 37%.

To support the litter reduction target, the EPA has taken a multi-pronged approach, including changing community attitudes towards littering, trialling targeted behaviour change programs and supporting local government to deliver litter reduction initiatives.

The *Tosser!* campaign and activities are funded by the waste levy.

Results

Don't be a Tosser!

In 2018–19, two statewide *Don't be a Tosser!* campaigns were delivered with the follow-up analysis showing people are now more aware of their own littering behaviour. Focused around excuses for litter, the campaigns highlighted that litter prevention is everyone's responsibility – if it's not in the bin, it's on you. Research and program strategy development is now focusing on an upcoming marine *Tosser!* campaign.



The statewide *Don't be a Tosser!* campaign included signage targeting litter from uncovered loads. Photo: Wagga Wagga City Council

Report to the EPA and enforcement

In 2018–19:

- over 8,500 new community litter reporters registered to report littering from vehicles
- fines for this offence amounted to over \$2.3 million.



Over
\$2.3 million
in fines for littering
from vehicles

The EPA began customer journey mapping to understand how the program works for the 40,000 registered users and identify how to improve the system. A new online litter enforcement training module also went live in 2018–19. This will build local government's capacity to enforce litter laws.

Commitment 4

Innovative waste management

Litter prevention grants

In 2018–19, local councils and regional waste groups completed over 50 litter prevention grant projects.

The EPA integrated a new funding stream into these grant programs to support projects that build greater organisational ownership of litter prevention. The new funding will support development of litter prevention strategies, business cases and litter studies to help embed litter reduction in local communities.

We also evaluated the first four rounds of the Community Litter Grants program and launched a new model for Round 5.

Research and data

This year the EPA adapted the paper-based Local Litter Check to an online format. The revamped internet version allows for the easy entry, compilation and access to data to plan litter prevention action in litter hotspots. The web-enabled version is expected to transform the way the tool is used and the data is shared.

A Key Littered Items Study by the EPA investigated 12 estuary sites and nine remote beach sites along the NSW coast, while the National Litter Index Dashboard was developed to help analyse litter data from across NSW.

Sponsorships and partnerships

In August 2018 and May 2019, the EPA sponsored and helped coordinate two Keep Australia Beautiful NSW Litter Congresses as well as the annual Tidy Towns and Sustainability Awards.

Looking ahead

Moving forward, our challenge is to ensure that the current momentum on litter reduction is maintained and the knowledge and skills developed so far continue to be shared and used beyond 2020. As we approach the Premier's target, the EPA is looking to consolidate its success, learn from its achievements and tackle new litter priorities.

In 2019–20, the EPA will be expanding the litter campaign into the marine environment, targeting single use plastics and cigarette butt litter and

continuing to build on our network of community leaders in litter prevention.

A key focus will be ensuring all stakeholders can take ownership of litter prevention – giving them the knowledge and confidence to 'own it and act!'. We will be working with our partners to identify how best to embed best practice litter prevention in their organisations and set new litter prevention targets.

Container litter

Return and Earn helps clean up communities

Return and Earn, the state's largest ever litter reduction initiative, has continued to deliver significant environmental and financial benefits throughout 2018–19. The statewide container deposit scheme tackles drink container litter which, before its startup in December 2017, accounted for 44% of all litter volume in NSW. Through Return and Earn, eligible containers can be redeemed for 10 cents each at hundreds of return points, such as reverse vending machines.

Material recovery facility (MRF) operators are also able to get refunds for eligible containers returned via kerbside recycling systems such as yellow-lidded recycling bins. To claim these refunds, these recycling operators must have refund-sharing agreements with the councils they service. Sharing the refunds helps councils to manage their waste management costs.

The EPA works with the scheme coordinator, Exchange for Change, and the network operator, TOMRA Cleanaway, to ensure the effective delivery of the scheme.

We also have regulatory responsibilities in relation to Return and Earn including approving the containers that are eligible to be included in the scheme.

The refunds and scheme costs are funded by NSW beverage suppliers.

Commitment 4

Innovative waste management

Results

The people of NSW have embraced Return and Earn. Between 1 December 2017 and 30 June 2019, two billion containers have been taken to return points. In the past many of these drink containers would have ended up as litter in our streets, beaches, waterways and parks.



The Return and Earn container deposit scheme has collected **2 billion** drink containers since launching

By 30 June 2019, Return and Earn had achieved what it was designed to do: the removal of litter from our communities by diverting it into a high-quality recyclable material stream.

In addition to those received at return points, a further 1 billion eligible containers were collected through the kerbside collection system between December 2017 and March 2019.

Other measures of the scheme's reach and effectiveness include:

- 640 return points in operation
- a 57% reduction in the volume of littered eligible drink containers since November 2017 (based on litter survey data from February 2019)
- 91% of adults are aware of Return and Earn
- 48% of adults are participating in the scheme (along with large numbers of children actively involved)
- 81% of users are satisfied with the scheme.

As well as the environmental benefits, Return and Earn helps raise money for local charities and community groups through direct cash donations at reverse vending machines – see breakout box.

Challenges

The extraordinary success of Return and Earn has increased the amount of high quality, clean beverage container materials available for recycling markets. A key focus area now will be to develop, expand and diversify end markets for this recycled material.

Looking ahead

From 1 September 2019, the EPA's Container Deposit Scheme Branch will continue its work within the new structure of Department of Planning, Industry and Environment. This includes:

- supporting the development of local recycling industries that make use of scheme materials
- being a leading voice at national level to reduce administrative inefficiencies across schemes particularly container approval processes and to seek economies of scale in infrastructure development
- contributing to the development of the NSW Government's *20-Year Waste Strategy*.

Commitment 4

Innovative waste management

Partner: Communities rise to the fundraising challenge



Gulargambone Lions Club members Col Ryan and Ian Lambel show off some of their container haul.
Photo: Exchange for Change

Return and Earn provides a unique opportunity for charities, schools, community and sporting groups to raise funds while helping improve their environment.

As of 30 June 2019, \$440,000 had been donated to community partners through direct cash donations at reverse vending machines.

Community fundraising highlights

- Glenmore Park High School raised money to help fund a new mini-bus.
- Royal Flying Doctor Lightning Ridge operated an over the counter return point which raised \$91,000 in its first six months.
- Over \$70,000 was raised for the drought relief charity Buy a Bale.
- The Gulargambone Lions Club won the inaugural NSW Environmental Citizen of the Year Award, sponsored by Return and Earn, for their recycling efforts, which included collecting thousands of containers to raise money for their community.

Commitment 4

Innovative waste management

Better quality waste data

The EPA has developed and implemented a new method for measuring the state's performance against the targets to increase recycling, reduce waste generation and divert more waste from landfill. For the first time in NSW, data has been available from resource recovery facilities to calculate waste generation, recycling and diversion rates for 2015–16 to 2017–18. This data, which was published in this year's *Waste Avoidance and Resource Recovery Strategy Progress Report 2017–18*, is the most accurate, robust and informed waste generation and recycling data ever collected and analysed in NSW.

The reliability and quality of the data has been supported by the introduction in 2015 of online reporting by resource recovery facilities through the Waste and Resource Reporting Portal. The system replaced the use of voluntary surveys that estimated waste generation and recycling performance. In addition, measures and controls are in place to ensure the ongoing quality of this reporting. This builds on the current baseline with new datasets, including a 2018–19 dataset due to be published in late 2019.

Problem waste

Making it easier for households to dispose of problem waste

Many potentially harmful products used in our homes require special collection and treatment. This 'problem waste' includes leftover or unwanted paint, pool and garden products, gas bottles, batteries, smoke detectors and oils.

The EPA has two programs for the collection of this kind of waste:

- Community Recycling Centres (CRCs)
- Household Chemical CleanOut.

These programs are funded by the waste levy.



Local resident disposing of motor oil at a Community Recycling Centre. Photo: Erica Murray/EPA

Results

It has never been easier or more convenient to correctly dispose of household chemicals and problem waste. During 2018–19, a total of 4,360 tonnes of potentially hazardous household waste was collected, a 7.9% increase from 2017–18.

In 2018–19, the Community Recycling Centre program:

- opened five new centres, bringing the total to 92 operational centres
- collected a record 2,689 tonnes of problem waste
- implemented Round 5 of its infrastructure grants
- received a 100% satisfaction rating from users.



There was an increase of
7.9%
in the amount
of potentially hazardous
waste collected

Commitment 4

Innovative waste management

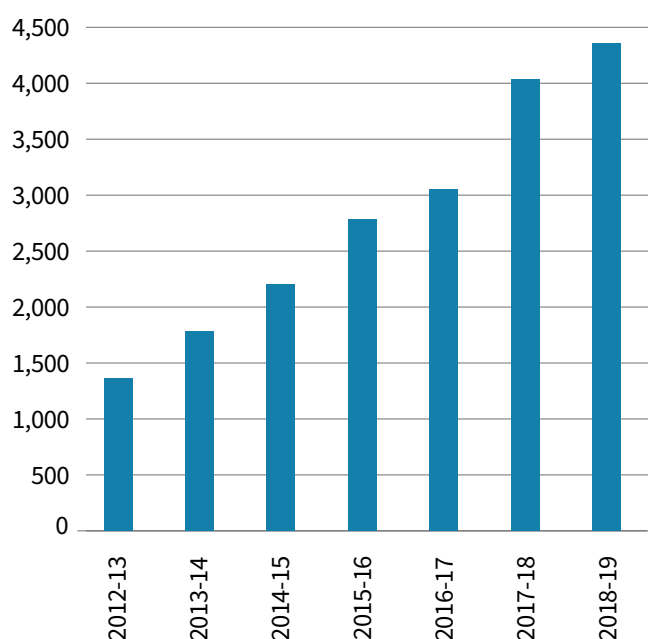
In 2018–19, the Household Chemical CleanOut program:

- held 126 collection days
- serviced over 41,000 households
- recycled or disposed of 1,671 tonnes of household chemicals and problem waste.

Of the 4,360 tonnes collected through both programs this year, 572 tonnes of paint-related waste were collected under the Paintback product stewardship program facilitated by the Community Recycling Centres and Household Chemical CleanOut programs.

These services are promoted to the community through a range of channels, including local newspapers, social media and council newsletters.

Tonnes of problem waste collected



Challenges

There were delays in the construction of some CRCs, funded through the infrastructure grant program, due to unforeseen circumstances such as newly identified site constraints. Timelines have been revised and all efforts are being made to support construction of the centres.

While an excellent level of CRC coverage has been achieved in regional NSW, providing coverage in the Sydney Metropolitan region is proving more challenging. In 2018–19, after stakeholder consultation, the infrastructure grant program was revised to encourage uptake.

Looking ahead

Round 5 of the infrastructure grant program closed in May 2019, with seven applications received. Successful grantees will be notified in 2019–20. We will continue collaborating with stakeholders to explore opportunities for new centres in priority locations across the Sydney Metropolitan area. A key focus for 2019–20 will be to ensure the centres are operating to their maximum potential, with continued growth in attendance and the volume of material collected.

For the Household Chemical CleanOut program, a pilot will be developed to transition the program from accepting all household problem waste, including materials collected by CRCs, to only accepting household chemicals. This will result in improved program efficiency.

Commitment 4

Innovative waste management

Leader: Making battery recycling easier

Household batteries are commonly disposed of via the red-lid bin. However, if disposed of correctly at a Community Recycling Centre, they can be recycled – but not everyone knows this.

To improve awareness about battery recycling and help householders recycle their batteries, the Community Recycling Unit has developed a compact 'battery box'. The box is designed to hold AAA through to 9V-sized batteries. It not only keeps old batteries together but is a bright, visual reminder of how to recycle them.

In partnership with the City of Newcastle and Maitland City Council, the EPA delivered 60,000 battery boxes to local residents. The distribution was supported with a geotargeted, fun social media campaign on Facebook.

Following the distribution, an evaluation was completed via telephone survey. Great results have been achieved and within one week of receiving the box, it was found that:

- 55% of recipients had read the information card and assembled the battery box and 22% had already put batteries in the box
- over 85% intend to undertake all three target behaviours (read information card, construct box and use box)

- 76% felt that the battery box would increase the likelihood of others to recycle their batteries.

The battery box artwork and social media content is available for CRC partners to use following the success of the trial.



The Community Recycling Unit's battery box.
Photo: EPA

5

Commitment

Sound strategic and planning advice

With the growth of the NSW population, more infrastructure and buildings are needed. The EPA plays an important role in reducing the impacts of construction and maintenance, such as noise, odours, waste and air and water pollution.

We work with all levels of government to ensure environmental issues are considered in major planning decisions. Our input includes:

- expert assistance with development of programs and policies
- engagement and information
- advice on specific planning matters, such as assessment of environmental impact statements for state significant infrastructure.



We responded to

89%

of planning referrals
within agreed or statutory
timeframes

We met a key performance measure for planning this year, with 100% of development approvals for major infrastructure, where environment protection licences are issued, containing conditions that were recommended or agreed to by the EPA.

The EPA aims to respond to all planning matters carefully and in a timely manner. This year we completed 770 planning referrals that required environment protection licences or EPA regulation, with 89% of them completed on time.

Shaping Greater Sydney's future

The EPA has been helping deliver the NSW Government's vision for a more productive, liveable and sustainable Greater Sydney, as set out in *Greater Sydney Region Plan: A Metropolis of Three Cities*.

We worked with the Greater Sydney Commission (GSC) to guide the development of local councils' local strategic planning statements (LSPSs). These statements enable councils to contribute to the overarching vision for Sydney in the context of local needs by setting directions for their local environmental plans.

The GSC assists all councils in Greater Sydney to develop their LSPSs. The EPA has played a key role in helping the GSC conduct 'health checks' of the councils' local environmental plans and supporting policies at facilitated workshops to ensure they align with the new LSPS and will deliver key sustainability priorities and actions for local areas. This work has involved providing information, advice and resources on a range of environmental issues.

Results

This year the EPA engaged with all 36 Greater Sydney councils at six workshops. The initial health check and follow-up workshops identified a need to provide further environmental information and guidance for the GSC and councils.

In response, we have been working with the Department of Planning, Industry and Environment to develop a range of resources on topics such as air quality, waste and resource recovery, contaminated land and water quality.

Looking ahead

We will continue to support the GSC in this process over coming months to meet the requirement that all LSPSs are completed by 2020.

Sound strategic and planning advice

Partner: Protecting pristine waterways



A Snowy Hydro 2.0 sediment basin under construction. Photo: Ellie Dean/EPA

The proposed Snowy Hydro 2.0 will be one of Australia's largest construction projects. Located in Kosciuszko National Park, the project aims to increase the electricity-generating capacity of the Snowy Mountains Hydro Electric Scheme.

The EPA is partnering with other agencies to ensure that construction of Snowy Hydro 2.0 meets the highest environmental performance standards, in line with the high environmental values of Kosciuszko National Park. Ensuring that procedures and controls are in place to protect the pristine waters which flow through the park is a top priority.

Following the Minister's approval of the first stage of the project, we issued an environment protection licence for initial construction work by Snowy Hydro Ltd. A dedicated team within our South and West Branch works in collaboration with the EPA's Technical Assessments and Advice Section to provide regulatory oversight of the project.

We are actively engaged with the Department of Planning, Industry and Environment, Snowy Hydro Ltd, the National Parks and Wildlife Service and other key stakeholders to:

- identify and assess potential environmental impacts
- develop mitigation measures to prevent soil erosion and protect water quality
- ensure that contractors understand necessary environmental performance standards.

Innovative and adaptive approaches for protecting the environment include:

- remotely operated cameras to monitor the construction works' environmental performance
- only opening areas of land that can be rapidly rehabilitated
- installation of sediment basins to collect sediment-heavy water draining off the site for appropriate re-use or disposal
- closing sites when storms are imminent to take account of the remote and variable weather conditions.

We will continue to use our extensive regulatory and technical expertise to work with stakeholders to ensure Snowy Hydro 2.0 helps meet the state's energy needs without harming the waterways of this much-loved national park.

6 **Commitment** Effective communication and stakeholder engagement

The EPA has a strong focus on working with our stakeholders. We work with, listen to and engage with communities, government and business to reduce impacts on our environment.

People are looking for information, education and support to help inform decisions that could impact the environment. We are committed to providing this as well as a positive customer experience for everyone we deal with.

We appreciate the time and effort that stakeholders put into responding to our consultations and requests for information. Our work is enriched by their contributions and the changes we make in response to their feedback benefits all of NSW.

Our highlights this year reflect an ongoing commitment to the people of NSW. We:

- door knocked more than 700 households to provide information or precautionary advice around chemical or other contamination
- sought stakeholder and community feedback on 11 consultations on regulatory changes
- attended over 20 committee meetings and community forums at the invitation of various stakeholders
- responded quickly and effectively when incidents posed a risk to human health by providing timely, relevant and up-to-date information to the community 100% of the time
- achieved a 40% increase in subscribers to *EPA Connect*, our electronic newsletter
- updated our social media on 87% of days
- responded to 97% of general correspondence within the target time of four weeks.

In addition to the results reported above, we:

- provided secretariat support to five committees that meet regularly throughout the year
- provided advice and information to the community at exhibitions and events
- provided increased opportunities for community and stakeholder input to new legislation and policies to enable everyone to have their say

- strengthened our capacity to plan and deliver genuine, consistent and meaningful engagement by recruiting specialist staff to support our operational and technical staff.

Managing operational risks: Stakeholder engagement

Poor community and stakeholder relations could affect the EPA's capacity to implement best practice regulation and program delivery. To reduce these risks, the EPA:

- has specialist stakeholder engagement staff provide strategic advice on stakeholder engagement matters
- has a communications policy and guidelines in place
- has a stakeholder engagement framework in place
- periodically performs stakeholder surveys to address specific needs
- has a complaints handling policy in place.



An EPA officer ready to survey residents about their water use. Findings will help us better understand local needs and issues. Photo: Rosemary Pryor/EPA

Effective communication and stakeholder engagement

Consult and involve

Consultation with individuals, communities, independent experts and businesses, including those affected by environmental issues, helps inform and drive our work. Their involvement enables us to respond effectively to specific issues and incidents and keep improving our regulatory approach.

Community engagement on state significant infrastructure

Infrastructure projects can have significant impacts on a large and diverse range of community stakeholders, such as residents, schools and businesses. These impacts can include noise – especially from out-of-hours activities – and air emissions.

The EPA has been actively engaging with communities affected by state significant infrastructure projects in Sydney including the operation of the White Bay Cruise Passenger Terminal and construction of the WestConnex Motorway. The EPA licenses and regulates these projects which are required to manage and mitigate impacts during construction and operation.

Results

In 2018–19, we attended over 20 committee meetings and community forums at the invitation of various stakeholders. These events were important conduits for hearing from and sharing information with people affected by the White Bay terminal and WestConnex.

In response to community concerns, the EPA has tailored the information we provide to stakeholders to explain the developer's obligations, our regulatory role and the roles of other government agencies.

Other government agencies also attended these events, creating further opportunities for us to work together through joint campaigns and investigations triggered by community reports of noise and air emissions.

We also delivered timely and accurate information to the community on:

- environmental incidents
- how citizens can report pollution
- legislative changes, such as the regulation of low-sulfur fuel use by cruise ships.

Looking ahead

We will continue to attend the White Bay terminal and WestConnex community forums and committees when invited.

The EPA's membership of the State Significant Infrastructure Regulators' Forum provides an opportunity to continue our partnership with other NSW government agencies to minimise impacts on the community from infrastructure projects.

Leader: Leading interagency coordination for gas regulation

In our role as lead regulator for gas in NSW, the EPA coordinates interagency regulation of the gas industry through several initiatives including involvement with the Interagency Gas Working Group.

The working group aims to build robust relationships across government agencies through effective coordination of community information, media responses, government reporting, compliance and enforcement activities, planning and implementation of the NSW Gas Plan. These relationships enable the group to identify emerging issues and ensure a cohesive response.

In 2018–19, the EPA:

- attended and chaired 100% of interagency working group and communications meetings
- facilitated strong relationships and information flows across government agencies
- hosted on our website, the *Memorandum of Understanding on the regulation of gas activities*, which clearly defines the key agency roles
- attended 100% of the community consultative committee meetings for the Narrabri and Camden gas projects, demonstrating our commitment to community engagement.

Effective communication and stakeholder engagement

Inform

This year the EPA continued to provide timely and accurate information to the media, allowing us to communicate important issues of interest to the community, and we continued to grow our online audience. Achievements in 2018–19 include:

- responding to 615 requests for information and interviews from journalists
- issuing more than 170 media releases
- engaging with 889,500 Twitter users who saw or retweeted our posts, an increase of more than 47,000 since last year
- reaching over 4,000 stakeholder-subscribers through *EPA Connect*, our primary electronic newsletter.

During 2018–19, over 1.2 million people visited the EPA website. This resulted in over 5 million page views, up from 4.7 million the previous year.

The EPA increased its social media activity this year. We updated our social media on 87% of days in the period. We achieved a 20% increase in the number of Twitter followers and more than doubled our number of LinkedIn followers through engaging posts offering advice, employment opportunities or promoting EPA grant programs.



One of our top tweets this year: Organics Manager Amanda Kane (right) spoke about how to reduce food waste with host Monique Wright on Channel 7's *Weekend Sunrise* program.



Our top LinkedIn post in 2018–19 highlighted an innovative circular economy project that used recycled glass in road base.

A new platform for *EPA Connect*

The EPA's reach to stakeholders increased greatly in 2018–19. This year we engaged with up to 15,000 stakeholders through a variety of easy-to-read electronic newsletters and bulletins. *EPA Connect*, our primary electronic newsletter, now goes out to over 4,000 stakeholders through Salesforce Marketing Cloud delivery channel, a 40% increase in subscribers from the previous year. The Cloud allows us to reach stakeholders quickly with a professional and easy to take in look and feel. It also allows us to tailor stories to stakeholder interest and respond to their needs through analytics.

Effective communication and stakeholder engagement

Promoting lead and asbestos awareness

Renovators and home gardeners can come into contact with a number of dangerous substances, including lead in paint and asbestos in walls, ceilings and other parts of the home. While they have been phased out of consumer products due to their toxicity and potential impact on human health and the environment, lead and asbestos remain a significant legacy in the community.



We talked about the dangers of asbestos and lead with over

1,600

people at two Sydney Home shows

Lead-containing paint was used in NSW households until 1970 and almost half the homes in NSW may have some form of lead paint or residual lead paint dust. Australia also had one of the highest uses of asbestos in the world before it was totally banned in 2003. An estimated one in three houses contains asbestos which is removed in 20% of home renovations. Some academic research is warning do-it-yourself home renovators are expected to be the 'third wave' of the community affected by asbestos-related diseases.

For several years, the EPA has been collaborating with SafeWork NSW to educate home renovators about the dangers of lead and asbestos in the home and garden. We have developed education programs and resources and hosted stalls at Sydney Home Shows.



EPA staff ready to answer questions at the Sydney Home Show in April 2019. Photo: Rosemary Pryor/EPA

Results

In 2018–19, EPA and SafeWork NSW staff engaged with over 1,600 people and distributed more than 600 lead test kits at two Sydney Home shows.

This is a great example of a successful interdisciplinary and multi-agency outreach program led by the EPA where we partnered with other NSW government agencies to engage and educate the public about important health and environmental issues.

Our presence at the Sydney Home Shows built on a larger EPA lead awareness campaign which featured gardening authority Graham Ross from *Better Homes and Gardens*.

Looking ahead

The EPA will build on this successful outreach at future events such as the October 2019 Sydney Home Show and the Lake Macquarie Living Smart Festival in September 2019.

Effective communication and stakeholder engagement

Do you have pesky pests?

Many substances used in our homes, such as pesticides, pose particular risks to human health and the environment. The EPA aims to increase householder awareness of these risks through education and community engagement.



Our social media campaign increased awareness by

17%

that pest controllers should be licensed.

Some pesticides can only be used by licensed pest controllers, or pest management technicians. Our social research found that only 49% of people were aware that pest controllers must have a licence issued by the EPA. Licensed pest controllers must also undertake training to know how to avoid harming other people, animals or the environment when using pesticides. They are trained to use registered pesticides according to a product label or permit.

In summer 2018–19, we ran a campaign to raise awareness that pest controllers must have a licence. When hiring a pest controller to manage pesky pests, we encouraged householders in NSW to:

- check a pest controller is licensed by searching the EPA's public register
- ask to see the pest controller's licence
- ask the pest controller for the full product name and safety data sheet of the pesticide being used.

Language should not be a barrier to people being able to check a pest controller is licensed. The campaign was translated into the community languages most spoken at home in NSW: Arabic, Vietnamese and Simplified Chinese.



Pesticides campaign advertisement. Arabic text reads: 'Ask to see their licence'.

Advertisements in English and community languages were placed on social media, search results pages, YouTube and the EPA website.

Results

Follow-up research showed that the campaign increased householder awareness that pest controllers must have a licence, by 17%.

The campaign:

- generated over 16,000 searches of the EPA's public register, an increase of 1,580% from summer 2017–18
- reached over one million householders on social media, with 41,000 actively engaging with the campaign by commenting, sharing or liking
- reached over half a million householders via search results and YouTube.

Challenges

Tackling the risk posed to human health and the environment by unlicensed pest controllers will take time. Our research shows that, when aware that pest controllers must have a licence, some householders will still knowingly engage an unlicensed pest controller. Repeating the campaign at regular intervals may help change this behaviour.

Effective communication and stakeholder engagement

Partner: Collaborative action engages Sydney Park community

Sydney Park in Alexandria, the third largest park in the inner city, is a popular recreational area for many Sydneysiders. The park is built on a former landfill and landfill gases, including methane, have been detected at the boundaries of the reserve.

Since early 2019, the EPA has worked closely with site owner City of Sydney and neighbouring Inner West Council to:

- assess immediate methane risks in the confined basements of occupied premises surrounding the park (mostly high-density residential units)
- ensure ongoing management of the site.

Fire and Rescue NSW (FRNSW) assisted the EPA with testing. No immediate risks from landfill gas were identified.

The City of Sydney and the EPA actively engaged with the community. This included:

- 4,000 letters sent to residents and business owners to explain why the EPA and FRNSW were in the area
- clear messaging that the landfill gases do not pose a threat to human health in open spaces like those enjoyed by recreational visitors



A board providing information about land management in Sydney Park. Photo: Rosemary Pryor/EPA

- information boards regarding land management in the park
- City of Sydney 'rovers' in the park to answer questions (with only one stakeholder voicing concern and it was on the topic of pet safety).

Overall, there was a low level of concern among park users. Remediation of the contamination is likely to be regulated through a Voluntary Management Proposal with the City of Sydney.

Effective communication and stakeholder engagement

Customer service

Responding promptly to inquiries

The EPA responds to correspondence both from the public and on behalf of the NSW Government and the Minister for Energy and Environment.

In 2018–19, we responded to 1,528 items of public correspondence, most of which was referred to the Waste and Resource Recovery branches (38%) and the Container Deposit Scheme Branch (15%).



We responded to
97%
of general correspondence
on time

The 24-hour EPA Environment Line is another avenue for the public to provide feedback and report pollution. Last year, it received over 86,513 phone calls. Of the 39,727 calls that were specifically for the EPA:

- 7,993 were related to incidents (such as reports of pollution or hazardous incidents)
- of these, 1,513 resulted in follow-up actions.

In 2018–19, we also received more than 27,000 email inquiries and reports through Environment Line.



Happy community members at our Camden Show stall learning about protecting the environment.
Photo: Rosemary Pryor/EPA

Results

The EPA met a key performance measure for customer service this year, with more than 97% of general correspondence responded to within the target time of four weeks. This was an improvement of 2% on 2017–18.

Our response rates to parliamentary correspondence (87% responded to within two weeks) increased by 7% from the previous year.

Approximately 83% of calls to Environment Line were resolved during the initial call.

Looking ahead

The EPA will continue to improve customer satisfaction and enhance the services we offer to the community and our regular stakeholders. During 2019–20, we will continue to improve the customer experience for callers to Environment Line, based on the results of a customer experience survey that started in April 2019.

The EPA leads by example and provides local, state and national leadership on current and emerging environmental issues.

We work ethically and sustainably and are committed to continuous improvement. We encourage innovation and base our decisions and programs on strong evidence and detailed research.

We pride ourselves on being a high-performing organisation. EPA staff are highly capable and passionate about the work they do. The annual *People Matter Employee Survey* of NSW public servants confirms this passion, with this year's results showing high levels of staff satisfaction, engagement, and confidence in their work.

We support our staff by encouraging an inclusive culture, listening to what they say and providing high quality training and development opportunities. In 2018–19 our achievements included:

- continuing to build our staff capacity with a new online regulatory officers' library and environmental auditing training
- launch of our first *Inclusion and Diversity Strategy*
- extending the reach of the Australasian Environmental Law Enforcement and Regulators neTwork (AELERT).

See other sections of this report for details of our achievements in governance, human resources and legal services.

Innovation and leadership

Leading the way with cross-jurisdictional collaboration through AELERT

The EPA has been hosting the Australasian Environmental Law Enforcement and Regulators neTwork (AELERT) since late 2017 when Mark Gifford took over as Chair of the network.



Under EPA leadership, membership of AELERT increased by

49%

AELERT is a professional body for environmental regulators and legislators in Australia and New Zealand. Formed 16 years ago, AELERT offers member-only training, events, resources and access to member contact details within the 2,600-strong network.

During our time hosting AELERT, we have appreciated the opportunity to learn from other agencies' environmental regulation policies, actions and management practices.

Exemplary organisation

Results

This year the EPA AELERT Secretariat has been involved in coordinating networking opportunities, online discussions, regional and city-based roadshows and meetings that support capacity-building and information-sharing for the whole network. This included:

- Visiting Perth, Bunbury, Kalgoorlie, Adelaide and Hahndorf for Steering Committee meetings and educational roadshows. This led to nine new agencies joining the network.
- Hosting a webinar 'Get to Know AELERT' in Joondalup WA with local and NSW members attending in person and 115 viewers tuning in from across Australia and New Zealand.
- A successful member survey in February 2019 with 431 respondents offering numerous suggestions and insights into member interactions.

During this time:

- membership increased from 1,752 in December 2017 to 2,615 in June 2019, a 49% increase
- the number of member agencies grew from 205 to 221.

Challenges

The scale of the network and distribution of members poses a challenge to the Secretariat in terms of face-to-face engagement and training. To overcome this, the Secretariat began hosting city and regional roadshows and webinars in the same state or territory as one of the regular Steering Committee meetings.

To help extend its reach, AELERT has also been involved in conferences such as the WASTE 2019 Conference and the South Australian Authorised Persons Association Professional Development Seminar.

Looking ahead

In 2020, AELERT will join forces with the International Network for Environmental Compliance and Enforcement (INECE) for the first time, bringing thought leaders and international regulators together for a conference in Adelaide.

AELERT will continue to visit and engage with jurisdictions across Australasia. The website www.aelert.net will be upgraded to facilitate better knowledge-sharing and create a more user-friendly platform for regulators to engage and collaborate.

Based on feedback from a 2019 AELERT member survey, there will be a strong focus on recording and distributing informative webinars, such as this year's wood smoke webinar presented by Dr John Innis that was made available to all members on the AELERT website.

Workforce capability

EPA regulatory officers' library

Consistency in regulation is a priority for the EPA. In early 2019, we launched an e-library on the staff intranet that will ensure our operations officers take a consistent approach across all regulatory activities.

The project was kicked off in late 2017, with the aim of providing a single source of guidance on operational policies and procedures. The new regulatory officers' library gives staff easy access to current operational policies, procedures, templates and guidelines.

The library includes:

- approved internal operational policy documents
- mandated regulatory procedures
- procedures and other guidance on the EPA's role in processing, assessing and advising on planning matters
- subject-specific information relating to our regulatory functions, with links to internal and external resources
- links to training courses
- mandatory review dates on every document to ensure all content is regularly updated.

The library will be continuously improved over time. We will continue to add content, monitor for quality and currency and make sure it is kept up-to-date and easy to use.

Exemplary organisation

Partner: AELERT builds capacity for remote regulators



AELERT Secretariat staff with Western Australian co-hosts of the WA Roadshow. L-R: Germaine Larcombe, Department of Water and Environmental Regulation, Zoe Kennedy, AELERT Secretariat, Ed Schuller and Felicity Harvey, AELERT. Photo: EPA

While visiting WA for the AELERT Steering Committee in March 2019, the EPA AELERT Secretariat took the network on the road for a Get to Know AELERT Roadshow. One of their first stops was the mining town of Kalgoorlie-Boulder where they met with a variety of regional environmental regulators and wildlife officers.

One wildlife officer at the event was responsible for monitoring and reporting on an area covering approximately 10% of the entire Australian landmass. This is an extraordinary responsibility for one person. Unsurprisingly, this officer was very interested in how AELERT might be able to benefit and assist him in his work.

One of the benefits of an AELERT membership is the access members have to an online discussion board where members can ask each other questions or showcase projects they've been working on. The AELERT Secretariat was able to sign the WA wildlife officer up to the network during their visit and he is now able to engage with other AELERT members if he needs assistance or has a question that others could help with. There are also online resources such as webinars and reports and online training that this officer now has access to, enhancing his capacity-building and helping him with his regulatory work.

Exemplary organisation

Leader: Pambula Lake diesel spill



Oyster farmer Peter Sullivan shows an EPA officer oyster leases that may have been affected by the diesel spill so they can be sampled for contamination. Photo: Matthew Rizzuto/EPA

In October 2018, EPA staff were on the ground to provide clean-up and environmental advice after a diesel spill covered 10 hectares of Pambula Lake on the far south coast. Half a dozen oyster leases were impacted by the spill. The EPA's Emergency, Sampling, Analysis and Response team was deployed to provide specialist sampling support to assist clean-up decisions, protect environmental health and advise on oyster farm closures and the impact of responses.

The EPA played a major role in coordinating the response to this incident, working closely with Fire & Rescue NSW, Department of Planning,

Industry and Environment Science staff, Roads and Maritime Services (RMS), Bega Valley Shire Council, NSW Food Authority and NSW Health to ensure the polluter was held to account, the community was safe and the area was cleaned up quickly and effectively.

Fingerprinting analysis of the samples enabled the EPA to identify the boat which discharged diesel to the lake and RMS to issue a penalty notice for the pollution from the vessel.

The community praised the rapid actions of all agencies involved in the response, despite the remote location.

Exemplary organisation

Enhancing incident response capability through training

Effective incident response requires the involvement of competent staff who are trained in incident management skills, knowledge and application. The EPA offers internal training in incident management and supports personnel attending externally provided training programs.

In 2018–19, we:

- provided training in sampling techniques to regional staff so they can conduct their own sampling where necessary
- deployed and provided remote support to regional branches to assist with environmental sampling, incident management, multi-agency coordination and the management of emergency recovery
- participated in multi-agency functional exercises in incident and emergency management at state and regional levels to further develop relationships and enhance incident response.

Results

This year:

- 19 of our staff undertook training in marine oil and chemical spill emergencies, which has increased our capacity to provide personnel for the State Response Team under their responsibilities in the State Plan
- five staff attended emergency management training provided by the NSW Office of Emergency Management
- 10 staff were involved in a simulated exercise to improve appreciation, knowledge, skills and data during a catastrophic flood event with environmental and waste impacts – see Commitment 3, Exercise Deerubbin
- we conducted the following courses: incident management system awareness; environmental services commander; and environmental sampling.

Environmental auditor training

The EPA delivers environmental auditor training to regulatory officers both internally and to other regulatory agencies around Australia. The training is led by professionals who are accredited with an internationally recognised Environmental Management Systems certification.

In 2018–19, we delivered four environmental auditor training courses in Sydney, Hobart and Canberra with 61 participants from Federal Government, state and local agencies (including the Department of Environment and Energy, NSW Department of Planning, Industry and Environment, Murray-Darling Basin Authority, Land Commission of NSW, EPA Tasmania and councils from NSW and Tasmania). Participants received comprehensive training in compliance and environmental management systems auditing.

Employee engagement

Our highly engaged workforce

Each year the EPA uses the NSW Public Sector *People Matter Employee Survey* to improve communication and engagement throughout the organisation. The survey provides an opportunity for almost 400,000 public sector employees to give feedback on their experiences and perceptions of their workplace culture and operations.



The People Matter Employee Survey shows that

82%

of our staff think their manager values their input

The EPA's strong response rate (89%) provides a good basis for understanding staff views and experiences across the organisation.

Commitment 7

Exemplary organisation

Results

Each year all staff are encouraged to complete the *People Matter* survey. Feedback is used to identify areas to improve communication and engagement throughout the organisation.

The EPA has consistently performed well in the survey and above the public sector average. In 2019, the EPA's results showed further improvement for all but one headline measure which remained the same as last year.

Overall the survey showed high levels of staff satisfaction, with the following aggregate scores:

- 72% for employee engagement (7% higher than the public sector average)
- 76% for engagement with work (4% higher)
- 81% for diversity and inclusion (12% higher).

See also Section 5: Our people matter (page 103) for more details about staff satisfaction.

Management of employees saw some of the greatest improvements:

- 82% of staff agreed that their manager encourages and values employee input (up from 75%)
- 78% of staff felt that their manager communicates effectively with them (up from 70%).

Areas the EPA could focus on improving include change management (41% result), grievance resolution (40%), recruitment processes (44%) and access to career development opportunities (54%).

The EPA scored significantly better than the public sector average for workplace bullying, but with 10% of staff reporting having been subjected to it, this is still an area needing strong improvement.

While scoring 17% higher than the public sector average, there was no change in employee satisfaction with their ability to access and use flexible working arrangements. Recognising the importance of promoting flexible workplace options, EPA management has actively promoted the organisation's support for flexible work through branch level workshops. This helps management understand the perceived barriers to flexible work and provides opportunities to encourage pilots of flexible work, including alternate work locations.

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This will become increasingly important with the EPA's office relocation to Parramatta in January 2020.

Looking ahead

Over the next few months the Senior Management Group will work with staff to identify how we can maintain our successes and deepen our understanding of challenges and other potential areas for improvement. This consultation will help inform the development and implementation of a *People Matter Employee Survey Action Plan* for the EPA.

Workplace diversity

EPA Inclusion & Diversity Strategy 2019–2021



Supporting inclusion and diversity

It is important to the EPA that all our staff feel safe, encouraged and supported in their work. To further this important goal, EPA leadership continues to support the work of the EPA Inclusion & Diversity Committee.

The committee is a formal subcommittee of the EPA Executive that reflects the diversity of the wider community. Members include staff from across all EPA branches who are committed to building an inclusive workplace together with representatives from other staff-led networks, such as the Spokeswomen's Program, Young Professionals Network, the Disability Employee Network and the Rainbow Connection (see Section 5: Our people for more details).

Commitment 7

Exemplary organisation

This collective experience enables the committee to work with colleagues from across the public sector to increase diversity and inclusion and cultivate greater staff awareness of the importance of inclusion and diversity at work.

Results

This year, the committee led work on the following initiatives designed to improve the inclusive culture of the EPA:

- development and launch of our first *Inclusion & Diversity Strategy 2019–2021* designed to guide all EPA staff on their roles and responsibilities to help an inclusive and diverse workplace to thrive and based on four strategic priorities –
 - becoming a truly inclusive workplace
 - embodying inclusive leadership
 - improving employee attraction and retention
 - enhancing community engagement
- organising and leading a successful event for EPA staff exploring the aged care system and ensuring the wellbeing of caregivers in the workplace
 - the event was in response to evidence that a significant portion of staff are engaged in eldercare and included speakers from the Seniors Rights Service and Carers NSW offering practical advice for those already engaged in caring for elders or who may do so in future
- participation in a review and development of both the EPA and the broader cluster agency's policy documents addressing improvement to inclusive practices for Aboriginal and Torres Strait Islander staff, staff with a disability, female and LGBTIQ+ staff.

Looking ahead

The Inclusion & Diversity Committee is leading the EPA's participation in the second Diversity Council of Australia's Inclusion@YourWork Index to assess the diversity and inclusiveness of workplaces in the public and private sectors by December 2019. The committee will also host an event focused on mental health and the workplace in regional NSW in September 2019.

Sustainability

We are change makers



Fishing strange items out of Dumaresq Creek in Armidale on Clean Up Australia's Business Clean Up Day. Finds included witches hats, old boots and shopping trolleys. Photo: EPA

Our staff are passionate about making the EPA a more sustainable organisation. We've accomplished much since the launch of the *OEH/EPA Sustainability Strategy 2015–2020*.

In 2018–19 we continued to distribute EPA-branded KeepCups to all staff through our induction program. If all staff use reusable cups, this will keep an estimated 144,000 disposable coffee cups out of landfill each year. We also continued to fund TerraCycle boxes for hard-to-recycle office waste, and are working with the Department of Planning, Industry and Environment to reduce potential waste associated with the office move to Parramatta in 2019–20.

Exemplary organisation

Results

This year, the EPA's staff network of Sustainability Change Makers supported a range of initiatives to reduce waste and encourage recycling. These included:

- participation in Plastic Free July, an international campaign that raises awareness about plastic waste – around 40 people attended a staff seminar and pledged to reduce their use of single-use plastic
- participation in Clean Up Australia's Business Clean Up Day in March – around 30 staff from four offices in Sydney and Armidale collected 10 bags of litter and dumped rubbish
- two clothing swaps in April, where staff brought in over 100 items of pre-loved clothing to exchange and raised around \$600 for the charity Dress for Success.

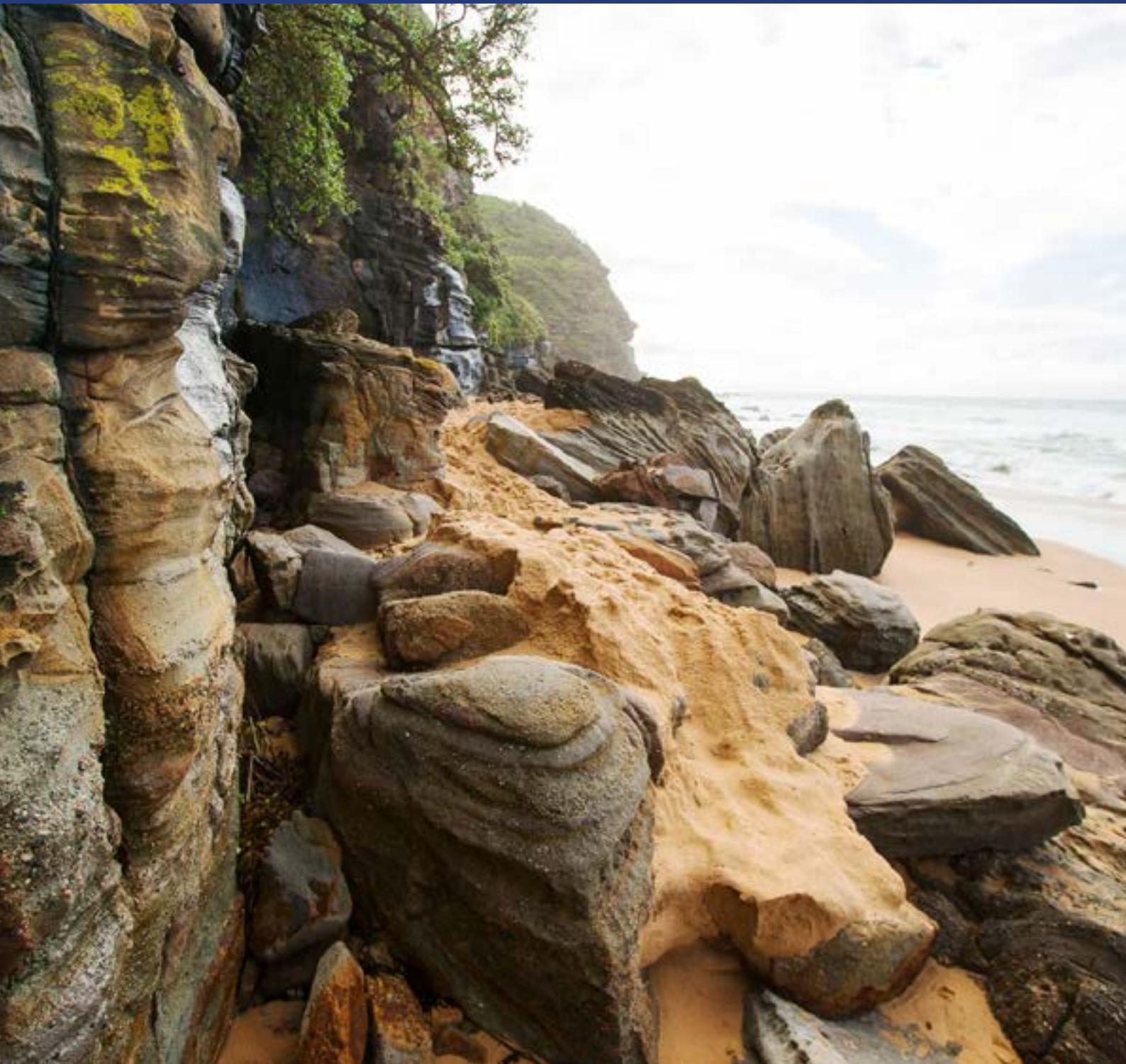
For information about our performance against the Government's resource efficiency targets see Government resource efficiency in the Governance section of this report.

Looking ahead

Over the next year, our sustainability program will continue to tackle waste and resource efficiency in the workplace. Planned activities include:

- expanding our participation in Plastic Free July and increasing participation by regional staff
- ramping up staff participation in the Biketober Business Challenge, an event which promotes commuting by bicycle to improve health and reduce pollution and road congestion
- partnering with the Department of Planning, Industry and Environment staff sustainability network, the Planeteeers to host sustainability events.

3 Section Legal enforcement



Section 3

Legal enforcement

As the primary environmental regulator for NSW, we protect the community and our environment by holding individuals and organisations to account when their actions pose significant potential or actual threats to human health and the environment.



Our 57 successful prosecutions resulted in almost **\$750,000** in penalties

This year the EPA successfully prosecuted a large number and range of environmental offences including water pollution, breaches of environment protection licences, illegal waste disposal and radiation control.

The EPA successfully proved its case in 57 prosecutions and the courts imposed almost \$750,000 in financial and other penalties. Case studies explaining the details of a number of important successful prosecutions are included in this section of the report.

This year our prosecution success rate for substantive prosecutions (excluding littering) was 100%.

The EPA played a key role in preparing the *Protection of the Environment Operations Amendment (Asbestos Waste) Act 2018*, which was passed by the NSW Parliament in November 2018. The Act amends the *Protection of the Environment Operations Act 1997* to create a new standalone offence for illegally disposing of asbestos waste with a maximum fine of \$2 million for corporations and \$500,000 for individuals. These are double the maximum penalties for existing land pollution and waste offences that involve asbestos waste and require the courts to consider the presence of asbestos when sentencing offenders under the Act.

We were also involved in updates to existing regulations that:

- provide for the continuation of existing integrated forestry operations approvals for bee-keeping and grazing activities – see Our performance, Commitment 1, Forestry
- introduce new standards for managing construction waste at licensed construction and demolition waste facilities to minimise the risk of harm from contaminants and improve industry and community confidence in the quality of resources recovered from this waste stream – see Our performance, Commitment 4
- strengthen sentencing provisions by prescribing a protocol for the courts to determine the monetary benefit an offender might gain by committing environmental offences.

Legal context

Under legislation administered by the Minister for Energy and Environment, the EPA:

- issues and reviews environment protection licences
- issues penalty notices
- prosecutes individuals and companies that are alleged to have committed environmental offences
- enters into enforceable undertakings in lieu of prosecution.

See Appendix 1 for the full list of Acts administered by the EPA in 2018–19.

Section 3

Legal enforcement

Legislative changes in 2018–19

New and amending Acts

One new act administered by the EPA was created in 2018–19:

- *Protection of the Environment Operations Amendment (Asbestos Waste) Act 2018*

New and amending Regulations

The following Regulations were made or remade in 2018–19:

- Dangerous Goods (Road and Rail Transport) Amendment (Model Law) Regulation 2019
- Forestry Amendment Regulation 2018
- Protection of the Environment Operations Amendment (Drug Exhibit Waste and Vapour Recovery) Regulation 2019
- Protection of the Environment Operations (General) Amendment (Calculating Amount of Monetary Benefits) Regulation 2019
- Protection of the Environment Operations Legislation Amendment (Waste) Regulation 2018
- Protection of the Environment Operations (Waste) Amendment (Waste Contributions Exemption) Regulation 2018.

Prosecutions for pollution offences

In 2018–19, the EPA started over 80 prosecutions and completed 66 of which 57 were successful. Of the completed prosecutions, 41 were for substantive offences and the other 25 were for court-elected matters where recipients of penalty notices for littering elected to have the matters determined by a court instead of paying the fine. The 41 substantive prosecutions resulted in:

- 40 convictions
- one matter where a conditional release order was made.

The 25 court-elected littering prosecutions resulted in:

- 10 convictions
- six matters where the offence was proven but a conviction was not recorded
- five acquittals
- four dismissals.

Total prosecutions under EPA legislation

Fines	\$539,160
Other financial penalties (excluding legal costs)	\$209,050
Total fines and other financial penalties	\$748,210

Appendix 2 provides full details of the substantive prosecutions completed under EPA legislation in 2018–19.

Prosecution case studies

The following case studies provide insight into the range of offences for which the EPA regularly prosecutes and highlight significant outcomes in the courts in 2018–19.

Australian Aged Dental Care Pty Ltd

Offences: Nine offences of failing to ensure regulated material was not used by a person who did not hold a radiation management licence.

Australian Aged Dental Care Pty Ltd operated four mobile dental units that travelled throughout NSW providing dental treatment to school children. The mobile units were large semi-trailer trucks, fitted with consultation rooms and an X-ray machine. They were staffed by ‘clinic managers’, who took an orthopantomogram (a type of dental X-ray) of every child who entered the unit, even though none held a radiation management licence allowing them to do so.

Plea: Guilty

Section 3

Legal enforcement

Result: In August 2018, the Downing Centre Local Court convicted Australian Aged Dental Care of nine offences of failing to ensure that regulated material was only used by a person who held a radiation management licence.

Australian Aged Dental Care was ordered to pay:

- a total of \$198,000 in fines
- the EPA's legal costs.

Australian Aged Dental Care Pty Ltd was ordered to publicise details of the offences in *The Sydney Morning Herald* and *Daily Telegraph*.

Crown in the Right of New South Wales

Offence: Water pollution

The EPA prosecuted the Crown in the Right of New South Wales (acting through the former Office of Environment and Heritage – [OEHL]) for polluting waters in breach of the *Protection of the Environment Operations Act 1997*. OEHL owned and operated the Perisher Sewage Treatment Plant in Kosciuszko National Park. During 2017, conditions in the plant's tanks were not maintained in a manner that adequately reduced ammonia and nitrogen during treatment. This led to the release of effluent with elevated ammonia and nitrogen which polluted the waters of Perisher Creek between June and September 2017.

Plea: Guilty

Result: In May 2019, the Land and Environment Court convicted the Crown in the Right of New South Wales of polluting waters. The defendant was ordered to pay:

- an \$84,000 fine
- the EPA's investigation costs of \$29,204
- the EPA's legal costs.

Dial-A-Dump (EC) Pty Ltd

Offences: Two offences of failing to cover asbestos

On 18 October 2016, EPA authorised officers inspected a landfill facility owned and operated by Dial-A-Dump (EC) Pty Ltd at Eastern Creek. The EPA inspection revealed asbestos waste in two areas of the landfill that had not been adequately covered with material, such as clean fill or other soil. This was contrary to the requirement for all asbestos waste disposed of in a landfill to be covered to a depth of 15 centimetres 'initially at the time of disposal'.

The EPA issued a penalty notice to Dial-A-Dump (EC) which elected to have determined by a court. The EPA subsequently began proceedings in Blacktown Local Court for failing to cover asbestos waste as required.

Plea: Not guilty

Result: In July 2018, Blacktown Local Court convicted Dial-A-Dump (EC) Pty Ltd of two offences of breaching asbestos cover requirements.

Dial-A-Dump (EC) was ordered to pay:

- \$23,300 in total fines
- the EPA's legal costs.

Dial-A-Dump (EC) Pty Ltd was ordered to publicise details of the offence in *Inside Waste* magazine.

Section 3

Legal enforcement

Edward Gilder

Offence: Using a place as a waste facility without lawful authority

Newcastle Waste Recycling Pty Ltd operated a waste recycling facility from a property at Tomago. In 2014, the amount of waste stored at the facility was above the threshold requiring an EPA environment protection licence. Following an investigation, the EPA started a prosecution against the company in 2017 for carrying out waste storage without this licence. The EPA also separately prosecuted Edward Gilder in his capacity as the site manager. The prosecution of the company was withdrawn after the company went into liquidation.

Plea: Guilty

Result: In August 2018, the Land and Environment Court convicted Mr Gilder of unlawfully using a place as a waste facility.

Mr Gilder was ordered to pay:

- a \$37,500 fine
- the EPA's legal costs.

Glass Recovery Services Pty Ltd

Offence: Three offences of breach of licence condition

Following an inspection of its premises by the EPA, Glass Recovery Services Pty Ltd (GRS) was issued with three penalty notices, totalling \$45,000 in fines, for alleged breaches of the conditions of its environment protection licence issued by the EPA. The alleged breaches related to the operation of a roller door outside of the hours permitted by the licence; storage of aluminium and other material outside, which the licence required to be kept inside; and the storage of glass material in a bunker exceeding the height of the bunker walls.

GRS elected to have each of the matters determined by a court. The EPA subsequently started proceedings in Penrith Local Court.

Plea: Guilty

Result: In May 2019, Penrith Local Court convicted GRS of three offences of breaching a condition of its environment protection licence.

GRS was ordered to pay:

- \$55,000 in total fines.

Sam Ali

Offence: Three offences of failing to comply with an investigative requirement.

Sam Ali was the sole Director and shareholder of a trucking company known as SA Civil (Aust.) Pty Ltd. On 2 December 2017, EPA officers conducted a directed interview with Mr Ali requiring him to answer questions in relation to his knowledge of matters relating to the transport and deposition of waste which were under EPA investigation. During the interview, Mr Ali answered "I don't know" or "I do not remember" to certain questions. Mr Ali also left the interview before the EPA officers had finished asking their questions. Following the interview, Mr Ali was charged with three offences of failing to comply with a requirement to answer questions during the interview.

Plea: Not guilty

Result: In January 2019, Parramatta Local Court convicted Sam Ali of three offences of failing to comply with an investigative requirement.

Mr Ali was ordered to pay:

- \$17,500 in total fines
- the EPA's legal costs.

Section 3

Legal enforcement

Signium Pty Ltd

Offences: Breach of licence condition and providing false and misleading information

Signium Pty Ltd operates a piggery at Ellangowan near Casino and holds an environment protection licence to do so. The piggery generates effluent and waste, which primarily flows into anaerobic ponds and an effluent dam. Effluent from the dam is used for irrigation. Various concerns with the management of effluent and waste at the piggery included:

- effluent leaking from the dam
- no monitoring of sludge volumes in the dam
- irrigation of effluent onto saturated soils.

Signium's licence also required it to submit monthly irrigation reports within 10 days of the end of the month, which it periodically failed to do. Despite this, Signium stated in its annual return that it had complied with all of its licence conditions.

Plea: Guilty

Result: In August 2018, the Land and Environment Court convicted Signium Pty Ltd of breaching a licence condition and providing false and misleading information.

Signium was ordered to pay:

- \$27,000 in total to the NSW Environmental Trust
- the EPA's legal costs.

Tenterfield Shire Council

Offence: Water pollution

Tenterfield Shire Council owns and operates a sewage treatment plant and associated infrastructure in the town. In June 2016, following a pipeline blockage caused by the growth of tree roots, approximately 1.32 megalitres of raw sewage was discharged from an outlet that forms part of the sewage system onto privately owned rural property and then into Tenterfield Creek. The EPA prosecuted Tenterfield Council for one offence of water pollution in Armidale Local Court.

Plea: Guilty

Result: In October 2018, Armidale Local Court convicted Tenterfield Shire Council of polluting waters.

The council was ordered to pay:

- a \$50,000 fine
- the EPA's legal costs.

Tenterfield Shire Council was ordered to publicise details of the offence in *The Land*, *The Tenterfield Star* and Tenterfield Shire Council's fortnightly newsletter.

Viva Energy Australia Pty Ltd

Offences: Water pollution and breach of licence condition

On 30 December 2016, marine fuel oil leaked from a five-metre overhead pipe in an area without sediment and run-off containment at Viva Energy's fuel import and storage facility at the Gore Bay Terminal in Greenwich, Sydney. This resulted in about 500 litres of oil entering the waters of Gore Bay. The leak occurred from two small holes in a pipe covered with insulation. When the insulation was later removed, it was evident that the pipe was visibly corroded. Viva's failure to maintain the pipe in a proper and efficient condition breached its environment protection licence. The company was unaware of any inspections, testing or maintenance of the pipe between its installation in the mid-1990s and the date of the spill.

The spill affected approximately 350 metres of the Gore Bay shoreline and resulted in the death of oysters in this area. Limpets and mobile organisms were also affected. Viva undertook an extensive clean-up operation at a cost of over \$680,000 and by 18 August 2017 the EPA was satisfied that an adequate result had been achieved. After the incident, Viva completed inspection and testing of all pipework at the terminal that had not otherwise recently been tested.

Plea: Guilty

Section 3

Legal enforcement

Result: In March 2019, the Land and Environment Court convicted Viva Energy Australia Pty Ltd of polluting waters and breaching a licence condition.

Viva Energy was ordered to pay:

- \$100,000 in total to the NSW Environmental Trust
- the EPA's investigation costs of \$3,050
- the EPA's legal costs.

Viva Energy Australia Pty Ltd was ordered to publicise details of the offences in *The Sydney Morning Herald*, *The Australian Financial Review*, *North Shore Times* and *The Village Observer*.

Whitehaven Coal Mining Ltd

Offence: Breach of licence condition

Whitehaven Coal Mining Ltd's operations include the Rocglen Coal Mine for which it holds an environment protection licence. Post-blast fumes or Nitrogen Oxide fumes ('NOx fumes') can arise from the detonation of ammonium nitrate-based bulk explosives used in the processing of coal overburden at the mine. On 10 August 2016, blast toxic NOx fumes migrated off the premises, across a public road and onto the neighbouring farm where it appeared to move in close proximity to a number of sheds. Whitehaven pleaded guilty to breaching a condition of its environment protection licence by failing to carry out its activities in a competent manner.

Plea: Guilty

Result: In March 2019, the Land and Environment Court convicted Whitehaven Coal Mining Ltd of breaching a licence condition.

Whitehaven was ordered to pay:

- \$38,500 to the NSW Environmental Trust
- the EPA's legal costs.

Whitehaven Coal Mining Ltd was ordered to publicise details of the offence in *The Sydney Morning Herald*, *Daily Telegraph*, *The Australian Financial Review* and *The Northern Daily Leader* and on the parent company's website.

Enforceable undertakings: an alternative to a court hearing

Enforceable undertakings are an enforcement tool which 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 offences in industry- or location-specific publications.

These undertakings are enforceable in the Land and Environment Court.

In 2018–19, the EPA entered into four enforceable undertakings. These required the parties to take corrective actions and make monetary contributions totalling \$405,000 to environmental projects and initiatives. The table summarises key actions and contributions.

Section 3

Legal enforcement

Enforceable undertakings

Incident	Company	Agreed actions	Amount
23 August 2017 – Stockpile of unbundled excavated sediment waste contaminated with high concentrations of tributyltin in Port Macquarie	Birdon Pty Ltd	<ul style="list-style-type: none"> Monetary contribution towards Ocean Watch Australia Ltd and the NSW National Parks and Wildlife Service for environmental projects to improve the quality of water in the Hastings River 	\$60,000
31 May 2018 – Sediment-laden water accidentally discharged from a site used as part of the Northern Beaches Hospital Connectivity and Network Enhancement Project into an unnamed creek in Oxford Falls	Ferrovial Agroman (Australia) Pty Ltd	<ul style="list-style-type: none"> Monetary contribution towards weed treatment in Brick Pit Reserve, Frenchs Forest Measures to improve environmental performance 	\$15,000
17 December 2015 – Misleading data provided to the EPA from weighbridge in St Peters	Metropolitan Demolitions & Recycling Pty Ltd	<ul style="list-style-type: none"> Monetary contribution to the NSW Environmental Trust for general environmental purposes Measures to prevent future incidents 	\$80,000
November-December 2017 – Petrol supplied from Parramatta Terminal exceeded applicable vapour pressure limits	Viva Energy Australia Pty Ltd	<ul style="list-style-type: none"> See case study for details 	\$250,000
Total monetary contributions towards environmental works			\$405,000

Penalty notices

In 2018–19, a total of 7,428 penalty notices were issued by the EPA and 4,996 notices by other state or local government agencies, such as OEH and the National Parks and Wildlife Service. The total value of all penalty notices was \$8,500,060.

Littering from motor vehicles resulted in the largest number of fines, with 8,521 infringements amounting to over \$2.39 million in fines. This reflects the ongoing success of the EPA's programs encouraging the public to report littering from vehicles. Penalty notices for other littering offences amounted to almost \$280,000 in fines.



There were

12,424

penalty notices issued for environmental offences resulting in over **\$8.5 million** in fines

After littering, the most common offences were related to water pollution, attracting over \$2.3 million in fines.

See Appendix 3 for the full list of penalties.

Section 3

Legal enforcement

Enforceable undertaking in action – Viva Energy



An EPA officer at an air quality monitoring station. Viva Energy agreed to fund improvements to Sydney's air monitoring network as part of its enforceable undertaking. Photo: Nick May/EPA

Viva Energy Australia Pty Ltd stores and dispatches petroleum products at its Parramatta Terminal in Rosehill. In November–December 2017, 42.5 million litres of petrol supplied from this terminal exceeded the summer vapour pressure limits set out in the Protection of the Environment Operations (Clean Air) Regulation 2010.

Pressure limits are designed to help protect Sydney's air quality during the hot summer period. Placing limits helps minimise the formation of ground level ozone (photochemical smog) and thus reduces risks to human health and the environment.

The EPA agreed to an enforceable undertaking as an alternative to prosecuting Viva for this breach. We also consulted OEH to identify an appropriate air quality program in Sydney that Viva could fund as part of its agreement.

Under the enforceable undertaking, Viva:

- improved its staff training and revised procedures to ensure future compliance with the Regulation
- provided \$250,000 to fund improvements to a planned long-term roadside air quality monitoring station, to be incorporated into the NSW Air Quality Monitoring Network to provide accurate, real-time air quality data
- publicised details about the offence in specific newspapers
- provided an additional \$20,500 to fund the EPA's investigative and legal costs.

The Viva example demonstrates the value of enforceable undertakings for delivering both improved compliance and lasting environmental benefits – such as monitoring and management of air pollution – without a costly, time-consuming court process.

4 Section Grants and sponsorships



Section 4

Grants and sponsorships



Aboriginal community members in Grafton check out worm farming during a two-day waste and recycling education training workshop funded by the Aboriginal Communities Waste Management Program. Photo: EPA

EPA grants and sponsorships are vital for achieving our vision for NSW of a healthy environment, healthy community and healthy business.



Over
\$30 million
in EPA grants and
sponsorships helped the
people of NSW care for
our environment

The EPA makes it possible for everyone in NSW to get involved in protecting the environment by providing much-needed funding for campaigns, programs, resources, infrastructure, events, education and research.

In 2018–19, we provided grants worth a total of \$30.2 million. This funding supported important initiatives that will help NSW achieve the goals of the *NSW Waste Avoidance and Resource Recovery Strategy 2014–21* and reduce the harm of legacy contamination by substances such as lead and asbestos.

Over the same period, we also provided \$220,994 in sponsorships to support activities and events which align with the strategic goals and objectives of the EPA.

Section 4

Grants and sponsorships

Grants

The EPA provides grants to recipients at all levels, including government, business and community groups. This funding makes it possible for the recipients to deal with environmental issues in a targeted way. Grants are funded from non recurrent and recurrent funding including the waste levy.

In 2018–19, most EPA grants related to littering and waste management. They covered a variety of programs and activities such as:

- the Recycling Relief Fund, which helps rural and regional councils to cover increased costs due to the impact of China accepting less recycling material from Australia
- investment in recycling infrastructure and programs for reuse of industrial by-products
- food waste avoidance education programs for households and businesses

- local implementation of EPA campaigns such as *Don't be a Tosser!* (see page 66).

See Section 2: Our performance for more details on major achievements related to funded waste programs and Appendix 4 for the full list of program descriptions and grantees.

In 2018–19, grants not related to waste targeted issues such as lead and asbestos contamination and wood smoke. They funded education for affected communities and the clean-up or containment of contaminated areas. See Appendix 5 for details of programs and grantees.

Grants paid and approved in 2018–19 are summarised in the table below. Some grants paid in 2018–19 were approved in previous financial years.

Grant program	Total payments 2018–19*	Grants approved 2018–19
Waste grants		
Local government grants	\$14,692,264	\$15,083,587
Bin Trim grants	\$1,829,990	\$5,160,000
Bin Trim rebate	\$333,789	\$713,010
Illegal dumping (prevention and clean-up)	\$2,719,695	\$2,704,131
Improving systems for household problem wastes (Community Recycling Centres)	\$1,279,921	\$1,279,921
Organics Infrastructure Fund	\$1,644,228	\$2,358,361
Industrial ecology and business recycling programs	\$614,363	\$1,390,671
Product improvement program	\$1,182,381	\$3,654,154
Waste and recycling infrastructure	\$245,000	–
Resource Recovery Facility Expansion and Enhancement grants	\$857,200	–
Weighbridge Fund	\$74,737	\$239,230
Litter prevention	\$1,454,923	\$1,031,420
Subtotal	\$26,928,490	\$33,614,485

Section 4

Grants and sponsorships

Grant program	Total payments 2018–19*	Grants approved 2018–19
Other grants		
Contaminated Land Management	\$1,370,780	\$1,370,780
Emergency Pollution Clean Up Program	\$441,339	\$441,339
Wood Smoke Reduction Program	\$10,147	\$10,147
NSW PFAS Investigation Program	\$988,625	\$988,625
Woodberry Swamp Project	\$70,000	\$100,000
Best practice asbestos management	\$91,438	\$91,438
Broken Hill Environmental Lead Program	\$250,000	\$250,000
Subtotal	\$3,222,329	\$3,252,329
Total	\$30,150,819	\$36,866,814

*Amounts are rounded.

Sponsorships

The EPA sponsors activities and events such as awards, scholarships, meetings and conferences. These sponsorships help us share information and knowledge with stakeholders, recognise achievements, support best practice and demonstrate our commitment to working constructively with business and the community. See Appendix 6 for a full list of sponsorships in 2018–19.

Large sponsorships this year (over \$20,000) included:

- the Keep NSW Beautiful Litter Congress
- Local Government NSW Conference and the Excellence and the Environment Awards 2018
- Waste 2019 conference including funds for selected rural council members to attend.

Small sponsorships included:

- Australian Industrial Ecology Conference 2018
- OzHarvest – Fight Food Waste Campaign
- Green Globe Awards scholar career development.



Community members engaging with the Love Food Hate Waste message at The Love Earth Festival which attracted over 3,500 community members. Love Food Hate Waste is a program under the Organics Infrastructure Fund. Photo: Rosemary Pryor/EPA

5 Section Our people



Section 5

Our people

The EPA supports the wellbeing of our highly skilled and dedicated staff who are committed to acting in line with our organisational values.

The EPA is led by a Senior Executive with many years' experience in the protection of the environment, regulation, policy development and related fields (See Section 6 Governance).



The People Matter survey shows that **85%** of staff agree that they treat each other with respect

Our staff work in many roles, ranging from regulatory functions (such as licensing, inspections, audits and investigations) to legal services, policy and program development, stakeholder engagement and education, and management of grant programs.

Managing operational risks: people and culture

A lack of skilled and engaged staff could compromise the EPA's ability to deliver its program of work. The EPA has the following in place to manage this risk:

- An induction program which provides insight into the whole of EPA activities and key initiatives.
- Specialist training available inhouse to maintain and upskill the workforce in EPA operations.
- Policies in place to address key work, health and safety risks.
- Staff performance, development and feedback processes to identify training needs.
- An Employee Assistance Program is available.

Our people matter

The *People Matter* 2019 NSW Public Sector Employee Survey provides important feedback on how our staff feel about working at the EPA and where improvements can be made. This year 89% of EPA staff responded to the survey, which suggests that our people recognise the value of the survey and are confident that the EPA Executive will act on the findings.

The highest scoring questions from the survey show that our employees feel supported by their colleagues:

- 87% receive help and support from other members of their work group
- 85% agree that people in their work group treat each other with respect
- 84% are members of a work group that works collaboratively to achieve its objectives.

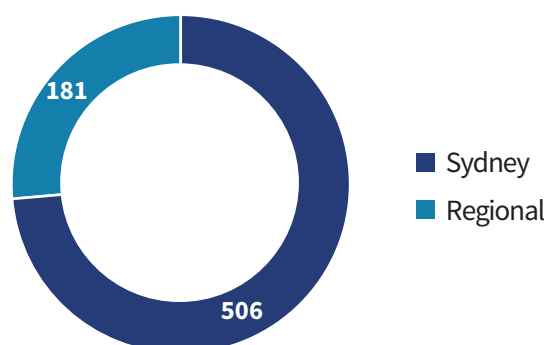
See Our highly engaged workforce (page 86) for more details about the survey.

Each year the EPA Executive reviews the *People Matter* findings to identify opportunities to improve.

Staff profile

The EPA directly employs almost 600 people with most staff working in metropolitan areas (see tables).

Staff by location



The EPA continues to enhance workforce development by determining and acting on employee needs and providing staff with a range of training and career development options.

Section 5

Our people

EPA staff by category

Total staffing by location (head count*)	30 June 2017	30 June 2018	30 June 2019
Permanent full-time	393	377	414
Permanent part-time	45	82	115
Temporary full-time	121	117	138
Temporary part-time	12	11	17
Casual	2	2	3
Total	573	589	687

* Head count numbers include all EPA employees by classification.

EPA staff by location

Total staffing by location (head count*)	30 June 2017	30 June 2018	30 June 2019
Sydney metropolitan area	417	436	506
Regional areas	156	153	181
Total	573	589	687

*Head count numbers include all EPA employees by location.

Workplace diversity and development

The EPA recognises the importance of a balanced workplace and supports opportunities and obligations that promote workforce diversity.

Mechanisms for supporting diversity across the EPA include:

- flexible and family-friendly work options – *People Matter 2019* found that 76% of EPA staff were satisfied with their ability to access and use flexible working arrangements, compared with 59% for the whole public sector
- requiring both males and females on recruitment panels even though this is no longer necessary under the *Government Sector Employment Act 2013*
- participation in the CareerTrackers Indigenous Internship Program, which employs Aboriginal undergraduate students with the aim that, upon graduation, they will be qualified for ongoing positions in the EPA – six undergraduate interns started employment during 2018–19 – see breakout box for more details
- a graduate employment program with six graduates from across two intakes, with two joining in 2018–19
- the Spokeswomen's Committee, which encourages EPA staff to further the rights and opportunities of women across the organisation
- the EPA Diversity Committee – a staff-led, organisation-wide working group championed by the EPA's Chief Environmental Regulator
- the Executive's People, Strategy and Culture Subcommittee.

Section 5

Our people

CareerTrackers Program

The EPA has partnered with CareerTrackers since 2015 to provide meaningful, relevant internship experiences for Aboriginal and Torres Strait Islander university students.

We are currently supporting six intern places across NSW. We are particularly interested in providing these opportunities to regionally-based students, with four placements offered outside the Sydney region. This enables the interns to remain close to established support networks of family and university.

The EPA was one of the first NSW public sector agencies to partner with CareerTrackers and has taken a lead role in encouraging other departments to offer support to the program's students. Current students interning at the EPA are studying a range of degrees, including Environmental Science, Archaeology and Aboriginal Studies and are placed in Operational, Programming and Policy units.

The EPA's Inclusion & Diversity Committee is working with the Executive to ensure pathways are

in place to secure interns as ongoing employees who enrich our organisation with knowledge gained via their studies and their experiences as Indigenous Australians.



Hunter EPA CareerTracker Marshall Sing assessing coal train pass-by noise levels. Photo: John Spencer/EPA

Workforce diversity profiles

Trends in the representation of workforce diversity groups

Workforce diversity group	Benchmark	30 June 2016	30 June 2017	30 June 2018	30 June 2019
Women	50% ¹	53.3%	53.7%	56.1%	57.6%
Aboriginal and Torres Strait Islander people	3.3% ²	1.1%	1.1%	1.8%	1.8%
People whose first language spoken as a child was not English	23.2% ³	10.6%	13.1%	13.7%	11.9%
People with a disability	n/a ^{4,5}	3.3%	3.8%	3.1%	3.5%
People with a disability requiring work-related adjustment	n/a ^{4,5}	1.3%	1.0%	1.0%	1.2%
Women in Senior Leadership	40% by 2021	n/a ⁶	31.8%	33.3%	41.9%
LGBTIQ+	n/a	n/a	n/a	4.8%	n/a

Section 5

Our people

1. The benchmark of 50% for representation of women across the sector is intended to reflect the gender ratio of the NSW community.
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%.
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.
4. Work is underway to improve the reporting of disability information in the sector to enable comparisons with population data. For this reason, no benchmark has been provided for people with a disability or for people with a disability requiring work-related adjustment.
5. In December 2017 the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. The benchmark for 'People with Disability Requiring Work-Related Adjustment' was not updated.
6. Data not previously reported.

Trends in the distribution of workforce diversity groups

Workforce diversity group	Benchmark ^{1,2}	30 June 2016	30 June 2017	30 June 2018	30 June 2019
Women	100	91	92	93	95
Aboriginal and Torres Strait Islander people	100	n/a	n/a	n/a	n/a
People whose first language spoken as a child was not English	100	98	98	96	97
People with a disability	100	n/a	101	104	101
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a

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.
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.

Section 5

Our people

Our employee networks

The EPA aims to ensure that 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 participate in a number of employee networks including:

- **Aboriginal Employee Network** which supports and promotes the values and aspirations of Aboriginal staff, cultural identity and cultural renewal, builds sustainable relationships across the organisation, provides an opportunity for Aboriginal staff to raise concerns and issues and for them to be addressed in an appropriate manner, and provides an opportunity for Aboriginal staff to network both professionally and culturally.
- **Spokeswomen's Program** is an employee-led network aiming to improve gender equity. See breakout box for additional information on this network.
- **Young Professionals Network** which provides a professional and social networking platform for young (35 years and under) staff and plays an advocacy role on relevant issues for the EPA and DPIE.
- **Disability Employee Network** which is a cluster-wide staff community open to employees with a disability, their supervisors, carers and supporters. The group aims to improve cultural awareness, provide networking opportunities and the development of ideas.
- **Rainbow Connection** which is the LGBTIQ+ employee-led network. See breakout box for additional information on this network.

The Rainbow Connection

The Rainbow Connection is an LGBTIQ+ network for staff across the new Department of Planning, Industry and Environment, which includes the EPA.

The Rainbow Connection was officially launched in September 2017 with an initial group of 20 members which had grown to 250 by 30 June 2019.

At its core the network is about providing support, resources and advocacy for the LGBTIQ+ community across the department, regardless of role, location, gender or sexuality.

In March 2019, EPA staff took part in the cluster's first float entry in the Sydney Gay and Lesbian Mardi Gras Parade. A published 'Reflections Report' summarised the impact this event had on LGBTIQ+ staff across the EPA. Those involved experienced an increased level of inclusion at work and support from both colleagues and the EPA leadership.

The Rainbow Connection continues to play a lead role in advocating for greater LGBTIQ+ inclusion across the NSW Public Sector, bringing together and supporting similar staff networks across the sector.

The EPA Inclusion & Diversity Committee formally endorses The Rainbow Connection and engages with it when working on policy and issues that may have an impact on LGBTIQ+ staff.



Rainbow Connection members marching in the 2019 Mardi Gras Parade. Photo: Ben Cirulis, Fotografija

Our people

Spokeswomen's Program



Spokeswomen's Awards 2019 winners from left: Zoe Kennedy, Wendy Hills, Jocelyn McGarity, Ryan Verzosa and Lisa Miller. Absent: Janelle Brooks. Photo: Derek Elmes/EPA

The Spokeswomen's Program aims to improve gender equity in the Environment, Energy and Science Group in DPIE to enable and empower women to reach their full potential in the workplace, including fair gender representation across leadership positions.

The program is driven by a committee of 13 representatives from across the three agencies. Spokeswomen provide advice and advocacy work, as well as delivering events, training and development for the women of the organisations.

Highlights during 2018–19 included:

- over 300 responses to the Spokeswomen's Priority Survey with data used to inform the strategic plan
- relevant spokeswomen updates to the strategic and implementation plans
- a regional end-of-year event in Coffs Harbour
- an International Women's Day event and annual Spokeswomen's Awards Ceremony, featuring a talk by former Chief Commissioner of Victoria Police Christine Nixon, 'Rapunzels and Ladder Kickers'
- the Springboard training program, which started for 25 women
- Women in Leadership training for 40 women.

Cluster-wide initiatives

In 2018–19, the Department of Planning, Industry and Environment (DPIE) Cluster Corporate Services provided human resources services for the EPA under the terms of a Service Partnership Agreement.

Further workforce diversity initiatives led by DPIE's Culture and Development team and implemented across agencies (including the EPA) are:

- an overarching Workforce Diversity and Inclusion Strategy
- an Aboriginal Employment Plan
- a Disability Inclusion Action Plan
- a Gender Equality Plan
- a Multicultural Plan.

The EPA will continue to work closely with DPIE's Culture and Development team and the NSW Public Service Commission to enhance workforce diversity.

Multicultural inclusion

In August 2018, the *Planning and Environment Cluster Multicultural Plan 2018–2021* was launched. Staff from diverse backgrounds were consulted on the development of the Plan. The Plan provides a framework for building a culturally diverse workplace and ensuring EPA services and programs meet the needs of culturally and linguistically diverse groups in the community.

In March 2019, Harmony Day was celebrated formally and informally across the EPA. This was to raise awareness of the issues relevant to these groups and communities, while celebrating our multicultural diversity.

The EPA routinely provides key information and advertisements in multiple community languages relevant to the communication campaign. Some examples include Return and Earn, *Don't be a Tosser!* and our Pesky Pests campaign (see page 79).

Employee wellbeing initiatives

We value our employees' health and wellbeing. Initiatives that supported employees this year included:

- **Employee Flu Vaccination Program** – The EPA offered an on-site flu vaccination clinic to staff at major office locations in Sydney and regionally. Staff at smaller locations had the option of having the vaccination at their GP or a participating pharmacy and claiming reimbursement. This was an expanded program from the one offered before last year's flu season and we had a much higher employee uptake with 167 staff participating by the end of June 2019.
- **Voluntary respiratory health screening** – Staff who regularly inspect sites that are suspected of containing asbestos can access respiratory health screening provided by the NSW Dust Diseases Authority on a two-yearly basis. The last round of screening was in 2018.
- **Employee Assistance Program (EAP)** – Staff can access free confidential counselling with the cluster's contracted EAP provider for a range of wellbeing issues such as family problems, work-related stress, grief and loss. Teleconference services and online learning resources are available through this service.
- **October safe work and mental health months** – During October, the office focuses on various aspects of safety at work, including mental health.
- **Resilience training** – In 2018–19, staff were able to attend workshops and access online learning to understand factors that can affect their resilience and how they can improve it.
- **Fitness Passport** – Staff and their families can access a low-cost, flexible gym and pool membership offered in partnership with Fitness Passport.

See Section 6 Governance – Work health and safety for more information about WHS claims and reports.

6 Section Governance



Governance

The EPA is committed to exemplary governance, ethical conduct and careful risk management.

To ensure good governance, we:

- regularly review our policies and procedures
- conduct internal audits
- implement a risk management framework to minimise potential risks to the agency
- adhere to government statutory requirements
- monitor the achievement of key performance measures in our Strategic Plan
- annually review the Strategic Plan to ensure it is up-to-date and reflects new initiatives and priorities.

In 2018–19, the EPA was fully compliant with its statutory reporting obligations. In addition, we:

- maintained our excellent work health and safety record
- responded to more than 8,000 incident reports to Environment Line
- established a regulatory assurance and performance framework which will improve risk management and support continuous improvement
- made significant progress in achieving resource efficiency targets set by the NSW Government.

The EPA Board and Executive team continued to oversee the effective and transparent management of the EPA. This year the Board visited key stakeholders in Broken Hill to gain a better understanding of local concerns and issues and see first-hand the positive outcomes of our regulatory work in the region.

EPA and Board independence

The role of the Board and its relationship with the Minister is established by the *Protection of the Environment Administration Act 1991* (POEO Act – sections 15–19). In relation to independence, the Act specifies that:

- The Chair of the EPA is appointed by the NSW Governor and is responsible for managing and controlling the affairs of the EPA in accordance with the Board's policies and decisions, subject to any directions of the Minister.
- The EPA Board is not subject to the control and direction of the Minister for Energy and Environment in exercising any of its functions.
- The EPA is not subject to the control and direction of the Minister in relation to any:
 - report or recommendation made to the Minister
 - state of the environment report
 - decision to institute criminal or related proceedings.

A report of any direction by the Minister is required to be tabled by or on behalf of the Minister in each House of Parliament and is to be included in the next available annual report.

Governance



The EPA Board members on their visit to Broken Hill in April 2019, left to right: Michael Rennie, Julie Savet Ward, Chris Knoblanche AM, Mark Gifford PSM, Elizabeth Wild. Photo: Andrew Gosling/EPA

EPA Board

The EPA Board is an independent governing body that oversees and monitors the organisation. The Board has five members: the Chair, who manages and controls the affairs of the authority (in the manner of a CEO) and who is also the presiding member of the Board, and four part-time members who are appointed by the Governor of NSW on the recommendation of the Minister for Energy and Environment.

EPA Board members have extensive experience in the fields of environmental science, environmental law, transport and infrastructure, business and corporate finance, risk planning and management. They also have established ties to, and understanding of, business and community groups.

Under Section 19 of the POEA Act, the Chair is responsible for managing and controlling the affairs of the EPA in accordance with the policies

determined by the Board and any other decisions of the Board, but subject to any directions of the Minister under the Act.

In December 2018, Board members Mr Alec Brennan AM and Ms Christine Covington completed their appointed terms. Both Mr Brennan and Ms Covington were first appointed when the EPA was re-established in 2012. The EPA has greatly valued their guidance and wishes them both well in their future endeavours. Their replacements ensure the Board maintains expertise in key areas. Ms Elizabeth Wild has a strong background in environmental law and Mr Michael Rennie brings extensive business experience.

When the Chair and CEO is on leave, or otherwise unavailable, the Minister appoints an Acting Chair and CEO. Following the resignation of Anissa Levy (effective 8 November 2018), the Chief Environmental Regulator Mark Gifford was appointed as Acting Chair and CEO.

Governance

Board members

Anissa Levy: Acting EPA Chair and CEO (until 8 November 2018)

Bachelor of Engineering (Civil Engineering)

After her appointment as Acting Chair and CEO on 12 March 2018, Ms Levy brought a mix of private sector and state and local government experience to the EPA, spanning strategic transport planning and infrastructure planning and delivery. Before this, she held several senior executive positions in the NSW Government.

As Deputy CEO at Infrastructure NSW, Ms Levy oversaw the development, implementation and operation of the Infrastructure Investor Assurance Framework for the NSW Government's ambitious infrastructure program.

Before joining Infrastructure NSW, Ms Levy was Deputy Director General of Planning and Programs at Transport for NSW where she was responsible for the Transport Cluster capital budget, the Bureau of Transport Statistics, strategic integrated transport planning and transport project development.

Mark Gifford PSM: Acting Chair and CEO (from 9 November 2018 to 30 June 2019)

Bachelor of Business (Public Administration)

Mark Gifford has over 33 years' experience in government, 18 of which have been in environment-related agencies. In his substantive role as Chief Environmental Regulator, Mr Gifford leads the EPA's regulatory operations. This includes oversight of policies, practices and outcomes, particularly in regard to the environmental impacts of major industrial activities, including air and water quality, noise and the regulation of gas and forestry activities.

Mr Gifford has a Bachelor of Business (Public Administration) and is Chair of the Australasian Environmental Law Enforcement and Regulators neTwork (AELERT). In June 2015 he was awarded a Public Service Medal for services to environment protection.

Chris Knoblanche AM

*Bachelor of Commerce
(Accounting and Financial Management)*

Term of second appointment:

7 December 2016 – 6 December 2020

Chris Knoblanche has most recently been a Senior Advisor, Corporate and Investment Banking, Australia and New Zealand for Citigroup as well as a company director on various boards. Mr Knoblanche has advised local and multinational companies for over 34 years in areas such as corporate strategy, financing, risk control and management. He is also a Member of the Institute of Chartered Accountants and a Fellow of the Australian Society of Certified Practising Accountants.

In 2001, Mr Knoblanche was awarded the Centenary Medal by the Australian Government for service to Australian society through business and the arts. In June 2014 he was also honoured as a member in the general division of the Order of Australia for significant service to arts administration, the community and the business and finance sector.

Mr Knoblanche is also a member of the EPA Finance, Audit and Risk Committee.

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Michael Rennie

*Master of Arts; Bachelor of Jurisprudence
(Hons) and Law*

Term of appointment:

7 December 2018 to 6 December 2023

Michael Rennie is a Rhodes Scholar and also a Fellow of the Australian Institute of Company Directors.

Mr Rennie was CEO of McKinsey & Company in Australia and New Zealand for five years and a member of the Global Board of the firm until his retirement in late 2017. He has worked extensively for many of Australia's large industrial companies, as well as mining, oil and gas, telecommunications and government.

As a reflection of his strong interest in environmental issues, Mr Rennie was the founding sponsor of McKinsey's environment practice in Australia.

He is Deputy Chairman of the Centre for Independent Studies and a Board member of the Australian talent ecosystem technology company Livehire.

Julie Savet Ward

*Bachelor of Science (Applied Physical Geography)
(Hons); Master of Landscape Planning*

Term of second appointment:

7 December 2016 – 6 December 2020

Julie Savet Ward has over 30 years' experience in science, planning and the environment. She has particular expertise in the regulatory environment for sustainability and a deep understanding of the planning, approval, design, construction and delivery of infrastructure, property and natural resource projects. Ms Savet Ward is skilled in brokering and managing relationships between government and the community.

Ms Savet Ward is a director of a charity and a private consulting company and is a Fellow of the Australian Institute of Company Directors.

Elizabeth Wild

Master of Environmental Law

Term of appointment:

7 December 2018 to 6 December 2023

Elizabeth Wild is a solicitor of the Supreme Court of NSW with over 25 years' experience in environmental law. Ms Wild is currently a Partner and Board member of the law firm Norton Rose Fulbright. She is also a member of both the Law Society of NSW and the Australasian Land and Groundwater Association.

Ms Wild has particular expertise managing issues relating to contaminated land and remediation law. Her understanding of the various contaminated land regulatory systems across Australia has enabled her to provide strategic advice to a range of private sector, Commonwealth and NSW Government clients. Ms Wild is also an expert in pollution law and has assisted clients in managing potential and actual environmental incidents. This depth of experience gives her a unique insight into the regulatory framework within which government agencies and departments operate.

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Previous Board members

Christine Covington (until 6 December 2018)

Diploma in Law

Term of second appointment:

7 December 2016 – 6 December 2018

Ms Covington is a solicitor of the Supreme Court of NSW with over 30 years' experience in environmental, planning and property law. As a partner at Corrs Chambers Westgarth, Ms Covington has worked widely with local government and on community engagement. Ms Covington also has extensive experience in the NSW Land and Environment Court and the Supreme Court, dealing with planning appeals and environmental prosecutions.

Other professional roles and experience include:

- former NSW Government appointee to the Central Sydney Planning Committee
- Board member, Barangaroo Delivery Authority
- Board member (2009–2016), City West Housing Pty Ltd
- Deputy Chair, ACT City Renewal Authority
- Fellow, Australian Institute of Company Directors.

Alec Brennan AM (until 6 December 2018)

*Bachelor of Science (Food Technology) (Hons);
Master of Business Administration*

Term of second appointment:

7 December 2016 – 6 December 2018

Mr Brennan brought to the EPA Board 40 years' business experience in a range of industries, including manufacturing, resources and distribution. His expertise covered such areas as strategy, process management, governance and finance and risk management. He also chaired the EPA Finance, Audit and Risk Committee.

Mr Brennan has been a public company director for more than 20 years and is a director of several private companies. He is a Fellow of the Australian Institute of Company Directors.

In 2013, Mr Brennan was appointed a Member of the Order of Australia (AM) for significant service to business and commerce, tertiary education administration and the community.

What does the EPA Board do?

The Board's functions, responsibilities and governance are detailed in its charter, which builds on provisions in the *Protection of the Environment Operations Act 1997* (POEO Act) and *Protection of the Environment Administration Act 1991* (POEA Act). It is reviewed every two to three years to ensure it meets contemporary requirements. The most recent review was finalised in May 2018.

In accordance with its charter, the EPA Board:

- determines the EPA's policies and long-term strategic plans
- oversees the effective, efficient and economic management of the organisation

- develops public information guidelines relating to criminal and related proceedings
- determines whether the EPA should prosecute for serious environment protection offences referred to in section 17 of the POEA Act
- advises the Minister for Energy and Environment on matters relating to environment protection
- receives reports from staff on any failure by the EPA to comply with the requirement to review environment protection licences every five years
- approves exemptions from the provisions of EPA-administered legislation where the EPA is satisfied that compliance is not practicable and non-compliance will have no significant adverse effect on public health, property or the environment

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- provides the Minister with an annual *Regulatory Assurance Statement* which summarises the EPA's performance and is tabled in Parliament with the Annual Report and made available on the EPA website.

Board meetings held

In 2018–19, the EPA Board met eight times:

- 14 August 2018 (all members attended)
- 19 September 2018 (all members attended)
- 13 November 2018 (all members attended)
- 13 December 2018 (Ms Savet Ward unable to attend)
- 20 February 2019 (all members attended)
- 11–12 April 2019 regional visit to Broken Hill and Board meeting (all members attended)
- 16 May 2019 (all members attended)
- 27 June 2019 (Mr Rennie and Mr Knoblanche unable to attend) (Chairperson-Designate, Carolyn Walsh met with the Board).

Regional visit

Regional visits provide the EPA Board with an important opportunity to meet stakeholders and licensees to gain first hand insights into the challenges facing local communities. In 2019, the EPA Board travelled to far western NSW, visiting Broken Hill from 10–12 April.

During the visit, the Board was briefed on the activities of the Broken Hill Environmental Lead Program, including the important steps to manage and address lead exposure through the program, particularly for children under five who are especially susceptible. Members were impressed by the current program and keen to see this important work continue.

The Board also visited the Perilya North Mine and historic Junction Mine and discussed local challenges and the stringent management and regulation of mines now practised in NSW. Members attended the Line of Lode Miners Memorial, which provides a vantage point to view the geographic context of current and former mining and processing areas and challenges posed by these areas being

close to town. Tours of University Dam, Duff Street Park and Patton Park enabled the Board to see the positive outcomes of staged remediation work, and the tools deployed by the Broken Hill Environmental Lead Program.

The Board's last stop was Channing's Bottle Yard, which sees a high number of containers collected through the NSW Container Deposit Scheme Return and Earn. Members were shown an automated container counting machine – a TOMRA 'singulator' – in operation. The visit was completed with an evening meeting with a range of local stakeholders representing the Indigenous community, industry, government and other groups.



The EPA Board visiting Perilya North mine to see mining practices in action and discuss local issues.

Photo: Andrew Gosling/EPA

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Integrity of the Board

Conflict of interest disclosures

Board members must disclose any pecuniary or other interests that may conflict with the proper performance of their duties. See Appendix 7 for details of the statutory and regulatory requirements.

All members of the EPA Board lodged their ordinary disclosure returns for the 2018–19 financial year by 1 October 2018.

In addition, all members of the Board provided Key Management Personnel Certificates in accordance with *Australian Accounting Standards Board Standard 124 – Related Party Disclosures*.

Code of conduct

The Board follows:

- the EPA Board Code of Conduct, which outlines the fundamental values and principles that define the standards of behaviour expected of Board members
- the NSW Government Boards and Committees Guidelines, which outline fundamental values and principles that members should adhere to when carrying out their duties
- the Guidelines for Boards of Government Businesses, which outline the key private sector standards of corporate governance which are most appropriate to the practices and procedures for boards of government businesses.

Our Executive team

The EPA Executive team comprises the CEO, the Chief Environmental Regulator and six senior directors. The Executive team leads the implementation of the EPA's operations and is responsible for:

- setting strategic directions for the EPA
- delivery of the EPA's Strategic Plan
- final approval of policies, programs, systems and procedures
- overseeing the EPA's regulatory framework
- overseeing an appropriate and effective financial and governance framework.

Our Executive team brings a wide range of skills and experience to the organisation, including in the areas of regulation, policy, communications, stakeholder engagement, planning and conservation.

The Executive team is part of the EPA's Senior Management Group, whose work includes:

- discussing key initiatives and challenges for the EPA
- sharing information on branch initiatives and priorities
- approving changes to EPA operations and processes
- initial development and discussion on EPA policy and regulatory frameworks
- initial discussions on allocation of funding and resources.

In carrying out their functions, Senior Management Group members provide leadership on the core values and behaviours that they encourage in EPA staff.

Executive members 2018–19

Mark Gifford PSM:

EPA Acting Chair and CEO (from November 2018)
Bachelor of Business (Public Administration)

The Chair and CEO is responsible for managing and controlling the affairs of the EPA in accordance with the policies determined by the Board and any other Board decisions, subject to any directions from the Minister for Energy and Environment. The Chair is also the presiding member of the Board.

Until taking on his current roles, Mark Gifford led the EPA's day-to-day regulatory operations to ensure:

- efficient delivery of diverse and complex environment protection services
- provision of targeted environmental policies and programs.

While Mr Gifford headed up the EPA, Directors from the Regulatory Services Division shared the role of Chief Environmental Regulator in rotation.

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Anissa Levy: EPA Acting Chair and CEO (to November 2018)

Anissa Levy brought a mix of private sector and state and local government experience to the EPA during her secondment to the position.

See EPA Board for Ms Levy's full biography.

Carmen Dwyer: Executive Director, Waste and Resource Recovery – Operations and Programs

Bachelor of Applied Science (Environmental Science); Master of Applied Science (Environmental Restoration, Rehabilitation and Management)

Ms Dwyer led the Waste and Resource Recovery (WARR) Division at the EPA until it was split into two branches in late 2018. She now leads the WARR Operations and Programs branch.

Ms Dwyer has held a number of senior and middle management roles within the EPA. Some of her previous responsibilities include:

- implementing the EPA's transition to lead environmental regulator of gas activities in NSW
- delivery of regional compliance priorities across a broad range of industries
- development of pesticides policies.

Ms Dwyer has delivered the roles from central and western NSW and is currently based in the Dubbo office.

Kar Mei Tang: Acting Executive Director, Waste and Resource Recovery – Strategy and Policy (from February 2019)

PhD Economics; Master of Applied Statistics; Bachelor of Commerce (Hons)

Ms Tang has over 20 years' experience in policy, regulation and economics in both the public and private sectors. She leads the WARR Strategy and Policy branch, which is responsible for delivering the state's *20-Year Waste Strategy* and developing waste and resource recovery policy.

Before that, Ms Tang was head of Economic Policy with the NSW Department of Premier and Cabinet, where she led the teams advising the Premier's Office on economic, industry and government services policy and best practice regulation.

Ms Tang previously held senior roles in the private sector, including in policy, advocacy, technology and data analytics and economic consulting. She also has extensive experience as a financial regulator.

Ms Tang is currently an Honorary Associate of the University of Technology Sydney and sits on the Research Ethics Committee of the Sydney Children's Hospitals Network.

Steve Beaman PSM: Executive Director, Hazardous Incidents and Environmental Health Bachelor of Science

Steve Beaman has 25 years' experience in environmental policy and regulation in the NSW Government, including more than 10 years as a Senior Executive. This experience is across a diverse range of policy and program areas, including incident management, contaminated sites, radiation regulation, chemicals, natural resources management, environmental planning and regulation, resource recovery and community programs.

In 2016, Mr Beaman was recognised for his work with a Public Service Medal for outstanding public service to the NSW environment through waste reduction and recycling programs, and in 2014, a Leaders List award by the environmental business WME Magazine for individual leadership in sustainability.

Clair Cameron: Director, Stakeholder Engagement and Communications

Bachelor of Arts Communications (Public Relations and Organisational Communication); Master of Health Law

Ms Cameron leads communications, public affairs and stakeholder engagement, ensuring that her team provides clear and responsive information to the public and develops effective engagement and collaboration approaches.

Ms Cameron has a wealth of experience in communications and stakeholder engagement in both the private and public sectors. In her previous role as General Manager, Communications and Stakeholder Engagement, Meat and Livestock Australia (MLA), she oversaw engagement with

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multiple stakeholders, including peak councils, industry bodies, the Australian Government and Ministers' offices.

Before the MLA, Ms Cameron worked for FTI Consulting, where as the head of Corporate and Public Affairs she managed a range of high-profile national and international clients. She has also worked in state government and in a Ministerial office.

Owen Walker: Director, Corporate Services, Chief Finance Officer

Bachelor of Business (Economics and Finance); Master of Accountancy; Certified Practising Accountant

Mr Walker leads the EPA's corporate services, including:

- corporate financial management and control
- corporate risk management and governance
- management and coordination of human resource strategies and WHS services
- ICT strategy and systems development and management
- management of POEO dangerous goods, pesticides and radiation licensing functions.

Mr Walker has a wealth of experience in finance and governance in transport and environment portfolios in the NSW Government and over the past eight years has held a number of executive management positions.

Jacqueline Moore: Acting Executive Director, Legal Services (from January 2019)

Bachelor of Arts; Bachelor of Laws (Hons)

Ms Moore leads the EPA's Legal Services Branch, which represents the agency in prosecutions for environmental offences and in civil litigation. The branch also provides support for regulatory action, advises on environmental issues and oversees and delivers the drafting of legislation administered by the EPA.

For many years Ms Moore has led government legal teams undertaking litigation, providing legal advice and delivering legislative projects, and has expertise in environmental law, natural resource management and public law. She previously worked as Executive Director Legal at the NSW Department of Premier and Cabinet and in other senior legal roles in NSW Government agencies. Ms Moore also worked in legal roles for the Commonwealth with the Australian Government Solicitor and Commonwealth Director of Public Prosecutions.

Steve Garrett: Executive Director, Legal Services (until January 2019)

Bachelor of Economics; Bachelor of Laws

Mr Garrett led the EPA's Legal Services Branch until January 2019, when he left the EPA after holding senior management positions for over 20 years within Legal Services at the EPA and former Office of Environment and Heritage. He was previously an environmental lawyer with Blake Dawson Waldron (now Ashurst).

Mr Garrett has extensive experience in delivery and administration of environmental legislation to ensure good regulatory outcomes.

Sanjay Sridher: Executive Director, Container Deposit Scheme

Master of Business; Post-Graduate Certificate in Business Management; Post-Graduate Diploma in Change Management

Mr Sridher has significant experience in the public and private sectors as a senior executive. Before his current role, he was an Executive Vice President with the Downer Group and a Managing Director in Accenture's Health and Public Service consulting practice.

Earlier career experiences include roles in the NSW Public Sector running Service First and as an Interim Executive for various departments in Her Majesty's Government in the UK.

Mr Sridher is a certified Program and Project Manager and a Lean Six Sigma Champion.

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Mia Garrido: Director, Office of the Chief Executive

Bachelor of International Studies; Graduate Certificate in Public Administration; Master of Public Policy

Ms Garrido has extensive experience in providing high-level executive support to senior leadership across government, including timely and well-

informed advice on sensitive, contentious and complex interagency or whole-of-government issues.

Before this role, Ms Garrido was an Assurance Manager at Infrastructure NSW and the Principal of the Infrastructure team in the NSW Department of Premier and Cabinet.

Executive remuneration

Average remuneration of Senior Executive staff

Band	Range	Average remuneration 2018–19
Band 4	\$475,151 – \$548,950	n/a
Band 3	\$337,101 – \$475,150	\$456,278
Band 2	\$268,001 – \$337,100	\$310,605
Band 1	\$187,900 – \$268,000	\$225,241

* Note: The percentage of total employee-related expenditure for senior executives in 2018–19 was 7.6%

EPA Senior Executive staff full time equivalent (FTE)

2017–18				2018–19		
Band	Female	Male	Total	Female	Male	Total
Band 4	0	0	0	0	0	0
Band 3	0.3	0.7	1	0.4	0.58	1
Band 2	1	3.3	4.3	2.2	3.5	5.71
Band 1	5.5	12.5	18	9.6	12.9	22.5
Totals	6.8	16.5	23.3	12.2	17.0	29.2

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Managing risks to achieving EPA objectives

The EPA has a risk management framework to minimise potential risks to achieving the agency's objectives. This framework addresses statutory requirements for managing risk, including regular internal risk reviews, appropriate insurance and complaints procedures. In 2018–19, the EPA complied with all statutory requirements.

During 2018–19, the EPA established a Regulatory Assurance and Performance Framework. This framework provides increased transparency for the EPA Chair and Board, the Chief Executive Officer and the Executive about whether the organisation's regulatory work is achieving its committed outputs and outcomes. The framework introduces a review process that enables risks that may impact on delivery to be identified and mitigated, in addition to allowing best practice to be captured so that it can be repeated. The framework supports the continuous improvement of the EPA's regulatory practice and management of risks.

Finance, Audit and Risk Committee

The Finance, Audit and Risk Committee oversees and monitors the EPA's governance, risk and control frameworks and external accountability requirements.

This independent committee is directly responsible to the EPA Board and has no executive powers. The current members, appointed for three-year terms, are:

- **Alec Brennan AM – independent Chair**
originally appointed as member in 2012, current term as Chair: 18 May 2017 – 17 May 2020
- **Chris Knoblanche AM – independent member 1**
originally appointed as Chair in 2012, current term as member: 18 May 2017 – 17 May 2020
- **Christine Hawkins – independent member 2**
original appointment: 11 April 2016 – 10 April 2019, reappointed for five years.

In 2018–19, meetings were held in July, September, February and May.

The committee meets with both internal and external auditors and operates according to NSW Treasury's *Internal Audit and Risk Management Policy* for the NSW Public Sector (TPP 15-03).

The Chief Executive Officer completes an attestation statement that indicates all Treasury requirements have been met. This is reproduced on page 124.

Cyber security

The EPA has assessed its cyber security risks which are discussed at Executive and Board level during quarterly risk review and assessment processes. Cyber security is provided through the DPIE corporate cluster services. Incident response protocols are tested on an annual basis. See page 125 for attestation statement.




Operational and key risk areas

Management approaches for the following risk areas are outlined in other sections of this report:

- Regulatory response (see Commitment 2 – Best practice environmental regulator)
- Incident and Emergency Response (see Commitment 3 – Effective management of environmental incidents)
- Stakeholder engagement (see Commitment 6 – Effective communication and stakeholder engagement)
- People and culture (see Section 5 – Our people)
- Funding (see Section 7 – Financial performance).

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

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	Risk	Management approach
	<p>Business continuity and disaster recovery An incident could cause a disruption to, or loss of, EPA physical infrastructure and/or human resources.</p>	<p>Business Continuity Management project in progress Security audit and management plans in place for EPA offices Building emergency management systems in place for all offices, including emergency training for fire wardens and periodic evacuation drills Information Management Framework in place Periodic back-up of electronic data</p>
	<p>Internal controls and safeguards If the internal control environment is inadequate, there could be a loss of funds and community trust.</p>	<p>Management oversight via the Executive Finance and Governance subcommittee Internal audit program in place with regular review of its priority areas, findings and the completion of follow-up actions Segregation of duties and internal controls help to prevent and detect fraud Participation in performance audits conducted by the NSW Audit Office Code of Ethics and Conduct regularly reviewed Induction training includes ethics and conduct Public Interest Disclosures (PID) Internal Reporting Policy and Procedures in place Managing Misconduct and Serious Misconduct Policy in place</p>
	<p>Technology ICT services, including cyber-security, are provided at the cluster level. If the EPA was not able to access ICT services or the integrity of the systems were compromised, this could impact business continuity.</p>	<p>Department of Planning, Industry and Environment (DPIE) Service Partnership Agreement developed to outline service provision and requirements The EPA seeks feedback and conducts regular reviews of the Service Partnership Agreement Change management approach is used for upgrading and updating ICT systems to facilitate better outcomes and staff uptake</p>
	<p>Parramatta relocation The EPA, along with DPIE is relocating Sydney staff to a newly built office in Parramatta. If the office relocation is not well-managed, it could be disruptive to staff and continuity of services.</p>	<p>Accommodation executive subcommittee established Risks and mitigations register being tracked Staff information portal established to communicate progress and updates on the relocation Regular communications issued to staff, a change manager in place and internal volunteer change champions recruited, trained and engaging with staff The EPA has representatives on the cluster working group and governance committees addressing change management issues arising from machinery of government changes effective 1 July 2019</p>

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Internal Audit and Risk Management Attestation Statement for the 2018-19 Financial Year for the Environment Protection Authority

I, Mark Gifford, Acting Chief Executive Officer of the Environment Protection Authority (EPA) am of the opinion that the EPA has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector (TPP15-03)*, specifically:

Core Requirements	For each requirement, please specify whether compliant, non-compliant, or in transition
Risk Management Framework	
1.1 The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
Internal Audit Function	
2.1 An internal audit function has been established and maintained	Compliant
2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3 The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
Audit and Risk Committee	
3.1 An independent Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2 The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3 The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

Membership

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

- Independent Chair, Mr Alec Brennan AM, (3 year term of appointment, commenced on 18 May 2017)
- Independent Member, Mr Chris Knoblanche AM, (3 year term of re-appointment, commenced on 18 May 2017)
- Independent Member, Ms Christine Hawkins AM (5 year term of re-appointment, commenced 11 April 2010)


 ACEO, Environment Protection Authority
 Date:

Agency Contact Officer:
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Cyber Security Annual Attestation & Evidence of Certification Statement for the 2018/2019 Financial Year for

Environment Protection Authority.

I, Stephen Beaman, am of the opinion that Environment Protection Authority had an Information Security Management System in place via Planning, Industry and Environment Cluster Corporate Services during the 2018/2019 financial year that is consistent with the Mandatory requirements set out in the NSW Government Cyber Security Policy and have managed cyber security risks in a manner consistent with this policy.

Risks to the information and systems of Department of Planning Industry and Environment have been assessed and are managed.

Governance is in place to manage the cyber-security maturity and initiatives by Department of Planning Industry and Environment.

There exists a current cyber incident response plan for Department of Planning Industry and Environment which has been tested during the reporting period.

Planning and Environment 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 2018/2019 financial year (Certificate Number is IS 645082).

A handwritten signature in black ink, appearing to read 'Steve Beaman'.

STEVE BEAMAN PSM
Acting Chief Executive Officer
Environment Protection Authority

2.10.2019

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EPA internal audit

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

The EPA's internal audit program is an independent, objective assurance and consulting activity. It aims to improve the organisation's operations by evaluating and improving the effectiveness of risk management, control and governance processes. The EPA conducts its own program and may also participate jointly in the Internal Audit Programs of the Department of Planning, Industry and Environment.

The Manager, Finance, Risk and Governance heads the EPA's internal audit function. The EPA Internal Audit Charter provides the framework for internal audits and the EPA Internal Audit Plan sets out the program for conducting audits from 2017 to 2020.

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

In 2018–19, the EPA conducted an internal audit review of its licensing procedures.

EPA insurance

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

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

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

EPA insurance premiums

Area of risk	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000
Workers' compensation	258	287	217
Workers' compensation adjustment for 2013–14 claims	268*	–	–
Public liability	41	41	55
Property	7	9	12
Motor vehicles	52	44	48
Miscellaneous losses**	0	0	0
Total	625 (rounded)	381	332

* Premiums are based on claims history and reflect the EPA's risk management approach to managing claims. The total workers' compensation costs in 2016–17 included a hindsight adjustment of \$268,000 paid in 2016–17 that related to claims in 2013–14.

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

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).

One public interest disclosure received in 2017–18 was resolved this year. In 2018–19, the Independent EPA Annual Report 2018–19

Commission Against Corruption (ICAC) referred five anonymous disclosures to the EPA alleging corrupt conduct – see Appendix 8.

The EPA's Public Interest Disclosures Policy is a modification of a former Office of Environment and Heritage policy adopted by the EPA. Our staff are made aware of their responsibilities by relevant information provided on the intranet.

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Consumer inquiries, reports and complaints

Our staff regularly handle general inquiries about environmental issues, reports about pollution, and feedback and complaints about the EPA's work. The agency values these interactions with consumers and stakeholders and stipulates in its Code of Ethics and Conduct that, when interacting with the public, EPA staff will:

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

Public reporting of environmental incidents

Environment Line is a significant channel of interaction with consumers which provides a one-stop pollution and environmental incident reporting medium for the EPA. Information from calls is recorded in a Compliance Incident Reporting and Management (CIRaM) system.

In 2018–19, Environment Line calls generated more than 8,000 incident reports of pollution for which the EPA had regulatory responsibility. Most related to water pollution, odour, noise, waste and air quality.

Incident reports generated by calls to Environment Line between 2014–15 and 2018–19 where the EPA is the appropriate regulatory authority

Type of call	2014–15	2015–16	2016–17	2017–18	2018–19
Odour	1,850	2,059	1,815	1,209	1,394
Air quality	741	843	787	977	989
Noise	1,780	1,181	1,114	1,271	1,305
Water	–	–	2,194	1,736	2,294
Waste	–	–	1,015	1,086	1,157
Chemicals	–	–	357	286	269
Pesticides	–	–	311	294	331
Other issues	2,985	3,348	228	250	254
Data revision	n/a	n/a	(340)	–	–
Total	7,356	7,431	7,481	7,109	7,993

Complaints

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

Allegations of corrupt conduct are reported to ICAC. In 2018–19, the EPA made nine reports to ICAC.

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Controlled entities

In 2018–19, the Environment Protection Authority Staff Agency ('EPA Staff Agency') was the only controlled entity of the EPA. The EPA Staff Agency is a Division of the Government Service responsible to the Minister for 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.

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

Privacy management

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

Public access to government information

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

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

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

Review of proactive release program

The EPA program for the proactive release of information requires each of the agency's branches to examine information that has been informally released or formally requested under the GIPA Act. This is as well as information held that may interest the public and can be made available for public use. In 2018–19, information released on the EPA website included:

- information relating to the remake of the Coastal Integrated Forestry Operations Approval (IFOA) such as a Consultation Summary Report and a summary of the NSW Government's response to public feedback on the draft IFOA
- information on monetary benefit orders, including *Guidelines on recovering monetary benefits from environmental offenders* and a *Protocol for calculating monetary benefits*
- a Technical Advisory Committee report to the EPA – *Alternative Waste Treatment: Mixed Waste Derived Organics*
- information relating to submissions on interim guidelines regarding EPA use of drones and subsequent guidelines
- information on mixed waste organics no longer in use and a fact sheet on applying compost and biosolids to land.

Access applications received in 2018–19

This year the EPA received 85 applications for access to information with 79 of them found to be valid. Most applications were made by members of the public.

The EPA made 67 decisions during 2018–19, including for applications received in the previous year.

The EPA received eight internal review applications of which six were completed.

The outcomes of the 67 finalised applications are shown in the table below. More than one decision can be made in relation to an access application.

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Governance

Outcomes of decided applications

Outcome	
Access granted in full	27
Access granted in part	32
Access refused in full	3
Information not held	6
Information already available	2
Refuse to deal with application	2
Refuse to confirm or deny whether information was held	1
Application withdrawn	16

For full details of the applications and outcomes, in accordance with statutory reporting requirements under clause 8 of the GIPA Regulation, see Appendix 9: Statistical information on access application.

Shared governance and essential services

Corporate and essential services for 2018–19 were provided by the Department of Planning and Environment (DPE) Cluster Corporate Services under various service partnership agreements. These arrangements transitioned to the Department of Planning, Industry, and Environment (DPIE) in line with machinery of government changes from 1 July 2019.

The following EPA statutory reporting requirements are covered by a shared service arrangement and compliance is reported in DPE Annual Report 2018–19:

- work health and safety
- personnel policies and practices
- industrial relations policies and practices
- disability inclusion action plan
- multicultural policies and services program
- workforce diversity

- agreements with Multicultural NSW
- digital information security.

Work health and safety

The EPA is committed to providing a safe work environment for all staff and contractors. The EPA Board, Finance, Audit and Risk Committee and Executive meetings receive a report on our WHS performance at every meeting. All executive staff have a performance target of a minimum of one safety interaction per month to assist in driving a safety first culture.

DPE Cluster Corporate Services provides EPA work health and safety services within the shared governance and essential services agreement. We partner with the DPE WHS team on key safety initiatives and policy and procedure reviews. All staff are required to log any near misses, incidents or accidents into our WHS system to ensure they can be fully investigated and any necessary corrective action taken. We regularly review incident and accident data to identify any potential trends and take additional action at agency-wide level.

The EPA has one of the lowest incident rates within the DPE Cluster.

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All staff returning to work from an injury have a return to work plan regardless of whether or not it

is a work-related injury, to ensure their safe return to work.

EPA claims and reports

	2015–16	2016–17	2017–18	2018–19
Incidents, accidents and injuries reported	57	52	58	53
Workers' compensation claims made	4	3	9	2
Value of workers' compensation claims*	\$58,372	\$34,195	\$108,870	\$5,315

* Based on net incurred

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 2018–19 the EPA complied with GREP through the DPE Cluster Corporate Services (CCS) Sustainability Program.

CCS Sustainability delivered its fourth GREP report for the former Office of Environment and Heritage and EPA in 2018. The report includes resource consumption for 2017–18, tracks progress towards the energy efficiency target and includes a statement of compliance.

Shared offices made significant progress on several GREP targets during 2018–19.

Energy

The agencies surpassed the GREP interim target for implementing energy efficiency projects, with 41% savings since the 2013 baseline. The largest upgrade completed in 2018 was at Lidcombe Laboratory and included lighting and heating, ventilation and air conditioning upgrades and a 170 kilowatt solar PV system installation, saving the site \$123K per annum.

NABERS ratings

The National Australian Built Environment Scheme (NABERS) ratings help organisations understand and improve their environmental performance.

In 2018–19, the agencies exceeded the GREP 4.5-star minimum requirement at the largest shared offices, with six stars at the Goulburn Street head office and 5.5 stars at the Valentine Avenue site in Parramatta.

Waste

In 2018–19, the bins at Goulburn Street were updated to be more aesthetic, uniform and intuitive to use. Soft plastics and organics streams were rolled out to all levels occupied by Cluster agencies.

Through an agreement in cleaning and waste contracts, waste data is now being collected at Goulburn Street with weight scales installed in the basement. This has allowed the generation of monthly reports on our recycling diversion rates.

CCS Sustainability worked closely with Procurement NSW to incorporate data collection provisions within the new whole-of-government waste contract. Through data collected by waste contractors, the agencies can more accurately and reliably report on their waste streams at all sites.

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Governance

Staff survey

Staff throughout the Cluster were asked to provide feedback on their perceptions and aspirations of sustainability in their agencies. Of the 421 who responded to the survey, 82% indicated environmental sustainability was either 'very important' or 'extremely important' for their agency and 94% indicated it was 'very important' or 'extremely important' to them personally.

Climate change risk survey

During 2018–19, CCS Sustainability took part in a climate risk exercise to determine and rate the

current risk within the Cluster. This information has helped form the delivery strategy for climate change risk assessments throughout the cluster in partnership with Adapt NSW.

Overseas travel

In 2018–19, EPA staff attended and presented at five international professional development opportunities across a range of topics, including emergency management, pollution crime, waste and public service governance. Additional detail on overseas travel is provided in the table.

Overseas travel by EPA staff in 2018–19

Name	Purpose of travel (summary)	Dates
Roberta Beale	Attendance as part of the Public Service Commission-approved Australia and New Zealand School of Government governance course in New Zealand	23–28 November 2018
Dianne Gordon	Assist with Emergency Management Training to Fiji Government personnel on behalf of Department of Foreign Affairs and Trade-funded program to the Australian National Critical Care and Trauma Response Centre	3–7 December 2018
Jason Bentley	Attend and present at the Interpol Organised Crime in Pollution Crime Case Meeting in France	17–23 March 2019
Cate Woods	Participate in the Circular Economy and Energy from Waste study tour, hosted by the Netherlands Government	3–9 June 2019
Justin Koek	Participate in the Circular Economy and Energy from Waste study tour, hosted by the Netherlands Government	3–9 June 2019

7 ^{Section} Financial performance



Section 7

Financial performance

The EPA maintained a sound financial position in 2018–19.

The EPA receives government funding as a grant from the Department of Planning, Industry and Environment. Income is also derived from other NSW and Commonwealth agencies and the public and administrative fees paid by the regulated community.

Managing operational risks: Funding

The EPA receives government funding as well as income derived from fees paid by the regulated community. Not enough funding could reduce the EPA's ability to achieve its objectives. The EPA manages these risks through:

- 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.

Financial overview

Our total income for 2018–19 was \$202 million and expenditure was \$194 million.

Where our money came from

NSW Government	\$165 million
Licensing fees and other charges	\$32 million
Non-government	\$3 million
Other	\$2 million
Total	\$202 million

EPA expenditure is primarily on its staff and grant programs. We paid \$40 million in grants to various entities for a range of purposes. Greater detail is provided in Section 4: Grants and sponsorships and Appendices 4–6.

We collect revenue on behalf of the Crown from Waste and Environment Levies and through the licensing of the industry we regulate. This annual revenue is paid to the NSW Treasury.

The overall EPA revenue in 2018–19 of \$202 million was \$17.4 million over the original Treasury budget of \$184.6 million. This was primarily due to the funding received for the Alternative Waste Treatment Initiative.

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How we spent our money*

Salaries	\$89 million
Grants and subsidies	\$40 million
Other operating costs	\$63 million
Depreciation and amortisation	\$3 million
Total	\$195 million

* Totals are rounded.

The overall EPA expenditure in 2018–19 of \$195 million was \$5.6 million over the original Treasury budget of \$189.4 million. This was mainly due to payments for the Alternative Waste Treatment Initiative, additional expenses for programs funded externally and Container Deposit Scheme cross-border payments. These costs were partly offset by changes in the timing of projects, primarily for the Waste and Asbestos programs.

Budgets

Total recurrent operating expenses

	2018–19 budget	2019–20 budget
Original budget	\$189.4 million	\$255.5 million
Revisions	Nil	Nil
Final budget	\$189.4 million	\$255.5 million

There were no adjustments to the budget first approved.

This year our total revenue increased by \$28 million (16%) compared to the 2017–18 total of \$174 million. This increase was made up of extra grants received, a rise in licensing fees revenue and the impact of long service leave and superannuation actuarial adjustments.

Total EPA expenditure for 2018–19 increased by \$28 million (17%) compared to the 2017–18 expenditure of \$166 million.

This increase was due mainly to:

- extra resources needed to implement the Alternative Waste Treatment Initiative, Waste Crime Taskforce and the Contaminated Land Management and PFAS programs
- extra grants for waste programs and Contaminated Land Management programs.

The EPA ended the year with a net equity of \$31.9 million which is invested in current assets, property, plant and equipment and ICT infrastructure.

Expenditure

Exceptional movements in wages, salaries and allowances

There were no exceptional movements in wages, salaries or allowances in 2018–19. All increases to wages, salaries or allowances have been 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 as required to be disclosed under annual reporting regulations.

Land disposal

As the EPA does not own any land, there was none to dispose of in 2018–19.

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*.

In late 2017, the NSW Government introduced the Container Deposit Scheme (CDS) Return and Earn which aims to cut the state's total litter volume by 40% by 2020.

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Financial performance

IPART has monitored the effects of the CDS on beverage prices and competition in its first year of operation. The broad aim was to assist the Government in managing the risk that suppliers may seek to raise the price of beverages above the costs of the scheme.

In January 2019, IPART published its final report on monitoring the impacts on container beverage prices and competition which included:

- six findings on scheme costs and impacts of the CDS on beverage prices
- six findings on its impacts on competition
- seven recommendations on reducing cost volatility
- three recommendations to ensure markets remain competitive
- five recommendations to address other market impacts of the CDS.

The EPA is currently implementing and addressing IPART's findings and recommendations.

Disclosure of subsidiaries

The EPA had no subsidiaries in 2018–19.

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 2019, the total of the EPA's PPE assets was \$6.2 million.

Production costs of the Annual Report

Total external production costs for the 2018–19 Annual Report were approximately \$3,750 for editing. Design costs were in-house with some elements shared with other reporting.

Major works in progress

Over the last three years, the EPA has invested in enhancing its software systems. Information and communications technology expenditure for 2018–19 has been budgeted for with investment in later years currently undergoing a gateway assurance process.

Major works in progress at 30 June 2019	Cost to date \$'000	Cost overrun	Estimated date of completion
Regulatory and communication system enhancement	4,657	Nil	2019

No significant cost overruns or delays occurred during 2018–19. No projects were cancelled.

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Financial performance

Consultants

Consultancies of \$50,000 or more

Consultant	Category	Consultancy description	Cost
The Customer Experience Company	Environmental	Mapping of waste tracking system	\$246,500
Ernst & Young	Finance and accounting tax	Alternative Waste Treatment (AWT) financial impact analysis	\$209,000
Centre for International Economics	Finance and accounting tax	Economic modelling and cost-benefit analysis for the load-based licensing review	\$125,300
KPMG Australia	Finance and accounting tax	Independent cost assessment of former Pasminco Cockle Creek Smelter	\$118,577
The Customer Experience Company	Environmental	Mapping of online waste tracking system	\$99,000
GWI Pty Ltd	Information technology	Advisory services in relation to proof of concept for information governance	\$94,187
Impact Environmental Consulting	Environmental	Development of model contract clauses for kerbside recycling collection services	\$93,336
Thinkplace Australia Pty Ltd	Environmental	Advisory and facilitation services for the 20-Year Waste Strategy for NSW	\$79,364
Environment Resources Management	Environmental	James Hardie environmental sampling	\$75,459
Instinct & Reason	Environmental	Evaluation of hazardous material chemical radiation	\$68,000
Centre for International Economics	Environmental	Container Deposit Scheme review future cost recovery on regulatory operations	\$64,004
Doll Martin Associates	Information technology	Licence and Emergency Management Business Case	\$59,860
WSP Australia Pty Ltd	Environmental	Contamination investigation at the former Deniliquin Gasworks	\$55,275
PricewaterhouseCoopers	Finance and accounting tax	Container Deposit Scheme- financial modelling as part of review of Scheme supplier payment methodology project	\$52,752
Jacobs Group Pty Ltd	Environmental	Alternative market options for mixed waste organic outputs	\$51,488
University of Technology Sydney	Environmental	China National Sword best practice advice	\$51,170
Subtotal			\$1,543,271

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Consultancies of less than \$50,000

Category	Number	Cost
Environmental	52	\$804,876
Organisational review	14	\$191,331
Finance and accounting tax	5	\$137,385
Management services	6	\$48,394
Subtotal	77	\$1,181,986

Total consultancies

Size	Number	Cost
Consultancies of \$50,000 or more	16	\$1,543,271
Consultancies of less than \$50,000	77	\$1,181,986
Total consultancies	93	\$2,725,257

Account payment performance

Aged analysis at the end of each quarter – all suppliers

Quarter	Current (i.e. within due date)	Up to 30 days overdue	Between 30 and 60 days overdue	Between 61 and 90 days overdue	More than 90 days overdue
September	13,282,431	688,918	85,131	4,923	4,300
December	11,721,879	271,386	32,746	85,106	245,993
March	15,166,186	1,897,012	302,386	116,652	1,090,546
June	24,341,019	2,898,331	485,830	182,936	143,364

Aged analysis at the end of each quarter – small business suppliers

Quarter	Current (i.e. within due date)	Up to 30 days overdue	Between 30 and 60 days overdue	Between 61 and 90 days overdue	More than 90 days overdue
September	90,568	2,838	–	–	–
December	323,547	5,500	–	–	–
March	50,261	18,216	–	–	–
June	317,875	–	–	1,577	–

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Financial performance

Accounts due or paid within each quarter – all suppliers

Measure	Sep 2018	Dec 2018	Mar 2019	Jun 2019
Number of accounts due for payment	2,371	2,519	2,240	3,310
Number of accounts paid on time	2,240	2,393	1,948	3,041
Actual percentage of accounts paid on time (based on number of accounts)	94.5%	95.0%	87.0%	91.9%
Dollar amount of accounts due for payment	14,065,702	12,357,110	18,572,783	28,051,480
Dollar amount of accounts paid on time	13,282,431	11,721,879	15,166,186	24,341,019
Actual percentage of accounts paid on time (based on dollar amount)	94.4%	94.9%	81.7%	86.8%
Number of payments for interest on overdue accounts	–	–	–	–
Interest paid on overdue accounts	–	–	–	–

Accounts due or paid within each quarter – small business suppliers

Measure	Sep 2018	Dec 2018	Mar 2019	Jun 2019
Number of accounts due for payment	18	36	15	36
Number of accounts paid on time	17	35	13	35
Actual percentage of accounts paid on time (based on number of accounts)	94.4%	97.2%	86.7%	97.2%
Dollar amount of accounts due for payment	93,406	329,047	68,477	319,451
Dollar amount of accounts paid on time	90,568	323,547	50,261	317,875
Actual percentage of accounts paid on time (based on dollar amount)	97.0%	98.3%	73.4%	99.5%
Number of payments for interest on overdue accounts	–	–	–	–
Interest paid on overdue accounts	–	–	–	–

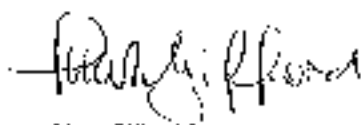
Section 7

Financial performance

Financial Statement

Pursuant to Section 410 of the *Public Finance and Audit Act 1983*, we state that:

- (a) the accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the applicable clauses of the *Public Finance and Audit Regulation 2015*, Australian Accounting Standards, the Financial Reporting Code for NSW General Government Sector Entities and the Treasurer's Directions;
- (b) the statements exhibit a true and fair view of the financial position as at 30 June 2019 and financial performance of the Environment Protection Authority for the year then ended; and
- (c) there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Mark Gilford

Acting Chief Executive Officer, EPA

19 September 2019



Chris Krebhanche AM

EPA Board Member

19 September 2019

Financial performance



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 Authority), which comprise the Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, 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 Authority and the consolidated entity. The consolidated entity comprises the Authority 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:

- give a true and fair view of the financial position of the Authority and consolidated entity as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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 Authority 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' (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.

Financial performance

Other Information

The Authority's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The members of the Board of the Authority are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise signed Statement pursuant to Section 41C of the PF&A Act.

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 PF&A, and for such internal control as the members of the Board determine 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 members of the Board are responsible for assessing the ability of the Authority 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, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

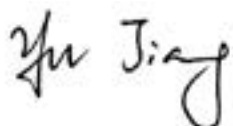
Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

Financial performance

My opinion does not provide assurance:

- that the Authority 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 Services

Delegate of the Auditor-General for New South Wales

20 September 2019
SYDNEY

Section 7

Financial performance

Beginning of audited financial statements

Environment Protection Authority

Statement of Comprehensive Income

For the year ended 30 June 2019

	Notes	Consolidated			Environment Protection Authority	
		Actual 2019	Budget 2019	Actual 2018	Actual 2019	Actual 2018
		\$'000	\$'000	\$'000	\$'000	\$'000
Employee-related expenses	2(a)	88,500	90,374	76,354	707	1,268
Personnel services expenses	2(a)	–	–	–	87,793	75,086
Other operating expenses	2(b)	63,027	60,338	61,211	63,027	61,211
Depreciation and amortisation expenses	2(c)	3,128	3,093	2,379	3,128	2,379
Grants and subsidies	2(d)	39,909	35,628	26,403	39,909	26,403
Total expenses excluding losses		194,564	189,433	166,347	194,564	166,347
Revenue						
Sales of goods and services	3(a)	8,488	28,505	8,889	8,488	8,889
Retained taxes, fees and fines	3(b)	23,519	–	22,336	23,519	22,336
Grants and contributions	3(c)	160,650	149,209	137,536	160,650	137,536
Acceptance by the Crown Entity of employee benefits and other liabilities	3(d)	7,309	6,500	2,681	7,309	2,681
Other income	3(e)	1,966	400	2,156	1,966	2,156
Total revenue		201,932	184,614	173,598	201,932	173,598
Operating result						
Gain/(loss) on disposal	4	2	–	(11)	2	(11)
Net result		7,370	(4,819)	7,240	7,370	7,240
Other comprehensive income						
Changes in revaluation surplus of property, plant and equipment	8	–	–	92	–	92
Total other comprehensive income		–	–	92	–	92
Total comprehensive income		7,370	(4,819)	7,332	7,370	7,332

The accompanying notes form part of these financial statements.

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Financial performance

Environment Protection Authority

Statement of Financial Position

As at 30 June 2019

		Consolidated			Environment Protection Authority	
	Notes	Actual 2019	Budget 2019	Actual 2018	Actual 2019	Actual 2018
		\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS						
Current Assets						
Cash and cash equivalents	6	27,658	6,088	22,323	27,658	22,323
Receivables	7	7,165	2,075	6,620	7,165	6,620
Total Current Assets		34,823	8,163	28,943	34,823	28,943
Non-Current Assets						
Property, plant and equipment						
Land and buildings	8	4,293	4,677	4,404	4,293	4,404
Plant and equipment	8	1,925	2,913	1,828	1,925	1,828
Total property, plant and equipment		6,218	7,590	6,232	6,218	6,232
Intangibles assets	9	10,292	11,446	8,833	10,292	8,833
Total Non-Current Assets		16,510	19,036	15,065	16,510	15,065
Total Assets		51,333	27,200	44,008	51,333	44,008

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Financial performance

		Consolidated			Environment Protection Authority	
	Notes	Actual 2019	Budget 2019	Actual 2018	Actual 2019	Actual 2018
		\$'000	\$'000	\$'000	\$'000	\$'000
LIABILITIES						
Current Liabilities						
Payables	12	9,157	6,887	9,871	9,157	9,871
Provisions	13	9,936	7,685	9,316	–	–
Payable to the EPA Staff Agency	13	–	–	–	9,936	9,316
Total Current Liabilities		19,093	14,572	19,187	19,093	19,187
Non-Current Liabilities						
Provisions	13	287	220	238	–	–
Payable to the EPA Staff Agency	13	–	–	–	287	238
Total Non-Current Liabilities		287	220	238	287	238
Total Liabilities		19,380	14,792	19,425	19,380	19,425
Net Assets		31,953	12,408	24,583	31,953	24,583
EQUITY						
Reserves		1,307	1,391	1,307	1,307	1,307
Accumulated funds		30,646	11,017	23,276	30,646	23,276
Total Equity		31,953	12,408	24,583	31,953	24,583

The accompanying notes form part of these financial statements.

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Financial performance

Environment Protection Authority

Statement of Changes in Equity

For the year ended 30 June 2019

Consolidated and Parent	Notes	Accumulated funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance as at 1 July 2018		23,276	1,307	24,583
Net result for the year		7,370	–	7,370
Balance as at 30 June 2019		30,646	1,307	31,953

Balance as at 1 July 2017		16,036	1,215	17,251
Net result for the year		7,240	–	7,240
Other comprehensive income:				
Net change in revaluation surplus of property, plant and equipment	8	–	92	92
Total other comprehensive income		–	92	92
Total comprehensive income for the year		7,240	92	7,332
Balance as at 30 June 2018		23,276	1,307	24,583

The accompanying notes form part of these financial statements.

Section 7

Financial performance

Environment Protection Authority

Statement of Cash Flows

For the year ended 30 June 2019

	Consolidated			Environment Protection Authority	
Notes	Actual 2019	Budget 2019	Actual 2018	Actual 2019	Actual 2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Payments					
Employee related	(82,606)	(83,873)	(74,753)	(707)	(1,268)
Personnel services expenses	–	–	–	(81,899)	(73,485)
Grants and subsidies	(39,909)	(35,628)	(26,403)	(39,909)	(26,403)
Other*	(68,812)	(60,319)	(64,937)	(68,812)	(64,937)
Total payments	(191,327)	(179,820)	(166,093)	(191,327)	(166,093)
Receipts					
Grants and other contributions	160,656	149,209	137,114	160,656	137,114
Sale of goods and services	7,401	28,505	8,784	7,401	8,784
Retained taxes, fees and fines	23,519	–	22,336	23,519	22,336
Cash reimbursements from the Crown Entity**	1,926	–	1,788	1,926	1,788
Other	7,731	380	7,128	7,731	7,128
Total receipts	201,233	178,094	177,150	201,233	177,150
NET CASH FLOWS FROM OPERATING ACTIVITIES	18	9,906	(1,726)	9,906	11,057
Cash flows from investing activities					
Proceeds from sale of land and buildings, plant and equipment and infrastructure systems	2	–	–	2	–
Purchases of intangible assets	(4,175)	(5,498)	(3,594)	(4,175)	(3,594)
Purchase of property, plant and equipment	(398)	(1,306)	(109)	(398)	(109)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(4,571)	(6,804)	(3,703)	(4,571)	(3,703)

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	Notes	Consolidated			Environment Protection Authority	
		Actual 2019	Budget 2019	Actual 2018	Actual 2019	Actual 2018
		\$'000	\$'000	\$'000	\$'000	\$'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		5,335	(8,530)	7,354	5,335	7,354
Opening cash and cash equivalents		22,323	14,618	14,969	22,323	14,969
CLOSING CASH AND CASH EQUIVALENTS	6	27,658	6,088	22,323	27,658	22,323

* Includes payment to OEH and DPE for corporate and other specialist support.

** Includes reimbursement of long service leave.

The accompanying notes form part of these financial statements.

Environment Protection Authority

Notes to the financial statements

For the year ended 20 June 2019

1. Summary of significant accounting policies

(a) Reporting entity

The Environment Protection Authority (the 'EPA'), a NSW Government entity, is constituted under Section 5 of the *Protection of the Environment Administration Act 1991* as a statutory body corporate. The EPA is a not-for-profit entity (as profit is not its principal objective) and it has no cash-generating units. The EPA is consolidated as part of the NSW Total State Sector Accounts.

The EPA as a reporting entity comprises the Environment Protection Authority Staff Agency (the Staff Agency), an entity under its control. The 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 entities, all inter-entity transactions and balances have been eliminated and like transactions and other events are accounted for, using uniform accounting policies.

The Staff Agency is a Division of the Government Service responsible to the Minister for the 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 Staff Agency.

The EPA is responsible for licensing and regulating air emissions, contaminated sites, hazardous materials (including dangerous goods), noise, pesticides, forestry activities, waste, water quality and state of the environment reporting.

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Financial performance

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 2019 have been authorised for issue by the A/Chief Executive Officer of the EPA on 19 September 2019.

(b) Basis of preparation

The EPA's financial statements are general purpose financial statements, which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (AAS), which include Australian Accounting Interpretations
- the requirements of the *Public Finance and Audit Act 1983* (the Act) and *Public Finance and Audit Regulation 2015*
- Treasurer's Directions issued by the Act.

Property plant and equipment is measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations that management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest \$1,000 and are expressed in Australian currency, which is the EPA's presentation and functional currency.

(c) Statement of compliance

The financial statements and notes comply with AAS, which include Australian Accounting Interpretations.

(d) 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 19.

The accrual basis of accounting and applicable accounting standards has been adopted.

(e) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that the:

- amount of GST incurred by the EPA as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(f) Comparative information

Except when an AAS permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

In the 2017–18 financial year, operations of the EPA were disclosed against one program: *environment protection and regulation*.

Commencing from the 2018–19 financial year, programs have been replaced by State outcomes in the Budget Papers. The total operations of the EPA contribute to the State outcome: *valued and protected environment and heritage*. Refer to Note 5.

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Financial performance

The 2017–18 comparative details in the notes relating to the expense line item ‘other operating expenses’ has been reclassified with the total of the note. There is no change or reclassification of expense items in the statement of comprehensive income. Refer to Note 2(b).

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

Effective for the first time in 2018–19

The EPA has adopted AASB 9 *Financial Instruments* (AASB 9), which resulted in changes in accounting policies in respect of recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. AASB 9 also significantly amends other standards dealing with financial instruments, such as the revised AASB 7 *Financial Instruments: Disclosures* (AASB 7R).

The EPA applied AASB 9 retrospectively but has not restated the comparative information that is reported under AASB 139 *Financial Instruments: Recognition and Measurement* (AASB 139). Any differences arising from the adoption of AASB 9 have been recognised directly in accumulated funds and other components of equity.

No differences have arisen adopting AASB 9. Hence no adjustments were required in accumulated funds and/or other components of equity. Given the nature of receivables and considering expected credit loss, no adjustment was required in the allowance.

Classification and measurement of financial instruments

On 1 July 2018 (the date of application of AASB 9), the EPA assessed which business models apply to the financial assets held by the EPA to classify its financial instruments into the appropriate AASB 9 categories.

This assessment did not result in any reclassification of financial instruments, with no impact on reserves or accumulated funds.

The classification and measurement requirements of AASB 9 did not have a significant impact to the EPA. The EPA continued measuring all financial assets at fair value.

The following are the changes in the classification of the EPA’s financial assets:

- Trade receivables and other financial assets (i.e. term deposits) classified as ‘Loans and receivables’ under AASB 139 as at 30 June 2018 are held to collect contractual cash flows representing solely payments of principal and interest. At 1 July 2018, these are classified and measured as debt instruments at amortised cost.
- The EPA has not designated any financial liabilities at fair value through profit or loss. There are no changes in the classification and measurement for the EPA financial liabilities.

In summary, upon the adoption of AASB 9, the EPA had the following required or elected reclassifications as at 1 July 2018.

AASB 139	Measurement category		Carry amount		
Measurement category	AASB 139	AASB 9	Original \$’000	New \$’000	Difference \$’000
Trade receivables	L&R	Amortised cost	3,079	3,079	–
Other receivables	L&R	Amortised cost	3,541	3,541	–

L&R – loans and receivables

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Issued but not yet effective

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise.

The following new Accounting Standards have not been applied and are not yet effective (NSW Treasury mandate TC 19-04):

- AASB 15, AASB 2014-5, AASB 2015-8 and 2016-3 regarding revenue from contracts with customers
- AASB 16 leases
- AASB 1058 income of not-for-profit entities
- AASB 1059 service concession arrangements – grantors

- AASB 2016-8 amendments to Australian Accounting Standards – Australian implementation guidance for not-for-profit entities
- AASB 2018-5 amendments to Australian Accounting Standards – deferral of AASB 1059
- AASB 2018-8 amendments to Australian Accounting Standards – right-of-use assets of not-for-profit entities.

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.

2. Expenses excluding losses

(a) Employee-related expenses and personnel services

	Consolidated		Environment Protection Authority	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Salaries and wages (including annual leave)	70,280	63,733	650	813
Redundancy payments	143	538	–	369
Superannuation – defined benefit plans	1,290	1,041	–	–
Superannuation – defined contribution plans	5,676	5,082	20	32
Long service leave	6,345	1,742	–	–
Workers' compensation insurance	217	287	–	–
Payroll tax and fringe benefits tax	4,547	3,928	37	54
Other	2	3	–	–
Personnel services expenses	–	–	87,793	75,086
	88,500	76,354	88,500	76,354

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Financial performance

(b) Other operating expenses

	Consolidated		Environment Protection Authority	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Contractor projects	25,742	23,466	25,742	23,466
Consultants	2,725	3,196	2,725	3,196
Maintenance*	456	1,025	456	1,025
Fees and services	1,467	1,606	1,467	1,606
Corporate support from OEH and DPE	18,620	15,523	18,620	15,523
Payments to NSW Government agencies	2,642	2,579	2,642	2,579
Stores and minor assets	1,153	1,553	1,153	1,553
Fleet costs	894	880	894	880
Operating lease rental expenses (minimum lease payments)	241	658	241	658
Insurance	114	94	114	94
Information dissemination	3,483	4,771	3,483	4,771
Travel costs	1,593	1,348	1,593	1,348
Other occupancy costs	254	285	254	285
Training	1,181	1,062	1,181	1,062
Communication costs	254	390	254	390
Legal costs	1,732	2,592	1,732	2,592
Auditor's remuneration (audit or review of the financial statements)	58	54	58	54
Impairment of assets and bad debts	413	133	413	133
Other	18	36	18	36
Expenses capitalised	(13)	(40)	(13)	(40)
	63,027	61,211	63,027	61,211

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Financial performance

	Consolidated		Environment Protection Authority	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
* Reconciliation – Total maintenance				
Maintenance expense – contracted labour and other (non-employee related), as above	456	1,025	456	1,025
Total maintenance expenses included in Note 2(b)	456	1,025	456	1,025

For the 2017–18 comparative, an amount of \$17.9 million was reallocated from ‘fees and services’ to ‘Contractors – projects’, to align with the nature of the expense. Refer to Note 1(f).

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, in which case the costs are capitalised and depreciated. Refer to Notes 2(b) and 10.

Insurance

The EPA’s insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

Operating leases

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

(c) Depreciation and amortisation expense

	Consolidated		Environment Protection Authority	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Depreciation				
Buildings and improvements	111	115	111	115
Plant and equipment	301	264	301	264
	412	379	412	379
Amortisation of intangibles	2,716	2,000	2,716	2,000
	2,716	2,000	2,716	2,000
	3,128	2,379	3,128	2,379

For recognition and measurement policies on depreciation and amortisation refer to Notes 8 and 9.

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Financial performance

(d) Grants and subsidies

	Consolidated		Environment Protection Authority	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Federal Government	65	–	65	–
NSW government	1,303	1,084	1,303	1,084
Local government	11,993	9,795	11,993	9,795
<i>Waste Less, Recycle More</i> payments	9,750	9,750	9,750	9,750
Rebates	324	800	324	800
Non-government organisations	16,474	4,974	16,474	4,974
	39,909	26,403	39,909	26,403

3. Revenue

Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Accounting policies for the recognition of income are discussed below.

(a) Sale of goods and rendering of services

	Consolidated		Environment Protection Authority	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Sale of goods				
Minor fees and charges	8,488	8,889	8,488	8,889
	8,488	8,889	8,488	8,889

Recognition and measurement

Sale of goods and services

Revenue from the sale of goods is recognised as revenue when the EPA transfers the significant risks and rewards of ownership of the goods, usually on receipt of the goods.

Rendering of services, including personnel services

Revenue from rendering of services is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date, or percentage of work completed).

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Financial performance

(b) Retained taxes, fees and fines

	Consolidated		Environment Protection Authority	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Fees				
Licensing administration fees	22,434	21,243	22,434	21,243
Fines				
Parking, court and other	1,085	1,093	1,085	1,093
	23,519	22,336	23,519	22,336

Recognition and measurement

Revenue from retained taxes, fees and fines is recognised on receipt of returns or licenses issued.

(c) Grants and contributions

	Consolidated		Environment Protection Authority	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Funding was provided by the Commonwealth and State Governments together with private and corporate sponsorship as follows:				
Federal Government	362	119	362	119
NSW Government – externally sourced funding	19,948	5,741	19,948	5,741
Local government	14	5	14	5
NSW Government – recurrent and capital funding	137,760	129,663	137,760	129,663
Non-government organisations	2,566	2,008	2,566	2,008
	160,650	137,536	160,650	137,536

Recognition and measurement

Grants and contributions are recognised as income when the entity obtains control over the assets comprising grants and contributions. Control over grants and contributions is normally obtained upon the receipt of cash. Grants received from the Department of Planning and Environment, which is the principal department in the Cluster, are generally recognised as income when the EPA obtains control over the contribution.

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Financial performance

(d) Acceptance by the Crown Entity of employee benefits and other liabilities

	Consolidated		Environment Protection Authority	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
The following liabilities and/or expenses have been assumed by the Crown Entity:				
Superannuation – defined benefit	1,290	1,041	–	–
Long service leave	5,951	1,586	–	–
Payroll tax on superannuation	68	54	–	–
Contributions by the Crown Entity	–	–	7,309	2,681
	7,309	2,681	7,309	2,681

For recognition and measurement of liabilities assumed by the Crown refer to Note 13.

(e) Other income

	Consolidated		Environment Protection Authority	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Miscellaneous revenue	1,966	2,156	1,966	2,156
	1,966	2,156	1,966	2,156

Recognition and measurement

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

4. Gain/(loss) on disposal

	Consolidated		Environment Protection Authority	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Proceeds/(Written down) of sale of current/non-current assets:				
Plant and equipment	2	(11)	2	(11)
Net gain/(loss) on disposal	2	(11)	2	(11)

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Financial performance

5. State Outcomes delivered by the Planning and Environment cluster

State Outcome: Valued and protected environment and heritage

Description: Protecting and preserving our environment and heritage, enabling the public to access and enjoy the natural environment and support a healthy New South Wales.

The EPA delivers credible, targeted and cost-effective regulatory services for environmental protection. It implements market-based programs and provides audit and enforcement programs and emergency services designed to reduce environmental impacts. It works closely with industry and local government to encourage proactive compliance with environmental regulations and implementation of waste programs.

The total operations of the EPA contribute to valued and protected environment and heritage. Separate State outcome statements are not required. Refer to Note 1(f).

6. Current assets – cash and cash equivalents

	Consolidated		Environment Protection Authority	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash at bank and on hand	27,658	22,323	27,658	22,323
Closing cash and cash equivalents (as per Statement of Cash Flows)	27,658	22,323	27,658	22,323

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	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash and cash equivalents (as per Statement of Financial Position)	27,658	22,323	27,658	22,323
Closing cash and cash equivalents (as per Statement of Cash Flows)	27,658	22,323	27,658	22,323

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank and cash on hand. Refer to Note 11 for details on restricted cash balances.

Refer to Note 20 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

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Financial performance

7. Current assets – receivables

	Consolidated		Environment Protection Authority	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Sale of goods and services	4,332	3,241	4,332	3,241
Less: allowance for expected credit losses*	(531)	–	(531)	–
Less: allowance for impairment**	–	(162)	–	(162)
Accrued income	2,302	2,308	2,302	2,308
GST	1,062	1,233	1,062	1,233
	7,165	6,620	7,165	6,620
*Movements in the allowance for expected credit losses				
Balance at 30 June 2018 under AASB 139	162		162	
Balance at 1 July 2018 under AASB 9	162		162	
Amounts written off during the year	(44)		(44)	
Increase/(decrease) in allowance recognised in net result	413		413	
Balance at 30 June 2019	531		531	
**Movement in the allowance for impairment				
Balance at 1 July		39		39
Amounts written off during the year		(10)		(10)
Increase (decrease) in allowance recognised in profit or loss		133		133
Balance at 30 June 2018		162		162

Details regarding credit risk of trade debtors that are neither past due nor impaired are disclosed in Note 20.

Financial performance

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 and 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. Subsequent measurement is at amortised cost using the effective interest method, less any impairment.

The EPA holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method.

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 or derecognised or through the amortisation process.

Impairment under AASB 139 (for comparative period ended 30 June 2018)

Receivables are subject to an annual review for impairment. These are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

The EPA first assesses whether impairment exists individually for receivables that are individually significant, or collectively for those that are not. Further, receivables are also assessed for impairment on a collective basis if they were assessed not to be impaired individually.

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, if objectively related to an event occurring after the impairment was recognised. Reversals of impairment losses cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

Impairment under AASB 9 (from 1 July 2018)

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.

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Financial performance

8. Non-current assets – property, plant and equipment

	Buildings	Plant and equipment	Total
Consolidated and parent	\$'000	\$'000	\$'000
At 1 July 2018 – fair value			
Gross carrying amount	5,540	3,588	9,128
Accumulated depreciation and impairment	(1,136)	(1,760)	(2,896)
Net carrying amount	4,404	1,828	6,232
At 30 June 2019 – fair value			
Gross carrying amount	5,539	3,916	9,455
Accumulated depreciation and impairment	(1,246)	(1,991)	(3,237)
Net carrying amount	4,293	1,925	6,218

Reconciliation – current reporting period

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below

	Buildings	Plant and equipment	Total
Consolidated and parent	\$'000	\$'000	\$'000
Period ended 30 June 2019			
Net carrying amount at start of year	4,404	1,828	6,232
Additions	–	398	398
Depreciation expense	(111)	(301)	(412)
Net carrying amount at end of year	4,293	1,925	6,218

Further details of the fair value measurements of property, plant and equipment are disclosed in Note 10.

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Financial performance

	Buildings	Plant and equipment	Total
Consolidated and parent	\$'000	\$'000	\$'000
At 1 July 2017 – fair value			
Gross carrying amount	5,781	3,327	9,108
Accumulated depreciation and impairment	(1,067)	(1,622)	(2,689)
Net carrying amount	4,714	1,705	6,419
At 30 June 2018 – fair value			
Gross carrying amount	5,540	3,588	9,128
Accumulated depreciation and impairment	(1,136)	(1,760)	(2,896)
Net carrying amount	4,404	1,828	6,232

Reconciliation – previous reporting period

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the previous reporting period is set out below:

	Buildings	Plant and equipment	Total
Consolidated and parent	\$'000	\$'000	\$'000
Year ended 30 June 2018			
Net carrying amount at start of year	4,714	1,705	6,419
Additions	2	109	111
Transfer Other	(289)	289	–
Disposals	–	(11)	(11)
Net revaluation increments less revaluation decrements	92	–	92
Depreciation expense	(115)	(264)	(379)
Net carrying amount at end of year	4,404	1,828	6,232

Further details of the fair measurements of property, plant and equipment are disclosed in Note 10.

Financial performance

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% (2018: 10% – 20%)
- buildings – 2% (2018: 2%).

Amortisation of intangible assets:

- software – 25% (2018: 25%).

Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the Treasury Policy and Guidelines Paper TPP 14-01 *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*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach or cost approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Notes 10 and 20 for further information regarding fair value.

Revaluations shall be made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The EPA conducts a comprehensive revaluation of its buildings at least every three years. The latest comprehensive revaluation of buildings was undertaken by Colliers International Valuation & Advisory Services Pty Ltd at 31 March 2018.

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Financial performance

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from the carrying value. An interim revaluation of buildings was performed by management at 30 June 2019. This assessment was based on relevant indices provided by an independent valuer. The assessed movement in fair value was considered immaterial and no adjustment was made to fair values at 30 June 2019.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value. The entity 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.

Impairment of property, plant and equipment

As 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.

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 a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in 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 net result, a reversal of that impairment loss is also recognised in net result.

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9. Intangible assets

	Software	Capital work in progress	Total
Consolidated and parent	\$'000	\$'000	\$'000
At 1 July 2018 – fair value			
Cost (gross carrying amount)	12,682	2,340	15,022
Accumulated amortisation and impairment	(6,189)	–	(6,189)
Net carrying amount	6,493	2,340	8,833
At 30 June 2019 – fair value			
Cost (gross carrying amount)	14,504	4,657	19,161
Accumulated amortisation and impairment	(8,869)	–	(8,869)
Net carrying amount	5,635	4,657	10,292
Consolidated and parent			
Period ended 30 June 2019			
Net carrying amount at start of year	6,493	2,340	8,833
Additions	1,436	2,739	4,175
Transfer from work in progress	422	(422)	–
Amortisation (recognised in 'Depreciation and amortisation')	(2,716)	–	(2,716)
Net carrying amount at end of year	5,635	4,657	10,292

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	Software	Capital work in progress	Total
Consolidated and parent	\$'000	\$'000	\$'000
At 1 July 2017 – fair value			
Cost (gross carrying amount)	9,319	2,109	11,428
Accumulated amortisation and impairment	(4,190)	–	(4,190)
Net carrying amount	5,129	2,109	7,238
At 30 June 2018 – fair value			
Cost (gross carrying amount)	12,682	2,340	15,022
Accumulated amortisation and impairment	(6,189)	–	(6,189)
Net carrying amount	6,493	2,340	8,833
Consolidated and parent			
Period ended 30 June 2018			
Net carrying amount at start of year	5,129	2,109	7,238
Additions	1,878	1,717	3,595
Transfer from work in progress	1,486	(1,486)	–
Amortisation (recognised in 'Depreciation and amortisation')	(2,000)	–	(2,000)
Net carrying amount at end of year	6,493	2,340	8,833

Financial performance

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.

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 recoverable amount and the reduction is recognised as an impairment loss.

10. 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 20 for further disclosures regarding fair value measurements of financial assets.

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(a) Fair value hierarchy

Consolidated and parent 2019	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Property, plant and equipment (Note 8)				
Buildings	–	–	4,293	4,293
Total	–	–	4,293	4,293

Consolidated and parent 2018	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Property, plant and equipment (Note 8)				
Buildings	–	–	4,404	4,404
Total	–	–	4,404	4,404

There were no transfers between Level 1 or 2 during the current or prior year.

(b) Valuation techniques, inputs and processes

Highest and best use

Non-financial assets are valued on a highest and best use basis.

Level 3 measurements

EPA non-financial assets classed as Level 3 in the fair value hierarchy are valued using a cost approach given that their use is specialised in nature and they are not actively traded in the marketplace. Cost has been derived using actual costs plus reference to industry costing guides based on the characteristics of the relevant asset.

Full external valuations are conducted at least every three years. The last valuation for buildings was conducted in 2017–18. The fair value of Level 3 assets is adjusted annually for movement in relevant publicly available indexes. The EPA engages independent, qualified valuers with appropriate experience in the relevant Level 3 category 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.

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(c) Reconciliation of recurring Level 3 fair value measurements

	Buildings	Total recurring Level 3 fair value
Consolidated and parent 2019	\$'000	\$'000
Fair value as at 1 July 2018	4,404	4,404
Additions	–	–
Transfer and reclassifications	–	–
Revaluation increments/decrements recognised in other comprehensive income – included in line item 'Net increase/(decrease) in property, plant and equipment revaluation surplus'	–	–
Depreciation	(111)	(111)
Fair value as at 30 June 2019	4,293	4,293

	Buildings	Total recurring Level 3 fair value
Consolidated and parent 2018	\$'000	\$'000
Fair value as at 1 July 2017	4,714	4,714
Additions	2	2
Transfer and reclassifications	(289)	(289)
Revaluation increments/decrements recognised in other comprehensive income – included in line item 'Net increase/(decrease) in property, plant and equipment revaluation surplus'	92	92
Depreciation	(115)	(115)
Fair value as at 30 June 2018	4,404	4,404

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Type (Level 3)	Valuation technique	Inputs	Relationship of unobservable inputs to fair value
Buildings	<p>In 2017–18 the EPA engaged the services of Colliers International Valuation & Advisory Services (CIVAS) to provide a comprehensive valuation using depreciated replacement cost (DRC) approach to determine fair value.</p> <p>In 2018–19 an interim revaluation was performed by management based on an assessment of relevant indices by an independent valuer. The assessed movement in fair value was considered immaterial and no adjustment was made to fair values at 30 June 2019.</p>	<ul style="list-style-type: none"> Current construction cost estimates as published in Rawlinson's Handbook 2018 Actual construction costs of similar building types as those included in OEH's portfolio Capital improvements made by OEH over the last three years Total useful life and remaining useful life Gross floor area. <p>The interim revaluation performed at 30 June 2019 involved the use of published CPI data, Building Price NSW indices and Australian Institute of Quantity Surveyors (AIQS) Building Cost Index.</p>	<p>The valuer has determined the fair value of buildings by assessing the replacement cost and making appropriate adjustments for age, condition and functional and technical obsolescence. The valuer physically inspected the Environmental Science Facility.</p> <p>For the interim revaluation performed at 30 June 2019, ABS, Rawlinsons and AIQS indices were analysed to calculate a factor increase from 1 July 2018 to 30 June 2019. This factor was then applied to the gross replacement cost of each asset. The remaining useful life assessed at 30 June 2018 was then adjusted to reflect the time lapsed to 30 June 2019.</p> <p>Management assessed that this factor appropriately reflected the movement in the fair value of building assets.</p>

11. Restricted assets

	Consolidated		Environment Protection Authority	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Contributions	14,487	9,826	14,487	9,826
Restricted cash	14,487	9,826	14,487	9,826

The above amounts are recognised as restricted assets as there are specific legislative or contractual conditions associated with the use of these funds.

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12. Current liabilities - payables

	Consolidated		Environment Protection Authority	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Accrued salaries, wages and on-costs	606	754	–	–
Creditors	8,551	8,680	8,551	8,680
Unearned revenue	–	437	–	437
Payable to the EPA Staff Agency	–	–	606	754
	9,157	9,871	9,157	9,871

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 20.

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.

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13. Current/non-current liabilities – provisions

	Consolidated		Environment Protection Authority	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Employee benefits and related on-costs				
Annual leave ¹	5,628	5,537	–	–
Annual leave on-costs ¹	741	712	–	–
Long service leave on-costs ²	3,298	2,738	–	–
Allowances	269	329	–	–
Payable to the EPA Staff Agency	–	–	9,936	9,316
Total current	9,936	9,316	9,936	9,316
Non-current				
Long-service leave on-costs ²	287	238	–	–
Payable to the EPA Staff Agency	–	–	287	238
Total non-current	287	238	287	238
Total provisions	10,223	9,554	10,223	9,554
Aggregate employee benefits and related on costs				
Provisions – current	9,936	9,316	–	–
Provisions – non-current	287	238	–	–
Accrued salaries, wages and on-costs (Note 12)	606	754	–	–
Payable to the EPA Staff Agency	–	–	10,829	10,308
	10,829	10,308	10,829	10,308

¹ The value of employee benefits and related on-costs expected to be paid after 12 months is \$167,913 (2018: \$132,836).

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.

Financial performance

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 12 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 Commonwealth government bond rate at the reporting date.

The superannuation expense for the financial year is determined using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employee's salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme) the expense is calculated as a multiple of the employee's superannuation contributions.

Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

14. 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 8.

Accumulated funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

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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 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.

All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the EPA recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the EPA does not recognise that asset.

The EPA did not have any equity transfers in the 2018–19 financial year.

15. Commitments for expenditure

As at 30 June 2019, the EPA did not have any capital or leasing commitments (operating or finance). (2018: nil capital or leasing commitments).

16. Contingent liabilities and contingent assets

Contingent liabilities Consolidated and parent

(a) Claims on the Treasury Managed Fund

The EPA is a member of the NSW Treasury Managed Fund (TMF) self-insurance scheme. The TMF manages civil claims against the EPA in relation to issues such as negligence and public liability. As at 30 June 2019, there was one immaterial claim on the TMF.

(b) Other claims

There are presently no other unresolved disputes where legal action has been taken against the EPA.

The EPA is not aware of any significant or material contingent liability in existence at 30 June 2019 or which has emerged subsequent to this date, that may materially impact on the financial position of the EPA as shown in the financial statements.

Contingent assets

The EPA has the following contingent assets as at 30 June 2019:

- prosecutions under the legislation administered by the EPA, which may result in payment of costs to the EPA
- reimbursements from the TMF that manages civil claims, which are disclosed as contingent liabilities above.

It is not practical to estimate the final value of these assets.

17. Budget review

Net Result: Actual Net Result of \$7.4 million against the budget of (\$4.8 million), a variance of \$12.2 million.

Higher than budgeted net result was mainly due to the below:

1. The major reason for the variation of total expenses of \$5.1 million was due to additional expenses in Alternative Waste Treatment (AWT) initiative of \$10.6 million and programs externally funded of \$1.8 million. This was partly offset by changes in timing of projects of \$6.9 million.

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2. The overall reason for the variation of total revenue of \$17.3 million was mainly due to additional revenue received of \$15.3 million for AWT initiative, \$2 million for Emergency Pollution Clean-up, \$2 million from the Container Deposit Scheme (CDS) and \$1.7 million from licencing administration fee. This is partly offset by reduced grants received from the Department of Planning and Environment (DPE) due mainly to changes in timing of projects.

Net Assets: Actual Net Assets of \$31.9 million against the budget of \$12.4 million – a variance of \$19.5 million.

A major impact on net assets is the receipts of restricted grants funding, revenue and under expenditure on programs due to timing issues resulting in increased cash at bank of \$21.6 million,

along with an increase in receivables of \$5 million. Non-current assets were impacted by changes in timing of capital projects of \$2.5 million and an increase of current liabilities and other employee provisions of \$4.5 million.

Cash flow: An overall increase in total payments of \$11.5 million due mainly to additional expenses in the AWT initiative and CDS program.

Total receipts increased by \$23.2 million, including AWT revenue of \$15.3 million, Emergency Pollution Clean-up revenue of \$2 million, CDS revenue of \$2 million, additional licencing administration fees of \$2.3 million, and other revenue of \$7.4 million, offset by a decrease in grants from the DPE of \$7.4 million and cash received from the Crown Entity of \$1.9 million.

18. Reconciliation of cash flows from operating activities to net result

	Consolidated		Environment Protection Authority	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Net cash from operating activities	9,906	11,057	9,906	11,057
Depreciation and amortisation	(3,128)	(2,379)	(3,128)	(2,379)
Gain/(loss) on disposal of asset	2	(11)	2	(11)
Increase/(decrease) in receivables	545	1,981	545	1,981
Decrease/(increase) in provisions	(669)	(604)	(669)	(604)
Decrease/(increase) in creditors	714	(2,804)	714	(2,804)
Net result	7,370	7,240	7,370	7,240

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19. Administered assets, liabilities and income

Consolidated and parent	2019 \$'000	2018 \$'000
Administered assets		
Receivables	65,398	84,405
Allowance for impairment	–	(3,732)
Cash	720	230
Remittance clearing	1,694	1,839
Total administered assets	67,812	82,742
Administered liabilities		
Creditors	–	(1)
Total administered liabilities	–	(1)
Administered income		
Pollution licences and approvals	25,653	27,543
Other fees and licences	93	1
Waste-related levies and fees	759,004	756,012
Coal wash levy	16,056	18,229
Waste levy rebates	(7,814)	(5,030)
Fines	3,153	3,729
Total administered income	796,145	800,484

The above receipts were collected by the EPA on behalf of the Consolidated Fund. These are not included in the EPA's Statement of Comprehensive Income. They are brought to account as revenue in the Treasurer's Public Accounts.

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20. 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.

(a) Financial risks

The EPA Board and Chief Executive Officer has overall responsibility for the establishment and oversight of risk management and reviews and agrees 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.

(b) Financial instrument categories

i. As at 30 June 2019 under AASB 9

Consolidated and parent

Financial assets	Note	Category	Carrying amount
			2019 \$'000
Class			
Cash and cash equivalents	6	N/A	27,658
Receivables ¹	7	Receivables (at amortised cost)	6,103

Financial liabilities	Note	Category	Carrying amount
			2019 \$'000
Class			
Payables ²	12	Financial liabilities at amortised cost	9,157

Notes

¹ Excludes GST receivables and prepayments (i.e. not within scope of AASB 7).

² Excludes GST payables and unearned revenue (i.e. not within scope of AASB 7).

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ii. As at 30 June 2018 under AASB 139 (comparative period)

Financial assets	Note	Category	Carrying amount
			2018 \$'000
Class			
Cash and cash equivalents	6	N/A	22,323
Receivables ¹	7	Loans and receivables at amortised cost	5,387

Financial liabilities	Note	Category	Carrying amount
			2018 \$'000
Class			
Payables ²	12	Financial liabilities at amortised cost	9,434

Notes

¹ Excludes GST receivables and prepayments (i.e. not within scope of AASB 7).

² Excludes GST payables and unearned revenue (i.e. not within scope of AASB 7).

(c) 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 substantially all the risks and rewards have been transferred; 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.

(d) 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.

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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 under AASB 9

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 entity applies the AASB 9 simplified approach to measuring expected credit losses, which 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.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The EPA has identified the GDP and the unemployment rate to be 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 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows:

	Current	<30 days	30–60 days	61–90 days	>91 days	Total
30 June 2019	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate	–	–	–	–	73.5%	–
Estimated total gross carrying amount at default	3,409	32	147	22	722	4,332
Expected credit loss					531	531

	Current	<30 days	30–60 days	61–90 days	>91 days	Total
30 June 2018	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate	0.8%	–	2.1%	60%	48.5%	–
Estimated total gross carrying amount at default	2,717	53	194	5	272	3,241
Expected credit loss	23	–	4	3	132	162

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). Therefore, the 'total' will not reconcile to the receivables total in Note 5.

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The EPA is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors.

Accounting policy for impairment of trade debtors under AASB 139 (comparative period only).

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. Debts that are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes

past experience and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30-day terms.

The EPA is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. There are no debtors that are currently not past due or impaired whose terms have been renegotiated.

The only financial assets that are past due or impaired are 'Sales of goods and services' in the 'Receivables' category of the Statement of Financial Position.

Consolidated and parent 2018	Total ¹ \$'000	Neither past due nor impaired ¹ \$'000	Past due but not impaired ¹ \$'000	Considered impaired ¹ \$'000
Neither past due nor impaired	2,717	2,717	–	–
< 3 months overdue	252	–	222	30
3–6 months overdue	181	–	158	23
> 6 months overdue	91	–	(18)	109

Notes

Each column in the table reports 'gross receivables'.

¹The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the 'Total' will not reconcile to the receivables total recognised in the Statement of Financial Position.

Liquidity risk

Liquidity risk is the risk that the EPA will be unable to meet its payment obligations when they fall due. The EPA continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high-quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current and prior year, there were no defaults of loans payable. No assets have been pledged as collateral. The EPA's exposure to liquidity risk is deemed insignificant, based on data from prior periods and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically

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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 9.94% (2018: 9.8%).

The table below summarises the maturity profile of the EPA's financial liabilities, together with the interest rate exposure.

Consolidated and parent	Weighted average effective interest rate	Nominal amount ¹	Interest rate exposure			Maturity dates		
			Fixed interest rate	Variable interest rate	Non-interest bearing	< 1 year	1–5 years	>5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019								
Payables	N/A	9,157	–	–	9,157	9,157	–	–
		9,157	–	–	9,157	9,157	–	–
2018								
Payables	N/A	9,434	–	–	9,434	9,434	–	–
		9,434	–	–	9,434	9,434	–	–

¹The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the entity 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 EPA has no borrowings.

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 2018. The analysis assumes that all other variables remain constant.

Interest rate risk

The EPA does not account for any fixed-rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. 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 as follows:

Section 7

Financial performance

Consolidated and parent	Carrying amount	-1%		+1%	
		Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
2019					
Financial assets					
Cash and cash equivalents	27,658	(277)	(277)	277	277
Receivables	6,103	(61)	(61)	61	61
Financial liabilities					
Payables	9,157	92	92	(92)	(92)
2018					
Financial assets					
Cash and cash equivalents	22,323	(223)	(223)	223	223
Receivables	5,387	(54)	(54)	54	54
Financial liabilities					
Payables	9,434	94	94	(94)	(94)

e) 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.

21. Related party disclosures

The EPA's key management personnel compensation are as follows:

	Consolidated		Environment Protection Authority	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Short-term employee benefits				
Salaries*	3,105	2,330	669	648
Termination benefits	–	573	–	573
Total remuneration	3,105	2,903	669	1,221

* Excludes payroll tax

Section 7

Financial performance

During the year, the EPA incurred \$2.4 million (2018: \$1.7 million) for the provision of key management personnel services that are provided by the Environment Protection Authority Staff Agency (the Staff Agency).

During the year, the EPA also 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) and 3(d) respectively.

There are no material related party transactions between the EPA and the Ministers, their close family members or entities controlled or jointly controlled.

22. Events after the reporting period

Impact of Machinery of Government

Under the Administrative Arrangements

(Administrative Changes – Public Service Agencies) order 2019, dated 2 April 2019, the EPA as an independent Statutory Authority will be part of the Planning, Industry and Environment cluster from 1 July 2019.

As part of a future Administrative Arrangements order, change to the EPA will occur, which will include the transfer of the functions to the Energy, Climate Change and Sustainability (ECCS) Group in the Department of Planning, Industry and Environment. An estimate of the financial effect of these changes cannot be made at this stage.

EPA Chair and CEO Role

The Minister for Energy and Environment has decided that the roles of the EPA Chair and Chief Executive Officer will be separated from 1 July 2019. The EPA Chair and CEO has been a joint role since the EPA was re-formed in 2012. The act of separating the roles of EPA Chair and Chief Executive Officer will allow both roles to fully deliver on their functions.

End of audited financial statements.

Appendices



Appendices

Appendix 1: Acts administered by the EPA

The following Acts were administered by the EPA from 1 July 2018 to 30 June 2019:

- *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
- *Recreation Vehicles Act 1983* No. 136 (except Parts 4 and 6 – administered by the Minister for Transport and Roads and the Minister for Regional Transport and Roads)
- *Waste Avoidance and Resource Recovery Act 2001* No. 58.



An EPA Operations Officer checks compliance against legislative requirements. Photo: Nick May/EPA

Appendix 2: 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

Unless otherwise stated, the dollar amount referred to in the Result/Penalty column is a fine.

Appendices

Defendant	Charge	Result/Penalty	Court
ACN 132 916 897 Pty Ltd	Pollute waters	\$10,000	Tenterfield LC
Ali, Sam	Three counts of failure to comply with an investigative requirement	\$17,500	Parramatta LC
Crown in the Right of New South Wales	Pollute waters	\$84,000 Ordered to pay investigation costs of \$29,204	LEC
Davis, Gregory John	Five counts of provide false information under a licence condition	\$12,000	LEC
Gilder, Edward	Unlawful use of land as a waste facility	\$37,500	LEC
Glass Recovery Services Pty Ltd	Three counts of breach licence condition	\$55,000	Penrith LC
John Michelin & Son Pty Ltd	Pollute waters	Ordered to pay \$25,000 to the Pambula Wetlands and Heritage Project to protect and enhance the Panboola floodplain ecosystem and \$18,550 to the NSW Environmental Trust for general environmental purposes. Also ordered to pay investigation costs of \$4,952.25.	LEC
KLF Recycling Hornsby Pty Ltd	Breach of licence condition	\$15,000	Hornsby LC
Rands, Geoffrey Barrett	Unlawful use of land as a waste facility	\$33,750	LEC
Signium Pty Ltd	Provide false and misleading information	Ordered to pay \$15,000 to the NSW Environmental Trust	LEC
Signium Pty Ltd	Breach licence condition	Ordered to pay \$12,000 to the NSW Environmental Trust	LEC
Tenterfield Shire Council	Pollute waters	\$50,000 Ordered to publicise details of the offence in <i>The Land</i> , <i>The Tenterfield Star</i> and Tenterfield Shire Council's fortnightly newsletter	Armidale LC
Viva Energy Australia Pty Ltd	Breach licence condition	Ordered to pay \$60,000 to the NSW Environmental Trust for general environmental purposes and publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Australian Financial Review</i> , <i>North Shore Times</i> and <i>Village Observer</i> . Also ordered to pay investigation costs of \$3,050.	LEC

Appendices

Defendant	Charge	Result/Penalty	Court
Viva Energy Australia Pty Ltd	Pollute waters	Ordered to pay \$40,000 to the NSW Environmental Trust for general environmental purposes and publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Australian Financial Review</i> , <i>North Shore Times</i> and <i>The Village Observer</i>	LEC
Whitehaven Coal Mining Ltd	Breach licence condition	Ordered to pay \$38,500 to the NSW Environmental Trust for general environmental purposes and publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>Daily Telegraph</i> , <i>The Australian Financial Review</i> and <i>The Northern Daily Leader</i> and on the parent company's website	LEC
Wollondilly Abattoirs Pty Ltd	Five counts of provide false information under a licence condition	No fine or non-financial penalty	LEC
Wollondilly Abattoirs Pty Ltd	Knowingly supply false information to the EPA	No fine or non-financial penalty	LEC
Zeait, Andrew	Obstruct an authorised officer	Ordered to enter into a two-year conditional release order	Blacktown LC

Protection of the Environment Operations (Waste) Regulation 2014

Defendant	Charge	Result/Penalty	Court
Dial-a-Dump (EC) Pty Ltd	Two counts of breach asbestos cover requirements	\$23,300 Ordered to publicise details of the offence in <i>Inside Waste</i> magazine	Blacktown LC

Radiation Control Regulation 2013

Defendant	Charge	Result/Penalty	Court
Australian Aged Dental Care Pty Ltd	Nine counts of failure to ensure regulated material was not used by a person who did not hold an appropriate licence	\$198,000 Ordered to publicise details of the offence in <i>The Sydney Morning Herald</i> and <i>Daily Telegraph</i>	Downing Centre LC

Appendices

Appendix 3: Penalty notices

Infringement type	EPA		Other NSW Government*		Local government	
	No.	Penalty	No.	Penalty	No.	Penalty
POEO Air: Motor vehicle – smoky	–	–	–	–	–	–
POEO Air: Motor vehicle – other air	–	–	–	–	–	–
POEO Air Pollution: Non-motor vehicle – control of burning	1	\$8,000	4	\$2,000	34	\$21,000
POEO Air Pollution: Non-motor vehicle – emission of air impurities or odours from premises	–	–	–	–	3	\$12,000
POEO Noise: Motor vehicle	12	\$3,600	4	\$1,000	–	–
POEO Noise: Non-motor vehicle	–	–	169	\$51,050	17	\$4,200
POEO Littering: Aggravated litter – motor vehicle	5	\$2,700	20	\$9,000	56	\$23,850
POEO Littering: Aggravated litter – non-motor vehicle	–	–	24	\$9,900	31	\$13,950
POEO Littering: Motor vehicle	7,244	\$2,069,750	180	\$45,000	1,016	\$240,250
POEO Littering: Non-motor vehicle	1	\$250	275	\$52,100	1,993	\$202,470
POEO Land Pollution and Waste	17	\$169,000	5	\$19,500	425	\$1,111,750
POEO Land Pollution and Waste: Asbestos/hazardous	9	\$69,750	–	–	18	\$81,500
POEO Water: All offences	10	\$150,000	2	\$30,000	308	\$2,164,000
POEO Other offences, e.g. contravene licence conditions	107	\$1,127,250	3	\$15,750	297	\$510,900
Dangerous Goods: All offences	12	\$30,780	88	\$114,960	–	–
Pesticides: All offences	6	\$6,250	–	–	–	–
Native Vegetation: All offences	1	\$16,500	24	\$105,600	–	–
Radiation	2	\$3,000	–	–	–	–
Coal Seam Gas	1	\$1,500	–	–	–	–
Total	7,428	\$3,658,330	798	\$455,860	4,198	\$4,385,870

* ‘Other NSW Government’ includes all non-EPA environment-related organisations, such as the Office of Environment and Heritage, National Parks and Wildlife Service, botanic gardens and parklands trusts
POEO = *Protection of the Environment Operations Act 1997*

Appendices

Appendix 4: Grants – waste programs

The EPA offers grants to government, business and the community. These grants support recipients to reduce waste, combat illegal dumping, increase the capacity for recycling and educate people about effective ways to help the environment. All waste grant funding comes from recurrent EPA funding including the waste levy unless stated otherwise.

Note: payments summarised below may include grants approved in previous years.

Local Government Program

Waste Less, Recycle More is providing local government with \$70 million over four years to 30 June 2021 to support local communities to increase recycling and reduce illegal dumping and littering. The fund includes payments to the following:

- Better Waste and Recycling Fund
- Recycling Relief Fund
- Regional Coordination and Strategy Support Program Greater Sydney
- Regional Coordination and Strategy Support Program for rural and regional NSW
- Project Yellow Sail
- Sustainable waste management in discrete Aboriginal communities across NSW.

During 2018–19, total payments of \$14,692,264 were made.

Local government grants

During 2018–19, total payments to local government were \$13,729,111.

Better Waste and Recycling Fund

The Better Waste and Recycling Fund aims to help local councils make it easier for their communities to reduce the waste they send to landfill and recycle more waste. The fund supports projects that improve recycling and community engagement, reduce the generation of waste, tackle litter and illegal dumping and contribute to achieving the targets in *NSW Waste Avoidance and Resource Recovery Strategy 2014–21*.

During 2018–19, a total of \$9.75 million was paid under the Better Waste and Recycling Fund. Of that, \$8,287,500 went to local councils while regional groups of councils in the waste levy-paying area were paid \$1,462,500.

For details of grant recipients, go to the EPA website.

Recycling Relief Fund

The Recycling Relief Fund was established to support local councils in rural and regional NSW that faced increased recycling costs as a result of China's *National Sword Policy*. The fund is part of the \$47 million temporary support package announced by the NSW Government to cover a portion of price rises for household recycling services for up to four months between March 2018 and May 2019.

During 2018–19, a total of \$672,110.95 was paid under the Recycling Relief Fund.

Regional Coordination and Strategy Support Program Greater Sydney

In 2018–19, this program provided \$1,125,000 in funding to the six regional organisations of councils in the Sydney, Hunter and Illawarra regions. This was to support the development and implementation of regional waste strategies and fund regional coordinator positions. Regional coordinators assist the EPA and local councils to deliver projects under the *Waste Less, Recycle More* initiative and undertake regional waste and recycling priority projects.

For details of grant recipients, go to the EPA website.

Regional Coordination and Strategy Support Program for rural and regional NSW

This program allocated \$2.05 million in funding to the eight groups of councils in rural and regional NSW. This was to support the development of regional waste strategies, fund regional coordinators and undertake locally relevant waste and recycling projects.

For details of grant recipients, go to the EPA website.

Appendices

Other local government support

A contribution of \$152,000 in grant funding was approved for Local Government NSW to support councils' access to *Waste Less, Recycle More* grants for new recycling and community waste facilities, grants to reduce food waste and grants to reduce illegal dumping and litter. The package helps build strong partnerships between the EPA and local government.

Non-government grants

Project Yellow Sail

Project Yellow Sail aims to deliver an innovative app that will enable NSW residents to more easily make informed decisions about how to recycle and dispose of waste. A contribution of \$350,000 in grant funding was approved to support the development of the project to help reduce contamination in kerbside recycling bins. During 2018–19, a total of \$280,000 was paid. The app will form part of a statewide communications initiative to improve kerbside recycling behaviour in NSW so that more recyclables are disposed in the right bin.

Community organisation grants

Sustainable waste management in discrete Aboriginal communities across NSW

A contribution of \$963,153 was made to grants awarded to Local Aboriginal Land Councils participating in the Aboriginal Communities Waste Management Program (see below).

Aboriginal Communities Waste Management Program

The Aboriginal Communities Waste Management Program aims to assist the 61 discrete Aboriginal communities (former missions/reserves) across NSW. The program aims to improve waste management systems, reduce litter, illegal dumping and bulky waste, improve the safety and environmental health of Aboriginal communities and improve relationships with service providers and local government.

Community organisation grants

Total payments for community organisations in 2018–19 were \$171,710.

Local Aboriginal Land Councils were paid a total of \$451,863.

Fourteen communities were successful in Round 2 in the first of the following three stages in the statewide program, while six communities from Round 1 successfully secured Stage 3 funding:

Stage 1 – Community engagement

Stage 2 – Development of community rubbish management plans

Stage 3 – Communities eligible for up to \$100,000 to implement their plans.

Each community was awarded \$25,000 for engagement and to develop their community rubbish management plan.

Stage 3 funding can be used to employ a project manager and a community engagement advisor, remove waste and litter, purchase infrastructure to improve waste management and provide educational activities and resources.

During 2018–19, total payments to community organisations for the Aboriginal Communities Waste Management Program were \$683,153, as shown in the following table.

Appendices

Community name/s	Recipient	Amount paid
Baryulgil Square	Baryulgil Local Aboriginal Land Council	\$15,000
Bellwood	Nambucca Heads Local Aboriginal Land Council	\$15,000
Brungle	Brungle/Tumut Local Aboriginal Land Council	\$15,000
Cabarita Avenue	Resource Recovery	\$9,400
Cabarita Avenue	Waste Aid	\$53,510
Cabbage Tree Island	Jali Local Aboriginal Land Council	\$15,000
Clara Hart Village	Resource Recovery	\$69,400
Gingie Road and Namoi	Resource Recovery	\$9,400
Green Hills	Kempsey Local Aboriginal Land Council	\$69,400
Jana Ngalee	Jana Ngalee Local Aboriginal Land Council	\$7,050
Jubullum	Jubullum Local Aboriginal Land Council	\$59,978
Malabugilmah	Jana Ngalee Local Aboriginal Land Council	\$52,529
Namatjira Ave and New Merino	Dareton Local Aboriginal Land Council	\$15,000
New Burnt Bridge	Kempsey Local Aboriginal Land Council	\$15,000
Purfleet	Purfleet-Taree Local Aboriginal Land Council	\$15,000
Rock Camp	Coffs Harbour and District Local Aboriginal Land Council	\$15,000
Roseby Park, Orient Point	All Sustainable Futures Inc.	\$15,000
Stanley Village and Mehi Crescent	Moree Local Aboriginal Land Council	\$18,800
Summervale	Amaroo Local Aboriginal Land Council	\$15,000
Toomelah	Many Rivers Housing Association	\$15,000
Walhallow	Walhallow Local Aboriginal Land Council	\$15,000
Warrali and Mallee	Wilcannia Local Aboriginal Land Council	\$138,685
Wongala Estate	Coffs Harbour and District Local Aboriginal Land Council	\$15,000
Total		\$683,153

Appendices

Bin Trim Program

The EPA developed the Bin Trim Program to encourage and support improved waste and recycling practices in NSW's commercial and industrial sector. The program has two components: Bin Trim grants and Bin Trim rebates.

During 2018–19:

- payments totalling \$1,829,990 were made to Bin Trim Round 3 grantees
- rebate payments totalling \$333,789 were made.

Bin Trim grants

In 2018–19, \$5.16 million was awarded to 16 organisations as part of Bin Trim Round 3. Grantees provide free assessments and offer support to over 5,000 participating businesses to assist them reduce the waste sent to landfill. Bin Trim Round 3 is due to end in November 2019.

During 2018–2019, payments to Bin Trim grantees totalled \$1.8 million.

For details of Bin Trim grants awarded in 2018–19, go to the EPA website.

Local government grants

During 2018–19:

- payments to local government covering milestones 2 and 3 of Bin Trim Round 3 grants totalled \$225,300
- no new grants were approved.

Non-government grants

During 2018–19:

- payments totalled \$1,515,817
- no new grants were approved.

Community organisation grants

During 2018–19:

- payments totalled \$88,874
- no new grants were approved.

The table below shows the grant amounts paid to community organisations during 2018–19.

Recipient	Activity	Amount paid
Ethnic Communities Council of NSW	Business waste reduction	\$88,874
Total		\$88,874

Bin Trim rebates: small-scale recycling equipment

Bin Trim grants are complemented by Bin Trim rebates. These fund 50% of the cost of recycling equipment to divert waste from small and medium businesses. Rebates of between \$1,000 to \$50,000 are available to fund source-separation bins, balers, shredders and organics processing equipment in waste generators, recyclers and facility managers.

Bin Trim rebates are funded by a grant the EPA received from the NSW Environmental Trust.

During 2018–19:

- 59 rebates were approved to the value of \$713,010, which will divert an estimated 2,876 tonnes of waste a year
- rebate milestone payments totalled \$333,789.

The milestone payments are linked to the installation of equipment, follow-up assessments and performance reports. Therefore, while rebates have been approved, delays may occur due to the timing for equipment delivery, custom building and for other reasons related to the business processes of rebate recipients.

For details of rebate recipients, go to the EPA website.

Illegal dumping

The *Waste Less, Recycle More Initiative* provides \$65 million over five years to 2021 to combat illegal dumping. The EPA's illegal dumping programs are guided by the *NSW Illegal Dumping Strategy 2017–21*, which uses education, capacity-building, prevention, clean-up and enforcement programs to reduce the incidence of illegal dumping.

Appendices

During 2018–19, total payments of \$2,719,695 were made for grant programs under this initiative.

Combating Illegal Dumping Clean-up and Prevention Program grants help local councils, other public land managers and community groups to identify local illegal dumping hotspots and prevent and clean-up waste on publicly managed land as follows:

- funding option 1 is for grants of \$50,000–\$120,000 for councils and public land managers to carry out illegal dumping clean-up and prevention projects
- funding option 2 is for grants of up to \$20,000 for councils and public land managers to establish illegal dumping baseline data
- funding option 3 is for grants of up to \$50,000 for illegal dumping clean-up and prevention community partnerships.

Regional Illegal Dumping (RID) Squads and Programs are specialist illegal dumping teams who work on behalf of participating councils to investigate and manage illegal dumping. They are based in metropolitan Sydney and regional areas. Funding for RID Squad activities is shared equally by the EPA and member councils.

Local government grants

In 2018–19:

- total payments were \$2,509,325, including for grants approved in previous financial years
- grants were awarded for: –
 - Combating Illegal Dumping Clean-up and Prevention Program Rounds 5 and 6 – \$542,331
 - RID Squads and programs – \$2,161,800.

For details of grant recipients, go to the EPA website.

Community organisation grants

During 2018–19:

- total payments were \$99,550
- no new grants were awarded.

Funding of \$49,550 for the Garage Sale Trail supports a culture of re-use in NSW and the delivery of a consistent message about illegal dumping and waste avoidance.

The table below shows grant amounts paid to community organisations to address illegal dumping during 2018–19.

Recipient	Activity	Amount paid
Garage Sale Trail Foundation Ltd	Aboriginal Lands Clean-Up and Prevention	\$35,000
Garage Sale Trail Foundation Ltd	Waste Re-use Campaign	\$49,550
The Bower Re-Use and Repair Centre Co-Operative	Don't Dump Think Re-Use project Grant	\$15,000
Total		\$99,550

NSW budget sector agencies

Combating Illegal Dumping: Clean-up and Prevention Program

During 2018–19:

- total payments were \$110,820
- grants were awarded for:
 - Combating Illegal Dumping Clean-up and Prevention Program: Rounds 5 and 6 – \$66,620
 - NPWS Baseline data project – \$44,200.

Improvements to systems for household problem wastes

Many potentially harmful household products cannot be disposed of in kerbside bins. These include leftover or unwanted paints, cleaners, gas bottles and batteries. The EPA provides NSW householders with two convenient ways to safely and easily dispose of these items: the Household Chemical CleanOut and Community Recycling Centres programs.

Appendices

During 2018–19, total payments of \$1,279,921 were made.

Local government grants

Household Chemical CleanOut Program

The EPA works in partnership with local government to implement the Household Chemical CleanOut Program in the Sydney Metropolitan, Illawarra, Central Coast and Hunter regions.

In rural and regional NSW, the EPA provides funds to the Voluntary Regional Waste Groups for collection events where householders can dispose of their hazardous wastes free of charge for safe disposal or recycling. The regional delivery of the service provides statewide coverage so all householders have access to the program.

During 2018–19, grants were approved to the value of \$329,500 for the Household Chemical CleanOut Program.

Community Recycling Centres

The Community Recycling Centres (CRCs) Program aims to establish permanent facilities across NSW where householders can drop off their problem waste free of charge all year round.

As of June 2019, 105 CRCs and mobile units have been funded through infrastructure grants administered by the NSW Environmental Trust.

In addition to the infrastructure grants, the EPA provides funding to councils to support:

- community and education activities
- branded signage
- tablets for online reporting
- safety cabinets for hazardous materials
- spill kits provided at the CRCs.

During 2018–19, grants to the value of \$950,421 were approved for the above items. For details of grant recipients, go to the NSW Environmental Trust website.

Organics Infrastructure Fund

The Organics Infrastructure Fund is providing \$105.5 million over nine years to support the avoidance, re-use and recycling of food and garden waste from NSW households and businesses.

The program funds avoidance education, kerbside collections, processing infrastructure, organics market development and new and enhanced food rescue operations. Some grant programs are run in partnership with the NSW Environmental Trust.

Three grant programs are managed by the EPA and are discussed below. Projects awarded under the Organics Infrastructure Fund grants programs run over many financial years. Payments are made as milestones are achieved. During 2018–19, total payments were \$1,644,228.

Organics Market Development grants

In 2018–19, six grants totalling \$633,445 were awarded under the Organics Market Development Program to support new markets for recycled organics. The grants aim to ensure healthy viable markets for the increased supply of recycled food and garden waste being driven by other elements of the program. Round 3 in January 2019 provided grants of up to \$200,000 for projects that will develop new, or expand existing, markets for compost made from source-separated recycled organics.

Food Donation Education grants

Ten grants totalling \$765,076 were awarded under the Food Donation Education Program in 2018–19. Grants of up to \$200,000 are available to organisations working in the food relief sector to improve their capacity to sign up more donors, work collaboratively and collect more surplus food for redistribution.

The grants complement funding available through the Organics Infrastructure (Large and Small) Program administered by the NSW Environmental Trust, which funds equipment like fridges, freezers and refrigerated vans to increase the capacity of food relief agencies to collect, store and manage more donated food.

Appendices

Love Food Hate Waste grants

In 2018–19, Love Food Hate Waste community grants (Stream 3) were awarded to four recipients who will teach their local communities about food waste avoidance. These projects will deliver the EPA-designed Food Smart program to households and Your Business is Food to hospitality businesses. Grantees will also work with at least one other sector, such as manufacturing, schools and aged care facilities.

Local government grants

During 2018–19:

- grants were approved totalling \$1,156,910
- total payments of \$416,828 were made.

For details of grant recipients, go to the EPA website.

Non-government grants

During 2018–19:

- grants were approved to the value of \$633,445
- total payments of \$33,833 were made.

For details of grant recipients, go to the EPA website.

Community organisations

- grants totalling \$568,006 were approved
- total payments of \$314,571 were made.

For details of grant recipients, go to the EPA website.

NSW budget sector agency grants

During 2018–19:

- no grants were awarded
- total payments of \$145,388 were made.

The table below shows grant amounts paid to community organisations during 2018–19.

Recipient	Activity	Amount paid
Addison Road Centre for Arts	Food donation education	\$21,572
Bay City Care	Food donation education	\$17,392
Central Coast Community Council	Food donation education	\$27,825
Christian Community Aid	Food donation education	\$16,506
Ethnic Communities Council of NSW	Love Food Hate Waste	\$6,000
Food For Change	Food donation education	\$70,040
Griffith Meals on Wheels Inc.	Food donation education	\$37,433
Healthy Cities Illawarra Inc.	Love Food Hate Waste	\$4,125
OzHarvest	Food donation education	\$63,822
SecondBite	Food donation education	\$20,100
Settlement Services International	Food donation education	\$10,800
Winmalee Neighbourhood Centre	Food donation education	\$17,569
Yarrahapinni Adventist Youth Centre	Food donation education	\$1,388
Total		\$314,571

Appendices

Industrial ecology and business recycling programs

Industrial ecology is a strategy for increasing resource recovery by recycling waste materials across different industries. Under the 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.

The funding supports the Civil Construction Market Program and Circulate Industrial Ecology Program.

Civil Construction Market Program

The Civil Construction Market Program funds projects that use construction and demolition (C&D) waste or recyclable materials from material recovery facilities in civil construction projects.

The program aims to reduce the amount of C&D material sent to landfill, create new markets and opportunities for C&D waste and post-consumer recycle in NSW civil construction projects and reduce risks associated with trialling innovative resource recovery methods.

This program helps to stimulate the circular economy and local markets for recycled materials and is part of the NSW Government's response to China's *National Sword Policy*.

Local government grants

During 2018–19:

- grants were approved to the value of \$179,500
- total payments were \$53,850.

For details of grant recipients, go to the EPA website.

Non-government grants

During 2018–19:

- grants were approved to the value of \$107,636
- total payments were \$75,345.

For details of grant recipients, go to the EPA website.

Circulate Industrial Ecology Program

This program supports businesses to identify viable industrial ecology opportunities and minimise the risk they face when considering using waste material as an input in their production or services. The program helps businesses overcome barriers to change and establish realistic business cases.

Round 3 of the Circulate Industrial Ecology program was launched in December 2018, offering \$2.5 million available until March 2021.

During 2018–19:

- grants were approved to the value of \$1,390,671
- total milestone payments of \$485,168 were made.

Non-government grants

During 2018–19:

- grants were approved to the value of \$1,242,225
- total milestone payments were made of \$485,168.

For details of Round 3 Circulate grant recipients, go to the EPA website.

Community organisations

In 2018–19:

- no milestone payments were made
- one new grant of \$148,446 was approved.

NSW budget sector agency grants

During 2018–19:

- no new grants were approved
- no milestone payments were made.

For details of Round 3 Circulate grant recipients, go to the EPA website.

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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 local remanufacturing capacity in 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 help ensure recycling services are maintained in future years.

Local government grants

During 2018–19:

- grants were approved to the value of \$471,850
- total payments of \$185,925 were made.

For details of grant recipients, go to the EPA website.

Non-government grants

During 2018–19:

- grants valued at \$3,182,304 were made
- a total of \$996,456 was paid.

For details of grant recipients, go to the EPA website.

Waste and Recycling Infrastructure Fund

Waste Less, Recycle More infrastructure funding is designed to accelerate and stimulate investment in infrastructure that will increase the amount of waste recycled in NSW and divert additional waste from landfill. The fund supports projects within NSW that improve the quality of recycled materials produced by material recovery facilities; increase the capability and capacity to recover and reprocess waste materials; increase the use of recycled content in the manufacture of products; and increase the recovery of identified priority waste materials.

The fund includes the following grant programs managed by the EPA, as well as the Major Resource

Recovery Infrastructure Program, delivered in partnership with the NSW Environmental Trust

Resource Recovery Facility 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. The EPA manages the grants program through the Waste and Recycling Infrastructure Program.

In 2018–19, a total of \$857,200 was paid. These were milestone payments for grants awarded in previous financial years. No grants were awarded in the 2018–19 financial year.

This program is now closed for applications and has been incorporated into the Product Improvement Program.

Non-government grants

During 2018–19, a total of \$857,200 was paid.

For details of grant recipients, go to the EPA website.

Community organisation grants

No grants were awarded in 2018–19.

Weighbridge Fund

The Weighbridge Fund supports eligible recycling facilities and landfills to install weighbridges that will facilitate the collection and payment of the Waste and Environment Levy. Weighbridge infrastructure will ensure better measurement of waste and support improved environmental performance at these facilities.

The EPA manages the Weighbridge Fund through the Waste and Recycling Infrastructure Program.

During 2018–19, total payments were \$74,737.

Local government grants

During 2018–19:

- grants were approved to the value of \$59,700
- total payments were \$7,500.

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For details of grant recipients, go to the EPA website.

Non-government grants

In 2018–19:

- grants were approved to the value of \$179,530
- total payments were \$67,237.

For details of grant recipients, go to the EPA website.

Litter prevention

Litter prevention grant programs enable local councils, regional waste groups and community groups to manage local and regional litter hotspots.

Grant projects apply an integrated approach to litter prevention with funding for improving education and awareness (using the EPA's *Don't be a Tosser!* litter campaign materials); enforcement; better infrastructure; cleaning and partnerships; and the Local Litter Check to measure results.

These projects play an important role in achieving the Premier's Priority to reduce the volume of litter in NSW by 40% by 2020.

During 2018–19, total payments of \$1.45 million were made for litter prevention grants.

Local government grants

Litter: Regional Implementation Program Grants – Stage 4

This program provides grants to NSW regional waste groups to deliver litter prevention projects across council regions (see table).

Under Stage 4 in 2018–19, a total of 19 litter projects were funded in 12 regional waste group areas to the value of \$1,031,420.

Total payments of \$869,239.79 were made to regional waste groups under the program this year.

For details of grant recipients, visit the EPA website.

Council Litter Prevention grants: Round 4

This program provides grants to NSW councils to target local litter hotspots

Eighteen grants were approved in 2017–18 for projects delivered through to 2018–19. For details of grant recipients, visit the EPA website.

No grants were awarded in 2018–19.

Total payments to local councils for grants under previous rounds of the council litter prevention grants program were \$578,019.52 in 2018–19.

Community organisation grants

Community Litter Prevention Program

These grants fund local communities to target local litter hotspots and build partnerships in their neighbourhoods.

The EPA reviewed Rounds 1–4 in 2018–19 and a new model for Round 5 was approved and launched this year.

No grants were awarded in 2018–19.

Total payments made to community groups for grants under previous rounds of the Community Litter Prevention Program were \$7,663 in 2018–19.

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Recipient	Activity	Amount paid
Ashfield Public School Parents and Citizens Association	Community litter prevention	\$1,000
Broadwater Koala Reserve Trust	Community litter prevention	\$592
Granville Men's Shed	Community litter prevention	\$928
Hazelbrook Association Community Inc	Community litter prevention	\$1,000
Lake Macquarie Sustainable Neighbourhood Alliance	Community litter prevention	\$1,499
Macarthur Diversity Services Inc	Claymore litter busters – Community litter prevention	\$1,000
Port Macquarie North Shore Progress Association	Refund of unspent grant funding from a prior reporting period	-\$356
Positive Change for Marine Life	Community litter prevention	\$1000
Rotary Club of Parkes Inc	Community litter prevention	\$2000
Total		\$7,663

Appendix 5: Grants other than for waste programs Contaminated land management

Local government

The Council Regional Capacity Building Program aims to improve the management of contaminated land in NSW. Grants have been provided to fund 10 contaminated land experts for up to three years in regional councils throughout NSW to improve the technical capacity of councils in contaminated land management and provide a local source of advice.

During 2018–19, total payments to grant recipients under the Council Regional Capacity Building Program amounted to \$1,370,780.

For details of grant recipients, go to the EPA website.

Emergency Pollution Clean Up Program

Local government

The purpose of the Emergency Pollution Clean Up Program (EPCUP) is to avoid significant risk to the environment or public health in NSW by

contributing funds towards the removal or mitigation of serious pollution when measures need to be taken immediately.

Total payments during 2018–19 amounted to \$241,339 for 29 approved applications. Out of this total, \$188,403 was paid to local councils; \$41,792 to NSW budget sector agencies; and \$11,144 to NSW non-budget sector agencies.

Twenty-six of the 29 applications contributed funds for the clean-up of illegally dumped asbestos contaminated waste.

North Lake Macquarie Lead Program

Legacy lead contamination in North Lake Macquarie arose from the former Pasminco lead and zinc smelter in Boolaroo. Between 2007 and 2013, a Lead Abatement Strategy was followed to reduce human exposure to lead dust in soils at residential properties surrounding the smelter.

In response to community concerns, the EPA established the Lead Expert Working Group (LEWG) to consider the effectiveness of the strategy and appropriate future actions to reduce lead exposure in local children. The working group issued its final

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report in December 2016 with 22 recommendations for managing legacy lead contamination in North Lake Macquarie.

The recommendations covered health, development and future funding to address the long-term management of lead-related contamination caused by the former Pasminco lead smelter in Boolaroo. All 22 recommendations were endorsed by Lake Macquarie City Council in April 2017.

The working group recommendations are delegated to relevant authorities, including Lake Macquarie City Council. Total payments to the council during 2018–19 amounted to \$200,000 to help it address the recommendations for which it is responsible.

Wood Smoke Reduction Program

Local government

The Upper Hunter region can experience elevated levels of particulate air emissions which periodically exceed national air quality standards. Wood smoke is a significant source of these emissions in winter. This program aims to reduce the impacts of wood smoke on the Muswellbrook and Singleton communities.

The EPA awarded grants for the joint administration of a region-specific program consisting of an education campaign, advice on behavioural change, promotion of more efficient heating and financial incentives for chimney cleaning and the replacement of old wood heaters with a cleaner form of heating. Total payments to all grant recipients during 2018–19 amounted to \$10,147.

The table shows grants paid during 2018–19. Total payments to all grant recipients amounted to \$10,147.

Recipient	Amount
Muswellbrook Shire Council	\$6,850
Singleton Shire Council	\$3,297
Total	\$10,147

NSW PFAS Investigation Program

NSW budget sector agencies

The release of per- and poly-fluorinated alkyl substances (PFAS) into the environment is an emerging concern as these chemicals can persist in the environment for a long time and travel in ground and surface water if they are not properly managed. The most common and prevalent source of PFAS in the environment is where firefighting foams have been used for training purposes, particularly at defence bases, airports and firefighting training facilities. NSW fire services began phasing out PFAS decades ago.

The EPA is the lead agency in the NSW Government's PFAS response. Our statewide investigation program of possible legacy sites takes a precautionary approach when determining the prevalence of these chemicals, assessing potential exposure pathways and providing advice to the NSW community.

In delivering the program, we work collaboratively with the NSW PFAS Technical Advisory Group, the Commonwealth, other NSW government agencies and local councils to provide informed and tailored technical advice to the community.

The former Office of Environment and Heritage received payments for scientific services supporting the EPA's implementation of the NSW PFAS Investigation Program, amounting to \$923,625.

Federal government

As part of NSW PFAS Investigation Program, a grant of \$65,000 was provided to the Federal Department of Environment and Energy in 2018–19 to contribute to future works projects undertaken by the National Chemicals Working Group. These future works projects are associated with the ongoing development of the *PFAS National Environmental Management Plan*.

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Woodberry Swamp Project

NSW budget sector agencies

The EPA agreed to accept a number of court enforceable undertakings made by Bartter Enterprises Pty Ltd following an ammonia leak at the company's Beresfield factory in December 2016.

Bartter contributed \$100,000 to the EPA who then entered into a funding agreement with Hunter Local Land Services (HLLS) for the implementation of the Woodberry Swamp Project. This project aims to better manage draining and tidal flows in the wetland area, located on the western side of the Hunter River Estuary between Maitland and Hexham and so contribute to the wellbeing of the local waterway, as well as local flora and fauna.

Total payments to HLLS during 2018–19 amounted to \$70,000, with the remaining \$30,000 to be paid to HLLS in 2019–20.

Best practice asbestos management

Non-government

Asbestos is estimated to be present in more than one in three homes in NSW, as well as occurring throughout the environment as a result of past disposal practices and illegal dumping. Councils are the most frequent first point of contact for the public when asbestos is found in buildings or the environment.

Councils themselves also manage a large number of buildings and public spaces which can contain asbestos.

During 2018–19, a grant of \$91,438 was provided to Local Government NSW to assist councils in asbestos management. That funding enabled best practice forums to be run throughout NSW, encouraging and monitoring the adoption of the local government Model Asbestos Policy, as well as providing advice to individual councils facing specific asbestos issues.

Broken Hill Environmental Lead Program

Non-government

Lead contamination in the Broken Hill region arises from both naturally occurring deposits and as a legacy of mining operations. Exposure to lead has human health implications, with greater impacts for children under five.

During 2018–19, a grant of \$250,000 was provided for Maari Ma Health Aboriginal Corporation under a Memorandum of Understanding in partnership with the Broken Hill Environmental Lead Program. The grant will help address ongoing lead exposure issues and respond to the detection of elevated blood-lead levels in Aboriginal children at Broken Hill. The funding covers education and awareness-raising about lead, home assessment and remediation programs.

Appendix 6: Sponsorships

The EPA sponsors activities and events that advance our vision for a healthy environment, healthy community and healthy business in NSW and support positive partnerships with licensees, interest groups and the community.

We have a strategic approach to providing sponsorships, which is set out in our Sponsorship Policy. The policy and the application forms are available on our website.

Sponsorship expenditure in 2018–19 totalled \$220,994. Most sponsorships were for waste and resource recovery projects, including litter, illegal dumping and local government programs.

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Organisation/ conference sponsored	Details	Amount (excluding GST)
Keep NSW Beautiful Litter Congress	The Litter Congress is an annual conference devoted to litter prevention that brings together practitioners and experts from around Australia. This year's congress also established a bursary fund to subsidise the registration fee for regional and remote councils and community groups to attend the conference.	\$84,500
Local Government NSW Conference and the Excellence Environment Awards 2018	This conference is the annual policy-making event for NSW general-purpose councils and associate members. The conference provides an opportunity to engage with local council decision-makers and increase local government investment in waste reduction and resource recovery initiatives. The Excellence Awards recognise outstanding achievements by NSW councils in managing and protecting the environment. In 2018, the EPA sponsored three categories: Resource Recovery, Community Waste Services and Behaviour Change in Waste.	\$35,000
Waste 2019 Conference Coffs Harbour	The Coffs Harbour Waste Conference is the premier conference for the NSW waste management industry drawing over 600 delegates from local government, the waste industry, other government agencies and not-for-profit groups. The program covers major waste and resource recovery topics and recent developments in the sector. Some small rural councils also receive subsidies to attend the conference.	\$22,894
Australasian Waste and Recycling Expo 2018 (AWRE)	AWRE is the leading annual Australian waste and recycling industry expo which brings together influential waste and recycling professionals and key decision-makers from across the sector over two days.	\$18,000
Green Globe Awards 2017 scholar career development	This is the NSW Government's leading award program to acknowledge business and community environmental excellence.	\$15,000
Australian Industrial Ecology Conference (AIEC) 2018	The AIEC is an annual event bringing recycling and manufacturing industry professionals together to showcase industrial ecology projects being implemented across Australia.	\$15,000
OzHarvest Fight Food Waste Campaign	This campaign involves continual communications that helps remind people of ways they can reduce their food waste.	\$15,000

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Organisation/ conference sponsored	Details	Amount (excluding GST)
Community Recycling Network Conference (CRNA)	The CRNA is a not-for-profit peak body for community re-use, repair and recycling enterprises in Australia. The event brings together leading and emerging community recycling enterprises to share tools and knowledge with industry stakeholders. By sponsoring this event the EPA demonstrates its support for re-use and repair in meeting the NSW waste and recycling targets.	\$6,000
University of New England International symposium	This symposium on food waste and municipal waste management brings together speakers live and online from a variety of businesses to explore global environment issues.	\$5,000
Tidy Towns Awards (also known as the Blue Star Awards)	Sponsorship of the <i>Waste Less, Recycle More</i> Waste Reduction Award and the <i>Hey Tosser!</i> Litter Reduction Award recognises and celebrates local council and community work to reduce the impacts of waste and litter.	\$2,600
Australian Organics Recycling Association (AORA) National Conference 2019	Each year AORA hosts an awards night to acknowledge outstanding achievements in the organics industry. This sponsorship provides the EPA with a platform to promote its organics infrastructure grants through branding opportunities on the AORA website, event ads and event banners.	\$2,000
Total		\$220,994

Appendix 7: 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.

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Board members may also need to lodge special disclosures from time to time. Members are given an opportunity at the beginning of each meeting 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 Protection of the Environment Administration Regulation 2012 automatically lapsed on 1 September 2018 under the *Subordinate Legislation Act 1989*. This does not end the core statutory requirements for disclosures by Board members.

Appendix 8: Public interest disclosures

In accordance with clause 4 of the Public Interest Disclosures Regulation 2011, information for the EPA for 1 July 2018 to 30 June 2019 is set out below.

Public interest disclosure type	Number
Public interest disclosures made by public officials in performing their day-to-day functions	5
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	5
maladministration	0
serious and substantial waste of public money	0
Total number of public interest disclosures received	5
Total number of public interest disclosures finalised	6

Appendix 9: Statistical information on access applications

Under clause 8 of the Government Information (Public Access) Regulation 2018, statistical information must be provided about the formal access applications received by the EPA under section 9 of the *Government Information (Public Access) Act 2009* (GIPA Act) during the current reporting year.

Number of access applications received: clause 8(b)

During 2018–19, the EPA received 85 access applications, 42 of which were initially assessed as being invalid. Of these, 36 subsequently became valid and have been included in the total of 79 valid applications.

Number of access applications refused under Schedule 1: clause 8(c)

During the reporting period, the EPA refused six applications in part and one application in full 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 17 applications received in the previous reporting year that were completed in 2018–19, six were withdrawn and one remains invalid.

More than one public interest consideration may apply in relation to an access application and, if this occurs, each consideration must be recorded (but only once per application).

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Table A: Number of GIPA applications by type of applicant and outcome

	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 whether information held	Application withdrawn
Media	1	3	0	1	1	1	0	1
Members of Parliament	0	0	0	0	0	0	0	4
Private sector businesses	11	6	0	2	0	0	1	3
Not-for-profit organisations/ community groups	4	13	1	0	1	1	0	0
Members of the public – application by legal representative	6	5	0	2	0	0	0	3
Members of the public (other)	5	5	2	1	0	0	0	5

Table B: Number of GIPA applications by type of application and outcome

	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*	1	1	0	0	0	0	0	0
Access applications – other than personal information applications	26	29	3	5	2	2	1	15
Access applications that are partly personal information applications and partly other	0	2	0	1	0	0	0	1

* A 'personal information application' is an application for access to personal information (as defined in clause 4 of Schedule 4 to the GIPA Act) about the applicant (the applicant being an individual).

Note: One remained invalid all year.

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Table C: Invalid applications

Reason for invalidity	Applications
Application does not comply with formal requirements (section 41 of the Act)	42
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	42
Invalid applications that subsequently became valid applications	36

Table D: Conclusive presumption of overriding public interest against disclosure – matters listed in Schedule 1 to the Act

	Times consideration used
Overriding secrecy laws	0
Cabinet information	3
Executive Council information	0
Contempt	0
Legal professional privilege	3
Excluded information	1
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 transaction under the <i>Land and Property Information NSW (Authorised Transaction) Act 2016</i>	0

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Table E: Other public interest considerations against disclosure

	Occasions when application not successful
Responsible and effective government	12
Law enforcement and security	5
Individual rights, judicial processes and natural justice	26
Business interests of agencies and other persons	6
Environment, culture, economy and general matters	3
Secrecy provisions	0
Exempt documents under interstate freedom of information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	37
Decided after 35 days (by agreement with applicant)	30
Not decided within timeframe (deemed refusal)	5
Total	72

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	3	3	6
Review by Information Commissioner*	3	1	4
Internal review following recommendation under section 93 of the Act	2	0	2
Review by NCAT**	0	0	1
Total	8	4	13

* 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). Note: The NCAT application was withdrawn.

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Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Applications for review
Applications by applicants for access to information	6
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	7
Total	13

Table I: Applications transferred to other agencies under Division 2, Part 4 of the Act (by type of transfer)

	Applications transferred
Agency-initiated transfers	0
Applicant-initiated transfers	0
Total	0

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Photo: Nick May Photography

Section 1: Monitoring water quality at Wollongong.
Photo: Sarah Ryan/EPA

Section 2: Discussing our role in regulating water quality with a Parramatta resident.
Photo: Nick May Photography

Section 3: Stanwell Park, NSW.
Photo: Caz Nowaczyk/EPA

Section 4: EPA grants fund programs such as Love Food Hate Waste, that help consumers avoid food waste.
Photo: Evolving Images/EPA

Section 5: EPA officers at an inspection of gas activities.
Photo: John Spencer/EPA

Section 6: Stockton Peninsula at Newcastle.
Photo: Nick May Photography

Section 7: An ocean pool at Newcastle.
Photo: Nick May Photography

Appendices: Inspecting coal loading facilities at Newcastle. Photo: Nick May Photography

