



NSW Environment Protection Authority

# Annual Report 2019–20



Healthy environments, economies and communities



Aiming for healthy  
environments,  
communities and  
businesses



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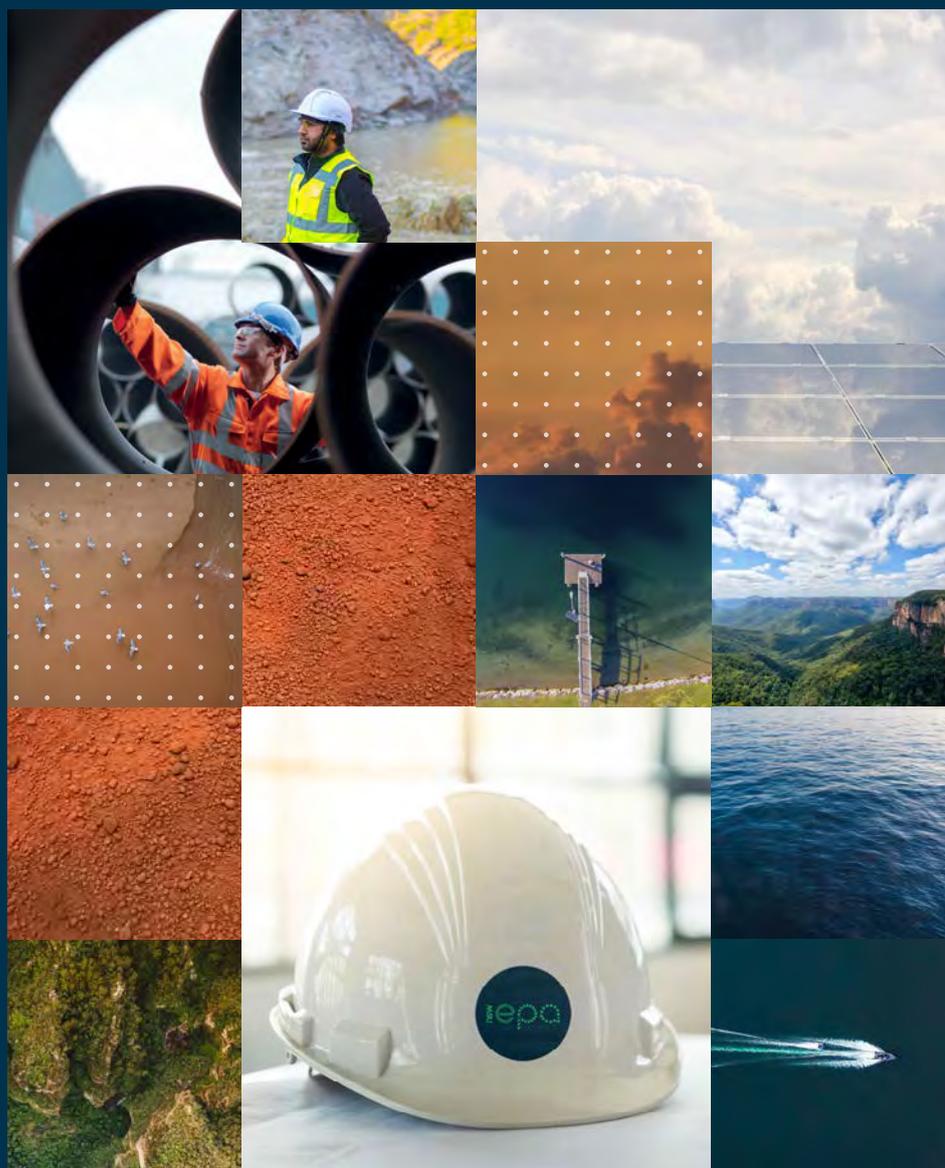
Report pollution and environmental incidents  
Environment Line: 131 555 (NSW only) or  
[info@epa.nsw.gov.au](mailto:info@epa.nsw.gov.au)  
See also [www.epa.nsw.gov.au](http://www.epa.nsw.gov.au)

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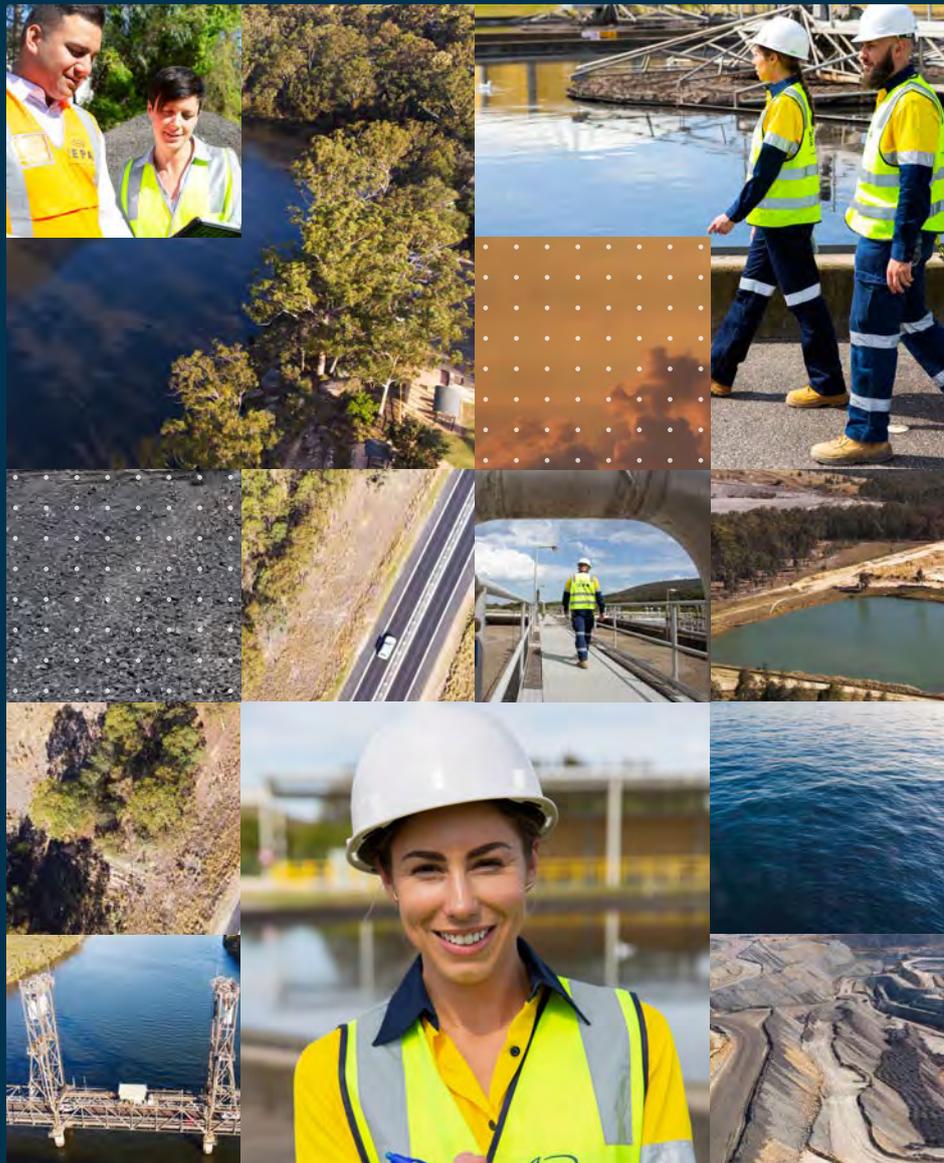
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# Our values



Be collegiate.  
Be collaborative.



Be creative.  
Be curious.



Be decisive.  
Be bold.



Be inclusive.  
Be respectful.



Be kind.



Deliver results.

# Our performance at a glance 2019–20



An operation to salvage a capsized barge called on EPA **incident response expertise** to prevent septic sewage from spilling into Pittwater.

[page 10](#)



EPA staff successfully transitioned from the office to working from home during the **COVID-19** pandemic.

[page 32](#)



The **Regional Capacity Building grants program** has helped council officers learn additional skills to manage emergencies and incidents.

[page 88](#)



Proactive compliance of native forestry after the **2019–20 bushfires** was a major focus for EPA officers.

[page 93](#)



The courts imposed **\$1.4 million** in fines and penalties for **72** successful EPA prosecutions for offences such as illegal waste disposal, water pollution and licence breaches.

[page 100](#)



EPA officers were part of an **emergency response** when bushfire embers started a major fire at a woodchip mill.

[page 114](#)

# Our performance at a glance 2019–20

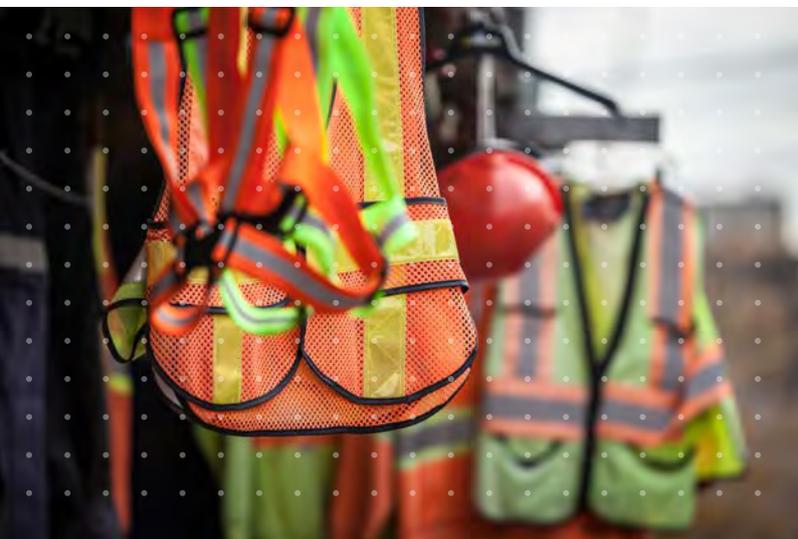
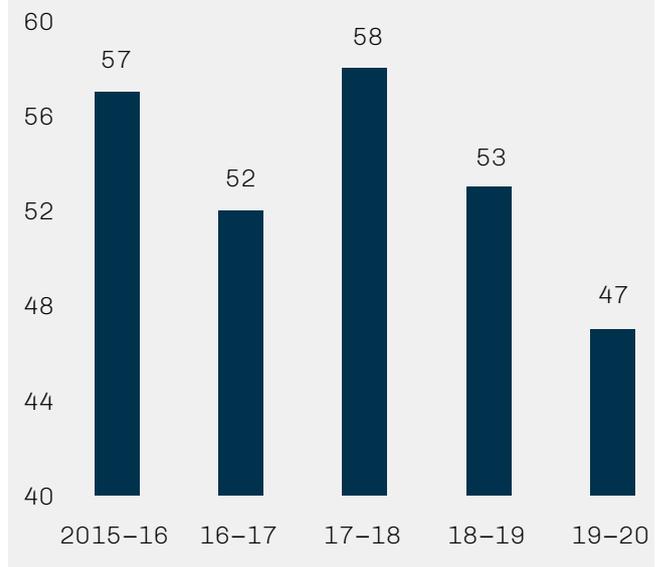
## Our people

The EPA directly employs 586 people with most staff working in metropolitan areas. This year we continued to focus on safety and wellbeing. With the impact of the pandemic, we supported our employees to work remotely and partnered with the Black Dog Institute to roll out mental-health training for employees and managers.

### Key facts

- 57.3% of senior leadership roles are held by women
- 47 incidents, accidents and injuries were reported, continuing a 3-year downwards trend.
- The EPA was the only NSW Government agency to be named an Inclusive Employer by the Diversity Council of Australia in 2019–20.

No. of safety incidents, accidents and injuries reported



Staff by location 2019

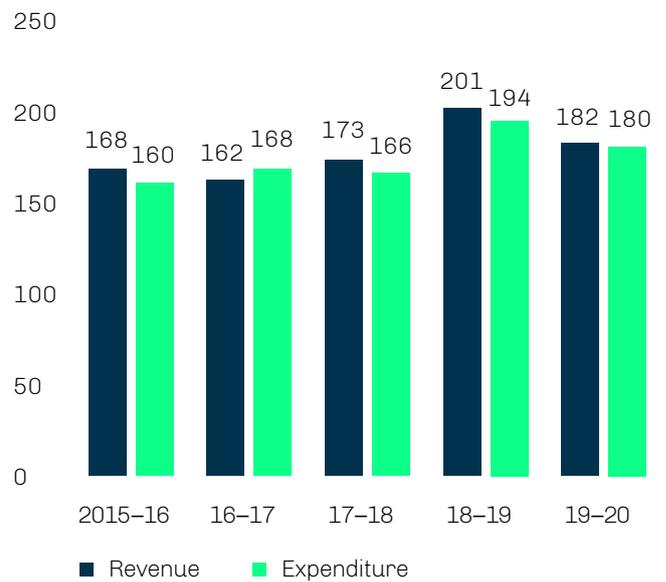


## Our finances

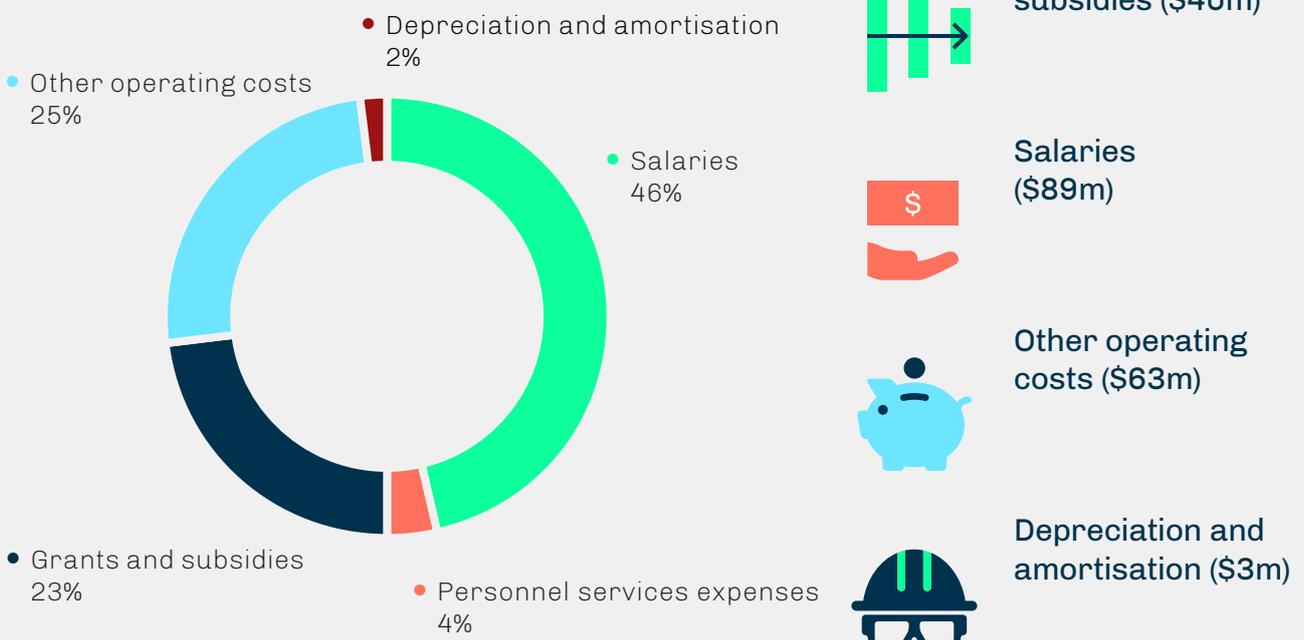
The EPA maintained a sound financial position in 2019–20, with an income of \$182.7 million and expenditure of \$180.7 million. The independent audit report confirms that the EPA financial statements provide a true and fair view of the organisation’s financial position and are compliant with reporting requirements.

EPA income and expenditure decreased slightly in 2019–20 reflecting changes in project timings and reduced funding due to machinery-of-government changes.

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



### Our expenditure

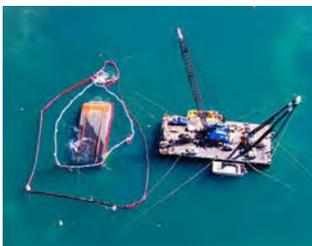


# Diary of an incident

Just after 1pm on 21 August 2019, a barge transporting a tanker containing 10,000 litres of sewage capsized in Sydney's Pittwater, close to an environmentally sensitive area containing the threatened seagrass *Posidonia australis*.

A rapid response by EPA incident management officers and specialist marine scientists, together with NSW Maritime and Fire and Rescue NSW, ensured that resulting damage to the environment was kept to a minimum.

A successful operation ended with all sewage, oil and fuel recovered.



Booms surround the stricken barge, which overturned near Great Mackerel Beach



Barge being recovered – live video monitoring for any spills or oil slicks



Fire and Rescue NSW use drones to monitor for potential pollution during the recovery



Vessels recovered and en route to proper disposal of the septic waste



Divers inspect the tanker

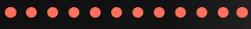


Local wildlife having a sticky-beak and keeping an eye on recovery efforts

Happy faces on Dr Katelyn Edge and NSW Maritime officer Matt Davis



# Our story



## Section 1:

# Our story



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

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

As the primary environmental regulator for NSW, **we work with businesses** to ensure their activities do not harm human health or the environment, 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 work with other public-sector agencies to:**

- respond to and manage pollution incidents involving hazardous materials
- 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.



## Section 1:

# Our story

## 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.

### 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 and identity, and enhanced powers.

### 2020 onwards

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



## Our journey to being a world-class regulator

The EPA has set itself a clear ambition to be a modern world-class regulator.

Our work priorities and key result areas are set out in the *EPA Strategic Plan* and in section 4, *Our performance*. In December 2019, the EPA developed its strategic intent for the 2020 calendar year to further refine and guide our activities, aligned to the three key pillars of being a leader, partner and protector.

The key objectives set by the EPA through the refreshed strategic intent include:

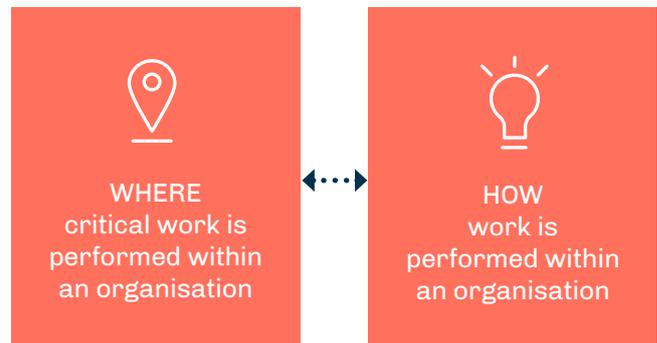
- becoming a world-class regulator
- having an increased education and influencing role
- connecting and collaborating more closely with community, industry and government
- developing and sharing contemporary tools to support engagement.

The strategic intent lays the groundwork for the EPA transformation along with other drivers outlined below.

	<p><b>Appointment of new Minister, acting Chair and Chief Executive Officer</b></p>	<ul style="list-style-type: none"> <li>• Provides a timely opportunity to refresh the strategic intent, ensuring the EPA's focus areas align with government priorities</li> <li>• Allows the EPA to streamline how we operate and how we will deliver positive environmental outcomes</li> </ul>
	<p><b>Machinery-of-government changes</b></p>	<ul style="list-style-type: none"> <li>• There have been significant changes experienced across the Department of Planning, Industry and Environment (DPIE) due to machinery-of-government changes</li> <li>• A refresh of the DPIE strategic intent is being led by the Secretary, Jim Betts. The EPA may use this opportunity to align our strategic direction with the wider cluster plan to encourage greater collaboration and shared values across cluster division</li> </ul>
	<p><b>Adopting a contemporary, risk-based regulatory approach</b></p>	<ul style="list-style-type: none"> <li>• It is important that the EPA's strategy reflects contemporary regulatory approaches to drive the delivery of our statutory responsibilities through a range of regulatory levers and tools</li> <li>• Refreshed outcome indicators and performance measures will support the shaping of the EPA as a world-class regulator</li> </ul>
	<p><b>Annual strategic planning cycle</b></p>	<ul style="list-style-type: none"> <li>• Allows the EPA to explore and review the prioritisation of work to ensure initiatives remain aligned</li> <li>• Provides the EPA with a clear roadmap for actions that will have real impact within a 12-month period</li> </ul>

# Our story

As well as refreshing its strategic intent, the EPA has also introduced a new operating model based on the functional alignment of roles and areas. Key considerations in developing this operating model are outlined below.



## Elements considered in the development of the operating model

	<b>Clear strategic vision</b>	Aligning staff and stakeholders to deliver our strategic vision
	<b>Clarifying roles and responsibilities</b>	More efficient work processes based on greater clarity about exactly which senior leaders and teams are responsible for what tasks
	<b>Focus on our people</b>	Putting people at the centre of what we do, making the EPA a great place to work and building the capacity and capability of our teams to deliver on our priorities
	<b>Strengthening collective leadership</b>	Forming a more integrated leadership collective for the EPA, with Executive Directors and Directors forming part of a coherent leadership group that models desired cultures, including collaborations
	<b>Fostering collaboration</b>	New mechanisms to encourage collaboration across areas, such as joint forums, special project teams, new enabling technologies and greater connection with cluster agencies
	<b>Technological enablement</b>	Harnessing technology to improve efficiency of work practices, particularly across key regulatory functions
	<b>Data management and analysis</b>	Exploring opportunities to share and consolidate data platforms so that more of the EPA can be viewing and interpreting information consistently

## How we work

The EPA transformation acknowledged that increasingly complex environmental issues, digital disruption and evolving community expectations have contributed to the need to shift the EPA's approach to regulation. The EPA transformation aims to:

- address a range of internal and external challenges,
- deliver positive environmental outcomes
- ensure consistency across the state in regulatory decisions
- allow the agency to be more agile in response to emerging issues
- make the agency future-focused.

As public servants, we need resilience and integrity, so that we can deal with change and maintain the trust of the citizens of NSW. The community wants good decisions and for us to be transparent, fair and balanced. It is important that we base our decisions on facts and evidence.

At the EPA we have identified five characteristics to drive world-class regulation across the organisation. They are:

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

We are committed to maintaining and enhancing the liveability of NSW by preventing harm to human health and the environment.

 <p>Learning mindset</p>	 <p>Outcomes-focused</p>	 <p>Responsive and adaptive</p>	 <p>Purpose- and people-centred</p>	 <p>Service-oriented</p>
<p>We continuously develop our people to build and maintain trusted expertise in all relevant disciplines and operations</p>	<p>We articulate and are relentlessly accountable for clear outcomes that focus on the effective delivery of public value</p>	<p>We proactively listen to identify and respond to risks with contemporary tools, technology and data to reduce harm</p>	<p>We are fundamentally purpose-driven and enable a people-centred culture to create a safe and great place to work</p>	<p>We work collaboratively with community, government, stakeholders and our people to influence and enable outcomes</p>

# Our story

## Our regulatory approach

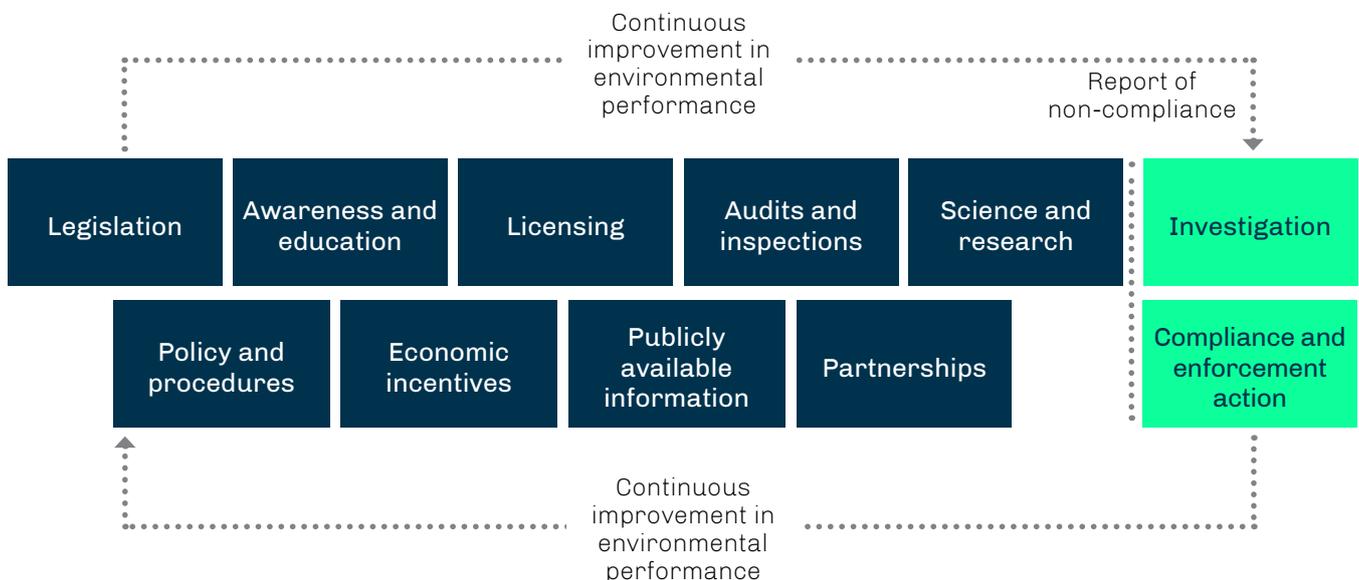
The role of the EPA is to protect, restore and enhance the quality of the environment in NSW, while having regard to the need for ecologically sustainable development. We regulate to reduce the risks to human health and prevent the degradation of the environment.

At the centre of our regulatory model is always the aim to prevent and reduce harm, and to quickly and effectively respond when harm occurs. We consider the best tools to achieve the best possible outcome to protect the environment from degradation and to protect human health.

Our transformation has focused on how we can take advantage of all the regulatory tools available to us, from behaviour change initiatives, partnerships, economic incentives, science and research to enforcement and prosecution of serious breaches. We know that

as a world-class regulator we will need to keep pace with the rapid emergence of new ideas, scientific knowledge, products, environmental pollutants and business models. That is why we are ensuring that we have an agile and modern approach to the regulatory craft.

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 compliance monitoring and regulatory action, and helps us fine-tune our education and stakeholder-engagement activities. We are committed to harnessing the data we collect, accessing innovative technologies and focusing on what matters most, to protect the environment as well as possible.



# Our story

The EPA's 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, outcomes-focused approach** so that our education, engagement partnerships, research and enforcement activities focus on the biggest risks to the environment and human health and are targeted to achieve the best possible outcomes
- **escalating compliance and enforcement actions** based on the risk to human health and the environment, the seriousness of the non-compliance, attitudes to compliance and compliance history. Responses range from formal warnings to official cautions, licence conditions, notices, directions for enforceable undertakings and prosecutions
- **accountability** through financial management, corporate governance, knowledge management, informing the public and reviewing our performance.

## Incident response

The EPA plans for, prepares for and responds to incidents. We provide effective incident-management support, analysis and investigation to minimise environmental harm and facilitate environmental restoration and 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 cooperatively 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. Please see the *Responding to incidents* section for more detail.

## Education and influencing

The EPA works with businesses and communities to help them to be more environmentally friendly. Along with local government, we work to make it easy for householders and businesses to recycle more and to dispose of problem wastes such as batteries, ink and toner cartridges, paint 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 and pollution. We want these behaviours to become widely considered as socially unacceptable.

## Stakeholders 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 legislation such as 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 regularly survey representatives of industry, government, environment groups and

the general public. An independent company carried out the latest survey for us in 2020. Interim findings from the qualitative component of the survey were that:

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

			
Community	Environment groups	Government	Industry and business
<p>Includes members of the EPA community consultation committees and any other community members (groups or individuals) who might be affected by or interested in environmental issues.</p>	<p>Includes small 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.</p>	<p>Includes the Minister for Energy and Environment, the NSW Parliament, local government and other state and federal agencies such as emergency services. May also include partners, co-regulators, grant recipients, advisors and environment protection licensees.</p>	<p>Ranges from large-scale construction and mining industries to small businesses. Includes environment protection licensees, peak bodies and grant recipients.</p>

# Our story

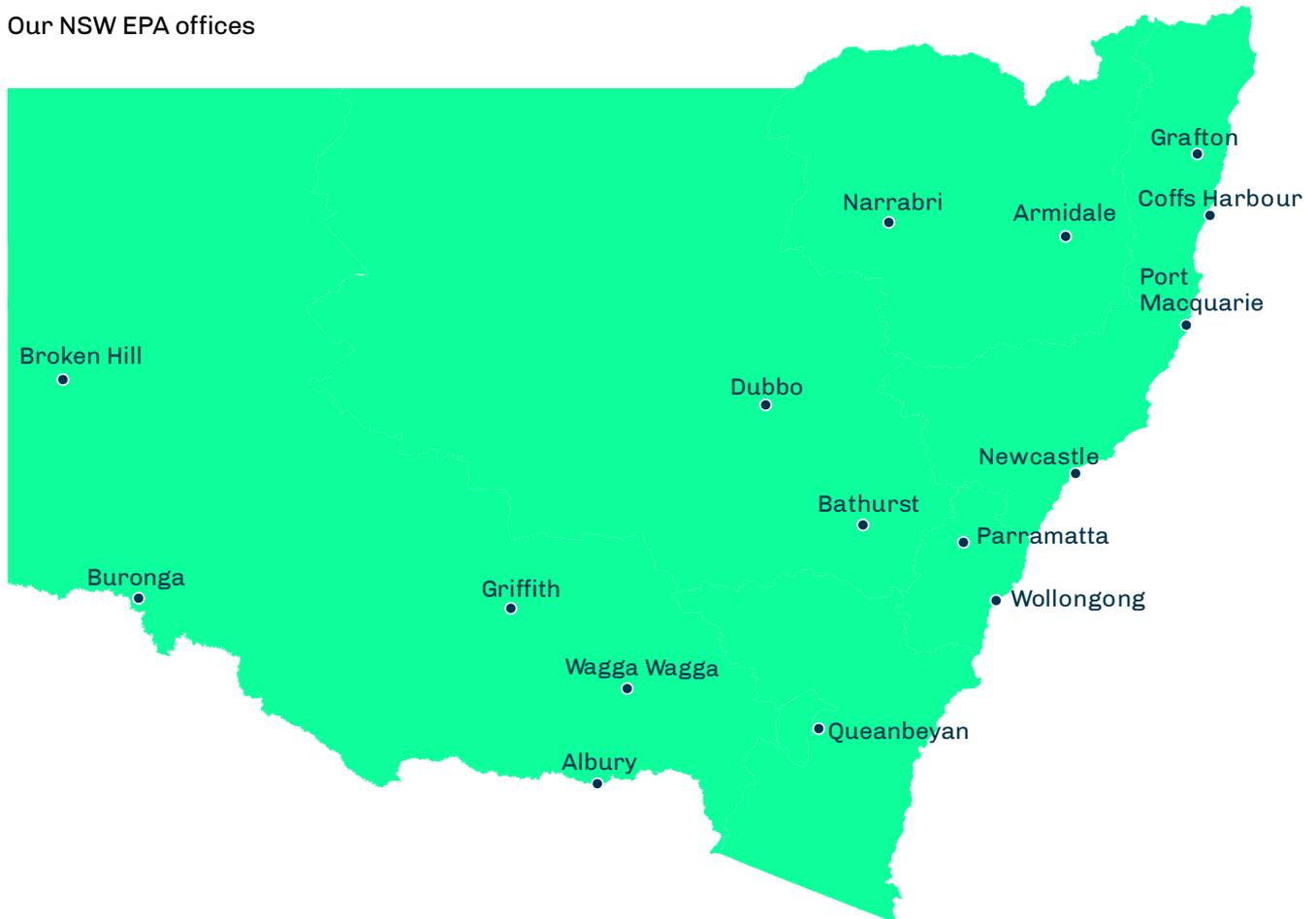
## Where we work

The EPA head office is in Sydney and there are 16 offices throughout NSW. The public can report pollution and environmental incidents through Environment Line, 131 555. Other contact details are available on the EPA [website](#).



EPA Officer at Newcastle office. Photo: EPA

## Our NSW EPA offices





4PSQ Building Orientation in December 2019. Photo: EPA

## Successful relocation to 4PSQ

As part of NSW Government's Decade of Decentralisation policy, in 2019–20 a number of Sydney branches of the EPA, National Parks and Wildlife Service and other agencies in the Department of Planning, Industry and Environment were relocated to 4 Parramatta Square in Parramatta (4PSQ). This brought together about 4,200 employees at a new building – an agile working space with a 5-star green rating.

Four hundred and forty Sydney-based EPA employees from three locations moved into 4PSQ between December 2019 and April 2020. A post-move survey found 84% of staff were very satisfied with the communication they received before the move.

The flexible work culture and agile hot-desk technology that was part of working at 4PSQ also allowed EPA staff to adapt rapidly and successfully to working from home at the end of March 2020, a measure taken in response to the COVID-19 pandemic.

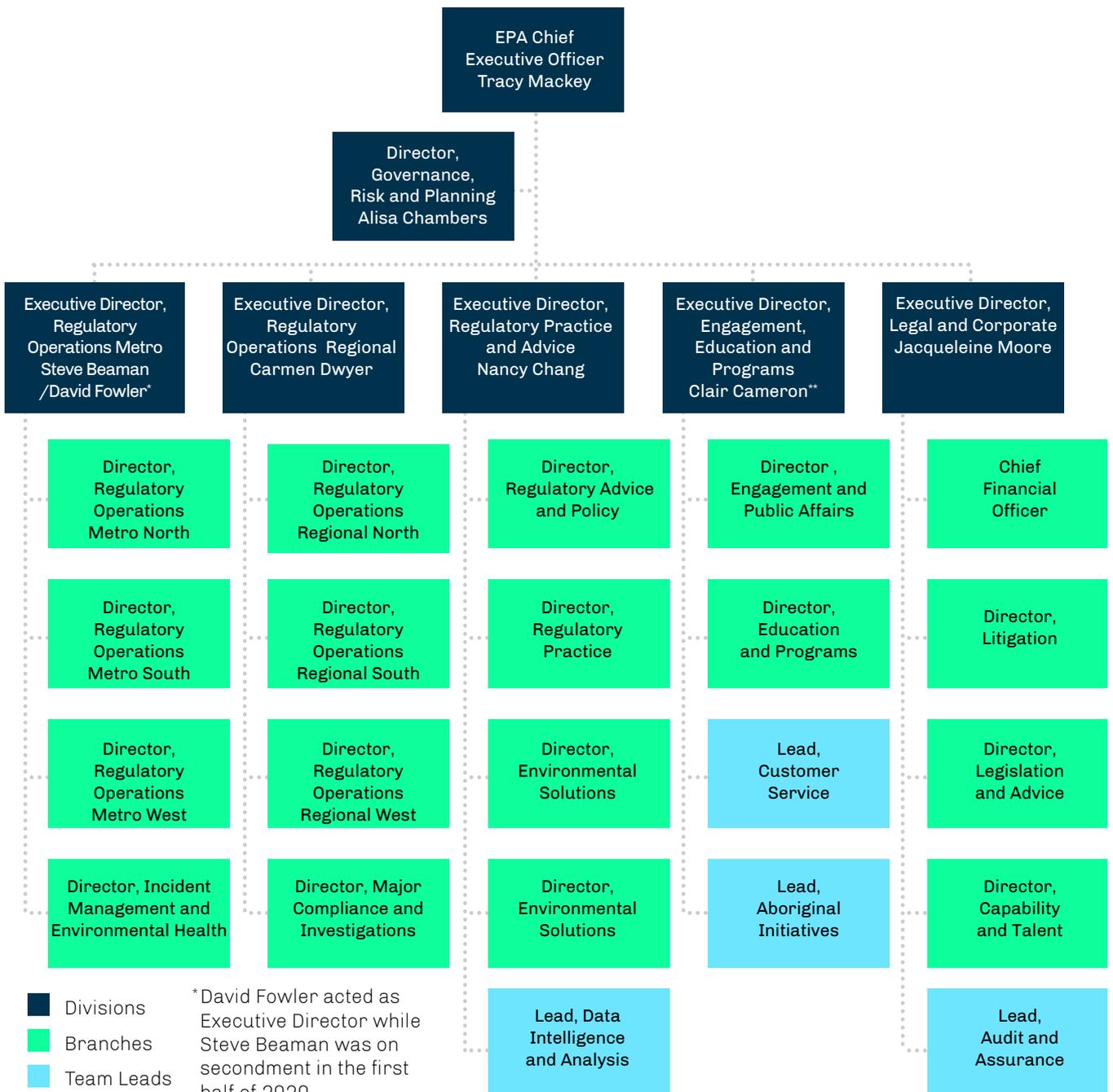
# Our story

## Organisational Structure

As at 30 June 2020 the EPA had six divisions with 27 branches, as the chart below shows.



Our Executive Team. Photo: EPA





## 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 *2019–20 Annual Report* for the NSW Environment Protection Authority.

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

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

Yours sincerely

A handwritten signature in black ink, which appears to read 'Tracy Mackey'. The signature is fluid and cursive.

**Tracy Mackey**

Chief Executive Officer  
NSW Environment Protection Authority

## Letter from the CEO

The context in which the EPA operates and regulates is one that is forever changing. The past year has taught us all that agility and flexibility are not just grab words – they are part of how we need to operate as a contemporary public-service agency and as a world-class regulator.

For many individuals, communities and organisations across NSW, this year has been characterised by challenge and sacrifice. We have seen devastating impacts of unprecedented summer fires, floods and a global pandemic. I am extremely proud of the work of the EPA throughout each of these events and the ongoing recovery efforts. During this time we have demonstrated 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. We have been responsive and adaptive in meeting the special challenges of 2019–20 while continuing to focus on our remit of protecting both the environment and human health.

I am a firm believer that with every challenge grows strength. The past year can be characterised not only as a time of challenge but also as one of great resilience, community building and positive change.

# Our story

The challenges we have faced this year have helped shape the shift the EPA is making in our approach to regulation and the organisational transformation we have embarked on throughout 2019–20. (Read more about the EPA transformation on page 14.)

Beyond the events of 2019–20, our operating environment is also shifting, with:

- increasingly global and domestic awareness of the complexity of **environmental issues**, combined with an expectation of innovation from government and responsiveness from regulators
- rapid developments in **technology and artificial intelligence**, which can both disrupt the way regulation is performed and create different ways that the environment, waste and pollution can be regulated
- high levels of **public engagement** with environmental issues and increasing expectations of safe and healthy environments, both of which elevate the visibility of what we do.

The transformation we have embarked on is aimed at ensuring that the EPA continues to evolve and adapt to be a modern, future-focused environmental regulator.

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

The workforce strategy builds on our strengths to create a unified, proactive and powerful team that always delivers results by:

- developing industry-leading skills
- using information and our experience to meet current needs and anticipate emerging trends
- taking a world-leading approach to partnering with community, industry and government.

While we have been moving along our transformation journey, we have continued to deliver against the key performance measures set out in *EPA Strategic Plan 2017–21*. Important achievements for 2019–20 include:

- **responding to the largest bushfires in modern record**, in collaboration with other agencies such as the NSW Rural Fire Service (RFS). In 2019–20 more than 5.3 million hectares of the state were scorched, including over 37% of the state's national parks. During the crisis more than 120 of our staff were deployed across Incident Management and Impact Assessment Teams, regional recovery and emergency centres, and the RFS State Operations Centre. EPA staff have spent more than 21,000 hours on bushfire response and recovery since November 2019
- adapting our work systems and supporting our staff during the **COVID-19 pandemic**, through flexible working arrangements and mental-health guidance
- keeping our **licensees informed with up-to-date information**, making adjustments to licence conditions and inspections to address the impacts of the pandemic and bushfires
- successfully **transitioning the regulation of underground petroleum storage systems** to local government through training and grants
- entering into **seven enforceable undertakings securing over \$1.3 million** in funding for environmental projects and initiatives
- releasing the report ***Safeguarding Future Environmental Liabilities from Coal Seam Gas Activities in NSW*** as part of our ongoing work to make sure that the costs of any environmental impacts from activities are paid by industry, not by communities
- reaching thousands of NSW homeowners on **the dangers of lead and asbestos in the home, and of accepting free fill**, through targeted digital marketing campaigns.



The EPA Board's regulatory assurance statement, contained in this report, provides more information on our Board's assessment of, and recommendations for, our regulatory performance (see page 41).

In 2020-21, the EPA will focus on:

- continuing our journey towards our aspiration of becoming a world-class regulator
- our digital transformation strategy delivering ICT solutions which will provide a full view of regulatory risk and activity
- embedding our Enterprise Risk Management Framework into our decision making

- developing and embedding our Workforce Strategy
- developing and releasing our new Strategic Plan
- Regulatory Strategy.

I 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.

**Tracy Mackey**

Chief Executive Officer  
NSW Environment Protection Authority

## External factors

The EPA is taking a strategic and agile approach to identifying changed conditions and emerging issues early and then developing effective regulatory responses as quickly as possible. This future focus is informed by the factors shown below.

 <p>Regulation industry trends</p>	 <p>Environmental issues</p>	 <p>Digital transformation – rapid change</p>	 <p>Community needs and expectations</p>	 <p>Workforce trends</p>
<p>Adaptive Outcome-based Risk-weighted Collaborative World-class</p>	<p>Complex Both global and domestic Require responsiveness and innovation</p>	<p>Changes how we regulate Creates new kinds of pollution to regulate</p>	<p>Highly engaged in environmental issues Expects safe and healthy environments</p>	<p>Adaptable organisations Resilient leadership Being a social enterprise Diversity and inclusion</p>

### Economic factors affecting environmental outcomes

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

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

Changes in economic activity may alter the environmental performance of households and businesses across NSW. The EPA needs to be aware of these changes so that it can work more effectively with business and the community to manage emerging environmental issues. We are working to be more strategic and agile in how we identify these changed conditions and emerging issues, so we can note them early and develop effective regulatory responses as quickly as possible.

### Economic growth

Economic growth may lead to increased demand for natural resources and a depletion of natural capital. Over time, the NSW economy has both grown and changed in structure. Resource-intensive sectors – mining, manufacturing and agricultural production – once dominated the economy but now the largest sectors are services and technology.

In 2019 Australia's real GDP increased by 1.4% and NSW's real GDP by 1.9%. The impact of the COVID-19 pandemic will dominate economic performance over the short to medium term. The Australian and NSW economies could contract by 10% from peak to trough and it could be some years before economic activity returns to its pre-pandemic level. This fall in activity has led to an overall improvement in environmental outcomes, most notably in greenhouse-gas emissions and air quality.

The number of new dwellings approved in NSW fell by 0.17% in 2020, reflecting fewer applications for both single and multiple dwellings. Multiple-dwelling approvals, associated with 'brownfield' development and industrial waste, have fallen significantly since their peak in 2017, but single-dwelling approvals continue to trend upwards.

## **Economic recovery opportunities and impacts**

To stimulate economic recovery following the pandemic, the Commonwealth and NSW Governments will look to fast-track infrastructure development and shovel-ready projects.

Government investment in infrastructure and private investment in housing create demand for raw materials (sand, rocks, timber and steel), generate industrial waste, and may require land clearing (for 'greenfield' developments).

We are also likely to see greater use of renewable energy – wind, solar and hydrogen systems to generate power and batteries to store any surplus. Some of these rapidly developing technologies may present new challenges for regulation.

The demand for NSW's exports (both goods and services) will rest on how fast other countries' economies, particularly those of our trading partners, recover after the pandemic. Future trading volumes are uncertain: it is not known how much this will affect production levels in agriculture and mining, but low commodity prices usually foretell lower production. If export demand and commodity prices remain subdued, land clearing for agriculture may ease and mining-related waste may fall.

## **Workforce trends**

The NSW unemployment rate in June 2020 was 6.9%, significantly higher than the 4.6% of June 2019. National unemployment may rise as high as 10% before declining over the medium term as the economy recovers.

During the COVID-19 shutdowns many organisations arranged for staff to work from home. Many workers are now likely to expect this to be offered as a regular option. The requirement to work from home has also boosted the pace of digital transformation, with rapid adoption of teleconferencing systems. This could lead to people moving away from the big cities and the workforce becoming more decentralised and distributed, which in turn will reduce the demand for energy, transport and waste management in densely populated urban centres.



Plastics on the beach. Photo: EPA

## Transport

Closing international and domestic borders to stop the spread of COVID-19 cut Australian air travel to a bare minimum by the end of 2019–20. The domestic air travel market may recover in the medium term but it is unlikely that international travel will recover to pre-pandemic levels for some years (not before 2024, according to the International Air Travel Association). This fall in air travel, plus the reduction in commuter travel and the movement of people between states, reduced NSW's transport-related carbon emissions in the latter part of 2019–20.

## Waste management

Household expenditure is not expected to increase in the short term, given the forecast increase in unemployment, stagnant wages growth and a fall in the number of NSW's temporary residents. This may limit increases in household waste. A decline in the urban population may drive a medium-term reduction in urban household waste, but as people move to regional NSW (evident in falling rates of rental vacancies) consumer waste will increase there.

International, national and state policy changes are shaping our approach to waste management. In 2018, under its National Sword Policy, China began to enforce restrictions on the import of waste. In its 2020–21 Budget, the Commonwealth Government announced it will ban the export of waste plastic, paper, glass and tyres from January 2021. The NSW Department of Planning, Industry and Environment is leading the development of the 20-Year Waste Strategy for NSW: the issues paper for this was made available for public consultation in March and April 2020. These new policy settings will require a rapid and comprehensive response to reduce the amount of waste generated and new processes for treating waste. The changes will be felt across the waste and packaging industries and by local councils and the community.

# Our people



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



## Section 2:

# Our people



**Purpose and people are at the heart of everything we do. Being a world-class regulator means having a people-centred culture that puts safety first and makes the EPA a great place to work. The EPA supports the wellbeing of our highly skilled and dedicated staff who uphold our organisational values and contribute to a healthy environment.**

The EPA is led by a senior leadership team with many years' experience in the protection of the environment, regulation, policy development and related fields (see section 5, *Upholding our integrity*).

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

In 2019–20, the EPA:

- retained 100% of those who completed its graduate development program
- was named an Inclusive Employer 2019–20 by the Diversity Council of Australia
- continued to support the *CareerTrackers* program for Indigenous Australians, with four students starting their first placement as interns and three students returning
- provided support for staff working from home during the COVID-19 emergency.

## Managing operational risks: people and culture

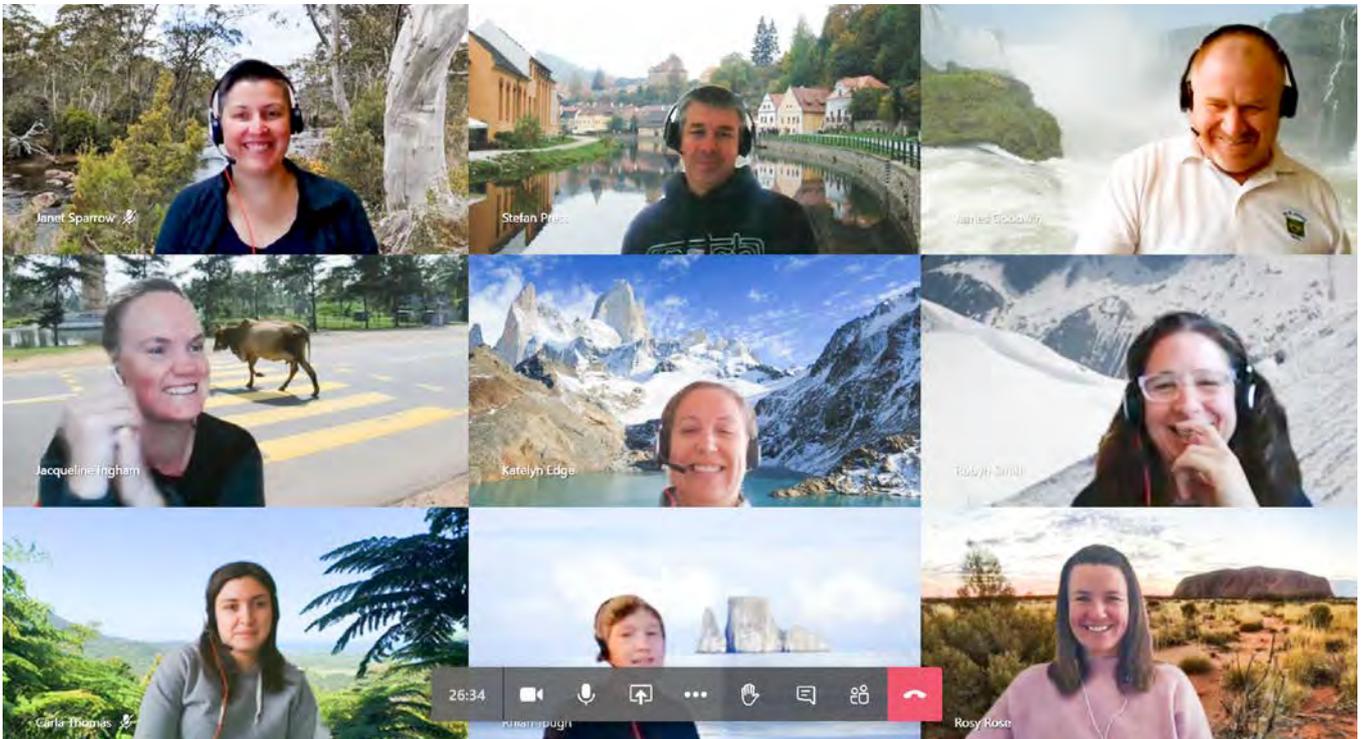


The success of the EPA, and our ability to become a world-class regulator, depends on our people. From our administrative and operational staff to our Senior Leadership Team and CEO, we all play a part in achieving our purpose.

We are setting up our people to succeed in an environment of rapid change by designing and building for the future in everything we do. Equipping our people with industry-leading skills and attributes will make a long-lasting impact on the protection of the environment.

In a year that has included droughts, bushfires, floods and a worldwide pandemic there is increased community stress and pressure. We do not underestimate our responsibility to keep our staff safe. This section outlines some of the ways we do that.

# Our people



Bushfire Response Team. Photo: EPA

## A suite of resources to support our people during COVID-19

In this unusual year, most staff worked from home full-time from March 2020 with many also juggling home-schooling. The EPA supported the success of an almost 100% remote workforce by:

- letting staff use workplace technology, such as monitors, keyboards, mice and headsets, at home
- providing guidance on how to use technology effectively, and how to work remotely in general
- allowing variations in the pattern of working hours to help our people manage the new arrangements in ways that suited them
- guiding operational staff in how to use telephone and teleconferencing options and incorporate desktop, remote sensing and surveillance tools into their regulatory work
- advising operational staff on how to attend emergencies and incidents safely and in compliance with public health orders
- providing resources and regular updates to help staff navigate the changes prompted by COVID-19.



Staff were encouraged to take time out and exercise during COVID-19.  
Photo: Chris Fuller/ EPA

## Wellbeing, health and safety

This has been a year of significant change and challenge, and our people have shown enormous strength and resilience throughout. Machinery-of-government changes were followed by a devastating bushfire season, the relocation of all metropolitan staff to one central office in Parramatta, and the advent of the COVID-19 pandemic. During these events, the EPA provided regular updates on how to respond, remain safe, and access funded counselling services or paid leave.

The EPA is promoting workforce wellbeing now and into the future by coordinating a range of initiatives to support our people and address both their physical and psychological wellbeing.

### **Evolving the wellbeing, health and safety framework**

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

- updated hazard and risk registers
- revised documentation to guide accountabilities, operations and procedures
- pathways to building the capability of the agency and its people.



**Breaking down the wall of mental-health stigma.**  
Image: Black Dog Institute

## Understanding workplace mental health and wellbeing

The EPA partnered with the Black Dog Institute to deliver to all EPA staff an online training course about understanding workplace mental health and wellbeing. This course is designed to support personal mental health and help create a mentally healthy workplace. It has equipped staff to discuss mental health with others and encouraged self-care and help-seeking. Managers throughout the EPA were provided with additional resources to help them understand mental health matters and talk with staff about mental health.

## Work health and safety

The EPA is continuing to reduce the overall number of incidents, accidents and injuries year on year through a strong commitment to making the EPA a safe place to work for all staff and contractors. We take seriously our responsibilities to support workers injured on the job and encourage the reporting of such injuries.

The agency's work health and safety (WHS) performance is reported to the EPA Board through the Audit and Risk Committee, and to the EPA Executive. All executive staff have a performance target of a minimum of one safety interaction per month, which helps to drive a 'safety first' culture.

The EPA's work health and safety services are provided by DPIE Cluster Corporate Services. We partner with the DPIE 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 an agency-wide level.

All staff resuming work after an injury are provided with a return-to-work plan, whether or not their injury was work-related.

### EPA claims and reports

	2016–17	2017–18	2018–19	2019–20
WHS incidents, accidents and injuries reported	52	58	53	47
Workers compensation claims made	3	9	2	10
Value of workers compensation claims*	\$34,195	\$108,870	\$5,315	\$213,995

\* Net incurred

## EPA Inclusion & Diversity Strategy 2019–2021



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

## Inclusion and diversity

### Health and safety representatives to support EPA employees

In a new initiative, five EPA health and safety representatives were elected in November 2019 via an Electoral Commission process and given responsibilities and powers under WHS legislation to support the agency's staff. They then completed a week of intensive training about resolving health and safety issues in consultation with management.

The introduction of these staff representatives adds another layer of rigour to the EPA's robust WHS system.

### Leading on inclusion and diversity

This year the EPA was named an Inclusive Employer 2019–20 by the Diversity Council of Australia. It was the only NSW Government agency to receive this distinction.

Being named as an Inclusive Employer recognises the EPA's strong commitment to be an inclusive and diverse organisation. The benefits of this can include better innovation and problem-solving, improved customer service and enhanced employee wellbeing and safety.

The EPA's Inclusion and Diversity Committee is a staff-run committee that leads and advises on diversity and inclusion initiatives

# Our people

## Results

In 2019–20, the committee's key achievements were:

- implementing the Inclusion and Diversity Strategy 2019–21, which helps the EPA to attract and retain talented people from a diverse range of backgrounds, ethnicities, genders and abilities
- delivering and contributing to priority initiatives on gender equity, Aboriginal employment, disability action and multicultural reporting
- running an event on mental health in September 2019 at which more than 250 staff heard moving stories of lived experience and great advice from mental health experts.



EPA staff online meeting. Photo:EPA

## Attracting young Aboriginal talent to the EPA

The EPA has partnered with a non-profit organisation, CareerTrackers, since 2015 to attract young Aboriginal talent to the agency and provide a fresh perspective on the way we work. Over this time the EPA has hosted 15 interns with a total of 30 placements.

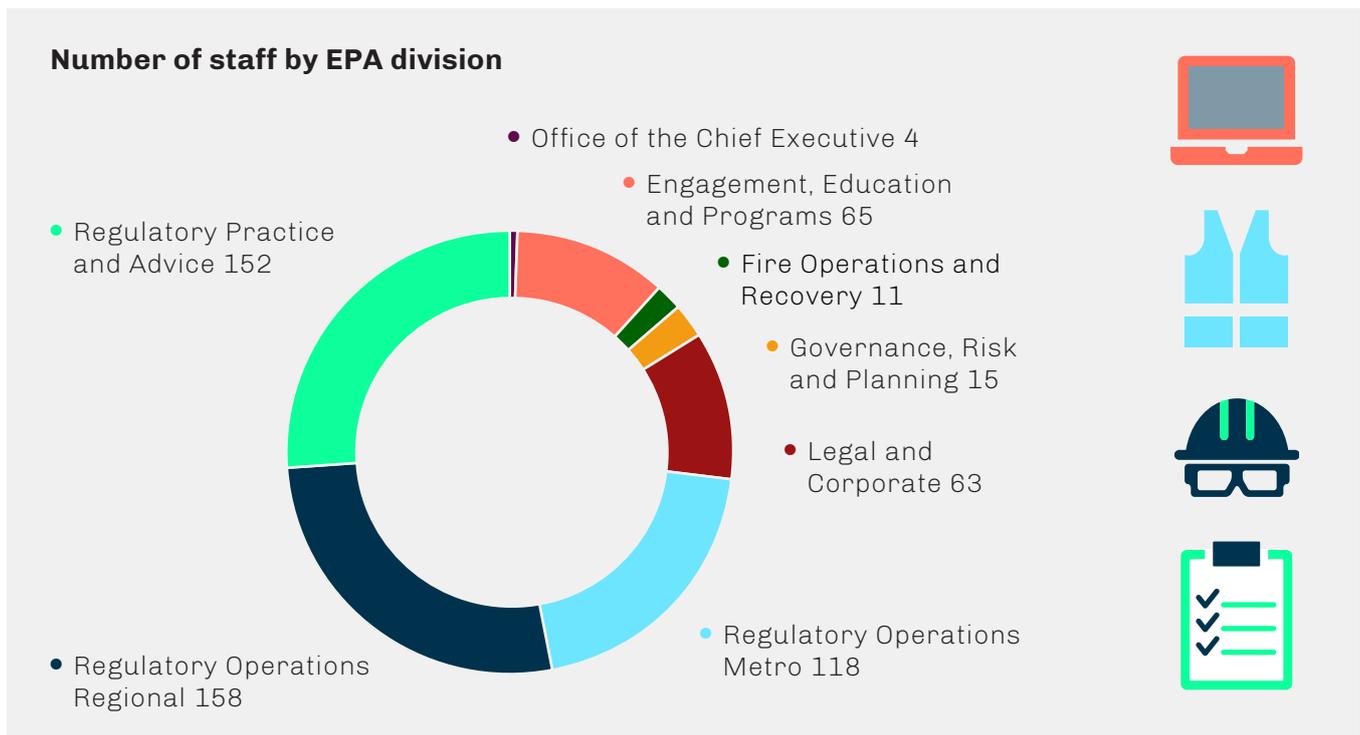
In 2019–20, three of our students returned to the EPA for a placement and four new interns started their first placement. All the new interns have expressed a desire to return to the EPA for placement as they find it a supportive and engaging workplace. In January 2020, one of the graduating interns applied for and secured an ongoing position with the EPA.



CareerTrackers provides opportunities for Aboriginal university students to seek paid, multi-year internships with a range of employers, including the EPA. As well as valuable on-the-job experience matched to their career aspirations and degrees, interns receive mentoring, coaching and development to help them grow as future leaders. Students complete their internships with their partner organisation during university breaks.

## Staff profile

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



### EPA staff by category

Total staffing by category (head count)	30 June 2018	30 June 2019	30 June 2020
Permanent full-time	377	414	407
Permanent part-time	82	115	70
Temporary full-time	117	138	96
Temporary part-time	11	17	13
Casual	2	3	0
<b>Total</b>	<b>589</b>	<b>687</b>	<b>586</b>

### EPA staff by location

Total staffing by location (head count)	30 June 2018	30 June 2019	30 June 2020
Sydney metropolitan area	436	506	414
Regional areas	153	181	172
<b>Total</b>	<b>589</b>	<b>687</b>	<b>586</b>

# Our people



The Rainbow Connection is one of our employee networks. Spokeswomen Program Awards winners, Jen Byrne, Naomi Wynn and Leigh Nolan. Photos: DPIE

## Staff diversity: women in senior leadership roles

Of our senior leaders, 57.3% are women, which is above the Premier's Priority of 50%. One of those female leaders is also from a 'culturally and linguistically diverse' (CALD) background.

Appendix 10 gives a breakdown of staff diversity.

### Our employee networks

The EPA aims to make all employees feel safe, encouraged and supported in their work. We recognise the value of social support in achieving this aim. EPA employees are encouraged to participate in a number of employee networks, including the:

- **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 to have them addressed appropriately; and provides an opportunity for Aboriginal staff to network both professionally and culturally

- **Disability Employee Network**, a cluster-wide staff community open to employees with a disability, their supervisors, carers and supporters, which aims to improve cultural awareness, provide networking opportunities and the development of ideas
- **Harmony Council**, a cluster-wide committee that aims to embed diversity and inclusion within all operations of the Department of Planning, Industry and Environment (DPIE)
- **Rainbow Connection**, an employee-led LGBTQI+ network
- **Spokeswomen Program**, an employee-led network aiming to improve gender equity
- **Young Professionals Network**, which provides a professional and social networking platform for staff who are new and/or young (35 years and under) and plays an advocacy role on relevant issues.

# Our people

## Cluster-wide initiatives

In 2019–20, DPIE Cluster Corporate Services provided human resources services for the EPA under a service partnership agreement.

Further workforce diversity initiatives, led by DPIE's Culture and Development team and implemented across the EPA, are the:

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

The EPA will continue to work closely with DPIE's Culture and Development team and the NSW Public Service Commission to enhance workforce diversity.

We continuously develop to build and maintain trusted expertise

## Staff capability

We build staff capability through:

- training for EPA staff
- a graduate program
- leadership development
- talent development and performance management.



EPA graduates out in the field at West Cliff Colliery in the Illawarra region. Photo: EPA

## EPA Graduate Program

The EPA Graduate Program aims to develop the future talent of our staff. The program runs for two years: participants are placed in different parts of the agency on four six-month rotations and receive formal training and mentoring from senior staff. Three or four graduates are accepted for each intake and they experience a variety of roles, in both operational and policy areas. This expands their professional network and exposes them to a broad range of legislation, regulatory tools, inspections and stakeholder interactions.

This program attracts high-quality staff at entry level and maintains a pipeline of diverse, innovative and talented individuals.

### Results

The EPA retained 100% of the graduates that completed the program in this reporting period, in both temporary and ongoing roles, exceeding the KPI requirement of 75%. This repeats the success of the previous year, when all graduates also secured work at the EPA.

# Our people



Presentation at the Behaviour Change Bootcamp. Photo: EPA

## Bootcamp helps facilitate behaviour change

Many problems can be at least partly solved by influencing the behaviours that underpin them. Insights from the behavioural sciences can help us to:

- understand what matters to people
- tailor effective communications to influence behaviour
- identify types of interventions that are most likely to work
- bring about effective long-term change for the benefit of our environment and community.

In partnership with BehaviourWorks Australia at Monash University, 20 EPA staff completed a three-month Behaviour Change Bootcamp that built staff capacity through a mixture of workshops, webinars and small-group work activities.

Staff formed teams around specific behavioural problems faced by the EPA, such as pesticide spray drift, illegal dumping and littering. Teams discussed the problems, identified priority behaviours, explored drivers and barriers, developed interventions and then put the interventions into practice.

Following the course, staff have continued to share what they learned and have used behavioural insights to improve regulatory outcomes.



EPA  
Board  
regulatory  
assurance  
statement

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## Section 3:

# Regulatory assurance statement

## EPA Board

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

- determine, with the support of the CEO, the policies and long-term strategic plans of the EPA
- oversee the effective, efficient and economical management of the EPA
- develop, and make available for public information, guidelines relating to the institution of criminal and related proceedings
- determine whether the EPA should institute proceedings for serious environment protection offences
- advise the Minister on any matter relating to the protection of the environment (at the request of the Minister or on its own initiative)
- provide the Minister with an annual regulatory assurance statement.

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

- receive reports from the EPA on any failure of the EPA to comply with its requirement to review environment protection licences every five years
- approve the EPA granting an exemption to any person or class of persons from provisions of the POEO Act
- assess the performance and success of the EPA in achieving its strategic plans
- develop a view of the performance of the EPA in relation to the matters to be communicated to stakeholders and work with the CEO in agreeing on areas for improvement.



The EPA Board. Photo: EPA

## EPA and Board independence

The independence of the EPA and its Board is established by the *Protection of the Environment Administration Act 1991* (POEA Act; sections 15–19). In relation to independence, the Act specifies that:

- the Chair of the Board 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 in exercising any of its functions. This includes in relation to any:
  - report or recommendation made to the Minister
  - State of the Environment report (other than directions for the inclusion of additional information)
  - 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 included in the next available annual report.



## EPA Chair letter

.....

I am pleased to provide the Environment Protection Authority Board's regulatory assurance statement for 2019–20. This statement is an opportunity for the Board to reflect on the EPA's progress in reducing risks to human health and preventing degradation of the environment.

In making our performance assessment, we have considered the extensive range of programs delivered by the EPA, the organisation's regulatory and risk-assessment frameworks and the results presented to the Board throughout the year. The Board is of the opinion that the EPA and the industries it regulates have progressed or met expectations. The EPA Board notes the organisation's progress with organisational and cultural change in the face of unique challenges this year. These included the impact of COVID-19, summer bushfires, floods and drought, all of which have impacted human and environmental health and the EPA's ability to carry out its regulatory and education programs.

The Board recognises that the EPA's organisational transformation has been

designed to deliver the agency's strategic priorities as a leader in the protection of human health and the environment. This transformation has seen the EPA reduce duplication and improve collaboration and integration within the organisation and across the Department of Planning, Industry and Environment cluster and respond to future changes in regulatory directions. In establishing a new model of working, the EPA has addressed some of the findings from the NSW Auditor-General's June 2018 report, *Regulation of water pollution in drinking water catchments and illegal disposal of solid waste*, with particular focus on building the risk maturity of the organisation.

The EPA has enhanced its regulatory assurance and performance and its intelligence functions to reduce uncertainty about real and potential threats, risks and harms to the environment, human health and officer safety.

The NSW Government has now separated the roles of the EPA Chair and CEO. Ms Carolyn Walsh was appointed Acting Chair of the EPA Board from 1 July 2019. I thank Ms Walsh for her excellent leadership in this role in 2019–20.

This regulatory assurance statement makes reference to a sample of EPA programs and performance information. The EPA's aspiration is to be a world-class regulator by building its capacity and capability across the various regulatory levers, influencing behaviour change, and using data and insight to drive strategic planning and compliance campaigns.

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

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

## About the regulatory assurance statement



**EPA officers with water-testing equipment.**  
Photo: Sarah Ryan/EPA

The regulatory assurance statement encompasses reporting that the EPA must provide under section 16(3) of the *Protection of the Environment Administration Act 1991*:

- a. an assessment of the success of the Authority in reducing risks to human health and in preventing the degradation of the environment and whether the level of environmental protection achieved by the Authority is satisfactory in comparison with other Australian jurisdictions,
- b. an assessment of the performance by those industries regulated by the Authority in reducing risks to human health and in preventing the degradation of the environment, and the impact that those industries have on the environment,
- c. recommendations for improving the Authority's performance, and the performance of the industries regulated by the Authority, in relation to the matters referred to in paragraphs (a) and (b),
- d. such other matters as may be prescribed by the regulations.

## a. Assessment of the success of the Authority

### In reducing risks to human health and preventing the degradation of the environment

The EPA Board monitors the organisation's progress towards its strategic intent and notes the EPA's work towards its aspiration to be a world-class regulator. The EPA Board has considered the performance of the EPA throughout the year including:

- a selection of the EPA's key performance indicators including environmental outcomes-based measures reported to NSW Treasury
- types of environmental incidents being reported and responses to environmental issues
- the EPA's successes in prosecutions
- other programs and activities detailed in the *EPA Annual Report*.

### Key issues managed by the EPA in 2019–20

The EPA addresses the risks to human health and the environment across many areas, including chemicals, contaminated land, radiation, air and water quality, waste and recycling, gas and asbestos. Its actions in relation to these are reported in detail in the *EPA Annual Report 2019–20*. This regulatory assurance statement assesses the significant challenges the EPA has managed this year in:

- the response to COVID-19 and other emergencies (bushfires, air quality and floods)
- climate change
- regulation of native forestry
- waste
- contamination.

# Regulatory assurance statement

## COVID-19 response

When COVID-19 became a public-health crisis, most EPA staff began working from home. To maintain its regulatory functions, the EPA adapted how it operated. The organisation created a team to plan and coordinate its response to the pandemic.

It shared information and insights on issues management with NSW agencies that carry out emergency operations, and with institutions in other jurisdictions represented through the Heads of EPA Australia and New Zealand (HEPA) and the Australasian Environmental Law Enforcement and Regulators neTwork (AELERT).

### Progress: COVID-19 response

The COVID-19 pandemic has been an extraordinary time of uncertainty. The EPA has continued its operations, kept its staff safe and made progress on important objectives.



#### Commencement

Program is under development and will start after 2019–20 reporting period

#### Under way

Program has commenced and is being developed

#### Established

Program is maturing and achieving results

#### Achieved

Target achieved or project complete

The EPA's response to COVID-19 included:

- **operational policies** – were updated and protocols put in place to ensure staff safety. Regulatory fieldwork continued with operational staff responding to critical issues and increasing the use of remote regulation techniques such as conducting interviews online
- **outreach to EPA licensees** – with an initial focus on business continuity planning, followed by advice and assistance to stakeholders
- **legislative amendments** – including important amendments to reflect Public Health Orders in areas such as pesticides, dangerous goods, waste and resource recovery
- **waste-levy deferrals and exemptions** – a series of rolling waste-levy deferrals and emergency exemptions to recognise the financial impacts of COVID-19 on the waste industry
- **guiding a new and expanded ethanol manufacturing industry** – with increased demand for hand sanitiser, some firms repurposed their production lines to produce ethanol to address sanitiser shortages. The EPA responded with guidance on the safe handling of ethanol, and joint agency inspections to monitor environmental and fire risks
- **response to increased illegal dumping** – due to the temporary closure of recycling centres and waste facilities, illegal dumping rates increased in the early stages of the pandemic. The EPA increased compliance measures, and online guidance for waste facility operators, visitors to community recycling centres, strata managers and residents
- **response to spike in home renovations and do-it-yourself work** – lockdowns led to a significant increase in home repairs and renovations. The EPA responded by running a social-media campaign in May aimed at educating renovators and tradespeople to stay safe when working with asbestos

# Regulatory assurance statement

- Container Deposit Scheme** – the EPA worked with its *Return and Earn* scheme partners, TOMRA and Exchange for Change, to minimise risks. TOMRA introduced touch-free recycling at reverse-vending machines, on-ground social-distancing markers, additional cleaning of machines and new safety signage. Exchange for Change rolled out media messaging on how to participate in the scheme while still adhering to Public Health Orders. *Return and Earn* continued to run from March to June 2020. It collected 575 million containers and injected \$57 million into the NSW economy.

## Bushfires, air quality and flood response

From November 2019 to July 2020, EPA staff spent more than 21,000 hours working on bushfire response and recovery. The EPA liaised closely with emergency services, emergency management committees and 38 local councils to give environmental oversight of the government-funded clean-up of around 3,500 fire-affected properties.

In February, heavy rain led to floods in metropolitan Sydney. The EPA provided liaison officers to the State Emergency Service (SES) to advise it of threats to the environment, the community and SES staff from sewer overflows and industrial stocks of dangerous goods that

might contaminate waterways. The officers also identified licensed industries vulnerable to floodwaters. Heavy rain also prompted the EPA to conduct comprehensive sampling of waterways on the NSW south coast, to monitor the impacts of bushfires on water quality.

Drought and bushfires affected air quality badly this year. The Board notes that, while levels of sulfur dioxide, carbon monoxide and nitrogen dioxide met national standards at most times, ozone levels were higher than in the previous year. This was attributed to the effects of bushfire smoke from October to December and heatwave conditions in January and February.

Intense drought pushed up particle levels across the state, it impacted ground cover, leaving loose soil to blow away in dust storms across some parts of the state, and exacerbated bushfires (and hence smoke). Some areas met air quality standards well – for instance, the Central Coast met them on 91% of days – but others did not: the worst-affected area, the Northern Tablelands, met standards on only 60% of days. The EPA continues to work closely with the Environment Energy and Science Division of the Department of Planning, Industry and Environment (DPIE), which is responsible for monitoring, reporting and communicating ambient air quality.

### Progress: Bushfires, air quality and flood response



#### Commencement

Program is under development and will start after 2019–20 reporting period

#### Under way

Program has commenced and is being developed

#### Established

Program is maturing and achieving results

#### Achieved

Target achieved or project complete



An EPA officer monitoring air quality. Photo: Nick May/EPA

All state and territory jurisdictions operate a 24/7 pollution reporting and response service that supports combat agencies during environmental incidents and emergencies. Through forums such as AELERT, the NSW EPA collaborates with other jurisdictions to share learnings, develop capabilities and ensure consistent approaches. The EPA also works with other jurisdictions on initiatives to improve air quality, such as the review of a National Environment Protection Measure on nitrogen oxides, sulfur oxides and ozone emissions.

## **Climate change and greenhouse gas emissions**

Climate change policy and direction is the remit of DPIE's Climate Change and Sustainability Division. The EPA has supported the preparation of the NSW Climate Change Policy Framework, which outlines long-term objectives to achieve net-zero emissions by 2050 and build resilience to a changing climate, and has worked with DPIE and local government on strategic planning to meet the 2050 target. It has also contributed to the development of national environmental standards, such as one to reduce motor vehicle emissions that harm human health and increase greenhouse gases.

# Regulatory assurance statement

## Native forestry regulation, including following the bushfires

Between August 2019 and March 2020, widespread bushfires had major impacts on native forests and forestry operations. Five million hectares in NSW were burnt, including more than 890,000 hectares of native state forests. The impacts were predominantly in coastal and tableland areas of NSW where most native forestry operations occur, with 40% of native state forests affected.

The EPA worked with other NSW government agencies and the Forestry Corporation of NSW (FCNSW) to understand the impact of the fires on the environment and wildlife, local communities and the forestry industry. It considered that forestry operations could continue in limited circumstances in selected areas of fire-affected state forests, to assist bushfire recovery efforts.

The EPA issued FCNSW with site-specific operating conditions that supplement the prescriptions set out in the Coastal Integrated Forestry Operations Approval (Coastal IFOA). The conditions are issued on a case-by-case basis, and only where the environmental risk associated with harvesting operations can be reasonably mitigated. The EPA issued site-specific operating conditions for 66 state forest compartments across coastal



Photo: Brent Mail Photography/EPA

NSW and published regular updates on this process on its website. The EPA has been educating FCNSW and its logging contractors on IFOA requirements and providing feedback on areas where they can improve environmental outcomes.

Because of the heightened environmental risks caused by the 2019–20 bushfires, the EPA increased its regulatory presence on the ground at all stages of logging operations. It continues to work closely with community, industry, Aboriginal and environment groups, and those who are concerned about the impact of logging on the environment and on their communities and regional economies.

### Progress: Resetting native forestry regulation by the EPA



#### Commencement

Program is under development and will start after 2019–20 reporting period

#### Under way

Program has commenced and is being developed

#### Established

Program is maturing and achieving results

#### Achieved

Target achieved or project complete

# Regulatory assurance statement

As well as monitoring fire-affected forests, in 2019–20 the EPA also made it a priority to assess high-risk operations in unburnt areas. This year the EPA visited 59 forestry operations across NSW, 29 of which were high-risk. It assessed all these high-risk operations for compliance against requirements in the Private Native Forestry Codes and IFOA.

NSW is the only Australian state in which native forestry operations are regulated by an environmental protection agency: in other states, they are regulated by other kinds of agencies or independent statutory bodies. The regulatory models for each state and territory reflect these different institutional arrangements and the scale of the local timber industry.

## Waste reduction and recycling, and problem wastes such as asbestos

The Board notes that, on current data, NSW is highly unlikely to meet many of the targets in the *Waste Avoidance and Resource Recovery Strategy 2014–21*. Exceptions, however, are targets under key result areas four and five: to reduce litter and manage problem wastes better. The NSW Container Deposit Scheme *Return and Earn* has contributed significantly to litter reduction in NSW. Since the scheme started, beverage container litter has fallen by

an average of 40% a year, and is now 51% lower than the 2013–14 baseline.

New waste targets will be established as part of the proposed 20-Year Waste Strategy, which will also include programs and policy settings to improve recycling performance in NSW.

The EPA has led the NSW Asbestos Coordination Committee Working Group since 2018. In April 2020, EPA CEO Tracy Mackey was appointed as a member of the Commonwealth Asbestos Safety and Eradication Council, to represent state, territory and local governments.

The NSW Government formally endorsed the *National Strategic Plan for Asbestos Awareness and Management 2019–23*, released in November 2019, which aims to ensure there is a nationally consistent and coordinated approach to asbestos awareness, management and removal.

In developing the *NSW Asbestos Waste Strategy 2019–21*, the EPA considered approaches elsewhere in Australia. Different jurisdictions currently manage the disposal of asbestos waste in different ways: some apply a waste levy or fee while others, such as the ACT, do not. Western Australia is considering using GPS tracking equipment; the *NSW Asbestos Waste Strategy* also presents this for consideration.

### Progress: Waste reduction and recycling and problem wastes such as asbestos



#### Commencement

Program is under development and will start after 2019–20 reporting period

#### Under way

Program has commenced and is being developed

#### Established

Program is maturing and achieving results

#### Achieved

Target achieved or project complete

# Regulatory assurance statement

## Land contamination and clean-up of legacy sites

In 2019–20 the EPA published two updated statutory guidelines: one to ensure that hazardous ground gases are effectively assessed and managed in NSW, and a second to make clear to consultants reporting on the management of contaminated land what information their reports should contain.



EPA officers inspecting dam lining. Photo: EPA

The EPA also initiated the second phase of a grant program to support regional local councils as they resume responsibility from the EPA for regulating underground petroleum storage systems (UPSS) and other contaminated land risks. The EPA retains some regulatory responsibility for certain UPSS sites and this area is an example of successful co-regulation. The combination of a preventative approach, on-ground training and ongoing compliance support has seen risks reduced and a robust regulatory framework put in place.

NSW and Western Australia are the only states with specific legislation for managing contaminated land. Victoria's *Environment Protection Amendment Act 2018* introduced new provisions relating to the management of contaminated sites, some based on NSW legislation. The NSW EPA chairs a network of contaminated site regulators from all states and territories aiming for more consistent national approach to managing contaminated environments.

### Progress: Land contamination and clean-up of legacy sites



#### Commencement

Program is under development and will start after 2019–20 reporting period

#### Under way

Program has commenced and is being developed

#### Established

Program is maturing and achieving results

#### Achieved

Target achieved or project complete

# Regulatory assurance statement

## Data, intelligence and insights

Regulatory intelligence helps the EPA understand its operating environment and supports its objective of protecting the NSW environment and community.

The EPA collects and manages information and produces intelligence that reduces uncertainty about current and potential threats, risks and harms to the environment, human health and officer safety.

The EPA uses intelligence to understand trends and drivers of change and their implications for EPA objectives and strategies. This activity includes:

- analysing emerging trends for EPA-regulated sectors (such as mining, agriculture, gas, waste management and infrastructure) so it can improve its policy approach and operational preparedness. Examples of such trends are the growth in intensive agribusiness and emerging challenges in the mining and energy sectors
- scanning for emerging developments in technology, industries and regulatory approaches that may impact environmental regulation and prioritising research into requirements for ethical and effective artificial intelligence (AI) programs in a regulatory setting

The EPA uses intelligence to inform and support the delivery of regulatory programs, priorities and investigations, including:

- developing assessments of priority and high-risk issues such as the COVID-19 pandemic, movements of waste between jurisdictions, and trends in the application of pesticides. These assessments help the EPA understand the opportunities for intervention and response
- profiling and assessing people, companies and networks that are involved in environmental non-compliance or environmental crime, or that present a security threat to EPA officers

The EPA has also been supporting the development of the new 20-Year Waste Strategy by providing robust data analysis and insights to support decision-making. Data on infrastructure capacity and waste throughput helped predict the planning and investment that will be needed for waste infrastructure, while data on the waste flows in key categories (such as paper, plastics and glass) has been used to make decisions around waste markets and the circular economy.

### Progress: Evidence and data



#### Commencement

Program is under development and will start after 2019–20 reporting period

#### Under way

Program has commenced and is being developed

#### Established

Program is maturing and achieving results

#### Achieved

Target achieved or project complete



Testing liquid for pH. Photo: Sarah Ryan/EPA

The Board observes with interest the EPA's development of its ability to explore spatial relationships in data. The EPA has been developing integrated tools for the collection, analysis and reporting of forestry data across more than two million hectares of state forests, timbered Crown land and private native forests. The EPA also uses spatial insight and design approaches to support a range of regulatory activities, including gas and waste management. The EPA undertook a pilot project using AI to detect land-use change and improve the responsiveness of the agency. Projects in this area will extend beyond this reporting period.

## Consideration of the EPA's performance in comparison with other Australian jurisdictions

The Board recognises that structures to deliver on this requirement are currently limited. In the meantime, the EPA does continuously examine what other Australian agencies are doing, to learn about the systems, processes and partnerships that achieve the best outcomes for the environment.

In *Recommendations for the EPA* (section 3, below), the Board recommends that the EPA establish a formal process for reviewing initiatives, systems and approaches taken by environmental regulators in other jurisdictions that could improve the EPA's regulatory performance.

# Regulatory assurance statement

## Heads of EPA Australia and New Zealand (HEPA)

As a member of HEPA, the EPA works with environmental regulators across jurisdictions to prevent harm, influence policy and practice, and share scientific expertise. Since 2014, HEPA has enabled its member organisations to drive strategic interventions and combine approaches to issues such as per- and poly-fluorinated alkyl substances (PFAS) and waste recovery.

During the COVID-19 pandemic, the NSW EPA has maintained regular contact with other environmental regulators through HEPA, to share knowledge and experience and encourage partnership approaches on shared priority issues.

Initiatives by HEPA members in 2019–20 have included:

- **NSW** – progress on strategic priorities towards world-class regulation, including the development of a framework to identify future risks and inform regulatory decisions
- **Queensland** – new offshore [reef regulations](#) and an [Energy from Waste discussion paper](#)
- **Northern Territory** – new [environmental impact legislation](#) and [response to climate change](#)
- **Western Australia** – a process to modernise the Western Australian [Environment Protection Act](#) and consultation on [single-use plastic](#)
- **Victoria** – a recycling policy and [action plan for waste and recycling](#), and a new system for [hazardous waste tracking](#)
- **South Australia** – a review of the state's container deposit scheme.

## Australasian Environmental Law Enforcement and Regulators neTwork (AELERT)

Many EPA staff participate in the peak national environmental regulation body, AELERT. This network's working groups and communities of practice are committed to organisational learning and improvement through collaborative effort and knowledge sharing. In 2019–20, 30 EPA staff contributed to, and benefited from, 10 of AELERT's cluster groups.

### Reviews of best-practice regulation

The EPA has established a branch to conduct reviews of best-practice regulation across Australia and internationally. The EPA is monitoring:

- improved approaches to regulatory strategy and priority setting
- resource-recovery frameworks
- the use of innovation and technology to improve regulatory effectiveness.

### Knowledge sharing

The EPA has created a team to ensure it is a 'learning organisation' and to foster a culture of continual improvement that will drive advances in regulatory practice. Through this, the EPA has established relationships with other regulators for sharing best-practice approaches.

Organisations it shares knowledge with include the US EPA's Office of Continuous Improvement, the EPA Victoria's Transformation Programs and EPA South Australia's Continual Improvement.

## b. Assessment of the performance of industries regulated by the Authority

### The Board's assessment of EPA programs aimed at regulating and assessing the performance of key industry sectors in reducing risks to human health and preventing the degradation of the environment

The EPA's regulatory framework includes licensing industries that have the potential to harm the environment and regulating according to potential risk. The EPA is developing programs that will provide greater certainty and predictability in how it regulates industry and make it easier for industry to meet requirements to protect the environment and human health.

The Board notes that the EPA has been maintaining close liaison with regulated industries potentially impacted by bushfires, COVID-19 and drought. For the current report, the Board has focused on particular industry sectors and their performance, and how the EPA is responding.

#### Gas and waste sectors

In February 2020, the NSW Government published its response (developed by the EPA) to Recommendation 9 of the NSW Chief Scientist and Engineer's *Final Report of the Independent Review of Coal Seam Gas Activities in NSW*. This recommendation was about ways to prevent industry costs and impacts from burdening the community. Key actions are now being implemented to ensure the gas sector has appropriate financial safeguards in place to manage any environmental liabilities. The EPA has developed a draft *Financial Assurance Policy and Guidelines on Estimating Financial Assurances*; these will enable a broader application of financial assurances. The draft documents were made available for public

consultation until May 2020 and will be finalised later in the year.

The Board notes that no issues of concern were identified during the EPA's 173 inspections of onshore gas infrastructure this year (which included assessments of compliance with all operational requirements).

#### Rail and road

The EPA now requires the operators of motorway tunnels to hold an environment protection licence that places strict operating requirements on air emissions from ventilation stacks. Licence conditions for newer tunnels, including the M4 East Tunnel, Lane Cove Tunnel and Cross City Tunnel, are substantially consistent with the conditions of development approval set by DPIE. The EPA is also requiring tunnel operators of older tunnels to undertake pollution studies to develop appropriate emission limits.

Changes to the EPA's licensing framework for the NSW rail network came into effect in July 2019 to include direct regulation of rolling stock (train) operators, in addition to railway infrastructure (track) operators. The changes will make these operators directly accountable for their environmental performance and provide a consistent approach to regulation of railway impacts such as air emissions and noise.

On 5 August 2020, the EPA issued 10 new environment protection licences to train operators and amended the five existing track operator licences. The licences require new locomotives to comply with specified noise and air emission limits prior to operating on the NSW rail network. The licences also seek to reduce air and noise emissions from the rail network including from wheel squeal, idling, braking, bunching, stretching and horn use through specific pollution studies. The licences include monitoring and reporting requirements to encourage the rail industry to continue to make progress in reducing emissions.

# Regulatory assurance statement

## Underground petroleum storage systems (UPSS)

Prior to the 2019–20 reporting year, the EPA embarked on a substantial project to hand over UPSS regulation to councils. The transfer has now been completed successfully. A recent survey of more than 1,500 service stations across NSW showed a rate of compliance exceeding 90%.

The EPA has spent the past 10 years lifting environmental performance in the fuel sector by introducing upgraded equipment standards for underground fuel tanks and pipes and requiring operators to monitor for fuel leaks. The Board supports that local councils are now best placed to assess compliance with the standards because they are close to the UPSS sites and already regulate stormwater management and food hygiene at many of them. In 2019 the EPA trained over 300 council officers and provided the 128 councils across NSW with regulatory toolkits and handover information about more than 2,000 UPSS sites. The EPA will continue to support councils in the transition process. A partnership regulator model between the EPA and councils is the best way to guard against fuel leaks and protect our soils and groundwater against fuel contamination.

## Landfill and waste facilities

As part of its bushfire response and recovery efforts, the EPA inspected landfill facilities, clean-up sites and waste facilities. The inspections showed that clean-up and waste disposal were occurring to a suitable environmental standard. The EPA also developed a bushfire recovery program for council landfills that provides up to \$15 million to support councils, to ensure that they are left no worse off as a result of receiving bushfire-generated waste at their landfills – a commitment given by the NSW Government. The EPA will deliver the program by 30 June 2021.

## Wet-weather overflows from sewage treatment systems

This year the EPA, in collaboration with Sydney Water, introduced a new framework for regulating wet-weather sewage overflows through the environment protection licences for Sydney Water's four large sewage-treatment sites. By July 2024, Sydney Water must achieve a mandated performance level for those wet-weather overflow structures identified as posing a high risk to the environment and/or public health.



This risk-based approach means that in the most sensitive areas the sewage pollution that follows wet weather will continually be driven down by improvement works.

## Quarrying industry

Millions of tonnes of sand and aggregates are quarried in NSW each year for concrete and road-building materials. Dust and noise from quarry operations can affect surrounding communities. The EPA has been working closely with both the quarrying industry and the community to improve dust management in the rapidly expanding quarrying precinct in the Goulburn/Marulan area.

This work has included:

- installing a solar-powered remote-access camera/weather station, enabling rapid response to complaints about dust
- education and awareness initiatives with industry
- inspections, audits and formal pollution-reduction programs. These have required equipment, management and monitoring improvements at some quarries.



View of the steel industry in the Illawarra. Photo: Caz Nowaczyk

Operators with remote-monitoring systems at their quarries have also increased their own use of video surveillance to improve their response to breakdowns and failures of plant and equipment. Community representatives and individuals have conveyed their appreciation to the EPA for listening to their concerns and working with industry to develop practical solutions.

### Inspecting high-risk premises

The EPA's risk-based licensing system is designed to ensure that all licensees receive an appropriate level of regulatory oversight based on the level of risk their operations pose to the environment. All environment protection licences, apart from those for the transportation of waste, fall under the risk-based licensing system.



**86%** of licensees received a **5% fee discount** because they were found to be good environmental performers

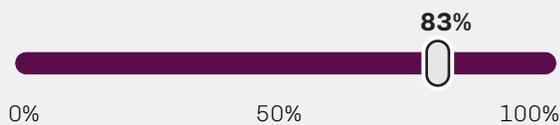
Licensees with higher environmental risk are generally subject to increased monitoring and reporting requirements as well as closer regulatory oversight by the EPA. Licensees with low environmental risk and good environmental performance benefit from streamlined regulatory requirements.

The EPA inspected 88.7% of high-risk licences at least twice, below the target of 95%. The Board notes that the lower result reflects the widespread bushfires and COVID-19 this year, which impaired the ability of EPA staff to visit sites or undertake safe inspections.

## Snapshot of EPA's regulation of industry

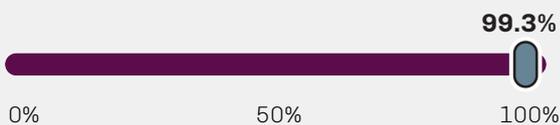
### Voluntary management compliance

Proportion of terms and conditions of approved voluntary management proposals (a proposal for voluntary site management of significantly contaminated land) complied with



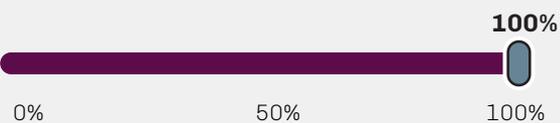
### Licence conditions

Proportion of environment protection licence conditions complied with (2019)



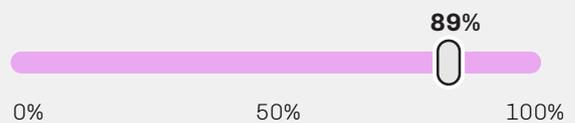
### Pollution incident response management plans

Proportion of environment protection licensees with a pollution incident response management plan



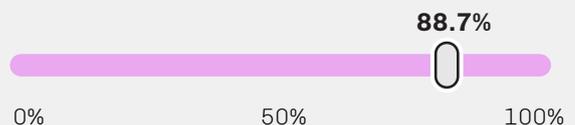
### Licences risk-assessed

Proportion of licences risk-assessed (includes licences with an assessment due by 30 June 2020)



### High-risk licences inspected twice

Proportion of high-risk licences inspected every six months



### Environmental improvement programs

Value of the ten voluntary environmental improvement programs

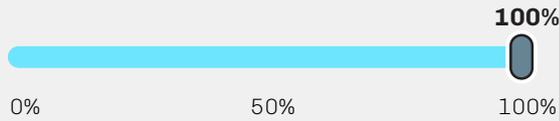


-  Achieved or on track
-  Monitor or improve

# Regulatory assurance statement

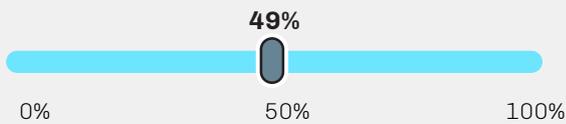
## Forestry

Proportion of high-risk native forestry operations assessed for compliance



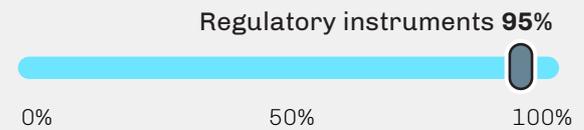
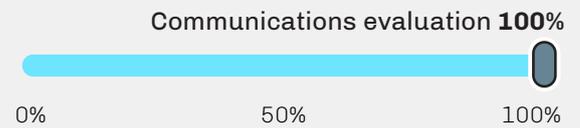
## Gas

Proportion of licensed premises in priority sectors, such as gas and waste (excluding landfills), that have secure funding for environmental liabilities in place (on track to meet target of 90% by the end of 2021)



## Contaminated sites

Proportion of new significantly contaminated land declarations that have had a stakeholder communications evaluation undertaken. Proportion of sites declared to be significantly contaminated land that have regulatory instruments in place, or under preparation, to manage the contamination



-  Achieved or on track
-  Monitor or improve

## c. EPA Board's recommendations

### Recommendations for improving the EPA's performance, and the performance of industries regulated by the EPA

#### Progress in 2019–20

Previous recommendations have been a significant focus for the EPA's transformation towards becoming a world-class regulator. Highlights include:

- ensuring better consistency across all regulatory activities, greater collaboration, an increased focus on education and the development of stronger partnerships through improved stakeholder interactions and customer service
- maximising benefits from the data collected by the EPA by using it to drive the management of risk, strategic planning, scanning for trends and focused compliance campaigns
- adopting new techniques and tools: emerging mapping technologies for use by environmental regulators, the use of data to detect non-compliance online, and analysis techniques to predict future pollution events and contamination problems
- considering the impact of climate change on the EPA's regulatory capability and responsibility
- transforming the EPA's customer-service culture with increased information and education for industry, being more responsive and proactive in communications with councils, and providing greater opportunities for collaboration and skill building
- adopting an agile approach to conducting investigations during COVID-19.

#### New recommendations for the EPA

The Board proposes the following new recommendations that will help the EPA on its

journey to becoming a modern, flexible and agile world-class regulator:

- establish an approach to formally review and compare initiatives, systems and approaches taken by environmental regulators in other jurisdictions that could improve the EPA's regulatory performance.
- continue to improve the application and use of data collected by the EPA for trend analysis, development of priorities and risk-based compliance campaigns by progressing its Regulatory Strategy and Digital Transformation Strategy.
- take regulatory action (including prosecutions) when appropriate, and apply the proposed updated public-interest considerations in the EPA Prosecution Guidelines.
- support the reset of forestry regulatory practice, including actions to improve regulatory consistency and coherence for stakeholder engagement, enhanced regulatory capacity, oversight, use of technology and education.

#### EPA Board's recommendations for industry

- Advise all environment protection licensees to consider the impacts of natural disasters, such as fires and flooding, in their Pollution Incident Response Management Plans, to ensure they can continue to operate.
- Encourage greater participation by industry with targeted awareness and education programs aimed at industry sectors. Early feedback has shown that industry stakeholders want clarity and certainty about the EPA's regulatory priorities and the standards required. The EPA should have an emphasis on prevention, including education, to help industry understand and comply with legislative obligations and achieve best practice.

## d. Other matters

Currently none identified.

# Our performance



## Section 4:

# Our performance

The EPA's achievements in 2019–20 reflect the priorities set out within our *Strategic Intent* document, which was developed in late 2019. We also continued to deliver against the key performance measures in the *EPA Strategic Plan 2017–21*. This section reports our performance across five key themes:

- Partnering with our communities
- Regulating to prevent harm
- Holding polluters to account
- Responding to incidents
- Continuously improving.

We deliver regulatory oversight, working closely with community, government, industry and peer agencies

## Key priorities

The EPA's priorities reflect our response to changing global policies, government priorities, community needs and significant environmental issues. Our priorities also indicate the importance of our ongoing partnerships with government, business and the community to protect the environment and to reduce negative environmental impacts.

The EPA's key priorities as set out in our *Strategic Intent* include:

- delivering legislative change to support regulatory reforms
- embedding behaviour-change principles across the EPA's responsibilities
- adopting smart technologies to inform our practice and priorities
- developing a regulatory strategy
- enhancing our partnership model, starting with local government and community groups
- running outreach program(s) for children/volunteers
- embedding continuous improvement in our practices
- partnering with Aboriginal communities to guide the work we do
- running targeted compliance campaigns on
  - illegal dumping
  - air pollution
- delivering regulatory oversight across the *Protection of the Environment Operations Act 1997* and all our areas of regulatory responsibility
- piloting new approaches to leverage major infrastructure or projects.

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



## Partnering with our communities

The EPA has a strong focus on working proactively with our stakeholders. We listen to, and engage with, communities, governments and businesses, to protect our environment and the people of NSW.

We use robust information, education and support to encourage compliance and positive environmental outcomes, and we are committed to providing a positive customer experience for everyone we deal with.

Meaningful relationships with our stakeholders are central to the EPA becoming a world-class regulator and being able to influence change for the benefit of our environment.

Our focus on being an agile and responsive regulator was shown during the 2019–20 bushfire emergency, when we were able to quickly help licensees, emergency services and the public by providing critical information, assessing burnt properties and giving clean-up advice. We also adapted rapidly when the COVID-19 pandemic began in 2020, finding new ways to continue working with our communities.

In 2019–20, we:

- in conjunction with councils, door-knocked 425 households and letter-dropped or phoned 4,500 residences and businesses to provide information or precautionary advice about contamination
- introduced a new online consultation platform and sought stakeholder and community feedback on 15 regulatory changes
- responded quickly whenever incidents posed a risk to human health by providing relevant and up-to-date information to the community

- reached 20% more people than in 2018–19 via *EPA Connect*, our email newsletter
- updated our social media on 95% of days and engaged with 1,048,300 Twitter users, a 15% increase on the previous year.



**Return and Earn champs at the 2019 Australian Association of Environmental Education conference.**  
Photo: Rosemary Pryor/EPA

As well as achieving the results given above, to strengthen our engagement with communities we:

conducted a comprehensive survey of stakeholders in industry, government, environmental groups and the general community to seek feedback on how we can improve our engagement, consultation and communications with them and how we can enhance our delivery of services (details, page 19)

- facilitated five community consultative committees that met regularly throughout the year
- increased opportunities for community and stakeholder input to new legislation
- improved policies and platforms to enable everyone to have their say
- strengthened our capacity for meaningful engagement by recruiting specialists to support our operational and technical staff.

# Our performance

## Engagement planning and strategic activities

Over the last 12 months the NSW community has experienced a series of extreme events: drought, bushfires, floods and a worldwide pandemic.

During and after these events, councils, the community and industry had to make many decisions. The EPA acted to ensure that everyone had up-to-date information that would help them protect human health and the environment, by providing important regulatory advice and safety information through the web, social media and fact sheets.



More than 120 staff were deployed to bushfire response and recovery roles, working over 21,000 hours since November 2019

COVID-19 restrictions meant that we had to change some forms of face-to-face engagement: for instance, we switched from door-knocking to letter drops and phone or video calls to give precautionary contamination advice.

Our *Strategic Plan* commits us to developing an engagement strategy for all declared contaminated sites. We achieved this in 100% of cases in 2019–20, creating and implementing strategies for 18 sites.

We also shared knowledge on contaminated sites with local councils, and provided resources so that they could better manage these lands. This resourcing included training councils to take on the regulation of sites with underground petroleum storage systems (details, page 86).



Keeping our open spaces clean.  
Photo: Tracy Bluett/EPA

## Collaborative communications on declared sporting sites

This year the EPA worked closely with Central Coast City Council to alert stakeholders to the declaration of three significantly contaminated local sites, Hylton Moore Oval, Garnet Adcock Memorial Park and Frost Reserve.

Testing at the sites indicated levels of contaminants in ground and surface water were above an acceptable range. However, the parks continue to be safe for sporting and other recreational activities as they are watered with non-contaminated town water.

The council and the EPA worked together to let the community know about the legacy contamination and its management, through:

- letters mailed out to approximately 1,500 nearby residents and businesses
- information posted on the council's website
- additional letters to sporting associations
- clear signage in the parks.

These engagement activities served to inform and reassure the public, including community sportspeople, that the sports grounds remained safe for continued recreational use.

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



# Our performance



1. On-the-ground bushfire response. 2. EPA officers assisted during the bushfires. 3. Bushfire-affected property assessed by EPA officers. Photos: EPA

## Emergency support

### Fast-tracking information for bushfire and COVID-19 responses

Under the State Emergency Management Framework, the EPA plays a major role in the implementation of the state-level environment plan, providing emergency-services agencies and the community with information and support during and after major emergencies.

When usual business operations were disrupted by the bushfire emergency and then the COVID-19 pandemic, the EPA quickly released information to alert licensees, businesses and the community to potential impacts and tell them how to continue to meet regulatory requirements.

We contacted licensees through our website and by direct mail to inform them of any changes to our standard regulatory requirements and compliance-enforcement activities.

We were proactive in contacting all environment protection licence holders to ensure Pollution Incident Response Management Plans were updated with steps to minimise risk should key personnel be absent as part of measures to prevent COVID-19.

The EPA developed fact sheets in collaboration with partner agencies to give businesses and the community information that was accurate, up-to-date and complete. The fact sheets made readers aware of:

- health and safety risks that may be present in properties damaged by bushfires, such as hazardous household materials and asbestos
- how the clean-up would proceed, the steps for returning home after the fires, and how to register for the government-funded clean-up
- worker health and safety requirements to keep critical waste and recycling facilities open during COVID-19
- key contacts and links for further information or support.

### Results

The fact sheets were downloaded from the EPA website 688 times between February and early June 2020 by visitors seeking up-to-date information. They were also a valuable resource for other agencies, and the EPA made them available to Service NSW and SafeWork NSW for their websites.



Staff at the Bega Valley Shire Bushfire Recovery Centre in January. Photo: EPA

## Providing support in the bushfire aftermath

Throughout the devastation of the 2019–20 bushfires, EPA staff provided ongoing community support at recovery centres across NSW.

The centres were a 'one-stop shop' where people impacted by fires could find information and advice to help start the recovery process. They were staffed by representatives from local councils, the EPA, NSW Health, the Department of Primary Industries, Family and Community Services, the Red Cross, insurance companies and others.

Months after the height of the crisis, the EPA is continuing to help people in bushfire-affected areas.

## Bushfire recovery centres

William Dove, the EPA's Unit Head of Regulation in the Illawarra, was on the ground at bushfire recovery centres and said the role of the EPA often extended beyond providing environmental advice.

'The recovery centres are a place of support where people who may have suffered loss can not only receive information but also talk about their experiences and their emotions,' Mr Dove said.

'I was approached by an elderly gentleman who had lost his home and did not have insurance. He didn't want information, he just wanted to talk.

'Some stories are absolutely harrowing. [There are] people who decided to defend properties and know they survived by luck. [There are] people who lost neighbours and friends, and others who returned to properties and had to make tough decisions with terribly burnt farm animals.'

'There are tears and raw emotions. Often there are community frustrations trying to understand a recovery process that appears slow. The role can be stressful but it is also rewarding, and the experience teaches you a lot about the strength and resilience of communities.'

– William Dove, EPA

## Caring for an iconic species



**A rehabilitated koala being transported to its release site.**  
Photo: Ron Haering/NPWS

The EPA works in partnership with fellow government regulators to help protect environmental values. This year we partnered with the National Parks and Wildlife Service (NPWS) to improve regulation of wildlife rehabilitation activities.

The 2019–20 bushfires had devastating impacts on koala numbers and habitat. Voluntary wildlife rescuers and rehabilitators, supported by veterinary professionals, worked on the front line,

providing specialist care to koalas and other native animals to maximise their chance of recovery.

Licensing for wildlife rehabilitators and various codes of practice set out requirements to help:

- safeguard animal welfare
- ensure the safety of volunteers
- support native animal recovery
- support good conservation outcomes for injured, sick or orphaned animals.

NPWS is responsible for ensuring that wildlife rehabilitators comply with these requirements.

This year we helped NPWS develop a self-audit checklist that enables wildlife rescuers and rehabilitators to assess their own level of compliance with the *Code of Practice for Injured, Sick and Orphaned Koalas* and identify areas for improvement. Although some of the requirements need to be prescriptive, the checklist is user-friendly and easy to complete. It will be used to develop similar tools for codes of practice related to caring for other animals.

# Our performance

## Consulting and involving

The EPA works directly with community members and experts to help it respond to environmental issues and improve regulatory outcomes.

In 2019–20 we ran eight briefings on proposed regulatory changes to the use of mixed waste organic outputs, and 20 one-on-one meetings with affected stakeholders. In another area, online surveys and information and feedback sessions helped us refine new rail licensing requirements, designed to help manage the impacts of air and noise emissions from industry operations.



Photo: Nick May/EPA

Online meeting places became increasingly important this year because of COVID-19. The EPA ran 15 web-based public consultations in 2019–20. Consultation on the *20-Year Waste Strategy for NSW* issues paper attracted more than 200 submissions, while the NSW Plastics Plan discussion paper, *Cleaning Up Our Act: Redirecting the Future of Plastic*, garnered a record-breaking 16,000 responses.

In 2019–20 we surveyed our key stakeholders and the general community to learn how we can improve our engagement, consultation and communications with them and deliver services better. The outcomes of this survey are still being analysed but preliminary findings show that the community supports stronger and more visible regulatory action, wants to know more about the EPA's role, and wants better information about what EPA programs aim to achieve.



Everyone has an important role to play in protecting our environment



NSW Farmers' Alexandra Bunton in discussion with an EPA staffer at the mixed waste organics briefing in October 2019. Photo: Rosemary Pryor/EPA

## Future use of organics recovered from general waste

Organic materials, such as food and garden waste, are often separated from general waste. For two decades or so they have been diverted from landfill and processed for use as a soil modifier. In October 2018 the EPA announced it would stop the use of this material as a soil amendment on agricultural and forestry land, or for mining rehabilitation, while it considered further controls. This decision was based on extensive scientific research which showed that the standards for waste separation were inadequate and the risks to human health from contaminants, such as glass, plastics, metals and chemicals, were too high. On 16 October 2019 the EPA reaffirmed its position to not allow the use of this material as a soil amendment.

Views on the future use of household waste and mixed organic waste materials were canvassed in stakeholder consultation in October and November 2019. Following this consultation, the EPA proposed to government a funding package designed to help the 'alternative waste' industry move to safe, sustainable uses for household waste.

## Results

In March 2020 the Minister for Energy and Environment announced that the NSW Government would fund a \$24-million alternative waste technology transition package. This package will support councils and the alternative waste industry to improve kerbside separation of food and garden waste and encourage beneficial uses of the waste.

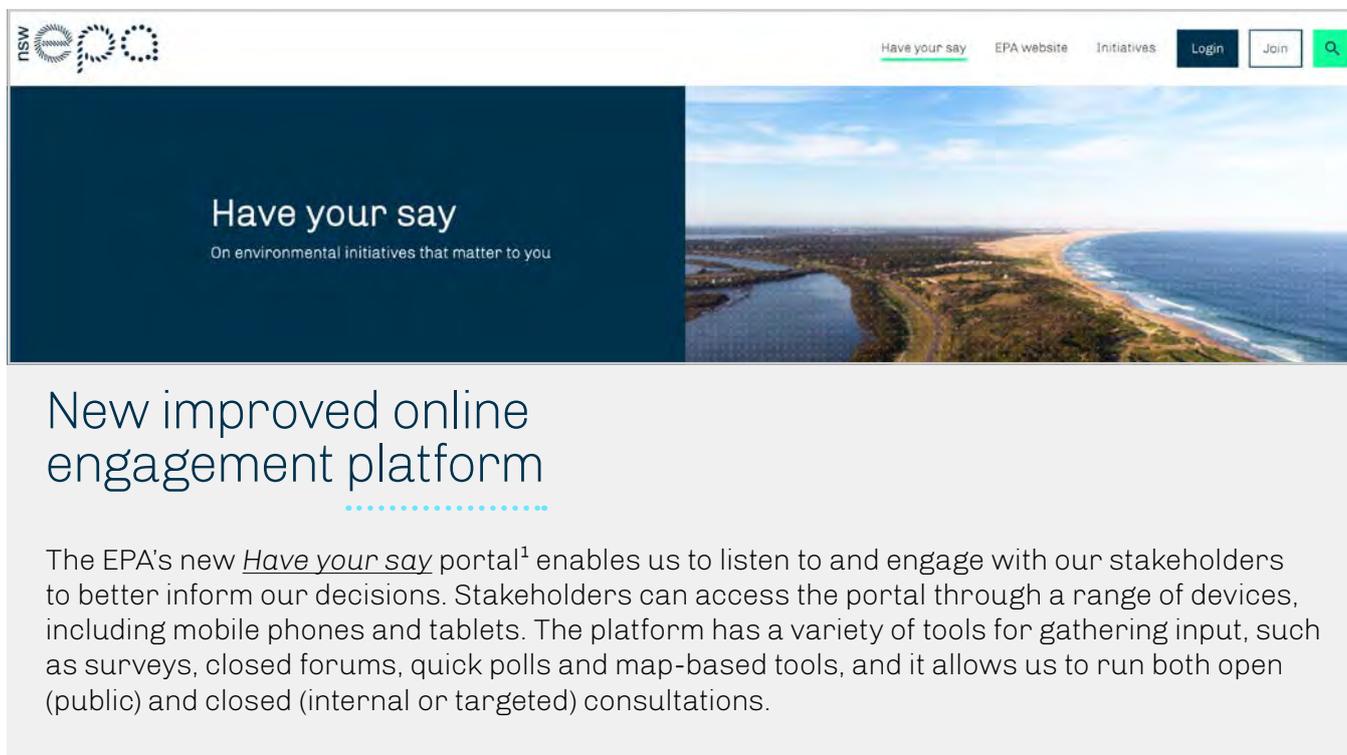
Forty-three councils across NSW are already providing kerbside collections of food and garden organics to households or multi-unit dwellings. The collected materials are made into quality compost that meets a regulated standard.

A \$24-million alternative waste technology transition package will support councils and the alternative waste industry

## Looking ahead

Certain licensed waste facilities in NSW are required to pay a government waste levy. Temporary waste-levy exemptions are in place until 1 May 2021 for limited amounts of organic waste material produced at approved waste facilities in NSW. The EPA is considering further exemptions for facilities which demonstrate that they are transitioning to sustainable methods for reducing the amount of waste being landfilled.

# Our performance



## Have your say

On environmental initiatives that matter to you

### New improved online engagement platform

The EPA's new *Have your say* portal<sup>1</sup> enables us to listen to and engage with our stakeholders to better inform our decisions. Stakeholders can access the portal through a range of devices, including mobile phones and tablets. The platform has a variety of tools for gathering input, such as surveys, closed forums, quick polls and map-based tools, and it allows us to run both open (public) and closed (internal or targeted) consultations.

## Inform

This year the EPA maintained its strong relationship with the media. We communicated important issues of interest to the community, and continued to grow our online audience, by:

- responding to 738 requests from journalists for information and interviews
- issuing more than 150 media releases
- spreading our message via the 1,048,300 Twitter users who viewed or retweeted our posts (an increase of more than 158,000 (15%) since last year).

### Increasing our reach to stakeholders

This year we engaged with 22,000 subscribers through several easy-to-read email newsletters and bulletins. *EPA Connect*, our primary email newsletter, now goes out to over 5,000 subscribers, a 20% increase on the previous year.

Over 1.2 million people visited the EPA website in 2019–20, leading to more than 4.8 million pageviews. The number of pageviews was down 4% on the previous year, probably because the EPA ran fewer statewide digital awareness campaigns during the COVID-19 pandemic.

Although digital campaigns were down, we ramped up our social-media activity. We updated our social-media posts on 95% of days in the period. Our Twitter followers increased by 18% to 4,300 and our LinkedIn followers soared by 90% to 9,800. These numbers were lifted through a structured program of posts offering advice, compliance information, employment opportunities and information about EPA grant programs.

1 <https://yoursay.epa.nsw.gov.au>

# Our performance

## Top Tweet earned 13K impressions

Officers from @NSW\_EPA, @nswpolice & @Lpool\_Council undertaking operation today targeting illegal landfilling & waste transport around Liverpool. Truck inspections revealed breaches such as ripped tarps, oil leaks and a potential unlawful waste facility. Enquiries will continue. [pic.twitter.com/BzdzqjD9U0](https://pic.twitter.com/BzdzqjD9U0)



3 replies, 5 retweets, 16 likes

One of our top tweets this year featured a joint compliance operation to check vehicles for illegal landfill and waste transport.

Environment Line 131 555 is a one-stop pollution and environmental incident reporting service

## Responding promptly to customer inquiries

### Responding promptly to customer enquiries

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

In 2019–20 we responded to 1,483 items of correspondence, a significant proportion of which related to logging in state forests after this year's bushfires.

The 24-hour Environment Line is another way the public can provide feedback and report pollution. In 2019–20 it received more than 83,805 phone calls, with most (58%) being for the EPA. Of the calls, 8,686 were related to actionable incidents (such as reports of pollution or waste dumping).

In 2019–20 we also received more than 36,300 email inquiries and reports through Environment Line. This was an increase of 26% on the year before.

### Results

In 2019–20:

- about 74% of calls to Environment Line were resolved during the initial call
- the total number of customer contacts was 120,000, a 5% increase in workload compared to the previous year
- 85% of general correspondence (received directly from the public) was responded to within the target time of four weeks, falling below the target of 95%
- we responded to 80% of parliamentary correspondence within the target time of two weeks, 6% less than in the previous year.

# Our performance

The change in response rates was caused by the increase in correspondence after the bushfires and by operational changes made during the COVID-19 pandemic that affected IT and record-management systems.

## Looking ahead

In 2020–21 we will use customer feedback and ratings to continue to improve the Environment Line experience.

## Influencing change

Preventing harm gives better environmental outcomes than just cleaning up after damage is done. That is why targeted education campaigns and measures to influence behaviour change are valuable regulatory tools that can deliver great benefit for the community. The *Hey Tosser!* campaign, which depicted littering as anti-social and environmentally detrimental, is an example of encouraging behaviour change.

The EPA is also continuing to work to raise awareness of legacy lead and asbestos, and of illegal dumping. This last area is being tackled with a combination of targeted public-education campaigns, prosecutions, partnerships with Regional Illegal Dumping (RID) squads and clean-up activities.

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

## A multi-faceted approach to reducing illegal dumping

Illegal dumping, an ongoing issue in NSW, can cause harm to human health and the environment. To combat it, the EPA partners with local government, land managers, community organisations and industry.

The *NSW Illegal Dumping Strategy 2017–21* aims to reduce illegal dumping by 30% across the state. The strategy has six approaches:

- building an evidence base
- stakeholder engagement and capacity building
- education and awareness
- prevention, infrastructure and clean-up
- regulation and enforcement
- evaluation and monitoring.

Digital campaigns helped the EPA combat illegal dumping

## Increasing awareness and driving behaviour change

To raise public awareness of illegal dumping and encourage behaviour change, this year the EPA:

- ran a successful digital campaign about the risks of receiving contaminated fill. Videos on YouTube and Facebook showed landowners saying how they would source fill in future, now that they had a better understanding of the risks of harmful contamination. The videos were viewed 1.71 million times over three months
- released a guide to managing and procuring waste services for construction sites
- trialled behaviour-change strategies to reduce illegal dumping of household waste at multi-unit dwellings, resulting in reductions of up to 51%.

In 2019, a study into the knowledge, attitudes and behaviours of stakeholders and the community about illegal dumping showed:

- an increased awareness among the public and industry that they may be caught if they illegally dump waste
- 90% of the community saying they would not illegally dump in a public place because it damages the environment (up from the 82% who said this in 2014).

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

.....

# Our performance



The EPA tweeted this image with advice to beware of free fill, and links to further information. Photo: EPA

## Supporting stakeholders

In 2019–20 the EPA supported stakeholders to deliver initiatives to reduce illegal dumping by:

- running joint campaigns with councils. Forty-five per cent of NSW councils took part (while only 27% did in 2014)
- identifying illegal dumping hotspots across NSW, in partnership with the National Parks and Wildlife Service. This was followed by the installation of prevention infrastructure and ongoing monitoring to help inform future strategies
- trialling a training course on illegal dumping for managers of public land. This received positive feedback and will be run again
- continuing to support and strengthen our Regional Illegal Dumping (RID) squads and programs, with another two councils joining the Western Sydney RID squad.

## Waste-crime taskforce

The waste-crime taskforce has been targeting large-scale, high-profile illegal dumping matters through a two-pronged approach:

- formal investigations that lead to prosecution
- disrupting criminal business models through intelligence-led investigations and proactive operations.

## Results

Results for the 2018–19 year showed an 8% decrease in illegal dumping in NSW. Data for 2019–20 should be known by March 2021.

Public reporting of illegal dumping through RID Online increased by 9% in 2020, compared to the previous calendar year.

We have continued to support and strengthen Regional Illegal Dumping (RID) squads

## Challenges

More effective reporting and increased community vigilance may create an impression that illegal dumping rates are increasing, when in fact it is public awareness of the issue that is on the rise. The EPA welcomes this focus on illegal dumping, noting that dumping rates are also affected by external factors such as increases in population, changes in the generation of construction and demolition waste, more high-density housing and the growth of consumerism. Concerted action to tackle illegal dumping has been found to have a positive effect and the EPA will continue with this approach.

## Grants and sponsorships

### Grants

The EPA provides grants to government, business and the community to make it possible for recipients to deal with environmental issues in a targeted way. In 2019–20 most grants related to waste management. Other grants were also offered to address problem contaminants, such as lead, asbestos and chemicals associated with underground petroleum storage systems. See Appendices 5 and 6 for the full details of waste and non-waste grants in 2019–20.

EPA grants covered many programs and initiatives, including:

- an alternative waste technology transition funding package to help councils and the alternative waste industry adapt to regulatory changes, improve kerbside separation of

food and garden waste, and encourage other beneficial uses of the waste

- the *Bin Trim* program, which encourages and facilitates improved waste and recycling practices in NSW's commercial and industrial sector
- a *Council Regional Capacity Building Program* to improve the management of contaminated land in NSW, including helping local government resume regulation of underground petroleum storage systems
- funding the Kempsey Local Aboriginal Land Council to clean up asbestos and remediate Aboriginal land affected by legacy asbestos.

Grants paid in 2019–20 are summarised in the tables below. Many grants paid in 2019–20 were approved in previous financial years.

### Grant payments for waste programs in 2019–20

Grant program	Total payments 2019–20
Local government grants	\$14,093,681
<i>Aboriginal Communities Waste Management Program</i>	\$459,327
<i>Aboriginal Land Clean Up and Prevention Program</i>	\$407,896
<i>Bin Trim</i> grants	\$1,685,780
<i>Bin Trim</i> rebates	\$423,093
<i>Combating Illegal Dumping: Clean-up and Prevention Program</i>	\$2,728,184
Systems for household problem wastes (Household Chemical CleanOut and Community Recycling Centres)	\$1,391,295
Organics Infrastructure Fund grants ( <i>Love Food Communities, Organics Market Development and Food Donation Education</i> )	\$1,662,490
Industrial ecology and business recycling programs	\$419,808

# Our performance

Grant program	Total payments 2019–20
Waste and Recycling Infrastructure Fund grants	\$2,262,087
Litter Prevention Grants Program	\$196,885
Alternative Waste Technology Phase 1 transition package	\$10,596,604
<b>Total</b>	<b>\$36,327,130</b>

## Grant payments for non-waste programs in 2019–20

Grant program	Total payments 2019–20
Council Regional Capacity Building Program	\$687,271
Emergency Pollution Clean Up Program	\$82,848
Lake Macquarie Lead Mitigation Grant Program	\$200,000
NSW Government PFAS Investigation Program	\$450,000
Best-practice asbestos management	\$229,432
Broken Hill Environmental Lead Program	\$250,000
<b>Total</b>	<b>\$1,899,551</b>



The EPA's Andy McQuie (left) promoting the Love Food Hate Waste initiative with Costa Georgiadis from the ABC's Gardening Australia. Photo: EPA

## Sponsorships

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

In 2019–20 the EPA sponsored the:

- Local Government NSW Annual Conference and the 'Behaviour change in waste' category of the 2020 Excellence in the Environment Awards
- Keep NSW Beautiful Litter Congress
- Australasian Environmental Law Enforcement and Regulators NeTWork (AELERT) Conference 2020



- University of New South Wales in its research into microfibres in clothes and environmental pollution by micro- and nano-debris
- Riverina Eastern Regional Organisation of Councils' Rural and Regional Waste Management Conference 2021, *No Time to Waste* (postponed from 2020 due to COVID-19).

See Appendix 7 for further details.

Sponsorships help us raise awareness, share knowledge, recognise achievements, support best practice and demonstrate commitment

## Campaigns and programs

### **Aboriginal waste-management programs connect with community**

Remoteness, lack of services and limited access to waste-management facilities mean Aboriginal communities can face barriers to disposing of waste and rubbish. The EPA works with Aboriginal communities as they care for Country by helping to identify legacy waste sites or problem waste on their lands and remove it.

Unique local solutions and initiatives to improve the environment and create long-term change are at the heart of the two grant programs overseen by the EPA's Aboriginal Initiatives team.

Crucial to our work is building relationships of trust and respect and working alongside each community in partnership to tackle waste-management issues.

# Our performance



Students celebrate the start of a bush-regeneration training course designed as part of the Cowra LALC Clean Up program. Photo: James O'Keefe/EPA

## Aboriginal Communities Waste Management Program

The program's goals are to:

- reduce bulky waste, litter and illegally dumped waste
- establish a clean physical environment
- nurture effective working relationships and partnerships between communities, local Aboriginal land councils, local government and waste-service providers to improve waste management into the future.

## Aboriginal Land Clean-Up and Prevention Program

The program aims to:

- reduce the impacts of illegal dumping on Aboriginal land through clean-up and prevention activities
- integrate deterrence, surveillance and monitoring measures and community education to prevent illegal dumping

- incorporate cultural activities that enable Aboriginal people to care for Country, share knowledge and gain skills and employment in land management.

Round four of the *Aboriginal Land Clean Up and Prevention Program* closed in September 2019. Fourteen applications were approved.

### Results

Our project officers have worked effectively with Aboriginal communities over the past year to support the delivery of individual projects. They have tackled bulky waste and litter in many ways, such as by:

- cleaning out dams and riverbanks to support fish stocks
- removing damaged cars
- starting vegetable gardens and chicken-keeping.

# Our performance

## Looking ahead

The EPA recognises the difficult and diverse challenges many remote Aboriginal communities face and is committed to helping local land councils improve their environment and create long-term change.

Communities have been impacted by bushfires, drought and the COVID-19 pandemic. We are working with them to help deliver program milestones. All grant recipients look forward to restoring and protecting their land and creating a safer and cleaner environment for their community.



'Hey you mob!' litter prevention messaging. Photo: James O'Keefe/EPA

## Coordinating asbestos management in NSW

Materials containing asbestos can pose serious health risks if they are damaged or disturbed. Asbestos contamination is a legacy that will remain in the built environment for decades. However, asbestos materials can be safely handled and managed when people understand the risks and know what to do.

The EPA has led the NSW Asbestos Coordination Committee (NACC) Working Group since 2018. The NACC is a cross-government group of 13 state government, local government and Commonwealth organisations that coordinates asbestos management consistently across the state.

This year the EPA, in its role as the NACC coordinator, led the group in addressing asbestos-related issues in Aboriginal communities and issues arising from the 2019–20 bushfires. The EPA also launched a new asbestos awareness campaign (see below) and started implementing the NSW Asbestos Waste Strategy 2019–21 (see page 117).

## Results

### Bushfire support

Around 40% of buildings burnt during the 2019–20 bushfires contained asbestos. In response, we:

- worked closely with the NACC and emergency-response agencies to manage asbestos risk in the clean-up of fire-damaged properties
- published videos and fact sheets on staying safe around asbestos following the bushfires.

# Our performance

## Clean-up and remediation in Aboriginal communities

We worked closely with some Aboriginal communities to remove old asbestos waste that posed a potential health risk. This included making safe some houses in the Baryulgil community that had been partly or completely destroyed by fire.

The EPA gave more than \$279,000 to communities near Kempsey, Bourke, Grafton and Walgett for the removal and management of asbestos waste.

## Looking ahead

Over the coming year, the EPA will:

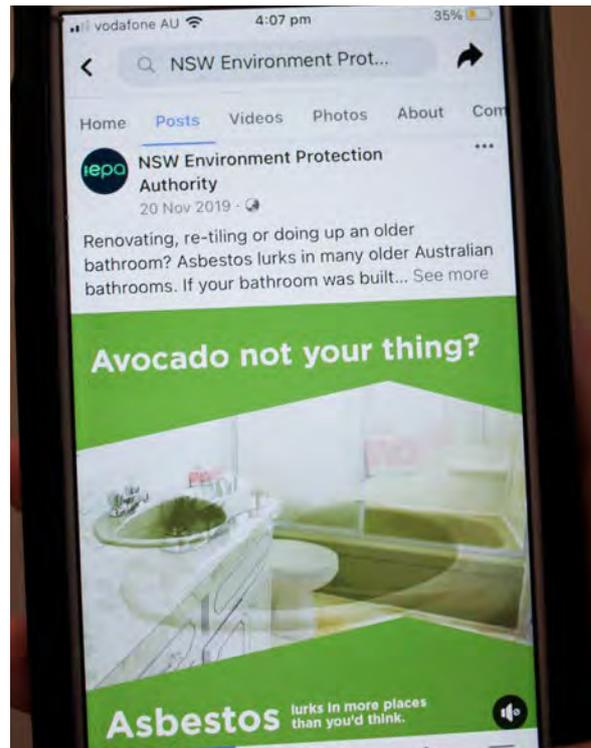
- publish a draft *NSW Asbestos Plan*. The plan has been created after broad consultation and has clear actions for integrated asbestos management
- run a new research-based communications campaign that targets homeowners, do-it-yourself renovators and tradespeople
- continue working with Aboriginal communities across NSW to help promote safe management or removal of asbestos.

## 'Asbestos Lurks' campaign raises public awareness

In November 2019, the EPA launched a new campaign warning NSW do-it-yourself renovators and tradespeople to be vigilant when renovating or building because 'asbestos lurks in more places than you'd think'.

Millions of homes in Australia contain asbestos, which was used in over 3,000 products before it was banned in 2003. Homes and workplaces built before 1990 are at most risk of containing asbestos. Our *Asbestos Lurks* campaign was part of a broader national campaign for National Asbestos Awareness Week (25 November to 1 December 2019).

*Asbestos Lurks* highlighted that it is not always possible to tell if products contain asbestos just by looking at them, and encouraged people to take precautions and seek expert help to identify and manage asbestos.



*Asbestos Lurks* campaign material as seen on social media. Photo: Lesley Tyte/EPA

The campaign used digital advertising that linked to further information, including the EPA's new [Asbestos Finder search tool](#)<sup>2</sup>. *Asbestos Finder* helps builders and home renovators identify products and building locations where asbestos may be in use. It includes images of the diverse range of items that may contain asbestos, such as pipes, fittings and guttering.

The campaign was repeated in May and June 2020, in response to reports of a significant surge in spending on DIY and home-renovation services during the COVID-19 restrictions. The repeat campaign generated 250,000 pageviews of the asbestos website and over six million impressions on digital screens.

## Lead-awareness campaign targets home renovators and gardeners

This year's *Stay Safe From Lingering Lead* campaign responded to strong community needs for information about ways to reduce health risks from exposure to lead.

Up to 50% of houses in some areas have painted surfaces containing lead paint. EPA research has shown that exposure to lead paint (or lead paint flakes and dust) during home renovations and gardening can cause significant lead exposure. Living close to old smelters or mines can also be an exposure risk.

The messaging provided information about how to stay safe when gardening or renovating in lead hotspots. Measures include:

- testing for lead in existing paint before starting renovations
- wearing protective clothing and equipment
- using raised garden beds with clean soil for growing vegetables.

The EPA identified three highly populated local government areas – Newcastle, Wollongong and Sydney's Inner West – in which to raise lead awareness, based on factors such as the previous presence of lead or copper smelters, a prevalence of older homes and high exposure to vehicle exhausts.



See the lead-awareness campaign for renovators and gardeners here.



**Protective gear can prevent lead exposure when preparing to repaint. Photo: James Campbell/EPA**

The campaign included:

- a page on the EPA website, *Stay Safe from Lingering Lead*, with safety messages in community languages
- demonstration of lead-testing kits at hardware stores and the Sydney Home Show, with over 500 kits given out
- digital and print brochures and online videos.

### Results

The campaign messages reached large numbers of NSW residents with:

- over 1,000 members of the public approaching EPA officers at trade shows and stores
- over 500,000 views of the lead-awareness video on Facebook, Instagram and YouTube.

The campaign was strongly supported by local councils, particularly Wollongong City Council (which circulated the brochure to over 60,000 households in rates mailouts) and Inner West Council (which shared information and video links in community newsletters).

### Looking ahead

A second lead-awareness campaign, planned for 2020–21, will use social media to reinforce the lead-safety messaging.

# Our performance



Learning to be LeadSmart at Morgan Street Public School, Broken Hill. Photo: Shannon Minnis/EPA

## LeadSmart School Program

The *LeadSmart School Program* was developed by the *Broken Hill Environmental Lead Program* in collaboration with local teachers to empower children to protect themselves and others from lead harm at home, at school and across the community.

An education portal on the *LeadSmart* website provides teachers with targeted lesson plans and interactive classroom activities. The learnings from these lessons and activities build on each other in successive years from preschool to Year 6.

To complement the teacher-led program, specially trained EPA and NSW Health facilitators deliver fun-filled school roadshows featuring games, songs, dancing and animations, all livened up by the presence of a life-sized mascot, Lead Ted Jnr.

Since the new *LeadSmart School Program* was launched in September 2019, we have:

- partnered with 100% of local schools to engage with teachers and provide the lesson plans
- delivered the *Lead Ted Roadshow* to more than 25% of the targeted student population.

*LeadSmart* is a great example of a non-regulatory approach led by the EPA, where we have partnered with other NSW Government agencies and local stakeholders to educate the community on an important health and environmental issue.

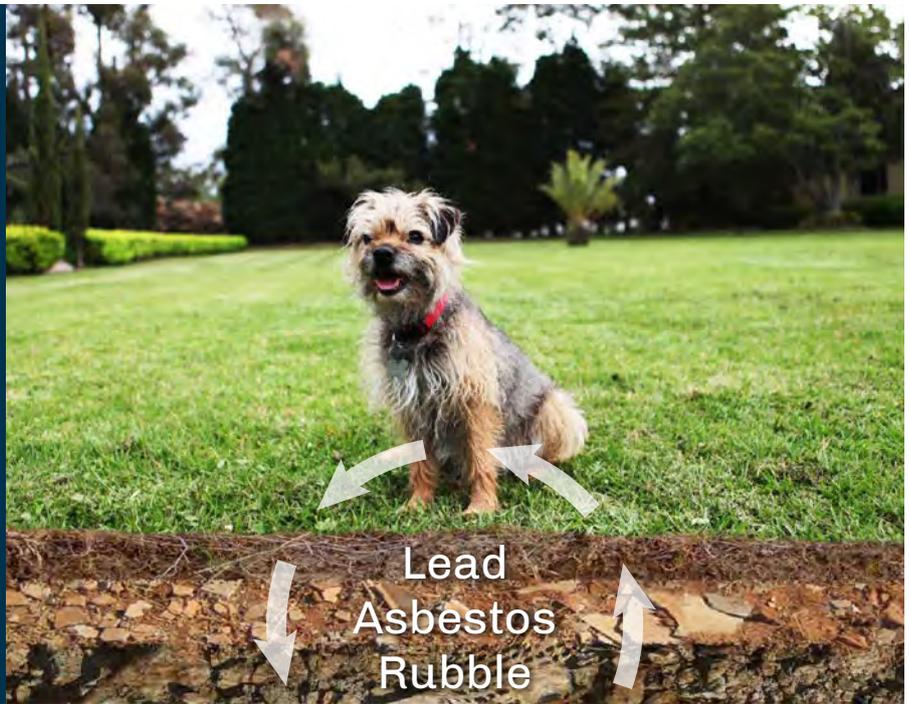


LeadSmart educational  
regional school  
program resources

# Our performance

Free fill –  
too good  
to be true?

Make sure you  
know what's in  
the soil you're  
bringing on to  
your property.



Our social media ads aimed to increase awareness of the dangers of free fill. Photo: EPA

## Raising awareness of the dangers of accepting free fill

Property owners have been alerted to the risks of receiving free fill via the EPA's *Free fill – is it worth it?* social media campaign, aimed at changing people's behaviour when sourcing fill so that they don't receive contaminated material. The campaign is part of a larger illegal landfilling program guided by the *NSW Illegal Dumping Strategy 2017–21*.

The first phase of the campaign was launched in late December 2019 to coincide with the peak time for online searches for free fill. Research by the EPA's illegal dumping team identified Facebook as a favourite site for unscrupulous operators looking to get rid of contaminated material under the guise of 'clean free fill'.

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

The online education campaign displayed the EPA's ads when landowners used search engines to look for free fill, providing a safety checklist and reinforcing the message that bad fill:

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

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

# Our performance

## Results

The campaign's social and digital media reach was extremely strong with:

- 1.3 million views of YouTube video ads
- 410,000 views of Facebook videos
- over 15,000 clicks on link ads leading to the EPA 'clean fill' webpage.

The campaign was well received, with surveyed landowners saying that they intended to change how they sourced fill, and that they now understood the need to research the origin of the material, check the EPA website and check loads before they were deposited onto their property.



Learn more about the dangers of free fill here

## Training and capacity building

Local councils are taking on a greater share of environmental regulation, and the EPA is working with them to build their capacity to do this.

### Transitioning regulation of underground petroleum storage to local councils

Underground fuel tanks and pipes can leak and are a common source of land and water contamination.

On 1 September 2019 local councils resumed regulatory responsibility from the EPA for around 2,000 sites operating an underground petroleum storage system (UPSS). These sites are mainly service stations but also include private bus depots, golf courses, marinas and small industries.

To ensure a smooth transition, the EPA consulted extensively with local government and fuel-industry stakeholders to build awareness, establish council capacity-building programs and develop a compliance campaign.



Off to inspect a UPSS at a 'train the trainer' session. Photo: Naomi Lee/EPA

## Results

The EPA delivered:

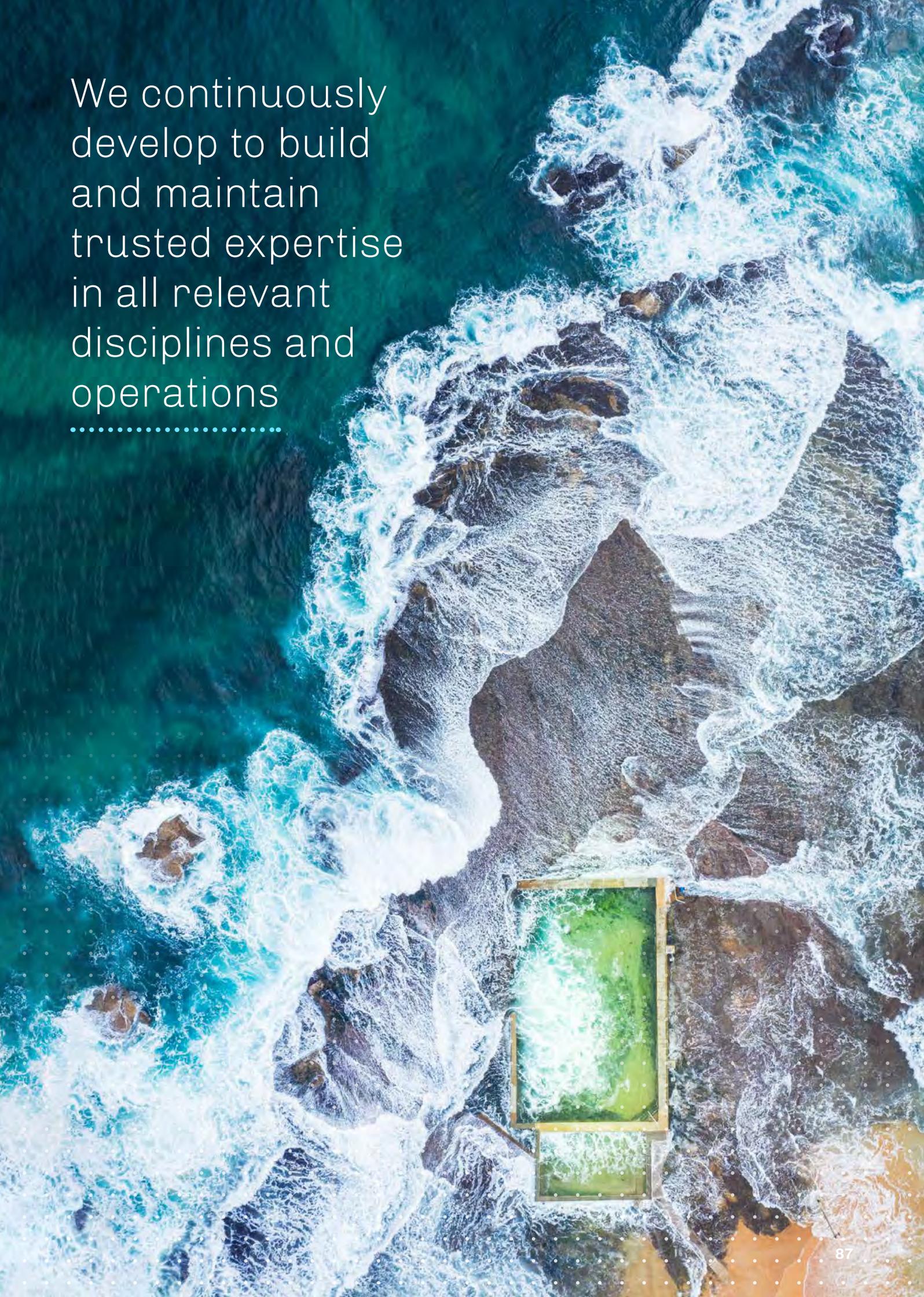
- an online regulator training course and 28 detailed handover packages and toolkits
- capacity-building workshops attended by 310 council regulators, representing 124 of the state's 128 councils
- a 'train the trainer' program to further upskill council officers in regulating these sites to prevent and detect fuel leaks
- over 100 site inspections, done together with council officers.

A subsequent survey of more than 1,500 underground storage sites across NSW showed that more than 90% were complying with the new regulatory requirements.



Take the UPSS compliance self-evaluation survey here

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



# Our performance

## EPA builds regional capacity through grants program



The EPA funds and provides compliance training on managing contaminated land to local council capacity building officers. Photo: Darya Gurinovich/EPA

The EPA's *Council Regional Capacity Building Program* upskills councils in managing contaminated land issues. Grants of up to \$140,000 per year have been available to councils across regional NSW to employ an officer trained in contaminated land management over a period of three years. In 2019–20, a total of \$687,271 was awarded to 10 groups of councils covering 63 individual local councils.

The EPA works with capacity-building officers to:

- improve council staff's knowledge of the legal duties and technical aspects of contaminated land management
- provide support, expert advice, tools and resources to prevent pollution and minimise impacts of contaminated land
- provide support and resources related to the regulatory compliance of underground petroleum storage systems

- ensure councils have registers for managing contaminated land, and policies and procedures that comply with legislation.

## Supporting local councils



A training session on contaminated land for the Hunter Joint Organisation, a hub for local-government collaboration. *Council Regional Capacity Building* officers make valuable connections between regional councils and EPA staff. Photo: Peter Brennan/Hunter Joint Organisation

The EPA has funded 10 program officers under its Council Regional Capacity Building Program to support local councils. These officers facilitate regional working groups and provide technical and compliance advice at incidents and on contaminated sites. An example of this work has been helping to guide a council's plan to reduce hydrocarbon odours at a sewage pumping station in the Hunter Valley, including clarifying its duty to report the contamination to the EPA.

## Regulating to prevent harm

The EPA safeguards the health of the NSW community and the environment, both for today and for the future, by protecting our air, waterways and land. We regulate according to strict environmental rules and set mandatory targets to prevent and minimise pollution.

In 2019–20 we maintained a strong focus on regulating industry. We applied a risk-based approach to licensing, cleaned up contaminated sites, assessed the compliance of native forestry and oversaw the rehabilitation of gas sites. We met or exceeded our performance measures in most of these areas.



EPA officers inspect a Cleanaway site during a compliance blitz on 29 June 2020. Photo: EPA

In other highlights, we:

- continued our involvement in the project to make Parramatta River 'swimmable' again by 2025, taking part in joint compliance blitzes of construction sites to inspect sediment controls

- partnered with local councils, researchers, business and communities to improve air-quality monitoring in the Blue Mountains
- oversaw the completion of the containment works at Pasma's former smelter site in the Hunter region and the handover of the site to the NSW Government
- focused our forestry compliance activities on areas impacted by the bushfires
- developed new standards for managing emissions from motorway tunnel ventilation outlets.

## Best-practice regulation

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

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

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

Our regulatory activities ensured continued high rates of compliance this year: of licensed premises with environment protection licences, 99.3% complied with all their conditions. Additional highlights are listed overleaf.

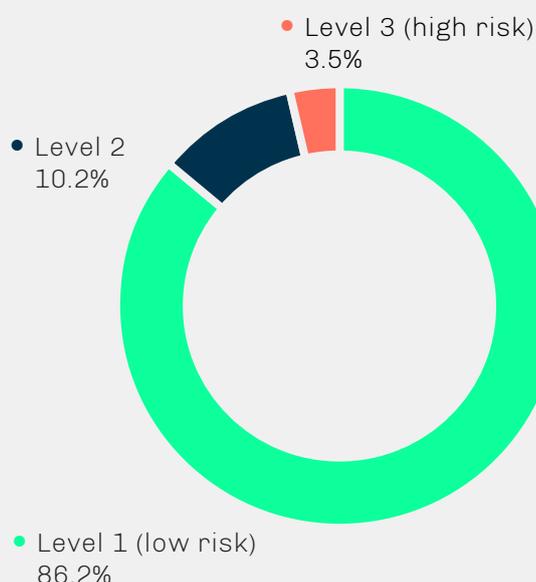
# Our performance

## Improving environmental performance with risk-based licensing

The EPA's risk-based licensing system for licences held under the *Protection of the Environment Operations Act 1997* aims to ensure that all licensed premises receive a level of regulatory oversight proportional to the level of risk their operations pose to the environment. Higher licence fees are imposed for poor environmental performance, lower ones for better performance. This gives businesses an economic incentive for maintaining and/or improving their environmental performance.

Currently only 3.51% of the 2,020 premises licensed by the EPA are in the high-risk category (Level 3; see chart). The EPA aims to inspect these premises at least twice a year to ensure they are managing their activities in accordance with their environment protection licence conditions (and so minimising their environmental impacts). In 2019–20 the EPA met this inspection schedule for nearly 90% of Level 3 premises. Those with a lower rating are inspected on a regular schedule at intervals determined by their risk level.

### Percentage of risk levels under the risk-based licensing system



In 2019–20:

- 99.7% of licences have had at least one risk assessment, and 89% of licences that had a (first or second) risk assessment due by 30 June 2020 were completed
- 88.7% of high-risk premises were inspected at least twice. The second inspections of three premises were postponed due to COVID-19-related restrictions and one non-operational facility was in the process of having its licence revoked
- 10 licensees entered into voluntary environmental improvement programs worth a total of \$16.6 million
- 86% of licensees received a 5% fee discount because they were found to be good environmental performers.

## Planning

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

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

### Preventing harm through the NSW planning and development system

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

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

# Our performance

to achieve environmental best practice before development commences, and so prevent harm to the environment and human health.

In 2019–20 the EPA provided advice on more than 80 development matters every month. These matters included:

- Sydney's Metro West, Parramatta Light Rail, Snowy Hydro 2.0, and Warragamba and Wyangala Dams
- State Significant Developments such as wind and solar farms, mines and quarries, and Bathurst's Second Circuit
- local developments such as concrete batching plants, waste facilities, feedlots and saleyards.

Councils and the Department of Planning Industry and Environment refer many planning applications to the EPA for advice or integrated approvals. In October 2019 we upgraded our system for tracking these referrals. We use the tracking system to allocate work to EPA officers, monitor officers' workloads, and measure the EPA's performance against statutory timeframes for responses.

## Results

The new system has improved our reporting capability and end-to-end tracking of referrals while reducing the administrative workload.

## Looking ahead

We will upgrade the system to track more details of how the EPA provides planning advice. The system will integrate with the NSW Government's ePlanning system to further reduce the administrative burden of tracking planning referrals. The ePlanning system hosts a range of digital planning services, mapping tools and reporting tools for proposed developments.

## Land and resources

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

### Contaminated sites

The EPA regulates the management of significantly contaminated land to:

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

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

In 2019–20:

- the EPA received and prioritised 37 new notifications of contaminated land for potential regulation, mostly from landowners
- 30 of the 36 notifications that had enough information were assessed within four months, a completion rate of 83%
- 11 new sites were declared significantly contaminated, requiring management under the *Contaminated Land Management Act 1997*
- EPA regulation ended for 20 sites declared significantly contaminated, because the contamination had been cleaned up or managed
- for land declared to be significantly contaminated, 100% complied with management order conditions and 83% complied with the terms and conditions of approved voluntary management proposals.

# Our performance



The EPA partnered with Lake Macquarie Council to promote lead awareness at the Lake Macquarie Living Smart Festival. Photo: Anthea White/EPA

## Cleaning up a 100-year-old legacy: the former Pasmenco smelter at Boolaroo

High levels of lead and other heavy metals are toxic to humans. The EPA has partnered with Lake Macquarie Council to promote community awareness of legacy lead in the environment caused by a lead smelter on Cockle Creek that operated from the late 1800s to 2003.

Health and environmental hazards from the smelter's operations included:

- dust from the smelter stacks containing heavy metals such as lead, copper, zinc and cadmium, which contaminated soils in surrounding suburbs

- slag from the smelter containing metal contaminants, which was used to fill low-lying land from the 1950s to the 1980s
- the smelter site itself, which in 2002 was declared significantly contaminated.

The company that operated the smelter, Pasmenco, partially remediated the site and some surrounding land before going into administration in 2001. Since then, the EPA has worked with the administrators to manage the contamination. Construction of a deep cell on the site to contain the worst of the contamination was completed in 2015 and this allowed the EPA to lift its final declaration notices in 2019.

The legacy contamination must be secure and appropriately managed in perpetuity. To ensure this, in 2019 the NSW Government took over the site of the cell, under special legislation.

Blood lead levels in the community have dropped since the smelter closed and remain below levels of concern.

## Assessing native forestry compliance

The EPA has a proactive compliance program for native forestry operations. Regulatory effort is determined by the environmental risk of harvesting (with the highest-risk operations being the most closely monitored) and by local and regional priorities and concerns.

Between August 2019 and March 2020 widespread bushfires affected forests and forestry operations in NSW. Most damage was in coastal areas and the tablelands, and it occurred on both private and public land. One of the EPA's priorities since the fires has been to assess high-risk operations planned for fire-affected forests.

The EPA has been one of several NSW Government agencies working to understand the fires' impact on local communities, the environment, important wildlife, the timber supply and jobs. In this, it has partnered with:

- Department of Planning, Industry and Environment (Energy, Environment and Science Division)
- Department of Primary Industries
- Local Land Services
- Forestry Corporation of NSW (FCNSW)
- independent scientific experts.

This work has informed the EPA's regulatory decision-making about logging in areas affected by the fires, including the logging of burnt timber.

NSW EPA officers are actively monitoring forestry operations, checking that conditions imposed to protect the post-fire environment are being complied with. The EPA has a range of regulatory tools to address non-compliances, including education, stop-work orders, remediation orders, clean-up notices, penalty notices and prosecutions.



Photo: EPA.

### Results

In 2019–20, the EPA:

- visited 59 forestry operations across NSW, 29 of which were high-risk operations
- assessed 100% of the high-risk operations for compliance against requirements within the Private Native Forestry Codes and Integrated Forestry Operations Approvals (IFOA). This exceeded our assessment target of 95%.

### Looking ahead

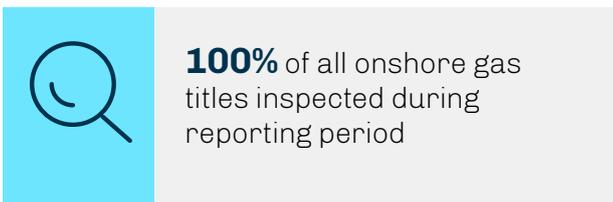
In 2020–21, the EPA will:

- continue to focus compliance and enforcement on high-risk forestry operations, to drive improvements in environmental performance
- increase its operational, technical and legal resources for forestry regulation, to increase the speed of on-ground deployment and the timeliness of investigations
- encourage voluntary compliance by providing regulatory education to the logging industry and giving feedback on how it can improve environment outcomes
- use the enforcement tools now available under the *Biodiversity Conservation Act 2016* to improve environmental outcomes for native forestry

# Our performance

- focus regulatory effort on the staged implementation of the Coastal IFOA to ensure that rules introduced in 2018 are implemented correctly and are effective in delivering the intended environmental outcomes.

## Leading onshore gas regulation in NSW



Onshore gas extraction is technically complex and may present risks to human health and the environment. The EPA employs technical experts in science, engineering, geology and hydrogeology to support its field staff in managing these risks.

The EPA is the lead regulator for all onshore gas activities in NSW (not including work health and safety matters) and is responsible for regulating instruments and conditions issued under the *Environmental Planning and Assessment Act 1979*, *Petroleum Onshore Act 1991*, *Water Act 1912*, *Water Management Act 2000* and *Protection of the Environment Operations Act 1997*. It works closely with other government agencies to oversee onshore gas activities in NSW.

### Results

In 2019–20 the EPA made 173 inspections of onshore gas infrastructure for compliance with statutory requirements. These inspections related to Santos’s Narrabri, Merriwa and Gunnedah operations and AGL’s site at Camden. They were undertaken in response to both operational risk and community concern. During these inspections the EPA identified no issues of concern.

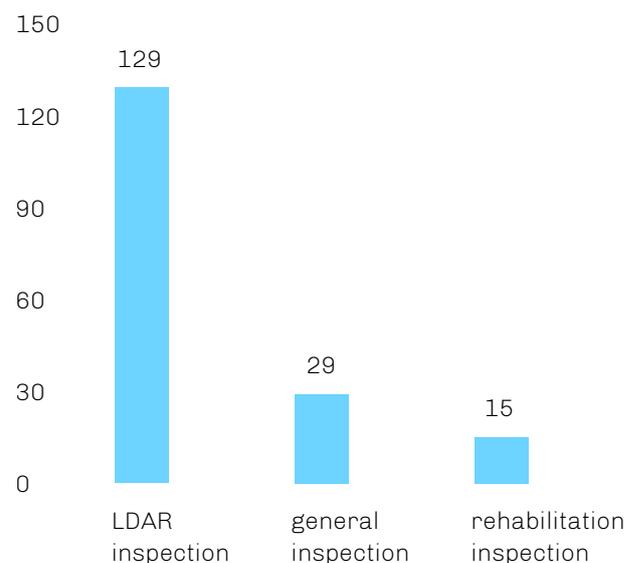
This year’s inspections focused on:

- leak detection and repair (LDAR) work – to identify any unplanned gas emissions from well and pipeline infrastructure and repair any leaking infrastructure
- well and pipeline infrastructure and water storages – to check general site practices, such as erosion and sediment control, and ensure water storages were being maintained and operated properly
- rehabilitation of decommissioned well sites – to check if disturbed areas had been returned to their previous state or required additional improvement works.

### Looking ahead

The EPA will continue its role as lead regulator for onshore gas activities in 2020–21. It will drive ongoing enhancements to technology and data management to focus its regulatory activities and improve reporting. It will also consider any determination from the Independent Planning Commission regarding the Narrabri Gas Project and revise its 2020–21 inspection program as required.

**EPA onshore gas inspections by category**



# Our performance



An EPA officer checking for leaks in onshore gas infrastructure near Camden. Photo: Sam Preston-Stanley/EPA

## Water

The EPA aims to protect water bodies and aquatic ecosystems from harmful industrial and sewage discharges, and from run-off from the land or stormwater systems that can contain substances like oil, chemicals, pesticides, sediments and fertilisers.

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



**Run-off** from land and stormwater systems **can negatively impact water quality** and aquatic ecosystems

The NSW Government *Beachwatch* program helps monitor water quality at swimming sites along the NSW coast, which is impacted mainly by stormwater and sometimes by sewage system overflows. The most recent available data (for 2018–19) shows that water quality is 'very good' or 'good' at 86% of coastal or estuarine beaches. This is a slight increase on previous years and exceeds the EPA's target of 83%.

### Ten steps to a healthy Parramatta River

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 project will benefit the surrounding community by creating more accessible swimming locations and improving the river's ecosystem health. The new swimming spots will be opened by 2025, joining current sites at Cabarita Park beach, Chiswick Baths, Dawn Fraser Baths and Lake Parramatta. We are helping to deliver several components of the *Parramatta River Masterplan*, by:

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

### Looking ahead

The EPA will continue its active involvement in delivering the *Parramatta River Masterplan* and develop and roll out training for Sydney metro council officers on waterway spill investigations and management.

## Get the Site Right

The *Get the Site Right* campaign is educating the construction industry about erosion control and sediment run-off, to protect our waterways and aquatic life from the harm this sediment can cause. The campaign is a joint initiative of the EPA, the Parramatta River Catchment Group, the Cooks River Alliance, Georges Riverkeeper, Sydney Coastal Councils Group, the Department of Planning, Industry and Environment, and local councils.



EPA and Blacktown Council officers inspect a residential construction site during the October 2019 blitz. Photo: Olivia Brincat/Blacktown City Council

### Results

In a one-day blitz on 15 October 2019, officers from the EPA and 19 councils across Sydney and the Central Coast inspected more than 400 building and construction sites for sediment and run-off controls.

Compliance rates had changed little since the last inspection, with 62% of sites found to be compliant. There were 30% fewer developers with multiple sites that were non-compliant. Nevertheless, several fines (totalling \$76,330) were issued on the day.

The joint inspections were a chance for the EPA and councils to share knowledge of environmental regulation and discuss opportunities for collaborating on future compliance campaigns. The EPA's presence, and its reputation as a credible and robust environmental regulator, helped councils engage with construction managers on the day and promote the *Get the Site Right* message across the construction industry.

## Constructing good water management practices

Water from building sites and roadworks may contain chemicals or sediment that can find their way into stormwater drains and waterways. The EPA has been working with other agencies and major infrastructure companies on ways to protect waterways during construction.

# Our performance



In November 2019 we hosted an Infrastructure Construction Industry Forum in Queanbeyan. The EPA and our guest speakers addressed water-quality objectives, surface-water management and sediment controls. The event concluded with a Q&A panel session on approaches to water-protection challenges.

## Wet-weather overflow framework

In March 2020, the EPA included a new framework for the regulation of wet-weather overflows in the environment protection licences for Sydney Water's four large sewage-treatment systems (Northern Suburbs, Southern Suburbs, Bondi and Cronulla).

Under the new framework, Sydney Water must:

- periodically assess how well the wet-weather overflow structures at the four sites are operating and rank them, basing this ranking on the risk level to the environment and public health at each

- complete improvement works on high-priority wet-weather overflow structures
- continuously review and improve the processes used to assess wet-weather overflow structures.

The EPA considers that, rather than simply focusing on a single indicator (such as the frequency or volume of wet-weather overflows), taking this multi-factored, risk-based approach will lead to better and more cost-effective environmental and community outcomes over time.

## Looking ahead

The first phase of the framework, starting 1 July 2020, requires wet-weather overflow structures to be ranked. Sydney Water will be required to reduce its impact from wet-weather overflows to a mandated level by July 2024. System improvements will target those wet-weather overflow structures identified as posing a high risk to the environment and/or public health.



An EPA officer inspecting a sewage treatment plant.  
Photo: EPA

## Assisting the NSW Government's drought response

The most recent drought began in NSW in mid-2017 and exceeded records: by January 2020, 100% of the state was drought-declared. Water storages across NSW were significantly depleted and at times some rivers stopped flowing.

In regional NSW, water supplies for some towns fell to critical levels. There was little water for agricultural use, sometimes none. In response, the NSW Government announced a wide range of drought support measures for the rural sector, water-supply infrastructure and other economic stimulation initiatives. It also established the Office of Drought Response, to coordinate actions.

The EPA contributed to the drought response by:

- liaising closely with regulated industries that could be affected by a lack of water, such as mining and intensive agriculture
- working with other agencies to advise government on managing water supplies in critical areas of western NSW and building/operating major water-supply infrastructure in metropolitan areas
- provided expert advice for planning emergency water supplies for towns, such as Bellingen and Gloucester, where normal supply had fallen to critical levels
- working with other organisations to allow firefighters to safely access recycled water for their operations, such as at the Lindfield Park Road peat fire at Port Macquarie.



We provided expert advice for planning **emergency water supplies** for towns where supply had fallen to critical levels

## Air regulation

### Improved regulation of emissions from motorway tunnels

The EPA is the lead regulator for air emissions from motorway tunnel ventilation stacks. In July 2019 the *Protection of the Environment Operations Act 1997* was amended to include 'road tunnel emissions' as a new scheduled activity. Tunnel operators must now hold an environment protection licence issued by the EPA for air emissions from ventilation outlets.

Licensing lets the EPA use tools specifically designed to regulate the environmental performance of tunnel ventilation stacks. Licence conditions can be amended, so site-specific solutions can be developed and enforced. Licensing also allows systems to be improved as new (feasible and reasonable) technology becomes available.

### Results

The EPA engaged with a range of stakeholders (including tunnel operators, transport industry groups and community members) when developing environment protection licences for motorway tunnel ventilation stacks. By March 2020 it had issued such licences for all current motorway tunnels that have ventilation stacks.

The licences place strict limits on air emissions from stacks. The licence conditions for newer tunnels, such as the NorthConnex Tunnel, M4 East Tunnel, Lane Cove Tunnel and Cross City Tunnel, are substantially consistent with the conditions (set by the Department of Planning, Industry and Environment) under which development was originally approved. The older Eastern Distributor, Sydney Harbour Tunnel and M5 East Tunnel did not have stack-emission limits in their conditions of approval. However, the EPA has required the operators of these tunnels to undertake pollution studies to develop appropriate emission limits.

# Our performance

The licences also require air-quality monitoring at tunnel ventilation stacks. This data has to be made publicly available through the tunnel operators' websites and provided to the EPA for review.



A KOALA air monitor at Wentworth Falls.  
Photo: Jordan Capnerhurst/ DPIE

## Looking ahead

The EPA's role is to ensure that tunnel operators operate ventilation stacks in accordance with their licence conditions, meet emission limits, set up appropriate monitoring programs and make data publicly available. The licences and any associated regulatory actions and decisions are available on the EPA's [public register](#)<sup>3</sup>.



See the Blue Mountains and Lithgow Air Watch project monitoring results

## Blue Mountains and Lithgow Air Watch

In May 2019 the EPA launched the year-long *Blue Mountains and Lithgow Air Watch* air-quality monitoring project. The project was established because of ongoing community concerns about air quality in the Blue Mountains, particularly around Katoomba, and its impacts on public health.

The Department of Planning, Industry and Environment placed:

- an air-quality monitoring station in Katoomba
- 12 low-cost air-quality sensors (KOALAs – Knowing Our Ambient Local Air-Quality) at schools and businesses in Wentworth Falls, Springwood, Katoomba and Lithgow.

The project was overseen by a steering committee, chaired by the EPA and including representatives from community and environmental groups, local and state government agencies, and Western Sydney University.

The local community and steering committee helped get the project up and running by:

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

## Results

Air-quality data from the Katoomba station was compared against national standards in the National Environment Protection (Ambient Air Quality) Measure. The KOALAs, which measure in 'real time', provided supplementary data. The data showed that air quality in the Blue Mountains and Lithgow area is generally good, except during natural events such as bushfires and dust storms. The project's final report is available on the EPA website.

<sup>3</sup> [www.epa.nsw.gov.au/prpoeoapp](http://www.epa.nsw.gov.au/prpoeoapp)

## Holding polluters to account

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



EPA officer taking water sample.  
Photo: Nick May/EPA

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

The EPA successfully proved its case in 72 prosecutions, with the courts imposing \$1,410,476 in fines and other financial penalties. Our prosecution success rate was 93% for substantive prosecutions (i.e. excluding littering). Case studies of successful prosecutions are included in this section of the report.

## Prosecutions for pollution offences

In 2019–20, the EPA started around 100 prosecutions and completed 79, of which 72 were successful. Of the completed prosecutions 40 were for substantive offences and the other 39 were for court-elected matters where recipients of penalty notices for littering chose to have the matters determined by a court instead of paying the fine.

The 40 substantive prosecutions resulted in:

- 37 convictions
- three acquittals.

The 39 court-elected littering prosecutions resulted in:

- 30 convictions
- five matters where the offence was proven but a conviction was not recorded
- three acquittals
- one dismissal.

### Value of prosecutions under EPA legislation

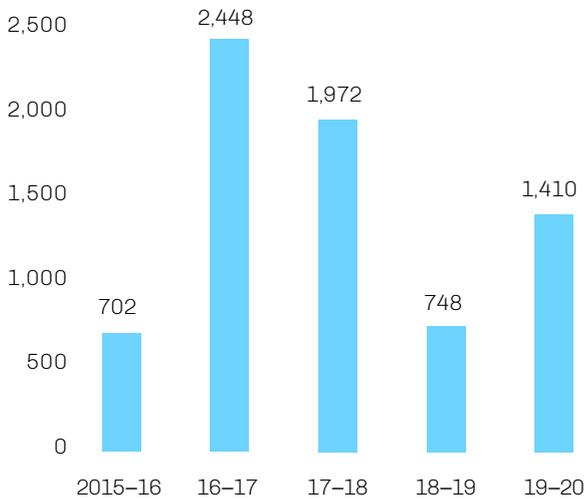
Fines	\$283,120
Other financial penalties (excluding legal costs)	\$1,127,356

### Total fines and other financial penalties \$1,410,476

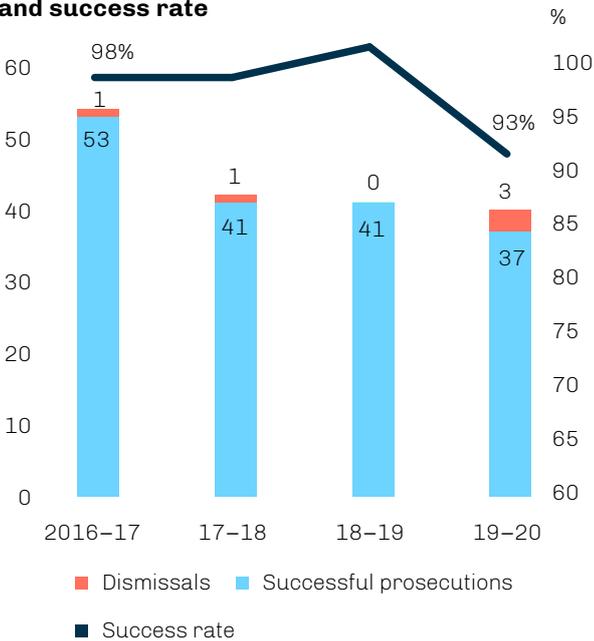
Appendix 2 provides full details of the substantive prosecutions completed under EPA legislation in 2019–20.

# Our performance

## Financial penalties imposed (\$'000)



## Prosecutions of substantive offences and success rate



## Minister's role

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

## Prosecution case studies

The following case studies show the range of offences for which the EPA regularly prosecutes, and highlight significant outcomes in the courts in 2019-20.

### Charlie Mokbel

**Offences:** One offence of unlawfully transporting and depositing waste and one offence of failing to comply with transportation requirements of asbestos waste

On 5 March 2018, Charlie Mokbel demolished a burned-down shed containing asbestos at a house at Belmore Park. On 7 March 2018, Mr Mokbel loaded the waste into an uncovered white tipper truck and drove it from the premises to a cul-de-sac at the northern end of Hillside Avenue, Clemton Park. Mr Mokbel then tipped the waste – a total of 3.6 tonnes – from the back of the truck onto the roadway, but did not get out of the vehicle. A witness to Mr Mokbel tipping the waste took photos on his mobile phone and called Campsie Police, who arrived shortly afterwards along with NSW Fire and Rescue.

**Plea:** Guilty

# Our performance

**Result:** In November 2019, Burwood Local Court convicted Mr Mokbel of one offence of unlawfully transporting and depositing waste and another of failing to comply with transportation requirements of asbestos waste.

Mr Mokbel was ordered to pay:

- \$27,200 in fines
- \$4,356 to Canterbury Bankstown City Council
- the EPA's investigation costs of \$2,611.25
- the EPA's legal costs.

## CPB Contractors Pty Ltd

**Offences:** Four offences of emitting offensive odour from scheduled premises

The EPA prosecuted CPB Contractors Pty Ltd in the Land and Environment Court for four offences of contravening section 129 of the *Protection of Environment Operations Act 1997* by causing an offensive odour to be emitted from licensed premises. CPB was the holder of an environment protection licence for road construction at the St Peters Interchange section of the WestConnex motorway scheme. On four occasions in 2017 the company allowed an offensive odour to be emitted from the interchange site, the result of water coming into contact with waste at the premises. The odour emitted caused actual harm to EPA officers, people at nearby businesses and residents in the vicinity, and the potential for further harm.

**Plea:** Guilty

**Result:** In September 2019, the Land and Environment Court convicted CPB of four offences of emitting offensive odour from a scheduled premises.

CPB was ordered to pay:

- \$295,000 to the NSW Environmental Trust
- the EPA's investigation costs of \$10,000
- the EPA's legal costs.

CPB was ordered to publicise details of the offences in *The Australian Financial Review*, *The Sydney Morning Herald* and *Inner West Courier*, on Facebook, Twitter and the company's website and in CIMIC Group's Annual Report. CPB was also ordered to deliver a notice to residents of St Peters, Newtown, Erskineville and Alexandria.

## Crown in the Right of New South Wales

**Offences:** One offence of water pollution and one offence of breach of licence condition

The EPA prosecuted the Crown in Right of NSW (acting through the former Office of Environment and Heritage – OEH) for polluting waters and licence breach of the *Protection of the Environment Operations Act 1997*. OEH owned and operated the Perisher Sewage Treatment Plant in Kosciuszko National Park. In April 2018, as part of the process of treating effluent, an excessive amount of aluminium chlorohydrate was added to the effluent due to a failure to operate the chemical-dosing pumps in a proper and efficient manner. Aluminium was later discharged in effluent to Perisher Creek.

**Plea:** Guilty

**Result:** In November 2019, the Land and Environment Court convicted Crown in the Right of New South Wales of polluting waters and breaching an environment protection licence condition.

Crown in the Right of New South Wales was ordered to pay:

- \$165,250 to the NSW Environmental Trust
- the EPA's investigation costs of \$3,618.95
- the EPA's legal costs.

Crown in the Right of New South Wales was ordered to publicise details of the offence in *The Sydney Morning Herald* and *Monaro Post*.

# Our performance

## Gammasonics Institute for Medical Research Pty Ltd

**Offences:** One offence each of: failing to have a valid source security plan for a secured source; failing to comply with a source security plan for a security-enhanced source; and failing to transport a radioactive substance as prescribed

Gammasonics Institute for Medical Research Pty Ltd owns an irradiator, a medical device used for sterilising blood, which contains radioactive material. Gammasonics transported the irradiator from its Five Dock premises to its Lane Cove premises in such a way that it failed to comply with its security transport plan and the safety requirements under the radiation control legislation. Additionally, the company failed to have a security plan in place after it transported the irradiator.

**Plea:** Guilty

**Result:** In December 2019, the Land and Environment Court convicted Gammasonics for failing to have a valid source security plan for a secured source, failing to comply with a source security plan for a security-enhanced source and failing to transport a radioactive substance as prescribed.

Gammasonics was ordered to pay:

- \$132,000 in fines
- the EPA's legal costs.

## Minto Recycling Pty Ltd

**Offence:** One offence of breach of licence condition

Minto Recycling Pty Ltd, a wholly-owned subsidiary of Bingo Industries Ltd, held an environment protection licence that authorised the company to operate a waste facility. A condition of the licence was to limit the yearly amount of waste received at the facility to 30,000 tonnes, to ensure the proper management of associated risks and prevent harm to the environment. Minto, however,

received approximately 140,000 tonnes above the limit permitted by the licence in the year in question.

**Plea:** Guilty

**Result:** In December 2019, the Land and Environment Court convicted Minto of breaching a licence condition.

Minto was ordered to pay:

- \$90,000 to the NSW Environmental Trust
- the EPA's legal costs.

Minto was ordered to publicise details of the offence in *The Australian Financial Review*, *The Daily Telegraph*, *Campbelltown–Macarthur Advertiser* and *Inside Waste* magazine, on the website of Bingo Industries Ltd and in Bingo's Annual Report published to the Australian Stock Exchange.

## Enforceable undertakings

An enforceable undertaking (EU) is an alternative to administrative action where there has been a serious breach of legislation. Through an enforceable undertaking, the EPA may secure outcomes such as:

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

These undertakings are enforceable by the EPA in the Land and Environment Court.

In 2019–20, the EPA entered into seven enforceable undertakings that required the parties to take corrective actions and make monetary contributions totalling \$1,341,248 to environmental projects and initiatives. The table below summarises key actions and contributions.

# Our performance

Company	Incident	Agreed actions	Amount
<b>AGL Macquarie Pty Ltd</b>	<p>November 2014–December 2018</p> <p>Non-compliance with <i>Coal Ash Order 2014</i> when supplying coal ash from AGL power stations.</p> <p>EU date: 17 December 2019</p>	<p>Monetary contributions towards environmental projects in Upper Hunter and Singleton Shire: see case study</p> <p>Measures to improve environmental performance through training</p> <p>Print media notice in the Newcastle Herald, Singleton Argus, Muswellbrook Chronicle and (industry magazine) Coal Face</p>	\$100,000
<b>Central Coast Council</b>	<p>On or around 24 January 2019</p> <p>A break occurred in a sewer rising main located at Wamberal, resulting in sewage discharge flowing through wetland, into a tributary of Forresters Creek and then into Wamberal Lagoon – a Nature Reserve and protected area</p> <p>EU date: 15 January 2020</p>	<p>Monetary contributions towards:</p> <ul style="list-style-type: none"> <li>• upgrade of an existing gross pollutant trap</li> <li>• replacement of a sewer raising main</li> <li>• upgrade of sewage pumping station software to better predict flow</li> <li>• implementation of a pressure main critical analysis project.</li> </ul> <p>Measures to improve environmental performance by sharing methodology for pipe risk assessment</p> <p>Reports on progress and outcomes made available on the council's website</p>	\$446,500
<b>Gunnedah Shire Council</b>	<p>Between February 2016 and about 10 March 2017</p> <p>Waste was transported without the required authority under the POEO Act</p> <p>EU date: 15 August 2019</p>	<p>Monetary contribution to Gunnedah Urban Landcare Group and contribution of in-kind resources to implement the project proposal</p>	\$24,748
<b>HV Operations Pty Ltd</b>	<p>18 March 2019</p> <p>Sediment-laden (turbid) water was discharged from a multi-pit open-cut coal mine on premises at Singleton into Farrells Creek, which flows into the Hunter River. The source of the turbid water was rainfall run-off from an existing rehabilitation slope on the premises.</p> <p>EU date: 23 March 2020</p>	<p>Monetary contribution to Hunter Local Land Services to improve Travelling Stock Reserves within Singleton council area</p> <p>Measures to implement a remediation plan for a section of site</p> <p>Measures to prevent future incidents</p> <p>A print media notice in the Newcastle Herald, The Sydney Morning Herald and Singleton Argus</p>	\$400,000

# Our performance

Company	Incident	Agreed actions	Amount
<b>Jalco Australia Pty Ltd</b>	<p>18 March 2019</p> <p>A holding tank at the company's Smithfield premises collapsed, resulting in wastewater flowing into a nearby stormwater drain.</p> <p>EU date: 17 January 2020</p>	<p>Monetary contribution towards an environmental audit project</p> <p>Measures to improve environmental performance</p> <p>A print media notice in The Sydney Morning Herald and Fairfield Advance</p>	\$200,000
<b>Narrabri Coal Operations Pty Ltd</b>	<p>2–15 April 2019</p> <p>Self-contained self-rescuer units (breathing apparatus) that contained potassium hydroxide were disposed of in industrial bins. The chemical is classified as a corrosive dangerous good as it can generate very high pH levels when exposed to liquids.</p> <p>This waste was taken to Narrabri Shire Landfill, which is not authorised to receive hazardous waste. Fires subsequently broke out in the landfill cell where the waste was deposited.</p> <p>EU date: 19 July 2019</p>	<p>Monetary contribution to the NSW Environmental Trust to assist Narrabri Shire Council to establish a new general cell at the landfill</p> <p>Measures to improve environmental performance</p> <p>A print media notice in the Namoi Valley Independent, The Northern Daily Leader, The Daily Telegraph, The Sydney Morning Herald and The Australian Financial Review</p>	\$120,000
<b>Queanbeyan–Palerang Regional Council</b>	<p>21 September 2019</p> <p>Overflow of sewage occurred from a pumping station into the Queanbeyan River after pumps were left out of service during pump-clearing works at the station.</p> <p>EU date: 22 June 2020</p>	<p>Monetary contribution towards environmental works on the Queanbeyan River, including weed control and bush regeneration to improve water quality in the stream</p> <p>Remote monitoring upgrade works and pump upgrade works</p> <p>Acknowledgement of the EU in any communication referring to environmental works</p>	\$50,000
<b>Total monetary contributions towards environmental works</b>			<b>\$1,341,248</b>



AGL has funded weed control by Singleton Shire Landcare Network in Col Fisher Park on the Hunter River.  
Photo: Hamish Rutherford/EPA

## Enforceable undertaking in action – AGL Macquarie

Burning coal results in waste ash ('coal ash') that may be re-used for other purposes, such as an additive to cement. However, coal ash can contain heavy metals and other contaminants. Businesses that handle coal ash must comply with regulatory requirements so that these contaminants do not harm the community or the environment. Coal ash must be correctly analysed to determine the levels of contaminant it contains, to allow it to be used in appropriate ways and prevent harm to humans or the environment.

In January 2019, AGL Macquarie Pty Ltd self-reported that sampling and analysis of coal ash at its Bayswater and Liddell Power Stations had not met the standards and frequency required under the EPA's *Coal Ash Order 2014*. Breach of this order is an offence under the Protection of the Environment Operations (Waste) Regulation 2014.

An enforceable undertaking with the EPA was considered an appropriate alternative to court action because the company had reported its own non-compliance and there had been no harm to human health or aquatic ecosystems.

The enforceable undertaking required AGL Macquarie to contribute \$100,000 to local air-quality and weed-eradication projects, comprising:

- payment of \$82,000 to DPIE to assist with the installation of air-monitoring equipment in the Upper Hunter that will contribute to the statewide air-quality monitoring network
- a contribution of \$18,000 to the Singleton Shire Landcare Network for use towards the Col Fisher Park Weed Eradication Project.

# Our performance

AGL Macquarie was also required to pay the EPA's investigation and legal costs of \$37,356, undertake staff training and place notices about the enforceable undertaking in local media.

## Penalty notices

In 2019–20, the EPA issued 6,771 penalty notices. Other state and local government agencies, such as the National Parks and Wildlife Service, issued 4,869. The total value of all penalty notices was \$6,667,210.



There were  
**11,640**  
penalty notices  
issued for environmental  
offences, resulting in over  
**\$6.7 million**  
in fines

Littering from motor vehicles resulted in the largest number of fines, with 7,564 infringements amounting to over \$2 million in fines. Penalty notices for other littering offences totalled almost \$260,000 in fines.

After littering, the most common offences related to land pollution and waste, and attracted over \$1.4 million in fines.

See Appendix 3 for the full list of penalties.

## Legislative changes in 2019–20

The EPA developed legislation to help reduce potential fuel leaks from underground petroleum storage tanks. The Protection of the Environment Operations (Underground Petroleum Storage Systems) Regulation 2019, which commenced on 1 September 2019, replaced the previous 2014 regulation. The new regulation seeks to minimise the risks and environmental impacts of fuel leaks and mandates the use of best-practice equipment and preventative management measures on site. It also improves management of site records and ensures local councils are notified before an underground storage system is decommissioned.

The EPA was also involved in amendments to a range of existing legislation, including those that:

- require operators of road-tunnel ventilation stacks that emit air impurities to hold an environment protection licence
- gave effect to the offence, under the NSW Container Deposit Scheme *Return and Earn*, to supply a beverage in a container that does not have a refund.

The EPA responded quickly and flexibly to the 2019–20 bushfires and the evolving COVID-19 pandemic, and this response included involvement in amendments to:

- the *Waste Avoidance and Resource Recovery Act 2001*, to enable the EPA to grant exemptions for the purposes of responding to the COVID-19 pandemic
- the *Protection of the Environment Operations Act 1997*, to enable an authorised officer to conduct interviews via audio link or audiovisual link.

## Our legal context

The EPA:

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

See Appendix 1 for the full list of Acts administered by the EPA in 2019–20.

### **New and amending regulations**

The following regulations were made or remade in 2019–20:

- Protection of the Environment Operations Legislation Amendment (Scheduled Activities) Regulation 2019
- Protection of the Environment Operations (Underground Petroleum Storage Systems) Regulation 2019
- Protection of the Environment Operations (Waste) Amendment Regulation 2019
- Protection of the Environment Operations (Waste) (Waste Contributions Exemption) Regulation 2019
- Waste Avoidance and Resource Recovery (Container Deposit Scheme) Amendment (Removable Ring-Pulls) Regulation 2019
- Protection of the Environment Operations (General) Amendment (Railway Systems Activities) Regulation 2020
- Protection of the Environment Operations (Waste) Amendment (Waste Contributions Exemption) Regulation 2020.



## Responding to incidents

In 2019–20 NSW faced unprecedented challenges. This was a result of the bushfire season, which was followed by the COVID-19 pandemic. The EPA responded to these challenges by supporting the community while maintaining its regulatory capability.

The EPA plays a key role in preventing harm to the environment and human health in the aftermath of incidents, such as air and water pollution and spills of hazardous materials (HAZMAT) into the environment.



In 2019–20 we responded to **97%** of environmental incidents within 30 minutes of being notified (exceeding our **95%** target)

The EPA:

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



The EPA assisted with the clean-up and investigation of waterway contamination reported by the public through Environment Line. Photo: EPA



An EPA officer attending a site where an explosion had occurred. Photos: EPA

This year we met key incident performance targets including:

- acting on notifications of 97% of environmental incidents within 30 minutes
- ensuring 100% of licensed premises have Pollution Incident Response Management Plans
- ensuring 100% of recommendations from debriefs of major environmental incidents attended by the EPA are adopted or acted on within six months.



We ensured **100%** of licensed premises have **Pollution Incident Response** Management Plans in place

## Managing operational risks: incident and emergency response

Catastrophic and major emergencies can cause significant impacts on the environment and human health. They often require a multi-agency response across different levels of government. 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
- regularly reviews the Environmental Services Functional Area supporting plan (EnviroPlan) for the *NSW State Emergency Management Plan*
- has a memorandum of understanding with Fire and Rescue NSW
- has its own incident-management framework
- participates in emergency management exercises that focus on both response and recovery
- deploys liaison officers to emergency operations centres, including the State Emergency Operations Centre, to support state-wide emergency responses
- applies and adapts its response and recovery approaches during emergencies such as the 2019–20 bushfire events and COVID-19 pandemic.

# Our performance



The inaugural Environmental Services Functional Area conference in Wagga Wagga, October 2019. Photo: EPA

## Forging strong relationships with our emergency services partners

The EPA provides advice to emergency services about minimising pollution from major incidents. Over 100 major incidents and emergencies occur every year and can include oil spills, bushfires, factory fires and illegal dumping. We take our responsibilities seriously and attend these incidents to improve environmental and human health outcomes.

The inaugural Environmental Services Functional Area conference was held in Wagga Wagga in October 2019. The EPA is the host agency for the conference under the NSW Emergency Management Framework. Representatives from NSW Fire and Rescue, the State Emergency Service and NSW Police all presented at the conference, helping build a greater cross-agency understanding and stronger networks.

Attendees built knowledge and connections with peers across all agencies involved in managing emergencies in NSW. This proved invaluable in the following months when responding to the summer 2019–20 bushfires, flood events of February and March 2020 and the ongoing COVID-19 pandemic.

The relationships established and strengthened through these events enable communications with emergency services to flow during a crisis. They ensure the environment is at the forefront of response decisions and actions.

## Preparedness

The EPA works with partner agencies to ensure it's prepared to respond efficiently and effectively when incidents occur. We also work with licensees to ensure they have appropriate incident management plans in place.



Shipping containers from the APL England washed up on the NSW coastline. Photo: EPA

## APL England container loss

In late May 2020, the container ship *APL England* lost 50 shipping containers overboard after encountering extremely rough seas about 70 kilometres off Port Kembla. The containers, which later washed up along the shoreline from Wollongong to Port Stephens, contained items such as building materials, plastic food containers and face masks.

The ship's owners and NSW Maritime launched an extensive clean-up operation. The EPA assisted by providing advice about the potential impacts on the marine environment and the disposal of waste. It also coordinated with the National Parks and Wildlife Service to ensure the subsequent shoreline clean-up prevented impacts on sensitive beaches and headlands.

## Response

### Responding effectively to environmental incidents

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

### Responding to the 2019–20 bushfire emergency

The 2019–20 bushfires resulted in unprecedented damage. Approximately 5.4 million hectares of land were burnt and thousands of properties across the state were damaged and destroyed. Early fires began in northern NSW in August 2019. These were followed by extensive fires igniting and burning right down to the southern borders of the state in December, January and February.

The EPA provided environmental leadership and specialist advice and support during the emergency by diverting resources to establish an incident management team to:

- provide information about critical infrastructure and licensed industries and their safety risks to the Rural Fire Service State Operations Centre and local emergency operations centres
- ensure that firefighters understood the human-health and environmental effects of using fire retardants and other treatments when fighting fires
- proactively contact all licensees in bushfire-affected areas to assess on-site impacts and provide support when needed.

We also worked with emergency services and Public Works on building impact assessments to identify hazards associated with damaged and destroyed structures.

# Our performance



EPA staff coordinating the initial bushfire response from the EPA incident control room. They later co-located with the NSW RFS team. Photo: Sachiko Shepherd/EPA

## Results

Critical to our successful response to this unprecedented bushfire emergency was being able to quickly assemble experienced staff from across the organisation (in areas such as waste, hazardous materials, forestry, gas and operations) to work together on big issues. EPA officers:

- provided daily coverage at the Rural Fire Service State Operations Centre from November 2019 to February 2020, producing more than 170 bushfire situation reports
- were deployed at dozens of emergency operations centres and three bushfire recovery centres across the state
- took part in 67 building impact assessment deployments for up to one week at a time (46 EPA staff in total).

The EPA's response to the bushfires saw further development of effective, collaborative relationships across government agencies and councils for incident management. This will enable the EPA to better plan, respond to and provide guidance on future large-scale emergency events.



We took part in **67 building impact** assessment deployments



Fire and Rescue NSW and EPA working together on bushfire response. Photo: Katelyn Edge/EPA

## Reducing the impacts of firewater runoff in Twofold Bay

In January 2020, embers from a massive bushfire started a destructive fire at a woodchip mill in Eden on the NSW south coast. The fire affected a stockpile of approximately 100,000 tonnes of woodchips as well as buildings and timber logs. The fire burned for several days, with smoke affecting local air quality and water used to extinguish the blaze running off site, potentially harming marine life.

At the request of Fire and Rescue NSW, two EPA operations officers were deployed to Eden to join the fire-response team to monitor water quality and provide expert advice on managing bushfire-related impacts.

Although testing showed that toxicity in Twofold Bay had not extended more than 50 metres offshore, the EPA recommended further interim controls to reduce immediate off-site environmental impacts, including:

- sandbags to redirect run-off flow
- bunds to collect and reduce ash and woodchip run-off
- advice about reconnecting the burnt-out water-management system.

A follow-up visit one week later found that all recommended environmental controls had been put in place and the volume of firewater entering Twofold Bay had significantly reduced. The EPA provided additional advice on controls to further minimise firewater run-off and continued to support Fire and Rescue NSW and the licensee, Australian Marshalling Services, to ensure the site was safely cleaned up.

# Our performance



EPA officers assessed burnt properties as part of multi-agency building impact assessment teams. They identified hazards such as asbestos, chemicals, gas bottles, septic systems and unsafe building structures. Photos: Leigh Rampley

## Recovery

### Environmental leadership for cleaning up and disposing of bushfire waste

The EPA established a dedicated team to provide environmental leadership and assistance to local councils for the large-scale clean-up and disposal of bushfire waste from the bushfires. The EPA Bushfire Recovery Team assessed the capacity of waste facilities to receive bushfire waste from Public Works and clean-up contractor Laing O'Rourke and collaborated with the NSW Asbestos Coordination Committee, SafeWork and others to determine appropriate environmental controls during clean-up.

Our team assisted councils and communities by:

- providing support to reduce impacts on water, air and native forestry
- waiving the waste levy for the disposal of bushfire waste and associated daily cover material

- providing advice on fire damage to impacted residents through the EPA's website, fact sheets and video
- implementing a verification program so that government-funded clean-up met an appropriate environmental standard
- developing recovery programs to address ongoing environmental problems from the bushfires.

Councils provided the following feedback when surveyed:

'The support provided was appreciated and the hands-on approach was of great benefit'

'The EPA were very helpful – offering assistance if required'.

The EPA chaired and actively participated in State and Regional Recovery Committees and the State Recovery Waste and Environment Subcommittee. We also provided advice at community recovery meetings and bushfire recovery centres across the state on managing bushfire waste and contamination issues.

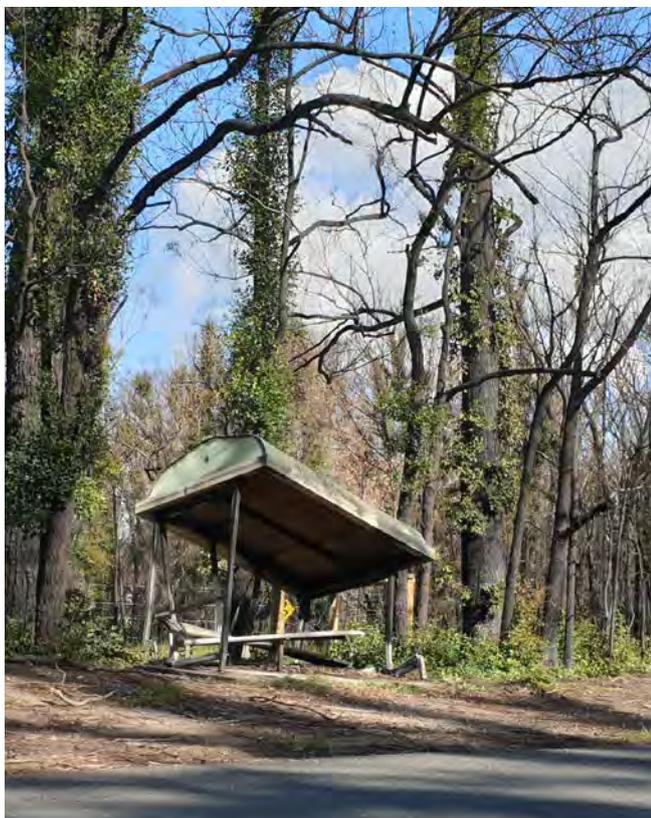
# Our performance

## Results

The EPA provided comprehensive environmental oversight of the government-funded clean-up of approximately 3,500 properties impacted by bushfires. We jointly inspected 29 landfill facilities to determine their scope for receiving bushfire waste and followed up with verification inspections of 84 clean-up sites and nine waste facilities to ensure the works met suitable environmental standards.

We also developed five targeted bushfire recovery programs valued at up to \$95 million to address illegal dumping, clean up Aboriginal land, support recovery of burnt agricultural fencing waste, manage bushfire green waste and ensure councils were not left worse off after receiving bushfire waste.

The guidelines, documentation, programs and inter-agency relationships developed in the bushfire recovery phase have improved our readiness to deal with future recovery events.



A fire-damaged bus shelter. Photo: Darya Gurinovich/EPA

## Remediating Torrington landfill



**Clean-up of asbestos waste to make the landfill safe to re-open and receive bushfire waste.**

**Photo: EPA**

In November 2019 the Gulf Road bushfire burnt through Torrington landfill. Tenterfield Shire Council operated and regulated the landfill, which had been open 24 hours a day, seven days a week. The fire uncovered large quantities of asbestos material and this resulted in temporary closure of the site. The estimated cost to clean up the asbestos was \$100,000–\$200,000.

EPA staff advocated for the site to be used for the disposal of bushfire waste from homes lost in the area and for clean-up of the landfill site as part of the bushfire recovery process. Close collaboration between the EPA, the council, Public Works Advisory and Laing O'Rourke enabled the landfill to be made safe and operational again.

Tenterfield Shire Council has received funding under the EPA's *Waste Less, Recycle More* initiative and plans to convert the landfill to a waste-transfer station to service its surrounding community.

## Continuously improving

In 2020 the EPA started a strategic process to transform the way we do our work and help us on our way towards being a world-class regulator.

We focused on improving the regulatory framework and technology to support regulatory activities and our intelligence capability. We have also partnered and shared learnings with other Australian jurisdictions to help improve environmental outcomes in NSW and further afield.

## Improving the regulatory framework

The EPA's regulatory framework aims to ensure that our effort is focused on where it is most needed. Highlights for 2019–20 included an Asbestos Waste Strategy, a new policy for managing environmental liabilities and updated guidance for licensees.

### **Asbestos Waste Strategy helps combat risk into the future**

The Australian Asbestos Safety and Eradication Agency estimates that one third of Australian houses contain asbestos.

The disposal of asbestos waste presents complex and unique problems. Most asbestos waste comes from renovation and development but it can also include legacy asbestos, such as pieces found in backyards and under houses.



Warning tape surrounding an identified asbestos hazard. Photo: EPA

The human-health risk of asbestos can be managed with correct handling, storage, transport and disposal. However, environment protection agencies and local authorities across Australia still struggle with illegal dumping and improper disposal. Recent reports from the NSW Ombudsman and the Independent Commission Against Corruption highlight this as an ongoing issue.

In November 2019 the EPA released the *NSW Asbestos Waste Strategy 2019–21*, which aims to:

- make it easier and cheaper to legally dispose of asbestos waste
- provide people with information on the risks of poor asbestos waste management and the benefits of managing such waste properly
- create better systems for tracking asbestos waste from its generation through to its disposal
- strengthen the regulatory framework
- continue to build ongoing collaborative relationships with our partners
- monitor and evaluate our progress on a regular basis.

# Our performance

## Results

The EPA has made progress on many of the actions in the *NSW Asbestos Waste Strategy*, including:

- encouraging and supporting the private sector to explore innovative and cost-effective options for collecting asbestos
- investigating ways of reducing the cost of disposal for separated, bonded asbestos waste
- permitting licence variations allowing household waste to be used to cover asbestos at landfill instead of clean fill
- conducting social research that will form the basis for our education and awareness campaigns
- investigating the use of GPS technology to track vehicles transporting asbestos waste.

## Managing environmental liabilities

The EPA is working with priority sectors and facilities to ensure they are able to pay for clean-up and remediation of land that has been contaminated by pollution incidents or industrial activities. Our Environmental Liabilities Project aims to reduce the risk that the NSW Government will have to pay these costs because the industries responsible do not have enough funds.

The project is developing policy frameworks and guidelines that establish:

- which facilities and sites should be required to provide a financial assurance or hold environmental insurance for clean-up and remediation
- how the costs of potential liabilities should be calculated
- how to consistently and transparently apply the relevant legislation.

## Results

This year the EPA published the NSW Government's approach to managing environmental liabilities from coal seam gas activities. We will continue to work closely with other agencies to deliver this complementary financial protection framework for managing environmental liabilities during the life cycle of gas projects and safeguard against any future environmental liabilities that may arise from these projects.

The EPA also consulted on a draft financial assurance policy and guideline for estimating potential costs to ensure that those responsible for pollution or contamination are able to pay for any necessary clean-up or remediation. The EPA hosted four information sessions in March providing an overview of the draft proposals.

The EPA is on track to meet its target of **90%** of licensed premises in priority sectors having financial assurances in place by the end of 2021 to protect against potential environmental liabilities

By the end of 2019–20 approximately 50% of licensed premises in the gas and waste sectors had provided the EPA with a financial assurance to secure funding for potential environmental liabilities.

We will continue to work with licensees in these priority sectors to meet the EPA's target that 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.

# Our performance

## Looking ahead

The EPA knows how important it is for industries to be financially prepared for environmental clean-up costs. In the year ahead, we will publish guidance to clearly describe when and how industry will need to set aside financial amounts to meet the costs of actions they must take to protect the community and environment. We will also look at the issues industries face to hold insurance cover for unforeseen pollution events and worst-case scenarios.

## Providing contaminated land practice guidelines

Managing contamination of land is important to protect human health and the environment, enhance local amenity, and make sure land is suitable for its current use or a different use approved under the planning process. To promote better management of contaminated land, the EPA provides guidance on current legislative requirements and industry best practice through its Contaminated Land Guidelines series.

This series is for use by:

- contaminated land consultants (engaged by landowners, developers and/or councils)
- site auditors accredited under the NSW Site Auditor Scheme
- those with a duty to report contamination to the EPA.

Following public consultation, these guidelines are made or approved under section 105 of the *Contaminated Land Management Act 1997*. The EPA must consider the guidelines when carrying out its duties under this legislation.

## Results

After consulting with the community and industry, the EPA published two updated contaminated land guidelines this year, aligning them with current legislation and national frameworks.

The new EPA publication, [Assessment and Management of Hazardous Ground Gas: Contaminated Land Guidelines](#), was published in December 2019 and amended in May 2020, replacing a previous 2012 guideline. The revised guideline seeks to ensure that hazardous ground gases are effectively assessed and managed in NSW.

Another new EPA publication, [Consultants Reporting on Contaminated Land: Contaminated Land Guidelines](#), was released in April 2020 and updated in May 2020. These guidelines replace the previous 2011 standards and aim to help consultants reporting on the management of contaminated land know what information their reports should contain to make them fit for purpose.

## Challenges

This work is ongoing. Contaminated land legislation and practices can be complex and often technical, and require careful review and extensive consultation to reflect current legislation and industry practice.

## Technology and intelligence

The EPA has been enhancing its technological capability and now has specialist teams that support decision-making through regulatory intelligence, waste insight and spatial analysis and design. In 2019–20 these teams were brought together with a view to improving efficiency and collaboration and better supporting the priorities of the agency and NSW Government.

# Our performance

The EPA has continued to progress a program of works to modernise its technology systems to better support effective regulation and improved customer service. This work will continue in 2020–21 and includes the delivery of solutions that:

- provide a full picture of regulatory risk and activity and enable proactive and appropriately targeted regulatory activity
- enable improved customer service and engagement with industry and the community.

## Regulatory intelligence

Regulatory intelligence is about using data and information in a way that assists the EPA in making decisions about its work. Being informed helps us set priorities to protect the NSW environment and community. Our intelligence team researches actual and potential threats, risks and harm to the environment, human health and officer safety. In 2019–20 work included:

- looking at activities licensed under the *Protection of the Environment Operations Act 1997* to identify emerging trends, risks and opportunities across multiple sectors, including mining, agriculture, gas, waste management and infrastructure
- scanning for trends that may impact environmental regulation over the mid to long term, for example emerging trends in technology, industries and regulatory approaches
- focused operational assessments to support the EPA's regulatory activities for forestry, the NSW Container Deposit Scheme, industrial facilities, infrastructure and waste management
- tactical intelligence to support EPA investigations, assessments and interactions and our COVID-19 response.

The intelligence team has worked to improve the EPA's information collection, management and analysis systems. This included working on an updated intelligence strategy that aligns with the EPA's new operating model and aims to create an intelligence-led culture within the agency.

The EPA is a founding member and participant in the Community of Practice for Intelligence of the Australasian Environmental Law Enforcement and Regulators neTwork (AELERT), and continues to build and strengthen relationships with the Commonwealth, state and local-government intelligence partners. These relationships assist the EPA to effectively share information, develop intelligence policy, access capability-development opportunities and undertake collaborative projects on regulatory issues.

## Waste insights

The EPA has been supporting the development of the 20-Year Waste Strategy for NSW with the provision of robust quality data analysis and insights to support decision-making on:

- waste infrastructure planning and investment needs, using infrastructure capacity and waste throughput data
- waste markets and the circular economy, using the waste flows of key waste categories, including paper, plastics and glass.

The EPA uses the Waste and Resource Reporting Portal (WAARP) to administer waste levy exemptions. In 2019–20 the EPA issued 90 such exemptions. They were issued to relieve the financial burden of the waste levy on the community for natural disaster event clean-ups (such as for the bushfires, storms and floods) and on charities that are carrying out services for the community.



Photo: EPA

Exemption type	No. of exemptions issued in 2019–20
Community service	81
Natural disaster	7
Biological	2
<b>Total</b>	<b>90</b>

Waste collection and disposal is an essential service for the NSW community. In response to COVID-19 the EPA offered short-term deferrals of the waste levy to licensed landfill operators on a case-by-case basis to ensure the uninterrupted collection and disposal of waste. Between January and June 2020 over \$250 million dollars in waste levy was deferred for a period of two months.

The EPA continues to enhance the WARRP to ensure it supports strategic compliance actions and policy development. We have been building a new reporting tool that will allow for online submissions of volumetric survey data. This will enhance reporting capabilities that support decision-making on waste infrastructure needs.

Looking forward, the EPA is continuing to improve access to waste data through the publication of interactive visualisations on the EPA website.

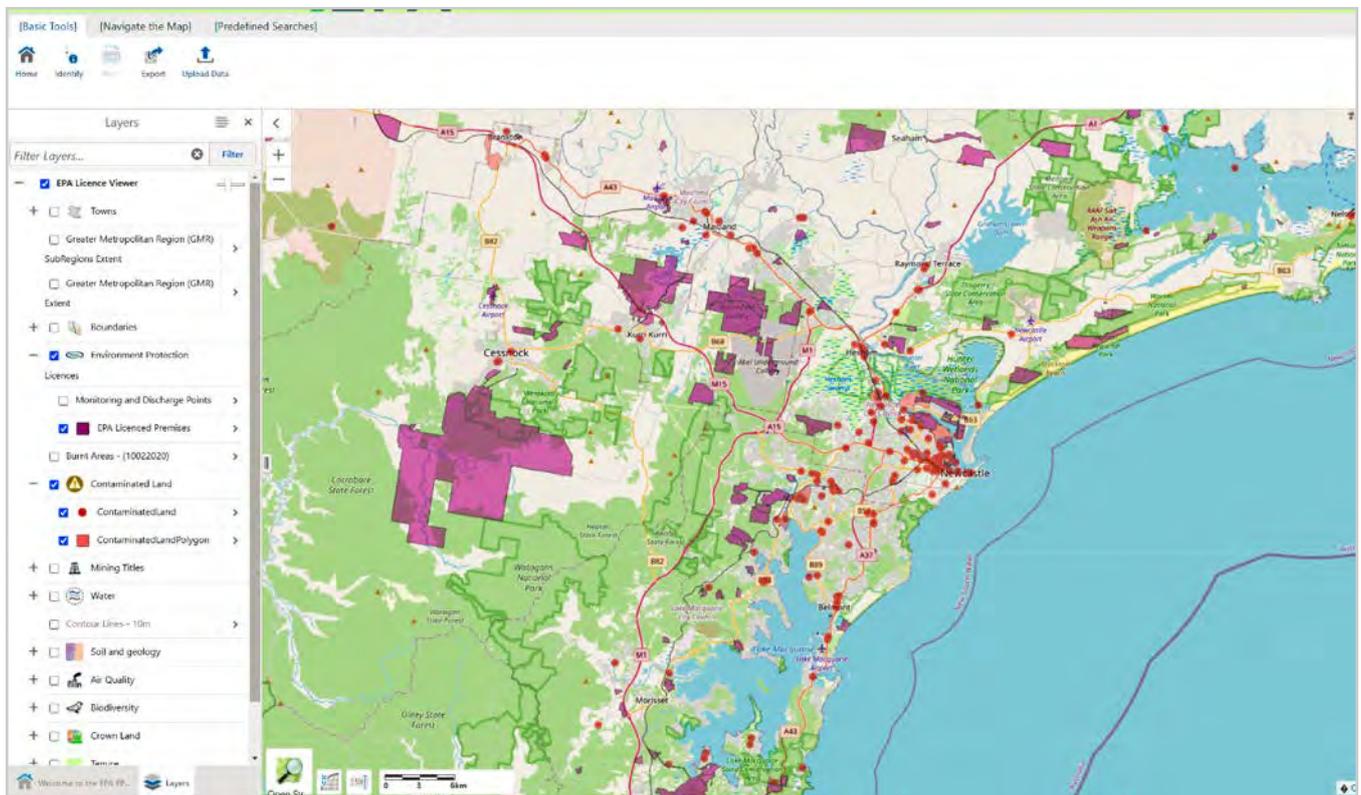
## Spatial insights and design

The EPA has been developing integrated tools for the collection, analysis and reporting of forestry data collected across more than two million hectares of state forests, timbered Crown land and private native forests. The project, led by an expert team of spatial analysts, is progressing on schedule to meet a target implementation date in 2020–21.

The tools under development include an automated risk assessment of operations occurring under the new Coastal Integrated Forestry Operations Approvals. This will allow EPA officers to spend more time in the field assessing compliance. After they have planned and undertaken field inspections, the data collected will be available for analysis and reporting requirements quickly and easily across teams and regions.

The Environment Protection Licence (EPL) Map Viewer project will modernise the way the EPA presents data from EPA licensed premises. All EPA staff can access this online map viewer to view and query EPA data and a range of relevant spatial layers.

# Our performance



The EPL Map Viewer shows a range of spatial layers. Image: EPA

The EPA also uses spatial insight and design approaches to support a range of regulatory activities, including gas and waste management. In 2019–20 we undertook a pilot project using artificial intelligence to detect land-use change and improve our responsiveness. These and other spatial projects will be progressed further over the next year.

The Environment Protection Licence Map Viewer will modernise how the EPA presents data

## Working with other jurisdictions

The NSW EPA has successfully led the national network of environmental regulators, hosting its secretariat, increasing membership and holding successful initiatives during the three-year term.

### EPA raises profile of national regulators' network

The Australasian Environmental Law Enforcement and Regulators neTwork (AELERT) plays an important role in advancing best-practice environmental regulation across Australasia. Its main functions are cross-border collaboration on mutual regulatory challenges, promoting the development of the regulatory craft and building capacity across the network.

# Our performance

Between 2017 and 2020 the EPA hosted the AELERT Secretariat, with Mark Gifford (our then Chief Environmental Regulator) in the Chair's role. During this period, the network:

- ran a series of marketing roadshows in Western Australia, South Australia, NSW and Tasmania to reach new audiences and reinvigorate existing membership, improving connections to the NSW EPA
- updated the AELERT Charter and agreement with HEPA (Heads of EPAs) to provide relevant information in each other's meetings
- delivered three live webinars to members covering subjects such as getting to know AELERT, regulating the reef and woodsmoke in Tasmania
- involved hundreds of people across Australasia in projects and activities to enhance regulatory practice in water compliance, intelligence and analysis, wildlife crime and waste crime.



Photo: Nick May/EPA



An AELERT presentation. Photo: EPA

## Results

During the time the NSW EPA hosted AELERT:

- individual membership increased from 1,752 to 2,993 (an increase of 70%)
- member agencies from across Australasian jurisdictions increased from 205 to 251 (an increase of 22%) with 111 from NSW.

## Looking ahead

The AELERT Secretariat moved to the Commonwealth Department of Agriculture, Water and Environment in July 2020 for its next three-year rotation. The NSW EPA remains a strong participant and advocate.

# Our performance



Attendees at the AELERT 2020 conference. Photo: Conlog

## AELERT 2020 conference

The AELERT conference was a unique opportunity for environmental regulators to come together and share experiences, knowledge and expertise. Partnering with the International Network for Environmental Compliance and Enforcement (INECE) in 2020 connected members with the international environmental regulatory community.

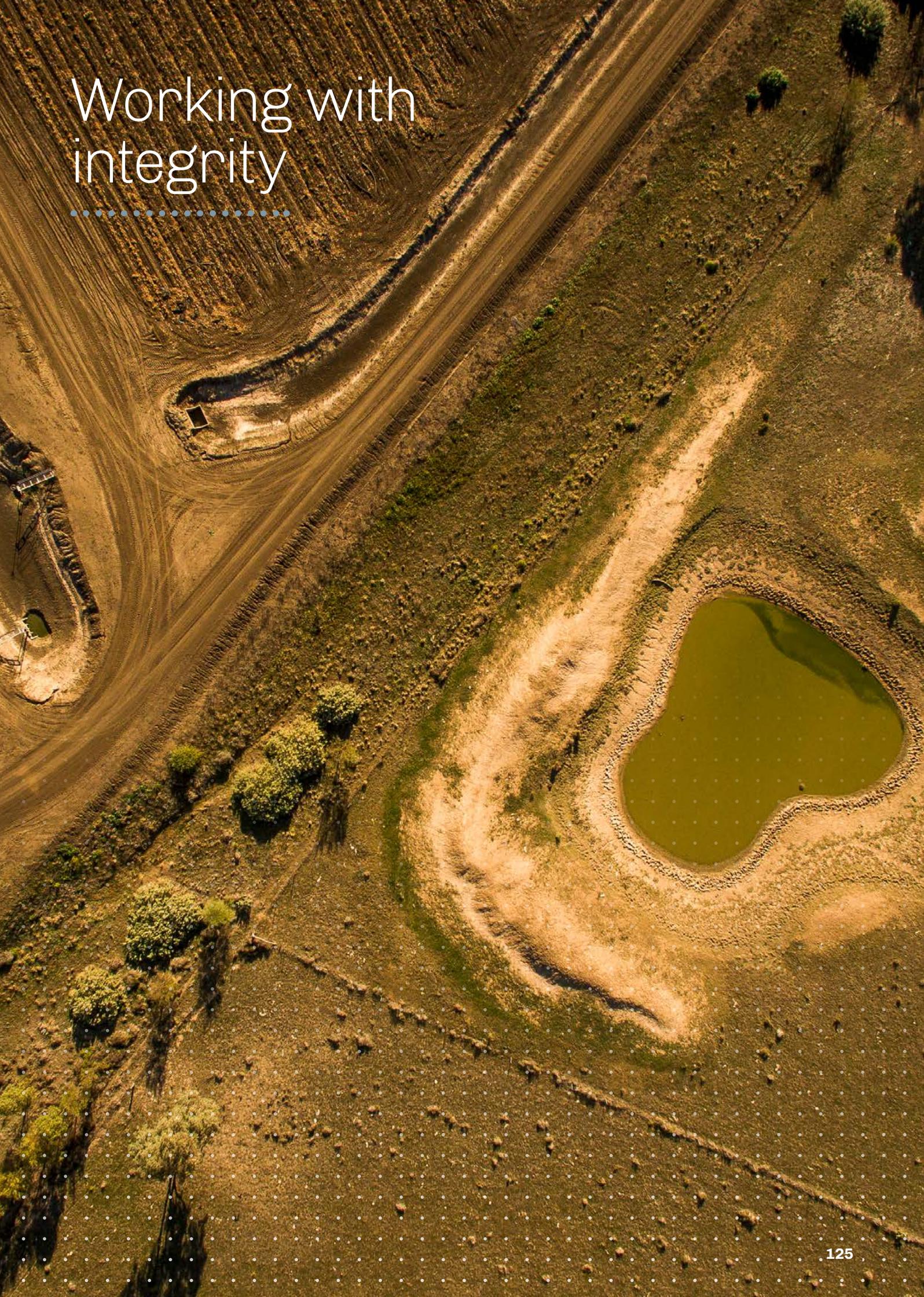
Over 300 delegates from 30 countries attended the three-day gathering, which was held at the Adelaide Convention Centre.

The NSW EPA:

- sponsored three concurrent sessions, all chaired by senior staff members
- gave 13 presentations
- was represented by 25 staff delegates.

NSW EPA staff member Kieran Lynch, Manager – Intelligence and Analysis, won one of three AELERT Achievement Awards for 'Achievement in Building the Regulatory Craft'.

# Working with integrity



## Section 5:

# Working with integrity

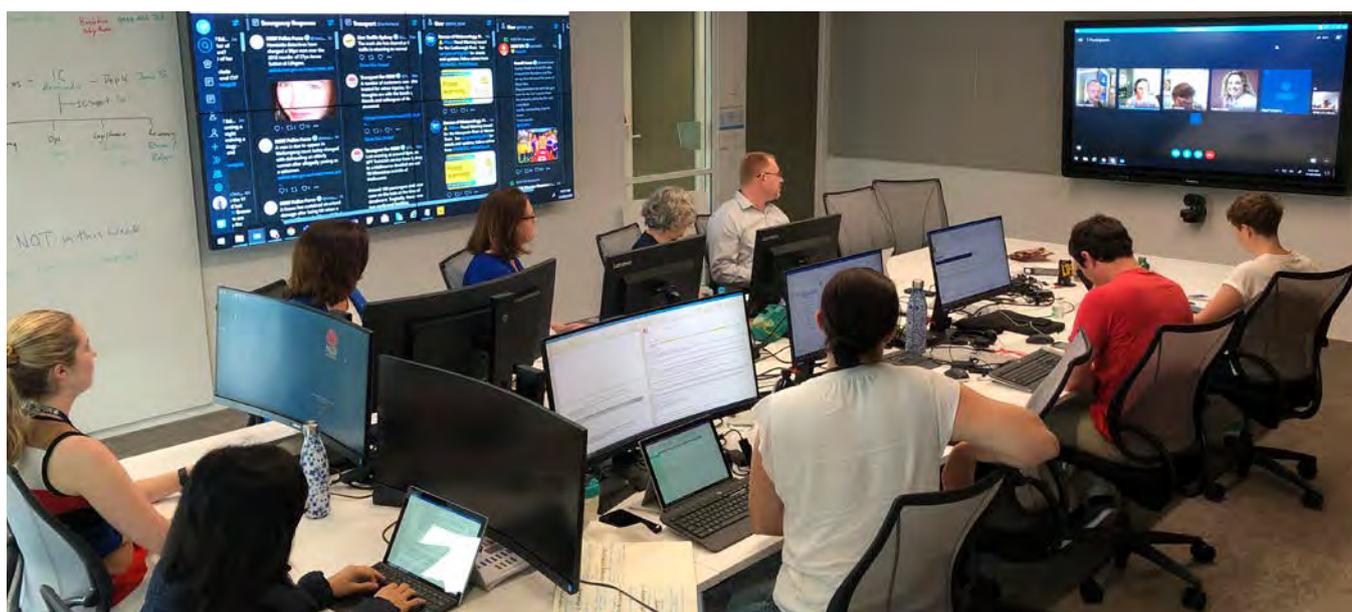


Photo: EPA

**The EPA is committed to working with integrity through exemplary governance, ethical conduct and identification and management of risks.**

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 strategic documents, such as the EPA Strategic Plan and DPIE Business Plan
- annually review the Strategic Plan to ensure it is up to date and reflects new initiatives and priorities.

In 2019–20, the EPA was fully compliant with its statutory reporting obligations. In addition, we:

- maintained our excellent work health and safety record
- responded to over 8,500 pollution incident reports made to Environment Line
- applied an EPA regulatory assurance and performance framework to all assurance activities, including internal audit
- have surpassed energy-efficiency targets set by the NSW Government, with the cluster saving 45.6% of energy over the 2014 baseline.

The EPA Board and Executive team continued to oversee the effective and transparent management of the EPA.



EPA Board visiting a site. Photo: EPA

## Board members

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Biographies of the members who formed the EPA Board during 2019–20 are set out below. Although not a member of the Board, the EPA's Chief Executive Officer also attends Board meetings.

### **Carolyn Walsh: EPA Acting Chair**

*Bachelor of Economics; qualifications in risk management and auditing*

**Term of appointment:** 1 July 2019 to 25 September 2020

EPA Chair Carolyn Walsh is a specialist in industry policy, safety, risk and regulation, with 35 years' experience.

Ms Walsh consults to government and the private sector on regulation, safety and risk management, and has previously worked

with the NSW EPA on risk and regulation. Her other clients have included Transport for NSW, BHP and the Australian Department of Infrastructure and Regional Development.

Ms Walsh is the Chair and Commissioner of the National Transport Commission and Commissioner at the Australian Transport Safety Bureau. She chairs, or is a member of, a number of audit and risk committees, including the Law Enforcement Conduct Commission and the Ministry of Health. She is also a member of the Australian Institute of Company Directors.

In the wake of the 2003 rail tragedy at Waterfall, Ms Walsh led a project team to establish the Independent Transport Safety and Reliability Regulator and was its Chief Executive from January 2004 to May 2009.

Ms Walsh has represented the Australian and NSW Governments in national and international forums, including as Minister-Counsellor – Industry, Science and Technology at the High Commission in London from 1996 to 1999.

## Chris Knoblanche AM

*Bachelor of Commerce (Accounting and Financial Management)*

**Term of second appointment:** 7 December 2016 to 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 35 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 Audit and Risk Committee.

## 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 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 in 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.



EPA Board members are appointed for a term not exceeding five years and may be reappointed

## Julie Savet Ward

*Bachelor of Science (Applied Physical Geography) (Hons); Master of Landscape Planning*

**Term of second appointment:** 7 December 2016 to 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 the Chairperson of a charity and a private consulting company and also a Fellow of the Australian Institute of Company Directors.

# Working with integrity

## 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.

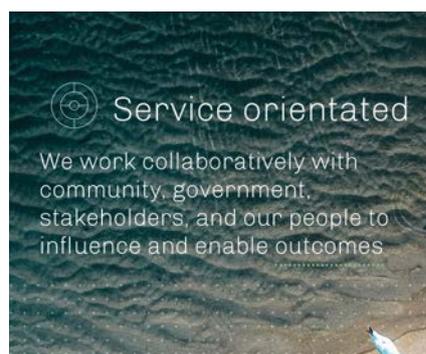
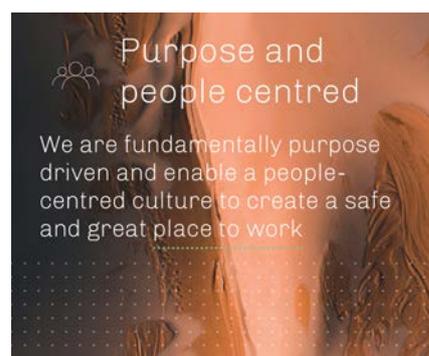
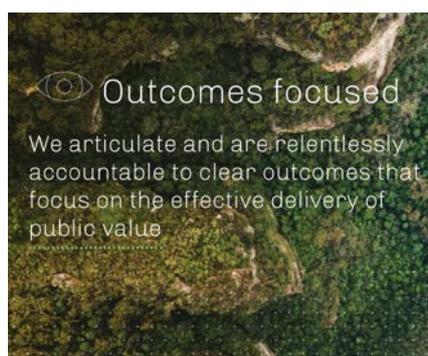
## Board meetings held

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

- 8 August 2019
- 19 September 2019
- 30 October 2019
- 12 December 2019
- 27 February 2020
- 7 April 2020
- 14 May 2020
- 18 June 2020.

All members attended all meetings, with the exception of that of 27 February 2020, which Ms Wild was not able to attend.

## The EPA is working towards being a world-class regulator





The EPA Executive (l-r) Steve Beaman, Jacqueline Moore, Tracy Mackey, Alisa Chambers, Carmen Dwyer, David Fowler, Clair Cameron and Nancy Chang. David Fowler acted for Steve Beaman during Mr Beaman's secondment to the NSW Bushfire Recovery team.

## Executive members

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This section outlines the members of the Executive at 30 June 2020.



**Tracy Mackey:**  
**Chief Executive Officer**  
**(CEO)**

Tracy Mackey has dedicated her career to safeguarding communities. Since entering the public sector in 2002, she has applied her inclusive leadership style and progressive approach to strategy and policy development across a range of government agencies, from emergency services and immigration to aged care and early childhood education.

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

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

Ms Mackey has a Bachelor of Arts (Hons) and Masters of Housing Studies (Hons). She is a member of the Australian Institute of Company Directors.



**Jacqueline Moore:**  
**Executive Director –**  
**Legal and Corporate**

Jacqueline Moore has focused her legal career on protecting the community's interests in a variety of government roles. She leads the EPA's Legal and Corporate Division, which provides support for regulatory action, advice on environmental issues and delivers the Government's legislative program for Acts administered by the agency. This Division also includes the teams of the Chief Financial Officer, the Director – Capability and Talent, and the Lead – Audit and Assurance.

Ms Moore holds a Bachelor of Laws (Hons) and Bachelor of Arts.



**Steve Beaman PSM:**  
**Executive Director –**  
**Regulatory**  
**Operations Metro**

During his 25-year career, Steve Beaman has overseen policy and program areas including natural resources management, environmental planning and regulation, resource recovery and behaviour-change programs.

He is the Environmental Services Functional Area Coordinator on the NSW State Emergency Management Committee and in 2020 led the development of the NSW Bushfire Recovery Plan.

Mr Beaman has been awarded the Public Service Medal (PSM) for outstanding public service in relation to the environment and is a member of the Australian Institute of Company Directors. He holds a Bachelor of Science and is completing a Masters in Emergency Management.



**Nancy Chang:**  
**Executive Director –**  
**Regulatory Practice**  
**and Advice**

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

Prior to joining the EPA, Ms Chang was the Executive Director – Early Childhood Education at the Department of Education. While working for the NSW Government she also contributed to the establishment of the National Disability Insurance Scheme.

Ms Chang holds a Bachelor of Economics (Economics and Econometrics) and Bachelor of Laws.



**David Fowler:**  
**Acting Executive**  
**Director – Regulatory**  
**Operations Metro**

David Fowler leads the EPA's operational compliance and statutory regulation activities in the Sydney Metro area.

Mr Fowler has broad experience in regulatory programs and the development, implementation and review of strategic regulatory policy at a local, state and national level. He has led teams to deliver reforms in complex areas such as the clearing of native vegetation in NSW. Prior to working in environmental regulation, he was an environmental consultant.

Mr Fowler holds a Bachelor of Engineering (Chemical).



**Carmen Dwyer:**  
**Executive Director –**  
**Regulatory Operations**  
**Regional**

Carmen Dwyer leads a team of around 180 staff that works across regional NSW to ensure compliance with, and enforcement of, all Acts the EPA has responsibility for.

Ms Dwyer has extensive experience with the complex issues of the mining, coal seam gas, waste and agricultural sectors. She is also a passionate advocate for regional and remote NSW, having lived in the Western, Central Western and Orana regions all her life.

Ms Dwyer holds a Bachelor's degree in Applied Science (Environmental Science) and a Master of Applied Science (Environmental Restoration, Rehabilitation and Management).



**Clair Cameron:**  
**Acting Executive**  
**Director –**  
**Engagement, Education**  
**and Programs**

As the head of the EPA's Stakeholder Engagement and Communications Division, Clair Cameron is responsible for creating a constructive conversation with the organisation's stakeholders and the communities it supports.

Ms Cameron has a wealth of experience in communications, stakeholder engagement, issues management and programs, gained in both the private and public sectors.

Ms Cameron holds a Bachelor of Arts (Communications) and a Masters of Health Law.



**Alisa Chambers:**  
**Director –**  
**Governance,**  
**Risk and Planning**

Throughout her career, Alisa Chambers has worked in areas that manage highly sensitive and complex social issues, including aged care, child-protection services, early-childhood education and environmental regulation.

At the EPA, she leads the Governance, Risk and Planning Division, which supports the CEO, parliamentary process and the implementation of the organisation's strategy.

Ms Chambers holds a Bachelor of Arts and is certified in Agile project management.

Be ethical, credible, reliable and evidence based, inspiring confidence, respect and trust in the EPA.

## Acting CEOs

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### Richard Bean



#### Interim CEO Richard Bean

Richard Bean took up the role of Interim CEO on 28 January 2020 when Tracy Mackey was seconded as Acting Coordinator-General for Environment, Energy and Science in the Department of Planning, Industry and Environment.

Mr Bean brought with him a wealth of experience in the private and public sectors, including roles at Network Ten and the Australian Communications and Media Authority.

During his time with the EPA he continued the rollout of the organisational realignment, guided the EPA's ongoing response to the bushfire crisis and settled staff into 4PSQ, before overseeing working-from-home arrangements during the COVID pandemic.

Mr Bean remained with the EPA until Ms Mackey returned on 29 April 2020.

### Mark Gifford



#### Acting CEO Mark Gifford

Mark Gifford served as Acting CEO between July and October 2019.

Mr Gifford was appointed as the EPA's Chief Environmental Regulator in 2012, and 18 years of his 33-year government career were in environment-related agencies.

In his substantive role as Chief Environmental Regulator, Mr Gifford led the EPA's regulatory operations. This role included 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 in June 2015 was awarded a Public Service Medal for services to environment protection.

## Executive remuneration

### Average remuneration of Senior Executive staff\*

Band	Range	Average remuneration 2019–20
Band 4	\$487,051 – \$562,650	n/a
Band 3	\$345,551 – \$487,050	\$405,000
Band 2	\$274,701 – \$345,550	\$291,611
Band 1	\$192,600 – \$274,700	\$224,470

\* The percentage of total employee-related expenditure for senior executives in 2019–20 was 8.8%.

### EPA Senior Executive staff Full Time Equivalent (FTE)

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

## Managing risks to achieve EPA objectives

The EPA has a risk-management framework that helps the agency to achieve its purpose within a context of uncertainty. This framework addresses statutory requirements for managing risk, including regular internal risk reviews, appropriate insurance arrangements and complaints procedures. In 2019–20, the EPA complied with all statutory requirements.

The EPA has a risk-management framework that helps the agency to achieve its purpose

During 2019–20, the EPA consistently applied its assurance framework. This framework provides increased transparency for the EPA Chair and Board, the Chief Executive Officer (CEO) and the Executive about whether the organisation's regulatory work is achieving its committed outputs and outcomes.

The framework includes a review process that allows identification and mitigation of risks to service delivery, in addition to allowing best practice to be captured and replicated. The framework also supports the continuous improvement of EPA practice and risk management.

## Audit and Risk Committee

The EPA's Audit and Risk Committee (ARC) is the EPA Board's only subcommittee and reports directly to the EPA Chair. The ARC has been established in accordance with Treasury Policy TPP15-03. This independent committee has no executive powers.

The committee assists the Board to fulfil its governance and oversight responsibilities. Accountability for the EPA's governance rests with the Board. However, the ARC is responsible for oversight and providing assurance to the Board that the EPA has effective and efficient systems, policies and processes in place to manage its risk.

The current members of the ARC, appointed for three-year terms, are:

- **Christine Hawkins, independent Chair**  
Original appointment: 11 April 2016 to 10 April 2019, reappointed for five years
- **Michael Rennie, independent member 1**  
Appointed from 18 May 2020 to 17 May 2023
- **Elizabeth Wild, independent member 2**  
Appointed from 18 May 2020 to 17 May 2023.

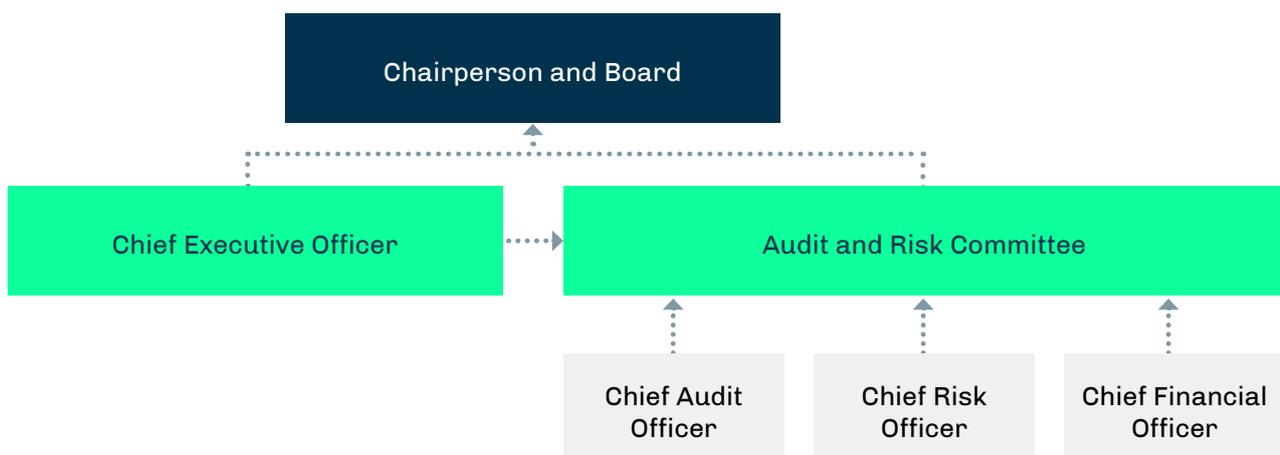
In 2019–20, ARC meetings were held in July, September, February and June.

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

The ARC oversees the EPA's:

- Enterprise Risk Framework
- Integrated Assurance Framework and outcomes
- financial management
- fraud and control plans.

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





## Internal Audit and Risk Management Attestation Statement for the 2019-20 Financial Year for the Environment Protection Authority

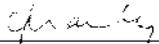
I, Tracy Mackey, Chief Executive Officer of the Environment Protection Authority (EPA) am of the opinion that the EPA has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector (TPP15-03)*, specifically:

Core Requirements	For each requirement, please specify whether compliant, non-compliant, or in transition
<b>Risk Management Framework</b>	
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
<b>Internal Audit Function</b>	
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
<b>Audit and Risk Committee</b>	
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, Ms Christine Hawkins AM (5 year term of re-appointment, commenced 11 April 2019)
- Independent Member, Mr Michael Rennie (3 year term of appointment, commenced on 18 May 2020)
- Independent Member, Ms Elizabeth Wild, (3 year term of appointment, commenced on 18 May 2020)

  
 CEO, Environment Protection Authority  
 Date: 25.11.20

Agency Contact Officer:  
 Andrew Wilson, Project Officer, ARC  
 Committee of the EPA Board

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## Key risk areas

Management approaches for the following risk areas are outlined in other sections of this report:

- people and culture (see section 2, *Our people*)
- stakeholder engagement (see section 4.1, *Partnering with our communities*)
- regulatory response (see section 4.2, *Regulating to prevent harm*)
- incident and emergency response (see section 4.4, *Responding to incidents*)
- funding (see section 6, *Finances*).

## 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. DPIE Cluster Corporate Services provides cyber security for the EPA, and tests incident-response protocols each year.



The EPA maintains a **risk register** that details potential risks and proposed responses. The table on the next page summarises our management approach to key areas of governance risk.



## EPA management approach to key areas of governance risk

	Risk	Management approach
	<p><b>Business continuity and disaster recovery</b></p> <p>An incident could cause a disruption to, or loss of, EPA physical infrastructure and/or human resources.</p>	<ul style="list-style-type: none"> <li>• Business continuity management project in progress</li> <li>• Security audit and management plans in place for EPA offices</li> <li>• Building emergency management systems in place for all offices, including emergency training for fire wardens and performing periodic evacuation drills</li> <li>• Information management framework in place</li> <li>• Periodic back-up of electronic data</li> </ul>
	<p><b>Internal controls and safeguards</b></p> <p>If the internal control environment were inadequate, there could be a loss of funds and community trust.</p>	<ul style="list-style-type: none"> <li>• Management oversight by the Executive Leadership Team</li> <li>• Internal audit program in place with regular review of its priority areas, findings and the completion of follow-up actions</li> <li>• Segregation of duties and internal controls help to prevent and detect fraud</li> <li>• Participation in performance audits conducted by the NSW Audit Office</li> <li>• <i>EPA Code of Ethics and Conduct</i> regularly reviewed</li> <li>• Induction training includes ethics and conduct</li> <li>• <i>Public Interest Disclosure (PID): Internal Reporting Policy and Procedures</i> in place</li> <li>• <i>Managing Misconduct and Serious Misconduct Policy</i> in place</li> </ul>
	<p><b>Technology</b></p> <p>ICT services, including cyber-security, are provided at the cluster level.</p> <p>If the EPA were not able to access ICT services, or the integrity of the systems were compromised, this could impact business continuity.</p>	<ul style="list-style-type: none"> <li>• DPIE and the EPA have made a service partnership agreement under which DPIE will provide the EPA with ICT services</li> <li>• The EPA seeks feedback and conducts regular review of the service partnership agreement</li> <li>• Change management approach is used for upgrading and updating ICT systems to facilitate better outcomes and staff uptake</li> </ul>



## Cyber Security Annual Attestation for the 2019-2020 Financial Year for Environment Protection Agency

I, Tracy Mackey Chief Executive Officer, am of the opinion that the Environment Protection Agency have an Information Security Management System in place via Planning, Industry and Environment Cluster Corporate Services and have managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Governance is in place to manage the cybersecurity maturity and initiatives of Department of Planning Industry and Environment.

Risks to the information and systems of Department of Planning Industry and Environment have been assessed and are managed.

There exists a current cyber incident response plan for Department of Planning Industry and Environment which has been tested during the reporting period.

The Department of Planning Industry 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 2019/2020 financial year (Certificate Number is IS 645082).

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

**Tracy Mackey**  
**Chief Executive Officer**  
**Environment Protection Agency**

Date: 1.9.20

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(from outside NSW)

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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 that is part of the EPA's wider integrated assurance function. It aims, alongside additional assurance activities, 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, where there is benefit, may also participate jointly in the internal audit programs within the Department of Planning, Industry and Environment.

The Lead – Audit and Assurance heads the EPA's internal audit function. The *Internal Audit Charter* provides the framework for internal audits and the *Assurance Forward Plan* sets

out the program for conducting assurance activities (including internal audit) for 2019–20. This plan is reviewed at least annually to ensure that assurance work remains fit for purpose and appropriately focused on the EPA's risks.

In 2019–20, the Audit and Risk Committee conducted its annual review of the EPA's *Internal Audit Charter*, to ensure the charter continues to be consistent with the agency's financial, risk-management and governance arrangements and current best practice.

## EPA insurance

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

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

## EPA insurance premiums

Area of risk	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000
Workers' compensation	287	217	291
Workers' compensation adjustment for 2013–14 claims	0	0	0
Public liability	41	55	74
Property	9	12	17
Motor vehicles	44	48	40
Miscellaneous losses*	0	0	-23
<b>Total</b>	<b>381</b>	<b>332</b>	<b>399</b>

\* Miscellaneous losses can include those arising from employee dishonesty, personal accidents and overseas travel.

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

## Public interest disclosures

A public interest disclosure is a disclosure of alleged corrupt conduct, maladministration, serious and substantial waste of public money or a breach of the *Government Information (Public Access) Act 2009* (GIPA Act). In 2019–20 no public interest disclosures were made to the EPA (see Appendix 8).

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

## Consumer enquiries, reports and complaints

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

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

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

### Public reporting of environmental incidents

Environment Line is a significant channel of interaction with consumers, and provides a one-stop pollution and environmental incident reporting medium for the EPA. Information from calls is recorded in the Compliance Incident Reporting and Management system.

In 2019–20, Environment Line calls generated over 8,500 incident reports of pollution for which the EPA had regulatory responsibility. Most related to water pollution, odour, noise, waste and air quality.

### Incident reports by calls to Environment Line where the EPA is the appropriate regulatory authority, 2015–16 to 2019–20

Type of call	2015–16	2016–17	2017–18	2018–19	2019–20
Odour	2,059	1,815	1,209	1,394	1,700
Air quality	843	787	977	989	1,016
Noise	1,181	1,114	1,271	1,305	1,334
Water	–	2,194	1,736	2,294	2,873
Waste	–	1,015	1,086	1,157	994
Chemicals	–	357	286	269	261
Pesticides	–	311	294	331	323
Other issues	3,348	228	250	254	185
Data revision	n/a	(340)	–	–	–
<b>Total</b>	<b>7,431</b>	<b>7,481</b>	<b>7,109</b>	<b>7,993</b>	<b>8,686</b>

## Consumer enquiries and complaints

Some complaints from the public 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 the Independent Commission Against Corruption. In 2019–20 the EPA made three such reports.

## Controlled entities

In 2019–20, the Environment Protection Authority Staff Agency ('EPA Staff Agency') was the only controlled entity of the EPA as defined under the *Government Sector Finance Act 2018*. The EPA Staff Agency is a Division of the Government Service responsible to the Minister for Energy and Environment, established under the Administrative Arrangements Order 2014, dated 29 January 2014. Under the Order, the former Office of the Environment Protection Authority became the EPA Staff Agency.

The EPA Staff Agency is the EPA's only controlled entity

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

## Public access to government information

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

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

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

## Proactive release program

The EPA program for the proactive release of information involves each of the agency's branches identifying information that may be of interest to the public and making it available for public use. This may include considering information that has been informally or formally released or requested under the GIPA Act.

In 2019–20, information released on the EPA website included:

- information relating to the future use and application of mixed waste organic material including an information fact sheet, a position statement on the future use of mixed waste organic outputs, a scientific research findings fact sheet and a final report, *Can Physical Contaminants (Glass) in Mixed Waste Organic Outputs Adversely Affect the Soil Habitat?*
- *NSW Asbestos Waste Strategy 2019–21*
- *Reducing Illegal Dumping on Charitable Recyclers – Action Plan 2019–21*
- a register of investigations (prompted by community reports) into native forestry operations on state forests, and a native forestry map viewer
- information on environmental liabilities of the coal-seam gas industry, including the report *Safeguarding Future Environmental Liabilities from Coal Seam Gas Activities in NSW (2020)*.

## Access applications received in 2019–20

This year the EPA received 83 access applications with 77 of them found to be valid. Most applications were made by members of the public.

The EPA made 79 decisions during 2019–20, including for applications received in the previous year. Some applications will be decided (and reported on) in the 2020–21 reporting period.

In addition, we received five internal review applications with four of these decided this year.

The EPA also made two new decisions and one internal review decision following the Information Commissioner's recommendation under section 93 of the Act.

The outcomes of the 79 decided applications are shown in the table below. More than one decision can be made in relation to an access application.

## Outcomes of decided applications

Outcome	Number of instances
Access granted in full	33
Access granted in part	21
Access refused in full	3
Information not held	17
Information already available	4
Refuse to deal with application	2
Refuse to confirm or deny whether information was held	0
Application withdrawn	9

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 applications.

## Shared governance and essential services

Corporate and essential services for 2019–20 were provided by the Department of Planning, Industry and Environment (DPIE) Cluster Corporate Services under various service partnership agreements.

The following EPA statutory reporting requirements are covered by a shared service arrangement and compliance is reported in *DPIE Annual Report 2019–20*:

- 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.

## 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 2019–20 the EPA complied with GREP through the DPIE Cluster Corporate Services (CCS) Sustainability Program.

CCS Sustainability delivered its fifth GREP report for the former DPE, Office of Environment and Heritage and EPA in 2019. The report includes resource consumption for 2018–19, tracks progress towards the energy-efficiency target and includes a statement of compliance.

## Green leases

A 'green lease' is a lease between the landlord and tenant that incorporates energy efficiency and other sustainability goals throughout the lease term. In partnership with Property NSW and base building management services, the EPA and the former Office of Environment and Heritage actively participated in two green leases at 59 Goulburn Street, Sydney, and 2–10 Valentine Avenue, Parramatta. The green leases included modifying operations to save energy and generate less office waste.

## Energy

The agencies surpassed the GREP interim target for implementing energy-efficiency projects, with 45.6% savings since the 2014 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. No energy-efficiency projects were completed in 2019–20.

## NABERS ratings

The National Australian Built Environment Scheme (NABERS) ratings help organisations understand and improve their environmental performance. In 2019–20, 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. The ratings were valid until November 2019. They were not renewed because of the imminent consolidated move of the EPA to 4 Parramatta Square, 12 Darcy Street, Parramatta, by the end of FY 2019–20.



EPA members from Dubbo and Sydney participating in Clean Up Australia's Business Clean Up Day. Photos: James Pridgeon/EPA and Rosemary Pryor/EPA

## Waste

In 2019–20 colour-coded signs identifying office waste stations were introduced at 59 Goulburn Street and 320 Pitt Street in Sydney and at 2–10 Valentine Avenue, Parramatta. Consistent recycling streams were also introduced so all offices had access to co-mingled recycling; organics, paper and cardboard recycling; and secure document destruction. The project was introduced in partnership with respective building managers to ensure efficient and consistent systems for staff and facility managers. Introduction of the new system was also intended to prepare for the agency's consolidated move to 4 Parramatta Square, 12 Darcy Street, Parramatta, in early 2020.



Staff from four offices collected 10 bags of litter from parks for Clean Up Australia's Business Clean Up Day

## EPA staff sustainability initiatives

This year our staff sustainability group, EPA Change Makers:

- distributed EPA-branded KeepCups to all staff through our induction program, with new staff receiving a cup and a flyer outlining the EPA Sustainability Program
- developed new posters and desk cards to remind staff to use their KeepCup
- funded more TerraCycle boxes for hard-to-recycle office waste, such as broken staplers, and kitchen waste, such as plastic cutlery and chopsticks
- participated in Plastic Free July, an international campaign that raises awareness of plastic waste
- took part in Clean Up Australia's Business Clean Up Day in March, with around 30 staff from four offices across the state collecting 10 bags of litter and dumped rubbish from parks near their offices
- held clothing swaps at two offices 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.



## Overseas travel

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In 2019–20, four EPA staff attended three international professional-development opportunities, related to public-service governance and administration. Details are in the table below.



Senior EPA leaders had the opportunity to build their capabilities and capacity to lead and manage teams to address complex and emerging challenges, hear about new trends in public service delivery and learn from the experiences of fellow public sector leaders across Australia and New Zealand.

### Overseas travel by EPA staff in 2019–20

Name	Purpose of travel	Location and dates
Janet Sparrow Jacquelyn Miles James Goodwin	Attending 'Designing Public Policies and Programs' as part of the Australian and New Zealand School of Government Executive Master of Public Administration (EMPA) program	Singapore 14–19 July 2019
Jacquelyn Miles James Goodwin	Attendance as part of the Australia and New Zealand School of Government Executive Master of Public Administration (EMPA) program	New Zealand 25–28 Nov 2019
Steve Beaman	Attendance as part of the Australia and New Zealand School of Government Executive Fellows Program (EFP)	New Zealand 3–9 November 2019  Singapore 17–23 November 2019

# Finances



Section 6:

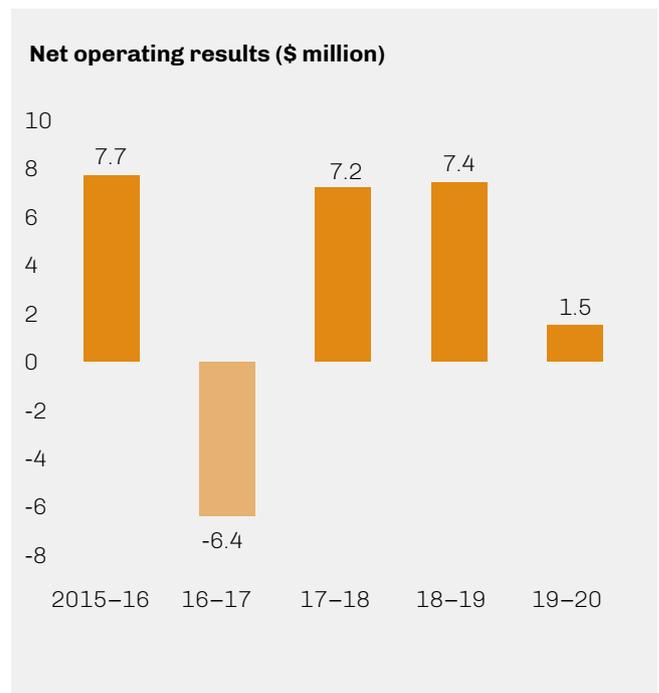
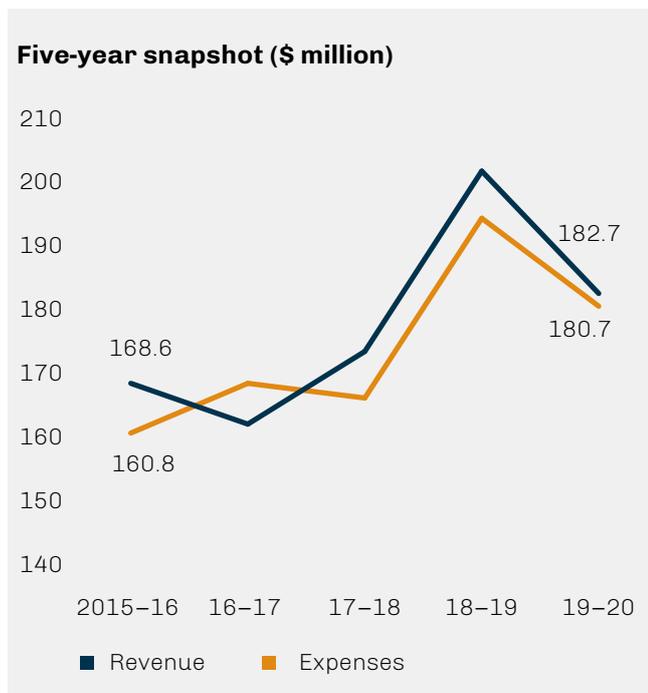
# Finances

## Our financial overview

The EPA's net result for 2019–20 was \$1.5 million, \$4.3 million lower than the \$5.8 million positive net operating result originally estimated as part of the 2018–19 state budget process. The decrease was mainly due to expenses and revenue transferred to the Department of Planning, Industry and

Environment (DPIE) as part of machinery-of-government changes and the timing of programs delivered.

Our expenses and revenue have both increased over the last five years. The forecast budget for 2020–21 is significantly lower than the 2019–20 outcome due to budgetary movements from machinery-of-government changes in late 2019.



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

Our approved budget	2015–16	2016–17	2017–18	2018–19	2019–20
Total revenue (\$ million)	142.7	156.9	162.8	174.3	261.3
Total expenses (\$ million)	141.6	158.1	169.8	177.5	255.5
<b>Net operating results (\$ million)</b>	<b>1.1</b>	<b>-1.2</b>	<b>-7.0</b>	<b>-3.2</b>	<b>5.8</b>

## Managing operational risks: funding

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

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

## Where our money came from

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

Our total revenue for 2019–20 was \$182.7 million, a decrease of \$78.6 million on our original budget of \$261.3 million. The decrease was largely due to:

- \$51.6 million in changes in the timing of projects
- \$23.7 million in reduced cluster grants received from DPIE due to machinery-of-government changes
- \$3.3 million in additional revenue from licensing fees and litigation, offset by a \$3.0 million reduction in the Crown reimbursement for long-service leave, payroll tax and super adjustments.

Our total revenue was \$19.2 million (11.0%) lower than the \$201.9 million reported for 2018–19.

Revenue by source – actuals	2015–16	2016–17	2017–18	2018–19	2019–20
NSW Government (\$ million)	139.7	132.7	137.5	160.6	146.4
Licensing fees and other charges (\$ million)	23.3	24.7	31.2	32.0	33.0
Acceptance by the Crown Entity of Employee benefits and other liabilities (\$ million)	4.9	3.8	2.7	7.3	2.9
Other income (\$ million)	0.7	1.0	2.2	2.0	0.4
<b>Total revenue (\$ million)</b>	<b>168.6</b>	<b>162.2</b>	<b>173.6</b>	<b>201.9</b>	<b>182.7</b>

The EPA also collects revenue on behalf of the Crown from waste and environment levies and through the licensing of industries we regulate. This annual revenue is paid to the NSW Treasury. Greater detail is provided in the *Financial statements* section of this report, under note 22 – Administered assets, liabilities and income.

## How we spent our money

In 2019–20, most EPA expenditure – about 47% of the total – was for salaries, with the rest used for grant programs and operating expenditure. We paid \$41.6 million in grants to various entities for a range of purposes. Greater detail is provided in Appendices 4 and 5.

In 2019–20, total expenditure was \$180.7 million, a decrease of \$74.8 million on our original budget of \$255.5 million. The decrease was largely due to:

- \$47.9 million in the timing of program delivery, including alternative waste treatment grants
- \$23.3 million in expenses transferred to DPIE as part of machinery-of-government changes in 2019
- \$3.6 million reduction in the Crown adjustment in long-service leave and \$1.1 million reduction in depreciation, partly offset by \$1.1 million in externally funded programs.

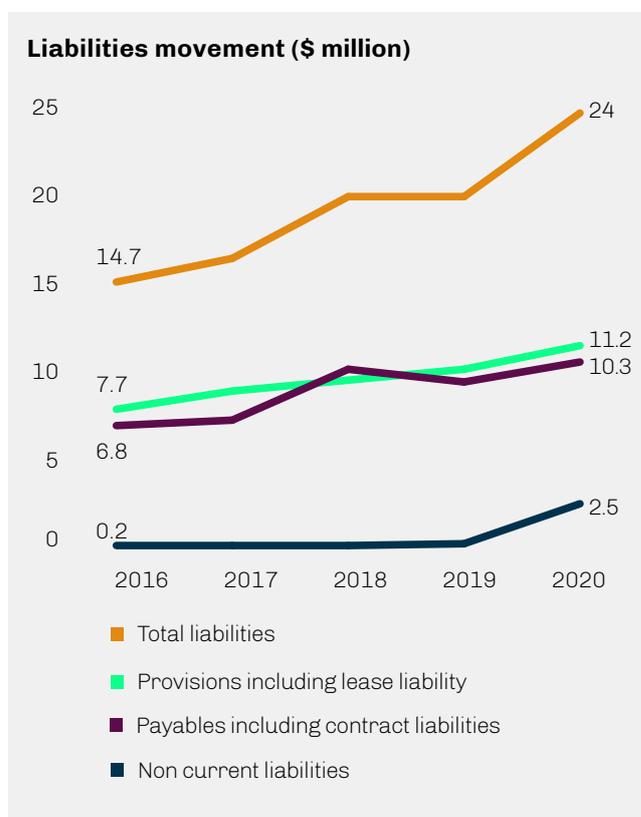
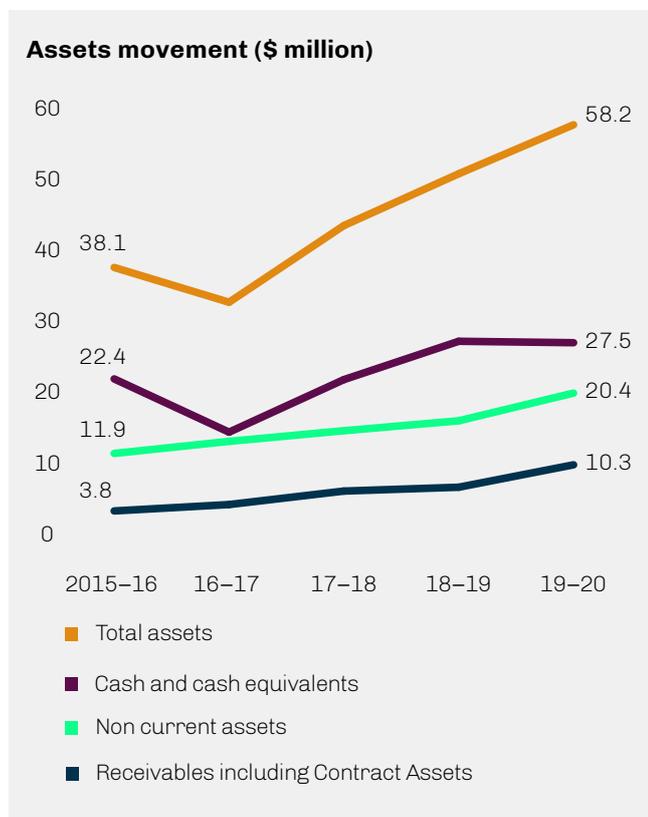
We reported a \$13.8 million (7.6%) decrease in expenditure this year compared to the previous year (see expenditure table below).

<b>Expenditure by category– actuals</b>	<b>2015–16</b>	<b>2016–17</b>	<b>2017–18</b>	<b>2018–19</b>	<b>2019–20</b>
Salaries (\$ million)	67.6	73.7	76.3	88.5	84.1
Personnel services expenses (\$ million)	-	-	-	-	6.7
Grants and subsidies (\$ million)	38.9	38.1	26.4	39.9	41.6
Other operating costs (\$ million)	52.8	54.9	61.2	63.0	44.9
Depreciation and amortisation (\$ million)	1.5	1.9	2.4	3.1	3.4
<b>Total</b>	<b>160.8</b>	<b>168.6</b>	<b>166.3</b>	<b>194.5</b>	<b>180.7</b>

## Our financial position

The EPA maintained a sound financial position in 2019–20.

Most of our assets and liabilities are of a financial rather than physical nature. Total EPA assets at 30 June 2020 were \$58.2 million, an increase of \$6.9 million from 30 June 2019. Cash remains one of our largest assets, being \$27.5 million at 30 June 2020. We also have \$10.3 million in receivables and contracts with customers, mostly from waste and environment licences. Our liabilities at 30 June 2020 were \$24.0 million, a decrease of \$4.6 million from last financial year.



### Solvency – Current ratio

At 30 June 2020 we had \$1.80 in current assets to meet every \$1.00 of our current liabilities. This year's solvency ratio is at the same level as the previous year's although both current assets and liabilities have increased.

The current assets have increased by \$3.0 million over 2018–19, due mainly to additional revenue from licensing fees. Current liabilities have increased by \$2.4 million, due mainly to an increase in employee-related provisions and the first-time adoption of accounting standard *AASB 16 Leases*.

	2015–16	2016–17	2017–18	2018–19	2019–20
Current assets (\$ million)	26.2	19.6	28.9	34.8	37.8
Current liabilities (\$ million)	14.5	15.8	19.2	19.1	21.5
Current ratio	1.8	1.2	1.5	1.8	1.8

## Cashflow management

In 2019–20, the EPA generated \$5.0 million from its operating activities. This was \$4.9 million less than in the previous year, largely due to machinery-of-government changes.

## Debtor management

The average time to collect unpaid fees has fallen to 56 days, well within our 120-day payment term for annual licence administrative fees and load-based fees.

	2015–16	2016–17	2017–18	2018–19	2019–20
Receivables (\$ million)	3.8	4.6	6.6	7.2	5.1
Sales revenue (\$ million)	23.3	24.7	31.2	32.0	33.0
Average days to collect debts (Days)	59.4	68.6	77.4	81.7	56.0

## Credit management

During the year, the average number of days to pay creditors increased to 80 days.

	2015–16	2016–17	2017–18	2018–19	2019–20
Payable (\$ million)	6.8	7.1	9.8	9.2	9.9
Other operating cost (\$ million)	52.8	54.9	61.2	63.0	44.9
Average days to pay creditors (Days)	47.0	47.2	58.4	53.3	80.5

## Expenditure

### **Exceptional movements in wages, salaries and allowances**

There were no exceptional movements in wages, salaries or allowances in 2019–20. All increases to wages, salaries and allowances were consistent with the NSW Government wages policy. The machinery-of-government changes in September 2019 reduced staff numbers and so the total staff wage bill fell also.

### **Investment performance**

The EPA does not borrow or invest with the NSW Treasury Corporation (TCorp) and has no investment performance to report.

### **Liability management performance**

The EPA has not accrued any debt greater than \$20 million. (This disclosure is required under annual reporting regulations.)

### **Land disposal**

As the EPA does not own any land, there was none to dispose of in 2019–20.

### **Implementation of price determination**

The EPA is subject to the recommendations of the Independent Pricing and Regulatory Tribunal of NSW (IPART) under section 18(4) of the *Independent Pricing and Regulatory Tribunal Act 1992*.

### **Disclosure of subsidiaries**

The EPA had no subsidiaries in 2019–20.

### **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 2020, the total of the EPA's PPE assets was \$6.2 million.

### **Production costs of the Annual Report**

Total production costs for the 2019–20 Annual Report were approximately \$17,000 for editing, design costs and printing.

### **Major works in progress**

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

Major works in progress at 30 June 2020	Cost to date \$'000	Cost overrun	Estimated date of completion
Regulatory and Communication system enhancement	6,126	Nil	2020

## Consultants

### Consultancies of \$50,000 or more

Consultant	Category	Consultancy description	Cost
AECOM Australia Pty Ltd	Environmental	Evaluation and expert advice in relation to environmental investigations at Truegain Pty Ltd	\$142,225
Principals	Organisational review	Organisational positioning and branding refresh	\$137,000
Deloitte Australia	Organisational review	Advice on reinvigorating EPA risk management framework	\$93,100
Leadership Advisory Pty Ltd	Training	Team and leader workshops as part of EPA realignment assistance	\$76,258
Leadership Advisory Pty Ltd	Organisational review	Strategic advice and assistance effective leadership and decision-making	\$75,000
Deloitte Australia	Organisational review	Advice on the EPA transformation cultural alignment	\$75,000
Deloitte Australia	Organisational review	Advice on the development of EPA workforce strategy	\$71,500
The Change Executive Pty Ltd	Organisational review	Advice on organisational change and realignment assistance	\$60,300
Department of Planning, Industry & Environment	Environmental	Sampling and analysis of Pasminco black slag in Lake Macquarie	\$51,292
<b>Subtotal</b>			<b>\$781,675</b>

## Consultancies of less than \$50,000

<u>Category</u>	<u>Number</u>	<u>Cost</u>
Environmental	36	\$544,550
Organisational review	11	\$226,066
Management services	4	\$88,904
Information technology	3	\$22,835
<b>Subtotal</b>	<b>54</b>	<b>\$882,355</b>

## Total consultancies

<u>Size</u>	<u>Number</u>	<u>Cost</u>
Consultancies of \$50,000 or more	9	\$781,675
Consultancies of less than \$50,000	54	\$882,355
<b>Total consultancies</b>	<b>63</b>	<b>\$1,664,030</b>



**Tracy Mackey, CEO**

## Statement by the Chief Executive

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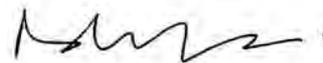
Pursuant to section 41C of the *Public Finance and Audit Act 1983*, we state that:

- (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 2020 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.



**Tracy Mackey**

Chief Executive Officer, EPA  
October 2020



**Ms Rayne de Gruchy AM PSM**

Chair of the Board, EPA  
October 2020



## 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 2020, the Statement of Financial Position as at 30 June 2020, 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 the consolidated entity as at 30 June 2020, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *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 (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Other Information

The Authority's annual report for the year ended 30 June 2020 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 the signed statement by the Chief Executive Officer.

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 Act, and for such internal control as the members of the Board determine is necessary to enable the preparation and fair presentation of 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.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the 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

Delegate of the Auditor-General for New South Wales

21 October 2020  
SYDNEY

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Photo: Parramatta River.

## Statement of Comprehensive Income for the year ended 30 June 2020

	Notes	Consolidated			Environment Protection Authority	
		Actual 2020	Budget 2020	Actual 2019	Actual 2020	Actual 2019
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Continuing operations</b>	-	-	-	-	-	-
<b>Expenses excluding losses</b>	-	-	-	-	-	-
Employee-related expenses	2(a)	84,090	100,852	88,500	831	707
Personnel services expenses	2(a)	6,676	-	-	89,935	87,793
Other operating expenses	2(b)	44,787	79,608	63,027	44,787	63,027
Depreciation and amortisation expenses	2(c)	3,443	4,469	3,128	3,443	3,128
Grants and subsidies	2(d)	41,620	70,521	39,909	41,620	39,909
Finance costs	2(e)	55	61	-	55	-
<b>Total expenses excluding losses</b>		<b>180,671</b>	<b>255,511</b>	<b>194,564</b>	<b>180,671</b>	<b>194,564</b>
<b>Revenue</b>	-	-	-	-	-	-
Sales of goods and services	3(a)	8,340	33,181	8,488	8,340	8,488
Retained taxes, fees and fines	3(b)	24,710	422	23,519	24,710	23,519
Grants and contributions	3(c)	146,415	221,289	160,650	146,415	160,650
Acceptance by the Crown Entity of employee benefits and other liabilities	3(d)	2,879	6,454	7,309	2,879	7,309
Other income	3(e)	387	-	1,966	387	1,966
<b>Total revenue</b>		<b>182,731</b>	<b>261,346</b>	<b>201,932</b>	<b>182,731</b>	<b>201,932</b>
<b>Operating result</b>	-	-	-	-	-	-
Gain / (loss) on disposal	4	(530)	-	2	(530)	2
Net result from continuing operations	-	1,530	5,835	7,370	1,530	7,370
<b>Other comprehensive income</b>	-	-	-	-	-	-
Changes in revaluation surplus of property, plant and equipment	-	-	-	-	-	-
<b>Total other comprehensive income</b>	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	<b>1,530</b>	<b>5,835</b>	<b>7,370</b>	<b>1,530</b>	<b>7,370</b>

The accompanying notes form part of these financial statements.

## Statement of Financial Position as at 30 June 2020

	Notes	Consolidated			Environment Protection Authority	
		Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
<b>ASSETS</b>	-	-	-	-	-	-
<b>Current Assets</b>	-	-	-	-	-	-
Cash and cash equivalents	6	27,494	14,090	27,658	27,494	27,658
Receivables	7	5,067	6,045	7,165	5,067	7,165
Contract assets	8	5,228	-	-	5,228	-
<b>Total Current Assets</b>		<b>37,789</b>	<b>20,135</b>	<b>34,823</b>	<b>37,789</b>	<b>34,823</b>
<b>Non-Current Assets</b>	-	-	-	-	-	-
Property, plant and equipment	-	-	-	-	-	-
Land and buildings	9	4,183	6,304	4,293	4,183	4,293
Plant and equipment	9	1,946	3,398	1,925	1,946	1,925
<b>Total property, plant and equipment</b>		<b>6,129</b>	<b>9,702</b>	<b>6,218</b>	<b>6,129</b>	<b>6,218</b>
Right of use assets	10	2,415	-	-	2,415	-
Intangibles assets	11	11,907	19,256	10,292	11,907	10,292
<b>Total Non-Current Assets</b>	-	<b>20,451</b>	<b>28,958</b>	<b>16,510</b>	<b>20,451</b>	<b>16,510</b>
<b>Total Assets</b>	-	<b>58,240</b>	<b>49,092</b>	<b>51,333</b>	<b>58,240</b>	<b>51,333</b>
<b>LIABILITIES</b>	-	-	-	-	-	-
<b>Current Liabilities</b>	-	-	-	-	-	-
Contract liabilities	8	365	-	-	365	-
Payables	14	9,973	6,896	9,157	9,973	9,157
Borrowings	15	527	419	-	527	-
Provisions	16	10,677	9,316	9,936	-	-
Payable to the EPA Staff Agency	6	-	-	-	10,677	9,936
<b>Total Current Liabilities</b>		<b>21,542</b>	<b>16,631</b>	<b>19,093</b>	<b>21,542</b>	<b>19,093</b>

The accompanying notes form part of these financial statements.

## Statement of Financial Position as at 30 June 2020 (continued)

	Notes	Consolidated			Environment Protection Authority	
		Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
<b>Non-Current Liabilities</b>	-	-	-	-	-	-
Contract liabilities	8	-	-	-	-	-
Borrowings	15	1,905	1,867	-	1,905	-
Provisions	16	582	238	287	-	-
Payable to the EPA Staff Agency	16	-	-	-	582	287
<b>Total Non-Current Liabilities</b>	-	<b>2,487</b>	<b>2,105</b>	<b>287</b>	<b>2,487</b>	<b>287</b>
<b>Total Liabilities</b>	-	<b>24,029</b>	<b>18,736</b>	<b>19,380</b>	<b>24,029</b>	<b>19,380</b>
<b>Net Assets</b>	-	<b>34,211</b>	<b>30,356</b>	<b>31,953</b>	<b>34,211</b>	<b>31,953</b>
<b>EQUITY</b>	-	-	-	-	-	-
Reserves	-	1,307	1,487	1,307	1,307	1,307
Accumulated funds	-	32,904	28,869	30,646	32,904	30,646
<b>Total Equity</b>	-	<b>34,211</b>	<b>30,356</b>	<b>31,953</b>	<b>34,211</b>	<b>31,953</b>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity as at 30 June 2020

Consolidated and Parent	Notes	Accumulated funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
<b>Balance as at 1 July 2019</b>	-	30,646	1,307	31,953
Changes in accounting policy	-	-	-	-
<b>Restated balance as at 1 July 2019</b>	-	30,646	1,307	31,953
Net result for the year	-	1,530	-	1,530
Other comprehensive income:	-	-	-	-
Net change in revaluation surplus of property, plant and equipment	-	-	-	-
Total other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	1,530	-	1,530
Transactions with owners in their capacity as owners	-	-	-	-
Increase/(decrease) in net assets from equity transfers	17	728	-	728
<b>Balance as at 30 June 2020</b>	-	<b>32,904</b>	<b>1,307</b>	<b>34,211</b>
<b>Balance as at 1 July 2018</b>	-	23,276	1,307	24,583
Net result for the year	-	7,370	-	7,370
Other comprehensive income:	-	-	-	-
Net change in revaluation surplus of property, plant and equipment	-	-	-	-
Total other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	7,370	-	7,370
Transactions with owners in their capacity as owners	-	-	-	-
Increase/(decrease) in net assets from equity transfers	-	-	-	-
<b>Balance as at 30 June 2019</b>	-	<b>30,646</b>	<b>1,307</b>	<b>31,953</b>

The accompanying notes form part of these financial statements.

## Statement of Cash Flows for the year ended 30 June 2020

	Notes	Consolidated		Environment Protection Authority		
		Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	-	-	-	-	-	-
<b>Payments</b>	-	-	-	-	-	-
Employee related	-	(81,424)	(94,397)	(82,606)	(831)	(707)
Personnel services expenses	-	(6,676)	-	-	(87,269)	(81,899)
Grants and subsidies	-	(41,621)	(70,521)	(39,909)	(41,621)	(39,909)
Finance costs	-	(55)	(61)	-	(55)	-
Other*	-	(48,478)	(76,603)	(68,812)	(48,478)	(68,812)
<b>Total payments</b>	-	<b>(178,254)</b>	<b>(241,583)</b>	<b>(191,327)</b>	<b>(178,254)</b>	<b>(191,327)</b>
Receipts	-	-	-	-	-	-
Grants and other contributions	-	143,453	221,289	160,656	143,453	160,656
Sale of goods and services	-	9,846	33,181	7,401	9,846	7,401
Retained taxes, fees and fines	-	24,710	-	23,519	24,710	23,519
Cash reimbursements from the Crown Entity**	-	1,636	-	1,926	1,636	1,926
Other	-	3,621	417	7,731	3,621	7,731
<b>Total receipts</b>	-	<b>183,266</b>	<b>254,887</b>	<b>201,233</b>	<b>183,266</b>	<b>201,233</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>21</b>	<b>5,012</b>	<b>13,304</b>	<b>9,906</b>	<b>5,012</b>	<b>9,906</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	-	-	-	-	-	-
Proceeds from sale of land and buildings, plant and equipment and infrastructure systems	-	-	-	2	-	2
Purchases of intangible assets	-	(4,423)	(11,277)	(4,175)	(4,423)	(4,175)
Purchase of property, plant and equipment	-	(256)	(550)	(398)	(256)	(398)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	-	<b>(4,679)</b>	<b>(11,827)</b>	<b>(4,571)</b>	<b>(4,679)</b>	<b>(4,571)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	-	-	-	-	-

	Notes	Consolidated		Environment Protection Authority		
		Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Payment of principal portion of lease liabilities	10b	(497)	(384)	-	(497)	-
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	<b>(497)</b>	<b>(384)</b>	-	<b>(497)</b>	-
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	-	<b>(164)</b>	<b>1,093</b>	<b>5,335</b>	<b>(164)</b>	<b>5,335</b>
Opening cash and cash equivalents	-	27,658	12,997	22,323	27,658	22,323
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>6</b>	<b>27,494</b>	<b>14,090</b>	<b>27,658</b>	<b>27,494</b>	<b>27,658</b>

\* Includes payment to Department of Planning, Industry and Environment for corporate and other specialist support in 2020 and payment to Department of Planning and Environment and Office of Environment and Heritage in 2019.

\*\* Includes reimbursement of long service leave.

The accompanying notes form part of these financial statements.

## Notes to the financial statements for the year ended 30 June 2020

### 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 Energy and Environment established under the Administrative Arrangements Order 2014 (the Order), dated 29 January 2014. Under the Order, the former Office of the Environment Protection Authority became the Staff Agency.

Under the *Administrative Arrangements (Administrative changes - transfer of EPA Staff) Order 2019*, employees of the Container Deposit Scheme Branch and the Strategy and Programs Branch of the EPA Staff Agency were transferred to the Department of Planning, Industry and Environment (the

'Department'). Accordingly, staff and staff related balance were transferred to the Department. This Order was effective from 1 September 2019. Refer to Note 17.

The EPA is responsible for licensing and regulating air emissions, contaminated sites, hazardous materials (including dangerous goods), noise, pesticides, forestry activities, waste, water quality and state of the environment reporting.

Administered activities undertaken on behalf of the Crown Entity are consolidated in the Crown Entity Accounts.

These consolidated financial statements for the year ended 30 June 2020 have been authorised for issue by the Chief Executive Officer of the EPA.

## **(b) Basis of preparation**

The EPA is a going concern (refer to Note 1 (h)) and its financial statements are general purpose financial statements, which have been prepared on an 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; and
- 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 management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the EPA's presentation and functional currency.

## **(c) Statement of compliance**

The financial statements and notes comply with AAS, which include Australian Accounting Interpretations.

## **(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 22.

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 are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

## (f) Comparative information

Except when an AAS permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

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

### (i) Effective for the first time in FY2019-20

The EPA applied AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities*, and AASB 16 *Leases* for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in FY2019-20, but do not have an impact on the financial statements of the EPA.

### AASB 15 Revenue from Contracts with Customers (AASB 15)

AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires the EPA to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

In accordance with the transition provisions in AASB 15, the EPA has adopted AASB 15 retrospectively with the cumulative effect of initially adopting the standard recognised at the date of initial application on 1 July 2019. The EPA has used the transitional practical expedient permitted by the standard to reflect the aggregate effect of all the modifications that occur before 1 July 2019 when:

- identifying the satisfied and unsatisfied performance obligations
- determining the transaction price
- allocating the transaction price to the satisfied and unsatisfied performance obligations.

The effect of adopting AASB 15 is as follows:

Impact on Statement of Financial Position (increase/(decrease):

	Notes	AASB 15 30 June 2020 \$'000	Without adoption of AASB 15 30 June 2020 \$'000	Impact of AASB 15 30 June 2020 \$'000
<b>Assets</b>	-	-	-	-
Contract assets	8	5,228	-	5,228
Current receivables - accrued income	-	-	5,228	(5,228)
<b>Liabilities</b>	-	-	-	-
Contract liabilities	8	365	-	365
Current receivables - contract receivables	-	-	(365)	(365)
<b>Total adjustment to equity</b>	-	<b>4,863</b>	<b>4,863</b>	-

The adoption of AASB 15 did not have significant impact on existing treatment on the statement of comprehensive income, the statement of financial position or the statement of cash flows for the financial year.

## AASB 1058 Income of Not-for-Profit Entities (AASB 1058)

AASB 1058 replaces most of the existing requirements in AASB 1004 *Contributions*. The scope of AASB 1004 is now limited mainly to contributions by owners (including parliamentary appropriations that satisfy the definition of contribution by owners), administrative arrangements and liabilities of government departments assumed by other entities.

AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and volunteer services. AASB 1058 adopts a residual approach, meaning that the EPA first applies other applicable Australian Accounting Standards (e.g. AASB 1004, AASB 15, AASB 16, AASB 9, AASB 137) to a transaction before recognising income. The EPA needs to determine whether a transaction is/contains a donation (accounted for under AASB 1058) or a contract with customer (accounted for under AASB 15).

AASB 1058 requires recognition of receipt of an asset, after the recognition of any related amounts in accordance with other Australian Accounting Standards, as income:

- when the obligations under the transfer are satisfied, for transfers to enable the EPA to acquire or construct a recognisable non-financial asset that will be controlled by the EPA.
- immediately, for all other income within the scope of AASB 1058.

In accordance with the transition provisions in AASB 1058, the EPA has adopted AASB 1058 retrospectively with the cumulative effect of initially applying the standard at the date of initial application on 1 July 2019. The EPA has adopted the practical expedient in AASB 1058 whereby existing assets acquired for consideration significantly less than fair value principally to enable the EPA to further its objectives, are not restated to their fair value.

The adoption of AASB 1058 did not have an impact on the statement of comprehensive income, the statement of financial position or the statement of cash flows for the financial year.

## **AASB 16 Leases (AASB 16)**

AASB 16 supersedes AASB 117 *Leases, Interpretation for Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases – Incentives* and Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on balance sheet.

### **Lessor accounting**

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have an impact for leases where the EPA is the lessor.

### **Lessee accounting**

AASB 16 requires the EPA to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. As the lessee, the EPA recognises a lease liability and right-of-use asset at the inception of the lease. The lease liability is measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, or the lessee's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The corresponding right-of-use asset is measured at the value of the lease liability adjusted for lease payments before inception, lease incentives, initial direct costs and estimates of costs for dismantling and removing the asset or restoring the site on which it is located.

The EPA has adopted the partial retrospective option in AASB 16, where the cumulative effect of initially applying AASB 16 is recognised on 1 July 2019 and the comparatives for the year ended 30 June 2019 are not restated.

In relation to leases that had previously been classified as 'operating leases' under AASB 117, a lease liability is recognised at 1 July 2019 at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 1.42% for leases up to five years, 2.00% for leases over five years up to 10 years and 2.42% for leases over 10 years.

The corresponding right-of-use asset is initially recorded on transition at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 30 June 2019. The exception is right-of-use assets that are subject to accelerated depreciation. These assets are measured at their fair value at 1 July 2019.

The EPA elected to use the practical expedient to expense lease payments for lease contracts that at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10,000 or under when new (low-value assets).

In applying AASB 16 for the first time, the EPA has used the following practical expedients permitted by the standard:

- Not reassess whether a contract is, or contains, a lease at 1 July 2019, for those contracts previously assessed under AASB 117 and interpretation 4.
- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relying on its previous assessment on whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review.
- Not recognising a lease liability and right-of-use asset for short-term leases that end within 12 months of the date of initial application.
- Excluding the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Using hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The effect of adopting AASB 16 as at 1 July 2019 (increase/(decrease)) is as follows:

	<u>\$'000</u>
<b>Assets</b>	-
Right-of-use assets	<u>2,418</u>
<b>Total assets</b>	<b>2,418</b>
<b>Liabilities</b>	-
Borrowings	<u>2,418</u>
<b>Total liabilities</b>	<b>2,418</b>
<b>Equity</b>	-
Accumulated funds	<u>-</u>
	<u>-</u>

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	\$'000
Operating lease commitments as at 30 June 2019 (GST included)	-
(Less): GST included in operating lease commitments	-
Operating lease commitments as at 30 June 2019 (GST excluded)	-
Weighted average incremental borrowing rate as at 1 July 2019	-
Discounted operating lease commitments as at 1 July 2019	-
Add: commitments related to leases previously classified as finance leases (GST excluded)	-
(Less): commitments relating to short-term leases	-
(Less): commitments relating to leases of low-value assets	-
Add/(less): contracts re-assessed as lease contracts	2,418
Add: Lease payments relating to renewal periods not included in operating lease commitments as at 30 June 2019	-
Add/(less): adjustments relating to changes in the index or rate affecting variable payments	-
<b>Lease liabilities as at 1 July 2019</b>	<b>2,418</b>

## ***(ii) Issued but not yet effective***

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective (NSW Treasury mandate TC 20-01):

- AASB 1059 *service concession arrangements: grantors*
- AASB 2018-5 *amendments to Australian Accounting Standards – deferral of AASB 1059*
- AASB 2018-6 *amendments to Australian Accounting Standards – definition of a Business*
- AASB 2018-7 *amendments to Australian Accounting Standards – definition of Material*
- AASB 2019-2 *amendments to Australian Accounting Standards – implementation of AASB 1059*
- AASB 2019-7 *amendments to Australian Accounting Standards – disclosure of GFS measures of key fiscal aggregates and GAAP/GFS reconciliations.*

These standards have been assessed for their possible impact on the financial statements, if any, in the period of their initial application. These new accounting standards have been estimated to have no material impact on the EPA's accounting.

## (h) COVID-19 and delay in FY2020-21 NSW budget

The EPA receives grant funding from the Department which receives appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriation Bill that is prepared and tabled for that year. Due to COVID-19, the State Budget and related 2020-21 Appropriation Bill has been delayed until November/December 2020. However, pursuant to section 4.10 of the GSF Act, the Treasurer has authorised Ministers to spend specified amounts from Consolidated Fund. This authorisation is current from 1 July 2020 until the earlier of the release of the 2020-21 Budget or 2020-21 Appropriation Bill. Therefore, it is appropriate for the 2019-20 financial statements to be prepared on a going concern basis.

## 2. Expenses excluding losses

### (a) Employee related expenses and personnel services

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Salaries and wages (including annual leave)	70,560	70,280	754	650
Redundancy payments	251	143	-	-
Superannuation - defined benefit plans	1,104	1,290	-	-
Superannuation - defined contribution plans	5,781	5,676	40	20
Long service leave	1,813	6,345	-	-
Workers' compensation insurance	291	217	-	-
Payroll tax and fringe benefits tax	4,284	4,547	37	37
Other	6	2	-	-
Personnel services expenses	6,676*	-	89,935	87,793
	<b>90,766</b>	<b>88,500</b>	<b>90,766</b>	<b>88,500</b>

\* Represent personnel services expenses related with the services received from the Department (refer to Note 17).

## (b) Other operating expenses

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Contractor – projects	14,166	25,742	14,166	25,742
Consultants	1,664	2,725	1,664	2,725
Maintenance*	642	456	642	456
Fees and services	1,296	1,467	1,296	1,467
Corporate support**	17,784	18,620	17,784	18,620
Payments to NSW Government agencies	2,537	2,642	2,537	2,642
Stores and minor assets	739	1,153	739	1,153
Fleet costs	520	894	520	894
Operating lease rental expenses (minimum lease payments)	-	241	-	241
Insurance	108	114	108	114
Information dissemination	635	3,483	635	3,483
Travel costs	1,313	1,593	1,313	1,593
Other occupancy costs	74	254	74	254
Training	818	1,181	818	1,181
Communication costs	326	254	326	254
Legal costs	2,061	1,732	2,061	1,732
Auditor's remuneration (audit or review of the financial statements)	57	58	57	58
Impairment (reversal) of assets and bad debts	(41)	413	(41)	413
Other	105	18	105	18
Expenses capitalised	(17)	(13)	(17)	(13)
	<b>44,787</b>	<b>63,027</b>	<b>44,787</b>	<b>63,027</b>

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
* Reconciliation - Total maintenance expense	-	-	-	-
Maintenance expense - contracted labour and other (non-employee related), as above	642	456	642	456
<b>Total maintenance expenses included in Note 2(b)</b>	<b>642</b>	<b>456</b>	<b>642</b>	<b>456</b>

\*\* In 2020, EPA received corporate support from the Department of Planning, Industry and Environment while in 2019, corporate support was received from Department of Planning and Environment and Office of Environment and Heritage.

## Recognition and measurement

### Maintenance expense

Day-to-day servicing or maintenance costs are expensed as incurred, except where they relate to the replacement of a material part or component of an asset, then the costs are capitalised and depreciated. Refer to Note 2(b) and Note 9.

### Insurance

The EPA's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

### Lease expense (up to 30 June 2019)

#### Operating leases

Up to 30 June 2019, operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. An operating lease is a lease other than a finance lease.

#### Lease expense (from 1 July 2019)

From 1 July 2019, the EPA recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

## (c) Depreciation and amortisation expense

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Depreciation</b>				
Buildings and improvements	110	111	110	111
Plant and equipment	383	301	383	301
Right-of-use asset	514	-	514	-
	<b>1,007</b>	<b>412</b>	<b>1,007</b>	<b>412</b>
<b>Amortisation</b>	-	-	-	-
Intangibles	2,436	2,716	2,436	2,716
	<b>2,436</b>	<b>2,716</b>	<b>2,436</b>	<b>2,716</b>
	<b>3,443</b>	<b>3,128</b>	<b>3,443</b>	<b>3,128</b>

For recognition and measurement policies on depreciation and amortisation refer to Notes 9, 10 and 11.

## (d) Grants and subsidies

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Federal Government	-	65	-	65
NSW Government	4,662	1,303	4,662	1,303
Local government	9,290	11,993	9,290	11,993
<i>Waste Less, Recycle More</i> payments	9,750	9,750	9,750	9,750
Rebates	411	324	411	324
Non-government organisations	17,507	16,474	17,507	16,474
	<b>41,620</b>	<b>39,909</b>	<b>41,620</b>	<b>39,909</b>

## Recognition and Measurement

Grants are generally recognised as an expense when the EPA transfers control of the contribution. The EPA is deemed to have transferred control when the grant is paid or payable.

### (e) Finance costs

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Interest expense from lease liabilities	55	-	55	-
	<b>55</b>	<b>-</b>	<b>55</b>	<b>-</b>

## Recognition and Measurement

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW GGS entities.

## 3. Revenue

### Income recognition

Until 30 June 2019, income is recognised in accordance with *AASB 111 Construction Contracts*, *AASB 118 Revenue* and *AASB 1004 Contributions*.

From 1 July 2019, income is recognised in accordance with the requirements of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by *AASB 15 Revenue from Contracts with Customers*. Comments regarding the accounting policies for the recognition of income are discussed below.

### (a) Sale of goods and rendering of services from contract with customers/ Sale of goods and services

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Sale of goods	-	-	-	-
Minor fees and charges	8,340	8,488	8,340	8,488
	<b>8,340</b>	<b>8,488</b>	<b>8,340</b>	<b>8,488</b>

## Until 30 June 2019

### Sale of goods

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 delivery of the goods.

### Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

## From 1 July 2019

### Sale of goods

Revenue from sale of goods is recognised as when the EPA satisfies a performance obligation by transferring the promised goods. The payments are typically due to the EPA entity upon satisfaction of its performance obligations.

Revenue from these sales is recognised based on the price specified in the contract, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a short credit term.

No volume discount or warranty is provided on the sale.

### Rendering of services

Revenue from rendering of services is recognised when the EPA satisfies the performance obligation by transferring the promised services. The EPA typically satisfies its performance obligations when it completes a milestone/delivers on services as agreed in the underlying contract/agreement with the customer. Significant judgements are made to determine whether an obligation is satisfied by the consolidated entity over a period of time or at a point in time. Payments are typically due to the EPA upon satisfaction of its performance obligations.

The revenue is measured at the transaction price agreed under the contract which is typically specified against each performance obligation/milestone. No element of financing is deemed present as payments are due when service is provided.

### (b) Retained taxes, fees and fines

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Fees</b>	-	-	-	-
Licensing administration fees	23,494	22,434	23,494	22,434
<b>Fines</b>	-	-	-	-
Parking, court and other	1,216	1,085	1,216	1,085
	<b>24,710</b>	<b>23,519</b>	<b>24,710</b>	<b>23,519</b>

## Recognition and Measurement

Revenue from retained taxes, fees and fines is recognised on receipt of returns or licences issued.

### (c) Grants and contributions

Funding was provided by the Commonwealth and State Governments together with private and corporate sponsorship as follows:

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Federal Government	-	362	-	362
NSW Government - externally sourced funding	-	19,948	-	19,948
Local government	-	14	-	14
NSW Government - recurrent and capital funding	-	137,760	-	137,760
Non-government organisations	-	2,566	-	2,566
Other grants with sufficiently specific performance obligation	34,248	-	34,248	-
Grants without sufficiently specific performance obligation	112,167	-	112,167	-
	<b>146,415</b>	<b>160,650</b>	<b>146,415</b>	<b>160,650</b>

## Recognition and Measurement

### Until 30 June 2019

Income from grants (other than contribution by owners) is recognised when the EPA obtains control over the contribution. The EPA is deemed to have assumed control when the grant is received or receivable.

Contributions are recognised at their fair value. Contributions of services are recognised when and only when a fair value of those services can be reliably determined, and the services would be purchased if not donated.

### From 1 July 2019

Grants are received by the consolidated entity to support its service delivery objectives and the funding agreements typically specify purpose of grants.

Revenue from grants with sufficiently specific milestones/performance obligations and agreed funding against each milestone is recognised as when the EPA satisfies its performance obligation by transferring promised goods/achieving milestones.

Revenue from funding without sufficiently specific performance obligations is recognised when the EPA obtains control over the granted assets (i.e. cash received). Where the total funding amount in a contract is not allocated to distinct milestones/performance obligations and specifies purpose only, revenue is recognised when the EPA obtains control over the funds (i.e. cash received).

No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. This is based on past experience and terms specified in the contract.

## (d) Acceptance by the Crown Entity of employee benefits and other liabilities

The following liabilities and/or expenses have been assumed by the Crown Entity:

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Superannuation - defined benefit	1,104	1,290	-	-
Long service leave	1,718	5,951	-	-
Payroll tax on superannuation	57	68	-	-
Contributions by the Crown Entity	-	-	2,879	7,309
	<b>2,879</b>	<b>7,309</b>	<b>2,879</b>	<b>7,309</b>

For recognition and measurement of liabilities assumed by the Crown refer to Note 16.

## (e) Other income

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Miscellaneous revenue	387	1,966	387	1,966
	<b>387</b>	<b>1,966</b>	<b>387</b>	<b>1,966</b>

## 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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Intangible asset	(372)	-	(372)	-
Plant and equipment	(158)	2	(158)	2
<b>Net gain/(loss) on disposal</b>	<b>(530)</b>	<b>2</b>	<b>(530)</b>	<b>2</b>

## 5. State Outcomes delivered by the Planning, Industry and Environment cluster

### State Outcome: Resilient and sustainable environment and energy

Description: Protecting and preserving our environment to support a healthy New South Wales while securing an affordable, reliable and sustainable energy future.

The EPA delivers credible, targeted and cost-effective regulatory services for environmental protection. It implements market-based programs and provides audit and enforcement programs and emergency services designed to reduce environmental impacts. It works closely with industry and local government to encourage proactive compliance with environmental regulations and implementation of waste programs.

The total operations of EPA contribute to resilient and sustainable environment and energy. Separate State outcome statements are not required. Refer to Note 1(f).

## 6. Current assets - cash and cash equivalents

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash at bank and on hand	27,494	27,658	27,494	27,658
<b>Closing cash and cash equivalents (as per Statement of Cash Flows)</b>	<b>27,494</b>	<b>27,658</b>	<b>27,494</b>	<b>27,658</b>

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash and cash equivalents (as per Statement of Financial Position)	27,494	27,658	27,494	27,658
<b>Closing cash and cash equivalents (as per Statement of Cash Flows)</b>	<b>27,494</b>	<b>27,658</b>	<b>27,494</b>	<b>27,658</b>

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank and cash on hand.

Refer to Note 13 for details on restricted cash balances.

Refer to Note 23 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

## 7. Current assets – receivables

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade receivables from contracts with customers	5,246	-	5,246	-
Sale of goods and services	-	4,332	-	4,332
Less: allowance for expected credit losses*				
- Trade receivables from contracts with customers	(480)	(531)	(480)	(531)
Accrued income	36	2,302	36	2,302
GST	265	1,062	265	1,062
	<b>5,067</b>	<b>7,165</b>	<b>5,067</b>	<b>7,165</b>

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
*Movement in the allowance for expected credit losses	-	-	-	-
Balance at the beginning of the year	531	162	531	162
Amounts written off during the year	(21)	(44)	(21)	(44)
Increase (decrease) in allowance recognised in net results	(30)	413	(30)	413
<b>Balance at the end of the year</b>	<b>480</b>	<b>531</b>	<b>480</b>	<b>531</b>

Details regarding credit risk of trade debtors that are neither past due nor impaired are disclosed in Note 23.

## Recognition and measurement

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables, including trade receivables, prepayments etc. are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Receivables are initially recognised at fair value plus any directly attributable transaction costs.

The EPA holds receivables with the objective 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, derecognised or through the amortisation process.

## Impairment

The EPA recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the EPA expects to receive, discounted at the original effective interest rate.

For trade receivables, the EPA applies a simplified approach in calculating ECLs. The EPA recognises a loss allowance based on lifetime ECLs at each reporting date. The EPA has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable. The provision matrix considered the impact of COVID-19 and recent natural disasters and took into account the following:

- increased credit risk associated with debtors as a result of poor trading conditions
- higher receivables balances (i.e. exposure at default) due to recent credit deferment policies of Government and/or late payment
- lost time value of money, if contractual payment dates are extended or amounts are expected to be received later than when contractually due.

## 8. Contract assets and liabilities

	2020 \$'000	1 July 2019 adjusted for AASB 15 \$'000
Contract assets - current	5,228	2,258
Contract assets - non-current	-	-
Less: Impairment allowance	-	-
	<b>5,228</b>	<b>2,258</b>
Contract liabilities - current	365	444
Contract liabilities - non-current	-	-
	<b>365</b>	<b>444</b>
Contract receivables (included in Note 7)	5,246	4,332

### Recognition and measurement

Contract assets relate to the EPA's right to consideration in exchange for goods transferred to customers/works completed, but not billed at the reporting date. The balance of contract assets at 30 June 2020 was impacted by the value and timing of the completion of performance obligations and invoicing, as well as terms of payment under the contract.

Contract liabilities relate to consideration received in advance from customers for licence application fees. The balance of contract liabilities at 30 June 2020 was determined by the value and timing of the completion of performance obligations.

	2020 \$'000
Revenue recognised that was included in the contract liability balance (adjusted for AASB 15) at the beginning of the year	417
Revenue recognised from performance obligations satisfied in previous periods	-
Transaction price allocated to the remaining performance obligations from contracts with customers	365

## 9. Non-current assets – property, plant and equipment

Consolidated and parent	Buildings \$'000	Plant and equipment \$'000	Total \$'000
<b>At 1 July 2019 - fair value</b>	-	-	-
Gross carrying amount	5,539	3,916	9,455
Accumulated depreciation and impairment	(1,246)	(1,991)	(3,237)
<b>Net carrying amount</b>	<b>4,293</b>	<b>1,925</b>	<b>6,218</b>
<b>At 30 June 2020 - fair value</b>	-	-	-
Gross carrying amount	5,540	3,898	9,438
Accumulated depreciation and impairment	(1,357)	(1,952)	(3,309)
<b>Net carrying amount</b>	<b>4,183</b>	<b>1,946</b>	<b>6,129</b>

### 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:

Consolidated and parent	Buildings \$'000	Plant and equipment \$'000	Total \$'000
<b>Period ended 30 June 2020</b>	-	-	-
Net carrying amount at start of year	4,293	1,925	6,218
Purchase of assets	-	256	256
Site restoration	-	306	306
Disposals	-	(158)	(158)
Depreciation expense - asset owned	(110)	(383)	(493)
<b>Net carrying amount at end of period</b>	<b>4,183</b>	<b>1,946</b>	<b>6,129</b>

Further details of the fair value measurements of property, plant and equipment are disclosed in Note 12.

	Buildings \$'000	Plant and equipment \$'000	Total \$'000
<b>Consolidated and parent</b>			
<b>At 1 July 2018 - fair value</b>			
Gross carrying amount	5,540	3,588	9,128
Accumulated depreciation and impairment	(1,136)	(1,760)	(2,896)
<b>Net carrying amount</b>	<b>4,404</b>	<b>1,828</b>	<b>6,232</b>
<b>At 30 June 2019 - fair value</b>			
Gross carrying amount	5,539	3,916	9,455
Accumulated depreciation and impairment	(1,246)	(1,991)	(3,237)
<b>Net carrying amount</b>	<b>4,293</b>	<b>1,925</b>	<b>6,218</b>

## 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 \$'000	Plant and equipment \$'000	Total \$'000
<b>Consolidated and parent</b>			
<b>Year ended 30 June 2019</b>			
Net carrying amount at start of year	4,404	1,828	6,232
Additions		398	398
Depreciation expense	(111)	(301)	(412)
<b>Net carrying amount at end of year</b>	<b>4,293</b>	<b>1,925</b>	<b>6,218</b>

Further details regarding the fair value measurements of property, plant and equipment are disclosed in Note 12.

## Recognition and measurement

### Acquisition of property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value, less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other AAS.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent; i.e. deferred payment amount is effectively discounted over the period of credit.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

## **Capitalisation thresholds**

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

## **Major inspection costs**

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

## **Restoration costs**

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

## **Depreciation of property, plant and equipment**

Depreciation is provided for on a straight-line basis so as to write-off the depreciable amount of each asset as it is consumed over its useful life to the EPA.

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% (2019: 10% - 20%)
- buildings – 2% (2019: 2%)

## **Right-of-Use Assets acquired by lessees (under AASB 16 from 1 July 2019)**

From 1 July 2019, *AASB 16 Leases* (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. The EPA has elected to present right-of-use assets separately in the Statement of Financial Position.

Further information on lease is contained at Note 10.

The EPA has adopted the option to not apply AASB 16 to assets that would be classified as service concession assets in accordance with AASB 1059 *Service Concession Arrangements: Grantors*. The EPA continues to apply its existing accounting policy to these assets until AASB 1059 is applied.

## **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 Note 12 and Note 23 for further information regarding fair value.

Revaluations shall be made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The EPA conducts a comprehensive revaluation of its buildings at least every three years. The latest comprehensive revaluation of buildings was undertaken by Colliers International Valuation & Advisory Services Pty Ltd at 31 March 2018.

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 2020. 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 2020.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value. The EPA has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are recognised in "other comprehensive income" and credited directly to the asset revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus in respect of the same class of asset, in which case they are debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation surplus in respect of that asset is transferred to accumulated funds.

The useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

### ***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. The amount assessed for impairment in the FY2019-20 was 'nil' (FY2018-19: nil).

Specialised assets held for continuing use of their service capacity are rarely sold and their cost of disposal is typically negligible. Their recoverable amount is expected to be materially the same as fair value, where they are regularly revalued under AASB 13.

As 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.

## 10. Leases

The EPA leases various properties, equipment and motor vehicles. Lease contracts are typically made for fixed periods of two to eight years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The EPA does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the EPA and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

From 1 July 2019, *AASB 16 Leases* (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

The EPA has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new and comprise mainly plant and equipment.

## (a) Right-of-use assets under leases

The following table presents right-of-use assets that do not meet the definition of investment property.

Consolidated and parent	Buildings \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 July 2019	2,062	356	2,418
Additions	-	511	511
Depreciation expense	(288)	(226)	(514)
<b>Balance at 30 June 2020</b>	<b>1,774</b>	<b>641</b>	<b>2,415</b>

## (b) Lease liabilities

The following table presents liabilities under leases (refer to Note 15):

	Total \$'000
Balance at 1 July 2019	2,418
Additions	511
Interest expenses	55
Payments	(552)
<b>Balance at 30 June 2020</b>	<b>2,432</b>

## (c) Right-of-use expenses under leases

The following amounts were recognised in the statement of comprehensive income for the year ending 30 June 2020 in respect of leases where the EPA is the lessee:

	\$'000
Depreciation expense of right-of-use assets	514
Interest expense on lease liabilities	55
Expense relating to short-term leases, leases of low-value assets and variable lease payments, not included in the measurement of lease liabilities	-
<b>Total amount recognised in the statement of comprehensive income</b>	<b>569</b>

The EPA had total cash outflows for leases of \$0.552 million in FY2019-20.

As at 30 June 2019, the EPA did not have any leasing commitments. However, based on the assessment of AASB 16 which was effective on 1 July 2019, the EPA has been required to recognise 3 properties as the right-of-use assets. These lease agreements were in the name of the Department. Leases were being paid by the Department and recouped from the EPA through the Corporate Services retainer agreement. However, to satisfy the requirement of AASB 16, these three properties were transferred from the Department to the EPA with effect from 1 July 2019.

## **Recognition and measurement (under AASB 16 from 1 July 2019)**

The EPA assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The EPA recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

### **i. Right-of-use assets**

The EPA recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Motor vehicles and other equipment two to five years
- Building three to eight years

If ownership of the leased asset transfers to the EPA at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The EPA assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the EPA estimates the asset's recoverable amount. When the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the assets in prior years. Such reversal is recognised in the net result. The amount assessed for impairment in the FY2019-20 was 'nil'.

### **ii. Lease liabilities**

At the commencement date of the lease, the EPA recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase option reasonably certain to be exercised by the EPA; and
- payments of penalties for terminating the lease, if the lease term reflects the EPA exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the EPA's leases, the lessee's incremental borrowing rate is used, being the rate that the EPA would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The EPA's lease liabilities are included in borrowings (refer to Note 15).

### iii. Short-term leases and leases of low-value assets

The EPA applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

### **Recognition and measurement (under AASB 117 until 30 June 2019)**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset (or assets), even if that asset (or those assets) is not explicitly specified in an arrangement.

Until 30 June 2019, a lease was classified at the inception date as a finance lease or an operating lease. A lease that transferred substantially all the risks and rewards incidental to ownership to the EPA was classified as a finance lease. The EPA held no finance leases at 30 June 2019.

Property, plant and equipment acquired under finance leases was depreciated over the useful life of the asset. However, if there is no reasonable certainty that the EPA will obtain ownership by the end of the lease term, the asset was depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments were recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

## 11. Intangible assets

<b>Consolidated and Parent</b>	<b>Software \$'000</b>	<b>Capital work in progress \$'000</b>	<b>Total \$'000</b>
<b>At 1 July 2019 - fair value</b>			
Cost (gross carrying amount)	14,504	4,657	19,161
Accumulated amortisation and impairment	(8,869)	-	(8,869)
<b>Net carrying amount</b>	<b>5,635</b>	<b>4,657</b>	<b>10,292</b>
<b>At 30 June 2020 - fair value</b>			
Cost (gross carrying amount)	16,728	6,126	22,854
Accumulated amortisation and impairment	(10,947)	-	(10,947)
<b>Net carrying amount</b>	<b>5,781</b>	<b>6,126</b>	<b>11,907</b>
<b>Consolidated and Parent</b>			
<b>Period ended 30 June 2020</b>			
Net carrying amount at start of year	5,635	4,657	10,292
Additions	1,254	3,169	4,423
Disposals	-	(372)	(372)
Transfer from work in progress	1,328	(1,328)	-
Amortisation (recognised in 'Depreciation and amortisation')	(2,436)	-	(2,436)
<b>Net carrying amount at end of year</b>	<b>5,781</b>	<b>6,126</b>	<b>11,907</b>

<b>Consolidated and Parent</b>	<b>Software \$'000</b>	<b>Capital work in progress \$'000</b>	<b>Total \$'000</b>
<b>At 1 July 2018 - fair value</b>			
Cost (gross carrying amount)	12,682	2,340	15,022
Accumulated amortisation and impairment	(6,189)	-	(6,189)
<b>Net carrying amount</b>	<b>6,493</b>	<b>2,340</b>	<b>8,833</b>
<b>At 30 June 2019 - fair value</b>			
Cost (gross carrying amount)	14,504	4,657	19,161
Accumulated amortisation and impairment	(8,869)	-	(8,869)
<b>Net carrying amount</b>	<b>5,635</b>	<b>4,657</b>	<b>10,292</b>
<b>Consolidated and Parent</b>			
<b>Period ended 30 June 2019</b>			
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)
<b>Net carrying amount at end of year</b>	<b>5,635</b>	<b>4,657</b>	<b>10,292</b>

## Recognition and measurement

The EPA recognises intangible assets only if it is probable that future economic benefit will flow to the EPA and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for the EPA's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

### Software

The useful lives of software assets are assessed to be finite.

Software assets are subsequently measured at fair value only if there is an active market. As there is no active market for the EPA's intangible software assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

The EPA's software assets are amortised using the straight-line method over a period of four years.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

## 12. Fair value measurement of non-financial assets

### Fair value measurement and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the EPA categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices in active markets for identical assets/liabilities that the EPA can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The EPA recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Refer to Note 23 for further disclosures regarding fair value measurements of financial assets.

#### (a) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
Consolidated and Parent 2020	\$'000	\$'000	\$'000	\$'000
<b>Property, plant and equipment (refer to Note 9)</b>				
Buildings	-	-	4,183	4,183
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,183</b>	<b>4,183</b>

	Level 1	Level 2	Level 3	Total
Consolidated and Parent 2019	\$'000	\$'000	\$'000	\$'000
<b>Property, plant and equipment (refer to Note 9)</b>				
Buildings	-	-	4,293	4,293
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,293</b>	<b>4,293</b>

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.

## (c) Reconciliation of recurring Level 3 fair value measurements

<b>Consolidated and Parent 2020</b>	<b>Buildings \$'000</b>	<b>Total recurring Level 3 fair value \$'000</b>
Fair value as at 1 July 2019	4,293	4,293
Depreciation	(110)	(110)
<b>Fair value as at 30 June 2020</b>	<b>4,183</b>	<b>4,183</b>

<b>Consolidated and Parent 2019</b>	<b>Buildings \$'000</b>	<b>Total recurring Level 3 fair value \$'000</b>
Fair value as at 1 July 2018	4,404	4,404
Depreciation	(111)	(111)
<b>Fair value as at 30 June 2019</b>	<b>4,293</b>	<b>4,293</b>

Type (Level 3)	Valuation technique	Inputs	Relationship of unobservable inputs to fair value
Buildings	<ul style="list-style-type: none"> <li>In 2017-18 the EPA engaged the services of Colliers International Valuation &amp; Advisory Services (CIVAS) to provide a comprehensive valuation using depreciated replacement cost (DRC) approach to determine fair value.</li> <li>Subsequently, interim revaluations were performed by management at the end of each financial year based on an assessment of relevant indices by an independent valuer. The assessed movements in fair value have been considered immaterial and no adjustments were made to fair values at 30 June 2020.</li> </ul>	<ul style="list-style-type: none"> <li>Current construction cost estimates as published in Rawlinson's Handbook 2018.</li> <li>Actual construction costs of similar building types as those included in ex-OEH's portfolio..</li> <li>Capital improvements made by ex-OEH over the last three years.</li> <li>Total useful life and remaining useful life.</li> <li>Gross floor area.</li> <li>The interim revaluation performed at 30 June 2020 involved the use of published CPI data, Building Price NSW indices and Australian Institute of Quantity Surveyors (AIQS) Building Cost Index.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>For the interim revaluation performed at 30 June 2020, ABS, Rawlinsons and AIQS indices were analysed to calculate a factor increase from 1 July 2018 to 30 June 2020. 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 2020.</li> <li>Management assessed that this factor appropriately reflected the movement in the fair value of building assets.</li> </ul>

### 13. Restricted assets

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Current</b>				
Contributions	6,779	14,487	6,779	14,487
<b>Restricted cash</b>	<b>6,779</b>	<b>14,487</b>	<b>6,779</b>	<b>14,487</b>

The above amounts are recognised as restricted assets as there are specific legislative or contractual conditions associated with the use of these funds.

## 14. Current liabilities – payables

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Accrued salaries, wages and on-costs	2,053	606	-	-
Creditors	7,110	8,551	7,110	8,551
Unearned revenue	810	-	810	-
Payable to the EPA Staff Agency	-	-	2,053	606
	<b>9,973</b>	<b>9,157</b>	<b>9,973</b>	<b>9,157</b>

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in Note 23.

### Recognition and measurement

Payables represent liabilities for goods and services provided to the EPA and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.

## 15. Current/non-current liabilities – borrowings

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Current</b>				
Lease liability	527	-	527	-
	<b>527</b>	<b>-</b>	<b>527</b>	<b>-</b>

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Non-Current</b>				
Lease liability	1,905	-	1,905	-
	<b>1,905</b>	<b>-</b>	<b>1,905</b>	<b>-</b>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in note 23.

## Recognition and measurement

### *Financial liabilities at amortised cost*

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

Finance lease liabilities are determined in accordance with AASB 117 until 30 June 2019. From 1 July 2019, lease liabilities are determined in accordance with AASB 16.

## 16. Current/non-current liabilities – provisions

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Current</b>				
Restoration costs	12	-	12	-
<b>Employee benefits and related on-costs</b>				
Annual leave <sup>1</sup>	6,231	5,628	-	-
Annual leave on-costs <sup>1</sup>	855	741	-	-
Long service leave on-costs <sup>2</sup>	3,310	3,298	-	-
Allowances	269	269	-	-
Payable to the EPA Staff Agency	-	-	10,665	9,936
<b>Total current</b>	<b>10,677</b>	<b>9,936</b>	<b>10,677</b>	<b>9,936</b>
	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Non-current</b>				
Long-service leave on-costs <sup>2</sup>	288	287	-	-
Payable to the EPA Staff Agency	-	-	288	287
Restoration costs	294	-	294	-
<b>Total non-current</b>	<b>582</b>	<b>287</b>	<b>582</b>	<b>287</b>
<b>Total provisions</b>	<b>11,259</b>	<b>10,223</b>	<b>11,259</b>	<b>10,223</b>

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Aggregate employee benefits and related on-costs</b>				
Provisions - current	10,665	9,936	-	-
Provisions - non-current	288	287	-	-
Accrued salaries, wages and on-costs (Note 14)	2,053	606	-	-
Payable to the EPA Staff Agency	-	-	13,006	10,829
	<b>13,006</b>	<b>10,829</b>	<b>13,006</b>	<b>10,829</b>

1. The value of employee benefits and related on-costs expected to be paid after 12 months is \$322,086 (2019: \$167,913)
2. The EPA's liabilities for long service leave are assumed by the Crown Entity. However, the EPA has an obligation to meet the long service related on-costs.

## Movements in provisions (other than employee benefits)

Movements in provision for restoration costs during the financial year are set out below:

Consolidated and Parent	\$'000
Carrying amount at 1 July 2019	-
Additional provisions recognised	306
<b>Carrying amount at 30 June 2020</b>	<b>306</b>

## Recognition and measurement: employee benefits and related on-costs

### Salaries and wages, annual leave and sick leave

Salaries and wages (including non-monetary benefits) and paid sick leave, expected to be settled wholly within 12 months after the period employees render the service, are recognised and measured at the undiscounted amounts of the benefits.

Annual leave not expected to be settled wholly before 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.

### ***Other provisions***

Provisions are recognised when: the EPA has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the EPA expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

If the effect of the time value of money is material, provisions are discounted at 0.4%, which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

## 17. Equity

### Recognition and measurement

#### Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with EPA policy on the revaluation of property, plant and equipment as discussed in Note 9.

#### Accumulated funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

#### Equity transfers

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector entities and 'equity appropriations' are designated or required by the Accounting Standards to be treated as contributions by owners and recognised as an adjustment to 'Accumulated funds'. This treatment is consistent with *AASB 1004 Contributions and Australian interpretation 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.

Under the *Administrative Arrangements (Administrative changes - transfer of EPA Staff) Order 2019*, employees of the Container Deposit Scheme Branch and the Strategy and Programs Branch of the EPA Staff Agency were transferred to the Department. Accordingly, staff and staff related balance were transferred to the Department. This Order was effective from 1 September 2019.

	2020 \$'000
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Provisions	(717)
<b>Total Current Liabilities</b>	<b>(717)</b>
<b>Non-Current Liabilities</b>	
Provisions	(11)
<b>Total Non-Current Liabilities</b>	<b>(11)</b>
<b>Total Liabilities</b>	<b>(728)</b>
<hr/>	
<b>Total employee related provisions transferred to DPIE</b>	<b>(728)</b>

Since the functions from the above branches stay with the EPA, the Intangible assets from the Container Deposit Scheme and Circular Economy branches with a net book value of \$1.175 million as at 1 September 2019 will stay with the EPA while the other net assets with a balance of \$0.893 million were transferred to the Department as an in-kind grant.

## 18. Commitments for expenditure

As at 30 June 2020, the EPA did not have any capital commitments (2019: nil capital commitments).

## 19. 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 Fund manages civil claims against the EPA in relation to issues such as negligence and public liability. As at 30 June 2020, there were no material claims on the Treasury Managed Fund.

##### (b) Other claims

There are presently no other unresolved civil claims where legal action has been taken against the EPA seeking damages or similar.

The EPA is not aware of any significant or material contingent liability in existence at 30 June 2020 or which has emerged subsequent to this date, which may materially impact on the financial position of the EPA as shown in the financial statements.

### Contingent assets

The EPA has the following contingent assets as at 30 June 2020:

- Successful prosecutions under the legislation that it administers, which may result in court orders requiring the unsuccessful party to pay the EPA legal costs and disbursements associated with the proceedings as agreed or assessed. Note: any fine imposed against an unsuccessful party is not paid to the EPA but to the Court that imposed the fine and is therefore not an EPA contingent asset.

It is not practical to estimate the financial value of these assets at this time, given that the EPA will negotiate the costs and disbursements owed to it with an unsuccessful party.

## 20. Budget review

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangement Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

**Net Result: Actual net result of \$1.5 million against the budget of \$5.8 million, a variance of \$4.3 million.**

**Lower than budgeted net result was due mainly to:**

1. The major reason for the variation of total expenses of \$74.8 million was due to \$23.3 million expenses transferred to the Department as part of Machinery of Government changes in 2019 and \$47.9 million in timing of delivery of programs including Alternative Waste Treatment grants, \$3.6 million reduction in the Crown adjustment in long service leave and \$1.1 million reduction in depreciation. This was partly offset by \$1.1 million in programs externally funded.
2. The overall reason for the variation of total revenue of \$78.6 million was due mainly to \$23.6 million reduced cluster grants received from the Department due to machinery-of-government budget movement, \$54.7 million in changes in timing projects, \$3.3 million additional revenue from licensing fees and litigation cases. This is offset with \$3.0 million reduction in the Crown reimbursement for long service leave, payroll tax and super adjustments.

**Net Assets: Actual net assets of \$34.2 million against the budget of \$30.3 million – a variance of \$3.9 million**

The total assets increased by \$9.1 million mainly due to increased cash at bank by \$13.4 million, increase in receivables and contract assets by \$4.2 million and \$2.4 million for recognition of right of use assets according to the AASB16 Accounting Standard impact. This is offset by the changes in timing of capital projects by \$7 million, \$3.4 million of depreciation in property, plant and equipment and \$0.5 million of disposals. The total liabilities increased by \$5.3 million mainly due to increase in payable and provisions.

## **Cash flow**

An overall decrease in total payments from operating activities of \$63.3 million mainly due to timing of Waste Programs including Alternative Waste Treatment grants and machinery-of-government changes in 2019. Total receipts from operating activities decreased by \$71.6 million mainly due to reduction in grants received from the Department. Net cash flow from investing activities decreased by \$7.1 million mainly due to timing changes in capital projects.

## 21. Reconciliation of cash flows from operating activities to net result

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Net cash from operating activities	5,012	9,906	5,012	9,906
Depreciation and amortisation	(3,443)	(3,128)	(3,443)	(3,128)
Gain/(loss) on disposal of asset	(530)	2	(530)	2
Increase/(decrease) in receivables	(2,098)	545	(2,098)	545
Decrease/(increase) in provisions	(1,458)	(669)	(1,458)	(669)
Decrease/(increase) in creditors	(816)	714	(816)	714
Increase/(decrease) in contract assets	5,228	-	5,228	-
Decrease/(increase) in contract liabilities	(365)	-	(365)	-
<b>Net result</b>	<b>1,530</b>	<b>7,370</b>	<b>1,530</b>	<b>7,370</b>

## 22. Administered assets, liabilities and income

Consolidated and Parent	2020 \$'000	2019 \$'000
<b>Administered assets</b>	-	-
Receivables	132,616	65,398
Allowance for impairment	(13,907)	-
Cash	250	720
Remittance clearing	(250)	1,694
Accrued income	-	-
<b>Total administered assets</b>	<b>118,709</b>	<b>67,812</b>
<b>Administered liabilities</b>	-	-
Creditors	-	-
<b>Total administered liabilities</b>	<b>-</b>	<b>-</b>
<b>Administered income</b>	-	-
Pollution licences and approvals	27,885	25,653
Other fees and licences	2	93
Waste-related levies and fees	757,991	759,004
Coal wash levy	215	16,056
Waste levy rebates	(8,857)	(7,814)
Coal wash rebates	(364)	-
Fines	2,398	3,153
<b>Total administered income</b>	<b>779,270</b>	<b>796,145</b>
<b>Impairment loss</b>	13,907	-
<b>Total impairment loss</b>	<b>13,907</b>	<b>-</b>

The above receipts were collected by the EPA on behalf of the Consolidated Fund. These are not included in the EPA's Statement of Financial Position and Statement of Comprehensive Income. They are brought to account as revenue in the Treasurer's Public Accounts.

## 23. Financial instruments

The EPA's principal financial instruments are outlined below. These financial instruments arise directly from the EPA's operations or are required to finance these operations. The EPA does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The EPA's main risks arising from financial instruments are outlined below, together with the EPA's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The EPA Board and Chief Executive Officer have overall responsibility for the establishment and oversight of risk management and review and agree to policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the EPA, set risk limits and control and monitor risks. Compliance with policies is reviewed by the Audit and Risk Committee and internal auditors on a periodic basis.

### (a) Financial instrument categories

#### Consolidated and Parent

Financial Assets	Notes	Category	Carrying amount	Carrying amount
			30 June 2020 \$'000	30 June 2019 \$'000
<b>Class:</b>				
Cash and cash equivalents	6	N/A	27,494	27,658
Receivables <sup>1</sup>	7	Receivables (at amortised cost)	4,802	6,103
Contract assets	8		5,228	-
<b>Financial Liabilities</b>			<b>Carrying amount</b>	<b>Carrying amount</b>
	<b>Notes</b>	<b>Category</b>	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>
<b>Class:</b>				
Payables <sup>2</sup>	14	Financial liabilities (at amortised cost)	9,163	9,157
Borrowings	15	Financial liabilities (at amortised cost)	2,432	-

Notes:

1. Excludes GST receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes GST payables and unearned revenue (i.e. not within scope of AASB 7).

## (b) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or the EPA transfers the financial asset:

- where the EPA has substantially transferred all the risks and rewards; or
- where the EPA has not transferred substantially all the risks and rewards and the EPA has not retained control.

Where the EPA has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the EPA's continuing involvement in the asset. In that case, the EPA also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the EPA has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the EPA could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

## (c) Financial risks

### *Credit risk*

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the EPA. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the EPA, including cash and receivables. No collateral is held by the EPA. The EPA has not granted any financial guarantees.

Credit risk associated with the EPA's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

### **Cash**

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances of specified restricted cash at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

## Accounting policy for impairment of trade debtors

### Receivables - trade and other debtors

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

The EPA applies the AASB 9 simplified approach to measuring expected credit losses 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, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

The loss allowance for trade debtors as at 30 June 2020 and 30 June 2019 was determined as follows:

	Current	<30 days	30-60 days	61-90 days	>91 days	Total
30 June 2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate	-	-	-	-	73.7%	-
Estimated total gross carrying amount at default	3,156	994	354	91	651	5,246
Expected credit loss					480	480

	Current	<30 days	30-60 days	61-90 days	>91 days	Total
30 June 2020	\$'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

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 7.

The EPA is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors.

## Liquidity risk

Liquidity risk is the risk that the EPA will be unable to meet its payment obligations when they fall due. The EPA continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high-quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current and prior year, there were no defaults of loans payable. No assets have been pledged as collateral. The EPA's exposure to liquidity risk is deemed insignificant, based on data from prior periods and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the head of an authority (or a person appointed by the head of an authority) may automatically pay the supplier simple interest.

The rate of interest applied during the year was 9.08% (2019: 9.94%).

The table below summarises the maturity profile of the EPA's financial liabilities, together with the interest rate exposure.

Consolidated and Parent		\$'000						
		Interest rate exposure				Maturity dates		
	Weighted average effective interest rate	Nominal amount <sup>1</sup>	Fixed interest rate	Variable interest rate	Non-interest bearing	< 1 year	1-5 years	> 5 years
<b>2020</b>								
Payables	N/A	9,163	-	-	9,163	9,163	-	-
Borrowings	N/A	2,432	2,432	-	-	527	283	1,622
		<b>11,595</b>	<b>2,432</b>	<b>-</b>	<b>9,163</b>	<b>9,690</b>	<b>283</b>	<b>1,622</b>
<b>2019</b>								
Payables	N/A	9,157	-	-	9,157	9,157	-	-
		<b>9,157</b>	<b>-</b>	<b>-</b>	<b>9,157</b>	<b>9,157</b>	<b>-</b>	<b>-</b>

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the EPA can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

## Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The EPA has no exposure to foreign currency risk and does not enter into commodity contracts. The 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. 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 below.

Consolidated and Parent	Carrying amount \$'000	-1%		+1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>2020</b>					
<b>Financial assets</b>	-	-	-	-	-
Cash and cash equivalents	27,494	(275)	(275)	275	275
Receivables	4,802	(48)	(48)	48	48
Contract assets	5,228	(52)	(52)	52	52
<b>Financial liabilities</b>	-	-	-	-	-
Payables	9,163	92	92	(92)	(92)
Borrowings	2,432	24	24	(24)	(24)
<b>2019</b>					
<b>Financial assets</b>	-	-	-	-	-
Cash and cash equivalents	27,658	(277)	(277)	277	277
Receivables	6,103	(61)	(61)	61	61
<b>Financial liabilities</b>	-	-	-	--	--
Payables	9,157	92	92	(92)	(92)

## (d) Fair value compared to carrying amount

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the Statement of Financial Position approximates fair value because of the short-term nature of the financial instruments.

## 24. Related party disclosures

The EPA's key management personnel compensation is as follows:

	Consolidated		Environment Protection Authority	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Short-term employee benefits</b>				
Salaries*	2,900	3,105	754	669
Termination benefits	251	-	-	-
<b>Total remuneration</b>	<b>3,151</b>	<b>3,105</b>	<b>754</b>	<b>669</b>

\* Excludes payroll tax

During the year, the EPA incurred \$2.4 million (2019: \$2.4 million) for the provision of key management personnel services that are provided by 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), 3(c) 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.

## 25. Events after the reporting period

- 1) As at 30 June 2020, the EPA assessed the impact of COVID-19 on the fair value of its non-current physical and financial assets. These assets include land, buildings and receivables. This was based on historical sales information, expectation of macroeconomic conditions and outlook at the time of assessment. Given continued uncertainty of the COVID-19 factor, it is possible that post 30 June 2020 there may be some new evidence that impacts this fair value assessment materially.
- 2) The Secretary of the Department and the Chief Executive Officer of the EPA have agreed to transfer employees from the Container Deposit Scheme Branch and Circular Economy Branch from the department to the EPA, effective from 1 August 2020. The intention is to transfer employees and their related employee benefits and related on-costs to the EPA.
- 3) On Thursday, 1 October 2020, the New South Wales (NSW) Industrial Relations Commission decided to award NSW public servants with a 0.3 percent pay rise. The EPA believes this decision does not have a significant impact on employee benefit and related on-costs provisions as at 30 June 2020.

There are no other known events that would impact on the state of the EPA or have a material impact on the financial statements.

End of audited financial statements.

# Appendices



# Appendices



## Appendix 1: Acts administered by the Minister through the EPA



The following Acts were administered by the EPA from 1 July 2019 to 30 June 2020:

- *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 jointly with the Minister for Regional Transport and Roads)
- *Waste Avoidance and Resource Recovery Act 2001* No. 58.

## 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  
s.10 = Under section 10 of the *Crimes (Sentencing Procedure) Act 1999*, although finding the defendant guilty of the offences charged, the Court did not record a conviction or impose a penalty.

Unless otherwise stated, the dollar amount referred to in the Result/penalty column is a fine.

# Appendices

## Tier 1 offences

Tier 1 offences are the most serious offences and attract the highest maximum penalties.

### Pesticides Act 1999

Defendant	Charge	Result/penalty	Court
McInnes, Warwick Wayne	Negligently use a pesticide in a manner that injured another person	Acquitted	LEC

## Tier 2 offences

### Protection of the Environment Operations Act 1997

Defendant	Charge	Result/penalty	Court
Albiston, Shaun	Unlawful use of land as a waste facility	Ordered to pay \$22,500 to the NSW Environmental Trust for general environmental purposes, and investigation costs of \$2,670	LEC
CPB Contractors Pty Ltd	Four charges of emit offensive odour from scheduled premises	Ordered to pay \$295,000 to the NSW Environmental Trust for general environmental purposes and publicise details of the offence in <i>The Australian Financial Review</i> , <i>The Sydney Morning Herald</i> and <i>Inner West Courier</i> , on Facebook, Twitter and the company's website and in CIMIC Group's Annual Report. Also ordered to deliver a notice to residents of St Peters, Newtown, Erskineville and Alexandria and pay investigation costs of \$10,000	LEC
Crown in the Right of New South Wales	One charge of pollute waters and one charge of breach licence condition	Ordered to pay \$165,250 to the NSW Environmental Trust for general environmental purposes and publicise details of the offence in <i>The Sydney Morning Herald</i> and <i>Monaro Post</i> . Also ordered to pay investigation costs of \$3,618.95	LEC
GrainCorp Operations Ltd	Breach licence condition	Ordered to pay \$40,200 to the NSW Environmental Trust for general environmental purposes and publicise details of the offence in <i>The Australian Financial Review</i> , <i>The Sydney Morning Herald</i> and <i>The Illawarra Mercury</i> , on Facebook, Twitter and the company's website and the next GrainCorp Limited Sustainability Report	LEC
Hardman Chemicals Pty Ltd	Breach licence condition	Ordered to pay \$60,000 to Blacktown City Council for the purposes of the 'Cooling our streets through sustainable stormwater management' and '2020 Eco-Active Schools' projects and publicise details of the offence in <i>The Blacktown Advocate</i> and <i>The Sydney Morning Herald</i> , on the company's website and notify specified aggrieved persons. Also ordered to pay investigation costs of \$335	LEC

# Appendices

Defendant	Charge	Result/penalty	Court
Hughes, Thomas Paul	One charge of unlawful use of land as a waste facility and one charge of unlawfully transport and deposit waste	Ordered to pay \$45,000 to the NSW Environmental Trust for general environmental purposes, remove waste from the premises, make good the environmental damage caused and publicise details of the offence in <i>The Housing Magazine</i> , <i>Inside Waste</i> magazine and <i>The Newcastle Herald</i> . Also ordered to pay investigation costs of \$42,593.43	LEC
Minto Recycling Pty Ltd	Breach licence condition	Ordered to pay \$90,000 to the NSW Environmental Trust for general environmental purposes and publicise details of the offence in <i>The Australian Financial Review</i> , <i>The Daily Telegraph</i> , <i>Campbelltown-Macarthur Advertiser</i> and <i>Inside Waste</i> magazine, on the Bingo Industries Ltd website and in the Annual Report of Bingo Industries Ltd, published to the Australian Stock Exchange	LEC
Mokbel, Charlie	Unlawfully transport and deposit waste	\$5,200	Burwood LC
Mortdale Recycling Pty Ltd	Breach licence condition	Ordered to pay \$30,000 to the NSW Environmental Trust and publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>Inside Waste</i> magazine and <i>The Leader</i> and on the Bingo Industries Ltd website. Also ordered to advise details of the offence to all subscribers to Bingo's emailed Weekly Summary	LEC
Newcastle City Council	Three charges of pollute waters	\$55,000 Ordered to publicise details of the offences in <i>The Newcastle Herald</i> and on Facebook and Twitter and pay investigation costs of \$20,175.70	Newcastle LC
N Moit & Sons (NSW) Pty Ltd	Breach licence condition	\$3,000 Ordered to publicise details of the offence in <i>The Hawkesbury Gazette</i>	Windsor LC
O'Brien, Blake	Failure to comply with an investigative requirement under Chapter 7	\$2,000 Ordered to provide outstanding information and records to the Environment Protection Authority	Downing Centre LC
Paper Trade Processing (Aust.) Pty Ltd	Four charges of breach licence condition and one charge of failure to comply with an investigative requirement under Chapter 7	\$37,000 Ordered to pay \$447.47 in investigation costs	Liverpool LC

# Appendices

Defendant	Charge	Result/penalty	Court
Ridley Agriproducts Pty Ltd	Two counts of breach licence condition	Ordered to pay \$105,000 to the NSW Environmental Trust for general environmental purposes, publicise details of the offence in <i>The Sydney Morning Herald</i> , <i>The Australian Financial Review</i> and <i>The Rouse Hill Times</i> and pay investigation costs of \$4,770	LEC
Sydney Water Corporation	Two charges of pollute waters and one charge of breach licence condition	Ordered to pay \$150,000 to Bayside Council for the purposes of the Sir Joseph Banks Park Bushland and Community Access Improvement Project, \$119,500 to the NSW Environmental Trust for general environmental purposes and publicise details of the offences in <i>The Sydney Morning Herald</i> , <i>The Daily Telegraph</i> and <i>Southern Courier</i> and on Facebook, Twitter and Instagram. Also ordered to pay investigation costs of \$3,267.60	LEC
Trob Civil Pty Ltd	Two charges of failure to comply with an investigative requirement under Chapter 7	\$11,000 Ordered to publicise details of the offences in <i>The Sydney Morning Herald</i> and <i>The Daily Telegraph</i>	Downing Centre LC

## Protection of the Environment Operations (Waste) Regulation 2014

Defendant	Charge	Result/penalty	Court
Issa, Milad	Unlawfully deposit asbestos waste	\$5,500 Ordered to pay \$550 to Proactfm Pty Ltd for disposal of asbestos. Also ordered to pay investigation costs of \$390	Downing Centre LC
Mokbel, Charlie	Failure to comply with transportation requirements of asbestos waste	\$22,000 Ordered to pay \$4,356 to Canterbury-Bankstown City Council for clean-up costs. Also ordered to pay investigation costs of \$2,611.25	Burwood LC

## Pesticides Act 1999

Defendant	Charge	Result/penalty	Court
Moore, William Robert	Use pesticide in a manner that injured a person	\$2,000 Ordered to pay investigation costs of \$2,820	Byron Bay LC
Moore, William Robert	Use pesticide in a manner that injured a person	Acquitted	Byron Bay LC
Moore, William Robert	Use pesticide in a manner that injured a person	Acquitted	Byron Bay LC

## Radiation Control Act 1990

Defendant	Charge	Result/penalty	Court
Gammasonics Institute for Medical Research Pty Ltd	Failure to have a valid source security plan for a secured source	\$50,000	LEC
Gammasonics Institute for Medical Research Pty Ltd	Failure to comply with a source security plan for a security-enhanced source	\$70,000	LEC

## Radiation Control Regulation 2013

Defendant	Charge	Result/penalty	Court
Gammasonics Institute for Medical Research Pty Ltd	Failure to transport a radioactive substance as prescribed	\$12,000	LEC

## Appendix 3: Penalty notices

### Penalty notices

Infringement type	EPA		Other NSW Government*		Local government	
	No.	Penalty	No.	Penalty	No.	Penalty
POEO** Air: Motor vehicle – smoky	0	0	0	0	1	300
POEO Air: Motor vehicle – other air	1	500	0	0	0	0
POEO Air Pollution: Non-motor vehicle – control of burning	0	0	3	1,500	43	27,500
POEO Air Pollution: Non-motor vehicle – emission of air impurities or odours from premises	0	0	0	0	0	0
POEO Noise: Motor vehicle	32	9,950	12	3,000	3	1,000
POEO Noise: Non-motor vehicle	20	5,000	12	3,600	3	1,000
POEO Littering: Aggravated litter – motor vehicle	11	4,950	21	4,950	44	20,250
POEO Littering: Aggravated litter – non-motor vehicle	0	0	26	11,000	28	13,050
POEO Littering: Motor vehicle	6,596	1,753,750	124	31,250	844	223,400
POEO Littering: Non-motor vehicle	0	0	1,171	163,170	1,373	129,520
POEO Land Pollution and Waste	6	55,500	0	0	509	1,341,650
POEO Land Pollution and Waste: Asbestos/hazardous	6	22,750	0	0	5	23,500
POEO Water: All offences	5	75,000	0	0	195	1,267,500
POEO Other offences, e.g. contravene licence conditions	73	600,750	12	17,750	379	708,900
Dangerous Goods: All offences	8	16,780	58	107,340	0	0
Pesticides: All offences	13	11,250	0	0	0	0
Native Vegetation: All offences	0	0	3	9,900	0	0
Radiation	0	0	0	0	0	0
Coal seam gas	0	0	0	0	0	0
<b>Total</b>	<b>6,771</b>	<b>2,556,180</b>	<b>1,442</b>	<b>353,460</b>	<b>3,427</b>	<b>3,757,570</b>

\* 'Other NSW Government' includes all non-EPA environment-related organisations, such as OEH, NPWS, botanic gardens and parklands trusts

\*\* POEO = *Protection of the Environment Operations Act 1997*

## Appendix 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.

In 2019–20 the majority of *Waste Less, Recycle More* grants were administered by the Department of Planning, Industry and Environment (DPIE) on behalf of the EPA, mainly due to machinery-of-government changes.

Any new rounds of *Waste Less, Recycle More* grants in 2019–20 were awarded and paid by DPIE and are disclosed separately in its annual report. Milestone payments made against pre-existing grants are listed below.

All waste grant funding detailed below comes from recurrent EPA funding unless stated otherwise.

### 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 programs:

- Better Waste and Recycling Fund
- Recycling Relief Fund
- Regional Coordination and Strategy Support Program for Greater Sydney
- Regional Coordination and Strategy Support Program for rural and regional NSW
- Sustainable waste management in discrete Aboriginal communities across NSW.

During 2019–20, total payments of \$14,093,681 were made.

For details of grant programs and recipients in 2019–20 go to the EPA website.

### Local government

During 2019–20, total payments were \$12,299,483.

These included:

- a total of \$9,750,000 under the Better Waste and Recycling Fund, comprising:
  - \$8,814,246 for local councils
  - \$935,755 for regional groups of councils in the waste levy-paying area.
- \$1,262,649 to the Regional Coordination and Strategy Support Program for rural and regional NSW
- \$1,113,620 to the Regional Coordination and Strategy Support Program for Greater Sydney
- \$152,000 to Local Government NSW
- \$21,213 under the Recycling Relief Fund.

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## Local government community organisations

During 2019–20, payments totalled \$726,346.

## Non-government organisations

During 2019–20, payments totalled \$200,630.

## Community organisations

A contribution of \$867,223 was awarded to Local Aboriginal Land Councils and community organisations to assist with sustainable waste management and land clean-up in discrete Aboriginal communities across NSW.

## Aboriginal Communities Waste Management Program

The Aboriginal Communities Waste Management Program aims to assist the 61 discrete Aboriginal communities (former missions/reserves) across NSW to improve waste management systems, reduce litter, illegal dumping and bulky waste, improve the safety and environmental health of Aboriginal communities and improve relationships with service providers and local government.

Thirty-one communities are currently participating in the statewide program that comprises of three stages:

- Stage 1 – Community engagement
- Stage 2 – Development of community rubbish management plans
- Stage 3 – Communities eligible for up to \$100,000 to implement their plans.

In 2019–20, seven communities progressed to stage 3.

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 2019–20, total payments to community organisations were \$459,327.

## Payments made to community organisations under the Aboriginal Communities Waste Management Program

Community name	Recipient	Amount paid
Mehi Crescent and Stanley Village	Moree Local Aboriginal Lands Council	\$120,000
Summervale Village	Amaroo Local Aboriginal Lands Council	\$70,000
Bellwood	Nambucca Heads Local Aboriginal Lands Council	\$69,985
Gingie	Resource Recovery	\$67,050
Namoi	Resource Recovery	\$60,000
Mallee and Warrali	Wilcannia Local Aboriginal Lands Council	\$59,942
Namatjira Avenue and New Merinee	Dareton Local Aboriginal Lands Council	\$10,000
Cabarita Avenue	Resource Recovery	\$2,350
<b>Total</b>		<b>\$459,327</b>

## Aboriginal Land Clean Up and Prevention Program

The Aboriginal Land Clean Up and Prevention (ALCUP) Program aims to reduce the occurrence and impacts of illegal dumping on Aboriginal land. This is through surveillance and monitoring measures, community education, and the incorporation of cultural activities that enable Aboriginal people to care for Country, engage in knowledge sharing and gain skills and employment in land management.

During 2019–20, total payments to community organisations were \$407,896.

### Payments made to community organisations under the Aboriginal Land Clean Up and Prevention Program

Recipient	Activity	Amount paid
Cobowra Local Aboriginal Lands Council	Milestone payment	\$43,281
Dubbo Local Aboriginal Lands Council	Milestone payment	\$37,500
Ngambri Local Aboriginal Lands Council	Milestone payment	\$37,500
Wanaruah Local Aboriginal Lands Council	Milestone payment	\$37,500
Mindaribba Local Aboriginal Lands Council	Milestone payment	\$37,500
Ngulingah Local Aboriginal Lands Council	Milestone payment	\$37,150
Coffs Harbour Local Aboriginal Lands Council	Milestone payment	\$37,125
Nowra Local Aboriginal Lands Council	Milestone payment	\$36,650
Amaroo Local Aboriginal Lands Council	Milestone payment	\$36,063
Worimi Local Aboriginal Lands Council	Milestone payment	\$22,600
Tibooburra Local Aboriginal Lands Council	Milestone payment	\$19,551
Yaegl Local Aboriginal Lands Council	Milestone payment	\$13,436
Menindee Local Aboriginal Lands Council	Milestone payment	\$12,040
<b>Total</b>		<b>\$407,896</b>

## **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.

For details of grant programs and recipients in 2019–20, go to the EPA website.

## **Bin Trim grants**

During 2019–20, payments to Bin Trim grantees totalled \$1,685,780 as follows:

### **Non-government organisations**

During 2019–20, payments totalled \$1,450,150.

### **Local government**

During 2019–20, payments to local governments covering milestones 2 and 3 totalled \$168,975.

Payments to community organisations totalled \$66,655. This was a single Bin Trim round 3 milestone payment made to the Ethnic Communities' Council of NSW.

## **Bin Trim rebates: small-scale recycling equipment**

Bin Trim grants are complemented by Bin Trim rebates. 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.

During 2019–20, rebate milestone payments totalled \$423,093. The milestone payments are linked to the installation of equipment, follow-up assessments and performance reports.

## **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.

During 2019–20, total payments of \$2,728,184 were made for grant programs under this initiative.

For details of grant programs and recipients in 2019–20, go to the EPA website.

### **Local government grants**

During 2019–20, total payments were \$2,569,301, including for grants approved in previous financial years.

### **Local government community organisations**

During 2019–20, payments totalled \$22,500

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## Community organisations

During 2019–20, payments totalled \$60,000.

### **Payments made to community organisations for Illegal Dumping under the *Waste Less, Recycle More* initiative**

<b>Recipient</b>	<b>Activity</b>	<b>Amount paid</b>
Garage Sale Trail	Non-contestable funding	\$50,000
The Bower Reuse and Repair Centre	Non-contestable funding	\$10,000
<b>Total</b>		<b>\$60,000</b>

## NSW Budget sector agencies

During 2019–20, payments totalled \$76,383.

### **Improvements to systems for household problem wastes**

The EPA provides NSW householders with two convenient ways to safely and easily dispose of items such as leftover paint, cleaners and gas bottles: the Household Chemical CleanOut and Community Recycling Centres (CRC) programs.

During 2019–20, total payments of \$1,391,295 were made under these programs. For details of grant programs and recipients in 2019–20, go to the EPA website.

## Local government

During 2019–20, payments totalled \$1,300,371.

### **Local government community organisations**

During 2019–20, payments totalled \$67,500.

### **Non-government organisations**

During 2019–20, payments totalled \$23,424.

## **Organics Infrastructure Fund**

The Organics Infrastructure Fund is providing \$105 million over nine years to support the avoidance, re-use and recycling of food and garden waste from NSW households and businesses.

Projects awarded under these programs run over many financial years, with payments made as milestones are achieved. Three grant programs are managed by the EPA.

During 2019–20, total payments of \$1,662,490 were made as Organics Infrastructure Fund grants across different sectors. For details of grant programs and recipients in 2019–20, go to the EPA website.

## **Love Food Communities**

Love Food Communities grants provided up to \$250,000 to support food waste avoidance education, under the Love Food Hate Waste program. Recipients are teaching their local communities about ways to avoid food waste, using the EPA-designed Food Smart program for households and Your

# Appendices

Business is Food for businesses.

During 2019–20, total payments of \$523,385 were made for grant programs under this initiative.

## **Local government**

During 2019–20, total payments of \$470,126 were made.

## **Non-government organisations**

During 2019–20, total payments of \$53,259 were made.

## **Organics Market Development grants**

Grants of up to \$200,000 are awarded for projects that will increase the market for compost made from source-separated recycled organics.

## **Non-government grants**

During 2019–20, payments totalled \$612,825.

## **Local government**

During 2019–20, payments totalled \$92,033.

## **NSW budget sector agencies**

During 2019–20, payments totalled \$58,156.

## **Food Donation Education grants**

Grants of up to \$100,000 were available to organisations working in the food relief sector to improve their capacity to sign up more donors, work collaboratively and collect more surplus food for redistribution.

The grants complement funding available through the Organics Infrastructure (Large and Small) Program administered by the NSW Environmental Trust, which funds equipment like fridges, freezers and refrigerated vans used by food relief agencies.

During COVID-19, a \$250,000 underspend was reallocated from other Organics Infrastructure Fund grants into a new Food Donation Top Up grant program. The funding supported existing food donation grantees to manage the extra demand created as a result of the pandemic.

## **Community organisations**

During 2019–20, payments totalled \$286,207.

## Payments made to community organisations for Food Donation Education grants

Recipient	Activity	Amount Paid
The Food for Change Foundation	Milestone payment	\$52,530
OzHarvest Limited	Milestone payment	\$46,104
OzHarvest (Sydney)	Milestone payment	\$43,952
Second Bite	Milestone payment	\$40,200
Central Coast Community Council	Milestone payment	\$27,825
Addison Road Centre for Arts	Milestone payment	\$21,572
Griffith Meals on Wheels	Milestone payment	\$14,038
Winmalee Neighbourhood Centre	Milestone payment	\$13,177
Bay City Care	Milestone payment	\$13,044
Christian Community Aid Services	Milestone payment	\$12,379
Yarrahapinni Adventist Youth Centre	Milestone Payment	\$1,386
<b>Total</b>		<b>\$286,207</b>

### Local government community organisations

During 2019–20, payments totalled \$67,385.

### Local government

During 2019–20, payments totalled \$22,500.

## 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.

For details of grant programs and recipients in 2019–20, go to the EPA website.

### Non-government organisations

During 2019–20, total payments of \$419,808 were made to support the Civil Construction Market Program and the Circulate, NSW Industrial Ecology Program.

## 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.

During 2019–20, total payments of \$2,262,087 were made for grant programs under this initiative. For details of grant programs and recipients in 2019–20, go to the EPA website.

## **Product Improvement Program**

The Product Improvement Program is part of the NSW Government's response to China's National Sword Policy.

Investment in infrastructure can stimulate the local remanufacturing capacity of NSW and generate new industries and jobs in regional and rural communities. Funding recycling infrastructure can also mitigate the effects of China's policy to restrict the quality of foreign recycling material it accepts. The program provides an opportunity for industry to identify new uses and markets for recyclable materials and develop local processing and remanufacturing capability to help ensure recycling services are maintained into the future.

For details of grant programs and recipients in 2019–20, go to the EPA website.

During 2019–20, a total of \$2,148,203 was paid as Product Improvement Program grants.

## **Local government grants**

During 2019–20, payments totalled \$47,992.

## **Non-government grants**

During 2019–20, payments totalled \$2,100,211.

## **Expansion and Enhancement Program**

Resource Recovery Facility Expansion and Enhancement grants aim to increase the amount of waste diverted from landfill in NSW by accelerating and stimulating investment in existing licensed recycling facilities.

This program is now closed for new applicants and has been incorporated into the Product Improvement Program.

## **Non-government grants**

During 2019–20, a total of \$774,586 was paid.

## **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.

## **Non-government grants**

During 2019–20, payments totalled \$113,884.

## **Litter Prevention**

Projects supported by the Litter Prevention Grant Program enable local councils, regional waste groups and community groups to target litter hotspots.

During 2019–20, total payments of \$196,885 were made for litter prevention grants.

For details of grant programs and recipients in 2019–20, go to the EPA website.

## **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. In 2019–20, payments totalled \$17,600.

### **Council Litter Prevention Grants Round 4**

This program provides grants to NSW councils to target local litter hotspots. In 2019–20, payments totalled \$157,323.

### **Local Government–Community Litter Prevention Program**

The objective of this grant program is to fund local communities targeting local litter hotspots and build partnerships in their neighbourhoods. During 2019–20, the first payment of \$21,962 was made to the Clarence Valley Council.

## **Alternative Waste Treatment**

The Alternative Waste Technology (AWT) transition package was developed to assist the AWT industry and councils to transition to sustainable resource recovery practices following the 2018 EPA revocation of the order and exemption allowing Mixed Waste Organic Outputs (MWOO) to be applied to land.

A phase one package was introduced in October 2018 to provide support for kerbside collection services and ensure that any additional landfill costs would not be passed on to councils or ratepayers. The phase one transition package concluded on 28 February 2020.

A temporary waste levy exemption has been in place since November 2018 for disposal of limited amounts of MWOO produced at approved scheduled waste facilities in NSW. The levy exemption currently applies until 1 May 2021 and a further extension may be considered for scheduled waste facilities that demonstrate they are transitioning to sustainable resource recovery practices.

Consultation with the industry and councils in late 2019 informed phase two of the AWT transition package. The \$24 million phase two AWT transition package was announced by the Minister for Energy and Environment in March 2020. The investment includes:

- \$12.5 million in Organics Collections grants
- \$5 million in Local Council Transition grants
- \$6.26 million in Research and Development grants consisting of:
  - \$2.51 million for Alternative Uses for General Waste
  - \$3.75 million for Organics Infrastructure grants.

## **Local government grants**

- During 2019–20, total payments to local government of \$10,596,604 were made.

## 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 until 2021 to provide regional NSW councils with a local source of advice and improve their technical capacity to manage contaminated land.

During 2019–20, total payments to grant recipients under the Council Regional Capacity Building Program amounted to \$687,271.

For details of grant recipients, go to the EPA website.

### **Emergency Pollution Clean Up Program**

#### **Local government and budget sector agencies**

The aim of the Emergency Pollution Clean Up Program (EPCUP) is to avoid significant risk to the environment or public health in NSW by contributing funds for the immediate removal or mitigation of serious pollution following an emergency event.

Payments during 2019–20 totalled \$82,848 for six approved applications with \$60,348 paid to local councils and \$22,500 to NSW budget sector agencies.

All six payments provided funds for the clean-up of illegally dumped asbestos contaminated waste.

### **North Lake Macquarie Lead Program**

#### **Local government**

The operation of the Pasminco lead and zinc smelter, which closed in 2003, has left a legacy of lead contamination in nearby North Lake Macquarie. Between 2007 and 2013, a Lead Abatement Strategy was followed to reduce exposure to lead in soils at residential properties surrounding the former smelter. In 2014, the EPA established the Lead Expert Working Group to consider the effectiveness of the strategy and develop future actions to reduce the community's exposure to lead.

The working group issued its final report in December 2016 with 22 recommendations for managing legacy lead contamination. The NSW Government supported all recommendations and allocated funding over four years to 2020–21. Payments to the local council during 2019–20 amounted to \$200,000.

## **NSW PFAS Investigation Program**

### **NSW budget sector agencies**

The release of per- and poly-fluorinated alkyl substances (PFAS) into the environment is of concern as these chemicals can persist in the environment for a long time with the risk that they might travel in ground and surface water if not properly managed. The most common source of PFAS in the environment is where firefighting foams were used in the past for training purposes, particularly at defence bases, airports and firefighting training facilities. NSW fire services began phasing out PFAS in the 2000s.

The EPA is the lead agency in the NSW Government's PFAS response. Our statewide investigation program of possible PFAS-contaminated sites takes a precautionary approach when determining the presence of these chemicals, assessing potential exposure pathways and providing advice to the 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.

Payments to the Department of Planning, Industry and Environment during 2019–20 totalled \$450,000 for services supporting the EPA's implementation of the NSW PFAS Investigation Program.

## **Best practice asbestos management**

### **Non-government**

Asbestos is estimated to be present in more than one in three homes in NSW, as well as being found in public buildings and sometimes in the environment through past use, dumping or natural occurrence. Councils are the most frequent first point of contact for the public when asbestos is found in buildings or the environment. During 2019–20, a grant of \$186,897 was provided to Local Government NSW. This funded an officer to work directly with councils to improve asbestos management and deliver the National Strategic Plan for Asbestos Awareness and Management 2019–23.

During 2019–20, a grant of \$42,535 was provided to the Kempsey Local Aboriginal Land Council to clean up asbestos and remediate Aboriginal land affected by legacy asbestos.

## **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 2019–20, a grant of \$250,000 was provided to Maari Ma Health to address ongoing lead exposure issues and respond to elevated blood-lead levels in Aboriginal children at Broken Hill. The funding provides for an expansion of blood-lead level screening for children under five, education and awareness-raising, case management and remediation programs.

## Appendix 6: Sponsorships

The EPA sponsors activities and events that 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 2019–20 totalled \$68,500. Most sponsorships were for waste and resource recovery projects, including litter, illegal dumping and local government programs.

### Organisations and conferences sponsored by the EPA in 2019–20

Organisation/ conference sponsored	Details	Amount (excluding GST)
Local Government NSW Conference and the Excellence Environment Awards 2020	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 2020, the EPA sponsored one category: Behaviour Change in Waste.	\$27,000
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.	\$20,500
Australasian Environmental Law Enforcement and Regulators Network (AELERT) Conference 2020	The Australasian Environmental Law Enforcement and Regulators Network is a respected and internationally recognised professional network for regulators across Australia, to implement and administer environmental legislation. This year's sponsorship allowed the EPA to advertise at the conference and provide the opportunity to nominate chairs.	\$9,000
University of New South Wales	Sponsorship of research into microfibres in clothes and environmental pollution by micro and nano debris. The EPA is a supporting partner to the Australian Research Council (ARC) collaborative research funded project on microfibres led by the University of New South Wales.	\$8,000
Riverina Eastern Regional Organisation of Councils (REROC) Rural and Regional Waste Management Conference 2021 "No Time to Waste"	The Regional Waste Management Conference is an annual event. The conference focuses on rural and regional issues. The 2020 conference has been postponed to February 2021 due to COVID-19.	\$4,000
<b>Total</b>		<b>\$68,500</b>

## 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.

Board members may also need to lodge special disclosures from time to time. At the start of each meeting, members are given an opportunity to declare any potential, perceived or actual conflicts of interest and these are recorded in the minutes of each meeting.

In accordance with NSW Treasury directions and Australian Accounting Standards, the EPA has implemented procedures to ensure the requirements of *Australian Accounting Standard 124 – Related Party Disclosures* are met.

The *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 2019 to 30 June 2020 is set out below.

### Public interest disclosures broken down by type

Public interest disclosure type	No.
Public interest disclosures made by public officials in performing their day-to-day functions	0
Other public interest disclosures that are made under a statutory or legal obligation	0
All other public interest disclosures	0
Public interest disclosures relating to possible or alleged:	
• corrupt conduct	0
• maladministration	0
• serious and substantial waste of public money	0
<b>Total number of public interest disclosures received</b>	<b>0</b>
<b>Total number of public interest disclosures finalised</b>	<b>0</b>

## 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 2019–20, the EPA received 83 access applications, 58 of which were initially assessed as being invalid. Of these, 52 subsequently became valid and have been included in the total of 77 valid applications.

### Number of access applications refused under Schedule 1: clause 8(c)

During the reporting period, the EPA refused three applications in part because the information requested was information referred to in Schedule 1 of the GIPA Act.

## Statistical information about access applications: clause 8(d) and Schedule 2

Of the 13 applications received in the previous reporting year, nine were completed in 2019–20 and four were withdrawn.

More than one public interest consideration may apply in relation to an access application and, if this occurs, each consideration must be recorded (but only once per application).

**Table A: Applications by type of applicant and outcome**

Type of applicant	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny if information held	Application withdrawn
Media	1	1	0	0	1	0	0	1
Members of Parliament	2	0	0	0	0	0	0	0
Private sector businesses	15	7	1	6	2	0	0	1
Not-for-profit organisations/ community groups	5	3	0	1	0	0	0	0
Members of the public – application by legal representative	4	6	0	8	1	1	0	4
Members of the public (other)	6	4	2	2	0	1	0	3

**Table B: Applications by type of application and outcome**

Type of application	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny if information held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications – other than personal information applications	1	2	0	0	0	0	0	1
Access applications that are partly personal information applications and partly other	32	19	3	17	4	2	0	8

\* A 'personal information application' is an application for access to personal information (as defined in clause 4 of Schedule 4 to the GIPA Act) about the applicant (the applicant being an individual).

**Table C: Invalid applications**

<u>Reason for invalidity</u>	<u>Number of applications</u>
Application does not comply with formal requirements (section 41 of the Act)	52
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	58
Invalid applications that subsequently became valid	52

**Table D: Conclusive presumption of overriding public interest against disclosure – matters listed in Schedule 1 of the Act**

<u>Public interest considerations against disclosure - Schedule 1 of the Act</u>	<u>Times consideration used</u>
Overriding secrecy laws	0
Cabinet information	1
Executive Council information	0
Contempt	0
Legal professional privilege	2
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial Code of Conduct	0
Aboriginal and environmental heritage	0
Information about complaints to Judicial Commission	0
Information about authorised transactions under the <i>Electricity Network Assets (Authorised Transactions) Act 2015</i>	0
Information about authorised transactions under the <i>Land and Property Information NSW (Authorised Transaction) Act 2016</i>	0

**Table E: Other public interest considerations against disclosure**

<u>Other public interest considerations against disclosure</u>	<u>Occasions application not successful</u>
Responsible and effective government	11
Law enforcement and security	5
Individual rights, judicial processes and natural justice	17
Business interests of agencies and other persons	7
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate freedom of information legislation	0

**Table F: Timeliness**

<u>Timeframe</u>	<u>Number of applications</u>
Decided within the statutory timeframe (20 days plus any extensions)	71
Decided after 35 days (by agreement with applicant)	10
Not decided within timeframe (deemed refusal)	2
<b>Total</b>	<b>83</b>

**Table G: Applications reviewed under Part 5 of the Act (by type of review and outcome)**

<u>Type of review</u>	<u>Decision varied</u>	<u>Decision upheld</u>	<u>Total</u>
Internal review	1	3	4
Review by Information Commissioner*	3	1	4
Internal review following recommendation under section 93 of the Act	1	0	1
Review by NCAT**	0	0	0
<b>Total</b>	<b>5</b>	<b>4</b>	<b>9</b>

\* The Information Commissioner does not have the authority to vary decisions but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the decision has been made.

\*\* NSW Civil and Administrative Tribunal (NCAT)

**Table H: Applications for review under Part 5 of the Act (by type of applicant)**

Type of application	Applications reviewed
Applications by applicants for access to information	9
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	3

**Table I: Applications transferred to other agencies under Division 2, Part 4 of the Act (by type of transfer)**

Type of transfer	Applications transferred
Agency-initiated transfers	1
Applicant-initiated transfers	0

## Appendix 10: Workforce diversity profiles

### Trends in the representation of workforce diversity groups

Workforce diversity group	Benchmark	30 June 2017	30 June 2018	30 June 2019	30 June 2020
Women	50% <sup>1</sup>	53.7%	56.1%	57.6%	55.5%
Aboriginal and Torres Strait Islander People	3.3% <sup>2</sup>	1.1%	1.8%	1.8%	1.9%
People whose first language spoken as a child was not English	23.2% <sup>3</sup>	13.1%	13.7%	11.9%	11.5%
People with a disability	5.6 <sup>4</sup>	3.8%	3.1%	3.5%	2.9%
People with a disability requiring work-related adjustment	n/a <sup>4</sup>	1.0%	1.0%	1.2%	1.2%
Women in Senior Leadership	40% by 2021	31.8%	33.3%	41.91%	57.3%

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. 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.

## Trends in the distribution of workforce diversity groups

Workforce diversity group	Benchmark <sup>1,2</sup>	30 June 2017	30 June 2018	30 June 2019	30 June 2020
Women	100	92	93	95	96
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	96	97	97
People with a disability	100	101	104	101	n/a
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.

# Glossary



## Abbreviations and acronyms



<b>AELERT:</b>	Australasian Environmental Law Enforcement and Regulators neTwork	<b>IFOA:</b>	Integrated Forestry Operations Approvals
<b>AM:</b>	Member of the Order of Australia	<b>KOALA:</b>	Knowing Our Ambient Local Air-Quality
<b>ANZSOG:</b>	Australian and New Zealand School of Government	<b>LDAR:</b>	Leak Detection and Repair
<b>ARA:</b>	Appropriate Regulatory Authority	<b>LGA:</b>	Local Government Area
<b>ARC:</b>	Audit Risk and Committee	<b>Minister:</b>	Minister for Energy and Environment
<b>CEO:</b>	Chief Executive Officer	<b>NACC:</b>	NSW Asbestos Coordination Committee
<b>CLM Act:</b>	<i>Contaminated Land Management Act 1997</i>	<b>NABERS:</b>	National Australian Built Environment Rating System
<b>CRC:</b>	Community Recycling Centres	<b>NPWS:</b>	National Parks and Wildlife Service
<b>DPIE:</b>	(NSW) Department of Planning, Industry and Environment	<b>PFAS:</b>	Per- and polyfluoroalkyl substances
<b>EIP:</b>	Environmental improvement programs	<b>PIRMP:</b>	Pollution Incident Response Management Plan
<b>EnviroPlan:</b>	Environmental Services Functional Area Supporting Plan	<b>PMES:</b>	People Matter Employee Survey
<b>EP&amp;A Act:</b>	<i>Environmental Planning and Assessment Act 1979</i>	<b>PNF:</b>	Private Native Forestry
<b>EPL:</b>	Environment protection licence	<b>POEA Act:</b>	<i>Protection of the Environment Administration Act 1991</i>
<b>FCNSW:</b>	Forestry Corporation of NSW	<b>POEO Act:</b>	<i>Protection of the Environment Operations Act 1997</i>
<b>FY:</b>	Financial Year	<b>PRP:</b>	Pollution-reduction programs
<b>GIPA Act:</b>	<i>Government Information (Public Access) Act 2009</i>	<b>PSM:</b>	Public Service Medal
<b>GREP:</b>	Government Resource Efficiency Policy	<b>RID:</b>	Regional Illegal Dumping
<b>HAZMAT:</b>	hazardous materials	<b>UPSS:</b>	Underground Petroleum Storage System
<b>HEPA:</b>	Heads of EPAs (in Australia and New Zealand)	<b>WAARP:</b>	Waste and Resource Reporting Portal
<b>Hons:</b>	Honours		

## Glossary

**ARA:** An authority that has the power to regulate an activity as per the appropriate legislation. ARAs include: The EPA; local councils and other local authorities; public authorities declared by regulation.

**Audit:** A tool utilised by the EPA to monitor compliance and/or best practice with licence, Code or approval conditions and legislative requirements. The EPA utilises both compliance and environmental audits as part of its regulatory process.

**Audit and Risk Committee (ARC):** is the subcommittee of the EPA Board. The ARC provides assurance to the Board that the EPA has effective and efficient systems, policies and processes in place to manage its risk.

**Bin Trim Program:** Free program to provide support to NSW businesses to maximise their recycling and minimise landfill waste.

**China National Sword Policy:** A policy in China, enacted in January 2018, banning the importation of certain types of solid waste (including most plastics) and setting strict contamination limits on recyclable materials.

**Circular economy:** A systematic approach for changing the way we produce, assemble, sell and use products to minimise waste and reduce our environmental impact.

**Clean-up notice:** A notice requiring a person to take specified clean-up action under s91 of the POEO Act when they reasonably suspect that a pollution incident, as defined in the Act, has occurred or is occurring.

**Compliance Incident Reporting and Management:** The current EPA case management system.

**Cluster:** NSW Government departments, agencies and organisations are arranged into nine groups, called clusters. The EPA is an independent statutory authority that sits in the portfolio of the Minister for Energy and

Environment as part of the Planning, Industry and Environment Cluster.

**Coal ash:** Waste generated as a by-product from the burning of coal in coal-fired power stations, also known as fly ash.

**Community Recycling Centres:** Permanent drop-off centres for common household problem wastes that can't be collected via council kerbside waste and recycling collection services. NSW householders can drop off problem wastes at these centres year-round, free of charge.

**Compliance:** Meeting the environmental standards and protections as set out by licence, Code or approval under the appropriate act and associated regulations that the EPA administers.

**Contaminated land:** Land that has been used for industrial, agricultural, waste disposal or other purposes, leading to it contain substances in land or groundwater that are potentially harmful to human health or the environment.

**Contaminated land management:** The management approach of contaminated land to prevent harm to human health and the environment. Approaches can include a range of options including investigation, containment of the contamination, removal and treatment and ongoing monitoring dependent on the type and extent of the contamination.

**COVID-19:** A disease caused by a new strain of coronavirus, formerly referred to as 2019 novel coronavirus or 2019-nCov.

**Don't be a Tosser!** A litter campaign run by NSW EPA, an evolution of the highly recognised 'Hey Tosser!' campaign that originated in 2014 to create community dialogue around the ongoing problem of littering.

**Enforceable undertakings:** Voluntary and binding written agreements between the EPA and another party where the other party is alleged to have contravened a provision of an act administered by the EPA on behalf of the Minister for Energy and Environment.

**Environmental improvement programs (EIP):**

Involves licensees proactively undertaking actions that lead to environmental improvements and a reduction in pollution, consistent with the objectives of the POEO Act. EIPs are attached as conditions of a licence and as such are enforceable. EIPs are intended to encourage voluntary environmental improvements by providing a potential financial incentive. Where an EIP is entered into and placed on a licence, it can improve a licensee's environmental management score which may lead to reduced licence administration fees.

**Environmental liabilities:** The potential costs of remediating a site due to any environmental harm caused by activities occurring on the site.

**Environment Line:** The EPA's contact centre that handles general inquiries about environmental issues and takes reports of pollution for which the EPA has regulatory responsibilities. Environment Line is a one-stop pollution and environmental incident reporting service provided by the Department of Planning, Industry and Environment.

**Environmental Services Functional Area Supporting Plan (EnviroPlan):** A supporting plan of the *NSW Emergency Management Plan*. It details the provision of support and coordination of prevention measures, planning for, response to and recovery from hazards impacting or potentially impacting the environment and causing damage. The principles within EnviroPlan are applied during incidents and emergencies and are not limited to the declaration of a State of Emergency.

**Environment protection licence:** A licence issued to the owners or operators of various industrial premises under the POEO Act. These licences contain conditions that relate to pollution prevention and monitoring, and cleaner production through recycling and reuse and the implementation of best practice.

**EPA Connect:** A general community and EPA stakeholder newsletter.

**EPL Map Viewer:** EPA's Environment Protection Licence secure spatial map viewer displaying licensed premises and other spatial layers.

**Get the Site Right:** A joint program between the Parramatta River Catchment Group, Cooks River Alliance, Georges River Combined Councils Committee, Sydney Coastal Councils group, Lake Macquarie Council, NSW EPA and DPIE, and local councils.

**Government Information (Public Access) Act 2009 (GIPA Act 2009):** Replaces the Freedom of Information Act 1989 (FOI Act) and provides a legally enforceable right to access government information except when it would be contrary to public interest to provide that information.

**Government Resource Efficiency Policy (GREP):** A policy to ensure the NSW Government meets the energy, water and waste goals of NSW 2021: A plan to make NSW number one.

**Greenfields:** Undeveloped land either used for agriculture or landscape design or left to evolve naturally.

**Green leases:** A lease between a landlord and tenant that aims to ensure the environmental impact associated with the ongoing use and operation of the building is minimised.

**Household Chemical CleanOut:** A free service available for the disposal of a range of common household chemicals, many of which could harm the environment if not disposed of properly.

**Hazardous materials:** Materials which are potentially harmful to human health or the environment.

**IFOA:** The EPA monitors compliance with Integrated Forestry Operations Approvals (IFOAs), which regulate environmental planning and assessment, protection of the environment and threatened species conservation in native forests on public land. The terms and conditions of all forestry operations, including logging, are set out in integrated forestry operations.

**Inspection:** A proactive, routine or responsive site visit to check compliance with the appropriate legislation, regulations and licence conditions.

**Knowing Our Ambient Local Air-Quality (KOALA):** An economical air-quality sensor.

**Licence conditions:** Conditions associated with an issued licence. These include the activity or activities licensed, the scale of activity, monitoring requirements, reporting requirements, conditions included in the general terms of approval as a result of the development assessment.

**Licensee:** A business, organisation, or individual that has been granted legal permission by the EPA to engage in an activity prescribed by legislation.

**Love Food Hate Waste:** A program to help businesses and organisations to understand and prevent unnecessary food waste or donate unwanted quality food to people in need.

**Machinery-of-government:** The interconnection of government structures and processes, sometimes referred to as MoG.

**National Sword:** See China National Sword policy.

**Notice:** A broad range of regulatory instruments utilised to manage compliance for a licensed or non-licensed premise/activity.

**Pasminco smelter:** A zinc and lead smelter operating near Boolaroo at the northern end of Lake Macquarie from 1897 to 2003. Following site closure, the EPA declared the site significantly contaminated and issued an order for Pasminco to address contamination. In 2019 the site had its notices lifted following remediation and the NSW Government assumed ongoing responsibility of the site. The EPA, Lake Macquarie City Council and the community are now dealing with off-site contamination produced during the operation of the smelter.

**Penalty notice:** A notice issued under legislation administered by the EPA. They are designed primarily to deal with one-off breaches that can be remedied easily.

**People Matter Employee Survey (PMES):** An annual survey run by the NSW Public Service Commission. The survey is anonymous and includes questions about NSW public servants' experiences with their work, workgroups, managers, and the organisation.

**Pollution-reduction programs (PRP):** Legally binding regulatory instruments aimed to improve the environmental performance and reduce pollution of licensees. PRPs generally require licensees to undertake studies before implementing steps to address environmental problems, including significant upgrading controls and equipment.

**PFAS:** Per- and polyfluoroalkyl substances are a group of man-made chemicals that have multiple fluorine atoms attached to a chain of carbon atoms. They have historically been used in firefighting foam, among other things, and are of concern as they can contaminate land and groundwater.

**POEO Act:** The *Protection of the Environment Operations Act 1997* is a key piece of environmental protection legislation administered by the EPA.

**Pollution Incident Response Management Plan (PIRMP):** A document that outlines what procedures are in place to minimise the risk of a pollution incident at a premises. All holders of environment protection licences, or licensees, are required to prepare a PIRMP which meets the requirements of the POEO Act.

**Private Native Forestry Code:** The Private Native Forestry (PNF) Code of Practice (the Code) establishes a regulatory framework for the sustainable management of forests. It is the key piece of legislation guiding private native forestry operations in NSW.

**Public interest disclosure:** The process for NSW public service employees to report concerns about possible misconduct or serious wrongdoing.

**Return and Earn:** NSW's container deposit scheme. The scheme operates by requiring the cost of purchasing eligible drink to include a refundable deposit. This deposit is refunded upon return of the clean and empty container to a return point.

# Glossary

**Risk-based licensing:** The EPA's risk-based licensing system aims to ensure that all environment protection licensees receive an appropriate level of regulation based on the level of risk they pose. This approach means that all licensed premises have an associated risk rating attached to them and the regulatory approach to the management of the site is proportionate to the rating.

**Sewage:** The waste matter or effluent carried away by sewers or drains. (Sewerage refers to the physical facilities – pipes, drains and treatment facilities through which sewage flows).

**Snowy Hydro 2:** A pumped hydro expansion of the existing Snowy Hydro Scheme using surplus electricity at times of low demand to pump and store water, which can be used to generate power on demand when it is needed.

**State of the Environment report:** A report prepared every three years as a requirement under Section 10 of the POEA Act. The report describes the status and trends in the key environmental issues facing NSW.

**Subsidiary:** A company that is owned by another company – either a parent company or a holding company.

**Voluntary management proposal:** A proposal from a landowner that outlines how contamination will be managed at a site. A proposal may be accepted with or without conditions.

**Waste levy:** A per tonne charge on waste disposed to landfill in specified regulated areas of NSW.

**Wet weather overflow:** When raw or partially treated sewage is released into the environment due to a large influx of water due to high rainfall.

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