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To the Presiding Member Environment Protection Authority

Qualified opinion

I have audited the financial report of the Environment Protection Authority (EPA) for the financial year ended 30 June 2024.

In my opinion, except for the possible effects of the matter described in the 'Basis for qualified opinion' section of my report, the accompanying financial report gives a true and fair view of the financial position of the Environment Protection Authority as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Presiding Member, Chief Executive and the Chief Financial Officer.

Basis for qualified opinion

Procurement reporting disclosure

The EPA was required by the Treasurer's Instructions (Accounting Policy Statements) to include a disclosure reporting the value of procurement with South Australian businesses and non-South Australian businesses for 2023-24.

This requirement uses a framework established by the Treasurer's Instructions (Accounting Policy Statements) and definitions within Treasurer's Instruction 18 *Procurement*.

The EPA included that disclosure in note 4.2 to the financial report.

My review of the processes used by the EPA identified that it had not established an effective process to meet the requirements of the framework which has been established for procurement reporting under the Treasurer's Instructions.

As such, I am not able to obtain sufficient appropriate audit evidence for the amounts disclosed in note 4.2.

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the EPA. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Responsibilities of the Chief Executive and the Board for the financial report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Board is responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the EPA for the financial year ended 30 June 2024.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the EPA's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

A handwritten signature in blue ink, appearing to read 'Andrew Blaskett', with a stylized flourish at the end.

Andrew Blaskett
Auditor-General

22 September 2024

**Environment Protection Authority
(EPA)**

Financial Statements

For the year ended 30 June 2024

**Environment Protection Authority
Certification of Financial Statements**
for the year ended 30 June 2024

We certify that the:

- financial statements of the Environment Protection Authority:
 - are in accordance with the accounts and records of the Authority; and
 - comply with relevant Treasurer's Instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Environment Protection Authority at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Environment Protection Authority for the financial year over its financial reporting and its preparation of financial statements have been effective.



Jon Gorvett
Chief Executive
17 September 2024



Catherine Cooper
Presiding Member
September 2024



Richard Jacka
Chief Financial Officer
17 September 2024

Environment Protection Authority
Statement of Comprehensive Income
for the year ended 30 June 2024

		2024	2023
	Note	\$'000	\$'000
Income			
Fees and charges	2.1	76 841	72 254
Grants and subsidies	2.2	1 675	1 245
Interest	6.1	863	467
Resources received free of charge	2.3	277	243
Other income	2.4	209	75
Total income		79 865	74 284
Expenses			
Cash alignment transfers		38 409	34 793
Employee related expenses	3.3	25 299	23 571
Supplies and services	4.1	9 731	8 638
Depreciation and amortisation	5.1, 5.3	1 020	904
Grants and subsidies	4.3	430	290
Borrowing costs	7.2	54	4
Net loss from disposal of non-current assets		23	-
Impairment loss on receivables	6.2	(6)	(45)
Other expenses	4.4	149	118
Total expenses		75 109	68 273
Net result		4 756	6 011
Total comprehensive result		4 756	6 011

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Environment Protection Authority
Statement of Financial Position
as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	6.1	58 864	57 179
Receivables	6.2	12 641	9 357
Total current assets		71 505	66 536
Non-current assets			
Property, plant and equipment	5.1	6 414	2 394
Intangible assets	5.3	3 409	3 633
Receivables	6.2	5	6
Total non-current assets		9 828	6 033
Total assets		81 333	72 569
Current liabilities			
Payables	7.1	2 121	1 186
Financial liabilities	7.2	272	143
Employee related liabilities	3.4	2 902	3 650
Provisions	7.3	56	98
Other liabilities	7.4	288	170
Total current liabilities		5 639	5 247
Non-current liabilities			
Financial liabilities	7.2	2 987	95
Employee related liabilities	3.4	4 779	3 894
Provisions	7.3	215	345
Other liabilities	7.4	157	188
Total non-current liabilities		8 138	4 522
Total liabilities		13 777	9 769
Net assets		67 556	62 800
Equity			
Retained earnings		67 556	62 800
Total equity		67 556	62 800

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Environment Protection Authority
Statement of Changes in Equity
for the year ended 30 June 2024

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2022	56 914	56 914
Net result for 2022-23	6 011	6 011
Total comprehensive result for 2022-23	6 011	6 011
Balance at 30 June 2023	62 925	62 925
Error correction	(125)	(125)
Restated balance at 30 June 2023	62 800	62 800
Net result for 2023-24	4 756	4 756
Total comprehensive result for 2023-24	4 756	4 756
Balance at 30 June 2024	67 556	67 556

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Environment Protection Authority
Statement of Cash flows
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
<i>Cash inflows</i>			
Fees and charges		73 906	72 623
Receipts from grants		1 675	1 245
Interest received		836	411
GST recovered from DEW		824	971
Other receipts		230	75
Cash generated from operations		77 471	75 325
<i>Cash outflows</i>			
Employee related payments		(25 310)	(23 469)
Payments for supplies and services		(9 612)	(9 332)
Payments of grants and subsidies		(430)	(290)
Interest paid		(54)	(4)
Cash alignment transfers to the Consolidated account		(38 409)	(34 793)
Other payments		(129)	(115)
Cash used in operations		(73 944)	(68 003)
Net cash provided by operating activities	8.1	3 527	7 322
Cash flows from investing activities			
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(1 652)	(1 235)
Cash used in investing activities		(1 652)	(1 235)
Net cash used in investing activities		(1 652)	(1 235)
Cash flows from financing activities			
<i>Cash outflows</i>			
Repayment of leases		(190)	(177)
Cash used in financing activities		(190)	(177)
Net cash used in financing activities		(190)	(177)
Net increase in cash and cash equivalents		1 685	5 910
Cash and cash equivalents at the beginning of the reporting period		57 179	51 269
Cash and cash equivalents at the end of the reporting period	6.1	58 864	57 179

The accompanying notes form part of these financial statements.

Environment Protection Authority

Notes to and forming part of the financial statements

for the year ended 30 June 2024

1. About the Environment Protection Authority

The Environment Protection Authority (the Authority) is a not-for-profit entity and comprises the following:

- the Environment Protection Authority – a statutory authority with an appointed board established by the *Environment Protection Act 1993*;
- an administrative unit also named the Environment Protection Authority established under the *Public Sector Act 2009*; and
- the Environment Protection Fund (the Fund) established under the *Environment Protection Act 1993*.

Under the *Environment Protection Act 1993*, the Chief Executive of the administrative unit is also taken to be the Chief Executive of the statutory authority. The Chief Executive is subject to the control and direction of the Minister in relation to the activities of the administrative unit, and is subject to the control and direction of the Board in relation to giving effect to its policies and decisions under the *Environment Protection Act 1993*.

The statutory authority is South Australia's primary environmental regulator for the protection, restoration and enhancement of our environment. The statutory authority makes use of the services of the administrative unit's employees and facilities in performing its statutory obligations.

The administrative unit also has responsibility for radiation protection functions under the *Radiation Protection and Control Act 2021*. The Authority's financial statements include assets, liabilities, revenues and expenses attributable to Radiation Protection. The income and expenses (excluding overheads) attributable to radiation protection are disclosed in note 8.3. However assets and liabilities have not been separately disclosed as they cannot be reliably attributed to radiation protection functions.

Consistent accounting policies have been applied and all inter-entity balances and transactions arising within the consolidated entity have been eliminated in full.

The financial statements and accompanying notes include all the controlled activities of the Authority.

The Authority has administered activities and resources. Transactions and balances are presented separately and disclosed at note 8.4. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for the Authority's transactions.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards.

For the purposes of preparing financial statements, the authority is a not-for-profit entity. The financial statements have been prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Material accounting policies are set out throughout the notes.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.1. Basis of preparation (continued)

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The Authority is grouped with the Department for Environment and Water (DEW) for GST purposes, and accordingly DEW prepares the Business Activity Statement on behalf of the Authority via the grouping provisions of the GST legislation. Notwithstanding the use of these grouping provisions, intercompany cash alignment occurs to ensure the Authority either recovers the net amount of GST recoverable from or disburses the amount payable to the ATO from DEW.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

1.2. Objectives and programs

Objectives

The objectives of the Authority are to achieve a better environment for the wellbeing and prosperity of all South Australians:

- through the protection, restoration and enhancement of the environment, and the risk-based regulation of pollution, waste and noise
- by ensuring the safe use of radiation to minimise adverse impacts on human health and the environment, through the risk-based regulation of radiation.

The Authority works closely with industry, the community and government to protect our unique natural environment and regulate the safe use of radiation while supporting economic growth and improving wellbeing.

Programs

The Authority is funded by fees and charges for the provision of environment protection, policy and regulatory services. In line with the objectives of establishing the Authority to focus on environment protection activities, the Authority conducts its services through a single program, Environment and Radiation Protection. The purpose of this program is to achieve a better environment for the wellbeing and prosperity of South Australians. As the Authority conducts its services through a single program, a Statement of Disaggregated Disclosures has not been prepared.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.3. Financial arrangements

The Authority's sources of funds consist of income derived primarily from fees, levies and licences. These fees, levies and licences include:

- waste levies from landfill depots
- environmental authorisation fees
- radiation licence fees
- fines and penalties
- section 7 enquiries.

The financial activities of the Authority are primarily conducted through deposit accounts with the Department of Treasury and Finance (DTF) pursuant to Section 8 and Section 21 of the *Public Finance and Audit Act 1987*. The deposit accounts are used for revenues from services provided and from fees and charges.

DEW provides some professional, technical and administrative support to the Authority, under an annual memorandum of understanding. The identifiable direct costs of providing these services are met by the Authority.

1.4. Budget performance

The budget performance table compares the Authority's outcomes against budget information presented to Parliament (2023-24 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Note	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
Statement of Comprehensive Income				
Income				
Fees and charges		70 648	76 841	6 193
Grants and subsidies		192	1 675	1 483
Interest		450	863	413
Resources received free of charge		-	277	277
Other income		425	209	(216)
Total income		71 715	79 865	8 150
Expenses				
Cash alignment transfers to the Consolidated account	(a)	-	38 409	38 409
Net loss from disposal of non-current assets		-	23	23
Employee related expenses		25 911	25 299	(612)
Supplies and services	(b)	7 735	9 731	1 996
Depreciation and amortisation		930	1 020	90
Grants and subsidies		244	430	186
Borrowing costs		10	54	44
Impairment loss on receivables		-	(6)	(6)
Other expenses		149	149	-
Total expenses		34 979	75 109	40 130
Net result		36 736	4 756	(31 980)

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.4. Budget performance (continued)

Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

- (a) The cash alignment variation is unbudgeted cash returned to government under the Cash Alignment Policy
- (b) Higher actuals reflect additional expenditure for the following projects: remediation works (\$0.6 million), hazardous waste management (\$0.52 million), EPA Digital and ICT Strategy and Roadmap (\$0.35 million), Lab relocation (\$0.3 million), Cooperative Research Centre for Solving Antimicrobial Resistance in Agribusiness, Food and Environments grant (\$0.21 million).

	Note	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
Investing expenditure summary				
Total annual program		671	506	(165)
Total investing expenditure		671	506	(165)

	Note	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
Administered Items				
Statement of Comprehensive Income				
Income				
Fees, fines and penalties		49 643	52 804	3 161
Total income		49 643	52 804	3 161
Expenses				
Intra government transfers		49 643	51 691	2 048
Total expenses		49 643	51 691	2 048
Net result		-	1 113	1 113
Total comprehensive result		-	1 113	1 113

1.5. Significant transactions with government related entities

Significant transactions with the SA Government are identifiable throughout this financial report. In addition:

- 100% of accommodation expense payments relate to accommodation supplied by the Department for Infrastructure and Transport (DIT)
- 50% of the cash component of solid waste levies collected by the Authority is transferred to Green Industries SA
- the Authority has a memorandum of understanding with DEW for professional, technical and administrative support
- other significant transactions include those with licence holder SA Water for various charges.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

2. Income

2.1. Fees and charges

	2024	2023
	\$'000	\$'000
Waste levies	53 876	49 925
Environmental authorisation fees	16 540	15 525
Radiation licence fees	4 712	4 412
Other licence fees	979	1 511
Fines and penalties	284	475
Other fees and charges	450	406
Total fees and charges	76 841	72 254

Waste levies are recognised in the year the returns are submitted. Levies for which waste depot operators have not yet paid at the end of the financial year, are recorded as accrued revenue.

The Waste levies disclosed represent the Authority's 50 percent share of the total levies collected in 2023-24. As per section 113 of the *Environment Protection Act 1993* the Authority collects waste levies, and is then required to transfer 50 percent of the cash component of solid waste levies collected to Green Industries SA (Note 8.4) as per section 17 of the *Green Industries SA Act 2004*.

The Authority recognises revenue for environmental authorisation fees, raised in accordance with the *Environment Protection Act 1993*, when an invoice is issued to the customer.

Revenue under the *Radiation Protection and Control Act 2021* and other licence fees, are recognised as revenue by the Authority when they are received.

2.2. Grants, subsidies and transfers

	2024	2023
	\$'000	\$'000
Contingency funding provided by DTF	600	751
SA Government grants	961	348
Commonwealth Government grants	97	96
Private industry and community subsidy	17	50
Total grant and subsidies	1 675	1 245

Grants, subsidies and transfers are recognised as income on receipt.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

2.3. Resources received free of charge

	2024	2023
	\$'000	\$'000
Shared Services SA - financial services	144	138
DPC - ICT services	133	105
Total resources received free of charge	277	243

Contributions of services are recognised only when a fair value can be determined reliably, and the services would be purchased if they had not been donated.

The Authority receives Financial Accounting, Taxation, Payroll, Accounts Payable from Shared Services SA free of charge, and ICT services from the Department of the Premier and Cabinet free of charge.

2.4. Other income

	2024	2023
	\$'000	\$'000
Reimbursement of expenses	146	65
Salaries and wages recoveries	(15)	8
Other sundry revenue	78	2
Total other income	209	75

Reimbursement of expenses are administrative and technical costs incurred by the Authority.

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the Authority include the Minister for Climate, Environment and Water (the Minister), Board Members, Chief Executive and five members of the Executive Team who have responsibility for the strategic direction and management of the Authority.

The compensation detailed below excludes salaries and other benefits received by the Minister. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 the *Parliamentary Remuneration Act 1990*.

	2024	2023
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	1 458	1 553
Post-employment benefits	158	187
Other long-term employment benefits	-	344
Termination benefits	-	164
Total	1 616	2 248

The Authority did not enter into any transactions with key management personnel or their close family members during the reporting period.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.2. Board and committee members

Members during the 2023-24 financial year were:

Board of the Environment Protection Authority	Radiation Protection Committee
Stephen Christley	Keith Baldry
Catherine Cooper	Peter James (Jim) Hondros
Susan Jeanes	Pamela Sykes
Jonathan Gorvett*	Kathryn Leidig-Levingstone
Helen Macdonald	Michelle Nottage*
Christopher Stathy	Charlotte Sale*
Christine Trenorden	Nicola Spurrier*
Mark Withers	Chris Lease*
Margaret Cross	Nigel Spooner
Keith Baldry*	

* In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committees during the financial year.

Board and committee remuneration

The number of members whose remuneration received or receivable falls within the following bands:

	2024	2023
\$0 - \$19 999	13	16
\$20 000 - \$39 999	4	5
\$40 000 - \$59 999	1	2
Total number of members	18	23

The total remuneration received or receivable by members was \$0.201 million (2023: \$0.249 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax paid.

3.3. Employee related expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	18 361	17 329
Targeted voluntary separation packages	119	70
Long service leave	1 101	549
Annual leave	1 861	1 823
Skills and experience retention leave	153	137
Employment on-costs - superannuation	2 521	2 290
Employment on-costs - other	1 160	1 060
Board and committee fees	187	193
Workers compensation	(169)	95
Other employee related expenses	5	25
Total employee related expenses	25 299	23 571

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.3. Employee related expenses (continued)

Employment expenses

The Authority's employees are employed under Part 7 of the *Public Sector Act 2009*.

The superannuation employment on-cost charge represents the Authority's contribution to superannuation plans in respect of current services of current employees.

Targeted Voluntary Separation Packages (TVSPs)

The number of employees who accepted a TVSP during the reporting period was 1 (2023: 1).

	2024	2023
	\$'000	\$'000
Amounts paid to separated employees:		
TVSPs	119	70
Leave paid to separated employees	9	19
Recovery from the Department of Treasury and Finance	-	(71)
Net cost to the Authority	128	18

Employee remuneration

The number of employees whose remuneration received or receivable falls within the following bands:

	2024	2023
	No	No
\$166 001 to \$186 000	1	1
\$226 001 to \$246 000	2	2
\$246 001 to \$266 000	1	-
\$286 001 to \$306,000	-	1
\$346 001 to \$366 000	-	1
\$426 001 to \$446 000	1	-
\$526 001 to \$546 000*	-	1
Total	5	6

The total remuneration received by those employees for the year was \$1.327 million (2023: \$1.828 million).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, termination payments, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax.

* Includes termination payments.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.4. Employee related liability

	2024	2023
	\$'000	\$'000
<u>Current</u>		
Annual leave	1 729	1 785
Long service leave	457	752
Accrued salaries and wages	16	331
Skills and experience retention leave	110	108
Employment on-costs	590	674
Total current employee related liabilities	2 902	3 650
<u>Non-current</u>		
Long service leave	4 334	3 541
Employment on-costs	445	353
Total non-current employee related liabilities	4 779	3 894
Total employee related liabilities	7 681	7 544

Employee related liabilities accrue as a result of services provided up to the reporting date that remain unpaid. Non-current employee related liabilities are measured at present value and current employee related liabilities are measured at nominal amounts.

Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave

The liability for salaries and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

The salary inflation rate for annual leave and skills, experience and retention leave liability has increased from 2.0% (2023) to 2.4% (2024).

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement of sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

AASB 119 Employee Benefits contains the calculation methodology for long service leave liability.

The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

The discount rate used in measuring the liability is reflective of the yield on long term Commonwealth Government bonds. The yield on long term Commonwealth Government bonds has increased from 4.0% (2023) to 4.25% (2024).

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows results in a decrease in the reported long service leave liability.

Following the actuarial assessment performed by DTF the salary inflation rate has increased from 2023 (2.5%) to 2024 (3.5%) for long service leave liability. This increase to the percentage has led to an overall increase in the reported long service leave for 2024.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.4. Employee related liability (continued)

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service liability of \$0.211 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions - including the long-term discount rate.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months, based average proportion of long service leave taken or paid over the last year.

Employment on-costs

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

The Authority contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

As a result of an actuarial assessment performed by the DTF, the proportion of long service leave taken as leave has increased from the 2023 rate (43%) to 2024 (44%) The average factor for the calculation of employer superannuation cost on-costs has increased from the 2023 rate (11.1%) to 2024 (11.5%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year are immaterial.

4. Expenses

4.1. Supplies and services

	2024	2023
	\$'000	\$'000
Accommodation	2 102	2 038
Legal expenses	1 063	1 172
Fee for service - Site Contamination	1 013	932
Information technology and communications	998	895
Fee for service - Other	892	447
General administration	630	606
Temporary staff	479	295
Hazardous waste	403	190
Minor works, maintenance & equipment	328	193
Staff development	312	507
Security expense - other	280	71
Scientific and technical services	249	321
Travel and accommodation	195	208
Consultants	162	16
Fee for service - DEW	156	194
Vehicle and aircraft	111	97
Transportation	110	125
Monitoring fees	14	23
Other	234	308
Total supplies and services	9 731	8 638

Environment Protection Authority
Notes to and forming part of the financial statements
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4.1. Supplies and services (continued)

Accommodation

The Authority's office accommodation is provided by the Department for Infrastructure and Transport (DIT) under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease and accordingly are expensed (disclosed within Accommodation). Information about accommodation incentives relating to this arrangement is shown at note 7.4.

4.2. Expenditure - SA Business and Non-SA Business

The following table includes all expenditure in relation to contracts above \$55 000 (GST inclusive) resulting from a procurement as defined in *Treasurer's Instructions 18 – Procurement* (TI 18).

Arrangements between public authorities and arrangements with other governments are not included.

Expenditure is inclusive of non-recoverable GST.

	2024	Proportion SA and non-SA businesses
	\$'000	
Total expenditure with South Australian businesses	2 770	57%
Total expenditure with non-South Australian businesses	2 097	43%
	4 867	100%

Classification as SA business or non-SA business is generally based on circumstances as at the time of entering into a contract. For contracts entered into before 20 February 2023, where sufficient evidence of an assessment made under previous procurement requirements is known to the Authority, this was used to determine classification. For contracts where such evidence of prior assessment is not available and for all other contracts, classification is based on the definition of an SA business provided in TI 18.

TI 18 defines a business as being South Australian where it operates in South Australia and more than 50% of the workforce delivering the contract resulting from the procurement on behalf of the business are South Australian residents.

The disclosure for expenditure with SA businesses reflects the total spent on contracts within the TI 18 definition and in some instances includes the cost of goods sourced from outside South Australia.

In many cases, the determination has been made on the basis of representations made by suppliers at a point in time which has not been subject to independent verification.

4.3. Grants and subsidies

	2024	2023
	\$'000	\$'000
Cooperative Research Centre for Solving Antimicrobial Resistance in Agribusiness, Food and Environments	210	210
Green Industries SA	115	80
Attorney General's Department	49	-
Department of the Premier and Cabinet	17	-
Other grants	39	-
Total grants and subsidies	430	290

Environment Protection Authority
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4.4. Other expenses

	2024	2023
	\$'000	\$'000
Audit fees	121	118
Property, plant and equipment write-offs	25	-
Other	3	-
Total other expenses	149	118

Audit fees paid/payable to the Audit Office of South Australia relating to work performed under the Public Finance and Audit Act 1987 were \$0.121 million (2023: \$0.118 million). No other services were provided by the Audit Office of South Australia.

5. Non-financial assets

5.1. Property, plant and equipment

Property, plant and equipment owned by the Authority with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Authority is recorded at fair value. Detail about the Authority's approach to fair value is set out in note 10.1.

Property, plant and equipment comprises tangible assets owned and right-of-use leased assets. The assets presented below do not meet the definition of investment property.

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential.

Environment Protection Authority
Notes to and forming part of the financial statements
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5.1. Property, plant and equipment (continued)

Reconciliation 2023-24

	Buildings and Land improvements \$'000	Infrastructure \$'000	Vehicles \$'000	Computing equipment \$'000	Furniture and fittings \$'000	Plant & equipment \$'000	ROU Buildings \$'000	ROU Capital work Vehicles \$'000	in progress \$'000	Total \$'000	
Carrying amount at the beginning of the period	278	8	210	67	38	543	1 021	137	92	-	2 394
Acquisitions	-	-	-	-	-	39	343	3 160	27	1 072	4 641
Transfers to/(from) capital works in progress	-	-	-	-	-	-	18	-	-	(18)	-
Disposals	-	-	(21)	-	-	-	(1)	-	-	-	(22)
Capital WIP - expensed in current period	-	-	-	-	-	-	-	-	-	(25)	(25)
Depreciation	-	(1)	(22)	(11)	(10)	(92)	(236)	(153)	(73)	-	(598)
Other adjustment	-	-	-	-	-	-	-	-	24	-	24
Carrying amount at the end of the period	278	7	167	56	28	490	1 145	3 144	70	1 029	6 414
Gross carrying amount											
Gross carrying amount	278	40	393	155	233	3 837	3 468	3 525	240	1 029	13 198
Accumulated depreciation	-	(33)	(226)	(99)	(205)	(3 347)	(2 323)	(381)	(170)	-	(6 784)
Carrying amount at the end of the period	278	7	167	56	28	490	1 145	3 144	70	1 029	6 414

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5.1. Property, plant and equipment (continued)

Reconciliation 2022-23

	Buildings and Land improvements \$'000	Infrastructure \$'000	Vehicles \$'000	Computing equipment \$'000	Furniture and fittings \$'000	Plant & equipment \$'000	ROU Buildings \$'000	ROU Vehicles \$'000	Capital work in progress \$'000	Total \$'000	
Carrying amount at the beginning of the period	278	9	233	78	48	537	1 072	209	136	68	2 668
Acquisitions	-	-	-	-	-	-	-	-	34	213	247
Transfers to/(from) capital works in progress	-	-	-	-	-	96	185	-	-	(281)	-
Depreciation	-	(1)	(23)	(11)	(10)	(90)	(72)	(78)	(78)	-	(521)
Carrying amount at the end of the period	278	8	210	67	38	543	1 021	137	92	-	2 394
Gross carrying amount											
Gross carrying amount	278	40	480	186	233	3 827	4 671	481	298	-	10 494
Accumulated depreciation	-	(32)	(270)	(119)	(195)	(3 284)	(3 650)	(344)	(206)	-	(8 100)
Carrying amount at the end of the period	278	8	210	67	38	543	1 021	137	92	-	2 394

Environment Protection Authority
Notes to and forming part of the financial statements
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5.1. Property, plant and equipment (continued)

Useful life

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible asset depreciation and amortisation are calculated over the estimated useful life as follows:

<u>Class of Asset</u>	<u>Useful Life (years)</u>
Computing equipment	7
Intangible assets	10-15
Infrastructure	15-30
Plant and equipment	5-20
Vehicles	5-25
Furniture and fittings	8-20
Buildings and improvements	40
Right-of-use vehicles	Lease term
Right-of-use buildings	Lease term

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

Impairment

Property, plant and equipment owned by the Authority has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

5.2. Property, plant and equipment leased by the Authority

Right-of-use assets for property, plant and equipment leased by the Authority as lessee are measured at cost.

Short-term leases of 12 months or less and low value leases, where the underlying asset value is less than \$15 000, are not recognised as right-of-use assets. The associated lease payments are recognised and are disclosed in note 4.1.

The Authority has a limited number of leases:

- 17 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.
- Laboratories at Byron Place, Adelaide and Bedford St, Gillman. These premises are used largely for scientific and laboratory work. The lease term for Byron Place is from 1 February 2020 for a period of 4.5 years, while Gillman commenced on 1 March 2024 for a period of 10 years with an extension of 3 years. The extension option has been incorporated in the calculation for the lease liability.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. The Authority's maturity analysis of its lease liabilities is disclosed in note 7.2. Cash outflows related to leases are disclosed in note 8.1.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5.3. Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

Reconciliation 2023-24

	Internally developed \$'000	Externally acquired \$'000	Capital work in progress \$'000	Total \$'000
Carrying amount at the beginning of the period	31	3 369	233	3 633
Acquisitions	-	-	198	198
Transfers from capital works in progress	-	230	(230)	-
Amortisation	(8)	(414)	-	(422)
Carrying amount at the end of the period	23	3 185	201	3 409
Gross carrying amount				
Gross carrying amount	99	8 027	201	8 327
Accumulated amortisation	(76)	(4 842)	-	(4 918)
Carrying amount at the end of the period	23	3 185	201	3 409

Reconciliation 2022-23

	Internally developed \$'000	Externally developed \$'000	Capital work in progress \$'000	Total \$'000
Carrying amount at 1 July 2022	39	2 573	382	2 994
Acquisition	-	-	1 022	1 022
Transfers from capital works in progress	-	1 171	(1 171)	-
Amortisation	(8)	(375)	-	(383)
Carrying amount at 30 June 2023	31	3 369	233	3 633
Gross carrying amount				
Gross carrying amount	99	7 797	233	8 129
Accumulated amortisation	(68)	(4 428)	-	(4 496)
Carrying amount at 30 June 2023	31	3 369	233	3 633

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2024

6. Financial assets

6.1. Cash and cash equivalents

	2024	2023
	\$'000	\$'000
<u>Deposits with the Treasurer (Special deposit accounts)</u>		
Environment Protection Authority Operating Account	34 399	39 467
Environment Protection Fund Deposit Account	24 461	17 708
Imprest account/cash on hand	4	4
Total cash and cash equivalents in the Statement of Financial Position	58 864	57 179
Total cash and cash equivalents in the Statement of Cash Flows	58 864	57 179

Deposits with the Treasurer

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

The Environment Protection Fund is established under section 24 of the *Environment Protection Act 1993*. The Fund must be kept as directed by the Treasurer. Prescribed percentages of waste levies and licence fees are paid into the Fund under section 7 of the *Environment Protection Regulations 2023*. The Fund may be applied by the Minister or by the Authority with the approval of the Minister. The Environment Protection Fund deposit account was established under section 21 of the *Public Finance and Audit Act 1987*.

The Environment Protection Fund Deposit Account earns a floating interest rate, based on daily bank deposit rates.

6.2. Receivables

	2024	2023
	\$'000	\$'000
<u>Current</u>		
Contractual receivables		
Debtors	3 800	1 940
Accrued revenues	9 105	8 149
Less impairment loss on receivables	(707)	(837)
Total contractual receivables	12 198	9 252
Statutory receivables		
Workers compensation recoveries	1	1
GST Recoverable from DEW	168	22
Total statutory receivables	169	23
Prepayments	274	82
Total current receivables	12 641	9 357
Non-current		
Workers compensation recoveries	5	6
Total non-current receivables	5	6
Total receivables	12 646	9 363

Environment Protection Authority
Notes to and forming part of the financial statements
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6.2. Receivables (continued)

Trade receivables arise in the normal course of selling goods and services to other government agencies and to the public. Trade receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Other than as recognised in the allowance for impairment loss on receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

The net amount of GST recoverable from the ATO (via DEW) is included as part of receivables.

Refer to note 10.2 for further information on risk management.

Impairment of receivables

The Authority has adopted the simplified impairment approach and measured lifetime expected credit losses on all trade receivables using an allowance matrix as a practical expedient to measure the impairment allowance.

	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of the period	837	908
Amounts written off	(124)	(26)
Decrease in allowance recognised in profit and loss	(6)	(45)
Carrying amount at the end of the period	707	837

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. No impairment loss was recognised in relation to statutory receivables.

Refer to note 10.2 for details regarding credit risk and the methodology for determining impairment.

7. Liabilities

7.1. Payables

	2024	2023
	\$'000	\$'000
Current		
Contractual payables	1 982	1 022
Accrued expenses	18	46
Statutory payables		
Statutory payables	121	118
Total current payables	2 121	1 186
Total payables	2 121	1 186

Creditors and accruals are recognised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Statutory payables do not arise from contracts. Statutory payables include government taxes and equivalents, statutory fees and charges and Audit Office of South Australia audit fees. Statutory payables are carried at cost.

Environment Protection Authority
Notes to and forming part of the financial statements
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7.2. Financial liabilities

All financial liabilities relate to lease liabilities.

Lease liabilities have been measured via discounting lease payments using Treasury's incremental borrowing rate. Financing costs associated with leasing activities was \$54 000 (2023: \$4 000).

A maturity analysis of lease liabilities based on undiscounted gross cash flows is reported in the table below, therefore may not total to equal the carrying amount/fair value of the financial instrument.

	2024	2023
	\$'000	\$'000
Lease Liabilities		
Up to 1 year	407	78
1 to 5 years	1 284	148
More than 5 years	2 846	-
	4 537	226

7.3. Provisions

All provisions relate to workers compensation.

	2024	2023
	\$'000	\$'000
Movement in provisions		
Carrying amount at the beginning of the period	443	387
Reductions arising from payments	(19)	(150)
(Decreases)/increases resulting from re-measurement	(222)	206
Additions	69	-
Carrying amount at the end of the period	271	443

The Authority is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the Authority is responsible for the management of workers rehabilitation and compensation, and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventative programs.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2024 provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment.

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

Environment Protection Authority
Notes to and forming part of the financial statements
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7.4. Other liabilities

	2024	2023
	\$'000	\$'000
<u>Current</u>		
Accommodation incentive	38	45
Deposits held	250	125
Total current other liabilities	288	170
<u>Non-current</u>		
Accommodation incentive	157	188
Total non-current other liabilities	157	188
Total other liabilities	445	358

Accommodation incentive liabilities relate to arrangements with the DIT for office accommodation. These arrangements do not comprise leases and the accommodation incentives do not comprise financial liabilities. The DIT has provided a range of incentives relating to the fit-out of accommodation. The benefit of these incentives is spread over the accommodation term so that each year reported accommodation expenses reflect the economic substance of the office accommodation arrangements and related benefits provided.

Prior period error

A voluntary payment made to the EPA for site remediation works, to be held until a third party completed the works, was receipted as revenue in error in 2022-23. An adjustment has been made in 2023-24 to retained earnings and comparatives restated to correctly recognise the amount as a deposit held at 30 June 2023.

8. Other disclosures

8.1. Cash flow

Reconciliation of net result to cash flows from operating activities

	2024	2023
	\$'000	\$'000
<u>Reconciliation of net cash provided by operating activities to net result</u>		
Net cash provided by operating activities	3 527	7 322
<u>Add/less non-cash items</u>		
Depreciation and amortisation	(1 020)	(904)
Supplies and services not requiring cash	(277)	(243)
Capital work-in-progress and asset write-offs	(25)	-
Resources received free of charge	277	243
Gain on disposal of non-current assets	(23)	-
<u>Movement in assets and liabilities</u>		
Increase/(decrease) in receivables	3 283	(404)
Increase in payables	(939)	(228)
Increase in employee related liabilities	(138)	(7)
(Increase)/decrease in other liabilities	(81)	288
Decrease/(increase) in provisions	172	(56)
Net result	4 756	6 011

Total cash outflows for leases is \$244 000 (2023: \$181 000).

Environment Protection Authority
Notes to and forming part of the financial statements
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8.2. The Environment Protection Fund

The following is a summary of the financial activity attributable to the Fund. In reflecting these amounts in the Authority's financial statements, transactions between the Fund and the Authority have been eliminated. These amounts also form part of and are incorporated within the Authority's financial statements.

Statement of Comprehensive Income for the year ended 30 June 2024	2024 \$'000	2023 \$'000
Income		
Fees and Charges	6 236	5 909
Interest	862	467
Other Income	83	-
Total income	7 181	6 376
Expenses		
Employee related expenses	-	369
Supplies and services	-	2 976
Grants and subsidies	-	4
Total expenses	-	3 349
Net result	7 181	3 027
Statement of Financial Position as at 30 June 2024	2024 \$'000	2023 \$'000
Current assets		
Cash	24 461	17 708
Receivables	989	901
Total current assets	25 450	18 609
Total assets	25 450	18 609
Current liabilities		
Payables	19	359
Total current liabilities	19	359
Total liabilities	19	359
Net assets	25 431	18 250
Equity		
Retained earnings	25 431	18 250
Total equity	25 431	18 250

Environment Protection Authority
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8.2. The Environment Protection Fund (continued)

Statement of Changes in Equity for the year ended 30 June 2024	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2022	15 223	15 223
Net result for 2022-23	3 027	3 027
Balance at 30 June 2023	18 250	18 250
Net result for 2023-24	7 181	7 181
Balance at 30 June 2024	25 431	25 431

Statement of Cash Flows for the year ended 30 June 2024	2024 \$'000	2023 \$'000
Cash flows from operating activities		
<i>Cash inflows</i>		
Fees and charges	6 092	5 844
Interest	919	411
Other Income	83	-
Cash generated from operations	7 094	6 255
<i>Cash outflows</i>		
Employee related payments	-	(369)
Payments for supplies and services	(341)	(2 831)
Grants and contribution payments	-	(4)
Cash used in operations	(341)	(3 204)
Net cash provided by operating activities	6 753	3 051
Net increase in cash and cash equivalents	6 753	3 051
Cash and cash equivalents at the beginning of the reporting period	17 708	14 657
Cash and cash equivalents at the end of the reporting period	24 461	17 708

Environment Protection Authority
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8.3. Radiation Protection

The administrative unit has responsibility for radiation protection functions under the *Radiation Protection and Control Act 2021*.

The following summarises income and expenditure attributable to radiation protection functions within the administrative unit excluding the allocation of overheads. These amounts also form part of and are incorporated within the Authority's financial statements. In reflecting these amounts in the Authority's financial statements, transactions between Radiation Protection and the Statutory Authority have been eliminated.

Statement of Comprehensive Income for the year ended 30 June 2024	2024 \$'000	2023 \$'000
Income		
Radiation license fees	4 712	4 412
Grants and contributions	33	33
Other income	11	-
Total income	4 756	4 445
Expenses		
Employee related expenses	1 928	1 453
Supplies and services	121	67
Total expenses	2 049	1 520
Net result	2 707	2 925

8.4. Administered Items

The following is a summary of the amounts captured as Administered Items of the Authority which comprises Solid Waste Levies received and transferred to Green Industries SA.

Statement of Comprehensive Income for the year ended 30 June 2024	2024 \$'000	2023 \$'000
Income		
Solid waste levies	52 804	48 763
Total income	52 804	48 763
Expenses		
Solid waste levies transferred to GISA	51 691	47 395
Total expenses	51 691	47 395
Net result	1 113	1 368

Solid Waste Levies

As per section 113 of the *Environment Protection Act 1993* the Authority collects waste levies, and is then required to transfer 50 percent of the cash component of solid waste levies collected to Green Industries SA as per section 17 of the *Green Industries SA Act 2004*.

Environment Protection Authority
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8.4. Administered Items (continued)

Statement of Financial Position	2024	2023
as at 30 June 2024	\$'000	\$'000
Current assets		
Cash	1 403	1 111
Receivables	9 042	8 220
Total current assets	10 445	9 331
Total assets	10 445	9 331
Net assets	10 445	9 331
Equity		
Retained earnings	10 445	9 331
Total equity	10 445	9 331
Statement of Cash Flows	2024	2023
for the year ended 30 June 2024	\$'000	\$'000
Cash flows from operating activities		
<i>Cash inflows</i>		
Solid waste levies received	51 983	48 575
Cash generated from operations	51 983	48 575
<i>Cash outflows</i>		
Solid waste levies transferred to GISA	(51 691)	(47 395)
Cash used in operations	(51 691)	(47 395)
Net cash provided by operating activities	292	1 180
Net increase in cash and cash equivalents	292	1 180
Cash and cash equivalents at the beginning of the reporting period	1 111	(69)
Cash and cash equivalents at the end of the reporting period	1 403	1 111

Environment Protection Authority
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9. Outlook

9.1. Unrecognised commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual sources and are disclosed at their nominal value.

Other contractual commitments

Expenditure contracted for at the reporting date but not recognised as liabilities are as follows:

	2024	2023
	\$'000	\$'000
Within one year	1 934	2 095
Later than one year but not longer than five years	6 511	8 262
Later than five years	-	364
Total expenditure commitments	8 445	10 721

The Authority's other contractual commitments are for agreements for memoranda of administrative arrangements with DIT for accommodation.

9.2. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The Authority is not aware of any contingent assets or liabilities as at 30 June 2024.

9.3. Impact of standards and statements not yet effective

The Authority has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet effective and does not expect these to have a material impact on the Authority's statements.

9.4. Events after the reporting period

There were no events that occurred after the reporting period for the year ended 30 June 2024.

Environment Protection Authority
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10. Measurement and risk

10.1. Fair value

AASB 13 Fair Value Measurement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at significantly less than fair value, they are recorded at their fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements then the assets are recognised at book value (that is the amount recorded by the transferor public authority immediately prior to the restructure).

Revaluation

Non-current tangible assets are valued at fair value and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

The Authority does not hold assets that meet this criteria.

Fair value hierarchy

The Authority classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market and are derived from unobservable inputs.

The Authority categorises non-financial assets measured at fair value at level 3 which are all recurring. There are no non-recurring fair value measurements.

The Authority's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. During 2023 and 2024, the Authority had no valuations categorised into level 1 or 2.

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10.2. Financial instruments

Financial Risk Management

Risk management is managed by the Authority's Risk and Governance, People Strategy and Performance Directorate. Authority risk management policies are in accordance with the *SA Government Risk Management Guide* the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The Authority's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

Liquidity risk

The Authority is funded principally from revenue received from waste levies and licence fees. The Authority works with the DTF to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to notes 7.1 and 7.2 for further information.

Credit Risk

The Authority has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Authority has minimal concentration of credit risk.

No collateral is held as security and no credit enhancements relate to financial assets held by the Authority.

Impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss (ECL) using the simplified approach in AASB 9. The Authority uses a combined approach where the Authority considers receivables that are impaired and then applies a provision matrix as a practical expedient to measure lifetime expected credit losses on the remaining non-government debtors.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the Authority considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Authority's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Authority is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor.

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10.2. Financial instruments (continued)

The following table provides information about the exposure to credit risk and ECL for non-government debtors.

	Debtor gross carrying amount	Loss %	Lifetime expected losses
	\$'000		\$'000
Current (not past due)	2 526	0.0	-
1 - 30 days past due	35	0.1	-
31 - 60 days past due	63	0.3	-
61 - 90 days past due	75	0.0	-
More than 90 days past due	925	15.41*	707
Loss allowance			707

* This reflects the average loss percentage applied to debtors aged 91-150 days overdue, 151-180 days overdue, 181 days to 1 year overdue and more than 1 year overdue.

Loss rates are based on actual history of credit loss, these rates have been adjusted to reflect differences between previous economic conditions, current conditions and the Authority's view of the forecast economic conditions over the expected life of the receivables.

Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the Authority and a failure to make contractual payments for a period of greater than 90 days past due.

Cash

The Authority considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

Market risk

The Authority does not trade in foreign currency, nor enter into transactions for speculative purposes nor for hedging. The Authority does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the government's risk management strategy articulated in TI 23 *Management of Foreign Currency Exposures*.

Exposure to interest rate risk may arise through its interest bearing liabilities. The Authority's interest bearing liabilities are managed through the SAFA and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks.

There have been no changes in risk exposure since the last reporting period.

Categorisation of Financial Instruments

Details of the material accounting policy information and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset/liability note.

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10.2. Financial instruments (continued)

Classification of Financial Instruments

The Authority measures all financial instruments at amortised cost.

Maturity analysis of Financial Instruments

Financial assets and financial liabilities are measured at amortised cost except for amounts relating to statutory receivables and payables (e.g. Commonwealth taxes, Audit Office of South Australia audit fees etc) and prepayments are not considered as financial assets or liabilities. Receivables and payables at amortised cost are \$3.093 million (2023: \$1.103 million) and \$2.000 million (2023: \$1.068 million) respectively.

Statutory receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges and Audit Office of South Australia audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.