

Environment Protection Authority

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Annual Report

1 July 2015 to 30 June 2016

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Letter of transmittal

30 September 2016

The Hon. Ian Hunter, MLC
Minister for Sustainability, Environment and Conservation
Parliament House
North Terrace
ADELAIDE SA 5000

Dear Minister,

It is with pleasure that I present you with the Annual Report of the Environment Protection Authority for the period 1 July 2015 to 30 June 2016, for tabling in Parliament.

This report has been prepared in accordance with the requirements of the *Environment Protection Act 1993*, the *Radiation Protection and Control Act 1982* and the *Public Sector Act 2009*.

Yours sincerely



Tony Circelli
Chief Executive
Environment Protection Authority

Highlights from the Presiding Member

I am pleased to present the Annual Report for the Environment Protection Authority (EPA) for 2015–16.

In March 2016, I was privileged to be appointed Presiding Member of the EPA Board, and Mia Handshin was thanked and farewelled having completed her term as Presiding Member in February 2016. On behalf of the EPA Board, I extend sincere gratitude to Mia who has shown unwavering commitment to the EPA during her tenure. Also in March, we welcomed new board member Christine Trenorden.



During 2015–16, the EPA continued to raise its profile and increase its influence as a modern regulator—one that pursues early engagement in decision making processes and actively develops its ability to address future challenges and opportunities.

The Board approved a number of significant legislative initiatives with wide-ranging improvements for the management of air quality, water quality and local nuisance. The new *Environment Protection (Air Quality) Policy 2016*, which comes into effect in mid 2016, modernises and consolidates legislation in relation to the management of air quality in South Australia. The *Environment Protection (Water Quality) Policy 2015*, which came into effect on 1 January 2016, regulates discharges to water and encourages greater use of risk assessment to determine environmental impacts and necessary controls. Also, the *Local Nuisance and Litter Control Act 2016*, assented to by the Governor in May 2016, enables local resolution of nuisance issues and delivers improved community outcomes relating to local nuisance, litter control and illegal dumping.

Environmental issues are often complex, and working effectively with other agencies and levels of government is central to the EPA's ability to seamlessly deliver timely outcomes for the community at large.

In August 2015, the Board formally endorsed the: *Working together agreement for site contamination: Between the Environment Protection Authority and SA Health*. This agreement was one of the recommendations from the Board's Site Contamination Review Committee, and will underpin the future management and health risk assessment of site contamination to protect public health.

In November 2015, the Board convened a forum with local government that was attended by mayors and council chief executives from across the state. The forum fostered greater collaboration and effective communication across a range of topics where local and state environmental issues intersect.

Genuine engagement with all sectors of our community remains high on the Board's agenda. In April 2016, the EPA Board hosted an Industry Summit to particularly focus on small and medium sized enterprises (SMEs). Around 97% of South Australian businesses represent SMEs, and constitute the majority of EPA licensees. Delegates raised challenges faced by the state's transitioning economy and engaged in lively, thought-provoking discussion around solutions for better environmental management and how the EPA could help drive business innovation and sustainable practices.

During the year, the Board continued to strengthen its governance and oversight arrangements. In December 2015, it approved a revised risk profile for the agency and the calendar year concluded with a thorough assessment of new and emerging issues. The resultant priorities were considered in relation to our Strategic Plan and will shape the focus of the Board for 2017.

The EPA plays a vital role in the protection of South Australia's environment and contributes significantly to the state's long-term prosperity and sustainability. The insights gleaned, partnerships formed, improvements and new initiatives instigated over 2015–16 will help us better address legacies of the past

and challenges of the future. I look forward to working closely across industry, the community and government in the coming year to further our strategic direction for: 'A better environment for the wellbeing and prosperity of all South Australians'.

A handwritten signature in black ink, appearing to read 'Linda Bowes', with a stylized, cursive script.

Linda Bowes

Presiding Member

EPA Board

Highlights from the Chief Executive

Welcome to the EPA Annual Report for 2015–16.

We are now in the second year of implementing our *Strategic directions 2015–2018: A better environment for the wellbeing and prosperity of all South Australians*. This document aligns with, and supports, government priorities and outlines the value the agency delivers to the South Australian community.

The 2015–16 financial year has been a time of change and growth within the EPA. More than ever, South Australians are in greater need of a strong, yet adaptive environmental regulator that can respond to the changing state of our economy and manufacturing sector to support South Australia remaining a great place to live, work and do business.



This year, we welcomed a new Presiding Member to the EPA Board, Ms Linda Bowes who, previously, had been the Deputy Presiding Member since 2013. Linda is well-placed to lead the EPA Board in this changing economic climate and drive better practice outcomes for the public, business and industry.

Over the 2015–16, the EPA finalised several milestone projects that will have significant benefits to the community as well as implementing internal initiatives to further develop our capability as an effective regulator. The *Local Nuisance and Litter Control Act 2016* was assented to by the Governor on 25 May 2016 and will help communities resolve issues related to local environmental nuisances more efficiently through their local council. The EPA is working collaboratively with local government to ensure that the legislation is well-implemented and delivers on its purpose of providing improved community outcomes relating to local nuisance, litter control and illegal dumping when this Act comes into effect in July 2017. This will streamline the process and result in better service delivery to the community.

The new *Environment Protection (Water Quality) Policy 2015* came into force on 1 January 2016, reflecting a number of years of work with stakeholders, including EPA licensees, industry groups, state and local government and peak environment groups. It provides a modern risk-based instrument to achieve more sustainable outcomes in this area. The policy regulates discharges to water and encourages greater use of risk assessment to determine environmental impacts and necessary controls.

Achieving a balance between environmental outcomes and desired economic and social benefits is a challenge that we constantly face. The EPA recognises the economic benefits of supporting good, clean and environmentally sustainable enterprises in South Australia. We know that sustainable outcomes are not only good for our environment, but they also drive innovation and growth, attracting investment. In support of this, we released the second volume of the booklet: *Good for environment good for business*. This publication, first introduced last year, recognises and highlights some of South Australia's most environmentally innovative businesses. The case studies in this booklet represent just some of the small to medium enterprises that have made their own contributions towards sustainable improvements to the environment and are among the 2 200 South Australian companies licensed by the EPA.

During 2015–16, we also finalised convictions and civil penalties for 14 matters, resulting in fines and expiations totalling \$191 987. One of these involved the conviction of a serial dumper who received a four-month prison sentence (suspended) and was ordered to pay compensation for clean-up of \$44 000. This was the first-ever custodial sentence under the *Environment Protection Act 1993* and indicates how seriously the EPA treats such matters.

We recognise that the success of our programs and services is intrinsically connected to the calibre of our people. Some key initiatives during the year include the following:

- In October 2015, we held our inaugural EPA staff achievement awards, which recognised the work of individuals or teams who extended their efforts beyond the day-to-day performance of their duties that contribute to the success of the EPA.
- In December 2015, we embarked on an ambitious change program: Our Shared Future, which addresses future pressures and challenges facing the EPA. This program aims to equip the organisation with better systems and processes for staff. We have identified nine key areas that will be the focus of the change program, with implementation commencing in the 2016–17 financial year.
- We conducted significant training programs in community engagement and service excellence for our staff. In addition, those staff who are regularly engaging our stakeholders participated in a community engagement champions program.

I thank the EPA staff and Board, as well as our partners, stakeholders and supporters for their pursuit of a better environment for all South Australians. I also acknowledge and commend the work of our former Presiding Member, Ms Mia Handshin, who completed her three-year tenure with the Board in March 2016. Mia was instrumental in overseeing key reforms and initiatives during her time with the EPA, and we wish her all the best for her future endeavours.

I also thank the Minister for Sustainability, Environment and Conservation, the Hon. Ian Hunter MLC, for his ongoing support throughout the year.

Looking ahead to the next financial year, we will continue to build a leading, modern regulator using the most innovative and effective approaches to meet the environmental challenges facing our state.



Tony Circelli
Chief Executive
Environment Protection Authority

Our organisation

EPA role

The Environment Protection Authority (EPA) is South Australia's independent environment protection regulator. It works to protect, restore and improve the environment through the risk-based regulation of pollution, waste, noise and radiation. By working closely with industry, the community and government, the EPA protects our unique natural environment while supporting economic growth and improving wellbeing. The EPA's aim is a better environment for the wellbeing and prosperity of all South Australians.

Corporate governance

The EPA is a statutory authority, with a Board responsible for the carriage of the *Environment Protection Act 1993* (EP Act). The Board comprises between seven and nine appointed members, whose skills, knowledge and experience collectively meet the requirements of Board membership, as defined by the EP Act. The Board delegates specified powers to others in order to achieve the objectives of the EP Act. While the EP Act is committed to the Minister for Sustainability, Environment and Conservation, the Board is responsible for making decisions in relation to licensing and environmental authorisations or enforcement, and for providing advice to the Minister.

The EPA is also an administrative unit created under the *Public Sector Act 2009*, through which it performs other functions for government, including administration of the *Radiation Protection and Control Act 1982* (RPC Act).

Under the EP Act, the Chief Executive of the administrative unit is also the Chief Executive of the statutory authority and an ex officio member of the EPA Board. The Chief Executive is responsible to the Board for giving effect to its policies and decisions, and for the performance of the EPA's functions.

Functions of the EPA

The EPA exercises the powers, functions and duties of the EP Act and RPC Act to monitor, evaluate and minimise human impacts on the environment by:

- administering and enforcing both Acts
- licensing, inspecting and auditing activities that have an impact on the environment
- undertaking environmental assessment of new developments
- delivering pollution avoidance and reduction programs for water, catchments, air, noise and water
- promoting best-practice compliance and resource efficiency programs for licensees
- providing support to local government
- monitoring and reporting on air and water quality
- assessing and reporting on industry monitoring programs
- developing statutory and non-statutory environmental policies
- undertaking State of Environment reporting
- advising on radiation safety regarding non-ionising radiation sources
- monitoring and assessing the use of ionising radiation in medical, research, industrial and mining organisations.

Organisational structure

The EPA's organisational structure as at 30 June 2016 (see Figure 1) seeks to support the effective delivery of functions assigned to the authority by the EP Act and RPC Act as well as the achievement of the EPA's strategic directions.

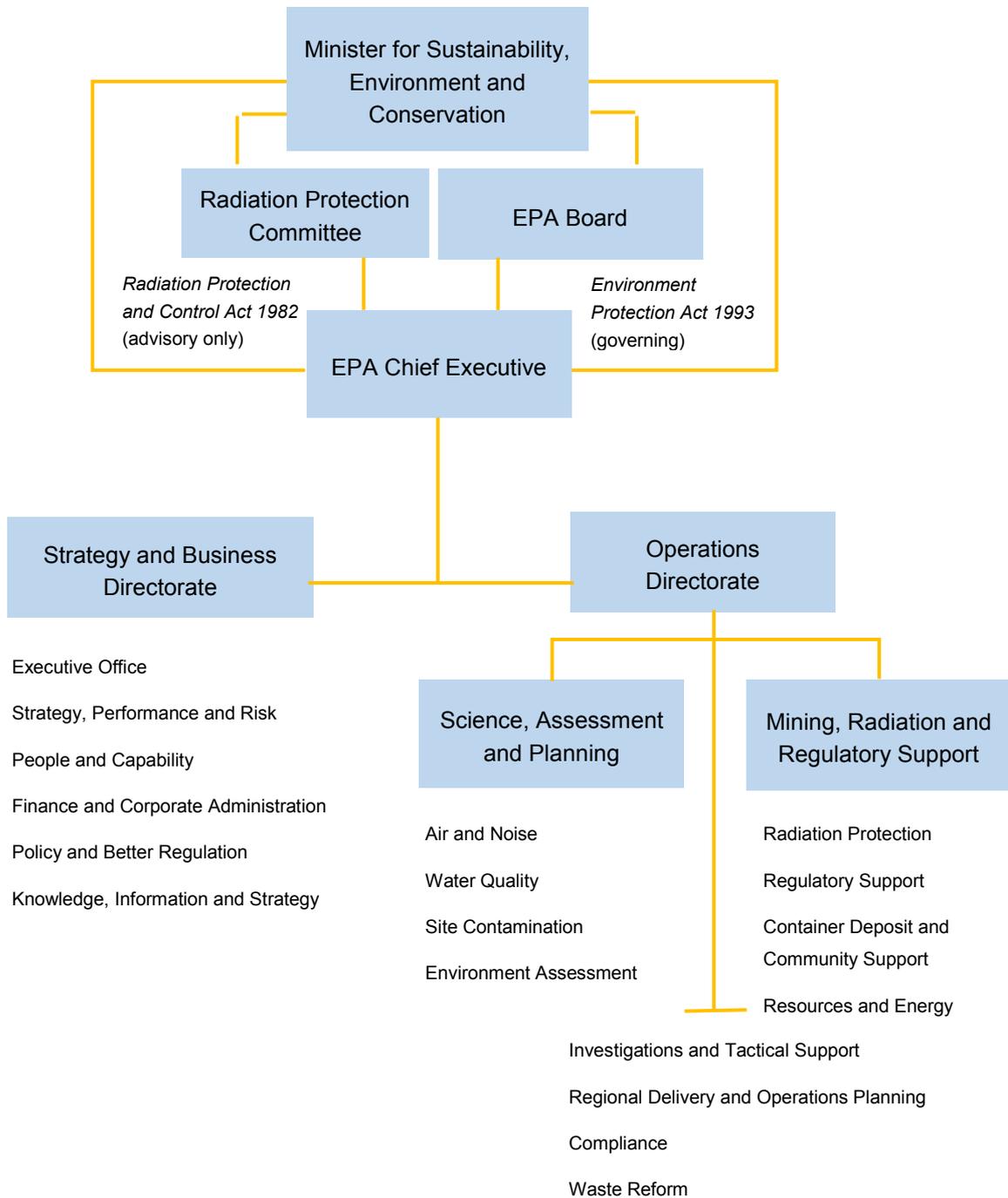


Figure 1—EPA organisational structure

EPA Board

The EPA Board is the governing body of the EPA for matters related to the EP Act and provides strategic direction, develops environmental policy and monitors performance.



Ms Linda Bowes
Presiding
Member



Mr Allan Holmes
Deputy Presiding
Member



Ms Christine
Trenorden
Member



Dr Helen
Macdonald
Member



Mr Mark
Withers
Member



Prof Rob Fowler
Member



Ms Roslyn
DeGaris
Member



Mr Tony Circelli
Member &
Chief Executive

Members of the EPA Board are appointed by the Governor of South Australia and are chosen for their qualifications, experience and expertise, as shown in Table 1.

Table 1—EPA Board members

Qualifications, experience and expertise	Member
Presiding Member	Ms Linda Bowes
Deputy Presiding Member	Mr Allan Holmes
Environmental protection and management or natural resources management	Mr Allan Holmes Mr Tony Circelli
Industry, commerce or economic development	Ms Linda Bowes Ms Roslyn DeGaris
Local government	Dr Helen Macdonald Mr Mark Withers
Reduction, reuse, recycling and management of waste or the environmental management industry	Mr Mark Withers
Management generally, and public sector management	Mr Allan Holmes Mr Tony Circelli
Environmental law	Prof Rob Fowler Ms Christine Trenorden
Environmental conservation and advocacy about environmental matters on behalf of the community	Prof Rob Fowler Ms Christine Trenorden

Various prescribed bodies are consulted during the process for appointing Board members. The wide spectrum of expertise on the Board gives the EPA the capacity to make integrated and balanced decisions about the complex problems and issues threatening the environment.

Changes to EPA Board membership

During 2015–16, the Presiding Member, Ms Mia Handshin, completed her three-year tenure with the Board effective 9 March 2016.

Appointment of new EPA Board members

On 10 March 2016, Ms Linda Bowes was appointed Presiding Member for a period of two years. Mr Allan Holmes was appointed Deputy Presiding Member to support Ms Bowes, and Ms Christine Trenorden was appointed as a new member. Ms Trenorden served as a Judge of the District Court in South Australia and the Environment, Resources and Development (ERD) Court for almost 17 years. She has been actively involved in environmental and natural resources law over many years and fulfils both the environmental protection and management, conservation and advocacy on behalf of the community, and environmental law criteria outlined under section 14B of the *Environment Protection Act 1993*.

EPA Board committee listing

Section 17 of the EP Act allows the EPA Board to establish committees or subcommittees to provide advice to, or assist with carrying out the functions of, the Board, or as required by the Regulations. The Risk Management and Audit Committee and Site Contamination Auditor Accreditation Committee have been established by the Board.

Risk Management and Audit Committee

The Risk Management and Audit Committee was initially established by the Board in March 2009. The role of the committee is to assist the EPA with achieving its objectives by providing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, internal controls and governance processes. The committee meets three times each year with an additional special meeting to review the EPA financial statements in August each year.

Site Contamination Auditor Accreditation Committee

The Site Contamination Auditor Accreditation Committee was established in August 2008 to advise the Board on the accreditation of site contamination auditors. The committee is required to meet annually.

EPA Board general and special meetings

A total of 11 Board meetings were held during the 2015–16 period.

Radiation Protection Committee

The Radiation Protection Committee (RP Committee) consists of ten members, with a Presiding Member, appointed by the Governor of South Australia. The Presiding Member must be an officer or employee of the department of the minister to whom the RPC Act is committed (that is, the EPA). The specific membership qualifications and expertise relevant to the administration of the RPC Act are prescribed in section 9 of the RPC Act. Section 10 provides that the Governor of South Australia may appoint a suitable person to be a deputy member of the RP Committee. The three-year term of the RP Committee commenced on 27 November 2015 and expires on 26 November 2018. The members and deputy members for the reporting period are listed in Table 2.

Table 2—Radiation Protection Committee members

Members	Section of the RPC Act	Deputy members
Mr Tony Circelli	9(2)a	Ms Roslyn Agate
Dr Sarah Constantine	9(2)b	Dr Michelle Nottage
Ms Cara Miller	9(2)c	Mr Costas Kapsis
Mr Graeme Palmer	9(2)d	Mr Kent Gregory
A/Prof Nigel Spooner	9(2)e	Dr Judith Pollard
A/Prof Eva Bezak	9(2)f	Ms Jill Fitch
Dr Ian Kirkwood	9(2)g	Dr Michael Kitchener
Mr Greg Marshall	9(2)h	Mr Jim Hondros
Prof Pamela Sykes	9(2)i	Dr Michael Lardelli
Ms Iris O'Rourke	9(2)j	Ms Bettina Venner

Radiation Protection Committee meeting outcomes

During 2015–16, the RP Committee met on four occasions and considered many of the radiation protection matters presented in this report. It also discussed and provided expert advice, including the:

- public reporting criteria for uranium production and naturally occurring radioactive material (NORM) residue management
- establishment of the Radiation Protection Committee Working Group, formed to enhance the reporting of medical radiation incidents
- review of the Australian Radiation Protection and Nuclear Safety Agency Planned Exposure Code and Medical Exposure Code.

Our strategic framework

EPA Strategic Directions 2015–18

In May 2015, the Chair of the Board launched the EPA's *Strategic Directions 2015–18* document, setting the direction for the organisation for the next three years for 'a better environment for the wellbeing and prosperity of all South Australians'. These strategic directions have been implemented across the key operational and strategic areas of the EPA's business. They build on the EPA's achievements over the previous two decades to improve the state of the South Australian environment and provide a framework for the achievement of the objects of the EP Act.

The *Strategic Directions 2015–18* document provides three key objectives that, together, represent the basis for achieving the EPA's environmental goals in accordance with the state government's priorities.

These objectives are to:

1. Support wellbeing and prosperity, by creating a place where current and future generations can thrive.
2. Keep people informed and engaged, by providing opportunities for early and meaningful engagement.
3. Be an effective and trusted regulator, by building trust and confidence, and maximising the potential of the EPA's people.

These objectives continue to inform the EPA's ongoing efforts that are aligned with whole-of-government priorities. Moreover, this document has governed the development of the 2015–16 Corporate Plan and will continue to be the platform for subsequent corporate plans while it remains relevant and integral to our regulatory role.

In achieving its vision for a better environment for the wellbeing and prosperity of all South Australians, the EPA continues to develop and apply modern and innovative approaches to tackle environmental challenges, such as:

- major point sources of pollution and waste
- South Australia's legacy issues, particularly contamination and the interface between industry and residential dwellings
- increasing urban and infrastructure development and renewal
- illegal or inappropriate management of wastes and resource recovery
- broader issues of state-wide significance, such as the potential impacts of renewable energy and climate change
- the impacts of mining in South Australia and its associated infrastructure.

EPA Corporate Plan 2015–16

The 2015–16 Corporate Plan identifies the EPA's priority initiatives discussed in the EPA's *Strategic Directions 2015–18*. The plan's focus is centred on providing opportunities for early and meaningful engagement with the community, implementing regulatory reforms that provide a more level playing field for industry development and growth, and continuing to build an EPA culture of high performance.

Also included in the plan is the further development and support of EPA staff to build a culture of professionalism, service excellence and continuous improvement.

A number of focus initiatives were developed for implementation during 2015–16 under each focus area of the 2015–16 Corporate Plan, and these are reflected in the performance highlights section.

EPA Annual Compliance Plan

The EPA's *Compliance Plan 2015–16* is now in its third year of publication and forms a significant part of a suite of corporate documents that support key focus areas of the Corporate Plan 2015–16 and Strategic Directions 2015–18.

The *Compliance Plan* outlines various targeted interventions, which are evidence based and reflect the data sources available to the EPA. The interventions are grouped into the focus areas below:

- Effective Waste Management and Regulatory Reform
- Site Contamination and Engagement
- Urban Industry and Infrastructure
- Robust Authorisations
- Improved Administrative Service.

The EPA has a range of strategies to achieve the regulatory interventions discussed above. These strategies vary from targeted enforcement of legislation to improving administrative systems, with stakeholder engagement a key aspect leading to improved environmental outcomes.

Highlights for the 2015–16 financial year include:

- engagement with eight local councils to coordinate targeted actions toward illegal dumping
- coordinated investigations with SafeWork SA for asbestos-related matters
- development of voluntary site contamination proposals for key sites
- development of, and consultation about, closure-plan guidance for industries
- implementation of waste transport certificates for use on the online Waste Tracker system.

Alignment with government priorities

The EPA has an important role in meeting government priorities, and its planning framework reflects its alignment to South Australia's Strategic Plan and the Premier's seven strategic priorities.

The state government developed seven priorities for South Australia's future that represent areas where the most difference can be made to the lives of South Australians and to the future prosperity of the state.

These priorities are about:

- giving children every chance to achieve their potential in life
- keeping the community and its citizens safe and healthy
- building the state's reputation for premium food and wine
- growing advanced manufacturing as the way for the future
- realising the benefits of the mining boom for all
- creating a vibrant city that energises and excites
- keeping the state's high quality of life affordable for everyone.

In 2014, the Premier announced ten economic priorities for South Australia under the theme: South Australia—The Place Where People and Business Thrive. South Australia's ten economic priorities are:

1. Unlocking the Full Potential of South Australia's Resources, Energy and Renewable Assets
2. Premium Food and Wine Produced in our Clean Environment and Exported to the World
3. A Globally Recognised Leader in Health Research, Ageing and Related Services
4. The Knowledge State—Attracting a Diverse Student Body and Commercialising our Research
5. South Australia—A Growing Destination Choice for International and Domestic Travellers
6. Growth through Innovation
7. South Australia—The Best Place to do Business
8. Adelaide—The Heart of the Vibrant State
9. Promoting South Australia's International Connections and Engagement
10. South Australia's Small Businesses have Access to Capital and Global Markets.

The EPA plays an important role not only in ensuring the protection and enhancement of South Australia's environment, but also in contributing to the state's long-term prosperity and sustainability. Working closely with industry, the community and government, the EPA ensures that our unique natural environment is protected while providing for economic, social and physical wellbeing.

Our performance highlights

EPA Corporate Plan snapshot achievements during 2015–16

Key highlights for the reporting period are discussed below.

Waste reform

Consultation on an EPA discussion paper: *Reforming waste management: Creating certainty for an industry to grow* was held from August to October 2015. It sought feedback on wide-ranging legislative and policy reform options to expand the sector and create jobs. As part of the consultation process, the EPA held five regional and two metropolitan public meetings, as well as several meetings with key industry stakeholders. Subsequently, 59 written submissions were received.

The EPA also established the Waste Reform High-Level Advisory Group to provide strategic advice and high-level oversight as the reform process proceeds. This group includes senior, chief-executive level representatives from the waste industry, local government, Renewal SA, the Conservation Council, Keep South Australia Beautiful and Greening Industries SA.

Drafting work commenced on proposed amendments to the *Environment Protection Act 1993*, to better reflect definitions of the term 'waste' and other amendments based on 2015–16 Environment, Resources and Development Court judgements, and on interstate feedback.

Air quality in Port Pirie—Nyrstar transformation

During 2015–16, further progress was made to ensure that an effective environmental licensing regime is developed for Nyrstar's transformation project in Port Pirie. Emissions baselines were established through data analysis and air modelling, which will inform the development of future licence conditions and, specifically, lead-in-air limits and targets.

Site Contamination Review Committee recommendations

Following site contamination issues affecting Clovelly Park in 2014–15, a Site Contamination Review Committee, headed by Ms Cheryl Batagol, Chair EPA Victoria, and comprising agency representation from the EPA, the Department of Health and Ageing and the Department of Planning, Transport and Infrastructure, reviewed the management of legacy site contamination in South Australia. Opportunities for improvement were identified, particularly in relation to inter-agency coordination, capability, community engagement and transparency. Eleven recommendations were made across five categories: Working Together, Building Capability, Engaging the Community, Transparency and Accountability, and Urban Renewal. All 11 recommendations have been substantially progressed.

Water quality

The *Environment Protection (Water Quality) Policy 2015* commenced on 1 January 2016 following work over a number of years with key stakeholders. It provides a modern risk-based instrument with linkages to the National Water Quality Guidelines to achieve more sustainable outcomes, thereby reducing red tape without lessening regulatory standards.

The EPA coordinated the implementation of the *Adelaide Coastal Waters Quality Improvement Plan*, including the delivery of a federally-funded Catchment-to-Coast project, which is focused on water quality improvement for Adelaide's coastal waters. The EPA is monitoring the return of seagrass to metropolitan coastal areas.

EPA and SafeWork SA cooperation

The EPA and SafeWork SA continued to share information and work together on asbestos-related matters. Intelligence from the online waste tracker system has identified operators who may have been working with, and disposing of, asbestos without completing required records. The EPA and SafeWork SA will undertake an audit of licensed asbestos removers and transporters to inform and educate operators about licence requirements.

Radiation protection

The Radiation Protection and Control (Ionising Radiation) Regulations 2000 were remade on 1 September 2015 without substantial amendment to ensure ongoing operation.

Local nuisance and litter control

The *Local Nuisance and Litter Control Act 2016* is a significant piece of legislation that will provide greater clarity around responsibility for local nuisance and the role of local councils and the EPA. Further work is required in implementing the legislation as well as how the EPA will transition to a new way of working in supporting local government and the community. It is anticipated that this will provide a solid foundation for ensuring communities receive a consistent standard of service for local environmental nuisance issues.

Keeping people informed and engaged

The EPA has improved its capability and capacity for community engagement, in particular to engage communities affected by site contamination. An Engagement Champions program was developed for EPA staff, with implementation planned for July 2016. Communication plans for the implementation of the *Environment Protection (Water Quality) Policy 2015* and for the Local Nuisance and Litter Control Bill were developed and implemented.

Connecting with small and medium enterprises

As part of the EPA's engagement with small and medium enterprises, case studies of good practices were included in the second edition of *Good for environment, good for business* Volume II booklet. The booklet recognises and promotes good environmental management practices.

Mining and extractive industries engagement

The EPA and the Department of State Development (DSD) worked together to develop air-quality guidelines for the mining and extractive industries to provide improved understanding and enable the industry to meet its regulatory obligations. An air-quality working group reconvened in 2016 to draft and further develop a provisional air-quality guideline. An industry engagement strategy was devised and the EPA and DSD engaged with the South Australian Chamber of Mines and Energy, OZ Minerals, Arrium and BHP, and a number of consultants, to discuss the operation of the *Environment Protection (Air Quality) Policy 2016* within the mining sector, including its interaction with the *Mining Act 1971*.

Service charter, service excellence and leadership

The EPA's commitment to further develop its staff capability was evident through the rollout of the EPA's Service Charter and a service excellence training program attended by all staff. Leadership development was also a priority with the endorsement of a Leadership Development Framework and the participation of a number of staff at the EPA's Aspiring Leaders Program workshops. A Community Engagement Champions program was developed for implementation in July 2016.

New licensing system

A modernised licensing IT system was implemented in September 2015 to improve customer service and turnaround time for processing. A licensing improvement program was introduced to ensure continuous improvement and to manage change issues resulting from the implementation of the new system. A Public Register module was progressed with a view to integrate it with the new licensing system in late 2016.

Staff perspectives survey 2016

The 2016 staff perspectives survey provided the EPA with valuable information about what is important, what is working well and what the organisation needs to focus on to keep improving its capability. The overall results were very encouraging. The EPA continues to be an organisation that has a high level of staff engagement and commitment to achieving the organisation's objectives. Since the last survey in 2014, there has been an improvement in the majority of areas surveyed. This includes substantial improvement in aspects such as: the agreed understanding of the EPA's vision and strategic priorities, accountability for meeting customer service standards, the EPA's commitment to providing safe and healthy working conditions and the way the agency shares information and communicates within the organisation.

Our Shared Future program

The EPA reviewed its capacity and effectiveness under the Our Shared Future program. This program related, primarily, to building and developing staff capability—identifying how the EPA will respond to and resource emerging challenges/pressures, the delivery of regulatory services into the future and how to best work together to service the environment and people of South Australia into the future. It also involved exploring ways of contributing to, and aligning effectively with, the aspirations of the community and government.

Key outcomes included:

- identifying key cultural and systems drivers for creating a more agile, adaptable and resilient organisation
- strengthening the EPA's engagement capacity
- taking opportunities to enhance the EPA's relationship with the local government sector (i.e., local nuisance and planning areas)
- proposing changes to EPA accommodation that deliver budget savings to be offset against future efficiency requirements
- positioning the EPA's scientific, and waste and resource recovery services to best address future challenges.

The outcomes from this program will be implemented over the next financial year.

Our performance scorecard

The EPA's Performance Measurement Framework allows it to track and report on progress made during the year. The EPA's performance scorecard provides a succinct summary of its key performance measures, as shown in Table 3. The scorecard will evolve over time to improve its outcome focus and to improve how the EPA measures its progress towards its strategic objectives and in response to environmental pressures.

Table 3—Performance scorecard

Objective	Level of control / influence ¹	Performance measure	2013-14	2014-15	2015-16 target	2015-16 result
Safeguard communities	L	# of enquiries made to the EPA	11 541	11 543	as required	12 217
	L	# of environmental complaints received by the EPA	3 064	3 101	as required	3 521
	M	Average annual concentration of airborne lead within agreed limits at key Port Pirie community sites ($\mu\text{g}/\text{m}^3$) ^{3,4} <ul style="list-style-type: none"> • Port Pirie Oliver Street • Pirie West Primary School 	0.37 0.39	0.19 0.25	<0.50 <0.50	0.28 0.27
Protect the environment	L	# of new EPA authorisations	145	148	as required	99
	L	# of active EPA authorisations	2 285	2 265	as required	2 136
Enable sustainable urban development	M	% of EPA-advised development application conditions taken up by planning authorities	not applicable	92%	95%	90%
	H	% of EPA responses to Statements of Intent and Development Plan Amendments made within statutory timeframes ³	93%	93%	100%	97%
	H	% of EPA responses to development application referrals made within statutory timeframes ³	99%	98%	100%	99%
Promote innovative and sustainable industry and mining practices	L	Waste to landfill (kilotonnes) ⁵	913	905	<896	877
	L	% containers returned for a refund	80%	78%	80%	76%
	H	% of radiation reports from uranium mines and new projects assessed ^{2,3}	100%	100%	100%	100%
Share information and be transparent	M	# of visits to the EPA website	142 932	210 703	> 150 000	205 859
	M	# of followers on Twitter	427	738	800	1 184
Carry out effective responses and interventions	H	# of inspections and audits to ensure compliance ^{2,3,8,9}	937	799	750	701
	H	% of all new diagnostic X-ray apparatus fully registered under the third party certification program ³	not applicable	not applicable	85%	88%
	L	# of emergency incidents responded to ²	not applicable	332	as required	433
	L	# of audit notifications (site contamination) recorded on the Public Register*	not applicable	55	as required	44
	H	% of mandatory attendance emergency incidents where ERT ¹⁰ on scene within two hours ²	not applicable	100%	100%	100%
Provide high-quality services	M	% of surveyed callers either satisfied or very satisfied with overall service provided by the call centre ³	74%	88%	85%	88%
	H	CARES ¹¹ incidents and enquiries actioned within three business days*	not applicable	72%	80%	83%
	H	% licence applications determined within the prescribed (statutory) time period ⁸	83%	85%	90%	78%
	M	% of licensees who use WasteTracker ⁶	not applicable	27%	50%	44%
	M	% of waste tracking certificates processed online via WasteTracker*	not applicable	50%	80%	85%
Be a high-performing organisation	H	% of HPF ¹² improvement actions completed or on track to be completed within planned timeframes	78%	88%	100%	83%

¹H (high), M (medium), L (low). ²Linked to the 2015-16 Compliance Plan. ³Performance indicator on 2015-16 Agency Statements. ⁴Moving 12-month average applies to data. ⁵SASP target. ⁶Based on subjective pre-assessment to determine which licensees (waste producers, transporters and receivers) are expected to use WasteTracker. ⁷Significant increase in the EPA's response to asbestos incidents through ERT, due to changes in internal processes. ⁸Results were affected by the implementation of a new licensing system. ⁹EP Act only. ¹⁰Emergency Response Team. ¹¹Complaints and Reports of Environmental Significance. ¹²High Performance Framework. *New indicator.

Our focus during 2015–16

The 2015–16 Corporate Plan outlines the EPA's key objectives for the financial year. The initiatives and activities undertaken by the EPA to meet these objectives are highlighted below.

OBJECTIVE 1: SUPPORT WELLBEING AND PROSPERITY— CREATING A PLACE WHERE CURRENT AND FUTURE GENERATIONS CAN THRIVE

1.1 Safeguard communities – South Australians are protected and enjoy a clean environment

Management of site contamination

Site contamination was a high-profile matter for the EPA over the 2015–16 financial year. As well as overseeing a number of specific contaminated areas, the EPA continued to strengthen its systems, communications and guidance tools. A part of the EPA's core business under the EP Act is to ensure appropriate management of identified site contamination across the state and ensure information about known site contamination is publicly available.

To ensure site contamination is appropriately recognised, considered and addressed throughout South Australia, the EPA provides related advice and guidance, and regulation. While the EPA has a significant role in this respect, state planning and development processes also play a critical part.

Key achievements for the financial year include:

- responding to the recommendations from the Statutory Authorities Review Committee (SARC) Inquiry into the EPA's management of contamination at Clovelly Park and Mitchell Park by implementing or refining protocols and practices in relation to site contamination, including government and stakeholder communication, scientific knowledge and regulatory practices
- implementation of the recommendations from the EPA Board Site Contamination Review Committee, including
 - development, implementation and publication of a regulatory decision-making process for site contamination
 - completion of a revised: *Working together agreement for site contamination*, which provides clarity about how the EPA and SA Health will work together in circumstances where site contamination and other forms of pollution pose a risk to public health
 - increased use of statutory voluntary assessment and remediation proposals
- enhancing stakeholder communication and engagement, which included
 - completion and publication of several orphan site contamination assessment programs at Beverley, Glenelg East, Hendon and South-East Edwardstown
 - increased establishment and use of community reference groups to engage early with communities affected by site contamination
 - conducting an awareness-raising campaign to ensure that people with bores make certain their water is fit for use
 - improving availability and accessibility of site contamination information through the web, print media and via the Public Register

- strengthening the site contamination audit system through
 - revision of the: *Guidelines for the site contamination audit system*, which provides detailed guidance on the site contamination audit system and the responsibilities and obligations of site contamination auditors
 - finalising the fifth round of site contamination auditor accreditations
- progression of the across-government Site Contamination Planning Framework to establish clear, consistent and risk-based consideration of site contamination within the planning system.

Site contamination notifications received for 2013–14, 2014–15 and 2015–16 are shown in Table 4.

Table 4—Site contamination notifications received by the EPA

Received documentation	2013–14	2014–15	2015–16
Notifications of commencement of site contamination audit	51	50	44
Site contamination audit reports	30	21	37
Notifications of termination of site contamination audit	27	17	12
Agreements for the transfer of liability for site contamination	6	4	2
Notifications of site contamination that affects or threatens groundwater	103	100	142

Local Nuisance and Litter Control Act

The new *Local Nuisance and Litter Control Act 2016* was passed through Parliament on 18 May 2016, and will help the community to address local nuisance issues through their local council. This Act also has a focus on lowering the amount of litter and illegal dumping across South Australia, particularly in tourist areas, shopping precincts and peri-urban council areas.

This Act clarifies state and local government roles and responsibilities related to local nuisance issues and streamlines service delivery in this area. These are the complaints that impact primarily on amenity at a local level such as dust, noise, smoke and other issues. Research has also shown that the community expects their local council to address local nuisance issues, and the EPA has engaged with local government to provide a program of support to councils to enable them to address these issues.

This Act formalises the role of local government in managing local minor issues to provide consistency of services across all councils and improve service to the community. More specifically, this Act will:

- ensure more effective regulation of local nuisances
- establish a modern legislative scheme for litter control in South Australia (including tiered offences depending on the type of litter)
- improve the use of surveillance for evidence gathering in the case of illegal dumping (linking an offence to the registered owner of a vehicle)
- allow for the implementation of a ‘dob in a litterer’ scheme, which is currently already operating in some other Australian states.

Solaria operators

On 1 January 2015, amendments to the Radiation Protection and Control (Non-Ionising Radiation) Regulations 2013 came into effect in South Australia making it an offence to provide, or offer to provide, cosmetic tanning to another person for fee or reward.

Following investigative work and with regard to information and assistance received from the public, the EPA obtained evidence of the continued use of tanning units.

In one case, the EPA investigative work identified an individual illegally engaging in a commercial tanning bed operation from his home. The owner was charged in the Adelaide Magistrates Court with two counts of breaching the Radiation Protection and Control (Non-Ionising Radiation) Regulations 2013 and has entered pleas of guilty for both counts of providing cosmetic tanning services. The matter has been listed for submissions and sentence in August 2016.

The EPA has also conducted a number of other site visits and issued three formal warning letters to suspected operators.

Evaluation distances for effective air quality and noise management

The report: 'Evaluation distances for effective air quality and noise management' was finalised ready for targeted external consultation. This document replaces the EPA's *Guidelines for separation distances* and is one of the documents cited in clause 18 of the *Environment Protection (Air Quality) Policy 2016*.

Evaluation distances for effective air quality and noise management provides guidance for planning authorities, developers, industry and the community about recommended evaluation distances from polluting activities, within which potential adverse impacts on sensitive receptors need to be assessed as part of a development or licence application. These distances have been updated to reflect current knowledge, technologies and practices, and explanatory information has also been improved.

Lefevre noise monitoring

The EPA has initiated a long-term environmental noise monitoring and impact prediction project on the Lefevre Peninsula to respond to community concerns about noise in the area. With many industries and a heavily used port, the Lefevre Peninsula has a large array of noise sources ranging from industrial activities to freight and passenger train movements.

Stage 1 of the project commenced in March 2016. Four noise monitoring stations have been deployed in the area since mid May. They operate within a 'noise sentinel' network, which provides live data streams. Summarised data is available in real-time mode at the public access website:

<http://pae.epa.noisesentinel.com>.

Data from the network will allow the EPA to assess impacts of environmental noise on amenity of Lefevre Peninsula residents and propose measures to manage noise sources in the area. Strategic noise maps will be produced and based on data collected over a 12-month period. A comprehensive 3D model of the area is being developed for simulating noise impacts in Lefevre.

The EPA, in partnership with the City of Port Adelaide Enfield, gained access to commercial sites for installation of noise monitoring stations. Further expansion of the noise monitoring network is planned over the coming year, after completion of the Adelaide CBD Strategic Noise Monitoring project.

The data collection phase of the Adelaide CBD project is due for completion in mid 2016.

Incidents, reporting and enquiries

The EPA continues to maintain a pollution reporting and enquiries line (telephone 8204 2004, free call non-metro 1800 623 445) to receive calls about environmental concerns.

Depending on the nature of the complaint, the EPA's response may be to either:

- provide information to the caller
- instigate investigation by an authorised officer
- refer information provided by the caller to another state or local government agency for action.

In 2015–16, 95% of calls received regarding non-licensed sites were responded to within three working days. A total of 94% of those complaints were resolved by a staged process, and the remaining 6% were subsequently allocated for investigation by an authorised officer.

Table 5 summarises the number and type of reports received during 2015–16 and makes a comparison with those received during 2014–15.

Table 5—Total calls and call type

Call type	2014–15	2015–16
Enquiry resolved by FAQ	5 484	3 955
Enquiry forwarded to EPA	6 059	8 262
Total enquiries	11 543	12 217
Incidents forwarded to EPA	3 101	3 521
Total incidents and enquiries	14 644	15 738

These numbers are further broken down into common enquiries and incidents by call category, as shown in Table 6.

Table 6—Total number of incidents (by category) received by the EPA

Report type	2013–14	2014–15	2015–16
Air quality	989	936	954
Air and noise	113	89	120
Noise	1 288	1 253	1 521
Marine pollution	13	22	27
Site contamination	45	52	45
Water	155	190	205
Waste	202	427	331
Other	259	132	318
Total	3 064	3 101	3 521

Table 7—Number of calls for common enquiry categories received by the EPA

Type of enquiry	2013–14	2014–15	2015–16
Air quality	324	324	294
Noise	531	405	793
Water quality	196	274	321
Waste	531	487	673
Site contamination	246	414	465
Licensing	1 004	819	1 578
Total	2 832	2 723	4 124

Total number of enquires received by the EPA in 2015–16 was 8 262. The most common enquiry type is reported above in Table 7.

Table 8—Frequently asked questions report for the call centre

Category	2014–15	2015–16
Noise	623	620
Waste/recycling	302	187
Asbestos	406	332
Air	234	222
Other	172	199
ZeroWaste	424	498
Water/stormwater	32	29
Container deposit legislation	9	22
Licensing	72	95
Publications	0	0
Site contamination	123	111
Radiation	169	84
Acid sulfate dust	0	0
Plastic bags	0	0
Healthy waters	39	45
Construction	394	225
Total	2 999	2 669

Table 8 details the number of FAQs by category, but does not include uncategorised calls resolved by the call centre (3 955).

Emergency response

The EPA provides a 24-hour on-call Emergency Response Team (ERT) that responds to requests for expert advice and incident attendance in relation to management/mitigation of environmental impacts from emergency pollution and hazardous substances. Emergency responses are of three types:

1. whole-of-government procedure as outlined in the State Emergency Management Plan. This applies to spills or discharges of hazardous substances onto land or into non-marine waters, and is coordinated by emergency services (police, fire and technical advice coordinators)
2. National Response Plan, which deals with oil or chemical spills at sea, and is coordinated by the Marine Group of the Department of Planning, Transport and Infrastructure
3. other environmental incidents that do not trigger either of the above emergency response systems. This includes incidents reported by EPA licence holders and some incidents reported by members of the public through the pollution reporting line that require an immediate assessment by the EPA.

There was a total of 433 reported incidents to the ERT during 2015–16 (see Figures 2 and 3). All of these calls are assessed by the on-duty officers and are dealt with by the provision of advice or site attendance. The public continue to be the main source of calls supporting environmental protection by reporting pollution to the EPA.

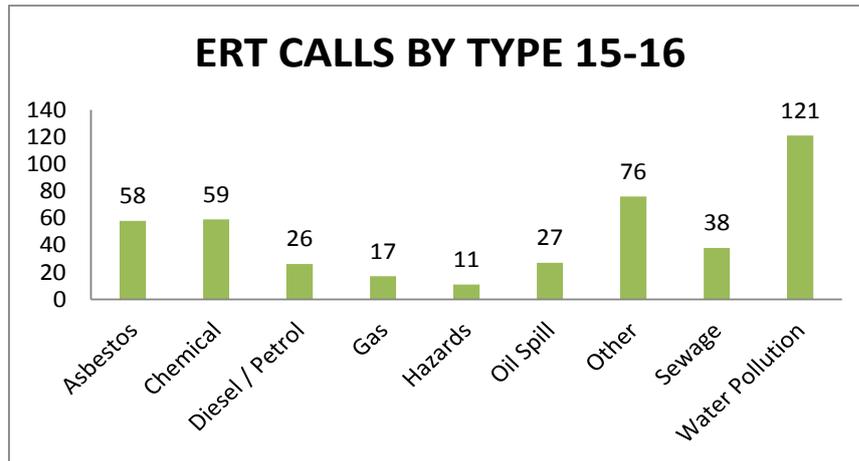


Figure 2—ERT calls by type for 2015–16

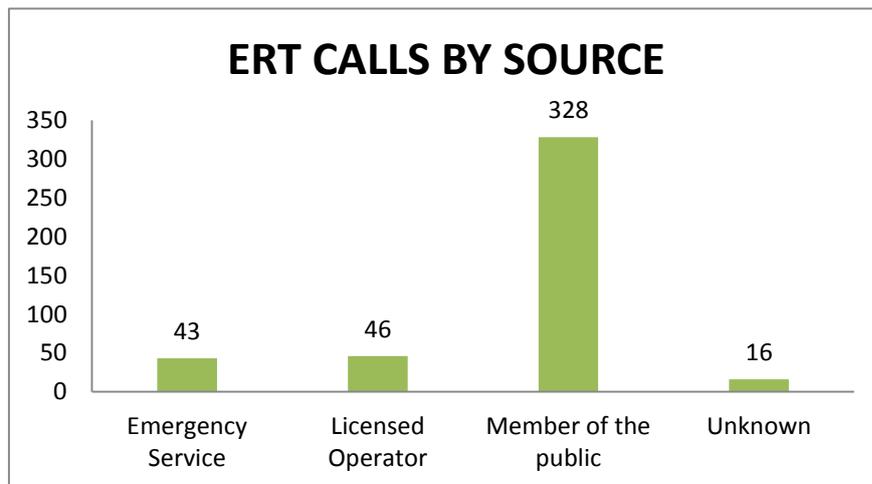


Figure 3—ERT calls by source for 2015–16

Illegal Dumping Unit

During 2015–16, the EPA Illegal Dumping Unit (IDU) received 175 reports related to waste disposal and has 15 matters currently under investigation. Environment Protection Orders have been issued redirecting in excess of 6 000 tonnes of illegally deposited waste into the legitimate waste management industry. Of the 26 EPOs issued, six were for unlawful disposal of waste, 10 for unauthorised waste depots and one for waste transport.

The IDU has worked with local councils around managing asbestos when approving demolitions and renovations and targeted illegal dumping hotspots in regional and metropolitan areas using technology to identify offenders. The IDU has issued 40 expiations in the past year. The most notable case was the prosecution of serial dumper Gabriel Ivanyi who received a four-month prison sentence (suspended) and was ordered to pay landowners compensation for a clean-up costing \$44 000. This was the first-ever custodial sentence under the *Environment Protection Act 1993*.

Since October 2015, a dedicated officer has been appointed to manage the EPA responses to reports of asbestos dumping, supported by a 24–7, 365 day per year team to deal with incoming reports and enquiries. The EPA is committed to a whole-of-government response to asbestos issues and is working with Safework SA, SA Health and the Local Government Association (LGA) for a coordinated regulatory response to the removal, transportation and disposal of asbestos. The EPA Asbestos Hotline received 1 034 calls, which is an average of 86.2 per month. Of these, 321 calls were referred to the Principal Asbestos Officer with 174 follow ups either by phone (148) or site visit (26). Six matters were progressed to formal investigation with two Environment Protection Orders issued.

Audits and operations

The EPA has carried out a number of proactive operations and audits throughout 2015–16. These have focused largely on illegal dumping, asbestos waste and metal finishers, and involved working in partnership with local councils and state government agencies as summarised below:

- **Operation Respect:** The IDU worked with eight councils in deploying covert cameras at identified illegal dumping sites. The operation was designed to demonstrate the methods and benefits of using technology to detect and deter offenders. The program included information about evidence gathering and best practice¹.
- **Operation Silvercoat:** Staff from the Investigations & Tactical Support Branch (ITSB) and Compliance Branch conducted an Audit and Inspection campaign of unlicensed and licensed powder coaters in the greater metropolitan area. Over 25 sites were visited, with the focus being on chemical processes and waste management. Three operators were brought into compliance.
- **Operation Cover-up:** Officers from ITSB and SAPOL worked together on surprise inspections of waste transport trucks attending or leaving licensed waste depots. All were found to have covered loads and be compliant with all EPA regulations.
- **Operation Asbestos Transporters:** All EPA licensed asbestos transporters were inspected by IDU and ITSB staff. A number of minor breaches were identified with transporters educated about their licence conditions for disposal and transport of asbestos. The EPA and Safework SA have established a memorandum of understanding (MoU) to share information about the removal and disposal of asbestos to enhance regulatory oversight of asbestos from worksite to landfill.

¹ Operation Respect continues with additional councils seeking assistance since the announcement of the Local Nuisance & Litter Control Bill. City of Marion, City of Mitcham and Alexandrina Councils have recently become engaged, and camera deployments are in progress. Tea Tree Gully, Mallala, Onkaparinga, Adelaide Hills and City of Charles Sturt have transitioned to managing illegal dumping issues as guided by the EPA.

Civil enforcements and prosecutions

The EPA has a dedicated unit that undertakes operations, audits and investigations of breaches of the EP Act and the RPC Act in accordance with established compliance and enforcement criteria (see: 'Our regulatory approach' section). Prosecutions pursued by the EPA are conducted by the Crown Solicitor's Office and the Office of the Director of Public Prosecutions. The EPA conducted 68 investigations over 2015–16, including 29 new incidents and 39 matters carried over from previous years. Fifty-five expiation notices were issued and 26 Environment Protection Orders served and managed. During the year, the EPA served fines through civil penalties, court-imposed fines and expiations totalling \$191 987.

Finalised prosecutions for 2015-16 are listed in Table 9.

Table 9—Finalised prosecutions 2015–16

Name	Charges	Penalty
Geoffrey Ashurst	Illegal disposal of 60 tonnes of waste soil dumped in a public reserve at Pyrites Rd and Dawesley Bridge Dawesley. Charged with intentionally or recklessly breaching a mandatory provision of an Environment Protection Policy, section 34(1) of the EP Act.	Convicted on two counts of illegal disposal of waste. Fined \$7 200 plus \$160 Victims of Crime Levy.
Nasmin Pty Ltd	Disposal of 2 600 tonnes of contaminated soil at Mt Compass. Charged with operating a waste depot without an environmental authorisation, section 36(1) of the EP Act.	Convicted of operating a waste depot without a licence. Fined \$28 000 plus \$160 Victims of Crime Levy.
Trevor Day	Illegal dumping of waste onto land in the Mt Magnificent Conservation Park. Charged with intentionally or recklessly breaching a mandatory provision of an Environment Protection Policy, section 34(1) of the EP Act.	Convicted on three counts of illegal disposal of waste and received a fine of \$3 600 plus \$160 Victims of Crime Levy. Defendant also required to pay \$2 827 in clean-up costs to the EPA.
Gabriel Ivanyi	Illegal dumping of waste on land at Regency Park and Gillman. Charged with intentionally or recklessly breaching a mandatory provision of an Environment Protection Policy, section 34(1) of the EP Act.	Convicted on 11 counts of illegal disposal of waste and sentenced to imprisonment for four months and two weeks (suspended) upon entering into a good behaviour bond for two years. Ordered to pay landowners compensation for clean-up of land for sum of \$44 000.
Benjamin Liemareff	Unlawful disposal of approximately 200 tonnes of waste soil in the Black Hill Conservation Park breaching a mandatory provision of an Environment Protection Policy, section 34(1) of the EP Act.	Convicted on two counts of contravening clause 10 of the EPP by unlawful disposal of waste at section 34 of the EP Act. A single penalty of \$18 000 was imposed with \$800 prosecution costs and \$160 Victims of Crime Levy.
Adelaide Resource Recovery Pty Ltd*	ARR was charged in the ERD Court with allegedly storing mixed construction and demolition waste outside the undercover shed at the site between 13 September 2013 and 9 October 2013, which would be	On 4 March 2016, ARR was found not guilty of breaching its licence in 2013 by storing C&I and C&D mixed waste outside. *The matter is currently under appeal

Name	Charges	Penalty
	a breach of its licence conditions.	to the Full Court of the Supreme Court.
Corporation of the City of Adelaide*	Failure to cap the former Wingfield Landfill, which is a contravention of section 45(5) of the EP Act.	Convicted on two counts of breaching EPA licence conditions. *Matter is currently under appeal to the Full Court of the Supreme Court.

As an alternative enforcement approach to criminal prosecution for less serious offences under the EP Act, the EPA may negotiate a civil penalty with an individual or corporation the EPA believes has committed the offence, or may apply to the ERD Court for an order that the person/s pay an amount as a civil penalty to the EPA. Civil penalties that are negotiated by the EPA are developed in compliance with its policy for calculation of civil penalties under the EP Act, as shown in Table 10.

Table 10—Finalised civil penalties for 2015–16

Name	Charges	Penalty
SA Sawmill Pty Ltd	Failing to ensure tanks of CCA were empty for removal on the site where it leaked and flowed into the stormwater system at Francis Rd, Wingfield, which would be a contravention of section 45(5) of the EP Act.	This alleged contravention was dealt with by way of negotiated civil penalty (section 104A of the EP Act) for an amount of \$10 395.
Acquista Investments Pty Ltd and Veolia Environmental Services (Australia) Pty Ltd	Commencing operations at the site before 5.00 am, which is a contravention of section 45(5) of the EP Act.	This alleged contravention was dealt with by way of negotiated civil penalty (section 104A of the EP Act) for an amount of \$11 088.
SA Water	Causing environmental nuisance by discharging a pollutant to a creek located at Anstey Hill, which is a contravention of section 82(2) of the EP Act.	This alleged contravention was dealt with by way of negotiated civil penalty (section 104A of the EP Act) for an amount of \$2 079.
Spectrum Transport Systems Pty Ltd	Presentation of 2 433 beverage containers not purchased in South Australia for refund at Scout Recycling Centre at Green Fields, contravening section 69C of the EP Act.	This alleged contravention was dealt with by way of negotiated civil penalty (section 104A of the EP Act) for an amount of \$5 890.
TMK & Associates Pty Ltd	Failure to notify the EPA of site contamination of groundwater as a result of environmental assessment conducted in Cheltenham, contravening section 83A of the EP Act.	This alleged contravention was dealt with by way of negotiated civil penalty (section 104A of the EP Act) for an amount of \$10 395.
ResourceCo Pty Ltd	Breach of licence condition by receiving C&I waste that was not permitted under the licence.	This alleged contravention was dealt with by way of negotiated civil penalty (section 104A of the EP Act) for an amount of \$13 860.
Acquista Investments Pty Ltd and Veolia Environmental Services (Australia) Pty Ltd	Receipt of grease-trap waste, and liquid waste and sludge at waste depot located at Hines Road, Wingfield, which is a contravention of section 45(5) of the EP Act.	This alleged contravention was dealt with by way of negotiated civil penalty (section 104A of the EP Act) for an amount of \$14 850.

Environment Protection Orders

Environment Protection Orders (EPOs) can be issued by authorised officers under section 93(1) of the EP Act, as follows:

- for the purpose of securing compliance with either
 - the general environmental duty
 - mandatory provisions of an Environment Protection Policy
 - a condition of an environmental authorisation
 - a condition of a beverage container approval
 - any other requirement imposed by or under the EP Act
- for the purpose of giving effect to an Environment Protection Policy.

Table 11 shows EPOs issued for 2015–16 and compares this with previous years.

Table 11—Environment Protection Orders issued

2012–13	2013– 14	2014– 15	2015– 16
19	16	22	26

1.2 Protect our environment – South Australia’s natural resources and assets are valued and managed sustainably to drive long-term prosperity

Water quality policy

The Environment Protection (Water Quality) Policy 2015 came into effect on 1 January 2016 and provides direction for the management of water quality in South Australian inland surface waters, marine waters and groundwater. It provides a modern risk-based instrument to achieve more sustainable outcomes, reducing red tape without lessening regulatory standards.

The policy:

- declares environmental values for the protection of streams, rivers, oceans and groundwater
- encourages better management of wastewater by
 - avoiding its production
 - eliminating or reducing it
 - recycling and re-using it
 - treating it to reduce potential harm to the environment
- promotes best practice environmental management
- allows for discharge limits for particular activities to be established.

The new policy impacts various stakeholder groups, including EPA licensees, industry groups, state government departments, local government, consultants and peak environment groups.

In the four months prior to the policy’s implementation, stakeholders were actively engaged to ensure they were informed about the major policy changes and any implications that may have impacted them. Internal training was provided for EPA staff to promote smooth transition in terms of policy implementation.

Adelaide coastal waters

The Adelaide Coastal Water Quality Improvement Plan (ACWQIP) was released in July 2013, with progress on the plan's implementation well-underway. The Catchment to Coast project is being led by the EPA as part of the implementation of the ACWQIP. Substantial funding support for the project has been received from the Australian Government's National Landcare Programme, which will continue until June 2018.

The project includes implementing the following six sub-projects:

- provision of information through the steering group
- supporting community awareness
- developing water-sensitive urban design demonstration sites
- working with Aboriginal people
- Rain Garden 500
- monitoring across catchments and sub-catchments in Adelaide.

Local government partnerships are a key part of the Catchment to Coast project, including the work recently completed during the financial year with the City of Unley, City of West Torrens and Adelaide City Council.

Rain Garden 500 is a three-year grant program for local councils, community groups, schools, sports clubs and others to apply for funding to build a rain garden in the Adelaide region. Rain gardens improve the quality of stormwater coming from our streets that returns to local creeks and the sea.

The closure of the Penrice Soda Products plant at Osborne, along with a reduction in nitrogen discharges from SA Water metropolitan wastewater treatment plants, has resulted in significant reductions in nitrogen in Adelaide's coastal waters. The EPA continues to work with SA Water as it develops a biogeochemical model to guide further nitrogen reduction to target levels.

Torrens Lake algal control trial

The EPA is participating in a collaborative working group with the Department of Environment, Water and Natural Resources (DEWNR) and the Adelaide and Mount Lofty Ranges Natural Resources Management (AMLR NRM) Board, SA Water and the Adelaide City Council to address blue-green algae growth in Torrens Lake. The long-term goal of the working group is to identify improved catchment management to reduce the input of nutrients into the Torrens River. The collaborative working group is developing strategies towards that long-term goal, but also delivering short-term approaches. 'Dilution flows' (at around 150 ML/d for approximately four days) is the only short-term option that has been confirmed to control blue-green algae in Torrens Lake.

An alternative treatment approach, using low concentrations of hydrogen peroxide, has been in the development stage, and a research permit to use hydrogen peroxide in Torrens Lake was obtained from the Australian Pesticides and Veterinary Medicines Authority. The first trial use of hydrogen peroxide for blue-green algae control in an Australian public watercourse was undertaken in Torrens Lake during January 2016. While the findings at that time were inconclusive because an unexpected rainfall event interrupted the trial, the preliminary results were promising.

The EPA, DEWNR, AMLR NRM Board, SA Water and the Adelaide City Council are continuing their collaborative effort in pursuing hydrogen peroxide as the preferred short-term option for blue-green algae control in the lake, and this approach is expected to be more extensively trialled in the 2016–17 summer months.

Greywater treatment requirements for houseboats

In 2015–16, the EPA worked actively with the Houseboat Hirers Association and the Boating Industry Association to address concerns regarding the regulation of greywater from houseboats on the River Murray. An alternative approach to greywater was suggested by the industry and, after independent testing, the EPA agreed to adjust regulatory requirements.

The revised approach involves splitting of the greywater waste stream, with the higher-risk component being fully contained and the remainder being discharged after treatment. It will involve use of a low cost and simple residential-style greywater treatment unit with reduced maintenance needs, while still managing the localised risks to public health. The EPA will continue to work with the industry to promote the adoption of this revised approach, and it is expected that this will result in better management of greywater from houseboat kitchens, bathrooms and laundries.

Draft air quality policy

The new Environment Protection (Air Quality) Policy that will come into effect in mid 2016, seeks to both modernise and consolidate legislation in relation to the management of South Australia's air quality.

The current *Environment Protection (Air Quality) Policy 1994* and *Environment Protection (Burning) Policy 1994* are over 20 years old. Consequently, they do not reflect recent developments in this area nationally and internationally, including scientific research demonstrating clear links between air pollution and serious adverse health impacts, such as exacerbation of chronic respiratory and cardiovascular disease and premature mortality.

With the consolidation of legislative instruments and policies under the new policy, the EPA will be better equipped to efficiently and consistently assess environmental and development authorisations, as well as ongoing air quality monitoring. The new air quality policy includes criteria previously contained in various different sources, including the current Air Quality Policy and the guidelines: *Air quality impact assessment using design ground level pollutant concentrations (DGLCs)* and *Odour assessment using source modelling*. The new policy will provide clarity and simplify the administration of air quality legislation and policies through consolidating the air quality, burning and solid-fuel-heater policies into a single instrument and formalising DGLCs and odour assessment criteria for use in air-quality impact assessments.

The new provisions aim to minimise smoke impacts in populated areas such that the requirements for the management of burning in the open inside metropolitan Adelaide and townships is different from requirements for outside those areas. Local councils will continue to manage burning in their area and determine the approach that is best for their communities. The new policy allows councils the flexibility to issue permits and general notices to regulate burning of agricultural or forestry waste, burning off vegetation for fire prevention control or to allow burning of vegetation for any other purpose. While streamlining council management of burning in the open through consistent and coherent regulation across the state, it also ensures the ability to burn off for bushfire prevention is maintained

The EPA released the draft air quality policy for public consultation from 22 October 2015 until 15 January 2016. This included a mail-out to 1 500 targeted stakeholders, eight public consultation meetings across the state, as well as direct contact and discussions with various stakeholders. A total of 57 submissions were received from individuals, local and state government, business, industry and NGOs leading to revisions of the policy focusing on provisions relating to the management of burning in the open and stack emissions. Submissions indicated support for the draft air quality policy in terms of consolidating and modernising air quality regulation in South Australia. Further engagement on the revised provisions was undertaken by the EPA in April 2016, particularly with metropolitan Adelaide peri-urban councils, such as the Adelaide Hills Council.

Ambient air quality assessment 2016

The *Environment Protection (Air Quality) Policy 2016* incorporates a range of ground-level concentrations, odour criteria and in-stack concentrations for assessing impacts of a wide range of air pollutants. There is a range of approaches for assessing ambient air quality, of which atmospheric dispersion modelling, emissions inventories and air monitoring are important tools.

The policy outlines methods and approaches to facilitate more efficient assessment of proposals and provides guidance about the EPA's risk-based approach to protecting the environment, in balance with social needs, sound business and economic development targets. The document also assists people with choosing private sector practitioners based on levels of skills and experience to undertake the work, and with understanding the type of information required in reports and submissions to the EPA.

The policy supersedes three previous EPA guidelines: *Odour assessment using odour source modelling*, *Presentation of air pollution modelling outputs* and *Air quality impact assessment using design ground level pollutant concentrations (DGLCs)*, thereby streamlining the overall process.

Interim solid fuel heaters policy

On 23 July 2015, the *Interim Environment Protection (Solid Fuel Heaters) Policy 2015* came into effect and requires that solid fuel heaters that are sold in South Australia are compliant with Australian Standard 4013 and installed in compliance with Australian Standard 2918. The interim policy also prohibits tampering with Australian Standard compliant heaters. This will ensure further minimisation of emissions and reduced incidence of nuisance smoke to neighbouring properties through proper installation.

There is strong evidence to support solid fuel heating being a major contributor to poor winter air quality in the metropolitan area, Mount Gambier and parts of the Adelaide Hills. The estimated health damage costs of solid fuel heaters is \$153 million per annum in metropolitan Adelaide, and \$45 million per annum in non-metropolitan South Australia.

The interim policy is a mechanism to regulate solid fuel heating in advance of the implementation of the revised *Environment Protection (Air Quality) Policy 2016* to address the health impacts associated with solid fuel heating and to bring South Australia in line with legislation applicable to most other jurisdictions.

Upper Spencer Gulf & Outback Taskforce

The EPA has played an active role in the state government's Upper Spencer Gulf & Outback Taskforce (USG&OT) regarding decommissioning of the Port Augusta power stations and the closure of the Leigh Creek mine. The USG&OT is led by the DSD with representation from other government agencies with a key interest in the future of the power station and mine sites, as well as the future of the Leigh Creek township.

The EPA has provided ongoing advice to the USG&OT to ensure environmental issues associated with closure and government lease hand back are properly considered in all recommendations and decisions.

When closure was announced for 2016, the EPA reviewed the EPA licences applicable to the Alinta operations and imposed closure conditions on the licences relating to the Port Augusta power stations and Leigh Creek mine to ensure cessation of each licensed activity is undertaken in accordance with the *Environment Protection Act 1993*. The EPA has received and assessed closure plans for both facilities and provided advice to both Alinta and government to ensure environmental risks are managed.

The EPA worked with Alinta and its consultants to ensure the assessment and remediation of site contamination was undertaken in accordance with national and state requirements.

1.3 Enable sustainable urban development – *The principles of sustainable development are taken into consideration and applied in the planning system*

Planning and development assessments

The South Australian planning system relies on advice and support from multiple government agencies in order to create an integrated system where key issues are considered. The *Development Act 1993* provides for the referral of the Planning Strategy, development plan amendments, certain development applications and aspects of the assessment of major developments to the EPA for advice or direction.

The EPA's overarching goal for its interaction with the planning system is to promote the principles of ecologically sustainable development (as defined in the *Environment Protection Act 1993*). The EPA will do this by ensuring that its views on the matters within the scope of the *Environment Protection Act 1993* are heard, understood and taken into account at each stage of the planning system to the degree appropriate to the risk of environmental harm.

30-year plan for Greater Adelaide

The *30-year plan for Greater Adelaide (30-year Plan)*, which is the metropolitan Adelaide volume of the South Australian Planning Strategy, was published by the state government in 2010. The *30-year Plan* sets long-term directions, policies and targets for guiding decisions about land use, infrastructure and built development within the Greater Adelaide region. It is used to guide the strategic and development plans of state government agencies and local councils. The *Development Act 1993* requires that the Planning Strategy be reviewed every five years. The EPA provided support to the Department of Planning, Transport and Infrastructure (DPTI) as it progressed the review of the *30-year Plan* during 2015–16. The EPA provided feedback to DPTI on three draft revised versions of the *30-year Plan* prior to planned public consultation during 2016–17.

Planning review implementation project

Work progressed steadily on implementing the recommendations of the Planning Review Committee (PRC) regarding the EPA Board's 2012 review of the EPA's role within the South Australian planning system.

During 2015–16, the EPA implemented the following components of the PRC's recommendations:

- **Publishing position statements on the EPA website**—In 2015–16, the EPA finalised documents describing the EPA's position on air quality, noise, radiation and water quality for each stage of the South Australian planning system. Work on preparation of a waste overarching position statement and guidelines for particular environmental issues and the South Australian planning system also commenced.
- **Environmental impact assessment risk-based framework**—A draft environmental impact assessment risk-based framework (EIA framework) has been developed to streamline and simplify EPA environmental impact assessment processes under the *Development Act 1993*.

The EIA Framework will ensure that the EPA's assessment effort is proportional to the level of likely environmental risk. The EIA Framework will be implemented in 2016–17.

- **Environmental Planning pages on the EPA website**—The environmental planning content of the EPA website was re-drafted to make it more accessible and to deliver the EPA's suite of new tools to clarify the EPA's role in informing decisions being made within the South Australian planning system.

Site contamination planning framework

The planning system has an important role in ensuring risks posed by site contamination are minimised when land changes use or is otherwise developed. To improve the consistency and risk-based decision making, a review of the processes for managing site contamination through the planning and development systems was undertaken.

Since 2012, the EPA and the DPTI have engaged a working group and partnered to lead a program of reform that has collaborated closely with industry professionals, representative organisations and local government. The work has been undertaken as part of the government's commitment to urban renewal, reducing red tape and streamlining regulatory processes.

In August 2015, a consultation process commenced for the draft Site Contamination Framework for the South Australian Planning System, as well as a series of aligned regulatory changes, designed to improve processes for site contamination considerations under the *Development Act 1993* and the Development Regulations 2008.

Following a series of well-received industry workshops coinciding with a consultation period throughout September 2015, a small number of written submissions were received from a range of stakeholders that generally supported the structure and intent of the framework, whilst suggesting minor changes.

The EPA and DPTI are now working to transition the project into the implementation phase through the drafting and amendment of the development regulations, the finalisation of new guidance resources and support for a co-agency capacity-building program.

Planning strategy and policies

During 2015–16, the EPA assessed 13 statements of intent, five ministerial development plan amendments and 23 council development plan amendments.

The EPA provided advice about the following significant development plan amendments:

- Ministerial—Existing Activity Centres Policy Area
- Ministerial—Victor Harbor Centres and Residential
- Adelaide Hills Council—Townships and Urban Areas
- District Council of Mount Barker—Mount Barker Rural (Primary Production Protection)
- District Council of Robe—Robe Golf Course Expansion
- Light Regional Council—Roseworthy Township Expansion
- Mt Gambier—Industry (Timber Mill) Zone
- Rural City of Murray Bridge—Monarto South
- Rural City of Murray Bridge—Regional Town Centre Expansion.

Mount Lofty Ranges Watershed policy review

The EPA, in conjunction with other state government agencies and relevant councils, participated in a review of planning policies applying outside of township areas within the Mt Lofty Ranges Watershed region. This review was initiated and managed by the Department of Planning, Transport and Infrastructure. The work progressed through 2015–16 with the inter-agency working group holding several workshops and the EPA preparing formal and informal comments on the proposed policy regime.

Assessment of major developments and projects

The EPA provided advice on 10 major development application matters during 2015–16, the most significant of which included:

- **Nyrstar Port Pirie smelter upgrade**—The upgrade of the Nyrstar smelter at Port Pirie to reduce lead emissions was approved in December 2013. The EPA was closely involved with assessment of the proposal and, during 2015–16, the EPA provided advice about various post-approval matters, including the adequacy of the Construction Environmental Management Plan and Dredging Management Plan and the caisson and diffuser design, as required by the conditions of approval.
- **Central Eyre Iron Project**—This project proposal involved an open-cut magnetite mine and mineral processing operation on Eyre Peninsula and associated infrastructure (a deep-water port facility at Cape Hardy, a railway line from the proposed mine site to the port, a borefield and water pipeline, and a long-term village for workers). In December 2015, the EPA commented on the environmental impact statement and liaised with the proponent in respect of preparation of the response document to ensure the environmental issues were fully identified and addressed.
- **Nora Creina Golf Course and Tourism Resort**—In March 2016, the EPA reviewed and commented on the *Major project public environmental report prepared pursuant to section 46C of the Development Act 1993*.
- **American River Hotel and Harbour Development**—In March 2016, the EPA completed its response to the *Guidelines for the preparation of a public environment report: Tourist resort and commercial harbour*.
- **Narnu Waterways at Hindmarsh Island**—In May 2016, the EPA completed its response to the draft 'Guidelines for preparation of a Public Environmental Report: Narnu Waterways Residential Canal Estate Development Proposal, Hindmarsh Island'.

Development assessment

The EPA provided advice or direction on 233 development applications in response to referrals made under the *Development Act 1993* during 2015–16. The EPA advised or directed the refusal of six of these development applications.

Some of the more significant development applications assessed by the EPA included the following:

- Direction was provided in relation to the proposed Midfield milk processing facility development application at Penola. This application proposed to process 165 million litres of milk per year to produce milk powder. The EPA's development application response considered air quality, noise, water quality, wastewater management, waste management and site contamination in its assessment of the proposal and directed conditions relating to air quality dispersion modelling, noise, wastewater and bunding.
- Advice was provided to the Development Assessment Commission in relation to a development application for the demolition of the wharf (both above and below the water) and demolition of a wastewater treatment pipeline at the former Mobil site at Port Stanvac. The EPA response primarily related to the environmental management plan and spill response plan that formed part of the development application.
- The EPA worked with Mid Murray Council's planning consultants to amend the EPA June 2015 recommended conditions of approval for the Palmer Wind Farm development application in light of legal advice received by the council.

- Direction was provided to the Port Pirie Regional Council in relation to a proposal to dredge river sediment near the Solomontown boat ramp in Port Pirie in order to manage the impact on water quality and ecology. The EPA considered that the council's revised dredging method was appropriate for controlling the degree of environmental harm by reducing the volume of dissolved metals likely to return to the river during dredging and dewatering.
- Advice was provided in relation to a proposed wind farm at Winnowie (near Port Augusta) for up to 59 wind turbines.
- Direction was provided to the Development Assessment Commission in response to a non-complying application to permanently moor the River Murray Queen at Renmark for tourist accommodation and a restaurant. This application involved the paddle steamer being moved from its current location at Waikerie. The EPA's response directed a condition to ensure that the maintenance plan submitted as part of the development application was implemented after the proposed relocation.

1.4 Promote innovative and sustainable industry and mining practices – *Innovative solutions to environmental challenges are supported whilst promoting industry development*

Nyrstar transformation

On 16 May 2014, the South Australian Government and Nyrstar announced a \$514 million investment by Nyrstar to transform the Port Pirie smelter. The transformation will substantially reduce emissions and will be supported by a 10-year, \$50 million Targeted Lead Abatement Program.

Reductions in lead emissions from the Nyrstar smelter aim to ultimately reduce blood lead levels in local children. Installation of new equipment and plant is now occurring for the transformation, and the EPA is monitoring progress closely.

Following full installation of new equipment and a period of commissioning, the EPA will set emission limits for the fully operational and transformed facility. This is anticipated to occur in late 2017 and will incorporate limits at appropriate sites within the community. These will be lower than the limits set in the current licence.

The EPA will continue to focus on incremental and ongoing environmental improvements throughout the commissioning phase and beyond.

Aquaculture

Aquaculture in South Australia is regulated under the *Aquaculture Act 2001*, which is administered by Primary Industries and Regions SA (PIRSA). The EPA is a mandatory referral agency under this Act for all aquaculture licence applications and amendments, and for lease conversions that occur outside an aquaculture zone. The EPA also provides advice about PIRSA policies, legislation and environmental monitoring programs and responds to various environmental issues that may be associated with aquaculture. When undertaking this role, the EPA has regard to, and seeks to further, the objects of the *Environment Protection Act 1993* and has regard to the general environmental duty and relevant Environment Protection Policies.

Aquaculture licence and lease applications

In accordance with provisions of section 59 of the *Aquaculture Act 2001*, all licence applications and amendments must be referred to and approved by the EPA before the licence can be granted. During the

2015–16 period, 39 licence applications were referred to the EPA, all of which were assessed within the statutory timeframe of six weeks.

Some of the more significant assessments of aquaculture applications included:

- approval for granting of a licence under the *Aquaculture Act 2001* for a swim-with-tuna tourist facility located at Encounter Bay. Considerations by the EPA included potential impacts to the benthic environment, water quality, waste management and noise. The EPA worked closely with PIRSA to develop licence conditions and an environmental monitoring program that will minimise the potential impact of the cage on the benthic environment during the placement and operation of the facility
- implementation of the outcomes of the Change@SA 90-day project for the tuna industry for assessment of licence applications required for the 2016 tuna farming season.

Aquaculture legislation, policy and guidelines

The *Aquaculture Act 2001* supports the establishment of aquaculture regulations and policies that aim to provide further direction on the regulation and management of aquaculture.

During 2015–16, the EPA provided comment on the following aquaculture regulations and policy as drafted by PIRSA:

- Aquaculture Regulations 2015, which included amendments to chemical use in aquaculture, environmental monitoring programs and land-based category changes
- *Draft Aquaculture (Zones—Franklin Harbor) Policy 2015*
- statement of intent for the Aquaculture Zone (Eastern Spencer Gulf) Policy.

Aquaculture environmental surveys

The EPA conducts regular environmental surveys of aquaculture industry operations, with the aim of increasing industry awareness of the environmental obligations and associated policies these operations have under the *Environment Protection Act 1993*. In addition, the surveys provide information about potential environmental issues, which can then assist the EPA with its assessment of licence applications and the provision of advice about PIRSA aquaculture policies.

During 2015–16, the EPA completed 24 environmental surveys of aquaculture facilities located across South Australia. No significant environmental issues were noted during the surveys. However, reports of odour associated with oyster sheds in Coffin Bay were raised with the EPA. The EPA worked with industry and local government to address this issue.

Key project work

During 2015–16, the EPA undertook the following aquaculture industry-related project work:

- **Oyster Code of Practice**—The EPA commenced a review of its 2005 *Code of practice for the environmental management of the South Australian oyster farming industry*. Key amendments proposed included changes to the document structure to reflect the operational practices of industry rather than environmental aspects and updates relating to changes to Environment Protection Policies and industry operational practices. Government agency and local council consultation occurred during 2015–16 with industry consultation planned for 2016–17.
- **Industry environmental monitoring programs**—The EPA was consulted during the review of the Aquaculture Regulations 2005 undertaken by PIRSA as the administering agency. The review of

the regulations incorporated changes to industry environmental monitoring programs (EMPs). The EPA was part of a working group to inform the implementation of the finfish/tuna EMP.

Nuclear Fuel Cycle Royal Commission

The Nuclear Fuel Cycle Royal Commission was established by the South Australian Government on 19 March 2015 to undertake an independent and comprehensive investigation into the potential for increasing South Australia's participation in the nuclear fuel cycle. The Royal Commission collected evidence from four sources: written submissions, oral evidence in public sessions, its own research including overseas site visits and commissioned studies. It was required to, and did, report to the Governor of South Australia by 6 May 2016.

The EPA has supported the work of the Royal Commission through the provision of background information related to mining and regulation of radioactive substances. Staff from the EPA also attended hearings relating to historical and current mining practices and accompanied members of the Royal Commission during visits to legacy mining and mineral processing sites.

Container deposit legislation

Table 12 presents data for container deposit return rates for prior and after the 10-cent refund increase.

Table 12—Container deposit return rates for 2015–16 and prior to the 10-cent refund increase

Container type	Return rates 2015–16 (%)	Prior to refund increase (%)
Combined return rate	76.5	69.9
Glass	79.3	79.1
Aluminium	83.6	77.3
Polyethylene terephthalate	64.8	65.9
High-density polyethylene	61.3	49.2
Liquid paperboard cartons	76.5	35.4

Plastic bags

Retail compliance and community awareness and acceptance of the plastic-bag ban remains high, with very few incidents of non-compliance. Table 13 shows plastic bag compliance issues for 2014–15 and 2015–16.

Table 13—Plastic shopping bag compliance

Plastic bag compliance issues	2014–15	2015–16
Inspections (total)	116	90
Number of failed inspections	9	10
Written 'cautions/warnings' issued	9	9
Expiation notices issued	0	0

Regulation of mining resources

The EPA has played an active role in regulating the mining sector in 2015–16. The following are key areas of the EPA's involvement.

Regulation of mining resources sector

The EPA licenses the mining resources sector for extraction, mineral processing, waste management, chemical works, storage and allied areas. During the period 2015–16, the EPA assessed mine and quarry operations that applied for EPA licensing and conducted site inspections of a number of operations. Due to dry and windy summer conditions experienced in 2015–16, some quarries experienced high levels of dust movement off site, some of which generated community concerns. The EPA has taken proactive regulatory actions to address these emerging issues, working in conjunction with local community groups. The EPA has developed good rapport with local community groups and has emphasised the importance of social licensing with industry stakeholders.

Collaborative regulation of mining resources sector with DSD

The Department of State Development administers the *Mining Act 1971* and some activities requiring DSD approval, and co-regulates mining activities with the EPA. During 2015–16, the DSD assessed a number of mining lease proposals, mine operations plans and programs for environment protection and rehabilitation. The DSD consulted with the EPA on these submissions. The EPA and DSD have an MoU to ensure that mining regulation is effective and efficient in those areas where both agencies have a regulatory role. The EPA has reviewed these compliance documents and provided subject-matter expertise by way of comments for consideration in areas of water quality, air quality, mine-closure mechanisms, site contamination and waste management.

During 2015–16, the EPA and DSD have worked in a collaborative manner to address various regulatory challenges related to managing care and maintenance, and closure planning strategies in the mining sector. The EPA has provided advice and regulatory compliance guidance to industry participants for their effective end-of-life decommissioning and transition. In particular, the EPA worked closely with DSD on mine-closure planning for the Leigh Creek coal mine, to ensure environmental obligations are adequately addressed.

Role in other significant areas

The EPA is supporting the state government's Copper Strategy through providing in-kind support to the Australian Research Council Research Hub for Australian Copper–Uranium. Through this, EPA radiation analysis equipment, methodologies and expertise will be available on the Hub, which aims to find new ways to improve the quality of copper produced by mining and mineral processing.

Regulation of petroleum resources

The EPA has played an active role in regulating the petroleum sector in 2015–16. The following are key areas of the EPA's involvement.

Regulation of the petroleum resources sector

The EPA managed licences relating to the petroleum resources sector through various regulatory interventions, including responding to spills and other incidents regarding major operators in the Cooper Basin. The EPA has worked closely with operators to help them understand the scale and extent of impacts on the environment, and has provided regulatory guidance to industry about remediation needs. In addition to the regulation of the petroleum upstream sector, the EPA also regulates the downstream gas processing

operation at the Santos Port Bonython plant. During 2015–16, the EPA issued a licence for a bulk diesel storage facility at Port Bonython.

Collaborative regulation of petroleum resources sector with the DSD

The Department of State Development administers the *Petroleum and Geothermal Energy Act 2000* and some activities requiring DSD approval and regulation overlaps with EPA work. The EPA and DSD have worked in a collaborative manner to address regulatory challenges during the financial year, including assessing risk to the environment from ageing infrastructure in the Cooper Basin as well as remediation strategies for contaminated legacy sites.

During 2015–16, DSD assessed a number of environmental impact reports and statements of environmental objectives, including operations related to Santos, Beach Energy, Senex, Ahava Energy and petroleum industry operators. The EPA reviewed the statements of environmental objectives and provided subject-matter expertise by way of comments related to water quality, air quality, site contamination and waste management.

Role in other significant areas

The EPA has participated in consultation with BP Australia during its development of environment plans for exploration drilling in the Great Australian Bight and has also provided extensive comments to BP within a South Australian whole-of-government forum. The EPA is working in collaboration with the Department of Planning, Transport and Infrastructure in formulating the state's emergency response program for this offshore drilling, which is planned for the summer of 2016–17 in the Great Australian Bight.

Cremation audit

During 2015–16, the EPA undertook an audit of the crematoria industry in South Australia. Notification to the industry of the audit occurred in early March 2016, with an audit of each crematorium in the state conducted between March and May 2016.

The previous audit of the crematoria industry by the EPA was in 2008. The Commonwealth Government has proposed to ratify the latest tranche of persistent organic pollutants (POPs) outlined by the Stockholm Convention, an international environmental treaty aimed at reducing the production and use of persistent organic pollutants. Persistent organic pollutants are a potential by-product of the cremation process.

The audits gave the EPA the opportunity to engage with licensees regarding the licence renewal process and determine whether current EPA licensed crematoria will be able to meet the future requirements of the Stockholm Convention.

The aims of the audit were to:

- notify crematorium and waste incineration licensees of the Commonwealth Government requirements for the production and use of POPs
- gain an understanding of current operational settings of crematorium and waste incineration licensees. This included a review of secondary chamber temperature and residence time and types of pollution control equipment in place
- assess compliance and suitability of licence conditions for operations
- explain the new format and wording of licence conditions under the EPA's new Licensing Administration Modernisation Project (LAMP).

Findings of the audit showed:

- minimal smoke and odour was noted at facilities operating at the time of the audit, which was in line with licence conditions
- the common non-compliance noted at facilities has been the upkeep of an emissions and/or pollution control equipment register. Licensees have been confused about how to meet the requirements of these conditions. In response, the EPA has developed a short information sheet with examples that demonstrate how licensees can meet these requirements. This will also form part of the final audit report, which will be publicly available
- licensees are generally receptive to the concept of minimising POP generation, and a number of these facilities were already, or had equipment capable of, meeting these requirements.

A final audit report will be supplied to licensees and key stakeholders once completed.

OBJECTIVE 2: KEEP PEOPLE INFORMED AND ENGAGED – PROVIDING OPPORTUNITIES FOR EARLY AND MEANINGFUL ENGAGEMENT

2.1 Partnerships and engagement – *Work actively with others to manage environmental pressures and find innovative solutions to emerging challenges*

EPA Board consultation program 2015–16

As part of its consultation program, the EPA Board conducted the following sessions that, as in previous years, gave the Board an opportunity to hear directly from its stakeholders about the environment protection issues they considered important.

EPA Industry/Business Round-table Summit

The Board held its annual Round-table Summit on 27 April 2016. A different approach was taken at this event and the focus was around small and medium enterprises. As the majority of EPA licensees, and around 97% of South Australia's businesses, are small to medium, contributing \$34 billion to South Australia's economy, they are vitally important to our state's future prosperity.

Talking directly with those businesses at the Round-table Summit provided the EPA with an opportunity to consider how the EPA can assist with developing practical solutions to build capacity and capability in those businesses.

The event was attended by 57 delegates representing a cross-section of business, industry, government and non-government sectors and the EPA. Participants discussed topics including what the EPA can do to help support their businesses to be sustainable and innovative in their environmental management, and what roadblocks they perceived were preventing their business from achieving further success.

Reports were prepared from each event and are available on the EPA website.

Regional visit

On Tuesday 30 June and Wednesday 1 July 2015, the EPA Board and Executive members travelled to Whyalla, Port Augusta and Port Pirie on a regional engagement visit. The trip was part of the Board's annual engagement agenda to visit regional areas and meet stakeholders.

The trip involved tours of significant licensees in the region, including the Arrium One Steel facility at Whyalla, the Nyrstar facility at Port Pirie and the Port Pirie boat ramp.

A regional summit was held in Whyalla, which was well-attended by 20 representatives from the region. At the summit, the EPA received excellent feedback regarding its regional presence program, as well as suggestions for improvement, which will be taken on board for future visits.

While in Port Pirie, the Board met with the Mayor of Port Pirie and representatives of the council. The Board also took the opportunity to view Nyrstar's photographic exhibition at the local art gallery, which gave a pictorial view of the company's 132-year history.

Local government consultation forum

The EPA Board held an engagement forum with local government sector representatives on 11 November 2015. Twenty-two local government mayors and chief executives attended and participated in discussions around three key topics—site contamination, local nuisance and litter control, and waste reform.

Both the EPA and the local government sector were encouraged to continue to foster shared roles and responsibilities and be innovative in delivering joint services and realise the strategic advantage in dealing with matters within shorter timeframes. How the EPA interacts with other government departments, local government, stakeholders and the community was also discussed.

The forum highlighted the need to continue to work collaboratively and further build the EPA's relationship with both the LGA and local councils.

EPA Think Tank

On 24 September 2015, Mia Handshin, Presiding Member of the EPA Board hosted a think-tank session on site contamination management and engagement.

The EPA partnered with the Leaders Institute of South Australia Think Tank program, which offered an innovative way for the Governor's Leaders Foundation (GLF) graduates, as a group of diverse leaders, to provide new perspectives and progressive thinking for an organisation's critical issues.

The Think Tank involved approximately 30 GLF graduates for a full-day session at the State Library.

Some of the key ideas emerging from the session were based on the idea of moving from a nasty surprise to 'normalising' site contamination matters. The Think Tank recommended that the EPA move further into a public engagement model like SA Police to effectively engage with the community.

The EPA agreed to consider how it can better connect its public value proposition 'why our services are critical to our future sustainability and enjoyment in living in this beautiful state' with the community. The EPA also agreed to look at how it can better engage and utilise local government networks with local environmental leaders.

2.2 Sharing information and being transparent – *Provide information that is easy to understand and accessible so that communities are well-informed*

Waste reform

Discussion paper release

From August to September 2015, the EPA consulted with the waste sector on the EPA's discussion paper: *Reforming waste management: Creating certainty for industry to grow*. The paper sought feedback on wide-ranging waste legislative and policy reform options to expand the waste sector and create jobs through:

- achieving a better and more equitable industry, while reducing environmental risk and harm in a cost-effective way
- further promoting safe resource recovery through ideas for innovative change.

As part of the consultation process, the EPA held five regional public meetings and two metropolitan public meetings, as well as several meetings with key industry stakeholders, involving over 110 attendees. Subsequently, 59 written submissions were received.

Continued stakeholder engagement

The EPA held four further meetings of its Waste Management Industry Reference Group in 2015–16 to facilitate regular discussion with industry representatives regarding waste reform issues and projects. It also established a Waste Reform High-Level Advisory Group to provide strategic advice as the reform process proceeds. This group includes senior, chief-executive level representatives from the waste industry, local government, Renewal SA, the Conservation Council, Keep South Australia Beautiful and Green Industries SA. It has had four meetings since September 2015.

Waste reform staff also presented and participated in discussions with interested stakeholders, including the Australian Land and Groundwater Association; Waste, Make Money, Save Money forum; and Waste Management Association of Australia members.

Commencing reforms

Submissions on the discussion paper and views expressed through the Waste Management Industry Reference Group and Waste Reform High-Level Advisory Group have been used to identify priority reforms, and preparatory work for key legislative and policy reforms has been commenced.

Environment, Resources and Development Committee inquiry submission

In 2015, the Environment, Resources and Development (ERD) Committee of Parliament commenced an inquiry into waste management. The EPA contributed a substantial submission to the inquiry in January 2016.

Cross-border transport of waste

During 2015–16, the EPA reviewed the issue of the cross-border transport of waste for treatment and/or disposal.

The EPA in South Australia in conjunction with EPA Victoria held a workshop with representatives from each jurisdiction to discuss the issues faced by jurisdictions as a result of the transport of waste across borders. The workshop was held in mid May 2016. The workshop reflected on the current regulatory environment and the differing waste and resource-recovery sector operational and cultural aspects of each jurisdiction.

Pinery bushfire response

On 25 November 2015, the Pinery bushfire was declared a major emergency and caused significant damage in the areas of Owen, Freeling, Tarlee and Greenock in South Australia. There were two confirmed deaths and 31 people treated for injuries (of these, five people were listed as critical). In addition, there were significant livestock losses as well as loss of property, vehicles and fencing.

The EPA formed part of an extensive recovery effort and was supported by the Minister for Sustainability, Environment and Conservation whereby the solid waste levy was waived for bushfire-affected waste. A significant concern held by the EPA was the presence of disturbed asbestos as a result of the fire. Staff from the EPA assisted with contacting the managers of properties containing asbestos to ascertain their needs and any assistance they required. The EPA will continue to play a crucial role in the recovery process, through State Recovery and Local Recovery Committees.

Bore water campaign

Over the 2015–16 summer period, the EPA undertook an awareness campaign to remind owners of residential water bores to have their bore water tested to ensure it is safe to use, and to seek more information from the EPA via its website or call centre.

Residents are encouraged to visit the EPA’s website, which provides a step-by-step guide for residents on how to go about testing their bore water. It was also highlighted that if residents had received previous advice to not use bore water until further notice or live in a groundwater prohibition area, they should continue to adhere to this advice and testing would not be necessary.

OBJECTIVE 3: BE AN EFFECTIVE AND TRUSTED REGULATOR – BUILDING TRUST AND CONFIDENCE, AND MAXIMISING THE POTENTIAL OF OUR PEOPLE

3.1 Effective responses and interventions – Apply leading, robust and cost effective regulatory tools and approaches to control environmental pressures

Our regulatory approach

The EPA recognises that the majority of individuals and companies are willing to comply with environmental legislation, policy and regulation. Its regulatory actions are tailored to suit the full spectrum of circumstances, in particular, to support and recognise those who demonstrate a commitment to good compliance and go beyond compliance to achieve outcomes, such as greater sustainability, resource efficiency and best practice business processes (see Figure 4).

At the other end of the spectrum, the EPA will seek to be robust in tackling failure to comply. For those who deliberately or negligently fail to comply, the EPA considers expiation, orders or prosecution. This approach is embedded in the EPA’s systems and processes for undertaking its regulatory role.



Figure 4—EPA regulatory spectrum

The EPA's regulatory approach is based on the foundation of firm and fair compliance and enforcement. It is guided by the following core principles.

Proportional

The EPA will ensure that any measure taken is proportional to the risks posed to the environment and the seriousness of the offence. As far as the law allows, the EPA will take into account the circumstances of each case when considering the action it will take.

Consistent

The EPA will be fair, equitable and apply consistent processes in all cases. It will ensure all officers are trained, and that there are effective systems and operational policies in place to support them.

Transparent

The EPA will openly share information about its decisions and actions. It will help the regulated community understand what is required of them and what they should expect from the EPA. It will also make information available on the Public Register as required by the law.

Targeted

The EPA will ensure its regulatory effort is directed primarily towards those activities that pose the greatest risks, cause the greatest environmental damage or undermine the regulatory regime.

Timely

The EPA will work in a timely manner to manage, inform and progress without delay. It aims to focus its compliance interventions on issues that it has identified as having a greater chance of causing actual or potential harm to the environment and/or the health or wellbeing of the community. As well as undertaking its core regulatory work, the EPA uses a range of targeted interventions that involve a number of options (see Figure 5).



Figure 5—Compliance interventions

3.2 High quality services – *Deliver high quality and professional services*

Service improvement project

In 2015–16, the EPA undertook a project to implement recommendations arising from the 90-day Project: Improved Service Delivery for the Management of Incidents and Enquiries. Key actions implemented include:

- improved administrative processes designed to provide greater accountability for responding to issues
- the establishment of a dedicated service for responding to asbestos-related matters
- improved inter-agency communication in relation to asbestos issues
- the improved tracking and reporting of incidents and enquiries reported to the EPA
- the development of a business case for the replacement of the EPA’s incident and enquiry database, CARES.

Service charter

In early 2016, the EPA released its Service Charter that outlines its service commitment to all South Australians.

The charter provides a framework for defining service standards and meeting expectations of the community. Overall, its objective is to continually improve services to the community, and it also highlights our service standards that include:

- providing a 24–7 pollution reporting service
- providing a 24–7 environmental emergency response service
- responding to incident reports within three days
- updating relevant information on the EPA website.

The EPA's Service Charter is available via the EPA website www.epa.sa.gov.au.

Licensing Administration Modernisation Project (LAMP)

The Licensing Administration Modernisation Project (LAMP) aims to modernise the IT systems and processes in licensing, waste levy, waste tracking and auditing functions. The LAMP is the most significant infrastructure-related reform project undertaken by the EPA as it aims to not only improve the IT platform but, more importantly, modernise the way the EPA manages licensing, the waste levy and waste tracking.

The licensing administration management program and online applications and payments system were implemented on 31 July 2015. These reforms are aimed at enhancing service delivery of the EPA's core regulatory functions. Specifically, this investment automates tasks that are presently very labour intensive and increases IT integration so that investigations, enforcement and waste tracking can better interact with licensing and waste-levy auditing processes.

Statutory Authorities Review Committee inquiry

On 23 February 2016, the SARC handed down its report from its inquiry into the EPA's management of contamination at Clovelly Park and Mitchell Park. This report includes nine recommendations for the government to consider, which mainly relate to ensuring appropriate communication and decision-making frameworks regarding site contamination investigations and ensuring SA Health and EPA staff continue to keep themselves abreast of world best practice regarding contamination levels and their impacts on public health. The EPA has acknowledged the recommendations and has implemented a number of changes in relation to the areas mentioned, while maintaining its strong position as a leader in site contamination expertise nationally and internationally.

3.3 Strong environmental knowledge, science and expertise – Use our expert knowledge and methods to monitor, protect and improve South Australia's environment

National policy initiatives

Australasian Environmental Law Enforcement Regulators Network

Australasian Environmental Law Enforcement Regulators NeTwork (AELERT) is a cross-jurisdictional network established to improve operational effectiveness, enhance regulatory compliance capacity and promote consistency of approach to operational regulatory reform for its member agencies. The EPA Chief

Executive is the Chair of AELERT and South Australia has hosted the secretariat since October 2014. The EPA is one of five South Australian full members of AELERT from state and local government with an additional five affiliate members from state, local government and non-government.

The EPA has participated in the following cluster groups that provided value to regulators in terms of improving regulatory practices throughout South Australia and Australia.

- **Legal Practice Cluster**—continued work on the Non-compliance Economic Assessment Tool (NEAT) model and completed the Monetary Benefit Toolkit. The NEAT model is used for calculating illegally-obtained economic benefit from non-compliance and assists agencies with identifying businesses avoiding or delaying compliance with environmental laws, and helps present evidence to the courts accordingly.
- **Better Regulation Cluster**—finalised the Modern Regulator Improvement Tool (MRIT) in 2015. This was supported by a webinar on the MRIT in April, and a workshop on the MRIT during the conference that was held in November. The cluster group will continue to enhance the MRIT including the development of an online tool that will enable members to complete a self-assessment and will provide links to resources on good practice.
- **AELERT Cluster**—was created during 2015–16, and highlights for the year include Mr Kevin Rowley (EPA Team Leader and ERT Coordinator) receiving the AELERT Achievement Award in 2015 for establishing the SA Investigations Managers Network Forum with a view to developing a centre of excellence in South Australia for professional investigators and the Better Regulation Cluster being recognised for the development of the Modern Regulator Tool.
- **Emergency Operations Cluster**—was created during 2015–16, and aims to promote national harmonisation in environmental incident and emergency management, establish a common set of competencies for training of environmental responders and increase the sharing and pooling of specialist equipment and knowledge.
- **Communications and Engagement Cluster**—was formed in early 2016, and seeks to develop case studies as well as common communications and engagement-based toolkits that can be adopted by each AELERT member agency.

Ministers for environment meetings

A meeting for environment ministers was held in December 2015, with the key topics relating to air quality and waste. Significantly, the National Clean Air Agreement was endorsed at the meeting. The Clean Air Agreement focuses on actions to reduce air pollution and improve air quality through cooperative action between industry and government at the national, state and local level and is designed to incorporate a range of existing, new and complementary measures to improve Australia's air quality.

Environment ministers agreed to set national air quality standards for particulates in the PM₁₀ and the PM_{2.5} range at 25 µg/m³ and 8 µg/m³ respectively. However, South Australia will impose a stricter standard of 20 µg/m³ for PM₁₀ for its own reporting to assist with driving further improvements in South Australia's already comparatively good air quality. South Australia is also implementing much of the other actions within the Clean Air Agreement through the revision of the *Environment Protection (Air Quality) Policy 2016*.

With regard to national waste initiatives, South Australia continues to contribute to the national discussion regarding the end-of-life tyres product stewardship, policy options to reduce micro-plastics in the marine environment and reduction of the impact of plastic bags in the environment. South Australia took the initiative to ban the use of plastic shopping bags in 2009 and has provided advice to other jurisdictions about the ban.

Heads of environment protection authorities

The Chief Executive and Presiding Member of the EPA are members of the Heads of EPAs (HEPA), an informal collegiate forum for heads of Australia's and New Zealand's environment protection regulators that are committed to pursuing a coherent regulatory environment in the region. This includes Environment Protection Policies and regulatory practices that affect land, air, water, waste, noise and odour.

During the financial year, HEPA met on 7 December 2015 and 3 May 2016. The forum has been an opportunity for jurisdictions to discuss common themes and challenges that are experienced by environmental regulators. It has also enabled the development of a formal relationship between HEPA and the national Environmental Health Standing Committee, which is responsible for providing agreed environmental health advice and coordination of research, information and practical resources for environmental health matters at a national level. South Australia continues to be well-placed in its many fields of expertise to contribute to the national agenda.

Environment, Resources and Development Committee waste review

The Environment, Resources and Development (ERD) Committee is conducting a review of the waste industry. The terms of reference are:

1. whether the current method of charging and collecting the solid waste levy has been successful in ensuring a level playing field in the waste sector while encouraging resource recovery over landfilling or stockpiling of materials
2. the adequacy of regulatory and legislative powers within the *Environment Protection Act 1993* to manage the waste sector, including licence enforcement and current penalties
3. best-practice methods in the resource recovery and waste sectors
4. minimisation of hazardous risks in the resource recovery and waste sectors
5. relevant themes from the 2015 EPA/ZWSA Waste Summit that will inform this inquiry
6. any other matters.

The EPA has provided a submission to the ERD Committee outlining its current regulatory responsibilities, the complexity of the waste industry and the fact that it has released the discussion paper: *Reforming waste management: Creating certainty for an industry to grow* regarding waste management reform options. The paper will assist with realising the economic potential from innovation in waste and resource recovery technologies while, at the same time, helping to protect the environment.

3.4 Be a high performing organisation – *Build staff capability, ensure a healthy and safe workplace and drive continuous improvement*

Our shared future program

In December 2015, the EPA launched the Our Shared Future program that comprises nine major sub-project elements and aims to better position the agency to face these challenges.

The underlying principles of Our Shared Future, include:

1. *It's fundamentally a program about our people*—the high calibre and commitment of staff is undoubtedly our greatest asset, and building, nurturing and developing the capabilities of our people is our greatest opportunity.
2. *It's about the EPA's future*—how we respond and resource the emerging challenges/pressures, how we deliver our regulatory services into the future and how we work together to best service the environment and people of SA into the future.
3. *It's about SA's future environment and prosperity*—how we contribute and best align to the aspirations of the community and government.

The nine sub-projects are presented in Table 14.

Table 14—Sub-projects of the Our Shared Future program

Sub-project	What this includes
A more agile EPA	<ul style="list-style-type: none"> • Using our people to attain the most value and impact • Continue to build and develop our capabilities and invest in our people • More flexible resource allocation, promoting innovation, adopt ways of working that support quick and flexible responses
Accommodation	<ul style="list-style-type: none"> • Opportunity to review our overall accommodation needs
Waste and resources	<ul style="list-style-type: none"> • Consider the implications from the waste reform review • Look for opportunities to transform the way we manage waste compliance • Building and further strengthening capability
Nuclear Fuel Cycle Royal Commission	<ul style="list-style-type: none"> • Resourcing, capabilities and governance to respond to Royal Commission recommendations • Provides an opportunity to highlight the EPA's significant experience in radiation protection, environmental assessment, hydrogeology and other major hazardous facility regulation
Local Nuisance Bill	<ul style="list-style-type: none"> • Provides an opportunity to improve services to the community, enhance working relationships with councils and clarify responsibilities • Prepare and plan for a transition in the services we provide eg, mentoring and building capability in councils
Planning Reform Bill	<ul style="list-style-type: none"> • Opportunity to strengthen our influence on planning policy and development outcomes • Plan for the next stage of transition in the way we deal with planning and development

Sub-project	What this includes
Engagement capacity	<ul style="list-style-type: none"> • Further strengthen our capacity to undertake engagement for site contamination projects and other significant initiatives • Provides an opportunity to improve service to the community
Policy coordination	<ul style="list-style-type: none"> • Provides an opportunity to align and strengthen our policy capacity
Scientific services	<ul style="list-style-type: none"> • Provides an opportunity to review how our scientific services are delivered • Commitment to delivery of a longer term science plan for the EPA.

Small working groups of staff were established to progress the projects discussed above, enforcing a strong collaborative approach to program development. The Our Shared Future program consisted of two phases. The first was a planning phase that concluded in April 2016, with the implementation phase of the program commencing mid 2016.

The key outcomes emerging from the planning phase were:

- identification of key cultural and system drivers for the program (such as agility, adaptability and resilience)
- highlighting of potential changes to accommodation that could deliver budget savings
- strengthening of community engagement capacity across the EPA through better targeted programs, services and resourcing
- positioning of the EPA's scientific services to best address future challenges and demands, by reconfiguring resources and improving scientific data management and communication
- implementation of strategies to improve waste management and compliance across the state
- identification of opportunities to enhance the EPA's relationship with the local government sector and ensure transition to new local nuisance legislation is seamless.

The EPA also has a significant role, along with other government agencies, in work being undertaken following release of the final report of the Nuclear Fuel Cycle Royal Commission. This role will continue until December 2016 leading up to the government's response to the Royal Commission's recommendations. These outcomes will now be prioritised for implementation through the EPA's business planning process with expected benefits from the Our Shared Future program to be implemented over the new financial year.

Staff recognition program

On 13 October 2015, the EPA held its inaugural staff achievement awards. The awards were established to mark the achievements and contributions of individual staff and teams who have extended their efforts beyond the day-to-day performance of their duties that contribute to the success of the EPA.

The awards are part of the EPA's staff recognition program, which was developed in response to feedback from a staff survey undertaken in 2014. The key award categories were for staff who excelled in the following areas: supporting wellbeing and prosperity, keeping people informed and engaged, being an effective and trusted regulator and public service values and our ways of working.

In total, 30 outstanding nominations were received representing teams and individuals across the organisation. The awards were presented by the EPA Executive, Chief Executive and Presiding Member.

High Performance Framework

The High Performance Framework (HPF) Improvement and Innovation Plan 2015–16 was developed in consultation with managers, staff and the executive team, and includes a range of key actions to improve in the priority areas identified by the HPF self-assessment and staff survey conducted in 2014. The HPF is complemented by organisational capability initiatives already identified for implementation. The HPF Improvement and Innovation Plan is aligned to the Corporate Plan 2015–16.

The HPF provides a systemic approach for agencies to identify performance and capability gaps and to improve performance. It also allows for greater collaboration and sharing of good practices across government. The key improvement areas in 2015–16 include: Work, Health & Safety, Leadership, Performance, Service, Capability, Knowledge & Information, and Innovation and Strategy.

There were 30 key actions for 2015–16 that were distributed across the key improvement areas. The progress made against each improvement focus area was measured and reported to the EPA Executive on a quarterly basis.

In February 2016, a follow-up staff perspectives survey was conducted to gather feedback about our organisational performance. The overall results of the survey showed a positive response in areas such as leadership, strategy, values and workforce engagement. There were areas that showed improvement compared to the staff survey results from 2014, including perspectives on stakeholder engagement, understanding of EPA's priorities and performance reporting. Further opportunities for improvement were also identified and will be addressed in 2016–17.

Leadership development

Leadership development is a key component of the EPA's 2015–16 Corporate Learning and Development Program and the HPF Improvement and Innovation Plan.

Implementation of a leadership development framework

During 2016, the EPA implemented an overarching leadership development framework to identify leadership development that assists the EPA to build a more agile and responsive organisation.

The framework identifies three levels of leadership development to build skills and knowledge, and is founded on the EPA: *Ways of working* and the *Code of ethics for the South Australian Public Sector*. It is underpinned by leadership competencies and developed in line with the Office of the Public Sector development standards. Development for women in leadership is also factored into all levels of the framework.

A rolling 1–3 year plan supports the provision of, and flexibility for, different types of leadership programs.

The EPA's first Senior Leadership Development Masterclass's keynote speaker was Mr David Noble, Adelaide Football Club's Head of Football, who spoke of his experiences in an elite sporting organisation while linking a number of topics back to the EPA, including leadership, culture, crisis management and recruitment of staff.

The EPA is committed to increasing its leadership capability and this masterclass provided staff with additional learning around what is required to be a leader in an organisation.

Aspiring leaders program

In early 2014, a self-assessment against the HPF identified the need for development opportunities for aspiring/emerging leaders. In addition to this, feedback gathered through the organisation's staff survey also revealed demand for a program of this nature. While a range of leadership development programs had routinely been offered to EPA employees over the preceding years, a program specifically for aspiring leaders had not been conducted for approximately eight years.

As a result, the EPA rolled out the Aspiring Leadership Development Program, which included training elements such as leadership, ethical decision-making, strategic thinking and change management. These elements were chosen as they had been acknowledged as improvement opportunities within the organisation through the 2014 staff survey.

A total of 10 staff members were selected for the program that comprised a number of different components, including two pre-course assessments (two psychometric assessments and a 360 Degree review), four days of facilitated training, an individual reflection assignment as well as a group action-learning project and follow-up one-on-one coaching with the creation of individual development plans.

Two evaluations of the program have since been conducted (one immediately following the completion of the program and one six months later). The outcomes of the program included increased confidence among participants in their own abilities and leadership skills, enhanced knowledge across a range of leadership competencies, as well as gains in areas such as team management, time management and innovation, which all support effective leadership.

The final follow-up evaluation revealed that 90% of the goals and actions created through the development planning process had been commenced or completed. Additionally, it was reported that two of the group assignments had been continued by the organisation and were in the stages of being formally included in the EPA's business plan for 2016.

One of the stronger recommendations from the evaluations was to implement ways of providing enhanced learning from the program. To this end, two follow-up Leadership Advantage sessions have been provided to refresh and build on knowledge and skills in areas such as change management, leadership, influencing and accountability. Associated case studies developed to analyse some focus areas from Our Shared Future have provided further opportunities for enhanced learning as well as a returned benefit to the EPA.

Service excellence

During 2015–16, the EPA implemented a Service Excellence Training Program to increase understanding and awareness of the EPA's Service Charter and also increase a customer-service focus in line with the EPA's strategic directions. The comprehensive six-week program was rolled out to all staff and included pre- and post-workshop surveys to measure the effectiveness of the learning interventions. The post-program evaluation has indicated an increased understanding and awareness of the Service Charter.

Community engagement champions program

The EPA has made significant improvements to its engagement practices in the past year and is continuing to develop capability in this area. The Community Engagement Champion's Program was developed to strengthen staff capacity to better respond to, and communicate with, the community. The program creates a small pool of 'champions' who are extensively trained in engagement to help support the EPA's activities. The champions' role will be to assist at meetings and with projects where it is recognised that a higher level of engagement expertise is needed.

Authorised officer training program

During the financial year, the EPA implemented its new Authorised Officers Fundamentals course, which places a greater emphasis on the practical needs of authorised officers. The course focuses on the compliance and enforcement requirements of the EPA, regulatory tools available in the EP Act and essential skills such as communication, note taking and evidence collection. The course was successfully delivered to 145 EP Act and 20 RPC Act authorised officers, and has allowed the EPA to ensure that all officers are benchmarked to the same standard.

The new Authorised Officers Fundamentals program will be delivered twice yearly to train new employees. However, to avoid undue delay in staff obtaining authorised officer status, a one-day induction and mentoring system has been implemented. To build on the success of the program, specialist courses are being developed, starting with compliance officer training that focuses on site inspections, auditing and advanced authorised officer skills. These courses will commence in the new financial year.

Our people

Tables 15 to 22 provide information about EPA workforce statistics.

Table 15—Number of employees by age bracket and gender

Age bracket	Male	Female	Other	Total	% of total	2014 workforce benchmark (%)
15–19	0	0	0	0	0	5.5
20–24	3	1	0	4	1.78	9.7
25–29	2	6	0	8	3.56	11.2
30–34	13	16	0	29	12.89	10.7
35–39	14	25	0	39	17.33	9.6
40–44	20	15	0	35	15.56	11.4
45–49	21	17	0	38	16.89	11.1
50–54	22	8	0	30	13.33	11.4
55–59	18	12	0	30	13.33	9.1
60–64	5	4	0	9	4	6.7
65+	3	0	0	3	1.33	3.6
TOTAL	121	104	0	225	100	100

Table 16—Total number of employees with disabilities (regarding Commonwealth DDA definition)

Male	Female	Other	Total	% of agency
4	3	0	7	3.1

Table 17—Types of disability (where specified)

Disability	Male	Female	Other	Total	% of agency
Disability requiring workplace adaption	4	3	0	7	3.1
Physical	4	3	0	7	3.1
Intellectual	0	0	0	0	0
Sensory	1	1	0	2	0.9
Psychological/psychiatric	0	0	0	0	0

Table 18—Executive by gender, classification and status

Classifi- -cation	Ongoing			Term Tenured			Term Untenured			Other (Casual)			Total					
	M	F	X	M	F	X	M	F	X	M	F	X	M	%	F	%	X	%
CE0099	0	0	0	0	0	0	1	0	0	0	0	0	1	20	0	0	0	0
SAES1	0	0	0	0	0	0	3	1	0	0	0	0	3	60	1	20	0	0
TOTAL	0	0	0	0	0	0	4	1	0	0	0	0	4	80	1	20	0	0

Table 19—Average days leave per full-time equivalent employee

Leave type	2011–12	2012–13	2013–14	2014–15	2015–16
Sick leave	8.23	7.45	8.29	7.10	8.89
Family carer's leave	1.41	1.36	1.34	1.43	1.18
Special leave with pay	0.62	0.99	1.03	0.95	1.85

Table 20—Documented review of individual performance management

Review	% total workforce
A review within the past 12 months	61.33
A review older than 12 months	20.89
No review	17.78

Table 21—Leadership and management training expenditure

Training and development	Total cost (\$)	% of total salary expenditure
Total training and development expenditure	398 610.10	1.66
Total leadership and management development expenditure	121 676.00	0.5

Table 22—Number of persons recruited/separated from the agency

Number of persons recruited to the agency	Number of persons separated from the agency
15	23

Work health and safety

EPA safety in focus

In September 2013, EPA Executive endorsed a work health and safety (WHS) reform program entitled: Transforming the EPA's Safety Culture Strategy that provided a framework to improve the safety culture and safety systems at the EPA. The four 'pillars' and criteria that underpin this safety transformation are:

- **Leadership**—management commitment to 'visible and felt leadership', policies and principles (EPA corporate values, mission and vision), goals, objectives and plans
- **Structure**—procedures and performance standards, line management accountability and responsibility, safety personnel, integrated EPA structures, motivation and awareness
- **Processes and Actions**—effective communication, training and development, and incident investigations together with field observations and audits
- **Continuous Improvement**—lead and lag indicators, improved reporting to executive.

The EPA's 2015–16 Work Health Safety and Injury Management (WHS&IM) Action Plan identified a total of 71 scheduled tasks/mini projects, with the following objectives and outcomes identified.

Objectives:

- the ongoing safety of all EPA staff, contractors and visitors to ensure 'everyone returns home safe to their family and friends each day'
- EPA compliance with the *Return to Work Act 2014* and Return to Work Regulations 2014, *Work Health and Safety Act 2012* and Work Health and Safety Regulations 2012, in particular, understanding the concepts of: reasonably practicable, due diligence, duty holder responsibilities and provision to provide suitable employment
- continue to transform the EPA's safety culture
- EPA compliance with its WHS&IM system
- ensure the EPA has a robust hazard management system to identify, assess and control psychological hazards, all plant/equipment and chemical hazards, manual task hazards and contractor management
- improved attendance at mandatory WHS training
- improved perception and a positive increase in WHS culture at the EPA
- positive outcomes from the Audit and Verification System (AVS) audit in August 2016.

Outcomes:

- everyone returns home safe to their family and friends each day
- positive outcome from the AVS Audit
- the Building Safety Excellence in the Public Sector 2015–2020 strategy is integrated into the EPA's safety culture through the Transforming the EPA's Safety Culture Strategy
- an improved safety culture as per the Transforming the EPA's Safety Culture Strategy as targeted in 2013
- officers and workers display 'visible and felt leadership' principles at all times.

In 2015–16, the WHS&IM Action Plan also sought to address the following key strategic elements under the Building Safety Excellence in the Public Sector 2015–2020 strategy.

Elements:

- Informed Safety Leadership
- Wellbeing and Engagement
- Effective Risk Management
- Performance Measurement.

2015–16 in detail

The 2015–16 WHS&IM Action Plan was ambitious (as it needs to be) to ensure continuous improvement and ensure step changes to the EPA's existing safety culture and system were achieved. The EPA completed 69% of items on the plan, with another 17% started, but not yet completed (to be completed in the first quarter of 2016–17) and another 17% (low-risk areas) not progressed.

Time committed by the WHS&IM Advisor to delivering the outcomes and objectives of this plan was spread across three elements:

- 70% to work health and safety
- 20% to injury management and return-to-work
- 10% to training and development.

Key Achievements for 2015–16 are as follows:

- Four quarterly WHS Committee meetings were held.
- The EPA's second-ever WHS&IM Staff Perception Survey on WHS systems and culture demonstrated further improvement in the agency's commitment to safety by managers and staff.
- New health and safety representatives and deputies were elected and received formal external training for their roles, with supplementary training on mental health and AS4801 WHS Management Systems.
- Risks and issues from EPA branch plans were identified and incorporated into the 2016–17 WHS&IM Action Plan.
- There were nine injury management claims (three of which were lost-time injuries), and six of those were successfully closed, with one further claim yet to be determined.
- Five staff were successfully returned to full-time work as a result of non-work related injuries.
- Some type of WHS&IM training was attended by 272 EPA staff.
- EPA executives (officers) conducted online training on due diligence awareness and responsibilities.
- Managers and team leaders participated in training on mental health awareness and managing confrontational situations.
- EPA return-to-work coordinators received nationally accredited Mental Health First Aid training in order to better assist staff.
- More staff than ever before (109) received their flu vaccinations.
- Identified actions from previous internal audits on Radiation Management and Driver Safety were closed. Two new internal audits commenced in 2015–16 with a focus on diving and contractor management.

The EPA has also been working on developing the following three overarching strategies to enable longer term planning and closer alignment to the Building Safety Excellence in the Public Sector 2015–2020 strategy.



Work relating to this strategy has resulted in the:

- development of a draft Mental Health and Wellbeing Strategy
- development of a Mental Health Policy
- establishment of a Health and Wellbeing Committee.



Achievements relating to this strategy are the:

- development of a draft Injury Management Strategy
- ongoing development and review of documents to align with the new *Return to Work Act 2014*.



Work relating to this strategy has resulted in the:

- development of a draft Work Health and Safety Strategy
- placement of a concise and robust suite of information on the EPA intranet (as a result of findings from internal audits on vehicle management and safe driving) to enable managers and staff to meet their obligations and be as safe as possible when conducting driving activities
- development of a Diver Competency Assessment Tool
- development of a branch-specific risk register to help managers and staff mitigate those risks specific to their areas of control.

During the 2015–16 period, two incidents resulted in significant injury claims, requiring the EPA to adapt the 2015–16 WHS&IM Action Plan in real time to address the nature and causes of these significant injuries. Refer to Tables 23 to 25 for injury management statistics.

Table 23—Work health and safety prosecutions, notices and corrective action taken

Work health and safety prosecutions, notices and corrective action	2015–16
Number of notifiable incidents pursuant to WHS Act Part 3	0
Number of notices served pursuant to WHS Act section 90, section 191 and section 195 (provisional improvement, improvement and prohibition notices)	0
Number of prosecutions pursuant to WHS Act Part 2 Division 5	0
Number of enforceable undertakings pursuant to WHS Act Part 11	0

Table 24—Safety performance for 12 months to end of June 2016*

Safety issue	Baseline June 2012 (numbers or %)	Actual	Notional quarterly target**	Variation	Final target 2022 (numbers or %)
1 Workplace fatalities	0	0	0	0	0
2 New workplace injury claims	2.67	7.00	2.35	4.65	1.87
3 Significant injury frequency rate (1 000 FTE)	4.75	9.30*	4.21	5.09	3.36
4 Significant injury frequency rate (1 000 FTE), Musculoskeletal injuries	0.00	4.65*	0.00	4.65	0.00
5 Significant injury frequency rate (1 000 FTE), psychological injury	4.75	4.65*	4.21	0.44	3.36

* Data as at 30 March 2016

Table 25—Agency gross workers compensation expenditure for 2015–16 compared with 2014–15

Expenditure	2014–15 (\$m)	2015–16 (\$m)	Variation (\$m) + (-)	% Change + (-)
Income maintenance	0.0	0.0195	+0.0195	–
Medical/hospital costs combined	0.005	0.0096	+0.0046	–
Rehabilitation/return to work	0.0	0.0	0.0	0
Investigations	0.0	0.006	+0.006	–
Medical reports	0.0	0.004	+0.004	–
Lump sum	0.0	0.1	+0.1	–
Other	0.0003	0.0	0.0	–
Total claims expenditure	0.0053	0.1590	+0.1537	0

Wellness and Wellbeing Program

The 2015–16 financial year saw the announcement and establishment of a new Wellness and Wellbeing Program. This Program (and associated committee) was set up to inspire and help facilitate initiatives around health and wellbeing across the EPA. It incorporates the EPA's previous work in maintaining a sustainable workplace culture.

In late 2015, staff were invited to make submissions for small grants from the Wellness and Wellbeing Fund to support a range of activities that promote health, fitness and wellbeing for staff. Submissions were considered at an EPA managers' forum and were carefully assessed in an attempt to cater for as many staff as possible. A Wellness and Wellbeing Resource Committee was established to administer the funds and provide guidance to staff that are driving the initiatives, while ensuring resources are most appropriately and efficiently allocated.

The following activities were supported by the program and announced to EPA staff:

- lunchtime sessions on mindfulness and meditation techniques
- bocce in Victoria Square
- Smoothie Revolution—powering a bike to create yummy smoothies during an EPA social/morning tea event
- Corporate Cup.

These activities are to be rolled out over the coming year (2016–17).

Other reporting items

Disability access and inclusion plans

The Disability Access and Inclusion Plan (DAIP) strategy demonstrates the commitment of the South Australian Government to improving the participation of people with a disability across a range of areas in our society so they can enjoy the rights and opportunities provided to all citizens to reach their full potential.

The EPA DAIP is in line with the South Australian Government's requirements, and has addressed the government's six key outcomes and outlines the EPA's commitment to supporting the rights of people with a disability in our community and as members of EPA staff.

The DAIP Working Group will be established in the second half of 2016 with disability awareness training for all staff to be rolled out shortly afterwards. The key objectives of the DAIP are to ensure that all EPA employees and their families and carers have access to a range of support systems, people with a disability achieve their full potential and that people with a disability have opportunities to continue learning throughout their lives.

Whistleblowers Protection Act

The *Whistleblowers Protection Act 1993* (WP Act) encourages disclosure of maladministration and waste in the public sector and corrupt or illegal conduct generally, by providing the means by which disclosures can be made and subsequent protection (from victimisation and civil or criminal liability) provided to those who make a disclosure.

The EPA has three responsible officers for the purposes of the WP Act pursuant to section 7 of the *Public Sector Act 2009*. The WP Act requires the EPA to report on the number of occasions on which public interest information has been disclosed to a responsible officer of the agency. There were no disclosures to an EPA responsible officer during 2015–16.

Public complaints

The EPA welcomes feedback, including complaints about its operations or services. Feedback helps the EPA identify opportunities for continuous improvement to ensure it is providing high-quality services and maintaining effective relationships with its stakeholders. The EPA is committed to managing complaints in an accountable, transparent and responsive way. Complaints received during 2015–16 are shown in Table 26.

Table 26—Complaints about EPA services during 2015–16

Complaints about services provided by the EPA by subject during 2015–16	Number
EPA's handling of an incident report	1
EPA driving complaint	1
Total complaints	2

From July 2015 to June 2016, the EPA received a total of two formal complaints. At the end of June 2016, one complaint had been finalised and one was still in progress. One complaint related to the EPA's handling of a noise incident report, and the second related to driving of an EPA vehicle. The EPA receives approximately 3 000 reports of environmental incidents, and about 11 000 other enquiries, annually.

Sustainability reporting

As the state's primary environmental regulator, the EPA is keen to encourage sustainable environmental practices amongst industry and the community. In keeping with this commitment the EPA is highly aware of its own activities and impact, and of the need to ensure it embraces sustainable practices wherever possible.

Significantly, the centralisation of staff at 250 Victoria Square, a six-star building with a five-star fit-out, means a marked reduction in energy consumed for office accommodation. Other activities the EPA undertakes to promote sustainable practices are as follows:

- All waste management and recycling is managed in partnership with the lessor's building management. Containers for all waste are provided within utilities rooms. Streams of waste collected include
 - co-mingled recyclable waste
 - organic food waste
 - white paper and confidential paper destruction
 - general dry waste.
- Toner cartridges from photocopying machines and printers, batteries and light bulbs are also collected and recycled.
- Vehicle utilisation and vehicle mix is regularly reviewed, and at lease renewal consideration is given to environmental aspects of the replacement vehicles available.
- All printers/photocopiers are preset to print to double-sided documents.
- The use of electronic tablets to view papers is promoted to the EPA Board and Executive, substantially cutting down the volume of documents having to be printed for each meeting.
- Wherever possible, the EPA uses service providers and suppliers who follow sustainable principles and use recyclable materials.

The EPA also provides incentives to support staff in utilising sustainable commuting practices, for example, provision of bicycle parking.

Reconciliation statements

The EPA acknowledges the traditional custodians on whose ancestral lands it carries out its business, and that it respects their spiritual relationship with their country. The EPA also acknowledges the deep feelings of attachment and the relationship that Aboriginal peoples have to the country.

In fulfilling its functions, the EPA is cognisant of the cultural and natural heritage of the traditional owners and strives to achieve positive outcomes wherever these matters are concerned.

Overseas travel

In line with reporting requirements, details of overseas travel can be found via the EPA website, at: www.epa.sa.gov.au.

Financial reporting

Fraud

During 2015–16, the EPA identified three instances of fraud, as shown in Table 27.

Table 27—Identification of instances of fraud

Nature of fraud	Number of instances	Strategies for control and prevention
An employee did not declare employment at another entity for which their employment hours conflicted with the full-time position at the EPA	1	Policy of making request to the CEO to undertake external employment.
Completion of time-sheet information by two employees, which is under investigation	2	EPA's existing internal control measures

Consultants

Tables 28 and 29 show the EPA's use of consultants for the financial year.

Table 28—Use of consultants with a value below \$10 000

Consultant	Number	Total \$
	1	\$6 455
Total	1	\$6 455

Table 29—Use of consultants with a value of \$10 000 and above

Consultant	Purpose of consultancy	Number	Total \$
No consultants above a value of \$10 000	-	-	-
Total	-	-	-

Appendix 1—Financial statements

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Auditor-General's Department

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To the Presiding Member Environment Protection Authority

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the Environment Protection Authority for the financial year ended 30 June 2016. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2016
- a Statement of Financial Position as at 30 June 2016
- a Statement of Changes in Equity for the year ended 30 June 2016
- a Statement of Cash Flows for the year ended 30 June 2016
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Presiding Member, Chief Executive and the Chief Financial Officer.

The Board's responsibility for the financial report

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

Auditor's responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The Auditing Standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

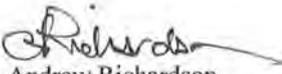
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Members of the Board, as well as evaluating the overall presentation of the financial report.

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

My report refers only to the financial statements described above and does not provide assurance over the integrity of publication of the financial report on the Environment Protection Authority's website nor does it provide an opinion on any other information which may have been hyperlinked to/from these statements.

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Environment Protection Authority as at 30 June 2016, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.


Andrew Richardson
Auditor-General
13 September 2016

Environment Protection Authority
Statement of Comprehensive Income
For the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Expenses			
Employee benefits expenses	5	23,938	22,506
Supplies and services	6	8,479	8,658
Depreciation and amortisation	7	1,084	878
Grants and subsidies	8	22,678	20,834
Other expenses	9	139	339
Total expenses		56,318	53,215
Income			
Revenues from fees and charges	11	60,258	57,414
Grants and contributions	12	1,511	1,693
Interest revenues	13	126	153
Net gain/(loss) from the disposal of non-current assets	14	(6)	-
Other income	15	30	33
Total income		61,919	59,293
Net cost/(benefit) of providing service		(5,601)	(6,078)
Payments to SA Government			
Payments to SA Government	16	6,275	7,331
Total payments to SA Government		6,275	7,331
Net result		(674)	(1,253)
Total comprehensive result		(674)	(1,253)

The net result and total comprehensive result are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes

Environment Protection Authority
Statement of Financial Position
As at 30 June 2016

	Note	2016 \$'000	2015 \$'000
Current assets			
Cash and cash equivalents	17	15,576	15,776
Receivables	18	8,130	7,667
Total current assets		23,706	23,443
Non-current assets			
Receivables	18	2	1
Property, plant and equipment	19	4,304	6,714
Intangible assets	20	2,430	541
Total non-current assets		6,736	7,256
Total assets		30,442	30,699
Current liabilities			
Payables	22	1,096	1,591
Employee benefits	23	2,331	2,401
Provisions	24	56	11
Other liabilities	25	78	244
Total current liabilities		3,561	4,247
Non-current liabilities			
Payables	22	567	450
Employee benefits	23	5,619	4,642
Provisions	24	105	29
Other liabilities	25	444	511
Total non-current liabilities		6,735	5,632
Total liabilities		10,296	9,879
Net assets		20,146	20,820
Equity			
Asset revaluation surplus		932	932
Retained earnings		19,214	19,888
Total equity		20,146	20,820
The total equity is attributable to the SA Government as owner			
Unrecognised contractual commitments	26		
Contingent assets and liabilities	27		

The above statement should be read in conjunction with the accompanying notes

Environment Protection Authority
Statement of Changes in Equity
For the year ended 30 June 2016

	Asset Revaluation Surplus	Retained Earnings	Total Equity
	\$'000	\$'000	\$'000
Balance at 30 June 2014	932	21,141	22,073
Net result for 2014-15	-	(1,253)	(1,253)
Total comprehensive result for 2014-15	-	(1,253)	(1,253)
Balance at 30 June 2015	932	19,888	20,820
Net result for 2015-16	-	(674)	(674)
Total comprehensive result for 2015-16	-	(674)	(674)
Balance at 30 June 2016	932	19,214	20,146

All changes in equity are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes

Environment Protection Authority
Statement of Cash Flows
For the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Cash flows from operating activities			
Cash outflows:			
Employee benefit payments		(22,788)	(21,928)
Payments for supplies and services		(9,191)	(8,228)
Payment of grants and subsidies		(22,678)	(20,834)
Other payments		(114)	(130)
Cash used in operations		<u>(54,771)</u>	<u>(51,120)</u>
Cash inflows:			
Fees and charges		59,748	56,335
Receipts from grants and contributions		1,511	1,693
Interest received		127	155
Other receipts		30	33
Cash generated from operations		<u>61,415</u>	<u>58,216</u>
Cash flows from SA Government			
Payments to SA Government		(6,275)	(7,331)
Cash paid to SA Government		<u>(6,275)</u>	<u>(7,331)</u>
Net cash provided by/(used in) operating activities	29	<u>369</u>	<u>(235)</u>
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(569)	(462)
Cash used in investing activities		<u>(569)</u>	<u>(462)</u>
Net cash provided by/(used in) investing activities		<u>(569)</u>	<u>(462)</u>
Net decrease in cash and cash equivalents		(200)	(697)
Cash and cash equivalents at the beginning of the period		15,776	16,473
Cash and cash equivalents at the end of the period	17	<u>15,576</u>	<u>15,776</u>

The above statement should be read in conjunction with the accompanying notes

Environment Protection Authority
Notes to and forming part of the Financial Statements
For the year ended 30 June 2016

1 Objectives of the Environment Protection Authority (the Authority)

(a) Reporting Entity

The Authority 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 PSA
- 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 1982*. 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 35. However assets and liabilities have not been separately disclosed as they cannot be reliably attributed to radiation protection functions.

The consolidated financial statements have been prepared by combining the financial statements of all entities that comprise the consolidated entity being the Authority and the Fund, in accordance with AASB 10 *Consolidated Financial Statements*.

In forming the view that the Fund is controlled, the Authority considered its involvement with the entity and determined that its substantive rights give the Authority the current ability to direct the major relevant activities of the entity and the Authority is exposed or has rights to variable returns from its involvement as the entity contributes to furtherance of the Authority's objective.

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

(b) Strategic Context

The Authority promotes the principles of ecologically sustainable development and works with government, industry and the people of South Australia, with key roles to:

- review, develop and draft environmental protection policies and national environment protection measures
- authorise activities of environmental significance through an authorisation system aimed at the control and minimisation of pollution and waste
- conduct compliance investigations and institute environmental monitoring and evaluation programmes
- provide advice and assistance regarding best environmental management practice.

The Authority has a key advocacy and engagement role across government and with the people of South Australia, business and communities throughout South Australia, to achieve a healthy and valued environment.

(c) Financial Arrangements

The Department of Environment, Water and Natural Resources (DEWNR) provides some professional, technical and administrative support to the Authority. The identifiable direct costs of providing these services are met by the Authority.

A memorandum of understanding was signed on 13 March 2013 between DEWNR and the Authority relating to the provision of these services.

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 deposits
- 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 (PFAA)*. The deposit accounts are used for funds provided by Parliamentary appropriation together with revenues from services provided and from fees and charges.

Environment Protection Authority
Notes to and forming part of the Financial Statements
For the year ended 30 June 2016

2 Summary of significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in compliance with section 23 of the PFAA.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and accounting policy statements promulgated under the provisions of the PFAA.

The Authority has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Authority is a not-for-profit entity.

Except for AASB 2015-7 which the Authority has early adopted, Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Authority for the reporting period ending 30 June 2016 (refer to note 3).

(b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and management to exercise its judgment in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgment or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes.
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.
- compliance with accounting policy statements issued pursuant to section 41 of the PFAA. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, that have been included in these financial statements:

- (a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100,000 for separate identification of these items applies.
- (b) expenses incurred as a result of engaging consultants
- (c) employee targeted voluntary separation package information
- (d) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10,000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees
- (e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Authority's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2016 and the comparative information presented.

(c) Budgeted amounts

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2015-16 Budget Paper 4). Budget information has been included for the Statement of Comprehensive Income and for Investment Expenditure. Budget information has not been included for the Statement of Financial Position or Statement of Cash Flows as the information in these statements are not budgeted for on the same basis and/or determined in a different manner to financial statement information. These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes. The budget process is not subject to audit.

(d) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements has been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

Where the Authority has applied an accounting policy retrospectively; retrospectively restated items in the financial statements; reclassified items in the financial statements, it has provided three Statements of Financial Position and related notes.

The restated comparative amounts do not replace the original financial statements for the preceding period.

(e) Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

Environment Protection Authority
Notes to and forming part of the Financial Statements
For the year ended 30 June 2016

(f) Taxation

The Authority is not subject to income tax. The Authority is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

Shared Services SA prepares a Business Activity Statement on behalf of the Authority under the grouping provisions of the GST legislation. Under these provisions, DEWNR is liable for the payments and entitled to the receipts associated with GST. Therefore, the Authority's net GST receivable/payable is recorded in DEWNR's Statement of Financial Position. GST cash flows applicable to the Authority are recorded in DEWNR's Statement of Cash Flows.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

(g) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

(h) Income and expenses

Income and expenses are recognised to the extent that it is probable that the flow of economic benefits to or from the Authority will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Income

The following are specific recognition criteria:

Fees and Charges

Environmental Authorisation Fees received under the *Environment Protection Act 1993* are recognised as revenue when invoiced. All other license fees, including those received under the *Radiation Protection and Control Act 1982*, are recognised as revenue upon receipt.

Waste Levies are recognised by the Authority on an accrual basis.

Contributions received

Contributions are recognised as an asset and income when the Authority obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (i.e. the amount can be reliably measured and the flow of resources is probable).

Generally, the Authority has obtained control or the right to receive for:

- Contributions with unconditional stipulations - this will be when the agreement becomes enforceable i.e. the earlier of when the receiving entity has formally been advised that the contribution (e.g. grant application) has been approved; agreement/contract is executed; and/or the contribution is received.
- Contributions with conditional stipulations - this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

Gain/ (loss) from disposal of non-current assets

Income from the disposal of non-current assets is recognised when the control of the asset has passed to the buyer and has been determined by comparing proceeds with carrying amount. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

Gains/Losses on disposal of non-current assets are recognised at the date control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time.

Other income

Other income consists of sundry expense reimbursements.

Environment Protection Authority
Notes to and forming part of the Financial Statements
For the year ended 30 June 2016

Expenses

The following are specific recognition criteria:

Employee benefits

Employee benefits expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Authority to the superannuation plan in respect of current services of current Authority staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole of government financial statements.

Depreciation and amortisation

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

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, which is a change in accounting estimate.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

Land assets are not depreciated.

Depreciation/Amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

<u>Class of Asset</u>	<u>Useful Life</u>
Computing equipment	3-10 years
Intangible Assets	3-17 years
Infrastructure	15-50 years
Plant and equipment	5-15 years
Vehicles	10-25 years
Furniture and fittings	5-15 years
Buildings and improvements	30-50 years
Other	7-10 years

Grants and subsidies

For contributions payable, the contribution will be recognised as a liability and expense when the Authority has a present obligation to pay the contribution and the expense recognition criteria are met.

All contributions paid by the Authority have been contributions with unconditional stipulations attached.

Payments to SA Government

Payments to the SA Government include the return of surplus cash pursuant to the cash alignment policy and paid directly to the Consolidated Account.

(i) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the Authority has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

(j) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where an asset line item combines amounts expected to be settled within 12 months and more than 12 months, the Authority has separately disclosed the amounts expected to be recovered after more than 12 months.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position include cash at bank and on hand.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Cash is measured at nominal value.

Environment Protection Authority
Notes to and forming part of the Financial Statements
For the year ended 30 June 2016

Receivables

Receivables include amounts receivable from fees and charges, interest, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Trade receivables are generally due within 30 days after the issue of an invoice.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Authority will not be able to collect the debt. Bad debts are written off when identified.

Non-Current Assets

Acquisition and 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. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

Where assets are acquired at no value, or minimal 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 i.e. the amount recorded by the transferor public authority immediately prior to the restructure.

All non-current tangible assets with a value over \$10,000 are capitalised.

Revaluation of Non Current Assets

All 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 million and estimated useful life is greater than three years.

At least every five years, the Authority revalues its land, buildings and infrastructure via (an independent) Certified Practising Valuer.

If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, when they are revalued to fair value.

Any revaluation increment is credited to the revaluation surplus except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income.

Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the revaluation surplus to the extent of the credit balance existing in revaluation surplus for that asset class.

Any accumulated depreciation as at the revaluation date is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

Impairment

All non-current tangible and intangible assets are tested for indications of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets, an impairment loss is offset against the respective revaluation surplus.

Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The Authority only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10,000.

All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 are expensed.

Fair value measurement

AASB 13 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.

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.

Environment Protection Authority
Notes to and forming part of the Financial Statements
For the year ended 30 June 2016

- 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 valuation processes and fair value changes are reviewed by the Chief Financial Officer and Audit Committee at each reporting date.

Non-financial assets

In determining fair value, the Authority has taken into account the characteristic of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset) and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

The Authority's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible within the next five years. As the Authority did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to note 19 and 21 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

Financial assets/liabilities

The Authority does not recognise any financial assets or financial liabilities at fair value.

(k) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where a liability line item combines accounts expected to be settled within 12 months and more than 12 months, the Authority has separately disclosed the amounts expected to be settled after more than 12 months.

Payables

Payables include creditors, accrued expenses, employment on-costs and Paid Parental Leave Scheme payable.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Authority.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

The Paid Parental Leave Scheme payable represents amounts which the Authority has received from the Commonwealth Government to forward onto eligible employees via the Authority's standard payroll processes. That is, the Authority is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

All payables are measured at their nominal amount and are normally settled within 30 days from the date of the invoice or the date the invoice is first received.

Employee benefits on-costs include payroll tax, WorkCover levies and superannuation contributions in respect of outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention leave.

The Authority makes contributions 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.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. The Authority has entered into operating leases.

Operating Leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

Lease Incentive

All incentives for the agreement of new or renewed operating leases are recognised as an integral part of the net consideration agreed for the use of the leased asset. Incentives received to enter into operating leases are recognised as a liability.

The aggregate benefit of lease incentives received by the Authority in respect of operating leases has been recorded as a reduction of rental expense over the lease term, on a straight-line basis.

Lease Incentives in the form of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or estimated useful life of the improvement, whichever is shorter.

Environment Protection Authority
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Employee benefits

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Salaries and wages, annual leave, SERL and sick leave

The liability for salary 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 is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

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.

LSL

The liability for LSL 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.

The estimated liability for LSL is based on actuarial assumptions over 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.

Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months based on previous experience including expected terminations and known applications for leave.

Provisions

Provisions are recognised when the Authority has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Authority expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2016 provided by a consulting actuary engaged through the Office of the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The Authority is responsible for the payment of workers compensation claims.

(i) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating lease and expenditure commitments arising from contractual or statutory sources and are disclosed at their nominal value.

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 has in place financial provisions which are required to cover environmental liabilities that may occur during the operating life of a licenced facility, or that may arise from or following the closure of a licenced facility. No value is assigned to these provisions for financial statement purposes as they will only be called upon in the event that the licensee fails to fulfill their obligations.

3 New and revised accounting standards and policies

The Authority did not voluntarily change any of its accounting policies during 2015-16.

Except for AASB 2015-7 which the Authority has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Authority for the period ending 30 June 2016.

AASB 16 Leases will apply for the first time in the Authority's 30 June 2020 financial report. This standard will require the Authority to recognise all leased items in the Statement of Financial Position as assets to represent the value of what the Authority lease, and liabilities to represent expected future lease payments. This could see significant assets and liabilities being recognised and, over the lease term, amortised.

The Authority has assessed the impact of other new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Authority.

Environment Protection Authority
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4 Activities of the Authority

The Authority, in 2015-16 was 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
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5 Employee benefits expenses	2016	2015
	\$'000	\$'000
Salaries and wages	17,219	16,662
TVSPs	100	-
LSL	1,157	1,018
Annual leave	1,664	1,565
SERL	96	85
Employment on-costs - superannuation	2,105	2,007
Employment on-costs - other	1,105	1,064
Board and committee fees	167	161
Workers compensation	275	(136)
Other employee related expenses	50	80
Total: Employee benefits expenses	23,938	22,506

TVSPs	2016	2015
	\$'000	\$'000
Amount paid during the reporting period to separated employees:		
TVSPs	100	-
Annual leave, LSL, SERL paid to those employees	45	-
Total	145	-
Recovery from the Department of Treasury and Finance	-	-
Net cost to Environment Protection Authority	145	-

The number of employees who received a TVSP during the reporting period was 1

Remuneration of employees

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

	2016	2015
	No. of employees	No. of employees
\$145,001 – 155,000	1	-
\$155,001 – 165,000	-	1
\$165,001 – 175,000	1	1
\$175,001 – 185,000	-	1
\$185,001 – 195,000	1	1
\$195,001 – 205,000	1	1
\$205,001 – 215,000	-	1
\$215,001 – 225,000	2	-
\$305,001 – 315,000	1	1
Total	7	7

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, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$1.447million (\$1.431m).

6 Supplies and services	2016	2015
	\$'000	\$'000
Accommodation and property management expenses	2,434	2,391
Consultants	6	10
Contractors	151	250
Fee for service	1,944	1,909
General administration	1,184	1,199
Information technology & communication expenses	441	427
Minor works, maintenance & equipment	330	214
Monitoring fees	147	177
Scientific and technical services	603	785
Staff development	294	350
Transportation	151	151
Travel and accommodation	248	214
Vehicle and aircraft	300	314
Other	246	267
Total: Supplies and services	8,479	8,658

Environment Protection Authority
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Consultants

The number and dollar amount of consultancies paid/payable (included in supplies and services expense) that fell within the following bands:

	2016		2015	
	Number	\$'000	Number	\$'000
Below \$10,000	1	6	1	10
Total paid/payable to the consultants engaged		<u>6</u>		<u>10</u>

7 Depreciation and amortisation

	2016 \$'000	2015 \$'000
Depreciation		
Buildings and Improvements	1	1
Computing Equipment	28	32
Furniture and Fittings	457	457
Vehicles	8	8
Infrastructure	23	22
Plant and Equipment	212	182
Total Depreciation	<u>729</u>	<u>702</u>
Amortisation		
Intangible Assets	355	176
Total Amortisation	<u>355</u>	<u>176</u>
Total: Depreciation and Amortisation	<u>1,084</u>	<u>878</u>

8 Grants and subsidies

	2016 \$'000	2015 \$'000
Grants and subsidies		
Adelaide and Mt Lofty Ranges NRM	-	15
Community organisations and associations	241	237
Conservation Council SA	11	-
Department of Environment, Water and Natural Resources	97	114
Department of Premier and Cabinet	35	6
Local Government	118	255
Zero Waste SA * ^	22,176	20,207
Total: Grants and subsidies	<u>22,678</u>	<u>20,834</u>

* As per section 113 of the Environment Protection Act 1993 the Authority earns and collects 100 percent of waste levies, however is then required to transfer 50 percent of solid waste levies collected to Zero Waste SA as per section 17 of the Zero Waste SA Act 2004. This transfer represents the payment of waste levies monies to Zero Waste SA in accordance with the Zero Waste SA Act 2004.

^ As from 1 July 2015 the title of Zero Waste SA has been altered to Green Industries SA.

9 Other expenses

	2016 \$'000	2015 \$'000
Bad and doubtful debts	25	211
Other (including audit fees - see note 10)	114	128
Total: Other expenses	<u>139</u>	<u>339</u>

10 Auditor's remuneration

	2016 \$'000	2015 \$'000
Audit fees paid/payable to the Auditor-General's Department	109	115
Total: Audit fees	<u>109</u>	<u>115</u>

Other services:

No other services were provided by the Auditor-General's Department

Auditor's remuneration costs are recognised in the Statement of Comprehensive Income and included in the balance of 'other expense - other' (refer note 9).

Environment Protection Authority
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11 Revenues from fees and charges	2016	2015
	\$'000	\$'000
Fines and Penalties	264	316
Environmental Authorisation Fees	10,852	10,884
Radiation Licence Fees	3,265	3,147
Other Licence Fees	687	747
Waste Levies	45,117	42,253
Other fees and charges	73	67
Total: Fees and charges	60,268	57,414
12 Grants and contributions	2016	2015
	\$'000	\$'000
SA Government Grants	830	846
Commonwealth Government	564	547
Private Industry and Community Grants	117	300
Total: Grants and contributions	1,511	1,693
(i) State Government Grants and Contributions	2016	2015
	\$'000	\$'000
Department of Environment, Water and Natural Resources (DEWNR)	559	581
Department of State Development	271	222
Primary Industries and Regions SA	-	43
	<u>830</u>	<u>846</u>
(ii) Commonwealth Government	2016	2015
	\$'000	\$'000
Department of Industry	25	25
Department of the Environment	524	515
Department of the Prime Minister and Cabinet	-	7
Murray Darling Basin Authority	15	-
	<u>564</u>	<u>547</u>
(iii) Private Industry and Community Grants	2016	2015
	\$'000	\$'000
EPA NSW	41	-
EPA Victoria	32	229
EPA Other	48	-
Other	(4)	71
	<u>117</u>	<u>300</u>
Contributions with conditions of expenditure		
Contributions which have conditions of expenditure still to be met as at reporting date were \$7 433 million (\$7.106m). The Authority is engaged in a variety of funding programs involving State and Commonwealth sources who provide monies to the Authority on the premise that these funds are expended in a manner consistent with the terms of the agreement. At reporting date these contributions relate to:		
	2016	2015
	\$'000	\$'000
Environment Protection Fund	7,008	6,947
AELERT	108	100
National Pollutant Inventory	10	30
Externally Funded Projects	53	29
Internally Funded Projects	254	-
	<u>7,433</u>	<u>7,106</u>

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 8 of the *Environment Protection Regulations 2009*. The Fund may be applied by the Minister or by the Authority with the approval of the Minister.

Environment Protection Authority
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	2016 \$'000	2015 \$'000
13 Interest revenues		
Interest from entities within the SA Government	126	153
Total: Interest revenues	<u>126</u>	<u>153</u>
14 Net gain/(loss) from the disposal of non-current assets		
Plant and equipment:		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	(6)	-
Net gain/(loss) from disposal	<u>(6)</u>	<u>-</u>
Total: Assets		
Total proceeds from disposal	-	-
Less: Total value of assets disposed	(6)	-
Total: Net gain/(loss) from disposal of assets	<u>(6)</u>	<u>-</u>
15 Other income		
Other income received/receivable		
Other sundry revenue	30	33
	<u>30</u>	<u>33</u>
Total: Other income	<u>30</u>	<u>33</u>
16 Payments to SA Government		
Payments to SA Government		
Return of surplus cash pursuant to cash alignment policy	6,275	7,331
Total payments to SA Government	<u>6,275</u>	<u>7,331</u>
There were no revenues from Government received for the year ended 30 June 2016.		
17 Cash and cash equivalents		
	2016 \$'000	2015 \$'000
Deposits with the Treasurer	8,563	8,824
Environment Protection Fund Deposit Account	7,008	6,947
Cash on hand/Imprest accounts	5	5
Total: Cash and Cash Equivalents	<u>15,576</u>	<u>15,776</u>

Interest rate risk

Deposits with the Treasurer and cash on hand is non-interest bearing. The Environment Protection Fund Deposit Account earns a floating interest rate, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

Environment Protection Authority
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18 Receivables

	2016	2015
	\$'000	\$'000
Current:		
Receivables	8,085	7,610
Less: Allowance for doubtful debts	(51)	(61)
	8,034	7,549
Prepayments	84	106
Accrued revenues	11	12
Workers compensation recoveries	1	-
Total: current receivables	8,130	7,667
Non-Current:		
Workers compensation recoveries	2	1
Total: non-current receivables	2	1

Movement in allowance for doubtful debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (i.e. calculated on past experience and current and expected changes in client credit rating) that a receivable is impaired.

An allowance for impairment loss has been recognised in other expenses in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

Movements in the allowance for doubtful debts (impairment loss)

	2016	2015
	\$'000	\$'000
Carrying amount at the beginning of the period	61	2,709
Increase in the allowance	25	211
Amounts written off	(35)	(2,857)
Amounts recovered during the year	-	(2)
Carrying amount at the end of the period	61	61

Interest rate and credit risk

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables and accrued revenues are non-interest bearing. Other than as recognised in the allowance for doubtful debts, 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.

- (a) **Categorisation and maturity analysis of financial instruments** - refer note 32
- (b) **Ageing analysis of financial assets** - refer note 32
- (c) **Risk exposure information** - refer note 32

Environment Protection Authority
Notes to and forming part of the Financial Statements
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19 Property, plant and equipment	2016	2015
	\$'000	\$'000
Land		
Independent valuation	278	278
Total: Land	<u>278</u>	<u>278</u>
Buildings and Improvements		
Independent valuation	40	40
Less: Accumulated depreciation	(25)	(24)
Total: Buildings and Improvements	<u>15</u>	<u>16</u>
Infrastructure		
Independent valuation	551	522
Less: Accumulated depreciation	(194)	(172)
Total: Infrastructure	<u>357</u>	<u>350</u>
Capital works in progress		
Capital works in progress	177	2,154
Total: Capital works in progress	<u>177</u>	<u>2,154</u>
Vehicles		
At cost (deemed fair value)	171	171
Less: Accumulated depreciation	(108)	(100)
Total: Vehicles	<u>63</u>	<u>71</u>
Computing equipment		
At cost (deemed fair value)	208	208
Less: Accumulated depreciation	(162)	(134)
Total: Computing equipment	<u>46</u>	<u>74</u>
Furniture and fittings		
Independent valuation	5,903	5,903
Less: Accumulated depreciation	(3,447)	(2,990)
Total: Furniture and fittings	<u>2,456</u>	<u>2,913</u>
Plant and equipment		
At cost (deemed fair value)	4,324	4,088
Less: Accumulated depreciation	(3,412)	(3,230)
Total: Plant and equipment	<u>912</u>	<u>858</u>
Other		
At cost (deemed fair value)	19	19
Less: Accumulated depreciation	(19)	(19)
Total: Other	<u>-</u>	<u>-</u>
Total: Property, plant and equipment	<u><u>4,304</u></u>	<u><u>6,714</u></u>

Valuation of land

An independent valuation of land was performed in October and November 2013 by a Certified Practising Valuer from Valcorp Australia Pty Ltd, as at 1 July 2013.

The valuer arrived at fair value using the market approach. The valuation was based on recent market transactions for similar land in the area and includes factors specific to the land being valued such as size, location and current use.

Valuation of buildings and improvements, infrastructure and furniture and fittings

The valuation of buildings and improvements, infrastructure and furniture and fittings was performed in October and November 2013 by a Certified Practising Valuer from Valcorp Australia Pty Ltd, as at 1 July 2013.

As there is no active market for these, the valuer used the cost approach (i.e. depreciated replacement cost) taking into account the assets characteristics and restrictions. The valuation was based on a combination of internal records, specialised knowledge and market information about materials.

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Carrying amount of other items, vehicles, computing equipment and plant and equipment

All items of vehicles, computing equipment and plant and equipment had a fair value at the time of acquisition that was less than \$1 million or had an estimate useful life that was less than three years, and have not been revalued in accordance with APF III. The carrying value of these items are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustments to their value except for management assumptions about the asset condition and remaining useful life.

Impairment

There were no indications of impairment of property, plant and equipment at 30 June 2016.

Asset Movement Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment and intangible assets is displayed in the following table.

Asset Movement Reconciliation 2015-2016

	Land \$'000	Buildings and Improvements \$'000	Infrastructure \$'000	Vehicles \$'000	Computing Equipment \$'000	Furniture and Fittings \$'000
Carrying amount at beginning of the period	278	16	350	71	74	2,913
Additions	-	-	30	-	-	-
Additions - Transfers to/(from) CWIP	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Subtotal	278	16	380	71	74	2,913
Gains/(losses) for the period recognised in net result:						
Depreciation / Amortisation expense	-	(1)	(23)	(8)	(28)	(457)
Subtotal	-	(1)	(23)	(8)	(28)	(457)
Carrying amount at end of the period	278	15	357	63	46	2,456
		Plant & Equipment \$'000	Capital Works in Progress \$'000	Tangible Assets Total \$'000	Intangible Assets \$'000	2016 Total \$'000
Carrying amount at beginning of the period		858	2,154	6,714	541	7,255
Additions		272	195	497	72	569
Additions - Transfers to/(from) CWIP		-	(2,172)	(2,172)	2,172	-
Disposals		(6)	-	(6)	-	(6)
Subtotal		1,124	177	5,033	2,785	7,818
Gains/(losses) for the period recognised in net result:						
Depreciation / Amortisation expense		(212)	-	(729)	(355)	(1,084)
Subtotal		(212)	-	(729)	(355)	(1,084)
Carrying amount at end of the period		912	177	4,304	2,430	6,734

Environment Protection Authority
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Asset Movement Reconciliation 2014-2015

	Land \$'000	Buildings and Improvements \$'000	Infrastructure \$'000	Vehicles \$'000	Computing Equipment \$'000	Furniture and Fittings \$'000
Carrying amount at beginning of the period	278	17	372	79	106	3,370
Additions	-	-	-	-	-	-
Additions - Transfers to/(from) CWIP	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Subtotal	278	17	372	79	106	3,370
Gains/(losses) for the period recognised in net result:						
Depreciation / Amortisation expense	-	(1)	(22)	(8)	(32)	(457)
Subtotal	-	(1)	(22)	(8)	(32)	(457)
Carrying amount at end of the period	278	16	350	71	74	2,913

	Plant & Equipment \$'000	Capital Works in Progress \$'000	Tangible Assets Total \$'000	Intangible Assets \$'000	2015 Total \$'000
Carrying amount at beginning of the period	670	2,160	7,052	619	7,671
Additions	135	327	462	-	462
Additions - Transfers to/(from) CWIP	235	(333)	(98)	98	-
Disposals	-	-	-	-	-
Subtotal	1,040	2,154	7,416	717	8,133
Gains/(losses) for the period recognised in net result:					
Depreciation / Amortisation expense	(182)	-	(702)	(176)	(878)
Subtotal	(182)	-	(702)	(176)	(878)
Carrying amount at end of the period	858	2,154	6,714	541	7,255

20 Intangible assets

	2016 \$'000	2015 \$'000
Internally developed intangible assets		
At cost (deemed fair value)	98	98
Less: Accumulated amortisation	(10)	(2)
Total: Internally developed intangible assets	88	96
Electronic Environment Licensing Forms (E-ELF)		
At cost (deemed fair value)	167	167
Less: Accumulated amortisation	(167)	(167)
Total: Electronic Environment Licensing Forms (E-ELF)	-	-
Integrated Information System (IIS)		
At cost (deemed fair value)	474	474
Less: Accumulated amortisation	(474)	(474)
Total: Integrated Information System (IIS)	-	-
General Environment Information System (GENI)		
At cost (deemed fair value)	1,948	1,789
Less: Accumulated amortisation	(1,587)	(1,481)
Total: General Environment Information System (GENI)	361	308

Environment Protection Authority
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	2016 \$'000	2015 \$'000
Complaints and Reports of Environmental Significance System (CARES)		
At cost (deemed fair value)	308	281
Less: Accumulated amortisation	(279)	(260)
Total: Complaints and Reports of Environmental Significance System (CARES)	<u>29</u>	<u>21</u>
Licensing Administration Management Program (LAMP)		
At cost (deemed fair value)	1,486	-
Less: Accumulated amortisation	(149)	-
Total: Licensing Administration Management Program (LAMP)	<u>1,337</u>	<u>-</u>
Environment Licensing Forms (ELF)		
At cost (deemed fair value)	454	-
Less: Accumulated amortisation	(45)	-
Total: Environment Licensing Forms (ELF)	<u>409</u>	<u>-</u>
EMP Masterpiece Interface (EMP)		
At cost (deemed fair value)	45	-
Less: Accumulated amortisation	(4)	-
Total: EMP Masterpiece Interface (EMP)	<u>41</u>	<u>-</u>
Other		
At cost (deemed fair value)	498	425
Less: Accumulated amortisation	(333)	(309)
Total: Other	<u>165</u>	<u>116</u>
Total: Intangible Assets	<u>2,430</u>	<u>541</u>

Impairment

There were no indications of impairment of intangible assets at 30 June 2016.

21 Fair Value Measurement
Fair Value Hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The Authority categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement as follows:

Fair value measurements as at 30 June 2016	Level 3 \$'000
Recurring fair value measurements	
Land (note 19)	278
Buildings and Improvements (note 19)	15
Infrastructure (note 19)	357
Vehicles (note 19)	63
Computer equipment (note 19)	46
Furniture and fittings (note 19)	2,456
Plant and equipment (note 19)	912
Total: recurring fair value measurements	<u>4,127</u>
Fair value measurements as at 30 June 2015	Level 3 \$'000
Recurring fair value measurements	
Land (note 19)	278
Buildings and Improvement (note 19)	16
Infrastructure (note 19)	350
Vehicles (note 19)	71
Computer equipment (note 19)	74
Furniture and fittings (note 19)	2,913
Plant and equipment (note 19)	858
Total: recurring fair value measurements	<u>4,560</u>

During 2016 and 2015, the Authority had no valuations categorised into level 1, there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

Environment Protection Authority
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22 Payables	2016	2015
	\$'000	\$'000
Current:		
Creditors	464	965
Accrued Expenses	176	169
Employment on-costs	456	450
Paid Parental Leave Scheme payable	-	7
Total: current payables	<u>1,096</u>	<u>1,591</u>
Non-Current:		
Employment on-costs	567	450
Total: non-current payables	<u>567</u>	<u>450</u>

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2015 rate (37%) to 40%. This rate is used in the employment oncost calculation.

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee benefits that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

(a) Categorisation of financial instruments and maturity analysis of payables - refer note 32

(b) Risk exposure information - refer note 32

23 Employee benefits	2016	2015
	\$'000	\$'000
Current:		
Annual Leave	1,552	1,573
Long Service Leave	380	573
Accrued Salaries and Wages	276	142
Skills and experience retention leave	123	113
Total: Current Employee benefits	<u>2,331</u>	<u>2,401</u>
Non-Current:		
Long Service Leave	5,619	4,642
Total: Non-Current Employee benefits	<u>5,619</u>	<u>4,642</u>

AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave.

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 2015 (3%) to 2016 (2%).

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

The net financial effect of the changes in the current financial year is \$0.394m. The impact on future periods is impracticable to estimate as the long service liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and 3% for annual leave and skills, experience and and retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

Environment Protection Authority
Notes to and forming part of the Financial Statements
For the year ended 30 June 2016

24 Provisions	2016	2015
	\$'000	\$'000
Current:		
Provision for Workers Compensation	56	11
Total: Current Provisions	<u>56</u>	<u>11</u>
Non-Current:		
Provision for Workers Compensation	105	29
Total: Non-Current Provisions	<u>105</u>	<u>29</u>
Carrying amount at the beginning of the period	40	195
Additional provisions recognised	121	(155)
Carrying amount at the end of the period	<u>161</u>	<u>40</u>

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Office for the Public Sector (a division of the Department of Premier and Cabinet). These claims are expected to be settled within the next financial year.

25 Other liabilities	2016	2015
	\$'000	\$'000
Current:		
Lease incentive	67	67
Other	11	177
Total: Current other liabilities	<u>78</u>	<u>244</u>
Non-Current:		
Lease incentive	444	511
Total: Non-current other liabilities	<u>444</u>	<u>511</u>

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

26 Unrecognised contractual commitments	2016	2015
	\$'000	\$'000
Expenditure commitments- other:		
Commitments in relation to other expenditure contracted for at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	17	178
Total: Other commitments	<u>17</u>	<u>178</u>

The Authority's other commitments relate to the purchase of goods and services for the Licensing Administration Modernisation Project.

Operating lease commitments:	2016	2015
	\$'000	\$'000
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	2,473	2,394
Later than one year but not later than five years	10,502	10,240
Later than five years	8,718	10,309
Total: Operating lease commitments	<u>21,693</u>	<u>22,943</u>
Representing:		
Non-cancellable operating leases	21,693	22,943
Total: Operating lease commitments	<u>21,693</u>	<u>22,943</u>

The operating leases held by the Authority are mainly property leases with penalty clauses equal to the amount of the residual payments remaining for the lease terms. The leases are payable one month in advance and the Authority has the right of renewal. There are no existing or contingent rental provisions.

Environment Protection Authority
Notes to and forming part of the Financial Statements
For the year ended 30 June 2016

27 Contingent assets and liabilities

The Authority is not aware of the existence of any contingent assets or contingent liabilities as at 30 June 2016.

28 Remuneration of Board and Committee Members

Members during the 2016 financial year were:

Board of the Environment Protection Authority (EPA)

Ms Linda Bowes
 Ms Roslyn DeGaris
 Mr Robert Fowler
 Mr Allan Holmes
 Dr Helen Macdonald
 Ms Christine Trenorden (appointed 10 March 2016)
 Mr Mark Withers
 Ms Mia Handshin (resigned 9 March 2016)
 Mr Tony Circelli*

Radiation Protection Committee

A/Prof Eva Bezak
 Dr Pamela Sykes
 Ms Cara Miller
 Mr Nigel Spooner
 Mr Graeme Palmer (appointed 27 November 2015)
 Ms Sarah Constantine*
 Mr Ian Kirkwood*
 Mr Greg Marshall*
 Ms Iris O'Rourke
 Mr Tony Circelli*
 Ms Jessica Burckhardt (resigned 26 November 2015)
 Ms Melissa Holzberger (resigned 26 November 2015)

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

	2016	2015
	No. of members	No. of members
\$nil	9	6
\$1 - \$9,999	4	7
\$20,000 - \$29,999	7	5
\$30,000 - \$39,999	-	-
\$40,000 - \$49,999	-	1
Total number of Board and Committee members	20	19

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, super contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$0.198m (\$0.181m).

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

Unless otherwise disclosed, transactions between members and the Authority are on conditions no more favourable than those it is reasonable to expect the Authority would have adopted if dealing with the related party at arm's length in the same circumstances.

Environment Protection Authority
Notes to and forming part of the Financial Statements
For the year ended 30 June 2016

29 Cash flow reconciliation

	2016	2015
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	15,576	15,776
Cash and cash equivalents disclosed in the Statement of Cash Flows	15,576	15,776
Reconciliation of net cash provided by / (used in) operating activities to net benefit / (cost) of providing services		
Net cash provided by / (used in) operating activities	369	(235)
Add payments to SA Government	6,275	7,331
Add/less non cash items:		
Depreciation and amortisation expense	(1,084)	(878)
Net gain/(loss) on disposal of assets	(6)	-
Movement in assets and liabilities		
Increase/(decrease) in receivables	464	881
Decrease/(increase) in payables	378	(468)
Decrease/(increase) in employee benefits	(907)	(668)
Decrease/(increase) in provisions	(121)	155
Decrease/(increase) in other liabilities	233	(40)
Net benefit/(cost) of providing services	<u>5,601</u>	<u>6,078</u>

Environment Protection Authority
Notes to and forming part of the Financial Statements
For the year ended 30 June 2016

30 Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Note	SA Government		Non-SA Government		Total		
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	
Expenses							
5	Employee benefits expenses	1,111	1,070	22,827	21,436	23,938	22,506
6	Supplies and services						
	Accommodation and property management	2,358	2,310	76	81	2,434	2,391
	Consultants	-	-	6	10	6	10
	Contractors	-	-	151	250	151	250
	Fee for service	238	188	1,706	1,721	1,944	1,909
	General administration	851	815	333	384	1,184	1,199
	Information technology & communication	151	137	290	290	441	427
	Minor works, maintenance & equipment	-	-	330	214	330	214
	Monitoring fees	-	-	147	177	147	177
	Scientific and technical services	81	(29)	522	814	603	785
	Staff development	-	-	294	350	294	350
	Transportation	-	-	151	151	151	151
	Travel and accommodation	-	-	248	214	248	214
	Vehicle and aircraft	260	278	40	36	300	314
	Other	-	-	246	267	246	267
7	Depreciation and amortisation	-	-	1,084	878	1,084	878
8	Grants and subsidies	22,318	20,342	360	492	22,678	20,834
9	Other expenses						
	Bad and doubtful debts	-	-	25	211	25	211
	Other (excluding audit fees)	-	9	5	4	5	13
10	Auditor's remuneration	109	115	-	-	109	115
16	Payments to SA Government	6,275	7,331	-	-	6,275	7,331
	Total Expenses	33,752	32,566	28,841	27,980	62,593	60,546
Income							
11	Revenues from fees and charges						
	Fines and Penalties	10	7	254	309	264	316
	Environmental Authorisation Fees	2,188	1,919	8,664	8,965	10,852	10,884
	Radiation Licence Fees	361	369	2,904	2,778	3,265	3,147
	Other Licence Fees	3	8	684	739	687	747
	Waste Levies	-	-	45,117	42,253	45,117	42,253
	Other fees and charges	-	-	73	67	73	67
12	Grants and contributions	830	846	681	847	1,511	1,693
13	Interest revenues	126	153	-	-	126	153
15	Other income						
	Other sundry revenue	13	16	17	17	30	33
	Total Income	3,531	3,318	58,394	55,975	61,925	59,293
Financial Assets							
18	Receivables						
	Receivables	3	49	8,031	7,500	8,034	7,549
	Prepayments	-	-	84	105	84	106
	Accrued revenues	11	12	-	-	11	12
	Workers compensation recoveries	-	-	3	1	3	1
	Total Financial Assets	14	61	8,118	7,607	8,132	7,668
Financial Liabilities							
22	Payables						
	Creditors	138	187	326	778	464	965
	Accrued Expenses	131	130	45	39	176	169
	Employment on-costs	1,023	900	-	-	1,023	900
	Paid Parental Leave Scheme payable	-	-	-	7	-	7
	Total Financial Liabilities	1,293	1,217	370	824	1,663	2,041

Environment Protection Authority
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For the year ended 30 June 2016

32 Financial risk management/Financial instruments

32.1 Financial risk management

Risk management is managed by the Authority's corporate services section and the Authority's risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The Authority is exposed to financial risk - liquidity risk and credit risk. There have been no changes in risk exposure since the last reporting period.

32.2 Categorisation of financial instruments

Details of the significant accounting policies 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 note 2.

Refer note 32.3 for the carrying amounts of each of the following categories of financial assets and liabilities: loans and receivables; and financial liabilities measured at cost.

The Authority does not recognise any financial assets or liabilities at fair value, but does disclose fair value in the notes.

32.3 Liquidity risk

Liquidity risk arises from that possibility that the Authority is unable to meet its financial obligations as they fall due. The Authority is funded principally from waste levies and annual licence fees. The Authority works with the Department of Treasury and Finance 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. The Authority settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

The Authority's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amount of financial liabilities recorded in the table represent the Authority's maximum exposure to financial liabilities.

The following table discloses the carrying amount of each category of financial instrument held by the Authority including the contractual maturity analysis for financial assets and liabilities (i.e. liquidity risk).

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Categorisation and maturity analysis of financial assets and liabilities

Category of financial asset and financial liability	Note number	2016 Carrying amount / Fair value \$'000	2016 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and equivalent						
Cash and cash equivalent	17	15,576	15,576	-	-	-
Loans and receivables						
Receivables (1) (2)	18	61	61	-	-	-
Total financial assets		15,637	15,637	-	-	-
Financial liabilities						
Financial liabilities at cost						
Payables (1)	22	509	509	-	-	-
Total financial liabilities		509	509	-	-	-

Environment Protection Authority
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Category of financial asset and financial liability	Note number	2015 Carrying amount / Fair value \$'000	2015 Contractual maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and equivalent						
Cash and cash equivalent	17	15,776	15,776	-	-	-
Loans and receivables						
Receivables (1) (2)	18	73	73	-	-	-
Total financial assets		15,849	15,849	-	-	-
Financial liabilities						
Financial liabilities at cost						
Payables (1)	22	1,004	1,004	-	-	-
Total financial liabilities		1,004	1,004	-	-	-

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Govt taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

(2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 18 in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

32.4 Credit risk

Credit risk arises when there is the possibility of the Authority's debtors defaulting on their contractual obligations resulting in a financial loss to the Authority. The Authority measures credit risk on a fair value basis and monitors risk on a regular basis.

The Authority has minimal concentration of credit risk. The Authority has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Authority does not engage in high risk hedging for its financial assets. No collateral is held as security and no credit enhancements relate to financial assets held by the Authority.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in credit rating. Other than receivables, there is no evidence to indicate that the financial assets are impaired. Refer to note 18 for information on the allowance for impairment in relation to receivables.

The carrying amount of financial assets as detailed in note 32.3 represents the Authority's maximum exposure to credit risk.

Ageing analysis of financial assets

The following table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets.

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			Impaired financial assets \$'000
			Overdue for less than 30 days \$'000	Overdue for 30-60 days \$'000	Overdue for more than 60 days \$'000	
2016						
Cash and cash equivalents	15,576	15,576	-	-	-	-
Receivables (1)	61	61	-	-	-	-
2015						
Cash and cash equivalents	15,776	15,776	-	-	-	-
Receivables (1)	73	73	-	-	-	-

(1) Receivable amounts disclosed here exclude amounts relating to statutory receivables (amounts owing to Govt). They are carried at cost.

Environment Protection Authority
Notes to and forming part of the Financial Statements
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32.5 Market risk

The Authority has no interest bearing liabilities as at the end of the reporting period. There is no exposure to foreign currency or other price risks.

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

32.6 Sensitivity analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Authority as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.

33 Events after the reporting period

There were no events that occurred after the reporting period for the year ended 30 June 2016.

34 The Environment Protection Fund

The following is a summary of the amounts included in the Fund. In reflecting these amounts in the Authority's financial statements, transactions between the Fund and the Authority have been eliminated.

Statement of Comprehensive Income for the year ended 30 June 2016

	2016 \$'000	2015 \$'000
Expenses		
Employee benefits	301	283
Supplies and services	2,697	2,611
Grants and subsidies	47	27
Total: Expenses	3,045	2,921
Income		
Fees and Charges	3,095	2,852
Interest revenue	127	153
Total: Income	3,222	3,005
Net result	177	84

Statement of Financial Position as at 30 June 2016

	2016 \$'000	2015 \$'000
Current assets		
Cash and cash equivalents	7,008	6,947
Receivables	326	327
Total: Current Assets	7,334	7,274
Total: Assets	7,334	7,274
Current liabilities		
Payables	111	228
Total: Current Liabilities	111	228
Total: Liabilities	111	228
Net Assets	7,223	7,046
Equity		
Retained earnings	7,223	7,046
Total: Equity	7,223	7,046

Environment Protection Authority
 Notes to and forming part of the Financial Statements
 For the year ended 30 June 2016

Statement of Changes in Equity for the year ended 30 June 2016

	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2014	6,962	6,962
Net result for 2014/2015	84	84
Balance at 30 June 2015	7,046	7,046
Net result for 2015/2016	177	177
Balance at 30 June 2016	<u>7,223</u>	<u>7,223</u>

Statement of Cash Flows for the year ended 30 June 2016

	2016 \$'000	2015 \$'000
Cash flows from operating activities		
Cash inflows		
Fees and charges	3,096	2,810
Interest received	127	155
Total: Cash Inflows	<u>3,223</u>	<u>2,965</u>
Cash outflows		
Employee benefit payments	(301)	(283)
Payments for supplies and services	(2,814)	(2,394)
Grant and contribution payments	(47)	(27)
Total: Cash Outflows	<u>(3,162)</u>	<u>(2,704)</u>
Net Cash Inflows from operating activities	<u>61</u>	<u>261</u>
Cash at the beginning of the financial year	6,947	6,686
Cash at the end of the financial year	<u>7,008</u>	<u>6,947</u>

35 Radiation Protection Function

The administrative unit has responsibility for radiation protection functions under the *Radiation Protection and Control Act 1982*.

The following summarises income and expenditure attributable to radiation protection functions within the administrative unit excluding the allocation of overheads. 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 2016
Radiation Protection Division

	2016 \$'000	2015 \$'000
Expenses		
Employee benefits	1,375	1,312
Supplies and Services	88	73
Total: Expenses	<u>1,463</u>	<u>1,385</u>
Income		
Radiation license fees	3,265	3,147
Sales	19	15
Grants and contributions	25	24
Total: Income	<u>3,309</u>	<u>3,186</u>
Net cost of / (benefit from) providing services	<u>(1,846)</u>	<u>(1,801)</u>

Environment Protection Authority

Certification of the financial statements

We certify that the:

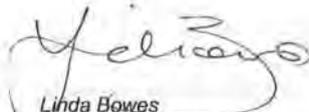
- financial statements of the Environment Protection Authority:
 - are in accordance with the accounts and records of the Authority; and
 - comply with relevant Treasurer's instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the 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 Authority over its financial reporting and its preparation of the financial statements have been effective throughout the financial year



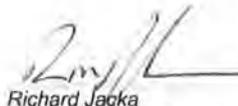
Tony Circelli
Chief Executive

30th August 2016



Linda Bowes
Presiding Member

31 August 2016



Richard Jacka
Chief Financial Officer

29 August 2016

Abbreviations

Abbreviation	Description
AELERT	Australasian Environmental Law Enforcement and Regulators Network
AVS	Audit and Verification System
C&D	Construction and demolition (waste)
C&I	Commercial and industrial (waste)
CARES	Complaints and Reports of Environmental Significance reporting system
CBD	Central business district
CCA	Copper chrome arsenate
DAIP	Disability Access and Inclusion Plan
DDA	<i>Disability Discrimination Act 1992</i>
DPTI	Department of Planning, Transport and Infrastructure
DSD	Department of State Development
EMP	Environmental monitoring program
EPA	Environment Protection Authority
EP Act	<i>Environment Protection Act 1993</i>
EPO	Environment Protection Order
EPP	Environment Protection Policy
ERD Court	Environment, Resources and Development Court
ERT	Emergency Response Team
FOI	Freedom of information
GLF	Governors' Leaders Foundation
HEPA	Heads of EPA
HPF	High Performance Framework
IDU	Illegal Dumping Unit
LAMP	Licensing Administration Modernisation Project
LGA	Local Government Association
MoU	Memorandum of understanding
MRIT	Modern Regulator Improvement Tool
NEAT	Non-compliance Economic Assessment Tool
NGO	Non-government organisation
PIRSA	Department of Primary Industries and Regions South Australia
POPs	Persistent organic pollutants
PRC	Planning Review Committee
RPC Act	<i>Radiation Protection and Control Act 1982</i>
SAPOL	South Australia Police
SARC	Statutory Authorities Review Committee
USG&OT	Upper Spencer Gulf & Outback Taskforce
WHS&IM	Work health safety & injury management
WP Act	<i>Whistleblowers Protection Act 1993</i>
ZWSA	Zero Waste SA