



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
ABN 53 327 061 410
enquiries@audit.sa.gov.au
www.audit.sa.gov.au

**To the Presiding Member
Environment Protection Authority****Opinion**

I have audited the financial report of the Environment Protection Authority (EPA) for the financial year ended 30 June 2025.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Environment Protection Authority as at 30 June 2025, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2025
- a Statement of Financial Position as at 30 June 2025
- a Statement of Changes in Equity for the year ended 30 June 2025
- a Statement of Cash Flows for the year ended 30 June 2025
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Presiding Member, the Chief Executive and the Chief Financial Officer.

Basis for opinion

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the EPA for the financial year ended 30 June 2025.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the EPA's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

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

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



Daniel O'Donohue
Deputy Auditor-General

5 December 2025

Environment Protection Authority (EPA)

Financial Statements

For the year ended 30 June 2025

Environment Protection Authority
Certification of Financial Statements
for the year ended 30 June 2025

We certify that the:

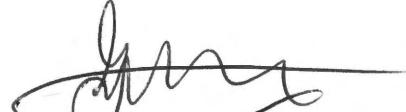
- financial statements of the Environment Protection Authority:
 - are in accordance with the accounts and records of the Authority; and
 - comply with relevant Treasurer's Instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of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



Jon Gorvett *26/11/25*
Chief Executive
November 2025



Catherine Cooper *26/11/25*
Presiding Member
November 2025



Gabrielle Jansen *26/11/25*
Chief Financial Officer
November 2025

Environment Protection Authority
Statement of Comprehensive Income
for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Income			
Fees and charges	3.1	79 839	76 841
Grants, subsidies and transfers	3.2	631	1 675
Interest		1 138	863
Resources received free of charge	3.3	397	277
Impairment gain on receivables	5.2	22	6
Other income	3.4	215	209
Total income		82 242	79 871
Expenses			
Cash alignment transfers to Consolidated Account		31 604	38 409
Employee related expenses	4.1	26 151	25 299
Supplies and services	4.2	8 963	9 731
Depreciation and amortisation	5.4, 5.6	1 322	1 020
Grants and subsidies	4.4	480	430
Borrowing costs	6.2	153	54
Other expenses	4.5	136	172
Total expenses		68 809	75 115
Net result		13 433	4 756
Total comprehensive result		13 433	4 756

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

Environment Protection Authority
Statement of Financial Position
as at 30 June 2025

	Note	2025 \$'000	2024 \$'000
Current assets			
Cash and cash equivalents	5.1	70 382	58 864
Receivables	5.2	11 558	12 641
Total current assets		81 940	71 505
Non-current assets			
Property, plant and equipment	5.4	7 585	6 414
Intangible assets	5.6	3 167	3 409
Receivables	5.2	6	5
Total non-current assets		10 758	9 828
Total assets		92 698	81 333
Current liabilities			
Payables	6.1	712	2 121
Financial liabilities	6.2	143	272
Employee related liabilities	6.3	3 066	2 902
Provisions	6.4	66	56
Other liabilities	6.5	388	288
Total current liabilities		4 375	5 639
Non-current liabilities			
Financial liabilities	6.2	2 851	2 987
Employee related liabilities	6.3	4 089	4 779
Provisions	6.4	274	215
Other liabilities	6.5	120	157
Total non-current liabilities		7 334	8 138
Total liabilities		11 709	13 777
Net assets		80 989	67 556
Equity			
Retained earnings		80 989	67 556
Total equity		80 989	67 556

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

Environment Protection Authority
Statement of Changes in Equity
for the year ended 30 June 2025

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2023	62 800	62 800
Net result for 2023-24	4 756	4 756
Total comprehensive result for 2023-24	4 756	4 756
Balance at 30 June 2024	67 556	67 556
Net result for 2024-25	13 433	13 433
Total comprehensive result for 2024-25	13 433	13 433
Balance at 30 June 2025	80 989	80 989

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

Environment Protection Authority
Statement of Cash flows
for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
<i>Cash inflows</i>			
Fees and charges		80 571	73 906
Receipts from grants		631	1 675
Interest received		1 435	836
GST recovered from DEW		1 006	824
Other receipts		215	230
<i>Cash outflows</i>			
Employee related payments		(26 609)	(25 310)
Payments for supplies and services		(10 842)	(9 612)
Payments of grants and subsidies		(480)	(430)
Interest paid		(153)	(54)
Cash alignment transfers to the Consolidated account		(31 604)	(38 409)
Other payments		(121)	(129)
Net cash from operating activities	7.1	14 049	3 527
Cash flows from investing activities			
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(2 390)	(1 652)
Net cash used in investing activities		(2 390)	(1 652)
Cash flows from financing activities			
<i>Cash outflows</i>			
Repayment of principal portion of lease liabilities		(141)	(190)
Net cash used in financing activities		(141)	(190)
Net increase in cash and cash equivalents		11 518	1 685
Cash and cash equivalents at the beginning of the reporting period		58 864	57 179
Cash and cash equivalents at the end of the reporting period	5.1	70 382	58 864

The accompanying notes form part of these financial statements.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1. About the Environment Protection Authority

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

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

Under the *Environment Protection Act 1993* (the Act), 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 Act.

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

The administrative unit also has responsibility for radiation protection functions under the *Radiation Protection and Control Act 2021*. The Authority's financial statements include assets, liabilities, revenues and expenses attributable to Radiation Protection. The income and expenses (excluding overheads) attributable to radiation protection are disclosed in note 7.3. However assets and liabilities have not been separately disclosed as they cannot be reliably attributed to radiation protection functions.

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

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

The Authority has administered activities and resources. Transactions and balances are presented separately and disclosed at note 7.4. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for the Authority's transactions.

1.1. Basis of preparation

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

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

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

All amounts in the financial statements and accompanying notes are rounded to the nearest thousand dollars (\$'000).

Material accounting policy information is set out throughout the notes.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.1. Basis of preparation (continued)

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

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

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

Assets that are sold, consumed or realised as part of the normal operating cycle have been classified as current assets. Liabilities that are due to be settled within 12 months after the end of the reporting period or for which the Authority has no right to defer the settlement for at least 12 months after the end of the reporting period are classified as current liabilities. All other assets and liabilities are classified as non-current.

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

1.2. Objectives and programs

Objectives

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

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

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

Programs

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

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.3. Financial arrangements

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

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

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

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

1.4. Budget performance

The budget performance table compares the Authority's outcomes against budget information presented to Parliament (2024-25 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

Note	Budget	Actual	Variance \$'000	
	2025 \$'000	2025 \$'000		
Statement of Comprehensive Income				
Income				
Fees and charges	74 111	79 839	5 728	
Grants, subsidies and transfers	396	631	235	
Interest	450	1 138	688	
Resources received free of charge	-	397	397	
Impairment gain on receivables	-	22	22	
Other income	1 668	215	(1 453)	
Total income	76 625	82 242	5 617	
Expenses				
Cash alignment transfers to Consolidated Account	a	31 604	31 604	
Employee related expenses		26 835	(684)	
Supplies and services		8 602	361	
Depreciation and amortisation		963	359	
Grants and subsidies		433	47	
Borrowing costs		20	133	
Other expenses		153	(17)	
Total expenses	37 006	68 809	31 803	
Net result	39 619	13 433	(26 186)	

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.4. Budget performance (continued)

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

(a) The cash alignment variation is unbudgeted cash returned to government under the Cash Alignment Policy.

	Note	Budget 2025 \$'000	Actual 2025 \$'000	Variance \$'000
Investing expenditure summary				
Total annual program		633	567	(66)
Total investing expenditure		633	567	(66)
 Administered Items				
Statement of Comprehensive Income				
Income	Note	Budget 2025 \$'000	Actual 2025 \$'000	Variance \$'000
Fees, fines and penalties		51 999	53 451	1 452
Total income		51 999	53 451	1 452
 Expenses				
Intra government transfers		51 999	53 634	1 635
Total expenses		51 999	53 634	1 635
 Net result		-	(183)	(183)
 Total comprehensive result		-	(183)	(183)

1.5. Significant transactions with government related entities

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

- accommodation expenses, as disclosed in note 4.2, relate to accommodation services provided by the Department for Infrastructure and Transport (DIT) under a Memorandum of Administrative Arrangement
- 50% of the cash component of solid waste levies collected by the Authority is transferred to Green Industries SA, as disclosed in notes 3.1 and 7.4
-
- other significant transactions include those with licence holder SA Water for various fees and charges as disclosed in note 3.1.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2025

2. Board, committees and employees

2.1. Key management personnel

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

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

	2025	2024
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	1 489	1 458
Post-employment benefits	172	158
Other long-term employment benefits	115	-
Termination benefits	126	-
Total	1 902	1 616

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

2.2. Board and committee members

Members during the 2024-25 financial year were:

Board of the Environment Protection Authority

Stephen Christley
Catherine Cooper
Susan Jeanes
Jonathan Gorvett*
Helen Macdonald
Christopher Stathy
Christine Trenorden
Mark Withers
Julia Grant

Radiation Protection Committee

Keith Baldry
Peter James (Jim) Hondros
Pamela Sykes
Kathryn Leidig-Levingstone
Michelle Nottage*
Charlotte Sale*
Nicola Spurrier*
Chris Lease*
Nigel Spooner

Risk Management and Performance Committee

Amy Dennison*
Ryan Steen*
Chris Lease*
Stephen Christley
Christopher Stathy

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

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2025

2.2. Board and committee members (continued)

Board and committee remuneration

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

	2025	2024
\$0	9	10
\$1 - \$19 999	5	3
\$20 000 - \$39 999	6	4
\$40 000 - \$59 999	1	1
Total number of members	21	18

The total remuneration received or receivable by members was \$224 000 (2024: \$201 000). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax paid.

3. Income

3.1. Fees and charges

	2025	2024
	\$'000	\$'000
Waste levies	54 515	53 876
Environmental authorisation fees	18 750	16 540
Radiation licence fees	4 623	4 712
Other licence fees	1 208	979
Fines and penalties	312	284
Other fees and charges	431	450
Total fees and charges	79 839	76 841

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

The waste levies disclosed represent the Authority's 50 percent share of the total levies collected in 2024-25. As per section 113 of the Act, the Authority collects waste levies, and is then required to transfer 50 percent of the cash component of solid waste levies collected to Green Industries SA (Note 7.4) as per section 17 of the *Green Industries SA Act 2004*.

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

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

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2025

3.2. Grants, subsidies and transfers

	2025	2024
	\$'000	\$'000
SA Government grants	530	961
Commonwealth Government grants	101	97
Contingency funding provided by DTF	-	600
Private industry and community subsidy	-	17
Total grants, subsidies and transfers	631	1 675

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

3.3. Resources received free of charge

	2025	2024
	\$'000	\$'000
Shared Services SA - financial services	139	144
DPC - ICT services	137	133
Audit Office of South Australia - audit services*	121	-
Total resources received free of charge	397	277

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

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

*From 1 July 2024, audit fees are accounted for as auditing services received free of charge. Audit fees payable for 2023-24 have been derecognised in accordance with the changes.

3.4. Other income

	2025	2024
	\$'000	\$'000
Reimbursement of expenses	17	146
Salaries and wages recoveries	5	(15)
Other sundry revenue	193	78
Total other income	215	209

Other income is recognised on receipt.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2025

4. Expenses

4.1. Employee related expenses

	2025	2024
	\$'000	\$'000
Salaries and wages	18 689	18 361
Targeted voluntary separation packages	394	119
Long service leave	712	1 101
Annual leave	1 951	1 861
Skills and experience retention leave	156	153
Superannuation	2 678	2 521
Employment on-costs - other	1 162	1 160
Board and committee fees	195	187
Workers compensation	200	(169)
Other employee related expenses	14	5
Total employee related expenses	26 151	25 299

Employment expenses

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

The superannuation expense represents the Authority's contribution to superannuation plans in respect of current services for current employees.

Targeted Voluntary Separation Packages (TVSPs)

The number of employees who received a TVSP during the reporting period was 3 (2024: 1).

	2025	2024
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted voluntary separation packages	394	119
Leave paid to separated employees	239	9
Net cost to the Authority	633	128

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2025

4.1. Employee related expenses (continued)

Employee remuneration

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

	2025	2024
	No	No
\$166 001 to \$171 000^	-	1
\$211 001 to \$231 000	1	1
\$231 001 to \$251 000	-	1
\$251 001 to \$271 000	1	1
\$291 001 to \$311 000*	1	-
\$391 001 to \$411 000*	1	-
\$411 001 to \$431 000	-	1
\$451 001 to \$471 000	1	-
Total	5	5

[^] This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2023-24.

The total remuneration received by those employees for the year was \$1.644 million (2024: \$1.327 million).

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

* Includes termination payments.

4.2. Supplies and services

	2025	2024
	\$'000	\$'000
Accommodation	2 136	2 102
Fee for service - Site Contamination	989	1 013
Information technology and communications	989	998
Legal expenses	805	1 063
Hazardous waste	695	403
General administration	652	630
Minor works, maintenance & equipment	462	328
Temporary staff	343	479
Staff development	350	312
Consultants	258	162
Fee for service - DEW	244	156
Scientific and technical services	214	249
Travel and accommodation	215	195
Fee for service - Other	172	892
Vehicle and aircraft	121	111
Transportation	99	110
Security expense - other	25	280
Monitoring fees	4	14
Other	190	234
Total supplies and services	8 963	9 731

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2025

4.2. Supplies and services (continued)

Accommodation

The Authority's office accommodation is provided by DIT under a Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease and accordingly are expensed (disclosed within Accommodation). Information about accommodation incentives relating to this arrangement is shown at note 6.5.

4.3. Expenditure - SA Business and Non-SA Business

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

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

Expenditure is inclusive of non-recoverable GST.

	2025 \$'000	Proportion SA and non-SA businesses
Total expenditure with South Australian businesses	2 304	52%
Total expenditure with non-South Australian businesses	2 129	48%
	4 433	100%

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

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

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

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

4.4. Grants and subsidies

	2025 \$'000	2024 \$'000
Cooperative Research Centre for Solving Antimicrobial Resistance in Agribusiness, Food and Environments	210	210
Green Industries SA	154	115
Attorney General's Department	34	49
Community organisations and associations	27	-
Department of the Premier and Cabinet	17	17
Other grants	38	39
Total grants and subsidies	480	430

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2025

4.5. Other expenses

	2025	2024
	\$'000	\$'000
Audit fees	121	121
Property, plant and equipment write-offs	15	48
Other	-	3
Total other expenses	136	172

Audit fees paid/payable to the Audit Office of South Australia relating to work performed under the Public Finance and Audit Act 1987 were \$121 000 (2024: \$121 000). No other services were provided by the Audit Office of South Australia.

5. Assets

All financial assets are measured at amortised cost.

5.1. Cash and cash equivalents

	2025	2024
	\$'000	\$'000
<u>Deposits with the Treasurer</u>		
Environment Protection Authority Operating Account	38 380	34 399
Environment Protection Fund Deposit Account	32 002	24 461
Imprest account/cash on hand	-	4
Total cash and cash equivalents	70 382	58 864

Deposits with the Treasurer

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

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

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

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2025

5.2. Receivables

	2025	2024
	\$'000	\$'000
Current receivables		
Contractual receivables		
Debtors	3 060	3 800
Accrued revenues	8 808	9 105
Less impairment loss on receivables	(677)	(707)
Total contractual receivables	11 191	12 198
Statutory receivables		
Workers compensation recoveries	1	1
GST recoverable from DEW	34	168
Total statutory receivables	35	169
Prepayments	332	274
Total current receivables	11 558	12 641
Non-current		
Workers compensation recoveries	6	5
Total non-current receivables	6	5
Total receivables	11 564	12 646

All receivables are non-interest bearing. They are held with the objective of collecting the contractual cash flows.

Contractual receivables

Contractual receivables arise in the normal course of selling goods and services to other government agencies and to the public. Contractual receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

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

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

Refer to note 9.2 for further information on risk management.

Impairment of contractual receivables

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

	2025	2024
	\$'000	\$'000
Carrying amount at the beginning of the period	707	837
Amounts written off	(8)	(124)
Decrease in allowance recognised in profit and loss	(22)	(6)
Carrying amount at the end of the period	677	707

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government.

Refer to note 9.2 for details regarding credit risk and the methodology for determining impairment.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2025

5.2. Receivables (continued)

Statutory receivables

Statutory receivables do not arise from contracts with customers. They are related to statutory fees and charges. Statutory receivables are recognised and measured similarly to contractual receivables and are not financial assets. No impairment loss was recognised in relation to statutory receivables.

5.3. Useful life and depreciation of non-financial assets

Useful life

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

<u>Class of Asset</u>	<u>Useful Life (years)</u>
Computing equipment	7
Intangible assets	3-15
Infrastructure	15-30
Plant and equipment	5-20
Vehicles	5-25
Furniture and fittings	8-20
Buildings and improvements	40
Right-of-use buildings	13
Right-of-use vehicles	3-5

Review of accounting estimates

Assets' residual values, useful lives and depreciation 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.

Depreciation and amortisation expenses are presented in the reconciliation tables in note 5.4 and 5.6.

5.4. Property, plant and equipment by asset class

Property, plant and equipment owned by the Authority with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Authority is recorded at cost.

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

All non-current assets, except for assets within the land and capital works in progress asset classes, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2025

5.4. Property, plant and equipment by asset class (continued)

Reconciliation 2024-25

	Buildings and Land improvements \$'000	Buildings and Infrastructure \$'000	Vehicles \$'000	Computing equipment \$'000	Furniture and fittings \$'000	Plant & equipment \$'000	ROU Buildings \$'000	ROU Capital work Vehicles \$'000	ROU Capital work in progress \$'000	Total \$'000	
Carrying amount at the beginning of the period	278	7	167	56	28	490	1 145	3 144	70	1 029	6 414
Acquisitions	-	-	1	-	-	34	344	-	120	1 758	2 257
Transfers to/(from) capital works in progress	-	-	-	-	-	2 742	-	-	-	(2 742)	-
Asset written off	-	-	(15)	-	-	-	-	-	-	(15)	
Disposals	-	-	-	-	-	-	-	(54)	-	(54)	
Derecognition	-	-	-	-	-	-	-	-	(155)	-	(155)
Depreciation	-	(1)	(19)	(8)	(10)	(290)	(246)	(253)	(64)	-	(891)
Other adjustment	-	-	-	-	-	-	-	-	29	-	29
Carrying amount at the end of the period	278	6	134	48	18	2 976	1 243	2 837	-	45	7 585
Gross carrying amount											
Gross carrying amount	278	40	348	155	233	6 390	3 767	3 160	-	45	14 416
Accumulated depreciation	-	(34)	(214)	(107)	(215)	(3 414)	(2 524)	(323)	-	-	(6 831)
Carrying amount at the end of the period	278	6	134	48	18	2 976	1 243	2 837	-	45	7 585

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2025

5.4. Property, plant and equipment by asset class (continued)

Reconciliation 2023-24

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

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2025

5.5. Property, plant and equipment leased by the Authority

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

Effective 1 April 2025, motor vehicle lease contractual arrangements with SAFA Fleet are no longer accounted for under AASB 16 *Leases*. From 1 April 2025, SAFA Fleet motor vehicle lease payments were recorded directly in the Statement of Comprehensive Income. All related right-of-use assets (ROU) and liabilities up to 31 March 2025 were derecognised in accordance with the changes.

The Authority has a limited number of leases:

- Laboratories at Bedford St, Gillman. These premises are used largely for scientific and laboratory work. The lease term for Gillman commenced on 1 March 2024 for a period of 10 years with an extension of 3 years. The extension option has been incorporated in the calculation for the lease liability.

The lease liabilities related to the right-of-use assets are disclosed in note 6.2. The Authority's maturity analysis of its lease liabilities is disclosed in note 6.2. Cash outflows related to leases are disclosed in note 7.1.

5.6. Intangible assets

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

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

The Authority's intangible assets primarily relate to software acquired for the recording and receipting of licencing fees and waste levies.

Reconciliation 2024-25

	Internally developed \$'000	Externally acquired \$'000	Capital work in progress \$'000	Total \$'000
Carrying amount at the beginning of the period				
Acquisitions	23	3 185	201	3 409
Transfers from capital works in progress	-	-	189	189
Amortisation	233	72	(305)	-
Carrying amount at the end of the period	241	2 841	85	3 167
Gross carrying amount				
Gross carrying amount	332	8 099	85	8 516
Accumulated amortisation	(91)	(5 258)	-	(5 349)
Carrying amount at the end of the period	241	2 841	85	3 167

Environment Protection Authority
Notes to and forming part of the financial statements
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5.6. Intangible assets (continued)

Reconciliation 2023-24

	Internally developed \$'000	Externally developed \$'000	Capital work in progress \$'000	Total \$'000
Carrying amount at 1 July 2023	31	3 369	233	3 633
Acquisition	-	-	198	198
Transfers from capital works in progress	-	230	(230)	-
Amortisation	(8)	(414)	-	(422)
Carrying amount at 30 June 2024	23	3 185	201	3 409
Gross carrying amount				
Gross carrying amount	99	8 027	201	8 327
Accumulated amortisation	(76)	(4 842)	-	(4 918)
Carrying amount at 30 June 2024	23	3 185	201	3 409

6. Liabilities

All financial liabilities are measured at amortised cost.

6.1. Payables

	2025 \$'000	2024 \$'000
Current		
Contractual payables	679	1 982
Accrued expenses	33	18
Statutory payables		
Statutory payables	-	121
Total current payables	712	2 121
Total payables	712	2 121

Creditors and accruals are recognised for all amounts owing but unpaid. Sundry creditors are normally settled within 15 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

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

All financial liabilities relate to lease liabilities. The current portion of financial liabilities is \$143 000 (2024: \$272 000) and the non-current portion is \$2 851 million (2024: \$2 987 million).

Lease liabilities have been measured via discounting the lease payments using incremental borrowing rates provided by the Department of Treasury and Finance.

Financing costs associated with leasing activities was \$153 000 (2024: \$54 000).

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

	2025	2024
	\$'000	\$'000
Lease Liabilities		
Up to 1 year	299	407
1 to 5 years	1 303	1 284
More than 5 years	2 504	2 846
	4 106	4 537

6.3. Employee related liabilities

	2025	2024
	\$'000	\$'000
Current		
Annual leave	1 788	1 729
Long service leave	570	457
Accrued salaries and wages	83	16
Skills and experience retention leave	119	110
Employment on-costs	506	590
Total current employee related liabilities	3 066	2 902
Non-current		
Long service leave	3 701	4 334
Employment on-costs	388	445
Total non-current employee related liabilities	4 089	4 779
Total employee related liabilities	7 155	7 681

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

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

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

The annual leave liability and the SERL liability are expected to be paid within 12 months and are measured at the undiscounted amounts 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.

Environment Protection Authority
Notes to and forming part of the financial statements
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6.3. Employee related liabilities (continued)

Long service leave

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

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

The discount rate used in measuring the liability is reflective of the yield on long term Commonwealth Government bonds. The yield on long term Commonwealth Government bonds has remained the same for 2025 (4.25%) (2024: 4.25%).

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

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 3.5% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The current portion of employee related liabilities reflects the amount for which the Authority does not have the right to defer settlement for at least 12 months after reporting date. For long service leave, the amount relates to leave approved before year end that will be taken within 12 months, expected amount of leave to be approved and taken by eligible employees within 12 months, and expected leave to be paid on termination to eligible employees within 12 months.

Employment on-costs

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

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

As a result of an actuarial assessment performed by the DTF, the proportion of long service leave taken as leave has remained constant at 44%. The average factor for the calculation of employer superannuation cost on-costs has increased from the 2024 rate (11.5%) to 12% for 2025. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year are immaterial.

Environment Protection Authority
Notes to and forming part of the financial statements
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6.4. Provisions

All provisions relate to workers compensation.

Movement in provisions	2025	2024
	\$'000	\$'000
Carrying amount at the beginning of the period	271	443
Reductions arising from payments	-	(19)
(Decreases)/increases resulting from re-measurement	(21)	(222)
Additions	90	69
Carrying amount at the end of the period	340	271

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

Accordingly, a liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2025 provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment.

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

6.5. Other liabilities

	2025	2024
	\$'000	\$'000
<u>Current</u>		
Deposits held	350	250
Accommodation incentive	38	38
Total current other liabilities	388	288
<u>Non-current</u>		
Accommodation incentive	120	157
Total non-current other liabilities	120	157
Total other liabilities	508	445

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

Environment Protection Authority
Notes to and forming part of the financial statements
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7. Other disclosures

7.1. Cash flow

Reconciliation of net result to cash flows from operating activities

	2025 \$'000	2024 \$'000
<u>Reconciliation of net cash provided by operating activities to net result</u>		
Net cash provided by operating activities	14 049	3 527
<u>Add/less non-cash items</u>		
Depreciation and amortisation	(1 322)	(1 020)
Supplies and services not requiring cash	(276)	(277)
Capital work-in-progress and asset write-offs	-	(25)
Resources received free of charge	397	277
Loss on disposal of non-current assets	(15)	(23)
<u>Movement in assets and liabilities</u>		
Increase/(decrease) in receivables	(1 082)	3 283
Increase in payables	1 295	(939)
Increase in employee related liabilities	527	(138)
(Increase)/decrease in other liabilities	(71)	(81)
Decrease/(increase) in provisions	(69)	172
Net result	13 433	4 756

Total cash outflows for leases is \$353 000 (2024: \$244 000).

Environment Protection Authority
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7.2. The Environment Protection Fund

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

Statement of Comprehensive Income for the year ended 30 June 2025	2025	2024
	\$'000	\$'000
Income		
Fees and Charges	6 411	6 236
Interest	1 138	862
Grants, subsidies and transfers	4	-
Other Income	-	83
Total income	7 553	7 181
Expenses		
Employee related expenses	-	-
Supplies and services	-	-
Grants and subsidies	-	-
Total expenses	-	-
Net result	7 553	7 181
 Statement of Financial Position as at 30 June 2025		
	2025	2024
	\$'000	\$'000
Current assets		
Cash	32 002	24 461
Receivables	982	989
Total current assets	32 984	25 450
Total assets	32 984	25 450
Current liabilities		
Payables	-	19
Employee Benefits	-	-
Total current liabilities	-	19
Total liabilities	-	19
Net assets	32 984	25 431
Equity		
Retained earnings	32 984	25 431
Total equity	32 984	25 431

Environment Protection Authority
Notes to and forming part of the financial statements
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7.2. The Environment Protection Fund (continued)

Statement of Changes in Equity for the year ended 30 June 2025	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2023	18 250	18 250
Net result for 2023-24	7 181	7 181
Balance at 30 June 2024	25 431	25 431
Net result for 2024-25	7 553	7 553
Balance at 30 June 2025	32 984	32 984
<hr/>		
Statement of Cash Flows for the year ended 30 June 2025	2025 \$'000	2024 \$'000
Cash flows from operating activities		
<i>Cash inflows</i>		
Fees and charges	6 431	6 092
Interest	1 125	919
Grants and contribution receipts	4	-
Other Income	-	83
Cash generated from operations	7 560	7 094
<i>Cash outflows</i>		
Employee related payments	-	-
Payments for supplies and services	(19)	(341)
Grants and contribution payments	-	-
Cash used in operations	(19)	(341)
Net cash provided by operating activities	7 541	6 753
Net increase in cash and cash equivalents	7 541	6 753
Cash and cash equivalents at the beginning of the reporting period	24 461	17 708
Cash and cash equivalents at the end of the reporting period	32 002	24 461

Environment Protection Authority
Notes to and forming part of the financial statements
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7.3. Radiation Protection

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

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

Statement of Comprehensive Income for the year ended 30 June 2025	2025	2024
	\$'000	\$'000
Income		
Radiation license fees	4 623	4 712
Grants and contributions	33	33
Other income	-	11
Total income	4 656	4 756
Expenses		
Employee related expenses	1 891	1 928
Supplies and services	39	121
Total expenses	1 930	2 049
Net result	2 726	2 707

7.4. Administered Items

The following is a summary of the amounts captured as Administered Items of the Authority which comprises solid waste levies received and transferred to Green Industries SA.

Statement of Comprehensive Income for the year ended 30 June 2025	2025	2024
	\$'000	\$'000
Income		
Solid waste levies	53 451	52 804
Total income	53 451	52 804
Expenses		
Solid waste levies transferred to GISA	53 634	51 691
Total expenses	53 634	51 691
Net result	(183)	1 113

Solid Waste Levies

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

Environment Protection Authority
Notes to and forming part of the financial statements
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7.4. Administered Items (continued)

Statement of Financial Position as at 30 June 2025	2025	2024
	\$'000	\$'000
Current assets		
Cash	1 403	1 403
Receivables	8 859	9 042
Total current assets	10 262	10 445
 Total assets	 10 262	 10 445
 Net assets	 10 262	 10 445
 Equity		
Retained earnings	10 262	10 445
Total equity	10 262	10 445
 Statement of Cash Flows for the year ended 30 June 2025	 2025	 2024
 Cash flows from operating activities		
<i>Cash inflows</i>		
Solid waste levies received	53 634	51 983
Cash generated from operations	53 634	51 983
 <i>Cash outflows</i>		
Solid waste levies transferred to GISA	(53 634)	(51 691)
Cash used in operations	(53 634)	(51 691)
Net cash provided by operating activities		292
 Net increase in cash and cash equivalents		292
Cash and cash equivalents at the beginning of the reporting period	1 403	1 111
Cash and cash equivalents at the end of the reporting period	1 403	1 403

Environment Protection Authority
Notes to and forming part of the financial statements
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8. Outlook

8.1. Unrecognised commitments

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

Other contractual commitments

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

	2025	2024
	\$'000	\$'000
Within one year	2 098	1 934
Later than one year but not longer than five years	4 532	6 511
Total expenditure commitments	6 630	8 445

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

8.2. Contingent assets and liabilities

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

The Authority is not aware of any contingent assets or liabilities as at 30 June 2025.

8.3. Impact of standards and statements not yet effective

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

8.4. Events after the reporting period

There were no events that occurred after the reporting period for the year ended 30 June 2025.

Environment Protection Authority
Notes to and forming part of the financial statements
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9. Measurement and risk

9.1. Fair value

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

Initial recognition

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

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

Fair value hierarchy

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

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

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

The Authority's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. During 2024 and 2025, the Authority had no valuations categorised into level 1 or 2.

Environment Protection Authority
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9.2. Financial instruments

Financial Risk Management

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

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

Liquidity risk

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

Refer to notes 6.1 and 6.2 for further information.

Credit Risk

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

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

Impairment of financial assets

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

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

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

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

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

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9.2 Financial instruments (continued)

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

	Debtor gross carrying amount	Loss %	Lifetime expected losses
	\$'000		\$'000
Current (not past due)	1 203	0.0	-
1 - 30 days past due	723	0.1	-
31 - 60 days past due	85	0.3	-
61 - 90 days past due	25	6.0	-
More than 90 days past due	918	17.6*	677
Loss allowance			677

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

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

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

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

Cash

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

Market risk

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

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

Categorisation of Financial Instruments

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

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9.2 Financial instruments (continued)

Classification of Financial Instruments

The Authority measures all financial instruments at amortised cost.

Maturity analysis of Financial Instruments

Financial assets and financial liabilities are measured at amortised cost except for amounts relating to statutory receivables and payables (e.g. Commonwealth taxes) and prepayments are not considered as financial assets or liabilities. Receivables and payables at amortised cost are \$4.494 million (2024: \$3.093 million) and \$0.663 million (2024: \$2.000 million) respectively.

Statutory receivables and payables

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