

# Environment Protection Authority

Financial report  
for the year ended  
30 June 2019



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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 financial report of the Environment Protection Authority for the financial year ended 30 June 2019.

### Opinion

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 2019, its financial performance and its cash flows for the year then ended in accordance with the 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 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Presiding Member, 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 Environment Protection Authority. 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* have been met.

I believe that the audit evidence 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 the 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.

## **Auditor's responsibilities for the audit of the financial report**

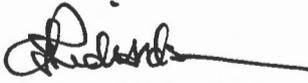
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an 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 Environment Protection Authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

A handwritten signature in black ink, appearing to read 'A. Richardson', with a long horizontal line extending to the right.

Andrew Richardson

**Auditor-General**

16 September 2019

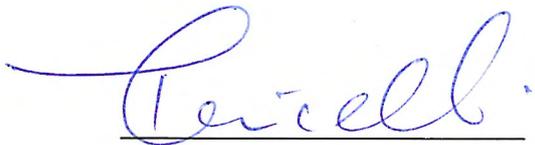
**Environment Protection Authority**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2019*

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We certify that the attached general purpose financial statements for the Environment Protection Authority:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards
- are in accordance with the accounts and records of the Authority
- present a true and fair view of the financial position of the Environment Protection Authority as at 30 June 2019 and the results of its operations and cash flows for the financial year.

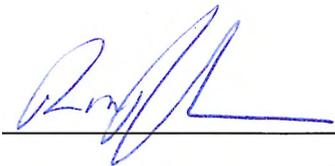
We certify that the internal controls employed by the Environment Protection Authority for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Tony Circelli  
Chief Executive  
10 September 2019



Catherine Cooper  
Presiding Member  
10 September 2019



Richard Jacka  
Chief Financial Officer  
10 September 2019

**Environment Protection Authority**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2019*

|  | Note | 2019<br>\$'000  | 2018<br>\$'000  |
|--|------|-----------------|-----------------|
| <b>Expenses</b>                                    |      |                 |                 |
| Employee benefits expenses                         | 2.3  | 26 395          | 23 857          |
| Supplies and services                              | 3.1  | 7 757           | 8 684           |
| Depreciation and amortisation                      | 3.2  | 715             | 886             |
| Grants and subsidies                               | 3.3  | 73              | 744             |
| Impairment loss on receivables                     |      | 1 305           | 65              |
| Other expenses                                     | 3.4  | 171             | 1 913           |
| <b>Total expenses</b>                              |      | <b>36 416</b>   | <b>36 149</b>   |
| <b>Income</b>                                      |      |                 |                 |
| Fees and charges                                   | 4.2  | 52 667          | 50 657          |
| Grants and contributions                           | 4.3  | 252             | 1 020           |
| Interest   | 4.4  | 111             | 100             |
| Resources received free of charge                  | 4.5  | 166             | 535             |
| Net gain from the disposal of non-current assets   | 4.6  | -               | 24              |
| Other income                                       | 4.7  | 66              | 651             |
| <b>Total income</b>                                |      | <b>53 262</b>   | <b>52 987</b>   |
| <b>Net benefit from providing services</b>         |      | <b>16 846</b>   | <b>16 838</b>   |
| <b>Revenues from / (payments to) SA Government</b> |      |                 |                 |
| Revenues from SA Government                        | 4.1  | 2 076           | 78              |
| Payments to SA Government                          | 4.1  | (17 675)        | (11 973)        |
| <b>Total net (payments to) SA Government</b>       |      | <b>(15 599)</b> | <b>(11 895)</b> |
| <b>Net result</b>                                  |      | <b>1 247</b>    | <b>4 943</b>    |
| <b>Total comprehensive result</b>                  |      | <b>1 247</b>    | <b>4 943</b>    |

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 2019*

|                                      | Note | 2019<br>\$'000 | 2018<br>\$'000 |
|--------------------------------------|------|----------------|----------------|
| <b>Current assets</b>                |      |                |                |
| Cash and cash equivalents            | 6.1  | 29 799         | 26 571         |
| Receivables                          | 6.2  | 5 736          | 7 461          |
| <b>Total current assets</b>          |      | <b>35 535</b>  | <b>34 032</b>  |
| <b>Non-current assets</b>            |      |                |                |
| Receivables                          | 6.2  | 1              | 2              |
| Property, plant and equipment        | 5.1  | 2 479          | 2 367          |
| Intangible assets                    | 5.2  | 1 934          | 2 128          |
| <b>Total non-current assets</b>      |      | <b>4 414</b>   | <b>4 497</b>   |
| <b>Total assets</b>                  |      | <b>39 949</b>  | <b>38 529</b>  |
| <b>Current liabilities</b>           |      |                |                |
| Payables                             | 7.1  | 1 609          | 1 324          |
| Employee benefits                    | 2.4  | 2 690          | 2 775          |
| Provisions                           | 7.2  | 40             | 41             |
| Other current liabilities            | 7.3  | 41             | 51             |
| <b>Total current liabilities</b>     |      | <b>4 380</b>   | <b>4 191</b>   |
| <b>Non-current liabilities</b>       |      |                |                |
| Payables                             | 7.1  | 571            | 551            |
| Employee benefits                    | 2.4  | 5 564          | 5 509          |
| Provisions                           | 7.2  | 56             | 61             |
| Other non-current liabilities        | 7.3  | 375            | 383            |
| <b>Total non-current liabilities</b> |      | <b>6 566</b>   | <b>6 504</b>   |
| <b>Total liabilities</b>             |      | <b>10 946</b>  | <b>10 695</b>  |
| <b>Net assets</b>                    |      | <b>29 003</b>  | <b>27 834</b>  |
| <b>Equity</b>                        |      |                |                |
| Retained earnings                    |      | 29 003         | 27 834         |
| <b>Total equity</b>                  |      | <b>29 003</b>  | <b>27 834</b>  |

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 2019*

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|   | Note | Retained<br>Earnings<br>\$'000 | Total<br>\$'000 |
|---|------|--------------------------------|-----------------|
| <b>Balance at 1 July 2017</b>                 |      | <b>22 891</b>                  | <b>22 891</b>   |
| Net result for 2017-18                        |      | 4 943                          | 4 943           |
| <b>Total comprehensive result for 2017-18</b> |      | <b>4 943</b>                   | <b>4 943</b>    |
| <b>Balance at 30 June 2018</b>                |      | <b>27 834</b>                  | <b>27 834</b>   |
| Adjustments on initial adoption of AASB 9     |      | (78)                           | (78)            |
| <b>Adjusted balance at 1 July 2018</b>        |      | <b>27 756</b>                  | <b>27 756</b>   |
| Net result for 2018-19                        |      | 1 247                          | 1 247           |
| <b>Total comprehensive result for 2018-19</b> |      | <b>1 247</b>                   | <b>1 247</b>    |
| <b>Balance at 30 June 2019</b>                |      | <b>29 003</b>                  | <b>29 003</b>   |

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 ending 30 June 2019*

|   |      | 2019            | 2018            |
|---|------|-----------------|-----------------|
|   |      | (Outflows)      | (Outflows)      |
|   |      | Inflows         | Inflows         |
|   | Note | \$'000          | \$'000          |
| <b>Cash flows from operating activities</b>                         |      |                 |                 |
| <b>Cash outflows</b>  |      |                 |                 |
| Employee benefits payments  |      | (26 430)        | (23 605)        |
| Payments for supplies and services                                  |      | (7 514)         | (8 728)         |
| Payments of grants and subsidies                                    |      | (73)            | (744)           |
| Other payments  |      | (139)           | (111)           |
| <b>Cash used in operating activities</b>                            |      | <b>(34 156)</b> | <b>(33 188)</b> |
| <b>Cash inflows</b>   |      |                 |                 |
| Fees and charges  |      | 53 209          | 48 879          |
| Receipts from grants  |      | 252             | 1 020           |
| Interest received   |      | 111             | 99              |
| Other receipts  |      | 76              | 234             |
| <b>Cash generated from operating activities</b>                     |      | <b>53 648</b>   | <b>50 232</b>   |
| <b>Cash flows from SA government</b>                                |      |                 |                 |
| Receipts from SA government   |      | 2 076           | 78              |
| Payments to SA government   |      | (17 675)        | (11 973)        |
| <b>Cash generated from SA government</b>                            |      | <b>(15 599)</b> | <b>(11 895)</b> |
| <b>Net cash provided by operating activities</b>                    | 8.1  | <b>3 893</b>    | <b>5 149</b>    |
| <b>Cash flows from investing activities</b>                         |      |                 |                 |
| <b>Cash outflows</b>  |      |                 |                 |
| Purchase of property, plant and equipment                           |      | (665)           | (277)           |
| <b>Cash used in investing activities</b>                            |      | <b>(665)</b>    | <b>(277)</b>    |
| <b>Cash inflows</b>   |      |                 |                 |
| Proceeds from the sale of property, plant and equipment             |      | -               | 93              |
| <b>Cash generated from investing activities</b>                     |      | <b>-</b>        | <b>93</b>       |
| <b>Net cash (used in) investing activities</b>                      |      | <b>(665)</b>    | <b>(184)</b>    |
| <b>Net increase / (decrease) in cash and cash equivalents</b>       |      | <b>3 228</b>    | <b>4 965</b>    |
| Cash and cash equivalents at the beginning of the reporting period  |      | 26 571          | 21 606          |
| <b>Cash and cash equivalents at the end of the reporting period</b> | 6.1  | <b>29 799</b>   | <b>26 571</b>   |

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 2019*

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**NOTES TO THE FINANCIAL STATEMENTS**

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**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**1. About the Environment Protection Authority**

The Environment Protection Authority (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 *Public Sector Act 2009*
- 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 8.3. 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 objectives.

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.

Administered Items

**(1) Solid Waste Levies**

As per section 113 of the *Environment Protection Act 1993* the Authority collects waste levies, but 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*.

**(2) Local Nuisance and Litter Control Act 2016 - Dob in a Litterer Revenue**

The launch of the Dob in a Litterer campaign on 1 February 2017 followed the introduction of the litter provisions in the *Local Nuisance and Litter Control Act 2016*, and a state government commitment to introduce a public litter reporting system. From 1 May 2017, fines began being imposed to those caught littering from their vehicles following a 3-month grace period where warning letters were issued in lieu of fines.

As part of the 2018-19 State Budget, the government made the decision that funding for the Dob in a Litterer program would cease effective 1 July 2018. Any revenue collected in future years will be repayment of residual fines currently on instalment arrangements.

Revenue received from Dob in a Litterer must be paid into the Consolidated Account and therefore has been treated as an administered item.

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**1. About the Environment Protection Authority**

**(2) Local Nuisance and Litter Control Act 2016 - Dob in a Litterer Revenue (continued)**

The transactions and balances relating to the above administered items are not recognised as income, expense, assets and liabilities of the Authority. See note 8.4 for Administered financial statements.

**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*
- relevant Australian Accounting Standards.

For the 2018-19 financial statements the Authority has adopted *AASB 9 – Financial Instruments* and is required to comply with new *Treasurer's Instructions (Accounting Policy Statements)* issued on 22 March 2019. Further information is provided in note 9.

The financial statements are 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.

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
- receivables and payables, which are stated with the amount of GST included.

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

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

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.

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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## **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 promote the safe use of radiation while supporting economic growth and improving wellbeing.

### **Programs**

The Authority, in 2018-19 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.

## **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. The identifiable direct costs of providing these services are met by the Authority.

A memorandum of understanding was signed on 28 June 2019 between DEW and the Authority relating to the provision of these services.

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**1.4. Budget performance**

The budget performance table compares the Authority's outcomes against budget information presented to Parliament (2018-19 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.

|  |     | Original<br>budget<br>2019<br>\$'000 | Actual<br>2019<br>\$'000 | Variance<br>2019<br>\$'000 |
|--|-----|--------------------------------------|--------------------------|----------------------------|
| <b>Statement of Comprehensive Income</b>           |     |                                      |                          |                            |
| <b>Expenses</b>                                    |     |                                      |                          |                            |
| Employee benefits expenses                         | (a) | 23 310                               | 26 395                   | 3 085                      |
| Supplies and services                              |     | 8 663                                | 7 757                    | (906)                      |
| Grants and subsidies                               |     | 119                                  | 73                       | (46)                       |
| Depreciation and amortisation                      |     | 918                                  | 715                      | (203)                      |
| Impairment loss on receivables                     |     | -                                    | 1 305                    | 1 305                      |
| Other expenses                                     |     | 1 238                                | 171                      | (1 067)                    |
| <b>Total expenses</b>                              |     | <b>34 248</b>                        | <b>36 416</b>            | <b>2 168</b>               |
| <b>Income</b>                                      |     |                                      |                          |                            |
| Fees and charges                                   |     | 52 715                               | 52 667                   | (48)                       |
| Grants and contributions                           |     | 238                                  | 252                      | 14                         |
| Interest   |     | 102                                  | 111                      | 9                          |
| Resources received free of charge                  |     | -                                    | 166                      | 166                        |
| Other income                                       |     | -                                    | 66                       | 66                         |
| <b>Total income</b>                                |     | <b>53 055</b>                        | <b>53 262</b>            | <b>207</b>                 |
| <b>Net benefit from providing services</b>         |     | <b>18 807</b>                        | <b>16 846</b>            | <b>(1 961)</b>             |
| <b>Revenues from / (payments to) SA government</b> |     |                                      |                          |                            |
| Revenues from SA government                        | (b) | -                                    | 2 076                    | 2 076                      |
| Payments to SA government                          | (c) | -                                    | (17 675)                 | (17 675)                   |
| <b>Total net revenues from SA Government</b>       |     | <b>-</b>                             | <b>(15 599)</b>          | <b>(15 599)</b>            |
| <b>Net result</b>                                  |     | <b>18 807</b>                        | <b>1 247</b>             | <b>(17 560)</b>            |
| <b>Total comprehensive result</b>                  |     | <b>18 807</b>                        | <b>1 247</b>             | <b>(17 560)</b>            |

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 variation is predominantly due to the payment of TVSP's to eligible employees and Long Service Leave revaluation costs at year end
- (b) Revenues from SA Government was greater than the original budget due to DTF reimbursing TVSP's paid by the Authority
- (c) Payments to SA Government was greater than the original budget due to a review of the Authority's operating balance as at 30 June 2018 in accordance with the Cash Alignment Policy. The amount of surplus cash as advised by DTF was \$17.675 million.

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**1.4. Budget performance (continued)**

| Administered Items                                |             | Original<br>budget<br>2019<br>\$'000 | Actual<br>2019<br>\$'000 | Variance<br>2019<br>\$'000 |
|---|-------------|--------------------------------------|--------------------------|----------------------------|
| <b>Statement of Comprehensive Income</b>          | <b>Note</b> |                                      |                          |                            |
| <b>Expenses</b>                                   |             |                                      |                          |                            |
| Intra government transfers                        |             | 36 487                               | 35 289                   | (1 198)                    |
| Other expenses                                    |             | -                                    | 52                       | 52                         |
| <b>Total expenses</b>                             |             | <b>36 487</b>                        | <b>35 341</b>            | <b>(1 146)</b>             |
| <b>Income</b>                                     |             |                                      |                          |                            |
| Fees, fines and penalties                         |             | 36 487                               | 34 916                   | (1 571)                    |
|   |             | <b>36 487</b>                        | <b>34 916</b>            | <b>(1 571)</b>             |
| <b>Net cost / (benefit) of providing services</b> |             | <b>-</b>                             | <b>425</b>               | <b>425</b>                 |
| <b>Net result</b>                                 |             | <b>-</b>                             | <b>(425)</b>             | <b>(425)</b>               |
| <b>Total comprehensive result</b>                 |             | <b>-</b>                             | <b>(425)</b>             | <b>(425)</b>               |

|                                      | Note | Original<br>budget<br>2019<br>\$'000 | Actual<br>2019<br>\$'000 | Variance<br>2019<br>\$'000 |
|--------------------------------------|------|--------------------------------------|--------------------------|----------------------------|
| <b>Investing expenditure summary</b> |      |                                      |                          |                            |
| Total new projects                   | (d)  | 884                                  | 80                       | (804)                      |
| Total annual program                 |      | 577                                  | 577                      | -                          |
| <b>Total investing expenditure</b>   |      | <b>1 461</b>                         | <b>657</b>               | <b>(804)</b>               |

(d) Total new project investing expenditure was lower than original budget due to delays relating to the Material Flow and Levy Information System project.

**1.5. Significant transactions with government related entities**

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

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

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**2. Board, committees and employees**

**2.1. Key management personnel**

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

Total compensation for key management personnel was \$1.429 million in 2018-19 and \$1.382 million in 2017-18.

The compensation disclosed in the note below excludes salaries and other benefits the Minister receives. 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 the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

|   | 2019         | 2018         |
|---|--------------|--------------|
| Compensation                                    | \$'000       | \$'000       |
| Salaries and other short term employee benefits | 1 305        | 1 256        |
| Post-employment benefits                        | 124          | 126          |
| <b>Total compensation</b>                       | <b>1 429</b> | <b>1 382</b> |

***Transactions with key management personnel and other related parties***

Compensation of Key Management Personnel is disclosed above.

No transactions with key management personnel or related parties have occurred throughout the 2018-19 financial year, other than those disclosed in note 1.5.

**2.2. Board and committee members**

Members during the 2019 financial year were:

**Board of the Environment Protection Authority**

Stephen Christley  
Tony Circelli\*  
Catherine Cooper  
Nancy Cromar (appointed July 2018)  
Helen Macdonald  
Christopher Stathy (appointed July 2018)  
Christine Trenorden  
Mark Withers

**Radiation Protection Committee**

Eva Bezak  
Tony Circelli\*  
Sarah Constantine\*  
Ian Kirkwood (term concluded November 2018)\*  
Greg Marshall\*  
Cara Miller  
Graeme Palmer  
Nigel Spooner  
Pamela Sykes  
Wilson Vallat (appointed February 2019)\*  
Bettina Venner (appointed February 2019)\*  
Kathryn Levingstone (deputy member)

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**2.2. Board and committee members (continued)**

\* 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.

**Board and committee remuneration**

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

|                                | 2019      | 2018      |
|--------------------------------|-----------|-----------|
| \$0 - \$19 999                 | 11        | 10        |
| \$20 000 - \$39 999            | 7         | 6         |
| \$40 000 - \$59 999            | -         | 1         |
| <b>Total number of members</b> | <b>18</b> | <b>17</b> |

The total remuneration received or receivable by members was \$0.198 million (2018: \$0.207 million). Remuneration of members include sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and related fringe benefits tax.

**2.3. Employee benefits expenses**

|   | 2019          | 2018          |
|---|---------------|---------------|
|   | \$'000        | \$'000        |
| Salaries and wages                      | 17 802        | 17 845        |
| Employment on-costs - superannuation    | 2 198         | 2 250         |
| Targeted voluntary separation packages  | 2 057         | -             |
| Annual leave                            | 1 690         | 1 711         |
| Long Service Leave                      | 1 162         | 705           |
| Employment on-costs - other             | 1 132         | 1 128         |
| Board and committee fees                | 196           | 198           |
| Skills and Experience Retention Leave   | 118           | 101           |
| Workers compensation                    | 9             | (117)         |
| Other employee related expenses         | 31            | 36            |
| <b>Total employee benefits expenses</b> | <b>26 395</b> | <b>23 857</b> |

**Employment on-costs - superannuation**

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

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**2.3. Employee benefits expenses (continued)**

*Executive remuneration*

| The number of employees whose remuneration received or receivable falls within the following bands: | 2019<br>Number | 2018<br>Number |
|---|----------------|----------------|
| \$151 001 – 171 000   | 2              | 1              |
| \$191 001 – 211 000   | 2              | 2              |
| \$231 001 – 251 000   | 1              | 1              |
| \$291 001 – 311 000   | -              | 1              |
| \$311 001 – 331 000   | 1              | -              |
| <b>Total</b>  | <b>6</b>       | <b>5</b>       |

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.

*Targeted voluntary separation packages*

The number of employees who received a TVSP during the reporting period was 24.

|   | 2019<br>\$'000 | 2018<br>\$'000 |
|---|----------------|----------------|
| Amount paid to separated employees:                     |                |                |
| Targeted Voluntary Separation Packages                  | 2 057          | -              |
| Leave paid to separated employees                       | 639            | -              |
| Recovery from the Department of Treasury and Finance    | (2 076)        | -              |
| <b>Net cost to the Environment Protection Authority</b> | <b>620</b>     | <b>-</b>       |

**2.4. Employee benefits liability**

|  | 2019<br>\$'000 | 2018<br>\$'000 |
|--|----------------|----------------|
| <b>Current</b>                             |                |                |
| Annual leave                               | 1 597          | 1 726          |
| Long service leave                         | 601            | 578            |
| Accrued salaries and wages                 | 398            | 370            |
| Skills and experience retention leave      | 94             | 101            |
| <b>Total current employee benefits</b>     | <b>2 690</b>   | <b>2 775</b>   |
| <b>Non-current</b>                         |                |                |
| Long service leave                         | 5 564          | 5 509          |
| <b>Total non-current employee benefits</b> | <b>5 564</b>   | <b>5 509</b>   |
| <b>Total employee benefits</b>             | <b>8 254</b>   | <b>8 284</b>   |

Employee benefits accrue 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.

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**2.4. Employee benefits liability (continued)**

**Salaries and wages, annual leave, skills and experience retention 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 the reporting date.

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

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 for sick leave.

**Long Service Leave**

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 11.1.

**3. Expenses**

Employee benefits expenses are disclosed in note 2.3.

**3.1. Supplies and services**

|  | <b>2019</b>   | <b>2018</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| Operating lease payments               | 1 769         | 2 238         |
| General administration                 | 1 744         | 1 471         |
| Fee for service - Site Contamination   | 1 261         | 1 068         |
| Information technology & communication | 641           | 669           |
| Scientific and technical services      | 328           | 424           |
| Staff development                      | 323           | 341           |
| Minor works, maintenance & equipment   | 280           | 396           |
| Vehicle and aircraft                   | 261           | 280           |
| Accommodation and property management  | 220           | 434           |
| Fee for service - DEW                  | 195           | 114           |
| Travel and accommodation               | 173           | 206           |
| Fee for service - Other                | 139           | 532           |
| Transportation                         | 85            | 146           |
| Temporary staff                        | 75            | 46            |
| Monitoring fees                        | 40            | 74            |
| Other                                  | 223           | 245           |
| <b>Total supplies and services</b>     | <b>7 757</b>  | <b>8 684</b>  |

**Operating leases payments**

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term.

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**3.2. Depreciation and amortisation**

|  | 2019       | 2018       |
|--|------------|------------|
|  | \$'000     | \$'000     |
| Buildings and improvements                 | 1          | 1          |
| Computing equipment                        | 21         | 25         |
| Furniture and fittings                     | 104        | 259        |
| Vehicles                                   | 8          | 8          |
| Infrastructure                             | 22         | 23         |
| Plant and equipment                        | 176        | 198        |
| Intangible assets                          | 383        | 372        |
| <b>Total depreciation and amortisation</b> | <b>715</b> | <b>886</b> |

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.

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.

Land assets are not depreciated.

**Review of accounting estimates**

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

**Useful life**

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

| <b>Class of Asset</b>      | <b>Useful Life (years)</b> |
|----------------------------|----------------------------|
| Computing equipment        | 3-10                       |
| Intangible Assets          | 3-17                       |
| Infrastructure             | 15-30                      |
| Plant and equipment        | 5-15                       |
| Vehicles                   | 10-25                      |
| Furniture and fittings     | 10-15                      |
| Buildings and improvements | 40                         |
| Other                      | 10                         |

The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**3.3. Grants and subsidies**

|   | 2019      | 2018       |
|---|-----------|------------|
|   | \$'000    | \$'000     |
| Community organisations and associations  | 43        | 211        |
| Adelaide and Mount Lofty Ranges NRM Board | 13        | 10         |
| Environment Protection Authority NSW      | 10        | 84         |
| Attorney General's Department             | 5         | -          |
| Department of the Premier and Cabinet     | 2         | 15         |
| Department for Education                  | -         | 1          |
| Primary Industries and Regions SA         | -         | 43         |
| Local Government                          | -         | 380        |
| <b>Total grants and subsidies</b>         | <b>73</b> | <b>744</b> |

**3.4. Other expenses**

|  | 2019       | 2018         |
|--|------------|--------------|
|  | \$'000     | \$'000       |
| Capital project costs not capitalised    | 25         | -            |
| Property, plant and equipment write-offs | 7          | 1 802        |
| Other                                    | 139        | 111          |
| <b>Total other expenses</b>              | <b>171</b> | <b>1 913</b> |

**Other**

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$0.139 million (2018: \$0.108 million). No other services were provided by the Auditor-General's Department.

**4. Income**

**4.1. Net revenues from SA Government**

|   | 2019         | 2018      |
|---|--------------|-----------|
|   | \$'000       | \$'000    |
| <b>Revenues from SA Government</b>                  |              |           |
| Appropriation from the Treasurer's Contingency Fund | 2 076        | 78        |
| <b>Total revenues from SA Government</b>            | <b>2 076</b> | <b>78</b> |

**Payments to SA Government**

|  |               |               |
|--|---------------|---------------|
| Return of surplus cash pursuant to cash alignment policy | 17 675        | 11 973        |
| <b>Total payments to SA Government</b>                   | <b>17 675</b> | <b>11 973</b> |

**Appropriations**

Appropriations are recognised on receipt.

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**4.2. Fees and charges**

|                                  | 2019          | 2018          |
|----------------------------------|---------------|---------------|
|                                  | \$'000        | \$'000        |
| Waste levies                     | 35 633        | 33 971        |
| Environmental authorisation fees | 12 135        | 10 655        |
| Radiation licence fees           | 3 256         | 3 159         |
| Other licence fees               | 1 002         | 1 158         |
| Fines and penalties              | 559           | 1 643         |
| Other fees and charges           | 82            | 71            |
| <b>Total fees and charges</b>    | <b>52 667</b> | <b>50 657</b> |

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.

**4.3. Grants and contributions**

|                                       | 2019       | 2018         |
|---------------------------------------|------------|--------------|
|                                       | \$'000     | \$'000       |
| SA Government grants                  | 172        | 351          |
| Commonwealth Government grants        | 80         | 634          |
| Private industry and community grants | -          | 35           |
| <b>Total grants and contributions</b> | <b>252</b> | <b>1 020</b> |

|                                       | 2019       | 2018       |
|---------------------------------------|------------|------------|
|                                       | \$'000     | \$'000     |
| <b>(i) State Government Grants</b>    |            |            |
| Department for Environment and Water  | 3          | 43         |
| Department of the Premier and Cabinet | 2          | 133        |
| Department of State Development       | 135        | 100        |
| Primary Industries and Regions SA     | 2          | 45         |
| Adelaide and Mount Lofty NRM Board    | 30         | 30         |
|                                       | <b>172</b> | <b>351</b> |

|  |           |            |
|--|-----------|------------|
| <b>(ii) Commonwealth Government Grants</b>     |           |            |
| Department of Industry, Innovation and Science | 27        | 26         |
| Department of the Environment and Energy       | 53        | 605        |
| Murray Darling Basin Authority                 | -         | 3          |
|  | <b>80</b> | <b>634</b> |

|  |          |           |
|--|----------|-----------|
| <b>(iii) Private Industry and Community Grants</b> |          |           |
| Other  | -        | 35        |
|  | <b>-</b> | <b>35</b> |

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.

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**4.3. Grants and contributions (continued)**

Contributions which have conditions of expenditure still to be met as at reporting date were \$8.643 million (2018: \$7.573 million).

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:

|                              | 2019<br>\$'000 | 2018<br>\$'000 |
|------------------------------|----------------|----------------|
| Environment Protection Fund  | 8 641          | 7 534          |
| National Pollutant Inventory | -              | 19             |
| Externally funded projects   | 2              | 20             |
|                              | <u>8 643</u>   | <u>7 573</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.

**4.4. Interest**

|   | 2019<br>\$'000 | 2018<br>\$'000 |
|---|----------------|----------------|
| Interest from entities within the SA Government | 111            | 100            |
| <b>Total interest revenues</b>                  | <u>111</u>     | <u>100</u>     |

**4.5. Resources received free of charge**

|   | 2019<br>\$'000 | 2018<br>\$'000 |
|---|----------------|----------------|
| Assets received free of charge                        | -              | 373            |
| Services received free of charge - Shared Services SA | 166            | 162            |
| <b>Total resources received free of charge</b>        | <u>166</u>     | <u>535</u>     |

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**4.6. Net gain from the disposal of non-current assets**

|   | 2019     | 2018      |
|---|----------|-----------|
|   | \$'000   | \$'000    |
| <b>Plant and equipment</b>                            |          |           |
| Proceeds from disposal                                | -        | 93        |
| Less net book value of assets disposed                | -        | (69)      |
| <b>Net gain from disposal of plant and equipment</b>  | <u>-</u> | <u>24</u> |
| <b>Total assets</b>                                   |          |           |
| Total proceeds from disposal                          | -        | 93        |
| Less total net book value of assets disposed          | -        | (69)      |
| <b>Total gain from disposal of non-current assets</b> | <u>-</u> | <u>24</u> |

Gains/losses on disposal are recognised at the date at which 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.

**4.7. Other income**

|                               | 2019      | 2018       |
|-------------------------------|-----------|------------|
|                               | \$'000    | \$'000     |
| Salaries and wages recoveries | 3         | 9          |
| Other sundry revenue          | 63        | 225        |
| Lease incentive               | -         | 417        |
| <b>Total other income</b>     | <u>66</u> | <u>651</u> |

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
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**5. Non-financial assets**

**5.1. Property, plant and equipment**

|  | 2019<br>\$'000      | 2018<br>\$'000      |
|--|---------------------|---------------------|
| <b>Land</b>                                |                     |                     |
| At cost (deemed fair value)                | 278                 | 278                 |
| <b>Total land</b>                          | <u>278</u>          | <u>278</u>          |
| <b>Buildings and improvements</b>          |                     |                     |
| At cost (deemed fair value)                | 40                  | 40                  |
| Less accumulated depreciation              | (28)                | (27)                |
| <b>Total buildings and improvements</b>    | <u>12</u>           | <u>13</u>           |
| <b>Infrastructure</b>                      |                     |                     |
| At cost (deemed fair value)                | 507                 | 507                 |
| Less accumulated depreciation              | (246)               | (224)               |
| <b>Total infrastructure</b>                | <u>261</u>          | <u>283</u>          |
| <b>Capital works in progress</b>           |                     |                     |
| Capital works in progress                  | 200                 | 93                  |
| <b>Total capital works in progress</b>     | <u>200</u>          | <u>93</u>           |
| <b>Vehicles</b>                            |                     |                     |
| At cost (deemed fair value)                | 180                 | 171                 |
| Less accumulated depreciation              | (121)               | (124)               |
| <b>Total vehicles</b>                      | <u>59</u>           | <u>47</u>           |
| <b>Computing equipment</b>                 |                     |                     |
| At cost (deemed fair value)                | 252                 | 252                 |
| Less accumulated depreciation              | (226)               | (205)               |
| <b>Total computing equipment</b>           | <u>26</u>           | <u>47</u>           |
| <b>Furniture and fittings</b>              |                     |                     |
| At cost (deemed fair value)                | 3 688               | 3 655               |
| Less accumulated depreciation              | (2 954)             | (2 850)             |
| <b>Total furniture and fittings</b>        | <u>734</u>          | <u>805</u>          |
| <b>Plant and equipment</b>                 |                     |                     |
| At cost (deemed fair value)                | 4 609               | 4 421               |
| Less accumulated depreciation              | (3 700)             | (3 620)             |
| <b>Total plant and equipment</b>           | <u>909</u>          | <u>801</u>          |
| <b>Total property, plant and equipment</b> | <u><u>2 479</u></u> | <u><u>2 367</u></u> |

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed.

Property, plant and equipment is recorded at fair value. Detail about the Authority's approach to fair value is set out in note 11.2.

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

**Impairment**

There were no indications of impairment of property, plant and equipment at 30 June 2019.

**Reconciliation 2018-19**

|   | Land       | Buildings and<br>improvements | Infrastructure | Vehicles  | Computing<br>equipment |
|---|------------|-------------------------------|----------------|-----------|------------------------|
|   | \$'000     | \$'000                        | \$'000         | \$'000    | \$'000                 |
| <b>Carrying amount at 1 July 2018</b>         | 278        | 13                            | 283            | 47        | 47                     |
| Acquisitions                                  | -          | -                             | -              | 27        | -                      |
| Transfers to/(from) capital works in progress | -          | -                             | -              | -         | -                      |
| Assets written off                            | -          | -                             | -              | (7)       | -                      |
| Capital WIP - expensed in current period      | -          | -                             | -              | -         | -                      |
| Depreciation / amortisation expense           | -          | (1)                           | (22)           | (8)       | (21)                   |
| <b>Carrying amount at 30 June 2019</b>        | <b>278</b> | <b>12</b>                     | <b>261</b>     | <b>59</b> | <b>26</b>              |

|   | Furniture and<br>fittings | Plant and<br>equipment | Capital works<br>in progress | Total        |
|---|---------------------------|------------------------|------------------------------|--------------|
|   | \$'000                    | \$'000                 | \$'000                       | \$'000       |
| <b>Carrying amount at 1 July 2018</b>         | 805                       | 801                    | 93                           | 2 367        |
| Acquisitions                                  | 33                        | 284                    | 321                          | 665          |
| Transfers to/(from) capital works in progress | -                         | -                      | (189)                        | (189)        |
| Assets written off                            | -                         | -                      | -                            | (7)          |
| Capital WIP - expensed in current period      | -                         | -                      | (25)                         | (25)         |
| Depreciation / amortisation expense           | (104)                     | (176)                  | -                            | (332)        |
| <b>Carrying amount at 30 June 2019</b>        | <b>734</b>                | <b>909</b>             | <b>200</b>                   | <b>2 479</b> |

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**5.1. Property, plant and equipment (continued)**

**Reconciliation 2017-18**

|   | <b>Buildings and<br/>Land improvements</b> | <b>Infrastructure</b> | <b>Vehicles</b> | <b>Computing<br/>equipment</b> |
|---|--|-----------------------|-----------------|--------------------------------|
|   | <b>\$'000</b>                              | <b>\$'000</b>         | <b>\$'000</b>   | <b>\$'000</b>                  |
| <b>Carrying amount at 1 July 2017</b>         | 278  | 14                    | 334             | 72                             |
| Acquisitions                                  | -  | -                     | -               | -                              |
| Initial recognition                           | -  | -                     | -               | -                              |
| Assets received for nil consideration         | -  | -                     | -               | -                              |
| Transfers to/(from) capital works in progress | -  | -                     | -               | -                              |
| Asset written off                             | -  | (28)                  | -               | -                              |
| Disposals                                     | -  | -                     | -               | -                              |
| Depreciation / amortisation expense           | -  | (1)                   | (23)            | (25)                           |
| <b>Carrying amount at 30 June 2018</b>        | <b>278</b>                                 | <b>13</b>             | <b>283</b>      | <b>47</b>                      |

|   | <b>Furniture and<br/>fittings</b> | <b>Plant and<br/>equipment</b> | <b>Capital works<br/>in progress</b> | <b>Total</b>  |
|---|-----------------------------------|--------------------------------|--------------------------------------|---------------|
|   | <b>\$'000</b>                     | <b>\$'000</b>                  | <b>\$'000</b>                        | <b>\$'000</b> |
| <b>Carrying amount at 1 July 2017</b>         | 2 001                             | 992                            | 26                                   | 3 772         |
| Acquisitions                                  | -                                 | 84                             | 193                                  | 277           |
| Initial recognition                           | 456                               | -                              | -                                    | 456           |
| Assets received for nil consideration         | 373                               | -                              | -                                    | 373           |
| Transfers to/(from) capital works in progress | -                                 | -                              | (126)                                | (126)         |
| Assets written off                            | (1 766)                           | (8)                            | -                                    | (1 802)       |
| Disposals                                     | -                                 | (69)                           | -                                    | (69)          |
| Depreciation / amortisation expense           | (259)                             | (198)                          | -                                    | (514)         |
| <b>Carrying amount at 30 June 2018</b>        | <b>805</b>                        | <b>801</b>                     | <b>93</b>                            | <b>2 367</b>  |

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**5.2. Intangible assets**

|  | 2019                | 2018                |
|--|---------------------|---------------------|
|  | \$'000              | \$'000              |
| <b>Internally developed intangible assets</b>                              |                     |                     |
| At cost (deemed fair value)  | 98                  | 98                  |
| Less accumulated amortisation  | (35)                | (27)                |
| <b>Total internally generated computer software</b>                        | <u>63</u>           | <u>71</u>           |
| <br>   |                     |                     |
| <b>General Environment Information System (GENI)</b>                       |                     |                     |
| At cost (deemed fair value)  | 2 033               | 1 977               |
| Less accumulated amortisation  | (1 841)             | (1 741)             |
| <b>Total GENI</b>  | <u>192</u>          | <u>236</u>          |
| <br>   |                     |                     |
| <b>Complaints and Reports of Environmental Significance System (CARES)</b> |                     |                     |
| At cost (deemed fair value)  | 308                 | 308                 |
| Less accumulated amortisation  | (308)               | (307)               |
| <b>Total CARES</b>   | <u>-</u>            | <u>1</u>            |
| <br>   |                     |                     |
| <b>Licensing Administration Management Program (LAMP)</b>                  |                     |                     |
| At cost (deemed fair value)  | 1 617               | 1 592               |
| Less accumulated amortisation  | (629)               | (464)               |
| <b>Total LAMP</b>  | <u>988</u>          | <u>1 128</u>        |
| <br>   |                     |                     |
| <b>Environment Licensing Forms (ELF)</b>                                   |                     |                     |
| At cost (deemed fair value)  | 518                 | 507                 |
| Less accumulated amortisation  | (198)               | (145)               |
| <b>Total ELF</b>   | <u>320</u>          | <u>362</u>          |
| <br>   |                     |                     |
| <b>EMP Masterpiece Interface (EMP)</b>                                     |                     |                     |
| At cost (deemed fair value)  | 45                  | 45                  |
| Less accumulated amortisation  | (18)                | (13)                |
| <b>Total EMP</b>   | <u>27</u>           | <u>32</u>           |
| <br>   |                     |                     |
| <b>Other</b>   |                     |                     |
| At cost (deemed fair value)  | 723                 | 1 052               |
| Less accumulated amortisation  | (379)               | (754)               |
| <b>Total Other</b>   | <u>344</u>          | <u>298</u>          |
| <br>   |                     |                     |
| <b>Total intangible assets</b>   | <u><u>1 934</u></u> | <u><u>2 128</u></u> |

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**5.2. Intangible assets (continued)**

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.

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**5.2. Intangible assets (continued)**

**Reconciliation 2018-19**

|  | Internally developed | GENI       | CARES    | LAMP       | Electronic Licensing Forms | EMP       | Other Intangibles | Total        |
|--|----------------------|------------|----------|------------|----------------------------|-----------|-------------------|--------------|
|  | \$'000               | \$'000     | \$'000   | \$'000     | \$'000                     | \$'000    | \$'000            | \$'000       |
| Carrying amount at 1 July 2018           | 71                   | 236        | 1        | 1 128      | 362                        | 32        | 298               | 2 128        |
| Transfers from capital works in progress | -                    | 56         | -        | 25         | 11                         | -         | 97                | 189          |
| Amortisation                             | (8)                  | (100)      | (1)      | (165)      | (53)                       | (5)       | (51)              | (383)        |
| <b>Carrying amount at 30 June 2019</b>   | <b>63</b>            | <b>192</b> | <b>-</b> | <b>988</b> | <b>320</b>                 | <b>27</b> | <b>344</b>        | <b>1 934</b> |

**Reconciliation 2017-18**

|  | Internally developed | GENI       | CARES    | LAMP         | Electronic Licensing Forms | EMP       | Other Intangibles | Total        |
|--|----------------------|------------|----------|--------------|----------------------------|-----------|-------------------|--------------|
|  | \$'000               | \$'000     | \$'000   | \$'000       | \$'000                     | \$'000    | \$'000            | \$'000       |
| Carrying amount at 1 July 2017           | 79                   | 288        | 15       | 1 240        | 385                        | 36        | 331               | 2 374        |
| Transfers from capital works in progress | -                    | 29         | -        | 49           | 29                         | -         | 19                | 126          |
| Amortisation                             | (8)                  | (81)       | (14)     | (161)        | (52)                       | (4)       | (52)              | (372)        |
| <b>Carrying amount at 30 June 2018</b>   | <b>71</b>            | <b>236</b> | <b>1</b> | <b>1 128</b> | <b>362</b>                 | <b>32</b> | <b>298</b>        | <b>2 128</b> |

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**6. Financial assets**

**6.1. Cash and cash equivalents**

|   | 2019          | 2018          |
|---|---------------|---------------|
|   | \$'000        | \$'000        |
| Deposits with the Treasurer                 | 21 153        | 19 032        |
| Environment Protection Fund Deposit Account | 8 641         | 7 534         |
| Imprest account/cash on hand                | 5             | 5             |
| <b>Total cash and cash equivalents</b>      | <b>29 799</b> | <b>26 571</b> |

Cash is measured at nominal amounts.

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.

**6.2. Receivables**

|                                      | 2019         | 2018         |
|--------------------------------------|--------------|--------------|
|                                      | \$'000       | \$'000       |
| <b><u>Current</u></b>                |              |              |
| <b>Trade receivables</b>             |              |              |
| From government entities             | 38           | 15           |
| From non-government entities         | 6 964        | 7 368        |
| Less allowance for doubtful debts    | (1 385)      | (9)          |
| <b>Total trade receivables</b>       | <b>5 617</b> | <b>7 374</b> |
| Prepayments                          | 99           | 56           |
| Accrued revenues                     | 19           | 29           |
| Workers compensation recoveries      | 1            | 2            |
| <b>Total current receivables</b>     | <b>5 736</b> | <b>7 461</b> |
| <b><u>Non-current</u></b>            |              |              |
| Workers compensation recoveries      | 1            | 2            |
| <b>Total non-current receivables</b> | <b>1</b>     | <b>2</b>     |
| <b>Total receivables</b>             | <b>5 737</b> | <b>7 463</b> |

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

Other than as recognised in the allowance for 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.

Refer to note 11.3 for further information on risk management.

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**6.2. Receivables (continued)**

*Impairment of receivables*

|   | 2019         | 2018     |
|---|--------------|----------|
|   | \$'000       | \$'000   |
| Balance at 30 June under AASB 139                     | 9            | 9        |
| Adjustments on initial adoption of AASB 9             | 78           | -        |
| <b>Carrying amount at the beginning of the period</b> | <b>87</b>    | <b>9</b> |
| Amounts written off                                   | (7)          | (5)      |
| Increase in the allowance                             | 1 305        | 5        |
| <b>Carrying amount at the end of the period</b>       | <b>1 385</b> | <b>9</b> |

Refer to note 11.3 for details regarding credit risk and the methodology for determining impairment.

**7. Liabilities**

Employee benefits liabilities are disclosed in note 2.4.

**7.1. Payables**

|                                    | 2019         | 2018         |
|------------------------------------|--------------|--------------|
|                                    | \$'000       | \$'000       |
| <b><u>Current</u></b>              |              |              |
| Trade payables                     | 897          | 616          |
| Employment on-costs                | 542          | 564          |
| Accrued expenses                   | 162          | 139          |
| Paid Parental Leave Scheme payable | 8            | 5            |
| <b>Total current payables</b>      | <b>1 609</b> | <b>1 324</b> |
| <b><u>Non-current</u></b>          |              |              |
| Employment on-costs                | 571          | 551          |
| <b>Total non-current payables</b>  | <b>571</b>   | <b>551</b>   |
| <b>Total payables</b>              | <b>2 180</b> | <b>1 875</b> |

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

***Employment on-costs***

Employment on-costs include payroll tax, WorkCover levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

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.

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**7.1. Payables (continued)**

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 remained unchanged from the 2018 rate of 41%. This rate is used in the employment on-cost calculation.

***Paid parent leave scheme***

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.

**7.2. Provisions**

|                                     | 2019      | 2018       |
|-------------------------------------|-----------|------------|
|                                     | \$'000    | \$'000     |
| <b><u>Current</u></b>               |           |            |
| Provision for workers compensation  | 40        | 41         |
| <b>Total current provisions</b>     | <b>40</b> | <b>41</b>  |
| <b><u>Non-current</u></b>           |           |            |
| Provision for workers compensation  | 56        | 61         |
| <b>Total non-current provisions</b> | <b>56</b> | <b>61</b>  |
| <b>Total provisions</b>             | <b>96</b> | <b>102</b> |

***Movement in Provisions***

|   |           |            |
|---|-----------|------------|
| Carrying amount at the beginning of the period      | 102       | 242        |
| Reductions arising from payments                    | (15)      | (23)       |
| Increases/(decreases) resulting from re-measurement | 9         | (117)      |
| <b>Carrying amount at the end of the period</b>     | <b>96</b> | <b>102</b> |

A provision 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 2019 provided by a consulting actuary engaged through the Office of the Commissioner for 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.

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**7.3. Other liabilities**

|  | 2019              | 2018              |
|--|-------------------|-------------------|
|  | \$'000            | \$'000            |
| <b>Current</b>                             |                   |                   |
| Lease incentive                            | 39                | 42                |
| Other                                      | 2                 | 9                 |
| <b>Total current other liabilities</b>     | <u>41</u>         | <u>51</u>         |
| <b>Non-current</b>                         |                   |                   |
| Lease incentive                            | 375               | 383               |
| <b>Total non-current other liabilities</b> | <u>375</u>        | <u>383</u>        |
| <b>Total other liabilities</b>             | <u><u>416</u></u> | <u><u>434</u></u> |

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

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**8. Other disclosures**

**8.1. Cash flow**

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.

**Cash flow reconciliation**

|   | 2019<br>\$'000 | 2018<br>\$'000 |
|---|----------------|----------------|
| <b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>                   |                |                |
| Cash and cash equivalents disclosed in the Statement of Financial Position                              | 29 799         | 26 571         |
| <b>Balance as per the Statement of Cash Flows</b>   | <b>29 799</b>  | <b>26 571</b>  |
| <b>Reconciliation of net cash provided by operating activities to net benefit of providing services</b> |                |                |
| Net cash provided by operating activities   | 3 893          | 5 149          |
| Less revenues from SA Government  | (2 076)        | (78)           |
| Add payments to SA Government   | 17 675         | 11 973         |
| <b>Add / less non-cash items</b>  |                |                |
| Opening equity adjustment   | 78             | -              |
| Depreciation and amortisation   | (715)          | (886)          |
| Capital work-in-progress and asset write-offs   | (32)           | (1 802)        |
| Assets received free of charge  | -              | 373            |
| Gain on disposal of non-current assets  | -              | 24             |
| Initial recognition - furniture and fittings  | -              | 456            |
| <b>Movement in assets and liabilities</b>   |                |                |
| (Decrease)/increase in receivables  | (1 726)        | 1 656          |
| (Increase)/decrease in payables   | (305)          | 72             |
| Decrease/(increase) in employee benefits  | 30             | (271)          |
| Decrease in provisions  | 6              | 140            |
| Decrease in other liabilities   | 18             | 32             |
| <b>Net benefit from providing services</b>  | <b>16 846</b>  | <b>16 838</b>  |

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**8.2. The Environment Protection Fund**

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

**Statement of Comprehensive Income**  
**for the year ended 30 June 2019**

|                            | 2019         | 2018         |
|----------------------------|--------------|--------------|
|                            | \$'000       | \$'000       |
| <b>Income</b>              |              |              |
| Fees and Charges           | 4 384        | 4 289        |
| Interest revenue           | 111          | 100          |
| Other Income               | -            | 48           |
| <b>Total income</b>        | <u>4 495</u> | <u>4 437</u> |
| <b>Expenses</b>            |              |              |
| Employee benefits expenses | 370          | 325          |
| Supplies and services      | 3 300        | 3 447        |
| Grants and subsidies       | 56           | 22           |
| <b>Total expenses</b>      | <u>3 726</u> | <u>3 794</u> |
| <b>Net result</b>          | <u>769</u>   | <u>643</u>   |

**Statement of Financial Position**  
**as at 30 June 2019**

|                                  | 2019         | 2018         |
|----------------------------------|--------------|--------------|
|                                  | \$'000       | \$'000       |
| <b>Current assets</b>            |              |              |
| Cash                             | 8 641        | 7 534        |
| Receivables                      | 452          | 471          |
| <b>Total current assets</b>      | <u>9 093</u> | <u>8 005</u> |
| <b>Total assets</b>              | <u>9 093</u> | <u>8 005</u> |
| <b>Current liabilities</b>       |              |              |
| Payables                         | 431          | 128          |
| Employee Benefits                | 16           | -            |
| <b>Total current liabilities</b> | <u>447</u>   | <u>128</u>   |
| <b>Total liabilities</b>         | <u>447</u>   | <u>128</u>   |
| <b>Net assets</b>                | <u>8 646</u> | <u>7 877</u> |
| <b>Equity</b>                    |              |              |
| Retained earnings                | 8 646        | 7 877        |
| <b>Total equity</b>              | <u>8 646</u> | <u>7 877</u> |

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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

| <b>Statement of Changes in Equity<br/>for the year ended 30 June 2019</b> | <b>Retained<br/>Earnings<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|---|---|-------------------------|
| <b>Balance at 1 July 2017</b>   | 7 234                                   | 7 234                   |
| Net result for 2017-18  | 643                                     | 643                     |
| <b>Balance at 30 June 2018</b>  | <u>7 877</u>                            | <u>7 877</u>            |
| Net result for 2018-19  | 769                                     | 769                     |
| <b>Balance at 30 June 2019</b>  | <u>8 646</u>                            | <u>8 646</u>            |

| <b>Statement of Cash Flows<br/>for the year ended 30 June 2019</b>  | <b>2019<br/>(Outflows)<br/>Inflows<br/>\$'000</b> | <b>2018<br/>(Outflows)<br/>Inflows<br/>\$'000</b> |
|---|---|---|
| <b>Cash flows from operating activities</b>                         |   |   |
| <b>Cash outflows</b>  |   |   |
| Employee benefit payments   | (354)   | (318)   |
| Payments for supplies and services                                  | (2 996)   | (3 426)   |
| Grants and contribution payments                                    | (55)  | (22)  |
| <b>Cash used in operating activities</b>                            | <u>(3 405)</u>                                    | <u>(3 766)</u>                                    |
| <b>Cash inflows</b>   |   |   |
| Fees and charges  | 4 401   | 4 211   |
| interest received   | 111   | 100   |
| Other Income  | -   | 48  |
| <b>Cash generated from operating activities</b>                     | <u>4 512</u>                                      | <u>4 359</u>                                      |
| <b>Net cash provided by/(used in) operating activities</b>          | <u>1 107</u>                                      | <u>593</u>  |
| Net increase / (decrease) in cash and cash equivalents              | 1 107   | 593   |
| Cash and cash equivalents at the beginning of the reporting period  | 7 534   | 6 941   |
| <b>Cash and cash equivalents at the end of the reporting period</b> | <u>8 641</u>                                      | <u>7 534</u>                                      |

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

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**8.3. Radiation Protection**

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.

| <b>Statement of Comprehensive Income for the Year Ended 30 June 2019</b> | <b>2019</b>   | <b>2018</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| <b>Income</b>  |               |               |
| Radiation license fees   | 3 256         | 3 159         |
| Sales  | 17            | 12            |
| Grants and contributions   | 27            | 26            |
| Other income   | 9             | -             |
| <b>Total income</b>  | <b>3 309</b>  | <b>3 197</b>  |
| <b>Expenses</b>  |               |               |
| Employee benefits expenses   | 1 481         | 1 574         |
| Supplies and services  | 57            | 84            |
| <b>Total expenses</b>  | <b>1 538</b>  | <b>1 658</b>  |
| <b>Net result</b>  | <b>1 771</b>  | <b>1 539</b>  |

**8.4. Administered items**

The following is a summary of the amounts captured as Administered Items of the Authority which comprises Solid Waste Levies received and transferred to Green Industries SA and revenue received under the *Local Nuisance and Litter Control Act 2016*.

| <b>Statement of Comprehensive Income for the Year Ended 30 June 2019</b> | <b>2019</b>   | <b>2018</b>   |
|--|---------------|---------------|
|  | <b>\$'000</b> | <b>\$'000</b> |
| <b>Income</b>  |               |               |
| Solid waste levies   | 34 864        | 33 209        |
| Expiation fees (Dob in a Litterer)                                       | 52            | 117           |
| <b>Total income</b>  | <b>34 916</b> | <b>33 326</b> |
| <b>Expenses</b>  |               |               |
| Solid waste levies transferred to GISA                                   | 35 289        | 31 722        |
| Expiation fees (Dob in a Litterer) transferred to Consolidated Account   | 52            | 117           |
| <b>Total expenses</b>  | <b>35 341</b> | <b>31 839</b> |
| <b>Net result</b>  | <b>(425)</b>  | <b>1 487</b>  |

**Environment Protection Authority**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2019*

**8.4. Administered items (continued)**

| <b>Statement of Financial Position as at 30 June 2019</b> | <b>2019</b>   | <b>2018</b>   |
|---|---------------|---------------|
|   | <b>\$'000</b> | <b>\$'000</b> |
| <b>Current assets</b>                                     |               |               |
| Cash and cash equivalents                                 | 144           | 2             |
| Receivables   | 4 683         | 5 108         |
| <b>Total current assets</b>                               | <b>4 827</b>  | <b>5 110</b>  |
| <b>Total assets</b>                                       | <b>4 827</b>  | <b>5 110</b>  |
| <b>Current liabilities</b>                                |               |               |
| Payables  | 144           | 2             |
| <b>Total current liabilities</b>                          | <b>144</b>    | <b>2</b>      |
| <b>Total liabilities</b>                                  | <b>144</b>    | <b>2</b>      |
| <b>Net assets</b>   | <b>4 683</b>  | <b>5 108</b>  |
| <b>Equity</b>   |               |               |
| Retained earnings   | 4 683         | 5 108         |
| <b>Total equity</b>                                       | <b>4 683</b>  | <b>5 108</b>  |

| <b>Statement of Cash Flows for the Year Ended 30 June 2019</b>       | <b>2019</b>     | <b>2018</b>     |
|--|-----------------|-----------------|
|  | <b>\$'000</b>   | <b>\$'000</b>   |
| <b>Cash flows from operating activities</b>                          |                 |                 |
| <b>Cash inflows</b>  |                 |                 |
| Solid waste levies received  | 35 289          | 31 722          |
| Expiation fees (Dob in a Litterer)                                   | 52              | 117             |
| <b>Cash generated from operating activities</b>                      | <b>35 341</b>   | <b>31 839</b>   |
| <b>Cash outflows</b>   |                 |                 |
| Solid waste levies transferred to GISA                               | (35 145)        | (31 722)        |
| Expiation fees (Dob in a Litterer) returned to Consolidated Account) | (54)            | (116)           |
| <b>Cash used in operating activities</b>                             | <b>(35 199)</b> | <b>(31 838)</b> |
| <b>Net cash (used in) / provided by operating activities</b>         | <b>142</b>      | <b>1</b>        |
| Net increase in cash and cash equivalents                            | 142             | 1               |
| Cash and cash equivalents at the beginning of the reporting period   | 2               | 1               |
| <b>Cash and cash equivalents at the end of the reporting period</b>  | <b>144</b>      | <b>2</b>        |

**Environment Protection Authority**  
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## **9. Changes in accounting policy**

### **9.1. Treasurer's Instructions (Accounting Policy Statement)**

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* were issued by the Treasurer under the *Public Finance and Audit Act 1987*. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. Changes that impact on these financial statements are:

- removal of the additional requirement to report transactions with the SA Government
- removal of the additional requirement to report a statement of equity for administered items
- increasing the bands from \$10,000 to \$20,000 for employee and board member reporting

These changes, however, do not impact on the amounts reported in the financial statements.

The Accounting Policy Statements also set out requirements in relation to Accounting Standards and Statements not yet effective. This is further discussed in note 10.3.

### **9.2. AASB 9 Financial Instruments**

*AASB 9 Financial Instruments* replaces the provisions of AASB 139 that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in financial statements.

As part of the adoption of AASB 9, the Authority adopted consequential amendments to other accounting standards and the *Treasurer's Instructions (Accounting Policy Statements)* arising from the issue of AASB 9 as follows:

- *AASB 101 Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. In prior year, this information was presented as part of other expenses
- *AASB 7 Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, these disclosures have been provided for the current year because the comparatives have not been restated.

In accordance with transitional provisions and the *Treasurer's Instructions (Accounting Policy Statements)*, *AASB 9 Financial Instruments* was adopted without restating comparative information for classification and measurement requirements. All adjustments relating to classification and measurement are recognised in retained earnings at 1 July 2018.

The adoption of AASB 9 has not had a significant effect on the recognition, measurement or classification of financial liabilities.

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**9.2. AASB 9 Financial Instruments (continued)**

The total impact on the Authority's retained earnings as at 1 July 2018 is as follows:

|   |               |
|---|---------------|
|   | 2018          |
|   | <u>\$'000</u> |
| Closing retained earnings 30 June 2018 – AASB 139       | 27 834        |
| Adjustment to retained earnings from adoption of AASB 9 | (78)          |
| Opening retained earnings 1 July 2018 – AASB 9          | <u>27 756</u> |

On 1 July 2018, the Authority has assessed and reclassified its financial assets into the appropriate AASB 9 categories depending on the business model and contractual cash flow characteristics applying to the asset. AASB 9 eliminates the AASB 139 categories of held to maturity and loans and receivables.

**Reclassification of financial instruments on adoption of AASB 9**

On the date of initial application, the Authority's financial instruments were as follows, with any reclassifications noted.

|   | Measurement category     |                   | AASB 139                     | Carrying                            | AASB 9 at 1         |
|---|--------------------------|-------------------|------------------------------|-------------------------------------|---------------------|
|   | AASB 139                 | AASB 9            | at 30 June<br>2018<br>\$'000 | amount re-<br>measurement<br>\$'000 | July 2018<br>\$'000 |
| <b><u>Current financial assets</u></b>      |                          |                   |                              |                                     |                     |
| Trade receivables                           | Loans and<br>receivables | Amortised<br>cost | 29                           | -                                   | 29                  |
| <b><u>Current financial liabilities</u></b> |                          |                   |                              |                                     |                     |
| Trade payables                              | Amortised cost           | Amortised<br>cost | 642                          | -                                   | 642                 |

**Impairment of financial assets**

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' model. The following financial assets of the Authority are subject to AASB 9's new expected credit loss model:

- trade receivables from provision of services

This model generally results in earlier recognition of credit losses than the previous one.

**Trade receivables**

New impairment requirements result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. The Authority has adopted the combined approach under *AASB 9 Financial Instruments*, where separately considered receivables were impaired (\$1.18 million) and then applied a provision matrix approach as a practical expedient to measure lifetime expected credit losses on the remaining receivables which resulted in an increase of loss of \$125 000 for receivables external to government. The application of the expected credit loss model resulted in an increase in the loss allowance on 1 July 2018 of \$78 000 for trade receivables external to government.

There are no additional impairment provisions for State, Territory, or Commonwealth Government receivables due to the government's high quality credit risk.

Trade and other receivables that were classified as loans and receivables under AASB 139 are now classified at amortised cost as they meet the appropriate criteria under AASB 9.

**Environment Protection Authority**  
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**10. Outlook**

**10.1. Unrecognised contractual commitments**

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

**Operating lease commitments**

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

|  | 2019          | 2018          |
|--|---------------|---------------|
|  | \$'000        | \$'000        |
| Within one year                                    | 2 089         | 1 857         |
| Later than one year but not longer than five years | 8 623         | 7 647         |
| Later than five years                              | 9 482         | 11 357        |
| <b>Total operating lease commitments</b>           | <b>20 194</b> | <b>20 861</b> |
| Representing:                                      |               |               |
| Non-cancellable operating leases                   | 20 194        | 20 861        |
| <b>Total operating lease commitments</b>           | <b>20 194</b> | <b>20 861</b> |

The operating leases held by the Authority are for office equipment and 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.

**10.2. 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 *Environment Protection Act 1993* provides the Authority with the ability to impose a financial assurance on the holder of an authorisation as a condition of that authorisation. The Authority has three financial assurances in place to cover environmental liabilities that may occur as a result of activities undertaken by authorisation holders. No value is assigned to these assurances for financial statement purposes as they will only arise in the event that an authorisation holder fails to fulfil their authorisation obligations.

The Authority is not aware of the existence of any contingent assets or contingent liabilities as at 30 June 2019.

**10.3. Impact of standards and statements not yet effective**

The Authority has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective.

*Treasurer's Instructions (Accounting Policy Statements) 2019* issued by the Treasurer on 22 March 2019 are effective for 2018-19 reporting period and are addressed below in relation to Standards not yet effective and in note 9.1. There are no Accounting Policy Statements that are not yet effective.

### **10.3. Impact of standards and statements not yet effective (continued)**

#### ***AASB 15 – Revenue from Contracts with Customers and AASB 1058 – Income of Not for Profit Entities***

##### ***Objective***

AASB 15 introduces a 5-step approach to revenue recognition. The objective of AASB 15 is that recognition of revenue depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. It provides extensive guidance as to how to apply this revenue recognition approach to a range of scenarios. *AASB 15 – Revenue from Contracts* replaces *AASB 111 – Construction Contracts* and *AASB 118 – Revenue*.

AASB 1058 introduces consistent requirements for the accounting of non-reciprocal transactions by not-for-profit entities, in conjunction with AASB 15. These requirements closely reflect the economic reality of not-for-profit entity transactions that are not contracts with customers. AASB 1058 replaces parts of *AASB 1004 – Contributions*.

##### ***Impact on 2019-20 financial statements***

The Authority has assessed the impact of adopting AASB 15 and AASB 1058 and has concluded that it will continue to recognise its revenue consistent with past practices, as it was deemed to not differ materially from adopting AASB 15 and AASB 1058. The Authority will continue to perform this assessment on an annual basis to ensure that there are not material variations.

In relation to AASB 1058, the Authority has not acquired an asset at significantly less than fair value and are not in receipt of volunteer services. The Authority does not receive grants for the construction or acquisition of non-financial assets.

##### ***Related accounting policies***

The *Treasurer's Instructions (Accounting Policy Statements) 2019* sets out requirements for on-going application. These requirements include that Authority will:

- apply, where permitted, the short-term licences recognition exemption
- adopt \$15,000 as the threshold to determine whether a licence is a licence for which the transaction price is of low value and will apply the low value licence recognition exemption for all low value licences
- not recognise volunteer services when the services would not have been purchased if they had not been donated.

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**10.3. Impact of standards and statements not yet effective (continued)**

**AASB 16 – Leases**

The Authority will adopt *AASB 16 – Leases* from 1 July 2019.

**Objective**

AASB 16 sets out a comprehensive model for lease accounting that addresses recognition, measurement, presentation and disclosure of leases. The outcome will be that lease information disclosed will give users of financial statements a basis to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. *AASB 16 Leases* replaces *AASB 117 Leases* and *Interpretation 4 Determining whether an Arrangement contains a Lease*, *Interpretation 115 Operating Leases – Incentives and Interpretation*, and *Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

**Impact on 2019-20 financial statements**

The Authority has assessed the estimated impact on the Statement of Financial Position of adopting AASB 16 with the transition requirements mandated by the *Treasurer's Instructions (Accounting Policy Statements)*.

AASB 16 requires lessees to recognise assets and liabilities for all leases, not subject to a recognition exemption or scoped out of the application of AASB 16. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position for the first time. Lease incentive liabilities previously recognised will be written off against the right-of-use assets or retained earnings depending on the nature of the incentive.

AASB 16 is expected to have a material impact on the Statement of Financial Position. The Authority has estimated the impact of this change and the results as at 1 July 2019.

The estimated impact is based on applying AASB 16's transition approach to those leases identified as leases by the Authority prior to 1 July 2019. The incremental borrowing rates applied to estimate the lease liability were SAFA's interest rates for principal and interest loans to SA Government agencies.

The estimated impact is set out below.

|   | <b>as at 1 July<br/>2019<br/>\$'000</b> |
|---|---|
| <b><u>Assets</u></b>                            |   |
| Increase in right-of-use asset                  | 14 622                                  |
| <b><u>Liabilities</u></b>                       |   |
| Increase in lease liabilities                   | 15 071                                  |
| Decrease in other liabilities (lease incentive) | (449)                                   |
| <b>Net impact on equity</b>                     | <b>-</b>                                |

**Environment Protection Authority**  
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**10.3. Impact of standards and statements not yet effective (continued)**

AASB 16 will also impact on the Statement of Comprehensive Income. The operating lease expense previously included in supplies and services will mostly be replaced with:

- a depreciation expense that represents the use of the right-of-use asset; and
- borrowing costs that represent the cost associated with financing the right-of-use asset.

The estimated impact on 2019-20 Statement of Comprehensive Income is set out below.

|   | <b>2020</b>   |
|---|---------------|
|   | <b>\$'000</b> |
| Increase in depreciation and amortisation           | 1 729         |
| Decrease in supplies and services                   | (2 089)       |
| Increase in borrowing costs                         | 278           |
| <b>Net impact on net cost of providing services</b> | <b>(82)</b>   |

The amounts disclosed are current estimates only. The Authority is continuing to refine its calculations of lease assets and liabilities for 2019-20 financial reporting purposes and expects that these figures will change. This includes accounting for non-lease components and clarifying lease terms and treatment of contractual rent increases.

***Related accounting policies***

The *Treasurer's Instructions (Accounting Policy Statements) 2019* sets out key requirements that the Authority must adopt for the transition from *AASB 117 Leases* to *AASB 16 Leases*. These requirements include that the Authority will:

- apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard will be recognised at 1 July 2019. Comparatives will not be restated.
- only apply AASB 16 to contracts that were previously identified as containing a lease applying AASB 117 and related interpretations.
- not transition operating leases for which the lease term ends before 30 June 2020.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Authority has applied the optional exemptions to not recognise the leases liability and right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term. There is an exception for motor vehicle leases, where Treasurer's approval has been granted not to apply this exemption to leases with a term remaining of less than 12 months.

The *Treasurer's Instructions (Accounting Policy Statements) 2019* also sets out requirements for on-going application. These requirements include that the Authority will:

- not apply AASB 16 to leases of intangible assets.
- adopt \$15,000 as the threshold to determine whether an underlying asset is a low value asset and must apply the low value asset recognition exemption to all low value assets.
- apply the short-term leases recognition exemption for all classes of underlying asset.
- separate non-lease components from lease components.
- adopt the revaluation model, where permitted.
- where required, apply the relevant lessee's incremental borrowing rate published by the Department of Treasury and Finance.
- on initial recognition not record at fair-value leases that have significantly below-market terms and conditions principally to enable the Authority to further its objectives, unless they have already been recorded at fair-value prior to 1 July 2019.

**Environment Protection Authority**  
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**10.4. Events after the reporting period**

There were no events that occurred after the reporting period for the year ended 30 June 2019.

**11. Measurement and risk**

**11.1. Long service leave liability - measurement**

*AASB 119 Employee Benefits* specifies 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 and is 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.

*AASB 119 Employee Benefits* 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 decreased from 2018 (2.5%) to 2019 (1.25%).

The net financial effect of the changes to actuarial assumptions in the current financial year is \$562 000. 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 4% for long service leave liability. The salary inflation rate for annual leave and skills, experience and retention leave liability decreased from 2018 (3%) to 2019 (2.2%). This change had an immaterial net financial effect in the current financial year.

The unconditional portion of the long service leave provision is classified as current as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 10 years of service.

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**11.2. 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 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 (that is the amount recorded by the transferor public authority immediately prior to the restructure).

**Revaluation**

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

As the Authority does not hold assets that meet this criteria, assets have not been revalued.

**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's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

During 2018 and 2019, 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.

**Fair value classification – non-financial assets at 30 June 2019**

|  | <b>Level 3</b> |
|--|----------------|
| <b>Recurring fair value measurements</b>       | <b>\$'000</b>  |
| Land   | 278            |
| Buildings and improvements                     | 12             |
| Infrastructure                                 | 261            |
| Vehicles                                       | 59             |
| Computer equipment                             | 26             |
| Furniture and fittings                         | 734            |
| Plant and equipment                            | 909            |
| <b>Total recurring fair value measurements</b> | <b>2 279</b>   |

**Environment Protection Authority**  
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**11.2. Fair value (continued)**

*Fair value measurements as at 30 June 2018*

|  | Level 3      |
|--|--------------|
| Recurring fair value measurements              | \$'000       |
| Land   | 278          |
| Buildings and improvements                     | 13           |
| Infrastructure                                 | 283          |
| Vehicles                                       | 47           |
| Computer equipment                             | 47           |
| Furniture and fittings                         | 805          |
| Plant and equipment                            | 801          |
| <b>Total recurring fair value measurements</b> | <b>2 274</b> |

**11.3. Financial instruments**

***Financial Risk Management***

Risk management is managed by the Authority's corporate services section. Authority 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'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 licence fees and waste levies. 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.

***Credit Risk***

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

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

***Impairment of financial assets***

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

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

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

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**11.3. Financial instruments (continued)**

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.

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

|                            | Debtor gross carrying amount<br>\$'000 | Loss %  | Lifetime expected<br>losses \$'000 |
|----------------------------|--|---------|------------------------------------|
| Current (not past due)     | 753                                    | 0.00%   | -                                  |
| 1 - 30 days past due       | 151                                    | 0.08%   | -                                  |
| 31 - 60 days past due      | 45                                     | 21.30%  | 10                                 |
| 61 - 90 days past due      | 16                                     | 7.91%   | 1                                  |
| More than 90 days past due | 689                                    | 20.83%* | 192                                |
| <b>Loss allowance</b>      |  |         | <b>203**</b>                       |

\* 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.

\*\* This reflects the increase in the opening provision for doubtful debts of \$78 000 plus the \$125 000 increase in provision during 2018-19. These figures include the \$78 000 opening adjustment to provisions because some of the debtors at 1 July 2018 remain debtors at 30 June 2019.

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 department's view of the forecast economic conditions over the expected life of the receivables.

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

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

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.

In the comparative period, the impairment of receivables was assessed based on the incurred loss model. The allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

**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 *T1 23 Management of Foreign Currency Exposures*.

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

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

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**11.3. Financial instruments (continued)**

***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 the respective financial asset/liability note.

The carrying amounts are detailed below of each of the following categories of financial assets and liabilities:

- Loan and receivables
- Financial liabilities measured at cost.

The Authority does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable.

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer Notes 6.2 and 7.1).

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**11.3. Financial instruments (continued)**

**Classification applicable from 1 July 2018 under AASB 9 Financial Instruments**

On initial recognition, a financial asset which is a debt instrument is classified as measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. A financial asset which is an equity instrument is classified as measured at fair value through other comprehensive income or fair value through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

The Authority measures all financial instruments at amortised cost.

| Category of financial asset and financial liability | Notes  | 2019                              | 2018                              |                      |                  |                          |
|---|--------|-----------------------------------|-----------------------------------|----------------------|------------------|--------------------------|
|   |        | Carrying amount/fair value \$'000 | Carrying amount/fair value \$'000 | Within 1 year \$'000 | 1-5 years \$'000 | More than 5 years \$'000 |
| <b>Financial assets</b>                             |        |                                   |                                   |                      |                  |                          |
| <b>Cash and cash equivalents</b>                    |        |                                   |                                   |                      |                  |                          |
| Cash and cash equivalents                           |        | 29 799                            | 26 571                            | 29 799               | -                | -                        |
| <b>Financial assets at amortised cost</b>           |        |                                   |                                   |                      |                  |                          |
| Receivables   | (1)(2) | 19                                | 29                                | 19                   | -                | -                        |
| <b>Total financial assets</b>                       |        | 29 818                            | 26 600                            | 29 818               | -                | -                        |
| <b>Financial liabilities</b>                        |        |                                   |                                   |                      |                  |                          |
| <b>Financial liabilities at amortised cost</b>      |        |                                   |                                   |                      |                  |                          |
| Payables  | (1)    | 930                               | 642                               | 930                  | -                | -                        |
| <b>Total financial liabilities</b>                  |        | 930                               | 642                               | 930                  | -                | -                        |

(1) The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (for example 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, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at amortised cost.

(2) The receivables amount disclosed here excludes prepayments. Prepayments are presented in Note 6.2 as trade and other receivables in accordance with paragraph 78(b) of AASB 101 *Presentation of Financial Statements*. However, prepayments are not financial assets as defined in AASB 132 *Financial Instruments: Presentation* 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.