

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Audit Office of South Australia

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

To the Presiding Member Environment Protection Authority

Opinion

I have audited the financial report of the Environment Protection Authority for the financial year ended 30 June 2026.

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 2026, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2026
- a Statement of Financial Position as at 30 June 2026
- a Statement of Changes in Equity for the year ended 30 June 2026
- a Statement of Cash Flows for the year ended 30 June 2026
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Presiding Member, the Chief Executive and the Chief Financial Officer.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the 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 (including Independence Standards)* have been met.

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Environment Protection Authority for the financial year ended 30 June 2026.

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
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Daniel O'Donohue
Deputy Auditor-General

30 September 2026

Environment Protection Authority (EPA)

Financial Statements

For the year ended 30 June 2026

Environment Protection Authority
Certification of Financial Statements
for the year ended 30 June 2026

We certify that the:

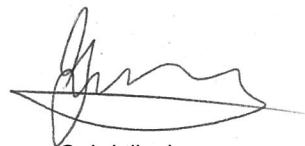
- financial statements of the Environment Protection Authority:
 - are in accordance with the accounts and records of the Authority; and
 - comply with relevant Treasurer's Instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of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



Jon Gorvett
Chief Executive
30 September 2026



Catherine Cooper
Presiding Member
30 September 2026



Gabrielle Jansen
Chief Financial Officer
30 September 2026

Environment Protection Authority
Statement of Comprehensive Income
for the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Income			
Fees and charges	3.1	80 886	79 839
Grants, subsidies and transfers	3.2	1 437	631
Interest		1 324	1 138
Resources received free of charge	3.3	452	397
Impairment gain on receivables	5.2	214	22
Other income	3.4	1 900	215
Total income		86 213	82 242
Expenses			
Cash alignment transfers to Consolidated Account		36 608	31 604
Employee related expenses	4.1	29 466	26 151
Supplies and services	4.2	11 016	8 963
Depreciation and amortisation	5.4, 5.6	1 416	1 322
Grants and subsidies	4.3	196	480
Borrowing costs	6.2	142	153
Other expenses	4.4	139	136
Total expenses		78 983	68 809
Net result		7 230	13 433
Total comprehensive result		7 230	13 433

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 2026

		2026	2025
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents	5.1	77 538	70 382
Receivables	5.2	13 388	11 558
Total current assets		90 926	81 940
Non-current assets			
Property, plant and equipment	5.4	7 108	7 585
Intangible assets	5.6	2 840	3 167
Receivables	5.2	7	6
Total non-current assets		9 955	10 758
Total assets		100 881	92 698
Current liabilities			
Payables	6.1	935	712
Financial liabilities	6.2	161	143
Employee related liabilities	6.3	3 479	3 066
Provisions	6.4	91	66
Other liabilities	6.5	388	388
Total current liabilities		5 054	4 375
Non-current liabilities			
Financial liabilities	6.2	2 690	2 851
Employee related liabilities	6.3	4 518	4 089
Provisions	6.4	318	274
Other liabilities	6.5	82	120
Total non-current liabilities		7 608	7 334
Total liabilities		12 662	11 709
Net assets		88 219	80 989
Equity			
Retained earnings		88 219	80 989
Total equity		88 219	80 989

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 2026

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2024	67 556	67 556
Net result for 2024-25	13 433	13 433
Total comprehensive result for 2024-25	13 433	13 433
Balance at 30 June 2025	80 989	80 989
Net result for 2025-26	7 230	7 230
Total comprehensive result for 2025-26	7 230	7 230
Balance at 30 June 2026	88 219	88 219

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

Environment Protection Authority
Statement of Cash flows
for the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Cash flows from operating activities			
<u>Cash inflows</u>			
Fees and charges		79 315	80 571
Receipts from grants		1 330	631
Interest received		1 324	1 435
Intra-government transfers		107	-
GST recovered from DEW		923	1 006
Other receipts		1 900	215
<u>Cash outflows</u>			
Employee related payments		(28 557)	(26 609)
Payments for supplies and services		(11 346)	(10 842)
Payments of grants and subsidies		(196)	(480)
Interest paid		(142)	(153)
Cash alignment transfers to the Consolidated account		(36 608)	(31 604)
Other payments		(139)	(121)
Net cash from operating activities	7.1	7 911	14 049
Cash flows from investing activities			
<u>Cash outflows</u>			
Purchase of property, plant and equipment		(612)	(2 390)
Net cash used in investing activities		(612)	(2 390)
Cash flows from financing activities			
<u>Cash outflows</u>			
Repayment of principal portion of lease liabilities		(143)	(141)
Net cash used in financing activities		(143)	(141)
Net increase in cash and cash equivalents		7 156	11 518
Cash and cash equivalents at the beginning of the reporting period		70 382	58 864
Cash and cash equivalents at the end of the reporting period	5.1	77 538	70 382

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 2026

1. About the Environment Protection Authority

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

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

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

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

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

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

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

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

1.1. Basis of preparation

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

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

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

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

Material accounting policy information is set out throughout the notes.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1.1. Basis of preparation (continued)

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

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

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

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

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

1.2. Objectives and programs

Objectives

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

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

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

Programs

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

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1.3. Financial arrangements

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

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

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

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

1.4. Budget performance

The budget performance table compares the Authority's outcomes against budget information presented to Parliament (2025-26 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.

		Budget 2026 \$'000	Actual 2026 \$'000	Variance \$'000
	Note			
Statement of Comprehensive Income				
Income				
Fees and charges		79 021	80 886	1 865
Grants, subsidies and transfers		201	1 437	1 236
Interest		450	1 324	874
Resources received free of charge		-	452	452
Impairment gain on receivables		-	214	214
Other income		2 020	1 900	(120)
Total income		81 692	86 213	4 521
Expenses				
Cash alignment transfers to Consolidated Account	a	-	36 608	36 608
Employee related expenses		27 196	29 466	2 270
Supplies and services		8 925	11 016	2 091
Depreciation and amortisation		840	1 416	576
Grants and subsidies		227	196	(31)
Borrowing costs		11	142	131
Other expenses		5	139	134
Total expenses		37 204	78 983	41 779
Net result		44 488	7 230	(37 258)

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1.4. Budget performance (continued)

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

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

	Note	Budget 2026 \$'000	Actual 2026 \$'000	Variance \$'000
Investing expenditure summary				
Total annual program		650	541	(109)
Total investing expenditure		650	541	(109)
Administered Items				
	Note	Budget 2026 \$'000	Actual 2026 \$'000	Variance \$'000
Statement of Comprehensive Income				
Income				
Fees, fines and penalties		55 254	53 836	(1 418)
Total income		55 254	53 836	(1 418)
Expenses				
Intra government transfers		55 254	53 268	(1 986)
Total expenses		55 254	53 268	(1 986)
Net result		-	568	568
Total comprehensive result		-	568	568

1.5. Significant transactions with government related entities

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

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

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

2. Board, committees and employees

2.1. Key management personnel

Key management personnel of the Authority include the Minister for Climate, Environment and Water (the Minister), Board Members, the Chief Executive and the six members of the Executive Team who have responsibility for the strategic direction and management of the Authority. Total compensation for key management personnel was \$1.961 million in 2025-26 and \$1.902 million in 2024-25.

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

	2026	2025
Compensation	\$'000	\$'000
Salaries and other short term employee benefits	1 743	1 489
Post-employment benefits	208	172
Other long-term employment benefits	10	115
Termination benefits	-	126
Total	1 961	1 902

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

2.2. Board and committee members

Members during the 2025-26 financial year were:

Board of the Environment Protection Authority

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

Radiation Protection Committee

Keith Baldry
Peter James (Jim) Hondros
Kathryn Leidig-Levingstone
Michelle Nottage*
Charlotte Sale*
Chris Lease*
Nigel Spooner
Kathryn Bellette*
Kristy Braybon*
Andrew Brown
Anthony Hooker
Alice Jagger*
Pamela Sykes
Nicola Spurrier*

Risk Management and Performance Committee

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

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

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

2.2. Board and committee members (continued)

Board and committee remuneration

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

	2026	2025
\$0	12	9
\$1 - \$19 999	5	5
\$20 000 - \$39 999	6	6
\$40 000 - \$59 999	1	1
Total number of members	24	21

The total remuneration received or receivable by members was \$210 000 (2025: \$224 000). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax paid.

3. Income

3.1. Fees and charges

	2026	2025
	\$'000	\$'000
Waste levies	54 834	54 515
Environmental authorisation fees	18 915	18 750
Radiation licence fees	5 249	4 623
Other licence fees	1 057	1 208
Fines and penalties	382	312
Other fees and charges	449	431
Total fees and charges	80 886	79 839

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

The waste levies disclosed represent the Authority's 50 percent share of the total levies collected in 2025-26. As per section 113 of the Act, the Authority collects waste levies, and is then required to transfer 50 percent of the cash component of solid waste levies collected to Green Industries SA (Note 7.4) as per section 17 of the *Green Industries SA Act 2004*.

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

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

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

3.2. Grants, subsidies and transfers

	2026	2025
	\$'000	\$'000
SA Government grants	869	530
Commonwealth Government grants	33	101
Contingency funding provided by DTF	428	-
Climate change funding from GISA	107	-
Total grants, subsidies and transfers	1 437	631

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

3.3. Resources received free of charge

	2026	2025
	\$'000	\$'000
Services received free of charge - Shared Services SA	150	139
Services received free of charge - DTF - ICT services	141	137
Audit Office of South Australia - audit services	124	121
Services received free of charge - other	37	-
Total resources received free of charge	452	397

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

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

The Authority also receives audit services free of charge from the Audit Office of South Australia.

3.4. Other income

	2026	2025
	\$'000	\$'000
Reimbursement of expenses	1 900	17
Salaries and wages recoveries	-	5
Other sundry revenue	-	193
Total other income	1 900	215

Other income is recognised on receipt.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

4. Expenses

4.1. Employee related expenses

	2026	2025
	\$'000	\$'000
Salaries and wages	21 188	18 689
Voluntary separation packages	186	394
Long service leave	853	712
Annual leave	2 150	1 951
Skills and experience retention leave	156	156
Superannuation	3 097	2 678
Employment on-costs - other	1 330	1 162
Board and committee fees	187	195
Workers compensation	301	200
Other employee related expenses	18	14
Total employee related expenses	29 466	26 151

Employment expenses

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

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

Voluntary Separation Packages (VSPs)

The number of employees who received a VSP during the reporting period was 2 (2025: 3).

	2026	2025
	\$'000	\$'000
Amounts paid to separated employees:		
Voluntary separation packages	186	394
Leave paid to separated employees	74	239
Net cost to the Authority	260	633

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

4.1. Employee related expenses (continued)

Employee remuneration

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

	2026	2025
	No	No
\$177 001 to \$197 000	2	-
\$217 001 to \$237 000	1	1
\$237 001 to \$257 000	2	-
\$257 001 to \$277 000	-	1
\$297 001 to \$317 000*	1	1
\$357 001 to \$377 000*	1	-
\$397 001 to \$417 000*	-	1
\$437 001 to \$457 000	-	1
\$457 001 to \$477 000	1	-
Total	8	5

The total remuneration received by those employees for the year was \$2.215 million (2025: \$1.644 million).

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

* Includes termination payments.

4.2. Supplies and services

	2026	2025
	\$'000	\$'000
Accommodation	2 232	2 136
Information technology and communications	1 039	989
Fee for service - Site Contamination	992	989
Fee for service - Other	878	172
Scientific and technical services	873	214
General administration	700	652
Legal expenses	703	805
Minor works, maintenance & equipment	429	462
Staff development	374	350
Vehicle and aircraft	215	121
Hazardous waste	209	695
Travel and accommodation	188	215
Temporary staff	168	343
Transportation	107	99
Consultants	51	258
Fee for service - DEW	1 515	244
Monitoring fees	4	4
Security expense - other	-	25
Other	339	190
Total supplies and services	11 016	8 963

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

4.2. Supplies and services (continued)

Accommodation

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

4.3. Grants and subsidies

	2026	2025
	\$'000	\$'000
Department of the Premier and Cabinet	17	17
Green Industries SA	102	154
Attorney General's Department	39	34
Cooperative Research Centre for Solving Antimicrobial Resistance in Agribusiness, Food and Environments	-	210
Community organisations and associations	-	27
Other grants	38	38
Total grants and subsidies	196	480

4.4. Other expenses

	2026	2025
	\$'000	\$'000
Audit fees	134	121
Property, plant and equipment write-offs	-	15
Other	5	-
Total other expenses	139	136

Audit fees paid/payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* were \$124 000 (2025: \$121 000). No other services were provided by the Audit Office of South Australia.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

5. Assets

All financial assets are measured at amortised cost.

5.1. Cash and cash equivalents

	2026 \$'000	2025 \$'000
<u>Deposits with the Treasurer</u>		
Environment Protection Authority Operating Account	37 867	38 380
Environment Protection Fund Deposit Account	39 671	32 002
Total cash and cash equivalents	77 538	70 382
Total cash and cash equivalents in the Statement of Cash Flows	77 538	70 382

Deposits with the Treasurer

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

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

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

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

5.2. Receivables

	2026	2025
	\$'000	\$'000
<u>Current receivables</u>		
Contractual receivables		
Debtors	3 342	3 060
Accrued revenues	9 789	8 808
Less impairment loss on receivables	(155)	(677)
Total contractual receivables	12 976	11 191
Statutory receivables		
Workers compensation recoveries	2	1
GST recoverable from DEW	61	34
Total statutory receivables	63	35
Total current receivables	13 388	11 558
Non-current		
Workers compensation recoveries	7	6
Total non-current receivables	7	6
Total receivables	13 395	11 564

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

Contractual receivables

Contractual receivables arise in the ordinary course of business and primarily relate to the collection of levies and licence fees from the public, as well as revenue generated from the provision of goods and services and the collection of licence fees from other government agencies. Contractual receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

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

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

Refer to note 9.2 for further information on risk management.

Impairment of contractual receivables

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

<u>Allowance for impairment loss on contractual receivables</u>	2026	2025
	\$'000	\$'000
Carrying amount at the beginning of the period	677	707
Amounts written off	(308)	(8)
Decrease in allowance recognised in profit and loss	(214)	(22)
Carrying amount at the end of the period	155	677

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

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

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

5.2. Receivables (continued)

Statutory receivables

Statutory receivables do not arise from contracts with customers. They are related to statutory fees and charges. Statutory receivables are recognised and measured similarly to contractual receivables and are not financial assets.

Workers compensation recoveries are related to the interim benefits receivable from employees pursuant to Section 32(3) of the *Return to Work Act 2014*. This receivable is recognised when the relevant employees' claims are rejected.

No impairment loss was recognised in relation to statutory receivables.

5.3. Useful life and depreciation of non-financial assets

Useful life

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

<u>Class of Asset</u>	<u>Useful Life (years)</u>
Computing equipment	7
Intangible assets	7-15
Infrastructure	15-30
Plant and equipment	5-20
Vehicles	10-25
Furniture and fittings	8-20
Buildings and improvements	40
Right-of-use buildings	13

Review of accounting estimates

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

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

5.4. Property, plant and equipment by asset class

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

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

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

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

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

Reconciliation 2025-26

	Land	Buildings and improvements	Infrastructure	Vehicle s	Computing equipment	Furniture and fittings	Plant & equipment	ROU Buildings	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	278	6	134	48	18	2 976	1 243	2 837	45	7 585
Acquisitions	-	-	-	-	48	64	277	-	50	439
Transfers to/(from) capital works in progress	-	-	-	-	-	54	41	-	(95)	-
Depreciation	-	(1)	(17)	(6)	(10)	(317)	(322)	(243)	-	(916)
Carrying amount at the end of the period	278	5	117	42	56	2 777	1 239	2 594	-	7 108
Gross carrying amount										
Gross carrying amount	278	40	348	155	271	6 508	3 899	3 160	-	14 659
Accumulated depreciation	-	(35)	(231)	(113)	(215)	(3 731)	(2 660)	(566)	-	(7 551)
Carrying amount at the end of the period	278	5	117	42	56	2 777	1 239	2 594	-	7 108

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

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

Reconciliation 2024-25

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

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

5.5. Property, plant and equipment leased by the Authority

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

The Authority has a limited number of leases:

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

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

5.6. Intangible assets

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

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

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

Reconciliation 2025-26

	Internally developed \$'000	Externally acquired \$'000	Capital work in progress \$'000	Total \$'000
Carrying amount at the beginning of the period	241	2 841	85	3 167
Acquisitions	-	103	70	173
Transfers from capital works in progress	-	155	(155)	-
Transfers between classes	(226)	226	-	-
Amortisation	(8)	(492)	-	(500)
Carrying amount at the end of the period	7	2 833	-	2 840
Gross carrying amount				
Gross carrying amount	106	8 522	-	8 628
Accumulated amortisation	(99)	(5 689)	-	(5 788)
Carrying amount at the end of the period	7	2 833	-	2 840

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

5.6. Intangible assets (continued)

Reconciliation 2024-25

	Internally developed \$'000	Externally developed \$'000	Capital work in progress \$'000	Total \$'000
Carrying amount at the beginning of the period	23	3 185	201	3 409
Acquisitions	-	-	189	189
Transfers from capital works in progress	233	72	(305)	-
Amortisation	(15)	(416)	-	(431)
Carrying amount at 30 June 2025	241	2 841	85	3 167
Gross carrying amount				
Gross carrying amount	332	8 099	85	8 516
Accumulated amortisation	(91)	(5 258)	-	(5 349)
Carrying amount at 30 June 2025	241	2 841	85	3 167

6. Liabilities

All financial liabilities are measured at amortised cost.

6.1. Payables

	2026 \$'000	2025 \$'000
<u>Current</u>		
Contractual payables	935	712
Total current payables	935	712
Total payables	935	712

Payables and accrued expenses are recognised for all amounts owing but unpaid. All payables are non-interest bearing.

Contractual payables

Contractual payables are liabilities that arises from contracts. They include trade payables and accrued expenses. Accrued expenses are expenses incurred but not yet invoiced or paid. The balances are transferred to trade payables when invoices are received.

Contractual payables are normally settled within 15 days from the date the invoice is first received.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

6.2. Financial liabilities

All financial liabilities relate to lease liabilities. The current portion of financial liabilities is \$161 000 (2025: \$143 000) and the non-current portion is \$2.690 million (2025: \$2.851 million).

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

Financing costs associated with leasing activities was \$142 000 (2025: \$153 000).

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

	2026	2025
	\$'000	\$'000
Lease Liabilities		
Up to 1 year	310	299
1 to 5 years	1 347	1 303
More than 5 years	2 151	2 504
	3 808	4 106

6.3. Employee related liabilities

	2026	2025
	\$'000	\$'000
<u>Current</u>		
Annual leave	2 070	1 788
Long service leave	486	570
Accrued salaries and wages	179	83
Skills and experience retention leave	133	119
Employment on-costs	611	506
Total current employee related liabilities	3 479	3 066
<u>Non-current</u>		
Long service leave	4 089	3 701
Employment on-costs	429	388
Total non-current employee related liabilities	4 518	4 089
Total employee related liabilities	7 997	7 155

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

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

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

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

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

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

6.3. Employee related liabilities (continued)

Long service leave

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

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

The discount rate used in measuring the liability is reflective of the yield on long term Commonwealth Government bonds. The yield on long term Commonwealth Government bonds has increased from 4.25% in 2025 to 4.75% in 2026.

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

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

The current portion of employee related liabilities reflects the amount for which the Authority does not have the right to defer settlement for at least 12 months after reporting date.

Employment on-costs

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

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

As a result of an actuarial assessment performed by the DTF, the proportion of long service leave taken as leave has remained constant at 44%. The average factor for the calculation of employer superannuation cost on-costs has also remained unchanged from the 2025 rate (12%). The impact on future periods is impracticable to estimate.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

6.4. Provisions

All provisions relate to workers compensation.

Movement in provisions	2026	2025
	\$'000	\$'000
Carrying amount at the beginning of the period	340	271
Reductions arising from payments	(208)	-
Increases/(decreases) resulting from re-measurement	172	(21)
Additions	105	90
Carrying amount at the end of the period	409	340

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

Accordingly, a liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2026 provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment.

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

6.5. Other liabilities

	2026	2025
	\$'000	\$'000
<u>Current</u>		
Deposits held	350	350
Accommodation incentive	38	38
Total current other liabilities	388	388
<u>Non-current</u>		
Accommodation incentive	82	120
Total non-current other liabilities	82	120
Total other liabilities	470	508

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

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

7. Other disclosures

7.1. Cash flow

Reconciliation of net cash provided by operating activities to net result

	2026	2025
	\$'000	\$'000
<u>Reconciliation of net cash provided by operating activities to net result</u>		
Net cash provided by operating activities	7 911	14 049
<u>Add/less non-cash items</u>		
Depreciation and amortisation	(1 416)	(1 322)
Supplies and services not requiring cash	(452)	(276)
Resources received free of charge	452	397
Plant and equipment write-offs	-	(15)
<u>Movement in assets and liabilities</u>		
Increase/(decrease) in receivables	1 831	(1 082)
(Increase)/decrease in payables	(223)	1 295
(Increase)/decrease in employee related liabilities	(842)	527
(Increase)/decrease in other liabilities	38	(71)
Increase in provisions	(69)	(69)
Net result	7 230	13 433

Total cash outflows for leases is \$285 000 (2025: \$353 000).

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

7.2. The Environment Protection Fund

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

Statement of Comprehensive Income for the year ended 30 June 2026	2026 \$'000	2025 \$'000
Income		
Fees and Charges	6 443	6 411
Interest	1 324	1 138
Grants, subsidies and transfers	-	4
Total income	7 767	7 553
Expenses		
Employee related expenses	-	-
Supplies and services	-	-
Grants and subsidies	-	-
Total expenses	-	-
Net result	7 767	7 553
Statement of Financial Position as at 30 June 2026	2026 \$'000	2025 \$'000
Current assets		
Cash	39 671	32 002
Receivables	1 080	982
Total current assets	40 751	32 984
Total assets	40 751	32 984
Current liabilities		
Payables	-	-
Employee Benefits	-	-
Total current liabilities	-	-
Total liabilities	-	-
Net assets	40 751	32 984
Equity		
Retained earnings	40 751	32 984
Total equity	40 751	32 984

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

7.2. The Environment Protection Fund (continued)

Statement of Changes in Equity for the year ended 30 June 2026	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2024	25 431	25 431
Net result for 2024-25	7 553	7 553
Balance at 30 June 2025	32 984	32 984
Net result for 2025-26	7 767	7 767
Balance at 30 June 2026	40 751	40 751

Statement of Cash Flows for the year ended 30 June 2026	2026 \$'000	2025 \$'000
Cash flows from operating activities		
<u>Cash inflows</u>		
Fees and charges	6 248	6 431
Interest	1 421	1 125
Grants and contribution receipts	-	4
<u>Cash outflows</u>		
Payments for supplies and services	-	(19)
Net cash provided by operating activities	7 669	7 541
Net increase in cash and cash equivalents	7 669	7 541
Cash and cash equivalents at the beginning of the reporting period	32 002	24 461
Cash and cash equivalents at the end of the reporting period	39 671	32 002

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

7.3. Radiation Protection

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

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

Statement of Comprehensive Income for the year ended 30 June 2026	2026 \$'000	2025 \$'000
Income		
Radiation license fees	5 249	4 623
Grants and contributions	33	33
Total income	5 282	4 656
Expenses		
Employee related expenses	2 034	1 891
Supplies and services	177	39
Total expenses	2 211	1 930
Net result	3 071	2 726

7.4. Administered Items

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

Solid Waste Levies

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

Statement of Comprehensive Income for the year ended 30 June 2026	2026 \$'000	2025 \$'000
Income		
Solid waste levies	53 836	53 451
Total income	53 836	53 451
Expenses		
Solid waste levies transferred to GISA	53 268	53 634
Total expenses	53 268	53 634
Net result	568	(183)

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

7.4. Administered Items (continued)

Statement of Financial Position	2026	2025
as at 30 June 2026	\$'000	\$'000
Current assets		
Cash	1 417	1 403
Receivables	9 413	8 859
Total current assets	10 830	10 262
Total assets	10 830	10 262
Net assets	10 830	10 262
Equity		
Retained earnings	10 830	10 262
Total equity	10 830	10 262
Statement of Cash Flows	2026	2025
for the year ended 30 June 2026	\$'000	\$'000
Cash flows from operating activities		
<u>Cash inflows</u>		
Solid waste levies received	53 281	53 634
Cash generated from operations	53 281	53 634
<u>Cash outflows</u>		
Solid waste levies transferred to GISA	(53 267)	(53 634)
Cash used in operations	(53 267)	(53 634)
Net cash provided by operating activities	14	-
Net increase in cash and cash equivalents	14	-
Cash and cash equivalents at the beginning of the reporting period	1 403	1 403
Cash and cash equivalents at the end of the reporting period	1 417	1 403

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

8. Outlook

8.1. Unrecognised commitments

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

Other contractual commitments

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

	2026	2025
	\$'000	\$'000
Within one year	2 915	2 098
Later than one year but not longer than five years	2 510	4 532
Total expenditure commitments	5 425	6 630

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

8.2. Contingent assets and liabilities

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

The Authority is not aware of any contingent assets or liabilities as at 30 June 2026.

8.3. Impact of standards and statements not yet effective

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

8.4. Events after the reporting period

There were no events that occurred after the reporting period for the year ended 30 June 2026.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

9. Measurement and risk

9.1. Fair value

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

Initial recognition

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

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

Fair value hierarchy

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

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

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

The Authority's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. During 2025 and 2026, the Authority had no valuations categorised into level 1 or 2.

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

9.2. Financial instruments

Financial Risk Management

Risk management is managed by the Authority's Office of the Deputy Chief Executive. The Authority's risk management policies are in accordance with the *SA Government Risk Management Guide* the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

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

Liquidity risk

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

Credit Risk

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

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

Impairment of financial assets

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

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

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

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

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

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

9.2 Financial instruments (continued)

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

	Debtor gross carrying amount	Loss %	Lifetime expected losses
	\$'000		\$'000
Current (not past due)	1 496	0.0	-
1 - 30 days past due	617	0.0	-
31 - 60 days past due	48	0.0	-
61 - 90 days past due	32	0.0	-
More than 90 days past due	1 166	19.5*	155
Loss allowance			155

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

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

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

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

Cash

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

Market risk

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

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

Categorisation of Financial Instruments

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

Environment Protection Authority
Notes to and forming part of the financial statements
for the year ended 30 June 2026

9.2 Financial instruments (continued)

Classification of Financial Instruments

The Authority measures all financial instruments at amortised cost.

Maturity analysis of Financial Instruments

Financial assets and financial liabilities are measured at amortised cost except for amounts relating to statutory receivables and payables (e.g. Commonwealth taxes) and prepayments are not considered as financial assets or liabilities. Receivables and payables at amortised cost are \$3.342 million (2025: \$3.060 million) and \$0.935 million (2025: \$0.712 million) respectively.

Statutory receivables and payables

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