
GOVERNMENT OF
WESTERN AUSTRALIA
Department of Water and
Environmental Regulation
2025–26
ANNUAL REPORT

Acknowledgement of Country

The Department of Water and Environmental Regulation (the Department) acknowledges the Traditional Owners of the lands on which we live and work throughout Western Australia and we pay our respects to Elders past and present.

The Department recognises the practice of intergenerational care for Country and its relevance to our work and working with the community.

The Department continues to move forward with a shared commitment to protect and conserve Country for our future generations.



Caring for Country visual style

The First Nations artwork used throughout this report was created by Wongutha artist and designer Kevin Wilson.

The artwork explores the interconnectedness of water sources across Western Australia, above and below the ground. It depicts the rivers, creeks, waterways, and waterholes that sustain Country. The repeated waterhole motif emphasises that, despite geographical separation, water remains intrinsically connected beneath a shared sky. These connections are shaped by the Western Australian landscape — the land (Country) and its natural systems. The meeting place motif represents our communities, while the surrounding scattered dots symbolise the diversity of flora found throughout the state. Kangaroo and emu footprints are incorporated to acknowledge the presence and movement of animals through Country.

The vibrant colour palette reflects the breadth and richness of the state's environmental landscapes and natural wonders. Together, these elements show that people, animals, and plants can only continue to thrive within a healthy, well-stewarded environment, recognising the importance of caring for Country.



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Front cover: Rangers from Yued Aboriginal Corporation's Ranger Program conducting river health monitoring with members of the DWER River Science team at Regans Ford on Yued Boodja, January 2026.

Disclaimer

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This publication is available at our website wa.gov.au/dwer or for those with special needs it can be made available in alternative formats such as audio, large print, or Braille.

25261349

Statement of compliance

For the year ended 30 June 2026

Hon Daniel Pastorelli MLA
Minister for Water

Hon Matthew Swinbourn MLC
Minister for the Environment; Climate Resilience

Hon Amber-Jade Sanderson MLA
Minister for Energy and Decarbonisation

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament the annual report for the Department of Water and Environmental Regulation for the financial year ended 30 June 2026.

The annual report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

Alistair Jones
Director General
22 October 2026

From the Director General



As our State continues to grow and develop, so too does our responsibility to protect our unique environment, water resources and the liveability of our communities.

Over the past year we have set ourselves up for the future with the development and release of our *Strategic Intent: Beyond 2050*, which outlines how our current work will deliver long term impact.

Our work is broad and deep – securing water for people, nature and the economy, while protecting our natural systems and environmental and human health, to build low waste, low carbon, circular economies and climate resilient and sustainable communities.

We engage, listen and act in partnership with the communities we serve. This includes exploring ways to foster partnerships with Aboriginal communities for mutual benefit and working with respect for Aboriginal traditional knowledge in our decision-making processes.

Population and economy are growing at the fastest rate in the country, and climate change is reshaping the way we live and work.

As industry and our economy grows, noise, dust, odours and other community concerns are also increasingly requiring our attention as regulators and in engaging with affected people.

In WA, water and climate remain priority issues. Government's key water direction statement, *Made Possible by Water*, directs our work with the State's water utilities and corporations to strengthen water security across Perth and regional communities while supporting housing, jobs and economic growth.

We are building drought resilience in dryland and regional agricultural areas through strategic water supply programs and partnerships with Commonwealth and local governments, industry and community, ensuring water security needs are being met wherever we are in the state.

Our circular economy work across food organics, e-waste, tyres, cardboard and other priority materials is supporting greater resource recovery and reducing the amount of valuable materials lost to landfill.

The year saw great global climate, geopolitical and economic change and therefore the need for agile and forward-looking responses that consider energy and decarbonisation, new industries and mining and processing of critical minerals.

We lead and support major projects in housing, energy and infrastructure through assessment and approvals. Our approvals system integrates the best science, environmental protections and outcomes. I am proud of our work in streamlining approvals processes and of our role in wider government initiatives such as the lead agency framework and Green Energy Approvals Initiative.

You will see some examples in this report of the science and environmental management work we do as a Department, and how that ensures evidence-based, practical decisions are made in our assessments, and to support informed regulatory decision-making.

We are working hard to inform, reform and improve environmental impact assessments to deliver sustainable outcomes that link today's actions to long term benefits for WA.

Our role is to strike the right balance for Western Australia – protecting nature and water while enabling communities and the economy to thrive.

This approach will guide our regulation, advice and programs to 2050 and beyond.



Alistair Jones
Director General

Our 2025–26 highlights

12,995
water licences managed
covering 4,000+ GL of licensed water entitlements

Statewide climate projections
WA's first statewide projections support future planning

48
community water supply projects
approved with 33 local governments

12
active freshwater investigations
conducted on water resources and ecosystems

400+
river and estuary sites monitored
across the south-west

60
emissions profiles tracked
across 140 government entities through new software

Threatened perch
presence confirmed in the Helena River

Threatened sawfish
supported through Kimberley conservation efforts

16%
seagrass increase
reported in the Peel-Harvey

$6.35 mil
in carbon innovation grants
approved for emissions reduction initiatives

200 mil
more containers captured yearly
through the expanded Containers for Change scheme

25
EPA reports completed
with departmental support for environmental assessment

9,269
environment reports received
from community, industry and other sources

Water measurement drones
tested for water data collection

591 tonnes
of hazardous household materials collected



3,000+
land planning advice requests provided
supporting planning decisions across Western Australia

254
environmental incidents
responded to on pollution and environmental risk matters

Infra-red gas detection systems
trialled for field use and environmental monitoring

Recycling
capacity funded for tyre and cardboard recovery

175
Green Energy assessments
completed since 2023

387
environmental investigations completed
on environmental compliance matters

44
environment and water workstreams
progressed for delivery in the Cocos Keeling Islands

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OFFICIAL

Auditor General

INDEPENDENT AUDITOR'S REPORT

2026

Department of Water and Environmental Regulation

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Department of Water and Environmental Regulation (Department) which comprise:

- the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended
- administered schedules comprising the administered assets and liabilities as at 30 June 2026 and administered income and expenses by service for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Department for the year ended 30 June 2026 and the financial position as at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

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

Emphasis of Matter – Restatement of Comparative balances

I draw attention to Note 3.5(d) of the financial statements which states that the amounts reported in the previously issued 30 June 2025 financial statements have been restated and disclosed as comparatives in these financial statements. My opinion is not modified in respect of this matter.

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Responsibilities of the Director General for the financial statements

The Director General is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director General is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Department.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are 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 the financial statements. 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.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Department. The controls exercised by the Department are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with the State's financial reporting framework (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Department are sufficiently adequate to provide reasonable assurance that the controls within the system were suitably designed to achieve the overall control objectives identified as at 30 June 2026, and the controls were implemented as designed as at 30 June 2026.

The Director General's responsibilities

The Director General is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006,* my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements *ASAE 3150 Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the audit of the key performance indicators

Basis for Qualified Opinion

Insufficient audit evidence to support reported performance

I was unable to obtain sufficient appropriate audit evidence for the key effectiveness indicator *Percentage of potential environmental risks identified during compliance monitoring program that are rectified within two months* (Actual 2025-26: 11%), for the year ended 30 June 2026, as our testing identified issues with the accuracy of the underlying records. I was unable to confirm the performance of this indicator by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the reported performance of this indicator.

Prior-year qualified results in trend information

The 2025-26 key performance indicator report includes the following key effectiveness indicators whose 2024-25 results were previously subject to audit qualification because sufficient appropriate evidence was not available to support these results.

- *Percentage of potential environmental risks identified during compliance monitoring program that are rectified within two months*
- *Percentage of regulatory compliance activities completed as planned*

These results form part of the trend information in the 2025-26 key performance indicator report and remain uncorrected. Consequently, the trend information is inadequate to enable informed comparability of the entity's performance.

Qualified Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Department for the year ended 30 June 2026 reported in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions (legislative requirements). The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, except for the possible effects of the matters described in the Basis for Qualified Opinion section of my report, the key performance indicators report of the Department for the year ended 30 June 2026 is in accordance with the legislative requirements, and the key performance indicators are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2026.

Matter of Significance

The Department received a direction from the Treasurer under section 61(1)(b) of the *Financial Management Act 2006* on 30 June 2025 that it is not required to report the following four key effectiveness indicators under two outcomes for the year ended 30 June 2026:

Outcome 4: Waste avoided and the recovery of materials from landfill maximised

- Percentage of municipal solid waste reported as diverted from landfill through recycling compared to waste strategy target in the Perth Metropolitan Region
- Percentage of commercial and industrial waste reported as diverted from landfill through recycling compared to the State-wide waste strategy target
- Percentage of construction and demolition waste reported as diverted from landfill through recycling compared to the State-wide waste strategy target.

Outcome 5: Quality advice to the Environmental Protection Authority and Minister for Environment on significant proposals and environmental issues

- Percentage of assessments that met agreed timelines.

Consequently, the above key performance indicators have not been reported for 30 June 2026. As a result, the Department does not have a reportable effectiveness indicator for Outcome 4: "Waste avoided and the recovery of materials from landfill maximised". I am required by section 24(1) of the *Auditor General Act 2006* to report matters of such significance. My opinion is not modified in respect of this matter.

The Director General's responsibilities for the key performance indicators

The Director General is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal controls as the Director General determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Director General is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 3 Financial Sustainability – Requirement 5 Key Performance Indicators.

Auditor General's responsibilities

As required by the *Auditor General Act 2006,* my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the Department's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements *ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 3 - Requirement 5 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments, I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My independence and quality management relating to the report on financial statements, controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements,* the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Director General is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2026, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements and key performance indicators of the Department for the year ended 30 June 2026 included in the annual report on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the Department to confirm the information contained in the website version.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
12 October 2026



Certification of financial statements

For the reporting period ended 30 June 2026

The accompanying financial statements of the Department of Water and Environmental Regulation have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2026 and the financial position as at 30 June 2026.

At the date of signing, we are not aware of any circumstances which would render the particulars included within the financial statements misleading or inaccurate.

Hilary Manderson
Chief Finance Officer
7 October 2026

Sasha Pendal
Acting Director General
7 October 2026

Statement of comprehensive income

For the year ended 30 June 2026

	Notes	2026 $'000	2025 *Restated $'000
Cost of services			
Expenses			
Employee benefits expense	2.1(a)	165,515	152,733
Supplies and services	2.3	58,465	54,107
Depreciation and amortisation expenses	4.1.1, 4.2, 4.3.1	15,602	13,159
Finance costs	6.3	315	249
Accommodation expenses	2.3	11,577	11,004
Grants and subsidies	2.2	35,685	30,074
Other expenses	2.3	5,563	6,026
Net loss on disposal of non-current assets	2.4	1,082	210
Total cost of services		**293,804**	**267,562**
Income			
User charges and fees	3.2	45,578	45,550
Commonwealth grants	3.3	17,802	3,132
Waste Levy	3.4	89,625	98,262
Other income	3.5	28,550	18,520
Total income		**181,555**	**165,464**
Net cost of services		**112,249**	**102,098**

	Notes	2026 $'000	2025 *Restated $'000
Income from State Government			
Service appropriation	3.1	130,843	127,074
Income from other public sector entities	3.1	6,369	6,169
Resources received	3.1	6,136	1,871
Royalties for Regions fund	3.1	9,438	11,636
Total income from State Government		**152,786**	**146,750**
Surplus for the period		**40,537**	**44,652**
Other comprehensive income			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	8.10	45,669	45,913
Total other comprehensive income		**45,669**	**45,913**
Total comprehensive income for the period		**86,206**	**90,565**

The Statement of comprehensive income should be read in conjunction with the accompanying notes.

* Refer to Note 3.5(d) for details of restatement.

Statement of financial position

As at 30 June 2026

	Notes	2026 $'000	2025 *Restated $'000
Assets			
Current assets			
Cash and cash equivalents	6.4	47,596	34,897
Restricted cash and cash equivalents	6.4	116,171	98,470
Receivables	5.1	45,320	46,864
Amounts receivable for services	5.2	6,482	6,238
Other assets	5.3	6,140	5,462
Total current assets		**221,709**	**191,931**
Non-current assets			
Receivables	5.1	6,640	5,407
Amounts receivable for services	5.2	104,908	98,552
Infrastructure, property, plant and equipment	4.1	586,116	532,523
Right-of-use assets	4.2	4,597	3,630
Intangible assets	4.3	51,904	45,373
Other assets	5.3	58	44
Total non-current assets		**754,223**	**685,529**
Total assets		**975,932**	**877,460**

	Notes	2026 $'000	2025 *Restated $'000
Liabilities			
Current liabilities			
Payables	5.4	12,533	10,115
Lease liabilities	6.1	1,336	1,073
Contract liabilities	5.5	2,486	1,961
Employee related provisions	2.1(b)	34,694	31,296
Other current liabilities	5.6	23	24
Total current liabilities		**51,072**	**44,469**
Non-current liabilities			
Lease liabilities	6.1	3,489	2,710
Employee related provisions	2.1(b)	8,047	7,882
Total non-current liabilities		**11,536**	**10,592**
Total liabilities		**62,608**	**55,061**
Net assets		**913,324**	**822,399**
Equity			
Contributed equity	8.10	227,535	222,816
Reserves	8.10	228,657	182,988
Accumulated surplus		457,132	416,595
Total equity		**913,324**	**822,399**

The Statement of financial position should be read in conjunction with the accompanying notes.

* Refer to Note 3.5(d) for details of restatement.

Statement of changes in equity

For the year ended 30 June 2026

	Notes	Contributed equity $'000	Reserves $'000	Accumulated surplus $'000	Total equity $'000
Balance at 1 July 2024		**226,243**	**137,075**	**371,943**	**735,261**
Surplus (restated)*		-	-	44,652	44,652
Other comprehensive income	8.10	-	45,913	-	45,913
Total comprehensive income for the period (restated)		-	**45,913**	**44,652**	**90,565**
Transactions with owners in their capacity as owners:					
Contributions by owners	8.10	22,377	-	-	22,377
Distribution to owners	8.10	(25,804)	-	-	(25,804)
Total		**(3,427)**	**-**	**-**	**(3,427)**
Balance at 30 June 2025 (restated)		**222,816**	**182,988**	**416,595**	**822,399**
Balance at 1 July 2025		**222,816**	**182,988**	**416,595**	**822,399**
Surplus		-	-	40,537	40,537
Other comprehensive income	8.10	-	45,669	-	45,669
Total comprehensive income for the period		**-**	**45,669**	**40,537**	**86,206**
Transactions with owners in their capacity as owners:					
Contributions by owners	8.10	44,182	-	-	44,182
Distribution to owners	8.10	(39,463)	-	-	(39,463)
Total		**4,719**	**-**	**-**	**4,719**
Balance at 30 June 2026		**227,535**	**228,657**	**457,132**	**913,324**

The Statement of changes in equity should be read in conjunction with the accompanying notes.

* Refer to Note 3.5(d) for details of restatement.

Statement of cash flows

For the year ended 30 June 2026

	Notes	2026 $'000	2025 $'000
Cash flows from State Government			
Service appropriation		118,005	112,087
Capital contributions		14,645	5,495
Holding account drawdown		6,238	7,753
Other contribution by owners		29,537	16,882
Distributions to owner		(37,307)	(25,804)
Royalties for Regions fund		9,438	11,636
Funds from other public sector entities		6,639	5,505
Net cash provided by State Government		**147,195**	**133,554**
Utilised as follows:			
Cash flows from operating activities			
Payments			
Employee benefits		(161,838)	(147,117)
Supplies and services		(54,672)	(54,370)
Finance costs		(317)	(251)
Accommodation		(11,331)	(10,939)
Grants and subsidies		(34,537)	(28,880)
GST payments on purchases		(12,152)	(12,316)
Other payments		(5,637)	(4,811)
Receipts			
User charges and fees		48,389	44,763
Commonwealth grants		16,603	3,131
Waste Levy		90,549	102,013
GST receipts on sales		926	817
GST receipts from taxation authority		11,337	10,977
Other receipts		26,049	14,683
Net cash used in operating activities		**(86,631)**	**(82,300)**
Cash flows from investing activities			
Payments			
Purchase of non-current assets		(27,556)	(35,113)
Net cash used in investing activities		**(27,556)**	**(35,113)**
Cash flows from financing activities			
Payments			
Principal elements of lease payments		(1,376)	(1,290)
Payments to accrued salaries account		(1,232)	(1,155)
Net cash used in financing activities		**(2,608)**	**(2,445)**
Net increase in cash and cash equivalents		30,400	13,696
Cash and cash equivalents at the beginning of the period		133,367	119,671
Cash and cash equivalents at the end of the period	6.4	**163,767**	**133,367**

The Statement of cash flows should be read in conjunction with the accompanying notes.

Administered income and expenses

For the year ended 30 June 2026

	2026 $'000	2025 $'000
Income		
For transfer:		
Regulatory fees and other charges[a]	60	68
Total administered income	**60**	**68**
Expenses		
Payments into the consolidated account[a]	60	68
Total administered expenses	**60**	**68**

(a) Payments into the consolidated account include water fines collected on behalf of the Water Corporation, and environmental infringement regulatory fees and fines collected on behalf of the State Government.

(b) Further explanations of variances are contained in note 9.2 'Explanatory statement for administered items.'

Administered assets and liabilities

	2026 $'000	2025 $'000
As at 30 June 2026		
Assets		
Current assets		
Cash and cash equivalents	1	1
Total administered current assets	**1**	**1**
Total administered assets	**1**	**1**
Liabilities		
Current liabilities		
Payables	-	1
Total administered current liabilities	**-**	**1**
Total administered liabilities	**-**	**1**





Notes to the financial statements

For the year ended 30 June 2026

1. Basis of preparation

The Department of Water and Environmental Regulation (the Department) is a Government not-for-profit entity controlled by the State of Western Australia (WA), which is the ultimate parent.

A description of the nature of its operations and its principal activities has been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Director General of the Department on 7 October 2026.

(a) Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures, the Conceptual Framework and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) as modified by Treasurer's instructions. Some of these pronouncements are modified to vary their application and disclosure.

The *Financial Management Act 2006* and Treasurer's instructions, which are legislative provisions governing the preparation of financial statements for the Department, take precedence over AASB pronouncements. Where an AASB pronouncement is modified and has had a significant financial effect on the reported results, details of the modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars ($'000).

(c) Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

(a) amount of GST incurred by the Department as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and

(b) receivables and payables are stated with the amount of GST included.

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

(d) Contributed equity

Interpretation 1038 Contributions by *Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, as designated as contributions by owners (at the time of, or prior to, transfer) be recognised as equity contributions.

Capital appropriations have been designated as contributions by owners by TI 8 – Requirement 8.1(i) and have been credited directly to Contributed Equity.

(e) Administered items

The Department administers, but does not control, certain activities and functions for and on behalf of Government that do not contribute to the Department's services or objectives. It does not have discretion over how it utilises the transactions in pursuing its own objectives.

Transactions relating to the administered activities are not recognised as the Department's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules as 'Administered income and expenses', and 'Administered assets and liabilities'.

The accrual basis of accounting and applicable Australian Accounting Standards have been adopted.

(f) Comparative figures and information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. AASB 1060 provides relief from presenting comparatives for:

- Property, Plant and Equipment reconciliations;
- Intangible Asset reconciliations; and
- Right-of-Use Asset reconciliations.

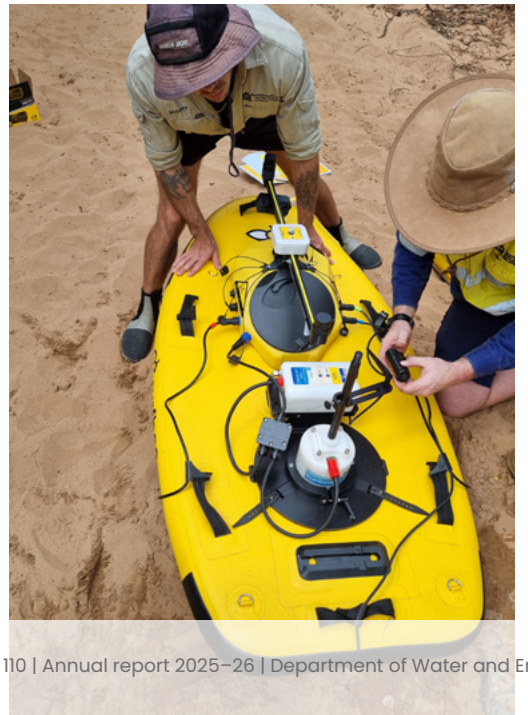
(g) Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and / or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Expenses incurred in the delivery of services

This section provides additional information about how the Department's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Department in achieving its objectives and the relevant notes are:

	Notes	2026 $'000	2025 $'000
Employee benefits expense	2.1(a)	165,515	152,733
Employee related provisions	2.1(b)	42,741	39,178
Grants and subsidies	2.2	35,685	30,074
Other expenditure	2.3	75,605	71,137
Net loss on disposal of non-current assets	2.4	1,082	210



2.1(a) Employee benefits expense

	2026 $'000	2025 $'000
Employee benefits	147,959	137,182
Superannuation – defined contribution plans	17,556	15,551
Total employee benefits expenses	**165,515**	**152,733**
Add: AASB 16 Non-monetary benefits (not included in employee benefit expense)	1,482	1,160
Less: Employee contributions (refer to note 3.5 Other income)	(137)	(157)
Total employee benefits expenses	**166,860**	**153,736**

Employee benefits include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave; and non-monetary benefits recognised under accounting standards other than AASB 16 (such as cars, housing and free or subsidised goods or services) for employees.

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Department is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer of voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Superannuation is the amount recognised in profit or loss of the Statement of comprehensive income comprising employer contributions paid to the Gold State Super (concurrent contributions), West State Super, GESB Super or other superannuation funds.

AASB 16 Non-monetary benefits are non-monetary employee benefits, predominantly relating to the provision of vehicle and housing benefits that are recognised under AASB 16 and are excluded from the employee benefit expense.

Employee contributions are contributions made to the Department by employees towards employee benefits that have been provided by the Department. This includes both AASB 16 and non-AASB 16 employee contributions.

2.1(b) Employee related provisions

	2026 $'000	2025 $'000
Current		
Employee benefits provisions		
Annual leave[a]	15,056	13,583
Long service leave[b]	18,337	16,535
Purchased annual leave	169	130
Deferred salary scheme[c]	504	499
	34,066	**30,747**
Other provisions		
Employment on-costs[d]	628	549
Total current employee related provisions	34,694	31,296
Non-Current		
Employee benefits provisions		
Long service leave[b]	7,898	7,740
Other provisions		
Employment on-costs[d]	149	142
Total non-current employee related provisions	8,047	7,882
Total employee related provisions	42,741	39,178

Provision is made for benefits accruing to employees, in respect of annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

(a) Annual leave liabilities are classified as current as there is no right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

(b) Long service leave liabilities are unconditional long service leave provisions and are classified as current liabilities as the Department does not have the right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Department has the right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for long service leave is calculated at present value as the Department does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(c) Deferred salary scheme liabilities are classified as current where there is no right to defer settlement for at least 12 months after the end of the reporting period.

(d) Employment on-costs involve the settlement of annual and long service leave liabilities which gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance premiums, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses,' note 2.3 (apart from the unwinding of the discount [finance cost]) and are not included as part of the Department's Employee benefits expense. The related liability is included in Employment on-costs provision.

	2026 $'000	2025 $'000
Employment on-costs provision		
Carrying amount at start of period	691	863
Additional/(reversals of) provisions recognised	305	256
Payments/other sacrifices of economic benefits	(224)	(479)
Unwinding of the discount	5	51
Carrying amount at end of period	**777**	691

Key sources of estimation uncertainty – long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

Several estimates and assumptions are used in calculating the Department's long service leave provision. These include:

- expected future salary rates
- discount rates
- employee retention rates
- expected future payments.

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.



2.2 Grants and subsidies

	Notes	2026 $'000	2025 $'000
Recurrent			
Carbon Innovation Grants Program		1,116	760
Climate Action Fund – Climate Science Initiative		-	199
Contaminated Sites Management Account Grants		78	28
Keep Australia Beautiful Council (W.A.)		178	183
Murujuga Aboriginal Corporation Resourcing		422	278
Native Vegetation Program – Wave		76	305
Plastic Free July		-	250
Polyphagous Shot-Hole Borer – WA Tree Recovery Program		897	141
Royalties for Regions – Healthy Estuaries Western Australia (Continuation)		565	25
State-wide Water Efficiency Measures		-	462
Treebate Program		1,029	-
Waste Avoidance and Resource Recovery Account	3.4	5,650	6,812
Water Innovation Partnership		197	112
Capital			
Climate Action Fund – Urban Greening Grants		-	3,022
Commonwealth Grants – Food Waste for Healthy Soils[(a)]		125	-
Commonwealth Grants – National Partnership on Recycling Infrastructure[(b)]		8,995	5,647
Commonwealth Grants – National Water Grid Fund – Water Infrastructure for Sustainable and Efficient Regions (WISER)[(c)]*		1,091	136
Clean Energy Future Fund – Western Australia Recovery Program[(d)]		967	363
Clean Western Australia – Waste Paper and Cardboard Processing[(e)]		5,595	3,488
Establishing and Maintaining Vegetation Offsets Account[(f)]		1,188	-
E-Waste to Landfill Ban[(g)]		1,318	2,167
Native Vegetation Rehabilitation Scheme[(h)]		818	1,949
Pilbara Environmental Offsets Fund		1,402	1,159
Royalties for Regions – Dry Season Response[(i)]		514	55
Rural Water Planning Program[(j)]		1,729	902
Waste Avoidance and Resource Recovery Account	3.4	125	-
Waste Avoidance and Resource Recovery Account – Waste Export Ban	3.4	1,610	1,631
Total grants and subsidies		**35,685**	**30,074**

* Last financial year the program was listed as Rural Water Planning (program name change).

Transactions in which the Department provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant or subsidy expenses.' Grants and subsidies can either be operating or capital in nature.

Grants can be paid as general-purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

(a) As part of the National Soils Strategy, the Australian Government announced Food Waste for Healthy Soils Fund. The fund is aimed at supporting the diversion of nutrient-rich household and commercial organic waste from landfill to soils by building new or enhancing existing organic waste processing infrastructure.

Together with co-contributions from participating state and territory governments and industry, the fund will leverage investment in organic waste recycling infrastructure to divert organic waste into nutrient rich compost and soil enhancers. Funded facilities will increase the quantity and quality of recycled organic waste available for use, especially in the agricultural industry.

(b) The Western Australian and Australian Governments are committed to improve recycling capacity in Western Australia through a joint funding arrangement. The Commonwealth contribution is through the Recycling Modernisation Fund to fund the Commonwealth Grants – National Partnership on Recycling Infrastructure. This funding was in response to the former Council of Australian Governments' decision to ban the export of waste glass, tyres, plastics and paper/cardboard. The

funding supports private investment in recycling infrastructure through grants administered by the Department.

(c) The Water Infrastructure for Sustainable and Efficient Regions (WISER) initiative supports the delivery of small-scale water infrastructure projects that improve water efficiency and strengthen the capacity of regional communities in an environmentally sustainable way. WISER is a nationwide funding initiative. It focuses on short-term delivery to bring benefits to communities and the environment sooner. Projects are being delivered in partnership with state governments and local councils.

(d) The Clean Energy Future Fund – West Australia Recovery Program supports the development of clean energy projects under a framework agreed by the Minister for Environment and the Minister for Energy, accelerating deployment of a broad range of clean energy solutions to decarbonise West Australia's regions and the mining sector. Investment is expected to drive the installation of clean energy infrastructure in regional and remote areas, increasing economic activity and employment.

(e) The initiative is co-funded by the Commonwealth Government with the purpose of creating a new wastepaper and cardboard mill. The infrastructure assists the Western Australian Government in responding to the export ban of wastepaper and cardboard from July 2024 and drives the creation of new recycling and construction jobs.

(f) The Establishing and Maintaining Vegetation Offsets Account supports strategic native vegetation offsets required under clearing permits issued under the *Environmental Protection Act 1986*. These offsets help address residual environmental impacts after impacts from clearing have been avoided, minimised and mitigated. Contributions to the account are used to fund land acquisition or revegetation, with outcomes published on the Environmental Offsets Register. The Department also works with the Department of Biodiversity, Conservation and Attractions to identify suitable native vegetation areas for addition to the conservation estate.

(g) The Western Australian Government is delivering an E-Waste to Landfill Ban in Western Australia, which will help recover valuable materials from waste that would otherwise be lost. The scope of e-waste items banned focuses on those with material recovery pathways, such as product stewardship schemes, in place to limit the risks of unwanted outcomes. The categories of e-waste in the initial ban, which came into effect on the 1st of July 2024, includes televisions, computers, large household goods like dishwashers, fridges, large medical equipment, lighting, lamps and all batteries. E-waste service providers, the waste industry and significant-sized entities will have obligations to ensure e-waste is managed responsibly.

(h) The Native Vegetation Rehabilitation Scheme program contributes to improving habitat for Western Australia's unique and important flora and fauna species, especially black cockatoos, and remnant vegetation in highly cleared landscapes. This broader revegetation scheme will contribute to the ecosystem services provided by functioning vegetation communities.

(i) The Dry Season Response project is an expansion of the Rural Water Planning's Community Water Supply Partnership (CWSP) grants program into the Southwest and Great Southern Development commission regions after the 2024–25 dry season. The Western Australian Government's dry season response program is a coordinated initiative to assist farmers, regional businesses, and rural communities navigating severe water scarcity and drought-like conditions.

(j) The Western Australian and Commonwealth Governments recognise the serious impact climate change is having on regional farming communities and continues their commitment to assist Local Government Authorities and farmers to address immediate water needs as well as building resilience into the future.

2.3 Other expenditure

	2026 $'000	2025 $'000
Supplies and services		
Communications	1,914	1,836
Consultants and contractors	43,949	40,031
Consumables	688	501
Materials	456	495
Travel	1,801	1,790
Vehicle expenses	823	844
Minor plant, machinery and equipment	2,040	1,678
Plant, machinery and equipment hire	77	115
Chemical analysis expense	1,118	1,265
Water carting and drought relief	121	434
Other supplies and services	5,478	5,118
Total supplies and services expenses	**58,465**	**54,107**
Accommodation expenses		
Rental	9,609	9,321
Electricity and water	559	489
Rates and taxes	43	17
Security	109	66
Repairs and maintenance	609	552
Cleaning	648	559
Total accommodation expenses	**11,577**	**11,004**

	2026 $'000	2025 $'000
Other expenses		
Audit fees	529	588
Write-offs	17	5
Equipment repairs and maintenance	99	773
Expected credit losses – expense	14	-
Employment on-costs	3,386	2,940
Insurance	115	223
Waivers[(a)]	773	1,284
Other operating expenses	630	213
Total other expenses	**5,563**	**6,026**
Total other expenditure	**75,605**	**71,137**

(a) $0.73 million (2025: $1.280 million) of this relates to EPA implementation conditions waivers.

Supplies and services

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Accommodation expenses

Repairs, maintenance, cleaning, security, electricity, water, rates and taxes costs are recognised as expenses as incurred.

Rental expenses include:

(i) Included in rental expenses are Office rental costs of $9.1 million (2025: $8.5 million). Office rental is expensed as incurred as Memorandum of Understanding Agreements between the Department and the Department of Housing and Works for the leasing of office accommodation contain significant substitution rights.

(ii) short-term leases with a lease term of 12 months or less.

(iii) low-value leases with an underlying value of $5,000 or less.

Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Equipment repairs and maintenance

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

Expected credit losses

The allowance for expected credit losses of trade receivables and accrued revenue is measured at the lifetime expected credit losses at each reporting date. The Department has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment. Please refer to note 5.1 Receivables for more details.

Employment on-cost

Employment on-cost includes workers' compensation insurance and other employment on-costs. The on-costs' liability associated with the recognition of annual and long service leave liabilities is included at note 2.1(b) Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

2.4 Net loss on disposal of non-current assets

	2026 $'000	2025 $'000
Proceeds from disposal of non-current assets		
Land	-	-
Plant, equipment and vehicles	-	-
Carrying amount of non-current assets disposed		
Infrastructure	-	-
Land	122	-
Leasehold improvements	70	-
Licences	-	-
Measurement sites	866	210
Plant, equipment and vehicles	22	-
Computer equipment	2	-
Net loss on disposal of non-current assets	**1,082**	**210**

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the Statement of comprehensive income (from the proceeds of sale).

3. Our funding services

How we obtain our funding

This section provides additional information about how the Department obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Department and the relevant notes are:

	Notes	2026 $'000	2025 $'000
Income from State Government	3.1	152,786	146,750
User charges and fees	3.2	45,578	45,550
Commonwealth grants	3.3	17,802	3,132
Waste levy	3.4	89,625	98,262
Other income	3.5	28,550	18,520



3.1 Income from State Government

	2026 $'000	2025 $'000
Appropriation received during the period[a]:		
Service appropriation	130,843	127,074
Total appropriation received	**130,843**	**127,074**
Income from other public sector entities during the period[b]:		
Environmental Protection Part IV Cost Recovery Account	1,280	2,137
Establishing and Maintaining Vegetation Offsets Account	658	894
Grants	1,577	1,029
Interest revenue	2,121	2,050
Other	733	59
Total income from other public sector entities	**6,369**	**6,169**
Resources received from other public sector entities during the period[c]:		
Assets transferred in[1]	3,941	-
Services received free of charge		
Department of Housing and Works – Accommodation lease and depreciation	190	186
Department of Planning, Lands and Heritage – Spatial data	-	1
Department of Primary Industries and Regional Development – Digital map	15	10
Landgate – Land information services	81	80
Main Roads Western Australia – Assessment of environmental approvals	190	214
State Solicitor's Office – Legal services	1,682	1,355
Department of Transport and Major Infrastructure – Compliance review	35	25
Department of Fire and Emergency Services – meeting room booking	2	-
Total services received free of charge	**6,136**	**1,871**
Royalties for Regions fund[d]:		
Regional Infrastructure and Headworks Account	6,525	9,253
Regional Community Services Account	2,913	2,383
Total Royalties for Regions Fund	**9,438**	**11,636**
Total income from State Government	**152,786**	**146,750**

(1) Transfer in of 52 bores from the Department of Primary Industries and Regional Development.

(a) Service appropriation

Service appropriations are recognised as income at the fair value of consideration received in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited in the bank account or credited to the holding account held at the Department of Treasury and Finance.

Service appropriations fund the net cost of services delivered. Appropriation revenue comprises the following:

- cash component
- a receivable (asset).

The receivable (holding account – note 5.2) comprises the following:

- the budgeted depreciation expense for the year
- any agreed increase in leave liabilities during the year.

(b) Income from other public service entities

Income from other public service entities is recognised as income when the Department has satisfied its performance obligations under the funding agreement. If there is no performance obligation, income will be recognised when the Department receives the funds.

(c) Resources received from other public sector entities

Resources received from other public sector entities are recognised as income equivalent to the fair value of the assets received, or the fair value of those services that can be reliably determined and which would have been purchased if not donated.

(d) Royalties for Regions fund

The Regional Infrastructure and Headworks Account and Regional Community Services Account are sub-funds within the overarching Royalties for Regions fund. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as income when the Department receives the funds.

Summary of consolidated account appropriations
For the year ended 30 June 2026

	Budget	Amendments to acts	Revised Budget	Actual	Variance
	$'000	$'000	$'000	$'000	$'000
Delivery of services					
Item 95 Net amount appropriated to deliver services	152,202	-	152,202	129,899	(22,303)
Amount authorised by other statutes					
- *Salaries and Allowances Act 1975*	1,028	136	1,164	944	(220)
Total appropriations provided to deliver services	**153,230**	**136**	**153,366**	**130,843**	**(22,523)**
Capital					
Item 163 Capital appropriation	15,386	-	15,386	14,645	(741)

3.2 User charges and fees

	2026 $'000	2025 $'000
Industry fees[(a)]	27,496	26,156
Controlled waste[(b)]	6,436	6,555
Contaminated sites	317	278
Clearing regulations	169	307
Water licences and regulatory fees[(c)]	1,093	1,653
Noise regulations	31	51
Environmental Protection Part IV Cost Recovery Account[(i)]	9,920	10,538
Other charges and fees	116	12
Total user charges and fees	**45,578**	**45,550**

User charges and fees revenue are recognised at the transaction price when the Department transfers control of the services to customers.

For the following items revenue is recognised at a point-in-time for licences, works approvals, and tracking forms. The performance obligations for these user fees and charges are satisfied when the licence, works approval or tracking form is issued to the customer.

(a) Licensing and registration fees relating to prescribed premises under Part V of the *Environmental Protection Act 1986*.

(b) Fees for the licensing of vehicles transporting controlled public waste as per the Environmental Protection (Controlled Waste) Regulations 2004.

(c) Water licences and regulatory fees under the *Rights in Water and Irrigation Act 1914*.

For the following item revenue is recognised at a point in time being the earlier of cash receipt or when the Department's right to receive consideration is established with regards to environmental impact assessments (EIA).

(i) Part IV of the *Environmental Protection Act 1986* states that the Environmental Protection Authority (EPA) will conduct EIA in WA. The Environmental Protection (Cost Recovery) Regulations 2021 (Regulations) were developed to prescribe or provide for the determination of the fees and charges for the EIA processes under Part IV of the *Environmental Protection Act 1986*. A special purpose account was established to manage the funds recovered under the Regulations to be used for defraying the costs incurred by the Department in receiving and assessing proposals and monitoring the implementation of proposals under Part IV (division 1 or 2) of the *Environmental Protection Act 1986*. Refer to note 8.7 for additional information.

3.3 Commonwealth grants

	2026 $'000	2025 $'000
Commonwealth grants – recurrent	**17,802**	**3,132**

Recurrent grants are recognised as income when the grants are receivable.

Details of the Department's Commonwealth grants are as follows:

	2026 $'000	2025 $'000
Indian Ocean Territories Account	2,687	1,712
National Pollutant Inventory	-	107
National Partnership on Recycling Infrastructure	12,715	-
National Water Grid – Community Water Supply Program	900	400
National Water Grid – Agricultural Areas Dams	1,500	913
Total Commonwealth grants	**17,802**	**3,132**

3.4 Waste levy

	2026 $'000	2025 $'000
Waste levy	**89,625**	**98,262**

The Waste levy transaction price is determined by legislation. The Waste Avoidance and Resource Recovery Account (WARR Account) was established in 2008 under section 79 of the *Waste Avoidance and Resource Recovery Act 2007* (WARR Act). Under the Act, licensed metropolitan landfill operators are required to fund the operations of the WARR Account. The WARR Account holds revenue allocated from the levy to fund waste management programs.

Waste levies give rise to variable consideration as the transaction price is dependent on waste quantities. Further, variable consideration may arise where exemptions apply to certain types of waste or where the licensed landfill operator is subject to an investigation.

The Waste levy income relating to licensed landfill operators is recognised when control of the license is transferred to the licensed landfill operator i.e., at the date of issue of the license. Where the transaction price is subject to variable consideration, the variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Department may also receive waste levy income from non-licensed landfill operators in relation to breaches of the WARR Act. Such amounts are recognised at the earlier of when the Department's right to receive consideration is established or when cash is received.

3.5 Other income

	2026 $'000	2025 *Restated $'000
Services rendered		
Establishing and Maintaining Vegetation Offsets Account[a]	271	423
Pilbara Environmental Offsets Fund[b]	16,876	3,970
Employee contributions[c]	137	157
Lease rentals – land and buildings	252	367
Tree annuity	151	128
Tree harvest	6	49
Recoupment of expenses	1,050	1,252
Recoupment of grant funds	1,284	490
Murujuga Rock Art Monitoring Program – industry funding[d]	7,248	10,666
Expected credit loss reversal	-	935
Reversal of impairment losses on measurement sites	978	-
Other revenue	297	83
Total other income	**28,550**	**18,520**

* Refer to Note 3.5(d) for details of restatement.

(a) The Department administers the *Environmental Protection Act 1986* which regulates the clearing of native vegetation. Clearing of native vegetation requires the authority of a clearing permit unless it is of an exempt kind. Clearing permits may include conditions requiring an offset to counterbalance the impacts of clearing. Offsets requirements are imposed in accordance with the WA Environmental Offsets Policy (2011) and the WA Environmental Offsets Guidelines (2014). Certain offset requirements involve payment of a monetary contribution into the Establishing and Maintaining Vegetation Offsets Account, which is an account managed by the Department.

Contributions into the Establishing and Maintaining Vegetation Offsets Account are made following the grant of the associated clearing permit, and after any related appeals have been received and determined. Revenue from the offsets is recognised at a point-in-time i.e., when the Department issues the permit.

(b) In 2012, the WA Minister for Environment mandated that proponents in the Pilbara region pay their environmental offsets into a strategic fund for conservation. In the same year, the Federal Minister for Environment gave proponents the option of doing so. This led to the establishment of the Pilbara Environmental Offsets Fund. The fund combines money from individual offset payments required under Part IV of the *Environmental Protection Act 1986* and may combine contributions required under part 9 or 10 of the *Commonwealth Environmental Protection and Biodiversity Conservation Act 1999*. The establishment of the fund enables the State Government to combine offset money and partner with regional land management organisations to deliver projects that achieve better and more connected biodiversity conservation outcomes. The Department is responsible for managing the fund to ensure that offset payments directly benefit the vegetation and habitat impacted by mining.

Despite conditions being included in Ministerial Statements from 2012, the Pilbara Environmental Offset Fund was only established on 18 April 2018. The Ministerial Statements define the proponents of the fund. Implementation conditions within these Ministerial Statements require the preparation of an Impact Reconciliation Report to determine the quantum of money owed to the fund by proponents.

Revenue from Pilbara Environmental Offsets Fund is recognised at a point-in-time, i.e., recognised when the Department has the right to invoice the proponent. The Department has the right to invoice the proponent following submission and acceptance of the proponent's Impact Reconciliation Report.

(c) Income received by the Department from sub-leasing of right-of-use assets relates to lease payments from operating leases. The Department has leased a number of right-of-use assets from the Government Regional Officer Housing (GROH) and State Fleet (SF), which it subleases out to employees at a subsidised rate. Information on the Department's leasing arrangements with GROH and SF can be found in note 2.1(a).

(d) In the Murujuga Rock Art Monitoring Program memorandum of understanding (MoU) dated 28 April 2026, industry participants have agreed to further contribute to the estimated costs associated with the program until the earlier of 30 October 2029; the parties ending the relationship by mutual consent or any statutory obligations that come into effect by an amendment to the *Environmental Protection Act 1986*.

During the current year, the Department identified that the income had not been recognised correctly in accordance with the relevant Australian Accounting Standard requirements. This resulted in the understatement of receivables and overstatement of contract liabilities as at 30 June 2025 and understatement of other income for the year ended 30 June 2025.

As a result of this error, comparative information for the year ended 30 June 2025 has been restated as set out below. There was no impact on the beginning of the comparative period, of 1 July 2024.

Impact to the statement of comprehensive income (excerpt)

	Previously stated $'000	Adjustment $'000	As restated $'000
Income			
Other income	14,100	4,420	18,520
Total income	161,044	4,420	165,464
Surplus for the period	40,232	4,420	44,652

Impact to the statement of financial position (excerpt)

	Previously stated $'000	Adjustment $'000	As restated $'000
Current assets			
Receivables	43,782	3,082	46,864
Total current assets	188,849	3,082	191,931
Current liabilities			
Contract liabilities	3,299	(1,338)	1,961
Total current liabilities	45,807	(1,338)	44,469
Equity			
Accumulated surplus	412,175	4,420	416,595
Total equity	817,979	4,420	822,399

4 Key assets

Assets the Department utilises for economic benefit or service potential

This section includes information regarding the key assets the Department utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2026 $'000	2025 $'000
Infrastructure, property, plant and equipment	4.1	586,116	532,523
Right-of-use assets	4.2	4,597	3,630
Intangible assets	4.3	51,904	45,373
Total key assets		642,617	581,526

4.1 Infrastructure, property, plant and equipment

Year ended 30 June 2026	Capital works in progress $'000	Works of art $'000	Computer equipment $'000	Vehicles $'000	Infrastructure $'000	Plant and equipment $'000	Measurement sites $'000	Leasehold improvements $'000	Buildings $'000	Land $'000	Total $'000
1 July 2025											
Gross carrying amount	28,054	163	1,479	315	8,171	7,825	223,772	1,652	5,995	264,989	542,415
Accumulated depreciation	-	-	(1,019)	(254)	(911)	(3,970)	(149)	(235)	-	-	(6,538)
Accumulated impairment losses	-	-	-	-	-	-	(3,354)	-	-	-	(3,354)
Carrying amount at start of period	**28,054**	**163**	**460**	**61**	**7,260**	**3,855**	**220,269**	**1,417**	**5,995**	**264,989**	**532,523**
Additions	12,782	-	251	-	-	980	3,941	146	-	-	18,100
Transfers[(a)]	(11,621)	-	73	344	3,246	2,284	4,382	1,257	(29)	-	(64)
Transfer as distribution to owner[(b)]	-	-	-	-	-	-	-	-	-	(2,156)	(2,156)
Disposals	-	(3)	(2)	-	-	(28)	(866)	(70)	-	(122)	(1,091)
Revaluation increments	-	-	-	-	-	-	3,333	-	1,733	39,844	44,910
Reversal of impairment losses to revaluation reserve	-	-	-	-	-	-	759	-	-	-	759
Reversal of impairment losses to statement of comprehensive income	-	-	-	-	-	-	978	-	-	-	978
Depreciation	-	-	(245)	(115)	(652)	(868)	(5,691)	(122)	(150)	-	(7,843)
Carrying amount at end of period	**29,215**	**160**	**537**	**290**	**9,854**	**6,223**	**227,105**	**2,628**	**7,549**	**302,555**	**586,116**
Gross carrying amount	29,215	160	1,449	645	11,417	10,888	228,945	2,963	7,549	302,555	595,786
Accumulated depreciation	-	-	(912)	(355)	(1,563)	(4,665)	(223)	(335)	-	-	(8,053)
Accumulated impairment losses	-	-	-	-	-	-	(1,617)	-	-	-	(1,617)

(a) Transfers from tangible capital works in progress to completed assets and items written back to the Statement of Comprehensive income.

(b) Refer to note 8.10, land transferred to the Department of Planning, Lands and Heritage.

Initial recognition

Items of infrastructure, property, plant and equipment costing $5,000 or more are measured initially at cost. Where an asset is acquired for no cost or significantly less than fair value, the cost is valued at its fair value at the date of acquisition. Items of infrastructure, property, plant and equipment costing less than $5,000 are immediately expensed to the Statement of comprehensive income (other than where they form part of a group of similar items which are significant in total).

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of:

- land
- buildings
- measurement sites.

Land is carried at fair value.

Buildings and measurement sites are carried at fair value less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Measurement sites are independently valued every five years by an external services valuer. In the intervening years, the measurement sites are revalued internally by use of other heavy and civil engineering construction building cost index provided by the Australian Bureau of Statistics. The last time groundwater measurement sites were independently valued was by Ernst & Young for the 30 June 2023 financial year end. Fair value for measurement sites is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e., the current replacement cost.

Revaluation model:
Where the fair value of measurement sites is determined on the current replacement cost basis, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Landgate) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

In addition, for buildings under the current replacement cost basis, estimated professional and project management fees are included in the valuation of current use of assets.

Land and buildings were revalued as at 1 July 2025 by Landgate. The valuations were performed during the year ended 30 June 2026 and recognised at 30 June 2026. In undertaking the revaluation, fair value was determined by reference to market values for land: $79,623,950 (2025: $73,464,500) and buildings: $2,178,000 (2025: $1,750,000). Market evidence of sales prices of comparable assets in close proximity is used to determine price per square meter for market type land and buildings. For the remaining balance, unobservable (level 3) inputs were used to determine the fair value.

Valuation techniques and inputs

Level 2 assets

Fair values of non-current assets held for sale, and market type land and buildings (office accommodation) are derived using the market approach. Market evidence of sales prices of comparable assets in close proximity is used to determine price per square metre.

Revaluation model:
Where the fair value of buildings is determined on the current replacement cost basis, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Unobservable (level 3) inputs used to determine fair values of infrastructure, property, plant and equipment are:

Land:	High Utility land values are measured by drawing comparison between the subject asset as a going concern and market pricing data of assets having similar utility and service capacity. The assessed Highest & Best Use Value is based upon comparable utility transactions and is adjusted for valuation deferment recognition. Valuation deferment is the practice of delaying the recognition or calculation of an asset's value until a future date, primarily used to manage uncertainty, account for value over time, restrictions on ownership and current use considerations. The value of the land reflects differences between public and private sector market associated with title conversion, time deferments, and other factors including encumbrances, title status, management orders or lease conditions.
Buildings:	Fair value for current use buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications, adjusted for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence. Valuation using current replacement cost utilises the significant Level 3 input of obsolescence estimated by Landgate. The fair value measurement is sensitive to the estimate of obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings.
Measurement sites:	Historical cost of the assets The costs of construction of the measurement sites are extracted from the financial records of the Department and indexed by movement in construction costs by valuers.

Significant assumptions and judgements: The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis and in determining estimated economic life to assets. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Basis of valuation

In the absence of market-based evidence, due to the specialised nature of some non financial assets, these assets are valued at Level 3 of the fair value hierarchy on a current use basis (presumed to be the highest and best use), which recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service.

4.1.1 Depreciation and impairment

Charge for the period

	2026 $'000	2025 $'000
Depreciation		
Buildings	150	146
Infrastructure	652	534
Plant and equipment	868	614
Vehicles and boating	115	35
Computer equipment	245	176
Leasehold improvements	122	104
Measurement sites	5,691	5,524
Total depreciation for the period	**7,843**	**7,133**

At 30 June 2026, there were no indications of impairment (2025: $Nil). During the year, impairment losses previously recognised against measurement sites totalling $1.737 million were reversed following reassessment once the sites were accessible again. $0.978m were recognised in other income (see note 3.5) and $0.759 were recognised against the revaluation reserve (see note 8.10).

Useful lives

All infrastructure, property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include assets held for sale, land and investment properties.

Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful Life: Years
Buildings	20 – 40 years
Leasehold improvement[a]	10 – 20 years
Measurement sites	40 years
Plant and equipment	5 – 20 years
Computer equipment (hardware and software[b])	3 – 5 years
Infrastructure	10 – 50 years
Vehicles and boating	5 – 6 years

(a) Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

(b) Software that is integral to the operation of related hardware.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments are made where appropriate.

Land and works of art, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

Impairment

Non-financial assets, including items of infrastructure, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset is measured at cost and is written down to its recoverable amount, an impairment loss is recognised through profit and loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for the class of asset.

As the Department is a not-for-profit agency, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.



4.2 Right-of-use assets

Year ended 30 June 2026	Buildings	Computer and office equipment	Motor Vehicles	Total
	$'000	$'000	$'000	$'000
Net carrying amount at beginning of period	522	399	2,709	**3,630**
Additions	795	87	1,885	**2,767**
Disposals	(348)	-	(8)	**(356)**
Depreciation	(255)	(206)	(983)	**(1,444)**
Net carrying amount at end of period	**714**	**280**	**3,603**	**4,597**

The Department has leases for vehicles, computer equipment, office and residential accommodations. The lease contracts are typically made for fixed periods of 1 to 6 years with an option to renew the lease after that date. Lease payments for buildings not leased through the Department of Housing and Works are renegotiated when appropriate to reflect market rentals.

The Department subleases residential housing to employees at a subsidised rate. The Department recognises lease payments from operating leases as income on a straight-line basis over the term of the lease.

The Department has also entered into Memorandum of Understanding (MOU) agreements with the Department of Housing and Works for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Housing and Works and are accounted for as an expense as incurred.

Initial recognition

At the commencement date of the lease, the Department recognises right-of-use assets and a corresponding lease liability for most leases. The right-of-use assets are measured at cost comprising of:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs, including dismantling and removing the underlying asset.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 6.1.

The Department has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low-value leases (with an underlying value of $5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Department at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 4.1.1.

The following amounts relating to leases have been recognised in the statement of comprehensive income:

	2026 $'000	2025 $'000
Buildings	255	287
Computer and office equipment	206	177
Motor vehicles	983	871
Total right-of-use assets depreciation for the period	**1,444**	**1,335**

The total cash outflow for leases in the 2026 financial year was $1.7 million (2025: $1.5 million).

4.3 Intangible assets

Year ended 30 June 2026	Capital Works in Progress $'000	Analytical Products $'000	Licences $'000	Computer Software $'000	Total $'000
1 July 2025					
Gross carrying amount	13,793	10,045	181	58,102	82,121
Accumulated amortisation	-	(7,416)	(172)	(29,160)	(36,748)
Carrying amount at start of period	**13,793**	**2,629**	**9**	**28,942**	**45,373**
Additions	12,432	-	-	465	12,897
Transfers (a)	(11,372)	677	138	10,506	(51)
Amortisation expense	-	(1,027)	(84)	(5,204)	(6,315)
Carrying amount at end of period	**14,853**	**2,279**	**63**	**34,709**	**51,904**
Gross carrying amount	14,853	10,722	304	68,888	**94,767**
Accumulated amortisation	-	(8,443)	(241)	(34,179)	**(42,863)**

(a) Transfer from capital works in progress to completed assets and items written back to the Statement of Comprehensive income.

Initial recognition

Intangible assets are initially recognised at cost. For assets acquired at significantly less than fair value, the cost is their fair value at the date of acquisition. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

a) the technical feasibility of completing the intangible asset so that it will be available for use or sale

b) an intention to complete the intangible asset and use or sell it

c) the ability to use or sell the intangible asset

d) the intangible asset will generate probable future economic benefit

e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset

f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Acquisitions of intangible assets costing $5,000 or more and internally generated intangible assets costing $5,000 or more that comply with the recognition criteria as per AASB 138 (as noted above), are capitalised. Costs incurred below these thresholds are immediately expensed directly to the Statement of comprehensive income. Costs incurred in the research phase of a project are immediately expensed.

Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.



4.3.1 Amortisation and impairment

	2026 $'000	2025 $'000
Charge for the period		
Analytical products	1,027	1,005
Computer software	5,204	3,650
Licences	84	36
Total amortisation for the period	**6,315**	**4,691**

Useful lives

The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period.

Amortisation of finite life intangible assets is calculated on a straight-line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Department have a finite useful life and zero residual value. Estimated useful lives are reviewed annually. The estimated useful lives for each class of intangible asset are:

Asset	Useful Life: Years
Licences	3 years
Computer software[(a)]	3 – 10 years
Analytical products[(b)]	10 years

(a) Software that is not integral to the operation of related hardware.

(b) Analytical products are intangible assets such as geophysical datasets and surveys which are usually produced as part of project work. These products are used by the Department to improve its understanding and management of water resources.

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 4.1.1. As at 30 June 2026 there were no indications of impairment to intangible assets.

5. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Department's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2026 $'000	2025 $'000
Receivables	5.1	51,960	52,271
Amounts receivable for services (Holding Account)	5.2	111,390	104,790
Other assets	5.3	6,198	5,506
Payables	5.4	12,533	10,115
Contract liabilities	5.5	2,486	1,961
Other current liabilities	5.6	23	24



5.1 Receivables

	2026 $'000	2025 *Restated $'000
Current		
Trade receivables	6,970	11,362
Allowance for impairment of trade receivables	(417)	(657)
Accrued revenue	37,319	34,453
Allowance for impairment of accrued revenue	(371)	(116)
GST receivable	1,819	1,822
Total current	45,320	**46,864**
Non-current		
Accrued salaries suspense account[(a)]	6,640	5,407
Total non-current	6,640	**5,407**
Total receivables	51,960	**52,271**

* Refer to Note 3.5(d) for details of restatement.

(a) Funds transferred to the Department of Treasury and Finance for the purpose of meeting the 27th pay in a reporting period that generally occurs every 11th year. This account is classified as non-current except for the year before the 27th pay year.

Trade receivables are initially recognised at their transaction price or, for those receivables that contain a significant financing component, at fair value. The Department holds the receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

The Department recognises a loss allowance for expected credit losses (ECLs) on a receivable not held at fair value through profit and loss. The ECLs based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate. Individual receivables are written off when the Department has no reasonable expectations of recovering the contractual cash flows.

For trade receivables, the Department recognises an allowance for ECLs measured at the lifetime expected credit losses at each reporting date. The Department has established a provision matrix that is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to note 2.3 for the amount of ECLs expensed in this financial year.

The accrued salaries suspense account consists of amounts paid annually into a Treasurer's special purpose account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

5.2 Amounts receivable for services (Holding Account)

	2026 $'000	2025 $'000
Current	6,482	6,238
Non-current	104,908	98,552
Total amounts receivable for services at end of period	111,390	**104,790**

Amounts receivable for services represent the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

The amounts receivable for services are financial assets at amortised cost and are not considered impaired (i.e., there is no expected credit loss of the holding account).

5.3 Other assets

	2026 $'000	2025 $'000
Current		
Prepayments	6,140	5,462
Total current	**6,140**	**5,462**
Non-current		
Prepayments	58	44
Total non-current	**58**	**44**
Total other assets at end of period	**6,198**	**5,506**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

5.4 Payables

	2026 $'000	2025 $'000
Current		
Trade payables[(a)]	674	571
Other payables[(a)]	63	30
Accrued expenses	6,826	5,488
Accrued salaries[(b)]	4,970	4,026
Total payables at end of period	**12,533**	**10,115**

(a) Payables are recognised at the amounts payable when the Department becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 15–30 days.

(b) Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Department considers the carrying amount of accrued salaries to be equivalent to its fair value.

5.5 Contract liabilities

	2026 $'000	2025 *Restated $'000
Reconciliation of changes in contract liabilities		
Opening balance	1,961	2,328
Additions	2,486	1,961
Revenue recognised in the period	(1,961)	(2,328)
Total contract liabilities at end of period	**2,486**	**1,961**
Current	**2,486**	**1,961**
Non-current	**-**	**-**

*Refer to Note 3.5(d) for details of restatement.

The Department's contract liabilities primarily relate to user charges and fees yet to be performed as the licence, works approval or tracking form has not been issued to the customer.

5.6 Other current liabilities

	2026 $'000	2025 $'000
Stale cheque holding account	23	24
Total current liabilities at end of period	**23**	**24**

6 Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the Department.

	Notes	2026 $'000	2025 $'000
Lease liabilities	6.1	4,825	3,783
Assets pledged as security	6.2	4,597	3,630
Finance costs	6.3	315	249
Cash and cash equivalents	6.4	163,767	133,367
Capital commitments	6.5	19,287	11,893



6.1 Lease liabilities

	2026 $'000	2025 $'000
No later than one year	1,336	1,073
Later than one year and not later than five years	3,357	2,665
Later than 5 years	132	45
	4,825	**3,783**
Current	**1,336**	1,073
Non-current	**3,489**	2,710
Balance at end of period	**4,825**	**3,783**

Initial measurement

At the commencement date of the lease, the Department recognises lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Department uses the incremental borrowing rate provided by the Western Australian Treasury Corporation.

Lease payments included by the Department as part of the present value calculation of lease liability include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of purchase options (where these are reasonably certain to be exercised)
- payments for penalties for terminating a lease, where the lease term reflects the Department exercising an option to terminate the lease

- periods covered by extension or termination options are only included in the lease term by the Department if the lease is reasonably certain to be extended (or not terminated).

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Variable lease payments, not included in the measurement of lease liability, which are dependent on sales, an index or rate are recognised by the Department in profit or loss in the period in which the condition that triggers those payments occurs.

Subsequent measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

This section should be read in conjunction with note 4.2.

	2026 $'000	2025 $'000
Lease expenses recognised in the Statement of comprehensive income		
Lease interest expense	315	249
Short term leases	133	67
Low value leases	7	-
Net loss on disposal of lease arrangements	2	-

Short-term leases with a lease term of 12 months or less are recognised on a straight-line basis unless the lessor is a public sector entity.

Low-value leases with an underlying value of $5,000 or less are recognised on a straight-line basis.

6.2 Assets pledged as security

	2026 $'000	2025 $'000
The carrying amounts of non-current assets pledged as security are:		
Right-of-use asset vehicles	3,603	2,709
Right-of-use asset computer and office equipment	280	399
Right-of-use asset buildings	714	522
Total assets pledged as security	**4,597**	**3,630**

The Department has secured the right-of-use assets against related lease liabilities. In the event of default, the rights to the leased assets will revert to the lessor.

6.3 Finance costs

	2026 $'000	2025 $'000
Lease interest expense	**315**	**249**

Finance cost includes the interest component of lease liability repayments.

6.4 Cash and cash equivalents

	2026 $'000	2025 $'000
Current		
Cash and cash equivalents	47,596	34,897
Restricted cash and cash equivalents	116,171	98,470
Total current	**163,767**	**133,367**
Balance at end of period	**163,767**	**133,367**

Restricted cash and cash equivalents	Notes	2026 $'000	2025 $'000
Waste Avoidance and Resource Recovery Account	8.7	50,791	45,009
Pilbara Environmental Offsets Fund	8.7	30,806	16,189
Establishing and Maintaining Vegetation Offsets Account		13,393	13,633
Clean Energy Future Fund		8,636	8,636
Environmental Protection IV Cost Recovery Account	8.7	3,571	7,390
Contaminated Sites Management Account	8.7	1,032	773
Royalties for Regions		1,631	2,862
Commonwealth – National Water Grid – Agricultural Areas Dams		1,709	1,709
Other funds		4,602	2,269
Total Restricted cash and cash equivalents		**116,171**	**98,470**

For the purpose of the statement of cash flows, cash and cash equivalents (and restricted cash and cash equivalent) assets comprise of short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

6.5 Capital commitments

	2026 $'000	2025 $'000
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	7,481	4,946
Later than 1 year and not later than 5 years	11,806	6,947
Total capital commitments	**19,287**	**11,893**



7 Financial instruments and contingencies

This note sets out the key risk management policies and measurement techniques of the Department.

	Notes
Financial instruments	7.1
Contingent assets and liabilities	7.2



7.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2026 $'000	2025 *Restated $'000
Financial assets		
Cash and cash equivalents	163,767	133,367
Financial assets at amortised cost[a]	161,531	154,771
Total financial assets	**325,298**	**288,138**
Financial liabilities		
Financial liabilities at amortised cost[b]	17,381	13,922
Total financial liabilities	**17,381**	**13,922**

* Refer to Note 3.5(d) for details of restatement.

(a) The amount of Financial assets at amortised cost excludes the GST recoverable from the ATO (statutory receivable).

(b) The amount of Financial liabilities at amortised cost excludes GST payable to the ATO (statutory payable).

7.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

Waste levy

The Department is responsible for administering and regulating Waste Levy in Western Australia. Liability for Waste Levy is legislated through the *Waste Avoidance and Resource Recovery Act 2007* and the *Waste Avoidance and Resource Recovery Levy Act 2007* and regulated through the Waste Avoidance and Resource Recovery Regulations 2008 and the Waste Avoidance and Resource Recovery Levy Regulations 2008. There may be contingent assets or contingent liabilities arising from it.

7.2.1 Contingent assets

The following contingent assets are excluded from the assets included in the financial statements:

Waste levy

The Department conducts investigations on licensed and unlicensed landfill premises and the outcome of such investigations may be that the operator of the premises is liable for the payment of waste levy and applicable penalties. The Department has determined that it is not practicable to estimate the financial effect of these investigations at the end of the reporting period, due to the complex nature of the investigations and the lengthy period of time that may be taken to finalise the investigations.

The following contingent assets are excluded from the assets included in the financial statements:

	2026 $'000	2025 $'000
Contingent benefit relating to the potential recovery of an unpaid waste levy	468	-
Contingent benefit relating to the National partnership on recycling infrastructure grant[1]	1,128	-
Total contingent asset	**1,596**	**-**

(1) The benefit was received after year-end.

7.2.2 Contingent liabilities

The following contingent liabilities are excluded from the liabilities included in the financial statements:

	2026 $'000	2025 $'000
Costs potentially payable in relation contaminated sites for the remediation of a liquid waste treatment facility in agreement with the Water Corporation	628	586
Potential Waste Levy Revenue reversal for the City of Armadale as they filed a retroactive waste levy exemption which is pending DG approval	-	3,689
Total contingent liabilities	**628**	**4,275**

Waste levy

The Waste Avoidance and Resource Recovery Levy Regulations 2008 allows for landfill operators to apply for exemptions in relation to construction materials, which can be granted prospectively and retrospectively. Where applications have been made retrospectively the Department may have a liability in respect of the waste levy previously paid, if they have been compliant with the exemption requirements.

8 Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	8.1
Initial application of Australian Accounting Standards	8.2
Key management personnel	8.3
Related parties	8.4
Related bodies	8.5
Affiliated bodies	8.6
Special purpose accounts	8.7
Indian Ocean Territories Account	8.8
Remuneration of auditors	8.9
Contributed equity and reserves	8.10
Supplementary financial information	8.11

8.1 Events occurring after the end of the reporting period

Forgiveness of debts – Environmental Protection (Cost Recovery) Regulation 2021 (Regulations):

(i) Fees charged for proposals – Part 2 – Division 4 – Regulation 15: Interest

As per note 8.11(d), on 24 August 2026 the Director General approved waiving interest fees on outstanding amounts relating to proposals under Part IV of the *Environmental Protection Act 1986*.

(ii) Fees charged for annual compliance fees – Part 2 – Division 4 – Regulation 15: Interest

As per note 8.11(d), on 2 September 2026 the Deputy Director General approved waiving interest fees on outstanding amounts relating to Annual Compliance Fees (ACF) in accordance with Part 2 – Division 3 – Regulation 11 of the Regulations 2011.

8.2 Initial application of Australian Accounting Standards

The following standard is operative for reporting periods ended on 30 June 2026:

- AASB 2026-1 – Amendments to Australia Accounting Standards – Disclosure about Uncertainties in the Financial Statements

There is no material financial impact of the above standard.

8.3 Key management personnel

The Department has determined key management personnel to include Cabinet Ministers and senior officers of the Department. The Department does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Department for the reporting period are presented within the following bands:

Compensation band ($)	2026	2025
$450,001 – $500,000	1	1
$350,001 – $400,000	1	-
$300,001 – $350,000	-	2
$250,001 – $300,000	1	-
$200,001 – $250,000	-	2
$150,001 – $200,000	1	-
$100,001 – $150,000	-	-
$50,001 – $100,000	1	-
$0 – $50,000	1	-
	2026 $'000	**2025 $'000**
Total compensation of senior officers	1,445	1,591

8.4 Related parties

The Department is a wholly owned public sector entity that is controlled by the State of Western Australia.

Related parties of the Department include:

- all Cabinet Ministers and their close family members and their controlled or jointly controlled entities
- all senior officers and their close family members and their controlled or jointly controlled entities
- other Departments and statutory authorities including related bodies that are included in the whole-of-government consolidated financial statements (i.e. wholly owned public sector entities)
- associates and joint ventures of a wholly owned public sector entity
- the Government Employees Superannuation Board (GESB).

Material transactions with other related parties

Outside of normal citizen type transactions with the Department, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

8.5 Related bodies

The Department currently does not provide any assistance to other agencies which would deem it to be regarded as related bodies.

8.6 Affiliated bodies

The following bodies receive more than half its funding and resources from the Department, but is not subject to operational control by the Department and is therefore considered to be affiliated bodies under the *Financial Management Act 2006*:

	2026 $'000			2025 $'000		
	Funding	Services free of charge	Total assistance	Funding	Services free of charge	Total assistance
Government organisations:						
Cockburn Sound Management Council[a]	465	-	**465**	393	-	**393**
Contaminated Sites Committee	339	-	**339**	359	-	**359**
Environmental Protection Authority	14,513	-	**14,513**	14,605	-	**14,605**
Exmouth Gulf Coordinating Body	318	-	**318**	1,103	-	**1,103**
Keep Australia Beautiful Council (W.A.)	1,202	630	**1,832**	1,243	601	**1,844**
Office of the Appeals Convenor	2,642	-	**2,642**	2,981	-	**2,981**
Warren Donnelly Water Advisory Committee	13	-	**13**	13	-	**13**
Waste Authority	27,851	-	**27,851**	26,266	-	**26,266**
Non-government organisations:						
Geographe Catchment Council[b]	565	-	**565**	798	-	**798**

(a) The 2025 funding has been restated from $27,000 to $393,000.

(b) The Department and Geographe Catchment Council entered into a partnership agreement whereby Geographe Catchment Council provides governance and management support to the Department and the Department provides support and links to the community and on-ground outcomes to achieve water quality improvements in the catchment area.

8.7 Special purpose accounts

Contaminated Sites Management Account[i]

The purpose of the account is to enable investigation or remediation of any site where the state or a public authority (excluding local government) is responsible for remediation. The account also funds the Department's costs of investigation and ensuring compliance with notices.

	2026 $'000	2025 $'000
Balance at start of period	773	524
Receipts	337	277
Payments	(78)	(28)
Balance at end of period	1,032	773

Waste Avoidance and Resource Recovery Account[i]

The purpose of the account is to encourage the conservation of resources and energy through waste reduction and recycling; to promote support and encourage viable alternatives to landfill disposal of waste; and to encourage applied research and the development of appropriate waste management, waste reduction, recycling infrastructure and markets. The account is used to fund nominated programs and other waste management initiatives approved by the Minister for the Environment on the advice of the Waste Authority of Western Australia.

	2026 $'000	2025 $'000
Balance at start of period	45,009	41,352
Receipts	27,851	26,266
Payments	(22,069)	(22,609)
Balance at end of period	50,791	45,009

Pilbara Environmental Offsets Fund[ii]

The purpose of the trust account is to facilitate the coordinated delivery of environmental offset projects which will benefit the environmental values of the Pilbara to counterbalance the residual impacts of activities occurring wholly or partly within the Pilbara for which approvals have been granted.

	2026 $'000	2025 $'000
Balance at start of period	16,189	12,097
Receipts	17,026	6,213
Payments	(2,409)	(2,121)
Balance at end of period	30,806	16,189

Environmental Protection Part IV Cost Recovery Account[ii]

The purpose of this account is to manage funds recovered under the Environmental Protection (Cost Recovery) Regulations 2021. The funds in this account are to be used for defraying the costs incurred by the Department in receiving and assessing proposals and monitoring the implementation of proposals under Part IV Division 1 or 2 of the *Environmental Protection Act 1986*.

	2026 $'000	2025 $'000
Balance at start of period	7,390	13,707
Receipts	13,788	11,674
Payments	(17,607)	(17,991)
Balance at end of period	3,571	7,390

(i) Established under section 16(1)(b) of the *Financial Management Act 2006*

(ii) Established under section 16(1)(d) of the *Financial Management Act 2006*

8.8 Indian Ocean Territories Account

Indian Ocean Territories Account

The purpose of the account is to account for Commonwealth funds for service delivery arrangements by the Department to the Indian Ocean Territories.

	2026 $'000	2025 $'000
Balance at start of period	102	120
Receipts	2,737	1,759
Payments	(2,622)	(1,777)
Balance at end of period[a]	217	102

(a) Under the terms of the Service Delivery Arrangement, the Department is to provide a statement of operating and capital expenditure and revenue for the previous financial year to the Commonwealth by 31 August each year.

This notification enables adjustments to biannual payments to be made early in the financial year to take into account any under or overspends against budget estimates from the previous financial year.

8.9 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2026 $'000	2025 $'000
Auditing the accounts, financial statements, controls and key performance indicators	655	478

8.10 Contributed equity and reserves

	2026 $'000	2025 $'000
Contributed equity		
Balance at start of period	222,816	226,243
Contributions by owners		
Capital appropriations	14,645	5,495
Other contributions to owners		
Royalties for Regions Fund	1,646	-
Digital Capability Fund	10,467	5,129
Climate Action Fund	17,424	11,413
Rural Water Planning	-	340
Total contributions by owners	**44,182**	22,377
Distributions to owners		
Transfer to consolidated account	(37,307)	(25,803)
Transfer to other agencies:		
Land transferred to Department of Planning, Lands and Heritage	(2,156)	-
Water Corporation WA	-	(1)
Total distributions to owners	**(39,463)**	(25,804)
Total contributed equity at end of period	**227,535**	222,816
Asset revaluation reserve		
Balance at start of period	182,988	137,075
Changes in asset revaluation surplus:		
Land	39,844	42,238
Buildings	1,733	271
Measurement sites	4,092	3,404
Total net revaluation increment	**45,669**	45,913
Total asset revaluation reserve at end of period	**228,657**	182,988

8.11 Supplementary financial information

(a) Write-offs

During the reporting period, $17,000 (2025: $5,000) was written off the Department's books under the authority of the Director General:

	2026 $'000	2025 $'000
The accountable authority	17	5
The Minister	-	-
The Treasurer	-	-
Total write-offs	**17**	5

(b) Losses through theft, defaults and other causes

	2026 $'000	2025 $'000
Losses of public money, other money and other property through theft or default	9	-
Amounts recovered	(9)	-
Total losses	**-**	-

(c) Gifts of public property

During the financial year under review there were no gifts of public property provided by the Department (2025: Nil).

(d) Forgiveness of debts

Environmental Protection (Cost Recovery) Regulations 2021 (Regulations)

(i) Fees charged for proposals – Part 2 – Division 4 – Regulation 15: Interest

On 1 January 2022, the Department commenced charging proponents fees for proposals assessed under Part IV of the *Environmental Protection Act 1986* in accordance with the Regulations. Part 2 – Division 4 – Regulation 15 provides for a fee to be charged for interest on outstanding amounts payable at the prescribed interest rate, being 3% higher than the cash rate target, as determined and published by the Reserve Bank of Australia, in effect on the 1st day the amount became outstanding.

In accordance with the Regulations, Part 2 – Division 4 – Regulation 13, the Chief Executive Officer (i.e., the Director General) may, on a case by case basis, refund, reduce or waive, in whole or in part, a fee paid or payable under this part if considered appropriate to do so.

On 2 July 2024, the Director General approved the waiving of interest fees on the outstanding amounts for 2022–23 and 2023–24 as the Department did not have the resource capacity to determine the complex interest on the outstanding amounts payable for all invoices issued. Additionally, issuing an invoice to proponents charging interest after such a long delay could potentially put the Department's reputation at risk.

For the same reasons, the Director General approve the waiver of interest fees for 2024–25 on 5 September 2025 and for 2025–26 on 24 August 2026.

(ii) Fees charged for annual compliance fees – Part 2 – Division 4 – Regulation 15: Interest

On 1 July 2023, the Department commenced charging Annual Compliance Fees (ACF) in accordance with Part 2 – Division 3 – Regulation 11 of the Regulations 2021. Part 2 –Division 4 – Regulation 15 provides for a fee to be charged for interest on outstanding amounts payable at the prescribed interest rate, being 3% higher than the cash rate target, as determined and published by the Reserve Bank of Australia, in effect on the 1st day the amount became outstanding.

In accordance with the Regulations Part 2 – Division 4 – Regulation 13, the Chief Executive Officer (i.e., the Director General) may, on a case by case basis, refund, reduce or waive, in whole or in part, a fee paid or payable under this part if considered appropriate to do so.

On 27 August 2024, the Director General approved the waiving of interest fees on the outstanding amounts for 2023–24 as the Department did not have the resource capacity to determine the complex interest on the outstanding amounts payable for all invoices issued. Additionally, issuing an invoice to proponents charging interest after such a long delay could potentially put the Department's reputation at risk.

For the same reasons, the Director General approved the waiver of interest fees for 2024–25 on 5 September 2025, and the Deputy Director General approved the waiver of interest for 2025–26 on 2 September 2026.

9. Explanatory statements

This section explains variations in the financial performance of the Department.

	Notes
Explanatory statement for controlled operations	9.1
Explanatory statement for administered items	9.2

9.1 Explanatory statements for controlled operations

This explanatory section explains variations in the financial performance of the Department undertaking transactions under its own control, as represented by the primary financial statements.

All variances between annual estimates (original budget) and actual results for 2026, and between the actual results for 2026 and 2025 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and that the variation is more than 1% of the following variance analyses for the:

1. Estimate and actual results for the current year:
   - Total Cost of Services of the estimate for the Statement of comprehensive income and Statement of cash flows (i.e. 1% of $330,798,000), and
   - Total Assets of the estimate for the Statement of financial position (i.e. 1% of $786,489,000).

2. Actual results for the current year and the prior year actual:
   - Total Cost of Services for the previous year for the Statement of comprehensive income and Statement of cash flows (i.e. 1% of $267,562,000); and
   - Total Assets for the previous year for the Statement of financial position (i.e. 1% of $877,460,000).

9.1.1 Statement of comprehensive income variances

	Variance note	Estimate[1] 2026 $'000	Actual 2026 $'000	*Restated Actual 2025 $'000	Variance between actual and estimate $'000	Variance between actual results for 2026 and 2025 $'000
Expenses						
Employee benefits expense		160,658	165,515	152,733	4,857	12,782
Supplies and services		60,213	58,465	54,107	(1,748)	4,358
Depreciation and amortisation expenses		14,995	15,602	13,159	607	2,443
Finance costs		249	315	249	66	66
Accommodation expenses		11,748	11,577	11,004	(171)	573
Grants and subsidies	1, a	73,503	35,685	30,074	(37,818)	5,611
Other expenses		6,932	5,563	6,026	(1,369)	(463)
Net loss on disposal of non-current assets		2,500	1,082	210	(1,418)	872
Total cost of services		330,798	293,804	267,562	(36,994)	26,242
Income						
User charges and fees	2	52,079	45,578	45,550	(6,501)	28
Commonwealth grants	b	17,216	17,802	3,132	586	14,670
Waste levy	3	79,800	89,625	98,262	9,825	(8,637)
Other Income	4, c	11,302	28,550	18,520	17,248	10,030
Total income		160,397	181,555	165,464	21,158	16,091
Net cost of services		**170,401**	**112,249**	**102,098**	**(58,152)**	**10,151**
Income from State Government						
Service appropriation	5	153,230	130,843	127,074	(22,387)	3,769
Income from other public sector entities		3,662	6,369	6,169	2,707	200
Resources received	d	3,276	6,136	1,871	2,860	4,265
Royalties for Regions fund		11,222	9,438	11,636	(1,784)	(2,198)
Total income from State Government		171,390	152,786	146,750	(18,604)	6,036
Surplus for the period		**989**	**40,537**	**44,652**	**39,548**	**(4,115)**
Other comprehensive income						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus		-	45,669	45,913	45,669	(244)
Total other comprehensive income		**-**	**45,669**	**45,913**	**45,669**	**(244)**
Total comprehensive income for the period		**989**	**86,206**	**90,565**	**85,217**	**(4,359)**

(1) These are annual estimates published for the financial year ended 30 June 2026.

* Refer to Note 3.5(d) for details of restatement.

Major estimate and actual (2026) variance narratives

1. Grants and subsidies were lower than the estimate by $37.8 million (51.5%) mainly due to grant deferrals relating to the Clean WA Wastepaper and Cardboard Processing, Establishing and Maintaining Vegetation Offsets Account, Pilbara Environmental Offsets Fund, Native Vegetation Rehabilitation Scheme and the Waste Avoidance and Resource Recovery Account grant programs.
2. User charges and fees were lower than the estimate by $6.5 million (12.5%) mainly due to lower than anticipated Environmental Protection Act Part IV Fee revenue.
3. Waste levy revenue was higher than the estimate by $9.8 million (12.3%) mainly due to higher than anticipated landfill volumes due to the delays in commissioning of Waste to Energy Facilities.
4. Other income was higher than the estimate by $17.3 million (152.6%) mainly due to increased payments into the Pilbara Environmental Offsets Fund.
5. Service appropriations were lower than the estimate by $22.4 million (14.6%) mainly due to deferrals of the state funded Clean WA Wastepaper and Cardboard Processing, Native Vegetation Rehabilitation Scheme and Establishing and Maintaining Vegetation Offsets Account grant programs.

Major actual (2026) and comparative (2025) variance narratives

a) Grants and subsidies expense increased by $5.6 million (18.7%) mainly due to higher expenditure for the National Partnership on Recycling Infrastructure and Clean WA Wastepaper and Cardboard Processing grant programs.

b) Commonwealth grants income increased by $14.7 million (468.4%) mainly due to National Partnership on Recycling Infrastructure revenue.

c) Other income increased by $10.0 million (54.2%) mainly due to increased payments into the Pilbara Environmental Offsets Fund.

d) Resources received increased by $4.3 million (228.0%) mainly due to assets received for no consideration from another state government agency.



9.1.2 Statement of financial position variances

	Variance note	Estimate[1] 2026 $'000	Actual 2026 $'000	*Restated Actual 2025 $'000	Variance between actual and estimate $'000	Variance between actual results for 2026 and 2025 $'000
Assets						
Current assets						
Cash and cash equivalents		10,519	47,596	34,897	37,077	12,699
Restricted cash and cash equivalents		68,586	116,171	98,470	47,585	17,701
Receivables		46,962	45,320	46,864	(1,642)	(1,544)
Amounts receivable for services		6,238	6,482	6,238	244	244
Other assets		4,900	6,140	5,462	1,240	678
Total current assets		**137,205**	**221,709**	**191,931**	**84,504**	**29,778**
Non-current assets						
Receivables		5,133	6,640	5,407	1,507	1,233
Amounts receivable for services		107,309	104,908	98,552	(2,401)	6,356
Infrastructure, property, plant and equipment	1, a	478,427	586,116	532,523	107,689	53,593
Right-of-use assets		3,154	4,597	3,630	1,443	967
Intangible assets		55,140	51,904	45,373	(3,236)	6,531
Other assets		121	58	44	(63)	14
Total non-current assets		**649,284**	**754,223**	**685,529**	**104,939**	**68,694**
Total assets		**786,489**	**975,932**	**877,460**	**189,443**	**98,472**
Liabilities						
Current liabilities						
Payables		9,039	12,533	10,115	3,494	2,418
Lease liabilities		1,063	1,336	1,073	273	263
Contract liabilities		2,384	2,486	1,961	102	525
Employee related provisions		27,138	34,694	31,296	7,556	3,398
Other current liabilities		-	23	24	23	(1)
Total current liabilities		**39,624**	**51,072**	**44,469**	**11,448**	**6,603**

9.1.2 Statement of financial position variances (cont'd)

	Variance note	Estimate[1] 2026 $'000	Actual 2026 $'000	*Restated Actual 2025 $'000	Variance between actual and estimate $'000	Variance between actual results for 2026 and 2025 $'000
Non-current liabilities						
Lease liabilities		2,565	3,489	2,710	924	779
Employee related provisions		7,295	8,047	7,882	752	165
Total non-current liabilities		**9,860**	**11,536**	**10,592**	**1,676**	**944**
Total liabilities		**49,484**	**62,608**	**55,061**	**13,124**	**7,547**
Net assets		**737,005**	**913,324**	**822,399**	**176,319**	**90,925**
Equity						
Contributed equity		210,063	227,535	222,816	17,472	4,719
Reserves		136,803	228,657	182,988	91,854	45,669
Accumulated surplus		390,139	457,132	416,595	66,993	40,537
Total equity		**737,005**	**913,324**	**822,399**	**176,319**	**90,925**

(1) These are annual estimates published for the financial year ended 30 June 2026.

* Refer to Note 3.5(d) for details of restatement.

Major estimate and actual (2026) variance narratives

1. Infrastructure, property, plant and equipment increased by $107.7 million (22.5%) mainly due to land revaluations and higher than anticipated capital expenditure on infrastructure and other asset investment programs.

Major actual (2026) and comparative (2025) variance narratives

a. Infrastructure, property, plant and equipment increased by $53.6 million (10.1%) mainly due to land revaluations and capital expenditure on infrastructure and other asset investment programs.

9.1.3 Statement of cash flows variances

	Variance note	Estimate[1] 2026 $'000	Actual 2026 $'000	Actual 2025 $'000	Variance between actual and estimate $'000	Variance between actual results for 2026 and 2025 $'000
Cash flows from State Government						
Service appropriations	1	138,235	118,005	112,087	(20,230)	5,918
Capital appropriations	a	15,386	14,645	5,495	(741)	9,150
Holding account drawdown		6,238	6,238	7,753	-	(1,515)
Other contributions by owners	2, b	18,049	29,537	16,882	11,488	12,655
Distributions to owner	3	(33,436)	(37,307)	(25,804)	(3,871)	(11,503)
Royalties for Regions fund	4	14,998	9,438	11,636	(5,560)	(2,198)
Funds from other public sector entities		3,662	6,639	5,505	2,977	1,134
Net cash provided by State Government		**163,132**	**147,195**	**133,554**	**(15,937)**	**13,641**
Cash flows from operating activities						
Payments						
Employee benefits	c	(160,649)	(161,838)	(147,117)	(1,189)	(14,721)
Supplies and services		(58,551)	(54,672)	(54,370)	3,879	(302)
Finance costs		(249)	(317)	(251)	(68)	(66)
Accommodation		(11,964)	(11,331)	(10,939)	633	(392)
Grants and subsidies	5, d	(73,503)	(34,537)	(28,880)	38,966	(5,657)
GST payments on purchases	6	(5,710)	(12,152)	(12,316)	(6,442)	164
Other payments		(6,306)	(5,637)	(4,811)	669	(826)
Receipts						
User charges and fees		52,079	48,389	44,763	(3,690)	3,626
Commonwealth grants	e	17,216	16,603	3,131	(613)	13,472
Waste levy	7, f	79,800	90,549	102,013	10,749	(11,464)
GST receipts on sales		634	926	817	292	109
GST receipts from taxation authority	8	5,086	11,337	10,977	6,251	360
Other receipts	9, g	11,302	26,049	14,683	14,747	11,366
Net cash used in operating activities		**(150,815)**	**(86,631)**	**(82,300)**	**64,184**	**(4,331)**

9.1.3 Statement of cash flows variances (cont'd)

	Variance note	Estimate[1] 2026 $'000	Actual 2026 $'000	Actual 2025 $'000	Variance between actual and estimate $'000	Variance between actual results for 2026 and 2025 $'000
Cash flows from investing activities						
Payments						
Purchase of non-current assets	10, h	(33,993)	(27,556)	(35,113)	6,437	7,557
Net cash used in investing activities		**(33,993)**	**(27,556)**	**(35,113)**	**6,437**	**7,557**
Cash flows from financing activities						
Payments						
Principal elements of lease payments		(1,062)	(1,376)	(1,290)	(314)	(86)
Payments to accrued salaries account		-	(1,232)	(1,155)	(1,232)	(77)
Net cash used in financing activities		**(1,062)**	**(2,608)**	**(2,445)**	**(1,546)**	**(163)**
Net increase/(decrease) in cash and cash equivalents		(22,738)	30,400	13,696	53,138	16,704
Cash and cash equivalents at the beginning of the period		102,723	133,367	119,671	30,644	13,696
Cash and cash equivalents at the end of the period		**79,985**	**163,767**	**133,367**	**83,782**	**30,400**

(1) These are annual estimates published for the financial year ended 30 June 2026.

Major estimate and actual (2026) variance narratives

1. Service appropriations were lower than the estimate by $20.2 million (14.6%) mainly due to deferrals of the State funded Clean WA Wastepaper and Cardboard Processing, Native Vegetation Rehabilitation Scheme and Establishing and Maintaining Vegetation Offsets Account grant programs.
2. Other contributions by owners were higher than the estimate by $11.5 million (63.6%) mainly due to higher receipts from the Climate Action Fund and the Digital Capability fund.
3. Distributions to owner were higher than the estimate by $3.9 million (11.6%) mainly due to the return of surplus cash to the Treasury Consolidated Account.
4. Royalties for Regions fund was lower than the estimate by $5.6 million (37.1%) mainly due to deferrals in expenditure and associated funding requirements for Royalties for Regions funded programs.
5. Grants and subsidies were lower than the estimate by $39.0 million (53.0%) mainly due to grant deferrals relating to the Clean WA Wastepaper and Cardboard Processing, Establishing and Maintaining Vegetation Offsets Account, Pilbara Environmental Offsets Fund, Native Vegetation Rehabilitation Scheme and the Waste Avoidance and Resource Recovery Account grant programs.
6. GST payments on purchases were higher than the estimate by $6.4 million (112.8%) mainly due to higher than anticipated goods and services tax paid to suppliers for goods and services rendered and grant payments.
7. Waste levy receipts were higher than the estimate by $10.7 million (13.5%) mainly due to higher than anticipated landfill volumes resulting from delays in commissioning of Waste to Energy facilities.
8. GST receipts from taxation authority were higher than the estimate by $6.3 million (122.9%) mainly due to higher than anticipated goods and services tax paid to suppliers for goods and services rendered and grant payments.
9. Other receipts were higher than the estimate by $14.7 million (130.5%) mainly due to increased payments into the Pilbara Environmental Offsets Fund.
10. Purchase of non-current assets was lower than the estimate by $6.4 million (18.9%) mainly due to deferrals in expenditure on capital projects.

Major actual (2026) and actual (2025) variance narratives

a. Capital appropriations increased by $9.15 million (166.5%) mainly due to higher appropriation received for Environment Online and other Capital programs.
b. Other contributions by owners increased by $12.66 million (75%) mainly due to higher receipts from the Climate Action Fund and the Digital Capability fund.
c. Employee benefits increased by $14.7 million (10.0%) mainly due to increased resourcing across the Department and the impact of the Public Sector Wages Policy.
d. Grants and subsidies increased by $5.7 million (19.6%) mainly due to higher expenditure for the National Partnership on Recycling Infrastructure and Clean WA Wastepaper and Cardboard Processing grant programs.
e. Commonwealth grants increased by $13.5 million (430.3%) mainly due to National Partnership on Recycling Infrastructure revenue.
f. Waste levy decreased by $11.5 million (11.2%) mainly due to lower landfill volumes than the prior year.
g. Other receipts increased by $11.4 million (77.4%) mainly due to increased payments into the Pilbara Environmental Offsets Fund.
h. Purchase of non-current assets decreased by $7.6 million (21.5%) mainly due to lower expenditure on capital projects compared with the prior year.

9.2 Explanatory statement for administered items

This explanatory section explains variations in the financial performance of the Department undertaking transactions that it does not control but has responsibility to the government for, as detailed in the administered schedules.

All variances between annual estimates and actual results for 2026, and between the actual results for 2026 and 2025 are shown below. Narratives are provided for key major variances which are more than 10% from their comparative and that variation is more than 1% of Total Administered Income for the following variance analyses for the:

1. Estimate and actual results for the current year (i.e. $100,000).
2. Actual results for the current year and the prior year actual (i.e. $68,000)

	Variance note	Estimate[1] 2026 $'000	Actual 2026 $'000	Actual 2025 $'000	Variance between actual and estimate $'000	Variance between actual results for 2026 and 2025 $'000
Income from administered items						
Income						
For transfer:						
Regulatory fees and other charges[a]	1, a	100	60	68	(40)	(8)
Total administered income		**100**	**60**	**68**	**(40)**	**(8)**
Expenses						
Payments into the consolidated account[a]	2, b	100	60	68	(40)	(8)
Total administered expenses		**100**	**60**	**68**	**(40)**	**(8)**

(1) These are annual estimates published for the financial year ended 30 June 2026.

(a) Payments into the consolidated account included water fines collected on behalf of the Water Corporation, and environmental infringement regulatory fees and fines collected on behalf of State Government.

Variance narratives

Major estimate and actual (2026) variance narratives

1. Regulatory fees and other charges were lower than the estimate by $0.040 million (40.0%) mainly due to a decrease in court-imposed penalties during the financial year under review.
2. The variance is explained in the above-mentioned note 1.

Major actual (2026) and actual (2025) variance narratives

a. Regulatory fees and other charges decreased by $0.008 million (11.8%) mainly due to a decrease in court-imposed penalties during the financial year under review.
b. The variance is explained in the above-mentioned note a.



Certification of key performance indicators

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Water and Environmental Regulation's performance and fairly represent the performance of the Department of Water and Environmental Regulation for the financial year ended 30 June 2026.

Sasha Pendal
Acting Director General
7 October 2026

Outcome-based management framework

Government goal – Investing in WA's Future: Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities.

	Agency outcome	Key effectiveness indicators	Page	Agency services	Key efficiency indicators	Page
Outcome 1	Western Australia's growth and development is supported by the sustainable management of water resources for the long-term benefit of the state	Proportion of stakeholders who perceive the Department to be effectively managing the state's water as a resource for sustainable, productive use	154	1. Water information and advice	Proportion of statutory referrals from decision-making authorities where advice is provided within target timeframes	161
					Average cost per referral assessment	161
					Average cost per water measurement site managed	162
		Proportion of priority growth areas that have a water supply planning strategy	155	2. Water planning, allocation, and optimisation	Average cost per plan, report, or guidance document to support water planning, allocation, and optimisation	163
					Average cost per hour of scientific support for water planning, allocation, and optimisation	164
				3. Water regulation, licensing, and industry governance	Average cost of assessing a water licence application by risk assessment category	165
					Average time taken (days) to assess a licence application by risk assessment category	166
					Average cost of compliance monitoring and enforcement action	167
Outcome 2	Emissions, discharges and clearing of native vegetation are effectively regulated to avoid unacceptable risks to public health and the environment	Percentage of regulatory compliance activities completed as planned	155	4. Environmental regulation	Average cost per works approval and licence application	168
		Percentage of potential environmental risks identified during compliance monitoring program that are rectified within two months	156		Average cost per native vegetation clearing permit application	168
Outcome 3	Development and implementation of strategic policy and legislation that promotes sustainable environmental outcomes	Percentage of advice and recommendations that met Ministerial approval, without the need for significant modification	156	5. Environmental and water policy	Average cost per hour of policy advice and recommendations	169

	Agency outcome	Key effectiveness indicators	Page	Agency services	Key efficiency indicators	Page
Outcome 4	Waste avoided and the recovery of materials from landfill maximised	Percentage of municipal solid waste reported as diverted from landfill through recycling compared to waste strategy target in the Perth metropolitan region	157	6. Waste strategies	Cost of landfill levy compliance as a percentage of landfill levy income collected	170
		Percentage of commercial and industrial waste reported as diverted from landfill through recycling compared to the statewide waste strategy target	157			
		Percentage of construction and demolition waste reported as diverted from landfill through recycling compared to the statewide waste strategy target	158			
Outcome 5	Quality advice to the Environmental Protection Authority (EPA) and Minister for the Environment on significant proposals and environmental issues	The EPA's satisfaction with the Department's environmental impact assessment (EIA) service, during the year, in line with best practice principles of EIA	158	7. Environmental impact assessment services to the EPA	Cost per standardised unit of assessment output	171
		Percentage of project-specific conditions which did not require significant change following the appeal process	159	8. Environmental management services to the EPA	Cost per standardised unit of environmental management services output	172
		Percentage of assessments that met agreed timelines	159			
		The EPA's satisfaction with the Department's provision of environmental management services during the year	160			
Outcome 6	Compliance with Ministerial Statement implementation conditions are monitored effectively	The number of Ministerial Statements audited compared to targets	160	9. Compliance monitoring services to the Minister for the Environment	Average cost per environmental audit completed	173

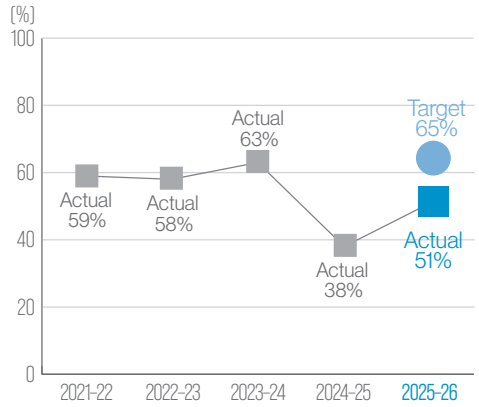
Following the machinery of government changes, the Department of Water, the Department of Environment Regulation, and the Office of the Environmental Protection Authority were amalgamated and formed the Department of Water and Environmental Regulation (the Department) on 1 July 2017. This is the ninth reporting period for the Department post amalgamation.

Results with significant variances of 10% or more compared with the Target and prior year results are explained.

Key effectiveness indicators

Proportion of stakeholders who perceive the Department to be effectively managing the State's water as a resource for sustainable, productive use[a]

(a) The 2025–26 survey results have a confidence interval of ±3.38% at the 95% confidence level, based on a sample of 668 stakeholders from a total valid sample of 3,218. The survey was conducted using a combined online and telephone methodology and stakeholder responses were weighted in line with previous years.



Other survey statistics include:

- population character: stakeholder contacts provided by the Department
- survey fieldwork: 6 August to 19 November 2025
- response rate: 21%
- average survey length: 12.47 minutes
- how sample was selected: online survey distributed via a DWER email address, supplemented by a targeted telephone survey to improve representation and response rates. Responses were weighted to align with the stakeholder database profile and maintain consistency with previous years.

The indicator is based on feedback received from stakeholders with water-related dealings with the Department. It is calculated as the percentage of respondents who rated the Department as "very effective" or "quite effective" in managing the state's water as a resource for sustainable productive use. Other response options included "neither effective nor ineffective", "quite ineffective", "very ineffective" and "don't know".

The stakeholder research program began in 2014 under the former Department of Water and has evolved to include customers and the broader community. This KPI has been tracked consistently since then, providing a long-term view of stakeholder sentiment.

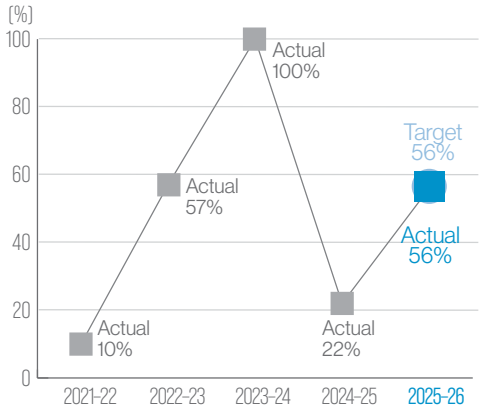
The management of the state's water resources to enable growth and development is a core objective for the Department, and this occurs within the context of ensuring the sustainability of the resources and their dependent environments.

The Department engages a diverse stakeholder base with a range of interests, including industry, local government, community organisations, Aboriginal stakeholders, environmental groups and water users.

Variance analysis

The 2025–26 result of 51% is an increase from 38% in 2024–25, reflecting improved stakeholder perceptions of the Department's effectiveness in managing the state's water resources. Survey results indicate stronger confidence in the Department's leadership, long-term planning and delivery of services for stakeholders with water-related dealings. The result demonstrates a positive improvement from the previous year, although it remains below the 2025–26 target of 65%.

Proportion of priority growth areas that have a water supply planning strategy



'Priority growth areas' refers to a list of projects with strategic significance for the state and public water supply schemes where projected growth in water demand exceeds current water availability. For each priority growth area, the Department, or key stakeholders in collaboration with the Department, develops a water supply plan or strategy to identify current and future water resource and supply options to meet water demand for population growth, industry and other sectors over the long-term. This supports the timely development of water supply options to meet demand in areas of state priority.

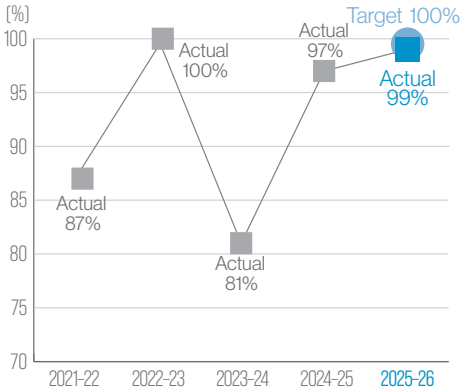
The indicator is calculated as a percentage of the priority growth areas with a water supply planning strategy (or advisory report for key stakeholders) out of the total priority growth areas that the Department has scheduled to undertake project work on over a three-year period. Following the completion of the previous three-year program in 2023–24, the indicator was re-set for a new three-year delivery cycle commencing in 2024–25. The target comprises nine water supply planning projects to be delivered by 2026–27, with three outputs scheduled for completion each year (33% of the total program annually).

The 2025–26 Target was reset at 56% (two outputs were completed in 2024–25 plus the three planned for 2025–26).

Variance analysis

Two outputs were completed in 2024–25 so actual performance (22%) was below the target of 33%. This was due to reprioritisation of water supply planning resources to respond to urgent water supply issues for Pilbara towns and industry. In 2025–26, an additional three outputs were delivered and the target 5 out of the 9 outputs was achieved. In 2026–27 four outputs are scheduled for delivery to achieve the target total of nine water supply planning projects by the end of the three-year cycle.

Percentage of regulatory compliance activities completed as planned



Compliance activities are an integral part of the Department's regulatory work and include promotion, monitoring, and enforcement. Information gathered and assessed through compliance activities is also used to inform and revise both regulation and policy frameworks as well as to inform legislative reform programs.

The Department is a risk-based regulator that focuses its resources to address the areas of greatest risks to public health, the environment and water resources and is responsive to emerging risks and issues.

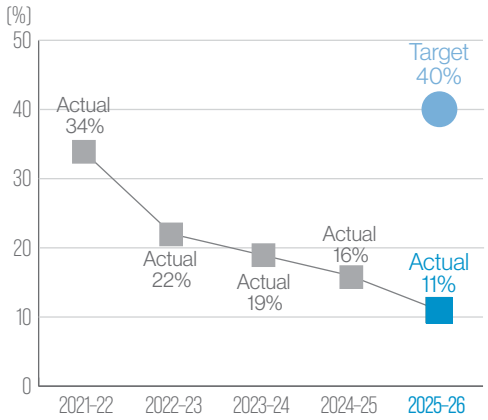
The prescribed premises compliance monitoring program is focused on the assessment of emissions and discharges from premises to ensure they are managed appropriately by the current instrument and relevant legislation. The program identifies premises and targets activities based on a risk assessment informed by environmental and operational risk including type of activity, compliance history and intelligence gathered, including from complaints and incidents.

The waste sector compliance monitoring program assesses compliance at landfills and associated industries with the requirements of the landfill levy.

Percentage of potential environmental risks identified during compliance monitoring program that are rectified within two months

Non-compliances identified through inspections undertaken as part of the prescribed premises compliance monitoring program and the waste sector compliance monitoring program are recorded and the length of time taken for these non-compliances to be rectified is tracked.

Non-compliances vary in nature, they may be administrative, technical, or operational. Administrative and technical non-compliances generally pose a low risk to public health, the environment or water resources, whereas operational non-compliances and emissions may pose a higher risk.



Variance analysis

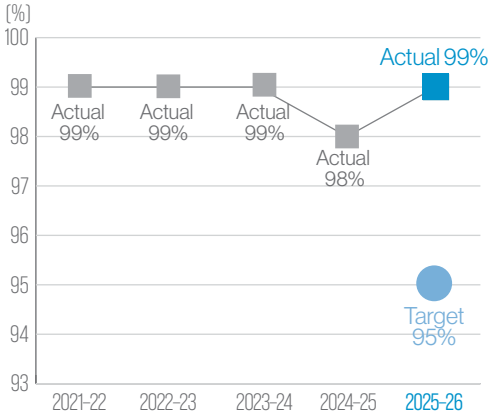
During 2025–26, a total of 294 non-compliances were identified to 30-June-2026 from inspections under the waste sector and the prescribed premises compliance monitoring programs, including a small number of non-compliances carried over from 2024–25 to allow for calculation against the two-month timeframe.

The target of 40% of non-compliances being closed within two calendar months was not achieved, with only 11% of non-compliances being closed within the specified timeframe. There are several reasons for the drop in performance:

- The Department has been improving the robustness of its compliance activities and requiring evidence-based compliance validation from proponents which takes proponents longer to prepare.
- Departmental compliance validation processes may require site visits which further delays the close out of non-compliant matters.
- The resolution of the identified non-compliances is often protracted depending upon the complexity of the non-compliance identified. Compliance issues which relate to outdated infrastructure and poor asset management for example, or which required extended monitoring to verify rectification, can result in protracted resolution timescales.
- A proponent's responsiveness to Departmental direction.

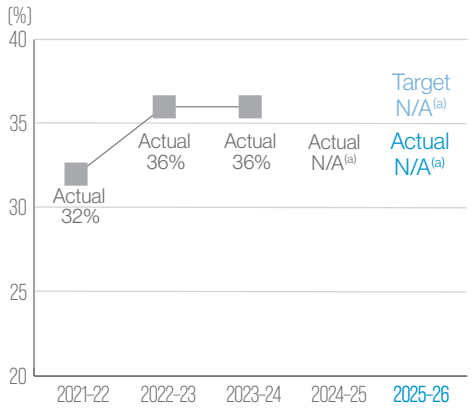
Percentage of advice and recommendations that met Ministerial approval, without the need for significant modification

This indicator seeks to ensure that the advice provided by the Department is consistent with the State Government's policy direction by measuring how well it meets the Minister for Environment's expectations.



Percentage of municipal solid waste reported as diverted from landfill through recycling compared to waste strategy target in the Perth metropolitan region

(a) The Treasurer has given a direction not to report this indicator for 2024–25, 2025–26 and 2026–27. Refer further details below.



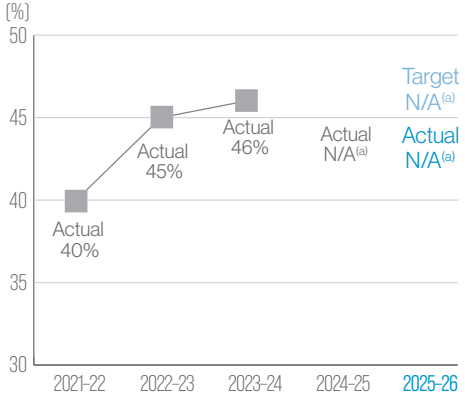
Due to the significant time required to gather the relevant information, 2022–23 data, as reported in Waste and recycling in Western Australia 2022–23, was used to calculate this indicator for 2023–24. From 2021, the data is derived from annual returns submitted under regulation 18C of the Waste Avoidance and Resource Recovery Regulations 2008 and composition data submitted with waste levy returns. Data was sourced from voluntary surveys prior to 2019–20.

Explanation for exemption for reporting against this KPI for 2024–25, 2025–26 and 2026–27

The Department determined during the 2024–25 year that a revision of the current Key Performance Indicators is required. The Department has commenced a comprehensive review of its Output Based Measurement framework during the 2025–26 year to align the KPIs with the Department's current organisational structure, four Ministerial portfolios and strategic direction. This indicator was specifically identified as requiring modification and the Treasurer has given a direction not to report this KPI for the 2024–25, 2025–26 and 2026–27 financial years under section 61(1)(b) of the *Financial Management Act 2006*.

Percentage of commercial and industrial waste reported as diverted from landfill through recycling compared to the statewide waste strategy target

(a) The Treasurer has given a direction not to report this indicator for 2024–25, 2025–26 and 2026–27. Refer further details below.



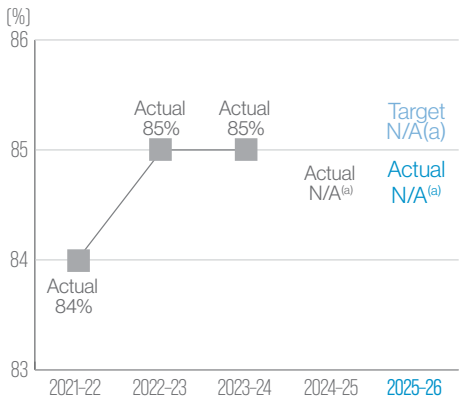
Due to the significant time required to gather the relevant information, 2022–23 data, as reported in Waste and recycling in Western Australia 2022–23, was used to calculate this indicator for 2023–24. From 2021–22, the data is derived from annual returns submitted under regulation 18C of the Waste Avoidance and Resource Recovery Regulations 2008 and composition data submitted with waste levy returns.

Explanation for exemption for reporting against this KPI for 2024–25, 2025–26 and 2026–27

The Department determined during the 2024–25 year that a revision of the current Key Performance Indicators is required. The Department has commenced a comprehensive review of its Output Based Measurement framework during the 2025–26 year to align the KPIs with the Department's current organisational structure, four Ministerial portfolios and strategic direction. This indicator was specifically identified as requiring modification and the Treasurer has given a direction not to report this KPI for the 2024–25, 2025–26 and 2026–27 financial years under section 61(1)(b) of the *Financial Management Act 2006*.

Percentage of construction and demolition waste reported as diverted from landfill through recycling compared to the statewide waste strategy target

(a) The Treasurer has given a direction not to report this indicator for 2024–25, 2025–26 and 2026–27. Refer further details below.



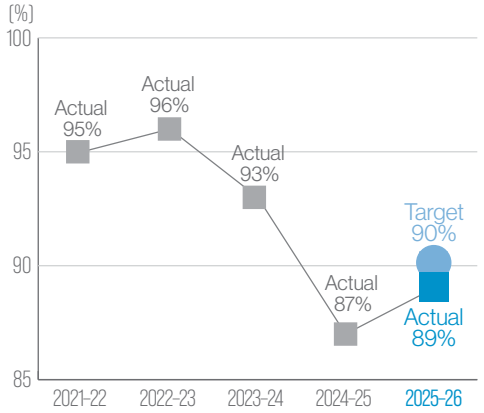
Due to the significant time required to gather the relevant information, 2022–23 data, as reported in Waste and recycling in Western Australia 2022–23, was used to calculate this indicator for 2023–24. From 2021–22, the data is derived from annual returns submitted under regulation 18C of the Waste Avoidance and Resource Recovery Regulations 2008 and composition data submitted with waste levy returns.

Explanation for exemption for reporting against this KPI for 2024–25, 2025–26 and 2026–27

The Department determined during the 2024–25 year that a revision of the current Key Performance Indicators is required. The Department will commence a comprehensive review of its Output Based Measurement framework during the 2025–26 year to align the KPIs with the Department's current organisational structure, three Ministerial portfolios and strategic direction. This indicator was specifically identified as requiring modification and the Treasurer has given a direction not to report this KPI for the 2024–25, 2025–26 and 2026–27 financial years under section 61(1)(b) of the *Financial Management Act 2006*.

The EPA's satisfaction with the Department's environmental impact assessment (EIA) service, during the year, in line with best practice principles of EIA

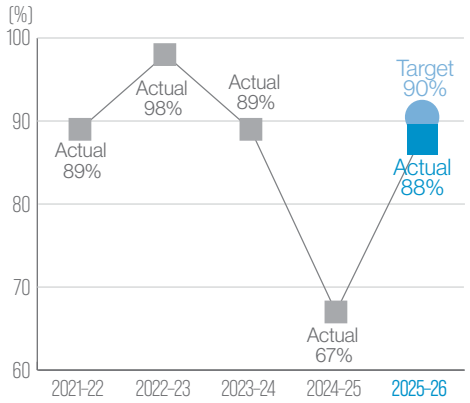
The indicator is determined through surveys of the EPA's members (service recipients) who rate the quality of each service against best practice principles (currently, the International Association for Impact Assessment's Principles of EIA Best Practice).



The Department strives to ensure that all advice provided to the EPA is practical, efficient, rigorous, participative and fit-for-purpose. Based on survey responses received during the year, the EPA considered the EIA services provided by the Department to be of a very high standard.

Percentage of project-specific conditions which did not require significant change following the appeal process

The indicator assists stakeholders in ascertaining the quality of conditions recommended by the Department's EIA services. The Department provides periodic reports to the EPA outlining the results of the appeals process and drawing attention to significant changes to the recommended conditions. This provides an important part of the State Government's expectation of a 'continuous improvement loop' in the appeals process.



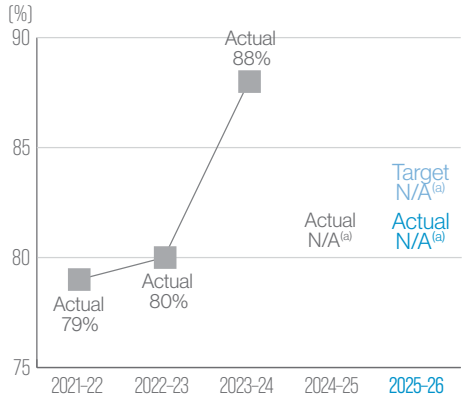
A significant change can be deemed as a substantial change to the form of a condition, the deletion or addition of a new condition, or a substantial change to the outcome or objective specified in a condition. A substantial change to the specified requirements of an environmental management plan or environmental monitoring plan and a change to a prescribed action are determined on a case-by-case basis.

Variance analysis

The 2025–26 Actual result of 88% was slightly below the Budget Target of 90% but represents a significant improvement from the 2024–25 result of 67% and a return to performance levels more consistent with previous years. The 2024–25 result was largely attributable to three planning scheme amendment assessments that required substantial revisions to recommended environmental conditions to align with planning framework requirements.

Percentage of assessments that met agreed timelines

(a) The Treasurer has given a direction not to report this indicator for 2024–25, 2025–26 and 2026–27. Refer further details below.



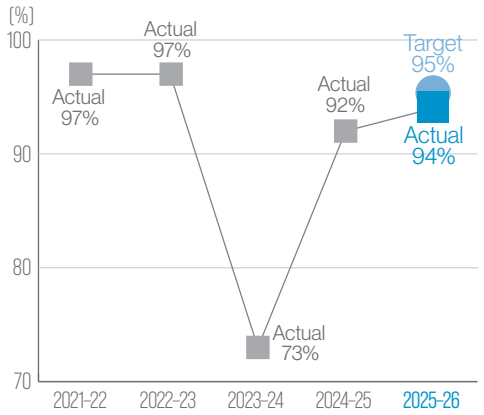
This indicator measures the Department's effectiveness in completing the assessment and providing the assessment report to the Minister in a timely manner. The timeline for an assessment may vary according to the complexity of the project and is usually agreed with the proponent soon after the level of assessment is determined. The assessment timeline is stated in the EPA's Report. The timeline refers to the time between the receipt of the final information (that has been endorsed by the EPA) for the assessment and providing the assessment report to the Minister (12 weeks).

Explanation for exemption for reporting against this KPI for 2024–25, 2025–26 and 2026–27

The Department determined during the 2024–25 year that a revision of the current Key Performance Indicators is required. The Department has commenced a comprehensive review of its Output Based Measurement framework during the 2025–26 year to align the KPIs with the Department's current organisational structure, four Ministerial portfolios and strategic direction. This indicator was specifically identified as requiring modification and the Treasurer has given a direction not to report this KPI for the 2024–25, 2025–26 and 2026–27 financial years under section 61(1)(b) of the *Financial Management Act 2006*.

The EPA's satisfaction with the Department's provision of environmental management services during the year

The level of quality is determined by the EPA with reference to the desirable underlying qualities of good environmental management (EM) advice. The EPA rates the quality of advice on strategic advice, statutory policies or guidelines provided by the Department.

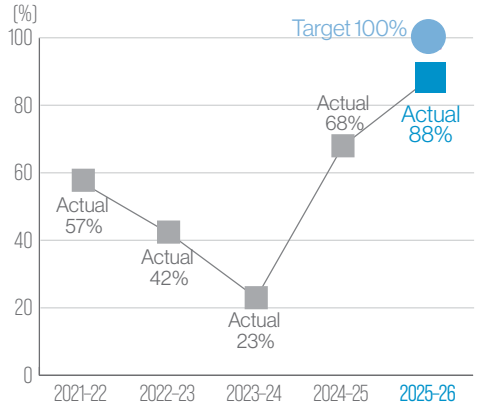


Each EPA member who participates in the relevant decision and is eligible to provide a rating assesses the product on a scale of one to five (poor to excellent). Individual ratings are averaged, combined and proportionally adjusted to a percentage. The final indicator represents the average rating awarded to all environmental management services endorsed by the EPA during the reporting period.

The number of Ministerial Statements audited compared to targets

Compliance monitoring is managed through a structured annual compliance management program. The annual program sets out the number of audits to be undertaken and using a risk-based approach, identifies the Ministerial Statements to be audited.

The Minister imposes conditions on proposals to ensure that they are managed in an environmentally acceptable manner.



Variance analysis

Continued improvement in audit delivery was realised in 2025–26 compared to 2024–25. The variance from 2025–26 Target was due to some staff being focused on resolving several high risk and significant compliance matters.

Key efficiency indicators

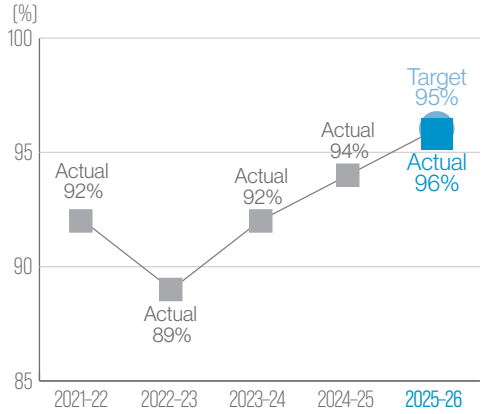
Service 1: Water information and advice

The Department enables investment decisions of regional and state significance through the provision of data and information on the quantity, quality, location of, and demand for, water across the state. The information also underpins policy advice for consideration by State Government and supports other government agencies and stakeholders in their planning for future economic growth, and urban and rural development.

▶ Proportion of statutory referrals from decision-making authorities where advice is provided within target timeframes

Technically proficient, reliable, and timely advice on the state's water resources enables effective decision-making by decision-making authorities (DMAs) that directly supports growth, development, and investment for the long-term benefit of the state. DMAs include the:

- Environmental Protection Authority
- Other State Government agencies
- Local government authorities



This includes advice about water availability; the avoidance, management, and mitigation of impacts on water resources; and the protection of public drinking water sources.

This indicator represents a measure of the Department's timeliness with respect to the provision of advice on various statutory referrals from DMAs. It demonstrates the efficiency with which the Department is meeting statutory timeframes in providing water information and advice.

A statutory referral is a formal request for water advice from a DMA that has a statutory timeframe associated with the provision of that water advice.

This indicator is calculated as a percentage of the total number of statutory referrals from DMAs to the Department for advice that met the 35-business-day timeframe within the period

▶ Average cost per referral assessment

Actual 2021–22 $	Actual 2022–23 $	Actual 2023–24 $	Actual 2024–25 $	**Target 2025–26 $**	**Actual 2025–26 $**
3,716	4,332	4,259	5,182	**4,967**	**4,686**

This measure provides information on the amount of operational expenditure being used for referrals that enable decisions on proposals that support the state's growth and development.

The indicator is relevant to the service because it is a directly attributable operational cost incurred in service delivery to meet the desired outcome.

An assessment is generated from both a formal request for water advice from a DMA or proponent such as under the Better Urban Water Management Framework. The indicator is calculated using the total cost of the water information and advice service divided by the total number of assessments conducted within the period.

Variance analysis

The lower result compared to the prior year is primarily due to an increase in the number of referral assessments completed, more than offset by an increase in resource cost allocations resulting from revised cost allocations.

▶ Average cost per water measurement site managed

Actual 2021–22 $	Actual 2022–23 $	Actual 2023–24 $	Actual 2024–25 $	**Target 2025–26 $**	**Actual 2025–26 $**
6,764	7,414	8,285	8,107	**9,526**	**8,864**

Access to reliable and current information about water resources – quantity and quality – is a core input to decision-making by State Government and water-dependent businesses that enables growth and development of the state.

Stakeholders access water information and data to support investment and business decisions. It also supports accurate water resource management decisions and advice. To service this need, the Department measures or holds water data for more than 116,000 groundwater and surface water field sites, verifies, and stores the data and makes it available as water information.

Regular or periodic field measurements are essential to maintain up-to-date data, and verification, storage and accessibility are essential to make data available as reliable information.

This indicator is calculated by dividing the annual cost of water measurement and water information functions by the number of active operational sites.



The Department undertakes and facilitates water planning, allocation, and optimisation to ensure the sustainable management of water resources for the long term benefit of the State, which relies on good science. This includes planning and allocating water for sustainable productive use, protecting public drinking water sources, and ensuring the sustainability of water resources and their dependent ecosystems.

▶ Average cost per plan, report, or guidance document to support water planning, allocation, and optimisation

Actual 2021–22 $	Actual 2022–23 $	Actual 2023–24 $	Actual 2024–25 $	**Target 2025–26 $**	**Actual 2025–26 $**
268,753	243,074	194,137	259,057	**248,550**	**288,409**

Water resources need to be sustainably managed to achieve sufficient water quantity and quality for current and future needs. Increasingly precise, systematic, and transparent management is produced in science-based water allocation and optimisation plans, reports, and guidance documents. They guide and define management decisions to meet demand and avoid, mitigate, or minimise unsustainable impacts on resources. With this in place sufficient good-quality surface and groundwater will remain an ongoing part of future water supply for economic and population growth and the liveability of towns and cities.

Average cost is calculated by dividing the cost of the services by the total number of the following types of documents or advice produced:

1. Plans
   - Water allocation plan
   - Drinking water source protection plan
   - Statement of response to public submissions.
2. Plans for public comment
   - Water allocation plan for public comment
   - Water source protection plan for public comment.
3. Technical reports
   - Drinking water source protection area assessments
   - Environmental water requirements report, or provisions report
   - Allocation limits methods report.
4. Guidance documents
   - Water quality protection notes and information sheets
   - Local water licensing strategy (e.g. Indigenous Land Use Agreement, allocation statement).
5. Status reports including:
   - Annual or tri-annual compliance Jandakot, and Gnangara compliance reports
   - Water allocation plan evaluations
   - Drinking water source protection reviews
   - State-wide planning reports (e.g., water resources inventory)
   - Pre-planning or implementation phase status reports (e.g., discussion paper, review of allocation limits or components)
   - Communication products (or sets of communication products) (e.g., water availability outlooks, website text, fact sheets).

Variance analysis

The average cost was higher than the prior year and target mainly due to an increase in resource cost allocations and increases in other costs associated with non-operating activities.

▶ Average cost per hour of scientific support for water planning, allocation, and optimisation

Actual 2021–22 $	Actual 2022–23 $	Actual 2023–24 $	Actual 2024–25 $	**Target 2025–26 $**	**Actual 2025–26 $**
185	197	199	218	**204**	**229**

The sustainable management of water resources for the long-term benefit of the state relies on quality and contemporary water science. The indicator will enable judgement about the efficient application of the Department's science capacity.

This indicator shows the average cost of providing scientific support for the achievement of water planning, allocation, and optimisation outcomes.

This indicator is calculated by dividing annual cost of full-time equivalent (FTE) and operational expenses by total hours worked by employees directly supporting scientific outcomes for this service.

Variance analysis

The result was higher than the target mainly due to higher resource cost allocations and increases in the level of amortisation of software and licences costs, as well as a relatively small reduction in the number of scientific support hours delivered. The increase from the prior year is mainly due to higher cost allocations more than offset by a relatively small increase in the number of hours for scientific support.



Responsible, proportional regulation ensures investment, growth and development are underpinned by sustainable management of the State's water resources for the long-term benefit of the state. This service includes the administration of water regulation including licensing and compliance functions. It also includes the management of the legislation governing the operations of water service providers.

▶ Average cost of assessing a water licence application by risk assessment category

Risk Assessment Category	Actual 2021–22 $	Actual 2022–23 $	Actual 2023–24 $	Actual 2024–25 $	**Target 2025–26 $**	**Actual 2025–26 $**
Low risk	3,348	4,018	4,182	4,243	**5,296**	**4,813**
Medium risk	4,464	5,357	5,577	5,657	**7,062**	**6,418**
High risk	5,580	6,697	6,971	7,071	**8,827**	**8,022**

Responsible, proportional regulation gives confidence that Western Australia's water resources are being sustainably managed for the long-term benefit of the state.

Water licensing is the main tool for sharing and allocating the State's water resources. A licence to take water authorises a licensee to take a specified volume of water from a particular water resource and is the principal tool for ensuring sustainable productive use of water in Western Australia. Other licences and permits administered by the Department authorise the construction and alteration of water access infrastructure, such as wells and dams, as well as activities that interfere with the beds and banks of watercourses.

This indicator enables judgement about the costs of the Department's water licence application assessments, within a risk-based assessment framework.

The indicator shows the average cost to assess a licence or permit application by risk category grouping. The indicator includes applications for permits to interfere with bed and banks, licences to construct a well, licences to access water, and renewal of and amendments to existing licences to access water, trades, transfers, and agreements.

The indicator is calculated by dividing the Departmental cost of providing the water licensing service per application risk category, by the total number of licence and permit applications assessed within each risk category, within the period.

Variance analysis

The lower result compared to the target is mainly due to lower cost allocations resulting from revised cost allocations as well as a relatively small increase in the volume of water licence application assessed by risk categories.

The increase in the result from the prior year is primarily due to higher resource cost allocations and increases in the level of amortisation of software supporting the water licence application assessed by risk categories.

▶ Average time taken (days) to assess a licence application by risk assessment category

Risk Assessment Category	Actual 2021-22 (Days)	Actual 2022-23 (Days)	Actual 2023-24 (Days)	Actual 2024-25 (Days)	**Target 2025-26 (Days)**	**Actual 2025-26 (Days)**
Low risk	35	43	58	59	**65**	**57**
Medium risk	52	57	84	63	**75**	**68**
High risk	65	85	92	76	**95**	**78**

Water licences are one of the fundamental assets that support investment decisions in water-dependent industries. Investment decisions by licensees, existing and prospective, are also time-bound and require that applications for access to water are dealt with by the Department in a timely manner.

The Department ensures that the level of assessment effort applied to a water licence application is proportionate to the risk posed should a licence be granted, for example higher-risk licence applications are generally more complex and require more time to assess.

Risk categories for water licence or permit applications guide the level of assessment that is carried out by the Department based on the risk should a licence or permit be granted. Risk categories are defined as low, medium, or high. Primary factors considered when assigning an assessment risk category are the volume of water being requested, how much water is available in the resource where the water is being requested, and potential impact of the proposed water use on other water users and/or the environment, including cumulative impacts.

This indicator enables judgement about the Department's efficiency in decision-making for water licence and permit applications within this risk-based assessment framework.

The indicator shows the average time taken to assess a water licence or permit application by risk category. The indicator includes applications for permits to interfere with bed and banks, licences to construct a well, licences to take water, and renewal of and amendments to existing licences to take water, trades, transfers, and agreements.

The indicator is calculated by dividing the total time taken to assess all water licence and permit applications within each risk category, by the total number of licence and permit applications assessed within each risk category, within the period.

The measurement of assessment timeframes includes 'stop the clock.' When a water licence application assessment process is outside of the Department's control, the time taken during this assessment process is not included when calculating application assessment times. The assessment clock is 'stopped' in these instances.

Variance analysis

The average time taken was lower than targeted, driven by the successful implementation of the water licensing backlog action plan. The results were between 9% and 22% lower than the targets across the three risk categories.

▶ Average cost of compliance monitoring and enforcement action

Actual 2021–22 $	Actual 2022–23 $	Actual 2023–24 $	Actual 2024–25 $	**Target 2025–26 $**	**Actual 2025–26 $**
130	206	344	475	**421**	**306**

The Department relies on water usage information for accurate water resource management advice and decisions. The Department's compliance monitoring of licenced use provides accurate information on actual licenced water use to ensure the sustainable management of water resources for the long-term benefit of the state.

The Department undertakes compliance monitoring and, where appropriate, enforcement action when licenced water use is found to be not in accordance with terms, restrictions, and conditions. Compliance monitoring within a risk-based framework ensures the Department fulfils its legislative requirements, while ensuring efficient and sustainable productive water use.

Investment decisions by licensees, existing and prospective, are time-bound and require that applications for access to water are dealt with by the Department in a timely manner. Water licences are one of the fundamental assets that support investment decisions.

This indicator is calculated using the Departmental cost of compliance and enforcement activities divided by the number of compliance and enforcement actions undertaken by the Department during the year.

The enforcement actions include the following activities undertaken by the Department when licenced water use is found to be inconsistent with the licence terms, restrictions, and conditions:

- educational letters
- licence amendments
- warnings, infringements, or direction notices
- prosecutions

Variance analysis

The lower average cost compared to the target and prior year is mainly due to an increase in the compliance monitoring and enforcement actions associated with an uplift in compliance and enforcement monitoring activities in response to the outcomes of the OAG report Regulation of water licences (published in June 2025).



The Department seeks to prevent, control, and abate activities with the potential to cause pollution or environmental harm. It has adopted a risk-based approach to delivering its regulatory role, which broadly fits into three main functions:

1. approvals and licensing
2. monitoring, audit, and compliance inspections
3. enforcement, including complaint and incident investigation.

- ▶ Average cost per works approval and licence application and
- ▶ Average cost per native vegetation clearing permit application

Efficiency indicator	Actual 2021–22 $	Actual 2022–23 $	Actual 2023–24 $	Actual 2024–25 $	**Target 2025–26 $**	**Actual 2025–26 $**
Average cost per works approval and licence application	55,425	57,660	62,784	69,499	**97,398**	**78,164**
Average cost per native vegetation clearing permit application	30,353	33,764	38,428	38,442	**66,524**	**44,779**

These measures of efficiency were established to reflect the costs per regulatory action for an instrument for the Department's industry regulation and native vegetation regulation functions. These are considered relevant efficiency indicators as they:

- capture the primary regulatory functions of the Department
- measure the amount of resources required to assess and determine an industry regulation instrument and native vegetation instrument
- are of interest to parties paying regulatory fees
- are relevant to the review and determination of the Department's regulatory fees and charges.

The indicators are considered relevant to the service as they can track the efficiency of the assessment of regulatory instruments over time and provide a simple metric for users of the Department's budget statements and annual report.

For works approvals and licences, the indicator is calculated by dividing the total group costs deemed relevant to the agency activity of carrying out and administering the function of works approvals and licences – being applications assessment and decision-making on works approval and licence applications under Part V Division 3 of the as *Environmental Protection Act 1986* – by the number of work approvals, licences, licence renewals and amendments assessed to provide the average cost.

For clearing permit applications, the indicator is calculated using the same method, by dividing the total group costs deemed relevant to the agency activity of carrying out and administering the function of clearing permit applications – being assessment and decision making on clearing permit applications and amendments to clearing permit applications under Part V Division 2 of the *Environmental Protection Act 1986* – by the number of clearing permit applications and amendment applications assessed, to provide the average cost.

Variance analysis

The lower average cost per Works Approval and Licence Application from compared to the target is mainly due to lower resource cost allocations resulting from revised cost allocations with a relatively higher number of Works Approval and Licence Applications decided. The increase compared to the prior year is mainly due to higher cost allocations resulting from additional resources to support compliance and enforcement activities with EP Act Part V activities and Indian Ocean Territories Agreement extension with the Commonwealth to 2025–26, more than offset by an increase in the number of Works Approval and Licence Applications decided.

The lower average cost per native vegetation clearing permit application compared to the target is due to lower resource cost allocations resulting from changed timing of grants expense for offset fund for Recovery, Native Vegetation Rehabilitation Scheme and Establishing and Maintaining Vegetation Offsets programs.

The increase from the prior year is due to higher cost allocations resulting from changed timing of grants expense for offset fund for Recovery, Native Vegetation Rehabilitation Scheme and Establishing and Maintaining Vegetation Offsets programs, more than offset by a relatively small increase in the number of native vegetation clearing permit applications decided during 2025–26.

Develop and implement policies and strategies that promote environmental outcomes

▶ Average cost per hour of policy advice and recommendations

Actual 2021–22 $	Actual 2022–23 $	Actual 2023–24 $	Actual 2024–25 $	**Target 2025–26 $**	**Actual 2025–26 $**
273	328	325	334	**525**	**338**

This measure of efficiency was established to reflect the cost per hour of policy advice. This is considered a relevant efficiency indicator as it:

- captures a significant function of the Department
- measures the amount of resources required to develop and implement policies and strategies
- is of interest as it shows the cost of policy development
- is relevant to the use of funds being expended to develop and implement strategic policy and legislation that promotes sustainable environmental outcomes.

The indicator is relevant to this service as they can track the efficiency of the policy development and implementation over time and provide a simple metric for users of the Department's budget statements and annual report.

The indicator is calculated by totalling the functional group costs associated with agency activity of carrying out and administering the function of providing policy advice and recommendations. The advice and recommendations relate to the development, review and amendment of environmental policy, national policy, primary and subsidiary legislation, and environmental programs, providing advice to the Minister and the State Government in relation to legislation administration. The total number of available FTE hours for the services is divided into the costs to provide an average cost per hour of policy advice and recommendations.

Variance analysis

The lower result compared to target is due to changes in timing of delivery of the Clean Energy Future Fund, Pilbara Environmental Offsets Fund, Murujuga Rock Art Strategy and Climate action and Climate Adaptation initiatives, as well as a relatively small increase in the number of hours (exceeded the target by 9,974 hours).



Waste avoided and the recovery of materials from landfill maximised.

▶ Cost of landfill levy compliance as a percentage of landfill levy income collected

Actual 2021–22 %	Actual 2022–23 %	Actual 2023–24 %	Actual 2024–25 %	**Target 2025–26 %**	**Actual 2025–26 %**
1.87	1.64	1.55	1.19	**1.70**	**1.39**

This measure of efficiency was established to reflect the cost of levy compliance as a percentage of the landfill levy income collected. This is considered a relevant efficiency indicator as it:

- measures the number of resources applied to the waste avoidance strategies and landfill diversion strategies
- is of interest as it shows the cost of managing the waste strategies
- is relevant to the use of funds being expended to develop and implement strategic policy and legislation that promotes sustainable environmental outcomes.

The indicator is relevant to the service as it can track the efficiency of managing waste strategies and provides a simple metric for users of the Department's budget statements and annual report.

The cost of landfill levy compliance as a percentage of landfill levy income collected is determined by totalling those functional group costs deemed relevant to the Department's activity of carrying out and administering the function of providing landfill levy compliance – being the administration of the landfill levy returns, auditing of those returns, processing of exemptions and undertaking inspections at a range of waste facilities, and carrying out unauthorised waste activity investigations. The indicator is calculated by dividing the cost of levy compliance by the amount of landfill levy income collected for the year.

Variance analysis

The lower result compared to the target is due to an increase in landfill levy income resulting from delays to the commissioning of Waste to Energy facilities, increasing the volume of waste to landfill as well as a relatively small decrease in dedicated resource monitoring and enforcing landfill levy compliance activities.

The increase in the result from the prior year is mainly due to updated waste levy volumes reflecting the timing of the diversion of waste to waste-to-energy facilities as well as a relatively small increase in the dedicated resource monitoring and enforcing landfill levy compliance activities.

Conduct, for the EPA, environmental impact assessments of significant proposals and schemes.

▶ Cost per standardised unit of assessment output

Actual 2021–22 $	Actual 2022–23 $	Actual 2023–24 $	Actual 2024–25 $	**Target 2025–26 $**	**Actual 2025–26 $**
45,444	79,177	102,998	79,259	**119,060**	**69,481**

While the variation in assessment complexity is reflected in the level of assessment set, several other factors affect how complex a proposal is to assess. To account for this range in difficulty, each assessment completed is assigned a weighting.

This indicator measures the efficiency of the Department's provision of EIA advice to the EPA rather than the Department's cost per hour. The total assessment complexity is calculated by summing the individual complexities allocated to each assessment according to their inherent characteristics.

The cost per standardised unit of assessment output is calculated by dividing the total cost of assessments (including an allocation of post-approval costs and a portion of costs for policy and administrative support) by the total complexity weighting of assessments completed during the budget year.

Variance analysis

The lower result compared to target and prior year is primarily due to a higher-than-expected assessment output. The Department delivered 406 standardised assessment units compared with a target of 300 units, improving efficiency by distributing assessment and support costs across a larger number of completed assessment units. This outcome was supported by 20 section 38 reports being finalised in 2025–26, the highest number finalised in more than 8 years.

Develop, for the EPA, statutory policies, guidelines, and strategic advice to manage environmental impacts and protect the environment.

▶ Cost per standardised unit of environmental management services output

Actual 2021-22 $	Actual 2022-23 $	Actual 2023-24 $	Actual 2024-25 $	**Target 2025-26 $**	**Actual 2025-26 $**
26,706	26,151	53,172	47,570	**61,879**	**62,148**

Due to the variation in complexity of environmental management services provided, an average cost per piece of advice provided would not fairly represent the Department's efficiency in providing such advice to the EPA. In fact, such a measure could provide a perverse incentive to produce many straightforward pieces of advice rather than tackling more complex issues that are more difficult to investigate. To account for this range in difficulty, each environmental management service completed is assigned a weighting.

This indicator measures the efficiency of the Department's provision of environmental management advice to the EPA rather than the Department's cost per hour.

The cost per standardised unit of environmental management services output is calculated by dividing the total cost of environmental management services (including an allocation of administrative support) by the total complexity weighting of environmental management services endorsed during the period.

Variance analysis

The increase from prior year is primarily due to a reduction in the number of standardised output units delivered. During 2025–26, resources were directed towards the development and delivery of a number of higher-complexity environmental management outputs, including policy, guidance and updates to the EPA's procedure suite. As these outputs require a greater level of effort and specialist input, fewer standardised units were completed during the year, resulting in a higher result.



Service 9: Compliance monitoring services to the Minister

Audit the compliance with conditions set under Ministerial approvals and undertake enforcement action as appropriate.

Compliance monitoring services to the Minister for Environment are provided by a dedicated Assurance directorate within the Department with support from other functions of the Department.

▶ Average cost per environmental audit completed

Actual 2021–22 $	Actual 2022–23 $	Actual 2023–24 $	Actual 2024–25 $	**Target 2025–26 $**	**Actual 2025–26 $**
51,684	148,276	336,373	112,958	**127,469**	**163,319**

The indicator is calculated by dividing the total cost (including an allocation of administrative overheads) allocated to compliance monitoring services by the total number of audits (not including desktop scans) completed during the period.

Variance analysis

The actual result is higher than the target and prior year primarily due to higher resource costs due to the nature of the environmental audits completed. The result was also impacted by a lower amount of environmental audits completed compared to both prior year and target.





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